

APRIL 2022 - PORTFOLIO UPDATE

In a volatile month, the broader Australian market rose to a peak on 21 April then fell heavily to close the month 1% lower. This was substantially better than most major global markets which posted large falls. Both the S&P500 (-8.7%) and NASDAQ (-13.2%) in the US were off sharply, as was the Shanghai Composite (-6.3%) in China. Locally, defensive sectors did best with Utilities, Staples, Insurance and Health outperforming. Technology again performed poorly, resources lagged and banks were neutral. Consistent with recent months, large caps did better than mid and small caps.

The Ex-20 benchmark was down -0.4%. The Quest X20 portfolio returned +0.2%, a little ahead of the benchmark. The changes made in recent months assisted the portfolio navigate the volatile market. Around 40% of the portfolio is held in what can be considered value-oriented, low PE, good dividend payers with a current dividend yield over 3.0%. It is also more exposed to large companies versus our traditional small-cap tilt, with an average market cap of over \$8 billion.

The best performer this month was Ramsay Healthcare (+25%), which is our biggest holding. It received an indicative proposal from a consortium led by KKR for 100% of the company at \$88.00, all-cash. Ramsay traded at \$64.00 prior. Ramsay consented to due diligence and the likelihood of the acquisition proceeding appears reasonable, though it can be expected to take months. It is now trading at less than \$80.

Other good performers included Stanmore Resources (+37%), Paladin (+21%), Boss Energy (+20%), Ventia (+16%), Aroa Biosurgery (+15%) and Corporate Travel Management (+11%). The portfolio retains a significant exposure to resources, particularly lithium and uranium.

Atomos (-20%) was the biggest detractor as the recently appointed CEO departed. This appointment was a major misstep by the Board, resulting in significant turmoil. Newly released Atomos products appear to provide a step-change in capability and should drive future growth. Other small cap names, especially those exposed to the consumer remain out of favour: Catapult (-17%), Accent Group (-16%) and Silk Laser (-15%). Resmed (-10%) also struggled as it grapples with chip shortages as it tries to meet burgeoning demand.

There have been big falls in some stocks and opportunities are appearing. We have cautiously begun to deploy our cash, establishing new positions in Domino's Pizza, Paladin (via a placement), Charter Hall and Sonic Healthcare. We banked profits from exits in Northern Star Resources and Cochlear. Cash sits at 9.6% providing scope for further investments.

PORTFOLIO FEATURES

Inception	19 October 2021
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	Click here for the PDS.

DRIVERS OF PERFORMANCE

POSITIVE

Ramsay Healthcare, Ventia, Stanmore Resources, Steadfast, Corporate Travel Management, Boss Energy

NEGATIVE

Atomos, Resmed, Catapult, Silk Laser, Accent Group

CURRENT PORTFOLIO

Total holdings	39
Non-benchmark holdings	11
Tracking error	5.4%
Active share	80%
Stock specific risk	78% of active risk
Earnings growth (1yr fwd)	53.3% pa
ROE	17.1%
Beta	0.91
P/E (1yr fwd)	21.8x
Dividend yield (1yr fwd)	2.7%

Source: Bloomberg (some stocks excluded)

PERFORMANCE*

To 30 April 2022	1month	3months	6months	1yr	Inception*
Quest X20 Aust Equities Fund	+0.2%	+3.8%	-5.6%	N/A	-6.6%
ASX300 Acc. ex ASX20 index	-0.4%	+6.2%	+0.9%	N/A	+0.11%
Value added	+0.6%	-2.4%	-6.5%	N/A	-6.7%

* Inception 19 October 2021. Fund performance and value added is net of all fees. Past performance is no guarantee of future performance.



INVESTMENT PROFILE

The Quest X20 Portfolio is a Unit Trust, 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. This Unit Trust is managed in the same way as the Quest Ex-20 SMA (Separately Managed Account) which was established in January 2017. Performance for the Quest Ex-20 SMA is available on request.

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	
IAG Ramsay	IGO Resmed
MID CAP	
Allkem HomeCo Daily Needs REIT	ALS Ventia
SMALL CAP	
Accent Catapult	Atomos Silk Laser Australia

* Not complete

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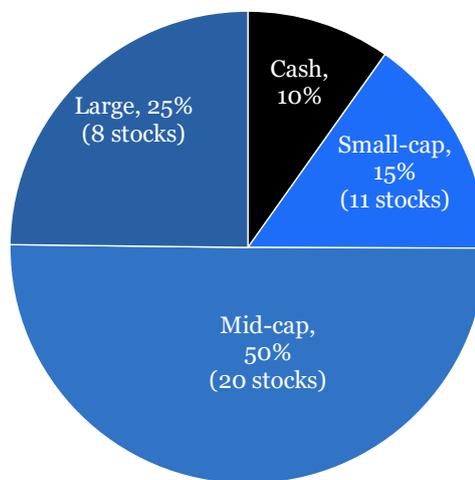
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Quest X20 Australian Equities Fund's Target Market Determination is available here www.eqt.com.au/insto. A Target Market Determination describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.