QUEST

Invest with Experience

Concentrated

Portfolio Features

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	33 (Maximum 35)
Quest AUM	$920m
Strategy AUM	$97m
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

Stock Performance May 2026

POSITIVE	
Megaport	+69%
Infratil	+29%
Ventia	+17%
Maas Group	+16%
BHP	+16%

NEGATIVE	
Core Lithium	-8%
Ramsay Health	-5%
CBA	-5%

Concentrated Portfolio May 2026

The Australian market managed to provide a positive return for the month, as Trump/Iran negotiations and numerous tweets suggested discussions could possibly lead to some resolution. Brent Oil dropped 19%, inflation concerns diminished at the margin and the Australian market managed to finish in the black.

AI related businesses boomed globally, with the NASDAQ Composite up 8.4% for the month. This rally actually lagged earnings revisions as shown on the chart on the following page. The remaining S&P 493 has been benign YTD, with no rally and no earnings moment outside war related oil revisions.

Locally **Materials** was the best sector, rallying 10.5%, with **BHP** the star up 16%. **Healthcare, Utilities** and **Energy** sectors were all weak. **CBA** -5% provided a Q3 update the day of the Federal budget. Whilst not materially negative, the update coincided with the budget seeking to reduce property investor incentives. All the banks fell. May is also a month of downgrades, with **Brambles** -26% surprising holders, **ASX** -24% and **CSL** -22% repeat offenders.

The Quest portfolio performed extremely well in May, with the outperformance broad based, including resources, technology, services, and industrial sector investments (**BHP, Infratil, Megaport, Maas, Computershare, RIO & ALS**). We also did not hold the downgraders.

Last month's commentary noted the addition of **Megaport** to the portfolio with the remark: "*… we believe Megaport is an AI beneficiary rather than a victim*". Those comments proved prophetic as ASX investors suddenly become aware that the AI boom doesn't only benefit the Magnificent 7.

Recently, valuations of global data centre operators such as Digital Realty and Equinix were well sort but this didn't include Quest's data centre investments in **Infratil** and **Goodman Group**. The situation changed in May when Infratil announced a new contract that will double their DC capacity to over 1 GW.

Starting in March, Trump has announced a Middle East resolution is close or 'largely negotiated' multiple times. Heading into June, global energy stockpiles have materially eroded. To date alternative energy sources have been available, but we are mindful that the risk of shortages is escalating.

Performance*

To 31 May 2026	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	**+6.3%**	**-1.2%**	**+4.8%**	**+5.9%**	**+6.5%**	**+10.5%**	**+10.8%**	**+11.0%**
ASX300 Accumulation index	+1.3%	-4.0%	+7.0%	+11.0%	+7.9%	+9.1%	+8.5%	+7.9%
Value added	+5.0%	+2.8%	-2.2%	-5.1%	-1.4%	+1.4%	+2.3%	+3.1%

*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

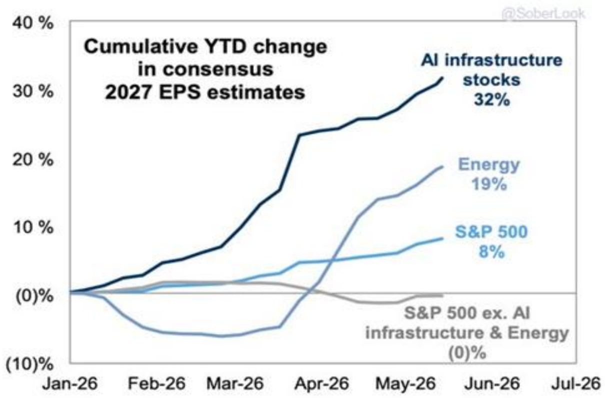
A notable adjustment to portfolio holdings in May was the switch from **Origin Energy** to **Santos**. We are attracted to Origin's portfolio of businesses and expect a return to the portfolio at some stage but Origin's decision to extend the life of the Eraring power station, together with two misguided Federal Government policies, and the delay in Kraken's IPO have capped the earnings potential of ORG for the short term. These policies target lower short-term electricity prices, partly funded by the Federal electricity Capacity Investment Scheme hiding the costs in the budget, but also likely boost long-term electricity prices by discouraging investment both in renewables and gas supply.

Santos offers an attractive free cashflow yield and has finally delivered two major projects in the Barossa LNG field and the Pikka oil field in Alaska. PNG's Papua LNG project in is also likely to finally commence construction in late 2026. Part of Papua gas backfills the PNG LNG plant where Santos is a larger partner. As a result, Santos is ex major capital expenditure and is largely operating in energy supportive political environments. The protracted war in Iran is also likely to boost Asian interest in non middle east energy supply.

Our continue to look for high-quality businesses with durable franchises and valuation upside. In May, we added **Breville**, **Lovisa** and **Sigma**, which we view as attractive, consumer-facing businesses with strong quality characteristics and relatively lower exposure to the emerging disruption from AI-driven consumer shopping. Recent RBA actions have weighed on the sector, providing the opportunity. Exits of **NAB**, **Emerald** and **Coles** and trimming of **BHP** were the main funding sources.

The following chart shows 2026 US EPS growth is only from AI based businesses or oil producers.

Exhibit 13: AI infrastructure stocks and Energy have driven majority of upward revisions to S&P 500 EPS estimates



Source: FactSet, Goldman Sachs Global Investment Research

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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