MyNorth Managed Portfolios

North

QUEST CONCENTRATED AUSTRALIAN EQUITY PORTFOLIO

Monthly Update for Month Ending March 2025

Investment objective

To deliver return outperformance against the benchmark over the medium term.

Key information

Code	NTH0220
Manager name	Quest Asset Partners
Inception date	29 November 2021
Benchmark	S&P/ASX 300 TR Index
Asset class	Australian Equities
Number of underlying assets	30
Minimum investment horizon	3-5 years
Portfolio income	Default - Reinvest
Management fees and costs	'0.65%
Performance fee	'0.41%
Estimated net transaction costs	'0.07%
Estimated buy/sell spread	'0.00%/0.00%
Risk band/label	6/High
Minimum investment amount	$25,000

About the manager

Quest Asset Partners

Quest Asset Partners is a boutique fund manager founded in 2004 who manage active equity portfolios on behalf of wholesale institutional clients and individual investors. Quest is wholly owned by the investment professionals at the firm.

Returns

as at 31 March 2025

	Since inception*	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%)	5 Years (%)
Total return[1]	4.06	-6.59	-7.10	-9.57	-5.44	2.11	-
Income	3.01	0.53	0.68	1.00	2.58	3.00	-
Growth	1.05	-7.12	-7.78	-10.57	-8.02	-0.89	-
Benchmark[2]	6.24	-3.34	-2.85	-3.64	2.64	5.30	-

* Since inception returns commence from the month end of the portfolio's launch.

Sector Allocation

as at 31/03/2025

Cash	7.2
Consumer Discretionary	12.3
Energy	1.5
Financials	21.3
Health Care	7.6
Industrials	13.2
Information Technology	9.0
Materials	12.1
Real Estate	12.2
Utilities	3.6

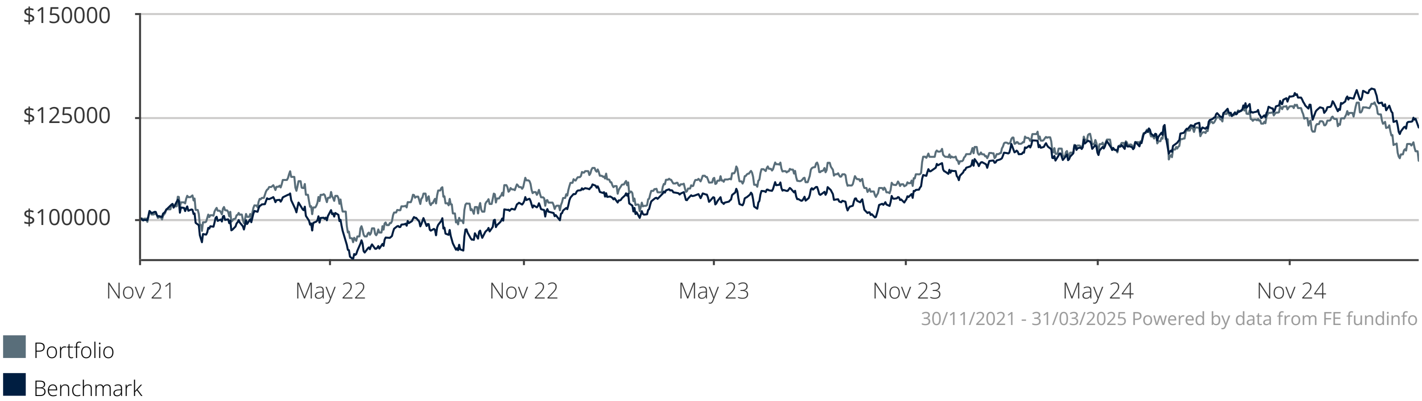
Sector allocation data sourced via Ausiex® from Australian Stock Exchange.

1 The managed portfolio performance represents total return for the periods. Returns have been calculated using the time-weighted method, they assume distributions are reinvested and are after investment management fees and indirect costs. Total and growth returns include accrued distributions, while income return includes paid distributions only. Returns do not take into account tax payable. Individual client returns may vary based on the contributions, withdrawals, and timing differences within the managed portfolio

2 The applicable Benchmark for this portfolio is shown in the Key Information section.

Performance history

$100,000 invested since 30/11/2021



Managed portfolio holdings[3]

Holding	Allocation (%)
Als Limited Ordinary Fully Paid	3.2
ANZ Group Holdings Limited Ordinary Fully Paid	4.6
Aristocrat Leisure Limited Ordinary Fully Paid	4.1
BHP Group Limited Ordinary Fully Paid	8.3
Block, Inc. Cdi 1:1 Foreign Exempt NYSE	2.5
Boss Energy Ltd Ordinary Fully Paid	1.6
Capstone Copper Corp. Cdi 1:1 Foreign Exempt Tsx	2.0
Cash Account	7.0
Catapult Group International Ltd Ordinary Fully Paid	1.7
Charter Hall Group Stapled Securities US Prohibited	2.8
CSL Limited Ordinary Fully Paid	6.5
Dexus Fully Paid Units Stapled Securities	2.4
Flight Centre Travel Group Limited Ordinary Fully Paid	1.5
Goodman Group Fully Paid Ordinary/Units Stapled Securities	4.6
GQG Partners Inc. Cdi 1:1 US Person Prohibited Excluding Qib	2.1
Idp Education Limited Ordinary Fully Paid	1.7
Immutep Limited Ordinary Fully Paid	1.1
Light & Wonder Inc. Cdi 1:1 Foreign Exempt Xngs	3.8
Maas Group Holdings Limited Ordinary Fully Paid	2.1
Macquarie Group Limited Ordinary Fully Paid	5.7
National Australia Bank Limited Ordinary Fully Paid	5.9
Origin Energy Limited Ordinary Fully Paid	3.5
Pwr Holdings Limited Ordinary Fully Paid	1.5
Qoria Limited Ordinary Fully Paid	1.6
Qualitas Limited Ordinary Fully Paid	2.7
Vault Minerals Limited Ordinary Fully Paid	1.8
Ventia Services Group Limited Ordinary Fully Paid	4.8
Wisetech Global Limited Ordinary Fully Paid	2.8

Holding	Allocation (%)
Worley Limited Ordinary Fully Paid	3.1
Xero Limited Ordinary Fully Paid	2.8

Quarterly manager commentary

Market Update
Global markets were shaken in the March quarter by the reality of the Trump Presidency, as he reordered alliances and cross-border trade, rattling business and consumer confidence. The investor complacency noted in December quickly shifted to fear. Trump has announced bewildering tariffs aimed at rebuilding US manufacturing and making Americans rich, but any gain will likely come with global pain.

The quarter began strongly, with January gains making up for late 2024 declines and lifting the Australian market +4.5% to a new high, outperforming the S&P 500's +2.8%. However, markets fell sharply in February as global confidence was tested, leading to a broad de-rate, especially in growth stocks. The Australian market dropped -3.8%, and the NASDAQ fell -4.0%.

Declines continued into March as markets grappled with lower growth expectations from Trump's actions. The Australian market fell another -3.4%, retreating -9% from the February high. Australia again outperformed the US, where the S&P 500 dropped -5.8% and the NASDAQ -8.2%. Global investors shifted to other markets, with Germany, the UK, and China faring better.

The Australian market (XKOAI) ended the quarter down -2.9%.

Gold was the sole safe haven, surging +19% to an all-time high. US 10-year bond yields eased -0.3% from 4.5% at year-end, while the Australian equivalent barely moved. The Australian dollar stayed around US$0.62.

Information Technology, Consumer Discretionary, Healthcare, and Energy were the weakest sectors, while Gold and Utilities rose. Reporting season was highly volatile, with J.P. Morgan calling it the most turbulent in over 20 years, citing passive flows, computer trading, and declining turnover. There were slight earnings downgrades overall. Company management are hopeful for more RBA rate cuts after the February reduction to 4.1% as inflation recedes.

The Australian Federal election was called in late March and the potential for no clear majority in Canberra is unwelcome.

Portfolio Update
The Quest portfolio performed poorly in the quarter. Quest's bias to growing as well as mid and smaller capitalisation investments was a material headwind. The largest culprit was Block (XYZ) which is exposed to both tech and consumer discretionary spend in the US. The broader growth trajectory of the business remains intact and the valuation undemanding.

Wisetech (WTC) also fell. The company rates highly in our qualitative assessment and we are attracted to its strong position in the value chain and the large and growing global addressable market. In our view, CEO Richard White is key to success and we are monitoring closely how the board responds to the recent governance concerns. The shares appear oversold and we expect the price to ultimately reflect the earnings power of the business.

Other small cap holdings that lagged during the month included Maas Group (MGH), IDP Education (IEL), Immutep (IMM) and Flight Centre (FLT).

Our sole gold holding, Vault Minerals (VAU) was our best performer in the quarter. However, this was insufficient to make up for the strength in other gold companies we don't own that are also in the benchmark index.

Other good portfolio returns came from Ventia (VNT) where our perseverance was rewarded with a strong rebound following their result which came with a buyback announcement and Charter Hall (CHC) which upgraded earnings guidance and called an inflection point in the property market. Worley (WOR) GQG Partners (GQG) and Boss Energy (BOE) also outperformed.

We reshaped the portfolio during the quarter given the change in the macro environment. Dexus (DXS) was the largest addition. We have watched the decline of the Dexus share price for years given poor sentiment towards office buildings post pandemic. Occupancy has fallen, asset values devalued and a new CEO installed. We think we have seen the bottom here with asset values now stabilised.

Quest has historically generated significant performance from mid and smaller cap investments. This part of the market has severely lagged in recent years. We added two higher quality small caps with reasonable valuations and good prospects.

PWR (PWH) is a global leader in high performance cooling systems used in motorsports, defence, aerospace, EVs and renewable energy. Our channel checks with customers highlight PWR's technical leadership supporting our positive qualitative assessment. Recent share price falls created an opportunity given our view on the earnings potential for this company.

Qoria (QOR) is a global leader in online safety and student wellbeing software. Its products filter harmful content and address risks like cyberbullying, self-harm and radicalisation. Qoria sells to schools in the US, UK, and Australia which have regulatory requirements. The company recently achieved positive free cash flow, has good cost discipline and we see valuation upside as it delivers operating leverage.

Vault Minerals (VAU) was added in February. Vault is a replacement for Bellevue Gold (BGL). Vault is a multi-mine company run by a team with a track record of successful execution and has around $500m in cash at bank. Vault should generate significant cashflows and may pursue capital management initiatives. We are attracted to its organic growth from existing assets as well as potential exploration upside.

Profits were taken in Computershare (CPU) after a stellar run and we also exited Ampol (ALD) after they reported an outlook that was worse than we expected. Similarly, Paladin (PDN) was sold. During the quarter we also reduced the weights in NAB (NAB), Charter Hall (CHC) and Macquarie Group (MQG).

Since quarter end there has been further portfolio repositioning as Trump's tariff "Liberation Day" arrived. Materially higher tariffs are likely to lower global GDP, impacting both corporate and consumer confidence. The bond market has responded with concern and not providing confidence nor valuation support.

Cash has been raised as we exited businesses more sensitive to global GDP including Macquarie (MQG), Goodman (GMG), Charter Hall (CHC), Capstone Copper (CSC) and Flight Centre (FLT). New investments were made in larger companies with higher earnings predictability and acceptable valuations, including Resmed (RMD), Woolworths (WOW) and Mirvac (MGR).

Market Outlook

As we move through 2025, the Australian equity market is contending with global economic uncertainties and domestic challenges. In December 2024, we noted concerns about investor complacency, pockets of high valuations and the potential impact of political changes. The reality of a Trump presidency has surprised most investors, particularly the broad and unpredictable use of tariffs, some of which are contradictory. Early signs of falling demand are already affecting market sentiment. US company earnings updates are unlikely to be positive, especially with recent job cuts with DOGE being the largest so far. A key focus will be how monetary policy expectations diverge between the US and Australia. Geopolitical tensions are also likely to persist and remain important.

Australia's close economic ties with China, which is exposed to US tariffs, have added to these challenges. The Australian equity market's increased weighting toward higher-growth companies has made valuations more sensitive to corrections than in the past.

The outlook for Australian equities remains cautious, but there are likely to be opportunities amid volatility. Despite headwinds, some factors are supportive: the Reserve Bank of Australia (RBA) has room for further rate cuts, expected in May and August, and the government has announced $35 billion in fiscal stimulus. Consumer sentiment is also resilient, helped by household wealth effects.

Companies able to maintain cash flows and pass on inflation costs will remain in demand as long as the market stays defensive and stagflation risks persist. Gold mining stocks should remain supported due to their safe-haven status and lower opportunity costs during high inflation.

There is a risk, however, that investors crowd into "expensive defensives," overlooking new opportunities. As bottom-up stock pickers, we look beyond short-term volatility to find quality businesses at reasonable prices. Most share prices have de-rated, but the full earnings impact is still unclear and will take time to assess. It's difficult to judge if the de-rating is sufficient to fully reflect expected lower earnings. This is where investing becomes both art and science. Drawing on our experience and the Quest investment process, we focus on quality businesses with significant earnings and valuation upside. We expect to deploy capital selectively amid ongoing volatility.

Current significant holdings include those shown below.

Largest industrial holdings: National Australia Bank CSL Aristocrat Leisure ANZ

Large resource holding: BHP

Mid caps: ALS Resmed Light and Wonder Xero

Small cap industrials: Catapult MAAS Group Qualitas Block Ventia Services

Small cap resources: Boss Energy Vault Minerals

3 A significant percentage of assets comprising this portfolio are only available through the managed portfolios and therefore can't be transferred out of the MyNorth Managed Portfolio Scheme. For more information relating to restrictions that may apply to asset transfers, refer to the 'Transferring assets in and out of your Portfolio' in Part 1 of the MyNorth Managed Portfolios PDS.

Important Information