

PORTFOLIO FEATURES

Inception	8 July 2024
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	33 (Maximum 35)
Quest AUM	\$894 m
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 MARCH 2026

POSITIVE

PLS Group	+21%
Commonwealth Bank	+18%
Ramsay Health Care	+18%
BHP	+15%
National Aust Bank	+13%

NEGATIVE

Immutep	-88%
Capricorn Metals	-25%
Emerald Resources	-24%
Life 360	-24%
Judo Capital	-22%

CONCENTRATED PORTFOLIO MARCH 2026

Global markets were belted as Trump decided the US should attack Iran. The Australian market (XKOAT) fell -7.3% in March, the worst monthly return since 2022, as the conflict and closure of the Strait of Hormuz drove a violent oil price spike, raising inflation and bond yields. This was compounded by a second RBA rate hike. A year ago, Trump roiled markets with his tariff shock; the geopolitical stakes this time are higher, with cascading effects across energy security, supply chains and global growth. The month was as chaotic as any in recent memory. Markets whipsawed on near-daily developments as Trump alternated between threatening the end of Iran entirely, plans to seize the Strait and claiming victory. A market anxious about AI disruption and cracks in private credit was poorly positioned to absorb a stagflationary oil shock.

All markets reacted badly: **S&P 500** -5.1%, **UK** -6.7%, **Germany** -10.3%, **Japan** -13.2%. Government 10-year yields jumped reflecting the uncertainty and stagflation risks, adding further pressure to long duration valuations.

Large caps materially outperformed mid and small caps. Energy stocks surged +19% as Brent +43%, WTI +51% and JKM LNG +88% soared. While dramatic, energy stock moves were well below oil given the challenge estimating duration of this conflict. **InfoTech** -13%, **REITs** -11% and **Discretionary** -9% were hardest hit outside of **Gold** -23% which was the worst sector. Gold stocks fell far more than the metal itself (-11%) given the dual headwinds of a stronger USD / higher interest and following their extraordinary run.

The Quest portfolio returned -10.5%, underperforming the benchmark. Two factors dominated: energy underweight and **Immutep** clinical trial failure, accounting for 60% of the underperformance. Other detractors included **Judo**, **ALS** and **360**. Our five largest overweight positions collectively added value given strength in **Origin**, **Infratil** and modest outperformance of **Aristocrat** and **Challenger**.

Immutep fell -88% after its global TACTI-004 Phase III trial was halted on risk/benefit grounds. Failure of this futility hurdle was a shocking outcome. Safety concerns appear to be a factor. Until now, the drug Efti had a fifteen-year safety record across eleven trials and over 650 patients. Despite the modest position we carried binary risk here and paid the price.

The portfolio is positioned for a de-escalation in the middle east, with a ceasefire in everyone's interests and the clock ticking until the US mid term elections.

Performance*				
To 31 March 2026	1 month	3 months	1 year	Since inception (pa)
Quest Concentrated Aust Equities	-10.5%	-9.2%	0.8%	-1.8%
ASX300 Accumulation index	-7.3%	-2.0%	11.6%	8.9%
Value added	-3.2%	-7.2%	-10.8%	-10.7%

* 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.



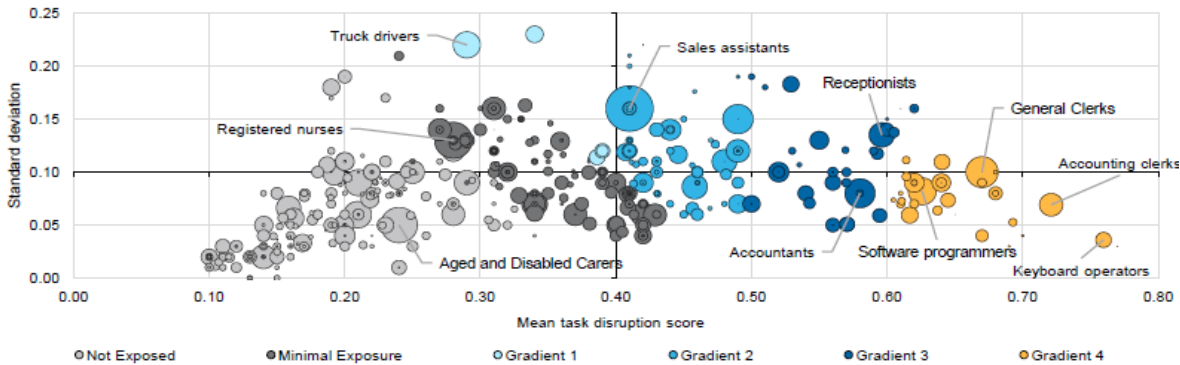
PORTFOLIO ACTIVITY

Gold behaved more like a risk asset than a haven, falling 12% in USD terms despite the escalating Middle East conflict. The sell-off was driven by record gold related ETF outflows of US\$13 billion as leveraged investors and CTAs liquidated to meet margin calls amid a surging US dollar and rising real yields. Emerging market central banks added to selling pressure, mobilising reserves to defend weakening currencies. The AUD gold price declined roughly 10%, yet ASX gold equities sold off far more severely at 25–40%. The structural bull case remains firmly intact. US fiscal deficits show no sign of narrowing, with the \$USD's share of global central bank reserves at its lowest since 1994 (~58%) while gold's share continues to rise. Central bank buying is broadening and geopolitical risk has intensified. Quest used the correction to increase exposure.

Quest’s December 2025 quarterly review highlighted 2026 as the point applied AI would begin to meaningfully reshape labour markets. That inflection is now visible, with major technology companies (including Meta, Wisetech and Block) undertaking material headcount reductions as AI capabilities substitute for human tasks. This constitutes a multi-year structural headwind for global employment and earnings visibility. Most analysis suggests routine, rules-based roles (such as clerical and data processing functions) are materially more exposed than skilled, site-based trades like electricians. The chart below is one estimate with 50% of Australian jobs in the not exposed (left) categories. The scale and timing of disruption will partly hinge on the adoption of robotics and autonomous vehicles, as well as how quickly regulatory/legal frameworks adapt. Over previous months we have positioned the portfolio to benefit from the rollout of AI with holdings in data centre suppliers **Infratil** and **Goodman**, as well as exited businesses exposed to AI disruption. We have added **Dexus** to the latter list as AI-driven disruption has pushed out our expectations of improvement in the office market.

CHART OF THE MONTH

Figure 4 - Automation & AI risk scores across 470 occupation groups



Source: ABS, ILO, Macquarie Research, March 2026

Bubble sizing based on the Australian workforce in November 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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CONTACT THE MANAGERS

Michael Evans ph.02 9409 2300 mevans@questap.com.au

Troy Cairns ph.02 9409 2303 tcairns@questap.com.au

Swapan Pandya ph.02 9409 2302 spandya@questap.com.au