



Morphic Ethical Equities Fund Limited
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24 May 2018

**Market Announcement
 Interim Results and Fully Franked Maiden Dividend**

Morphic Ethical Equities Fund Limited (the “Company”) announces its results for the Half Year ended 31 March 2018 (“the Period”) reporting an operating profit before tax of \$3.97m and \$2.77m after tax.

The Company Chairman, JoAnna Fisher, said the results reflect the strong performance of the Company’s investment portfolio over the Period.

“While the performance of the Company’s share price has not matched the growth in the value of the Company’s Net Tangible Asset Value (NTA), I hope the payment of our first dividend will now attract investors to take advantage of the discount between the share price and the NTA,” said Ms Fisher.

The investment portfolio returned 9.16% on a gross basis and 8.83% on a net basis as shown below.

Investment Returns	Returns Over the Period		Returns Since Inception	
	1-Oct-17 to 31-Mar-18		3-May-17 to 31-Mar-18	
	Gross	Net	Gross	Net
Investment Portfolio	9.16%	8.83%	11.10%	10.36%
MSCI All Countries Total Return Daily Index	7.35%	7.12%	10.77%	10.25%
Outperformance	1.81%	1.71%	0.33%	0.11%

Gross return is before fees and taxes.

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

The Company’s (NTA), which adjusts for the impact of management fees and other costs, improved 8.13% on a pre-tax basis and 5.63% on a post-tax basis over the Period. The post-tax results reflect higher tax provisioning based on improving performance.

NTA Performance	31-Mar-18	30-Sep-17	Return
Pre-tax NTA per share	\$1.1600	\$1.0728	8.13%
Post-tax NTA per share	\$1.1413	\$1.0805	5.63%

The Company’s NTA per share at listing was \$1.0623 pre-tax and \$1.0736 post-tax.

Ms. Fisher said the Board was pleased to announce a maiden fully franked interim dividend of 1.0 cent per share six months earlier than guided in the prospectus issued for the Company's listing a year ago.

A Company objective is to provide shareholders with consistent income. In line with this the Board is committed to 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.

The interim dividend will be paid on 22 August 2018 and Company will trade ex-dividend on 9 August 2018. The Company's Dividend Reinvestment Plan (DRP) is available to shareholders for the interim dividend. The dividend reinvestment issue price will be the volume weighted average price of shares sold on the ASX (on an ex-dividend basis) five days from the ex-dividend date. The last election date for the DRP will be 13 August 2018.

The Company's Investment Manager, Morpic Asset Management, will be holding investor briefings with a mid-year update on its holdings and strategy as follows:

Canberra	16 July 2018	RSVP
Melbourne	17 July 2018	RSVP
Adelaide	18 July 2018	RSVP
Perth	19 July 2018	RSVP
Brisbane	20 July 2018	RSVP
Sydney	23 July 2018	RSVP

Please contact Irene Kardasis at ikardasis@morphicasset.com or 02 9194 6707, if you require more information about this announcement of the upcoming investor briefings.

Josephine Jang
Company Secretary