

MORPHIC ETHICAL CHARTER

We apply a negative screen that prohibits direct investments in companies in the following industries (0% revenue threshold):



Armaments¹



Tobacco²
& alcohol



Intensive farming
& aquaculture



Extraction
of oil & gas



Coal & uranium
mining



Gambling



Rainforest & old
growth logging

We seek out positive investments that support:



Water quality



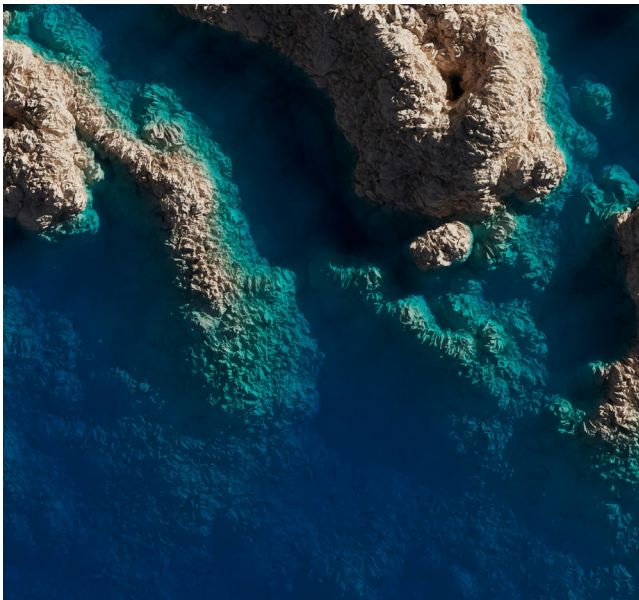
Air quality



Conservation



Renewable
energy



Morphic seeks to invest in businesses which:

1. Find solutions for reducing the emission of greenhouse gases.
2. Reduce damage to water supplies.
3. Work to improve air quality.
4. Provide alternatives to deforestation.
5. Otherwise enhance the human experience without creating future problems for mankind or the environment.

At all times the Manager will ensure that at least 5% of the Fund's net assets are in these sectors.

¹ Development and production of controversial weapons, including, nuclear weapons.

² Production of tobacco, manufacture of Nicotine alternatives and tobacco-based products.

Shorting

Morphic may from time to time sell short securities of companies it would be excluded from investing in, where it believes this will generate good investment returns for shareholders in the Fund.

We believe shorting excluded stocks and sectors can be a part of our ethical investing as it may increase the cost of capital for excluded companies or sectors, and publicise the shortcomings of these companies.

Other Environmental, Social and Governance (ESG) issues – Principles of Responsible Investment

As you will be aware, Morphic Asset Management is a signatory of the Principles of Responsible Investment (formerly UNPRI) which entails an explicit commitment and the adoption of six principles which we believe will improve our ability to meet commitments to our investors as well as better align our investment activities with the broader interests of society.

These six principles are as follows:

Principle 1 - We will incorporate ESG issues into investment analysis and decision-making processes

Principle 2 - We will be active owners and incorporate ESG issues into our ownership policies and practices

Principle 3 - We will seek appropriate disclosure on ESG issues by the entities in which we invest

Principle 4 - We will promote acceptance and implementation of the principles within the investment management industry

Principle 5 - We will work together to enhance our effectiveness in implementing the principles

Principle 6 - We will report on our activities and progress towards implementing the principles

Going forward we will regularly report to you on our ongoing efforts to apply these principles. We will also take the opportunity to comment on any issues related to specific portfolio holdings in the context of our ethical screen and our ESG-related commitments.

We will regularly engage with other investors and relevant industry organisations to promote industry wide

integration of ESG issues and to further our knowledge and the development of our own investment process in this regard. In particular we note the publications of Norges Bank, which manages the world's largest ethically screened sovereign wealth fund on behalf of the Norwegian government. Any stock excluded by Norges Bank will automatically be excluded from our Funds, including where possible eliminating any indirect exposures we may have.

Resolving "grey areas"

Our long experience in ethical investing means we are very aware that from time to time there will be ambiguity about what should be an excluded security.

When the Manager believes it has found a potential "grey area", it will immediately refer this to the Boards. Similarly, the Boards are mandated to ask questions on any stock they have concerns about. Where the Boards deem any security should be excluded, their ruling will be final.

Investor feedback

We believe that our shareholder base is a valuable resource for understanding the world. We welcome investor feedback on any securities we may hold in our portfolio.

Charitable giving

Morphic donates 2.5% of the fees from managing the Morphic Ethical Equities Fund to Bush Heritage Australia.



Start investing ethically today

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This document has been prepared by Morphic Ethical Equities Fund Limited ("MEC") (ACN 617 345 123) and its Manager, Morphic Asset Management Pty Ltd ("Morphic") (ACN 155 937 901) (AFSL 419 916). This document is intended to be general information only and not financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. MEC and Morphic strongly suggest that investors consult a financial advisor prior to making an investment decision. To the maximum extent permitted by law, none of MEC, its related bodies corporate, shareholders or respective directors, officers, employees, agents or advisors, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this document.