

Student Managed Investment Fund December 2025 Update



December 2025 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

In December, SMIF saw a monthly return of -3.09%, underperforming the ASX All-Ordinaries Index benchmark which recorded a return of -2.43%. The weak performance can be attributed to softening in the IT sector, as well as a shift away from defensive sectors as commodity prices surged. Moreover, the Fed's December rate cut further contributed to this trend.

The portfolio's worst performers included Car Group (-11.53%), ResMed (-8.57%), NextDC (-7.66%), and CSL (-7.33%). Conversely, the fund's top performers included Rio Tinto (+10.99%), BHP (+9.17%), QBE Insurance Group (+3.32%), and Macquarie Group (+3.13%). Financials and materials sectors were the strongest sectors in the portfolio for December, returning +2.37% and +1.33%, respectively. Healthcare, IT and Consumer Staples were the worst performing sectors, returning -5.67%, -4.21% and -4.02% respectively. Communications services returned -11.53%, wholly due to the performance of Car Group Ltd.

Market Update

Global Markets

In December, global equity markets delivered modest but broadly positive returns as investor sentiment remained supported by resilient economic data, easing inflation concerns, and the Federal Reserve cutting rates. The MSCI World ex-Australia Index rose approximately 1.6% for the month, while emerging markets outperformed, with the MSCI Emerging Markets Index gaining around 2.4%, supported by improving capital flows and stronger performance across Asian markets. U.S. equities were relatively subdued following strong gains earlier in the year, with the S&P 500 finishing the month broadly flat as investors consolidated their positions into the end of the year. Sector performance was mixed, with financials and industrials posting moderate gains while investors consolidated gains on IT stocks after a strong rally earlier in 2025. Despite the softer monthly performance, the index remained near record highs, reflecting continued resilience in corporate earnings and economic activity. European equities also posted gains during the month, with developed market international equities represented by the MSCI EAFE Index rising approximately 1.2%, supported by financials and industrial sectors. Japanese shares also recorded solid returns throughout the month, with the Nikkei 225 advancing roughly 3%, as exporters benefited from a relatively weaker yen and continued improvements in corporate governance and shareholder returns.

National

Australian equities performed modestly well in December with the ASX All-Ords rising 1.12% for the month as the market consolidated following strong gains earlier in the year. Financials were the standout sector, led by continued strength in the major banks as investors remained attracted to their stable earnings outlook and dividend yields. Materials stocks also contributed positively, supported by strong commodities prices. Healthcare and IT lagged over the period, with the healthcare sector facing ongoing global pricing pressures and slower earnings momentum, while technology companies experienced modest valuation compression following strong performance earlier in the year. Energy stocks also faced some pressure amid softer crude oil prices and volatility in global energy markets. Australian bonds delivered relatively stable returns during the month. Commodity markets were mixed, with gold continuing to perform strongly while iron ore prices experienced moderate volatility amid uncertainty around Chinese steel demand. Overall, continued resilience in financials, supportive commodity prices, and stable domestic economic conditions underpinned the Australian market's performance throughout December 2025.

Positions Update

Top 5 Contributors

Rio Tinto Limited (ASX: RIO, +10.99%)

Rio Tinto was a strong contributor during December as mining equities rallied following stronger commodity prices. Sentiment toward the sector improved amid expectations of additional Chinese policy support for infrastructure and construction activity. Investors also remain constructive on Rio's long-term copper growth through the Oyu Tolgoi project, which strengthens the company's exposure to energy-transition metals and underpins its medium-term production outlook.

BHP Group Limited (ASX: BHP, +9.17%)

BHP outperformed during December alongside broader strength across the resources sector. Rising iron ore and copper prices supported diversified miners, while expectations of policy stimulus in China improved the outlook for industrial metal demand. Investor conviction remains supported by BHP's portfolio exposure to structural commodities such as copper and potash, which are expected to benefit from long-term electrification and infrastructure investment trends.

QBE Insurance Group (ASX: QBE, +3.32%)

QBE performed strongly during December as favourable conditions across global insurance markets continue to support earnings growth. Premium rate increases across commercial insurance segments have improved underwriting margins, while elevated interest rates have boosted investment income for insurers. These factors have reinforced confidence in QBE's profitability outlook and capital position, contributing to positive sentiment toward the stock during the month.

Macquarie Group Limited (ASX: MQG, +3.13%)

Macquarie delivered positive performance during December as sentiment toward global financials improved. Expectations of stabilising interest rates and improving capital markets activity supported the outlook for Macquarie's advisory and asset management businesses. In addition, the company's strong exposure to infrastructure and energy transition investment continues to attract investor interest, given the long-term growth opportunities across renewable energy and global infrastructure development.

James Hardie Industries (ASX: JHX, +1.68%)

Elders declined during December as agricultural equities faced uncertainty around farm profitability and rural commodity prices. Softer livestock prices and mixed seasonal conditions weighed on sentiment toward rural services providers. Given Elders' exposure to livestock agency services and agricultural inputs, investor confidence in near-term earnings remains closely tied to farmer spending and broader conditions across the agricultural sector.

Top 5 Detractors

CAR Group Limited (ASX: CAR, -11.53%)

CAR Group was the largest detractor during the month following strong share price performance earlier in the year. The stock experienced a pullback amid broader volatility across technology and online marketplace companies, as investors rotated away from high-multiple growth equities. Despite continued expansion across its international automotive marketplaces, the company's premium valuation left the stock vulnerable to profit-taking during December.

ResMed Inc (ASX: RMD, -8.57%)

ResMed underperformed during December as uncertainty remained around the potential long-term impact of GLP-1 weight-loss medications on demand for sleep apnoea devices. While the company continues to report strong device adoption and growth in its digital health ecosystem, investor sentiment toward the sector has been cautious as markets assess the potential implications for future patient demand.

NextDC Limited (ASX: NXT, -7.66%)

NEXTDC detracted from performance during December amid weakness across technology and data infrastructure companies. Rising bond yields continued to place pressure on valuation multiples for long-duration growth stocks. In addition, NEXTDC's ongoing investment in expanding data centre capacity, while supportive of long-term growth, has led investors to remain cautious regarding near-term earnings and capital expenditure requirements.

CSL Limited (ASX: CSL, -7.33%)

CSL detracted from performance during December as healthcare companies broadly lagged the market amid a rotation toward cyclical sectors such as resources and financials. Investor sentiment also remains sensitive to the pace of earnings recovery following disruptions to plasma collection earlier in the cycle. Despite the near-term weakness, CSL maintains a strong global position across plasma therapies and biotechnology.

Elders Limited (ASX: ELD, -6.80%)

Elders declined during December as agricultural equities faced uncertainty around farm profitability and rural commodity prices. Softer livestock prices and mixed seasonal conditions weighed on sentiment toward rural services providers. Given Elders' exposure to livestock agency services and agricultural inputs, investor confidence in near-term earnings remains closely tied to farmer spending and broader conditions across the agricultural sector.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
BHP	Bhp Group Limited	17,832.08	3.32%	9.17%	0.30%
JHX	James Hardie Indust	12,290.24	2.29%	1.68%	0.04%
NST	Northern Star	30,766.23	5.73%	(1.58%)	(0.09%)
PRN	Perenti Limited	30,932.73	5.76%	(4.78%)	(0.28%)
RIO	Rio Tinto Limited	18,058.86	3.36%	10.99%	0.37%
BXB	Brambles Limited	10,584.56	1.97%	(4.57%)	(0.09%)
CWY	Cleanaway Waste Ltd	9,577.82	1.78%	(3.72%)	(0.07%)
JLG	Johns Lyng Group	18,290.16	3.41%	0.00%	0.00%
QUB	Qube Holdings Ltd	11,958.39	2.23%	(1.85%)	(0.04%)
CAR	Car Group Limited	19,594.12	3.65%	(11.53%)	(0.42%)
CLW	Chtr H Lwr	30,257.28	5.64%	1.07%	0.06%
INA	Ingenia Group	13,772.88	2.57%	(0.39%)	(0.01%)
CSL	Csl Limited	10,531.65	1.96%	(7.33%)	(0.14%)
IDX	Integral Diagnostics	16,177.26	3.01%	(3.79%)	(0.11%)
RMD	Resmed Inc	15,130.74	2.82%	(8.57%)	(0.24%)
SHL	Sonic Healthcare	13,136.41	2.45%	(3.09%)	(0.08%)
DTL	Data#3 Limited	7,712.56	1.44%	(0.77%)	(0.01%)
NXT	Nextdc Limited	22,378.58	4.17%	(7.66%)	(0.32%)
RUL	Rpmglobal Hldgs Ltd	12,384.90	2.31%	0.41%	0.01%
ELD	Elders Limited	14,111.00	2.63%	(6.80%)	(0.18%)
WES	Wesfarmers Limited	13,623.12	2.54%	(0.96%)	(0.02%)
MQG	Macquarie Group Ltd	32,105.60	5.98%	3.13%	0.19%
QBE	Qbe Insurance Group	27,487.98	5.12%	3.32%	0.17%
SUN	Suncorp Group Ltd	26,457.35	4.93%	0.51%	0.03%
ORG	Origin Energy	26,990.01	5.03%	(1.63%)	(0.08%)
PFP	Propel Funeral	12,988.80	2.42%	(1.80%)	(0.04%)
PWH	Pwr Holdings Limited	16,940.30	3.16%	(4.62%)	(0.15%)
CASH	CASH	44,826.58	8.35%	0.00%	0.00%
Total		536,898.19	100.0%		(1.43%)

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	(3.09%)	(3.86%)	4.77%	9.62%	13.43%
All Ordinaries Accumulation Index	(2.43%)	(1.42%)	3.15%	6.15%	6.34%
Alpha	(0.66%)	(2.44%)	1.62%	3.47%	7.09%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Materials	20.47%	1.33%
Industrials	9.39%	(2.14%)
Communication Services	3.65%	(11.53%)
Real Estate	8.20%	0.61%
Healthcare	10.24%	(5.67%)
IT	7.91%	(4.21%)
Consumer Staples	5.17%	(4.02%)
Financials	16.03%	2.37%
Utilities	5.03%	(1.63%)
Consumer Discretionary	5.57%	(3.41%)

Contributors to Returns

Top 5 Contributors (%)

RIO	0.37%
BHP	0.30%
MQG	0.19%
QBE	0.17%
CLW	0.06%

Top 5 Detractors (%)

CAR	(0.42%)
NXT	(0.32%)
PRN	(0.28%)
RMD	(0.24%)
ELD	(0.18%)

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
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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.