QUEST
Invest with Experience

Ex-20 SMA

June 2026 - Portfolio Update

June saw Iran war concerns fade, sparking an unwind of crisis positioning. The MOU sent oil down -20%, despite the lack of real progress on several key issues. The Australian market (XKOAI) rose a sedate +0.7%. By contrast, the US S&P500 fell -1.1% and NASDAQ -2.8%. The Chinese market (MSCI) was down -6.9%, whilst Japan jumped +5.6%.

Money abruptly rotated from the Magnificent Seven / hyperscalers, (Microsoft -17%, Amazon -12%) into their semiconductor suppliers instead (TSMC +14%, AMD+13%). Korea's chip-heavy market was extreme, up a startling +175% over 12 months given the moves in Samsung +458% and SK Hynix +807%.

Bond yields eased both here and in the US as the fading oil shock eased inflation expectations. The Australian dollar reversed hard, dropping -4%, slipping back to $0.69. Small cap stocks (-2.0%) lagged the broader market and mid-caps (+1.4%) did better than large caps (+0.8%).

The Australian market closed out FY26 with a +6.1% return — a year driven by earnings growth rather than multiple expansion, which was actually a headwind as bond yields rose.

The Quest portfolio returned +1.7% for June, ahead of the Ex-20 benchmark +0.1%. The portfolio has performed well recently after a tough start to the year. The quarterly return is +8.8% versus the benchmark +4.5%.

Locally, the standout sectors were Health and Staples, each up +13%, as investors piled back into beaten-up defensives. Discretionary +12% also bounced on a perception the RBA tightening cycle may be over. Energy fell -9% and Materials -7% as the Iran premium came out of oil and gold slid -12%.

The portfolio benefited from a broad collection of good performers. Megaport +44%, Life360 +38%, Dicker Data +21% and Siteminder +17% did well in data and tech, Pro Medicus +54% and Ramsay Health Care +19% were strong healthcare names. Challenger +13% and Pinnacle Investment Management +11% contributed from financials whilst Breville +11%, SRG Global +22% and Block +11% also did well. We also benefited from not owing many of the larger miners.

Detractors included lithium miners PLS Group -22% and Core Lithium -15% along with gold miners Genesis Minerals -11% and Capricorn Metals -10%. Propel Funeral Partners -14% also continued to drag.

Sentiment indicators are flashing caution with crowded market positioning. We continue to adjust the portfolio to manage risk. Exits in Xero and SRG Global plus profits taken in strong recent performers were rotated into Stockland and small positions in Nick Scali and new IPO FDC, which is due to list next month. Cash sits at 10%.

Portfolio Features

Inception	5 January 2017
Benchmark	S&P/ASX300 ex 20 Index
No. of holdings	20 - 40
Typical cash weight	3 - 10%
Investment horizon	3 - 5 years
Portfolio Managers	Troy Cairns/ Swapan Pandya
How to invest	Mason Stevens Platform Xplore Wealth Platform MyNorth Platform

Research Ratings

Lonsec	*HIGHLY RECOMMENDED

Drivers of Performance

POSITIVE

Megaport, Ramsay Healthcare, Life360, Dicker Data, Pro Medicus, SRG Global, Challenger, Breville, Block Inc., Pinnacle Inv. Mgmt

NEGATIVE

Propel Funerals, Capricorn Metals, Genesis Metals, PLS Group, Core Lithium, Ampol

Current Portfolio

Total holdings	39
Non-benchmark holdings	5
Tracking error	5.0%
Active share	74.4%
Earnings growth (1yr fwd)**	21.3% pa
ROE**	23.6%
Beta**	0.95
P/E (1yr fwd)**	22.7x
Dividend yield (1yr fwd)**	2.77%

Source: Bloomberg (*outliers excluded, **est for Jan 2026)

Performance*

To 30 June 2026	1month	3months	6months	1yr	3yrs (p.a)	5yrs (p.a)	Inception (p.a)
Quest Ex-20 Aust Equities	+1.7%	+8.8%	-8.8%	+0.0%	+5.4%	+2.9%	+10.5%
ASX300 Acc. ex ASX20 index	+0.1%	+4.5%	-6.1%	-0.1%	+7.7%	+5.5%	+7.8%
Value added	+1.6%	+4.4%	-2.7%	+0.1%	-2.3%	-2.6%	+2.7%

*ESTIMATED Returns after fees based on the Mason Steven SMA model portfolio. Holdings and therefore returns may vary slightly, given small trading variations between SMA platforms. Performance fees, where applicable, are deducted six monthly following the June and Dec periods. Individual returns will differ for investors, depending on when the initial investment was established and the timing of any additional investments or redemptions. Past performance is no guarantee of future performance.

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Investment Profile

The Quest Ex-20 Portfolio is a Separately Managed Account (SMA), actively managed by Quest Asset Partners. The Portfolio comprises between 20 and 40 securities and aims to outperform the S&P/ASX 300 index excluding the 20 largest companies. The Portfolio will have significant exposure to mid and small-capitalised stocks benefiting from our proven investment process and experience with smaller companies.

The assessment of business quality is fundamental to the Quest investment process. We aim to identify companies that can deliver good returns on invested capital and sustain those returns through time. Quest has a long track record of investment performance leveraging this process.

The portfolio will typically have a bias to companies with growth characteristics (revenue, earnings and return on equity) and can be expected to have significant exposure to companies not in the benchmark. Both these exposures will vary through time as opportunities arise.

Portfolio risk is actively managed with a focus on capital preservation.

The X20 Unit Trust is also available. It is managed in the same way and can be expected to have the same portfolio holdings as the Ex-20 SMA. The X20 PDS can be accessed by clicking here.

Portfolio Holdings*

LARGE CAP	
ALS	Infratil
Block Inc.	Ramsay Healthcare

MID CAP	
Breville	Challenger
Ventia Services	Megaport

SMALL CAP	
Maas Group	Dicker Data
Siteminder	HomeCo Daily Needs REIT

*Not Complete

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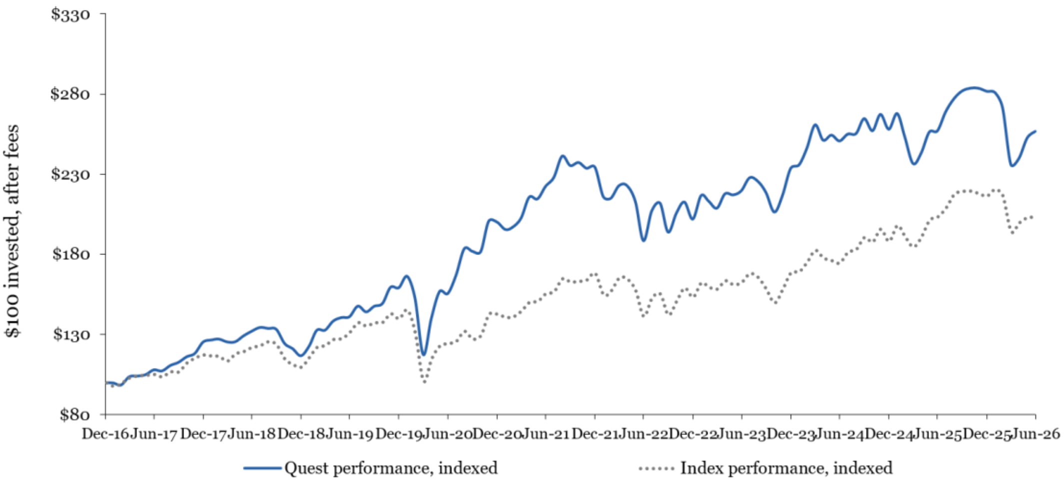
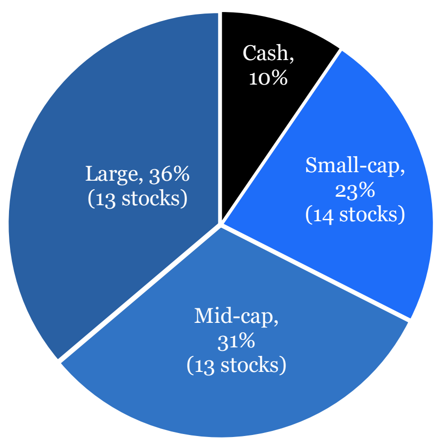
Portfolio Returns



Portfolio 30 June 2026



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