

Quarterly Performance Review

u ethical Growth Portfolio

APIR UGL0002AU

March 2025

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



Assigned as of 28/02/2025
Analyst-Driven 0%
Data Coverage 91%

Morningstar Sustainability Rating™



Out of 8085 Australia & New Zealand Equity Funds as of 31/01/2025. Based on 99.2 percent of eligible corporate AUM and 0 percent of eligible sovereign AUM. Data is based on long positions only.

Benefits and risks

- Twice-yearly distributions of net income
- Exposure to international shares within an actively managed portfolio
- Suggested minimum investment horizon - 5 years
- Medium to high-risk profile

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

	3 months	6 months	1 year	3 years	5 years	10 years	Since inception
	%	%	% p.a	% p.a	% p.a	% p.a	% p.a
U Ethical Growth Portfolio†	-2.53	-2.66	3.72	7.95	11.66	8.11	9.99
Benchmark	-2.77	-2.70	2.96	5.86	12.42	7.19	N/A
Relative Performance	0.24	0.04	0.76	2.09	-0.76	0.92	N/A

Past performance is not indicative of future performance.

†Based on exit price with distributions reinvested, including franking credits and net of all fees.

MSCI
ESG RATINGS

CCC B BB BBB A AA AAA



Portfolio Manager/ Chief investment officer	Jon Fernie
Inception date	1 July 1985 ¹
Total fund size (\$M)	\$127.76
Benchmark	Refer the benchmark below
Buy/sell spread	0.20%/0.20%
Management costs	Estimated up to 0.80% p.a. See Offer Document

Issued by UCA Growth Fund Limited ABN 39 075 948 435. Managed and administered by Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147

1 Figure represents the sum of the underlying products within which it invests and includes franking credits.

2 The Portfolio's composite benchmark reflects the strategic asset allocation of the Portfolio: 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.

Market Commentary

Since finalising this quarter's performance reports, markets have experienced extreme volatility largely driven by uncertainty surrounding proposed tariffs from President Donald Trump. Market reaction reflected concerns over potential trade disruptions and inflationary pressures. However, in recent days, a pause in tariffs for most trading partners contributed to a rebound across equity markets. Our portfolios have participated in this recovery, with several positions regaining ground lost earlier in the period.

Global equity markets were weaker in the March quarter as the US announced trade tariffs for China, Canada, and Mexico increasing the risks of a global economic slowdown. In early April, 'Liberation Day' escalated this with a minimum 10% tariff on countries and additional measures where the US has large trade deficits such as the European Union and China. This led to the S&P 500 Index suffering its largest weekly drawdown since the pandemic. President Trump subsequently paused the additional tariffs on most trading partners for 90 days, although increased China duties to 125%. This in turn has seen China also raise tariffs significantly on US goods.

While certain companies will be more impacted, we view Australia as relatively well-placed given a 10% tariff level and the US only represents 5% of total exports. However, Australia will not be immune to a broader global slowdown and weaker Chinese activity is a concern given they are our largest trading partner.

Longer-term US bond yields have been volatile given fears of an increasing fiscal deficit and inflationary pressures. Given a significant rise in the 10-year yield to 4.4% in early April, this may have contributed to the pause in tariffs. The Federal Reserve has left interest rates in a target range of 4.25-4.50% since December, although will face a difficult balancing act if the US economy weakens and inflation rises. In Australia, the Reserve Bank of Australia (RBA) cut interest rates to 4.10% in February as domestic inflation continued to come down.

A pause in tariffs for most trading partners means the situation is not resolved and a slowdown in US and Chinese growth is a concern for the global economy. While a broad market sell-off may create longer-term opportunities for investors, earnings uncertainty means some caution is warranted. We expect markets will remain volatile near-term unless there is significant headway made in trade negotiations.

Portfolio Commentary

The Growth Portfolio delivered a total return of -2.5% over the March quarter, as escalating trade tensions dampened global equity markets. The Portfolio outperformed the composite benchmark by 0.2% for the quarter; this was predominantly driven to asset allocation with the Portfolio being underweight listed property and Australian equities (worst performing asset classes) and overweight fixed income and cash. This was partially offset by weaker relative performance in Australian equities, which was impacted by security selection across the real estate and materials sectors.

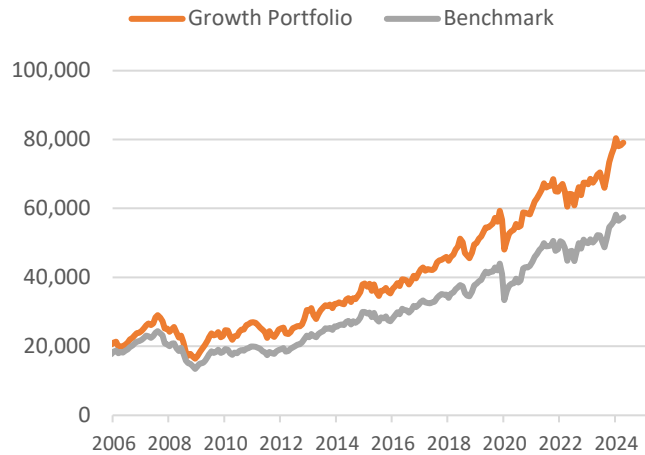
Following 'Liberation Day' in early April, the prospect of higher US trade tariffs clouds the outlook for global economic growth and corporate earnings. While a pause in most tariffs has provided some near-term relief, ongoing uncertainty means we are comfortable being slightly defensively positioned in terms of asset allocation and view fixed income exposure as attractive in the current environment. The underlying equity trusts are also more defensively positioned in terms of sector allocation and security selection. This remains a fluid situation and we continue to reassess our positioning, as well as look for long-term opportunities.

u ethical Growth Portfolio

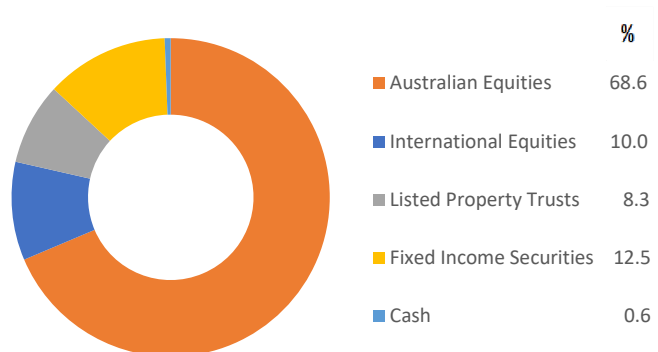
Top 10 holdings Weight %

Goodman Group	6.3
CSL	5.6
Telstra Corporation	4.7
Commonwealth Bank of Australia	4.5
Fortescue	3.2
QBE Insurance	3.2
Brambles	3.1
QBE Insurance	3.0
Resmed	3.0
Resmed	2.9
Total	39.5

Growth of \$10,000 invested†



Asset Allocation



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

U Ethical Growth Portfolio

Ethical view

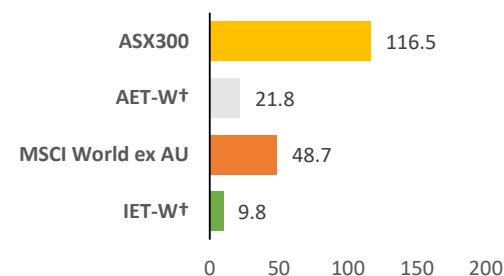
Environmental, Social, and Governance (ESG) refers to the central factors in measuring and tracking the sustainable and societal impact of an investment. These factors include climate risk management and preparedness, human rights considerations, and modern slavery risk.

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

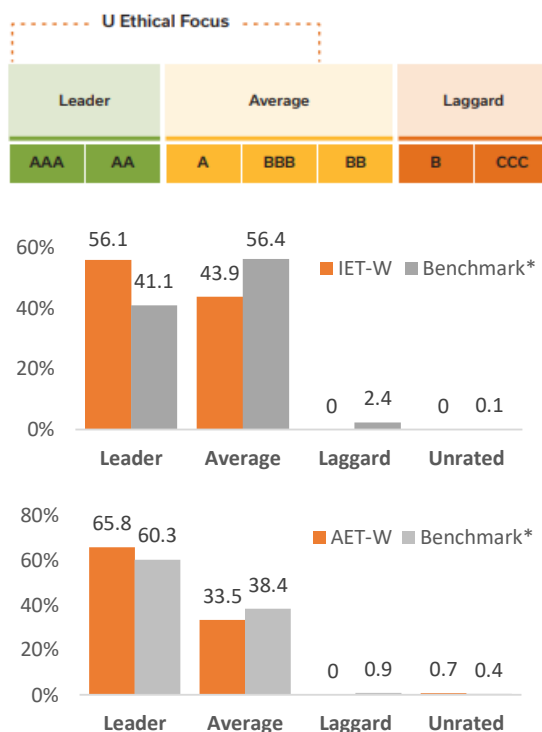
Absolute emissions Scope 1&2. Tonnes CO2 equivalents per \$ million invested.



Carbon Metrics as of 31/01/25. Based on 99.1% coverage of the AET-W portfolio and 100% coverage of the IET-W portfolio. 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.



† This is based on a combination of company reported and MSCI estimated carbon data. Certain information ©2021 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.

u ethical Growth Portfolio

About U Ethical and your team

**U Ethical is an investment manager with a difference.
We believe in creating a better world by investing with
purpose—today and into the future.**

With the creation of our first funds in 1985, we have become one of the largest ethical investment managers in Australia with over \$1 billion in funds under management. We are also one of the few investment businesses in Australia to have been certified as a B Corporation. As a not-for-profit social enterprise, we grant the majority of our operating surplus to community programs.



U Ethical is recognised as a Responsible Investment Leader 2024 by the Responsible Investment Association Australasia (RIAA). We are placed in the top 20% of organisations assessed, demonstrating leading practice in our commitment to responsible investing; our explicit consideration of environmental, social and governance factors in investment decision making; our strong and collaborative stewardship; and our transparency in reporting activity, including the societal and environmental outcomes being achieved

U Ethical

Level 6

130 Lonsdale Street

Melbourne VIC 3000

Email info@uethical.com

Freecall 1800 996 888



This document dated March 2025 is issued by UCA Growth Fund Limited (UCA Growth) for the U Ethical Growth Portfolio (the Portfolio). All data within this document is published as at 31 March 2025. U Ethical (a registered business name of Uniting Ethical Investors Limited ABN 46 102 469 821 AFSL 294147) is the Manager and Administrator of the Portfolio. The information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in any fund of which U Ethical is the Manager, Administrator, Issuer, Trustee or Responsible Entity. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. You should also consider the Offer Documents which can be found on our website www.uethical.com or by calling us on 1800 996 888. U Ethical may receive management costs from the Portfolio, see the Offer Documents. U Ethical, its affiliates, and associates accept no liability for any inaccurate, incomplete or omitted information of any kind or any losses caused by using this information. All investments carry risks. There can be no assurance that any U Ethical fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any U Ethical Fund. Past U Ethical fund performance is not indicative of future performance.

The Portfolio is not prudentially supervised by the Australian Prudential Regulation Authority (APRA). 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. The Portfolio is listed as a religious charitable development fund under APRA's Banking Exemption. Investments in the Portfolio will be used to support the charitable purposes of the Portfolio. UCA Growth is required to notify investors that the debentures in the Portfolio and their offering, are not subject to the usual protections for investors under the Corporations Act or regulation by ASIC and have not been approved or examined by ASIC. Investors in the Portfolio may be unable to get some or all of their money back when the investor expects or at all. Investment in the Portfolio is not comparable to investments with banks, finance companies or fund managers. UCA Growth relies on the exemptions under section 5(1) and 5(2) of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813.

Sustainability Rating as of 31/01/2025. Corporate and Sovereign Sustainability Score and Investment Style as of 31/01/2025. Morningstar's Sustainability Score incorporates Sustainalytics' company and country-level analysis.

© 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser.