Concentrated

QUEST

Invest with Experience

Portfolio Features

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	28 (Maximum 35)
Quest AUM	$1,088m
Strategy AUM	$134m
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 August 2025

The **ASX 300** climbed another 3.2% in August, marking the fifth straight month of gains. The index has advanced 16% since its last negative month in March. The **S&P 500** rose 3.2% however the tech-biased **NASDAQ** index managed only +1.6%. **China** (MSCI) +4.2% again outperformed as did **Japan** +4.0%. The **UK** FTSE +0.6% was more muted and **Germany** (DAX) fell -0.7%. Government 10-yr bond yields in both in the US and Australia barely moved. The Australian dollar rose +1.7%. On the ASX Value as a factor returned +7%, well ahead of Growth, which fell -3%.

The latest domestic reporting period saw even greater price volatility than usual, producing wide differences in returns. We comment on this over the page. Small caps +8.4% and mid-caps +5.5% outperformed the top 50 stocks, which rose 2.1%. Overall ASX 300 earnings forecasts continue to be cut, with margin pressure in a number of sectors. However, post reporting season downgrades, aggregate ASX 300 EPS for FY26 is forecast to lift 12.5%, with **Health, Industrial** and **Consumer Discretionary** sectors the major contributors. RBA rate cuts are lifting consumer activity.

Over 56% (by weight) of the Quest portfolio reported earnings that met or exceeded our expectations, whilst 24% did not report. That leaves 12% that disappointed, prominently **CSL** -21%, **Wisetech** -15%, **Ramsay Healthcare** -13% and **Amcor** -11%. These falls and lacklustre trading in **Immutep** -13% and **Catapult** -6% weighed on portfolio returns. Best performers were gold miners **Vault Minerals** +47% and **Northern Star** 21%, along with small cap **Qoria** +12, **Origin** and **NAB**, both +8%.

Gold provides an interesting counterbalance to the optimism seen in global equity markets. The $US gold price is now more than 100% higher than two years ago, highlighting the continual deterioration in global government balance sheets and geopolitical uncertainties.

Whilst lower interest rates should provide support, markets have now marched to record highs in a sustained, five-month rally. We are being careful to contain portfolio risk, taking profits in growth-oriented names and tilting towards defensive stocks. We are well placed to capitalise should there be any market weakness, with room made available in the portfolio.

Stock Performance August 2025

POSITIVE	
Vault Minerals	+47%
Northern Star	+21%
Qoria	+12%
Origin Energy	+8%
NAB	+8%

NEGATIVE	
CSL	-21%
Wisetech	-15%
Ramsay Health	-13%
Amcor	-11%

Performance*

To 31 August 2025	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	**1.4%**	**6.0%**	**5.0%**	**7.5%**	**11.6%**	**11.7%**	**11.6%**	**11.5%**
ASX300 Accumulation index	3.2%	7.2%	14.9%	12.8%	12.2%	9.9%	9.2%	8.2%
Value added	-1.8%	-1.2%	-9.9%	-5.3%	-0.6%	1.8%	2.4%	3.3%

*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

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'GALE FORCE VOLATILITY'

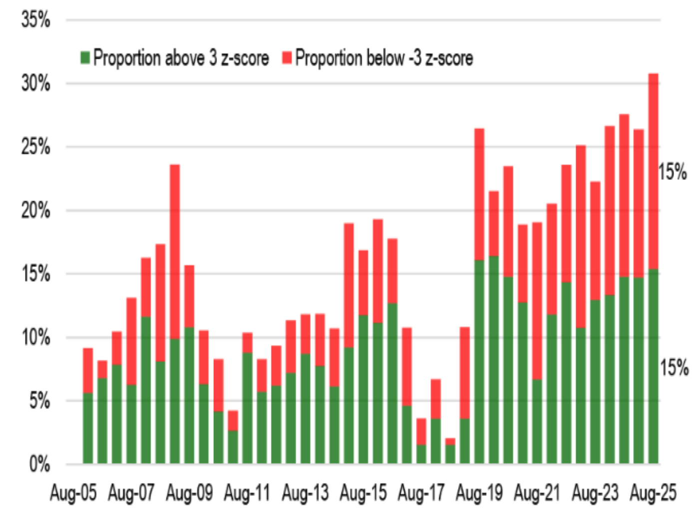
The chart below from JPMorgan highlights the increasing volatility of reporting season. It measures the portion of companies with material value adjustments post reporting, even on minor earning adjustments. The second half of FY25 was the most volatile in 20 years, and well above the average of the last five years.

Amcor is but one example. Expectations for Amcor's future results were low prior to reporting, as seen in the FY26 PE of 11x, half the current inflated ASX Industrials average of 21x. Post reporting, EPS for FY26 and FY27 had dropped ~2.5% but Amcor's shares finished August more than 10% lower.

Momentum factors continue to control market returns but we note a sign of change. CBA's FY25 result was in line with expectations but the market capitalisation has dropped $42bn from the ridiculous $191 per share seen at the end of June to $165 currently.

Valuation gravity isn't a myth. Eventually a company's ability to generate cash will be reflected in its share price, regardless of the most recent profit, Index or ETF adjustment. Quest recognises the increasing influence of these factors. Perversely, passive investing is boosting market volatility. Quest continues to balance risk and return in portfolio holdings. During the month further gains were realised in Catapult and Qualitas.

CHART OF THE MONTH



Source: Bloomberg Finance L.P.

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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