

Quarterly Performance Review

u ethical International Equities Trust - Wholesale

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June 2025

A high-conviction and actively managed portfolio of international equities designed to combine positive impact with competitive financial returns.

Benefits and risks

- Targeted portfolio alignment with United Nations Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) ratings
- Suggested minimum investment horizon - 7 to 10 years
- High-risk profile

Investment objective

The Trust seeks to achieve competitive market returns over the long term, while limiting harm and creating positive impact through the implementation of U Ethical's Ethical Investment Policy. The Trust is an actively managed high-conviction fund that's designed for investors who seek exposure to international equities aligned to UN SDGs and positive ESG ratings. Through a focus on high quality companies with strong fundamentals that are trading at acceptable valuations the Trust aims to outperform the benchmark over a rolling 5-year period.

Performance

	3 months %	6 months %	1 year % p.a.	5 years % p.a.	10 years % p.a.	Since inception % p.a.
U Ethical International Equities Trust - Wholesale†	4.70	3.12	18.44	12.15	12.62	14.48
Benchmark	5.94	3.39	18.58	15.75	12.52	13.94
Relative performance	-1.24	-0.27	-0.14	-3.60	0.10	0.54

Past performance is not indicative of future performance.

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

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

1 On 1 August 2019, the Portfolio was transferred from a sub-account of the U Ethical Growth Portfolio into a unit trust, the U Ethical International Equities Trust (Trust). The Trust retains the same investment manager and investment strategy, and charges management cost of up to 0.90% p.a.

2 This figure contains \$26.530 million invested by the U Ethical Growth Portfolio product.

3 From inception to 30 June 2019, performance is that of the U Ethical International Equities Portfolio (the Portfolio) with management costs adjusted from 0.80% to 0.90%.

Fund information

Neutral™

Assigned as of 31/05/2025
Analyst-Driven 0%
Data Coverage 90%

Morningstar Sustainability Rating™



Out of 8623 Australia & New Zealand Equity Funds as of 30/04/2025. Based on 87.71 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



Portfolio Manager	Cam Hardie
Chief investment officer	Jon Fernie
Inception date	1 August 2019 ¹
Total fund size (\$M)	\$70.99 ²
Benchmark	MSCI World Ex Australia TR Index(AUD)
Buy/sell spread	0.25%/0.25%
Management costs	Estimated up to 0.90% p.a. See Information Memorandum ³
Holdings range	20-50
Number of holdings	34
Targeted ESG rating	BBB

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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 4.7% in the June quarter, underperforming the benchmark by 1.2%. Sector allocation was positive, particularly in the Tech sector and having no Energy sector exposure. However stock selection detracted from performance, particularly in names we did not hold as Heavy Industrials, Aerospace and Defense stocks rallied strongly in the period.

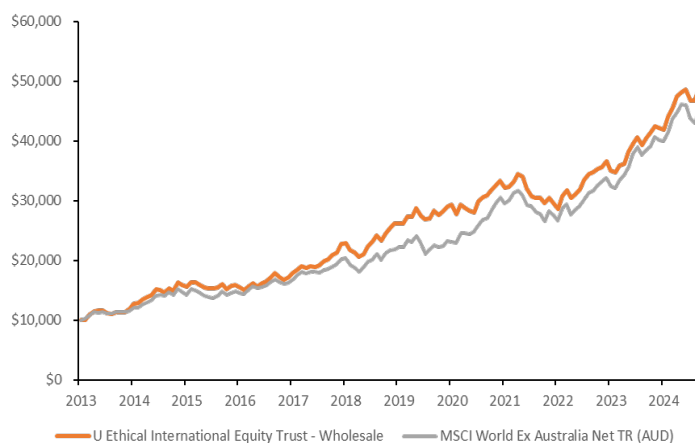
The overweight position in Europe was beneficial to the Trust with the European market outperforming the North American market by over 1.5% in the quarter. That was despite the market embracing the US tariff roll-out pause which saw the US market reach an all-time high at the end of the quarter. The Tech and Communications Services sectors also shook off concerns around DeepSeek's potential disruption of AI development and went on to be the strongest performing sectors in the period, up 17.2% and 13.3% respectively for the quarter.

During the quarter positions in Mercedes Benz and Shionogi were exited, and Eli Lilly was added to the Trust. Positions in Bank of New York Mellon and BT Group were trimmed following share price strength, while the Costco position was increased.

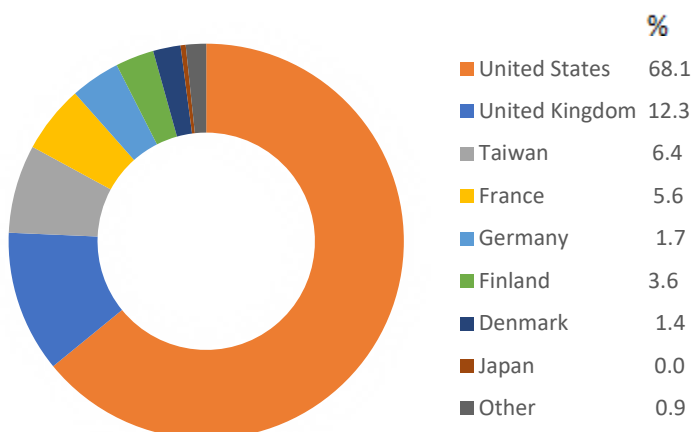
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Company	Weight %
Microsoft	9.6
Alphabet	6.8
Taiwan Semiconductor Manufacturing	6.0
Apple	5.8
BT Group	5.5
Mastercard	5.3
Nvidia Corp	5.3
Visa	5.3
CME Group	5.2
TJX Companies	4.9
Total	59.7

Growth of \$10,000 invested†



Geographic exposure



U Ethical International Equities Trust - Wholesale

Ethical view

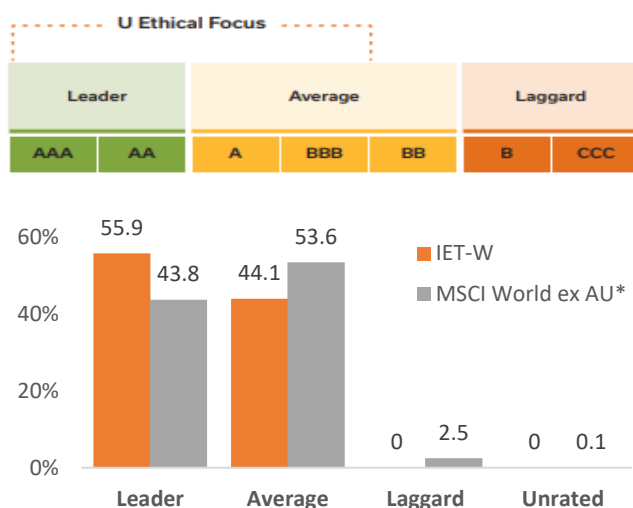
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

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.

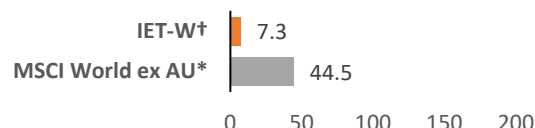
ESG ratings

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.



Carbon footprint

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



Carbon Metrics as of 30/04/2025. Based on 92.5% 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.

This quarter, U Ethical joined the World Benchmarking Alliance (WBA) Collective Impact Coalition for Ethical AI. WBA is a global NGO that assesses a broad range of public companies on their performance against key E, S and G issues for the purposes of assisting companies to perform better and assisting stakeholders such as investors to use their stewardship and active ownership capabilities to address these issues. The CIC for Ethical AI is engaging with several International portfolio companies and U Ethical has joined the SAP and BT engagements. Joining this initiative allows us to leverage our capabilities to speak with portfolio companies about our concerns relating to use of AI and generative AI.

† 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

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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 International 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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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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