The University of Queensland Business School

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CREATE CHANGE

Student Managed Investment Fund June 2026 Update



June 2026 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

In June 2026, SMIF had a value of A$526,532.65 and saw a monthly return of +2.45%, overperforming the ASX All-Ordinaries Index benchmark which recorded a return of +0.24%. This strong performance can be attributed to a broader sector rotation, with investors moving out of resources and into defensive, yield-focused parts of the market following a prolonged period of volatility driven by rates. This sector rotation fuelled a sharp rebound for healthcare following recent lows, while real estate and financials found renewed support from stabilising interest rate expectations. Meanwhile, industrials also remained resilient, benefiting from steady, essential service earnings amid broader economic uncertainty.

Within the portfolio, the worst performers included Pwr Holdings Limited – ASX:PWH (15.57%), Propel Funeral - ASX:PFP (13.54%), and Internal Diagnostics - ASX:IDX (7.83%). Conversely, the top performers included James Hardie Indust - ASX:JHX +19.64%, Csl Limited - ASX:CSL +18.77%, and Brambles Limited - ASX:BXB +17.56%. Furthermore, Real Estate and Financials were the strongest sectors within the SMIF portfolio, showing returns of 9.71%, and 8.67% respectively, while Consumer Staples and IT were the weakest sectors within the portfolio, returning (14.92%) and (0.99%) respectively.

Market Update

Global Markets

Global equity markets pulled back modestly in June following a strong first half, as investors digested a hawkish pause from the Federal Reserve and rotated out of high-flying, AI-related growth names into value and small-cap stocks. The MSCI ACWI IMI Index declined approximately 0.6% for the month, while developed markets outside the U.S., represented by the MSCI World ex USA Index, held up better, down a more modest 0.2%, with large-cap value shares declining the least. Emerging markets also retreated, with the MSCI Emerging Markets Index down around 1.4% for the month, even as the asset class remained the standout performer globally on a year-to-date basis, up approximately 23.8%, supported by continued strength across Asian markets. U.S. equities were the weakest major market in June, with the S&P 500 finishing the month down approximately 1.0% as investors took profits in large-cap growth and AI-related names following a blistering rally earlier in the year; sector performance diverged sharply, with small-cap value stocks leading the market higher even as large-cap growth stocks lagged. Despite the monthly pullback, the S&P 500 closed out its best quarterly return since 2020, up roughly 15.2%, underscoring continued resilience in corporate earnings and investor appetite for artificial intelligence-related growth. European equities were comparatively steady, with developed international equities represented by the MSCI EAFE Index edging up approximately 0.1%. Japanese shares were the standout performer globally, with the Nikkei 225 surging roughly 5.7% in local currency terms to notch fresh record highs for a third consecutive month, as a weaker yen, which touched a 23-month low during the month, continued to support exporters and corporate governance-driven shareholder returns.

National

Australian equities performed modestly well in June with the ASX All-Ords growing 0.24% across the month, primarily driven by a broader market retreat in commodity prices. Health care and consumer discretionary were the standout sectors, led by investor rotation into defensive growth healthcare names and an improvement in consumer sentiment driven by the cash rate being held at 4.35%, respectively. Utilities also saw positive performance as investors rotated capital away from volatile commodity markets and into infrastructure heavyweights such as AGL Energy and Origin Energy. The energy sector lagged over this period, with the steep plunge in crude oil prices negatively affecting performance. Material stocks also faced some pressure

amid widespread pullbacks in raw commodity prices, most notably a severe drop in gold and ongoing underperformance in lithium and battery metals. Australian bonds continued to deliver solid performance over the month. Overall, strong rallies in health care and consumer discretionary provided sufficient lift to offset heavy pullbacks in energy and material sectors, caused by falling commodity prices.

Positions Update

Top 5 Contributors

Qbe Insurance Group (ASX:QBE, +11.26%)

Qbe Insurance Group was a strong contributor during June as sector wide re-evaluations of insurers led investors to concluded that they were fundamentally undervalued. In June, Steadfast Group was acquired by a consortium with a valuation that reflected a 52% premium. This triggered a sector read-through as investors rotated capital into large-scale general insurers, such as Qbe, that were fundamentally undervalued. Additionally, Qbe was able to maintain momentum from its Q1 update and reported catastrophe costs well below the allocated allowance which was positively received by investors.

Suncorp Group Ltd (ASX:SUN, +10.99%)

Suncorp also performed strongly during June as a result of strategic capital moves and a broader market shift into defensive value stocks. During June, Suncorp finalised their 5 year aggregate reinsurance arrangement, providing substantial catastrophe cover and freeing $100 million in capital, which was viewed positively by investors as it reduced earnings volatility and established long term certainty. Furthermore, June saw a major sector rotation away from volatile commodities and into defensive and financial service heavyweights.

James Hardie Indust (ASX:JHX, +19.64%)

James Hardie Indust outperformed during June following cooler than expected market interest rates and the ceasing of wholesale destocking in the US building supply market. Given that approximately 80% of James Hardie's income comes through the North American sector, the softened inflation triggered immediate buying across construction stocks such as James Hardie. Around mid-June, distributor destocking concluded which led building suppliers to begin heavily re-ordering products, boosting the sales of James Hardie.

Wesfarmers Limited (ASX:WES, +13.30%)

Wesfarmers Limited delivered positive performance during June, driven by their low-cost retail heavyweights and broader market sentiment surrounding interest rates across Australia and the US. The ongoing cost of living crisis in Australia has benefitted Wesfarmers, driving retail spending towards lower cost retailers, including Wesfarmer's subsidiaries, Kmart and Target. Softening inflation indicators restored confidence in consumer spending, leading to investors rotating back into retail stocks.

Chtr H Lwr (ASX:CLW, +7.33%)

Chtr H Lwr performed strongly in June 2026 following the announcement of a new $2.0 billion secured debt platform. On June 10th CLW revealed they successfully secured long-term debt facilities which eased market fears over balance sheet refinancing costs given the tendency for REITs to be highly sensitive to debt maturity. Also, a late surge in share price occurred in the lead up to the ex-dividend date on the 29th of June.

Top 5 Detractors

Pwr Holdings Limited (ASX: PWH, -15.57%)

Pwr Holdings was the largest detractor during the month of June recording a drop in share price from $9.44 to $7.97. The month of May saw a sharp recovery in share price which drove investors to harvest profits amid a broader rotation away from growth focused stocks and towards more defensive income sectors. Thus, the underperformance of Pwr Holdings throughout the month was not the result of failing company operations, rather it reflected investors locking in profits and reducing portfolio risk.

Propel Funeral (ASX: PFP, -13.54%)

Propel Funeral underperformed throughout June as the company signalled potentially contracted earnings for FY26 alongside multiple acquisitions early in the month. Given the typically defensive and steady nature of Propel Funeral, the announcement disclosing the potential for a negative EBITDA growth was a major earnings inflection point. For investors, Propel's acquisition of three funeral businesses, when tied with softened earnings guidance, was an indication of stalling business growth and a need for additional revenue streams which drove the sharp decline in share price.

Internal Diagnostics (ASX: IDX, -7.83%)

In June 2026, Internal Diagnostics came under pressure following allegations of inappropriate medical billing practices at its Western Australia subsidiary. Earlier in the year, Internal Diagnostics reported extremely thin H1 net margins (1.8%). This nervous financial setup, tied with a high P/E valuation multiple, sparked heightened uncertainty and drove heavy selling of shares following the inappropriate billing allegations in early June.

Rio Tinto Limited (ASX: RIO, -7.07%)

Rio Tinto detracted from performance during June as a result of volatility in iron ore pricing and investors locking in profits. Pressure was felt broadly throughout the metals and mining sector, with investors rotating their capital towards other defensive sectors amid fluctuating metal prices. Leading into June, Rio Tinto had demonstrated strong performance, thus investors were driven towards harvesting profits before the EOFY.

Nextdc Limited (ASX: NXT, -4.33%)

The pullback of Nextdc during June was driven by investor fatigue over heavy capital demands and elevated balance sheet leverage, despite growing revenues. As Nextdc relied on massive capital raisings to fund its data centre expansion, market concerns grew regarding potential equity dilution and elevated net debt. Moreover, midway through June, the shareholder, State Street, sold approximately 1% of Nextdc which initiated a fall in share price and also contributed to the underperformance of Nextdc in the month of June.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
BHP	Bhp Group Limited	23,284.80	4.42%	(4.16%)	(0.18%)
JHX	James Hardie Indust	15,199.62	2.89%	19.64%	0.57%
NST	Northern Star	21,811.45	4.14%	0.74%	0.03%
PRN	Perenti Limited	24,945.75	4.74%	6.64%	0.31%
RIO	Rio Tinto Limited	21,218.73	4.03%	(7.07%)	(0.29%)
BXB	Brambles Limited	8,980.28	1.71%	17.56%	0.30%
CWY	Cleanaway Waste Ltd	8,690.30	1.65%	2.62%	0.04%
JLG	Johns Lyng Group	18,290.16	3.47%	0.00%	0.00%
QUB	Qube Holdings Ltd	12,785.70	2.43%	1.80%	0.04%
CAR	Car Group Limited	16,409.12	3.12%	3.70%	0.12%
CLW	Chtr H Lwr	27,068.40	5.14%	7.33%	0.38%
INA	Ingenia Group	11,774.88	2.24%	15.71%	0.35%
CSL	Csl Limited	6,999.14	1.33%	18.77%	0.25%
IDX	Integral Diagnostics	12,738.00	2.42%	(7.83%)	(0.19%)
RMD	Resmed Inc	12,158.48	2.31%	0.45%	0.01%
SHL	Sonic Healthcare	12,090.61	2.30%	6.61%	0.15%
DTL	Data#3 Limited	8,431.60	1.60%	9.20%	0.15%
NXT	Nextdc Limited	26,039.88	4.95%	(4.33%)	(0.21%)
RUL	Rpmglobal Hldgs Ltd	12,484.98	2.37%	0.00%	0.00%
ELD	Elders Limited	10,588.40	2.01%	(7.55%)	(0.15%)
WES	Wesfarmers Limited	15,187.20	2.88%	13.30%	0.38%
MQG	Macquarie Group Ltd	39,545.82	7.51%	4.92%	0.37%
QBE	Qbe Insurance Group	34,812.58	6.61%	11.26%	0.74%
SUN	Suncorp Group Ltd	28,915.71	5.49%	10.99%	0.60%
ORG	Origin Energy	25,792.02	4.90%	1.01%	0.05%
PFP	Propel Funeral	8,263.20	1.57%	(13.54%)	(0.21%)
PWH	Pwr Holdings Limited	17,199.26	3.27%	(15.57%)	(0.51%)
CASH	CASH	44,826.58	8.51%	0.00%	0.00%
Total		**526,532.65**	**100.0%**		**2.45%**

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	2.45%	6.21%	(0.18%)	3.67%	7.75%
All Ordinaries Accumulation Index	0.24%	3.48%	(0.36%)	2.43%	5.87%
Alpha	2.21%	2.73%	0.18%	1.24%	1.88%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Materials	20.22%	1.38%
Industrials	9.26%	3.81%
Communication Services	3.12%	3.70%
Real Estate	7.38%	9.71%
Healthcare	8.36%	1.92%
IT	8.92%	(0.99%)
Consumer Staples	4.89%	3.69%
Financials	19.61%	8.67%
Utilities	4.90%	1.01%
Consumer Discretionary	4.84%	(14.92%)

Contributors to Returns

Top 5 Contributors (%)	
QBE	0.74%
SUN	0.60%
JHX	0.57%
WES	0.38%
CLW	0.38%

Top 5 Detractors (%)	
PWH	(0.51%)
RIO	(0.29%)
PFP	(0.21%)
NXT	(0.21%)
IDX	(0.19%)

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.