

EX 20 PORTFOLIO UPDATE APRIL 2021

The market continued its march forward, with the benchmark posting a solid 3.8% return in April. The Australian market has now risen in 12 of the past 13 months.

The Quest Ex20 portfolio returned +6.4%, ahead of the benchmark.

With Australian economic growth continuing to be revised higher the earnings outlook for domestic companies is also in upgrade mode, supporting an optimistic investment stance.

During April technology and resource companies led the market, whilst the Energy sector lost ground. The portfolio benefited from our exposure to iron ore and lithium. Iron ore prices took another leg up, jumping 13% jump to US\$187 at month end and lithium prices have more than doubled in 2021. Our best performers during April were Orocobre (+42%), followed by Mineral Resources (+26%) and Monadelphous (+23%), with IGO (+19%) also doing well.

Dubbo-based Maas Group (+22%) was also strong following the 22% gain of last month. This stock has performed very well since its IPO in December last year. Closing the month at \$4.05 it is up over 100% from the IPO price of \$2.00.

Other good gains were made in People Infrastructure (+21%), Fisher and Paykel Healthcare (+14%), Vista Group (+14%) and Immutep (+14%). Bingo (+13%) popped as a takeover bid at \$3.45 from Macquarie Infrastructure and Real Assets (MIRA) was confirmed. This is a good outcome given our investment in December last year at around \$2.55.

Our biggest drag was Carbon Revolution (-24%) as they raised equity to fund a plant expansion to satisfy the growing OEM demand they are seeing. The size of the raising surprised the market resulting in a heavily discounted share offer.

Other laggards included Credit Corp (-11%), Kazia (-12%) and Corporate Travel (-5%). Not of lot of trading activity this month. We decided to exit Kogan (-8%) and re-allocate the capital. We first invested here pre COVID and have taken profits along the way, so are well ahead on the investment. The next 6-12 months looks tough given the inventory they are carrying, the expansion of Amazon and other marketplaces. We added to Corporate Travel and Sydney Airport to further lift our exposure to “re-opening” economic activity.

PORTFOLIO FEATURES

Inception	5 January 2017
Benchmark	S&P/ASX300 ex 20 Index
No. of holdings	20 - 40
Typical cash weight	3 - 10%
Investment horizon	3 - 5 years
Portfolio Manager	Troy Cairns
How to invest	Mason Stevens Platform Xplore Wealth Platform

DRIVERS OF PERFORMANCE – APRIL 2021

POSITIVE

Maas Group, Orocobre, Mineral Resources, People Infrastructure, IGO, Monadelphous, Vista Group, Bingo Industries, Fisher & Paykel Healthcare

NEGATIVE

Carbon Revolution, Credit Corp, Corporate Travel Management, Kazia Therapeutics, Kogan

CURRENT PORTFOLIO

Total holdings	39
Non-benchmark holdings	14
Tracking error	6.2%
Active share	83%
Stock specific risk	71% of active risk
Earnings growth (1yr fwd)	50% pa
ROE	8.0%
Beta	1.1
P/E (1yr fwd)	25.4x
Dividend yield (1yr fwd)	2.3%

Source: Bloomberg (some stocks excluded)

PERFORMANCE*

To 30 April 2021	1month	3months	6months	1yr	2yrs (p.a)	3yrs (p.a)	Inception (p.a)
Quest Ex-20 Aust Equities	+6.4%	+10.3%	+18.8%	+54.1%	+24.8%	+19.8%	+19.5%
ASX300 Acc. ex ASX20 index	+3.8%	+6.5%	+15.9%	+30.7%	+8.7%	+8.3%	+9.9%
Value added	+2.6%	+3.8%	+2.9%	+23.4%	+16.1%	+11.5%	+9.6%

*Returns after fees based on the Mason Steven platform model portfolio (note: performance fees, where applicable, are deducted six monthly following the June and Dec periods)
Past performance is no guarantee of future performance. Individual returns will differ for investors, depending when the initial investment was established and the timing of any additional investments or redemptions. Inception date 5 January 2017.



INVESTMENT PROFILE

The Quest Ex-20 Portfolio is a Separately Managed Account (SMA), actively managed by Quest Asset Partners. The Portfolio comprises between 20 and 40 securities and aims to outperform the S&P/ASX 300 index excluding the 20 largest companies. The Portfolio will have significant exposure to mid and small-capitalised stocks benefiting from our proven investment process and experience with smaller companies.

The assessment of business quality is fundamental to the Quest investment process. We aim to identify companies that can deliver good returns on invested capital and sustain those returns through time. Quest has a long track record of investment performance leveraging this process.

The portfolio will typically have a bias to companies with growth characteristics (revenue, earnings and return on equity) and can be expected to have significant exposure to companies not in the benchmark. Both these exposures will vary through time as opportunities arise.

Portfolio risk is actively managed with a focus on capital preservation.

PORTFOLIO HOLDINGS

LARGE CAP	
Amcor	Fisher & Paykel Healthcare
James Hardie	Ramsay Healthcare
Sydney Airport	Xero

MID CAP	
Aventus Group	Bingo
Credit Corp	Corporate Travel
IGO	Mineral Resources
Nine Entertainment	Steadfast

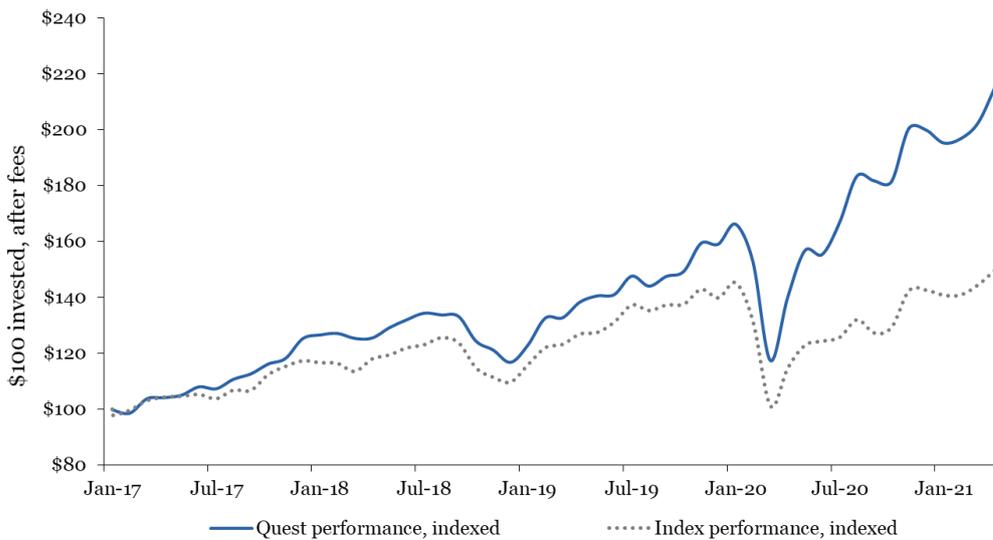
SMALL CAP	
Atomos	Carbon Revolution
Catapult	Maas Group
Marley Spoon	Vista Group

CONTACT THE MANAGERS

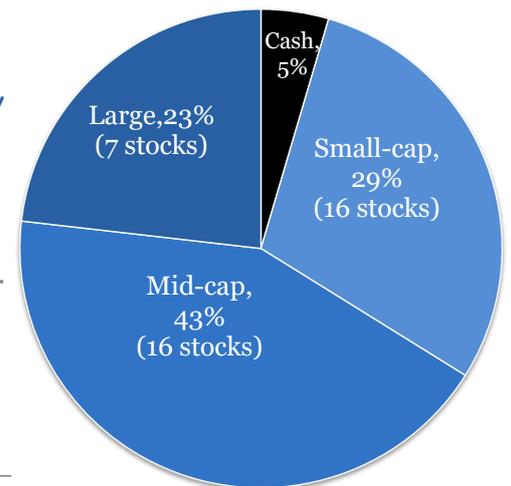
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PORTFOLIO RETURNS



PORTFOLIO 30 APRIL 2021



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