Concentrated Unit Trust

QUEST *Invest with Experience*

Portfolio Features

Inception	8 July 2024
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	33 (Maximum 35)
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	Highly Recommended SMA Lonsec Research

Stock Performance June 2026

POSITIVE	
Megaport	+44%
Life360	+38%
Aristocrat	+22%
Southern Cross Electrical	+19%
Ramsay Health	+18%

NEGATIVE	
Judo Capital	-40%
PLS Group	-22%
Core Lithium	-15%

Concentrated Portfolio June 2026

The Australian market delivered a small positive return for the month, largely provided by Top 20 stocks. The Iran war MOU, despite the lack of real progress on several key issues, demonstrated how much both the USA and Iran want to end hostilities. Bond yields fell as the easing in oil price reduced global inflationary concerns.

Rotation was a key theme for the month. Funds flowed out of oil (Brent -21%), energy providers and the $A reversed direction to slip below $0.70.

Artificial Intelligence related flows rotated from Mag7 hyperscalers to their semiconductor suppliers, including **TSMC** +14%, **Advanced Micro Devices** +13% and **Lam Research** +36%. Amongst the Mag 7 cohort, **Microsoft** fell 17% and **Amazon** dropped 12%. The South Korean Equity Index (KOSPI) rose 175% for the financial year, driven sky high by semi suppliers including **Samsung Electrical** +458% & **SK Hynix** +807%!

Locally, sector rotation was visible in the resurgence of **Healthcare** +13%. Consumer stocks also bounced on a perception the RBA rate tightening cycle may be behind us. **Staples** +13% and **Discretionary** retailers +12% also benefited. Beaten up companies that rebounded strongly in June included **PME** +54%, **A2Milk** +39%, **Cochlear** +21% and **CSL** +19%. In contrast, **Energy** -9%, **Gold** -8% and **Materials** -7% sectors all languished.

The Quest portfolio return for June was very close to benchmark, after two very strong months of outperformance. **Megaport** was again the best contributor, followed by **Life 360** and **Aristocrat**, whilst a surprise downgrade by **Judo** and no holding in **Wesfarmers** and **CSL** were the main negatives.

Weakness in Australia's big four banks, with an aggregate local index weight of 26% back in March, have recently dragged the ASX lower. As demonstrated above, those more muted returns are in stark contrast to the rampant optimism in a number of north Asian markets as well as pockets of the US. The chart of the month on page two shows the daily trading volumes in three times levered US ETFs.

At times like this we need to be thinking what could possibly go wrong.

Performance*				
To 30 June 2026	1 month	3 months	1 year	Since inception (pa)
Quest Concentrated Aust Equities	**+0.6%**	**+11.1%**	**+5.7%**	**+3.8%**
ASX300 Accumulation index	+0.6%	+4.1%	+6.2%	+10.0%
Value added	+0.0%	+6.9%	-0.4%	-6.2%

* 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

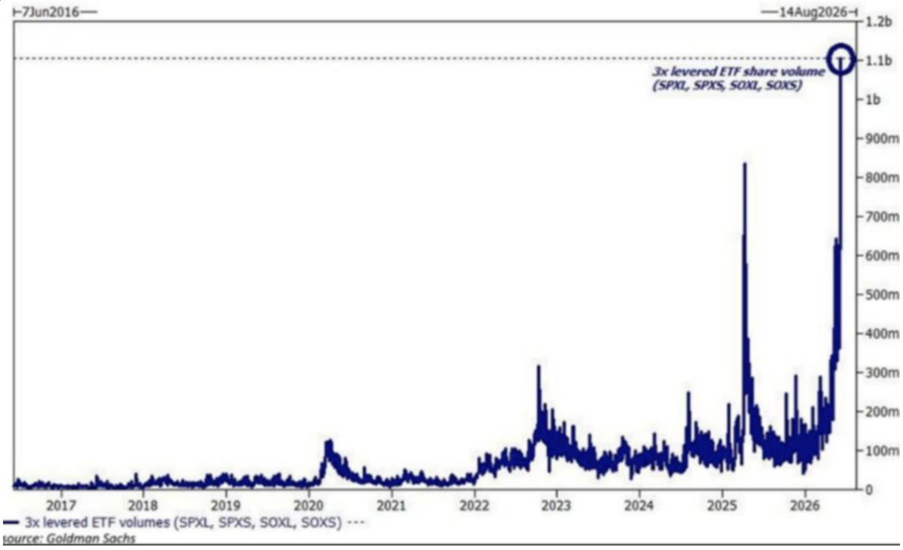
There were three additions to the portfolio in June: **Southern Cross Electrical** (SXE), **Ampol** and **FDC**. SXE is a diversified electrical contractor, well managed and growing rapidly to deliver major energy transmission projects and new data centres. Electrical skills are in short supply in Australia, and sector tailwinds should continue for years. The portfolio already has exposure via **Maas Group**, but we had also been reviewing SXE as an option. A raising at $4 to fund growth and potential acquisitions provided the opportunity.

Ampol will be familiar to clients through its large retail petrol franchise, though volumes skew more to harder-to-replace sectors like heavy haulage (diesel) and jet fuel. In June the ACCC approved Ampol's acquisition of EG Garages Australia. Ampol was the obvious buyer as long-term fuel supplier to the old Woolworths service station network, which lost volume under EG's ownership. Ampol is confident new management and investment will recover that volume, and we expect it to also benefit from increased focus on fuel security.

After years of an IPO drought on the ASX, Quest participated in an attractively priced IPO for a business that ranks well against peers. **FDC** has a 30+ year history in refurbishments and construction. Founders and insiders will remain material shareholders post-IPO, with long lockups for key executives vesting 2028-2030+. The business is priced at 12x with negative working capital, an expected fully franked dividend yield of 5%+, and ample room to grow in Australia.

Quest also took part in the **Megaport** equity raising at $14.30, later trimming the holding as a guidance upgrade lifted the share price. Other funding sources were **Resmed, Xero**, and some profit-taking in **ANZ**.

Chart: Record daily volumes in 3x levered ETFs



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.

CONTACT THE MANAGERS

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