

Market Summary – November 2025

The Quest Long Short Australian Equities Fund eased 1.2% as the market fell for just the second month since March. The Fund is up **13.3% p.a net of fees since inception** over five years ago compared to the index return of 12.4%.

The Australian market fell 2.7% having recovered from a 5% slump on concerns that RBA rate cuts were finished. Aust 10-year yields spiked 22bps to 4.5% vs the US at 4%. The S&P500 was flat and the NASDAQ fell 1.5%, whilst hot markets like India (-4%) and China (-3%) saw profit taking.

Market falls were attributed to the US Fed and RBA moving to less accommodative stances. Investors aggressively sold risk assets, especially in Australia. This resulted in some significant declines in local growth and technology stocks.

Locally, Healthcare (+2%) fared best, followed by Materials and Staples (+1.5%). Technology slumped 12%, whilst Financials (-7%) and REITs (-4%) also fell quite sharply. Commodities rose led by silver (+17%), gold (+6%) and copper (+3%), whilst iron ore was flat & oil slid another 4%.

Performance Drivers – November 2025

POSITIVE

Overweight – Light & Wonder, Pilbara Minerals, Amcor, GQG Partners, Ventia, ALS Limited, Catapult, WiseTech

Underweight – Temple & Webster, Technology One, James Hardie, CBA, Macquarie Group, Goodman, Lovisa

NEGATIVE

Overweight– Xero, Block Inc, Qoria, Guzman y Gomez

Underweight– Rio Tinto, Transurban, Evolution Mining

Investment Profile

The Quest Long Short Australian Equities Fund aims to outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term with an actively managed portfolio of long and short positions.

Short selling (up to 30% of Fund NAV) aims to enhance returns when selected stocks are expected to fall or underperform. Proceeds may then be reinvested in preferred long positions to further enhance returns.

Portfolio Features

Fund Inception	30 April 2020
Benchmark	S&P/ASX200 Accumulation Index
Investment Strategy	Fundamental with a key focus on business quality and free cash flow
Time Horizon	5 years+
Portfolio Managers	Richard Dixon & Shishir Prajapati
Stock Numbers	62 (48 longs, 16 shorts)
Fund Exposure	118% long, 19% short, 99% net
Active Share	85%
Tracking Error	5.9% (ex-ante)
Fund Size	\$86.6 million
Unit Price	\$1.7352 (NAV @ 30/11/25)
APIR Code	ETL4748AU
Research Ratings	Lonsec – Recommended
Platforms	Netwealth, HUB24, Praemium, BT Panorama, Asgard, Ausmaq MLC Wrap, Navigator, Expand, MyNorth, Mason Stevens

Performance*							
To 30 November 2025	1 month	3 months	FYTD	1 year	3 years pa	Inception pa	Inception
Quest Long Short*	-1.2%	1.9%	6.7%	-0.8%	3.6%	13.3%	100.6%
S&P/ASX 200 Index	-2.7%	-3.0%	2.3%	5.5%	9.7%	12.4%	91.8%
Value added*	+1.5%	+4.9%	+4.4%	-6.3%	-6.1%	+0.9%	+8.9%

*Fund returns and value added is NET of all fees. Past performance is no guarantee of future performance.



Outlook

The regular market gyrations that have been a consistent feature in recent years have continued so far in FY26. The market rally and resilience over the last year or so was initially driven by the big reversal in bond yields as inflationary pressures eased and focus shifted to the timing of future rate cuts. Trump may keep geopolitical tensions high, however the key factors driving markets will be the path of inflation and interest rates in FY26. The shockingly high tariffs announced on April 2 fuelled stagflation fears of slowing growth and rising inflation.

Equity markets have been strong despite earnings forecasts falling in Australia and the US. As outlined by Macquarie, the most recent reporting season led FY25 to being a third consecutive year of declining earnings. Real productivity improvements are essential or Australia will need to rely on the RBA to keep cutting rates. The RBA paused their easing cycle back in September just as the US Fed cut rates for the first time in 2025.

We continue to be focused on bottom-up stock picking and our long-term returns will be primarily driven by stock specific exposures rather than macro themes. We continue to selectively find opportunities to deploy capital in quality stocks at reasonable prices amidst the ongoing volatility. As always, we focus on companies that demonstrate an improvement in business quality and we have multiple examples of those in the portfolio.

Portfolio Activity

The Long Short Fund remains actively managed as volatility, style rotation and return dispersion stay elevated. We locked in profits by covering short positions in **Temple & Webster**, **James Hardie**, **Technology One**, and **Chrysos**, as well as actively trading **Core Lithium**, **Firefly Metals**, **JB Hi-Fi** and **Macquarie Group**.

We added **WiseTech Global** back into the Fund after a significant de-rating (see rationale below). We also increased holdings in **Light & Wonder**, **Aristocrat Leisure**, **Origin Energy**, **Amcor**, **Challenger**, **Genesis Minerals** and **Cleanaway**. This buying was funded by reducing or exiting several positions including **ANZ**, **NAB**, **Northern Star**, **Rio Tinto**, **CSL**, **Seek**, **Eroad**, **Tyro Payments** and **Mirvac**.

Quest recently attended the **WiseTech** Investor Day where the company provided an update on their audacious plan to become the operating system for global logistics and trade. We got to spend additional time with leaders of the business and were again comforted by the depth and experience across the broader team.

Investors remain cautious about the potential impact of AI on software providers. Quest previously reduced exposure to names such as **CAR Group**, **Qoria**, **Catapult** and **WiseTech**, but the recent pullback has created opportunities to rebuild positions. We continue to see long-term value in our holdings, which deliver essential, hard-to-replicate services. For these businesses, AI represents both a challenge and a growth driver. Software companies will benefit from AI-enabled productivity gains via development tools and functionality embedded in their products. This should help offset competitive pressures emerging from new AI-based entrants.

Key overweight positions at month end included **Ventia Services**, **Dexus**, **Challenger**, **Infratil**, **ALS**, **Computershare**, **Origin Energy**, **CAR Group**, **AGL Energy** and **Xero**.

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Quest Long Short Australian Equities Fund's Target Market Determination is available here www.eqt.com.au/insto. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.