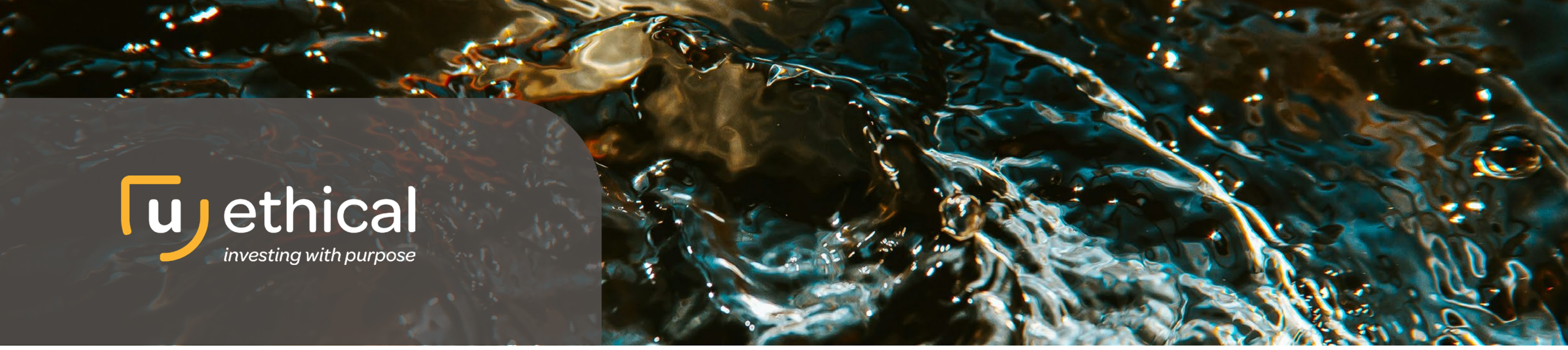


U Ethical Cash Management Trust - Retail

Quarterly Performance Review | September 2025

A portfolio of cash and cash equivalents aiming to provide capital stability and ready access to your funds

Fund information

Portfolio Manager	Joshua Nappa & Dandan Huang
Chief Investment Officer	Jon Fernie
Inception date	1 July 2020
Fund size	$72.3m
Benchmark	Reserve Bank of Australia (RBA) cash rate
Buy/sell spread	N/A
Management costs	Estimated up to 0.45% p.a.*
APIR code	UGF0002AU
Risk level	Low
Suggested minimum investment horizon	6 months

*See Product Disclosure Statement.

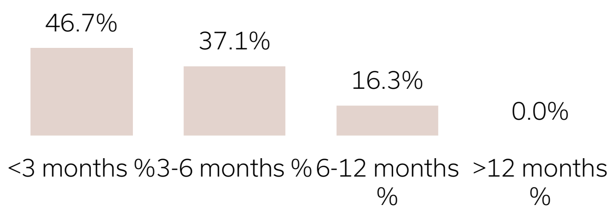
Investment objective

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.

Maturity profile

% of assets matured

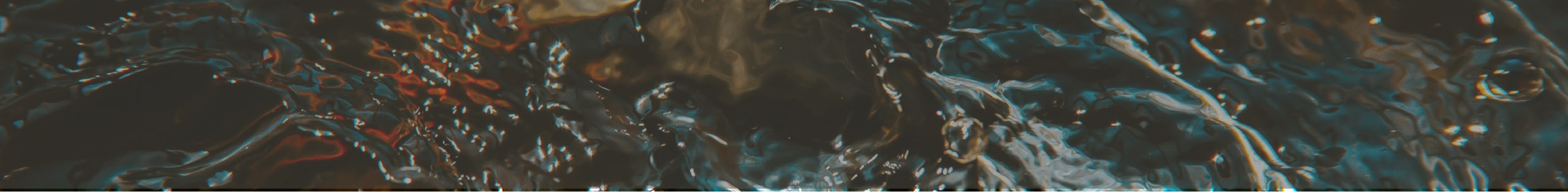


As at 30/09/2025.

Performance summary

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Fund	0.98%	2.04%	4.32%	4.17%	2.62%	2.51%
Benchmark	0.94%	1.95%	4.15%	4.05%	2.55%	2.44%
Relative	0.04%	0.09%	0.17%	0.12%	0.07%	0.07%

As at 30/09/2025. Benchmark: Reserve Bank of Australia (RBA) cash rate. Note: Performance figures stated ending 31 December 2022 were overstated by 0.01% 3 months, 0.02% 6 months, 0.02% 1 year and 0.01% since inception due to a calculation error. These have now been corrected in the above table. Inception date: 01/07/2020. Based on exit price with distributions reinvested and net of all fees. Australian dollars. **Past performance is not indicative of future performance.**



Market commentary

Global equity markets rose strongly over the quarter as further progress was made on trade negotiations and corporate earnings were ahead of expectations. While markets have largely shrugged off the impact of a higher US tariffs, this continues to be a risk for near-term US inflation and global growth.

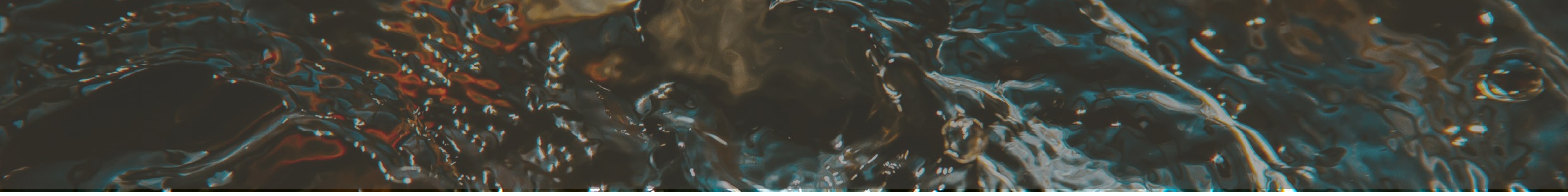
The Reserve Bank of Australia (RBA) cut the target cash rate for a third time this year to 3.60% in August, but then left it unchanged at the September meeting. Domestic headline inflation for August came in above market forecasts at 3.0% with non-volatile items surprising to the upside; this has reduced expectations for further monetary policy easing this year. Australian GDP grew by 1.3% over the financial year ending 30 June, which was the weakest growth since the early 1990s (excluding the pandemic). However, the unemployment rate remains relatively low at 4.3%.

In the US, the federal funds rate target range was reduced by 25 basis points to 4.00-4.25% in September. While annualised inflation increased to 2.9% in August, the Federal Reserve appears to be looking through any near-term impact from tariffs and focus on the employment part of its mandate. The Federal Open Market Committee (FOMC) statement highlighted elevated economic uncertainty and downside risks to employment. Longer-term bond yields have remained volatile, although 10-year US Treasury yields finished the quarter modestly lower at 4.2%.

Post the end of the quarter, US government services have been partially suspended as Republicans and Democrats could not agree to pass a spending bill. The shutdown has led to some key September employment data not being published, which further complicates the task of the Federal Reserve. In China, the manufacturing purchasing managers' index (PMI) improved slightly in August, but had its sixth consecutive month in contractionary territory as the impact of higher US tariffs continues to bite.

US corporate earnings remained solid in aggregate with double-digit year-on-year growth in the second quarter being well ahead of expectations. However, this growth continues to be substantially driven by the Information Technology and Communication Services sectors that are benefitting from ongoing AI investment. The Australian reporting season was more mixed with some encouraging signs for domestic focussed companies, but more challenges for those with offshore operations. Overall, we saw negative earnings revisions, as well as significant share price volatility for companies that beat or missed expectations.

Looking ahead, further monetary policy easing may be supportive for equities, although any reacceleration in inflation will be a concern. We continue to believe some caution is warranted given high earnings growth expectations in a slowing economic environment and stretched equity valuations.



Portfolio commentary

The Trust returned 0.98% for the quarter, outperforming the benchmark by 0.04% after fees. The outperformance was delivered via strategic positioning in medium to longer-dated deposits which locked in favourable rates in the face of a continued decline in the bank bill curve.

Over the September quarter, the Bank Bill Swap (BBSW) curve shifted marginally lower in a largely parallel fashion following continued market expectations of further RBA easing. All tenors declined by approximately ~3bps basis points, with the 1-month, 3-month and 6-month rates ending the quarter at 3.53%, 3.57% and 3.74% respectively. Notably, term premia expanded during the quarter, with the 6-month premium over 1-month BBSW widening from 14 basis points to 26 basis points.

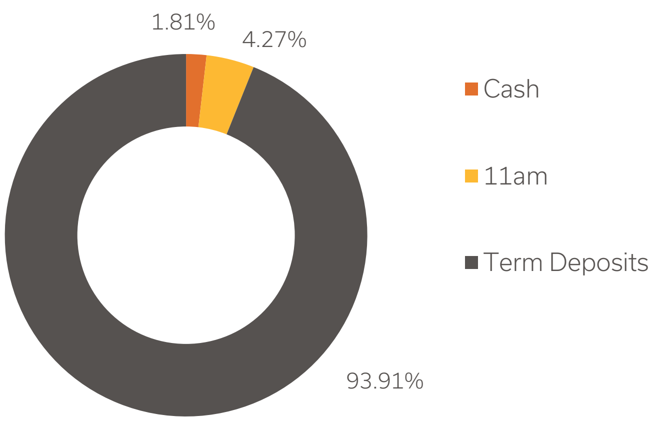
The Trust tactically responded to the healthier term structure by adding exposure to longer-dated deposits where the premium for extending maturity showed good marginal pickup. Banks continued to offer competitive rates, but on a more idiosyncratic tenor basis rather than a pronounced area of the curve.

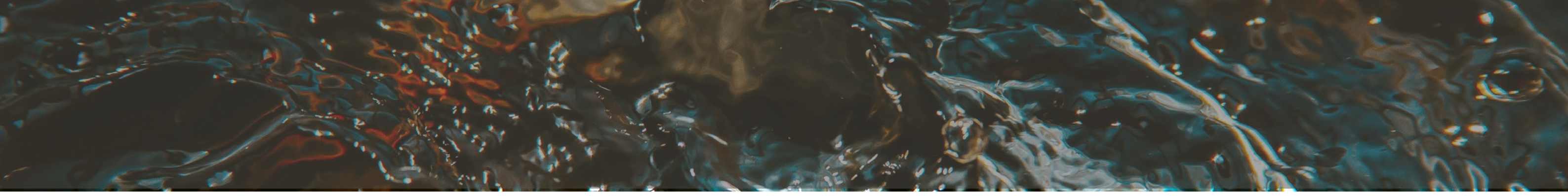
As a result, the combination of the Trust's responsive positioning to expanding term premia and longer-dated higher yield deposits, supported outperformance relative to the benchmark over the period.

Top 5 issuers

National Australia Bank	37.6
Bendigo Bank	22.0
BankVic	13.9
Westpac Banking Corporation	13.6
Bank of Queensland	11.1

Asset allocation by securities' type





About U Ethical

Founded in 1985, U Ethical is one of Australia's first not-for-profit ethical fund managers. For over 40 years, our mission has remained the same: to invest with purpose. Today we manage over $1.5 billion in funds under management, and our flagship Australian Equities strategy is a multi award-winner.

As a not-for-profit, we contribute our operating surplus to the Uniting Church to indirectly fund community and outreach programs. It is a powerful formula we call 'compounding good' – the better we do, the more we give.

Ratings and affiliations

U Ethical was named a Responsible Investment Leader by Responsible Investment Association Australasia (RIAA) as of end 2024. Refer to the disclaimers page on our website www.uethical.com/disclaimers for further information and disclaimers on ratings.

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