

U Ethical Growth Portfolio

Quarterly Performance Review | September 2026

A diversified portfolio of ethically screened Australian shares, international shares, listed property trusts and enhanced income designed specifically for not-for-profit and charitable organisations.

Fund information

Portfolio Manager	Jon Fernie
Chief Investment Officer	Jon Fernie
Inception date	1 July 1985*
Fund size	$118.46m
Benchmark[1]	70% S&P/ASX 300 Accumulation Index 10% MSCI ACWI Ex Australia Net Total Return Index AUD (unhedged) 10% S&P/ASX 300 Real Estate Accumulation Index 10% Bloomberg AusBond Bank Bill Index
Buy/sell spread	0.20% / 0.20%
Management costs	Estimated up to 0.80% p.a.**
APIR code	UGL0002AU
Risk level	Medium to high
Suggested minimum investment horizon	5 years
Distribution frequency	Half yearly (June & December)

* Figure represents the sum of the underlying products within which it invests and includes franking credits.
** See Offer Document.
[1] Refer Benchmark Update on Page 2

Investment objective

The U Ethical Growth Portfolio is more suitable for medium to long-term investment and aims to provide a total return of 3 per cent above the rate of inflation (CPI +3%) over a rolling 5-year period.

It combines a strategic mix of Australian and international shares, listed property trusts, fixed interest and cash to achieve income and capital stability.

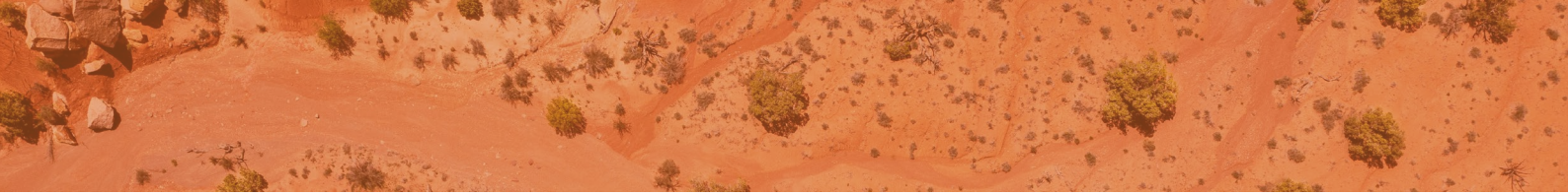
The Portfolio is available to not-for-profit organisations that are registered for charity tax concessions.

Performance summary

	3 Months	1 Year	3 years p.a.	5 years p.a.	10 years p.a.	20 years p.a.	Since Inception p.a.
Fund	-0.59%	-4.36%	9.66%	6.36%	8.69%	7.53%	9.81%
Benchmark	0.28%	1.48%	11.10%	7.13%	8.53%	6.65%	N/A
Relative	-0.87%	-5.84%	-1.44%	-0.77%	0.16%	0.88%	N/A

As at 30/09/2026. Benchmark: Composite benchmark 70% S&P/ASX 300 Accumulation Index, 10% MSCI ACWI Ex Australia Net Total Return Index AUD (unhedged), 10% S&P/ASX 300 Real Estate Accumulation Index, 10% Bloomberg AusBond Bank Bill 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.**

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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.

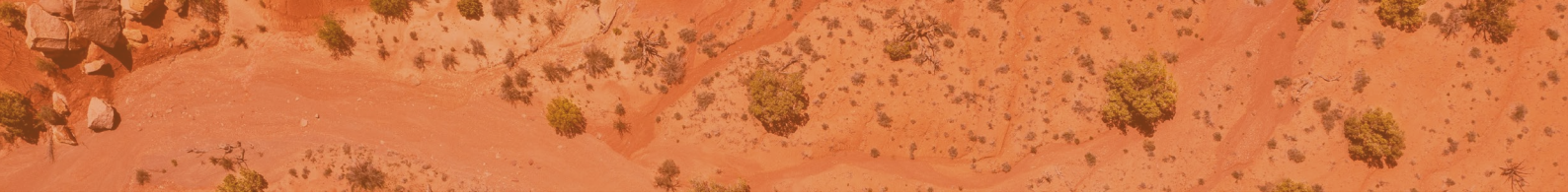
Overall, the quarter highlighted the tension between strong AI-related investment and earnings, and a less supportive inflation and interest rate environment. Renewed energy pressures and rising bond yields constrained the scope for valuation expansion, while there were signs of slowing economic activity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

Benchmark update

As part of our ongoing commitment to positioning the Trust for long-term investment opportunities, U Ethical has updated the composite benchmark for the Growth Portfolio.

From 1 August 2026 the composite benchmark changed from: 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 to: 70% S&P/ASX 300 Accumulation Index, 10% MSCI ACWI Ex Australia Net Total Return Index AUD (unhedged), 10% S&P/ASX 300 Real Estate Accumulation Index, 10% Bloomberg AusBond Bank Bill Index.

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Portfolio commentary

The Growth Portfolio delivered a total return of -0.6% for the September quarter, which was 0.9% below the composite benchmark. Asset allocation was slightly positive for relative returns over the quarter given an underweight position in listed property, which substantially underperformed as global central banks tightened monetary policy. Over the last 12 months, the Portfolio has provided a total return of -4.4%, underperforming the composite benchmark by 5.8%. Contributing to this has been relative performance within Australian and international equities.

For the Australian equities exposure, underperformance over the last year was primarily driven by being underweight the Materials and Energy sectors, which have benefited from solid commodity prices. This has included energy prices moving significantly higher due to the US-Iran conflict. An overweight position in Health Care (which underperformed the broader market) also detracted from performance during the year, although we have seen improved performance over the last quarter as investors balance near-term challenges with longer-term growth opportunities. Listed property in Australia has faced a challenging 12 months given several cash rate hikes from the Reserve Bank of Australia (RBA) and also changes to negative gearing and capital gains taxes.

Absolute returns in international equities have remained solid over the last 12 months, although relative performance has been impacted by stock selection. Sector allocation was a small negative with no Energy exposure a detractor, although partly offset by positioning in the Utilities and Real Estate sectors. Stock selection weakness was across the Industrials, Communication Services, Information Technology and Health Care sectors. The international equities exposure remains positioned toward companies with strong balance sheets, resilient cash generation, disciplined capital allocation and the ability to compound returns through the cycle.

Corporate earnings in aggregate have remained strong on the back of AI-related investment. However, inflation has remained elevated and the ongoing US-Iran conflict means ongoing pressure on energy prices. This has contributed to central banks globally tightening monetary policy, despite signs of slowing economic activity. From an asset allocation perspective, we remain overweight fixed income, while underweight Australian equities and listed property given near-term headwinds for domestic growth assets.

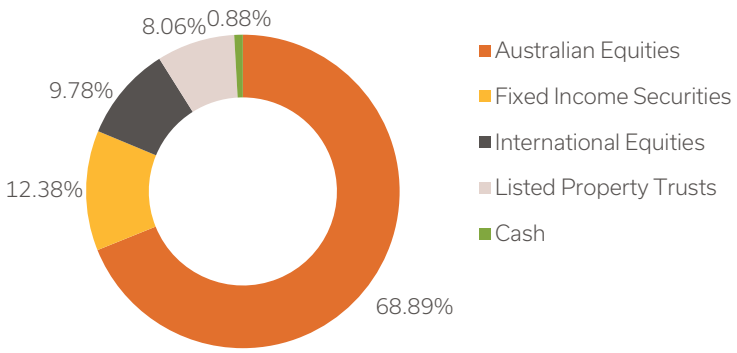
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Top 10 holdings

Holdings	%
GOODMAN GROUP	5.5
COMMONWEALTH BANK OF AUSTRALIA	5.2
TELSTRA CORPORATION LIMITED	4.0
CSL LIMITED	3.9
MACQUARIE GROUP LIMITED	3.5
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	3.3
SANDFIRE RESOURCES NL	3.3
EVOLUTION MINING LIMITED	3.1
FORTESCUE METALS GROUP LTD	3.1
NATIONAL AUSTRALIA BANK LIMITED	3.1
Total	38.1

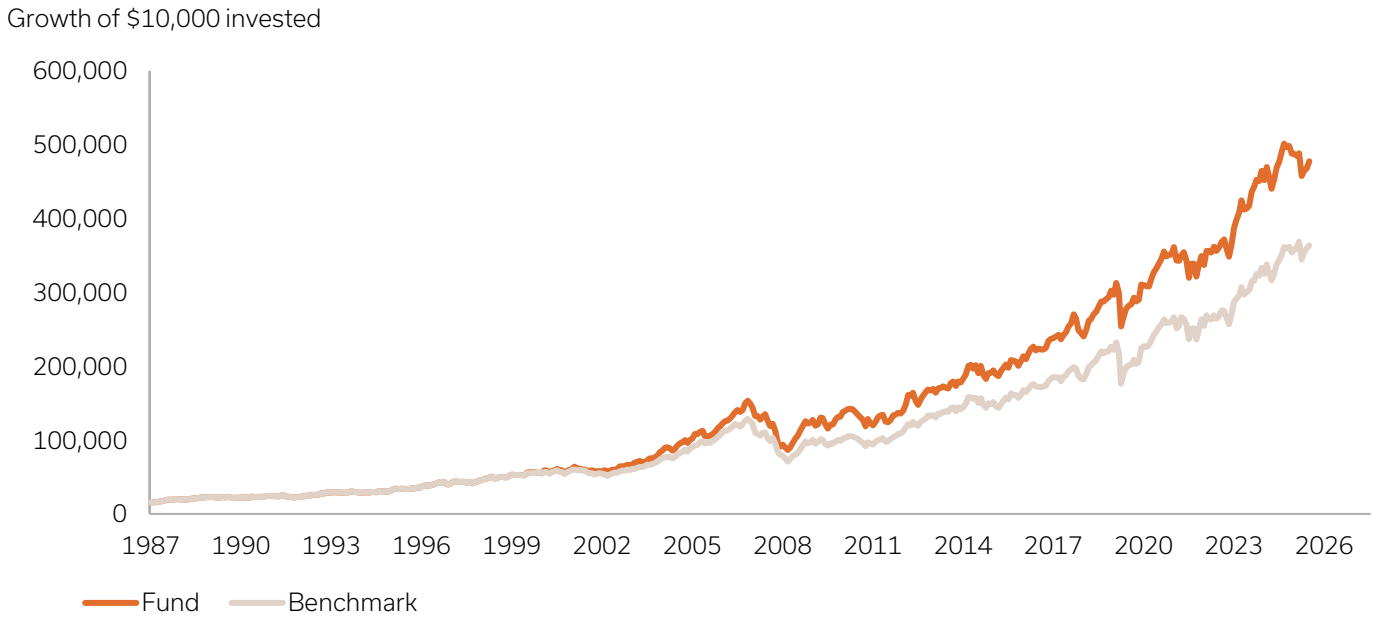
As at 30/09/2026.

Asset allocation



As at 30/09/2026. The asset allocation breakdown relates to investment in underlying trusts and is not on a look-through basis. Cash represents cash held at bank.

Long-term performance



As at 30/09/2026. Benchmark: Composite benchmark 70% S&P/ASX 300 Accumulation Index, 10% MSCI ACWI Ex Australia Net Total Return Index AUD (unhedged), 10% S&P/ASX 300 Real Estate Accumulation Index, 10% Bloomberg AusBond Bank Bill 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.

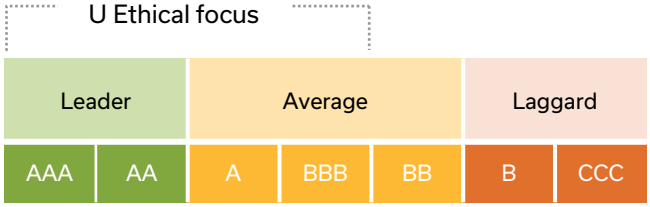
U Ethical pursues a values-based, risk-adjusted and, where possible for equities, SDG-aligned approach to investing. Our investment process seeks to ensure that our portfolio holdings are aligned with our clients' financial and ethical expectations.

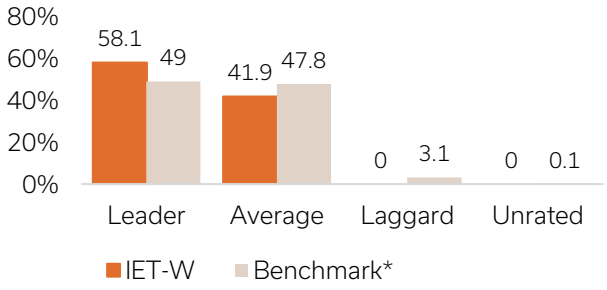
U Ethical's investment process integrates ESG considerations with the aim of minimising investment risk and identifying investment opportunities. Informed by our ethical investment philosophy, we seek out companies producing goods or providing services that appropriately manage their impact on society and the environment according to industry best practice, industry standards and/or voluntary frameworks.

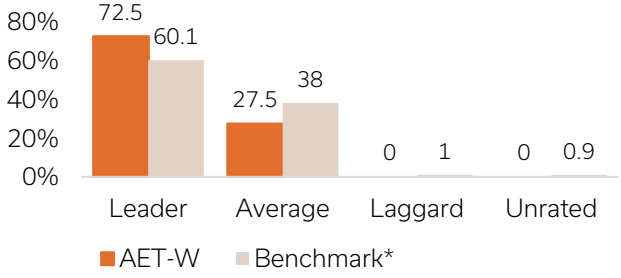
ESG ratings

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.



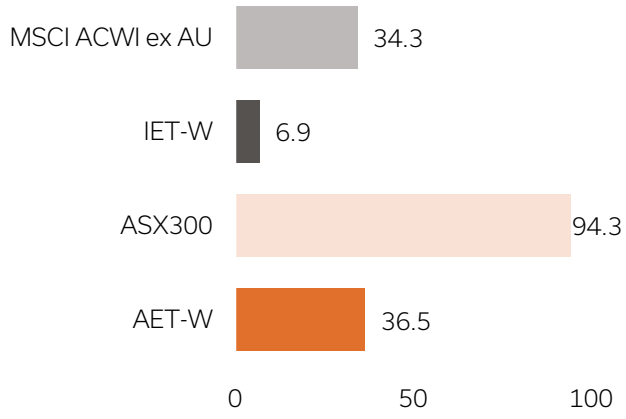




As at 30/09/2026. *Constituent-level scores might be affected by MSCI ESG Research's ESG Rating model enhancements introduced on 10/11/2020.

Carbon footprint

Absolute emissions Scope 1&2.
Tonnes CO2 equivalents per $ million invested.

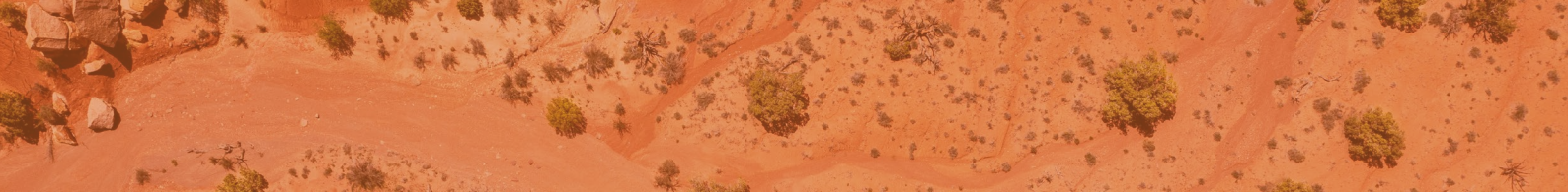


Source: MSCI ESG Research. As at 30/09/2026. Portfolio data based on a combination of company reported and MSCI estimated carbon data. Certain information ©2025 MSCI ESG Research LLC. Reproduced by permission.

Low Carbon

Source: Morningstar. Carbon Metrics as of 31/08/2026. Based on 100% percent coverage of the AET-W portfolio and 95% coverage of the IET-W portfolio. Data is based on long positions only.

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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

All information is current as at 30 September 2026. This document is issued by UCA Growth Fund Limited ("UCA Growth"), which issues debentures that are managed as U Ethical Growth Portfolio (the "Portfolio"). UCA Growth is a subsidiary of Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147, trading as U Ethical. U Ethical is the manager and administrator of the Portfolio.

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All investments carry risks. There can be no assurance that the Portfolio will achieve its targeted rate of return. There is no guarantee against loss resulting from an investment in the Portfolio. Past performance is not indicative of future performance.

The Portfolio is not prudentially supervised by the Australian Prudential Regulation Authority. Therefore, an investor in the Portfolio will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. Investments in the Portfolio are intended to be a means for investors to support the charitable purposes of the Portfolio. Investment funds will be used to support the charitable purpose of the Portfolio, in the manner disclosed in the offer document. UCA Growth is required by law to notify you that an investment in the Portfolio is not subject to the usual protections for investors under the Corporations Act and regulations by ASIC, UCA Growth does not hold an Australian Financial Services Licence. The Portfolio is only intended to attract investors whose primary purpose for making an investment is to support the charitable purpose of the Portfolio. Investors may be unable to get some or all of their money back when they expect or at all. Investments in the Portfolio are not comparable to investments with banks, finance companies or fund managers.
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