

9 November 2018

Market Announcements Platform  
Australian Stock Exchange  
20 Bridge Street  
Sydney NSW 2000

### MARKET ANNOUNCEMENT - EXPIRY OF OPTIONS (MECO)

Morphic Ethical Equities Fund Limited (“MEC” or “the Company”) advises that the 43,377,026 listed options trading under the code MECO will expire, unless exercised before 30 November 2018.

Each option is exercisable at a price of \$1.10, and entitles the option holder to subscribe for one fully paid ordinary share of the Company. The options were issued on 27 April 2017 under the Company’s Prospectus dated 13 March 2017.

MEC’s latest closing share price and published net tangible asset value per share (NTA) are noted below:

	<b>Date</b>	<b>Price/Value</b>
Share Price	8 November 2018	\$1.00
NTA Pre-tax	31 October 2018	\$1.1123
NTA Post-tax	31 October 2018	\$1.0998

Enclosed is the letter sent to each MECO option holder.

MEC’s investment manager, Morpnic Asset Management Pty Ltd, will be holding investor briefings to provide an update on MEC’s holdings and investment strategy as follows:

Perth	13 November 2018	<b>RSVP</b>
Melbourne	14 November 2018	<b>RSVP</b>
Adelaide	15 November 2018	<b>RSVP</b>
Brisbane	16 November 2018	<b>RSVP</b>
Canberra	19 November 2018	<b>RSVP</b>
Sydney	22 November 2018	<b>RSVP</b>

For further information about this announcement, please contact Nadeem Ali on [nali@morphicasset.com](mailto:nali@morphicasset.com) or 02 9194 6705.

Josephine Jang  
Company Secretary

9 November 2018

Dear Option Holder

### **IMPORTANT NOTICE – EXPIRY OF LISTED MEC OPTIONS**

#### **Your Options to Acquire Morpnic Ethical Equities Fund Limited Shares at \$1.10 per Share (“Options”) Expire on 30 November 2018.**

We are writing to you as a registered holder of Options issued by Morpnic Ethical Equities Fund Limited (“MEC” or the “Company”).

The Options trade under the code MECO and were issued pursuant to the terms contained in the Company’s Prospectus dated 13 March 2018, which are annexed to this letter.

Each Option is exercisable at a price of \$1.10 and entitles the Option holder to subscribe for one fully paid ordinary share of the Company.

Your Options may be exercised in whole or in part by the payment of \$1.10 for each Option no later than 30 November 2018. There is no obligation on Option holders to exercise their Options, however, if payment is not received by 30 November 2018, your Options will lapse and all rights under the Options will cease.

To assist you, we attach a Notice of Exercise of Options which is personalised for your Option holding and provides details of how you can exercise your Options.

The following information is provided in accordance with ASX Listing Rules:

1. The name of the Option holder and the number of Options held are detailed on the attached Notice of Exercise of Options
2. Each Option can be exercised to acquire one fully paid ordinary share in MEC at \$1.10 per share.
3. The due date for payment to exercise the Options is 30 November 2018.
4. There is no obligation on you to exercise your Options. If you elect not to exercise, the Options will lapse and rights under the Options will cease.
5. Quotation by the ASX of the Options will cease on 26 November 2018.
6. The latest available market price of MEC shares is the closing price of the shares on 8 November 2018, which was \$1.00.
7. The highest and lowest closing market price of MEC shares during the past 3 months are set out below:
  - Highest: \$1.095 on 13 August 2018 and 14 August 2018
  - Lowest: \$0.99 on 7 November 2018
8. There is no underwriting agreement currently in place in relation to the Options.

The Company’s investment manager, Morpnic Asset Management Pty Ltd (“Morpnic”) will be holding investor briefings to provide an update on MEC’s holdings and investment strategy as follows:

<b>City</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
Perth	13 November 2018	1pm–2:30pm	Rendezvous Hotel Perth Central 24 Mount Street, Perth, WA 6000
Melbourne	14 November 2018	1pm–2:30pm	Adina Apartment Hotel Melbourne 189 Queen Street, Melbourne, VIC 3000
Adelaide	15 November 2018	1pm–2:30pm	Adina Apartment Hotel Adelaide Treasury 2 Flinders St, Adelaide, SA 5000
Brisbane	16 November 2018	12pm–1:30pm	Christie Conference Centre (Room R, Level 2) 320 Adelaide Street, Brisbane QLD 4000
Canberra	19 November 2018	2pm-3:30pm	QT Canberra 1 London Circuit, Canberra ACT 2601
Sydney	22 November 2018	11am-2pm	Royal Automobile Club of Australia 89 Macquarie Street, Sydney NSW 2000

To register for the briefings please visit [www.morphicasset.com](http://www.morphicasset.com).

If you require more information about exercising your Options or the briefings, please contact Nadeem Ali at [nali@morphicasset.com](mailto:nali@morphicasset.com) or 02 9194 6705.

Yours faithfully



Josephine Jang  
Company Secretary

## Terms of Morphic Ethical Equities Fund Limited Options (“Options”)

The terms and conditions of the Options are as follows:

### *Register*

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

### *Transfer / transmission*

Options may be transferred or transmitted in any manner approved by the ASX.

### *Exercise*

On exercise, the Company will issue a Share for each Option exercised. Options may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder of the Options, together with payment to the Company of \$1.10 per Option being exercised.

An Option may be exercised on any Business Day from issue to 30 November 2018 but not thereafter.

A Notice of Exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

### *Dividend entitlement*

Options do not carry any dividend entitlement. Shares issued on exercise of Options rank equally with other issued Shares of the Company on and from issue.

### *Participating rights*

For determining entitlements to the issue, Option holders may only participate in new issues of Securities to holders of Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date. The Company must give at least 4 business days’ notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules of ASX.

If, between the date of issue and the date of exercise of an Option, the Company makes 1 or more rights issues (being a pro rata issue of Shares in the capital of the Company that is not a bonus issue), the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

**NE** is the new exercise price of the Option;

**OE** is the old exercise price of the Option;

**E** is the number of underlying Shares into which 1 Option is exercisable;

**P** is the average closing sale price per Share (weighted by reference to volume) during the 5 trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

**S** is the subscription price for a Share under the rights issue;

**D** is the dividend due but not yet paid on each Share at the relevant time; and

**N** is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

*Reconstructions and alteration of capital*


Any adjustment to the number of outstanding Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

*ASX listing*

Options are expected to be quoted on the ASX.

The Company must make an application for quotation of Shares issued on exercise of the Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.

**Return your information:**

 **Online:**  
www.investorcentre.com/contact

 **By Mail:**  
Level 3, 139 Macquarie Street,  
Sydney NSW 2000

**Enquiries:**

(within Australia) 1300 850 505  
(international) +61 3 9415 4000

Securityholder Reference Number (SRN)



**Notice of Exercise of Options Expiring 30 November 2018**

To the Directors,

I/We hereby exercise  option(s) and hand you herewith my/our cheque for

being \$1.10 per share on application for  ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer Sponsored holding statement or CHESS holdings statement) is

**Sign Here – This section must be signed for your instructions to be executed**

I/We authorise you to act in accordance with my/our instructions set out above.

**Individual or Securityholder 1**

**Director**

**Securityholder 2**

**Director/Company Secretary**

**Securityholder 3**

**Sole Director and Sole Company Secretary**

*Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.*

**Contact Name**

**Contact Telephone Number**

**Day/Date**

**Month**

**Year**

 /  / 

**LODGEMENT INSTRUCTIONS**

Cheques shall be in Australian currency made payable Morphic Ethical Equities Fund Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate required remittance should be lodged at the Morphic Ethical Equities Fund Limited offices of Level 3, 139 Macquarie Street NSW 2000

