

Student Managed Investment Fund September 2025 Update



September 2025 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

In September, SMIF generated a positive monthly return of 0.55%, outperforming the ASX All-Ordinaries Index benchmark (-1.16%) with an alpha of 1.71%. While domestic equities declined modestly over the month, performance dispersion across sectors was significant, with strength in resources and select growth names offsetting weakness in rate-sensitive and defensive segments.

The portfolio's weakest performers included James Hardie (-9.91%), Car Group (-7.85%), Ingenia Group (-7.80%) and QBE Insurance (-4.90%). Conversely, the strongest contributors were Northern Star (+27.89%), RPMGlobal (+22.55%), Perenti (+19.07%) and Rio Tinto (+5.68%), supported by rising gold prices and improved sentiment toward mining and mining services. At a sector level, Materials (+11.90%) and IT (+6.49%) led returns, driven by gains in gold producers and mining services companies, as well as strength in software exposures. In contrast, Communication Services (-7.85%), Healthcare (-5.23%) and Financials (-4.02%) lagged amid continued sensitivity to macroeconomic and interest rate expectations.

Market Update

Global Markets

Global share markets rose in September following the US Federal Reserve's first rate cut of 2025, which supported risk appetite and renewed strength in growth sectors. In the US, the S&P 500 gained 3.53%, while the more rate-sensitive NASDAQ climbed 5.4%, led by Technology (+7.47%) and Communication Services (+4.69%) as enthusiasm around artificial intelligence continued. NVIDIA's investment in OpenAI and Alphabet's favourable antitrust ruling provided further support. Japan's Nikkei 225 rose 6.50% on a weaker yen and expectations of expansionary fiscal policy, while European and UK markets also advanced following a Bank of England rate cut. In contrast, China's SSE Composite was largely flat (+0.19%) after its recent stimulus-driven rally. Bond markets were firmer overall, with US yields initially falling after the Fed cut rates 25 basis points, though some of this move reversed following stronger inflation data. Commodity markets were mixed, with oil declining 1.71% on expectations of higher supply and weaker demand, while gold surged 11.71% to record highs amid global uncertainty and concerns surrounding the looming US government shutdown.

National

Australian equities were an outlier in September, declining slightly while most global markets advanced. The weakness reflected persistent inflation concerns following consecutive upside surprises in CPI data, which reduced expectations for further RBA rate cuts in 2025. The Energy sector (-10.41%) underperformed after Abu Dhabi National Oil Co withdrew its A\$36 billion takeover offer for Santos Ltd. Consumer Staples (-5.93%) and Healthcare (-4.43%) also lagged amid cost-of-living pressures, while Materials (+4.48%) outperformed on the back of strong commodity prices. Australian bond markets were mixed, with short-term yields rising as investors reassessed the rate outlook. The broader bond index posted a modest gain of 0.10%. The Australian dollar strengthened 0.82% against the US dollar, supported by firmer inflation data and reduced expectations for near-term easing.

Positions Update

Top 5 Contributors

Northern Star (ASX: NST, 27.89%)

Northern Star delivered a strong September quarter, selling approximately 381koz of gold at an all-in sustaining cost near A\$2,500/oz, with improved performance across its core assets. Underground volumes at KCGM continued to scale, and progress on the KCGM mill expansion reinforced confidence in medium-term production growth. With gold prices rising sharply to record highs during the month, margin expectations expanded meaningfully. The combination of solid operational delivery and increased leverage to elevated bullion prices supported a decisive re-rating.

Perenti Limited (ASX: PRN, 19.07%)

Perenti's performance in September was underpinned by another high-quality contract win in its underground mining business. Barminco secured a four-year underground mining services contract at the Dalgaranga Gold Project with an estimated value of about A\$300 million, requiring only modest growth capital of roughly A\$16 million in FY26 that had already been incorporated into guidance. The deal adds long-duration, gold-linked earnings with attractive capital efficiency, builds further scale in the Australian underground portfolio, and strengthened market confidence in Perenti's ability to convert its pipeline into cash-generative work.

RPM Global Holdings Ltd (ASX: RUL, 22.55%)

RPM Global surged after Caterpillar agreed to acquire the company for approximately A\$1.1 billion, representing a substantial premium to its prior trading levels. The transaction reinforced RPM's strategic positioning in mine planning and optimisation software at a time when miners are investing heavily in automation and digital productivity. The agreed price highlighted the strength of RPM's transition toward a recurring SaaS model and removed uncertainty around its standalone growth trajectory. The clear strategic rationale and deal certainty drove strong share price appreciation during the month.

Rio Tinto (ASX: RIO, 5.68%)

Rio Tinto benefited from both operational strength and an improving commodity backdrop. September quarter results showed Pilbara shipments of ~84Mt (up 6% q/q), copper equivalent production up 9% y/y, and upgraded full-year bauxite guidance following record output. At the same time, iron ore prices moved back above US\$100/dmt while copper and aluminium firmed, supporting earnings expectations. The company's simplified operating structure across Iron Ore, Aluminium & Lithium, and Copper sharpened strategic focus and reinforced capital discipline, supporting renewed investor confidence.

NextDC Limited (ASX: NXT, 2.55%)

NextDC continued to benefit from structural demand for AI and cloud-driven data centre capacity. Strong utilisation trends and a growing contracted backlog underpin revenue visibility across its hyperscale development pipeline. As new capacity is progressively filled, operating leverage is expected to emerge, supporting medium-term earnings growth despite elevated near-term capital expenditure. The stock's performance reflects continued investor willingness to pay for high quality, infrastructure-like growth assets with durable demand drivers.

Top 5 Detractors

Car Group Limited (ASX: CAR, -7.85%)

Car Group underperformed as softness in used car listings and transaction volumes weighed on sentiment. The stock's premium valuation left it sensitive to any moderation in growth expectations, and broader concerns around consumer demand across automotive markets added pressure. Ex-dividend trading during the month further amplified the decline.

Suncorp Group (ASX: SUN, -4.79%)

Suncorp weakened amid heightened catastrophe risk and claims cost inflation ahead of the domestic storm season. With premium growth moderating and loss assumptions remaining elevated, investors reassessed near-term margin resilience. Ongoing regulatory processes tied to strategic simplification added further uncertainty, contributing to share price weakness.

QBE Insurance Group (ASX: QBE, -4.90%)

QBE also detracted as global insurance names faced pressure from rising claims costs and uncertainty around upcoming reinsurance renewals. While the company maintains a diversified earnings base, the market focused on sector-wide margin risk as catastrophe frequency and pricing volatility remained elevated. The reassessment of underwriting profitability weighed on performance.

James Hardie Industries (ASX: JHX, -9.91%)

James Hardie declined following preliminary Q2 FY26 materials released ahead of its AGM, which introduced uncertainty around updated targets and near-term earnings momentum. The perceived disconnect between forward expectations and previous guidance raised concerns around execution risk and US housing demand sensitivity. The reassessment of growth assumptions led to multiple compression despite otherwise stable operational performance.

Ingenia Communities Group (ASX: INA, -7.80%)

Ingenia softened amid increased competitive uncertainty after reports that private equity firm Cerberus was preparing a dual-track process for Lincoln Place, including a potential IPO. The prospect of a large-scale lifestyle operator entering public markets raised questions around capital allocation, pricing discipline and relative valuation support within the land lease sector. Broader weakness across residential-adjacent REITs further weighed on sentiment.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
MQG	Macquarie Group Ltd	34,654.14	6.19%	-2.59%	-0.16%
CLW	Chtr H Lwr	32,630.40	5.83%	-2.32%	-0.14%
PRN	Perenti Limited	31,154.47	5.57%	19.07%	0.89%
SUN	Suncorp Group Ltd	30,369.74	5.43%	-4.79%	-0.27%
NXT	Nextdc Limited	30,219.12	5.40%	2.55%	0.13%
ORG	Origin Energy	29,362.50	5.25%	0.07%	0.00%
QBE	Qbe Insurance Group	28,455.38	5.08%	-4.90%	-0.26%
NST	Northern Star	27,313.23	4.88%	27.89%	1.08%
CAR	Car Group Limited	23,428.86	4.19%	-7.85%	-0.36%
JLG	Johns Lyng Group	18,106.80	3.24%	1.28%	0.04%
IDX	Integral Diagnostics	17,514.75	3.13%	-5.50%	-0.18%
RMD	Resmed Inc	17,273.63	3.09%	-2.50%	-0.08%
PWH	Pwr Holdings Limited	16,767.66	3.00%	0.24%	0.01%
BHP	Bhp Group Limited	16,671.76	2.98%	1.51%	0.05%
WES	Wesfarmers Limited	15,459.36	2.76%	1.96%	0.05%
ELD	Elders Limited	15,347.00	2.74%	0.13%	0.00%
RIO	Rio Tinto Limited	15,009.69	2.68%	5.68%	0.14%
INA	Ingenia Group	14,492.16	2.59%	-7.80%	-0.22%
PFP	Propel Funeral	13,490.40	2.41%	0.58%	0.01%
SHL	Sonic Healthcare	12,456.64	2.23%	-7.84%	-0.20%
CSL	Csl Limited	12,090.20	2.16%	-5.75%	-0.13%
RUL	Rpmglobal Hldgs Ltd	11,559.24	2.07%	22.55%	0.38%
BXB	Brambles Limited	11,432.80	2.04%	-3.04%	-0.07%
JHX	James Hardie Indust	11,175.84	2.00%	-9.91%	-0.22%
QUB	Qube Holdings Ltd	10,303.77	1.84%	-0.20%	0.00%
CWY	Cleanaway Waste Ltd	10,243.46	1.83%	1.28%	0.02%
DTL	Data#3 Limited	7,858.08	1.40%	2.00%	0.03%
CASH	CASH	44,826.58	8.01%	0.00%	0.00%
Total		559,667.66	100.0%		0.55%

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	0.55%	9.99%	9.94%	8.31%	10.21%
All Ordinaries Accumulation Index	-1.16%	5.49%	8.71%	7.78%	6.78%
Alpha	1.71%	4.50%	1.23%	0.53%	3.43%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Utilities	5.70%	0.07%
IT	9.64%	6.49%
Healthcare	11.52%	-5.23%
Materials	19.68%	11.90%
Industrials	9.73%	-0.05%
Consumer Staples	5.98%	1.05%
Real Estate	9.15%	-4.06%
Financials	18.16%	-4.02%
Consumer Discretionary	5.88%	0.39%
Communication Services	4.55%	-7.85%

Contributors to Returns

Top 5 Contributors (%)	
NST	1.08%
PRN	0.89%
RUL	0.38%
RIO	0.14%
NXT	0.13%

Top 5 Detractors (%)	
CAR	-0.36%
SUN	-0.27%
QBE	-0.26%
JHX	-0.22%
INA	-0.22%

Portfolio Management Team

<i>Name</i>	<i>Current Enrolment and Contact</i>
Chelsea Wray-Brown	Bachelor of Advanced Finance & Economics c.wraybrown@student.uq.edu.au
Ella Savory	Bachelor of Advanced Finance & Economics e.savory@student.uq.edu.au
Erin McNab	Bachelor of Advanced Finance & Economics e.mcnab@student.uq.edu.au
Harry Talkington	Bachelor of Advanced Finance & Economics h.talkington@student.uq.edu.au
Jacob Bellette	Bachelor of Advanced Finance & Economics j.bellette@student.uq.edu.au
Joe Newell	Bachelor of Advanced Finance & Economics joseph.newell@student.uq.edu.au
Josh Gray	Bachelor of Advanced Finance & Economics joshua.gray1@student.uq.edu.au
Joshua Stamatellos	Bachelor of Advanced Finance & Economics j.stamatellos@student.uq.edu.au
Matthew Allison	Bachelor of Advanced Finance & Economics m.allison@student.uq.edu.au
Oliver Lee	Bachelor of Advanced Finance & Economics oliver.lee1@student.uq.edu.au

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.