

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	35 (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	Reviewed and Rated by Lonsec

CONCENTRATED PORTFOLIO SEPTEMBER 2026

The Australian market (XKOAI) fell -2.4% in September, the first down month since March. The US was mixed, with the **S&P 500** down -0.5% whilst tech-heavy **Nasdaq** popped +1.9%. **Korea KOSPI** was up only +0.3% and **Japan** +0.7%, the **UK FTSE** fell -2.0% and **MSCI China** dropped -4.5%. Market leadership remained concentrated, with investors continuing to favour stocks already exhibiting strong momentum, most notably the beneficiaries of AI infrastructure spending, including semiconductor manufacturers, hyperscale cloud providers and data centre operators. The Mag 7 continue to provide the majority of US earnings momentum.

Bond yields were the bigger story. The US Fed and the RBA both hiked rates in September due to stubborn inflation. It was the Fed's first hike since 2023. The US 10-year jumped +0.5% to a near two-decade high; ours rose +0.3%. Oil rose 14% whilst Gold and the \$A were weaker.

Healthcare +3% was the only positive sector on the ASX. **Information Tech** -11% was again hit and **Materials** -7% as Central Bank rate changes lowered global growth expectations.

Weakness in the Tech sector corresponded with **Meta** launching *Muse*, a personal AI agent that acts for users, rather than just answering questions. US-only for now, Muse can draft and send emails, book travel and plan longer-term goals. Quest expects such agents to materially strengthen consumer power, particularly for complex purchases like switching insurers or securing higher deposit rates in a reasonably secure IT environment.

The Quest portfolio outperformed again in September. **Maas Group** rallied as settlement of the Construction Materials division approached and the indicative price of the Firmus IPO indicated a material uplift in Maas' Firmus investment. Quest declined the **Firmus** IPO. **Megaport** again upgraded guidance and the new **Ramsay** management continued to demonstrate the business is finally in better hands.

PLS and **Pinnacle** were the major laggards. Weaker lithium prices were a headwind for the sector whilst one of Pinnacle's 19 Asset Managers (Metrix) lowered select assumed asset holding values to satisfy their auditor.

STOCK PERFORMANCE SEPTEMBER 2026

POSITIVE

Maas Group	+34%
Megaport	+25%
Ventia	+12%
Ramsay Health	+10%
CSL	+9%

NEGATIVE

PLS	-28%
Pinnacle	-21%
Light & Wonder	-17%
Vault	-10%

Performance*

To 30 September 2026	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	-2.1%	+1.2%	+0.6%	+5.9%	+5.9%	+10.3%	+11.7%	+10.9%
ASX300 Accumulation index	-2.4%	+1.3%	+2.4%	+11.3%	+7.5%	+9.0%	+9.7%	+7.9%
Value added	+0.3%	-0.1%	-1.8%	-5.4%	-1.6%	+1.3%	+2.0%	+3.0%

*Returns before fees and tax. **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 October 2024.



PORTFOLIO ACTIVITY

Recent inflation data in Australia and the US and the lack of resolution in the Middle East early in September raised the likelihood that Central Bank restrictive action was likely, with rolling impacts on consumers and their suppliers. As a result, we decided to reverse engines on the tentative buying of quality, but discounted consumer facing businesses and exited **Stockland** and **Nick Scali**. Expect these names back in the portfolio at some point. We banked the gains in **Core Lithium** and some profits from **Santos** and **Ampol**.

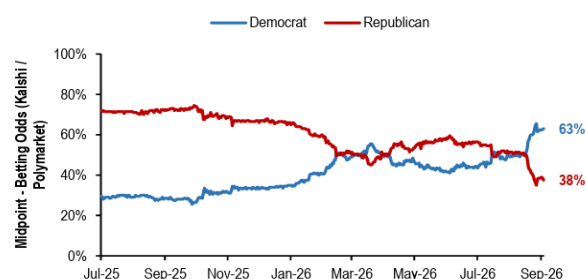
We also switched from **Computershare** to **QBE**. Computershare's share price had largely captured the improved yield environment but for QBE the upside is yet to come. The global commercial and specialty insurer now earning a high-teens ROE and trading on only 11–12x forward earnings, about a third cheaper than IAG and Suncorp. Conservative reserving, higher bond yields lifting investment income, and strong capital returns support the investment case.

CSL has returned to the portfolio post the FY26 result that demonstrated the worst is behind it. Given the dire company commentary in the May downgrade, it was not at all clear that earnings wouldn't remain under pressure. The core IVIG engine now appears stabilised with channel inventory normalised. FY27 guidance looks achievable and confidence is growing that the business has a steady outlook from here. We are paying (a much reduced) PE for around 6% EPS growth. **Charter Hall Group** has also returned. With an impressive history of growth and astute investment, the recent weakness provided driven by rising bond yields and attractive reinvestment opportunity.

A major focus for markets in the next few weeks is the outcome of the US mid term elections. Normally equity markets are weak into this election. Recent oil and bond yields lifts would normally have supported that, but the strength of the US economy, mostly driven by AI/DC investment, has overwhelmed this. The historic pattern is for an equity recovery post-election, with a gridlock result (no clear majority in both houses), historically, the most positive. The following chart reveals the current betting odds for both houses, with a flip in the House likely and the Senate outcome unclear but also possible.

Figure 20: Betting Odds on US Senate Control

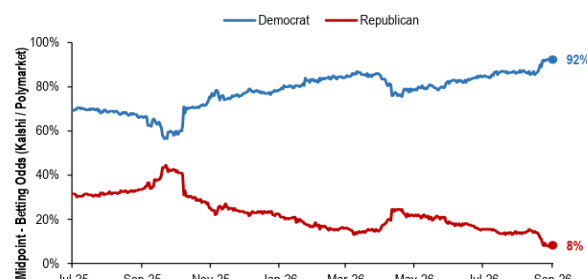
Based on Kalshi and Polymarket Midpoint values



Source: J.P. Morgan Equity Strategy and Global Thematic Research, Bloomberg Finance L.P.

Figure 21: Betting Odds on US House Control

Based on Kalshi and Polymarket Midpoint values



Source: J.P. Morgan Equity Strategy and Global Thematic Research, Bloomberg Finance L.P.

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.

Disclaimer

This report has been prepared by Quest Asset Partners Pty Limited, AFSL 279207 (wholesale), ABN 47 109 448 802. It should be regarded as general information only rather than advice. It has been prepared without taking into account any person's objectives, financial situation or needs. Whilst Quest has used its best endeavours to ensure the information within this document is accurate it cannot be relied upon in any way and recipients must make their own enquiries concerning the accuracy of the information within. Past performance is not a reliable indicator of future performance. All performance figures are based on the JBWere Multi-Asset platform seed portfolio. Performance can vary by platform and client due to mandate restrictions and other constraints. Before making any financial investment decisions we recommend recipients obtain legal and taxation advice appropriate to their particular needs. Investment in a Quest Asset Partners Separately Managed Account can only be made on completion of all the required documentation. As Quest hold a wholesale AFS licence, this report should not be passed on to any retail client.

The rating published on 10/2025 for the Quest Australian Equities Concentrated Portfolio is issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec Research). Ratings are general advice only and have been prepared without taking account of investors' objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec Research assumes no obligation to update. Lonsec Research uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.

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