

CONCENTRATED UPDATE APRIL 2021

The ongoing recovery in western economies has driven the market to a 3.7% gain in April. This was the seventh consecutive monthly rise. The Australian market has risen for 12 of the last 13 months.

Quest portfolios out-performed the market in April.

Economic growth forecasts continue to be revised upwards with stock earnings also firmly in an upgrade cycle. The data available continues to support an optimistic market stance.

During April, technology and resources led the market with the Energy sector being one of the few to lose ground.

There is however evidence that inflation is building with very material price increases in a range of inputs from cotton and sugar to oil and lumber. Should the market adopt a stance that inflation is looming, it is likely that a move in the US 10 year bond toward 2% could occur. Such a move is likely to bring a healthy correction to a market that so far, has managed to draw a positive inference from almost every recent news item.

As the market ascends we are cognisant of monitoring risk.

In April our best was lithium producer **Orocobre** which rose 42% in the month with another lithium and iron ore play in **Mineral Resources** up 26%. Dubbo based **MAAS Group** continued with a strong performance since listing and is now up 72% in only 5 months. **IGO Limited** rose 20% while cinema software provider **Vista Group** rose another 14%.

Carbon Revolution raised money for plant expansion prior to multiple new contract opportunities at a disappointingly large discount which had a significant effect on price. Carbon fell 20%.

Iron Ore took another leg up with a 13% rise to US\$187. Lithium prices have more than doubled this calendar year so our focus on iron ore and lithium has worked well.

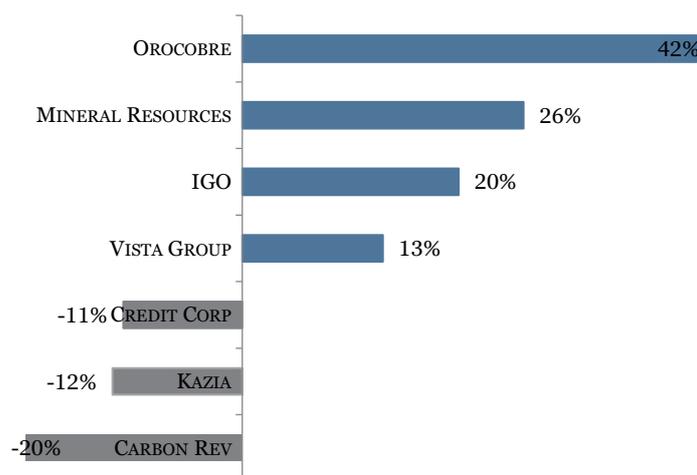
The Australian dollar remained firm at US\$0.77. This strength in the dollar has hindered our stocks that earn US Dollars however some are now moving forward on sales updates. These include **Aristocrat**, **CSL** and **James Hardie**.

Our lack of tech holdings limited our relative out performance in April.

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300
No of holdings	maximum 35
Quest AUM	\$1,678m
Strategy AUM	\$108.7 m
Investment horizon	3 - 5 years
Investment Strategy	Fundamental with a key focus on business quality and free cash flow
Derivatives/Shorting	Nil
AFSL:	279207
Lonsec Rating	Reviewed and Rated by Lonsec

STOCK PERFORMANCE



Performance*

To 30 April 2021	1month	3months	1 year	3yrs (pa)	5yrs (pa)	10 years (pa)	Since inception (pa)
Quest Aust Equities Concentrated	4.7%	10.1%	41.4%	14.7%	15.2%	12.3%	12.3%
ASX300 Accumulation index	3.7%	7.6%	31.6%	9.7%	10.4%	8.2%	7.8%
Value added	+1.0%	+2.5%	+9.8%	+5.0%	+4.8%	+4.1%	+4.5%

*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.



CURRENT PORTFOLIO

Total holdings	31
Non-benchmark holdings	6
Tracking error	4.2 %
Active share	61 %
Stock specific risk	70 % of active risk
Earnings growth (1yr fwd)	29 % pa
ROE	14.1 %
Beta	1.07
P/E (1yr fwd)	21 x
Dividend yield (1yr fwd)	3.4 %

MONTHLY ACTIVITY

The **Westpac** holding was increased and the portfolio participated in the **Carbon Revolution** placement and rights issue. The **Corporate Travel** position was also increased.

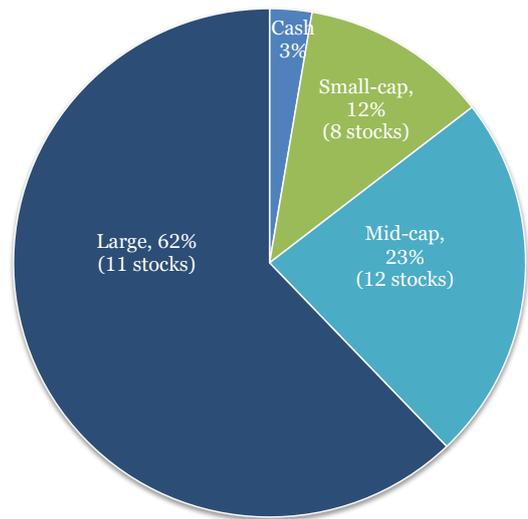
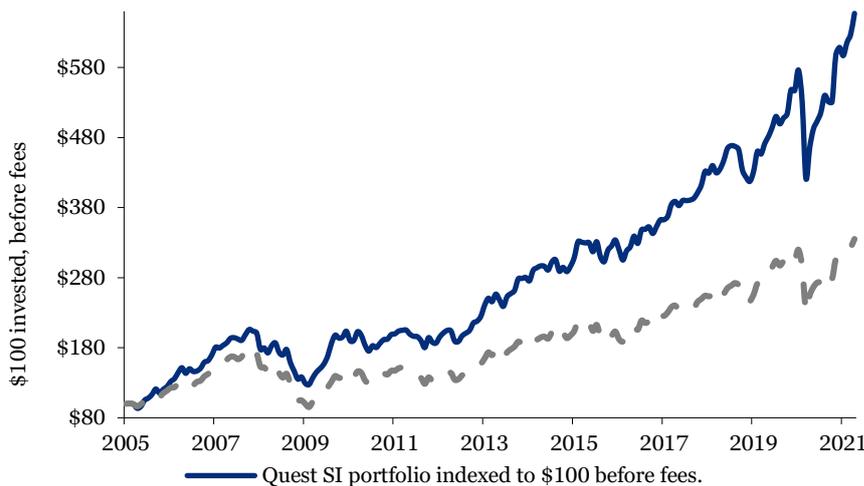
Our holding in Amcor has been sold as raw material prices rise and our target price was lowered.

During April the merger of our unlisted holding in Lendi moved toward finalizing a merger with Aussie Home Loans. The deal has finalized in May.

Quest have committed to the IPO of MLG Oz Limited due to list in May.

PORTFOLIO RETURNS

APRIL 2021



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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