

Quarterly Performance Review

u ethical Growth Portfolio

APIR UGL0002AU

June 2025

A diversified portfolio of ethically screened Australian shares, international shares, listed property trusts and enhanced income designed specifically for not-for-profit and charitable organisations.

Fund information



Morningstar Sustainability Rating™



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

Out of 8559 Australia & New Zealand Equity Funds as of 30/04/2025. Based on 99.0 percent of eligible corporate AUM and 0 percent of eligible sovereign AUM. Data is based on long positions only.

Benefits and risks

- Twice-yearly distributions of net income
- Exposure to international shares within an actively managed portfolio
- Suggested minimum investment horizon - 5 years
- Medium to high-risk profile

Investment objective

The U Ethical Growth Portfolio is more suitable for medium to long-term investment, and aims to provide a total return of 3 per cent above the rate of inflation (CPI +3%) over a rolling 5-year period. It combines a strategic mix of Australian and international shares, listed property trusts, fixed interest and cash to achieve income and capital stability. The Portfolio is available to not-for-profit organisations that are registered for charity tax concessions.

Performance

	3 months	6 months	1 year	3 years	5 years	10 years	Since inception
	%	%	% p.a	% p.a	% p.a	% p.a	% p.a
U Ethical Growth Portfolio†	8.31	5.57	14.26	14.27	11.09	9.61	10.14
Benchmark	8.64	5.63	13.36	13.23	11.27	8.61	N/A
Relative Performance	-0.33	-0.06	0.90	1.04	-0.18	1.00	N/A

Past performance is not indicative of future performance.

†Based on exit price with distributions reinvested, including franking credits and net of all fees.

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



Portfolio Manager/ Chief investment officer	Jon Fernie
Inception date	1 July 1985 ¹
Total fund size (\$M)	\$137.09
Benchmark	Refer the benchmark below ²
Buy/sell spread	0.20%/0.20%
Management costs	Estimated up to 0.80% p.a. See Offer Document

Issued by UCA Growth Fund Limited ABN 39 075 948 435. Managed and administered by Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147

¹ Figure represents the sum of the underlying products within which it invests and includes franking credits.

² The Portfolio's composite benchmark reflects the strategic asset allocation of the Portfolio: 70% S&P/ASX 300 Accumulation Index, 10% MSCI World Ex Australia Net Total Return Index (AUD) (unhedged), 10% S&P/ASX 300 Real Estate Accumulation Index, 5% Bloomberg Ausbond Bank Bill Index, and 5% Bloomberg Ausbond Composite 0-3 Year Index.

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 Growth Portfolio delivered a total return of 8.3% for the June quarter, which was slightly below the composite benchmark. Over the last 12 months, the Portfolio has provided a total return of 14.3%, outperforming the composite benchmark by 0.9%. Asset allocation slightly detracted from relative performance over the last year given more defensive positioning and being overweight fixed income. From an underlying asset class performance, international equities slightly underperformed its benchmark while Australian equities, listed property and fixed income slightly outperformed.

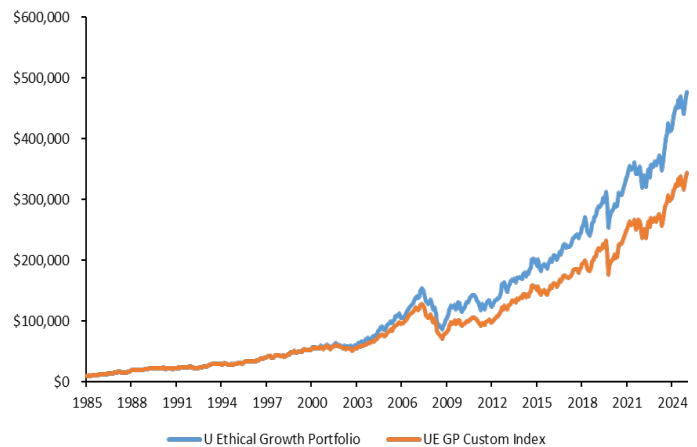
A pause in tariff implementation and ongoing trade negotiations have meant the worst-case scenario of an escalating trade war has been avoided for now. Corporate earnings have also been more resilient than expected driven by strong growth from the information technology sector. However, there is ongoing uncertainty over trade deals and tariffs are likely to end substantially higher than at the start of the year. This may further dampen slowing global economic growth and lead to more cautious central bank easing given inflation risks. We remain marginally overweight fixed income exposure and underweight international equities and listed property. The underlying equity trusts remain slightly defensively positioned, although recent volatility has also provided some long-term growth opportunities.

u ethical Growth Portfolio

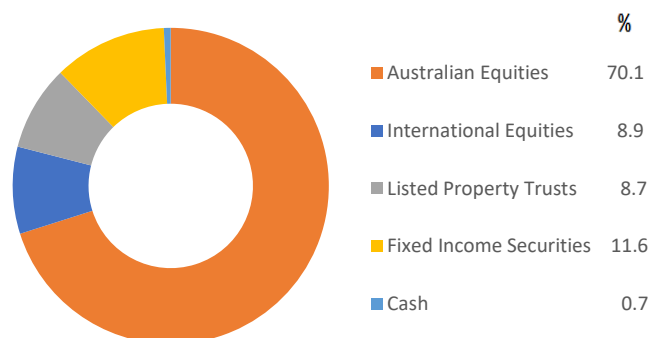
Top 10 holdings Weight %

Goodman Group	7.3
Commonwealth Bank of Australia	5.3
CSL Limited	4.9
Telstra Corporation	3.9
Macquaire Group	3.3
National Australia Bank	3.0
ResMed	3.0
QBE Insurance	2.9
Resmed	2.7
Brambles	2.6
Total	39.0

Growth of \$10,000 invested†



Asset Allocation



* The asset allocation breakdown relates to investment in underlying trusts and is not on a look-through basis. Cash represents cash held at bank.

Ethical view

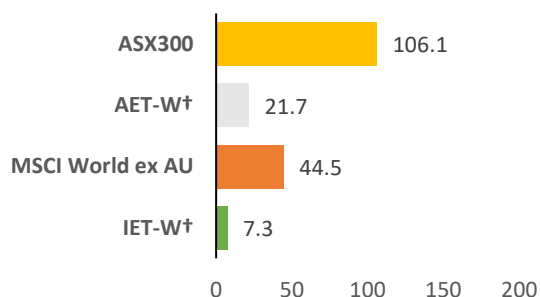
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

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.

Carbon footprint

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

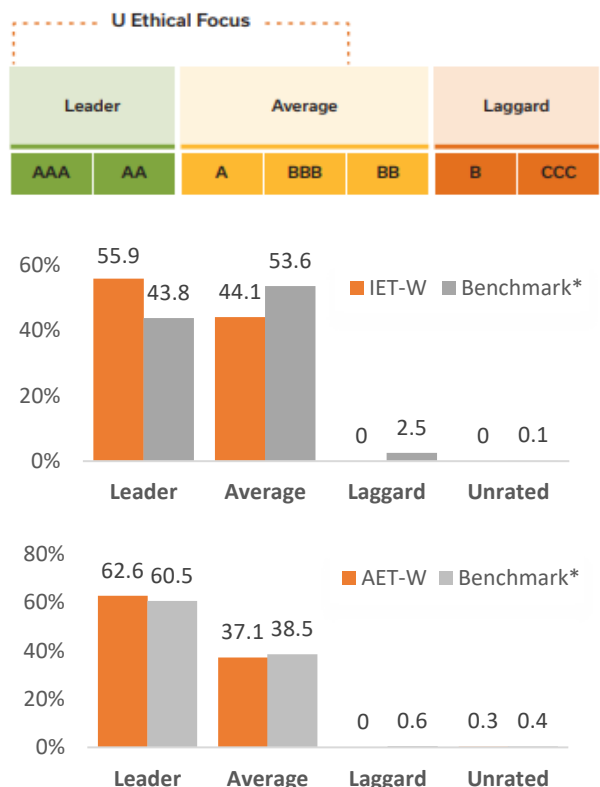


Low Carbon

Carbon Metrics as of 30/04/25. Based on 99.1% coverage of the AET-W portfolio and 100% coverage of the IET-W portfolio. Data is based on long positions only.

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.

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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 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 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



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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 Portfolio. This information does not take into account your personal objectives, financial situation or needs.

Before acting on the information or deciding whether to acquire or hold interest in the Portfolio, you should consider whether the Portfolio is appropriate for you given your own objectives financial situation and needs. You should also consider the offer document and identification statement for the Portfolio. These documents are available on our website www.uethical.com or by can be provided by calling us on 1800 996 888.

U Ethical and UCA Growth accept 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 Portfolio will achieve its targeted rate of return. There is no guarantee against loss resulting from an investment in the Portfolio. Past performance is not indicative of future performance.

The Portfolio is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the Portfolio will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the Portfolio are intended to be a means for investors to support the charitable purposes of the Portfolio. Investment funds will be used to support the charitable purpose of the Portfolio, in the manner disclosed in the offer document. UCA Growth is required by law to notify you that an investment in the Portfolio is not subject to the usual protections for investors under the Corporations Act and regulations by ASIC, UCA Growth does not hold an Australian Financial Services Licence. The Portfolio is only intended to attract investors whose primary purpose for making an investment is to support the charitable purpose of the Portfolio. Investors may be unable to get some or all of their money back when they expect or at all. Investments in the Portfolio are not comparable to investments with banks, finance Companies or fund managers.

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