

Quest Australian Equities Concentrated Managed Portfolio

Performance Report as at 30 June 2020



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 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.



The Quest Australian Equities Concentrated Managed Portfolio is a Managed Discretionary Account (MDA).

Fund performance as at 30 June 2020¹

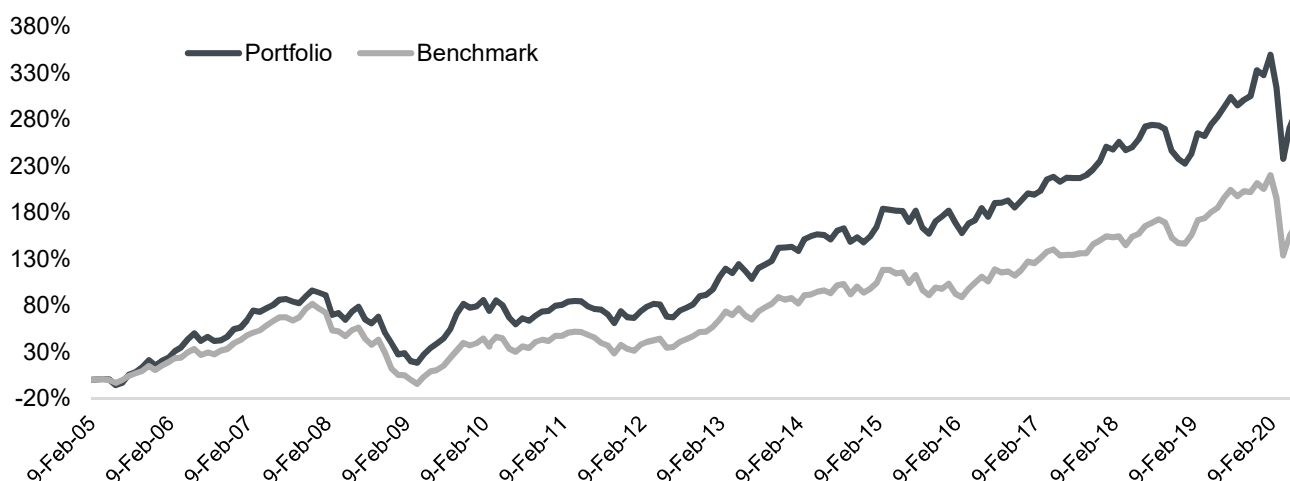
	1mth (%)	3 mths (%)	1yr (%)	3yr (%)	Annualised Since incep (%pa)
Portfolio	1.51%	17.03%	0.51%	7.59%	9.34%
Benchmark	2.43%	16.79%	-7.61%	5.24%	6.74%
Excess Return	-0.92%	0.24%	8.13%	2.35%	2.60%

Past performance is not a reliable indicator of future performance.

The Portfolio's benchmark is the S&P/ASX 300 Accumulation Index. All information provided in this report is correct at the date of this report but without independent verification. Portfolio 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 Discretionary 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. Each client should also take into account their own taxation situations. Please refer to the relevant Investment Mandate for full information on product specifics, including all fees and costs.

Top 5 Holdings		%
NAB	National Australia Bank	10.51%
CSL	CSL Limited	9.59%
CBA	Commonwealth Bank	8.19%
BHP	BHP Group	8.03%
RIO	Rio Tinto	5.63%

Performance since inception



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Portfolio and market returns

Performance is ahead of the benchmark for the three months at 17% compared to the benchmark at 16.8%. Quest 12 month return was 0.5% after fees which is well ahead of benchmark which fell 7%.

During the quarter we added four new industrials being Steadfast, Vista Group, Mesoblast and Kazia Therapeutics. We also added gold miner Saracen Minerals and polymetallic miner Independence Group.

Coordinated global government stimulus in multiple phases drove the market higher. Interest rates are globally suppressed while liquidity is abundant.

The Quest best were often smaller stocks who took bigger hits back in an emotional March. They sprang back hard with Catapult up 87%, Alacer Gold up 76% and Carbon Revolution up 65%.

Amongst larger stocks, James Hardie had a 47% return. Macquarie Group was up 40% while Magellan Financial rose 37% and property leader REA Group rose 33%. Lendlease rose 20%.

The only stock down materially was Australia's largest company CSL which fell 8%.

A feature of the quarter was the turnaround in the big banks. Quest have bought into National Australia Bank (NAB) which we believe had fallen well below book value.

Capital raisings were a daily event with the first raising in late March as the correction set in. Since then, \$25.1 billion has been raised in discounted placements and Share Purchase plans across 59 companies.

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) ASX or Cash.

Benchmark

S&P/ASX 300 Accumulation Index

Number of investments

20-35

Min cash weighting

3%

Max cash weighting

100%

Max individual security weights

15%

Rebalancing

Daily or at Quest's discretion

Min investment

A\$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, account service fees

Please refer to the current Investment Mandate available from your financial adviser or Mason Stevens.

Portfolio management: Mason Stevens Limited, as the Managed Discretionary Account (MDA) Provider, will administer and implement the Managed Portfolio on the advice from Quest Asset Partners as the Investment Sub-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.

More information: Further information about the Portfolio, including fees and costs, is outlined in the Quest Australian Equities Managed Portfolio Investment Mandate.

About Quest Asset Partners

Quest Asset Partners (ACN 109 448 802, AFSL 279207) is the Investment Sub-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

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