



2 September 2010

## ASX Announcement Capital Raising

Australian Governance Masters Index Fund Limited (**the Company**) is pleased to announce that it has reached agreement with Dixon Advisory & Superannuation Services Limited to raise additional monies through an issue of new ordinary shares at an issue price of \$1.61 per share (**Shares**) via a placement. The proposed share issue will be of up to 3,806,459 Shares. The Company has agreed to place the Shares to clients of Dixon Advisory & Superannuation Services Limited.

The capital raising is to be to investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001. In accordance with ASX Listing Rule 7.1, a maximum of 15% of the Company's share capital, representing 3,806,459 Shares, may be issued without obtaining shareholder approval. Therefore the Company will not seek shareholder approval for the proposed placement of Shares.

Pricing of the Shares for the placement has been set such that net proceeds from the issue of each Share is equivalent to the current unaudited pre-tax NTA per share. As such the placement is not expected to have a dilutive effect on existing shareholders' interests. The estimated unaudited pre-tax NTA as at 2 September 2010 is \$1.56 per Share.

The funds will be used to further invest in line with the Company's investment mandate. The capital raising will enhance liquidity in the secondary market and increase the Company's voting power within portfolio companies. This will allow the Company to promote greater adherence to corporate governance best practices, as the Company actively votes and participates in the general meetings of its portfolio companies.

It is anticipated that the placement of these Shares will be completed and that allotment will occur on 13 September 2010. The new Shares will rank equally with all ordinary shares currently on issue.

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