

Quarterly Performance Review

u ethical Australian Equities Trust - Wholesale

APIR UGF2230AU

June 2025

A diversified portfolio of ethically screened Australian shares designed to provide income and long-term capital growth.

Benefits and risks

- Twice-yearly distributions of fund net income
- Exposure to an actively managed portfolio
- Suggested minimum investment horizon - 7 to 10 years
- High-risk profile

Investment objective

The U Ethical Australian Equities Trust - Wholesale has been developed for the long-term investor, and aims to outperform benchmark after fees over rolling 5-year periods. It invests primarily in Australian shares and listed property trusts, as well as up to 10 per cent in fixed interest and cash. It is available to not-for-profit, corporate and institutional investors.

Fund information



Assigned as of 31/05/2025
Analyst-Driven 0%
Data Coverage 91%

Morningstar Sustainability Rating™



Out of 489 Australia & New Zealand Equity Funds as of 30/04/2025. Based on 99.7 percent of eligible corporate AUM and 0 percent of eligible sovereign AUM. Data is based on long positions only.

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

Responsible
Investment
Leader 2024

A proud
RIAA
member

Portfolio Manager	Cam Hardie
Chief investment officer	Jon Fernie
Inception date	1 January 1986 ¹
Total fund size (\$M)	\$756.687
Benchmark	S&P/ASX 300 Accumulation Index
Buy/sell spread	0.25%/0.25% ²
Management costs	Estimated up to 0.80% p.a. See Information Memorandum
Holdings range	Typically hold 20-40
Number of holdings	34

Performance

	3 months %	6 months %	1 year % p.a.	5 years % p.a.	10 years % p.a.	20 years % p.a.	Inception % p.a.
U Ethical Australian Equities Trust - Wholesale†	9.26	5.45	13.87	11.92	10.27	8.60	10.71
Benchmark	9.48	6.36	13.74	11.77	8.85	7.89	9.76
Relative performance	-0.22	-0.91	0.13	0.15	1.42	0.71	0.95

Past performance is not indicative of future performance. †Based on exit price with distributions reinvested and are net of all fees

Issued by Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147

¹ From inception to 31 October 2019, performance is that of the U Ethical Australian Equities Portfolio (the Portfolio) which includes franking credits. On 1 November 2019, the Portfolio was transferred into a unit trust, the U Ethical Australian Equities Trust, and performance excludes franking credits. The benchmark throughout is the S&P/ASX 300 Accumulation Index.

² The buy/sell spread is set at 0.25 per cent per unit and is rounded to the nearest cent.

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Market Commentary

Global equity markets rallied over the quarter as the US government paused the implementation of tariffs and trade negotiations continued with a number of countries including China and the UK. While providing more reason for optimism, effective tariffs remain substantially higher than at the start of 2025 and the 90-day pause period finishes in early July. During the quarter, conflict in the middle east also intensified and the US became directly involved by targeting Iranian nuclear facilities. This led to a spike in energy prices, although a recent ceasefire has seen a pullback from highs.

The Reserve Bank of Australia (RBA) cut interest rates for a second time this year to 3.85% in May as annual trimmed mean inflation hit 2.4%. Q1 GDP growth was subdued at annualised growth of 1.3% and recent retail sales highlight consumer weakness. In the US, the Federal Reserve left interest rates in a target range of 4.25-4.50% given uncertainty over the impact of tariffs. Market expectations are for further easing over the next 12 months, although inflationary risks will need to be balanced with the prospect of weaker economic growth.

Post the quarter end, US congress passed Trump's One Big Beautiful Bill Act which includes extending previous tax cuts, reducing healthcare spending and clean energy incentives, as well as increased defence and border spending. Longer-term bond yields have been volatile given concerns over rising US federal debt and fiscal deficits (as well as trade war concerns), although have eased back to 4.2%.

Corporate earnings have remained solid in aggregate and easing monetary policy may be supportive for equities. However, we continue to believe some caution is warranted given ongoing trade uncertainty, a challenging geopolitical backdrop and relatively full equity valuations.

Portfolio Commentary

The Trust delivered a total return of 9.3% in the June quarter, marginally under performing the market by 0.2%. Stock selection was positive with good performance from Lynas Rare Earths, Sandfire Resources, Resmed, Cochlear and Brambles. This was offset by our underweight positions in Commonwealth Bank, as well as the Tech and Consumer Discretionary sectors.

The market moved 17.5% trough to peak in the period as the market embraced the US tariff roll-out pause which saw the market go on to make a new record high. The Tech sector also shook off concerns around DeepSeek's potential disruption of AI development and went on to be the strongest performing sector in the period, up 26.9% for the quarter.

During the quarter the position in Pilbara Minerals was exited, and NextDC and Xero were added to the Trust. Positions in Brambles, Telstra and QBE were reduced following share price strength while positions in Transurban, Computershare, Woolworths and Coles.

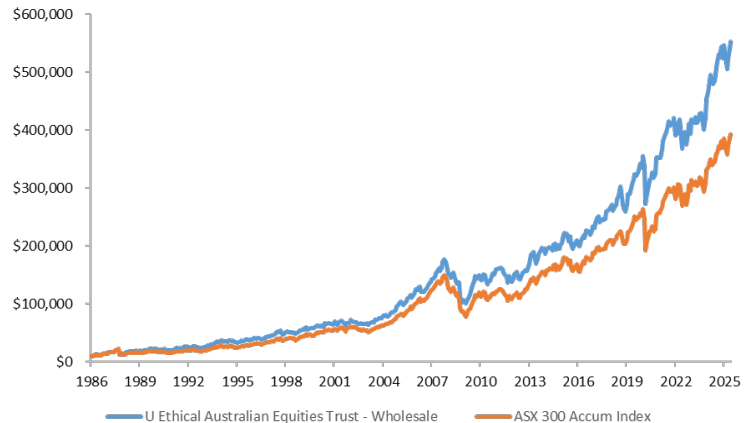
u ethical Australian Equities Trust - Wholesale

Top 10 holdings

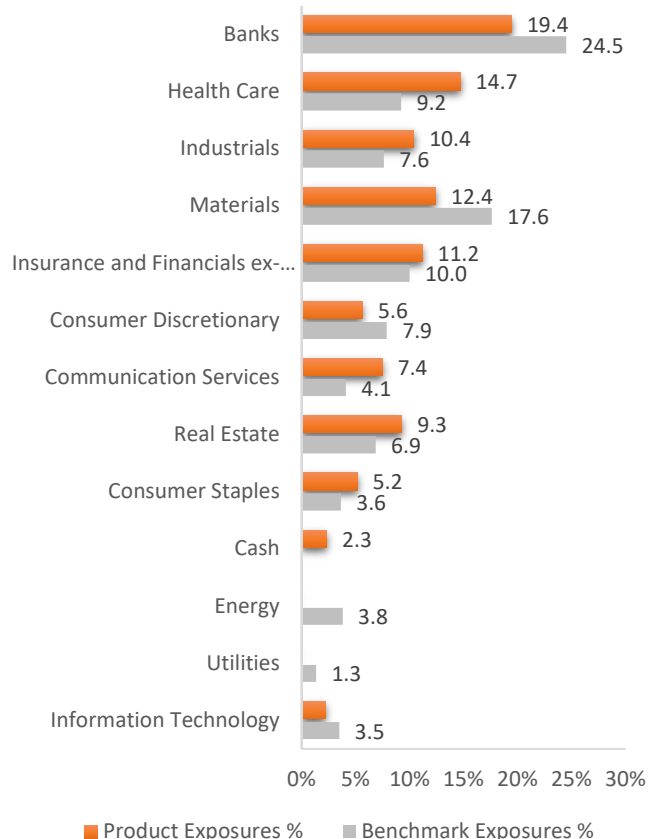
Weight %

Growth of \$10,000 invested†

Commonwealth Bank Of Australia	7.6
CSL Limited	7.0
Telstra Corporation	5.6
Goodman Group	5.6
Macquaire Group	4.7
National Australia Bank	4.3
Resmed Inc.	4.2
Fortsecue Metal Group	4.2
Westpac Banking Corporation	3.9
Brambles	3.7
Total	50.8



Sector exposure



U Ethical Australian Equities Trust - Wholesale

Ethical view

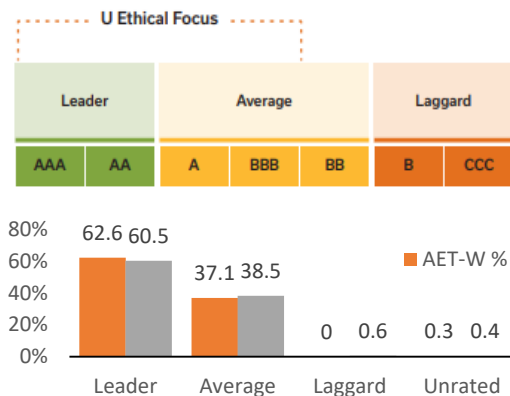
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

U Ethical pursues a values-based, risk-adjusted and, where possible for equities, SDG-aligned approach to investing. Our investment process seeks to ensure that our portfolio holdings are aligned with our clients' financial and ethical expectations.

U Ethical's investment process integrates ESG considerations with the aim of minimising investment risk and identifying investment opportunities. Informed by our ethical investment philosophy, we seek out companies producing goods or providing services that appropriately manage their impact on society and the environment according to industry best practice, industry standards and/or voluntary frameworks.

ESG ratings

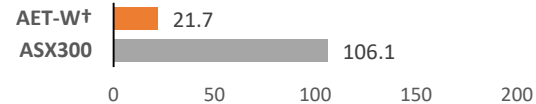
ESG Ratings are designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. This helps identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.



† This is based on a combination of company reported and MSCI estimated carbon data. Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission.*
Constituent-level scores might be affected by MSCI ESG Research's ESG Rating model enhancements introduced on the 10th of November 2020.

Carbon footprint

Absolute emissions Scope 1&2. Tonnes CO2 equivalents per \$ million invested.



Low
Carbon

Carbon Metrics as of 30/04/2025. Based on 99.7% percent of eligible portfolio covered. Data is based on long positions only.

Engagement Update

U Ethical communicates with portfolio companies for a number of reasons, including to gain greater insight on ESG-related issues, communicate our preferences for best practice management of ESG risks and opportunities, and seek commitments for enhanced performance on ESG matters. U Ethical believes that stewardship and engagement is part of our responsibility as ethical investors.

During the quarter, we held meetings or discussions with the Wesfarmers, NEXTDC and Seek. U Ethical has also continued to step up its activity within collaborative engagement groups covering portfolio companies in the Australian and International Equities Trusts. This quarter, U Ethical became the lead investor in the collaborative engagement with Woolworths via Climate Action 100+. U Ethical also joined the Climate Action 100+ engagement group with Wesfarmers, a new addition to the list of companies covered by the initiative.

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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 \$1.5 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.



U Ethical

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U Ethical is recognised as a Responsible Investment Leader 2024 by the Responsible Investment Association Australasia (RIAA). We are placed in the top 20% of organisations assessed, demonstrating leading practice in our commitment to responsible investing; our explicit consideration of environmental, social and governance factors in investment decision making; our strong and collaborative stewardship; and our transparency in reporting activity, including the societal and environmental outcomes being achieved.

This document dated 30 June 2025 is provided by U Ethical (a registered business name of Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147) as the manager, administrator, issuer and trustee of the U Ethical Australian Equities Trust – Wholesale (the “Fund”).

The Fund is not registered as a managed investment scheme with ASIC. It is not subject to the consumer protections that apply to registered schemes. If you are a retail client (as defined in the Corporations Act 2001), you may not invest in the Fund and should disregard the information in this document.

The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in the Fund. It does not take into account your personal objectives, financial situation or needs.

Before acting on the information or deciding whether to acquire or hold units in the Fund, you should consider whether the Fund is appropriate for you given your own objectives, financial situation and needs. You should also consider the Information Memorandum (IM) for the Fund. The IM is available on our website www.uethical.com or can be provided by calling us on 1800 996 888.

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U Ethical accepts no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information.

All investments carry risks. There can be no assurance that the Fund will achieve its targeted rate of return. There is no guarantee against loss resulting from an investment in the Fund. Past performance is not indicative of future performance.

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