

QUEST EX-20 AUSTRALIAN EQUITIES PORTFOLIO



MONTHLY PORTFOLIO REPORT NOVEMBER 2020

PERFORMANCE*

To 30 November 2020	1month	3months	6months	1yr	3yrs (p.a)	Inception (p.a)
Quest Ex-20 Australian Equities	+10.5%	+9.3%	+27.9%	+25.8%	+19.3%	+19.5%
ASX300 Acc. ex ASX20 index	+10.1%	+7.9%	+16.0%	-0.3%	+7.3%	+9.5%
Value added	+0.4%	+1.4%	+11.9%	+26.1%	+12.0%	+10.0%

*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.

PORTFOLIO UPDATE

The Australian market was extraordinarily strong, with the broader index up over 10% during November. You would need to go back to 1988 to find a stronger month in Australia.

The Quest Ex20 portfolio returned +10.5% outperforming the benchmark return of +10.1%.

Fuelling the market was unambiguously good COVID vaccine news, with initial trial data much stronger than expected. This brings optimism that the virus can be constrained, and that life can return to some version of normal. Despite the worrying increase in COVID cases offshore and the logistical difficulties in distributing the vaccines, the market prefers to look beyond any short-term challenges. Aiding the rally was the resolution of US election uncertainty.

A rotation back to COVID losers was the theme of the month, with travel, retail property, energy and general beaten-up value stocks doing best. Defensives such as consumer staples, health and utilities lagged, along with growth stocks that had seen their earnings bolstered through the pandemic.

The portfolio benefited from big moves in stocks that squarely sit within the COVID recovery category: Atomos (+58%), Corporate Travel (+37%), Credit Corp (+30%) Sydney Airport (+23%), Catapult (+26%) and Carbon Revolution (+22%). Other strong contributors included biotech Kazia (+75%) and lithium / iron ore stocks Orocobre (+61%) and Mineral Resources (+30%). Offsetting these gains were retracements in Kogan (-20%), Marley Spoon (-19%) and Altium (-5%) along with a poor showing from our only gold holding, SSR Mining.

Portfolio trading during the month was centred around re-purposing strong past gains. Positions were trimmed in each of Credit Corp, Kazia, Carbon Revolution, Atomos and Xero.

The proceeds were applied to two new IPOs due to list in December: Nuix and Maas Group. Both businesses stood out from the plethora of IPOs rushing to market before year end. Nuix is a global provider of intelligence and analytical software used by corporates and government agencies. Maas Group is a Dubbo-based building materials business active in quarries, land subdivision, manufacturing and property development.

We remain positive regarding the market and our portfolio, expecting further gains in the months ahead. The portfolio remains fully invested with only a small cash balance.

DRIVERS OF PERFORMANCE – NOV 2020

POSITIVE

Atomos, Kazia, Corporate Travel, Credit Corp, Orocobre, Mineral Resources, Catapult, Carbon Revolution, Australian Finance Group, Sydney Airport, Vista Group

NEGATIVE

Kogan, Marley Spoon, Altium, SSR Mining, Goodman Group, Ramsay Healthcare, Hansen Technologies

SIGNIFICANT PORTFOLIO HOLDINGS

LARGE CAP

Cochlear	Goodman Group
James Hardie	Magellan
Resmed	Ramsay Healthcare
Sydney Airport	

MID CAP

Altium	Aventus Group
Credit Corp	Corporate Travel
Kogan	Mineral Resources
Nuix	Steadfast

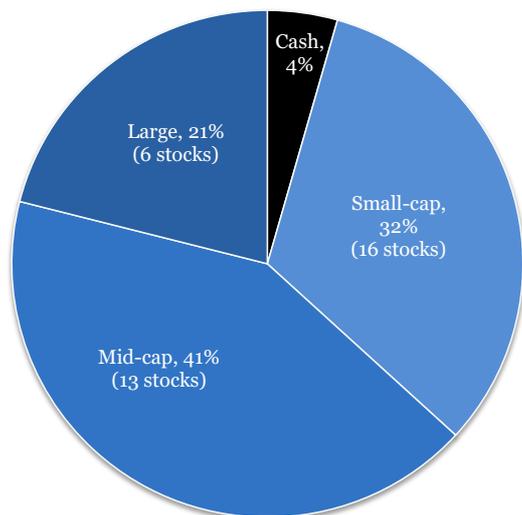
SMALL CAP

Atomos	Carbon Revolution
Catapult	Maas Group
Marley Spoon	Vista Group

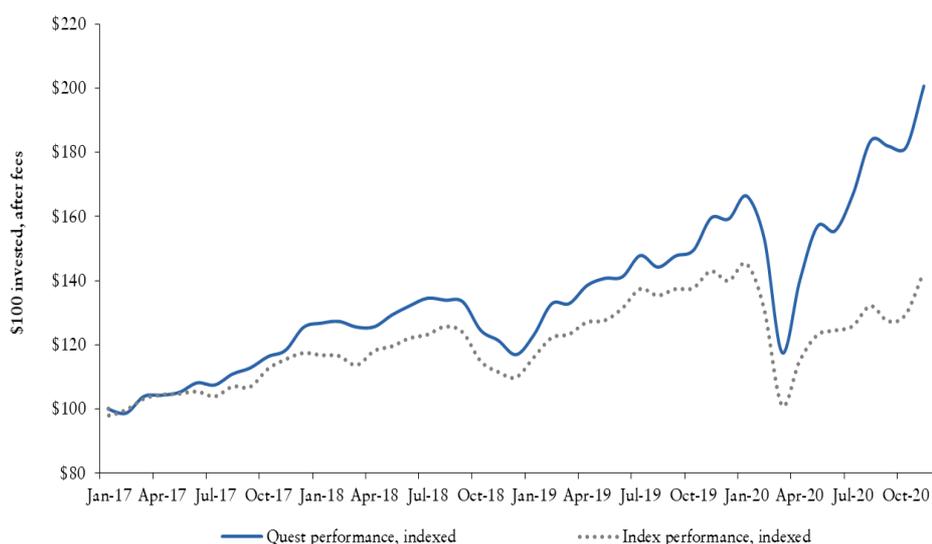
PORTFOLIO CHARACTERISTICS

Holdings	36
Stock specific risk	51% of active risk
Factor risk	49% of active risk
Major factor risks:	
<i>Overweight</i>	<i>IT</i>
<i>Underweight</i>	<i>Value, Size, Precious metals</i>
Active share	80%

PORTFOLIO 30 NOVEMBER 2020



PORTFOLIO RETURNS



PORTFOLIO STRATEGY

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 Quest's 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.

PORTFOLIO FEATURES

Inception	5 January 2017
Benchmark	S&P/ASX300 ex S&P/ASX20 Index
No of holdings	20 - 40
Typical cash weight	3 - 10%
Investment horizon	3 - 5 years
Portfolio Manager	Troy Cairns
How to invest	Via the Mason Stevens Platform or the Xplore Wealth Platform

Disclaimer

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