

# Trading and Performance Policy

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Please be advised that past performance is not a reliable indicator of future performance. The value of your investment may rise and fall, and you may not receive the amount originally invested. At Rivkin, we run model accounts to simulate performance of the retail portfolios (The Rivkin Report) and our managed solutions, SMAs and Wholesale products. Your performance might differ to the one disclosed in our website and reports due to a number of factors such as investment amount, entry/exit time & price, FX, brokerage and other transaction costs.

In this document you will find relevant information you need to know about how when judging investment performance.

## Real vs Back-tested Results

Back-testing is a process whereby an investment strategy is simulated over historical stock market data to determine how the strategy would have performed if it had been run over that time period. Back-testing results are best applied to wholly systematic strategies (i.e., they follow a fixed sets of rules) as it can provide a statistical guide to future expected performance.

Real results come from a live trading account that has followed that investment strategy, they are based on actual trading.

## Fees and Charges

Performance can be presented both including or excluding fees and charges such as brokerage. As different brokers charge different rates it is important to understand whether the performance results presented are gross (before fees) or net. Performance presented gross of fees allows you to adjust your evaluation based on your brokerage rates. Other things to consider are management and performance fees if you are investing under a managed scheme.

## Currency

The currency of the investment and the currency that the performance is another factor that must be considered. Returns can differ when performance is presented in different currencies due to the effect of exchange rates. You should determine whether an investment strategy has been hedged back into your home currency.

## Types of performance data

There are two main types of performance data, the first based on trade statistics and the second based on the equity curve.

Trade statistics evaluate the overall performance of a portfolio/strategy measuring each and all trade objectives. For example: No of trades, trades duration, win/loss Ratio, average win size, average loss size, among others.



An Equity Curve is a *graphical representation of the change in the value of a trading account over a time period*. An equity curve allows the calculation of certain indicators such as: Month, financial year, quarter, rolling returns, annual average return, volatility, max drawdown %, etc.

The appropriateness of each type of performance data will depend on how a portfolio has been designed and followed. If you are unsure about how to interpret performance shown in our website or reports, please contact your account manager on +61 2 8302 3650.

## Our staff and proprietary trading policy

Related parties of Rivkin Securities Pty Ltd and/or Tarfaya Nominee Pty Ltd (hereon 'Rivkin') must ensure at all times that they act in the interests of Rivkin Clients, within the boundaries of Rivkin's statutory and regulatory obligations, and meet the expectations set out by such brand promises as respect, family, and transparency.

It is also important that Rivkin nurtures a culture of participation, whereby employees and directors utilise the very Rivkin products that they create, in order to increase their own wealth and secure unrestricted life choices, in accordance with the Rivkin vision. This process aligns the interests of those who work in and operate the Rivkin business with the members who we work so hard to benefit from our products.

This Policy states the rules by which a Rivkin staff member or related party must abide in relation to the publication of general advice and dealing in securities and derivatives.

### RELATED PARTIES

The following Related Parties of Rivkin are bound by this Trading Policy:

- All employees of Rivkin;
- Spouses or de facto partners of employees or directors of Rivkin;
- Children under 18 years of employees or directors of Rivkin; and
- Trustees of a trust of which employees or directors of Rivkin are beneficiaries

For the purposes of this document, Rivkin's own surplus capital is considered a Related Party

### TRADEABLE EVENTS

Any general advice published by Rivkin (be it written, audio or audio/video format) that contains information relating to a tradeable security or derivative, shall create a 'tradeable event.' The publication time of a Tradeable Event is determined by the electronic time and date stamp applied to it, once it is made available on the Rivkin website.

### RESTRICTED SECURITIES

A list of Restricted Securities will be made available via Rivkin's Customer Relationship Management platform (CRM), which relevant members of the Investment Team will be privy to.

### TRADING EMBARGO

Before a Tradeable Event has been published, those Related Parties made privy to a pending publication by way of the Restricted Securities list must not, in any instance, trade securities related to that pending tradeable event.

Once a tradeable event has been published, a Related Party of Rivkin is bound by the following trade restrictions:

Cannot trade contrary to the general advice for five (5) complete trading days. For example, if advice is issued on a Monday at 3pm, the Related Party must wait for Tuesday (1), Wednesday (2), Thursday (3), Friday (4), Monday (5) to pass before then placing an order to trade contrary to that advice on the following Tuesday. Trading days are defined by the



ASX Trading Calendar. A contrary trade means:

- To sell when a Tradeable Event (either explicitly or implicitly) advises one to buy;
- To buy when a Tradeable Event (either explicitly or implicitly) advises one to sell;
- To sell when a Tradeable Event (either explicitly or implicitly) advises one to hold; or
- To buy when a Tradeable Event (either explicitly or implicitly) advises one to hold.

Cannot trade conforming to the general advice for 30 minutes. For example, if advice is issued at 11 am on a Monday, the Related Party must wait for 30 minutes to pass before then placing an order to trade in accordance with the advice, so no earlier than 11 :30am. A conforming trade means:

- To sell when a Tradeable Event (either explicitly or implicitly) advises one to sell; or
- To buy when a Tradeable Event (either explicitly or implicitly) advises one to buy.

Below is a list of instruments that Rivkin deems too liquid to be affected (adversely or otherwise) by trades made by Related Parties, and therefore there is no embargo on these instruments:

- All foreign exchange markets, and derivatives of those markets
- All major equity indices, and derivatives of those indices
- All commodity markets, and derivatives of those markets.

#### CHANGES TO THIS DOCUMENT SINCE FIRST PUBLISHED

- On 18 June, 2015, the Rivkin related party trading embargo for conforming trades was reduced from 2 hours to 30 minutes. This was done so that Rivkin's model portfolios did not get locked into trades if instructions were sent out less than two hours before the market closed.
- On 18 June, 2015, the 30 minute embargo for foreign exchange, equity index and commodity markets was removed. This was done because these markets are too deep for Rivkin to materially impact and our trading in these markets is too frequent to employ embargos without detracting from product performance.

#### GENERAL

Dealing in securities while in possession of inside information is prohibited by the Corporations Act 2001 (the Act), even if the dealing may otherwise be permitted under this Policy.

All Rivkin staff wishing to deal on a personal basis, or deal on behalf of a Related Party, must first be authorised to do so by completing a request and having it approved by a director or compliance officer.

If you have any questions regarding this Staff and Proprietary Trading Policy, please contact Gregory Freckmann, Risk and Compliance Manager, on +61 2 8302 3650



