

Student Managed Investment Fund October 2025 Update



October 2025 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

In October, SMIF saw a negative monthly return of 1.02%, outperformed by the ASX All-Ordinaries Index benchmark (0.46%) with an alpha of -1.48%. The market had a relatively flat but slightly positive month overall, characterised by periods of optimism followed by several days of sharp decline throughout the month. More uncertainty over US-China trade relations contributed to investors' caution.

The portfolio's poor return for the month was driven heavily by its worst performers, including Csl Limited (-9.94%), Wesfarmers Limited (-8.72%), Cleanaway Waste Ltd (-7.94%) and Nextdc (-6.86%). Conversely, the fund's top performers included James Hardie (+14.71%), PWR Holdings (+9.65%), Rio Tinto (+8.88%), and Qube Holdings (+6.81%). Overall, a few sectors such as Consumer Discretionary (+4.56%), Materials (+3.66%) and Industrials (+0.20%) were the main contributors to the portfolio's growth staying slightly positive through October. The growth was flattened through key sectors such as Consumer Staples (-6.78%), Healthcare (-5.08%) and IT (-3.53%).

Market Update

Global Markets

The global economy showed signs of cautious optimism while adjusting to a time of new policy and persistent geopolitical tensions. Growth in the US was positive, with the S&P 500 growing by 2.27% in October as 6 out of 11 sectors contributed to positive growth. Despite significant announcements regarding tariffs continuing to be volatile, the overall sentiment was positive. Interest rates were able to remain within the target range, with the FOMC reducing the rate for the second month in a row by 0.25%. Despite employment levels expected to decline slightly, AI productivity is expected to continue to make up for losses. Similar to the S&P 500, European and Chinese equities rose by 2.8% and 2.5% respectively for the month. The UK showed even further growth with FTSE 100 growing by around 4%. Japan's Nikkei 225 grew dramatically by 16.64% due to some expansionary fiscal expectations. Broadly, the rallying of equity markets was driven by global tech and AI across developed markets. The dynamic market conditions prove to be difficult for both investors navigating these times and central banks facing inflationary pressures.

National

While Australian equities did grow lightly (+0.46%), they were once again an outlier compared to global growth which showed more positive signs. October saw a return to a high level in non-essential spending evident in the portfolio as the Consumer Discretionary sector showed the most (+4.56%), while Consumer Staples (-6.78%) and Healthcare (-5.08%) were the worst performing sectors. However, this spending could likely be distorted by the continued issue of inflation. The RBA kept the cash rate steady at 3.6% throughout the month despite both headline and underlying inflation being higher than expected in the previous quarter. Early in the month, unemployment caused a sizeable drop in Australian Bond yields. This was reversed later in the month with the 2-year bond climbing 5bps, while 10-year yields remained unchanged. Oil prices fell 3% over the course of the month due to OPEC indicating an increase in production. Gold prices reached record highs during the month on the back of private investors and official institutions causing strong demand. The AUD ended the month down 1% against the USD, however, it was able to rise against the Euro, Yen and Pound.

Positions Update

Top 5 Contributors

James Hardie Industries (ASX: JHX, 14.71%)

Despite a rocky 2025 for the share price, James Hardie shares climbed in October off the back of their early release of the previous quarter's results, which came five weeks in advance. This premature announcement left some fund managers sceptical as the timing left more questions than answers ahead of their AGM. It was at said AGM at which Anne Lloyd, the now former chairwoman of the company, and two other directors were dismissed by shareholders.

PWR Holdings Limited (ASX: PWH, 9.65%)

On the 13th, Vanguard group became a substantial holder of PWR holdings, indicating strong support for the company's expansion into higher growth sectors. PWR's AGM saw many changes such as founder and managing director Kees Weel returning from medical leave, while the board continues its search for a permanent CEO.

Rio Tinto Limited (ASX: RIO, 8.88%)

Safety remains Rio Tinto's number one priority following huge times of reflections from the group. The company released its third quarter production results in which it claimed that it is still on track to meet production guidance for 2025 and will continue to deliver further shareholder value. Driven by strong performance at Oyu Tolgoi, copper production increased by 9% in Q3 year on year. Similarly, Pilbara was able to achieve Iron ore shipments growth of 6% from Q2.

Qube Holdings Limited (ASX: QUB, 6.81%)

Optimism grew as strong revenue growth was evident due to key improvements in the Logistics and Infrastructure business unit. Off the back of a strong FY25 report which boasted a 15.4% growth in underlying EBITDA, financial strength and flexibility was enhanced through investment grade credit ratings. This strong performance was achieved despite a time of several headwinds such as a decline in automotive volumes and ancillary services.

RPMGlobal Holdings Limited (ASX: RUL, 5.41%)

RPMGlobal's October was characterised by their takeover by American giant, Caterpillar. The offer placed in September was at \$5 per share, valuing RPM at \$1.05 billion and representing a 32.6% premium from its previous price. The company's shares have been surging ever since Caterpillar expressed initial interest in early September. The deal is believed to be a solid outcome for RPMGlobal shareholders and serves as a sign of the significant progress made over its lifespan.

Top 5 Detractors

CSL Limited (ASX: CSL, -9.94%)

CSL's shares have dropped sharply as a result of investor concern surrounding failure to reach some short-term expectations particularly in its Behring business. Additionally, further concerns are present regarding the impact of pharmaceutical tariffs from the US. Despite current troubles, the long-term picture for CSL remains optimistic through the continued rebound and expansion of demand for plasma globally.

Wesfarmers Limited (ASX: WES, -8.72%)

Wesfarmers share price dropped largely in late October following their AGM on the 30th. This fall marked an outlier as shares are still up 14.42% higher for the year. The doubt came largely from the poor performance in the Industrial and Safety divisions which stems from earnings being influenced by subdued demand across the mining and resource sectors. Despite this, key performers such as Bunnings and Kmart recorded broad sales growth in the start of their FY26 campaign.

Cleanaway Waste Limited (ASX: CWY, -7.94%)

Cleanaway suffered an October filled with investor backlash following controversy at their AGM in the middle of the month. Despite the board cutting executive bonuses by 30%, shareholders made their concerns about the company's safety performance clear. This has sparked deep reflection for those in leadership roles with Cleanaway since appointing an undisclosed external organisation to review its safety practices.

NextDC Limited (ASX: NXT, -6.86%)

NextDC became an unusual stock to value throughout the month of October as it was aided by the strong AI tailwind, while shareholders are unhappy with the November 13th AGM on the horizon. At the core of this unsettlement is the Growth Incentive Plan (GIP) designed to help retain key talent within the executive leadership team. This has also been accompanied by reality check valuation of the AI industry leading to minor reductions.

Integral Diagnostics (ASX: IDX, -5.82%)

The fall in October seems to be a small fallback from a large increase after a very positive FY25 report published in August. Outlook for the company still remains positive with many tailwinds from recent merger synergies along with deregulation in the MRI industries. The recent drop combined with the expected tailwinds positions IDX for a strong rebound in coming months.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
MQG	Macquarie Group Ltd	34,532.48	6.24%	-0.35%	-0.02%
CLW	Chtr H Lwr	31,518.00	5.69%	-3.41%	-0.20%
PRN	Perenti Limited	30,045.77	5.43%	-2.05%	-0.11%
SUN	Suncorp Group Ltd	29,410.38	5.31%	-3.16%	-0.17%
ORG	Origin Energy	28,775.25	5.20%	-2.00%	-0.11%
NST	Northern Star	28,326.11	5.12%	3.71%	0.18%
NXT	Nextdc Limited	28,147.36	5.09%	-6.86%	-0.37%
QBE	Qbe Insurance Group	27,418.88	4.95%	-3.64%	-0.19%
CAR	Car Group Limited	22,740.90	4.11%	-2.94%	-0.12%
PWH	Pwr Holdings Limited	18,386.16	3.32%	9.65%	0.29%
JLG	Johns Lyng Group	18,290.16	3.30%	1.01%	0.03%
BHP	Bhp Group Limited	17,032.40	3.08%	2.16%	0.06%
RMD	Resmed Inc	16,642.13	3.01%	-3.66%	-0.11%
IDX	Integral Diagnostics	16,495.71	2.98%	-5.82%	-0.18%
RIO	Rio Tinto Limited	16,343.01	2.95%	8.88%	0.24%
INA	Ingenia Group	14,971.68	2.70%	3.31%	0.09%
ELD	Elders Limited	14,605.40	2.64%	-4.83%	-0.13%
WES	Wesfarmers Limited	14,112.00	2.55%	-8.72%	-0.24%
PFP	Propel Funeral	13,252.80	2.39%	-1.76%	-0.04%
JHX	James Hardie Indust	12,819.58	2.32%	14.71%	0.29%
SHL	Sonic Healthcare	12,293.96	2.22%	-1.31%	-0.03%
RUL	Rpmglobal Hldgs Ltd	12,184.74	2.20%	5.41%	0.11%
BXB	Brambles Limited	11,460.46	2.07%	0.24%	0.00%
QUB	Qube Holdings Ltd	11,005.73	1.99%	6.81%	0.13%
CSL	Csl Limited	10,888.50	1.97%	-9.94%	-0.22%
CWY	Cleanaway Waste Ltd	9,429.90	1.70%	-7.94%	-0.15%
DTL	Data#3 Limited	7,549.92	1.36%	-3.92%	-0.06%
CASH	CASH	44,826.58	8.10%	0.00%	0.00%
Total		553,505.95	100.0%		-1.02%

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	-1.02%	4.02%	13.51%	12.37%	15.62%
All Ordinaries Accumulation Index	0.46%	1.99%	10.03%	8.75%	6.76%
Alpha	-1.48%	2.03%	3.48%	3.62%	8.86%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Consumer Discretionary	5.72%	4.56%
Materials	18.89%	3.66%
Industrials	9.07%	0.20%
Cash	8.10%	0.00%
Real Estate	8.40%	-1.34%
Utilities	5.20%	-2.00%
Financials	16.51%	-2.27%
Communication Services	4.11%	-2.94%
IT	8.65%	-3.53%
Healthcare	10.18%	-5.08%
Consumer Staples	5.19%	-6.78%

Contributors to Returns

Top 5 Contributors (%)	
JHX	0.29%
PWH	0.29%
RIO	0.24%
NST	0.18%
QUB	0.13%

Top 5 Detractors (%)	
NXT	-0.37%
WES	-0.24%
CSL	-0.22%
CLW	-0.20%
QBE	-0.19%

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.

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