Queen's Student Managed Fund

Annual Report 2023/24

QUEEN'S UNIVERSITY BELFAST | QUEEN'S BUSINESS SCHOOL

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Foreword

As we enter the eleventh year of the Queen's Student Managed Fund (QSMF), I am honoured to have served as CEO for the 2023/24 academic year. This year, we experienced our highest enrolment ever and witnessed another robust performance of the fund despite significant challenges in the global financial markets.

The QSMF offers an invaluable opportunity for all students, regardless of their discipline, to engage with and learn about financial markets. In today's highly competitive industry, practical experience is crucial for student success. Therefore, the Executive Committee focused on providing numerous hands-on experiences to help our members advance their professional careers. Our members gained skills in developing valuation techniques, constructing macroeconomic ideas, participating in trading simulations, and utilising Bloomberg terminals to generate investment strategies.

A key initiative this year was to strengthen the connections between the QSMF and our alumni industry professionals, ensuring our members could confidently seek career advice and tips. We recognise that understanding which role in finance suits each student best can be challenging, and we believe our graduating members will proudly support future QSMF members as alumni.

This year, we introduced our members to the Blackrock for Universities programme, a four-week online course provided by the world's largest asset manager. This programme offered hands-on experience with tools used by major financial institutions, such as Blackrock's flagship product, Aladdin. The online taught programme allowed members to enhance their skills in risk management and a comprehensive portfolio construction education.

We also developed a new partnership with *Crowwd*, allowing SMF members and clubs from around the world to network. QSMF now have their own page here where members and other societies can interact and track our research, discussion and portfolio.

Building on the achievements of previous executive committees, I am pleased to report that we have made significant progress towards our goal of increasing the fund's assets to £100,000. This year, the fund surpassed £70,000 for the first time. The portfolio has generated remarkable returns since its inception, and I look forward to tracking its future success.

In summary, this year has been one of growth and accomplishment for QSMF. I am confident that the experiences and connections our members have gained will serve them well in their future careers, wherever it may be. Personally, this experience has further developed my confidence and skills, which will undoubtedly serve me well in the years to come. I can say with confidence that the student fund helped me to achieve my desired front office role.

Finally, I would like to extend my sincere thank you to all the members of the fund, sector heads, executive committee, oversight committee, and QUB faculty for their dedication to the Student Managed Fund. I am also deeply grateful for the continued excellent support from our gold sponsors, Davy and Citco. Additionally, I would like to thank all the guest speakers and alumni who generously volunteered their time to speak at our seminars throughout this academic year.

Rory McMullan (CEO)
MSc Financial Analytics

Portfolio Composition and Risk

The fund has demonstrated exceptional performance this year, with most investments yielding positive returns. This success can be attributed to the introduction of the Value at Risk (VaR) model last year, which, when combined with the easing of inflation rates, has significantly reduced the overall risk of the portfolio. Despite the UK's entry into a recession in the second half of 2023, QSMF has maintained strong performance, largely due to its diverse portfolio and a substantial portion of the fund being invested in blue-chip companies. These companies, known for their stability and reliable returns, have provided a solid foundation for the fund's resilience in the face of economic downturns.

To further minimize portfolio risk, we have made strategic decisions this year, including investing in six-month Treasury Bills. This move ensures a steady cash return, providing a cushion against market volatility. Additionally, we have increased our investment in Exchange-Traded Funds (ETFs) to enhance portfolio diversification. While we continue to hold a small portion of our portfolio in cash, this does come with the trade-off of lower returns. However, given the current interest rate of 5%, maintaining cash holdings is a prudent choice for now. Looking ahead, as interest rates potentially decline in the next academic year, it may be more advantageous to reallocate this cash into other financial instruments that could offer higher returns.

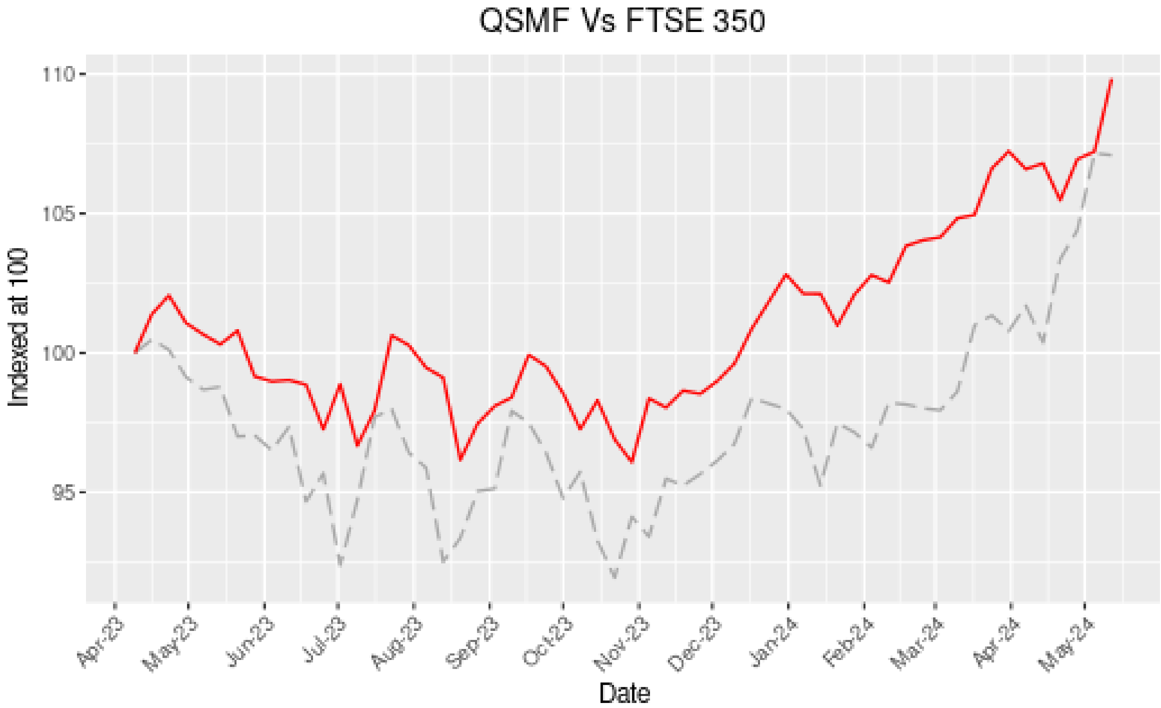
One of the most significant developments this year was the U.S. Securities and Exchange Commission (SEC) approving the first cryptocurrency ETFs. This milestone has led to a surge in Bitcoin's price, reaching an all-time high. While cryptocurrencies remain a high-risk and often controversial asset class, their acceptance has grown, especially with the SEC's approval of the Bitcoin ETF in January and the Ethereum ETF in July. As the regulatory landscape for cryptocurrencies continues to evolve, the introduction of these ETFs could provide valuable learning opportunities, allowing us to explore the potential benefits and risks of integrating digital assets into our portfolio strategy.

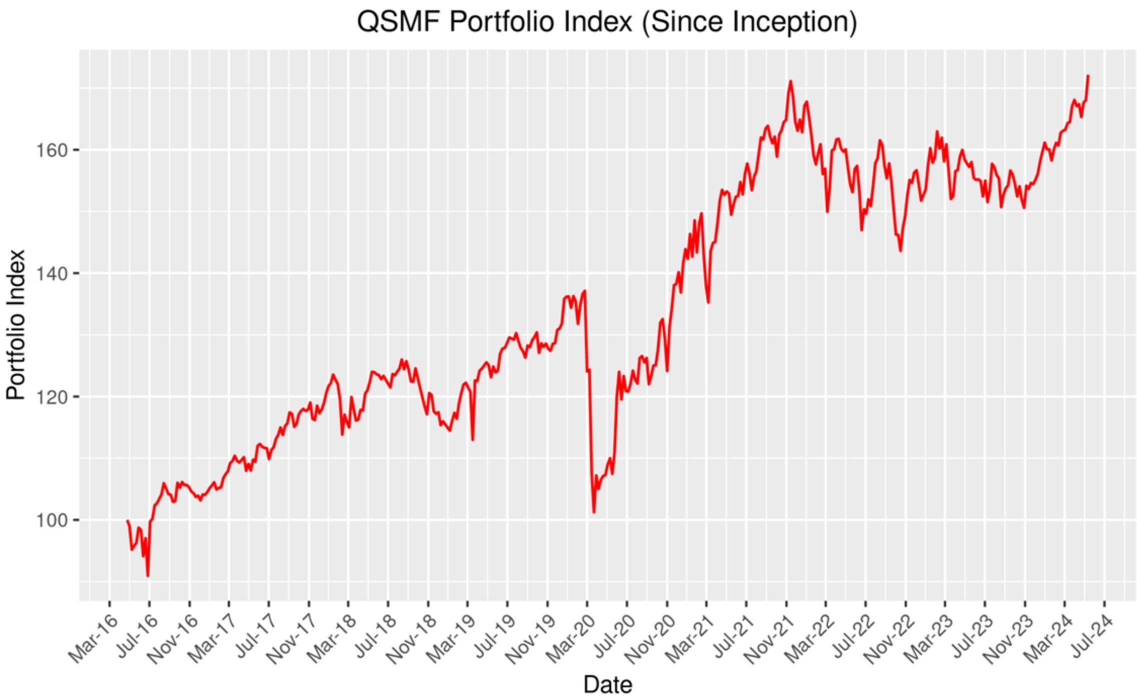
Below illustrates the QSMF portfolio composition versus the FTSE 350(Benchmark) from April 2023 to May 2024.

Phoebe Callista (CSEO)
BSc Finance with a year in Industry

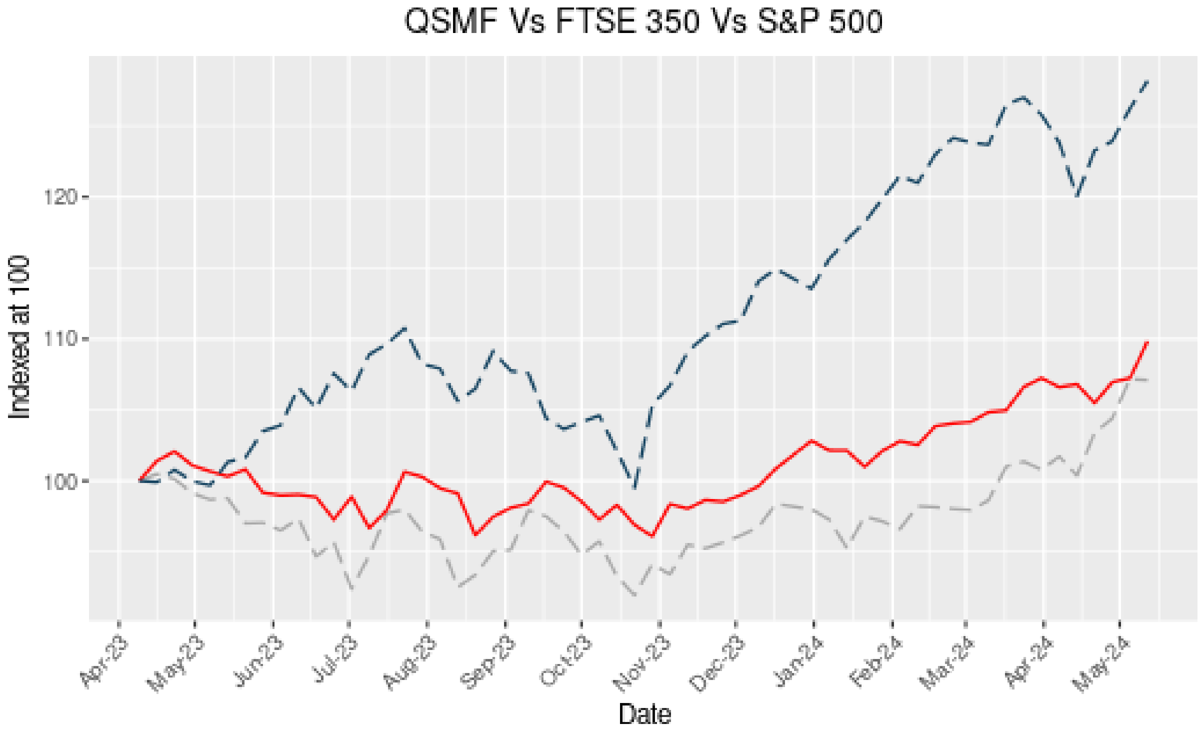
QSMF Versus the FTSE 350 (Benchmark)
April 2023 – May 2024

The QSMF continued to **outperform** the benchmark throughout the last year with a strong performance, gaining 10%.





Over the last couple of years, the QSMF have introduced US equities to the fund with hopes to strengthen the returns. When the S&P500 returns which are indexed (dashed blue line), it's clear that US Equities have greatly outperformed the QSMF (Red) and the UK FTSE 350 (Grey). Going forward, it would be great to see a stronger out-performance of the current benchmark (FTSE 350) and perhaps a change of benchmark towards the S&P500 to encourage greater returns.



Sector	FTSE350 Sector Performance	QSMF Performance
Consumer Discretionary	**11.09%**	**16.76%**
Consumer Staples	**-8.7%**	**6.5%**
Energy	**5.2%**	**-3.94%**
Financials	**13.35%**	**30.47%**
Health Care	**4.11%**	**15.74%**
Industrials	**26.36%**	**38.30%**
Information Technology	**29.72%**	**15.64%**
Macro	**7.09%**	**9.47%**
Materials	**2.31%**	**11.63%**
Real Estate	**3.5%**	**2.35%**
Utilities	**1.69%**	**2.52%**

Fund Activities and Operations

As the Executive Committee of Queen's Student Managed Fund, we believe that the core of this student society is not only to act as an extracurricular group where likeminded individuals with a passion for finance and trading can go to learn and have fun, but to also provide our members with the facilities, opportunities, and connections to allow them to build a successful career and gain invaluable experiences they can take forward with them to all facets of life. It is for this reason that we initially constructed our activities and operations calendar for this year to provide our members with as many of these key opportunities for growth as possible.

As we started this year with over 300 members, all with varying levels of financial knowledge from different backgrounds, we decided to initiate our first semester with an introduction to the QSMF and the financial markets, holding classes in the brand-new Queen's Business School Student Hub in the highly equipped FinTrU Trading Room. These facilities gave our members access to Bloomberg terminals, and with that access we were able to enrol our members onto the 'Bloomberg Market Concepts' certification for an in-depth introduction to the equity markets and a brief overview of our expectations for them throughout the year.

We followed these introductions with various masterclasses in the fundamental principles of financial analysis, as many of our members have no previous experience or knowledge of how to conduct equity research, we knew it was vital for them to learn early some of the tools that would be useful for them, such as the S&P Capital IQ for individual at home research and the wider Bloomberg resources available within the trading room, alongside a detailed guide of investment idea generation from our CEO Rory McMullan and lessons on asset valuation from Dhvani Lakhani our CIO. As most of our members are second and final year students at Queen's, we thought it would be highly useful for them to host an employability skills event, where we brought, previous QSMF CEO and current Corporate Treasury Analyst at Morgan Stanley, Katie Megarry to host a CV workshop and detailed guide to job applications.

One of our priorities at the beginning of the year was to give our members access to our wider reaching network of experienced individuals, either through providing them the opportunity to access job applications or through bringing in speakers from different firms, roles, and sectors who are either linked to the QSMF from past involvement or who have interest in providing our members helpful insights. Speakers represented companies including Blackrock, Clarendon Fund Managers, Citadel, and Mediolanum.

Events are a substantial element of the QSMF calendar, as they are often the most notable and memorial parts of the QSMF experience for most members, so we knew we needed to make them enjoyable while still providing useful knowledge and skills. Near the start of the year we hosted an AmplifyME trading simulator, a fun interactive competition with real time trading simulations in the seat of a proxy investment banker. Our members really enjoyed this event with many stating it was the best part of their time with the QSMF. We were also fortunate to be invited to the Rotman's Trading competition held in Trinity College Dublin as the first ever attempt at a European version of the Canadian event. We took a team of our members down to Dublin to compete in the event with a chance at being selected for a placement role of their choice from the investment banks affiliated with the contest. This event was a great experience for not only the members, but for the society, furthering our connections with the many other student funds within Ireland and providing that link for further events and collaborations.

We wrapped up the second semester and the calendar with the two largest events for the QSMF, the Annual General Meeting, and the Davy Stock Pitch event. The Annual General Meeting effectively served as the last full society gathering, with our gold sponsors Davy coming along to the Student Hub for a meeting / learning experience. We started the event with the Executive Committee's breakdown of the year so far, with our financial performance, key events, and some of our main thoughts for how the year was progressing. This was followed up by Chris Power, Director of UK wealth at Davy, providing us a breakdown of their year, sharing valuable market insights, and providing us with ideas for how to take the fund forward in a longer-term strategy of progress. The Stock Pitch event was a more practical experience, hosted in the Davy offices in Belfast, where seven of our members, including two from the Executive Committee, pitched a prospective stock of their choosing to the panel of professionals from Davy. They provided their valuation strategies with some company background and explained their reasoning and rationale behind proposing its inclusion in the QSMF portfolio.

Jacques Tohill (COO)

MSc Financial Analytics

2023/2024 Events

October 2023

- PWC & QSMF Introduction
- Bloomberg Market Concepts Certification
- S&P Capital / Investment Idea Generation workshop

November 2023

- AmplifyME Trading Simulation
- Clarendon Fund Managers Presentation
- Morgan Stanley – Application, CV and Cover letter presentation
- Rotman Trading Challenge (Dublin)

December 2023

- Blackrock & QSMF Presentation
- Trading Room Session

January 2024

- Introduction to Crowwd
- Queens Stock Market Challenge
- QSMF Macroeconomic Workshop
- Blackrock for Universities

February 2024

- Citadel & QSMF Presentation
- QSMF AGM
- AmplifyME Trading Simulation
- QSMF Valuation Workshop

March 2024

- Mediolanum Investment Academy
- CFA Research Challenge

April 2024

- Davy Stock Pitch preparation and idea generation

May 2024

- Davy Stock Pitch

2023/24 Events

Amplify Finance Accelerator Trading Simulation

Dublin Rotman Trading Challenge

CFA Challenge 2024

Davy Stock Pitch 2024

Davy Stock Pitch 2024

Davy Stock Pitch 2024

Annual General Meeting 2024

QSMF Macroeconomics Workshop

Portfolio Performance and Rebalancing

The QSMF portfolio achieved a notable return of 8.22% from October 2023 to June 2024, driven by our sound investment approach and a stable economic environment. Throughout the year, our team at QSMF remained dedicated to maximizing returns while managing risk through diversification and responsible stock selection.

As the year ended, our team successfully completed the rebalancing process. We utilized a performance-based rebalancing strategy by reviewing the performance of individual assets and sectors. This approach ensured that outperforming assets did not overly dominate the portfolio, maintaining a balanced and diversified allocation. To enhance our stock selection process, we conducted a fundamental analysis of the existing stocks in our portfolio. Additionally, we incorporated new stock ideas from QSMF members presented at Davy's Stock Pitching Event.

Recognizing the importance of technology, we want to capitalize on the transformative AI theme and hence we increased our portfolio's weight in the tech sector. We added Palo Alto Networks and iShares US Tech ETF to our holdings, allocating 2.5% weight to each. We are optimistic about Palo Alto due to its strong business growth driven by industry demand and reasonable valuation whereas investment into iShares US Tech ETF allows us to capture high-performing mega tech companies while also maintaining a balanced risk profile.

During the past year, we made the decision to remove real estate investments from our portfolio. This adjustment was driven primarily by the sector's sensitivity to interest rates. As interest rates have remained elevated, the real estate sector has faced significant headwinds, leading to underperformance relative to the overall market. The Unite Group in our portfolio experienced an 11.6% decline in value over the year and we decided to replace the sector.

Furthermore, we increased our allocation in the Industrial sector by 2.5%. Stellantis NV was a strong investment idea presented at Davy's Pitching event due to its attractive valuation and higher dividend yield. We expect the stock to deliver both growth and income in the future. We also increased our exposure in the Consumer Discretionary and Consumer Staples by adding high-quality stocks like Marriott International by 2%, Ryanair by 1.9%, and Lululemon by 2%.

This year, we diversified our portfolio by introducing fixed-income assets. Rather than holding excess cash, we invested in 6-month Treasury bills to capitalize on the 5% yield available in the short-term market to have a secure and stable investment option. Looking forward, we plan to gradually increase our exposure to other asset classes as market conditions become more favourable.

Following the recent rebalancing, the QSMF portfolio is now diversified across various sectors and asset classes, including ETFs, fixed income, and equities. This diversified and balanced strategy aims to effectively manage risk while capitalizing on emerging opportunities.

Dhvani Lakhani (CIO)
MSc Finance

Economic Outlook

If one were to characterize the global economy in 2024, it would be described as slow and steady.

The economic outlook for the UK in 2024 is a mix of cautious optimism and pragmatic challenges. While moderate growth and resilient consumer spending offer a positive trajectory, inflationary pressures, labour market dynamics, and the lingering effects of Brexit present ongoing hurdles. Strategic government policies, coupled with private sector adaptability and innovation, will be critical in navigating this complex economic landscape. The UK's ability to harness opportunities in green technologies and digital transformation will play a pivotal role in shaping its economic future.

Economic Growth and Inflation

The UK is projected to experience moderate economic growth in 2024, with GDP growth forecasts ranging between 1.0% to 1.5%. This growth is due to persistent inflationary pressures, a legacy of supply chain disruptions, and heightened energy costs exacerbated by the conflict in Ukraine. The Bank of England's (BoE) efforts to combat inflation have resulted in a series of interest rate hikes throughout 2023, which are expected to continue into 2024, at a slower pace. Inflation is anticipated to gradually decline but will likely remain above the BoE's 2% target, averaging around 3-4% for the year.

Labour Market

Labour markets are showing resilience, with unemployment rates in many advanced economies returning to pre-pandemic levels. However, challenges such as skill mismatches and labour shortages in certain sectors persist. There is a growing emphasis on reskilling and upskilling programs to enhance labour force participation and productivity. In emerging markets, the informal sector remains substantial, necessitating structural reforms to create more formal employment opportunities. The UK labour market remains robust, characterized by low unemployment rates hovering around 4%.

Consumer Spending and Confidence

Consumer spending, a critical driver of the UK economy, is expected to show resilience despite the inflationary environment. Real wages, although pressured, are buoyed by government support measures and increased personal savings accumulated during the pandemic. Consumer confidence, however, remains fragile, influenced by the cost-of-living crisis and uncertainties surrounding the housing market. The latter is poised for a correction, with house prices expected to stabilize or experience modest declines as higher interest rates dampen demand.

Business Investment and Productivity

Business investment is forecasted to recover gradually, supported by government incentives and a relatively stable economic environment. The transition towards a greener economy presents significant investment opportunities, particularly in renewable energy, electric vehicles, and sustainable infrastructure. Productivity growth, a long-standing challenge for the UK, remains sluggish. Structural reforms aimed at enhancing skills, innovation, and digital adoption are crucial to improving productivity and long-term economic prospects.

Trade and Brexit Impact

Brexit continues to shape the UK's trade dynamics. Trade volumes with the European Union, the UK's largest trading partner, have stabilized but remain below pre-Brexit levels. Efforts to diversify trade partnerships, notably through the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), are ongoing. The post-Brexit regulatory environment, while offering flexibility, also poses challenges, particularly for small and medium-sized enterprises (SMEs) navigating new compliance requirements.

Government Policy and Fiscal Health

The UK government's fiscal policy in 2024 focuses on balancing support for economic growth with fiscal responsibility. Public debt levels, elevated due to pandemic-related spending, necessitate a cautious approach to public finances. However, strategic investments in infrastructure, healthcare, and education remain priorities. The government's commitment to achieving net-zero emissions by 2050 drives policies promoting green technologies and sustainable practices, which are expected to stimulate long-term economic growth.

Inflation and Monetary Policy

Inflation remains a critical concern for policymakers. The supply chain disruptions and energy price volatility that marked 2023 have eased somewhat, but inflationary pressures persist due to labour market tightness and wage growth. Central banks in major economies, including the Federal Reserve, the European Central Bank, and the Bank of England, are expected to maintain a cautious approach, balancing between curbing inflation and supporting economic growth. Interest rates are likely to remain elevated, but further aggressive hikes are not anticipated unless inflation deviates significantly from targets.

Geopolitical Risks

Geopolitical risks remain a significant downside factor for the global economic outlook. Tensions in Eastern Europe, the Middle East, and the Asia-Pacific region could disrupt global trade and investment flows. Additionally, the risk of policy shifts due to political changes in key economies adds to the uncertainty.

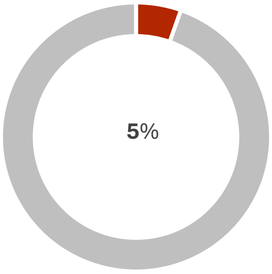
Overall, the global economy is expected to grow at a moderate pace in 2024. The International Monetary Fund (IMF) projects global growth to be around 3.0%, a slight deceleration from the previous year's robust recovery. This slowdown is attributed to the fading impact of post-pandemic stimulus measures and the normalization of economic activity. Advanced economies are likely to experience growth rates around 1.8%, while emerging markets and developing economies are projected to grow at a stronger rate of 4.4%, driven by robust domestic demand and continued recovery in trade and investment.

Tong En Sim (CFO)

BSc Finance with a Year in Industry

Sector Performance

Consumer Discretionary



FTSE350 Sector + 11%

QSMF Sector + 17%

1Year Performance

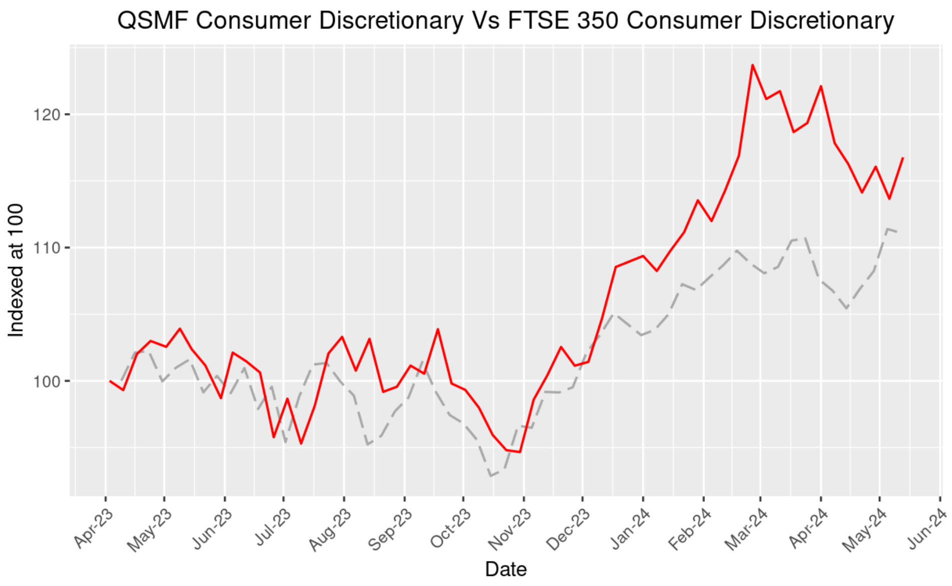
Dunelm	- 11%
Greggs	– 3%
IHG	+ 44%

Current Holdings: Dunelm, Greggs, International Hotel Group.

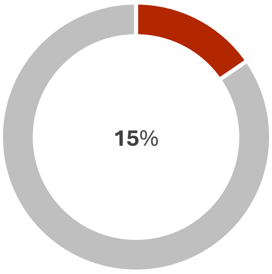
The QSMF Consumer Discretionary sector has significantly outperformed its FTSE350 counterpart, driven by the exceptional performance of InterContinental Hotels Group (IHG). During the period, IHG's stock price surged by 44% and has increased over 116% since inception. This growth is attributable to robust revenue expansion, increased operating profit, and dividends paid. IHG reported strong travel demand, with leisure travel remaining healthy and business and group travel continuing to recover. Revenue per available room has surpassed pre-pandemic highs, underscoring the company's strong market position.

In contrast, Dunelm and Greggs experienced declines of 11% and 3% respectively during the period. Despite achieving record-breaking sales, Dunelm faced challenging market conditions affecting both UK consumers and businesses, leading to a slight decline in its stock price.

Greggs' stock decreased by 11%, despite a 19% increase in sales. The challenging economic backdrop has likely raised concerns among investors, reflected in the company's share price. Overall, the Consumer Discretionary sector delivered strong results. We remain optimistic that with strategic additions to the portfolio this year, we will continue to outperform the benchmark.



Consumer Staples



FTSE350 Sector - 8%

QSMF Sector + 7%

1 Year Performance

Diageo	- 25%
Kroger	+ 14%
Tesco	+ 3%
Unilever	- 7%

Current Holdings: Diageo, Kroger, Tesco, Unilever

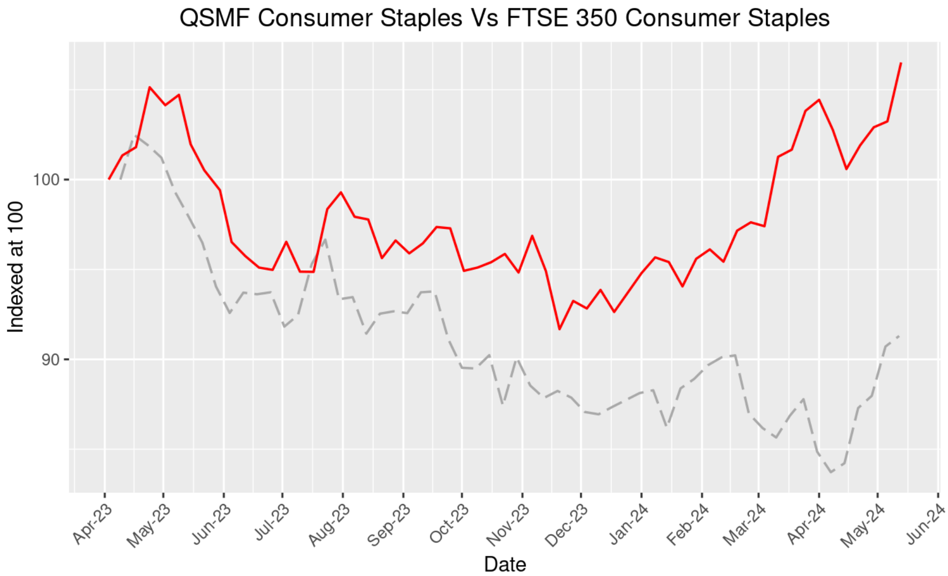
The QSMF Consumer Staples sector has outperformed the FTSE350 sector, driven by strong returns from Kroger and Tesco. The strategic allocation of Kroger and Tesco within the QSMF sector allowed us to better capture Kroger's robust performance. Since inception, Kroger has delivered steady returns, with its stock up 10%.

Kroger's rising stock price was bolstered by positive identical sales growth, $5 billion in operating profit, and a digital business that grew to $12 billion despite economic uncertainties such as higher interest rates and recent periods of high inflation. Tesco also experienced a sales expansion, up 7.4%, with operating profits increasing by 12%.

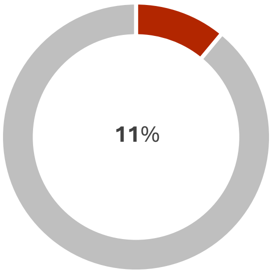
Despite a challenging environment, Diageo generated strong cash flow. However, net sales declined by 1.4%, operating profit decreased by 11.1%, and unfavourable foreign exchange rates impacted the company, contributing to the stock price decline and affecting the QSMF Consumer Staples sector.

Unilever reported a sales growth of 7%, primarily driven by higher inflation levels. However, the stock price faced negative pressure due to a turnover decline of 0.8% resulting from adverse currency effects and net disposals.

Given that all stocks in our portfolio are performing positively, we do not see a need to make changes to this sector. The QSMF Consumer Staples sector has successfully outperformed the FTSE350 Consumer Staples index.



Energy



FTSE350 Sector + 5%

QSMF Sector - 4%

1 Year Performance

iShares GCE	- 27%
Shell	+ 17%
The Renewables	- 12%

Current Holdings: iShares Global Clean Energy, Shell, The Renewables Infrastructure Group.

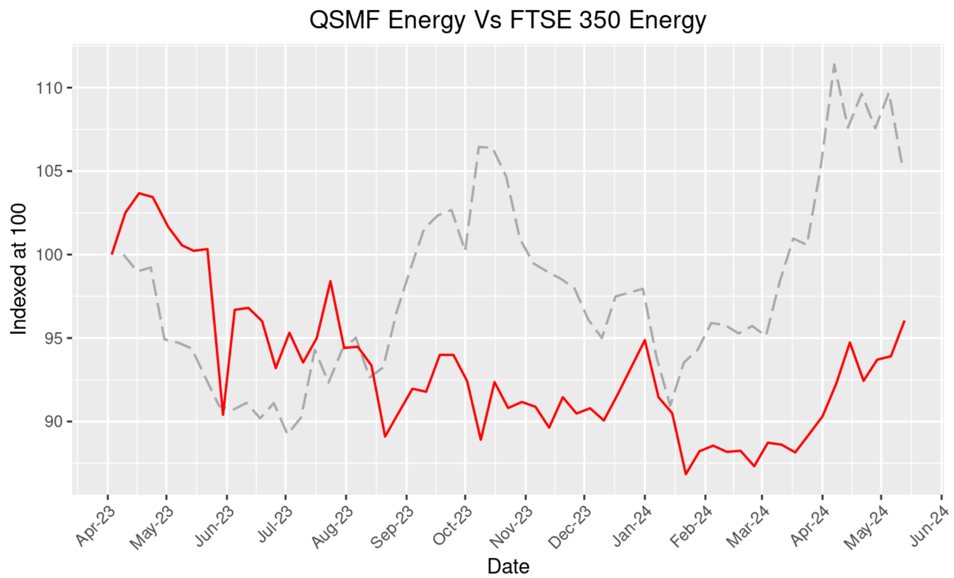
The QSMF Energy sector has under-performed the FTSE350 Energy sector, mainly due to large declines this year in two stocks, iShares Global Clean Energy and The Renewables.

The iShares Global Clean Energy Fund faced challenges over the past year as the entire industry came under pressure. This followed the exceptional returns seen in the energy sector during 2022, driven by higher inflation and the Russia-Ukraine war. As energy prices stabilized and equity markets performed well, the energy market's growth momentum waned.

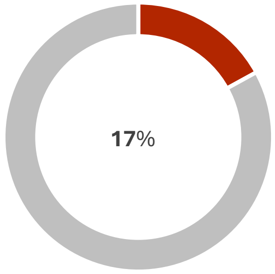
Despite these challenges, Shell delivered strong performance, achieving their second-highest cash flow in history. Although revenue declined by 17%, this figure still significantly outperformed 2021 revenues by nearly 30%. Gross margins for Shell also remained steady.

The Renewables Infrastructure Group benefited from historically higher power prices compared to normal levels. However, many other green and renewable investment trusts experienced declines over the past year as higher interest rates increased the attractiveness of investments in lower-risk asset classes.

All three stocks within the QSMF portfolio remain positive, and thus, no immediate action is deemed
Energy. This addition aims to enhance diversification and provide opportunities to tap into different segments within the energy and clean energy sectors.



Financials



FTSE350 Sector + 13%

QSMF Sector +30%

1 Year Performance

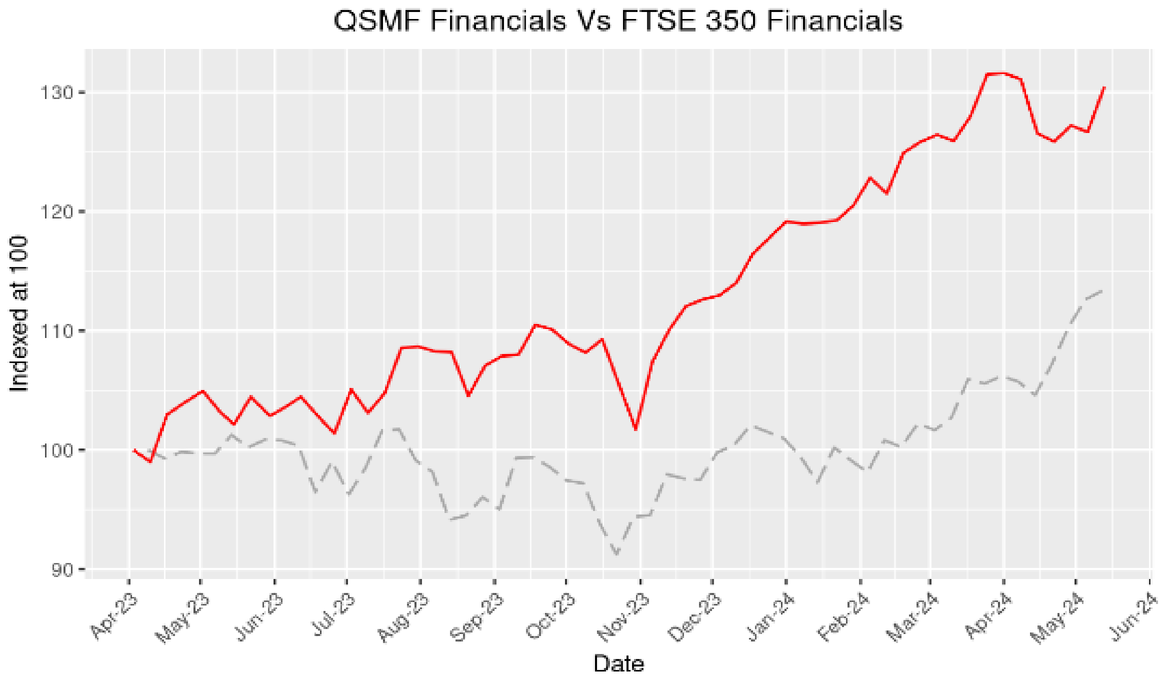
Investec	23%
J.P. Morgan	28%
Legal & General	-4%
Lloyds	28%
Mastercard	18%

Current Holdings: Investec, J.P Morgan , Legal&General , Lloyds, Mastercard

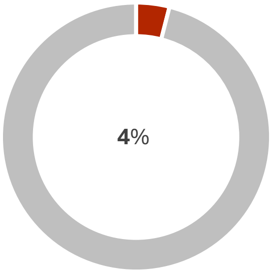
Following a series of banking failures in early 2023, financial stocks began to recover. From November 2023 to March 2024, financial stocks rallied, reflecting growing investor confidence that a broader systemic meltdown had been averted. During this period, the S&P 500 Financials Index surged 30.4%, outperforming the S&P 500's 25.2% gain.

Our QSMF financial sector portfolio delivered exceptionally strong performances. Investec, JP Morgan Chase, and Mastercard were the top performers, delivering returns of 82%, 21%, and 30%, respectively. This increased performance was driven by the overall sector recovery, along with better earnings and growth prospects for these companies. Legal and General delivered a 6% return, supported by strong business fundamentals and a consistent dividend yield.

The only underperformer in our portfolio was Prudential. This was due to poor profits and challenging market conditions in the Chinese mainland and Vietnam. Despite this setback, the overall performance of our financial sector investments contributes significantly to our overall portfolio.



Health Care



FTSE350 Sector + 5%

QSMF Sector +16%

1 Year Performance

Astra Zeneca	23%
GSK	28%
Spire Healthcare	18%

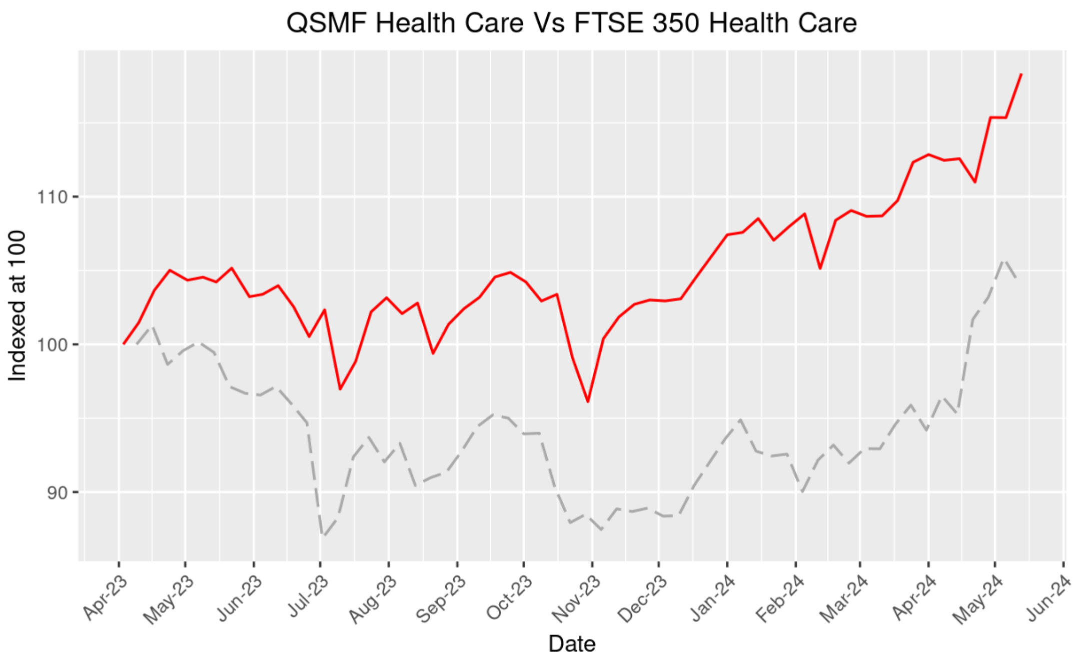
Current Holdings: AstraZeneca, GlaxoSmithKline, Smith & Nephew, Spire Healthcare.

Our Healthcare sector has remained a stable and strong component of the QSMF portfolio, boasting positive returns throughout much of the duration of the charted period with a significant contribution of those returns stemming from the AstraZeneca (AZN) stock with 15.5% returns during the period and over 58% returns since its initial induction into the portfolio. When compared to the benchmark healthcare counterpart within the FTSE 350, we have outperformed their sector at every point in time with almost a 10% advantage in sector returns to date.

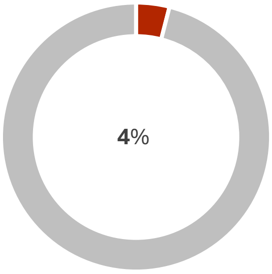
Whilst AstraZeneca (AZN) is the main contributor for the significant during this period the other components of the sector are not without their additions to positive returns. GlaxoSmithKline and Spire Healthcare (SPI) have experienced positive returns particularly in the later portions of the period with 5.3% and 18.1% respectively, with a further 2.7% and 3% since their initial purchase.

On the downside there is one element of the sector that was not able to live up to the standards set by the other constituents, the Smith & Nephew (SN) stock whilst experiencing some positive returns in the later portions of the period of 3.8%, the overall returns since initial purchase of -16.2% in addition to lack of regularity or stability cause it to become the weakest element of the sector.

Overall, the sector is performing very well and with the further confidence the market has in the healthcare sector components to continue experiencing higher revenues and improved market performance, we are confident the QSMF Healthcare sector will continue to show its strength.



Industrials



FTSE350 Sector + 26%

QSMF Sector +38%

1 Year Performance

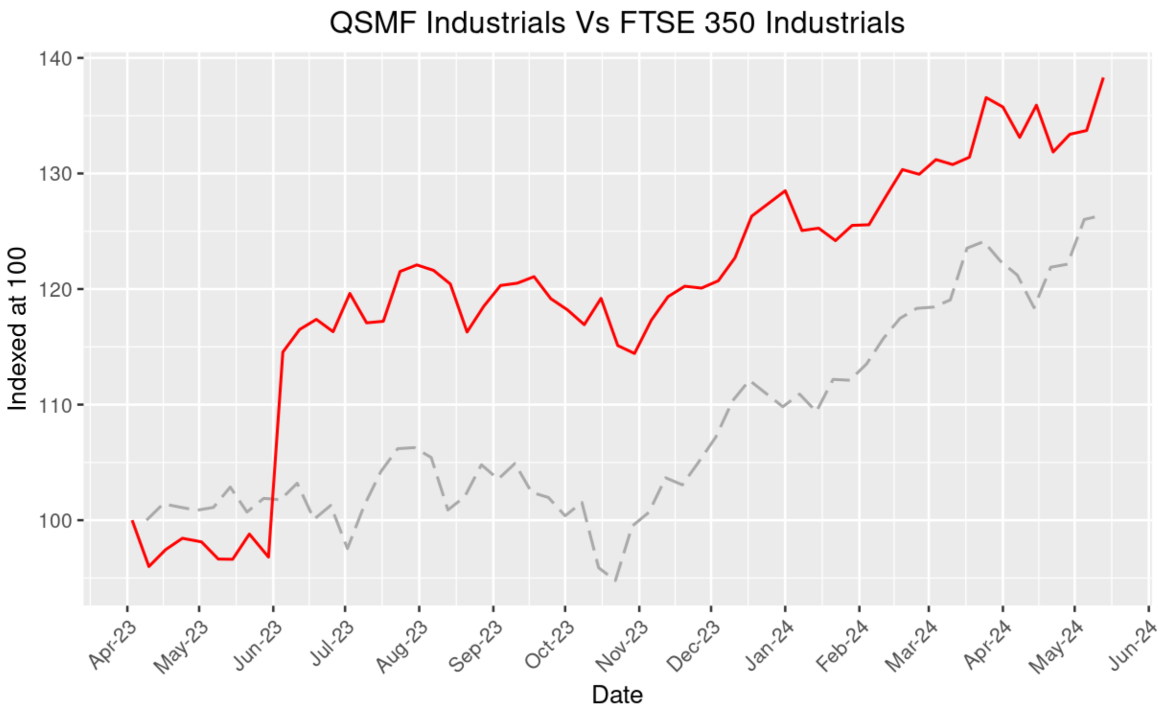
Smith's Group	23%
S&P Industrials ETF	12%

Current Holdings: Smith's Group , S&P Industrials ETF

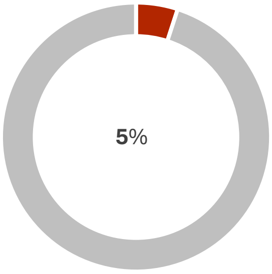
The industrial sector delivered positive returns over the past year, primarily driven by the aerospace and defence sectors. Geopolitical tensions spurred increased defence spending, while investments in new fleets of passenger aircraft boosted demand. This combination of factors significantly contributed to the sector's overall performance.

Our QSMF Industrial sector includes investments in the iShares S&P Industrials ETF and Smiths Group Plc. Both investments have yielded positive returns of xx% and xx%, respectively. Smiths Group's strong performance was largely driven by its diverse exposure to sectors such as medical, aerospace, rail, and industrial markets. The company's robust return on equity (ROE) of 11%, compared to the industry average of 7.7%, underscores its market strength. These factors contributed significantly to its positive returns last year.

Our exposure to the iShares S&P Industrials ETF was a strategic move to capitalize on the industrial sector's strong performance and earn substantial returns. The ETF provided broad-based exposure to top-performing industrial companies, allowing us to benefit from the sector's overall growth.
Despite this success, we believe the industrial sector still has significant untapped potential. Factors such as ongoing technological advancements, infrastructure investments, and a resurgence in manufacturing could drive further growth. As a result, we remain optimistic about the sector's prospects and potential for continued outperformance.



Information Technology



FTSE350 Sector + 30%

QSMF Sector +16%

1 Year Performance

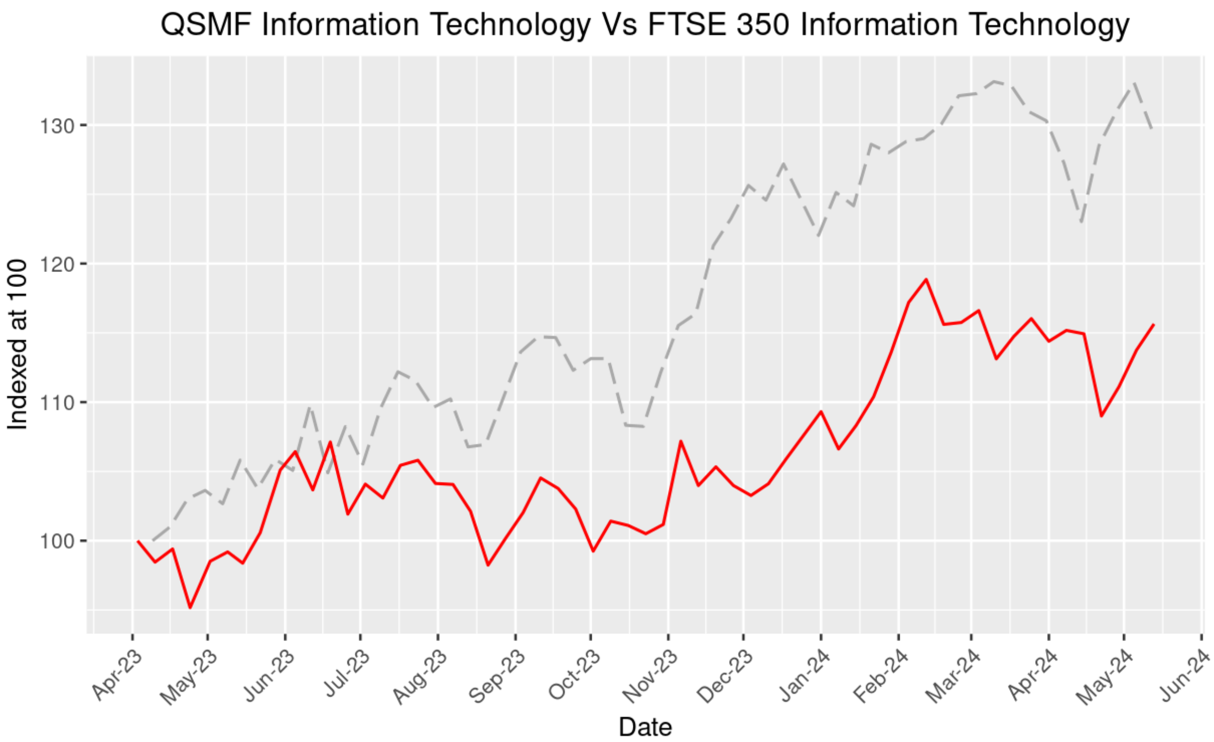
Kainos Group	-20%
Microsoft	25%

Current Holdings: Microsoft, Kainos

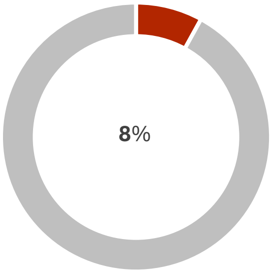
The Information Technology sector remains one of the most vital and high performing sectors in the QSMF portfolio. Whilst our performance was not as positive or successful as the FTSE 350 IT benchmark, our sector returns of 16% over the duration of the period is more than satisfactory.

Microsoft is the essential component of the sector, with over 25% returns during the period with a very successful year adding to its history of powerful performance in our portfolio with 53.1% returns since its initial purchase. Kainos unfortunately was not able to add to the sectors positive performance during this period, with -20% downsides over the past year. Whilst this particular period was less than satisfactory the Kainos stock remains a very high performer overall with 45% returns since its induction into the portfolio.

The Information Technology sector will likely always remain a strong component of the portfolio with some of the most impactful price movements and safest returns, we are optimistic that expanding this sector with additional stocks and increasing its weighting within the portfolio from 5% to something closer to our benchmark, we should see more of these already seen performance benefits.



Macro



FTSE350 Sector + 7%

QSMF Sector +9%

1 Year Performance

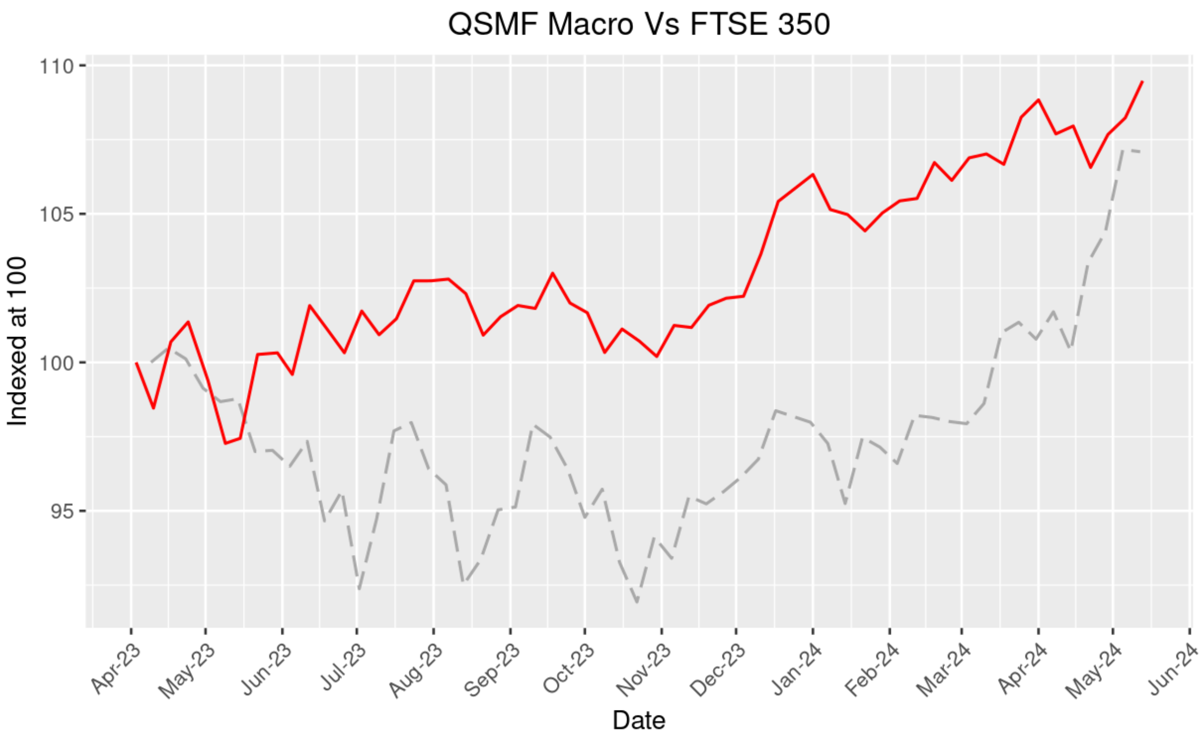
iShares Infrastructure	8%
L&G Small Cap	8%

Current Holdings: iShares Infrastructure,L&G Small Cap

Our Macro sector has proven to be a robust and reliable part of the QSMF portfolio, delivering positive returns throughout most of the observed period. A significant portion of these returns is attributed to the iShares Infrastructure stock, which yielded 8% returns. Compared to the FTSE 350 healthcare benchmark, we have exceeded the sector's performance by 9% to date.

Investing in the iShares S&P Infrastructure ETF was a strategic choice to leverage the industrial sector's strong performance and secure substantial returns. This ETF offered extensive exposure to leading industrial firms, benefiting from overall sector growth. Additionally, L&G Small Cap has significantly contributed to the positive returns, achieving an 8% increase.

Overall, the sector is thriving, and with the Macro expected to maintain higher revenues and improved performance, we are confident that the QSMF Macro sector will continue to demonstrate its strength.



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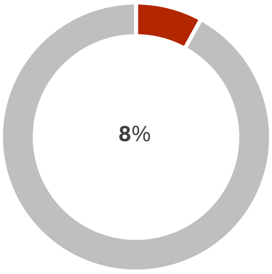
Materials



FTSE350 Sector + 2%

QSMF Sector +12%

1 Year Performance

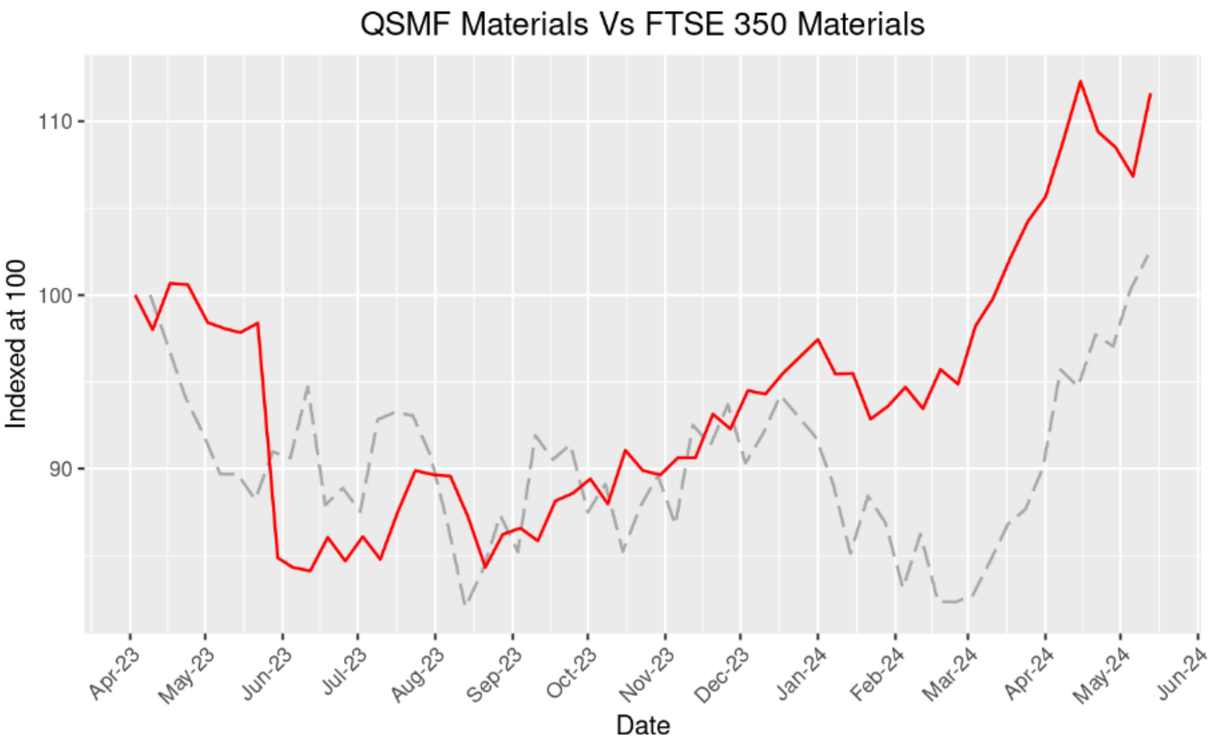
Mondi	1%
iShares Gold	25%
Glencore	-12%
CRH	30%

Current Holdings: Mondi, iShares Gold , Glencore, CRH

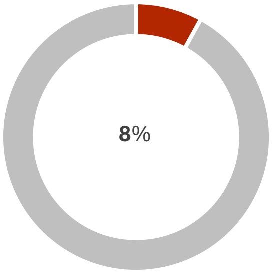
The materials sector delivered a 12% positive return over the past year, driven by factors such as global economic recovery, increased infrastructure spending, and supply chain disruptions that boosted material prices. Rising commodity prices, fueled by inflation expectations and a potential commodity super cycle, also benefited the sector. Additionally, there was a surge in demand for materials used in green technology and renewable energy projects. Strong financial performance, including higher revenues and profits, along with strategic mergers and acquisitions, boosted investor confidence, leading to increased interest and positive market sentiment towards the sector.

Our investment in the iShares Gold ETF was strategic, capitalizing on the industrial sector's strong performance. Gold, a safe haven asset, provided a hedge against market volatility and economic uncertainties. Its industrial applications, particularly in electronics, aligned with the rising demand for industrial metals. The ETF also offered protection against inflation and benefited from supply chain disruptions, driving up gold prices.

QSMF Materials experienced fluctuations, dropping below 90 in June 2023 but beginning a steady upward trend by December 2023, surpassing 110 by June 2024. Similarly, FTSE 350 Materials saw initial declines but began a consistent recovery in early 2024, nearing 100 by June 2024. Despite significant challenges, including legal issues and structural changes, Glencore faced a 12% year-to-date decline in its share price by July 2024. This reflects investor concerns, but the company has shown resilience, and we remain optimistic about the sector's future prospects.



Real Estate



FTSE350 Sector + 4%

QSMF Sector +2%

1 Year Performance

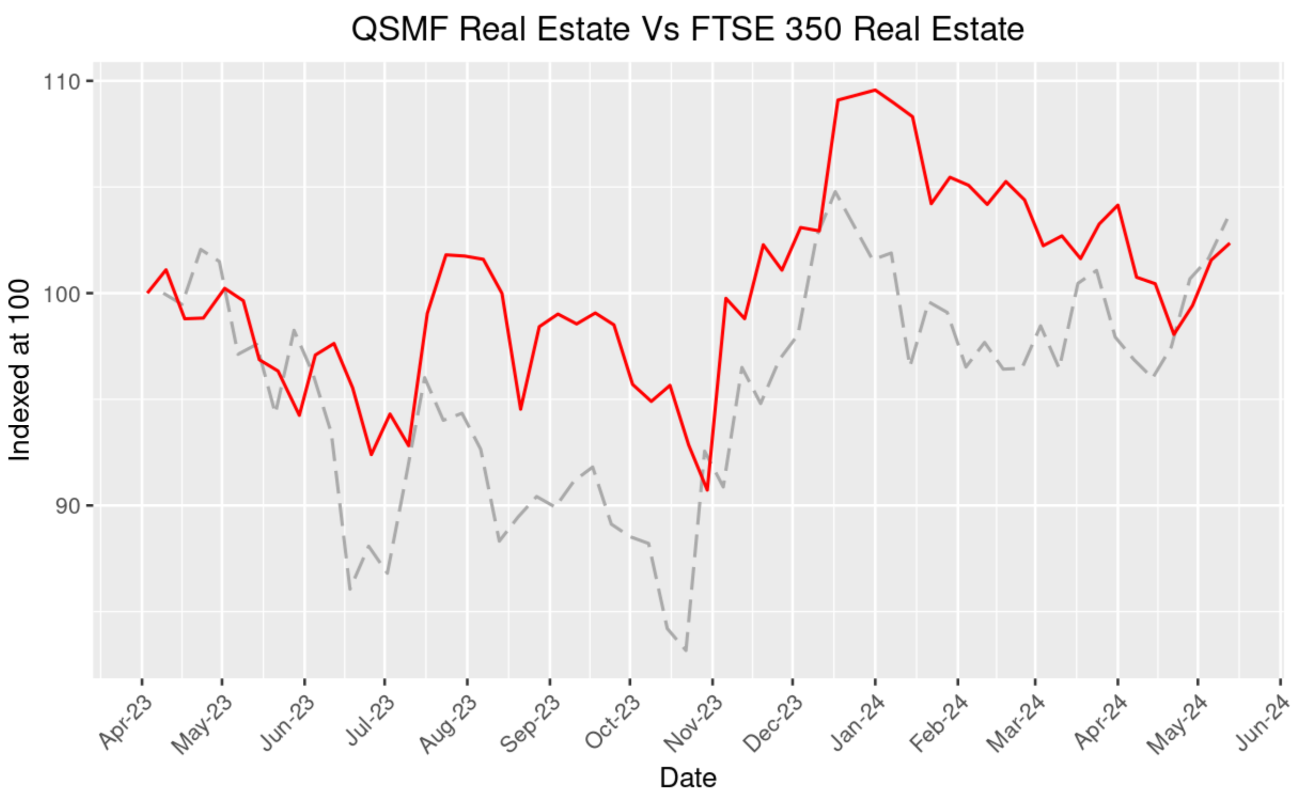
Unite Group	-1%
DJI Real Estate	5%

Current Holdings: Unite Group, DJI Real Estate.

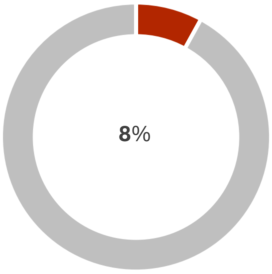
The Real Estate sector has had a very erratic and unsatisfactory year, whilst the performance of the individual stocks have been somewhat positive towards the mid and end points of the period, the overall trend of the sector has been highly negative, sitting currently at a 2% upside to the FTSE 350's Real Estate benchmarks 4% upside.

DJI Real Estate have had the better performance of the sector components, with positive returns of 5% for the period, but the historical returns of the stock since its initial purchase have not been positive, currently sitting at -18.5%, a significant loss. Unite Group have had a poor year, with -1% returns for the period but slightly less of a historical loss with -8.4% since initial purchase.

With these significant losses we have made the decision to remove the QSMF Real Estate sector going forward, instead choosing to redirect those funds into more optimistic areas for prospective investment and even into additional stocks from some of our higher performing sectors that do not have much weighting in the portfolio.



Utilities



FTSE350 Sector + 1%

QSMF Sector +3%

1 Year Performance

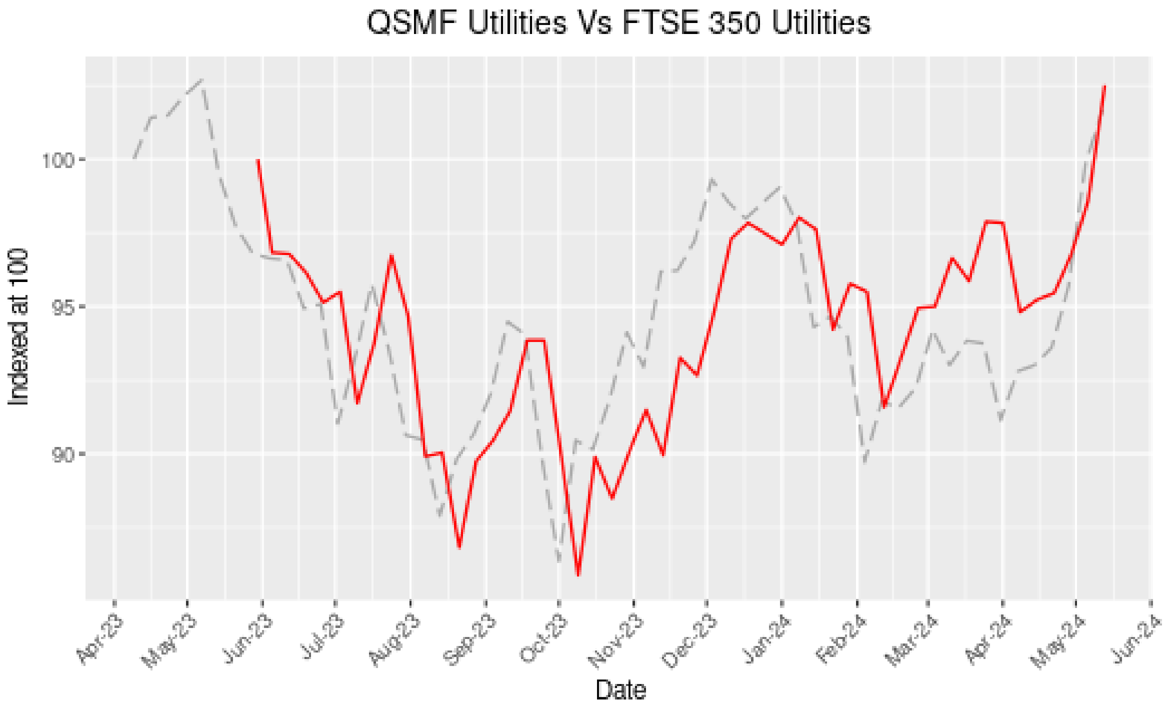
National Grid 1%

Current Holdings: National Grid

The QSMF Utilities sector delivered a 3% positive return over the past year, driven by a combination of several key factors. Firstly, the ongoing global shift towards renewable energy sources played a significant role. As governments and corporations alike continue to prioritize sustainability and reduce carbon emissions, there has been an increasing demand for utilities that offer cleaner energy solutions. This shift has benefited companies within the sector that are investing in or expanding their renewable energy portfolios, such as wind, solar, and hydroelectric power.

Utilities are often seen as a safer investment because they provide essential services, such as electricity, water, and natural gas, that remain in demand regardless of economic conditions. This stability in cash flow and revenue has made the sector particularly appealing in a year where other sectors have faced more pronounced challenges.

Another driving factor behind the positive return is the regulatory environment. Many governments have introduced favorable policies and incentives to encourage investment in clean energy infrastructure, which has supported growth within the sector. These policies include tax credits, subsidies, and favorable pricing structures for renewable energy projects.Moreover,the rising costs of traditional energy sources, such as coal and natural gas, have made renewable energy alternatives more competitive, further boosting the sector's performance over the past year.



**** Note** national Grid was added late hence the different start dates of the index.

Weekly Financial Newsletter

On the start of 2024, we started to publish a weekly financial newsletter every Friday through QSMF emails, LinkedIn and Crowwd pages. Our goal is to enhance the commercial awareness of our members and keep them informed about the latest market developments. Staying well-informed is crucial and is often a key competency sought during job searches, especially for roles requiring an understanding of the broader business context. Many of our members have enjoyed the content and found it valuable for their professional growth.

Example of Weekly Financial Newsletter

QSMF

WEEKLY Newsletter

JANUARY - III

UK STOCKS RISE AFTER RETAIL NEWS BOOSTS HOPES OF INTEREST RATE CUTS

THE WORLD'S CITIES ARE NOT READY FOR CLIMATE CHANGE

CHINESE STOCK ROUT ACCELERATES AS FOREIGN INVESTORS SELL OUT

HOW CORPORATE CREDIT INVESTORS ARE PRICING THE FUTURE

The financial marketsdisplay a nuanced landscape with equity markets showing optimism due to potential central bank rate cuts and tech stock success, while the corporate bond market signals caution with higher yields amid credit risk. Some asset allocators favor corporate bonds for their substantial yields, emphasizing overall yield as a key valuation metric. The narrowing credit spreads, nearing two-decade lows, raise concerns about sustainability, compounded by challenges for central banks in adjusting rates swiftly, potentially undermining valuations across markets and jeopardizing returns.

PRIVATE EQUITY EXPECTS REBOUND

Private equity executives are predicting a sharp increase in takeover activity as buyout firms that have held on to investments in the hope of higher prices finally begin to capitulate.

ELECTRIC CARS ARE NOT THE FUTURE

US sales have slowed well below the government's target, EVs' share of the British market has stopped growing and only 1.2 per cent of European passenger cars in 2022 were battery-powered.

Source : Financial Times

| QUEENS STUDENT MANAGED FUND EXECUTIVE COMMITTEE |

QSMF & Crowwd Partnership

Imagine LinkedIn, but tailored for investment aficionados, and powered by a unique scoring system that highlights your financial knowledge. Crowwd is a new platform dedicated to investing, trading, and all things finance, tailored for finance professionals and students. Through this partnership, we have been invited to create a QSMF account to share our work. Members could also create a personal account and join the QSMF group, offering a valuable experience for those pursuing careers in the professional financial industry and seeking to build a track record of their work.

Queen's Student Managed Fund
OBSERVER

Weekly Market Highlights that I find interesting :

- End of negative interest rates in Japan raises threat of yen volatility
- Dutch court rules KLM ads 'misleading' in greenwashing case - court's decision recognises that green flying is a myth
- BBC develops AI plans and talks to Big Tech over archives access
- How credit card debt has become a burden for Americans
- Grant Thornton US sells majority stake to private equity

Spotlight on this week market insight : GBP Slips as the BOE Hawks Take a Step Down

Market Reactions : After Thursday's announcement on holding interest rate at 5.25% , sterling fell against the dollar to trade down 0.6 per cent on the day at $1.271.

What does holding interest rate at 5.25% signals ?

It signals that even the most hawkish policy makers on the BOE Committee are now no longer considering raising interest rates as the latest UK inflation reports shows the CPI at 3.4%, edging closer to the 2% target. This creates implied targets of lower rates to come soon and selling to occur on the GBP.

Student Testimonials

Joining QSMF as a Sector Head in the Real Estate sector during my final year was a transformative experience. Through QSMF, I have expanded my understanding of financial fundamentals but also applied this knowledge throughout my academic modules and secured a graduate role in Deloitte.

Building a network with like-minded peers at QSMF has been instrumental in my development and navigating the complex process of long placement applications. Learning from their experiences helped me identify the technical and soft skills essential for success in job applications. This support has opened doors to many industry leaders and experts, providing me with valuable guidance and opportunities.

QSMF's resources, such as access to Bloomberg terminals, kept me updated with real-time financial data and enhanced my practical technical expertise. Participating in events like the annual QSMF stock pitching event at Davy, which I have taken part in twice, further strengthened my CV and distinguished me from other candidates. My involvement in QSMF played a crucial role in securing a financial placement with Davy.

Overall, my journey with QSMF has been an invaluable experience, equipping me with practical skills and knowledge that provide a competitive edge in the financial industry. I strongly recommend any interested students to join.

Mei Ling Chan *(BSc Finance with a Year in Industry)*

During my first year with the QSMF I took advantage of the plethora of opportunities presented to me. From the get-go, the fund hosted networking opportunities, technical skill building sessions and career focused events. Most notably, one of the first projects our respective sectors were tasked with was the creation of an equity report into the fund's holdings. This involved economic, technical, and an overall S.W.O.T analysis of the firm in the wider commercial climate.

Personally, my membership in the fund gave me the technical grounding and confidence to participate in Susquehanna International Group's spring program down in Dublin. During this, I applied game theory to option trading decision making, analysing the potential payoffs from the available strategies. In addition, I gained an insight into the departments of a quantitative trading firm including product legal and the trading floor. I hope that my experience with SIG will provide a solid experience base upon which I can build on in the forthcoming internship application cycle.

To round off an incredible first year with the fund, I had the opportunity to pitch a stock of my choosing to Davy, our gold sponsors, at their Belfast office. I pitched Gore street energy. I compiled a technical, economic, and S.W.O.T analysis into a nine-minute presentation to a panel of Davy Judges. My analysis received a critical review, and I was provided with clear, actionable feedback which I look forward to implementing next year. This was certainly a personal highlight as it allowed me to pull together everything I had learned with the fund and put it into practice.

I would like to extend my thanks to the incredible Executive committee who have led the fund from strength to strength and worked hard to provided such an excellent range of opportunities.

Kyran Creighton-Moore *(BSc Economics)*

I joined QSMF this year as a first-year student. Joining as an analyst in the industrials sector, I was quickly given the opportunity to progress to senior analyst, before tackling our first task of writing an equity research report on the current sector holdings. From day one, QSMF acted as a great environment to meet like-minded people, holding weekly meetings and providing plenty of networking events to meet other members and alumni.

The insights and skills I have gained through being an active member of the fund have been invaluable to me. Including training from the executive committee on valuation methods, access to Bloomberg terminals and courses, and events hosted by representatives from companies such as Davy, Citadel, and Clarendon Fund Managers.

QSMF opened many doors for me throughout the year, most notably the CFA Institute Research Challenge, where four other members and I represented QUB at the annual challenge. The challenge involved researching Kingspan PLC throughout the year and subsequently presenting our findings in a stock pitch competition against other top universities at Davy's offices in Dublin for the CFA Ireland Final. The challenge was not only great to network with like-minded students and finance professionals, but it also allowed me to gain a real insight into the equity research industry and improve my technical and soft skills.

I would recommend QSMF to any QUB student who's interested in finance, it's fun, interesting and you never know what doors it could open up for you.

Tommy McCallen (*BSc Finance with a Year in Industry*)

Acknowledgements

We would like to express our gratitude to all those who have supported QSMF in various ways through its development, launch, and ongoing operations.

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