

16 December 2020

Dear Investor,

Re: Significant Event Notice for Morphic Global Opportunities Fund (ARSN 159 465 157) (APIR Code: PER0673AU)

Ellerston Capital Limited (ACN 110 397 674) in its capacity as Responsible Entity (RE) for the Morphic Global Opportunities Fund (ARSN 159 465 157) (the "Fund"), has issued an updated Product Disclosure Statement (PDS) to reflect a change to the Portfolio Management team following the appointment of Bill Pridham as Portfolio Manager. In addition, the below non-material update to the Morphic Global Opportunities Fund PDS has also been made:

- Update to reflect the change of auditors from PriceWaterhouseCoopers to Ernst & Young.

In line with our previous communication on 25th October 2020, we advise that unitholders may elect to switch into the Ellerston Global Mid Small Cap Fund – Class A (APIR Code: ECL8388AU) on or before 31 January 2021. In order to facilitate this switch, please complete the enclosed pre-populated switch form and return it to Registry (i.e. Mainstream Fund Services Pty Limited) by 31 January 2021.

After this date, the Fund's ongoing viability will be assessed **and it may not be possible for the Fund to continue to execute its investment strategy.**

Importantly, if you choose to switch your investment from the Fund into the Global Mid Small Cap Fund – Class A, you should note the following important differences between the funds:

Item	Morphic Global Opportunities Fund (MGOF)	Ellerston Global Mid Small Cap Fund (EGMS)
Fund size (as at 30 November)	AUD\$22.89m	AUD\$144.07m
Benchmark	MSCI All Countries World Daily Total Return Net Index in AUD	MSCI World Mid Cap Index (AUD)
Management Fee	1.05% p.a.	0.75% p.a.
Performance Fee	15%	10%
Indirect Costs* (estimated)	0.27% p.a.	0.25% p.a.
Long exposure (typical)	95%+	100%
Shorting permissible	Yes	No
Net equity	~80% (50 – 200%)	~90%
Cash	~20% (0 – 50% limit)	~10% (0 – 20% limit)
Maximum position size	5% (inception), max 15%	10%
Number of positions	20 – 40	20 – 40
Market Cap bias	All Cap	Mid-Small Cap
Valuation frequency	Daily	Daily
Redemption frequency	Daily	Daily
ESG overlay	Yes – Ethical Investment, RIAA [*] certified	Yes

*Indirect costs consist of over the counter (OTC) derivative costs where used for non-hedging, order bid spreads as costs of disposal and any other indirect costs.

^{*}Responsible Investment Association Australasia.

Performance for both strategies is outlined below, as at 30 November 2020:

Performance (Net)	1 month (%)	3 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception [^] (% p.a.)
Morphic Global Opportunities Fund	4.35	4.61	7.03	6.18	7.80	13.72
Benchmark*	7.05	6.45	5.57	10.08	10.47	15.38
Value added / detracted	-2.71	-1.84	1.45	-3.90	-2.67	-1.66

*Benchmark is the MSCI All Countries World Daily Total Return Net Index in AUD. [^]Note: Inception date for the strategy is 2 August 2012. Past performance is not a reliable indication of future performance.

Performance (Net)	1 month (%)	3 months (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception [^] (% p.a.)
Ellerston Global Mid Small Cap Fund – Class A	6.23	8.79	12.67	12.30	-	14.82
Benchmark*	8.96	11.31	3.47	8.39	-	11.07
Value added / detracted	-2.73	-2.52	9.20	3.90	-	3.75

*Benchmark is the MSCI World Mid Cap Index (AUD). [^]Note: Inception date of the Fund is 30 March 2017. Past performance is not a reliable indication of future performance.

You should refer to the attached Product Disclosure Statement for the Ellerston Global Mid Small Cap Fund – Class A for further information regarding the product. For investors electing to switch, the standard 0.25% buy spread into the Ellerston Global Mid Small Cap Fund – Class A will be waived. Note: the standard sell spread of 0.25% will be charged on your redemption out of the Morpich Fund.

QUESTIONS?

If you should have any questions on this change, please don't hesitate to contact Ellerston's Investor Relations team on (02) 9021 7701, to discuss.

Yours sincerely,

Ellerston Investor Relations.

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DISCLAIMER

This letter has been prepared by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000, responsible entity of the Morpich Global Opportunities Fund (ARSN 159 465 157) and Ellerston Global Mid Small Cap Fund – Class A (ARSN 609 725 868) without taking account the objectives, financial situation or needs of individuals. Before making an investment decision about the Fund persons should read the Fund's Product Disclosure Statement which can be obtained by contacting info@ellerstoncapital.com and obtain advice from an appropriate financial adviser. Units in the Fund are issued by Ellerston Capital Limited ABN 34 110 397 674 AFSL 283 000. This information is current as at the date on the first page.

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