

Morphic Global Opportunities Fund

ARSN 159 465 157

Interim financial statements

For the half-year ended 31 December 2017

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These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made in respect of the Morphic Global Opportunities Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This financial statement covers the Morphic Global Opportunities Fund as an individual entity.

The Responsible Entity of Morphic Global Opportunities Fund is Perpetual Trust Services Limited (ABN 48 000 142 049, AFSL number 236648). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney NSW 2000.

Directors' report

The Directors of Perpetual Trust Services Limited ("the Responsible Entity" of the Morphic Global Opportunities Fund), present their report together with the financial statement of the Morphic Global Opportunities Fund (the "Fund"), for the half-year ended 31 December 2017.

Principal activities

The Fund is a registered managed investment fund domiciled in Australia.

The Fund was constituted on 12 July 2012 and commenced operations on 2 August 2012.

The Fund did not have any employees during the period.

There were no significant changes in the nature of the Fund activities during the period.

Directors

The following persons held office as Directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

Name	Date of appointment/resignation
Andrew Cannane	Resigned as Director on 23 February 2018
Glenn Foster	
Christopher Green	
Michael Vainauskas	
Andrew McIver	Alternate Director for Michael Vainauskas
Vicki Riggio	Alternate Director for Andrew Cannane
	Resigned as Alternate Director for Andrew Cannane on 23 February 2018
	Appointed Alternate Director for Christopher Green on 1 December 2017
Rodney Garth Ellwood	Resigned as Alternate Director for Christopher Green on 1 December 2017
Gillian Larkins	Appointed Alternate Director for Glenn Foster on 14 July 2017
Neil Wesley	Resigned as Alternate Director for Glenn Foster on 14 July 2017

Review and results of operations

During the half-year the Fund invested in global shares and other investments, including derivatives, to manage volatility and other risks in the portfolio in accordance with the provisions of the Fund's Product Disclosure Statement and the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2017	31 December 2016
Net operating income before financing costs attributable to unitholders (\$)	10,320,988	7,903,388
Distribution paid and payable (\$)	2,058,730	-
Number of units	84,742,059	-
Distribution (cents per unit)	2.43	-

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year under review.

Directors' report (continued)

Matters subsequent to the end of the financial half-year

Andrew Cannane has resigned from his position as director of Perpetual Trust Services Limited and no longer holds office effective 23 February 2018.

Other than the matter noted above, no other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the half-year are disclosed in Note 9 of the report.

No fees were paid out of Fund property to the Directors of the Responsible Entity during the half-year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial half-year are disclosed in Note 9 of the financial statement.

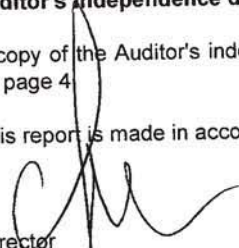
Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the Directors of Perpetual Trust Services Limited.


Director
Perpetual Trust Services Limited

Sydney
14 March 2018

14 March 2018

The Board of Directors
Perpetual Trust Services Limited
Level 12, 123 Pitt Street
Sydney NSW 2000

Dear Board Members

Perpetual Trust Services Limited as the Responsible Entity for Morphic Global Opportunities Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Perpetual Trust Services Limited, as the responsible entity of Morphic Global Opportunities Fund.

As lead audit partner for the review of the interim financial statements of Morphic Global Opportunities Fund for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



CROWE HORWATH SYDNEY



SUWARTI ASMONO
Partner

Statement of Profit or Loss and Other Comprehensive Income

	Note	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Investment income			
Interest income		5,974	951
Dividend income		1,515,844	1,548,795
Net gains on financial instruments held at fair value through profit or loss		10,204,235	7,932,309
Net gains/(losses) on foreign exchange		107,674	(127,227)
Other operating income		1,968	-
Total investment income		11,835,695	9,354,828
Expenses			
Management fees and expense recoveries (MER)		1,055,800	915,813
Dividend expense		38,100	42,132
Withholding tax expense		205,267	201,426
Interest expense		133,046	141,567
Amortisation expense		2,676	12,250
Other operating expenses		79,818	138,252
Total operating expenses		1,514,707	1,451,440
Net income attributable to unitholders		10,320,988	7,903,388
Finance costs attributable to unitholders			
Distributions to unitholders	5	(2,058,730)	-
Increase in net assets attributable to unitholders	3	(8,262,258)	(7,903,388)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Note	As at 31 December 2017 \$	As at 30 June 2017 \$
Assets			
Current assets			
Cash and cash equivalents	4	18,529,299	19,153,481
Receivables		3,177,219	851,772
Financial assets held at fair value through profit or loss	6	144,161,108	145,130,226
Total current assets		165,867,626	165,135,479
Non-current assets			
Intangible assets		-	2,676
Total non-current assets		-	2,676
Total assets		165,867,626	165,138,155
Liabilities			
Current liabilities			
Borrowings	4	11,649,222	20,166,761
Financial liabilities held at fair value through profit or loss	6	9,508,210	14,689,609
Distributions payable	5	2,058,730	4,009,160
Payables		2,760,775	4,061,638
Total current liabilities		25,976,937	42,927,168
Net assets attributable to unitholders - liability	3	139,890,689	122,210,987

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the financial half-year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Note	Half-year ended	
		31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Proceeds from maturity/sales of financial instruments held at fair value through profit or loss		43,406,679	85,046,934
Purchase of financial instruments held at fair value through profit or loss		(40,786,486)	(73,934,008)
Dividends received		1,497,719	1,436,131
Interest received		5,974	-
Dividends paid		(56,165)	(42,132)
Interest paid		(139,929)	(139,991)
Other operating income received		1,968	-
Net receipts/(payments) on foreign exchange activities		179,699	(30,231)
Management fees paid		(1,204,346)	(924,871)
RITC (paid)/received		(13,281)	4,019
Withholding tax paid		(205,267)	(201,426)
Other operating expenses paid		(129,467)	(170,682)
Net cash inflow from operating activities		2,557,098	11,043,743
Cash flows from financing activities			
Proceeds from applications by unitholders		13,500,864	9,694,558
Payments for redemptions by unitholders		(6,141,919)	(13,558,400)
Distributions paid		(1,950,661)	(2,847,018)
Net cash inflow/(outflow) from financing activities		5,408,284	(6,710,860)
Net increase in cash and cash equivalents		7,965,382	4,332,883
Cash and cash equivalents at the beginning of the half-year	4	(1,013,280)	(9,924,044)
Effect of exchange rate fluctuations on cash		(72,025)	(96,996)
Cash and cash equivalents at the end of the half-year	4	6,880,077	(5,688,157)

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year financial statements

These general purpose financial statements for the interim half year ended 31 December 2017 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made in respect of the Morpheic Global Opportunities Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on 14 March 2018. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

The accounting policies adopted are consistent with those of the previous financial year.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- (i) AASB 9 *Financial Instruments* (effective for annual reporting periods beginning on or after 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is effective for annual reporting periods beginning on or after 1 January 2018 but is available for early adoption. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are held at fair value through profit or loss, the change in impairment rules will not impact the Fund. The Fund has not yet decided when to adopt AASB 9.

- (ii) AASB 15 *Revenue from Contracts with Customers* (effective for annual reporting periods beginning on or after 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

2 Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The table below presents the Fund's assets measured and recognised at fair value by level of the following fair value measurement hierarchy:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

At 31 December 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
<i>Designated at fair value through profit or loss</i>				
Listed equities	143,486,646	-	-	143,486,646
Total financial assets designated at fair value through profit or loss	143,486,646	-	-	143,486,646
<i>Held for trading</i>				
Derivatives				
Futures	17,893	-	-	17,893
Options	13,700	-	-	13,700
Swap contracts	-	642,869	-	642,869
Total financial assets held for trading	31,593	642,869	-	674,462
Total financial assets	143,518,239	642,869	-	144,161,108
Financial liabilities				
<i>Designated at fair value through profit or loss</i>				
Listed equities	(9,492,280)	-	-	(9,492,280)
Total financial liabilities designated at fair value through profit or loss	(9,492,280)	-	-	(9,492,280)
<i>Held for trading</i>				
Derivatives				
Forward currency exchange contracts	(15,930)	-	-	(15,930)
Total financial liabilities held for trading	(15,930)	-	-	(15,930)
Total financial liabilities	(9,508,210)	-	-	(9,508,210)

2 Fair value measurement (continued)

At 30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
<i>Designated at fair value through profit or loss</i>				
Listed equities	137,414,616	-	-	137,414,616
Total financial assets designated at fair value through profit or loss	137,414,616	-	-	137,414,616
<i>Held for trading</i>				
Derivatives				
Futures	254,427	-	-	254,427
Options	69,867	-	-	69,867
Forward currency exchange contracts	28,661	-	-	28,661
Swap contracts	-	7,362,655	-	7,362,655
Total financial assets held for trading	352,955	7,362,655	-	7,715,610
Total financial assets	137,767,571	7,362,655	-	145,130,226
Financial liabilities				
<i>Designated at fair value through profit or loss</i>				
Listed equities	(14,644,004)	-	-	(14,644,004)
Total financial liabilities designated at fair value through profit or loss	(14,644,004)	-	-	(14,644,004)
<i>Held for trading</i>				
Derivatives				
Futures	(40,299)	-	-	(40,299)
Options	(5,306)	-	-	(5,306)
Total financial liabilities held for trading	(45,605)	-	-	(45,605)
Total financial liabilities	(14,689,609)	-	-	(14,689,609)

The fair value of financial instruments traded in active markets (listed domestic and international equities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and financial liabilities held by the Fund is the current closing price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise derivative financial instruments.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3 Net assets attributable to unitholders

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. The Constitution of the Fund allows the Responsible Entity to issue different classes of units with special rights or restrictions. In these instances, the Corporations Act requires the Responsible Entity to treat all investors within a class of units equally and investors in different classes fairly.

Movements in number of units and net assets attributable to unitholders during the period were as follows:

	Half-year ended 31 December 2017		Year ended 30 June 2017	
	No.	\$	No.	\$
Net assets attributable to unitholders				
Opening balance	78,863,814	122,210,987	79,106,338	111,729,554
Applications	8,413,207	13,500,864	16,111,224	24,530,857
Redemptions	(3,863,063)	(6,141,919)	(18,710,784)	(28,196,407)
Units issued upon reinvestment of distributions	1,328,101	2,058,499	2,357,036	3,330,039
Increase in net assets attributable to unitholders	-	8,262,258	-	10,816,944
Closing balance	84,742,059	139,890,689	78,863,814	122,210,987

Capital risk management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund's strategy is to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and listed equities. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

4 Cash and cash equivalents

Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

	As at 31 December 2017 \$	As at 30 June 2017 \$
Cash at broker	18,529,299	19,153,481
Bank overdraft	(11,649,222)	(20,166,761)
	6,880,077	(1,013,280)

5 Distribution to unitholders

Timing of distributions

The distributions were paid/payable as follows:

	Half-year ended 31 December 2017		Half-year ended 31 December 2016	
	\$	Cents per unit	\$	Cents per unit
31 December (payable)	2,058,730	2.4294	-	-
	2,058,730	2.4294	-	-

6 Financial instruments held at fair value through profit or loss

	As at 31 December 2017 \$	As at 30 June 2017 \$
Financial assets		
<i>Designated at fair value through profit or loss</i>		
Listed equities	143,486,646	137,414,616
Total financial assets designated at fair value through profit or loss	143,486,646	137,414,616
<i>Held for trading</i>		
Futures	17,893	254,427
Options	13,700	69,867
Forward currency exchange contracts	-	28,661
Swap contracts	642,869	7,362,655
Total financial assets held for trading	674,462	7,715,610
Total financial assets held at fair value through profit or loss	144,161,108	145,130,226
Financial liabilities		
<i>Designated at fair value through profit or loss</i>		
Listed equities	(9,492,280)	(14,644,004)
Total financial liabilities designated at fair value through profit or loss	(9,492,280)	(14,644,004)
<i>Held for trading</i>		
Futures	-	(40,299)
Options	-	(5,306)
Forward currency exchange contracts	(15,930)	-
Total financial liabilities held for trading	(15,930)	(45,605)
Total financial liabilities held at fair value through profit or loss	(9,508,210)	(14,689,609)

7 Events occurring after the reporting period

Andrew Cannane has resigned from his position as director of Perpetual Trust Services Limited and no longer holds office effective 23 February 2018.

Other than the matter noted above, no other significant event has occurred since the reporting period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 31 December 2017 or on the results and cash flows of the Fund for the half-year ended on that date.

8 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2017 and 30 June 2017.

9 Related party transactions

Key management personnel of the Responsible Entity

Directors

Key management personnel includes persons who were directors of the Responsible Entity and the Investment Manager at any time during the financial half-year or since the end of the half-year end and up to the date of this report.

Name	Date of appointment/resignation
Andrew Cannane	Resigned as Director on 23 February 2018
Glenn Foster	
Christopher Green	
Michael Vainauskas	
Andrew McIver	Alternate Director for Michael Vainauskas
Vicki Riggio	Alternate Director for Andrew Cannane
	Resigned as Alternate Director for Andrew Cannane on 23 February 2018
	Appointed Alternate Director for Christopher Green on 1 December 2017
Rodney Garth Ellwood	Resigned as Alternate Director for Christopher Green on 1 December 2017
Gillian Larkins	Appointed Alternate Director for Glenn Foster on 14 July 2017
Neil Wesley	Resigned as Alternate Director for Glenn Foster on 14 July 2017

Key management personnel of the Investment Manager

Key management personnel of the Investment Manager at any time during the financial half-year were as follows:

Nick Minogue	Non-Executive Chairman
Jack Lowenstein	Managing Director & Joint CIO
Chad Slater	Executive Director & Joint CIO
George Gabriel	Non-Executive Director
Gerard Minack	Non-Executive Director
Chuak Chan	Non-Executive Director
Katarina Royds	Non-Executive Director

Responsible Entity fees

All related party transactions are conducted on normal commercial terms and conditions. Responsible Entity fees are paid by the Investment Manager.

Investment Manager fees

(i) Management fees

The Investment Manager is entitled to receive a management fee, payable monthly in arrears, at the rate of 1.35% p.a. of the net asset value of the Fund. The management fee is calculated daily and reflected in the unit price.

9 Related party transactions (continued)

Investment Manager fees (continued)

(ii) Performance fees

The Investment Manager is also paid a performance fee which is calculated as 15.375% of the excess performance by the Fund over the Hurdle Return (MSCI All Countries Total Return Daily Index) during the relevant performance period. In the event that the Fund's return is less than the Hurdle Return during the performance period, no performance fee will be payable for that performance period and the under-performance will be carried forward to subsequent performance periods until a performance fee is payable in respect of the Fund. Further, a performance fee will not be payable if the Fund has a negative return. A performance fee will only be payable when the Fund outperforms the Hurdle Return and the performance is positive.

(iii) Expense recovery

The Fund may be charged for certain operating costs such as its fund and tax administration, legal expenses and audit costs. The maximum amount recoverable is limited to 0.27%pa of the net asset value of the Fund and any excess costs are borne by the Investment Manager.

The transactions during the period and amounts payable at period end between the Fund and the Investment Manager were as follows:

	Half-year ended	
	31 December 2017	31 December 2016
	\$	\$
Management fees for the period paid/payable by the Fund	880,292	763,635
Expense recoveries for the period paid/payable by the Fund	175,508	152,178
Organisation costs payable	-	27,142

Key management personnel holdings

The key management personnel of the Responsible Entity did not hold any units in the Fund for the period ended 31 December 2017 (2016: Nil).

9 Related party transactions (continued)

Related party fund's unitholdings

Parties related to the Fund (including Morphic Asset Management Pty Limited and its related parties) held units in the Fund as follows:

Name	Account holdings name	Half-year ended 31 December 2017				Distributions paid/payable \$
		Units held No	Fair value of investment \$	Interest held %		
Gerard Minack	Gerard John Minack & Terese Ellen Minack The Minack Superannuation Fund	390,589	654,275	0.46%		9,489
		390,589	654,275	0.46%		9,489
Jack Lowenstein	Ludwigson Holdings Pty Ltd ATF The Ludwigson Super Fund	1,657,560	2,776,573	1.96%		40,269
	Mare Lowenstein	141,845	237,604	0.17%		3,446
	Mare L and Jack Lowenstein	1,474,525	2,469,971	1.74%		35,822
	Jack Lowenstein	6,366	10,664	0.01%		155
		3,280,296	5,494,811	3.87%		79,692
Chad Slater	Chad Andrew Slater	42,639	71,424	0.05%		1,036
	Miriam Bethany Martin	53,329	89,331	0.06%		1,296
		95,967	160,755	0.11%		2,332
Nick Minogue	Nicholas Robert Minogue	602,575	1,009,371	0.71%		14,639
	Nick & Caroline Minogue Foundation	159,933	267,903	0.19%		3,885
Caroline Minogue	Caroline Rowena Minogue	170,918	286,304	0.20%		4,152
		933,426	1,563,578	1.10%		22,676
Total		4,700,279	7,873,418	5.55%		114,189

9 Related party transactions (continued)

Related party fund's unitholdings (continued)

Name	Account holdings name	Units held No	Year ended 30 June 2017		Distributions paid/payable \$
			Fair value of investment \$	Interest held %	
Gerard Minack	Gerard John Minack & Terese Ellen Minack The Minack Superannuation Fund	378,185 378,185	605,394 605,394	0.48% 0.48%	19,226 19,226
Jack Lowenstein	Ludwigson Holdings Pty Ltd ATF The Ludwigson Super Fund Mare Lowenstein Mare L and Jack Lowenstein Jack Lowenstein	1,604,921 137,341 1,427,698 6,164 3,176,124	2,569,135 219,853 2,285,439 9,867 5,084,294	2.04% 0.17% 1.81% 0.01% 4.03%	81,589 6,982 72,579 313 161,463
Chad Slater	Chad Andrew Slater Miriam Bethany Martin	41,284 51,635 92,919	66,088 82,657 148,745	0.05% 0.07% 0.12%	2,099 2,625 4,724
Nick Minogue	Nicholas Robert Minogue Nick & Caroline Minogue Foundation	583,439 154,854 170,918 909,211	933,961 247,888 273,603 1,455,452	0.74% 0.20% 0.22% 1.16%	29,660 7,872 8,689 46,221
Caroline Minogue	Caroline Rowena Minogue				
Total		4,556,439	7,293,885	5.79%	231,634

9 Related party transactions (continued)

Key management personnel compensation

Payments made from the Fund to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Fund

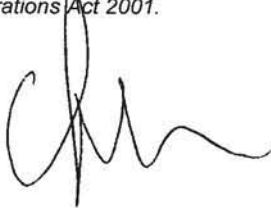
Apart from those details disclosed in this note, no key management personnel of the Responsible Entity have entered into a material contract with the Fund during the period and there were no material contracts involving Directors' interests existing at period end.

Directors' declaration

The Directors of Perpetual Trust Services Limited, the Responsible Entity of Morphic Global Opportunities Fund, declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the financial position as at 31 December 2017 and performance of the Fund for the half-year ended on that date.

This declaration is made in accordance with a resolution of the directors, made pursuant to Section 303(5) of the *Corporations Act 2001*.



Director
Perpetual Trust Services Limited

Sydney
14 March 2018

Independent Auditor's Review Report to the Unitholders of Morphic Global Opportunities Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Morphic Global Opportunities Fund (the Fund) which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Perpetual Trust Services Limited (the Responsible Entity) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Fund's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Opinion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Morphic Global Opportunities Fund is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY



SUWARTI ASMONO

Partner

Dated at this 14th day of March 2018