

## **Conflict of interest and Share Trading Policy**

### Overview

The Conflict of Interest and Share Trading Policy (policy) applies to the directors, executives and related entities of directors and executives of all portfolios and trusts managed by Elstree Investment Management Ltd (Elstree).

### Definitions

Directors means executive director of Elstree.

Related entity. Related entity includes, spouse or partner of director, children of director, nominees managing funds on behalf of a director, a company where a director or family member of a director has control, partnership or trust where the director is a beneficiary.

What is a security? A security means a share or other instrument considered by the Corporations Act to be a security.

What is a derivative? A derivative is a derivative of a security and includes futures and options.

What is a transaction? A transaction includes the subscribing for, redeeming, buying or selling or otherwise transferring the beneficial ownership or interest in a security or derivative.

Transaction window. Transaction window is the period during which directors and related entities may transact in portfolios and trusts managed by Elstree.

What is distress? Distress is when the market in aggregate has declined in value as calculated by the Elstree Investment Management Hybrid Index by 5% or greater than 5% in any one month rolling period.

What is a credit event? A credit event is an event of default of one of the securities owned by the fund.

### Intention

The primary purpose of this policy is to protect unit holders from loss of value resulting from transactions conducted by directors or related entities of Elstree executed on the basis of information obtained during the course of their duties which is not available to the broader investment community. This information relates not only to the redemption, sale or purchase of units in portfolios or trusts managed by Elstree by directors and related entities but also to

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securities and derivatives in which portfolios or trusts managed by Elstree have an interest in or may have an interest in.

The secondary purpose of this policy is to protect the reputation and business value of Elstree from any loss of value that might follow inappropriate or illegal actions by directors or related entities.

#### Application of policy

This policy can be divided into two categories:

- Trading by directors and related entities on information not available to the public in portfolios and trusts managed by Elstree and
- Trading by directors and related entities in securities or derivatives used by Elstree in the management of portfolios and trusts.

Trading on information not available to the public refers to the redeeming, selling or buying of units in portfolios and trusts managed by Elstree based on the knowledge of the Net Asset Value (NAV) of those portfolios or trusts before they have been published or before the announcement of other market events that are likely to impact the NAV.

Trading by directors and related entities in securities and derivatives refers to the sale or purchase of securities or derivatives by directors and related entities in advance of orders in securities or derivatives used in the management of unit holder funds where Elstree is buying or selling the security or derivative or where it is likely to buy or sell the security or derivative.

#### Transaction window for Directors and related entities in portfolios and trusts managed by Elstree.

Transactions in portfolios and trusts managed by Elstree may only be conducted by directors and related entities of Elstree in the 5 business days immediately following the release to the public of a portfolio or trust's NAV.

Details of transactions by directors and related entities in portfolios and trusts managed by Elstree are to be immediately communicated to the director responsible for Compliance and Administration.

Details of transactions by directors and related parties in listed trusts managed by Elstree are published at the ASX within the prescribed period as determined by the listing rules.

Notification to the Director responsible for Compliance and Administration should include an explanation or rationale behind the transaction.

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If, during the transaction window, the market is in distress or there is an instance of a credit event or any other market related event that is likely to impact significantly on the value of portfolios or units in trusts managed by Elstree, directors and related entities should refrain from conducting any transactions in portfolios or trusts managed by Elstree until all relevant information is in the public domain.

#### Prohibition on securities and derivatives used in the management of unit holder funds

The directors and related entities of Elstree are prohibited from conducting transactions in those securities and derivatives that are used in the management of portfolios or trusts managed by Elstree where Elstree is buying or selling the security or derivative or where Elstree is likely to buy or sell the security or derivative at that time.

#### Dealing by directors and related entities in securities and derivatives used in the management of portfolios and trusts managed by Elstree

A director or related entity is permitted to transact in a security or derivative where Elstree is not buying or selling or contemplating buying or selling that security or derivative.

Verification must be sought and communicated to the director responsible for Compliance and Administration that Elstree is not conducting or contemplating conducting transactions in such securities or derivatives at that time.

The timing of verification must be documented and recorded by the director responsible for Compliance and Administration.

A register of transactions in securities and derivatives made by directors and related entities is maintained by the director responsible for Compliance and Administration. The register must include proof that verification was sought. An explanation or rationale behind the transaction must accompany the proof.

#### Exemptions

This policy does not apply to trading in portfolios or trusts managed by Elstree or securities or derivatives used by Elstree in the management of unit holder's funds that maybe held by a managed security or fund where a director or related entity is not in a position to influence the portfolio of investments.

This policy does not apply to units purchased by directors or related entities via the dividend reinvestment plan (DRP) of portfolios or trusts managed by Elstree.

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Any Transactions

Details of all transactions of directors and related entities are to be included in the register and tabled in the quarterly report prepared for the Risk Management Committee.

Yours sincerely,

Norman Derham (Company Secretary)

