

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300 Accumulation Index
No of holdings	27 (Maximum 35)
Quest AUM	\$1,926m
Strategy AUM	\$151.9m
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	+ 19%
Pilbara Minerals	+ 18%
Ventia Services	+ 18%
Bellevue Gold	+ 15%
Xero	+ 15%

NEGATIVE

Corporate Travel	- 21%
Boss Energy	- 10%
Woolworths	- 8%
BHP	- 7%

CONCENTRATED PORTFOLIO UPDATE FEBRUARY 2024

Australian equities posted small gains while international markets powered ahead. The XKOAI rose 0.9% while the NASDAQ ripped 6% and the S&P popped 5.2%. The techs dominated the US market once again.

Our largest overweight positions outperformed, driven by good returns from industrial stocks; **Ventia Services** (+18%), **Aristocrat Leisure** (+5%), **National Bank** (+4%) and **Charter Hall** (+4%).

The Banks as a group detracted slightly from our relative performance as the major banks we do not own were strong. **Westpac** (+9%), **ANZ** (+5%) and **Commonwealth Bank** went ex a \$2.15 dividend. Our portfolio owns only **National Bank** (+4%).

We are bemused by the high prices being paid for banks where valuations are stretched. At the time of publication, a leading bank analyst has downgraded all 4 major banks to sell.

Our resources stocks did well in a tough market where **Pilbara Resources** (+18%), **Mineral Resources** (+11%) and gold miner **Bellevue Gold** (+19%) added significant value. We now have two gold positions in **Genesis Minerals** and **Bellevue Gold**. **Santos** was weak (-6%).

Reporting season is now complete with encouraging results despite inflation and higher wages. The better results were generally in growth and cyclical stocks.

Quest currently own 27 stocks of which 22 reported in February. Most stocks met our expectations with **AGL** and **Ventia** surprising to the upside while **Corporate Travel** and **Macquarie Bank** disappointed relative to our expectations.

We are finding new opportunities that can deliver our minimum 15% gain but remain very conscious of risk in allocating to new investments.

International tensions have worsened with the Middle East conflict deteriorating and the sinking of the tanker Rubymar by rebels in the Red Sea. Speculative investment has seen gold and Bitcoin hit new highs. The Magnificent 7 continue to dominate stock performance in the US while the volatility locally during reporting season saw some extreme price swings. Investors seem to have banked a cycle of falling interest rates before they have commenced!

Performance*

To 29 February 2024	1 month	3 months	1 year	3yrs (pa)	5yrs (pa)	10 yrs (pa)	15yrs (pa)	Since inception (pa)
Quest Aust Equities Concentrated	0.6%	8.9%	10.5%	11.4%	13.1%	11.4%	13.5%	11.9%
ASX300 Accumulation index	1.0%	9.5%	10.5%	9.1%	8.6%	7.9%	10.2%	7.7%
Value added	-0.4%	-0.6%	0.0%	2.3%	4.5%	3.4%	3.3%	4.2%

*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 AND CORPORATE ACTIVITY

The latest addition to our portfolio is **Metals Acquisition Corporation (MAC)** which listed in Australia in February. The company bought the CSA copper mine near Cobar in western NSW from Glencore in early 2022. CSA has produced copper since 1967. MAC was already listed on the NYSE and is expected, as the name suggests, to add to the portfolio of assets. At Quest we are keen on the prospects for copper and intend to lift portfolio exposure to the metal. Copper forecast production has fallen materially for 2024 with a supply deficit likely.

Australian investors lost **Oz Minerals** after the successful **BHP** takeover in 2023. The market is hungry for listed copper producers.

MAC raised \$325 m at \$17.00 in February with Cannacord and Barrenjoey allowing Quest to initiate a holding. MAC is currently trading at \$18.70.

We note **Capstone Copper Corporation (CSC)**, listed in Vancouver, also listed in Australia in late January. CSC does not trade as there has been no Australian liquidity event.

We added further to our existing position in local lithium miner **Pilbara Resources**. Pilbara replaced **IGO Limited** in the portfolio last year. We remain positive on lithium producers particularly those in Australia. Pilbara is a 100% owner of a Tier 1 project, has \$2.1 billion in the bank with no debt, has an open register and a path to growth through ongoing expansion projects.

Quest has sold our holding in **Arcadium** (previously Allkem) post the December merger.

Holdings number 27 of a possible 35. Cash is 7% at month end.



WINNER

Australian Equities
SMAs



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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