

MORPHIC ETHICAL EQUITIES FUND

Monthly Report
April 2025



Fund Objective

The Morphic Ethical Equities Fund Limited (MEC) seeks to provide investors a way to grow their wealth and feel confident they do so without investing in businesses that harm the environment, people, and society.

MEC excludes direct investments in entities involved in environmental destruction, including coal and uranium mining, oil and gas, intensive animal farming and aquaculture, tobacco and alcohol, armaments, gambling and rainforest and old growth logging.

Investment returns*

	1 Month	3 Months	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	ITD (p.a.)
MEC ¹	1.02%	-5.85%	-1.10%	7.16%	5.21%	8.03%	6.81%
Index ²	-1.70%	-6.06%	3.26%	13.50%	14.19%	13.59%	11.92%

* Past Performance is not an indication of future performance.

Source: Ellerstun Capital

Performance Summary

MEC increased by 1.02% net during the month, outperforming the MSCI All Countries World Daily Total Return Net Index which declined by -1.70% over the same period.

Portfolio Commentary

April marked one of the most volatile months in recent memory, driven by heightened geopolitical risk and macroeconomic uncertainty following Trump's 'Liberation Day' Tariff announcement at the start of the month. These tariffs were higher and more widespread than had been anticipated, and importantly, offered no demands or 'off-ramps' for countries in which to negotiate. This significantly raised the risk of recession, with the fund's index drawing down nearly 12% in the space of 5 days following the announcement. Offsetting this, perceived safety assets such as gold rallied through the month.

Despite the challenging environment, this dislocation created a rare opportunity for us to selectively increase our exposure to high-quality businesses as well as start new positions in companies we believed had become attractively priced. We focused on companies that demonstrated resilience through either limited exposure to U.S. demand or those with strong pricing power and clear visibility over their revenue growth. These included companies with recurring revenue models, robust balance sheets, and defensible market positions. By staying disciplined and leveraging our research-driven process, we were able to take advantage of short-term price movements to strengthen the long-term quality of the portfolio.

Net Tangible Assets (NTA)

NTA value before tax ³	\$1.1393
NTA value after tax ³	\$1.1271

Source: Ellerstun Capital

Investment Returns since inception⁴



Source: Ellerstun Capital

Key contributors through the month included Galaxy Digital, Cellnex Telecom and Greatland Gold PLC.

Galaxy Digital (GLXY CN) is a leading diversified financial services and investment management firm focused on digital assets and blockchain technology. GLXY's strategy is to scale its asset management, trading, and infrastructure businesses as institutional adoption of digital assets accelerates. The firm has maintained a strong balance sheet and continues to pivot toward capital-light, fee-based businesses. We added to our position through the month following an announcement that Coreweave would become a future tenant of the group's Helios data centre asset, as well confirmation that the group would shift its primary market listing to the NASDAQ in mid May, which is expected to have liquidity and valuation benefits.

Cellnex Telecom (CLNX SM) is Europe's largest independent operator of wireless telecom infrastructure. CLNX's strategy is to drive organic growth through contracted co-locations while optimizing its portfolio following a period of aggressive M&A. The company is focused on improving free cash flow conversion and returning capital to shareholders. We see a supportive medium-term outlook given the structural demand for neutral-host tower infrastructure and emerging growth opportunities in private networks and small cells.

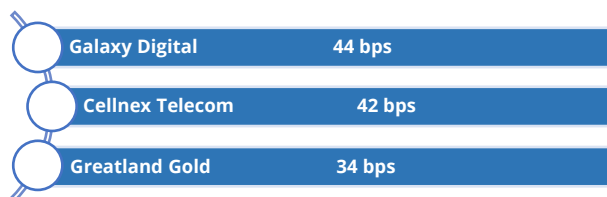
Greatland Gold PLC (GGP LN) is an emerging gold and copper developer focused on the Tier-1 Havieron project in Western Australia. GGP's strategy is to advance Havieron toward production alongside JV partner Newcrest while continuing to explore its broader Paterson province tenements. We believe Greatland offers leveraged exposure to one of Australia's most promising undeveloped gold-copper discoveries, supported by near-term catalysts as the group's listing shifts from the UK AIM exchange to Australia's ASX (expected in June).

Top 10 Positions

Stocks	Industry	Region	Position Weighting %
AerCap Holdings NV	Industrials	North America	6.1
GFL Environmental Inc	Industrials	North America	6.0
Corpay, Inc.	Financials	North America	5.6
Cellnex Telecom S.A.	Communication Services	Europe	5.2
TKO Group Holdings, Inc. Class A	Communication Services	North America	5.1
Greatland Gold plc	Materials	Europe	3.6
Warner Music Group Corp. Class A	Communication Services	North America	3.2
Curtiss-Wright Corporation	Industrials	North America	3.1
Daifuku Co., Ltd.	Industrials	Asia	3.1
Iron Mountain, Inc.	Real Estate	North America	3.1

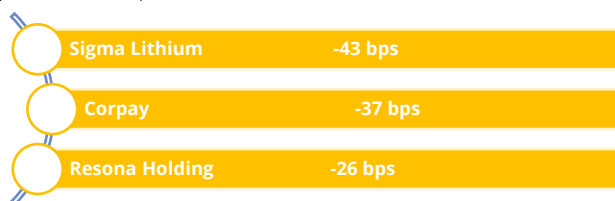
Source: Ellerston Capital

Top contributor⁸ (bps)



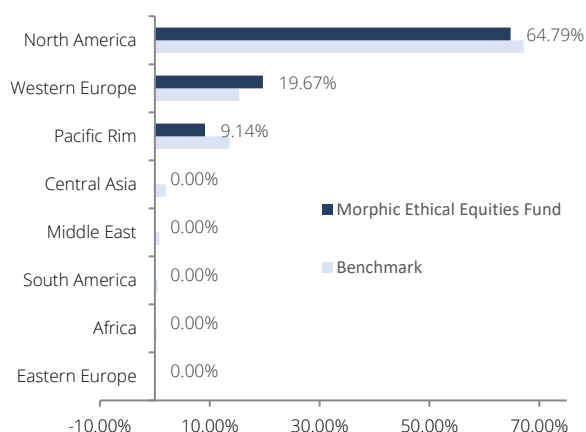
Source: Ellerston Capital

Top detractor⁸ (bps)



Source: Ellerston Capital

Equity Exposure Summary¹² By region



Source: Ellerston Capital

Risk Measures	
Net Exposure ⁵	93.60%
Gross Exposure ⁶	93.60%
VAR ⁷	6.85%
Best Month	9.59%
Worst Month	-8.94%
Average Gain in Up Months	2.65%
Average Loss in Down Months	-2.92%
Annual Volatility	13.08%
Index Volatility	10.60%

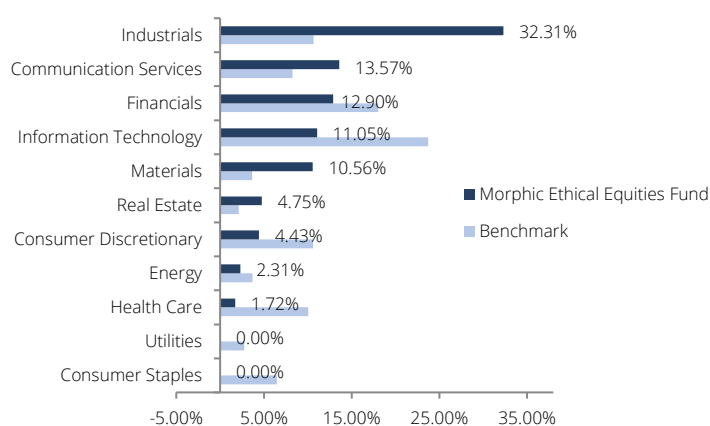
Source: Ellerston Capital

Key Facts

ASX code / share price	MEC / 1.010
Listing Date	3 May 2017
Profit Reserve ⁹	\$0.714
Management Fee	1.25%
Performance Fee ¹⁰	15%
Market Capitalisation	\$35.0m
Shares Outstanding	34,626,813
Dividend per share ¹¹	\$0.00

Source: Ellerston Capital

Equity Exposure Summary¹² By sector



Source: Ellerston Capital

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¹ Performance is net of investment management fees, before company admin costs and taxes; ² The Index is the MSCI All Countries World Daily Total Return Net Index (Bloomberg code NDUEACWF) in AUD; ³ The figures are estimated and unaudited; ⁴ Performance is net of investment management fees, before dividends, company admin costs and taxes. Fund listing on the ASX 3 May 2017. Past performance is not an indication of future performance; ⁵ Includes Equities and Commodities - longs and shorts are netted; ⁶ Includes Equities, Commodities and 10 year equivalent Credit and Bonds - longs and shorts are not netted; ⁷ Monthly VAR, gross return; ⁸ Contribution; absolute returns against excluding the effect of hedges; ⁹ The reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments. The payment of franked dividends depends on the rate MEC realises taxable profits and generates franking credits; ¹⁰ The Performance Fee is payable annually in respect of MEC's out-performance of the Index. Performance Fees are only payable when MEC achieves positive absolute performance and is subject to a high water mark; ¹¹ Annual dividend per share. ¹² Exposure Summary charts do not take into account derivative positions.