



Australian
National
University

ANU Student Managed Fund

Mid-semester report – Semester 2, 2021

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Notes:

All dollar amounts in this report are Australian dollars.

This report is written by the members of the Relationship Team of The Australian National University (ANU) Student Managed Fund (SMF), in conjunction with other SMF team members. It has been reviewed by the SMF Convenors, the Director of Research School of Finance, Actuarial Studies and Statistics (RSFAS) and the Communications team of the ANU College of Business and Economics (CBE). Any enquires, feedback or comments can be directed to smf.rsfas@anu.edu.au.

Further information on the ANU SMF can be found at: <https://rsfas.anu.edu.au/study/student-managed-fund>.

Disclaimer:

The sole purpose of this document is to report on the activities of the SMF and its related courses. It has been prepared by ANU staff and students who are not licensed to provide financial product advice under the Corporations Act 2001. The information provided on the investments does not constitute, and should not be relied upon as, financial product advice. For financial product advice that takes account of your particular objectives, financial situation and needs, readers should consider seeking that advice from an Australian Financial Services licensee.

Glossary

AA – Asset Allocation

AAE – Active Australian Equities

AC – Australian cash and accruals

AE – Australian equities

AFI – Australian fixed income

AMA – ‘Ask Me Anything’

ANU – The Australian National University

ALX – Atlas Arteria Group

BBRMF – Behavioural Bias Risk Management Framework

BRG – Breville Group

BXB – Brambles Limited

CBE – ANU College of Business and Economics

CIO – Chief Investment Officer

COL – Coles Group

CRO – Chief Risk Officer

CSA – Candidate Stock Analysis

ESG – Environmental, Social and Governance

ETF – Exchange-Traded Fund

IAC – Investment Advisory Committee

IE – International equities

ING – Inghams Group Limited

IPS – Investment Policy Statement

ORI – Orica Limited

IOZ – iShares Core S&P/ASX 200 ETF

PC – Portfolio construction

R&C – Risk and Compliance

RSFAS – Research School of Finance, Actuarial Studies and Statistics

RT – Relationship Team

SHL – Sonic Healthcare Limited

SMF – ANU Student Managed Fund

SRI – Socially responsible investment

TLS – Telstra Corporation Limited

WBC – Westpac Banking Corporation

WPL – Woodside Petroleum

Chief Investment Officer (CIO) report

The SMF has built on its strong start to 2021. Since its inception on 10 April 2018, the Fund has exceeded its real return target by 23.15% (6.33% per annum), while outperforming its reference portfolio by 3.81% (1.11% per annum). It has generated an impressive cumulative total return of 50.17% (12.47% per annum), although this largely reflects the strength of equity markets. Nevertheless, the fact that the SMF has added value over its reference portfolio points towards an additional contribution from effective implementation of its long-term investment philosophy.

The Team has continued to operate excellently, despite maintaining a remote learning environment due to the ongoing COVID-19 restrictions. The incoming cohort of juniors has quickly immersed themselves in the values and processes of the Fund. The effective transition has been enabled by the senior cohort assuming leadership and providing valuable mentorship.

Despite the online workspace, the Fund has undertaken numerous cross-team initiatives that have developed a strong culture of collaboration. A good example is the 'red team' initiative, under which the Risk and Compliance (R&C) team inputs into the analysis undertaken by the Active Australian Equities (AAE) team through providing independent assessment of potential downside risks to the investment thesis.

At a sub-team level, the Fund has been undertaking numerous exciting projects. Some highlights include:

- The AAE team has enhanced its filtering process, implementing a more thematic approach aimed towards identifying stocks that capitalise on anticipated macro trends and align with the Fund's investment philosophy. AAE analysts are currently undertaking two in-depth valuations, Coles Group (COL) and Woodside Petroleum (WPL), while simultaneously reviewing the existing stock holdings.
- The Asset Allocation (AA) team has refined the work on their process that was commenced last semester, including shifting their scenario probabilities further towards higher inflation and low growth over the years ahead. They are currently investigating additional asset classes, specifically emerging markets and gold. The team is working towards a potential recommendation to realign portfolio weightings.
- The R&C team has further developed the management and assessment of risk within the portfolio, with the 'red-team' initiative in collaboration with the AAE team being a key feature. The team has begun a process of reviewing the SMF Socially Responsible Investment (SRI) policy, which will continue into the second half of the semester.
- The Relationship Team (RT) has continued to grow the Fund's social media presence, including coordinating the publication on external channels of last semester's reports on Brambles and asset allocation. The team designed and facilitated an 'Ask Me Anything' (AMA) session and an Application Workshop, providing valuable insights to potential SMF candidates.

The Fund welcomed guest lecturer David McGregor, Partner at ATLAS Infrastructure. The presentation was focused on risk management, and provided valuable advice on incorporating environmental, social and governance (ESG) factors into the assessment of valuation. The team hopes to draw from the insights provided as it refines the SMF SRI policy over the coming period.

Max Burrows, CIO

Team updates

The following updates introduce new members, detail the activities and outline upcoming priorities for each sub-team.

Asset Allocation (AA) team

The AA team is fortunate to welcome Zachary Taylor as an Analyst. His aptitude has seen him immediately embedded as an integral team member alongside Senior Analysts Jing Ran and Xinyi Wang, and Team Head Michael Searle.

The COVID-19 pandemic continues to provide a catalyst for fiscal and monetary policy makers around the world to take action. Following a review of the pandemic response and building on research completed by the AA team last semester, a 'stagflation' scenario has been added to the AA's portfolio construction (PC) model. The scenario assesses the impact of a potential high inflation and stagnant economic growth environment on the Fund's asset classes.

In the coming weeks, the AA team will seek to introduce two new asset classes: emerging markets and gold. Emerging markets is being investigated as alternative equity class, while gold is being examined as a potential inflation hedge. This is a first step in rounding out the asset classes considered within the AA PC model, which currently comprises only Australian equities (AE), international equities (IE), Australian fixed income (AFI) and Australian cash (AC). The team plans to generate an asset allocation recommendation report in the second half of the semester, which will be presented at a Fund level before any recommendation is put to the Investment Advisory Committee (IAC) for endorsement, if a change in weights is seen as justified.

Michael Searle, Head of AA

Active Australian Equities (AAE) team

Joining the AAE team as analysts this semester are Jonathan Boyd, Hannah Young and Sam Watson. With the guidance provided by Senior Analysts Lachlan Scott and Jingxin (Ben) Mai, the new additions have already made meaningful contributions. The semester started with the candidate stock analysis (CSA) process, under which the team identified potential contenders and pitched them to the Fund. In doing so, the AAE team conducted a thematic filtering process for the first time. Key themes included winners and losers of COVID-19, high-quality companies from beaten-up industries, and stocks set to benefit from the secular trends of digitisation and climate change. The CSA process was further enhanced by collaboration with the AA team, through which upside inflation risk was identified as a priority when considering potential stocks for investment. The AAE team researched the potential for the resources and infrastructure sectors to outperform in such an environment.

Woodside Petroleum (WPL) and Coles Group (COL) were ultimately voted through by the Fund to proceed to in-depth analysis. Breville Group (BRG), Orica Limited (ORI) and Atlas Arteria Group (ALX) were also considered, but fell short in the voting process. WPL's candidacy is also providing an opportunity to discuss ESG matters and how their integration within our analysis can be improved. The AAE team has commenced the 'revaluation' process, under which the Fund's existing active stock holdings are reviewed, rather than leaving it until towards the end of the semester. At the date of this report, Brambles (BXB) and Telstra (TLS) have been reviewed and these positions confirmed.

Felix Jones, Head of AAE

Risk and Compliance (R&C) team

The R&C team has been fortunate to welcome three Analysts this semester – Daniel Dwyer, Jie Qi Tay and Liying Xue, who are operating under the supervision of Senior Analysts Inuja Aluwihare and Yuchen Yang, and Chief Risk Officer (CRO) Jonathan Lang.

Working in conjunction with the AAE team, the R&C team has effectively implemented the ‘red team’ initiative this semester. This initiative provides the opportunity for R&C analysts to critically analyse key assumptions underpinning the central investment theses of potential stocks, and encourages greater contestability amongst Fund members during the CSA and in-depth analysis phases. In doing so, the R&C team has been able to address information asymmetries and opinion convergences identified during the Behavioural Bias Risk Management Framework (BBRMF) analysis that was completed last semester.

Furthermore, the R&C team continues to investigate the most effective way to integrate ESG principles into the Fund’s operations. The work completed in this space includes multiple roundtable discussions about emerging ESG issues, ESG Exchange-Traded Fund (ETF) analysis and a comprehensive SRI review on Westpac (WBC). These efforts continue to illuminate the importance of the SMF SRI policy in governing the Fund’s operations.

Finally, as part of the team’s compliance responsibilities, the R&C team continues to undertake comprehensive portfolio and performance evaluation analysis, including fortnightly portfolio updates. This work is critical in ensuring the Fund remains compliant with the overarching Investment Policy Statement (IPS).

Jonathan Lang, CRO

Relationship Team (RT)

Joining the RT this semester as Relationship Officers are Julie Lin and Liam Asmaro. Under the guidance of Relationship Manager Seonghyun Yong and Engagement Manager Petal Wang, both have already made major contributions to the RT’s underlying mission. Some key aims include to enhance the Fund’s presence on various platforms; widen our reach to students, donors and guest speakers; and increase alumni engagement.

The team has spearheaded a new initiative of hosting an AMA session. The session attracted over 25 participants, creating a platform for engagement with other students while addressing numerous enquiries about the Fund’s processes. The session also served to promote the Application Workshop, during which over 30 students heard current SMF team members share their tips for the application process. Both events continued to grow the Fund’s profile, whilst stimulating recruitment.

The RT continues to provide ongoing support to the Fund through establishing sub-team report templates and supporting the preparation of sub-team reports, which has also assisted the ‘red team’ initiative between the AAE and R&C teams. It has added to the Fund’s social media presence by publishing the reports on Brambles and asset allocation as well as the [end-semester report](#) from the last semester on external channels. The RT has also advanced initiatives established by previous cohorts by preparing new additions to the ‘SMF alumni corner series’ and ‘Guest speaker spotlights’.

In the coming weeks, we hope to build on the progress made through the AMA session and Application Workshop by exploring new ways to enhance our presence, such as a new strategic direction for social media platforms and increased promotions within CBE and other external avenues.

Seonghyun Yong, Relationship Manager

SMF team photos and roles

CIO



CIO
Max Burrows

Convenors



Course Convenor
Dr Anna von Reibnitz

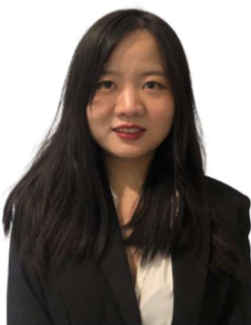


Fund Convenor
Associate Professor Geoff Warren

Asset Allocation (AA) team



Team Head
Michael Searle



Senior Analyst
Jing (Jean) Ran



Senior Analyst
Xinyi (Alice) Wang

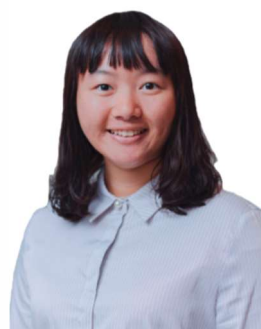


Analyst
Zachary Taylor

Relationship Team (RT)



Relationship Manager
Seonghyun Yong



Engagement Manager
Petal Wang



Relationship Officer
Julie Lin



Relationship Officer
Liam Asmaro

Active Australian Equities (AAE) team



Team Head
Felix Jones



Senior Analyst
Jingxin (Ben) Mai



Senior Analyst
Lachlan Scott



Analyst
Hannah Young



Analyst
Jonathan Boyd



Analyst
Sam Watson

Risk & Compliance (R&C) team



CRO
Jonathan Lang



Senior Analyst
Inuja (Jay) Aluwihare



Senior Analyst
Yuchen (Ricky) Yang



Analyst
Daniel Dwyer



Analyst
Liying Xue



SRI Analyst
Jie Qi Tay

Portfolio overview

Portfolio structure

Portfolio weights as at 3 September 2021 are plotted in Figure 1. The first chart compares asset class weights to the reference portfolio, while the second chart plots active stock positions relative to their target weights in the AAE portfolio. Figure 2 (page 10) details the asset values and associated weights of each investment within the portfolio.

As at 3 September 2021, significant deviations from the reference portfolio can be observed for AFI (-9.04%) and AC (+8.04%), reflecting the decision made on 13 October 2020 to shift 7.5% of the portfolio from AFI to AC. Within the AAE portfolio, a substantial deviation from target weights is observed for Inghams Group Limited (ING) of -2.19%.

So far, no changes have been made to the target asset weights or portfolio holdings during the current semester. The SMF portfolio was valued at \$816,478 as at 3 September 2021. The Fund's five active stock positions sum to 25.23% of the portfolio, with the remainder of AE exposure comprising 36.2% in iShares Core S&P/ASX 200 ETF (IOZ) (of which 30.69% is housed in the AAE portfolio). Other assets weights include 19.58% in IE, 5.96% in AFI and 13.04% in AC plus accruals. The portfolio is 1.00% overweight in total equities relative to the 80% target weight, largely due to market movements in equities versus fixed income.

Figure 1: Asset allocation and active stock weights as at 3 September 2021

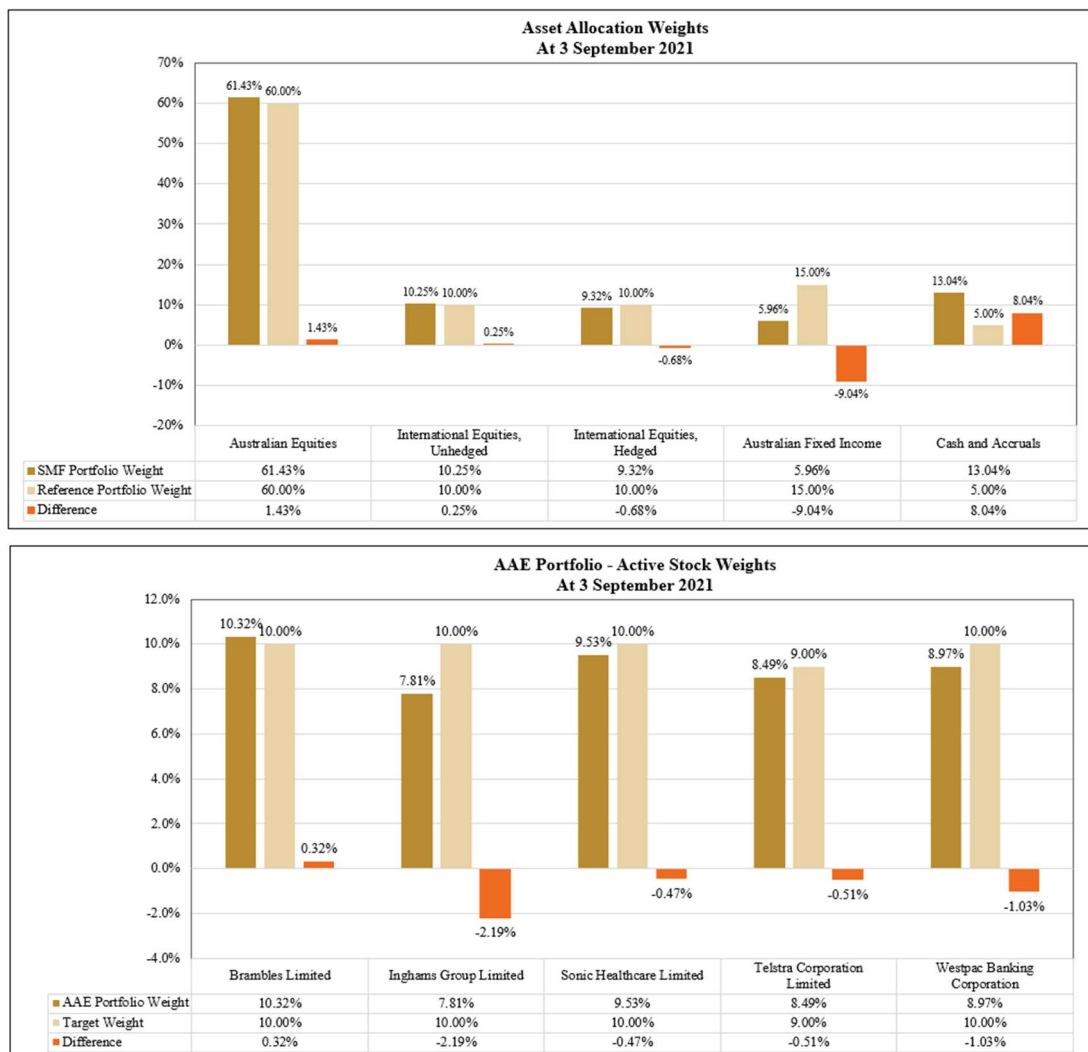


Figure 2: Portfolio structure as at 3 September 2021

Portfolio component	Benchmark ETF	Asset values	SMF portfolio weight	Reference portfolio weight	Over (under) weight
		\$	%	%	%
Australian equities					
AAE portfolio:					
iShares Core S&P/ASX 200 ETF		250,607	30.69		
Brambles Limited		47,098	5.77		
Inghams Group Limited		35,640	4.37		
Sonic Healthcare Limited		43,531	5.33		
Telstra Corporation Limited		38,739	4.74		
Westpac Banking Corporation		40,929	5.01		
Total AAE portfolio	iShares Core S&P/ASX 200	456,544	55.92	50	5.92
Australian Equities in AA Portfolio:					
iShares Core S&P/ASX 200		44,978	5.51	10	-4.49
Total Australian equities	iShares Core S&P/ASX 200	501,522	61.43	60	1.43
International equities, hedged	Vanguard International Shares Index, Hedged	76,130	9.32	10	-0.68
International equities, unhedged	Vanguard International Shares Index	83,714	10.25	10	0.25
Total international equities		159,844	19.58	20	-0.42
Total Equities		661,366	81.00	80	1.00
Australian fixed income	Vanguard Australian Government Bond Index	48,632	5.96	15	-9.04
Australian cash & accruals:					
BetaShares Australia High Interest Cash		68,332	8.37		
BT Cash Management Trust		32,160	3.94		
Accrued Interest & Dividends		823	0.10		
Accrued Franking Credits		5,165	0.63		
Total cash & accruals	BetaShares Australia High Interest Cash	106,480	13.04	5	8.04
Total fixed income & cash		155,112	19.00	20	-1.00
Total value of SMF assets					
Total portfolio value as reported in BT Panorama		811,313			
Accrued franking credits		5,165			
Total value of SMF assets		816,478	100	100	

Portfolio performance

As reported in Figure 3 (page 12), the Fund has generated a cumulative return of +50.17% (12.74% per annum) since inception. This amounts to outperformance of +23.15% against the return target, calculated as the 4.5% distribution rate plus realised inflation (i.e. a real return of 4.5% per annum). The outperformance relative to the target amounts to +6.33% per annum, which is greater than observed in December 2020 and June 2021 at +2.57% and +5.77%, respectively.

Relative to the reference portfolio, the Fund has outperformed by +3.81% (+1.11% per annum) since inception, consisting of relative returns of -1.10% in 2018, -0.90% in 2019, +0.76% in 2020 and +5.12% in 2021 year to date. All return calculations include franking credits. Sources of performance are discussed in the attribution analysis section below.

Attribution analysis

Figure 4 (page 13) presents the attribution of portfolio performance versus the reference portfolio, which involves estimating the contribution from components of the investment process, specifically asset allocation and security selection. The AA component measures performance attributable to deviations in asset class weights versus the reference portfolio. The security selection component measures the contribution from active stock positions to the performance of the AAE portfolio relative to IOZ (the AAE portfolio benchmark). Any residual effects resulting from interactions between the two segments over time is reported under the heading 'aggregation, cash portfolio and other impacts.' This residual also captures the effects of the cash portfolio not being invested entirely in the benchmark AC ETF, noting that the SMF portfolio holds some of its cash in the BT Cash Management Trust and accounts for accruals within the cash component. The relatively large residual of +0.74% for 2021 arises as a consequence of some unusually large interaction and time aggregation effects, which are associated with large market movements and the sizable outperformance by the AAE portfolio that have occurred during the year.

The cumulative performance since inception of the SMF portfolio against the reference portfolio is +1.11% per annum. This comprises +0.41% from asset allocation positions, +0.53% from security selection within the AAE portfolio, and an additional +0.17% from aggregation effects. Within the AAE portfolio, Sonic Healthcare (SHL) has contributed the most to cumulative outperformance since inception (+0.92% per annum), while ING has produced the largest negative contribution since inception (-0.48% per annum).

Figure 3: Portfolio performance since inception as at 3 September 2021

Year	2018	2019	2020	2021	Since inception	
Opening date	10 April 2018	1 January 2019	1 January 2020	1 January 2021	10 April 2018	
Closing date	31 December 2018	31 December 2019	31 December 2020	3 September 2021	3 September 2021	
PORTFOLIO VALUES						
Opening portfolio value in BT Panorama*	\$615,079.04	\$608,598.58	\$705,485.10	\$704,774.44		
- Distribution related to prior period	\$0.00	-\$27,746.21	-\$32,186.49	-\$32,067.23		
+ Amount held by CBE, offset against distribution	\$0.00	\$7,983.83	\$0.00	\$0.00		
+ Accrued franking credits	\$0.00	\$3,235.76	\$9,770.12	\$7,757.36		
Adjusted opening portfolio value	\$615,079.04	\$592,071.96	\$683,068.73	\$680,464.57		
Closing portfolio value in BT Panorama	\$608,598.58	\$705,485.10	\$704,774.44	\$811,312.66		
+ Accrued franking credits	\$3,235.76	\$9,770.12	\$7,757.36	\$5,165.31		
- Contributions	\$0.00	\$0.00	-\$1,000.00	-\$150.00		
Adjusted closing total portfolio value	\$611,834.34	\$715,255.22	\$711,531.80	\$816,327.97		
RETURNS (%)	2018	2019	2020	2021	Cumulative	Per annum
SMF portfolio return (based on adjusted portfolio values)	-0.53%	20.81%	4.17%	19.97%	50.17%	12.74%
Target return (estimated as CPI + 4.5%)**	4.56%	6.16%	5.36%	4.83%	22.60%	6.18%
SMF return vs. target	-4.87%	13.80%	-1.19%	15.13%	23.15%	6.33%
Reference portfolio return	0.58%	21.91%	3.40%	14.85%	45.61%	11.68%
SMF return vs. reference portfolio	-1.10%	-0.90%	0.76%	5.12%	3.81%	1.11%
Note: Administration fees - BT Panorama		0.02%	0.23%	0.15%	0.40%	0.12%

* Portfolio value for 10 April is estimated as at time of portfolio inception trades.

** Preliminary estimate based on +0.4% CPI for September quarter 2021

Figure 4: Performance attribution since inception as at 3 September 2021

	Contributions to performance vs. reference portfolio					
Period	2018	2019	2020	2021	Since inception	
	%	%	%	%	Cumul- ative	Per annum
Opening date	10/04/18	01/01/19	01/01/20	01/01/21	10/04/18	
Closing date	31/12/18	31/12/19	31/12/20	03/09/21	03/09/21	
SMF portfolio vs. reference portfolio						
Asset allocation – AA portfolio	0.17%	-0.28%	1.55%	-0.01%	1.41%	0.41%
Security selection – AAE portfolio	-1.26%	-0.58%	-0.66%	4.39%	1.81%	0.53%
Contribution from positions held (prior BT fees)	-1.09%	-0.87%	0.89%	4.38%	3.25%	0.95%
Aggregation, cash portfolio and other effects	-0.01%	-0.03%	-0.13%	0.74%	0.57%	0.17%
Total relative performance	-1.10%	-0.90%	0.76%	5.12%	3.81%	1.11%
Asset allocation attribution – AA Portfolio						
Australian equities	0.01%	-0.04%	0.44%	0.00%	0.41%	0.12%
Australian fixed income	-0.02%	-0.11%	1.24%	1.08%	2.20%	0.64%
International equities, hedged	0.01%	-0.01%	-0.02%	-0.01%	-0.03%	-0.01%
International equities, unhedged	0.01%	0.01%	0.02%	-0.02%	0.03%	0.01%
Cash and accruals	0.16%	-0.15%	-0.14%	-1.05%	-1.17%	-0.35%
Time aggregation effect	0.00%	0.00%	0.00%	-0.01%	-0.01%	0.00%
AA contribution to total portfolio performance	0.17%	-0.28%	1.55%	-0.01%	1.41%	0.41%
AAE portfolio vs. S&P/ASX200 ETF						
iShares Core S&P/ASX 200 ETF	-0.01%	-0.04%	-0.07%	0.00%	-0.12%	-0.04%
Bingo Industries Limited	-3.21%	1.89%	-0.75%	1.50%	-0.65%	-0.19%
Brambles Limited	0.00%	0.00%	0.00%	0.56%	0.56%	0.16%
Inghams Group Limited	0.00%	-2.43%	-0.17%	0.99%	-1.64%	-0.48%
Rio Tinto Limited	-0.04%	0.52%	0.54%	0.00%	1.02%	0.30%
Sonic Healthcare Limited	0.00%	-0.11%	1.85%	1.41%	3.18%	0.92%
Telstra Corporation Limited	0.62%	0.53%	-1.05%	1.32%	1.41%	0.41%
Westpac Banking Corporation	0.00%	-1.49%	-1.49%	2.20%	-0.82%	-0.24%
Time aggregation effect	-0.02%	-0.01%	-0.04%	0.20%	0.14%	0.04%
Relative performance vs. S&P/ASX200 ETF	-2.66%	-1.14%	-1.18%	8.18%	2.88%	0.84%
AAE contribution to total portfolio performance	-1.26%	-0.58%	-0.66%	4.39%	1.81%	0.53%

Socially responsible investment (SRI) report

This section outlines how the Fund invests in accordance with SMF SRI policy, which operates as an extension on the University's SRI policy, and can be summarised by the following five conditions:

- i. Exclude companies that derive more than 20% of revenues from adult entertainment, alcohol, armaments, coal, gambling, tobacco or exploitative lending practices.
- ii. Hold an active equity portfolio with 30% less carbon intensity than the S&P/ASX 200.
- iii. Avoid investments that are likely to cause an unacceptable level of 'social injury'.
- iv. Favour investments that create 'social benefit'.
- v. Preference companies engaged in these sustainable business activities and practices, as determined by the Fund:
 - E. climate change action
 - S. equity, diversity and inclusion
 - G. corporate trustworthiness, including transparency, compliance and accountability

All active stock positions are currently in compliance with the industry exclusions limit (condition i). This condition has proved important in narrowing down the list of candidate stocks, with many stocks being excluded from consideration as a result.

Figure 5 reports on SRI compliance regarding carbon intensity as of 3 September 2021 (condition ii). Sourced from the ANU Investment Office, carbon intensity is calculated based on the volume of Scope 1 and 2 emissions measured in tonnes per \$1 million of revenue earned. The Fund is pleased to report carbon intensity that is -82.4% below the S&P/ASX200 Index, exceeding the -30% target with a margin of 52.4%.

Figure 5: Carbon intensity of the AAE component as at 3 September 2021

	ASX200	BXB	ING	SHL	TLS	WBC	Total active stock positions	Active stock positions vs. ASX200	Target improvement	Margin
Weighting in AAE Portfolio	54.89%	10.32%	7.81%	9.53%	8.49%	8.97%	45.11%			
Carbon Intensity	201.00	13.2	86.8	15.5	70.0	4.8	35.4	-82.4%	-30.0%	52.4%

Conditions iii-v of the SRI policy are evaluated on an ongoing basis with respect to existing holdings and throughout the stock analysis process. The Fund's active commitment to avoid investments that cause an unacceptable level of 'social injury' was reflected by the decision to declare a 'potential breach' for WBC after the company was sued by ASIC for alleged insider trading, unconscionable conduct, and breaching its financial service obligation. The allegations related to WBC's role in executing a \$12 billion interest rate swap transaction with a consortium comprising AustralianSuper and a group of IFM entities in 2016. After extensive consultation with the Fund, a formal review was completed by the R&C team in July 2021. It was determined that WBC was not in contravention of the SMF SRI policy. This decision was based on three considerations:

- The reputational risk posed to the Fund appears limited. While headlines surfaced across multiple media outlets at the time, there has been no enduring backlash or widespread commentary condemning WBC's behaviour.
- The alleged insider trading occurred back in 2016. This is before the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, which subsequently imposed stricter requirements on financial service firms.

- Whilst insider trading represents a material issue, from a legalistic perspective, innocence must be assumed until WBC is proven to be guilty in a court of law. Given the court proceedings are not set to commence until mid-2023, the Fund would therefore be liquidating WBC on the presumption of guilt.

It was determined that the likelihood of WBC causing an unacceptable level of 'social injury' in the future is sufficiently low, and thus WBC was deemed not in contravention of condition iii. However, it is important to note that, whilst the majority of SMF members voted in favour of retaining the active position in WBC, the circumstances surrounding the incident raised some concerns regarding the current scope of the SMF SRI Policy. Specifically, WBC's historical misconduct raised a query as to what extent a series of small incidents could constitute an SRI policy breach. Currently, the SRI policy does not set out a clear framework for addressing this issue. Consequently, it was agreed that the scope of the SRI policy should be reviewed. A proposed revision is being prepared, and will be put to the Fund prior to the end of the current semester. The Fund recognises the importance of upholding socially responsible values in the SMF portfolio, and will continue to monitor and develop its SRI policy as appropriate.

Photo credits

Name of the person	Photo on page	Photo credits
Dr Anna von Reibnitz	7	Dr Anna von Reibnitz
Daniel Dwyer	8	Luke Kenton
Felix Jones	8	Felix Jones
Associate Professor Geoff Warren	7	Centre for International Finance and Regulation
Hannah Young	8	Andrew Sikorski
Inuja (Jay) Aluwihare	8	Inuja (Jay) Aluwihare
Jie Qi Tay	8	Jie Qi Tay
Jing (Jean) Ran	7	Yiyi Han
Jingxin (Ben) Mai	8	Yun Long Xie
Jonathan Boyd	8	Tom Rasmussen
Jonathan Lang	8	Jocelyn Abbott
Julie Lin	7	Michelle Thomes
Lachlan Scott	8	Lachlan Scott
Liam Asmaro	7	Hrithik Chaubal-Menon
Liyong Xue	8	Liyong Xue
Max Burrows	7	Luca Autore
Michael Searle	7	Michael Searle
Petal Wang	7	David Beach
Sam Watson	8	Rachel Lendon
Seonghyun Yong	7	Michael Tietge
Xinyi (Alice) Wang	7	Xinyi (Alice) Wang
Yuchen (Ricky) Yang	8	Yuchen (Ricky) Yang
Zachary Taylor	7	Samantha Holt

Note: All persons appearing in photos have given permission for that photo to be used in this report.

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