

ANNOUNCEMENT

3 December 2021

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

AGM Chairman's Address and Presentation

Please find attached the following documents to be delivered at MEC's AGM today:

- Chairman's address; and
- AGM Presentation.

Please contact MEC's Investor Relations team on 02 9021 7701, if you require more information about this announcement.

Yours sincerely,

Ian Kelly

Company Secretary



Level 11, 179 Elizabeth Street, Sydney NSW 2000



2021 ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

Good morning ladies and gentlemen.

On behalf of the Board, I would like to welcome all Morphic Ethical Equities Fund shareholders, invited guests and other visitors to our 2021 Annual General Meeting.

My name is JoAnna Fisher and I am Chairman of Morphic Ethical Equities Fund Limited and Chairman of the Meeting today. As there is a quorum present, I declare the meeting open.

Our Board and Management here today include Mark Forstmann, Jack Lowenstein and MEC's Company Secretary Ian Kelly. MEC's Portfolio Manager, Bill Pridham is also present along with other members of the Manager's team:

- Brian O'Sullivan, Director of Morphic Asset Management and its parent Ellerston Capital; and
- Nadeem Ali, Joint CFO.

Bill will provide an update on the portfolio immediately after the conclusion of the formal business of the AGM.

Also present with us is our auditor for the 2021 financial year, Scott Whiddett from Pitcher Partners. Pitcher Partners will be retiring as the company's auditors at today's meeting. I would like to take this opportunity to thank Scott for his considered advice and guidance to the Board over the past 5 years which we valued.

Scott is available to take questions relevant to the conduct of the audit and the preparation and content of the Independent Audit Report. You will note that I will be asking you to vote on a resolution to appoint Ernst and Young as the company's new auditors. Rita De Silva is present today representing EY.

Richard Powell, representative of MEC's share registry, Computershare, is also present to assist in the poll process for the meeting and will be acting as the returning officer for the purposes of today's meeting.

During the COVID-19 pandemic, we are focused on the health of our shareholders, and therefore this meeting is being held virtually via the share registry's online platform, Lumi. This allows Shareholders, Proxies and Guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes. We recognise the limitations of holding the AGM in this format, and we look forward to seeing you all in person when it is safe to do so.

The Corporations Act requires that the Company make copies of relevant questions received available. No written questions were received.

Copies of the Notice of Meeting and an online virtual meeting guide which explains how shareholders can participate in the meeting were sent to shareholders in advance of this meeting, and are also available on the Company website and on the ASX announcements platform.

Questions can be submitted at any time. To ask a question, select the messaging tab at the top of the Lumi platform. At the top of that tab there is a section for you to type your question. Once you have finished typing please hit the arrow symbol to send.

Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together. If there are any portfolio related questions, these will be addressed by Bill during or following his portfolio update.

For those shareholders who wish to ask a verbal question, an audio questions facility is available during this meeting. To use this service, please pause the broadcast on the Lumi platform and then click on the link under "Asking audio questions". A new page will open where you will be prompted to enter your name and the topic of your question before being connected. You will listen to the meeting on this page while waiting to ask your question. If you have any issues using this system, please return to the Lumi platform.

Finally, due to time constraints, we may not get to answer all of your questions. If this happens, we will answer them in due course via email/posting responses on our website.

If we experience any technical issues today, a short recess or an adjournment may be required. If this occurs, I will advise you accordingly.

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open voting for all resolutions.

At that time, if you are eligible to vote at this meeting, a new voting tab will appear. Selecting this tab will bring up a list of resolutions and present you with voting options. To cast your vote simply select one of the options. There is no need to hit the submit or enter button as the vote is automatically recorded.

You do however have the ability to change your vote, up until the time I declare voting closed.

I confirm that where undirected proxies have been given to me (the Chairman), I will vote in favour of the resolution to the extent permitted. During the meeting we will display on the presentation slides the number of direct and proxy votes received prior to the meeting.

If you are a proxy, you must direct your votes according to the instructions received. If you choose not to vote, I, as Chairman will be taken to have been appointed as the proxy and I must vote as directed in the instructions given.

If you are a proxy and you have not been instructed to vote in a particular manner in respect of the relevant Resolution, you may vote in favour of or against or abstain from voting on the relevant Resolution as you see fit by completing your online proxy holder voting card.

I now declare voting open on all items of business. The polling icon will soon appear, please submit your votes at any time.

I would now like to turn to the formal business of the meeting.

The first item of business is the results for the period to 30 September 2021. The Company recorded a pre-tax operating profit of \$19.8 million and a net profit after tax of \$13.9 million.

At September 30th, MEC's pre-tax NTA was \$1.5040 and its post-tax NTA was \$1.3791 per share. For reference, at September 30th, 2020, MEC's pre-tax NTA was \$1.1872 (+26.7%) and its post-tax NTA was \$1.1563 (+16.2%) per share.

I am very pleased to announce that the Board has declared a fully franked final dividend of 3 cents per share taking total fully franked FY21 dividends to 5.5cps, a substantial increase on last year. The record date for the final dividend for the 2020/21 year will be 30 November 2021 and the payment date will be 15 December 2021.

As at 30 September 2021, the Company's profit reserve was 38.6 cents per share, before the payment of the fully franked dividend of 3 cents per share. After the payment of the fully franked dividend, the profit reserve balance of 35.6 cents per share represents almost 6 years of dividend coverage at current annualised dividend of 6 cents per share. Reflecting this strong position, and the Board's keen understanding of the desire of many shareholders for regular income, the Company now plans to move to quarterly dividends with payments commencing from the first quarter of 2022. This is expected to initially be at a rate of at least 1.5 cents fully franked per quarter.

Resolutions

As mentioned before, the Notice of Meeting was sent to shareholders. I propose that the Notice of Meeting be taken as read.

The next item of business listed in the Notice of Meeting is to receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 September 2021.

There is no requirement for shareholders to approve these reports. This item gives you the opportunity to ask questions about or make comment on these reports.

I will now open to questions received through the online platform in relation to these reports. We will give participants 30 seconds to enter any questions (unless of course more time is required).

As there are no (further) questions we shall move to the next item of business.

RESOLUTION 1 - REMUNERATION REPORT

The next item of business, Resolution 1, is the Adoption of the Remuneration Report. The Corporations Act requires a resolution be put to vote at the Company's annual general meeting that the remuneration report be adopted. The vote on this resolution is advisory only and does not bind the directors of the Company. The Remuneration Report to shareholders is contained on pages 11 to 13 of the 2021 Annual Report.

This item gives you the opportunity to ask questions about or make comment on MEC's remuneration policies.

We will give participants 30 seconds to enter any questions.

If there are no (further) questions, I will ask you to complete your voting on Resolution 1.

We will move to the next item of business.

RESOLUTION 2 - RE-ELECTION OF DIRECTOR

The next item of business to consider and if thought fit to pass the following resolution "That Mr Jack Lowenstein, who retires by rotation in accordance with rule 6.7 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."

The Board (with Mr Lowenstein abstaining in respect of this resolution) recommends the reelection of Mr Lowenstein.

I will now invite Mr Lowenstein to say a few words.

If there are no (further) questions, I will ask you to complete your voting on Resolution 2.

RESOLUTION 3 - CHANGE OF AUDITOR

The next item of business to consider and if thought fit to pass the following resolution as an ordinary resolution:

"Subject to ASIC consenting to the resignation of Pitcher Partners as auditor of the Company, that pursuant to section 327B of the Corporations Act and for all other purposes, Earnst & Young be appointed as auditor of the Company with effect on from the date ASIC consent is received."

If there are no (further) questions, I will ask you to complete your voting on Resolution 3.

On the screen are the details of the total valid proxies for all resolutions.

Ladies and gentlemen that concludes our discussion on the items of business. We will give participants 30 seconds to finalise the voting.

Voting is now closed. The results of today's AGM will be released to the market and made available on the ASX website later today.

I will now allow an opportunity for questions in relation to the management and/or general business of the company. We will give shareholders a minute to enter any questions. Any portfolio related questions will be addressed by Bill in his presentation following this meeting.

Ladies and gentlemen, this concludes the business of the AGM. I declare the meeting closed.

I will now hand over to Bill Pridham for the portfolio update. I would like thank you all for participating and for your continued support of MEC.



Signatory of:



A proud founder of:



AGM Agenda

- Consideration of Financial Statements and Reports
- Resolution 1: Remuneration Report
- Resolution 2: Re-Election of Jack Lowenstein as a Director
- Resolution 3: Change of Auditor
- Portfolio Update









Online Attendees – Text Question Process



When the question function is available, the messaging tab will appear at the top of the screen



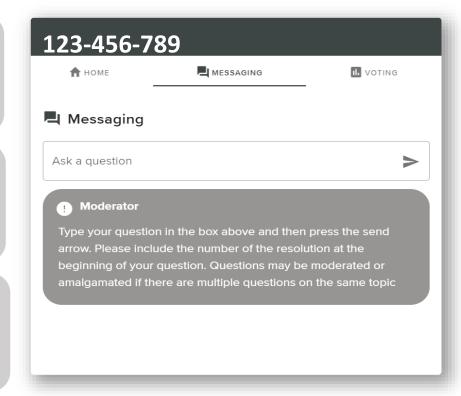
To submit a question, type your question in the "Ask a question" box and press the send arrow



Your question will be sent immediately for review



Received









Online Attendees - Audio Question Process



When the audio questions line is available, a link will appear on the home tab titled Asking Audio Questions

If you would like to ask an audio question, pause the meeting broadcast and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue



♠ HOME

MESSAGING

II VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.







Online Attendees – Audio Question Process



When open, the vote will be accessible by selecting the voting tab at the top of the screen



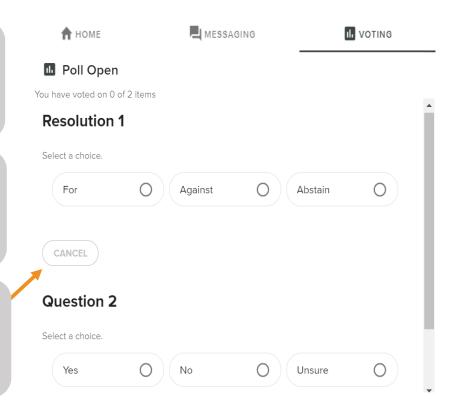
To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For

Against

Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed







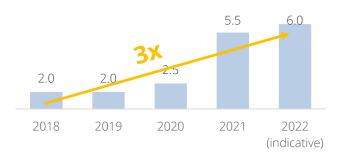


Company Results

Company Performance

	Year ended 30 September 2020	Year ended 30 September 2021
Pre-Tax Operating Profit	\$ 3.50m	\$ 19.8m
Post-Tax Operating Profit	\$ 2.43m	\$ 13.9m

Dividend - cents per share per calendar year



Past performance is not indicative of future performance. *As at 30 September 2021.

Dividends

	Amount		
Total Dividend 2021	5.5¢ per share		
Interim Dividend (Payment date: 5 th July 2021)	2.5¢ per share		
Final Dividend (Payment date: 15 th December 2021)	3¢ per share		
Profits reserve*	38.6¢		
Dividend Coverage	6.4 years		

MEC to move to quarterly dividends with payments commencing from the first quarter of 2022.







Financial Statements

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 September 2021.

There is no requirement for shareholders to approve these reports.







RESOLUTION 1 – Remuneration Report

"That the Remuneration Report of the Company (which forms part of the Directors' Report) for the financial year ended 30 September 2021 be adopted."







RESOLUTION 2 – Re-Election of Jack Lowenstein

"That Mr. Jack Lowenstein, who retires by rotation in accordance with rule 6.7 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company."







RESOLUTION 3 – Change of Auditor

"Subject to ASIC consenting to the resignation of Pitcher Partners as auditor of the Company, that pursuant to section 327B of the Corporations Act and for all other purposes, EY be appointed as auditor of the Company with effect on from the date ASIC consent is received."



























Six mega trends and the innovations that will enable them



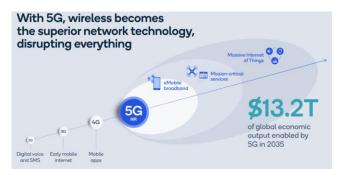


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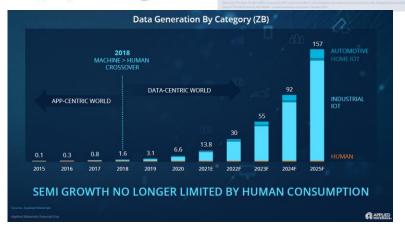






































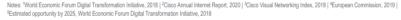
Consumer





























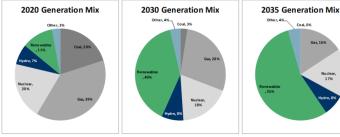






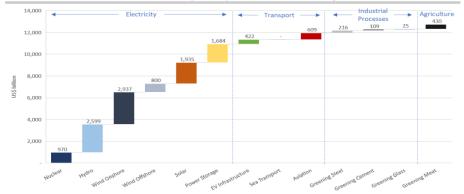


Projected US Power Generation Mix by Fuel Type – A Major Shift Playing Out



Source: EIA, SNL Financial, Morgan Stanley Research estimates

Incremental infrastructure spending of decarbonization by sectors, 2020-2030



Source: Jefferies









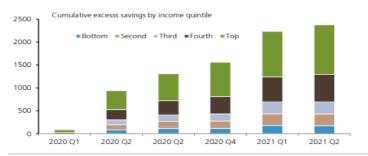




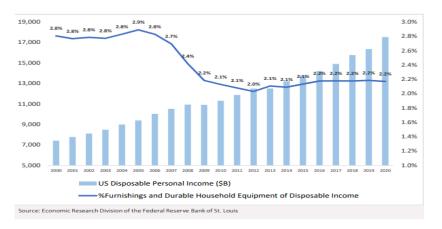








Source: BEA, Census, OpportunityInsights, UBS







TEMPUR + SEALY









OLAPLEX

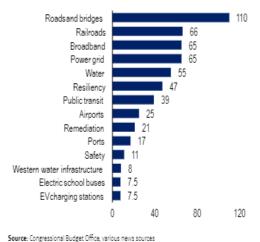






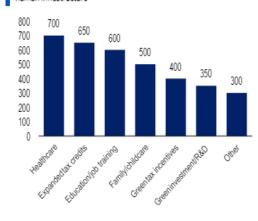
A breakdown of the new spending in the bipartisan infrastructure bill

Around \$550bn of the \$1.2tn of the spending will be new with much of the new funding going to traditional infrastructure.



RofA GLOBAL RESEARCH

Exhibit 3: A rough allocation of the \$3.5tn spending package (\$bn)
Majority of the spending in the reconciliation bill will be focused on
'human infrastructure'



Source: Rough estimates based on previous scoring by CRFB of the American Jobs Plan and American Families Plan and reconciliation directives.

BofA GLOBAL RESEARCH



























Positioning Considerations



- Fiscal Stimulus
- Pricing leverage
- Capex/Inventory Replenishment
- Consumer Spending
- Reopening Momentum



- Inflation Structural or Transitory
- Monetary Policy/Rising Rates
- Supply chain
- Valuation Compression
- New COVID-19 variants







Morphic Ethical Equities Fund Performance





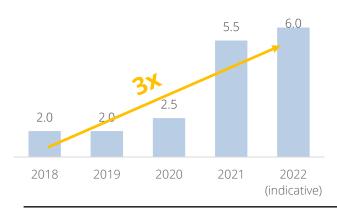


Portfolio Performance	3 Months	CYTD	1 Year	3 Years (p.a.)	Since Inception (p.a.)^
Net	2.63%	25.10%	32.40%	15.52%	11.83%
Benchmark*	1.08%	19.99%	28.35%	15.22%	13.53%
Alpha	1.55%	5.12%	4.05%	0.29%	-1.70%

Source: Ellerston Capital as at 30 October 2021, ASX

Performance is net of investment management fees, before company admin costs and taxes *MSCI All Countries World Daily Total Return Net Index ^Inception Date is 03 May 2017 * *Indicative. Past performance is not a reliable indication of future performance.

Dividend - cents per share per calendar year



Key Facts as at 31 October 2021				
Pre-tax NTA	\$1.5038			
Share Price	\$1.365			
Annual Dividend/Dividend Yield	\$0.06/4.4%**			
Profit Reserve	38.6 cents			
Dividend Coverage	6.4 years			
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ESG In Focus





















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