

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	28 (Maximum 35)
Quest AUM	\$1,082m
Strategy AUM	\$136m
Investment horizon	3 - 5 years
Investment Strategy	Fundamental with a focus on business quality and free cash flow
Derivatives/Shorting	Nil
AFSL	279207
Lonsec Rating	Reviewed and Rated by Lonsec

CONCENTRATED PORTFOLIO JULY 2025

The **Australian** market (XKOAI) rose +2.4% in July, building on the monthly gains since the supposed 'Liberation Day' in early April. The **US** return was a similar +2.2% for the S&P 500, with the tech-biased **NASDAQ** +3.7%.

Major themes were a potential Chinese economic stimulus package, mooted additional Russian sanctions to limit energy exports and strong US economic data. This economic data is still pending the imposition of Liberation tariffs from 1st August. We note equity markets have been strong despite earnings forecasts falling in Australia and the US. Macquarie analysts are forecasting this reporting season will reveal FY25 to be a third year of falling aggregate ASX EPS. Real productivity improvements are needed or Australia will be reliant on the RBA to keep cutting rates.

Market commentators noted a mood shift in markets, with resources, value and Chinese equities at the forefront for a change. In Australia, the small and mid cap market sectors posted better returns than the Top 20. It was also noteworthy that Momentum as a factor lagged, in stark contrast to recent months. There was a clear rotation in ASX sector performance, with Health (+9%) and Resources (+5%) beneficiaries as investors shifted some large cap money out of banks. **CBA** (-4%) was the worst of the Big 4. This is not a typo.

The Quest portfolio performed strongly, with Health investments (**CSL**, **Resmed**), Small Caps (**Qoria**, **Catapult**), and **Block** the major contributors. Gold stocks were weak (**Northern Star**, **Vault**) but they are pricing a gold price well below the current level. Not holding **CBA** was beneficial.

Quest recently met with new **ANZ** CEO Nuno Matos, a bank in need of a material renovation. Mr Matos has wasted no time shaking up their complacency. His first focus is a better leadership team. Our first impressions are positive but a lick of paint won't be sufficient. Apparently he was well regarded by HSBC investors. A recent meeting with **Macquarie's** banking division revealed their much bigger ambitions than just 6% of the local mortgage market. Overall sector returns remain challenged.

STOCK PERFORMANCE JULY 2025

POSITIVE	
Qoria	+21%
Block	+18%
Catapult	+13%
CSL	+13%
Immutep	+12%
NEGATIVE	
Northern Star	-16%
Vault	-13%

Performance*								
To 31 July 2025	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	4.2%	8.0%	4.4%	8.3%	12.4%	10.8%	11.4%	11.5%
ASX300 Accumulation index	2.4%	8.3%	11.9%	12.1%	12.2%	8.7%	8.9%	8.1%
Value added	1.8%	-0.3%	-7.5%	-3.8%	0.2%	2.1%	2.5%	3.4%

*Returns before fees and tax based on the JBWere platform model portfolio. **Past performance is no guarantee of future performance.** Individual returns will differ for investors, depending on when the initial investment was established and the timing of any additional investments or redemptions. Inception date is February 2005

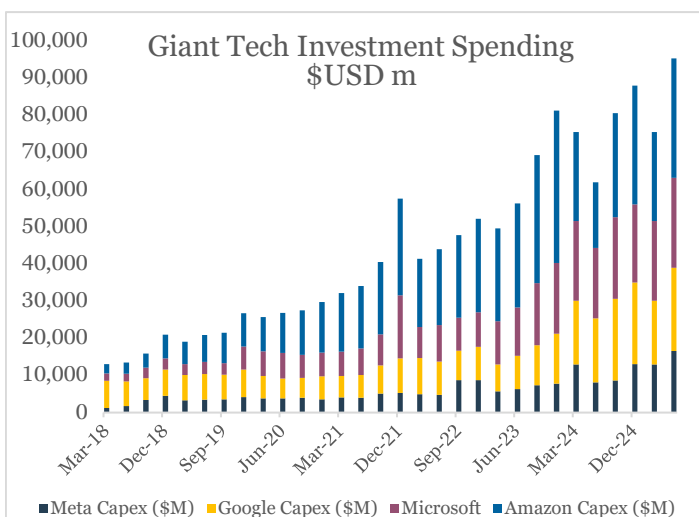


MONTHLY ACTIVITY

Infratil has been added to the Quest portfolio after considerable investigation. IFT is a portfolio of assets, managed by a very successful team based in NZ but their ~50% of CDC is our primary focus. CDC is one of Australia's largest data centre operators, dominating government and essential infrastructure applications. The Future Fund is the other major CDC shareholder. The AI revolution is well underway, with a step change in data centre demand just one facet. Critical to Quest's investigation is assessing the ROIC available given the huge cost of this revolution. The chart below details the investment scale. Meta for instance is spending \$US64-72bn in 2025, largely on AI, data centres and associated infrastructure. CDC has demonstrated they can contract, fund and deliver DCs as well as staying abreast of technological advances and client requirements. Other listed ASX alternatives are priced materially above the IFT implied valuation.

Global packaging giant **Ancor** was added to the portfolio as it offers defensive growth exposure with an improving quality score and attractive valuation. It is trading on a PE of only 11 with potential double-digit earnings growth in the next few years as the accretive Berry acquisition is integrated. The market appears to be sceptical that the projected synergies can be achieved which is surprising given their track record with previous large acquisitions including Alcan and Bemis. Exiting **Woolworths** and **Light & Wonder** were the main funding sources.

CHART OF THE MONTH



KEY PORTFOLIO HOLDINGS

LARGE CAP

Aristocrat Leisure	ANZ
BHP	National Australia Bank
CSL	Origin Energy

MID CAP

Xero	Resmed
ALS	Block
Mirvac	Judo Capital

SMALL CAP

Qualitas	Maas Group
Catapult	Ventia Services

INVESTMENT PROFILE

The Quest Australian Equities Concentrated Portfolio is a Separately Managed Account (SMA), actively managed by Quest Asset Partners Pty Limited. Our objective is to outperform the S&P/ASX300 Accumulation Index. The SMA structure allows the investor to retain beneficial ownership of the portfolio while maximising transactional and tax visibility.

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