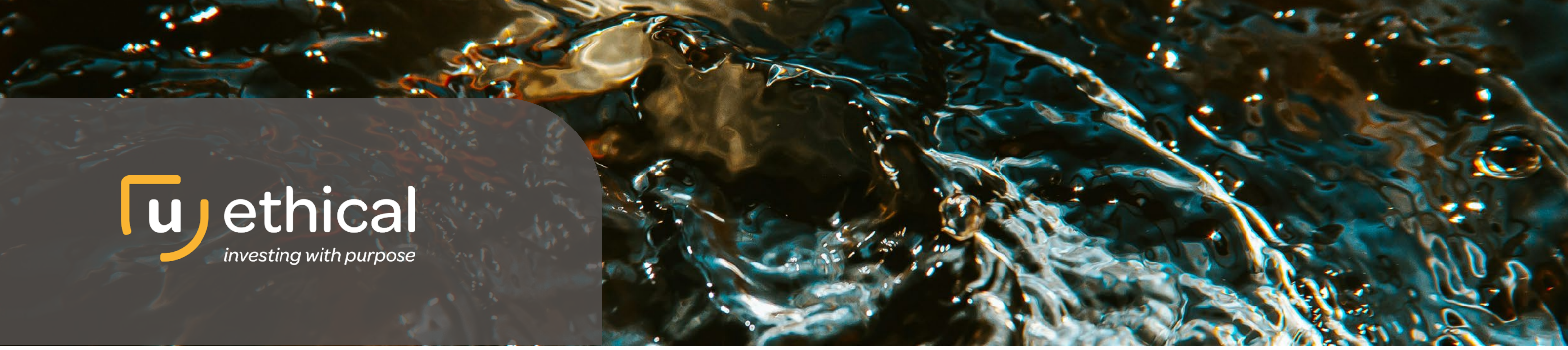


U Ethical Cash Management Trust - Retail

Quarterly Performance Review | June 2026

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	$66.24m
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.

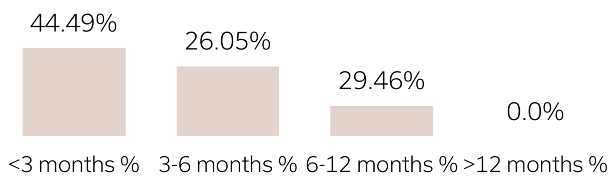
Investment objective

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

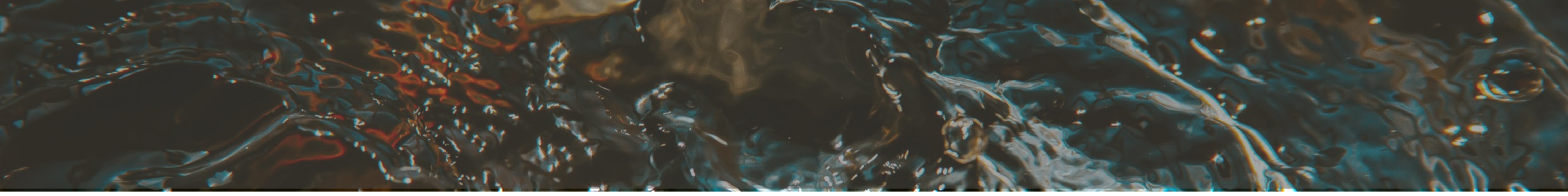


As at 30/06/2026.

Performance summary

	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Since Inception p.a.
Fund	1.02%	1.95%	3.91%	4.30%	3.20%	2.68%
Benchmark	1.06%	2.01%	3.91%	4.19%	3.13%	2.63%
Relative	-0.04%	-0.06%	0.00%	0.11%	0.07%	0.05%

As at 30/06/2026. 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

The MSCI World ex Australia Index returned 12.6% for the quarter ending 30 June 2026, rebounding from a 6.2% decline in the prior quarter. The recovery reflected improved risk appetite, supported by easing energy market pressure, continued strength in AI-related investment themes, and renewed investor confidence in structural growth sectors. The ASX 300 Accumulation Index rose by 4.0% over the period.

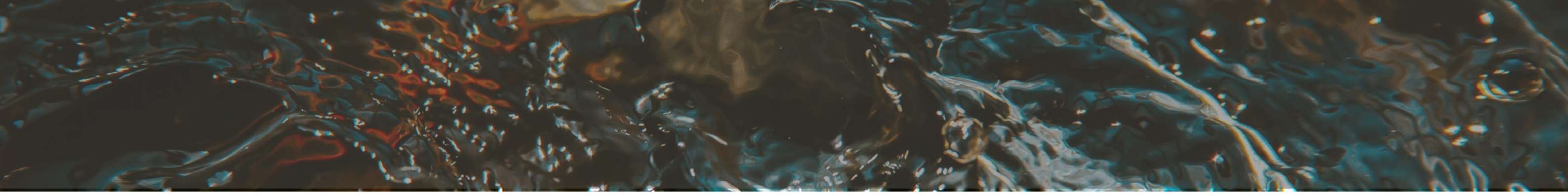
The quarter began with heightened geopolitical risk in the Middle East. The closure of the Strait of Hormuz pushed Brent crude above US$120 per barrel in April, raising concerns that higher energy prices could add to inflationary pressure and weigh on consumer spending and corporate margins. However, as the quarter progressed, tentative de-escalation in the region and optimism around a possible US-Iran agreement contributed to a reversal in oil prices. Brent crude declined nearly 20% through May and June, helping reduce near-term concerns around a broader energy-driven inflation shock.

AI-related investment remained a major driver of equity market performance. US hyperscalers raised 2026 capital expenditure guidance for AI and data centre infrastructure to more than US$700 billion, reinforcing expectations that investment in AI computing capacity, cloud infrastructure and related supply chains will remain significant. This was supportive for semiconductor, memory, foundry, networking, power equipment and data centre-exposed companies. Regional performance was particularly strong in Asia, with South Korea rising 68% and Taiwan rising 42%, reflecting their importance in the AI hardware and semiconductor supply chain.

Investor appetite for long-duration growth was also evident in the historic SpaceX IPO, which was associated with a valuation of around US$2 trillion. While SpaceX is not directly representative of listed global equity indices, the transaction was notable as a broader signal of market willingness to fund large-scale innovation themes, even against a more challenging interest rate backdrop.

Inflation and monetary policy remained important constraints. Core US inflation (excluding food and energy) climbed to 2.9% in May, while trimmed mean inflation in Australia rose to 3.6% for the same period. In response, the Federal Reserve and Bank of England kept interest rates higher for longer, while the European Central Bank (ECB) has maintained a more hawkish posture than previously expected. The Reserve Bank of Australia (RBA) raised the cash rate by 0.25% during the quarter. In the US, under new Fed Chair Kevin Warsh, investors also began to reassess the policy framework, with less emphasis on explicit forward guidance, a continued focus on the 2% inflation objective, and limited scope for near-term easing.

Overall, the quarter was characterised by a recovery in global equities despite a still restrictive monetary policy backdrop. AI-related capital spending and improving geopolitical conditions supported market gains, while persistent inflation and central bank caution limited the case for broad-based valuation expansion.



Portfolio commentary

The Trust returned 1.02% for the quarter, marginally underperforming the benchmark by 0.04% after fees.

Over the June quarter, the RBA lifted the cash rate further, taking the target from 4.10% to 4.35%, as persistent inflationary pressures kept monetary policy on a tightening path. The BBSW curve flattened meaningfully over the period, with the front-end repricing higher off the back of the RBA decision while the back end remained comparatively steady. The 1-month tenor rose 25bps to 4.36%, the 2-month rose 20bps to 4.43%, and the 3-month rose 15bps to 4.51%, whereas the 5-month and 6-month tenors increased by just 4bps and 1bp respectively. This saw the term premium between the 6-month and 1-month rate compress from 73bps to 49bps over the quarter. All-in deposit rates broadly peaked in April, while rates at the 6-month-plus part of the curve remained relatively stable over the quarter.

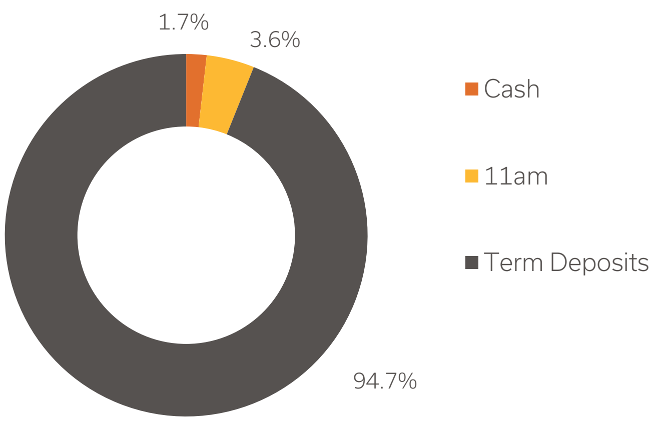
The Trust responded to this environment by continuing to extend the weighted average duration of its deposit book, capturing an attractive premium on offer for longer-dated maturities amid ongoing uncertainty around the inflation outlook and the resolution of the conflict in Iran.

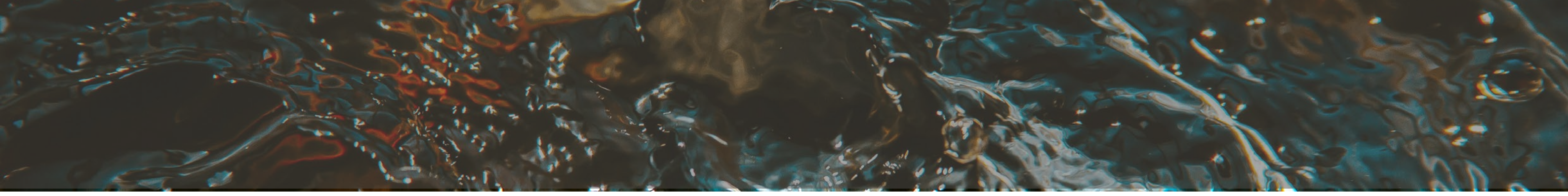
Due to the volume and pace of RBA rate hikes this quarter, the Trust's benchmark rose faster than it could reprice its deposit book as existing positions rolled off. However, as low-yielding legacy deposits rolled off throughout the quarter, the Trust was able to progressively catch up to the benchmark, aided by a healthy deposit curve, with a 90-day deposit now offering a premium over where a 360-day deposit was priced 12 months ago. This continues the trend seen last quarter, where the Trust's proactive extension into longer-dated deposits has continued to support returns as lower-yielding positions mature. As a result, the Trust saw only a marginal underperformance over the quarter.

Top 5 issuers

National Australia Bank	37.8
BankVic	23.1
Bendigo Bank	17.9
Westpac Banking Corporation	14.0
Bank of Queensland	5.4

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 is recognised as a Responsible Investment Leader 2026 by the Responsible Investment Association Australasia (RIAA). This acknowledges our leadership in responsible investment commitment, ESG integration, stewardship and transparency. Refer to the disclaimers page on our website www.uethical.com/disclaimers for further information and disclaimers on ratings.

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