



MORPHIC  
ETHICAL  
EQUITIES FUND

ASX: MEC

# ASX ANNOUNCEMENT

4 July 2023

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

## DIVIDEND POLICY CHANGE

The Board of Morphic Ethical Equities Limited (**MEC**, the **Company**) advises that it has changed the Company's Dividend Policy.

Based on all the current circumstances, and in the absence of any unexpected future events, the Board's current intention is to declare dividends, in total, equivalent to the value of its current total Profit Reserve before the expiry of the initial term of the Investment Management Agreement (**IMA**) between MEC and Morphic Asset Management (which is currently due to expire in May 2027, unless extended).

The size of the proposed dividend each quarter is expected to be calculated based on dividing the outstanding Profit Reserve at the end of each quarter by number of remaining quarters before the expiry of the initial term of the IMA.

As at the 30 June 2023 the Company's Profit Reserve was in excess of 45 cents a share.

The Board's current intention is that the next proposed quarterly dividend (payable in September 2023), and in each of the following 14 quarters, until the end of the initial term of the IMA will increase to three cents a share. Shareholders should note that this is a statement of current intention only; the Board reserves the right to revisit its Dividend Policy at any time.

Further accruals to the Company's Profit Reserve may see further increases in quarterly dividends.

The Company presently has available franking credits to fully frank three more quarterly dividends (including the proposed dividend for the September 2023 quarter) at the three cents a share level, and one more dividend following this could be 50% franked. The Board will consider how to apply accrued franking credits each time it declares a dividend.

The Company's Dividend Policy may change for regulatory, accounting, solvency and tax reasons. It could also change for other reasons, including to ensure the Board continues to act in the best interests of the Company's shareholders.

For further information, please contact MEC's Investor Relations team on 02 9021 7701.

Authorised for release by the Board of Directors.

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