

NTA and Monthly Update – February 2016

Company at a Glance

ASX Code	WMK
Fund Size	AU\$91.7m
Fund Strategy	Equity Market Neutral
Share Price	\$1.03
NTA Before Tax	\$1.07
Shares on Issue	84.1m
Dividend (HY16 Interim)	2.5 cents
Dividend (HY16 Interim Special)	1.0 cents
Dividend Yield (annualised)	4.8%

Net Tangible Asset (NTA) Backing

	Jan 16	Feb 16
NTA Before Tax	\$1.07	\$1.07
NTA After Tax	\$1.07	\$1.06
Dividend Declared (1¢ special)	-	(\$0.035)
NTA After Tax & Dividend (3.5¢)	\$1.07	\$1.02

Gross Portfolio Structure

	Jan 16	Feb 16
Long Exposure	93.7%	83.4%
Short Exposure	-88.6%	-88.8%
Gross Exposure	182.3	172.3
Cash	95.0%	105.4%

Month in Review

With very limited net exposure to the major themes buffeting global share markets in February, it was stock specific issues that weighed on performance during the month. The Company's portfolio fell by -2.2%, with a handful of positions in resources and related industries detracting most notably. Conversely, positioning in banking and insurance provided positive attribution. Global shares officially moved into bear market territory during February, having fallen over 20% from their peak. The question remains whether the recovery that began in the second half of February can be sustained, or whether it is a classic bear market rally. With a fully hedged portfolio, our challenge is to create value for shareholders through stock selection, irrespective of where markets move from here.

Healthcare names performed well during the month and a core short in this sector added to performance. Utilities and Telecom were also strong sectors. Origin Energy rallied strongly with the Oil price and the market reacted positively to news that Telstra had shelved plans for a new joint-venture in the Philippines, raising the potential for capital management initiatives.

The Fund retained a short exposure to the Banks through February, which fell on concerns of further deterioration in credit quality. The same trends are evident globally and we have initiated short positions in a select group of Canadian banks, which are exposed to mining and energy sectors and are only lightly provisioned should default rates tick up. Security selection was successful in insurance, with a key short position adding value following an earnings downgrade from the company.

Amongst cyclical names, interim profit results provided some big share price moves. Our holding in Breville Group rallied strongly after the company exceeded expectations for earnings and unveiled a new international growth strategy. A core position in Fairfax detracted from performance however, with weaker than expected performance from the company's print media assets offsetting the strong performance of Domain. We have added to this position, confident that the business is in good shape. Ardent Leisure shares fell in February following an average profit result and were trading at a significant discount to our valuation, providing an opportunity to invest in the company.

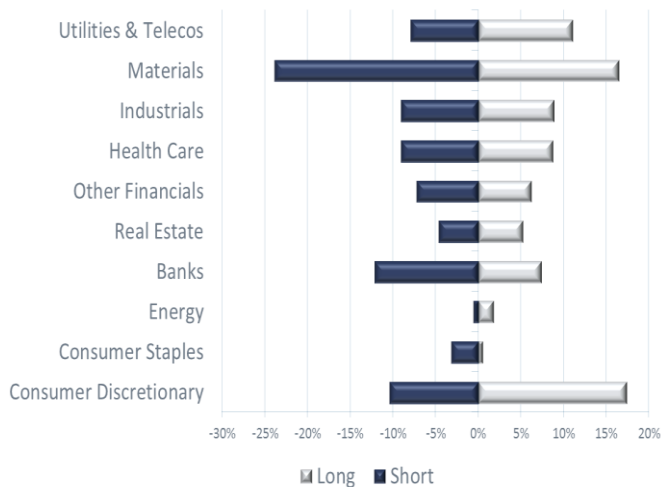
Stronger commodity prices saw resource names rebound during the month. Mooted OPEC supply cuts were the catalyst for a rebound in the price of oil, while positive Chinese economic data resulted in a bounce for most industrial metals. Stock specific issues; particularly in the gold sector, weighed on performance in the month. With some commodity prices having moved beyond our expectations for the longer term, we have been selling into the recent strength and are once again net short resources.

WMK Performance

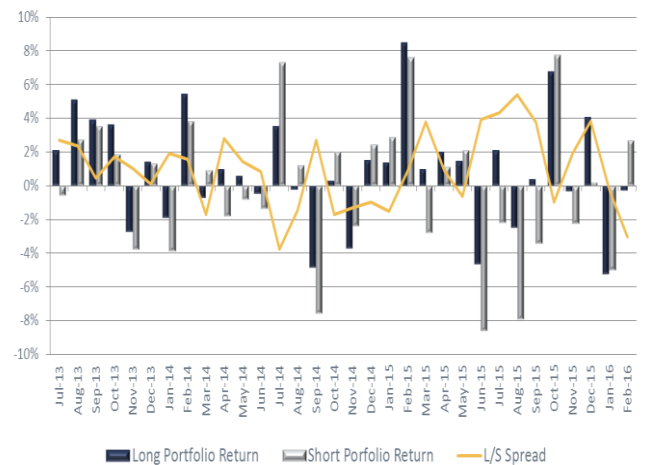
	1 Mth	6 Mths	FYTD	1 Yr	S.I. (pa)
Portfolio Return (net)	-2.2%	2.8%	11.1%	18.6%	7.8%
RBA Cash Rate	0.2%	1.0%	1.3%	2.1%	2.4%
Outperformance (net)	-2.4%	1.8%	9.8%	16.5%	5.5%



Sector Exposures

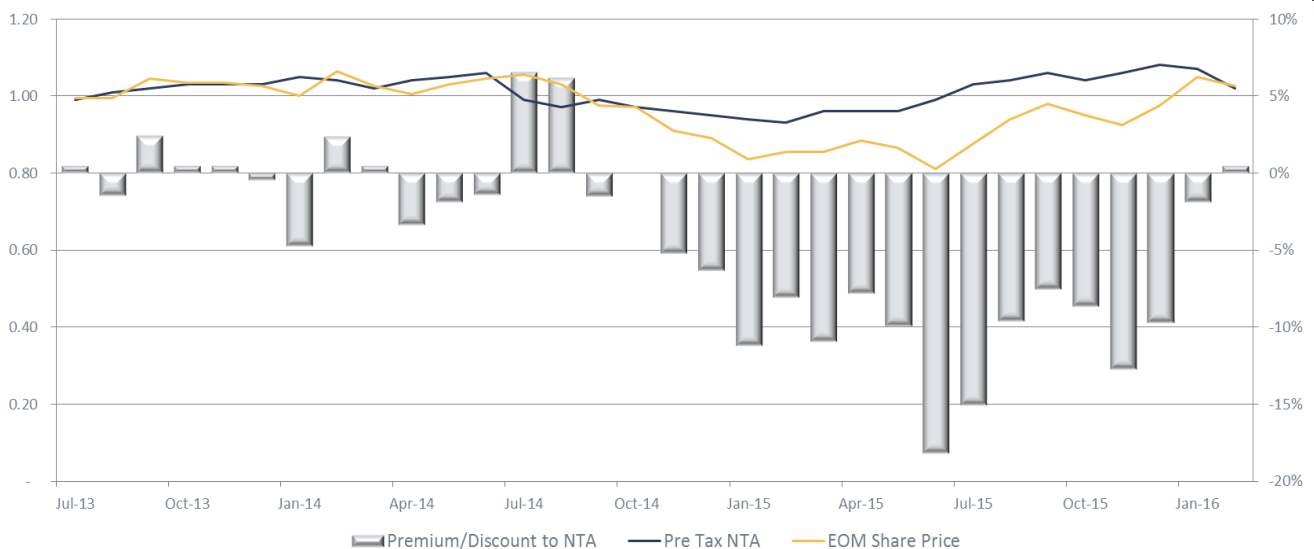


Long Short Spread*



* Long Short spread shows the gross monthly performance of the Company's long and short portfolios. The difference between the two represents the gross performance of the portfolio as a whole. The company will make a profit where the long portfolio outperforms the short portfolio, after the payment of fees and expenses

Premium/Discount to NTA History



Dividend History

The Board is committed to paying an consistent stream of franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and that it is within prudent business practices. Dividends are paid on a six-monthly basis. From time to time the board will offer a dividend reinvestment plan.

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