

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	29 (Maximum 35)
Quest AUM	\$1,080m
Strategy AUM	\$131m
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 OCTOBER 2025

The Australian market (XKOA1) returned a modest +0.4% in October. The Quest portfolio returned +0.9%. The market gain was mostly driven by resources which benefited from an easing of trade concerns and signs of improvement in global growth. US markets continued their relentless march higher with the **S&P500** up +2.3% and **NASDAQ** jumping a further +4.7%. NASDAQ has now delivered +23% this calendar year, contrasting with +12% for the Australian market. **China** (MSCI) fell -3.9% in October whilst the **UK** (FTSE) was up +3.9% and **Germany** (DAX) +0.3%. **Japan** (Nikkei 225) rose an astonishing +17% and is now up over +30% for the year.

Government 10-yr bond yields in both the US and Australia barely moved. A stronger than expected inflation reading late in the month erased hopes of a near-term interest rate cut from the RBA. Expectations for the next cut have been pushed out to mid-2026 with some predicting there will be no more rate cuts this cycle.

Domestically, resource stocks were buoyed by strong rebounds in heavily shorted lithium miners and supported by firmer commodity prices across the broader metals sector. Gold stocks were up as much as +13% before the mid-month peak and ended down -0.4% at month's end. They are, however, still up +69% over the last 12 months. At a sector level **Materials** +4% was the best, followed by **Energy** +4% and **Financials** +2%. The worst sectors were **Technology** -7% and **Discretionary** -7%. Amongst commodities, oil was again weak with WTIS down -2% whilst copper +6%, iron ore +2%, thermal coal +2% and coking coal +2% all rose.

Each of Quest's five largest overweight positions outperformed with good returns from **Ventia** +12%, **ALS** +9%, **Challenger** +8%, **Dexus** +1% and **Infratil** +1%. Our largest detractors were **CSL** -10% following a surprise guidance downgrade at the AGM and **Wisetech** -23% following news that ASIC is investigating insider trading at the company.

Navigating October has historically been difficult for investors but despite a US government shutdown, equities performed reasonably. A lack of economic data from a closed US government can still create volatility. US Q3 reports were very strong but also suggest a rapidly slowing consumer sector, especially amongst the less affluent. Locally, confidence is reasonable with three rate cuts easing family budget pressures and improving house prices.

STOCK PERFORMANCE OCTOBER 2025

POSITIVE	
Pilbara Minerals	+31%
Ventia Services	+12%
Vault Minerals	+11%
ANZ	+10%
Qoria	+10%
NEGATIVE	
Wisetech	-23%
CSL	-10%
Aristocrat	-9%

Performance*								
To 31 October 2025	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	0.8%	2.3%	4.3%	8.1%	12.2%	11.5%	11.2%	11.4%
ASX300 Accumulation index	0.4%	2.9%	12.7%	13.0%	12.5%	9.7%	8.7%	8.1%
Value added	+0.4%	-0.6%	-8.4%	-4.9%	-0.3%	+1.8%	+2.5%	+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



PORTFOLIO ACTIVITY

A portion of resources exposure was temporarily switched to **RIO** as China Inc attempted to disrupt ore pricing via contract negotiations for **BHP's** Jimblebar fines product. Jimblebar fines are 5% of China's Fe imports and 25% of BHP's shipments. We also added to **Pilbara Minerals** to match our escalating confidence in the outlook for lithium. For a number of years commodities analysts have focused on EV penetration to forecast lithium demand, with stationary power a distant secondary use. Stationary power is rapidly emerging as a major global component of lithium demand. Batteries, pumped hydro and gas/or peakers provide the essential backup power to intermittent renewable power.

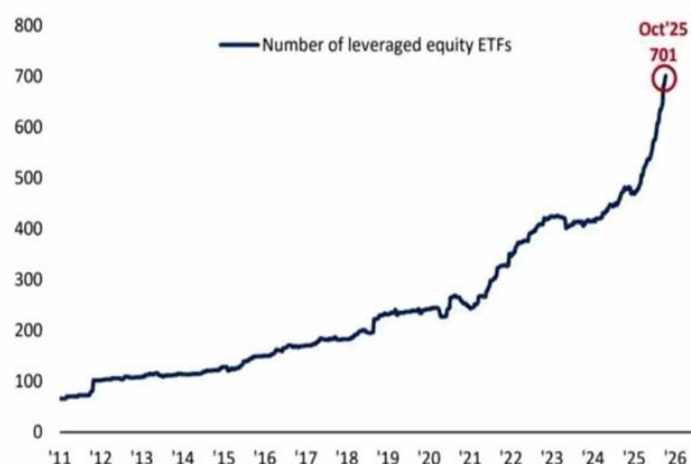
Qoria rose over 9% in October and has doubled in the past year. Similar to our **Catapult** success, we bought the lesser-known Qoria in January, believing their internet safety products for teachers and parents were world-class, and the company was poised to capitalise on this leadership and investment. We still see strong growth across multiple markets, but some optimism is now reflected in the share price. The holding was reduced after its strong performance. **CSL** was sold after the company showed it was poorly managed.

A worrying sign of irrational investment is the remarkable inflows by US consumers into leveraged ETF's. The following chart shows their popularity. Portfolio cash weight is above our normal level as we continue to evaluate existing and new investments based on quality and valuation.

CHART OF THE MONTH

Chart 3: Number of leveraged equity ETFs at record-high

Number of leveraged equity ETFs



Source E & P

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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The rating published on 10/2025 for the Quest Australian Equities Concentrated Portfolio is issued by Lonsec Research Pty Ltd ABN 11 151 658 561

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KEY PORTFOLIO HOLDINGS

LARGE CAP

Aristocrat Leisure	ANZ
BHP	National Australia Bank
Northern Star	Origin Energy

MID CAP

Xero	Challenger
ALS	Block
Mirvac	Dexus

SMALL CAP

Judo Capital	Maas Group
Qoria	Ventia Services

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