

Concentrated Update January 2021

The market made only minor gains this month up 0.3% after three strong months prior. Our Quest portfolio eased slightly with only a few of our stocks making material gains in January.

After a rollicking ride last quarter, the market continued a rotation toward cyclical stocks in January although the holiday season was a good excuse for quieter trading.

In addition to the inauguration of the 46th President of the United States, the highlight was the positive economic news in the USA and further Federal reserve stimulus.

Encouraging local data for jobs, housing loans, personal saving, car sales, agricultural output and exports is hard to ignore. There was further Reserve Bank stimulus as well. Regardless, the 10 year bond in the US and locally have now both moved above 1%. Despite from the pandemic issue, it is not surprising that GDP forecasts are in the ascent.

We remain positive on the outlook. The strength of the recovery has delivered a market where growth is suddenly available as the economy stabilises. Growth can be found in other than tech stocks. There will be some catch up by laggards in this environment that have been left behind as popular growth stocks cruised higher.

The upcoming reporting season will endorse that. We do however see continued volatility as results flow through with short term traders reacting as a mob to each data point.

Banks are the largest sector of the market and should continue to rerate from last year's lows. Bank dividends are back on the rise. Commodity prices are strong and consensus upgrades are likely as we push out of the northern winter and into mid-year. We maintain a positive view on resources and the healthcare sector with a range of small cap stocks filling out the portfolio.

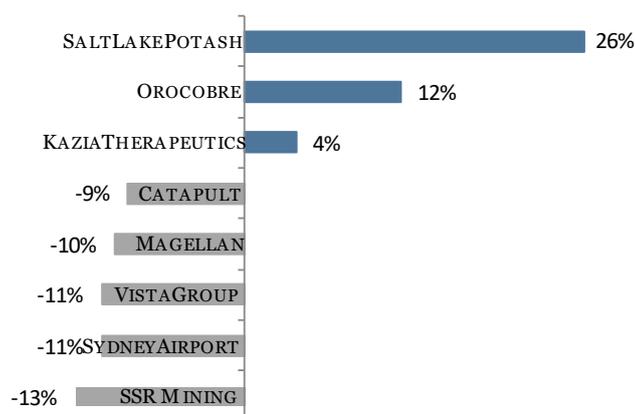
Best attribution performers in January were Salt Lake Potash, lithium miner Orocobre and newly listed tech stock Nuix. SSR Mining, Sydney Airport and Magellan Financial were weaker in January as were MAAS Group and Mineral Resources both of which had run hard last year.

Property stocks were noticeably weak as concerns about rising rates led to profit taking particularly in previous winners Goodman Group and Charter Hall.

Portfolio Features

Inception	9 February 2005
Benchmark Index	S&P/ASX300
No of holdings	maximum 35
Quest AUM	\$1,541m
Strategy AUM	\$95.6 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 31 January 2021	1month	3months	1 year	3yrs (pa)	5yrs (pa)	10 years (pa)	Since inception (pa)
Quest Aust Equities Concentrated	-1.9%	12.5%	3.6%	11.6%	13.3%	11.6%	11.8%
ASX300 Accumulation index	0.3%	12.1%	-2.7%	7.1%	10.1%	7.8%	7.5%
Value added	-2.2%	+0.4%	+6.3	+4.5%	+3.2%	+3.8%	+4.3%

*Returns before fees and tax based on the JBWere platform model portfolio.

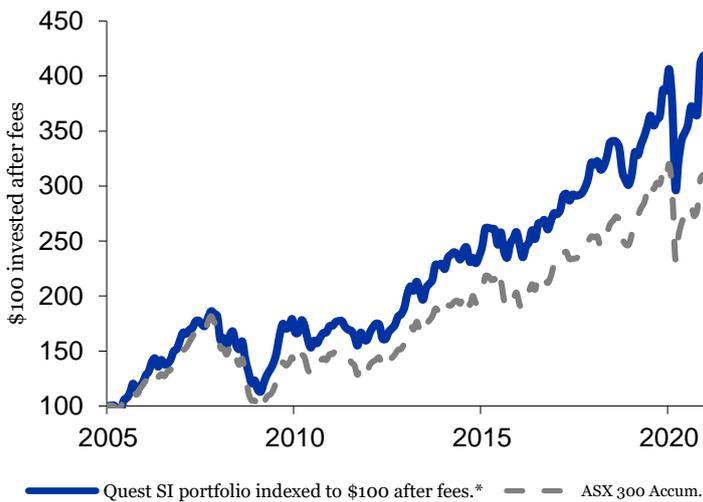
Past performance is no guarantee of future performance. Individual returns will differ for investors, depending on when the initial investment was established and the timing of any additional investments or redemptions. Inception date is February 2005.



Current Portfolio

Total holdings	32
Non-benchmark holdings	8
Tracking error	4.5%
Active share	63%
Stock specific risk	82% of active risk
Earnings growth (1yr fwd)	15% pa
ROE	14.0%
Beta	1.07
P/E (1yr fwd)	21 x
Dividend yield (1yr fwd)	2.1%

Portfolio Returns



Monthly Activity

January was a quiet month with a new position established in polymetallic NSW miner Aurelia Metals and our Amcor position increased. We added to Ramsay Healthcare.

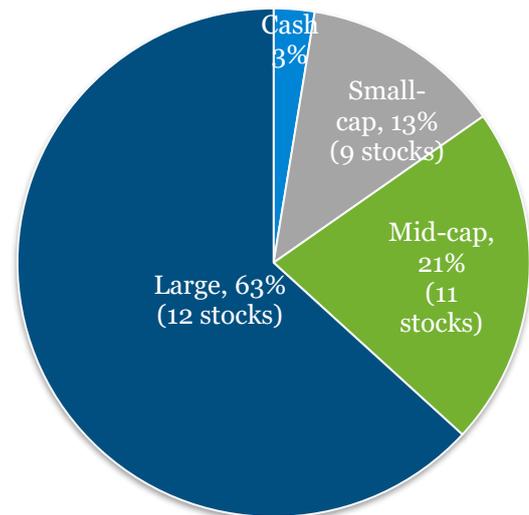
Quest Fund returns in calendar 2020

The Quest Ex 20 return was 26.4% post fees for the year.

The Quest Highly Concentrated 10 stock return was 31.3% post fees for the year.

The new Quest Long Short return was 34.9% over 8 months to December.

January 2020



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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