

# Student Managed Investment Fund July 2025 Update



## July 2025 Fund Update

*Dollar values are in AUD unless stated otherwise.*

### Fund Update

In July, SMIF saw a monthly return of 2.54%, slightly underperforming the ASX All-Ordinaries Index benchmark 2.58%. The strong overall performance can be largely attributed to gains in sectors like mining and biotechnology, with the index even surpassing the 9,000-point milestone. Additionally, supportive global investor sentiment and resilient economic indicators bolstered confidence in Australian equities throughout the month.

The portfolio's worst performers included Suncorp (3.01%), Ingenia Group (3.84%), Macquarie Group (4.96%), and Northern Star (16.06%). Conversely, the fund's top performers included Johns Lyng Group +23.03%, RPM Global +15.81%, Elders Limited +15.08% and CSL Limited +13.12%. Industrials and consumer discretionary saw the strongest returns of +9.52% and +8.39% respectively. Financials (3.00%) and materials (0.65%) were the worst performing.

### Market Update

#### Global Markets

In July, global equity markets delivered mostly positive returns as investor optimism around stronger-than-expected corporate earnings, progress on international trade negotiations, and resilient macroeconomic data helped offset lingering geopolitical risks. The MSCI World ex-Australia index rose ~1.3% for the month, while emerging markets outperformed with the MSCI Emerging Markets index gaining ~1.7%, supported by broad inflows and gains in Asian and commodity-linked stocks. The U.S. S&P 500 advanced roughly +2.2% and the Nasdaq Composite climbed around +3.7% on robust earnings and reduced tariff fears, helping the U.S. market reach fresh monthly highs. European equities also posted modest gains, with the FTSE 100 up ~4.2% and the Stoxx 600 climbing nearly +0.9%, as defensive sectors and financials drew interest. Japanese shares recorded smaller but positive performance, while fixed income markets were weighed down by rising yields that reflected tighter monetary conditions and inflation concerns in select regions. Overall, stronger earnings results, clearer tariff frameworks, and continued capital inflows into risk assets underpinned the upbeat global market trend throughout July 2025.

#### National

In July 2025, Australian equities delivered a positive month with the S&P/ASX 200 Accumulation Index rising about ~2.4%, driven by strong performances in health care +9.1%, energy +5.7% and utilities +5.1%, while financials lagged modestly and consumer staples posted only small gains. Health care and energy strength reflected solid earnings and commodity price support, while growing investor confidence amid expectations of eventual Reserve Bank rate cuts contributed to broad market uplift. Australian bonds were broadly flat over the month, and commodities saw mixed moves with Brent crude up around 7.3%, supporting energy stocks even as copper weakened. Overall, optimism around domestic earnings and benign inflation data underpinned the local rally, though financial sector underperformance and sector rotation persisted.

## Positions Update

### Top 5 Contributors

#### Johns Lyng Group (ASX: JLG, +23.03%)

Johns Lyng's sharp outperformance was primarily driven by a major corporate-control event in July: on 11 July, JLG announced it had entered a Scheme Implementation Deed with a PEP-controlled bidder at \$4.00 per share. The offer valued JLG's equity at approximately \$1.1 billion (EV c. \$1.3 billion) and implied a very large premium, 77% to JLG's 15 May close. The independent directors also unanimously recommended the scheme (subject to customary conditions), which materially de-risked the proposal and supported strong takeover-arbitrage buying interest through the month.

#### RPMGlobal Holdings (ASX: RUL, +15.81%)

RPMGlobal's July strength was supported by a very strong software sales update on the 4<sup>th</sup> day of the month, which reinforced the market's confidence in the company's recurring-revenue model. RPM reported FY25 software TCV sales of \$100.8m (up 30.9% YoY from \$77.0m), with subscription licence sales up 33.6%, while ARR at 1 July reached \$69.1m and pre-contracted non-cancellable software revenue backlog rose to \$200.0m (up 24.2% YoY). This combination of accelerating contracted software sales, growing recurring revenue and backlog visibility likely drove a valuation re-rate in July, especially given RPM's post-divestment focus on software and stronger balance sheet profile later confirmed in FY25 reporting.

#### Elders Limited (ASX: ELD, +15.08%)

Elders' strong July move appears to have reflected a continued re-rating after its HY25 result (released 26 May), alongside improving agricultural sentiment into mid-year. Elders reported underlying EBIT of \$64.3m, up 67% on the prior corresponding half, and highlighted improved livestock prices as a key driver of better sentiment and production margins. Management also struck a constructive tone on the broader agriculture outlook, citing positive national conditions and strong global demand indicators for Australian agricultural products. In July, Elders' own cropping market update noted active planting conditions while global grain markets remained under pressure from strong northern hemisphere supply, suggesting investors were likely focusing more on domestic operating recovery and livestock exposure than grain pricing alone.

#### CSL Limited (ASX: CSL, +13.12%)

CSL's strong monthly performance was consistent with a broader rotation into Australian healthcare, which was the standout sector in July. The Australian equity market (S&P/ASX 200 Accumulation Index) rose 2.4% in July, with Health Care up 9.1%, materially outperforming the index and most sectors. CSL, as the ASX healthcare heavyweight, was a major beneficiary of this sector move. Fundamentally, later FY25 disclosures supported the quality of that positioning: CSL subsequently reported FY25 revenue up 5% and NPATA up 14%, with growth across Behring, Seqirus and Vifor, which helps explain why investors were willing to rotate into CSL as a defensive growth name during July's market advance.

#### PWR Holdings (ASX: PWH, +12.99%)

PWR's July outperformance likely reflected continued investor support for its long-term growth exposure to advanced thermal management, particularly in Aerospace & Defence (A&D), despite mixed near-term earnings optics in FY25. PWR's FY25 annual reporting later showed A&D revenue up 28% to \$26.9m and highlighted an \$8.5m contract to supply advanced cooling systems for a US Government project, plus expansion of North American capacity to support growth. While group FY25 revenue declined overall, the market appears to have rewarded PWR's strategic shift toward higher-value, structural growth end-markets (A&D, eVTOL and advanced technologies), which strengthened the investment narrative.

## Top 5 Detractors

### Northern Star Resources (ASX: NST, -16.06%)

Northern Star was the largest detractor, with weakness likely driven by a cost-heavy FY26 outlook and elevated growth capex expectations, despite a solid June quarter finish. In its 7 July operational update, the company said FY25 group gold sold finished within revised guidance, but Kalgoorlie production was below its revised guidance range, while FY26 guidance pointed to a higher group AISC of A\$2,300–2,700/oz and substantial capital spending across KCGM, Yandal, Pogo and Hemi.

### Macquarie Group (ASX: MQG, -4.96%)

Macquarie detracted after a negative AGM/trading-update combination in late July. Reuters reported the company received a first strike on remuneration (25.4% vote against), while shares fell 5.1% on the day, materially underperforming the broader market. Reuters also noted management flagged lower quarterly profit versus the prior corresponding period, alongside ongoing regulatory scrutiny and softer conditions in parts of the business (including subdued activity in some markets). Macquarie's AGM materials also showed weaker pcp contributions in key divisions such as MAM and parts of CGM, reinforcing the cautious tone.

### Ingenia Communities Group (ASX: INA, -3.84%)

Ingenia's underperformance appears to have been driven by sector and competitive reallocation effects rather than a major negative company-specific announcement. July saw the ASX's largest IPO of 2025, with GemLife debuting strongly after a A\$750 million raise and a A\$1.58 billion valuation, likely drawing investor attention and capital into the listed land-lease/community housing segment. This likely created near-term pressure on incumbents such as Ingenia.

### Suncorp Group (ASX: SUN, -3.01%)

Suncorp's July detraction was likely more a function of market/sector rotation than a clear stock-specific negative catalyst. Australian equities rose strongly in July, but Financials were one of the worst-performing sectors (-1.0%). In that environment, insurers and other financials generally underperformed the index, and Suncorp appears to have been caught in that broader move.

### James Hardie Industries (ASX: JHX, -0.94%)

James Hardie was a modest detractor as investors continued to digest the implications of its transformational AZEK transaction. The company completed the acquisition on 1 July / announced completion on 2 July, confirming the combined group structure and integration plans. However, market concerns around the deal had already been well established: Reuters previously highlighted investor worries about valuation, share issuance / listing-rule implications, and exposure to a weaker U.S. housing backdrop, while also noting the large debt facilities arranged to support the acquisition. That combination likely kept sentiment mixed in July even as the transaction closed.

## Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
BHP	Bhp Group Limited	15386.00	2.85%	6.80%	0.19%
BXB	Brambles Limited	11022.51	2.04%	2.09%	0.04%
CAR	Car Group Limited	24320.66	4.51%	2.03%	0.09%
CLW	Chtr H Lwr	30776.40	5.71%	1.72%	0.10%
CSL	Csl Limited	16524.90	3.06%	13.12%	0.40%
CWY	Cleanaway Waste Ltd	10650.24	1.97%	5.88%	0.12%
DTL	Data#3 Limited	6454.24	1.20%	(0.92%)	(0.01%)
ELD	Elders Limited	14935.00	2.77%	15.08%	0.42%
IDX	Integral Diagnostics	17005.23	3.15%	5.12%	0.16%
INA	Ingenia Group	14012.64	2.60%	(3.84%)	(0.10%)
JHX	James Hardie Indust	16441.38	3.05%	(0.94%)	(0.03%)
JLG	Johns Lyng Group	17877.60	3.31%	23.03%	0.76%
MQG	Macquarie Group Ltd	34346.04	6.37%	(4.96%)	(0.32%)
NST	Northern Star	17921.07	3.32%	(16.06%)	(0.53%)
NXT	Nextdc Limited	25914.86	4.80%	0.07%	0.00%
ORG	Origin Energy	27412.83	5.08%	8.16%	0.41%
PFP	Propel Funeral	12276.00	2.28%	2.65%	0.06%
PRN	Perenti Limited	19457.69	3.61%	8.33%	0.30%
PWH	Pwr Holdings Limited	16897.14	3.13%	12.99%	0.41%
QBE	Qbe Insurance Group	32062.40	5.94%	(0.81%)	(0.05%)
QUB	Qube Holdings Ltd	10955.59	2.03%	2.10%	0.04%
RIO	Rio Tinto Limited	13739.10	2.55%	4.27%	0.11%
RMD	Resmed Inc	17871.45	3.31%	7.88%	0.26%
RUL	Rpmglobal Hldgs Ltd	8431.74	1.56%	15.81%	0.25%
SHL	Sonic Healthcare	16041.41	2.97%	3.06%	0.09%
SUN	Suncorp Group Ltd	31419.04	5.82%	(3.01%)	(0.18%)
WES	Wesfarmers Limited	14406.00	2.67%	1.18%	0.03%
CASH	CASH	44826.58	8.31%	0.00%	0.00%
<b>Total</b>		<b>539,385.74</b>	<b>100.0%</b>		<b>2.54%</b>

## Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	2.54%	9.13%	5.51%	8.84%	15.62%
All Ordinaries Accumulation Index	2.58%	7.89%	2.38%	8.16%	6.71%
Alpha	(0.04%)	1.24%	3.13%	0.68%	8.91%

\* Return since fund inception on 19 November 2018

## Sector Breakdown

	% Weight	% Return
Utilities	5.54%	8.16%
IT	8.25%	2.79%
Healthcare	13.64%	7.19%
Materials	16.77%	6.50%
Industrials	10.21%	9.52%
Consumer Staples	5.93%	7.81%
Real Estate	9.06%	(0.09%)
Financials	19.78%	(3.00%)
Consumer Discretionary	5.90%	8.39%
Communication Services	4.92%	2.03%

## Contributors to Returns

Top 5 Contributors (%)	
JLG	0.76%
RUL	0.25%
ELD	0.42%
CSL	0.40%
PWH	0.41%

  

Top 5 Detractors (%)	
NST	(0.53%)
MQG	(0.32%)
INA	(0.10%)
SUN	(0.18%)
JHX	(0.03%)

## 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.

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