

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	30 (Maximum 35)
Quest AUM	\$2,119m
Strategy AUM	\$138m
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

DRIVERS OF PERFORMANCE

POSITIVE

MAAS Group	+ 20%
Boss Energy	+ 20%
Genesis Minerals	+ 8%
SSR Mining	+ 8%
Ai-Media	+7%

NEGATIVE

Corporate Travel	- 11%
Catapult	- 8%
Transurban	- 6%
AGL Energy	- 7%
Allkem	- 5%

CONCENTRATED PORTFOLIO UPDATE AUGUST 2023

August was financial reporting season which sees managers attempt to absorb hundreds of results in only a few weeks. The market eased slightly but there was plenty of movement amongst sectors and stocks. The Quest portfolio outperformed in August.

The Quest portfolio saw 70% of our portfolio report with most as expected. Five stocks exceeded expectations; **Allkem**, **CSL**, **IGO**, **James Hardie** and **Mineral Resources**. **Credit Corp** was the only stock that reported below our expectations.

While there was not much index movement, there were spectacular gyrations in the month. **Altium** gained 27%, **Inghams** 24%, **Johns Lyng Group** 21%, **Hub24** and **Paladin Energy** both lifted 15%.

The big moves down included **Chalice Mining** down 40%, **Iress** down 38%, **Core Lithium** down 38%, **Judo** down 32%, **Alumina** down 25% and **Wisetech** down 19%.

Quest Concentrated does not own any of the latter groups but we do own **MAAS Group** and **Boss Energy** which both rose 20%.

This volatility illustrates the importance of stock picking in the current market; exposure to well researched stocks while avoiding the draw downs.

MAAS is a regional vertically integrated land and home developer based in Dubbo. The company also has a civil construction division and building materials capability mainly focussed on quarries. We were pleased with the cash conversion and outlook comments at the result. The population drift west, housing affordability and lack of competitors attracted us to the IPO back in 2020.

Boss Energy is behaving as we expected with uranium demand building as the revamped South Australian facility is months from commissioning. There are limited sources of uranium with Australia having the largest resource ahead of Kazakhstan, Canada and Russia.

Consumer sentiment is in decline and we see that issue as dominating sentiment. Reporting season highlighted rampant cost pressures, capex over spend and increased funding cost.

Political uncertainty is also an issue with a referendum approaching, some major changes mooted in industrial relations and further anticipation of tax increases.

Performance*

To 31 August 2023	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	-0.4%	3.8%	7.5%	14.4%	11.6%	12.1%	10.6%	11.9%
ASX300 Accumulation index	-0.8%	3.9%	9.0%	10.5%	7.0%	7.9%	6.8%	7.6%
Value added	+0.4%	-0.1%	-1.5%	+3.9%	+4.6%	+4.2%	+3.8%	+4.3%

*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



MONTHLY ACTIVITY

In August we added **ALS Limited**, **Resmed** and **Genesis Minerals** to the portfolio.

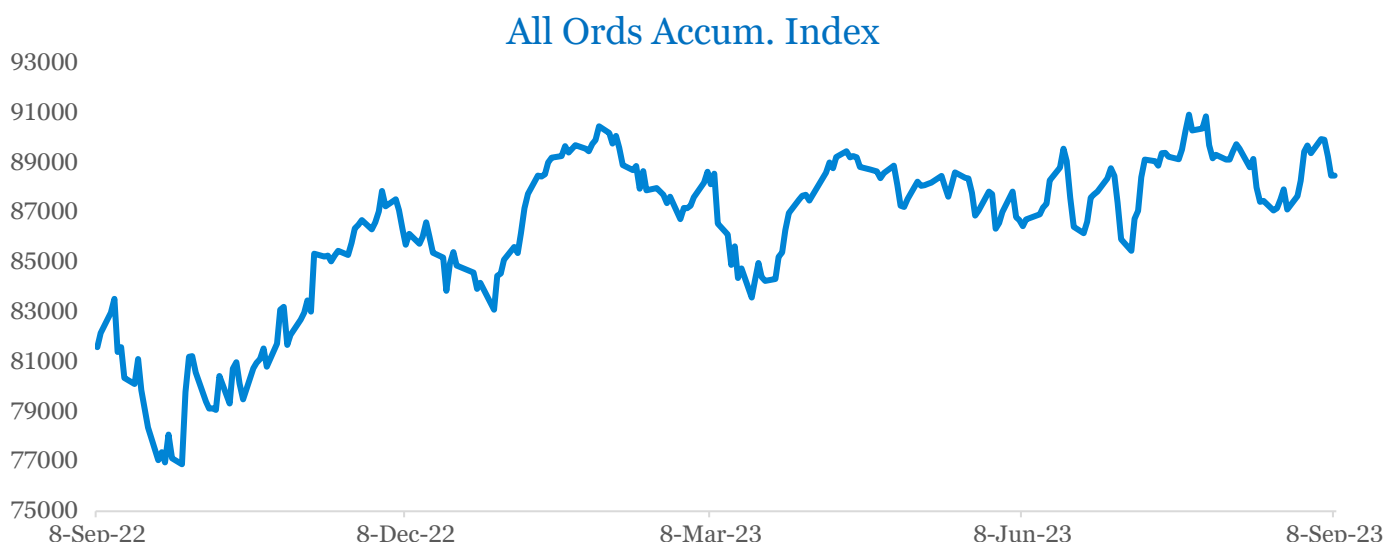
Genesis Minerals is a rollup of existing gold assets in the Leonora region of Western Australia. An experienced team (ex Saracen) has bought 80% of Dacian Gold which includes the Mt Morgans mill and the Jupiter gold deposit as well as assets from St Barbara Mines to form a new gold producer.

A small holding in Resmed was added following big recent falls. The business continues to post strong revenue growth as the major competitor Phillips remains out of the market due to a product recall. The main factor now weighing on the stock is the rise of new obesity drugs (GLP-1's) that appear to be changing the game for type 2 diabetes and weight-related disease, including sleep apnoea.

We sold Ramsay Healthcare prior to the result as it became clear that the pace of case volume return was insufficient to offset the higher labour costs in the near term.

ALS is the global leader in commodities testing for the resources industry. ALS has scale, expertise and relationships giving it an advantage over peers particularly for more complex multi-element minerals analysis.

CHART OF THE MONTH; THE MARKET TRADES IN A TIGHT BAND



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.

CONTACT THE MANAGERS

Michael Evans ph.02 9409 2300
mevans@questap.com.au

Chris Cahill ph.02 9409 2301
ccahill@questap.com.au

Troy Cairns ph.02 9409 2303
tcairns@questap.com.au

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 issued 10/2022 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your 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 assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.