



Australian  
National  
University

# ANU Student Managed Fund

## Report for end of Semester 2, 2024

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## Contents

<b>Glossary</b> .....	4
<b>Convenor report</b> .....	5
<b>Chief Investment Officer (CIO) report</b> .....	7
<b>Team Updates</b> .....	10
AAE: A new lease on life .....	10
AA: A ‘not yet’ for corporate bonds .....	11
RT: Refining established initiatives .....	12
<b>SMF team photos and roles</b> .....	14
<b>Portfolio overview</b> .....	17
Portfolio structure .....	17
Portfolio performance .....	20
Attribution analysis.....	20
Transactions, income and fees .....	24
<b>Socially responsible investment (SRI) report</b> .....	26
<b>Appendix</b> .....	28
SMF activities during Semester 1, 2024.....	28
SMF activities during Semester 2, 2024.....	29
SMF donors.....	31
Investment Advisory Committee members during Semester 2,2024 .....	31
SMF team members.....	32
SMF honour roll .....	33
Team composition by semester.....	35
<b>Contact details</b> .....	35

### 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 the ANU 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](mailto:smf.rsfas@anu.edu.au).

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

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## Glossary

**AA** – Asset Allocation  
**AAE** – Active Australian Equities  
**AC** – Australian cash and accruals  
**AE** – Australian equities  
**AFI** – Australian fixed income  
**ANN** – Ansell Limited  
**ANU** – The Australian National University  
**BBRMF** – Behavioural Bias Risk Management Framework  
**BXB** – Brambles Limited  
**CBE** – ANU College of Business and Economics  
**CIO** – Chief Investment Officer  
**CMT** – Cash management trust  
**CRO** – Chief Risk Officer  
**CSA** – Candidate stock analysis  
**CSL** – CSL Limited  
**DM** – Developed market equities  
**DOW** – Downer EDI Limited  
**EM** – Emerging markets equities  
**ESG** – Environmental, Social and Governance  
**IAC** – Investment Advisory Committee  
**IEM** – iShares MSCI Emerging Markets ETF  
**IOZ** – iShares Core S&P/ASX 200 ETF  
**LLC** – Lendlease Group  
**MoS** – Margin of safety  
**ORA** – Orora Limited  
**PC** – Portfolio construction  
**R&C** – Risk and Compliance  
**R&D** – Research and development  
**REIT** – Real estate investment trust  
**RT** – Relationship Team  
**SMF** – ANU Student Managed Fund  
**SRI** – Socially Responsible Investment  
**SUN** – Suncorp Group Limited  
**TLS** – Telstra Corporation Limited  
**VGAD** – Vanguard MSCI Index International Unhedged ETF  
**VGB** – Vanguard Australian Government Bond Index ETF  
**VGS** – Vanguard MSCI International Shares Index ETF  
**WBC** – Westpac Banking Corporation

## Convenor report

This has been a productive and rewarding semester, and we are proud to report that the SMF achieved its objectives in 2024. As convenors, we can attest to the rapid growth demonstrated by the incoming juniors from Week 1 of the semester, at which point they were still trying to find their feet, to later in the semester when they exuded confidence and clarity when presenting their pitches to the SMF. Much of the credit for this is attributable to the second semester seniors within the SMF, who assumed their leadership roles in earnest, and who taught and guided the new juniors from their first week. We also commend both the SMF juniors and seniors for the immense amount of hard work during the semester, and the outcomes achieved.

There were two recommendations pitched to the SMF Investment Advisory Committee (IAC) this semester. Our Asset Allocation (AA) team delivered a recommendation that the SMF consider corporate bonds as part of its asset mix. We were both immensely impressed with the quality of the team's research, and the professionalism of the delivery. Proposing a new asset class against the backdrop of the SMF's Investment Policy Statement (IPS) is a tough sell, and AA did an exceptional job. IAC provided comments and feedback to the team, and we hope that AA will revisit this asset class in the future. Second, our Active Australian Equities (AAE) team presented a buy recommendation to IAC that the SMF acquire a 10% active position in Lendlease Group (LLC). This too, was an articulate and well-crafted recommendation, which IAC endorsed.

Particularly noteworthy this semester was an example of the teams' embodiment of the SMF's 'five key values' (namely *legacy, contribution, objectives, long-term, and team*). While students are encouraged to consider these values to be of paramount importance every semester, we were impressed by the AAE team's decision this semester to not take a buy recommendation to IAC for Reliance Worldwide Corporation (RWC), despite completing their research. The team made the tough decision to not proceed a week prior to the scheduled presentation, on the basis that doing so would not be consistent with the SMF's *long-term* value based on recent events. Instead, the team prepared a document detailing their rationale, which will accompany the report the team had completed, and become part of the SMF's *legacy* to inform future cohorts. Another example involved the team not proceeding on another company on the grounds that, despite being compliant with the SMF IPS, would arguably have resulted in the portfolio being over-exposed to one sector. The team's decision to prioritise what is best for the SMF over their desire to pitch a buy recommendation demonstrated an admirable level of restraint, reflecting the professionalism one would ideally expect in industry.

We also bid farewell to our departing seniors in Week 12 of Semester 2. This is a bittersweet moment as convenors, having spent two semesters observing their academic growth, and hearing them reflect on the unique educational value provided by the SMF. Some even commented that being part of the SMF was the highlight of their time at university. We also know that their future awaits, and that the students will walk away with the skills developed during their time at the SMF, which should serve them well after graduation. We also welcome 11 students into the SMF for Semester 1, 2025. Both of us were impressed by the calibre of applicants during this round of applications. We are pleased to announce that the new juniors are of an exceptionally high standard, and we look forward to communicating their achievements, as well as those of the transitioning seniors, in 2025.

*Dr Hua Deng, Course Convenor*

*Dr Dean Katselas, Fund Convenor*



*Dr Dean Katselas (Fund Convenor)*



*Dr Hua Deng (Course Convenor)*



## Chief Investment Officer (CIO) report

Semester 2, 2024 was an eventful one for the SMF, characterised by strong portfolio performance and new initiatives. As of October 25, 2024, SMF assets under management (AUM) reached \$912,177.52, surpassing the \$900,000 milestone for the first time. Year-to-date (YTD), the SMF portfolio achieved a return of 15.94% in absolute terms, outperforming our reference portfolio by 4.00%. Notably, during this period, the SMF also exceeded our target return of CPI + 4.5%, by 10.76%. These are extraordinary results that everyone who has been involved in the SMF can take pride in. Since inception, the Fund has delivered an annualised return of 9.78%, outperforming the reference portfolio by 0.54% per annum (p.a.) and exceeding our target return by 2.12% p.a.

Briefly covering each sub-team, the AAE team had a productive semester, culminating in a recommendation for the SMF's AAE portfolio to establish a 10% position in LLC. This recommendation was endorsed by IAC, following positive feedback that commended the team's dispassionate confidence in LLC's ability to execute its strategic shift and their intimate understanding of the company's fundamentals. Also noteworthy was AAE's in-depth research into a potential buy recommendation for RWC. Despite RWC's promising prospects for geographic and product market expansion, along with its proven success in margin-accretive efficiency initiatives, the team concluded that the recent price rally had narrowed the margin of safety in their valuation. As a result, they chose not to recommend it to IAC. This decision reflects a high level of maturity and professionalism, demonstrating the Fund's commitment to rigorous investment standards even when extensive effort does not yield a tangible outcome, something that I was very proud to observe. In terms of performance, the AAE portfolio contributed to 4.09% of the overall SMF portfolio's performance relative to the reference portfolio YTD and exceeded its benchmark, the iShares Core S&P/ASX 200 ETF (IOZ), by 7.98%. Key contributors to these results were Suncorp Group Limited (SUN) (+2.53%), Westpac Banking Corporation (WBC) (+2.11%), and Brambles Limited (BXB) (+2.03%). Moving forward, under the leadership of Chee Zhen (Austin) Huang, the AAE team will look to focus on re-evaluating their current holdings to ensure the original investment theses remain aligned with the SMF's long-term objectives.

The AA team recommended that the SMF introduce a 7.5% target weighting in corporate bonds by purchasing the VanEck Australian Corporate Bond Plus ETF (ASX: PLUS). Despite IAC not endorsing the recommendation, citing concerns over unaccounted risks in the quantitative modelling and the classification of corporate bonds as a defensive asset, the team's talent and hard work will afford future cohorts solid foundations for further investigation into this asset class. The AA portfolio contributed 0.15% to the SMF's performance relative to the reference portfolio YTD, driven by its exposure to emerging markets (+0.34%), which broadly recovered in 2024 due to improved investor sentiment and stronger industrial activity and economic momentum, particularly in Asia and South America. Moving forward, AA looks to capitalise on some interesting emerging macroeconomic trends under the leadership of Grace Cooper as team head for next semester.

The Risk and Compliance (R&C) team also accomplished significant milestones this semester, including facilitating the Behavioural Bias Risk Management Framework (BBRMF) process, red teaming, completing socially responsible investment (SRI) reviews for all candidate stocks, and contributing to the LLC buy recommendation. For LLC, R&C identified challenges with environmental, social and governance (ESG) transparency and noted criticisms around opaque financial disclosures, though upcoming Australian reporting laws in 2025 are expected to improve these issues. The team also highlighted high governance risks, as activist investors are pushing for strategic changes, creating uncertainty around LLC's long-term direction. Despite these concerns, R&C concluded that these risks were adequately factored into the valuation, ensuring LLC's compliance with the SMF SRI Policy. The R&C team has advanced efforts to integrate quantitative risk measures, including portfolio beta and both historical and forward-looking Sharpe ratios, into the Fund's investment process – a promising initiative founded by outgoing senior analyst Aryaman Chhaya that supports the SMF's growth toward industry-standard practices. Under incoming Chief Risk Officer (CRO) Darcy Niven, R&C aims to solidify this quantitative risk initiative next semester, with plans to also enhance inter-team collaboration to strengthen the Fund's internal operations.

The Relationship team (RT) truly embodied the phrase “small but mighty” during Semester 2, making impressive strides in content, engagement, and the student application count for Semester 1, 2025. By leveraging prior social media insights, RT transitioned from weekly to bi-weekly posts that incorporated visual graphics to enhance impact. The team also continued and delivered the SMF’s “Short Film Initiative,” which was set up and filmed by last semester’s team. In collaboration with the leadership team, RT also successfully promoted SMF applications through lecture outreach and a well-attended application workshop, achieving record registration numbers and attracting a significantly more diverse applicant pool across both gender and disciplines. This milestone, long aspired to in previous semesters, reflects the ongoing dedication and adaptability of RT. Looking ahead, incoming RT head Kristoforus Gantari looks forward to welcoming two junior members next semester to assist in focusing on strengthening alumni relations, with the aim of advancing career opportunities for SMF members and broadly enhancing the Fund’s connection with industry.

Throughout the semester, the SMF had the privilege of hosting several guest speakers from diverse professional backgrounds. This included Pat Bustamante, Senior Economist at Westpac, who shared an economic outlook for Australia and insights on valuations of the country’s Big 4 banks; William Hart from E&P Financial Group, who highlighted the growing importance of ESG considerations in investment analysis, marking him as one of the SMF’s first ESG-focused guest speakers; and Frank Li from MLC Asset Management, who delved into the risk vs. return trade-off and offered valuable career guidance, especially for students pursuing CFA certification. These industry professionals provided invaluable insight and were able to answer some key questions from our students that influenced the Fund’s work throughout the semester. Further, SMF alumni Jak Carty from Australia’s Future Fund and Ryan McCoy, who has internship experience in Private Equity and Management Consulting, emphasised the pivotal role that the SMF played in launching their careers and expressed strong support for developing alumni relations to benefit both current and former members. Finally, on behalf of the Fund, I’d like to extend our sincere gratitude to the IAC, who have consistently pushed the cohort to meet higher standards and provided valuable feedback on our investment recommendations and total portfolio exposure.

Elevating the SMF’s brand was the key initiative undertaken this semester. To do this we intended to boost our LinkedIn following and collaborate with both the CBE and ANU social media teams, considering their large reach. This culminated in a CBE-produced video and memorandum post, which promoted the SMF, and, more importantly, marked the beginning of a collaborative relationship that the Fund looks forward to continuing. Ultimately, the initiative drove a 25% increase in our LinkedIn following, higher applicant numbers, and heightened external interest in the SMF; all of which are expected to positively impact both past, current, and future students while enhancing our ability to meet the Fund’s philanthropic objectives. This semester’s strong performance and brand expansion also necessitated the creation of a structured External Engagement Framework, which provides risk-aware guidelines for professional interactions and ensures that incoming cohorts understand their role in safeguarding the SMF. Cross-team collaboration remained central to weekly operations, with open tutorials, introduced last semester, now solidified, and a welcoming, collaborative tone prioritised from Week 1 in SMF meetings. This environment allowed juniors to seamlessly and passionately take on their roles, contributing significantly to the Semester’s achievements.

Finally, I would like to thank the entire Semester 2, 2024 SMF cohort and our convenors, Dr Hua Deng and Dr Dean Katselas. Each member made significant contributions to both their respective teams and the Fund throughout the semester, and I look forward to outwardly observing the juniors transition into exceptional leaders who will advance and, most importantly, care for the Fund’s legacy. I have no doubt that under the esteemed guidance of the convenors, and the new leadership of incoming CIO, James Orr, these students will ensure that the SMF continues to perform as the nation’s leading Student Managed Fund.



*Harry Nielsen, Chief Investment Officer (CIO)*



*Harry Nielsen (Chief Investment Officer)*

## Team Updates

In this section, each team discusses their highlights from Semester 2, 2024.

### AAE: A new lease on life

The AAE team had a successful semester and is pleased with the outcomes. Australian equities (AE) delivered strong returns in 2024, driven by gains in the ASX200, particularly benefiting from resilience in core sectors such as banking and consumer goods. The AAE portfolio delivered a total return of 21.51% YTD, exceeding the benchmark (IOZ) by 8.13%. This performance can be attributed to favourable market conditions and the realisation of investment theses.

Amidst challenging market conditions, the AAE team progressed two stocks to the stage of in-depth analysis: RWC and LLC. Both companies appeared undervalued following the Candidate stock analysis (CSA) stage and were deemed a good portfolio fit. RWC was not advanced as a buy recommendation to IAC due to a significant increase in its price between the team's in-depth analysis and to the IAC lead up, which diminished the margin of safety (MoS). The price surge was largely due to an unexpected share buy-back program and optimism surrounding US interest rate cuts, with AAE ultimately concluding that the current market price could not be supported by anticipated future earnings. Although RWC was ultimately not pitched to IAC, the team successfully achieved an important SMF learning outcome, and established the groundwork should a future cohort consider RWC or another capital goods company in the future.

Following IAC endorsement, the AAE portfolio established a 10% weighting in LLC. The investment thesis centred around LLC's announcement of a value additive strategy update, depressed property valuations, and a competitive advantage derived from synergies between its operating segments. The team did, however, identify two main risks associated with the investment. First, a failure to execute their strategy update and return capital to shareholders, which would negatively impact our valuation. Second, the inability to re-stock the Australian development and construction pipeline, which is currently concentrated in a handful of projects. Ultimately, the team concluded that the market has not fully priced in the long-term value to be unlocked through the strategy update, creating an attractive entry point for the SMF.

Additionally, the AAE team conducted revaluations of all holdings. Revaluations are a critical element of the investment process to ensure that holdings continue to align with the long-term objective of the SMF and flagging those which do not as sell candidates. The focus of revaluations this semester was to update the models and interrogate the initial investment thesis. Despite the strong outperformance of many holdings, the team continued to see upside in each:

- **Ansell Limited (ANN):** A highlight from FY24 earnings season, ANN demonstrated early signs of a normalisation in healthcare sales following previous de-stocking concerns. Looking forward, we anticipate that the recovery is set to continue and expect ongoing cost saving initiatives to improve the earnings outlook.
- **CSL Limited (CSL):** CSL remains a high-quality business with promising margin expansion, a robust R&D pipeline, and resilient cash flows across a diversified product portfolio. We are confident that the strength of the Behring business, driven by rising immunoglobulin sales and yield improvement initiatives, will fuel a margin recovery in the medium-long term.
- **Orora Limited (ORA):** ORA's initial investment thesis remains intact with the implementation of new organic growth strategy set to improve the quality of the earnings through reducing leverage and removing vulnerable aspects of the business.
- **Westpac Banking Corporation (WBC):** WBC continues to provide the SMF with resilient earnings growth, valuable exposure to the Australian banking sector and a sustainable dividend yield.
- **Suncorp Group Limited (SUN):** SUN was rebalanced down to its 10% target weight within the AAE portfolio, after exceeding the 3% rebalancing threshold per the IPS. However, AAE continued to see upside in holding an active position in SUN due to its strong market position, effective management of climate driven risks and elevated investment income.
- **Brambles Limited (BXB):** BXB delivered strong FY24 results exceeding SMF expectations. AAE remains confident that pallets are an essential part of the fast-moving consumer goods supply chain and expect automation/vertical integration to continue to improve operational and asset efficiency.

Other notable contributions throughout the semester include the development of an 'external engagement framework', which seeks to provide guidance to analysts when communicating with external parties in the construction of their investment cases. Further, the AAE team has been working closely with R&C to evaluate the opportunities and challenges of investing in a mining company.

I look forward to seeing what the future holds for the AAE team.

*Tom Mitchell, Head of AAE*

### **AA: A 'not yet' for corporate bonds**

This semester marked a major learning experience for the AA Team - with IAC rejecting the team's proposal to distribute the fixed income weighting across government and corporate bonds.

The team undertook an in-depth analysis of corporate bonds, underpinned by strong qualitative research and a quantitative incorporation of the new asset class into the portfolio construction (PC) model. From this, creating an investment thesis around the inclusion of corporate bonds as an asset class to increase diversification and strengthen portfolio returns, particularly within the defensive component of the fund. This involved investigating the effects of a higher yield-to-maturity, modified duration and potential for capital growth, as well as extra credit and economic risk, all balanced against the fund's risk appetite and long-term investment objectives. The team also considered the broader macroeconomic conditions and forecasted outlook, accounting for the projected path of interest rates within the Australian economy.

The proposal to introduce a 7.5% target weighting, through the purchase of the PLUS Australian Corporate Bond ETF, was ultimately rejected by IAC. IAC argued that the new risk introduced by corporate bonds was not fully accounted for in the team's quantitative modelling and took issue with the classification of corporate bonds as a defensive asset within the SMF's investment context. Whilst the result was disappointing and unanticipated, it did not undermine the work or efforts put in by the AA Team this semester. The introduction of a new asset class is a particularly challenging task that takes a significant level of quantitative modelling and qualitative research.

There is no doubt that the SMF learning objective was met by the AA team this semester. The research, modelling and collaboration required to take the investment proposal to IAC has provided invaluable experience and improved the team's technical and analytical skills. The experience of rejection and the feedback received was equally as valuable. With a modified approach, additional modelling and further qualitative research, there is a huge opportunity for corporate bonds to receive an IAC endorsement in the future. By taking on the criticisms and advice of these industry experts, the team will have a challenging but exciting semester ahead of reconsidering the role and position of corporate bonds within the portfolio. This prospect was discussed by the junior analysts in the final presentation for the semester, 'Looking forward'.

Overall, this semester has been filled with personal, academic and professional highlights within the AA team. These included the successful hosting of an open tutorial, highly engaging and well-grounded macroeconomic forecasts that were used by other teams throughout the semester, and the opportunity to hear from diverse external speakers with unique insights into the world of asset classes beyond the SMF. It has been a privilege to watch each team member grow in skill and confidence, and to see the junior analysts gradually transition into senior roles.

I look forward to seeing what the AA team will achieve going forward - as they continue to develop the legacy of the SMF and expand the fund's asset class holdings.

*Jessica Zeltzer, Head of AA*

### **R&C: Risk redefined; teamwork amplified**

Building on previous semesters' emphasis on cross team collaboration, R&C this semester sought to enhance the value it could offer other teams within the SMF. Drawing upon the team's diverse expertise, R&C adopted a range of new initiatives and refined existing ones to better suit the SMF's objectives. R&C also diligently engaged with its reporting and compliance obligations to facilitate external communication and ongoing compliance.

This semester, R&C made particular efforts to ensure SRI research was both relevant and targeted to better understand the risks posed by candidate stocks. A more streamlined approach to the delivery of both CSA reports and presentations was encouraged throughout the semester in order to focus on identification of material issues. This approach was ultimately well received by the IAC.

R&C undertook in-depth analysis of both RWC and LLC this semester, prior to RWC being withdrawn from consideration. Whilst LLC did not present any significant SRI policy contraventions, R&C identified several governance concerns arising from LLC's history of poor strategy implementation. R&C analysts worked in conjunction with AAE to analyse LLC's strategy update and its leadership, and ultimately found that the present strategy yielded sufficient merit. This position proved to be a significant point of contention during the presentation to IAC, however the team's thorough research prevailed in allaying all significant concerns.

Additionally, the BBRMF process was overhauled to achieve greater compliance with the BBRMF policy and better engagement from the cohort. R&C recognised the inherent value in the BBRMF process but acknowledged that the process had been somewhat neglected by a loss of sight of the underlying value of the process. By reviewing the policy documents and engaging with academic literature on the subject, a new BBRMF process was devised that proved less confronting but more effectively targeted at the key decisions made by each sub-team.

This semester also saw the successful continuation of the previous R&C cohort's important work on the Mining Framework. Whilst no mining companies were taken to in-depth analysis this semester, R&C has now produced detailed overviews of 9 mining companies within the ASX200. This process aims to facilitate investment in SRI compliant companies in the natural resources sector by proactively seeking out companies that comply with the SRI policy. The ongoing Mineral Resources Limited corporate governance challenges provided a fantastic opportunity to analyse both the company's response and its leadership structure.

Central to R&C's efforts to add greater value to the overall investment process was Senior Analyst Aryaman Chhaya's work on quantitative risk measurement. Whilst the initiative remains under development, the SMF recognises the value of the initiative in developing stronger, more dispassionate investment cases.

Moving into next semester, R&C is well positioned to capitalise this semester's initiatives, and I look forward to seeing the team continue to evolve.

*Nick Devlin, Chief Risk Officer (CRO)*

## **RT: Refining established initiatives**

This semester has been highly productive for RT, with meaningful enhancements to our engagement and outreach initiatives. Building on prior social media insights, we refined our strategy to increase awareness of the SMF and foster stronger connections with external stakeholders. With a clear set of objectives informed by past performance and discussions, RT aimed to:

- expand engagement on the Fund's social media platforms
- diversify content types
- increase student involvement and applications
- establish and nurture donor relations.

At the outset, RT leveraged early engagement momentum, launching posts from Week 1 after careful planning with convenors and the CIO. Despite a reduced team, we increased content frequency from weekly to bi-weekly, incorporating visually engaging graphics for higher impact. This strategic shift, combined with integrated links to the ANU SMF website, LinkedIn, and Facebook, boosted cross-platform traffic and engagement. Furthermore, the newly acquired viewership and engagement data from the ANU SMF website has offered deeper insights, enabling us to better understand our audience's preferences and adjust our content accordingly.

Expanding our content variety, RT launched new initiatives, including the "Short Film Initiative," a seven-part series interviewing current and previous SMF members; features on ANU SMF RSFAS Equity Scholarship recipients; and event coverage like our participation in the Welcome to CBE

event. Through end-of-semester performance analysis, we found that technical posts, such as the S1 2024 End-of-Semester Report and S2 2024 Mid-Semester Report, performed best, highlighting audience preference for more formal finance content. Based on this insight, RT is considering publishing official AAE and AA reports pre-presentation to further showcase SMF's technical expertise. The CIO, Harry, also led a LinkedIn engagement initiative, leveraging SMF members' networks to grow our LinkedIn following and amplify the Fund's visibility in the professional community.

Building on last semester's successes, RT actively promoted the SMF within finance-related lectures, engaging students early in their academic journey to help them plan prerequisite courses. To extend our reach beyond lectures, RT hosted a booth at the Welcome to CBE event and facilitated a finance workshop for high school students in collaboration with the CBE marketing team. The workshop was a great success, drawing interest and positive feedback from participants.

To support application efforts, RT organised an application workshop that achieved the highest registration in Fund history. Presentations from convenors, the CIO, and team heads provided prospective applicants with clear insights into each team's role, enhancing applicant readiness and aligning with our commitment to maintaining SMF's legacy.

In efforts to grow the Fund's assets, Relationship Officer Kristoforus coordinated meetings with the convenors, CIO, and ANU Philanthropy to explore potential fund-raising initiatives. Although this yielded useful insights, RT concluded it was in SMF's best interest to revisit this avenue in the future, shifting focus to strengthen other engagement activities in the near term.

Throughout the semester, RT consistently delivered on its administrative duties, maintaining high standards in tasks such as fund meeting minutes and social media management. This semester's efforts led to unprecedented engagement on social platforms, driven by support from our established audience and a growing number of new followers. Social media analysis revealed significant growth in student and university engagement, alongside increasing interest from finance industry professionals. These efforts translated into SMF's highest application numbers to date, with increased diversity across gender and disciplines among applicants.

Despite a smaller team, RT has achieved significant results, streamlining processes and increasing both the volume and diversity of content produced. With plans to expand the team next semester, we are confident that the next RT cohort will build on these achievements, further enhancing SMF's legacy through expanded and innovative initiatives.

*Kyaw Paing Sat, Head of RT*



## SMF team photos and roles

### Team Heads



*L-R: Jessica Zeltzer (AA), Kyaw Paing Sat (RT), Harry Nielsen (CIO), Nick Devlin (CRO), Tom Mitchell (AAE)*

### Asset Allocation (AA) Team



*L-R: Koh Dewar (Senior Analyst), Rosie Sewell (Analyst), Jessica Zeltzer (Team Head), Grace Cooper (Analyst)*

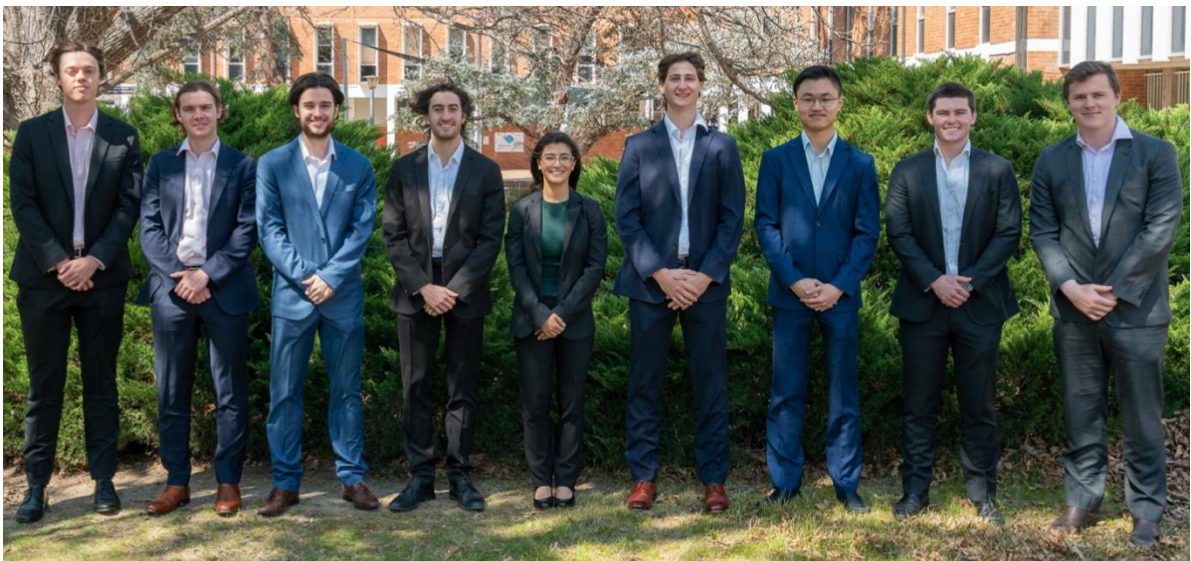


### Relationship Team (RT)



*L-R: Kyaw Paing Sat (Team Head), Kristoforus Gantari (Relationship Officer)*

### Active Australian Equities (AAE) Team



*L-R: Olaf Braaksma-Menks (Analyst), Tom Mitchell (Team Head), Aiden Jacobson (Senior Analyst), Benjy Jacobson (Senior Analyst), Gemma Saliba (Senior Analyst), Kurtis Castorina (Analyst), Austin Chee Zhen Huang (Analyst), Ben Manley (Analyst), James Orr (Analyst)*

## Risk and Compliance (R&C) Team



*L-R: Nick Devlin (CRO), Darcy Niven (Analyst), Aryaman Chhaya (Senior Analyst), Uthej Reddy (Analyst)*

## Portfolio overview

### Portfolio structure

As of 25 October 2024, the total value of the SMF portfolio was \$912,178. The SMF portfolio remains broadly aligned with the reference portfolio allocation, maintaining 19.10% in defensive assets, including Australian fixed income (AFI) and Australian cash (AC), and 80.90% in growth assets, which consist of Australian equities, developed market equities, hedged (DM,H), developed market equities, unhedged (DM,U), and emerging market equities (EM) (Figure 2). The specific weights of these asset classes are presented in Figure 1(a). All positions remain within the tolerance limits specified in the SMF IPS (see Figure 1 (a) and Figure 2). The SMF currently holds an overweight cash position within the Cash Management Trust (CMT) account. This was not rebalanced as AA were considering adjusting the proposed target weights. As this was ultimately unsuccessful, the cash balance will be used to partially fund the annual distribution. Fixed income is currently underweight however it has not exceeded the 3% threshold and thus will continue to be closely monitored.

The AAE component of the SMF portfolio currently holds seven active positions: ANN, BXB, CSL, LLC, ORA, SUN and WBC (see Figure 1 and Figure 2). Each of these positions has a target weight of 10%. SUN was rebalanced on 28 June 2024 after exceeding its target weighting by 3.35%. As of 25 August 2024, no active position exceeds its target weight by more than 3%, the rebalancing decision threshold per the IPS.

Figure 1(a): Asset allocation as of 25 October 2024

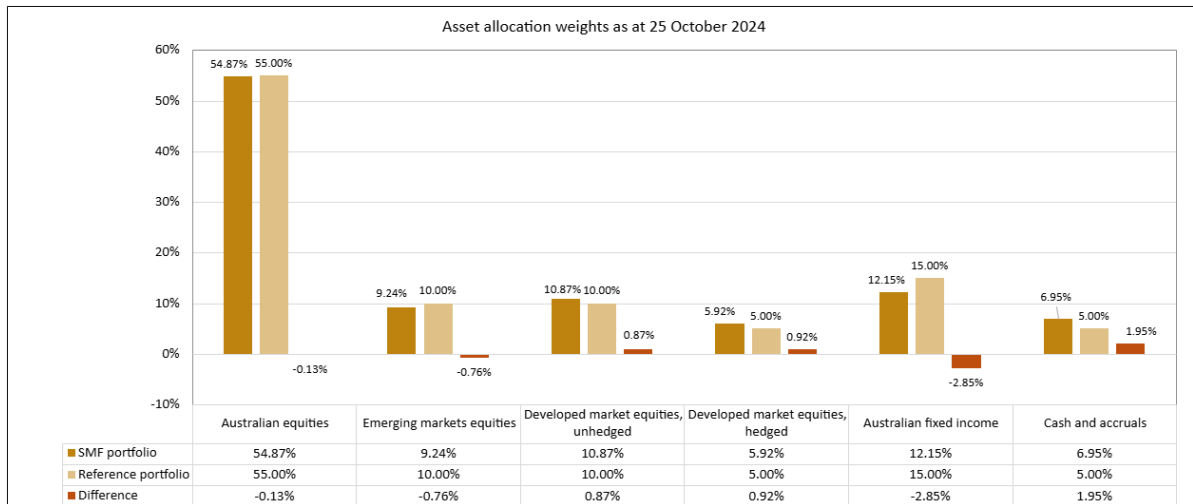


Figure 1(b): Active stock weights as of 25 October 2024

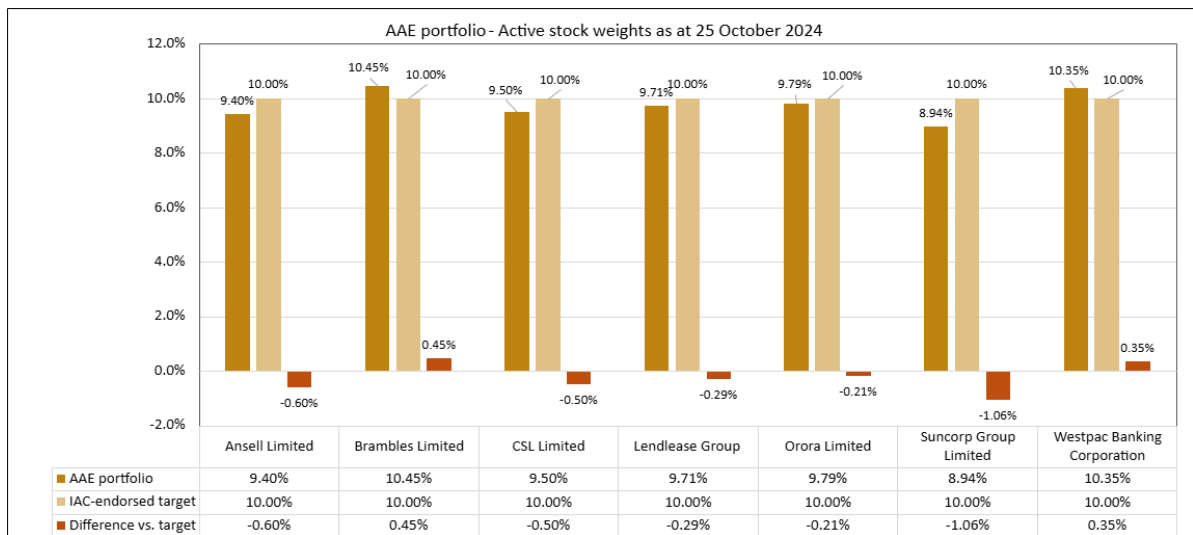


Figure 2: Portfolio structure as at 25 October 2024

Portfolio component	ETF used as benchmark investment vehicle	Asset values \$	SMF portfolio weight %	Reference portfolio weight %	Over (under) weight %
<b>Australian equities</b>					
<b>AAE portfolio:</b>					
iShares Core S&P/ASX 200 ETF		155,571	17.05		
Ansell Limited		45,913	5.03		
Brambles Limited		51,048	5.60		
CSL Limited		46,403	5.09		
Lendlease Group		47,399	5.20		
Orora Limited		47,819	5.24		
Suncorp Group Limited		43,657	4.79		
Westpac Banking Corporation		50,556	5.54		
Total AAE portfolio	iShares Core S&P/ASX 200	488,366	53.54	50	3.54
<b>Held within AA portfolio:</b>					
iShares Core S&P/ASX 200 ETF		12,122	1.33	10	-8.67
<b>Total Australian Equities</b>	iShares Core S&P/ASX 200	<b>500,488</b>	<b>54.87</b>	<b>60</b>	<b>-5.13</b>
Developed markets, hedged	Vanguard International Shares Index, Hedged	53,967	5.92	10	-4.08
Developed markets, unhedged	Vanguard International Shares Index	99,148	10.87	10	0.87
Emerging market equities	iShares MSCI Emerging Markets Index	84,313	9.24	0	9.24
<b>Total international equities</b>		<b>237,428</b>	<b>26.03</b>	<b>20</b>	<b>6.03</b>
<b>Total equities</b>		<b>737,916</b>	<b>80.90</b>	<b>80</b>	<b>0.90</b>
<b>Australian fixed income</b>	Vanguard Australian Government Bond Index	<b>110,842</b>	<b>12.15</b>	<b>15</b>	<b>-2.85</b>
<b>Australian cash and accruals:</b>					
BetaShares Australia High Interest Cash ETF	The	15,078	1.65		
BT Cash Management Trust		35,673	3.91		
Accrued interest and dividends		79	0.01		
Accrued franking credits		12,589	1.38		
<b>Total cash and accruals</b>	BetaShares Australia High Interest Cash	<b>63,419</b>	<b>6.95</b>	<b>5</b>	<b>1.95</b>
<b>Total fixed income and cash</b>		<b>174,261</b>	<b>19.10</b>	<b>20</b>	<b>-0.90</b>
<b>Total value of SMF assets</b>		<b>912,178</b>	<b>100.00</b>	<b>100.00</b>	



Total portfolio value as reported in BT Panorama	899,588
Accrued franking credits	12,589
<b>Total value of SMF assets</b>	<b>912,178</b>

## Portfolio performance

For the YTD, the SMF has generated a return of 15.94%, outperforming both the SMF's Target Return and Reference Portfolio by 10.76% and 4.00% respectively. Per Figure 3, the SMF has returned a cumulative 83.86% from inception (10 April 2018) to 25 October 2024. This represents a 21.75% outperformance relative to the Fund's Target Return, and a 5.57% outperformance against the reference portfolio. This result puts the SMF on track to record its largest annual return since 2021. Most notably however, this year's returns are the largest outperformance against the Target Return since 2019 and the largest ever outperformance against the Reference Portfolio. The Fund continues to aim to deliver returns above the target to maintain the real value of the Fund after distributions in support of the RSFAS SMF Equity Scholarship, and the Fund's philanthropic objective in the IPS. The attribution analysis below discusses the contributions to performance versus the reference portfolio.

## Attribution analysis

Figure 4 attributes portfolio performance relative to the reference portfolio, into components of the investment process, namely 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 the AAE portfolio relative to its benchmark, the IOZ. After accounting for administration fees, a residual difference versus the total portfolio returns as reported in Figure 3 is estimated and reported under 'Aggregation, cash portfolio and other effects' (Figure 4). This item reflects the approximate nature of attribution analysis.

The 0.54% per annum outperformance of the SMF portfolio against the reference portfolio since inception comprises per annum contributions of +0.06% from asset allocation, +0.52% from security selection within the AAE portfolio, -0.17% from fees deducted and +0.12% from aggregation, cash portfolio and other effects.

As a testament to the fundamental strength of the AA portfolio, after a turbulent two years, it has returned to positive contributions to the overall relative performance of the SMF. EM provided the largest outperformance, further reaffirming the positive indications noted in the mid-semester report although it does remain a net underperformer over the course of its holding period. Foreign currency continues to hinder the SMF's performance in its DM,H and DM,U positions with DM,H underperforming by -0.24% and DM,U only moderately outperforming with 0.03%.

Substantial outperformance by the AAE portion of the portfolio was driven largely by SUN. Returning 29.13% YTD, SUN has accumulated a total holding period outperformance of 2.67%. This renders SUN the second highest outperformer in AAE portfolio, behind BXB's cumulative 3.67% outperformance in the roughly four years the SMF has held it. Promisingly, ORA has held onto the gains stemming from its August takeover offer. LLC has largely held its value since its addition to the portfolio. Finally, WBC's YTD return of 38.30% saw it net a 2.11% contribution to the SMF's outperformance of the reference portfolio.



Figure 3: Portfolio performance from inception to 25 October 2024

Year	2018	2019	2020	2021	2022	2023	2024	Since inception	
Opening date	10 April 2018	1 January 2019	1 January 2020	1 January 2021	1 January 2022	1 January 2023	1 January 2024	10 April 2018	
Closing date	31 December 2018	31 December 2019	31 December 2020	31 December 2021	31 December 2022	31 December 2023	25 October 2024	25 October 2024	
<b>PORTFOLIO VALUES</b>									
Opening portfolio value in BT Panorama*	\$615,079.04	\$608,598.58	\$705,485.10	\$704,774.44	\$796,753.31	\$722,051.16	\$800,951.02		
+ Accrued franking credits	\$0.00	\$3,235.76	\$9,732.74	\$7,719.98	\$7,806.53	\$9,938.76	\$14,926.07		
<b>Opening portfolio value</b>	<b>\$615,079.04</b>	<b>\$611,834.34</b>	<b>\$715,217.84</b>	<b>\$712,494.42</b>	<b>\$804,559.84</b>	<b>\$731,989.92</b>	<b>\$815,877.09</b>		
Closing portfolio value in BT Panorama	\$608,598.58	\$705,485.10	\$704,774.44	\$796,753.31	\$722,051.16	\$800,951.02	\$899,588.25		
+ Accrued franking credits	\$3,235.76	\$9,732.74	\$7,719.98	\$7,806.53	\$9,938.76	\$14,926.07	\$12,589.27		
<b>Closing portfolio value</b>	<b>\$611,834.34</b>	<b>\$715,217.84</b>	<b>\$712,494.42</b>	<b>\$804,559.84</b>	<b>\$731,989.92</b>	<b>\$815,877.09</b>	<b>\$912,177.52</b>		
Change in portfolio value	-0.53%	16.90%	-0.38%	12.92%	-9.02%	11.46%	11.80%		
<b>CASH FLOWS</b>									
- Distribution related to prior period	\$0.00	-\$27,746.21	-\$32,186.49	-\$32,067.23	-\$36,205.19	-\$33,127.65	-\$36,714.47		
+ Amount held by CBE, offset against distribution	\$0.00	\$7,983.83	\$0.00	\$0.00	\$0.00	\$4,189.31	\$6,403.00		
- Contributions	\$0.00	\$0.00	\$1,000.00	\$150.00	\$4,188.00	\$18,190.00	\$910.00		
<b>Total cash flows</b>	<b>\$0.00</b>	<b>-\$19,762.38</b>	<b>-\$31,186.49</b>	<b>-\$31,917.23</b>	<b>-\$32,017.19</b>	<b>-\$10,748.34</b>	<b>-\$29,401.47</b>		
<b>RETURNS (%)</b>									
<b>SMF portfolio return</b> (based on adjusted portfolio values)	<b>-0.53%</b>	<b>20.77%</b>	<b>4.16%</b>	<b>18.20%</b>	<b>-5.25%</b>	<b>13.16%</b>	<b>15.94%</b>	<b>83.86%</b>	<b>9.78%</b>
Target return (estimated as CPI + 4.5%)	4.56%	6.16%	5.36%	8.00%	12.41%	8.55%	5.18%	62.11%	7.66%
<b>SMF return less target return</b>	<b>-5.09%</b>	<b>14.61%</b>	<b>-1.20%</b>	<b>10.20%</b>	<b>-17.66%</b>	<b>4.61%</b>	<b>10.76%</b>	<b>21.75%</b>	<b>2.12%</b>
Reference portfolio return	0.58%	21.91%	3.40%	15.55%	-4.09%	13.36%	11.94%	78.29%	9.24%
<b>SMF return less reference portfolio return</b>	<b>-1.11%</b>	<b>-1.13%</b>	<b>0.76%</b>	<b>2.65%</b>	<b>-1.15%</b>	<b>-0.20%</b>	<b>4.00%</b>	<b>5.57%</b>	<b>0.54%</b>
<b>Note: Administration fees - BT Panorama</b>		<b>0.02%</b>	<b>0.23%</b>	<b>0.21%</b>	<b>0.23%</b>	<b>0.22%</b>	<b>0.17%</b>	<b>1.09%</b>	<b>0.17%</b>

\* Portfolio value for 10 April 2018 is estimated as at time of portfolio inception trades.

Figure 4: Performance attribution since inception as of 25 October 2024

Period	Contributions to performance vs. reference portfolio							Since inception	
	2018	2019	2020	2021	2022	2023	2024	Cumulative	Per annum
	%	%	%	%	%	%	%		
Opening date	10/4/18	1/1/19	1/1/20	1/1/21	1/1/22	1/1/23	1/1/24	10/4/18	
Closing date	31/12/18	31/12/19	31/12/20	31/12/21	31/12/22	31/12/23	25/10/24	25/10/24	
<b>SMF portfolio vs. reference portfolio</b>									
Asset allocation	0.17	-0.28	1.55	-0.24	0.50	-1.39	0.15	0.42	0.06
Security selection - AAE portfolio	-1.26	-0.58	-0.66	2.50	-1.13	0.58	4.09	3.47	0.52
Contribution from positions held (prior BT fees)	-1.09	-0.87	0.89	2.26	-0.63	-0.81	4.241	3.89	0.59
Administration fees - BT Panorama	0.00	-0.02	-0.23	-0.21	-0.23	-0.22	-0.22	-1.09	-0.17
Aggregation, cash portfolio and other effects	-0.02	-0.24	0.09	0.60	-0.29	0.83	-0.03	2.77	0.12
<b>Total relative performance</b>	<b>-1.11</b>	<b>-1.13</b>	<b>0.76</b>	<b>2.65</b>	<b>-1.15</b>	<b>-0.20</b>	<b>4.00</b>	<b>5.57</b>	<b>0.54</b>
<b>Asset allocation attribution</b>									
Australian equities	0.01	-0.04	0.44	0.02	-0.23	-0.01	-0.03	0.17	0.03
Developed market equities, hedged	0.01	-0.01	-0.02	-0.03	0.00	-0.08	-0.24	-0.37	-0.06
Developed market equities, unhedged	0.01	0.01	0.02	-0.15	0.24	-0.57	0.03	-0.40	-0.06
Emerging market equities				-0.24	-0.68	-0.65	0.34	-1.22	-0.19
Australian fixed income	-0.02	-0.11	1.24	1.31	0.47	-0.01	0.12	3.03	0.46
Cash and accruals	0.16	-0.15	-0.14	-1.13	0.71	-0.05	-0.08	-0.68	-0.10
Time aggregation effect	0.00	0.00	0.00	-0.03	-0.03	-0.01	0.00	-0.07	-0.01
<b>AA contribution to total portfolio performance</b>	<b>0.17</b>	<b>-0.28</b>	<b>1.55</b>	<b>-0.24</b>	<b>0.50</b>	<b>-1.39</b>	<b>0.15</b>	<b>0.42</b>	<b>0.06</b>
<b>AAE portfolio vs. iShares Core S&amp;P/ASX200 ETF (IOZ)</b>									

iShares Core S&P/ASX 200 ETF	-0.01	-0.04	-0.07	-0.06	0.00	-0.21	-0.01	-0.40	-0.06
Ansell Limited						-0.95	1.05	0.09	0.01
Bingo Industries Limited	-3.21	1.89	-0.75	1.50				-0.65	-0.10
Brambles Limited				-0.63	1.62	0.62	2.03	3.67	0.55
CSL Limited						0.34	-0.81	-0.47	-0.07
Downer EDI Limited					-0.51	1.23	0.53	1.25	0.19
Inghams Group Limited		-2.43	-0.17	0.23	-2.19	-0.28		-4.78	-0.75
Rio Tinto Limited	-0.04	0.52	0.54					1.02	0.16
Sonic Healthcare Limited		-0.11	1.85	0.75				2.50	0.38
Lendlease Group							0.00	0.00	0.00
Orora Limited							0.49	0.49	0.07
Telstra Corporation Limited	0.62	0.53	-1.05	2.06	0.45			2.61	0.39
Suncorp Group Limited					-0.66	0.81	2.53	2.67	0.40
Westpac Banking Corporation		-1.49	-1.49	0.77	0.58	-0.57	2.11	-0.13	-0.02
Time aggregation effect	-0.02	-0.01	-0.04	0.01	-0.05	0.02	0.06	-0.03	0.00
<b>Relative performance vs. IOZ</b>	<b>-2.66</b>	<b>-1.14</b>	<b>-1.18</b>	<b>4.64</b>	<b>-1.92</b>	<b>1.01</b>	<b>7.98</b>	<b>6.45</b>	<b>0.96</b>
Average AAE portfolio weight in SMF portfolio	47.37	50.88	55.49	53.83	58.61	57.47	52.54		
AAE contribution to total portfolio performance	-1.26	-0.58	-0.66	2.50	-1.13	0.58	4.09	3.47	0.52

## Transactions, income and fees

Figure 5: Transactions in 2024

		Amount (\$)	
Date	Details	Transaction value	CMT change
30-Jan-24	<b>Transfer of distribution for 2023 net of amounts held by CBE</b>		
	Distribution for 2023	-\$36,714.47	
	Franking credits received for FY22-23, held by CBE	\$6,403.00	
	SMF donations received during 2023	\$910.00	-\$29,401.47
15-Feb-24	<b>Rebalancing DOW back down to target weight of 10%</b>		
	Sell 3228 DOW @ \$5.12. Transaction fee \$18.01	\$16,539.25	\$16,521.24
13-May-24	<b>Selling DOW to Fund ORA Buy</b>		
	Sell 8294 DOW @ \$4.58. Transaction fee \$41.79	\$37,947.46	
	Buy 19360 ORA @ \$2.23. Transaction fee \$47.38	-\$43,123.38	-\$5,265.09
28-Jun-24	<b>Rebalancing SUN back down to target weight of 10%</b>		
	Sell 898 SUN @ \$17.37. Transaction fee \$17.16	\$15,598.26	\$15,581.10
2-Jul-24	<b>Buy IOZ to rebalance AAE portion</b>		
	Buy 499 IOZ @ \$31.19. Transaction fee \$17.12	-\$15,563.81	-\$15,563.81
14-Oct-24	<b>Purchase active position in LLC</b>		
	Buy 7085 LLC @ \$6.86. Transaction fee \$53.39	-\$48,585.64	
	Sell 1465 IOZ @ \$33.14. Transaction fee \$53.47	\$48,555.23	-\$30.41

Figure 6 details the income received, and fees paid during 2024, up until 25 October. Fees include brokerage associated with trades and administration fees on the BT Panorama account. Inclusive of franking credits, the Fund generated income during the year equivalent to 3.37% of the estimated average portfolio value over the year. The AAE portfolio component generated dividend

income that averaged 3.04% prior to franking credits and 3.80% including franking credits. Inclusive of dividends, this compares to 2.91% in 2023, 5.82% in 2022 and 4.91% in 2021.

**Figure 6: Income received and fees paid in 2024**

	INCOME RECEIVED (\$)					FEES PAID (\$)	
	Dividends	Franking credits	CMT interest	Total income		Brokerage	BT account fees
				Ex. franking	Inc. franking		
<b>Total SMF portfolio</b>							
AAE portfolio	13,331.81	3,324.59	0.00	13,331.81	16,656.40	106.29	
iShares Core S&P/ASX 200 ETF	416.10	134.87	0.00	416.10	550.97		
iShares MSCI Emerging Market ETF	1,475.02	0.00	0.00	1,475.02	1,475.02		
Vanguard Australian Bond ETF	2,763.56	0.00	0.00	2,763.56	2,763.56		
Vanguard International Shares Hedged ETF	2,443.88	0.00	0.00	2,443.88	2,443.88		
Vanguard International Shares ETF	3,054.40	0.00	0.00	3,054.40	3,054.40		
Betashares Cash ETF	612.04	0.00	0.00	612.04	612.04		
BT Cash Management Trust	0.00	0.00	550.92	550.92	550.92		
<b>Total portfolio</b>	<b>23,923.48</b>	<b>3,400.91</b>	<b>629.65</b>	<b>24,553.13</b>	<b>27,954.04</b>	<b>176.84</b>	<b>1,450.46</b>
<i>% of average SMF portfolio value</i>	<i>2.89%</i>	<i>0.41%</i>	<i>0.08%</i>	<i>2.96%</i>	<i>3.37%</i>	<i>0.02%</i>	<i>0.18%</i>
<b>AAE portfolio</b>							
iShares Core S&P/ASX 200 ETF	6,737.32	2,165.51	0.00	6,737.32	8,902.83	17.12	
Ansell Limited	846.68	0.00	0.00	846.68	846.68		
Brambles Limited	1,461.44	219.26	0.00	1,461.44	1,680.70		
CSL Limited	627.81	0.00	0.00	627.81	627.81		
Downer EDI Limited	497.64	0.00	0.00	497.64	497.64	41.79	
Orora Limited	968.00	0.00	0.00	968.00	968.00	47.38	
Suncorp Group Limited	2,192.92	939.82	0.00	2,192.92	3,132.74	17.16	
Westpac Banking Corporation	0.00	0.00	0.00	0.00	0.00		
<b>Total AAE portfolio</b>	<b>13,331.81</b>	<b>3,324.59</b>	<b>0.00</b>	<b>13,331.81</b>	<b>16,656.40</b>	<b>106.29</b>	
<i>% of average AAE portfolio value</i>	<i>3.04%</i>	<i>0.76%</i>	<i>0.00%</i>	<i>3.04%</i>	<i>3.80%</i>	<i>0.02%</i>	

## Socially responsible investment (SRI) report

The SMF portfolio is managed in accordance with the Fund's SRI policy, which is directly derived from the University's SRI policy. This policy aims to support sustainable business practices beneficial for society while discouraging those that may cause social injury, all while considering potential implications for investment returns. The policy includes the following conditions:

- (i) Exclude companies that draw more than 20% of revenues from adult entertainment, coal, gambling, tobacco, alcohol, armaments, and 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 with 'social benefit'
- (v) Preference companies that actively pursue sustainable business activities as determined by the fund, with a current focus on the following activities and practices related to ESG categories:
  - E. Climate change action
  - S. Equity, diversity and inclusion
  - G. Corporate trustworthiness, including transparency, compliance and accountability.

All active stock positions in the SMF portfolio are currently complying with the industry exclusion list outlined in condition (i). The industry exclusion list is applied to reviews of the SMF portfolio through a narrowing down of the list of candidate stocks at the CSA stage that are considered as part of the stock filtering process.

Figure 7 reports on compliance on carbon intensity (condition ii) with respect to the active stock positions with the AAE portfolio as of 30 September 2024. Sourced from the latest market data, the carbon intensity of the AAE component of the SMF portfolio is calculated from active stock positions using tonnes of CO<sub>2</sub> produced per \$1 million of revenue on a holdings-weighted basis. This is then compared with the carbon intensity of the S&P/ASX200 estimated on a market-capitalisation basis. The Fund is pleased to report a net carbon intensity for the AAE Portfolio that is -79.75% below the S&P/ASX200 index, which exceeds the 30% threshold target with a margin of +49.75%.



Figure 7: Carbon intensity of the AAE component as of 30 September 2024.

	ASX200	ANN	BXB	CSL	LLC	ORA	SUN	WBC	Active holding vs. ASX200	Target	Margin
Weight in AAE Portfolio	31.86	9.40	10.45	9.5	9.71	9.79	8.94	10.35			
Carbon Intensity	149.3	123.48	8.14	35.25	15.82	127.70	1.77	2.20	-79.75%	-30.0%	49.75%

*Declaration*

The Fund declares that it has complied with the University's SRI policy while effectively implementing the SMF SRI policy throughout 2024. The Fund remains committed to consistently reviewing and refining its SRI policy to support sustainable business practices while pursuing long-term returns.

## Appendix

### SMF activities during Semester 1, 2024

#### **SMF student team make-up**

- The SMF team comprised 21 members during the semester, including 10 seniors continuing from Semester 2, 2023, one continuing senior from Semester 2 2022, and 10 juniors joining the Fund.

#### **SMF meetings**

- Twelve weekly meetings were held throughout the semester. Meetings were on Mondays from 9am–12pm; with one make-up meeting on another day due to a public holiday falling on the Monday. Ten meetings were held in person in Marie Reay Rooms 3.05, with the remainder via Zoom.
- An end-of-semester event was held in person to farewell the departing seniors and welcome the new juniors joining the Fund next semester.

#### **SMF IAC meetings and investment recommendation endorsements**

- The first IAC meeting was held on 29 April 2024 to discuss maintaining the current target weights in the AA portfolio.
- The second IAC meeting was held on 13 May 2024 to discuss the recommendation to sell DOW and purchase ORA within the AAE portfolio. Both these recommendations were approved by the IAC.

#### **Amounts transferred**

- An amount of \$29,401.47 was transferred from the SMF BT Panorama Cash Management Account to ANU General Bank Account on 30 January 2024. This represents the net of a \$36,714.47 distribution paid with respect to 2023, less \$6,403.00 received from the ATO related to franking credits from the ATO with respect to FY2021-22 and \$910.00 in donations received during 2023.

#### **Transactions**

- DOW rebalancing sale on 15 February 2024 sold 3,228 shares at a price of \$5.074 per share, for net proceeds of \$16,359.25.
- Two trades were completed on 13 May 2024 as follows:
  - DOW: sold 8,294 shares for a net amount of \$37,947.46.
  - ORA: purchase of 19,360 shares for a total consideration of \$43,123.38, net of fees. The acquisition was funded using the proceeds held in the CMT account from the sale of DOW and additional cash held in the CMT account.
- Two trades were completed on 28 June 2024 to rebalance SUN back to its target weight of 10% after exceeding the +3% threshold.
  - SUN: sale of 898 units for proceeds of \$15,582.30 to rebalance back to its target weighting of 10%
  - IOZ: purchase of 499 units for \$15,580.93 from the SUN sale proceeds.

#### **Major reports**

- Asset allocation report to maintain the current target portfolio weights was created on 3 April 2024 in support of a recommendation presented at an IAC meeting.
- Recommendation reports for DOW (Sell) and ORA (Buy) were created on 29 April 2024 and 17 April 2024 respectively, in support of recommendations presented at the IAC meeting.

#### **External engagement - guest speakers and other points of contact**

- CLSA healthcare analysts Andrew Paine and Peter Niu joined the Fund to discuss their findings following CSL's half-year results followed by a Q&A on Monday 25 March 2024.

- On 6 May SMF Alumnus Hugo Klimt who works at Macquarie Capital joined the Fund to discuss his transition into the industry.
- Russell Clark joined the AAE team via Zoom on 6 May 2024. Russell heard the ORA team's buy pitch and was able to provide insightful feedback to the team. This feedback was incredibly valuable to the entire AAE team but benefited the ORA team in particular.
- On 13 May SMF Alumnus Nick Collings who works at Patrizia joined the fund to discuss his transition into the industry and answered questions regarding assets allocation.
- Michelle Wigglesworth from Australian Ethical Investment spoke to the Fund regarding Charter Hall Group and real estate investment trusts (REITs) more generally on 20 May 2024.

#### ***Other notable items***

- The SMF application workshop was held on 19 April 2024 over Zoom, followed by a Q&A session.
- The SMF hosted stalls at the Dean's Welcome to CBE and Info Market on 22 February 2024, the CBE Showcase at ANU Open Day on 16 March 2024 and the CBE Mid-Semester Pizza Party on 27 March 2024.
- The FMAA and SMF collaborated for a 'Women in Finance' networking and drinks event on 23 April 2024.

### **SMF activities during Semester 2, 2024**

#### ***SMF student team make-up***

- The SMF team comprised of 20 members during the semester, including 10 seniors continuing from Semester 1, 2024 and 10 juniors joining the Fund.
- The SMF team is expected to comprise 21 members in Semester 1, 2025, including 10 senior members from Semester 2, 2024 and 11 juniors joining the Fund.

#### ***SMF meetings***

- Twelve weekly meetings were held throughout the semester. Nine meetings were held on Mondays from 9am-12pm, with one make-up meeting on a Wednesday due to a Monday public holiday. Eleven meetings were held in-person in Marie Reay Room 3.05 and 3.03, with the remainder via Zoom.
- An end-of-semester event was held in-person on 25 October 2024 in Haydon Allen G040 to farewell the departing seniors and welcome the new juniors joining the Fund next semester.

#### ***SMF IAC meetings and investment recommendation endorsements***

- The first and only IAC meeting was held on 14 October 2024 to discuss the recommended changes to the Fund's AA and AAE portfolio. For AAE, IAC unanimously accepted its recommendation to establish a 10% position in LLC, commending on their extensive model. The recommendation to establish a 7.5% weighting in corporate bonds within AA's portfolio was unanimously declined by the IAC, citing timing and model issues.

#### ***Transactions***

- Two trades were completed on 14 October 2024 to establish an active position in LLC equal to 10% of the AAE portfolio.
  - LLC: purchase of 7,085 units for the cost of \$48,585.64, to achieve a 10% target weight in the AAE portfolio.
  - IOZ: sale of 1,465 units for proceeds of \$48,555.23, to fund the transaction.

#### ***Major reports***

- The investment recommendation report for RWC was created on 29 September 2024 in anticipation of the investment recommendation presentation to IAC.
- Asset allocation report to establish a 7.5% weight in corporate bonds funded by the decrease in the weighting of government bonds and AC was created on 9 October 2024, in support of the recommendation presented at the IAC meeting.
- The investment recommendation report for LLC was created on 8 October 2024, in support of investment recommendations presented at the IAC meetings.

### ***External engagement – guest speakers and other points of contact***

- William Hart, Director, ESG and Sustainable Investment at E&P Financial Group shared insights regarding ESG investing with a sustainable investment focus.
- Jak Carty, analyst at Future Fund, shared his expertise in risk modelling and quantitative risk considerations within a portfolio context.
- Pat Bustamante, economist at Westpac delivered a comprehensive presentation on Australia's economic outlook, focusing on key areas such as government spending, labour productivity, migration and deglobalisation.
- Frank Li, MLC Asset Managed provided a guest lecture discussing potential career pathways that SMF members undertake.
- Spencer Burnet, the first RSFAS Student Managed Fund Equity Scholarship recipient, was interviewed by RT.
- Khang Le, the latest RSFAS Student Managed Fund Equity Scholarship recipient was interviewed by RT.

### ***Other notable items***

- The SMF participated in the Welcome to CBE and Info Market event on 4 August 2024.
- An SMF application workshop was held on 16 September 2024.
- The SMF conducted the ANU RSFAS Finance workshop for the CBE School Holiday Program on 3 October 2024.

## SMF donors

### Over \$200,000

Russell Clark (seed donor)

### \$10,000 – \$50,000

Family of André Morony

Associate Professor Geoff Warren

### \$1,000 – \$10,000

Sahibjeet Bains

Geoffrey J. Randal

Mu Tian

### \$1,000 or less

Andaleeb Akhand	Paul A Cummins	David Maywald	Sam Vongsaya
Benjamin Archer	Stephen J. Duckett	Jennifer Rowland	Ron Waldon
Chettun K. Arianaick	Jaun S. Del Busto Gonzales	Stephen J. Sault	Natasha Walton
Sarah Backhouse	Kerry-Ann Hugo	Chris Smith	Minyue Wang
Xinyi Bao	Di Jin	James Styles	Shuxin Yang
Tejinder Bhagria	Ravi Kumar	NM Sudewa and C Nawarathna	Lei Ying
Norman Bradshaw	Rayyan Firdausi	Louis Summerfield	Thida Zaw
Joshua Campbell	Mingliang Li	Mohammad Tahir	Ge Zhan
			Undeclared donors (8)

The total amount donated to 25 October 2024 is \$331,000. This brings the total contributions to \$627,498 including RSFAS matching all donations made prior to 2020.

## Investment Advisory Committee members during Semester 2,2024

### External members

Ross Blakers	PATRIZIA
Paul Bruncker	Optar Capital
Mary Fallon	ANU Investment Office
André Morony	Independent
Geoff Warren	Conexus Institute / Honorary Associate Professor (ANU)

### Alternate external members

Nicole McMillan (Alternate to Ross Blakers)	PATRIZIA
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### Internal members

Dr Dean Katselas (Chair)	Fund Convenor
Dr Hua Deng	Course Convenor

The SMF CIO and CRO both sit on the IAC as non-voting members.

## SMF team members

### Semester 1, 2024

### Semester 2, 2024

### Accepted Semester 1, 2025

#### Chief Investment Officers

Francis Brown

Harry Nielsen

James Orr

#### Active Australian Equities Team

Jordan Hawke	Team Head	Tom Mitchell	Team Head	Chee (Austin) Zhen Huang	Team Head
Benjamin Klotz	Senior Analyst	Benjy Jacobson	Senior Analyst	Olaf Braaksma-Menks	Senior Analyst
Angus McCulloch	Senior Analyst	Aiden Jacobson	Senior Analyst	Kurtis Castorina	Senior Analyst
Benjy Jacobson	Analyst	Gemma Saliba	Senior Analyst	Ben Manley	Senior Analyst
Aiden Jacobson	Analyst	James Orr	Analyst	Safi Wheeldon	Analyst
Gemma Saliba	Analyst	Olaf Braaksma-Menks	Analyst	Enrique Sinha	Analyst
Tom Mitchell	Analyst	Kurtis Castorina	Analyst	Rhodri Bjerke	Analyst
		Ben Manley	Analyst		
		Chee (Austin) Zhen Huang	Analyst		

#### Asset Allocation Team

Siying Li	Team Head	Jessica Zeltzer	Team Head	Grace Cooper	Team Head
Enkhbaatar Oyungerel	Senior Analyst	Koh Dewar	Senior Analyst	Rosie Sewell	Senior Analyst
Harry Nielsen	Analyst	Grace Cooper	Analyst	Owen Street	Analyst
Koh Dewar	Analyst	Rosie Sewell	Analyst	Hugo Hegi	Analyst
Jessica Zeltzer	Analyst			Sophia Laverty	Analyst

#### Risk and Compliance Team

Mayoouran Gnanasampanthan	Chief Risk Officer	Nick Devlin	Chief Risk Officer	Darcy Niven	Chief Risk Officer
Ethan Tay	Senior Analyst	Aryaman Chhaya	Senior Analyst	Uthej Reddy	Senior Analyst
Qingqing (Donna) Yang	Senior Analyst	Darcy Niven	Analyst	Angela Romero Martinez	Analyst
Nick Devlin	Analyst	Uthej Reddy	Analyst	William Higgins	Analyst
Aryaman Chhaya	Analyst			Harrison Trinick	Analyst

#### Relationship Team

Semele Haynes	Team Head	Kyaw Paing Sat	Team Head	Kristoforus Gantari	Team head
Alexander Aranega	Engagement Manager	Kristoforus Gantari	Relationship Officer	Tanya Lee	Relationship Officer
Kyaw Paing Sat	Relationship Officer			Jeremy Zhu	Relationship Officer

#### Convenors

Dr Hua Deng	Course Convenor	Dr Hua Deng	Course Convenor	Dr Hua Deng	Course Convenor
Dr Dean Katselas	Fund Convenor	Dr Dean Katselas	Fund Convenor	Dr Dean Katselas	Fund Convenor



## SMF honour roll

### Semester 2, 2017

Haoyan (Howie) Chen\*  
Mia Dekovic\*  
Wenlin Lin\*  
Elena Pleass\*

### Semester 1, 2018

Vipul Nijhawan  
Ben Rada-Martin  
Olaide Yinka-Kehinde  
Manling (Sarah) Zhu

### Semester 2, 2018

Ruolin (Alex) Mai  
Isabella Mortimore  
Victor Munagala  
Harrison Papworth  
Rory Roche\*  
Wayne Wang  
Lanyu Zhang  
Zhan Zhang  
Zhongxi Zheng

### Semester 1, 2019

Jak Carty  
Azmina Hossain  
Chuxuan (Jessie) Jiang  
Aiyun (Stephanie) Li  
Saurav Patel  
Hongyi Xu  
Chengxuan (Charles) Zhang

### Semester 2, 2019

Sahibjeet Bains  
Luke Farrar  
Sophie Lebang  
Chaoqi (Shawn) Lin  
Harrison McKenzie-McHarg  
Khurshed Mehta  
Alisha Nath  
Jia Jun Desmond Ng  
Jiaqi (Karen) Mao  
Lachlan Phillips  
Dalton Tham  
Alaina Warwick

### Semester 1, 2020

Charya Kannangara  
Rocky Lagudi  
Abhay Madan\*  
Todd O'Dea  
William Ranson-Smith  
Yanfei (Victoria) Rao  
Ashley White  
Shengchang (Albert) Zhang

### Semester 2, 2020

Bernice Choi  
Nicholas Collings  
Eric Gittleman  
Angus Lloyd  
Michael Oates  
Matthew Pham  
Shalini Rajkumar\*  
Ulrika Yui Ting Li  
Chenfan (Winnie) Wei  
Qifan (Cheryl) Yang\*

### Semester 1, 2021

Joshua Campbell  
Zhenyu (Alicia) Sun  
Albert Lake  
Sida Li  
Qing (Julie) Zhu  
Sailendra Sanku  
Isabel Gray  
Arnav Chopra  
Yao Xiong

### Semester 2, 2021

Max Burrows  
Felix Jones  
Lachlan Scott  
Jingxin (Ben) Mai  
Michael Searle  
Jing (Jean) Ran  
Xinyi (Alice) Wang  
Jonathan Lang  
Yuchen (Ricky) Yang  
Inuja (Jay) Aluwihare  
Seonghyun Yong  
Petal Wang

### Semester 1, 2022

Liam Asmaro  
Jonathan Boyd  
Daniel Dwyer  
Julie Lin  
Jie Qi Tay  
Zachary Taylor  
Samuel Watson  
Hannah Young  
Liyang Xue

### Semester 2, 2022

Olivia Cameron  
Nimeth Dissanayake  
Anvi Ghiya  
James Gray  
Callum McGarty  
Hugo Heanly  
Hugo Klimt  
Jayden Pham  
Michael Slater  
Janet Thudyan  
Stephanie Trinh  
Isabella (Bella) White

### Semester 1, 2023

Ben Carlyon  
Shuang Liang  
Jingwei Liao  
Ryan McCoy  
Alexander Norman  
James Riordan  
Lachlan Simpson  
Connor Skidmore  
Gurisha Gupta\*

**Semester 2, 2023**

Lauren Vanstone  
Liam Newport  
Matthew De Bortoli  
Ryan Phillips  
Callum Vincent  
Emerson Yang  
William Brake  
Caitlin Tully  
Ricky Liu  
Guiming Miao  
Joseph Bamber  
Sueyoon Kim

**Semester 1, 2024**

Francis Brown  
Jordan Hawke  
Bejamin Klotz  
Angus McCulloch  
Siying Li  
Enkhbaatar Oyungerel  
Mayoouran  
Gnanasampanthan  
Ethan Tay  
Semele Haynes  
Alexander Aranega

**Semester 2, 2024**

Harry Nielsen  
Tom Mitchell  
Benjy Jacobson  
Aiden Jacobson  
Gemma Saliba  
Jessica Zeltzer  
Koh Dewar  
Nick Devlin  
Aryaman Chhaya  
Kyaw Paing Sat

*\* Fund member for one semester only.*

## Team composition by semester

Team / Position	CIO	AA	AAE	R&C	RT	TOTAL
Semester 2, 2017	0.5	2	3.5	2	-	8
Semester 1, 2018	1	3	4	3	1	12
Semester 2, 2018	1	4	8	3.5	1.5	18
Semester 1, 2019	1	5	8	2.5	1.5	18
Semester 2, 2019	1	3	9	3.5	2.5	19
Semester 1, 2020	1	3	6	3	3	16
Semester 2, 2020	1	3	9	3	3	19
Semester 1, 2021	1	4	8	5	3	21
Semester 2, 2021	1	4	6	6	4	21
Semester 1, 2022	1	4	7	5	4	21
Semester 2, 2022	1	5	8	5	4	23
Semester 1, 2023	1	5	9	5	4	24
Semester 1, 2024	1	5	7	5	3	21
Semester 2, 2024	1	4	9	4	2	20
Semester 1, 2025*	1	5	7	5	3	21

\* Expected figures for Semester 1, 2025

## Contact details

SMF email: [smf.rsfas@anu.edu.au](mailto:smf.rsfas@anu.edu.au)

SMF website: <https://www.rsfas.anu.edu.au/rsfas-education/student-managed-fund/>

SMF Facebook page: <https://www.facebook.com/smfANU/>

SMF LinkedIn page: <https://www.linkedin.com/company/anu-smf>

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