



MORPHIC ETHICAL EQUITIES FUND LIMITED

18 October 2023
Annual General Meeting

Signatory of:



A proud founder of:



A person with blonde hair, wearing a dark jacket and brown pants, stands on a rocky outcrop in the foreground, looking towards a massive, snow-capped mountain peak. The mountain is covered in patches of snow and dark rock, with a large glacier or snowfield at its base. The sky is a deep blue with some wispy clouds. A large, semi-transparent circle is overlaid on the right side of the image, framing the text.

CHAIR'S ADDRESS

AGM Agenda

- Consideration of Financial Statements and Reports
- Resolution 1: Remuneration Report
- Resolution 2: Re-election of Mark Forstmann as a Director
- Resolution 3: Amendment to the Constitution
- Resolution 4: Approval to increase on-market buy back capacity
- Portfolio Update

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 2023.

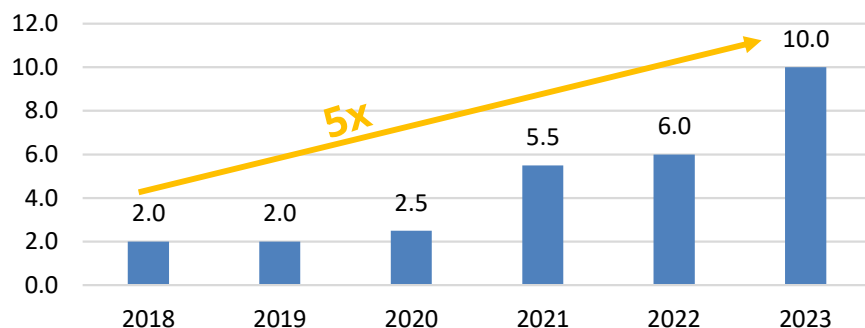
There is no requirement for shareholders to approve these reports.

Company Results

Company Performance

	9 months to 30 June 2022**	12 months to 30 June 2023
Pre-Tax Operating Profit/Loss	-\$ 16.2m	+\$ 10.7m
Post-Tax Operating Profit/Loss	-\$ 11.3m	+\$ 7.6m

Dividend - cents per share per calendar year



Past performance is not indicative of future performance.

^Announced, not yet paid. *As at 30 June 2023. ** Reflects 9 months transition period. *** After payment of Nov dividend

Dividend – cents per share per calendar year

	Amount
Total Dividend CY23	10¢ per share
March 2023	1.5¢ per share
June 2023	1.5¢ per share
September 2023	3.5¢ per share
November 2023^	3.5¢ per share
Profits reserve*	47.9 cents
Dividend Coverage	3.43 years***

MEC paid quarterly dividends payments from the first quarter of 2022.

An aerial photograph of a lush green landscape, likely a park or a large field, with a winding path and a body of water visible in the lower portion. A large, semi-transparent circle is overlaid on the right side of the image, framing the text.

AGM – PROXIES & VOTING

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 2023 be adopted.”

RESOLUTION 1- Proxy Voting Results

	Number	%
FOR	5,125,787	69.12
AGAINST	192,695	2.60
OPEN – Nominated Chair ¹	1,861,646	25.10
– Other Nomination	236,003	3.18
1. To be voted in favour of the resolution		

RESOLUTION 2 – Re-election of Director

“That Mr Mark Forstmann, 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 2 - Proxy Voting Results

	Number	%
FOR	6,453,693	74.44
AGAINST	117,535	1.36
OPEN – Nominated Chair ¹	1,861,646	21.48
– Other Nomination	236,003	2.72
1. To be voted in favour of the resolution		

RESOLUTION 3 – Amendment to the Constitution

“That in accordance with section 136(2) of the Corporations Act and for all other purposes, the Constitution be amended with immediate effect, by making the amendments specified in the Explanatory Memorandum which accompanied the Notice of Annual General Meeting.”

RESOLUTION 3 - Proxy Voting Results

	Number	%
FOR	6,386,806	74.11
AGAINST	130,119	1.51
OPEN – Nominated Chair ¹	1,864,920	21.64
– Other Nomination	236,003	2.74
1. To be voted in favour of the resolution		

RESOLUTION 4 – Approval to increase on-market buy back capacity

“That for the purposes of section 257C of the Corporations Act and for all other purposes, approval is given to the Company to buy back up to 10,174,837 Shares on the terms described in the Explanatory Memorandum which accompanied the Notice of Annual General Meeting.”

RESOLUTION 4 - Proxy Voting Results

	Number	%
FOR	6,362,557	75.13
AGAINST	7,274	0.09
OPEN – Nominated Chair ¹	1,861,646	21.99
– Other Nomination	236,003	2.79
1. To be voted in favour of the resolution		

A person with blonde hair, wearing a dark jacket and brown pants, stands on a rocky outcrop in the foreground, looking towards a massive, snow-capped mountain peak. The mountain is covered in patches of snow and dark rock, with a glacier visible at its base. The sky is a deep blue with some light clouds. A semi-transparent circular graphic is overlaid on the right side of the image, containing the text "VOTING CLOSED".

**VOTING
CLOSED**



QUESTIONS

An aerial photograph of a lush green landscape. A road runs horizontally across the middle of the frame. Below the road, a dark blue lake or river is visible. The top half of the image is dominated by a large, vibrant green field. A large, semi-transparent circle is overlaid on the right side of the image, partially covering the green field and the road. The text "THANK YOU" is written in white, bold, capital letters inside the circle.

THANK YOU

The background of the slide is a solid light gray. On the left side, there are several autumn leaves. One leaf is bright orange and curled, while others are green and yellow. A thin, light-colored stem lies horizontally above the leaves. On the right side, a large, light gray circle is centered vertically. The text "INVESTOR UPDATE" is written in white, bold, sans-serif capital letters inside this circle.

INVESTOR UPDATE

Morphic / Ellerston Global Mid Small Cap Team

Ashok Jacob – Chairman

Dedicated Global Team



Bill Pridham
Portfolio Manager
(25)

- Previously an Investment Manager at JGL Investments.
- Holds a Bachelor of Commerce from Bond University and is a CFA Charterholder.



Fredy Hoh
Dep. Portfolio Manager
(17)

- Previously the Vice President of Equity Research at Bank of America Merrill Lynch.
- Holds a Masters of Accounting from the University of New South Wales.



Deija Li
Snr. Investment Analyst
(7)

- Previously an Equity Research Associate at CLSA.
- Holds a Master of Commerce from the Australian National University and is a CFA Charterholder.



Gaurav Pathak*
Snr. Investment Analyst
(18)

- Previously an Equity Investment Analyst at Nuvest Capital.
- Holds an MBA and Post Graduate Diploma in Management (Finance) from the Indian Institute of Management.

*Shared Resource



Teng Lin
Investment Analyst
(9)

- Previously a Performance, Attribution and Data Analyst within the Ellerston Capital team.
- Holds a Bachelor of Risk Management from Zhejiang University and a Master of Actuarial Studies from Australian National University.

Operations

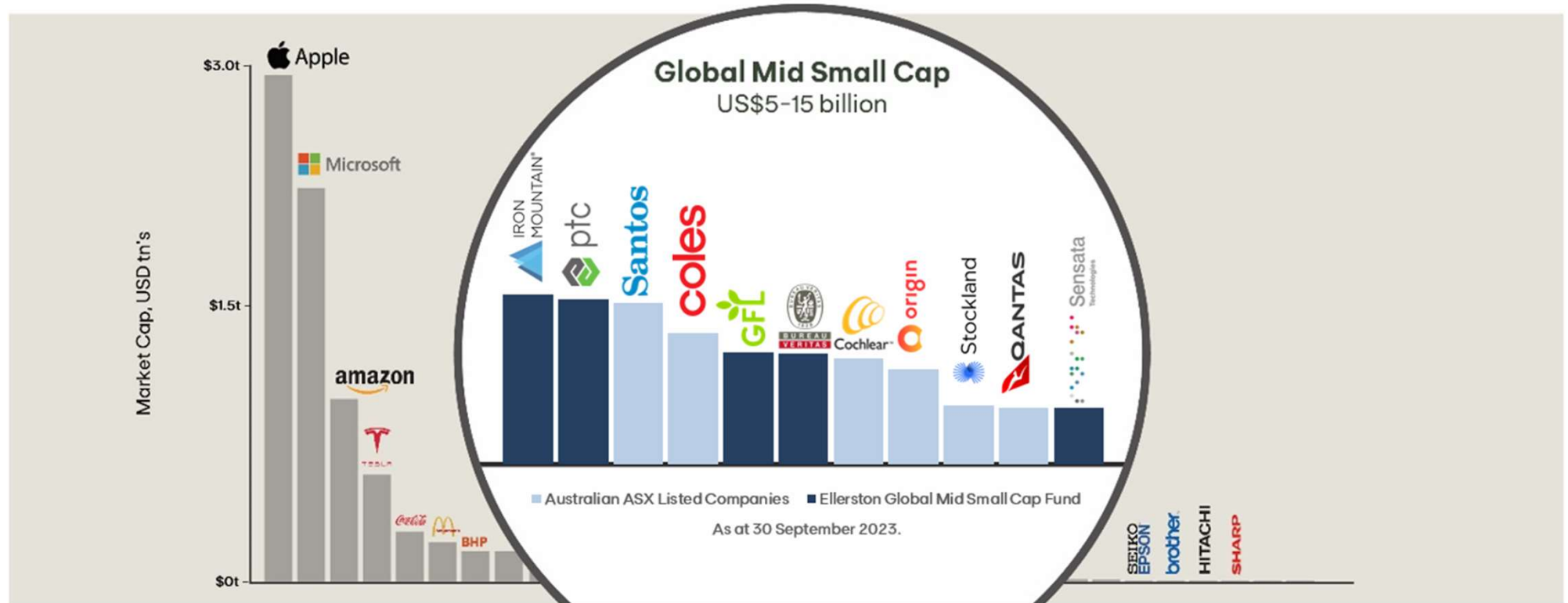
Legal and Compliance

Dedicated ESG Team

Ellerston team of 20 investment professionals with an average of 20 years of experience

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

Global Mid Small Caps in Context



Our investments are roughly the same 'size' as the Australian equivalents, which are regarded as 'large' and 'safe'.

Source: Factset, MSCI World and ASX200 index. For illustrative purposes only, not to scale.

Our Philosophy: Connecting to Tomorrow's Returns, Today

What are our guideposts



Concentrated

Between 20 – 40 global stocks



Mid/Small Cap Bias

Sub US\$15 billion



Absolute

Benchmark Independent



Contrarian

Where the crowd isn't

Source: Ellerston Capital.

How we differentiate



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"

Investment Screening Summary

We exclude direct investment(s) in the following sectors:

We apply a 0% revenue¹ threshold to these sectors



Armaments & controversial weapons



Tobacco² & alcohol production



Coal & uranium mining

We apply a 5% revenue¹ threshold to these sectors, but search for 0% exposure



Extraction of oil & gas



Intensive animal farming & aquaculture



Gambling



Rainforest & old growth logging

We seek to invest in businesses which deem to be contributing positively to the following areas:



Find solutions to help decarbonise our economy



Reduce damage to water supplies and improve air quality



Prioritise solutions towards a circular economy



Improving the quality of our daily lives and society as a whole



Provide alternatives to deforestation

Source: Ellerston Capital, 1 Revenue is defined as total consolidated revenue for the company, as per the most recent values disclosed to the market. 2 Investment companies are not involved in the production of tobacco, manufacture of nicotine alternatives and tobacco-based products.

What We are Looking For?



Stock attributes we look for

- ✓ Secular and/or Structural Growth – drives sales
- ✓ High or growing market share in large addressable markets
- ✓ High customer retention and recurring revenue
- ✓ Pricing power
- ✓ Companies that are doing good

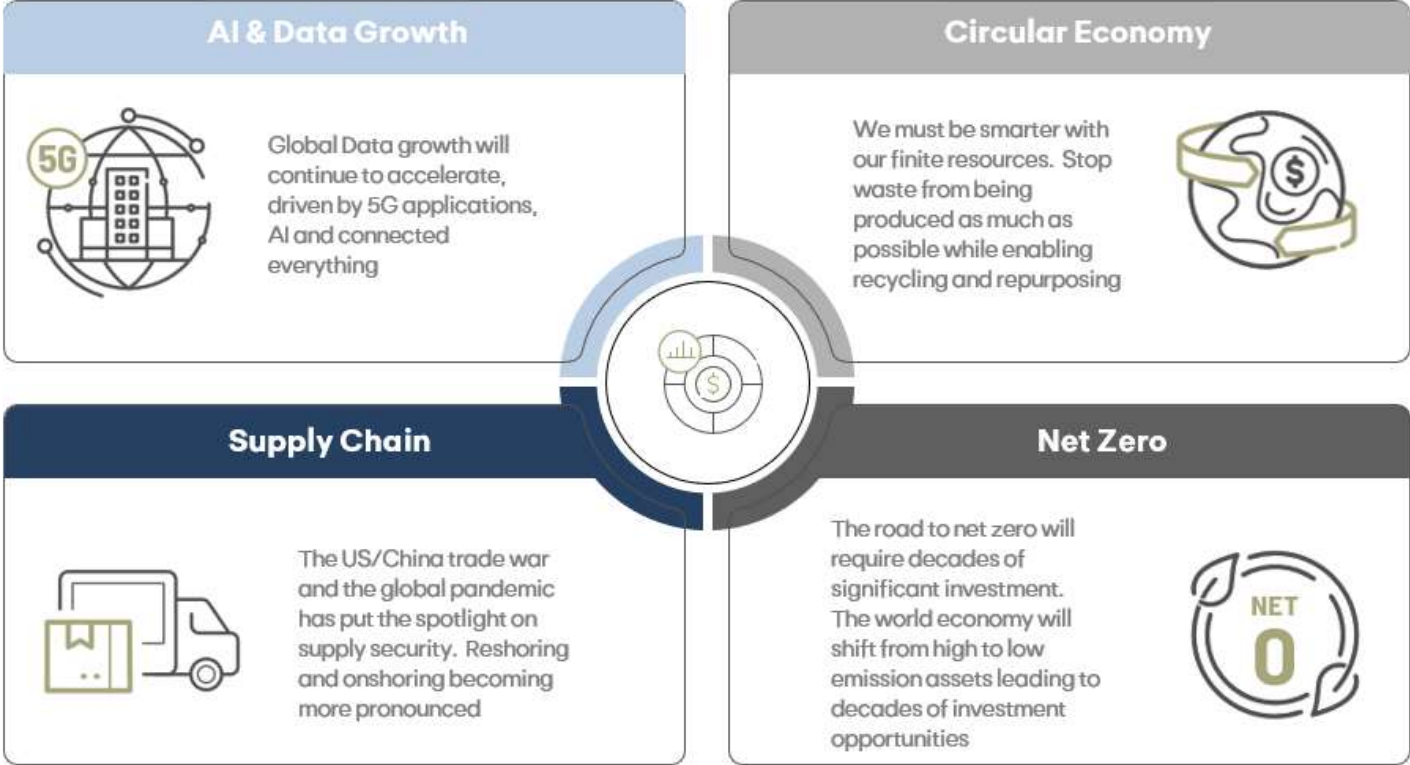


Stock attributes we avoid

- ✗ Companies that do harm
- ✗ Concept stocks
- ✗ Questionable management
- ✗ Disruption candidates
- ✗ Low growth attributes

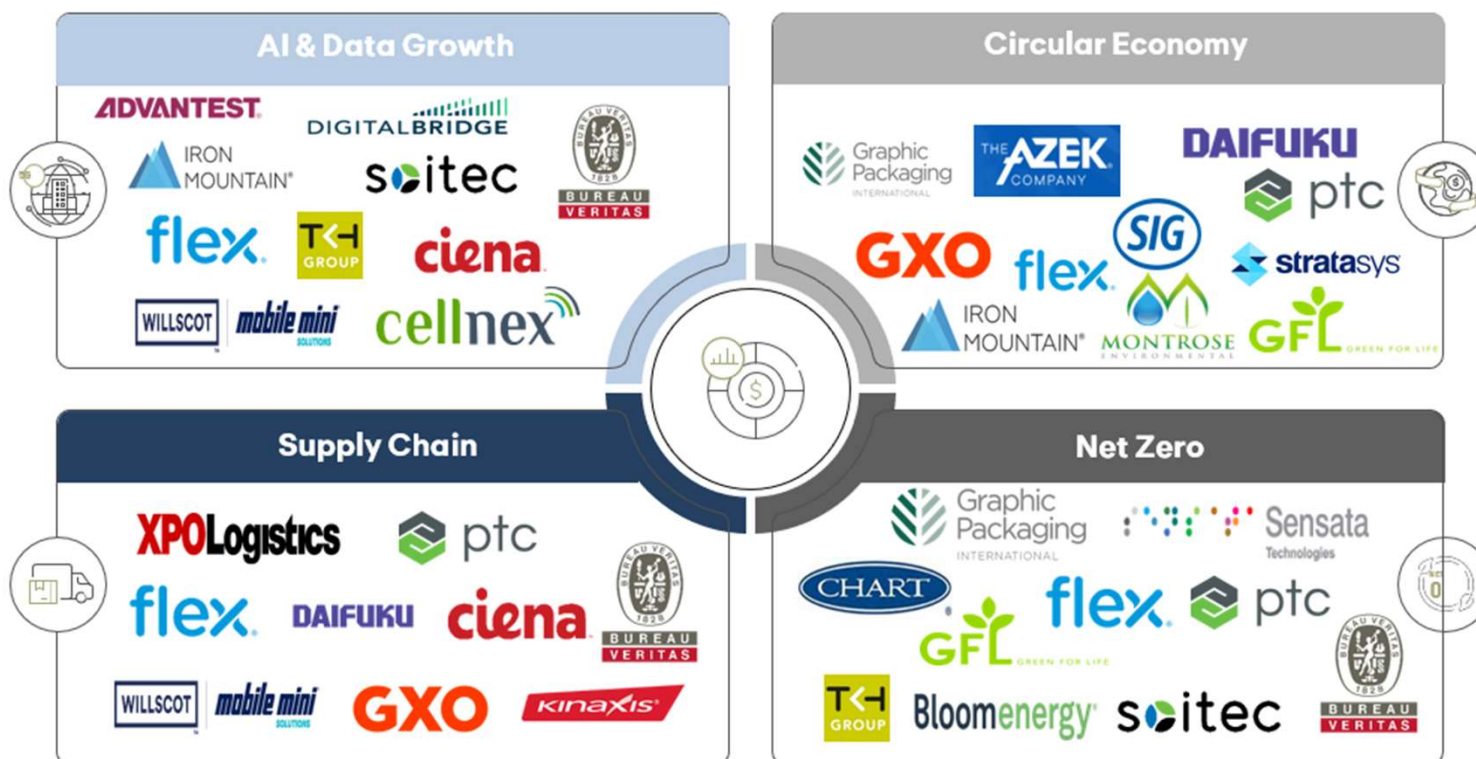
Source: Ellerston Capital.

Global Thematics



Source: Ellerston Capital.

Thematic Exposure



Source: Ellerston Capital as at 30 September 2023.

Portfolio Holdings

XPO Logistics

One of the largest providers of asset-based less-than-truckload (LTL) transportation in North America, with proprietary technology that moves goods efficiently through its network.



A leading regional bank predominately focused in Northeast US and one of the nation's largest providers of Health Savings Accounts (HSAs)



France-based international industrial company specialized in generating and manufacturing high performance semiconductor materials.



Provides solutions for records management, data backup and recovery, doc management, secure shredding and data centers.



SIG is a leading provider of sustainable, innovative, and versatile packaging solutions operating in a global duopoly in the aseptic packaging market alongside Tetra Pak.



North America's leader in providing turnkey modular office space and storage solutions.



Global supply chain and manufacturing solutions provider. Owns the global leader in solar tracking solutions.



Innovative manufacturer of beautiful, low maintenance, and environmentally sustainable outdoor living products.



Global contract logistics company that manages outsourced supply chains and warehousing for customers in 27 countries.



Option Care Health is the largest independent provider of in home infusion services in the US.



World's leading commercial pest control and hygiene services provider.



One of the world's leading suppliers of mission critical sensing with an increasing focus on EV applications.



World leader in laboratory Testing, Inspection and Certification (TIC) services.



Multi-channel American specialty retailer of hard surface flooring and related accessories.



Manufactures and markets solid oxide fuel cells that produce electricity on site



RadNet is the largest, fixed site, independent diagnostic imaging service provider in U.S.



Daifuku is the world's leading provider of automated material handling solutions.



Largest independent owner of mobile tower assets across Europe.



Ciena is a global leader in networking systems, services, and software with its business driven by the growth of data



A leading provider of paper-based packaging solutions including folding cartons, cups and foodservice packaging.



Portfolio Holdings



GFL Environmental is the only major diversified environmental services company in North America offering services in solid waste management and liquid waste management.



Leading global manufacturer of highly engineered equipment servicing multiple applications in the clean energy and industrial gas markets.



Global technology firm specialising in the creation and delivery of high-end innovative technologies in Telecom, Building and Industrial Solutions.



Unity is the world's leading platform for creating and operating interactive, real-time 3D content. The platform provides a suite of solutions to create, run and monetize content for a range of devices.



Environmental services provider offering measurement and analytical services.



One of the world's largest digital infrastructure firms investing across five key digital infrastructure verticals: data centers, macro cell towers, fiber networks, small cells, and edge infrastructure.



Operates in a global duopoly providing mission critical semiconductor testing equipment.



Kinaxis delivers unparalleled supply chain agility and resiliency to supply chains across the globe. It is revolutionizing planning across integrated business planning and the digital supply chain.



The leading real estate marketplace offering an on-demand experience for selling, buying, renting and financing with transparency and nearly seamless end-to-end service.



Global leader in CAD and PLM software as well as solutions to unlock the value of IoT.



Acadia Healthcare is a leading provider of behavioural healthcare services across the United States.



Cardlytics is an advertising and technology company, using insights to identify advertising opportunities.



Stratasys is a leading provider of 3D printing solutions, offering 3D printers, software and materials for polymer additive manufacturing.



American restaurant chain serving made-to-order breakfast, brunch and lunch using fresh ingredients.

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.



GFL environmental is the only major diversified environmental services company in North America offering services in solid waste management and liquid waste management. It is expanding its recycling footprint while also developing a renewable natural gas revenue stream on its existing operations.



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.

Source: Ellerston Capital.

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.



**BUREAU
VERITAS**

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.



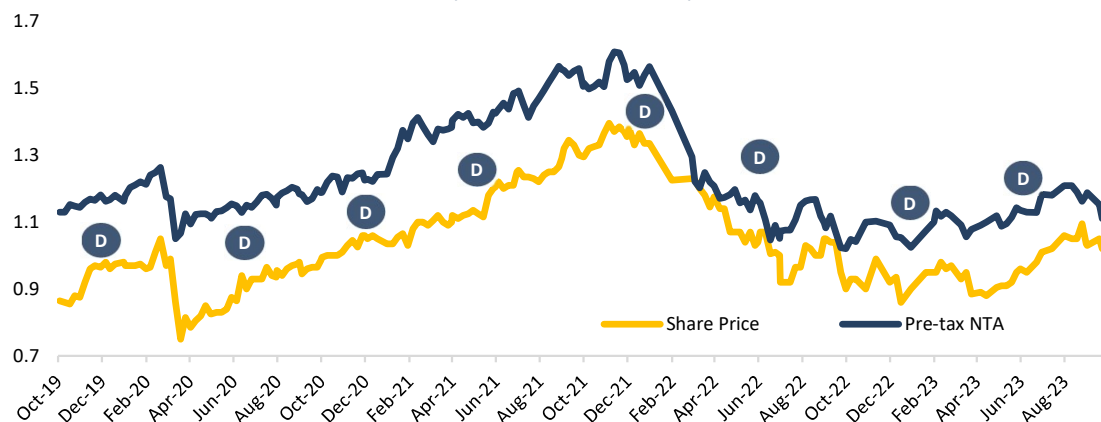
Provides reliable, resilient clean energy with solid oxide fuel cells which can also be converted to produce hydrogen. Energy produced from its platform generates lower green house gas and can utilize natural gas, biogas or hydrogen as a fuel source.

Source: Ellerston Capital.

Morphic Ethical Equities Fund Performance



MEC Share Price vs NTA¹ AUD, weekly, October 2019 – September 2023

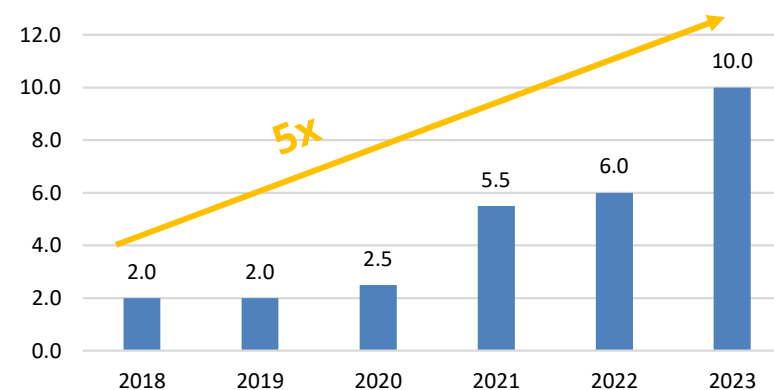


Portfolio Performance	FY23	CYTD	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since Inception (p.a.) [^]
Net	20.94%	15.78%	18.75%	6.94%	6.10%	6.80%
Benchmark*	20.38%	15.64%	20.34%	10.70%	8.92%	10.33%
Alpha	0.56%	0.14%	-1.59%	-3.75%	-2.83%	-3.53%

Source: Ellerstion Capital as at 30 September 2023, 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 3 May 2017 **Indicative. Past performance is not a reliable indication of future performance. *** Before the payment of June dividend

Dividend - cents per share per calendar year



Key Facts as at 30 June 2023	
Pre-tax NTA	\$1.1823
Share Price	\$1.005
Annual Dividend/Dividend Yield	\$0.10/10.0%**
Profit Reserve	47.99 cents
Dividend Coverage	3.43 years***

ESG In Focus





QUESTIONS

A photograph of a wind farm at sunset. The sky is filled with dramatic, orange and purple clouds. Several wind turbines are visible, with one in the foreground being particularly prominent. The foreground is a field of dry, golden-brown grass. A large, semi-transparent white circle is overlaid on the right side of the image, containing the text 'THANK YOU' in white, bold, sans-serif capital letters.

THANK YOU

Morphic Asset Management

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