

bouncing around, big piles of government debt, big shifts in equities portfolios (miners in, big tech and banks out), and yet the VIX volatility index hasn't got out of bed.

Investors are either so desensitised to US President Donald Trump's bluster and volatility, so rusted on to a bull market mindset after three years of huge Wall Street returns, or have so much capital to put to work that they're willing to absorb a lot. We'd argue they're absorbing more than usual.

Industry superannuation fund Rest Super is one of those investors. New chief investment officer Michael Clancy, who oversees the team running members' \$103 billion in retirement savings, barely seems flustered.

New to the role and vowing to keep evolving the growing Rest's investment team and the way it manages money, Clancy says that if it isn't affecting Rest's 10-year view of the world, his team isn't taking too much notice.

"To a large extent, unless the geopolitical concerns are very significant and long-term in nature, then markets will tend to look through them," Clancy says in his first interview since taking control of Rest's investment team. "That's what we have seen in the last couple of weeks. Markets have looked through some quite meaningful geopolitical events."

So instead of skittishly trading whatever headline is in the news that day – the White House taking 25 per cent of chip owner Nvidia's China sales was Thursday's – he is sticking to what he says are big, long-term structural investment themes: decarbonisation, a move away from globalisation, ageing populations, digitisation and rising debt.

He cites Rest's investments in Western Australia's Collgar Wind Farm and flash Quay Quarter Tower in Sydney's Circular Quay as examples of what he's looking for.

And if you take that view, the outlook for 2026 in markets is similar to last year, a year when geopolitical unrest came to the fore, there was a lot of trade uncertainty and supply chain reorganisation, and still the S&P500 rallied 17.9 per cent. It was also a year when the VIX volatility index, which measures volatility in US options markets, jumped seven times.

Clancy, who previously ran Qantas Super, says corporate profits and balance sheets were "pretty solid" last year and he expects similar this year too. That means he isn't expecting great changes to Rest's targeted asset allocation or investment portfolios.

Nearly three-quarters of Rest's default growth fund is in equities and other growth assets, he says.

But what about rates? The Fed cut interest rates three times last year, as did the Reserve Bank of Australia. Those cuts, or at least expectation of those cuts, have been one of the most powerful equity markets drivers for a few years. Are they done?

"If you take a multi-year view, although sticky...inflation is there, but not causing a grave issue," he says of both the US and Australia. "Cash rates have come down, but won't come down as much again."

Yet he says the consumer keeps spending, particularly in the US, which underpins economic growth.

"We're really focused on those areas of the market, both listed and unlisted, that will change economies and change financial markets over the course of the next decade."

He says Rest will deploy more money offshore than in Australia in coming years – funds have to as superannuation becomes an even greater share of GDP and they seek to diversify portfolios and returns for members.

Rest growth fund, its default option, returned 9.22 per cent in the year to December 31, according to a statement released last week, and 7.31 per cent on a 10-year basis.

When asked if that's lower than Rest should have achieved and whether his job is about lifting performance, Clancy says the fund did more than what it said on the tin: CPI plus 3 per cent.

We should expect Rest and our other big funds, particularly those that know they will receive a few billions or more in inflows this year, to keep looking at the long term.

What's surprising about the start to this year is how hedge funds and other fast-moving investors aren't frantically trading around news flow.

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Jewish groups gather at Melbourne University in May 2024 to protest against hate speech on campus. PHOTO: DARRIAN TRAYNOR

## Australia's universities are talking about antisemitism, not stopping it

### Talking point



David Knoll

At the time of the global financial crisis, Rahm Emanuel, chief of staff to former US president Barack Obama, adapted an age-old saying: "You never want a serious crisis to go to waste," he reportedly told a *Wall Street Journal* forum in 2008. "And what I mean by that is, it's an opportunity to do things you think you could not do before."

Now is such an opportunity for Australian universities to go beyond words and take action to reverse the normalisation of antisemitism that has spread across the Australian tertiary sector.

Most universities have communicated to their staff in the wake of the antisemitic massacre at Bondi Beach. Some communications include powerful commitments such as that from Professor Deborah Terry AC, the University of Queensland vice-chancellor and president, who expressed condolences and committed her university "to working with UQ's Jewish community, Australia's Special Envoy to Combat Antisemitism, Jillian Segal AO and the government to stamp out antisemitism".

Other universities, including RMIT, Deakin, University of Sydney, University of Wollongong, UNSW and the University of Technology Sydney issued compassionate messages.

Melbourne University chancellor Jane Hansen and vice chancellor Emma Johnston wrote "We stand with the Jewish community in Australia at this time of deep sorrow", and gave a "commitment to a safe, inclusive and supportive environment for all".

At the same university, the dean of science called for staff to "foster respectful acceptance of different religions, cultures and political beliefs". Sadly, the words "Jewish" or "antisemitic" failed to appear in her message. Such erasure does not fill us with confidence that the tragedy is being acknowledged for what it is: a deliberate attack against the Jewish community.

The University of Melbourne, more positively, has rolled out an extensive and comprehensive training program dealing with Indigenous issues on campus. Notably, nearly everyone appearing in the training videos and everyone involved in the leadership of the program is Indigenous. The program is excellent, nuanced and thought-provoking. There could well be

similar broad-based educational programs combating antisemitism.

What else is needed? In 2025, the Australian Academic Alliance Against Antisemitism released a detailed, evidence-based analysis of antisemitism in Australian universities following Hamas' attack of October 7, 2023.

### Action in relation to the now normalised antisemitism at our universities is lacking a sense of urgency.

The report made important calls to action, such as calling on universities to demonstrate the same level of commitment to preventing antisemitism as they have shown in addressing sexual harassment, to establish a confidential and centralised antisemitism complaint system with trained staff, and to restore and protect freedom of speech for Jewish students and staff, through initiatives such as university-led public debates.

It is regrettably still early days in moving from a patchy but emerging recognition that change is needed to actually create positive change.

Action in relation to the now normalised antisemitism at our universities is lacking a sense of urgency. The moral clarity that is so desperately needed remains absent at more than a few campuses.

Little or no action has been taken to operationalise the definition of antisemitism for disciplinary complaints, racial discrimination, and/or other purposes. For some universities, such as the Australian National University, RMIT and Macquarie University, even adopting the Universities Australia definitions has yet to occur. Macquarie has decided to restore funding to an academic who has publicly stated that Zionists (read, most Jews) have "no claim or right to cultural safety".

Right now is a real opportunity to rise to the challenges laid out by Australia's special envoy to combat antisemitism.

The G08 has established a committee of distinguished individuals that is designated as an Expert Oversight and Implementation Committee on Antisemitism. Taking simple and measurable first steps does not need a further committee report, although further actions could benefit from G08 leadership.

Let every university – before the 2026 academic year begins – adopt either the IHRA or the Universities Australia definition of antisemitism, and unequivocally make clear in their published policies that conduct that crosses the line is a breach of the university's code of conduct. They can also commit to reporting transparently and quickly taking action to redress such unacceptable conduct.

Then, it will at least become possible to make real and effective progress in reversing the normalisation of antisemitism that is rife in many Australian campuses.

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**AFR** The Australian Financial Review Issue Number 18,362  
Responsibility for election comment in this issue is taken by James Chessell of 1 Denison Street, North Sydney, NSW 2060

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Registered by Australia Post, Publication No. NBF 1310. Published by Fairfax Media Publications Pty Ltd, ACN003357720, at 1 Denison Street, North Sydney, NSW 2060. Locked Bag 999, North Sydney, NSW 2059. Printed in Brisbane by News Ltd, Lytton Road, Murarrie, for the publisher. Printed in Sydney by News Ltd, 26-52 Hume Highway, Chullora, for the publisher. Printed in Melbourne by Herald & Weekly Times, Westgate Park, 127 Todd Road, Port Melbourne, VIC 3207, for the publisher. Printed in Adelaide at Adelaide Print Centre, News Ltd, SA, at 200 Railway Terrace, Mile End, SA 5031, for the publisher. Registered at the British Post Office as a newspaper. Recommended and maximum price only.