

JULY 2025 - PORTFOLIO UPDATE

The Australian market (XKOAI) rose +2.4% in July, building on good monthly gains since March. In the US the return was similar for the S&P500 index +2.2%, however the tech-biased NASDAQ +3.7% was stronger. China (MSCI) +4.9% also outperformed as did the UK FTSE +4.2%, whilst Japan 1.4% and Germany (DAX) 0.7% were less buoyant. Government 10-yr bond yields rose slightly in both in the US and Australia, indicating a relatively stable but watchful outlook regarding inflation. The Australian dollar fell -2.4%, as the US dollar rose on the back of ongoing healthy US economic data.

In Australia, the small and mid-cap market sectors posted better returns than the top 20 stocks. Quality as a factor was notable. It was also noteworthy that Momentum as a factor lagged, in stark contrast to recent months.

The Ex-20 benchmark was up +2.7%. The Quest portfolio outperformed delivering a +4.7% return.

There was a clear sector rotation in Australia, with Health (+9%) the best, benefiting as investors shifted some banks and large caps. Resources (+5%) were also strong supported by higher iron ore and lithium prices. Gold stocks (-7%), by contrast, underperformed despite gold rising +1%. Energy (+5%), Tech (+5%) and Utilities (+5%) were also solid. Amongst commodities, oil bounced (Brent +7%) as did thermal coal (+5%) and iron ore (+5%). In contrast, natural gas (-11%), uranium (-10%) and copper (-3%) were weak.

Technology and growth stocks were prominent drivers of portfolio outperformance, particularly small caps. In general, those companies with exposure to the US, including consumers, did well. This contrasts with what occurred when Trump first up-ended world order with his radical trade policies earlier in the year which hurt our portfolio. Notably, health investments were also rewarded after a long period of quiescence.

Strongest returns came from Life360 (+25%), Qoria (+21%), Hansen Technologies (+21%), Block Inc. (+18%) and Catapult (+13%). The Johns Lyng Group (+23%) also jumped after receiving a \$4.00 takeover over which the board endorsed. Other good contributors include Immutep (+13%), Superloop (+12%), Breville (+12%) and Wisetech (+10%).

Fund managers GQG Partners (-9%) and HMC Capital (-27%) were detractors, along with gold miners Northern Star Resources (-16%) and Vault Minerals (-13%).

We continue to adjust holdings to manage portfolio risk. New positions in Amcor, Challenger and Infratil were made using profits from our stronger performers and the sale of HMC. We now head into reporting season where outlook statements will be key. Importantly, the RBA is expected to lower interest rates which should support market valuations. Cash sits at 8%.

PORTFOLIO FEATURES

Inception	5 January 2017
Benchmark	S&P/ASX300 ex 20 Index
No. of holdings	20 - 40
Typical cash weight	3 - 10%
Investment horizon	3 - 5 years
Portfolio Managers	Troy Cairns/ Swapan Pandya
How to invest	Mason Stevens Platform Xplore Wealth Platform MyNorth Platform

RESEARCH RATINGS

Lonsec	HIGHLY RECOMMENDED
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DRIVERS OF PERFORMANCE

POSITIVE

Hansen Technologies, Qoria, Johns Lyng Group, Life360, Block Inc., Catapult, Wisetech, Breville

NEGATIVE

GQG Partners, HMC Capital, Northern Star Resources, Vault Minerals, AUB Group

CURRENT PORTFOLIO

Total holdings	36
Non-benchmark holdings	4
Tracking error	4.8%
Active share	77.1%
Earnings growth (1yr fwd)*	20.6% pa
ROE	16.2%
Beta	0.94
P/E (1yr fwd)*	31.5x
Dividend yield (1yr fwd)	2.5%

Source: Bloomberg (*outliers excluded)

PERFORMANCE*

To 31 July 2025	1month	3months	6months	1yr	3yrs (p.a)	5yrs (p.a)	Inception (p.a)
Quest Ex-20 Aust Equities	+4.7%	+10.7%	+0.4%	+5.4%	+9.1%	+10.0%	+12.2%
ASX300 Acc. ex ASX20 index	+2.7%	+9.5%	+5.4%	+15.1%	+11.0%	+10.7%	+9.0%
Value added	+2.0%	+1.2%	-5.0%	-9.7%	-1.9%	-0.7%	+3.3%

*Returns after fees based on the Mason Steven SMA model portfolio. Holdings and therefore returns may vary slightly, given small trading variations between SMA platforms. Performance fees, where applicable, are deducted six monthly following the June and Dec periods. Individual returns will differ for investors, depending on when the initial investment was established and the timing of any additional investments or redemptions. Past performance is no guarantee of future performance.



INVESTMENT PROFILE

The Quest Ex-20 Portfolio is a Separately Managed Account (SMA), actively managed by Quest Asset Partners. The Portfolio comprises between 20 and 40 securities and aims to outperform the S&P/ASX 300 index excluding the 20 largest companies. The Portfolio will have significant exposure to mid and small-capitalised stocks benefiting from our proven investment process and experience with smaller companies.

The assessment of business quality is fundamental to the Quest investment process. We aim to identify companies that can deliver good returns on invested capital and sustain those returns through time. Quest has a long track record of investment performance leveraging this process.

The portfolio will typically have a bias to companies with growth characteristics (revenue, earnings and return on equity) and can be expected to have significant exposure to companies not in the benchmark. Both these exposures will vary through time as opportunities arise.

Portfolio risk is actively managed with a focus on capital preservation.

The X20 Unit Trust is also available. It is managed in the same way and can be expected to have the same portfolio holdings as the Ex-20 SMA. The X20 PDS can be accessed by clicking [here](#).

PORTFOLIO HOLDINGS*

LARGE CAP	
Car Group Wisetech	Resmed Xero
MID CAP	
ALS Limited SEEK	AUB Group Ventia
SMALL CAP	
Catapult Maas Group	Qualitas Qoria

*Not Complete

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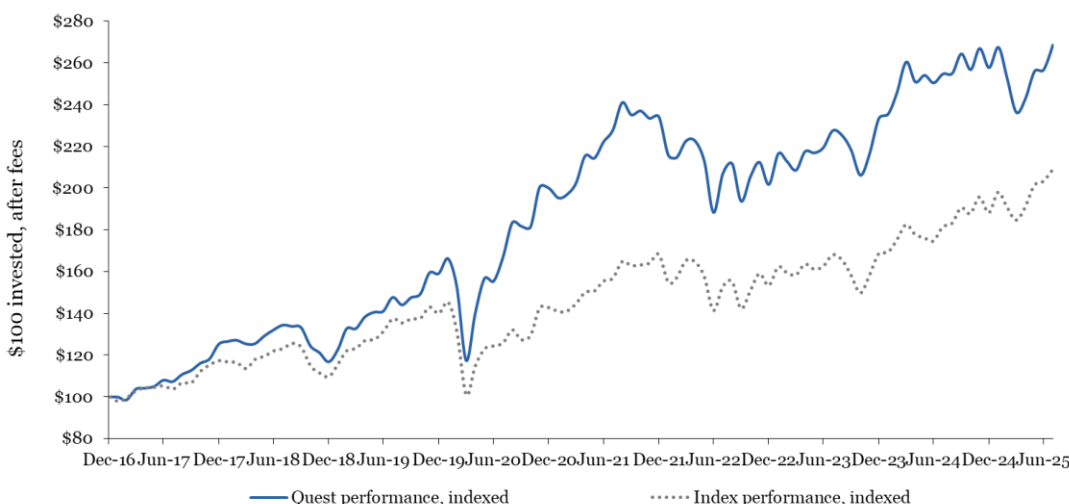
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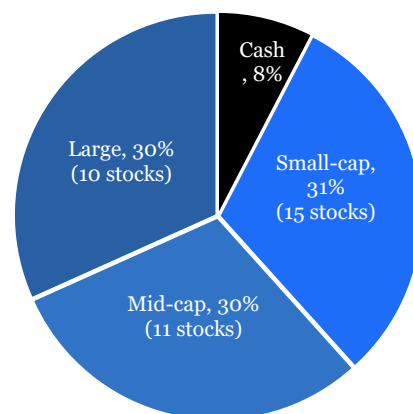
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PORTFOLIO RETURNS



PORTFOLIO 31 JULY 2025



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