THE UNIVERSITY OF QUEENSLAND
AUSTRALIA
CREATE CHANGE

Student Managed Investment Fund March 2026 Update



March 2026 Fund Update

Dollar values are in AUD unless stated otherwise.

Fund Update

In March, SMIF saw a monthly return of -7.38%, outperforming the ASX All-Ordinaries Index benchmark which recorded a return of -7.97%. The weak performance can be attributed to the conflict in Iran causing equity markets to soften globally, as investors became increasingly risk averse and priced-in several interest rate rises, due to the inflation concerns caused by the ongoing conflict. This decrease in risk appetite saw large outflows in cyclical sectors such as materials, IT and consumer discretionary. The surging oil prices saw the energy sector receive the greatest re-rating during March, and defensive sectors such as utilities and consumer staples remained more resilient due to the risk-off sentiment.

The portfolio's worst performers included Northern Star (-31.58%), Jamies Hardie Industries (-23.73%) and NextDC (-18.44%). Conversely, the portfolio's best performers included Suncorp Group (+10.39%) and Origin Energy (+5.42%). The weakest performing sectors within the fund for March were Materials, Communication Services, Consumer Discretionary and IT, providing returns of -17.76%, -12.22%, -11.49% and -10.83% respectively. Utilities and Financials were the fund's best performers, returning 5.42% and 1.14% respectively.

Market Update

Global Markets

In March, global equity markets weakened substantially as growing concerns surrounding the conflict in Iran saw investors become increasingly risk averse, primarily driven by fear of energy shortages. Brent Oil futures reached a high of US$119.50 during trade on the 31st of March, up 57.76% from the month's intraday trading low of US$75.75 on the 2nd of March. These energy price worries and persistent inflationary pressure posed by the conflict, saw traders no longer pricing-in any rate cuts by the Federal Reserve for the remainder of 2026. However, with the US being a net oil exporter, they were less impacted by the consequences of the conflict. Whilst the S&P 500's -4.98% return for March marked its worst monthly return since 2022, global equities ex-US suffered more drastic falls. MSCI's Emerging Markets index produced a -13.06% return, and the MSCI ACWI ex-US index returned -10.79% for March. Sector specific performance saw most sectors witnessing significant downgrades, with cyclicals such as Consumer Discretionary, IT and Financials being punished most significantly by the macroeconomic environment. The energy sector was the clear outperformer in all global markets, driven primarily by the fears surrounding global energy supplies, however the weakening economic outlook also saw Defence, Utilities and Consumer Staples produce better returns.

National

In March, Australian equity markets experienced a sharp risk-off move, driven by renewed inflation concerns, rising bond yields and heightened political tensions in the Middle East. The US-Iran conflict and the temporary closure of the Strait of Hormuz pushed oil prices, LNG prices, bond yields and the USD higher, tightening financial conditions. The S&P/ASX200 fell 7.1%, underperforming global peers on a local currency basis and a second RBA hike was an obstacle for the local market alongside global rates moving higher. The RBA delivered a second consecutive rate hike, taking the cash rate to 4.10%, with guidance pointing to further hikes. Inflation remained sticky, with oil prices adding another upside risk. Within the ASX200, the best performers were Energy (+20.4%), Utilities (+4.9%) and Consumer Staples. The largest underperformers included: Materials (-13.0%), IT (-12.5%) and Property / A-REITs (-11.2%). Gold stocks (-23%) fell much more than gold bullion (-11%), reflecting USD strength and increasing yield pressures, while bond yields rose sharply across developed markets. The Middle East conflict pushed oil prices above US$100/bbl, raising concerns about a renewed global inflation impulse which may lessen central banks' ability to cut rates or keep rates low.

Positions Update

Top 5 Contributors

Suncorp Group (ASX: SUN, +10.39%)

Suncorp's share price rose in March 2026 as investors regained confidence following the sharp sell-off after its February earnings update. The February result was weighed down by unusually high weather-related insurance claims, which the market largely viewed as temporary rather than structural weakness in the business. Sentiment improved as investors anticipated stronger earnings ahead, supported by ongoing premium increases and more normalised catastrophe costs. The stock also benefited from its defensive characteristics during a period of broader market uncertainty.

Origin Energy (ASX: ORG, +5.42%)

Origin Energy's share price rose in March 2026, supported by improving sentiment toward the energy sector and a more constructive outlook for earnings stability. Investors looked through short-term volatility in production and gas volumes, focusing instead on resilient electricity demand and the company's exposure to higher energy pricing conditions. Broader energy market strength also helped offset concerns around recent operational trends highlighted in company updates.

QBE Insurance Group (ASX: QBE, +1.75%)

QBE Insurance Group delivered a return of +1.75% in March 2026, reflecting a relatively stable month for the stock. Share price movements were supported by steady conditions in the global insurance market and ongoing strength in premium pricing across key business lines. Investors continued to view QBE as a defensive holding, which helped limit volatility during a period of mixed macroeconomic signals.

Rio Tinto Limited (ASX: RIO, -0.39%)

Rio Tinto delivered a return of -0.39% in March 2026, reflecting a slightly weaker month for the stock. The main pressure came from softer sentiment in iron ore prices, driven by concerns about Chinese steel demand and slower industrial activity. Aluminium and copper prices also moved unevenly, which added to uncertainty across Rio Tinto's revenue outlook. Broader risk-off sentiment in global markets further weighed on large mining stocks over the month.

Elders Limited (ASX: ELD, -0.83%)

Elders Limited delivered a return of -0.83% in March 2026, also reflecting a slightly weaker month for the stock. The share price was influenced by softer livestock market conditions, with cattle and sheep prices easing as seasonal supply improved and restocking demand slowed. Fertiliser and farm inputs also faced more cautious demand from growers, as farmers remained sensitive to cost pressures heading into the new planting cycle. At the same time, agricultural sentiment in Australia was mixed due to uneven rainfall patterns across key farming regions

Top 5 Detractors

Northern Star (ASX: NST, -31.58%)

Northern Star was the largest detractor during the month, as the company revised its FY26 production outlook toward the lower end of its guidance range after reporting weaker-than-expected performance across key operations. Milling performance at KCGM fell short of expectations, while mining productivity at Jundee also disappointed, weighing on overall output and increasing concerns around execution risk. The period was further pressured by a pullback in the gold price, which traded at around US$4,237 per ounce after a roughly 5% daily decline and a broader retreat from recent highs over the month.

James Hardie Industries (ASX: JHX, -23.73%)

In March 2026, James Hardie Industries came under significant pressure following the fallout from its $14 billion acquisition of The AZEK Company, which was executed without a shareholder vote and drew increased scrutiny from investors. Investor sentiment weakened further as shareholder litigation risks escalated. Class-action firms, including Shine Lawyers and Maurice Blackburn, launched investigations into alleged disclosure issues linked to a major 30% profit guidance downgrade, with proceedings ultimately advancing to Supreme Court action.

NextDC Limited (ASX: NXT, -18.44%)

NextDC detracted from performance during March. Despite its strong market position and exposure to long-term artificial intelligence-driven infrastructure demand, investor sentiment was weighed down by concerns around high capital intensity, ongoing shareholder dilution, and uncertainty about whether future AI-related demand growth would be sufficient to justify sustained heavy investment in new data centre capacity. Overall, the decline reflected a more cautious market stance toward growth expectations and funding requirements in the sector.

Perenti Limited (ASX: PRN, -15.64%)

In March 2026, Perenti Limited came under pressure following a softer reporting season and a subsequent tightening of FY26 guidance. Investor sentiment weakened as revenue expectations were revised lower, signalling slower top-line growth than previously anticipated. This was compounded by currency headwinds, which weighed on margins and reduced earnings visibility, as well as the completion of key projects that had previously supported activity levels and created near-term growth momentum.

PWR Holdings Limited (ASX: PWH, -13.83%)

In March 2026, the PWR Holdings share price steadily declined from roughly $10.00 to $8.60. The drop was driven by profit-taking after a massive share price spike in February, alongside broader market adjustments as analysts re-evaluated the company's valuation premiums and growth expectations. Overall, the decline reflected a combination of profit-taking and valuation normalisation, rather than a deterioration in the company’s operations.

Performance Summary

Ticker	Name	Value	Weighting	Total Return	Contribution
BHP	Bhp Group Limited	19,752.88	3.96%	(11.19%)	(0.44%)
JHX	James Hardie Indust	10,387.80	2.08%	(23.73%)	(0.49%)
NST	Northern Star	23,434.36	4.69%	(31.58%)	(1.48%)
PRN	Perenti Limited	21,619.65	4.33%	(15.64%)	(0.68%)
RIO	Rio Tinto Limited	19,855.89	3.98%	(0.39%)	(0.02%)
BXB	Brambles Limited	10,418.60	2.09%	(8.47%)	(0.18%)
CWY	Cleanaway Waste Ltd	8,394.46	1.68%	(9.10%)	(0.15%)
JLG	Johns Lyng Group	18,290.16	3.66%	0.00%	0.00%
QUB	Qube Holdings Ltd	12,184.02	2.44%	(1.47%)	(0.04%)
CAR	Car Group Limited	14,523.60	2.91%	(12.22%)	(0.36%)
CLW	Chtr H Lwr	24,843.60	4.97%	(9.21%)	(0.46%)
INA	Ingenia Group	10,602.72	2.12%	(12.72%)	(0.27%)
CSL	Csl Limited	10,531.65	2.11%	(2.84%)	(0.06%)
IDX	Integral Diagnostics	15,030.84	3.01%	(1.35%)	(0.04%)
RMD	Resmed Inc	13,539.36	2.71%	(10.84%)	(0.29%)
SHL	Sonic Healthcare	11,881.45	2.38%	(11.81%)	(0.28%)
DTL	Data#3 Limited	5,692.40	1.14%	(1.82%)	(0.02%)
NXT	Nextdc Limited	20,217.52	4.05%	(18.44%)	(0.75%)
RUL	Rpmglobal Hldgs Ltd	12,484.98	2.50%	0.00%	0.00%
ELD	Elders Limited	14,832.00	2.97%	(0.83%)	(0.02%)
WES	Wesfarmers Limited	12,248.88	2.45%	(8.43%)	(0.21%)
MQG	Macquarie Group Ltd	31,904.94	6.39%	(5.41%)	(0.35%)
QBE	Qbe Insurance Group	29,339.86	5.88%	1.75%	0.10%
SUN	Suncorp Group Ltd	24,208.85	4.85%	10.39%	0.50%
ORG	Origin Energy	29,080.62	5.82%	5.42%	0.32%
PFP	Propel Funeral	10,692.00	2.14%	(7.21%)	(0.15%)
PWH	Pwr Holdings Limited	18,558.80	3.72%	(13.83%)	(0.51%)
CASH	CASH	44,826.58	8.98%	0.00%	0.00%
Total		**499,378.47**	**100.00%**		**(7.38%)**

Performance Overview

	1 Month	3 Months	6 Months	1 Year	Since Inception p.a.*
SMIF	(7.38%)	(5.94%)	(9.35%)	3.35%	6.74%
All Ordinaries Accumulation Index	(7.97%)	(3.71%)	(4.95%)	5.95%	5.58%
Alpha	0.59%	(2.23%)	(4.40%)	(2.60%)	1.16%

* Return since fund inception on 19 November 2018

Sector Breakdown

	% Weight	% Return
Materials	19.03%	(16.34%)
Industrials	9.87%	(3.70%)
Communication Services	2.91%	(12.22%)
Real Estate	7.10%	(10.26%)
Healthcare	10.21%	(6.62%)
IT	7.69%	(9.98%)
Consumer Staples	5.42%	(4.27%)
Financials	17.11%	1.52%
Utilities	5.82%	5.42%
Consumer Discretionary	5.86%	(11.41%)

Contributors to Returns

Top 5 Contributors (%)	
SUN	10.39%
ORG	5.42%
QBE	1.75%
RIO	(0.39%)
ELD	(0.83%)

Top 5 Detractors (%)	
NST	(31.58%)
JHX	(23.73%)
NXT	(18.44%)
PRN	(15.64%)
PWH	(13.83%)

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.