

9 May 2018

Clare Porta
Adviser, Listings Compliance
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Ms Porta

Cordish Dixon Private Equity Fund II – Appendix 3Y – Change of Director’s Interest Notice

On 7 May 2018 you raised a number of queries regarding the purchase of 7,463 fully paid units in Cordish Dixon Private Equity Fund II (**CD2**) by Warwick Keneally on 19 April 2018. Walsh & Company Investments Limited (**Walsh & Co**) as responsible entity for CD2 provides the information below in response to your queries.

1. *Did Mr Keneally comply with section 1.6 of the Trading Policy and notify the Company Secretary in writing of his intention to carry out the On-market Transaction before entering into it? If not, why not?*

Mr Keneally complied with section 1.6 of the Trading Policy by providing notice to a delegate of the company secretary.

Walsh & Co’s compliance procedures require that all employees (including Mr Keneally and other directors of Walsh & Co) give prior notice of all proposed trades in listed entities for which Walsh & Co acts as responsible entity. The compliance team, as delegate for the company secretary, reviews all notices and determines whether the trade is to be undertaken outside or within a closed period. If the trade is to be undertaken outside a closed period, the relevant employee receives confirmation that the trade is permitted. If the trade is to be undertaken in a closed period, the employee is advised of this and, if the employee wishes to proceed notwithstanding this, the employee seeks approval from the board in accordance with section 1.8 of the Trading Policy.

In this instance, due to an administrative oversight by a member of the compliance team, Mr Keneally was advised that he was able to proceed and Mr Keneally undertook the trade.

2. *Did the Company Secretary confer with the Chairman of the Board in relation to the proposed On-market Transaction in accordance with section 1.6 of the Trading Policy? If not, why not?*

The company secretary did not confer with the Chairman as she was not informed of the proposed on-market transaction by the compliance team.

3. *Did the Secretary and/or Board grant approval (written or otherwise) to Mr Keneally to carry out the On-market Transaction that took place during a closed period? If so, on what basis did it do so? If not, why not?*

Neither the company secretary nor the board granted approval to Mr Keneally to carry out the on-market transaction as neither was informed of the proposed transaction.

4. *In the Announcement, the Entity stated that “it would have been open to the responsible entity to approve that trade.” Please explain why this is the case (with reference to section 1.8 of the Trading Policy).*

Walsh & Co is presently undertaking a review of its Trading Policy to bring it into line with other listed investment vehicles. As presently drafted, the Trading Policy establishes a closed period in respect of the period from the end of a reporting period to the release of the financial results for that period. This is more restrictive than trading policies of other listed investment vehicles which permit trading at all times on the basis that the market is kept fully informed by the issue of net tangible asset backing per security announcements.

Walsh & Co accepts that, in this instance, there were no exceptional circumstances within the meaning of Section 1.8 of the Trading Policy that justified the release of the trading restrictions. However, it was always open to Walsh & Co to amend its Trading Policy to permit the trade to proceed. Mr Keneally was not in possession of inside information and so was not restricted by the insider trading provisions of the Corporations Act from trading.

5. *In the Announcement, the Entity stated that “notwithstanding this administrative error, the responsible entity considers its internal processes adequate and that this error was an isolated incident.” Please explain (with reference to the Trading Policy) why this is the case, and why the board of the Entity has not taken, or is not proposing to take, any disciplinary or remedial action in relation to the apparent breach of the Entity’s Trading Policy?*

The procedure whereby the compliance team is tasked with monitoring strict adherence to the Trading Policy as a delegate for the company secretary is directed at avoiding an accidental breach of the Trading Policy. By having an additional level of oversight, there is less risk of an employee trading without being aware of the restrictions imposed by the Trading Policy. However, in this instance that process did in fact fail. Mr Keneally acknowledges that he has breached the Trading Policy as it applies to him and it is incumbent on him to be aware of the closed periods and to either not trade or to seek approval in accordance with Section 1.8 of the Trading Policy. In this case, Mr Keneally believed – incorrectly – that he was not trading in a closed period due to an error by the compliance team.

Both Mr Keneally and the relevant member of the compliance team have been reminded of the importance of strict compliance with the Trading Policy. Walsh & Co has also initiated a staff training program to ensure that all staff subject to the Trading Policy are aware of their obligations under the policy. Finally, to provide an additional level of protection, prior notice of all trades will be provided to the company secretary at the same time as notice is given to the compliance team.

Mr Keneally accepts that he has breached the Trading Policy and will sell the units acquired on-market at the earliest opportunity after he becomes able to sell the units in accordance with the Trading Policy. Mr Keneally will donate an amount equal to any profit generated on the sale to charity.

6. *Please confirm that the Entity’s responses to the questions above have been authorised and approved by its board.*

Walsh & Co’s responses to the questions above have been authorised and approved by its board.

Please let me know if you require anything further regarding this issue.

Yours sincerely

Hannah Chan
Company Secretary
Walsh & Company Investments Limited
As responsible entity for the Cordish Dixon Equity Fund II

7 May 2018

Ms Hannah Chan
Company Secretary
Cordish Dixon Private Equity Fund II
Level 15
100 Pacific Highway
North Sydney NSW 2060

By email

Dear Ms Chan,

Cordish Dixon Private Equity Fund II: Appendix 3Y – Change of Director’s Interest Notice

ASX Limited (“ASX”) refers to the following:

1. The announcement by Walsh & Company Investments Limited as responsible entity for Cordish Dixon Private Equity Fund II (the “Entity”) entitled “Change of Director’s Interest Notice - Warwick Keneally” lodged on the ASX Market Announcements Platform on 27 April 2018 (the “Announcement”). The Announcement disclosed:
 - A. The on-market purchase of 7,463 fully paid ordinary units in the Entity by an entity associated with Mr Keneally, a director of the Entity, on 19 April 2018 (the “On-market Transaction”);
 - B. The units were traded during a closed period; and
 - C. The units were traded without written clearance being provided to allow the trade to proceed during the closed period.
2. The Entity’s unit trading policy lodged on the ASX Market Announcements Platform on 28 July 2016 (the “Trading Policy”) which is also available on the Entity’s website and which states, among other things, the following:

“1.1. Unit Trading Policy

The Board has established the following policy to apply to trading in the Fund’s units on the ASX. This policy applies to those persons defined below as Restricted Persons of the Fund.

Restricted Persons to whom this policy applies must restrict their buying and selling of Fund’s units within the Fund trading window established by this policy...

1.2. Executive restrictions on trading

This Unit Trading Policy and the restrictions on trading in units of the Fund set out below applies to the following representatives of the Fund (Restricted Persons):

(a) the Board....

The Restricted Persons are to be subject to restrictions on trading in the Fund’s units at certain times of the year...

1.4. Prohibition on Executives dealing in units

In addition to the overriding prohibition on dealing when a person is in possession of inside information in accordance with the Insider Trading Policy, Restricted Persons and their associated parties are prohibited (unless otherwise agreed to by the Board) from dealing in units during:

- (a) each period between the end of the annual reporting period and 48 hours immediately after the date upon which the Fund releases its annual financial statements to the ASX....

1.6. Notification rules in relation to dealing in units

Restricted Persons are required to notify the Fund of intended dealings in units, by themselves or their associated parties, of the Fund prior to such intended dealings. This should be done by written notice to the Secretary outlining:

- (a) name of unitholder;
(b) type of proposed transaction (purchase, sale, etc.); and
(c) number of units involved.

The Secretary may confer with the Chairman of the Board in relation to any proposed dealing...

1.8. Exceptional Circumstances

Where, in exceptional circumstances, and it is the only reasonable course of action available to a Restricted Person (e.g. a pressing financial commitment that cannot be satisfied otherwise) clearance may be given for the Restricted Person to sell (but not to purchase) units in the Fund when that person would otherwise be prohibited from doing so.

In this section 1.8, "exceptional circumstances" means severe financial hardship, a court order (or court enforceable undertaking), or some other overriding legal or regulatory requirement, to transfer or sell units in the Fund, or other circumstances that may be deemed exceptional by the Board. For example, a Restricted Person may be in severe financial hardship if he or she has a pressing financial commitment that cannot otherwise be satisfied....

The Board will decide if circumstances are exceptional...

3. *Guidance Note 27: Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors' interests and transactions in securities, and *Guidance Note 22: Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies.

ASX notes the Announcement disclosed that the On-market Transaction took place during a closed period.

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks the Entity to respond separately to each of the following questions.

1. Did Mr Keneally comply with section 1.6 of the Trading Policy and notify the Company Secretary in writing of his intention to carry out the On-market Transaction before entering into it? If not, why not?
2. Did the Company Secretary confer with the Chairman of the Board in relation to the proposed On-market Transaction in accordance with section 1.6 of the Trading Policy? If not, why not?
3. Did the Secretary and/or Board grant approval (written or otherwise) to Mr Keneally to carry out the On-market Transaction that took place during a closed period? If so, on what basis did it do so? If not, why not?
4. In the Announcement, the Entity stated that "*it would have been open to the responsible entity to approve that trade.*" Please explain why this is the case (with reference to section 1.8 of the Trading Policy).
5. In the Announcement, the Entity stated that "*notwithstanding this administrative error, the responsible entity considers its internal processes adequate and that this error was an isolated incident.*" Please explain (with reference to the Trading Policy) why this is the case, and why the board of the Entity has not taken, or is not

proposing to take, any disciplinary or remedial action in relation to the apparent breach of the Entity's Trading Policy?

6. Please confirm that the Entity's responses to the questions above have been authorised and approved by its board.

When and where to send your response

Your response is required as soon as reasonably possible and, in any event, **by not later than 9.30am (AEST) on Wednesday, 9 May 2018.**

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow ASX to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Clare Porta

Adviser, Listings Compliance (Sydney)