

ANNOUNCEMENT

8 November 2022

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.

Authorised by Ian Kelly, Company Secretary

Level 11, 179 Elizabeth Street, Sydney NSW 2000





2022 ANNUAL GENERAL MEETING - CHAIRMAN'S ADDRESS

(Slide 1) 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 2022 Annual General Meeting.

My name is JoAnna Fisher and I am Chairman of Morphic Ethical Equities Fund Limited and Chairman of the Meeting today. The time is now [INSERT TIME] and a quorum is present. I therefore declare the meeting open.

Our Board and Management here today include Mark Forstmann, Jack Lowenstein and MEC's Company Secretary Ian Kelly. We also welcome Kirstin Hunter who will be standing for election as a director. I am not seeking re-election and therefore this will be my last AGM as the Chairman of the Board. The Board has elected Jack Lowenstein as the Chairman. Many of shareholders will know Jack and his contribution to the Company.

Also in attendance today is MEC's Portfolio Manager, Bill Pridham along with other members of the Manager's team:

• Nadeem Ali, Joint CFO.

(Slide 2) 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 2022 financial year, Ms Rita Da Silva from Ernst & Young. Rita is available to take questions relevant to the conduct of the audit and the preparation and content of the Independent Audit Report.

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.

(Slide 3) Similar to the process followed in the prior years, this AGM is being held virtually via the Computershare virtual online portal. 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.

The Corporations Act requires that the Company make copies of relevant questions received available. We have received written questions.

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.

(**Slide 4**) Questions can be submitted at any time via the Computershare virtual online portal. To ask a question, select the 'Q&A' icon at the top of screen, type your question

into the chat box and press 'Send'. To ask a verbal question, follow the instructions on the virtual meeting platform.

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.

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.

(Slide 5) 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.

Once opened, you will be able to select the 'Vote' icon, at the top of the screen and the voting options will appear. To cast your vote simply select one of the options. At that point, a tick will appear to confirm receipt of your vote. To change your vote, select 'Click here to change your vote' and press a different option to override.

I now declare voting open on all items of business. The voting tab should be accessible.

Please submit your votes at any time. I will give you a warning before I move to close voting. 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 would now like to turn to the formal business of the meeting.

(Slide 6) The first item of business is the results for the period to 30 June 2022. The Company recorded a pre-tax operating loss of \$16.2 million and a net loss after tax of \$11.3 million.

At June 30th, MEC's pre-tax NTA was \$1.0515 and its post-tax NTA was \$1.1062 per share. For reference, at the time of listing, MEC's pre-tax NTA was \$1.0623 and post-tax NTA was \$1.0736.

Note that these figures are after a cash outlay of 6 cps for a fully franked dividend paid from the NTA over the nine-month period. This is a continuation of the increase from last year. Since inception, MEC has declared 16.5 cps in fully franked dividends.

As at 30 June 2022, the Company's profit reserve was 39.0 cents per share, before the payment of the fully franked dividend of 1.5 cents per share. After the payment of the fully franked dividend, the profit reserve balance of 37.5 cents per share represents over 6 years of dividend coverage at current annualised dividend of 6 cents per share. The Company will continue with quarterly dividend payments in FY23, expected to 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.

(Slide 7) 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 June 2022.

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 ask any questions (unless of course more time is required).

Wait for 30 seconds

If there are questions, Chairman or Company Secretary read out the question. (After each answer, ask for or read out the next question).

If there are no questions, or after questions have been dealt with:

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

RESOLUTION 1 - REMUNERATION REPORT

(Slide 8) 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 10 to 12 of the 2021 Annual Report.

This item gives you the opportunity to ask questions about or make comment on MEC's remuneration policies. The Board and any key management personnel will abstain from voting on this resolution.

We will give participants 30 seconds to ask any questions.

Wait for 30 seconds

If there are questions, Chairman or Company Secretary read out the question. (After each answer, ask for or read out the next question).

If there are no questions, or after questions have been dealt with:

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 - ELECTION OF DIRECTOR

(Slide 9) The next item of business to consider and if thought fit to pass the following resolution

The Board of directors has recommended Ms. Kirstin Hunter be elected as director of the Company.

The directors recommend that shareholders vote in favour of Resolution 2

I will now invite Kirstin to say a few words

Kirstin's brief address

If there are questions, Chairman or Company Secretary read out the question. (After each answer, ask for or read out the next question).

If there are no questions, or after questions have been dealt with:

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

(Slide 10) 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.

Wait for 30 seconds

(Slide 11) 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.

(Slide 12) 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.

Wait for 30 seconds.

Address any questions.

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

(Slide 13) 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.

Portfolio Update by Bill (Slides 14-24)

(Slide 25) Q&A

(Slide 26) Thank you



Signatory of:



A proud founder of:



AGM Agenda

- Consideration of Financial Statements and Reports
- Resolution 1: Remuneration Report
- Resolution 2: Election of Kirstin Hunter as a Director
- Portfolio Update









Online Attendees - Question Process

To ask a question select the 'Q & A' icon and choose the topic your question relates to.



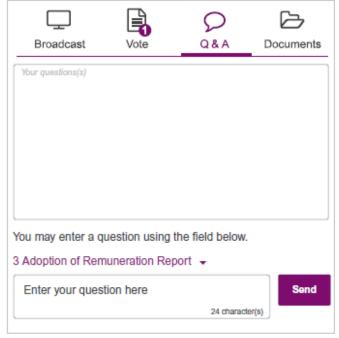
Type your question into the chat box at the bottom of the screen and press send.



To ask a verbal question, follow the instructions on the virtual meeting platform.







If you require assistance before or during the meeting please call +61 3 9415 4024







Online Attendees – Voting Process

Computershare

When the Chair declares the poll open, select the 'Vote' icon and the voting options will appear on screen

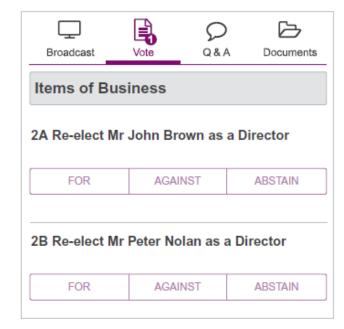


To vote, select your voting direction. A tick will appear to confirm receipt of your vote.



To change your vote, select 'Click here to change your vote' and press a different option to override





If you require assistance before or during the meeting please call +61 3 9415 4024





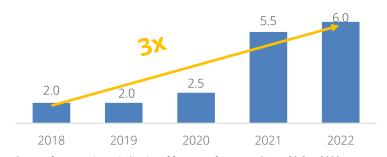


Company Results

Company Performance

	Year ended 30 September 2021	9 months to 30 June 2022**	
Pre-Tax Operating Profit/Loss	\$ 19.8m	-\$ 16.2m	
Post-Tax Operating Profit/Loss	\$ 13.9m	-\$ 11.3m	

Dividend - cents per share per calendar year



Past performance is not indicative of future performance. *As at 30 Sep 2022. ** Reflects 9 months transition period. *** After payment of Nov dividend

Dividends

Amount		
6¢ per share		
1.5¢ per share		
2 1.5¢ per share		
1.5¢ per share		
1.5¢ per share		
44.4 cents		
7.15 years***		

Amount

MEC paid quarterly dividends payments 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 June 2022.

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 June 2022 be adopted."







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RESOLUTION 2 – Election of Kirstin Hunter

"That Ms. Kirstin Hunter, being eligible, offers herself for election as a director of the Company."













Ellerston Global Mid Small Cap Team

Ashok Jacob - Chairman



Bill PridhamPortfolio Manager
(24)

- Joined Ellerston in 2015.
- Previously an Investment Manager at JGL Investments.
- Investment Analyst at Kira Capital, Senior Research Analyst at QIC and CIO at MMC Asset Management.
- Holds a Bachelor of Commerce from Bond University and is a CFA Charterholder.



Quinn PiersonSenior Investment Analyst
(11)

- Joined Ellerston in January 2022
- Previously led Credit Suisse's #2 rated Australia Technology sector coverage and was co-head of its top-three rated Australia Small Cap coverage.
- Holds a Bachelor of Science from Virginia Tech University, majoring in Finance with a minor in Global Business.



Kevin Zheng Investment Analyst (4)

- Prior to joining Ellerston in June 2019, Kevin joined Morphic Asset Management after interning in 2017.
- He has passed CFA Level 2 and holds a Bachelor of Commerce and Bachelor of Laws (BCom/LLB) from the University of Sydney.



Kelsey Bentley Investment Analyst (4)

- Joined Morphic Asset
 Management team
 after interning in 2018. Kelsey
 joined the Ellerston team
 after Ellerston acquired controlling
 interest in Morphic in June 2019.
- Has a B.Comm/B. Advanced Studies, majoring in Finance and Banking at the University of Sydney.

Operations

Legal and Compliance

Dedicated ESG Team

Ellerston team of 28 investment professionals with an average of 18 years experience

All team members based in Ellerston's Sydney office. Numbers in parentheses indicate years of investment experience. .







Global Mid Small Caps in Context

THE SIZE OF THE AUSTRALIAN MARKET AND OUR DOMESTIC BIAS CAN OFTEN DISTORT THE PERCEPTION OF SIZE AND RISK







What do these Australian companies have in common with:







They are roughly the same 'size', and yet the Australian equivalents are regarded as 'large' and 'safe'

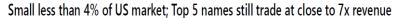


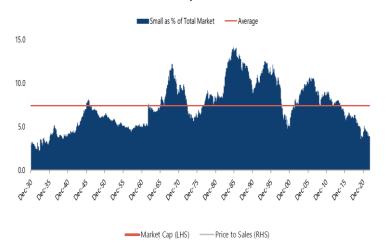


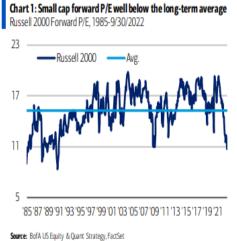


Macro considerations

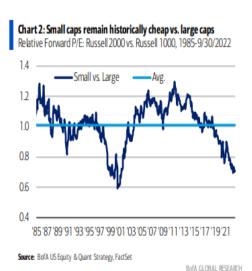
- Small caps remain at historical lows, time for mean reversion?
- With valuations below long term averages and cheap versus large caps







BofA GLOBAL RESEARCH



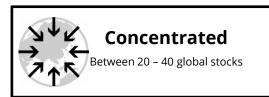
Source: FactSet; FTSE Russell; Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business; Jefferies







Our Philosophy: Connecting to Tomorrow's Returns, Today



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Mid/Small Cap Bias

Sub US\$15 billion



Absolute

Benchmark Independent



Contrarian

Where the crowd isn't

Risk/Reward Asymmetry

The trade-off between risk and return is improved by investing in the highest conviction ideas from a filtered universe of securities that are in a period of "Price Discovery"









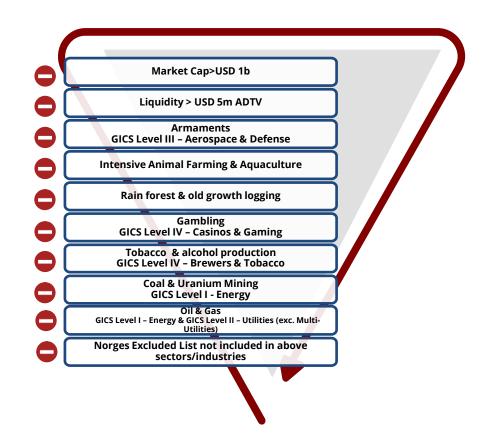
ESG Process: Screen

We exclude investments in companies fundamentally misaligned with sustainable practices:

- Oil & Gas
- Tobacco & Alcohol production
- Gambling
- Armaments
- Coal & Uranium mining
- Rain forest & old growth logging
- Intensive Animal Farming & Aquaculture

We seek to invest in companies that contribute positively to the following areas:

- Education
- Health and wellbeing
- Clean energy
- Innovation and infrastructure
- Sustainable cities
- Responsible production
- Clean environment









Positioning Considerations

Inflation Concerns

Rising Rates

Lingering Pandemic

Russia/Ukraine

Growth Concerns

Conservative Approach

Strong Balance Sheet / Cash Flow

Valuation Support

Tangible Assets

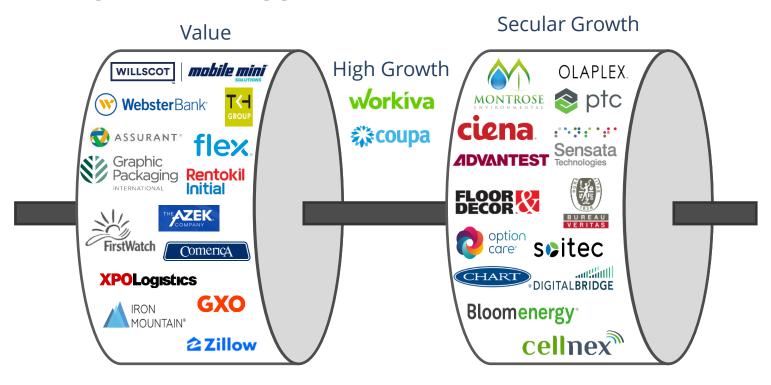
Build on Conviction







Positioning - Barbell Approach



Source: Ellerston Capital







Companies doing good



Leading global contract manufacturer driven by key megatrends of electrification and digital health. Owns world's largest solar tracking business called Nextracker which has c30% global share.



Largest folding carton manufacturer in the world which designs and produces innovative, fiber-based packaging solutions that enable it to help customers to reach their sustainability goals underpinned by the shift away from plastic packaging.



Chart's vision is to be the global leader in the design, engineering and manufacturing of cryogenic process technologies and equipment for the Nexus of Clean™ -- clean power, clean water, clean food and clean industrials, regardless of molecule.



Global industrial technology company striving to create a cleaner, more efficient, electrified and connected world through its broad portfolio of sensors, electrical protection components and sensor-rich solutions.



Leading player in 2D and 3D machine vision which underpins Industry 4.0. One of the largest players providing high voltage cables to the onshore and offshore wind farms across Europe as the continent transitions to more sustainable and secure energy sources.



World leader in revolutionary semiconductor materials which make the world more connected, more energy efficient and more intelligent. Its products are essential in next generation mobile, vehicle electrification and smart device applications.







Companies doing good



Largest independent provider of out of hospital infusion services in the US. It provides extraordinary care that changes lives through a comprehensive approach to care along every step of the infusion therapy process.



Top global testing, inspection and certification business (TIC) with approximately 55% of its revenues tied to the BV Green Line. Green line services include renewable energies, sustainable supply chains, green building certification and electrification.



Operates in a duopoly serving the North American composite decking market which is benefiting from the shift from wood. Azek expects to divert 1 billion pounds of plastics from landfills by the end of 2026 compared with 500 million pounds in 2021.



From testing to remediation to proactive interventions, Montrose provides comprehensive, environmentally-focused solutions. Approximately 20% of revenues are derived from applications aimed at removing PFAS from our environment.



Provides reliable, resilient clean energy with solid oxide fuel cells which can also be converted to produce hydrogen. Energy produced from its platform generates lower green house gas and can utilize natural gas, biogas or hydrogen as a fuel source.







Morphic Ethical Equities Fund Performance

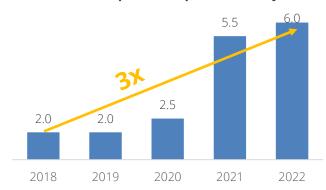






Portfolio Performance	3 Months	CYTD	1 Year	3 Years (p.a.)	Since Inception (p.a.)^
Net	-1.08%	-27.04%	-22.40%	3.18%	4.73%
Benchmark*	-0.34%	-15.90%	-10.86%	5.41%	8.57%
Alpha	-0.74%	-11.14%	-11.54%	-2.23%	-3.84%

Dividend - cents per share per calendar year



Key Facts as at 30 September 2022				
Pre-tax NTA	\$1.0205			
Share Price	\$0.900			
Annual Dividend/Dividend Yield	\$0.06/6.7%**			
Profit Reserve	44.4 cents			
Dividend Coverage	7.4 years***			

Source: Ellerston Capital as at 30 September 2022, 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. *** Before the payment of November dividend







ESG In Focus























Morphic Asset Management

Level 11, 179 Elizabeth St Sydney 2000 New South Wales Australia For further enquiries:

Investor Relations Team

Phone:+612 9021 7701

Email: info@ellerstoncapital.com

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