

APPENDIX 4D

FOR THE HALF-YEAR ENDED 31 MARCH 2020

DETAILS OF REPORTING PERIOD

Current: Half-year ended 31 March 2020

Previous: Half-year ended 31 March 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	\$	MOVEMENT (UP/DOWN)	MOVEMENT (%)
Revenue/(loss) from ordinary activities	(722,507)	down	(316%)
Profit/(loss) from ordinary activities before tax attributable to members	(2,124,035)	down	(162%)
Profit/(loss) from ordinary activities after tax attributable to members	(1,454,517)	down	(192%)

DIVIDEND INFORMATION

	CENTS PER SHARE	FRANKED AMOUNT PER SHARE	TAX RATE FOR FRANKING
2020 Interim dividend (cents per share)	1.0	1.0	27.5%

INTERIM DIVIDEND DATES

Ex-dividend date	9 July 2020
Record date	10 July 2020
Last election date for the DRP	24 July 2020
Payment date	31 July 2020
Date for issue of shares under DRP	31 July 2020

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked final 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 2020	30 SEPTEMBER 2019
Net Tangible Assets (per share) before tax	1.0985	1.1491
Net Tangible Assets (per share) after tax	1.0921	1.1299

CONTROL GAINED OR LOST OVER ENTITIES DURING THE HALF-YEAR

The Company did not gain or lose control over any entities during the half-year.

DETAIL OF ASSOCIATES AND JOINT VENTURE ENTITIES

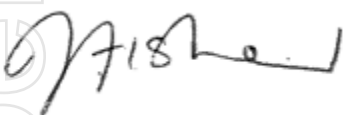
The Company did not have any interests in any associates or joint ventures during the half-year.

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 2019 Annual Financial Report.

Signed on behalf of Morpic Ethical Equities Fund Limited.



JOANNA FISHER

Chairman
Morphic Ethical Equities Fund Limited

Sydney

27 MAY 2020

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Interim
Financial
Report

MORPHIC ETHICAL EQUITIES FUND

Half-Year ended
31 March 2020

MORPHIC ETHICAL EQUITIES FUND LIMITED

ABN 52 617 345 123

INTERIM FINANCIAL REPORT

For the half-year ended 31 March 2020

Morphic Ethical Equities Fund Limited
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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 2020 ("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	ALTERNATE DIRECTOR

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 half-year or is likely to in the future.

REVIEW OF OPERATIONS

The Company's portfolio was impacted by the effects of COVID-19 during the Period as the contagion drove global markets down during January to March 2020. The portfolio was down 3.09% on a net basis over the Period, but outperformed its benchmark by 2.50%. Portfolio performance is announced monthly to the ASX and also available at the manager's website at www.morphicasset.com/fund-detail-mec.

The Company's investments during the half-year resulted in operating loss of \$2,124,035 before tax and loss of \$1,454,517 after tax. This reflects the performance of the investment portfolio over the Period as outlined below.

INVESTMENT RETURNS

	RETURNS OVER THE PERIOD 1 OCTOBER 2019 TO 31 MARCH 2020		RETURNS SINCE INCEPTION (PA) 3 MAY 2017 TO 31 MARCH 2020	
	Gross	Net	Gross	Net
Investment Portfolio	(2.45%)	(3.09%)	5.42%	4.38%
MSCI All Countries Total Return Daily Index	(5.36%)	(5.59%)	8.78%	8.20%
Performance Relative to Benchmark	2.91%	2.50%	(3.35%)	(3.82%)

Gross return is before investment management fees, company admin costs and all taxes.

Net return is net of investment management fees, before Company admin costs and all taxes.

Past performance is not an indication of future performance.

The Company's Net Tangible Asset Value (NTA) per share at the end of the Period was \$1.0985 before tax and \$1.0921 after tax.

DIVIDENDS PAID OR RECOMMENDED

On 1 November 2019, the Directors declared a fully franked dividend of 1.0 cents per share which amounted to \$527,285 and was paid on 17 December 2019.

Since the end of the Period, the Directors declared a fully franked interim dividend of 1.0 cents per share to be paid on 31 July 2020.

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.

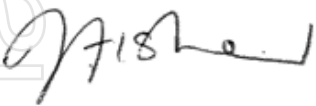
ROUNDING OF AMOUNTS TO NEAREST DOLLAR

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 7.

Signed in accordance with a resolution of the directors.



JOANNA FISHER

Chairman
Morphic Ethical Equities Fund Limited
Sydney, 27 May 2020

AUDITOR'S INDEPENDENCE DECLARATION



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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 of Morphe Ethical Equities Fund Limited for the half-year ended 31 March 2020, 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.

SCOTT WHIDDETT
Partner

PITCHER PARTNERS
Sydney

27 May 2020

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	NOTE	HALF-YEAR ENDED 31 MARCH 2020 (\$)	HALF-YEAR ENDED 31 MARCH 2019 (\$)
Investment income			
Interest income		3,142	7,071
Dividend income		787,782	659,972
Net gains/(losses) on financial instruments at fair value through profit or loss		(2,115,883)	(464,967)
Net gains/(losses) on foreign exchange		602,442	113,707
Other income		10	18,591
Net investment (loss)/income		(722,507)	334,374
Expenses			
Audit and tax expenses		30,883	21,728
Administration and Middle office fees		92,473	73,340
Directors' fees		70,000	70,000
Dividends on borrowed stock		327,265	141,013
Interest expense (including on borrowed stock)		113,652	158,632
Management fees		396,188	347,060
Transaction costs		160,853	114,975
Withholding tax expense		103,938	109,489
Other operating expenses		106,276	108,645
Total expenses		1,401,528	1,144,882
Loss for the half-year before income tax expense		(2,124,035)	(810,508)
Income tax benefit		(669,518)	(312,058)
Loss for the half-year		(1,454,517)	(498,450)
Other comprehensive income		-	-
Total comprehensive loss for the half-year		(1,454,517)	(498,450)
Basic losses per share	3	(2.76) cents	(1.00) cents
Diluted losses per share	3	(2.76) cents	(1.00) cents

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020	NOTE	AS AT 31 MARCH 2020 (\$)	AS AT 30 SEPTEMBER 2019 (\$)
Assets			
Current assets			
Cash and cash equivalents	5	20,782,508	15,287,804
Receivables		37,376	76,902
Prepayments		63,743	21,982
Investments	2	57,113,522	85,831,190
Total current assets		77,997,149	101,217,878
Non-current assets			
Deferred tax asset		182,979	1,183,733
Total non-current assets		182,979	1,183,733
Total assets		78,180,128	102,401,611
Liabilities			
Current liabilities			
Borrowings	5	14,422,788	23,160,333
Payables		307,601	198,237
Investments	2	5,231,538	17,269,189
Current tax liability		478,427	-
Total current liabilities		20,440,354	40,627,759
Non-current liabilities			
Deferred tax liability		45,609	2,194,308
Total non-current liabilities		45,609	2,194,308
Total liabilities		20,485,963	42,822,067
Net assets		57,694,165	59,579,544
Equity			
Issued capital	4(a)	55,606,525	55,510,102
Retained losses		(5,189,592)	(1,003,827)
Profits reserve		7,277,232	5,073,269
Total equity		57,694,165	59,579,544

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

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	NOTE	ISSUED CAPITAL (\$)	RETAINED EARNINGS/ (LOSSES) (\$)	PROFITS RESERVE (\$)	TOTAL EQUITY (\$)
Balance at 30 September 2018		48,903,901	(827,095)	4,470,422	52,547,228
Loss for the half-year		-	(498,450)	-	(498,450)
Total comprehensive income for the half-year		-	(498,450)	-	(498,450)
Other					
Transfer to profits reserve		-	-	-	-
		-	-	-	-
Transactions with owners in their capacity as owners					
Shares issued during the half-year	4(a)	6,577,769	-	-	6,577,769
Options exercised during the half-year	4(a)	24,750	-	-	24,750
Dividends provided for or paid	4(a)	-	-	(455,474)	(455,474)
Costs of issued capital, net of tax	4(a)	(50,554)	-	-	(50,554)
		6,551,965	-	(455,474)	6,096,491
Balance at 31 March 2019		55,455,866	(1,325,545)	4,014,948	58,145,269
Balance at 30 September 2019		55,510,102	(1,003,827)	5,073,269	59,579,544
Loss for the half-year		-	(1,454,517)	-	(1,454,517)
Total comprehensive income for the half-year		-	(1,454,517)	-	(1,454,517)
Other					
Transfer to profits reserve		-	(2,731,248)	2,731,248	-
		-	(2,731,248)	2,731,248	-
Transactions with owners in their capacity as owners					
Shares issued during the half-year	4(a)	96,423	-	-	96,423
Options exercised during the half-year	4(a)	-	-	-	-
Dividends provided for or paid	4(a)	-	-	(527,285)	(527,285)
Costs of issued capital, net of tax	4(a)	-	-	-	-
		96,423	-	(527,285)	(430,862)
Balance at 31 March 2020		55,606,525	(5,189,592)	7,277,232	57,694,165

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

STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 MARCH 2020

	NOTE	HALF-YEAR ENDED 31 MARCH 2020 (\$)	HALF-YEAR ENDED 31 MARCH 2019 (\$)
Cash flows from operating activities			
Dividends received		824,700	781,230
Other income received		10	18,591
Interest paid		(122,734)	(150,009)
Dividends on borrowed stock		(344,536)	(128,150)
Management fees paid		(395,922)	(340,336)
Directors' fees paid		(70,000)	(76,835)
Withholding tax paid		(103,938)	(109,489)
Other operating expenses paid		(303,392)	(288,252)
Transaction costs paid		(160,853)	(114,975)
Income tax paid		-	(484,413)
Net cash outflow from operating activities		(676,666)	(892,638)
Cash flows from investing activities			
Proceeds from sale of investments		42,095,047	2,863,888
Payments for purchase of investments		(27,154,722)	(8,316,980)
Net cash inflow/(outflow) from investing activities		14,940,325	(5,453,092)
Cash flows from financing activities			
Dividends paid net of dividend reinvestment		(430,862)	(419,565)
Proceeds from shares issued under Share Purchase Plan (SPP)	4(a)	-	188,100
Proceeds from shares issued - placement	4(a)	-	6,353,760
Proceeds from exercise of options		-	24,750
Costs of issued capital paid		-	(72,221)
Net cash inflow/(outflow) from financing activities		(430,862)	6,074,824
Net increase/(decrease) in cash and cash equivalents		13,832,797	(270,906)
Effect of exchange rate fluctuations on cash		399,452	136,951
Cash and cash equivalents at beginning of the half-year		(7,872,529)	(92,717)
Cash and cash equivalents at end of the half-year	5	6,359,720	(226,672)
Non-cash financing activities			
Ordinary shares issued under dividend reinvestment plan	4(a)	96,423	35,909

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 MARCH 2020

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 11, 179 Elizabeth Street, Sydney NSW 2000.

These condensed interim financial statements are for the half-year ended 31 March 2020, and were authorised for issue by the Directors on 27 May 2020.

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 2020 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 Standard.

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 2019 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 adopted are consistent with those applied to the Company's financial statement for the year ended 30 September 2019

b) New and revised accounting requirements applicable to the current reporting period

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 October 2019 that have a material impact on the Company.

c) 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 2020 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.

d) 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.

2. FAIR VALUE MEASUREMENT

The Company measures and recognises financial assets and liabilities 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 disclosure of fair value measurements by level of the fair value hierarchy:

Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and

Level 3 - measurements based on unobservable inputs from the asset or liability.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments and derivatives in accordance with the accounting policies set out in Note 2 to the annual financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) Valuation techniques used to derive level 2 and level 3 fair value

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by management. Management consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Recognised fair value measurements

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 March 2020 and 30 September 2019

AS AT 31 MARCH 2020	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Financial assets				
Designated at fair value through profit or loss				
Listed equities	19,229,988	-	-	19,229,988
Listed unit trusts	32,882,839	-	-	32,882,839
Futures	87,101	-	-	87,101
Swap contracts	-	4,913,594	-	4,913,594
Total financial assets at fair value through profit or loss	52,199,928	4,913,594	-	57,113,522
Financial liabilities				
Designated at fair value through profit or loss				
Listed equities	1,122,325	-	-	1,122,325
Options	126,215	-	-	126,215
Swap contracts	-	3,982,998	-	3,982,998
Total financial liabilities at fair value through profit or loss	1,248,540	3,982,998	-	5,231,538

AS AT 30 SEPTEMBER 2019	LEVEL 1 (\$)	LEVEL 2 (\$)	LEVEL 3 (\$)	TOTAL (\$)
Financial assets				
Designated at fair value through profit or loss				
Listed equities	16,946,590	-	-	16,946,590
Listed unit trusts	62,704,244	-	-	62,704,244
Options	43,716	-	-	43,716
Swap contracts	-	6,136,640	-	6,136,640
Total financial assets at fair value through profit or loss	79,694,550	6,136,640	-	85,831,190

Financial liabilities**Designated at fair value through profit or loss**

Listed equities	9,299,682	-	-	9,299,682
Listed unit trusts	1,588,245	-	-	1,588,245
Futures	731	-	-	731
Swap contracts	-	6,380,531	-	6,380,531
Total financial liabilities at fair value through profit or loss	10,888,658	6,380,531	-	17,269,189

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

(iv) Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs as at 31 March 2020 or at 30 September 2019.

(v) 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 2020 (\$)	HALF-YEAR ENDED 31 MARCH 2019 (\$)
Basic losses per share	(2.76) cents	(1.00) cents
Diluted losses per share	(2.76) cents	(1.00) cents
Loss used in calculating basic earnings/losses per share	(1,454,517)	(498,450)
Loss used in calculating diluted earnings/losses per share	(1,454,517)	(498,450)
Weighted average number of ordinary shares used in the calculation of basic losses per share	52,786,738	49,709,571
Weighted average number of shares used in the calculation of diluted losses per share	52,786,738	49,709,571

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 2019 to 31 March 2020.

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.

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 monitors 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.

	HALF-YEAR ENDED 31 MARCH 2020		YEAR ENDED 30 SEPTEMBER 2019	
(a) Movements in ordinary share capital	Shares	\$	Shares	\$
Opening balance	52,728,519	55,510,102	45,524,927	48,903,901
Ordinary shares issued - placement	-	-	6,832,000	6,353,760
Ordinary shares issued under Share Purchase Plan (SPP)	-	-	202,251	188,100
Ordinary shares issued under dividend reinvestment plan	100,913	96,423	146,841	130,742
Options exercised - issue of shares	-	-	22,500	24,750
Costs of issued capital, net of tax	-	-	-	(91,151)
Closing balance	52,829,432	55,606,525	52,728,519	55,510,102

	HALF-YEAR ENDED 31 MARCH 2020		YEAR ENDED 30 SEPTEMBER 2019	
(b) Movements in options	Options	\$	Options	\$
Opening balance	-	-	43,382,026	-
Options exercised, and related transfer to share capital	-	-	(22,500)	-
Options lapsed	-	-	(43,359,526)	-
Closing balance	-	-	-	-

5. CASH FLOW INFORMATION

Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

	AS AT 31 MARCH 2020 (\$)	AS AT 30 SEPTEMBER 2019 (\$)
Cash at bank	20,782,508	15,287,804
Prime broker funding facility	(14,422,788)	(23,160,333)
	6,359,720	(7,872,529)

6. DIVIDENDS

(a) Paid in the current period

Dividends paid in the current period

A fully franked final dividend on ordinary shares in respect of the 2019 financial year of 1.0 cents per share was paid on 17 December 2019 (2019: A fully franked final dividend on ordinary shares in respect of the 2018 financial year of 1.0 cents per share was paid on 12 December 2018)

	HALF-YEAR ENDED 31 MARCH 2020 (\$)	HALF-YEAR ENDED 31 MARCH 2019 (\$)
	527,285	455,474
	527,285	455,474

On 27 May 2020, the Directors declared a fully franked dividend of 1.0 cents per share which amounted to \$528,294 and will be paid on 31 July 2020.

7. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 March 2020, 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 half-year, the Directors declared a fully franked interim dividend of 1.0 cents per share to be paid on 31 July 2020.

No other matters or circumstances have arisen since the end of the half-year 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.

DIRECTORS' DECLARATION

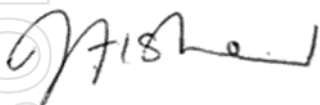
FOR THE HALF-YEAR ENDED 31 MARCH 2020

THE DIRECTORS DECLARE THAT:

- a. the financial statements and notes set out on pages 8 to 17 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 2020 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, 27 May 2020

INDEPENDENT REVIEW REPORT TO THE MEMBERS



Level 16, Tower 2 Darling Park
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MORPHIC ETHICAL EQUITIES FUND LIMITED ABN 52 617 345 123

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Morpheic Ethical Equities Fund Limited ("the company") which comprises the statement of financial position as at 31 March 2020, 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 Interim Financial Report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2020 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 Morpheic Ethical Equities Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF MORPHIC ETHICAL EQUITIES FUND LIMITED
ABN 52 617 345 123**

A review of the interim 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.

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 interim 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 company's financial position as at 31 March 2020 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

27 May 2020

PITCHER PARTNERS
Sydney

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CORPORATE DIRECTORY

DIRECTORS

JoAnna Fisher (Chairman)
Jack Lowenstein
Mark Forstmann
Virginia Malley
Chad Slater (Alternate Director)

COMPANY SECRETARY

Jack Lowenstein

REGISTERED OFFICE

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Sydney NSW 2000

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F: (02) 8234 5050

AUDITOR

Pitcher Partners
Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000
P: (02) 9221 2099

STOCK EXCHANGE LISTINGS

Morphic Ethical Equities Limited securities are listed on the Australian Stock Exchange under the following exchange codes:

Shares MEC

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