



AUSTRALIAN EQUITIES CONCENTRATED PORTFOLIO

DECEMBER 2020

INVESTMENT PROFILE

The 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 securities via a custodian while maximising transactional visibility for our clients.

MARKET SUMMARY

The Quest portfolio added 1.9% in December, which is ahead of the benchmark.

The Quest annual return for 2020 is 11.3% which is 9.6% ahead of the ASX300 which returned 1.7%.

The since inception outperformance is 4.6% per annum.

The year concluded was far from a typical year. In times of stress, Quest portfolios typically deliver significantly better returns than the market. The circles in the following chart show the GFC in 2008, a tough market period in 2015 and now COVID in 2020.

We think this demonstrates the value of our investment process which gives us a healthy respect for risk and a strong focus on the preservation of capital.

We hope all our investors and readers have an enjoyable break and a prosperous new year.

KEY PORTFOLIO FEATURES

Inception	9 February 2005
Investment Universe	ASX listed
No. of holdings	33 now, maximum 35
Quest AUM	\$1.57 billion
Strategy AUM	\$97 million
Investment Horizon	3 – 5 years
Investment Strategy	Fundamental with a key focus on business quality and free cash flow
Derivatives/Shorting	Nil
Lonsec Rating	Reviewed and Rated by Lonsec

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PERFORMANCE

BEFORE FEES AND TAX

(PAST PERFORMANCE IS NO GUARANTEE OF FUTURE PERFORMANCE)

To 31 December 2020	1 month	3 months	1 year	3 years*	5 years*	10 years*	Since inception*
Quest Aust. Equities Concentrated	1.9%	14.6%	11.3%	12.1%	12.8%	11.8%	12.0%
ASX 300 Accumulation Index	1.3%	13.8%	1.7%	6.9%	8.8%	7.8%	7.4%
Value added	0.6%	0.8%	9.6%	5.2%	4.0%	4.0%	4.6%

*per annum

TOUGH MARKETS

Quest outperformance (since 2005)
vs market corrections



The chart presents Quest performance against the market going back to 2005. The orange dotted line is the ASX300 Accumulation Index. The blue solid line represents the Quest portfolio outperformance. This line measures the degree to which Quest has beaten the index. When the blue line is rising the portfolio is beating the market and vice versa.

PORTFOLIO ACTIVITY

During December we saw two new listings arrive on the bourse being **Nuix** and **MAAS Group**. The investment in Nuix was made at \$5.31 and closed December at \$8.25. MAAS Group listed at \$2.00 per share and closed at \$2.79.

Nuix is a global provider of intelligence and analytical software that is used by corporates and government agencies as well as legal firms and law enforcement agencies. MAAS Group is a Dubbo based building materials business with interests in quarries, land subdivision, manufacturing and property development.

The portfolio weights in both **BHP** and **Rio Tinto** were increased again in December. We have sold our holding in **A2 Milk** after a disappointing market update. The result was a departure from our investment thesis.

QUEST EX 20 AND LONG SHORT PERFORMANCE

The Ex20 portfolio has delivered a very strong 27% return post fees (but pre performance fee) for the calendar year.

The Long Short unit trust which launched in May and returned 35% post fees return in the first eight months.

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