

**Morphic Ethical Equities Fund Limited**  
**Appendix 4D**  
**For the half-year ended 31 March 2021**

**Details of Reporting Period**

Current: Half-year ended 31 March 2021

Previous: Half-year ended 31 March 2020

**Results for announcement to the market**

	\$	movement (up/down)	% movement
Revenue from ordinary activities	12,882,179	up	1883%
Profit from ordinary activities before tax attributable to members	11,928,340	up	662%
Profit from ordinary activities after tax attributable to members	8,368,497	up	675%

**Dividend information**

	Cents per share	Franked amount per share	Tax rate for franking
2021 Interim dividend (cents per share)	2.5	2.5	30.0%

**Interim dividend dates**

Ex-dividend date	5-Jul-21
Record date	6-Jul-21
Last election date for the DRP	16-Jul-21
Payment date	29-Jul-21
Date for issue of shares under DRP	29-Jul-21

**Dividend Reinvestment Plan**

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked interim dividend of 2.5 cent per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the issue price. The relevant issue price will be the volume weighted average price (VWAP) of shares sold on the ASX (on an ex-dividend basis) five days from the ex-dividend date inclusive of the ex-dividend date.

**Net tangible assets**

	31 March 2021	30 September 2020
Net Tangible Assets (per share) before tax	1.3820	1.1872
Net Tangible Assets (per share) after tax	1.2992	1.1563

**Control gained or lost over entities during the half-year**

The Company did not gain or lose control over any entities during the half-year.

**Detail of associates and joint venture entities**

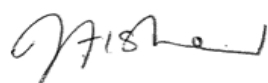
The Company did not have any interests in any associates or joint ventures during the half-year.

**Review**

This report is based on the financial report which has been reviewed. All the documents comprise the information required by Listing Rule 4.2A.

This information should be read in conjunction with the 30 September 2020 Annual Financial Report.

Signed on behalf of Morpic Ethical Equities Fund Limited.



JoAnna Fisher  
Chairman

Sydney  
18 May 2021

**Morphic Ethical Equities Fund Limited**  
**ASX: MEC**

ABN 52 617 345 123

**Interim Financial Report**  
**For the half-year ended 31 March 2021**

# **Morphic Ethical Equities Fund Limited**

## **ASX: MEC**

ABN 52 617 345 123

## **Interim Financial Report**

### **For the half-year ended 31 March 2021**

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## Directors' Report

The Directors present their Report together with the Financial Report of Morphic Ethical Equities Fund Limited ("the Company") for the half-year ended 31 March 2021 ("the Period").

### Information on directors

The following persons were directors of the Company during the half-year and up to the date of this report (unless otherwise indicated):

JoAnna Fisher	Independent Chairman
Jack Lowenstein	Non-Independent Director and Company Secretary
Mark Forstmann	Independent Director
Virginia Malley	Independent Director (resigned 4 December 2020)
Chad Slater	Alternate Director (resigned 19 October 2020)

### Principal activity

The Company's principal activity is investing in global listed securities screened to exclude entities involved in environmentally damaging activities (including coal and uranium mining and oil and gas), intensive farming and aquaculture, tobacco, armaments, alcohol and gambling.

The Company's investment objectives are to: deliver investors an ethically screened portfolio; generate superior risk adjusted returns; and provide capital growth and consistent income. No change in this activity took place during the half-year or is likely to in the future.

### Review of Operations

The portfolio was up 19.46% on a net basis over the Period and outperformed its benchmark by 6.60%. Portfolio performance is announced monthly to the ASX and also available at the manager's website at [www.morphicasset.com/fund-detail-mec](http://www.morphicasset.com/fund-detail-mec).

The Company's investments during the half-year resulted in operating profit before tax of \$11,928,340 (2020: loss \$2,124,035) and profit after tax of \$8,368,497 (2020: loss \$1,454,517). This reflects the performance of the investment portfolio over the Period as outlined below.

Investment Returns	Returns Over the Period 1 October 2020 to 31 March 2021		Returns since inception (pa) 3 May 2017 to 31 March 2021	
	Gross	Net	Gross	Net
Investment Portfolio	20.05%	19.46%	11.86%	10.72%
MSCI All Countries Total Return Daily Index	13.08%	12.86%	12.66%	12.08%
Outperformance	6.97%	6.60%	(0.81%)	(1.37%)

*Gross return is before fees and taxes.*

*Net return is net of investment management fees, before Company administration costs and taxes.*

*Past performance is not an indication of future performance.*

The Company's Net Tangible Asset Value (NTA) per share at the end of the Period was \$1.3820 before tax and \$1.2992 after tax.

### Dividends Paid or Recommended

On 3 November 2020, the Directors declared a fully franked dividend of 1.5 cents per share which amounted to \$793,067 and was paid on 17 December 2020.

Since the end of the half-year, the Directors declared a fully franked interim dividend of 2.5 cents per share on 18 May 2021 to be paid on 29 July 2021.

This increased dividend is consistent with the Company's policy of paying fully franked dividends to shareholders and raising the dividend over time, provided the Company has distributable profits, franking credits and it is within prudent business practices.

## Directors' Report (continued)

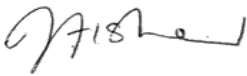
### Rounding of Amounts to Nearest Dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (unless otherwise indicated).

### 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.

Signed in accordance with a resolution of the directors.



JoAnna Fisher  
Chairman

Sydney, 18 May 2021

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**Auditor's Independence Declaration  
To the Directors of Morphic Ethical Equities Fund Limited  
ABN 52 617 345 123**

In relation to the independent auditor's review of Morphic Ethical Equities Fund Limited for the half year ended 31 March 2021, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**S M Whiddett**  
Partner

**Pitcher Partners**  
Sydney

18 May 2021

**Statement of Profit or Loss and Other Comprehensive Income**

	Note	Half-year ended 31 March 2021 \$	Half-year ended 31 March 2020 \$
<b>Investment income</b>			
Interest income		-	3,142
Dividend income		195,015	787,782
Net gains/(losses) on financial instruments at fair value through profit or loss		12,350,770	(2,115,883)
Net gains on foreign exchange		336,041	602,442
Other income		353	10
<b>Net investment income/(loss)</b>		<b>12,882,179</b>	<b>(722,507)</b>
<b>Expenses</b>			
Audit and tax		31,050	30,883
Administration, registry and middle office fees		60,040	106,483
Directors' fees		63,900	70,000
Dividends on borrowed stock		45,537	327,265
Interest expense (including on borrowed stock)		15,687	113,652
Management fees		426,492	396,188
Transaction costs		203,193	160,853
Withholding tax expense		26,655	103,938
Other expenses		81,285	92,266
<b>Total expenses</b>		<b>953,839</b>	<b>1,401,528</b>
<b>Profit/(Loss) for the half-year before income tax expense</b>		<b>11,928,340</b>	<b>(2,124,035)</b>
Income tax expense/(benefit)		3,559,843	(669,518)
<b>Profit/(Loss) for the half-year</b>		<b>8,368,497</b>	<b>(1,454,517)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<b>8,368,497</b>	<b>(1,454,517)</b>
<b>Basic earnings/(losses) per share</b>	3	<b>15.81 cents</b>	<b>(2.76) cents</b>
<b>Diluted earnings/(losses) per share</b>	3	<b>15.81 cents</b>	<b>(2.76) cents</b>

*The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.*

## Statement of Financial Position

	Note	As at 31 March 2021 \$	As at 30 September 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	7,202,750	7,050,184
Receivables		796,814	2,321,657
Prepayments		85,946	30,486
Investments	2	68,749,999	67,301,664
<b>Total current assets</b>		<b>76,835,509</b>	<b>76,703,991</b>
<b>Non-current assets</b>			
Deferred tax asset		60,921	145,475
<b>Total non-current assets</b>		<b>60,921</b>	<b>145,475</b>
<b>Total assets</b>		<b>76,896,430</b>	<b>76,849,466</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	5	1,122,105	4,396,274
Payables		1,611,460	2,695,608
Investments	2	919,883	6,841,980
Current tax liability		1,909,534	814,179
<b>Total current liabilities</b>		<b>5,562,982</b>	<b>14,748,041</b>
<b>Non-current liabilities</b>			
Deferred tax liability		2,535,062	964,635
<b>Total non-current liabilities</b>		<b>2,535,062</b>	<b>964,635</b>
<b>Total liabilities</b>		<b>8,098,044</b>	<b>15,712,676</b>
<b>Net assets</b>		<b>68,798,386</b>	<b>61,136,790</b>
<b>Equity</b>			
Issued capital	4(a)	55,776,248	55,690,082
Accumulated losses		(1,302,229)	(1,302,229)
Profits reserve		14,324,367	6,748,937
<b>Total equity</b>		<b>68,798,386</b>	<b>61,136,790</b>

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.



## Statement of Changes in Equity

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
<b>Balance at 30 September 2019</b>		<b>55,510,102</b>	<b>(1,003,827)</b>	<b>5,073,269</b>	<b>59,579,544</b>
Loss for the half-year		-	(1,454,517)	-	(1,454,517)
Transfer to profits reserve		-	(2,731,248)	2,731,248	-
Other comprehensive income		-	-	-	-
<b>Transactions with owners:</b>					
Shares issued during the half-year	4(a)	96,423	-	-	96,423
Dividends provided for or paid	6	-	-	(527,285)	(527,285)
<b>Balance at 31 March 2020</b>		<b>55,606,525</b>	<b>(5,189,592)</b>	<b>7,277,232</b>	<b>57,694,165</b>
<b>Balance at 30 September 2020</b>		<b>55,690,082</b>	<b>(1,302,229)</b>	<b>6,748,937</b>	<b>61,136,790</b>
Profit for the half-year		-	8,368,497	-	8,368,497
Transfer to profits reserve		-	(8,368,497)	8,368,497	-
Other comprehensive income		-	-	-	-
<b>Transactions with owners:</b>					
Shares issued during the half-year	4(a)	86,166	-	-	86,166
Dividends provided for or paid	6	-	-	(793,067)	(793,067)
<b>Balance at 31 March 2021</b>		<b>55,776,248</b>	<b>(1,302,229)</b>	<b>14,324,367</b>	<b>68,798,386</b>

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

## Statement of Cash Flows

	Note	Half-year ended 31 March 2021 \$	Half-year ended 31 March 2020 \$
<b>Cash flows from operating activities</b>			
Dividends received		187,492	824,700
Other income received		353	10
Interest paid		(15,687)	(122,734)
Dividends on borrowed stock		(63,429)	(344,536)
Management fees paid		(413,323)	(395,922)
Directors' fees paid		(63,900)	(70,000)
Withholding tax paid		(26,655)	(103,939)
Other operating expenses paid		(235,605)	(303,392)
Transaction costs paid		(203,193)	(160,853)
Income tax paid		(809,506)	-
<b>Net cash outflow from operating activities</b>		<b>(1,643,453)</b>	<b>(676,666)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		71,429,201	42,095,047
Payments for purchase of investments		(65,757,958)	(27,154,722)
<b>Net cash inflow from investing activities</b>		<b>5,671,243</b>	<b>14,940,325</b>
<b>Cash flows from financing activities</b>			
Dividends paid net of dividend reinvestment		(706,901)	(430,862)
<b>Cash outflow from financing activities</b>		<b>(706,901)</b>	<b>(430,862)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,320,889</b>	<b>13,832,797</b>
Effect of exchange rate fluctuations on cash		105,846	399,452
Cash and cash equivalents at beginning of the half-year		2,653,910	(7,872,529)
<b>Cash and cash equivalents at end of the half-year</b>	5	<b>6,080,645</b>	<b>6,359,720</b>
<b>Non-cash financing activities</b>			
Ordinary shares issued under dividend reinvestment plan	4(a)	86,166	96,423

*The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.*

## 1. General information and summary of significant accounting policies

Morphic Ethical Equities Fund Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 13 February 2017. The registered office and principal place of business of the Company is Level 11, 179 Elizabeth Street, Sydney NSW 2000.

These condensed interim financial statements are for the half-year ended 31 March 2021, and were authorised for issue by the Directors on 18 May 2021.

The Company's principal objectives are to:

- deliver investors an ethically screened portfolio;
- deliver investors superior risk adjusted returns; and
- provide capital growth and consistent income.

The Manager achieves this through a long and short equity strategy focusing on global securities.

The Company primarily invests in global listed securities. It may also invest in cash, unlisted global securities, fixed interest instruments, commodities, credit instruments and currencies through assets, exchange traded funds or other derivatives, including futures, options, forwards and swaps.

A summary of the material accounting policies adopted by the Company in the preparation of the interim financial statements is set out below:

### (a) Basis of preparation

These condensed interim financial statements for the half-year ended 31 March 2021 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standard.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 September 2020 annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed interim financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of investment assets and liabilities.

The accounting policies adopted are consistent with those applied to the Company's financial statement for the year ended 30 September 2020.

### (b) New and revised accounting requirements applicable to the current reporting period

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 October 2020 that have a material impact on the Company.

### (c) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published by the AASB that are not mandatory for the interim period ended 31 March 2021 and have not been early adopted by the Company. The directors have considered these standards and interpretations and have concluded that they will not have a material impact on the financial report of the Company.

### (d) Rounding amounts

In accordance with ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

## 2. Fair value measurement

The Company measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### Fair value hierarchy

AASB 13: Fair value measurement requires disclosure of fair value measurements by level of the fair value hierarchy:

- Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and
- Level 3 - measurements based on unobservable inputs from the asset or liability.

#### (i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments and derivatives in accordance with the accounting policies set out in Note 1 to the annual financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

#### (ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by management. Management consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## 2. Fair value measurement (continued)

### Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 March 2021 and 30 September 2020.

As at 31 March 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Listed equities	68,716,974	-	-	68,716,974
Forward currency exchange contracts	-	33,025	-	33,025
<b>Total financial assets at fair value through profit or loss</b>	<b>68,716,974</b>	<b>33,025</b>	<b>-</b>	<b>68,749,999</b>
<b>Financial liabilities</b>				
Futures	1,505	-	-	1,505
Swap contracts	-	885,379	-	885,379
Forward currency exchange contracts	-	32,999	-	32,999
<b>Total financial liabilities at fair value through profit or loss</b>	<b>1,505</b>	<b>918,378</b>	<b>-</b>	<b>919,883</b>
<b>As at 30 September 2020</b>				
<b>Financial assets</b>				
Listed equities	28,573,052	-	-	28,573,052
Listed unit trusts	34,216,332	-	-	34,216,332
Futures	4,083	-	-	4,083
Swap contracts	-	4,508,197	-	4,508,197
<b>Total financial assets at fair value through profit or loss</b>	<b>62,793,467</b>	<b>4,508,197</b>	<b>-</b>	<b>67,301,664</b>
<b>Financial liabilities</b>				
Listed equities	2,950,212	-	-	2,950,212
Swap contracts	-	3,891,768	-	3,891,768
<b>Total financial liabilities at fair value through profit or loss</b>	<b>2,950,212</b>	<b>3,891,768</b>	<b>-</b>	<b>6,841,980</b>

### (iii) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

### (iv) Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs as at 31 March 2021 or at 30 September 2020.

### (v) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

	Half-year ended 31 March 2021 \$	Half-year ended 31 March 2020 \$
<b>3. Earnings/(losses) per share</b>		
<b>Basic earnings/(losses) per share</b>	<b>15.81 cents</b>	<b>(2.76) cents</b>
<b>Diluted earnings/(losses) per share</b>	<b>15.81 cents</b>	<b>(2.76) cents</b>
Profit/(Loss) used in calculating basic earnings/(losses) per share	8,368,497	(1,454,517)
Profit/(Loss) used in calculating diluted earnings/(losses) per share	8,368,497	(1,454,517)
Weighted average number of ordinary shares used in the calculation of basic earnings/(losses) per share	52,918,448	52,786,738
Weighted average number of shares used in the calculation of diluted earnings/(losses) per share	52,918,448	52,786,738

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares from 1 October 2020 to 31 March 2021.

#### 4. Issued Capital

##### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

##### Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors regularly monitor NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

	Half-year ended 31 March 2021		Year ended 30 September 2020	
	Shares	\$	Shares	\$
<b>(a) Movements in ordinary share capital</b>				
Opening balance	52,871,147	55,690,082	52,728,519	55,510,102
Ordinary shares issued under dividend reinvestment plan	82,322	86,166	142,628	136,382
Costs of issued capital, net of tax	-	-	-	43,598
Closing balance	<b>52,953,469</b>	<b>55,776,248</b>	<b>52,871,147</b>	<b>55,690,082</b>

#### 5. Cash flow information

##### Components of 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 March 2021	As at 30 September 2020
Cash at bank	7,202,750	7,050,184
Prime broker funding facility	(1,122,105)	(4,396,274)
	<b>6,080,645</b>	<b>2,653,910</b>

	Half-year ended 31 March 2021 \$	Half-year ended 31 March 2020 \$
<b>6. Dividends</b>		
<b>Paid in the current period</b>		
<b>Dividends paid in the current period</b>		
A fully franked final dividend on ordinary shares in respect of the 2021 financial year of 1.5 cents per share was paid on 17 December 2020 (2020: A fully franked final dividend on ordinary shares in respect of the 2020 financial year of 1.0 cent per share was paid on 17 December 2019)	793,067	527,285
	<b>793,067</b>	<b>527,285</b>

On 18 May 2021, the Directors declared a fully franked dividend of 2.5 cents per share which amounted to \$1,323,837 and will be paid on 29 July 2021.

## 7. Contingent liabilities and commitments

As at 31 March 2021, the Company had no contingent liabilities or commitments.

## 8. Segment information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Fair Value Measurement.

## 9. Events subsequent to reporting date

Since the end of the half-year, the Directors declared a fully franked interim dividend of 2.5 cents per share to be paid on 29 July 2021.

No other matters or circumstances have arisen since the end of the half-year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

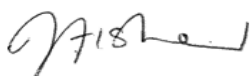
## Director's Declaration

The Directors declare that:

- (a) the financial statements and notes set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, and:
  - i) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
  - ii) giving a true and fair view of the financial position of the Company as at 31 March 2021 and of its performance for the financial half-year ended on that date.
- (b) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Company.

On behalf of the Directors



**JoAnna Fisher**  
Chairman  
Morphic Ethical Equities Fund Limited

Sydney, 18 May 2021



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**Independent Auditor's Review Report  
To the Members of Morphic Ethical Equities Fund Limited  
ABN 52 617 345 123**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of Morphic Ethical Equities Fund Limited ("the Company") which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Morphic Ethical Equities Fund Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 March 2021 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.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Responsibility of the Directors for the Financial Report**

The directors of the Company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 March 2021 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*.

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.



**S M Whiddett**  
Partner



**Pitcher Partners**  
Sydney

18 May 2021

## Corporate directory

### Directors

JoAnna Fisher  
Jack Lowenstein  
Mark Forstmann

### Company Secretary

Jack Lowenstein

### Registered Office

Level 11, 179 Elizabeth Street  
SYDNEY NSW 2000

### Contact Details

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### Manager

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SYDNEY NSW 2000

### Auditor

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201 Sussex Street  
SYDNEY NSW 2000  
P: (02) 9221 2099

### Share Registry

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### Securities Exchange Listing

ASX code (ordinary shares): MEC