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IMPORTANT NOTICE PURSUANT TO SECTION 601GCA OF THE CORPORATIONS ACT

IMPLEMENTATION OF NEW TAX SYSTEM FOR MANAGED INVESTMENT TRUSTS FOR UNITHOLDERS IN:

- Ellerston Australian Market Neutral Fund ARSN 168 025 670;
- Ellerston Australian Share Fund ARSN 135 591 534;
- Ellerston Global Equity Managers Fund ARSN 118 887 095;
- Ellerston Global Macro Fund ARSN 617 222 741;
- Ellerston India Fund ARSN 618 549796;
- Ellerston Global Mid Small Cap Fund (Hedged) ARSN 612 553 241;
- Ellerston Australian Microcap Fund ARSN 619 727 356.

(‘Funds’)

A new tax regime applying to Managed Investment Schemes was enacted on 5 May 2016 under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* and related legislation (the **AMIT Regime**).

Ellerston Capital Limited (ABN 34 110 397 674) as the responsible entity (**Responsible Entity**) of the Funds proposes to amend the Funds’ constitutions to allow the Funds to opt-in and apply the new taxation regime.

Under the current tax law, unit holders are subject to tax on their proportionate share of the Fund’s income to which they are presently entitled. Under the AMIT Regime, unit holders are taxed on the income of the Fund that is allocated or attributed to them on a fair and reasonable basis.

The Responsible Entity intends to make amendments to the Fund’s constitution to facilitate the operation of the Fund in the new AMIT regime. The Responsible Entity believes that, by making these amendments and entering the AMIT regime, unit holders will have the following potential benefits:

- reducing the risk of potential double taxation for unit holders where mismatches arise between the amount distributed to unit holders and their share of the Fund’s taxable income. The AMIT regime permits appropriate cost base adjustments where distributions are greater or less than the amount on which the unit holder is assessed for tax purposes;

- greater certainty regarding the tax treatment of the Fund and, in particular, its status as a 'fixed trust' for tax purposes;
- more certainty around the quantum and tax character of amounts distributed to unit holders; and
- the AMIT regime sets out the approach which the Responsible Entity can adopt to deal with under-or-over distributions of income from an earlier income year. This will provide additional certainty to the Responsible Entity and to unit holders.

The Responsible Entity intends to make amendments to the Fund's constitution to facilitate the Fund's entry into the AMIT regime unless it receives requests to call and arrange to hold a meeting of the Fund's members to consider and vote on a special resolution to modify the constitution from members with at least 5% of the votes that may be cast on the resolution by 6 July 2017.

The request to call a meeting must be made in writing and may be sent to the following email address: EllerstonInvestorRelations@ellerstoncapital.com

If members with a least 5% of the votes that may be cast on the resolution request a meeting within 7 days of the date of this notice, a unitholders' meeting will be held to pass a resolution to approve the amendments.

If no meeting is requested as per the above paragraph by 6 July 2017, the Responsible Entity is permitted to make amendments to the constitution without the need for member approval.