

PORTFOLIO FEATURES

Inception	8 July 2024
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	28 (Maximum 35)
Quest AUM	\$1,082m
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

STOCK PERFORMANCE JULY 2025

POSITIVE

Qoria	+21%
Block	+18%
Catapult	+13%
CSL	+13%
Immutep	+12%

NEGATIVE

Northern Star	-16%
Vault	-13%

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.

Performance*				
To 31 July 2025	1 month	3 months	1year	Since inception (pa)
Quest Concentrated Aust Equities	4.2%	8.2%	3.8%	5.7%
ASX300 Accumulation index	2.4%	8.2%	11.9%	15.5%
Value added	1.8%	0.0%	-8.1%	-9.8%

* Inception 08 July 2024. Fund performance and value added is net of all fees. **Past performance is no guarantee of future performance.** Returns for periods 1year or greater are calculated on an annualised basis.

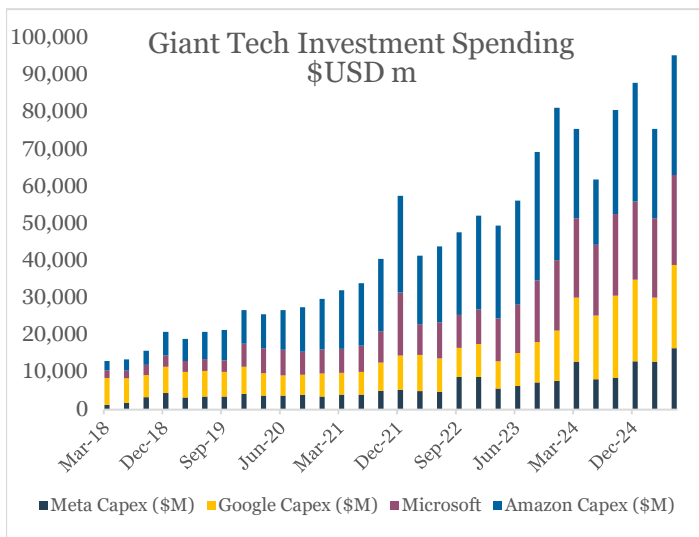


MONTHLY ACTIVITY

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 **Amcor** 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 JULY 2025



INVESTMENT PROFILE

The Quest Concentrated Australian Equities Portfolio is a Unit Trust, actively managed by Quest Asset Partners Pty Limited. Our objective is to outperform the S&P/ASX300 Accumulation Index.

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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

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