

Student Managed Investment Fund January 2025 Update



January 2025 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

The SMIF fund recorded a 2.77% gain in January 2025, though it lagged behind the All Ordinaries Accumulation Index, which advanced 4.38%. This resulted in a negative alpha of -1.61%, as sector-specific weaknesses tempered broader market gains.

Strong performance across Financials (8.94%), Healthcare (4.60%), and Materials (5.12%) contributed meaningfully to returns. Macquarie Group Ltd (8.64%), Ingenia Group (25.55%), and Car Group Limited (12.60%) were among the top-performing holdings, benefitting from robust earnings and favourable market conditions. The Communication Services sector (8.42%) also delivered solid gains, reinforcing portfolio stability.

However, headwinds in Information Technology (-5.86%) and Real Estate (-7.57%) weighed on performance. RPM Global (-9.18%), Michael Hill International (-14.41%), and Spark New Zealand (-2.23%) were notable detractors, reflecting challenges within their respective industries. CSL Limited (-0.41%), a key Healthcare holding, also posted modest losses due to ongoing sector pressures.

Despite short-term underperformance, the fund's long-term annualized return of 10.83% continues to significantly outpace the benchmark's 6.86%. With a well-diversified sector allocation and a strategic investment approach, the portfolio remains well-positioned to navigate market volatility while seeking sustained growth.

Market Update

Global markets started 2025 with strong momentum, fuelled by easing inflation, stable economic indicators, and central bank policies. The MSCI World ex-Australia Index rose 3.5%, while European equities surged 7.4%, marking their strongest outperformance since late 2022. The US market gained 3%, buoyed by robust labour market data, which initially drove bond market volatility. Meanwhile, gold delivered a 6% return, as inflation concerns and shifting monetary policies led to renewed demand for safe-haven assets.

Australia's equity market also posted a strong start to the year, with the S&P/ASX 200 rising 4.38%—outpacing some global peers amid domestic economic resilience and solid corporate earnings. Financials (8.94%), Consumer Staples (5.45%), and Materials (5.12%) led sector gains, with Macquarie Group Ltd (8.64%) and Car Group Limited (12.60%) among the strongest performers. Northern Star (12.05%) also benefited from rising gold prices, which saw increased investor interest. The Australian dollar remained steady at \$0.62 USD, reflecting balanced foreign exchange markets.

In contrast, Information Technology (-5.86%) was the weakest-performing growth sector, as investor sentiment turned cautious toward high-valuation stocks. Real Estate (-7.57%) recorded the largest sector loss, pressured by rising borrowing costs and concerns over slowing property demand.

Australia's property market remained stable, with national dwelling values unchanged (-0.03%). Regional markets showed modest growth (+0.4%), while Brisbane's median house price climbed to \$977,343, continuing its upward trend, albeit at a slower pace.

On the monetary policy front, central banks took divergent approaches. The European Central Bank cut rates by 25bps to 2.9%, responding to slowing inflation, while the Bank of Japan raised rates by 25bps to 0.5%, signalling a shift away from its long-standing ultra-low interest rate environment.

Looking ahead, investor attention remains focused on corporate earnings, central bank policies, and global economic trends. Inflation trajectory, consumer sentiment, and demand for key Australian exports—particularly commodities and financial services—will be critical in shaping market performance in the months ahead.

Position Updates

Top 5 Contributors

Macquarie Group Limited (ASX: MQG, 8.64%)

Macquarie Group continued its strong momentum, delivering robust capital gains driven by strong performance in its asset management and commodities trading divisions. Investor sentiment was further supported by positive earnings momentum and infrastructure investment strategies. The company's diversified global operations and strategic acquisitions reinforced its resilience amid evolving market conditions. This position contributed 0.47% to portfolio returns.

Ingenia Group Limited (ASX: INA, 25.55%)

Ingenia Group posted impressive gains, benefitting from sustained demand for residential and lifestyle housing solutions. The company's portfolio of retirement living and holiday park assets performed well, supported by strong consumer demand and favourable demographic trends. Additionally, operational efficiencies and asset expansion strategies helped reinforce investor confidence. This position added 0.35% to overall portfolio performance.

Car Group Limited (ASX: CAR, 12.60%)

Car Group Limited recorded a strong rebound, driven by improving consumer sentiment and demand for online automotive sales platforms. The company's expanding international presence and growing digital advertising revenue streams helped fuel investor optimism. Its competitive advantage in the automotive marketplace continued to position it for further long-term growth. This stock contributed 0.31% to portfolio returns.

Northern Star Resources Ltd (ASX: NST, 12.05%)

Northern Star Resources benefitted from rising gold prices, which boosted investor confidence in the mining sector. The company's strong production output and cost-efficient operations helped it capitalize on the strengthening commodity market. Continued expansion projects and disciplined capital management further supported positive price momentum. This position added 0.27% to portfolio returns.

Integral Diagnostics (ASX: IDX, 7.22%)

Integral Diagnostics delivered a solid performance, reflecting sustained demand for diagnostic imaging services and favourable regulatory support. Strategic expansion into new medical imaging centres and improved operational efficiencies helped drive earnings growth. Additionally, government policies promoting accessibility to diagnostic healthcare services provided further tailwinds. This stock added 0.25% to the portfolio.

Top 5 Detractors

RPMGlobal Holdings Limited (ASX: RUL, -9.18%)

RPMGlobal faced headwinds as demand for its mining software solutions softened, coupled with broader capital expenditure concerns in the resources sector. The company's fundamentals remain strong, but short-term investor sentiment weakened amid uncertainties in the mining investment cycle. This stock detracted 0.48% from portfolio returns.

Michael Hill International (ASX: MHJ, -14.41%)

Michael Hill struggled during the month as weak consumer spending and softer discretionary demand weighed on jewellery sales. Economic pressures and higher raw material costs impacted margins, leading to a decline in investor confidence. This position detracted 0.13% from portfolio performance.

APA Group (ASX: APA, -2.15%)

APA Group saw a decline in share price as concerns over rising bond yields and regulatory uncertainty pressured the infrastructure sector. The company, which operates essential energy transmission networks, faced challenges related to capital expenditure commitments and investor risk appetite towards defensive assets. This position reduced portfolio returns by 0.03%.

Spark New Zealand (ASX: SPK, -2.23%)

Spark New Zealand underperformed due to rising competitive pressures in the telecommunications sector and higher capital expenditure requirements for 5G network expansion. Profitability concerns led to a pullback in investor sentiment, particularly in light of softer earnings guidance. This position detracted 0.02% from portfolio performance.

CSL Limited (ASX: CSL, -0.41%)

CSL saw modest underperformance amid increased cost pressures and slower-than-expected growth in its influenza vaccine segment. Rising operational expenses and ongoing regulatory challenges in key international markets contributed to short-term weakness in the stock price. This position detracted 0.02% from portfolio returns.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
MQG	Macquarie Group Ltd	27,484.60	5.40%	8.64%	0.47%
RUL	Rpmglobal Hldgs Ltd	26,333.70	5.18%	-9.18%	-0.48%
CSL	Csl Limited	23,371.14	4.59%	-0.41%	-0.02%
IDX	Integral Diagnostics	17,727.72	3.49%	7.22%	0.25%
BXB	Brambles Limited	16,430.96	3.23%	2.91%	0.09%
PRN	Perenti Limited	14,434.07	2.84%	0.36%	0.01%
RMD	Resmed Inc	13,310.74	2.62%	9.27%	0.24%
WES	Wesfarmers Limited	13,018.46	2.56%	7.09%	0.18%
PWH	Pwr Holdings Limited	12,953.28	2.55%	4.07%	0.10%
JHX	James Hardie Indust	12,617.64	2.48%	9.11%	0.23%
CAR	Car Group Limited	12,574.47	2.47%	12.60%	0.31%
SUN	Suncorp Group Ltd	12,546.60	2.47%	9.47%	0.23%
QBE	Qbe Insurance Group	12,441.60	2.45%	9.06%	0.22%
NST	Northern Star	11,610.88	2.28%	12.05%	0.27%
CWY	Cleanaway Waste Ltd	10,406.55	2.05%	4.91%	0.10%
QUB	Qube Holdings Ltd	9,984.55	1.96%	5.29%	0.10%
BHP	Bhp Group Limited	8,898.75	1.75%	1.01%	0.02%
SHL	Sonic Healthcare	7,751.87	1.52%	5.70%	0.09%
CLW	Chtr H Lwr	7,255.60	1.43%	4.28%	0.06%
JLG	Johns Lyng Group	7,087.30	1.39%	-0.27%	0.00%
INA	Ingenia Group	6,947.86	1.37%	25.55%	0.35%
APA	Apa Group	6,314.82	1.24%	-2.15%	-0.03%
DTL	Data#3 Limited	5,917.14	1.16%	8.92%	0.10%
SPK	Spark New Zealand	4,941.53	0.97%	-2.23%	-0.02%
MHJ	Michael Hill Int	4,637.99	0.91%	-14.41%	-0.13%
RIO	Rio Tinto Limited	4,228.56	0.83%	-0.05%	0.00%
ELD	Elders Limited	3,923.68	0.77%	0.00%	0.00%
IPH	Iph Limited	3,510.94	0.69%	-0.40%	0.00%
IGO	Igo Limited	2,008.17	0.39%	3.35%	0.01%
CASH	CASH	188,004.97	36.96%	0.00%	0.00%
Total		508,676.14	100%		2.77%

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a*
SMIF	2.77%	2.14%	2.46%	6.83%	8.86%
All Ordinaries Accumulation Index	4.38%	4.36%	5.64%	11.08%	6.86%
Alpha	-1.61%	-2.22%	-3.18%	-4.25%	2.00%

* Return since fund inception on 19 November 2018.

Sector Breakdown

Sectors	% Weight	% Return
Healthcare	12.22%	4.60%
Materials	10.58%	5.12%
Financials	10.32%	8.94%
Industrials	9.32%	3.13%
IT	6.34%	-5.86%
Consumer Discretionary	3.46%	-0.80%
Communication Services	3.44%	8.42%
Consumer Staples	3.33%	5.45%
Real Estate	2.79%	-7.57%
Utilities	1.24%	-2.15%
Energy	0.00%	0.00%
Cash	36.96%	0.00%
Total	100%	2.77%

Contributors to Returns

Top 5 Contributors (%)	
MQG	0.47
INA	0.35
CAR	0.31
NST	0.27
IDX	0.25

Top 5 Detractors (%)

RUL	-0.48
MHJ	-0.13
APA	-0.03
SPK	-0.02
CSL	-0.02

Portfolio Management Team

<i>Name</i>	<i>Current Enrolment and Contact</i>
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Information on the Fund and Disclaimer

This update has been prepared by the student portfolio managers of the University of Queensland Business School Student Managed Investment Fund. The Fund was seeded by the University with \$200,000 in 2018 and the first investments were made in November 2018. The University of Queensland is the sole owner of the assets in the Fund and no fees are payable by the University for the management of the Fund. The Fund recognises the support of Morgans Brisbane as stockbroker to the Fund.

The information in this update is prepared primarily for educational purposes and to keep internal and external Fund stakeholders informed. Any views expressed in this update are the views of the student portfolio managers. The accuracy, reliability or completeness of data or information presented in this update is not guaranteed. The information is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to an investment.