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as Responsible Entity for Galileo Japan Trust
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29 December 2010

ASX / Media Release

**GALILEO JAPAN TRUST
GJT SECURITIES TRADING POLICY**

In accordance with new Listing Rule 12.9, please find attached a copy of Galileo Japan Trust (ASX code: GJT) Securities Trading Policy.

Further information on Galileo Japan Trust is available at www.galileofunds.com.au

ENDS

Investor and media enquiries:

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Company Secretary
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Securities Trading Policy

29 December 2010

1. Introduction

This guidance note sets out the policy of Galileo Japan Funds Management Limited (the *RE*) on the sale and purchase of securities. For the purposes of this policy, securities in the Galileo Japan Trust (the *Trust*) include:

- (a) units in the Trust (*units*);
- (b) options over units;
- (c) derivatives in respect of units; and
- (d) any other tradeable financial product in respect of units,

by the RE's directors and employees.

Directors and employees are encouraged to be long-term holders of the Trust's securities. However, it is important that care is taken in the timing of any acquisition or disposal of securities in the Trust.

The purpose of this note is to assist directors and employees to avoid conduct known as 'insider trading'. In some respects, this policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth) (the *Corporations Act*).

This note provides a basic explanation of what constitutes insider trading and the RE's policy to prevent it, including:

- a description of what conduct may constitute insider trading;
- a description of the safest times for directors and employees to buy or sell securities in the Company in order to minimise the risk of insider trading; and
- the steps for directors and employees to take when buying or selling securities in the Company.

2. What is insider trading?

2.1 Prohibition

In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of tradeable financial products (ie, information that is 'price sensitive'); and
- (b) that person:
 - (i) buys or sells tradeable financial products;

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- (ii) procures someone else to buy or sell tradeable financial products; or
- (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the tradeable financial products or procure someone else to buy or sell the tradeable financial products of the company.

Information is generally available where the information is:

- readily observable; or
- made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in the tradeable financial products and a reasonable period has elapsed to allow the information to be disseminated; or
- able to be deduced, concluded or inferred from those types of the information.

2.2 Penalties

Insider trading is a criminal offence.

The criminal penalties for a breach of the insider trading prohibition include:

- for an individual – a jail term of up to 10 years and/or a fine up to the greater of \$495,000 and three times the profit gained or loss avoided; and
- for a corporation – a fine up to the greater of \$4,950,000, three times the profit gained or loss avoided and 10% of the corporation's annual turnover during the relevant period.

In addition, the insider trader, and any other persons involved in the contravention, may also be liable to compensate third parties for any resulting loss.

2.3 Examples of price sensitive information

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if it has not already been disclosed to the market and if it were made available to the market, may be likely to affect materially the price of the Trust securities:

- the Trust considering a major acquisition or disposal of assets;
- the threat of major litigation against the Trust;
- the Trust's financial results materially exceeding (or falling short of) the market's expectations;
- a significant new development proposal;
- the likely granting (or loss) of a major contract or government approval;
- a proposed distribution or change in distribution policy;
- a proposed new issue of units in the Trust;
- a significant change in senior management of the RE.

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2.4 Dealing through third parties

A director or employee of the RE can still be guilty of insider trading in relation to the Trust's securities even though they are not the actual person who bought or sold the securities. The prohibition extends to:

- dealings by directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies; and
- directors and employees procuring third parties to deal in the Trust's securities, which includes inducing or encouraging those third parties to deal.

2.5 Information however obtained

It does not matter how or where the person obtains the information - it does not have to be obtained from the Trust to constitute inside information.

2.6 Insider trading prohibition and this policy

The guidelines for permissible trading in the Trust's securities (set out in section 3 below) must be read subject to the insider trading provisions of the Corporations Act summarised above. Even if a trading window is open, if a director or employee has been given approval to trade, or if the trade is excluded from the operation of this policy, if the relevant director or employee has inside information they must not apply for, buy or sell the Trust's securities, procure another person to do any of those things, or communicate the inside information to others.

2.7 Dealings that are excluded from this policy

Employee schemes

Subject to the insider trading provisions of the Corporations Act, a director or employee of the RE may at any time make:

- (a) applications for; and
- (b) acquisitions under those applications of, the Trust's securities under employee equity plans.

However, directors and employees may not subsequently dispose of Trust securities acquired under those employee equity plans other than in accordance with this policy and the insider trading provisions.

3. Guidelines for trading in the Company's securities

3.1 General rule

Directors and employees of the RE should not buy or sell securities in the Trust when they are in possession of price sensitive information relating to the Trust which is not generally available to the market.

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3.2 No short-term trading in the Trust's securities

It is also contrary to the RE's policy for directors and employees to be engaged in short-term trading of the Trust's securities.

3.3 No Price Insurance

It is also contrary to the RE's policy for directors to seek or enter into derivative contracts that hedge their exposure to movements in the price of the Trust's securities.

3.4 Appropriate time to deal in the Trust's securities

In the past, the view has been that it is safest to trade in a company's securities during 'window' periods immediately following the release of information to the public; for instance, in the period following the Annual General Meeting or the release of the annual or half-yearly results.

However, public listed companies and other disclosing entities such as the Trust are now required by statute to disclose price sensitive information on an on-going basis. Therefore, it is no longer relevant to refer to specific 'window' periods during which it is safest to trade in a company's securities.

There are, however, certain carve-outs from a listed company's continuous disclosure obligation (such as where the information relates to confidential and incomplete negotiations of a material transaction). Accordingly, directors and employees cannot assume that they are always free to trade for this reason.

The only appropriate time for a director or employee to acquire or sell the Company's shares is when he or she is not in possession of price sensitive information which is not generally available to the market.

3.5 Black-out periods

To avoid any adverse inference being drawn of unfair dealing, directors and employees should not deal in the Trust's securities during a "Black-out period".

A Black-out period is:

- the four week period immediately before the release of the half-year results until one full trading day has elapsed from the time and date at which the half-year results are released;
- the four week period immediately before the release of the full-year results until one full trading day has elapsed from the time and date at which the full-year results are released;
- the four week period immediately before an Annual General Meeting until one full trading day has elapsed from the time and date at which the Annual General Meeting is held.

The Board may also impose additional non-trading periods at any time by notice.

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3.6 Prior written clearance in exceptional circumstances

During a Black-out period, a director or employee, who is not in the possession of inside information, may request prior written clearance from the Chairman (in the case of directors) or the Chief Executive Officer (in the case of the Chairman or an employee) (the **Designated Officer**), to sell or otherwise dispose of securities in the Trust where:

- the restricted person is in severe financial hardship; or
- there are other exceptional circumstances,

and the proposed sale or disposal is the only reasonable course of action available.

(a) Severe financial hardship

A director or employee may be considered to be in severe financial hardship if he or she has a pressing financial commitment which cannot be satisfied, except through the sale of securities in the Trust.

(b) Determination

Whether a director or employee is considered to be in severe financial hardship, or there are other exceptional circumstances which warrant clearance to sell or otherwise dispose of securities in the Trust, is a determination that can only be made by the Designated Officer.

(c) Form

The written clearance issued by the Designated Officer may be in any written form (including by email).

(d) Duration

A director or employee may be given written clearance to sell or otherwise dispose of Trust securities for a period of up to 3 business days, at the discretion of the Designated Officer.

4. Disclosure policy

Any director or employee wishing to buy or sell the Trust securities **must** advise the Chairman (in the case of directors) or the Chief Executive Officer (in the case of the Chairman or an employee) of their intention to do so **before** buying or selling the securities. This requirement extends to any intended trading by family members, where the director or employee is aware of such intended trading. This notification obligation operates at all times.

Directors and employees **must not** buy or sell the Company's securities until approval has been given by the Chairman or Chief Executive Officer.

Confirmation should be provided that the securities were bought or sold by directors, employees and, if they are aware, their family members.

This procedure should prevent potential embarrassment and adverse publicity relating to trading in the Trust's securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.

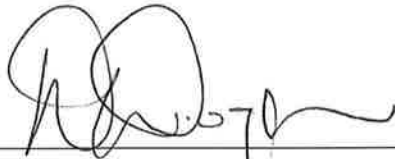
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5. ASX notification by directors

Directors should note that the Corporations Act obliges a director to notify the ASX within 14 days after any dealing in the Trust's units (either personally or through a third party) which results in a change in the relevant interests of the director in units of Trust.

In addition, under the ASX Listing Rules the RE is required to notify the ASX of such dealings within 5 business days of such dealings taking place. Directors have agreed with the RE to provide notice of such dealings to the RE as soon as possible after such dealing to enable the Trust to comply with its obligations under the Listing Rules. A notice given by the Trust to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act.

Any director requiring assistance in this regard should contact the Company Secretary.



Amended by the Board on **29 December**
2010

Company Secretary