

Market Summary – April 2026

The Quest Long Short Australian Equities Fund rose 4.6% as global markets rallied on hopes of a US/Iran peace deal. The Fund has risen **11% p.a net of fees since inception** exactly six years ago compared to the index return of 11.8%.

The Australian market rose 2.2% having been up 6% before easing back on the March CPI (+4.6%) and profit warnings. Global equities strongly outperformed (MSCI World +10%) as AI demand drove the Semiconductor index (SOX) +38%.

Locally, Technology +13% fared best, especially data centre exposures. Real Estate +9% outperformed due entirely to Goodman +16% which intersects REIT & AI infrastructure. Materials rose 4% led by copper (BHP) and lithium (PLS), while Healthcare fell 9% on a Cochlear (-44%) downgrade.

The Fund is positioned for a de-escalation in the Middle East war, with a ceasefire in everyone's interests and the clock ticking for Trump until the US mid-term elections. Fund performance has recovered quite strongly in the first 3 weeks of May driven by a broad range of stock positions.

Performance Drivers – April 2026

POSITIVE

Overweight – Megaport, Goodman, Block, Macquarie

Underweight – CSL, Westpac, Yancoal, Idp Education, Cochlear, Whitehaven Coal, A2 Milk, NAB, Woodside

NEGATIVE

Overweight– Stanmore, Resmed, Origin Energy, Amcor

Underweight– Medibank, NextDC, James Hardie, ASX

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	60 (44 longs, 16 shorts)
Fund Exposure	117% long, 19% short, 98% net
Active Share	78%
Tracking Error	5.4% (ex-ante)
Fund Size	\$68.3 million
Unit Price	\$1.6129 (NAV @ 30/4/26)
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 April 2026	1 month	3 months	FYTD	1 year	3 years pa	5 years pa	Inception pa
Quest Long Short*	4.6%	-7.4%	-0.8%	2.6%	2.3%	4.3%	11.0%
S&P/ASX 200 Index	2.2%	-1.2%	4.2%	10.1%	9.7%	8.3%	11.8%
Value added*	+2.4%	-6.2%	-5.0%	-7.5%	-7.4%	-4.0%	-0.8%

*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 escalated so far in CY26. 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 has dislocated all asset classes via the escalating conflict with Iran and stoking fears of an inflation driven global economic crisis.

We've previously highlighted that applied AI would soon start to meaningfully reshape global labour markets. That inflection is now occurring, with major technology companies (including Meta, WiseTech and Block) undertaking material headcount reductions as AI capabilities substitute for quite a broad range of human tasks. This constitutes a multi-year structural headwind for society, employment and corporate earnings visibility.

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. We are positioned to benefit from the rollout of AI and have increased holdings in data centre service providers including Goodman, Infratil, Megaport and Maas.

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 **Seek, Wesfarmers, A2 Milk, Yancoal & Whitehaven**, as well as actively trading **Light & Wonder, NextDC, REA, Northern Star, Capstone** and **Sandfire**.

We increased holdings in **Macquarie, Goodman, Megaport, Maas, Aristocrat, Block, ANZ & Santos**. These were funded by reducing or exiting **BHP, Origin, Resmed, Coles, NAB, Cleanaway** and **Ancor**.

Macquarie was increased on share price weakness driven by private credit fears which we believe has created an opportunity. The business has a strong track record of capital allocation and asset management provides resilient annuity-style earnings. Although domestic banking is a small part of the business, we strongly prefer Macquarie over the big 4 banks. Their cost and technology advantage continues to drive market share gains.

Megaport is a global provider of network connectivity and recently expanded into selling compute capacity via the acquisition of Latitude.sh. The share price fell with all tech stocks as the "Saasocalypse" took hold, but we believe Megaport is an AI beneficiary rather than a victim. The explosion of AI demand will require vast amounts of data to be moved globally on secure private networks, which benefits its core networking business. Meanwhile, CPU demand (where Latitude.sh is focused) has exploded with the incredible growth in agentic AI.

Key overweight positions at month end included **Infratil, Challenger, Aristocrat, Capricorn Metals, ANZ, Goodman Group, ALS Limited, Ventia Services, Rio Tinto** and **Block Inc**.

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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.