

CONCENTRATED UPDATE MARCH 2021

The market rose for the sixth consecutive month with our portfolio adding 1.9% pre fees, slightly below the benchmark.

Global bond prices may not be the most interesting topic but they continue to be the most relevant as the market bends to the latest consensus shift on the direction of rates.

During March there was a sea change away from fears of further rate rises abating despite the economic growth rebound that has followed an easing in the pandemic situation. This put an end to a more conservative value driven tilt of recent months and a return of the pursuit of higher risk investments led by tech stocks.

The Quest portfolio did not rotate towards value for two reasons: 1. We had already rotated into larger bank holdings last year and early this year as a value proxy and 2. We struggle to find much upside in most of the lower quality value stocks.

The value rotation did see our Quest portfolio underperform the benchmark this calendar year by about 1% which is not much given our average annual returns of 12% since inception.

Our small cap holdings have also had a quiet start to the year after a stand-out performance in 2020. Our mining stocks dipped in March but have recovered into the latest month, particularly the lithium miners **Orocobre** and **Mineral Resources**.

In March, our best was Dubbo based **MAAS Group** which rose 22% and is now up 48% in only 4 months. Biotech **Kazia Therapeutics** rose 21% while **Vista Group** popped 20% and **Aristocrat** moved up 13%.

Despite these big moves we had some weakness namely **Marley Spoon** down 20%, **Kogan** down 13% and **IGO** down 10%.

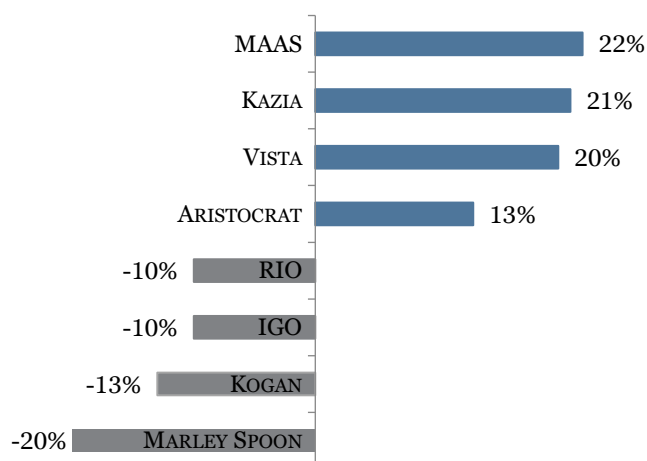
The Australian dollar held the US\$0.76 level in March. A number of our stocks would benefit from a lower dollar ie **James Hardie**, **CSL**, **Aristocrat** and **Macquarie Bank**.

The IPO scene has moved from frenetic to calm and we see merger and acquisition activity as increasingly likely over the next few months. We remain favourably disposed to the market from here, the next catalyst being the end of financial year trading updates which we expect to be broadly positive.

PORTFOLIO FEATURES

Inception	9 February 2005
Benchmark Index	S&P/ASX300
No of holdings	maximum 35
Quest AUM	\$1,600m
Strategy AUM	\$9.7 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 31 March 2021	1month	3months	1 year	3yrs (pa)	5yrs (pa)	10 years (pa)	Since inception (pa)
Quest Aust Equities Concentrated	1.9%	3.1%	48.7%	13.5%	14.5%	11.8%	12.0%
ASX300 Accumulation index	2.3%	4.2%	38.3%	9.7%	10.3%	7.9%	7.6%
Value added	-0.4%	-1.1%	+10.4%	+3.8%	+4.2%	+3.9%	+4.4%

*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

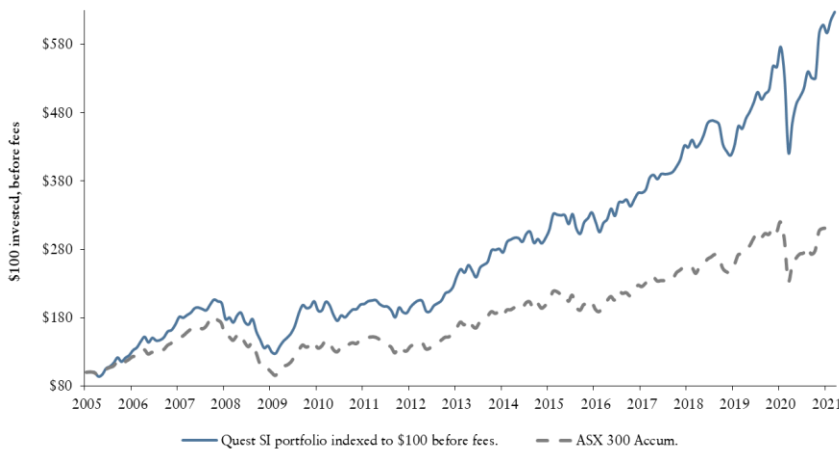
Total holdings	32
Non-benchmark holdings	6
Tracking error	4.6 %
Active share	61 %
Stock specific risk	71 % of active risk
Earnings growth (1yr fwd)	26 % pa
ROE	14.6 %
Beta	1.05
P/E (1yr fwd)	21 x
Dividend yield (1yr fwd)	3.5 %

MONTHLY ACTIVITY

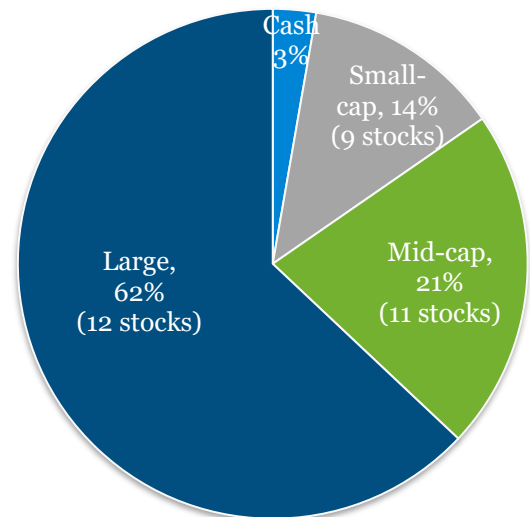
Charter Hall (CHC) reappears in the portfolio after a recent price fall, Aristocrat Leisure (ALL) has been lifted in weight. Aurelia Metals (AIM) has been added to bolster our gold /copper/zinc exposure and we added to Sydney Airport (SYD) as the economy recovers.

Airtasker (ART) floated in March. We have followed this business for years and made an investment in a very well sought IPO. Airtasker describe themselves as a community platform, connecting people to tasks. Pricing was high however and we sold out early with a nearly 50% gain.

PORTFOLIO RETURNS



MARCH 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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CONTACT THE MANAGERS

- Michael Evans** ph.02 9409 2300
Email: mevans@questap.com.au
- Chris Cahill** ph.02 9409 2301
Email: ccahill@questap.com.au
- Troy Cairns** ph.02 9409 2303
Email: tcairns@questap.com.au