

Morphic Ethical Equities Fund Limited
Appendix 4D
For the half-year ended 31 March 2018

Details of Reporting Period

Current: Half-year ended 31 March 2018
 Previous: Period from 13 February 2017 to 31 March 2017

Results for announcement to the market*

	\$
Revenue from ordinary activities	5,020,622
Profit from ordinary activities before tax attributable to members	3,967,303
Profit from ordinary activities after tax attributable to members	2,766,791

* The amount and percentage up or down from the previous period are not disclosed as the Company's operations commenced on 27 April 2017.

Dividend information

	Cents per share	Franked amount per share	Tax rate for franking
2018 Interim dividend cents per share	1.0c	1.0c	30%

Interim dividend dates

Ex-dividend date	9 August 2018
Record date	10 August 2018
Last election date for the DRP	13 August 2018
Announcement of issue price for DRP	17 August 2018
Payment date	22 August 2018
Date for issue of shares under DRP	22 August 2018

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked interim dividend of 1.0 cent per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the issue price. The relevant issue price will be the volume weighted average price (VWAP) of shares sold on the ASX (on an ex-dividend basis) five days from the ex-dividend date inclusive of the ex-dividend date.

Net tangible assets

	31 March 2018	30 September 2017
Net Tangible Assets (per share) before tax	\$1.1600	\$1.0728
Net Tangible Assets (per share) after tax	\$1.1413	\$1.0805

Control gained or lost over entities during the period

The Company did not gain or lose control over any entities during the period.

Detail of associates and joint venture entities

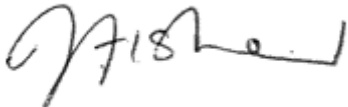
The Company did not have any interests in any associates or joint ventures during the current period.

Review

This report is based on the financial report which has been reviewed. All the documents comprise the information required by Listing Rule 4.2A.

This information should be read in conjunction with the 30 September 2017 Annual Financial Report.

Signed on behalf of Morphic Ethical Equities Fund Limited



JoAnna Fisher
Chairman

Sydney
24 May 2018



Interim
Financial
Report

MORPHIC ETHICAL EQUITIES FUND

MORPHIC ETHICAL EQUITIES FUND LIMITED

ABN 52 617 345 123

INTERIM FINANCIAL REPORT

For the half-year ended 31 March 2018


Morphic Ethical Equities Fund Limited

Level 3
139 Macquarie Street
Sydney NSW 2000
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1. | **DIRECTORS'
REPORT**

Directors' Report

The Directors present their Report together with the Financial Report of Morpnic Ethical Equities Fund Limited ("Company") for the half-year ended 31 March 2018 ("the Period").

Information on directors

The following persons were directors of the Company during the half-year and up to the date of this report (unless otherwise indicated):

JoAnna Fisher	Independent Chairman
Jack Lowenstein	Non-Independent Director
Mark Forstmann	Independent Director
Virginia Malley	Independent Director
Chad Slater	Appointed Alternate Director for Jack Lowenstein on 28 February 2018

Principal activity

The Company's principal activity is investing in global listed securities screened to exclude entities involved in environmentally damaging activities (including coal and uranium mining and oil and gas), intensive farming and aquaculture, tobacco, armaments, alcohol and gambling.

The Company's investment objectives are to: deliver investors an ethically screened portfolio; generate superior risk adjusted returns; and provide capital growth and consistent income. No change in this activity took place during the period or is likely to in the future.

Review of Operations

The Company's investments during the period resulted in operating profit of \$3,967,303 before tax and \$2,766,791 after tax. This reflects the strong performance of the investment portfolio over the Period as outlined below.

Investment Returns	Returns Over Period 1 October 2017 to 31 March 2018		Returns Since Inception 3 May 2017 to 31 March 2018	
	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.

From a shareholder perspective it is useful to consider movement in the Company's Net Tangible Asset Value (NTA) per share, which adjusts for impact of management fees and other company costs. The NTA changes over the Period are outlined below.

NTA Performance	31 March 2018	30 September 2017	Return
Pre-tax NTA per share	\$1.1600	\$1.0728	8.13%
Post-tax NTA per share	\$1.1413	\$1.0805	5.63%

The post-tax NTA reflects higher tax provisioning based on improving performance.

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

There were no dividends paid during the Period.

Dividends Paid or Recommended

A maiden fully franked interim dividend of 1.0 cent per share has been declared by the Board and will be paid on 25 July 2018.

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 Board is pleased to be able to declare a maiden dividend six months earlier than guided in the prospectus issued for the Company's listing a year ago.

Comparative Information

The Company was constituted on 13 February 2017, registered with the Australian Securities and Investments Commission on 13 February 2017 and commenced operations on 27 April 2017. The current reporting period is the half-year ended 31 March 2018. For the Condensed Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows, the previous corresponding period is the period from 13 February 2017 to 31 March 2017. For the Condensed Statement of Financial Position, the previous corresponding date is 30 September 2017.

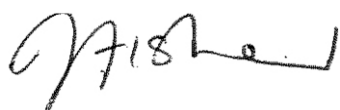
Rounding of Amounts to Nearest Dollar

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (unless otherwise indicated).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Signed in accordance with a resolution of the directors.



JoAnna Fisher
Chairman

Sydney, 24 May 2018

2. AUDITOR'S INDEPENDENCE DECLARATION



**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MORPHIC ETHICAL EQUITIES FUND LIMITED
ABN 52 617 345 123**

In relation to the independent auditor's review for the half-year ended 31 March 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Morphic Ethical Equities Fund Limited.

SCOTT WHIDDETT
Partner

PITCHER PARTNERS
Sydney

24 May 2018

An independent New South Wales Partnership. ABN 17 795 780 962.
Level 22 MLC Centre, 19 Martin Place, Sydney NSW 2000
Liability limited by a scheme approved under Professional Standards Legislation

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3. CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Half-year ended 31 March 2018	Period from 13 February 2017 to 31 March 2017
		\$	\$
Investment income			
Dividend income		659,632	-
Net gains on financial instruments held at fair value through profit or loss		4,478,574	-
Net losses on foreign exchange		(120,193)	-
Other income		2,609	-
Total investment income		5,020,622	-
Expenses			
Audit and tax		40,304	-
Admin and Middle office fees		91,756	-
Directors' fees		70,000	-
Dividends on borrowed stock		115,021	-
Interest expense (including on borrowed stock)		121,670	-
Performance fees		13,047	-
Management fees		331,972	-
Transaction costs		86,621	-
Withholding tax expense		84,208	-
Other operating expenses		98,720	-
Total expenses		1,053,319	-
Profit for the half-year before income tax expense		3,967,303	-
Income tax expense		1,200,512	-
Profit for the half-year		2,766,791	-
Other comprehensive income		-	-
Total comprehensive income for the half-year		2,766,791	-
Basic earnings per share	3	6.08 cents	-
Diluted earnings per share	3	6.08 cents	-

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

4. CONDENSED STATEMENT OF FINANCIAL POSITION

Assets	Note	As at 31 March 2018	As at 30 September 2017
Current assets			\$
Cash and cash equivalents	6	8,366,331	7,909,720
Receivables		392,446	805,413
Prepayments		43,901	44,777
Investments	2	62,723,126	62,937,766
Total current assets		71,525,804	71,697,676
Non-current assets			
Deferred tax asset		900,485	944,248
Total non-current assets		900,485	944,248
Total assets		72,426,289	72,641,924
Liabilities			
Current liabilities			
Borrowings		9,795,323	11,470,028
Payables		119,371	129,009
Investments	2	8,854,524	11,334,656
Current tax liability		123,303	-
Total current liabilities		18,892,521	22,933,693
Non-current liabilities			
Deferred tax liability		1,626,937	593,491
Total non-current liabilities		1,626,937	593,491
Total liabilities		20,519,458	23,527,184
Net assets		51,906,831	49,114,740
Equity			
Issued capital	4(a)	48,853,946	48,828,646
Retained losses	5(a)	(434,006)	(422,299)
Profits reserve	5(b)	3,486,891	708,393
Total equity		51,906,831	49,114,740

The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements which follow.

5. CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital	Retained Profits/(Losses)	Profits reserve	Total equity
		\$	\$	\$	\$
Balance on date of registration (13 February 2017)		1	-	-	1
Profit for the period		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Other					
Transfer to profits reserve	5(a)(b)	-	-	-	-
		-	-	-	-
Transactions with owners in their capacity as owners					
Shares issued during the period	4(a)	-	-	-	-
Options exercised during the period	4(a)	-	-	-	-
Initial public offering costs, net of deferred tax impact	4(a)	-	-	-	-
		-	-	-	-
Balance at 31 March 2017		1	-	-	1
Balance at 30 September 2017		-	(422,299)	708,393	49,114,740
Profit for the half-year		-	2,766,791	-	2,766,791
Total comprehensive income for the half-year		-	2,766,791	-	2,766,791
Other					
Transfer to profits reserve	5(a)(b)	-	(2,778,498)	2,778,498	-
		-	(2,778,498)	2,778,498	-
Transactions with owners in their capacity as owners					
Options exercised during the half-year	4(a)	25,300	-	-	25,300
		25,300	-	-	25,300
Balance at 31 March 2018		48,853,946	(434,006)	3,486,891	51,906,831

The above Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

6. CONDENSED STATEMENT OF CASH FLOWS

	Note	Half-year ended 31 March 2018	Period from 13 February 2017 to 31 March 2017
Cash flows from operating activities		\$	\$
Dividends received		651,941	-
Other income received		2,609	-
Interest paid		(136,428)	-
Dividends on borrowed stock		(115,021)	-
Management fees paid		(324,490)	-
Directors' fees paid		(70,000)	-
Withholding tax paid		(84,208)	-
Other operating expenses paid		(241,474)	-
Transaction costs paid		(86,621)	-
Net cash outflow from operating activities		(403,692)	-
Cash flow from investing activities			
Proceeds from sale of investments		15,633,702	-
Payments for purchase of investments		(13,108,333)	-
Net cash inflow from investing activities		2,525,369	-
Cash flows from financing activities			
Net proceeds from exercise of options	4(a)	25,300	-
Net cash inflow from financing activities		25,300	-
Net increase in cash and cash equivalents		2,146,977	-
Effect of exchange rate fluctuations on cash		(15,661)	-
Cash and cash equivalents at beginning of the half-year		(3,560,308)	-
Cash and cash equivalents at end of the half-year	6	(1,428,992)	-

The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

7. NOTES TO THE FINANCIAL STATEMENTS

1. General information and summary of significant accounting policies

Morphic Ethical Equities Fund Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 13 February 2017. The registered office and principal place of business of the Company is Level 3, 139 Macquarie Street, Sydney NSW 2000.

These condensed interim financial statements are for the half-year ended 31 March 2018, and were authorised for issue by the Directors on 24 May 2018.

The Company's principal objectives are to:

- deliver investors an ethically screened portfolio;
- generate superior risk adjusted returns; and
- provide capital growth and consistent income.

The Manager achieves this through a long and short equity strategy focusing on global securities.

The Company primarily invests in global listed securities. It may also invest in cash, unlisted global securities, fixed interest instruments, commodities, credit instruments and currencies through assets, exchange traded funds or other derivatives, including futures, options, forwards and swaps.

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

(a) Basis of preparation

These condensed interim financial statements for the half-year ended 31 March 2018 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 September 2017 annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The condensed interim financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected assets and liabilities.

The accounting policies applied in these condensed interim financial statements are the same as those applied to the Company's financial statements for the year ended 30 September 2017.

(b) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published by the AASB that are not mandatory for the interim period ended 31 March 2018 and have not been early adopted by the Company. The directors have considered these standards and interpretations and have concluded that they will not have a material impact on the financial report of the Company.

(c) Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (unless otherwise indicated).

(d) Comparative period

The Company was constituted on 13 February 2017, registered with the Australian Securities and Investments Commission on 13 February 2017 and commenced operations on 27 April 2017. The current reporting period is the half-year ended 31 March 2018. For the Condensed Statement of Profit or Loss and Other Comprehensive Income, Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows, the previous corresponding period is the period from 13 February 2017 to 31 March 2017. For the Condensed Statement of Financial Position, the previous corresponding date is 30 September 2017.

2. Fair Value Measurement

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value as at 31 March 2018.

	Level 1	Level 2	Level 3	Total
As at 31 March 2018	\$	\$	\$	\$
Financial assets and liabilities				
Designated at fair value through profit or loss				
Listed equities	15,165,175	-	-	15,165,175
Listed unit trusts	43,582,317	-	-	43,582,317
Total financial assets designated at fair value through profit or loss	58,747,492	-	-	58,747,492
Held for trading				
Options	7,944	-	-	7,944
Swap contracts	-	3,967,690	-	3,967,690
Total financial assets held for trading	7,944	3,967,690	-	3,975,634
Total financial assets	58,755,436	3,967,690	-	62,723,126
Financial liabilities				
Designated at fair value through profit or loss				
Listed equities	3,782,106	-	-	3,782,106
Listed unit trusts	882,869	-	-	882,869
Total financial liabilities designated at fair value through profit or loss	4,664,975	-	-	4,664,975
Held for trading				
Futures	34,813	-	-	34,813
Forward currency exchange contracts	-	3,605	-	3,605
Swap contracts	-	4,151,131	-	4,151,131
Total financial liabilities held for trading	34,813	4,154,736	-	4,189,549
Total financial liabilities	4,699,788	4,154,736	-	8,854,524

2. Fair Value Measurement (Continued)

(i) Recognised fair value measurements (continued)

	Level 1	Level 2	Level 3	Total
As at 30 September 2017	\$	\$	\$	\$
Financial assets				
Designated at fair value through profit or loss				
Listed equities	15,764,206	-	-	15,764,206
Listed unit trusts	42,991,321	-	-	42,991,321
Total financial assets designated at fair value through profit or loss	58,755,527	-	-	58,755,527
Held for trading				
Futures	30,544	-	-	30,544
Options	20,044	-	-	20,044
Forward currency exchange contracts	-	13,684	-	13,684
Swap contracts	-	4,117,967	-	4,117,967
Total financial assets held for trading	50,588	4,131,651	-	4,182,239
Total financial assets	58,806,115	4,131,651	-	62,937,766
Financial liabilities				
Designated at fair value through profit or loss				
Listed equities	6,716,301	-	-	6,716,301
Total financial liabilities designated at fair value through profit or loss	6,716,301	-	-	6,716,301
Held for trading				
Futures	53,313	-	-	53,313
Options	7,246	-	-	7,246
Swap contracts	-	4,557,796	-	4,557,796
Total financial liabilities held for trading	60,559	4,557,796	-	4,618,355
Total financial liabilities	6,776,860	4,557,796	-	11,334,656

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise derivative financial instruments.

(ii) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The Company's forward currency exchange contracts were reclassified from level 1 to level 2 at the end of the reporting period. The values of the contracts were not material.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(iii) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

3. Earnings Per Share

	Half-year ended 31 March 2018	Period from 13 February 2017 to 31 March 2017
Earnings per share		
Basic earnings per share	6.08 cents	-
Diluted earnings per share	6.08 cents	-
Profit used in calculating basic earnings per share	2,766,791	-
Profit used in calculating diluted earnings per share	2,766,791	-
Weighted average number of ordinary shares used in the calculation of basic earnings per share	45,470,652	-
Weighted average number of shares used in the calculation of diluted earnings per share	45,470,652	-

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares from 1 October 2017 to 31 March 2018.

4. Issued Capital

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shares and Options under IPO

The Company issued a Prospectus on 13 February 2017 for the offer of up to 200,000,000 fully paid ordinary shares at an Application price of \$1.10 per share to raise up to \$220,000,000, together with an entitlement to one option, exercisable into one fully paid ordinary share at \$1.10 per option on or before 30 November 2018 for every 1 share subscribed for under the offer. On 27 April 2017, the Company issued 44,440,626 fully paid ordinary shares under this initial public offering at \$1.10 per share and 44,440,626 options.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors regularly monitor the Company's NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

(a) Movements in ordinary share capital	Half-year ended		Period from 13 February	
	31 March 2018		2017 to 30 September 2017	
	Shares	\$	Shares	\$
Opening balance	45,456,227	48,828,646	1	1
Ordinary shares issued under the initial public offering	-	-	44,440,626	48,884,689
Options exercised - issue of shares	23,000	25,300	1,015,600	1,117,160
Costs of issued capital, net of tax	-	-	-	(1,173,204)
Closing balance	45,479,227	48,853,946	45,456,227	48,828,646

(b) Movements in options	Half-year ended		Period from 13 February	
	31 March 2018		2017 to 30 September 2017	
	Options	\$	Options	\$
Opening balance	43,425,026	-	-	-
Options issued under the initial public offering	-	-	44,440,626	-
Options exercised, and related transfer to share capital	(23,000)	-	(1,015,600)	-
Closing balance	43,402,026	-	43,425,026	-

5. Reserves & Retained Losses

(a) Retained losses	Half-year ended		Period from 13 February	
	31 March 2018		2017 to 30 March 2017	
		\$		\$
Balance at the beginning of the half-year		(422,299)		-
Net profit attributable to members of the Company		2,766,791		-
Transfer to profit reserve		(2,778,498)		-
Balance at 31 March		(434,006)		-

(b) Profits reserve				
Balance at the beginning of the half-year		708,393		-
Transfer from Retained profits/(losses)		2,778,498		-
Balance at 31 March		3,486,891		-

The Company undertakes the transfer of profits to the Profit Reserve on a monthly basis to preserve for future dividend payments. Where however, there is a loss in a month, it is recouped before making additional transfers of profit to the Profit Reserve within each financial year.

6. Cash Flow Information

Components of cash and cash equivalents	As at 31 March 2018	As at 30 September 2017
Cash as at the end of the half-year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:	\$	\$
Cash at bank	8,366,331	7,909,720
Prime broker funding facility	(9,795,323)	(11,470,028)
	(1,428,992)	(3,560,308)

7. Contingent Liabilities & Commitments

As at 31 March 2018, the Company had no contingent liabilities or commitments.

8. Segment Information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Fair Value Measurement.

9. Events Subsequent To Reporting Date

Since the end of the Period, the Directors declared a maiden interim dividend of 1.0 cents per share fully franked to be paid on 22 August 2018. The ex-dividend date will be 9 August 2018 and record date will be 10 August 2018.

No matters or circumstances have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

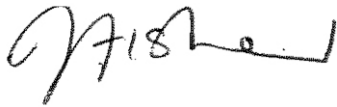
8. DIRECTORS' DECLARATION

The Directors declare that:

- (a) The financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, and:
 - i) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - ii) giving a true and fair view of the financial position of the Company as at 31 March 2018 and of its performance for the financial half-year ended on that date.
- (b) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Company.

On behalf of the Directors



JoAnna Fisher
Chairman
Morphic Ethical Equities Fund Limited

Sydney, 24 May 2018

9. INDEPENDENT REVIEW REPORT TO THE MEMBERS



Independent Auditor's Review Report to the Members of Morphic Ethical Equities Fund Limited ABN 52 617 345 123

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Morphic Ethical Equities Fund Limited ("the company") which comprises the statement of financial position as at 31 March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *"Review of a Financial Report Performed by the Independent Auditor of the Entity"*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the entity's financial position as at 31 March 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*. As the auditor of Morphic Ethical Equities Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independent Auditor's Review Report
to the Members of Morphic Ethical Equities Fund Limited
ABN 52 617 345 123**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Morphic Ethical Equities Fund Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 March 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*.



SCOTT WHIDDETT
Partner



PITCHER PARTNERS
Sydney

24 May 2018



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