

U Ethical Cash Management Trust - Retail

Quarterly Performance Review | September 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	$63.69m
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

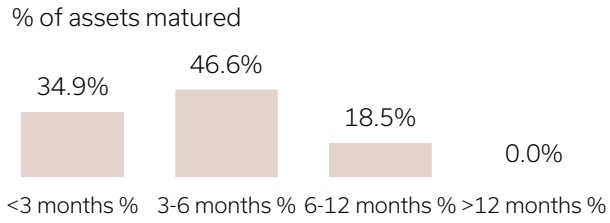
*See Product Disclosure Statement.

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

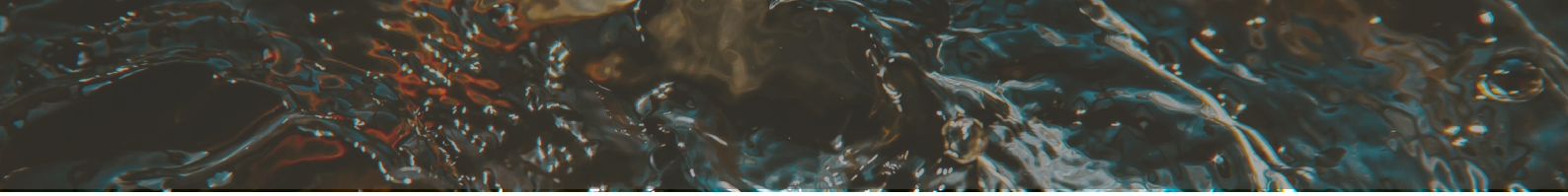


As at 30/09/2026.

Performance summary

	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	Since Inception p.a.
Fund	1.11%	2.14%	4.05%	4.32%	3.42%	2.75%
Benchmark	1.10%	2.18%	4.07%	4.22%	3.35%	2.70%
Relative	0.01%	-0.04%	-0.02%	0.10%	0.07%	0.05%

As at 30/09/2026. 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

Global equity markets remained volatile, although ultimately moved higher for the quarter ending 30 September 2026 with the MSCI ACWI Ex Australian TR Index (AUD) returning 1.2%. The S&P/ASX 300 Accumulation Index provided a total return of 1.3%. Global equities were supported by continued AI investment and resilient earnings expectations, although renewed energy price pressures, higher bond yields and tighter monetary policy created a more challenging backdrop towards quarter-end. US market gains became increasingly concentrated in large technology companies, with weaker participation across the broader market. Markets also began to position ahead of the November US mid-term elections, with investors increasingly considering the potential implications for fiscal policy, regulation and the broader policy agenda.

Geopolitical developments in the Middle East remained a major influence on markets. The easing in oil prices during the prior quarter proved temporary with Brent crude trading above US$100 per barrel in late September as uncertainty surrounding US–Iran negotiations and shipping through the Strait of Hormuz persisted. Higher energy costs renewed concerns about inflation, household spending and corporate margins, particularly for energy-intensive businesses.

AI-related investment continued to support global equity markets, although performance became more differentiated. Investor attention increasingly focused on companies demonstrating tangible revenue growth from AI adoption, alongside those supplying computing capacity and infrastructure. Enterprise software attracted renewed interest, while some infrastructure suppliers faced scrutiny over margins, capacity constraints and the returns on rapidly expanding capital expenditure. The investment cycle also became increasingly reliant on debt financing, adding funding costs and balance sheet discipline to the risks investors were assessing.

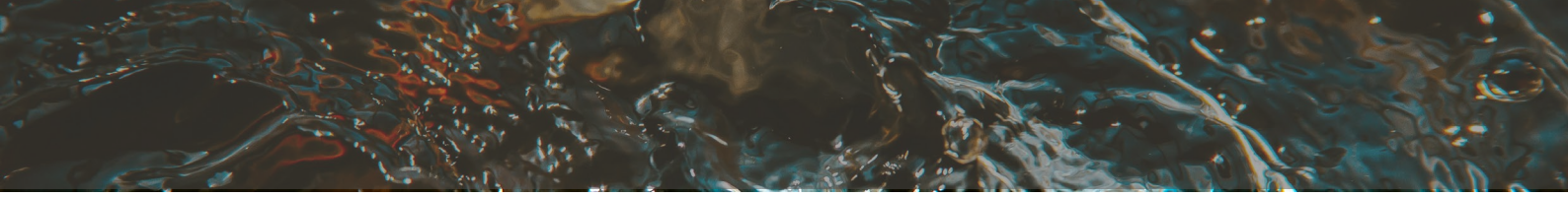
Monetary policy shifted towards renewed tightening. The Federal Reserve raised its policy rate by 0.25 percentage points in September to a range of 3.75-4.00%, its first increase under new Chair Kevin Warsh. The European Central Bank also raised its key policy rate by 0.25 percentage points, citing persistent inflationary pressures from the Middle East conflict. US government bonds came under significant pressure, with the 10-year Treasury yield rising to 5.3% at the end of the quarter.

In Australia, inflation has remained persistent as there are signs of slowing economic activity. The Reserve Bank of Australia (RBA) raised the cash rate to 4.60% in late September, its fourth increase of the year. Trimmed mean inflation for July at 3.6% annualised, which remains well above the RBA's 2-3% target. GDP growth for the June quarter came in at 0.4% and 2.1% over the year, while unemployment rose to 4.6% in August. This highlighted a difficult domestic backdrop, with underlying inflation remaining elevated even as higher interest rates weighed on economic activity.

China's economic activity remained uneven, with resilient exports and manufacturing contrasting with softer domestic demand and ongoing property weakness. Towards quarter-end, authorities signalled additional fiscal and credit support aimed at stabilising housing, employment and household incomes. For Australia, the effectiveness of these measures remained important to the outlook for commodity demand and resources earnings.

Overall, the quarter highlighted the tension between strong AI-related investment and earnings, and a less supportive inflation and interest rate environment. Renewed energy pressures and rising bond yields constrained the scope for valuation expansion, while there were signs of slowing economic activity domestically.

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Portfolio commentary

The Trust returned 1.11% for the quarter, outperforming the benchmark by 0.01% after fees.

Over the September quarter, the RBA left the cash rate unchanged at 4.35% in August before lifting it to 4.60% at its September meeting. Inflation concerns continued to materialise over the quarter, with the focus shifting beyond the Middle East and oil prices towards pressures that are more domestic in nature, and markets moved to price further monetary tightening as a result.

The Bank Bill Swap Rate (BBSW) curve shifted higher and steepened. The 1-month tenor rose 23bps to 4.59%, the 3-month rose 31bps to 4.82% and the 6-month rose 32bps to 5.17%, with the 4-month seeing the largest move at 34bps. This saw the term premium between the 6-month and 1-month rate widen from 49bps to 58bps.

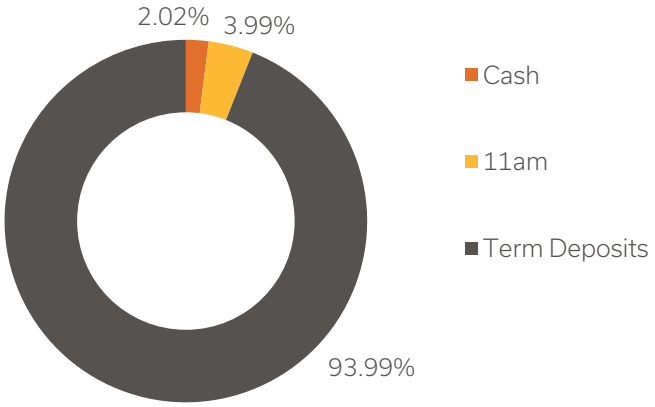
All-in deposit rates edged higher against this backdrop, with the 180 to 360 day part of the curve offering the most attractive income. The Trust continued to add longer-dated deposits, locking in higher rates and capitalising on the uncertainty around the path of inflation and policy.

The Trust's outperformance was driven by the timing of this repricing. Markets anticipated further increases in the cash rate ahead of the RBA, and this flowed through to deposit rates before the September decision, allowing the Trust to capture higher yields in advance of the move. Some lower yielding legacy deposits are yet to mature, and the Trust will continue to roll these into the higher rates on offer as they do.

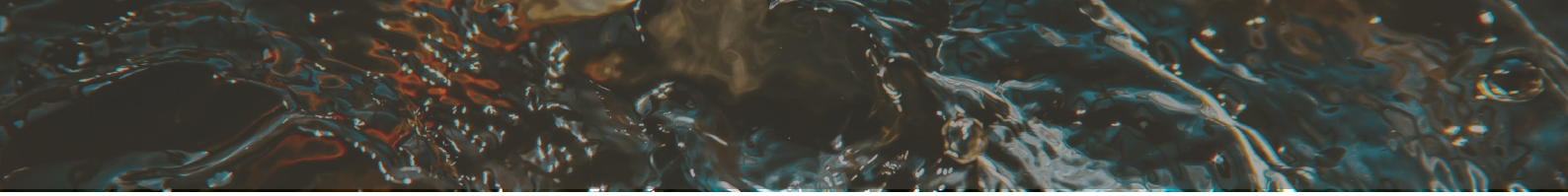
Top 5 issuers

National Australia Bank	33.4
BankVic	20.0
Bendigo Bank	18.1
Westpac Banking Corporation	16.0
Commonwealth Bank of Australia	10.3

Asset allocation by securities' type



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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

Responsible Investment Leader 2026
A proud RIAA member
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