

Quarterly performance report

30 June 2019

Quest Australian Equities Concentrated Portfolio - Wholesale

The Quest Australian Equities Concentrated Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 30 June 2019 ¹					Top five holdings	
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)		%
Portfolio	2.75	8.56	5.57	9.98	Commonwealth Bank of Aust (CBA)	11.90
Benchmark	3.64	8.05	11.42	7.82	CSL Limited (CSL)	9.28
Excess/under performance	-0.89	0.51	-5.85	2.16	CASH	7.84
					Aristocrat Leisure (ALL)	5.04
					Westpac Banking Corp (WBC)	4.94

Portfolio and market returns

The Quest portfolio generated a return similar to the benchmark for the June 2019 quarter. Our best stocks were REA Group up 28%, Aristocrat Leisure up 26%, Xero up 23%, Catapult 17%, Telstra 16% and Commonwealth Bank up a solid 17%.

Global interest rates continue to fall. The US Federal Reserve changed stance in January and indicated that the direction was now down. This was a momentous change that led to a rally early in the year which made up for the weak December quarter.

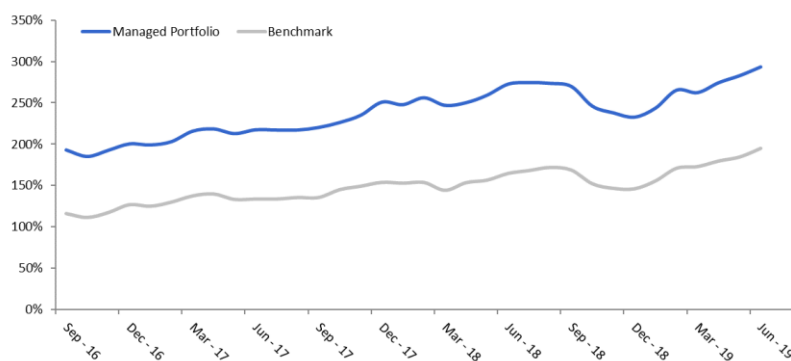
We have added a holding in **REA Group** (REA) during April. The ubiquitous property portal, realestate.com.au, is Australia's dominant online site for buyers of real estate.

Quest participated in the float of **Investec Australia Property Fund** (IAP) which listed in early June. Investec owns fringe office and industrial sites mainly in Sydney and Melbourne.

Quest participated in a stock placement in **Dexus** (DXS) in May to raise \$900m to fund an acquisition at 80 Collins Street Melbourne at \$12.10 per share. Dexus owns 54 office properties and over 70 industrial investments.

The 17% rise in the ASX200 in the six months to June was the strongest return for this period in more than 25 years.

Performance since inception¹



¹ The Portfolio's benchmark is the S&P/ASX 300 Accumulation Index. Past performance is not a reliable indicator of future performance and may not be achieved in the future. All information provided in this report is correct at the date of this report. Returns are calculated net of management, administration, custody and transaction fees, and assume the reinvestment of all income (but not franking credits). Inception date of the underlying Portfolio is 9 February 2005, however the Portfolio was only made available through the Mason Stevens Managed Account Service 2 December 2015. Actual individual returns of each client's portfolio will differ depending on factors such as date of initial investment, timing of transactions, inflows and outflows, other fees and any customisations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Investment objective & strategy

The Managed Portfolio aims to outperform the S&P/ASX 300 Accumulation Index (Benchmark) by 4.0% pa (gross of fees), irrespective of market direction. Given the Managed Portfolio is expected to display a bias towards 'broad cap' stocks, at any given time a portion of the underlying capital is expected to be allocated to companies with small market capitalisations.

The Quest Australian Equities Concentrated SMA (Managed Portfolio) is a concentrated, relatively benchmark unaware Managed Portfolio that will typically display a 'broad cap' bias. Additionally, the Managed Portfolio does have the ability to allocate up to 100% to cash, albeit this ability is only expected to be utilised in a period of extreme market dislocation.

Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account (MDA) Provider, will administer and implement the Managed Portfolio on the instructions of Quest Asset Partners as the Program Adviser.

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

About Quest Asset Partners

Quest Asset Partners (ACN 109 448 802, AFSL 279207) is the Program Adviser for the Quest Australian Equities Concentrated Portfolio. Quest was established to provide a specialised, focused, professional portfolio management service in Australian equities with a founding belief that management of equities by SMAs provides superior results for investors.

Contact

Investors

Please speak to your adviser

Key features

Investment universe	Shares, preference shares, listed equity and property trusts, convertible preference shares, rights and notes listed on the ASX (or likely to be listed)
Benchmark	S&P/ASX 300 Accumulation Index
Number of investments	20-35
Min cash weighting	3%
Max cash weighting	100%
Max equity weighting	97%
Max individual security weights	15%
Rebalancing	Daily or at Quest's discretion
Min investment	\$250,000
Suggested timeframe	3-5 years

Fees (including GST)

Management fee	0.70% pa calculated daily and charged monthly in arrears
Performance fee	16.5% of outperformance above the S&P/ASX 300 Accumulation Index
Transactions costs	0.275% of the value of each transaction
Administration, custody and account service fee	Please refer to the current Investment Mandate available from your financial adviser or Mason Stevens.

Advisers

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