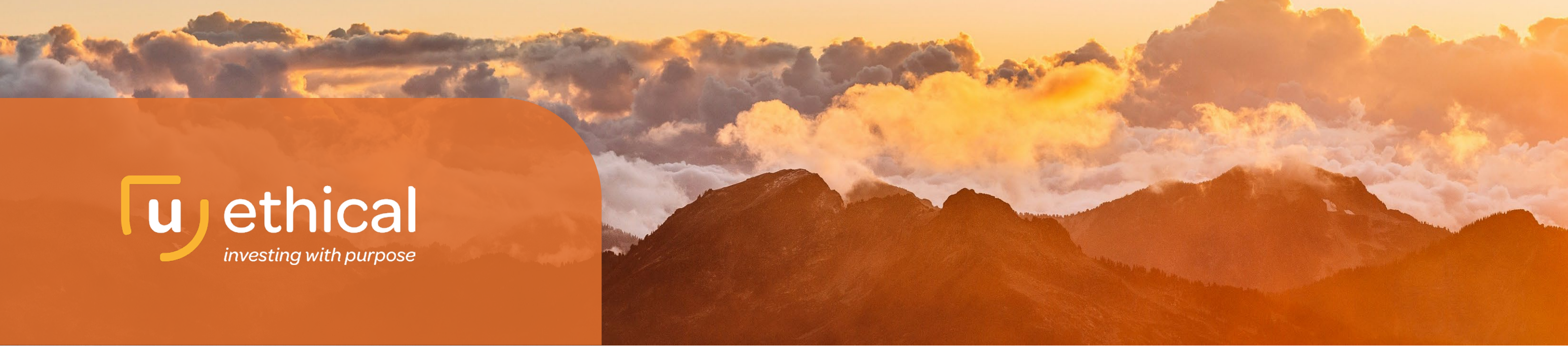


U Ethical International Equities Trust - Wholesale

Quarterly Performance Review | September 2025

A high-conviction and actively managed portfolio of international equities

Fund information

Portfolio Manager	Cam Hardie
Chief Investment Officer	Jon Fernie
Inception date	1 August 2019*
Fund size**	$76.2m
Benchmark	MSCI World ex Australia TR Index (AUD)
Buy/sell spread	0.25% / 0.25%
Management costs	Estimated up to 0.90% p.a.***
Holdings range	20-50
APIR code	UGF1996AU
Risk level	High
Suggested minimum investment horizon	7-10 years
Distribution frequency	Half yearly (June & December)

Investment objective

The Trust aims to achieve competitive risk adjusted returns over the long term in accordance with our ethical investment policy and ethical investment and stewardship approach.

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.

* 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.

** This figure contains funds invested by the U Ethical Growth Portfolio product.

***See Information Memorandum. 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%.

Performance summary

	3 months	1 year	3 years	5 years	10 years	Since inception
Fund	7.78%	25.89%	22.64%	12.47%	12.92%	14.87%
Benchmark	6.14%	23.03%	22.63%	16.27%	13.14%	14.20%
Relative	1.64%	2.86%	0.01%	-3.80%	-0.22%	0.67%

As at 30/09/2025. Benchmark: MSCI World ex Australia TR Index (AUD). Inception date: 01/08/2019. Based on exit price with distributions reinvested, including franking credits 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 delivered a total return of 7.8% in the September quarter, outperforming the benchmark by 1.6%. This was driven by stock selection with sector allocation having an immaterial impact on relative returns. While the Trust benefitted from being underweight the Industrials sector and overweight Information Technology, although this was offset by the drag from cash exposure and being underweight the Consumer Staples sector.

The Trust saw strong performance across several portfolio holdings following solid quarterly earnings results. Alphabet (gained +36.5% over the quarter), Taiwan Semiconductor Manufacturing (+17.1%), BNY Mellon (+18.9%) were the top three performers during the quarter. Novo-Nordisk (-19.6%), Visa (-4.8%) and CME Group (-2.6%) were the bottom performers. Specifically on Novo-Nordisk, the company lowered their full year sales and profit growth guidance mainly due to slower than anticipated Wegovy and Ozempic development in the US.

Over the last 12 months, the Trust provided a total return of 25.9%, which was ahead of the benchmark by 2.9%. This was driven by a combination of sector allocation and stock selection. The portfolio continues to hold an overweight exposure in the Financials, Communication Services and Information Technology sectors. This includes exposure in several stocks across these sectors that are well-placed to benefit from AI developments.

During the quarter, we added Hermes in the portfolio following recent share price weakness, which provided an entry point we have been waiting for. We consider Hermes to be one of the strongest companies within the luxury segment of the Consumer Discretionary sector, supported by a strong business model and it is well positioned to benefit from a lower interest rate environment.

We further added to our existing positions in Eli Lily, Costco, Nvidia, Broadcom and Apple. Positions in Taiwan Semiconductor Manufacturing, BT Group, CME Group, Nordea and Alphabet were trimmed following recent share price strength.

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.

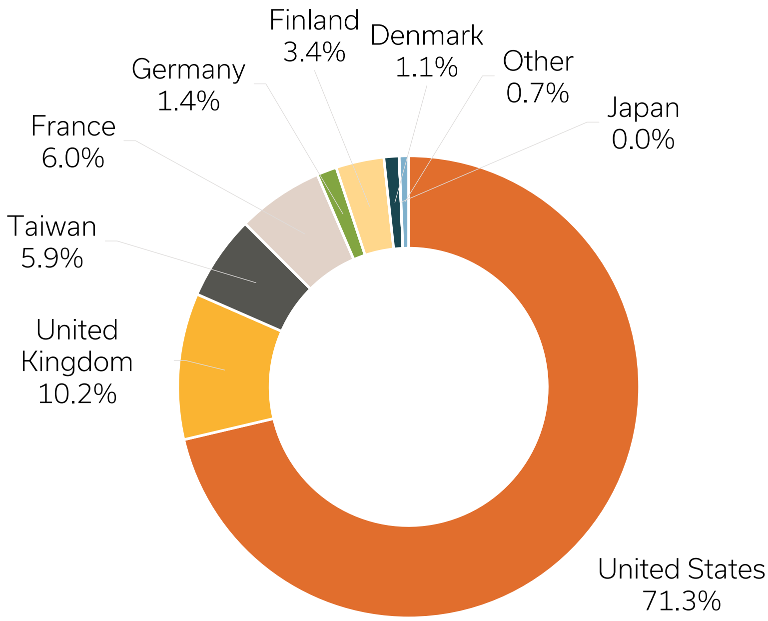
This quarter, U Ethical engaged with fellow investors participating in the World Benchmarking Alliance (WBA) Collective Impact Coalition for Ethical AI. WBA is a global NGO that assesses a broad range of public companies on their performance against key E, S and G issues for the purposes of assisting companies to perform better and assisting stakeholders such as investors to use their stewardship and active ownership capabilities to address these issues. U Ethical has joined the SAP and BT engagements and has begun planning for the forthcoming meeting with SAP, in which U Ethical will participate.

In other collaborative engagement progress, U Ethical will participate in the planning for the next Nature Action 100 meeting for Amcor, again working with international peers on key nature-related material issues.

Top 10 holdings

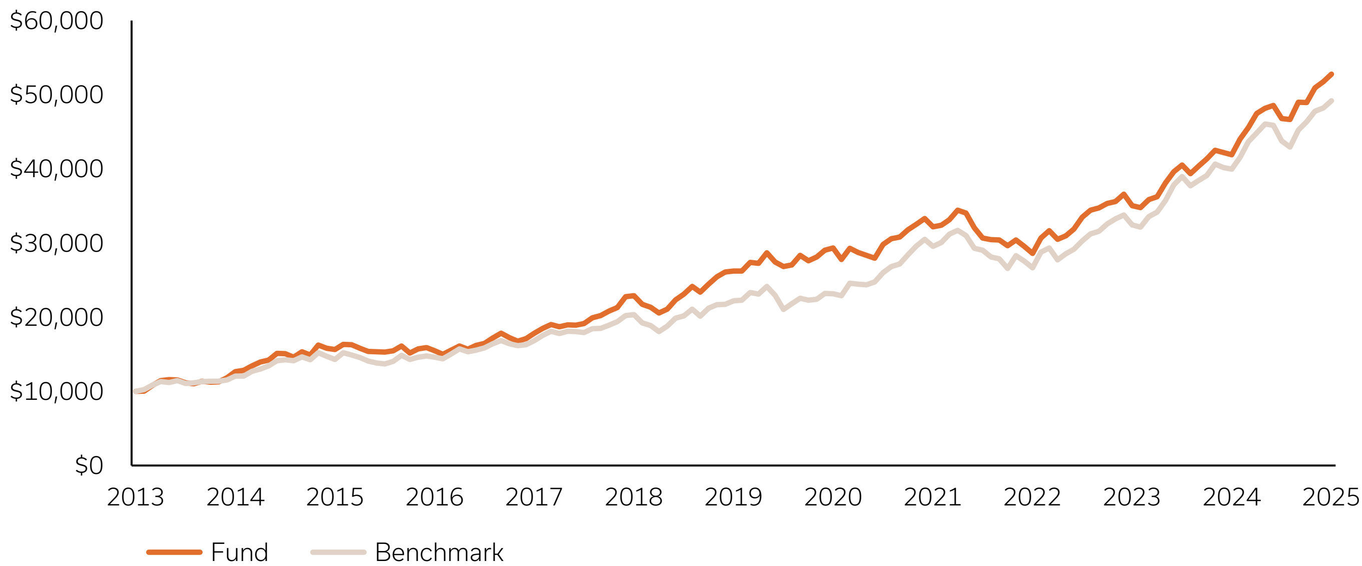
Holdings	%
MICROSOFT CORPORATION	8.6
ALPHABET	8.0
APPLE	6.9
NVIDIA	6.0
TAIWAN SEMICONDUCTOR MANUFACTURING	5.9
TJX COS	5.3
BANK NEW YORK MELLON	5.1
MASTERCARD	4.9
VISA	4.6
CME GROUP	4.4
Total	59.7

Geographic exposure



Long-term performance

Growth of $10,000 invested



As at 30/09/2025. Benchmark: Composite benchmark 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. Inception date: 01/07/1985. Based on exit price with distributions reinvested, including franking credits and net of all fees. Australian dollars. Past performance is not indicative of future performance.

Ethical view

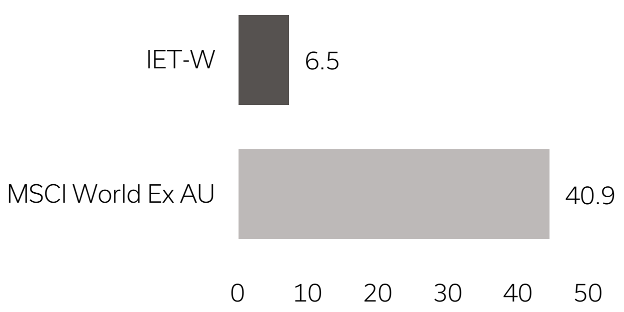
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

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.



Source: MSCI ESG Research.
Portfolio data based on a combination of company reported and MSCI estimated carbon data. Certain information ©2025 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.

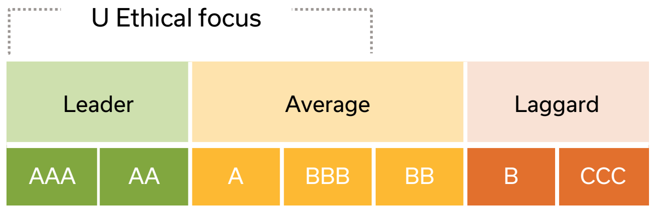
Low Carbon

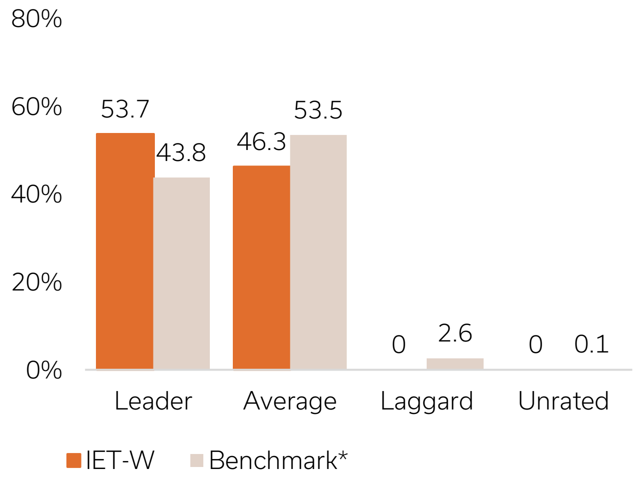
Source: Morningstar. Carbon Metrics as of 31/08/2025. Based on 92.5% percent of eligible portfolio covered. Data is based on long positions only.

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.





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

Neutral™

SUSTAINABLE PLUS
CERTIFIED BY RIAA

Responsible Investment Leader 2024

Certified B Corporation

Morningstar rating assigned 31/08/2025 (Analyst-driven 0%, Data coverage 90%). 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 these ratings.

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u ethical
investing with purpose