

Student Managed Investment Fund April 2025 Update



April 2025 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

The SMIF recorded a return of 2.06% over the month of April 2025, underperforming the benchmark by 1.51% (ASX: XAO 3.57%). The S&P/ASX 200 saw a 7.5% decrease following the introduction of Trump's April tariffs, however, it recovered to end the month up 2.5%. The Fund saw positive contributions throughout the month across all but one sector: Consumer Discretionary. Suncorp's positive performance (ASX: SUN 5.69%) was the largest contributor in the Fund, contributing 0.35%. This positive performance was experienced amidst a positive month for the Financials sector due to investors looking for safe investments amidst concerns around Trump's tariffs. The top performing companies in the portfolio this month were Suncorp Group Ltd (ASX: SUN), Nextdc Limited (ASX: NXT), Wesfarmers Limited (ASX: WES), Origin Energy (ASX: ORG), and Car Group Limited (ASX: CAR), experiencing returns of 5.69%, 7.41%, 8.76%, 4.41%, and 4.21% respectively. Lining the bottom in terms of returns were Propel Funeral (ASX: PFP), Northern Star (ASX: NST), Rpmglobal Hldgs Ltd (ASX: RUL), James Hardie Indust (ASX: JHX), and Cleanaway Waste Ltd (ASX: CWY) with returns of -2.58%, -1.36%, -3.51%, -1.19%, and 0.00% respectively.

Market Update

Global Markets

Global markets experienced significantly heightened volatility in April as investors grappled with the implementation of Trump's sweeping tariffs, as well as monetary expectations and slowing economic momentum. The VIX spiked in early April, rising by as much as 143.28% before stabilising towards the end of the month. The S&P500 ended the month down 1.14%, continuing a decline which began in late February. The introduction of a universal 10% tariff which took effect on April 5 weighed on the Fed and ultimately led to its decision to hold rates steady despite early signs of a slowdown in economic growth. Treasury yields continued to fall, with the U.S. 10-year yield falling 7 basis points to 4.17%, as markets priced in three rate cuts from the Feb by the end of 2025. European equities outperformed, with the MSCI Europe index gaining 4.54%, driven by strong earnings, as well as shifts away from the U.S. towards increased investment in Europe. Moreover, Chinese markets saw a decline, with the MSCI China index falling 4.25% due to tariffs on Chinese goods peaking at 145%, creating significant uncertainty in the world economy. Emerging markets overall performed well, with the MSCI Emerging Markets index up 1.34%.

National

Australian equities rose in April, with the S&P/ASX 200 increasing by 2.5%. Despite this increase, market sentiment was weighed down by U.S. trade policy developments, and ongoing uncertainty over monetary policy. Cyclical sectors saw most the gains, with Technology (+4.84%), Financials (+4.67%), and Consumer Discretionary (+4.85%) among the best performers, while the Energy (-8.62) saw a significant decline, largely due to oil's worst drop since COVID-19 caused by Trump's trade war with China. The Reserve Bank of Australia (RBA) kept the cash rate stable at 4.10% in its April meeting as it waits to see how the global economy reacts to the ensuing trade war. However, the RBA remains adamant that if inflation continues to decline, then we will likely see several cuts in the future. Inflationary pressures showed signs of easing, with the trimmed mean seasonally adjusted consumer price index falling from 3.2% in the final quarter of 2024 to 2.9% in the first quarter of 2025. Bond markets saw yields decline, with Australian 10-year yields falling 26 basis points to 4.11%. As markets assess the trajectory of inflation, growth, and monetary policy, investors remain cautious, balancing optimism for rate cuts against lingering economic risks.

Positions Update

Top 5 Contributors

Suncorp Group Ltd (ASX: SUN, 5.69%)

Suncorp Group Ltd posted strong gains in April which occurred mainly due to increased confidence in their performance throughout the financial year after paying out a combined interim and special dividend payment of \$0.63 per share. The bank's underwriting margins improved sharply leading to an increase in operating income. This position contributed 0.35% to the overall portfolio's returns.

Nextdc Limited (ASX: NXT, 7.41%)

After an initial sell off following the introduction of the "liberation day" tariffs, Nextdc rose 17.83% from its trough, finishing the month with strong gains. The boom in AI, HPC, cloud and interconnectivity are triggering strong demand for premium data centre capacity, with NextDC well positioned to benefit. The company also increased its FY25 capex guidance in anticipation of its expanding contract pipeline, a sign of its future growth potential. The stock created returns of 0.32% for the portfolio.

Wesfarmers (ASX: WES, 8.76%)

Wesfarmers did not experience as significant a decline following the introduction of tariffs at the start of April and rebounded quickly as it is mostly exempt from. The strong monthly returns came about from its retail arms – Bunnings, Kmart, and Officeworks – remaining resilient and continuing to deliver high returns on capital. It also attracted investors through its portfolio diversification, allowing for increased growth potential. This position added 0.23% to the portfolio.

Origin Energy (ASX: ORG, 4.41%)

Origin Energy's performance in April was underpinned by solid quarterly performance, rising delivered dividends, strength in core gas and retail segments, and growing investor recognition of Origin's strategic investments like Octopus Energy. These reinforced confidence in the company's ability to deliver cash flow and value through both traditional energy markets and global digital platforms. Overall, Origin Energy contributed 0.22% to the portfolio's position.

Car Group Limited (ASX: CAR, 4.21%)

Car Group Limited initially fell to a 52-week low of ~\$30.94 in early April before stabilising and rebounding throughout the month. The firm's leading marketplace brands – Carsales in Australia, Encar (Korea), Trader Interactive (U.S.), Chileautos (Chile), and Webmotors (Brazil) – showed solid growth and trading momentum across geographies, reinforcing investor confidence in its diversified digital platform model. This created a gain of 0.18% for the overall portfolio.

Top 5 Detractors

Propel Funeral (ASX: PFP, -2.58%)

Propel Funeral completed the acquisition of Twentymans Funeral Services and Richmond Funeral Home on April 1, resulting in a significant increase in capital expenditure, and a rise in operating expenses. Furthermore, the firm is expected to have a flat to modest increase in operating EBITDA. This resulted in a loss of 0.07% for the portfolio.

Northern Star (ASX: NST, -1.36%)

The introduction of the “liberation day” tariffs saw Northern Star’s share price increase by ~25.26% due to investors retreating towards defensive stocks like gold miners. However, following this initial shock, while the rest of the market rebounded, Northern Star dropped back down, locking in a fall in its share price of 1.36%. this contributed -0.06% to the portfolio.

Rpmglobal Hldgs Ltd (ASX: RUL, -3.51%)

On April 2, RPMGlobal officially completed the divestment of its Advisory Services arm which it sold to SLR Consulting for A\$63 million). While intended to sharpen the company’s software focus, such a divestment often introduces short-term investor uncertainty which may have unsettled momentum throughout April. This resulted in a contribution of -0.05%.

James Hardie Indust (ASX: JHX, -1.19%)

On April 2, James Hardie confirmed a A\$14 billion acquisition of U.S. building products group Azek. This acquisition made investors deeply concerned due to the high 37% premium that was paid, as well as a record break fee. Furthermore, the implementation of tariffs created an uncertain outlook for the company. The stock detracted -0.04% from the portfolio.

Cleanaway Waste Ltd (ASX: CWY, 0.00%)

Cleanaway reported neither a gain nor loss throughout the month of April. This is because of no fresh catalysts or upside surprises. Cleanaway is set to implement figures on its sustainability pillars at the start of FY26, leading to its strengthening stance on ESG reporting. It will also announce whether its contract resources deal has been accepted in the coming months which will create a significant new revenue stream. Overall, Cleanaway contributed 0.00% to the portfolio.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
MQG	Macquarie Group Ltd	30,565.10	6.17%	0.20%	0.01%
SUN	Suncorp Group Ltd	29,837.38	6.13%	5.69%	0.35%
QBE	Qbe Insurance Group	29,837.38	6.02%	1.45%	0.09%
CLW	Chtr H Lwr	28,477.44	5.74%	2.66%	0.15%
ORG	Origin Energy	24,993.36	5.04%	4.41%	0.22%
NST	Northern Star	22,076.18	4.45%	-1.36%	-0.06%
CAR	Car Group Limited	21,218.47	4.28%	4.21%	0.18%
NXT	Nextdc Limited	21,128.38	4.26%	7.41%	0.32%
RMD	Resmed Inc	15,442.28	3.11%	5.28%	0.16%
IDX	Integral Diagnostics	15,412.98	3.11%	5.60%	0.17%
CSL	Csl Limited	15,318.93	3.09%	0.74%	0.02%
SHL	Sonic Healthcare	15,152.48	3.06%	2.16%	0.07%
PRN	Perenti Limited	15,133.76	3.05%	2.56%	0.08%
BHP	Bhp Group Limited	14,970.48	3.02%	2.01%	0.06%
INA	Ingenia Group	14,785.20	2.98%	1.88%	0.06%
PWH	Pwr Holdings Limited	14,782.30	2.98%	0.91%	0.03%
JHX	James Hardie Indust	14,726.00	2.97%	-1.19%	-0.04%
RIO	Rio Tinto Limited	14,403.30	2.91%	1.26%	0.04%
PFP	Propel Funeral	13,675.20	2.76%	-2.58%	-0.07%
WES	Wesfarmers Limited	13,157.76	2.65%	8.76%	0.23%
ELD	Elders Limtied	13,039.80	2.63%	0.09%	0.00%
JLG	Johns Lyng Group	10,176.48	2.05%	1.84%	0.04%
QUB	Qube Holdings Ltd	9,927.72	2.00%	0.76%	0.02%
CWY	Cleanaway Waste Ltd	9,614.80	1.94%	0.00%	0.00%
BXB	Brambles Limited	9,459.72	1.91%	2.45%	0.05%
RUL	Rpmglobal Hldgs Ltd	6,880.50	1.39%	-3.51%	-0.05%
DTL	Data#3 Limited	6,231.68	1.26%	0.41%	0.01%
CASH	CASH	44,826.58	9.04%	0.00%	0.00%
Total		495,784.00	100.0%		2.06%

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	2.06%	-3.22%	-0.78%	2.60%	12.94%
All Ordinaries Accumulation Index	3.57%	-5.10%	-0.96%	5.16%	5.73%
Alpha	-1.51%	-1.88%	-0.18%	-2.56%	7.21%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Communication Services	4.28%	4.21%
Consumer Discretionary	5.74%	-0.84%
Consumer Staples	5.28%	4.43%
Energy	5.04%	4.41%
Financials	18.31%	2.45%
Healthcare	12.37%	3.45%
Industrials	7.90%	1.26%
IT	6.91%	1.44%
Materials	16.40%	0.66%
Real Estate	8.73%	2.27%
Cash	9.04%	0.00%
Total	100%	1.97%

Contributors to Returns

Top 5 Contributors (%)	
SUN	0.35%
NXT	0.32%
WES	0.23%
ORG	0.22%
CAR	0.18%
Top 5 Detractors (%)	
PFP	-0.07%
NST	-0.06%
RUL	-0.05%
JHX	-0.04%
CWY	0.00%

Portfolio Management Team

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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.