

# Quarterly Performance Review

## u ethical Cash Management Trust - Retail

APIR UGF0002AU

March 2025

The U Ethical Cash Management Trust - Retail is a portfolio of cash and cash equivalents aiming to provide capital stability and ready access to your funds.

### Benefits and risks

- Suggested minimum investment horizon - 6 months
- Very low-risk profile

### Investment objective

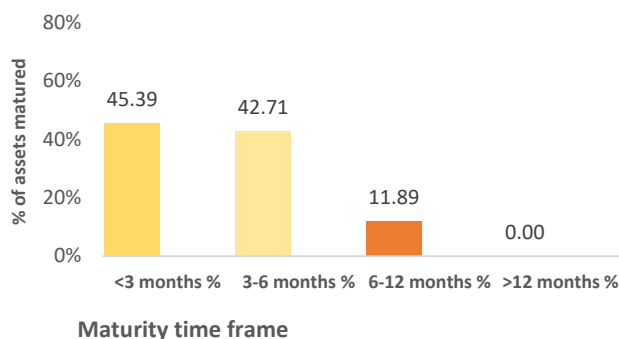
The U Ethical Cash Management Trust - Retail aims to compare favourably with comparable cash management trusts through a combination of cash and cash equivalent investments.

It is a very low risk investment option and suitable for short- term investment, while aiming to maintain a high level of capital stability. It aims to outperform the benchmark after fees over a rolling one-year period.

### Fund information

<b>Portfolio Managers</b>	Dandan Huang & Joshua Nappa
<b>Chief investment officer</b>	Jon Fernie
<b>Inception date</b>	1 July 2020
<b>Total fund size (\$M)</b>	\$75.136
<b>Benchmark</b>	The Reserve Bank of Australia (RBA) cash rate
<b>Buy/sell spread</b>	N/A
<b>Management costs</b>	Estimated up to 0.45% p.a. (See Product Disclosure Statement )

### Maturity Profile



### Performance

	3 months %	6 months %	1 year % p.a.	3 years % p.a.	Since Inception % p.a.
<b>Cash Management Trust - Retail†</b>	1.08	2.23	4.56	3.66	2.34
<b>Benchmark*</b>	1.05	2.16	4.41	3.57	2.29
<b>Relative performance</b>	0.03	0.07	0.15	0.09	0.05

Past performance is not indicative of future performance.

Performance figures stated ending 31 December 2022 were overstated by 0.01% 3months, 0.02% 6months, 0.02% 1year and 0.01%. Since Inception due to a calculation error. These have now been corrected in the above table.

† Based on exit price with distributions reinvested, and are net of all fees.

\* Reserve Bank of Australia cash rate.

## Market Commentary

Since finalising this quarter's performance reports, markets have experienced extreme volatility largely driven by uncertainty surrounding proposed tariffs from President Donald Trump. Market reaction reflected concerns over potential trade disruptions and inflationary pressures. However, in recent days, a pause in tariffs for most trading partners contributed to a rebound across equity markets. Our portfolios have participated in this recovery, with several positions regaining ground lost earlier in the period.

Global equity markets were weaker in the March quarter as the US announced trade tariffs for China, Canada and Mexico increasing the risks of a global economic slowdown. In early April, 'Liberation Day' escalated this with a minimum 10% tariff on countries and additional measures where the US has large trade deficits such as the European Union and China. This led to the S&P 500 Index suffering its largest weekly drawdown since the pandemic. President Trump subsequently paused the additional tariffs on most trading partners for 90 days, although increased China duties to 125%. This in turn has seen China also raise tariffs significantly on US goods.

While certain companies will be more impacted, we view Australia as relatively well-placed given a 10% tariff level and the US only represents 5% of total exports. However, Australia will not be immune to a broader global slowdown and weaker Chinese activity is a concern given they are our largest trading partner.

Longer-term US bond yields have been volatile given fears of an increasing fiscal deficit and inflationary pressures. Given a significant rise in the 10-year yield to 4.4% in early April, this may have contributed to the pause in tariffs. The Federal Reserve has left interest rates in a target range of 4.25-4.50% since December, although will face a difficult balancing act if the US economy weakens and inflation rises. In Australia, the Reserve Bank of Australia (RBA) cut interest rates to 4.10% in February as domestic inflation continued to come down.

A pause in tariffs for most trading partners means the situation is not resolved and a slowdown in US and Chinese growth is a concern for the global economy. While a broad market sell-off may create longer-term opportunities for investors, earnings uncertainty means some caution is warranted. We expect markets will remain volatile near-term unless there is significant headway made in trade negotiations.

## Portfolio Commentary

Over the March quarter, the Bank Bill Swap (BBSW) curve steepened following the Reserve Bank of Australia's decision to cut the Target Cash Rate by 25 basis points to 4.10% at its February meeting. The front end of the curve reflected the policy move, while longer-term rates remained relatively elevated amid global rate uncertainty and bank funding requirement.

Longer-dated BBSW rates held up over the quarter, with the 6-month tenor declining by 20 basis points. In contrast, shorter tenors saw more pronounced moves, with the 1-month and 3-month tenors falling by 23 and 29 basis points respectively, leading to a steeper term structure.

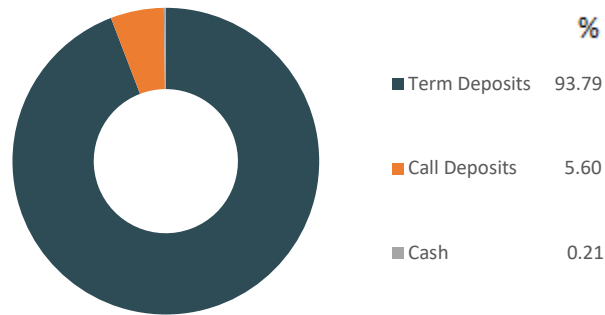
The Trust continued to favour 6-month term deposits, which remained attractive relative to shorter terms. Banks continued to offer competitive rates in this part of the curve, reflecting their ongoing demand for stable, medium-term funding.

As a result, the Trust's gross yield remained strong at 4.82% at the end of March 2025.

# u ethical Cash Management Trust - Retail

Top 5 issuers	%
National Australia Bank	35.03
Westpac Banking Corporation	24.82
Bendigo Bank	18.05
BankVic	11.48
Bank of Queensland	10.00
<b>Total</b>	<b>100.00</b>

Asset allocation by securities' type



## About U Ethical and your team

**U Ethical is an investment manager with a difference.**  
**We believe in creating a better world by investing with purpose—today and into the future.**

With the creation of our first funds in 1985, we have become one of the largest ethical investment managers in Australia with over \$1 billion in funds under management. We are also one of the few investment businesses in Australia to have been certified as a B Corporation. As a not-for-profit social enterprise, we grant the majority of our operating surplus to community programs.



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