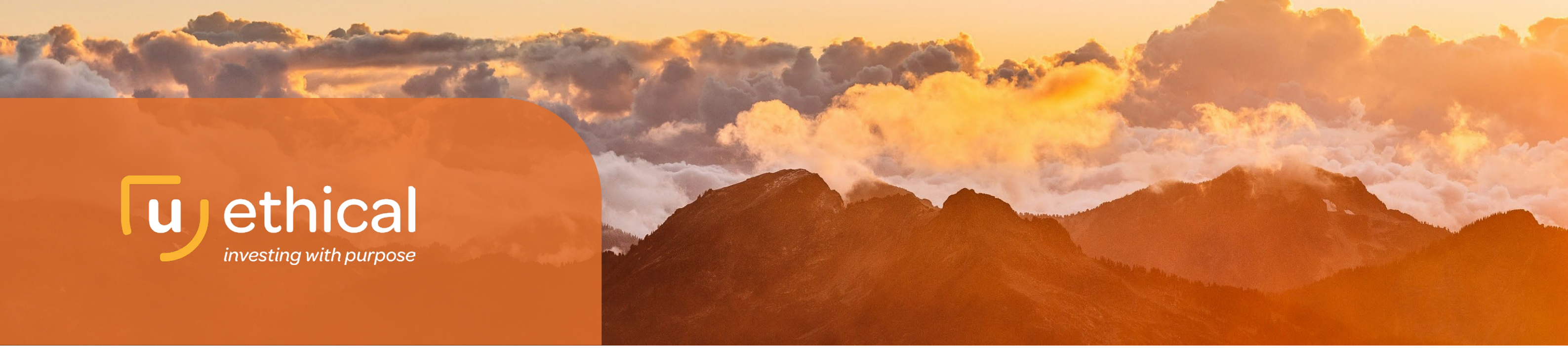


u ethical
investing with purpose

U Ethical International Equities Trust - Wholesale

Quarterly Performance Review | June 2026

A high-conviction and actively managed portfolio of international equities

Fund information

Portfolio Manager	Sam Wyatt
Chief Investment Officer	Jon Fernie
Inception date	1 August 2019*
Fund size**	$79.11m
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)

* 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%.

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.

Benchmark update

As part of our ongoing commitment to positioning the Trust for long-term investment opportunities, U Ethical is updating the benchmark for the International Equities Trust – Wholesale. From 1 August 2026 the benchmark will change from the MSCI World ex Australia Net Total Return Index (AUD) to the MSCI ACWI ex Australia Net Total Return Index (AUD).

Performance summary

	3 Months	1 year	3 years p.a.	5 years p.a.	10 years p.a.	Since Inception p.a.
Fund	7.53%	12.89%	16.07%	11.69%	13.82%	14.35%
Benchmark	12.61%	14.95%	17.80%	13.38%	14.05%	14.02%
Relative	-5.08%	-2.06%	-1.73%	-1.69%	-0.23%	0.33%

As at 30/06/2026. 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

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 delivered a total return of 7.5% for the June quarter, underperforming the benchmark by 5.1%. Relative underperformance was primarily driven by stock selection, while sector allocation provided a positive offset. The main positive allocation effects came from the portfolio's zero weight to Energy and Materials, as well as underweight positioning in Industrials, which helped offset some of the stock-specific weakness.

Stock selection was weakest in Information Technology and Financials. Within Information Technology, the portfolio underperformed by approximately 5% on a relative basis. Portfolio holdings including Microsoft, SAP and Apple lagged as market leadership rotated more aggressively toward semiconductor hardware, memory and semiconductor equipment beneficiaries. The portfolio's zero weight exposure to semi equipment and memory also detracted from relative performance, given the strength of AI infrastructure-linked hardware supply chains during the quarter. Within Financials, relative underperformance was primarily driven by CME Group, which lagged amid concerns around regulatory scrutiny and potential disruptive competition from crypto-linked prediction market platforms such as Kalshi.

Over the 12 months to 30 June 2026, the portfolio delivered a total return of 12.9%, compared with the benchmark return of 15.0%, representing relative underperformance of 2.1%. Over this period, stock selection was again the primary driver of underperformance.

Sector allocation was marginally negative, primarily due to cash drag, as well as overweight positioning in Consumer Staples and Financials. The main area of stock selection weakness was Information Technology, where portfolio holdings including Microsoft, SAP and ServiceNow underperformed relative to stronger benchmark constituents more directly exposed to the AI hardware cycle, including Micron, Advanced Micro Devices, Intel and Lam Research. This was partly offset by positive contributions from TSMC and Alphabet.

Portfolio activity during the quarter reflected a continued focus on improving quality, earnings durability and alignment with long-term structural growth opportunities. We exited BT Group, GSK, Amgen, Bristol Myers Squibb, Alstom and UPS, and trimmed TJX. New additions included Samsung Electronics Preference, S&P Global, Stryker, HCA Healthcare, STERIS, ResMed, Vinci, Schneider Electric, Verisk, Copart and Tencent. These transactions increased exposure to businesses with stronger competitive positions, more attractive long-term return profiles and clearer links to durable growth themes across healthcare, infrastructure, data, automation, digital platforms and high-quality financial services.

The portfolio remains positioned toward quality companies with strong balance sheets, resilient cash flows and disciplined capital allocation.

Engagement update

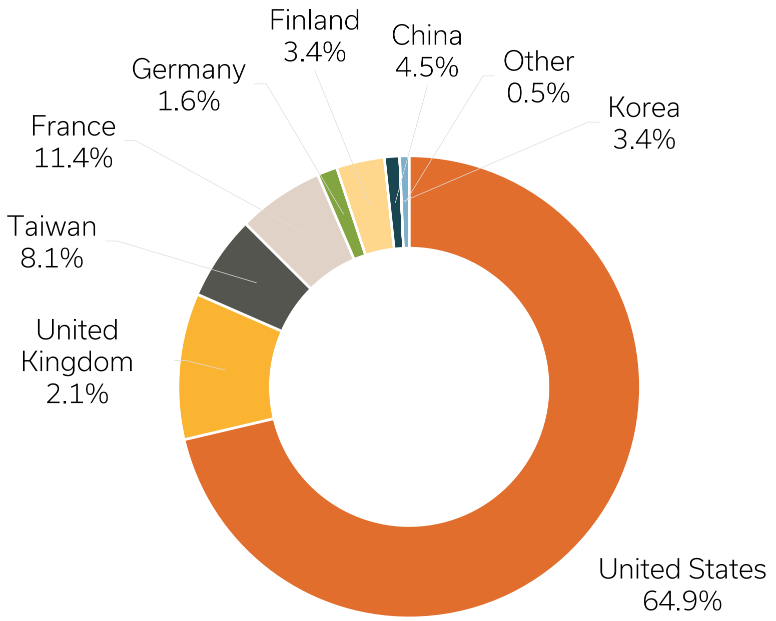
U Ethical communicates with portfolio companies for a number of reasons, including to gain greater insight on ESG-related issues, communicate our preferences for best practice management of ESG risks and opportunities, and seek commitments for enhanced performance on ESG matters. U Ethical believes that stewardship and engagement is part of our responsibility as ethical investors.

During the quarter, we met with NSW Anti-Slavery Commissioner James Cockayne to discuss the risks of forced labour in renewable energy value chains and how to conduct meaningful engagement with portfolio companies that may face this exposure.

Top 10 holdings

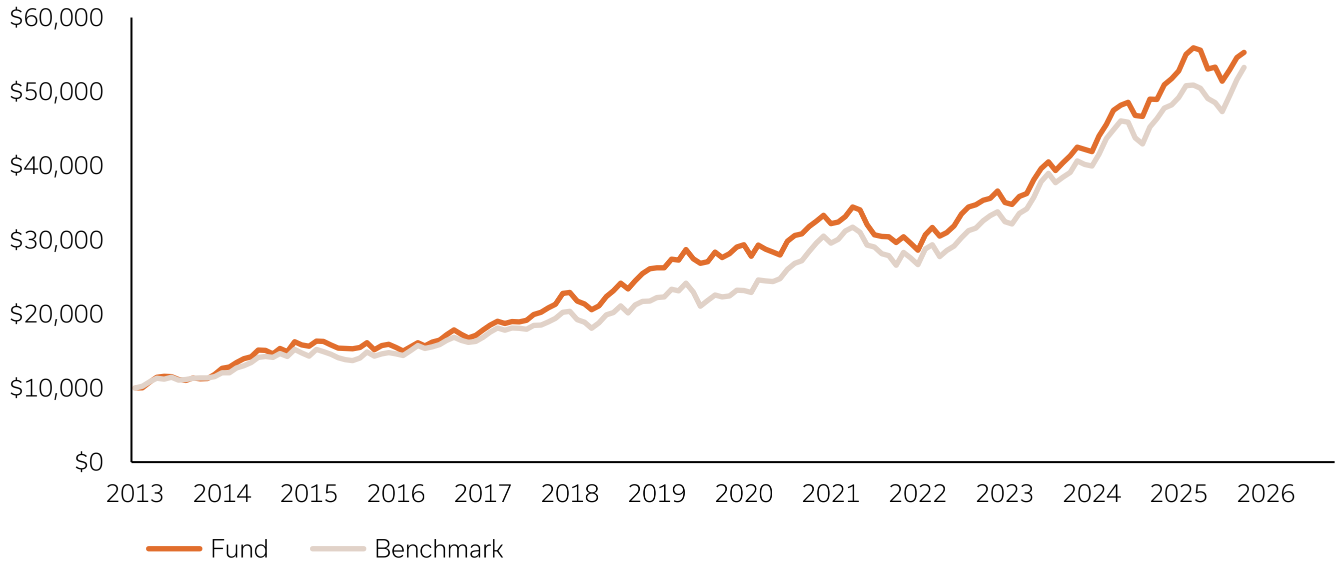
Holdings	%
ALPHABET INC	8.3
TAIWAN SEMICONDUCTOR MANUFACTURING	8.1
MICROSOFT CORP	5.8
APPLE INC	4.5
NVIDIA CORP	4.5
VISA INC	4.1
VINCI	3.6
S&P GLOBAL INC	3.5
MASTERCARD INCORPORATED	3.4
NORDEA BANK ABP	3.4
Total	**49.1**

Geographic exposure



Long-term performance

Growth of $10,000 invested



As at 30/06/2026. 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

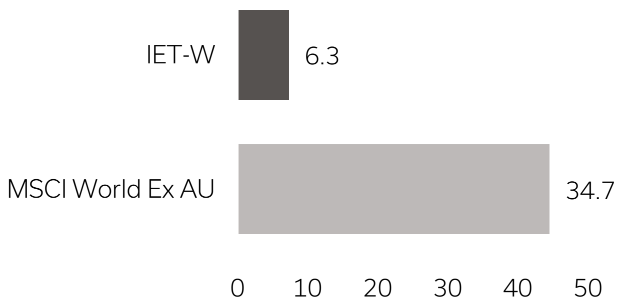
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

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 30/06/2026. Based on 95.0% percent of eligible portfolio covered. Data is based on long positions only.

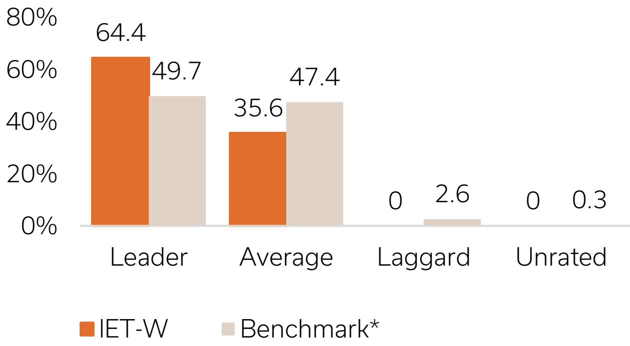
ESG ratings

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.

U Ethical focus

Leader		Average			Laggard	
AAA	AA	A	BBB	BB	B	CCC



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 these ratings.

Contact us

info@uethical.com

1800 996 888

www.uethical.com

Level 6, 130 Lonsdale Street
Melbourne VIC 3000