

# Global Masters Fund Limited

ABN 84 109 047 618

## Securities Trading & Insider Trading Policy

The Global Masters Fund Limited (GMF) Board of Directors has adopted a policy on dealings in the Company's securities by:

- Directors/Employees;
- Entities controlled by Directors or Employees; and
- The Manager of the Company

This policy permits the purchase or sale of GMF securities in the following periods:-

- a period of **five business days** commencing on the business day immediately following the announcement of the monthly NTA results;
- a period of **ten business days** commencing on the business day immediately following the announcement of the half-yearly results;
- a period of **ten business days** commencing on the business day immediately following the announcement of the annual results; and
- a period of **ten business days** commencing on the business day immediately following the Annual General Meeting

on the basis that the person purchasing or selling GMF securities is not in possession of price sensitive, confidential information regarding GMF that is not generally available at the time of the trade. This includes any information which, if generally available, a reasonable person would expect to have a material effect on the price of GMF securities.

When GMF securities are purchased or sold by **Directors and Employees** (including trades done on behalf of their spouses, family, associated trusts), **entities controlled by Directors or Employees** and **the Manager** within the above periods, the form in **Schedule A** must be completed and sent to the Company Secretary as appropriate, within two business days of the trade occurring.

It is not permitted to purchase or sell GMF securities at other times without **prior consent** of the Board. To request consent of the Board, the form in **Schedule B** needs to be completed and sent to the Company Secretary as appropriate.

This policy does not preclude Directors, Employees, entities controlled by Directors and Employees, and the Manager of the Company from taking up or renouncing an entitlement to GMF securities or participating in a Share Purchase Plan or Dividend Reinvestment Plan, if so available.

Where extraordinary circumstances exist, the Company Secretary and/or the Managing Director may make a determination to allow or disallow a request outside a meeting of the Board.

GMF is an emerging participant in the investment funds management sector of the financial services industry and consequently places critical importance on its Directors/Employees complying with all securities trading laws. The Board believes that any transgression of these laws could seriously damage the Company's reputation generally and relationship with individual shareholders specifically. This policy is designed to protect the Company's reputation and business by providing for orderly dealings by Directors/Employees in the Company's shares at times when all price sensitive information is likely to have been disclosed to the market. Accordingly, adherence to this policy is vitally important, and any breach will be regarded very seriously. Unless an Employee who breaches the policy provides a written statement promptly after being requested to do so demonstrating to the satisfaction of the Board that the breach was inadvertent or there were exceptional circumstances justifying the breach, the breach will be grounds for summary dismissal.

Where the Board decides to terminate the employee's employment any share options which have not vested with the employee will also be cancelled in addition to any other benefits.

## **Insider Trading – Policy and Procedures**

### **Basic prohibition**

Under Australian securities law as contained in the **Corporations Act 2001 (CA)**, a person knowingly in possession of inside information may not subscribe for, buy or sell (or procure someone else to subscribe for, buy or sell) securities or “tip” another person who then trades. In addition, if that person is a director or employee of a company, and the inside information came into his or her possession in the course of the performance of his or her duties in that capacity, the company itself is under a corresponding prohibition. The prohibitions against trading remain in effect until the inside information has become generally available or is no longer material.

The law relating to inside information as contained in CA division 3 (the insider trading prohibitions) is complex, and you should consult with the Company Secretary addressing particular situations. The following is a summary of the insider trading prohibition in the context of the business of GMF.

### **Who is and ‘insider’?**

A person is an “insider” for the purpose of the insider trading prohibitions, if:

- a) he or she possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of (Division 3) financial products (as defined).
- b) The person knows, or ought reasonably to know, that:
  - i. The information is not generally available; and
  - ii. If the information were generally available, it might have a material effect on the price or value of those (Division 3) financial products.

As already mentioned, if a director or employee is an “insider” in the above sense by virtue of coming into possession of “information” in the course of his or her duties, then GMF thereby itself becomes an “insider”. That is because, under the insider trading prohibitions, GMF is taken to possess any information which a Director or staff member of GMF possesses, and which came into the person's possession in the course of his or her duties in that capacity.

### **To what “(Division 3) financial products” does the insider trading prohibitions apply?**

“Financial product” is defined in CA s1042A as meaning:

- a) Securities: or;
- b) Derivatives: or;
- c) Managed investment products: or;
- d) Superannuation products, other than those prescribed by regulation made for the purposes of this paragraph: or;
- e) Any other (Division 3) financial products that are able to be traded on a financial market.

**The law in relation to Insider Trading is not only applicable to acts in Australia.**

CA s1042B in respect of the Insider trading prohibitions applies to:

- a) Acts and omissions within Australia in relation to (Division 3) financial products (regardless of where the issuer of the products is formed, resides or located and of where the issuer carries on business) and
- b) Acts and omission outside Australia in relation to (Division 3) financial products issued by: a person who carries on business in Australia or a body corporate that is formed in Australia.

**What must an 'insider' not do?**

An insider must not:

- a) Deal in the (Division 3) financial products; or
- b) Procure another person to deal in the relevant (Division 3) financial products.

In addition, where the relevant (Division 3) financial products are listed on the ASX or any other stock exchange, the insider must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person, if the insider knows, or ought reasonably to know, that the other person would or would be likely to:

- a) Deal in the relevant (Division 3) financial products; or
- b) Procure another person to deal in the relevant (Division 3) financial products.

“Deal” in this context means apply for, acquire, or dispose of, relevant (Division 3) financial products or enter into an agreement to apply for acquire, or dispose of relevant (Division 3) financial products.

**What is “information”?**

“Information” is not confined to matters of fact; it is expressly defined in the insider trading prohibitions as including:

- a) Matters of suppositions and other matters that are insufficiently definite to warrant being made known to the public; and
- b) Matters relating to the intentions or likely intentions of a person.

**What is “inside information”?**

Information is “generally available” for the purposes of the insider trading prohibitions if:

- a) It consists of readily observable matter (e.g. facts and matters readily observable in the public domain); or
- b) It has been made known to, and absorbed by, the market, which, for the purposes of the insider trading prohibitions, requires that:
  - i. The information has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in (Division 3) financial products of a kind whose price or value might be affected by the information (e.g. by announcement to a stock exchange or the press); and
  - ii. Since it was made so known, a reasonable period for it to be disseminated among such persons has elapsed.

- c) Information is also generally available if it consists of deductions, conclusions or inferences made or drawn from either or both of:
- i. Information consisting of readily observable matter (a); or
  - ii. Information already in the market in the sense of (b)(i) above.

### **What information is “price sensitive”?**

Information is “price sensitive” if it is information which, if it were generally available, a reasonable person would expect it to have a material affect on the price or value of the relevant financial products. The insider trading prohibitions refines the meaning of that concept by providing that a reasonable person could be taken to expect information to have a material effect on the price or value of (Division 3) financial products, if the information would, or would be likely to, influence persons who commonly invest in (Division 3) financial products in deciding whether or not to acquire or dispose of the first-mentioned (Division 3) financial products.

In other words, if information would or would be likely to influence a habitual investor in making an investment decision, the information is “price sensitive”.

### ***Examples of information that could be price sensitive include (but are not limited to):***

- o Mergers, acquisitions, takeover bids, or restructurings;
- o Securities offerings or buy-backs;
- o A change in earnings or dividends (or estimates of same);
- o Significant new business products, discoveries, or services, or loss of any of them;
- o A change in an issuer’s credit rating by a rating agency;
- o Significant shifts in operating or financial circumstances such as cash-flow reductions, major write-offs, changes in accounting methods, or strikes at major plants;
- o Appointment of a receiver, administrator or liquidator;
- o Significant litigation or litigation developments;
- o Government developments that could affect securities markets.

### **How is GMF like to become an “insider”?**

It has already been noted that, for the purpose of the insider trading prohibitions, GMF is taken to be in possession of information possessed by any of its officers which come into the relevant officer’s possession in the course of his or her duties in that capacity.

The kinds of ways in which an officer of GMF could in that capacity come into possession of price sensitive information which is not generally available include (but are not limited to):

- o Contact with stockbrokers and analysts;
- o Visits to corporate issuers;
- o Institutional investor briefings by corporate issuers;
- o Approaches on behalf of corporate issuers to participate in a proposed placement;
- o Approaches by underwriters to sub-underwrite a proposed issue.

**Schedule A**

**Global Masters Fund Limited Securities Trading**

**Name:** \_\_\_\_\_

**Account name:** \_\_\_\_\_

**Details of the trade:**

- Purchase or sale \_\_\_\_\_
- Number of securities traded \_\_\_\_\_
- Total consideration (dollar amount paid/received) \$ \_\_\_\_\_
- Date traded \_\_\_\_\_

The above securities were traded in accordance with the Securities Trading Policy. The trade occurred within the timeframes allowed in this policy.

I was not aware of any price sensitive, confidential information regarding Global Masters Fund Limited (GMF) that is not generally available at the time of the above trade. This includes any information which, if generally available, a reasonable person would expect to have a material effect on the price of GMF securities.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule B**

**To:** The Board of Global Masters Fund Limited

**From:** \_\_\_\_\_

I would like to request that the Board consider an application to trade in Global Masters Fund Limited securities outside of the periods allowed by the Securities Trading Policy.

I would like to buy / sell \_\_\_\_\_ (number of securities) Global Masters Fund Limited securities.

Account name: \_\_\_\_\_

My reasons for wanting to trade these securities outside of the periods allowed are detailed below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I understand that:

- o If consent is given, I must trade within ten business days of consent being provided;
- o I cannot trade if I am aware of any price sensitive confidential information regarding Global Masters Fund Limited (GMF) that is not generally available. This includes any information which, if generally available, a reasonable person would expect to have a material effect on the price of GMF securities; and
- o The decision of the Board is final and no further discussion will be entered into.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Consent provided: Yes / No

Signed on behalf of the GMF Board: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_