

QV Equities AGM

1 N o v e m b e r 2 0 1 7



IML INVESTORS
MUTUAL LTD

DISCLAIMER

- ❑ *QV Equities Limited ACN 169 154 858 (QVE) has prepared the information in this presentation. This presentation has been prepared for the purposes of providing general information only and does not constitute personal financial product or investment advice as it does not take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this presentation in making an investment decision but must make its own assessment of QVE, conduct its own investigations and analysis, and seek independent financial, taxation and legal advice. Past performance is not a reliable indicator of future performance. QVE is an Authorised Representative of Investors Mutual Limited (AFSL Number 229988)*
- ❑ *QVE, its directors, employees and consultants do not warrant the accuracy, reliability or completeness of information contained in the presentation and, to the extent permitted by law, accept no responsibility for any loss or damage arising in any way (whether arising in contract, or tort or negligence or otherwise) from any representation, error or omission in the information or from any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this material or any other person. The information provided within the presentation is not intended to be a complete description of matters described.*
- ❑ *Usage and linking to the QVE presentation is at the users own risk. QVE will not be liable for any loss or damage from any cause (including negligence) to a users system or presentation, or to people linking to QVE from a users presentation, caused by or in connection with the use of or a link to the QVE presentation. Any such loss or damage is at the responsibility of the user. QVE advises users to take their own precautions in relation to protecting their system or presentation from viruses or malfunction.*
- ❑ *Copyright in the information contained in this presentation is owned by QVE. Use of this information or reproduction of it in any form is allowed for personal use only. Without limiting the generality of the foregoing, QVE does not permit reproductions of its material in other presentations in conjunction with advertising, trademarks, logos on material of other financial planners or competitors without the express written permission of QVE.*
- ❑ *All currency references are references to Australian dollars (unless otherwise specified) and any reference to law is to the law of Australia.*
- ❑ *All estimates are made on a reasonable basis and are not a guarantee of actual outcomes or performance.*

Board & Key Personnel

Name	Position	Independence	Experience
Peter McKillop	Non-executive Director	Independent	State Super Financial Services and Perpetual Funds Management
John McBain	Non-executive Director	Independent	Centuria Capital Limited and Century Property Funds
Jennifer Horrigan	Non-executive Director	Independent	Greenhill & Co, APN Funds Management, Generation Healthcare Industria REIT, Redkite, Breast Cancer Institute of Australia
Anton Tagliaferro	Executive Director	Non Independent	Perpetual, County Natwest and BNP
Simon Conn	Executive Director	Non Independent	QBE Insurance Investment Division, KPMG
Zac Azzi	Company Secretary		SFG Australia Limited, St George, AMP, Old Mutual (Skandia)

AGM Agenda

- ❑ Chairman's Welcome
- ❑ Chairman's Address
- ❑ Investment Director's Address
- ❑ Formal proceedings
 - Annual Financial Report for the year ended 30 June 2017
 - Resolution 1 (Adoption of Remuneration Report)
 - Resolution 2 (Re-election of Anton Tagliaferro as a Director)
 - Resolution 3 (Ratification of Prior Issue of Shares)
- ❑ Other Business
- ❑ Closure
- ❑ Morning Tea & Refreshments

Natixis Global Asset Management

- ❑ Leading Global Funds Manager- \$951.7 billion
- ❑ Proven success with over 20 affiliates globally
- ❑ IML has a supportive long term shareholder in Natixis
- ❑ Key IML investment employees committed
- ❑ Business as usual

Year ended 30 June 2017:

Increase in QVE's Net Tangible Assets per share:

QVE NTA (pre tax)	QVE NTA (post tax)	ASX 300	ASX 300 Ex20
+12.7%	+12.0%	+13.8%	+13.6%

Growing Dividend Stream– Fully Franked

2016	2017
3.3 cps	4.0 cps

The Australian Share market

- ❑ Economic growth: ~2%
- ❑ Unemployment and under-employment rates: 5.5% and 8.8%
- ❑ Continuing low wage growth and inflation
- ❑ Record low interest rates
- ❑ Higher commodity prices
- ❑ Growing geo-political risks
- ❑ Federal Budget

QVE Finalist for Listed Investment Company of the Year



QVE Capital raising and DRP summary

Capital Raising:

- ❑ Successful Share Purchase Plan and Private Placement
- ❑ \$65 million raised (before costs)
- ❑ MER positive

DRP:

- ❑ DRP raised \$333,461 during FY17
- ❑ 3% DRP discount introduced on 16 August 2017

2017 Final Results

☐ Profit After Tax

2016	2017
\$ 5.7 million	\$ 8.5 million

☐ Net Assets

2016	2017
\$ 238 million	\$ 320 million

☐ Management Expense Ratios

2016	2017
1.09%	1.01%

Management Expense Ratio

- ☐ No performance fee
- ☐ The investment management fee:
 - ☐ 0.90% on assets up to \$150 million
 - ☐ 0.75% on assets above that figure and;
- ☐ NTA before tax was \$326 million as at 30 September 2017

QVE's Net Tangible Assets per share to 30 September 2017

	ASX 300	ASX 300 Ex20	QVE NTA (pre tax)	QVE NTA (post tax)
3 months to 30 September 2017	+0.8%	+1.4%	-1.9%	-0.8%
Annualised since inception to 30 September 2017	+4.9%	+10.0%	+8.7%	+7.7%

QV Equities Investment Director Address

Anton Tagliaferro
Simon Conn



IML INVESTORS
MUTUAL LTD

Why focus on an ex 20 managed portfolio?

- ❑ More diverse entities in terms of market capitalisation and industry sectors
- ❑ Less researched opportunities
- ❑ Clients typically underweight in this segment
- ❑ Solid yields on offer
- ❑ IML has a long record of significant value add in this segment

QVE Portfolio Strategy

- ☐ Buying quality stocks
- ☐ Selectively taking profits
- ☐ Focus on industrial stocks
- ☐ High cash weighting

Performance & NTA – 30 June 2017

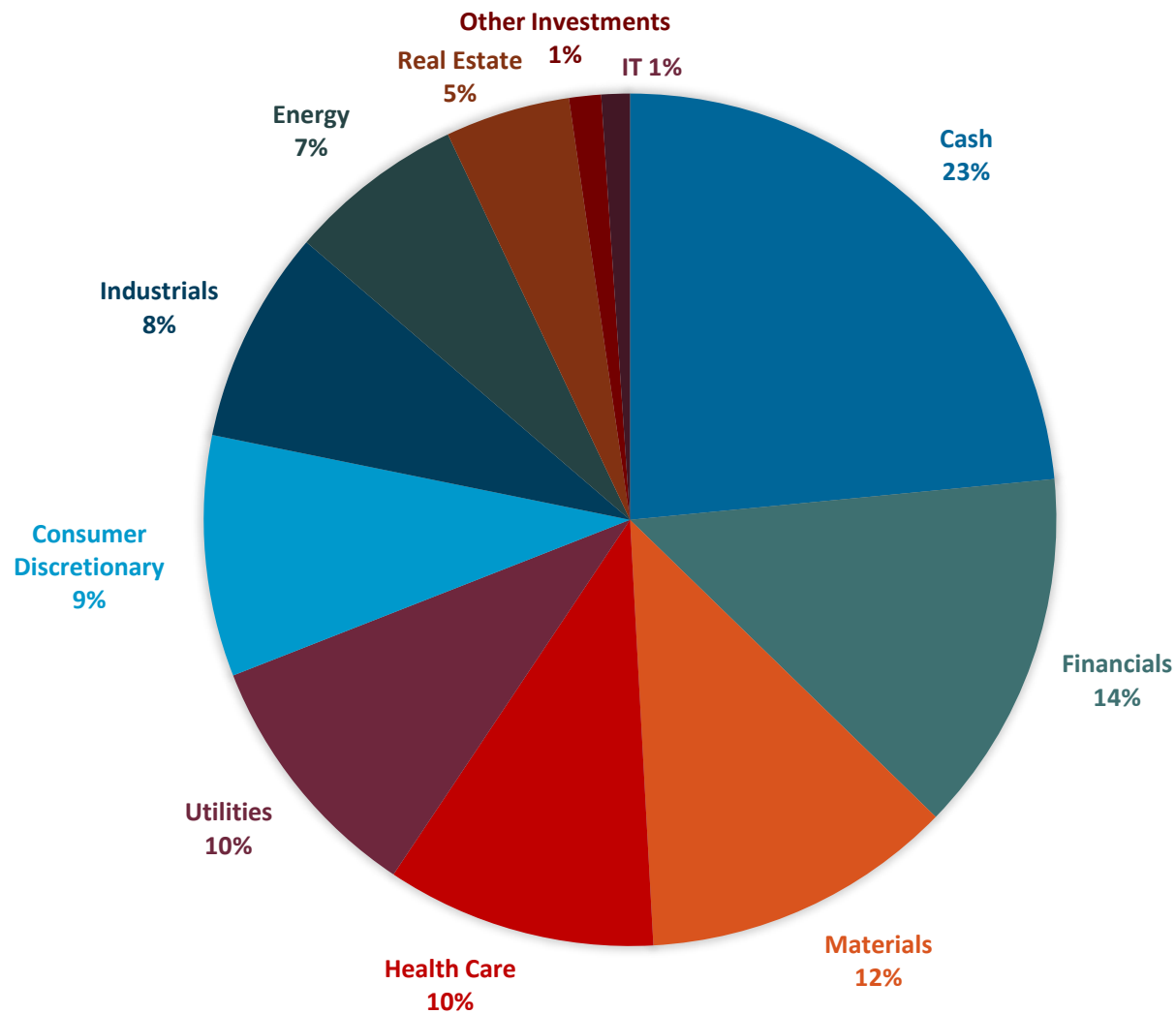
NET TANGIBLE ASSETS (NTA)	QVE-ASX
NTA before tax	1.21
NTA after tax	1.16

PERFORMANCE	QVE's NTA (pre tax)	BENCHMARK
1 Month	+1.1%	+0.6%
3 Months	+2.1%	+2.1%
6 Months	+3.9%	+6.5%
1 Year	+12.7%	+13.6%
Since Inception Total Return p.a	+10.2%	+10.4%

The above returns are after fees and assumes all declared dividends are reinvested

*The before and after tax NTA numbers relate to the provision for tax on net profit in addition to deferred tax on the un-realised gains in the Company's investment portfolio. The Company is a long term investor and does not intend disposing of its total portfolio. Under current Accounting standards, the Company is required to provide for tax on any gains that might arise on such a theoretical disposal, after utilisation of brought forward losses.

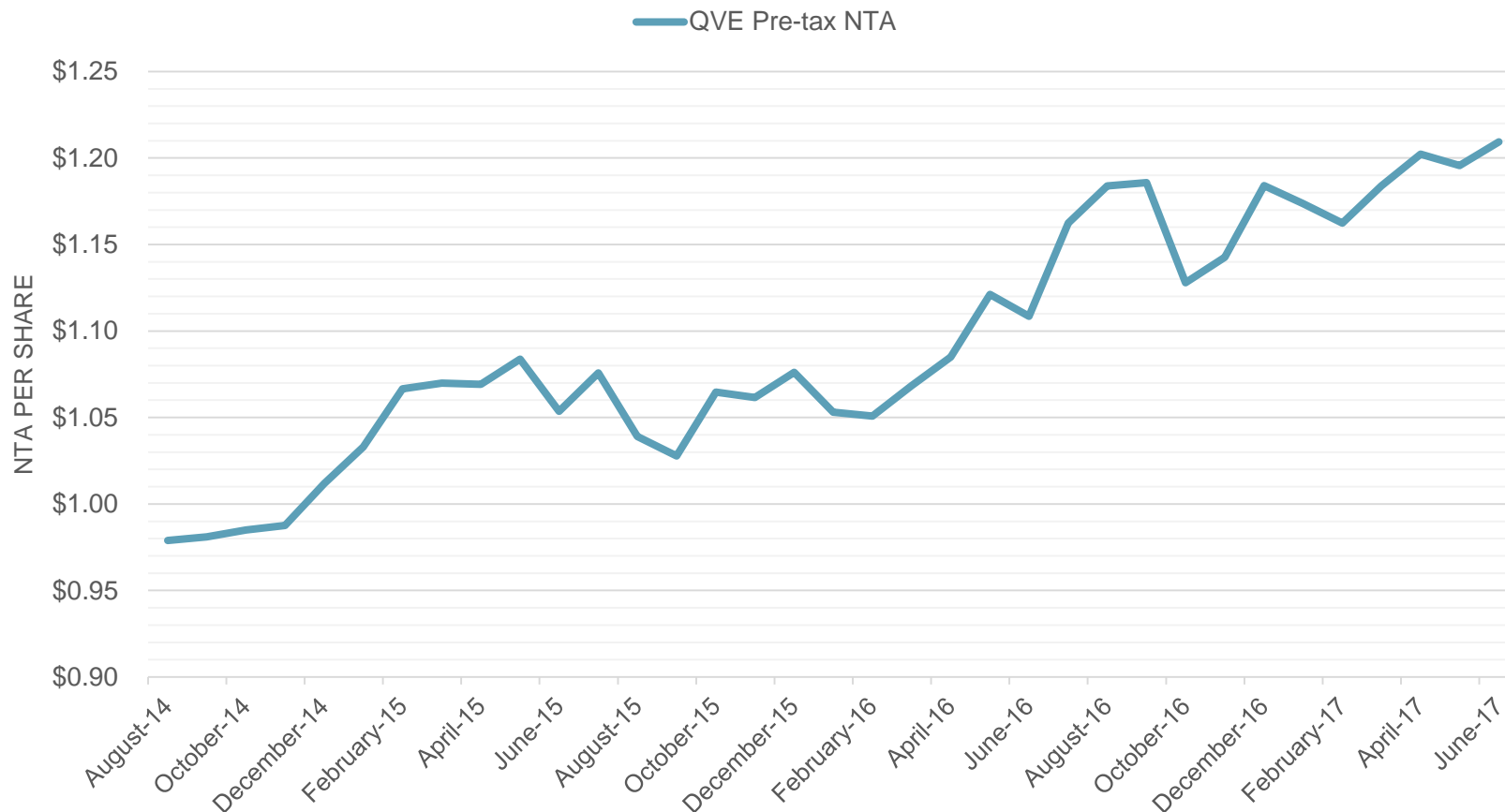
QVE Portfolio as at 30 June 2017



QVE Top 10- 30 June 2017

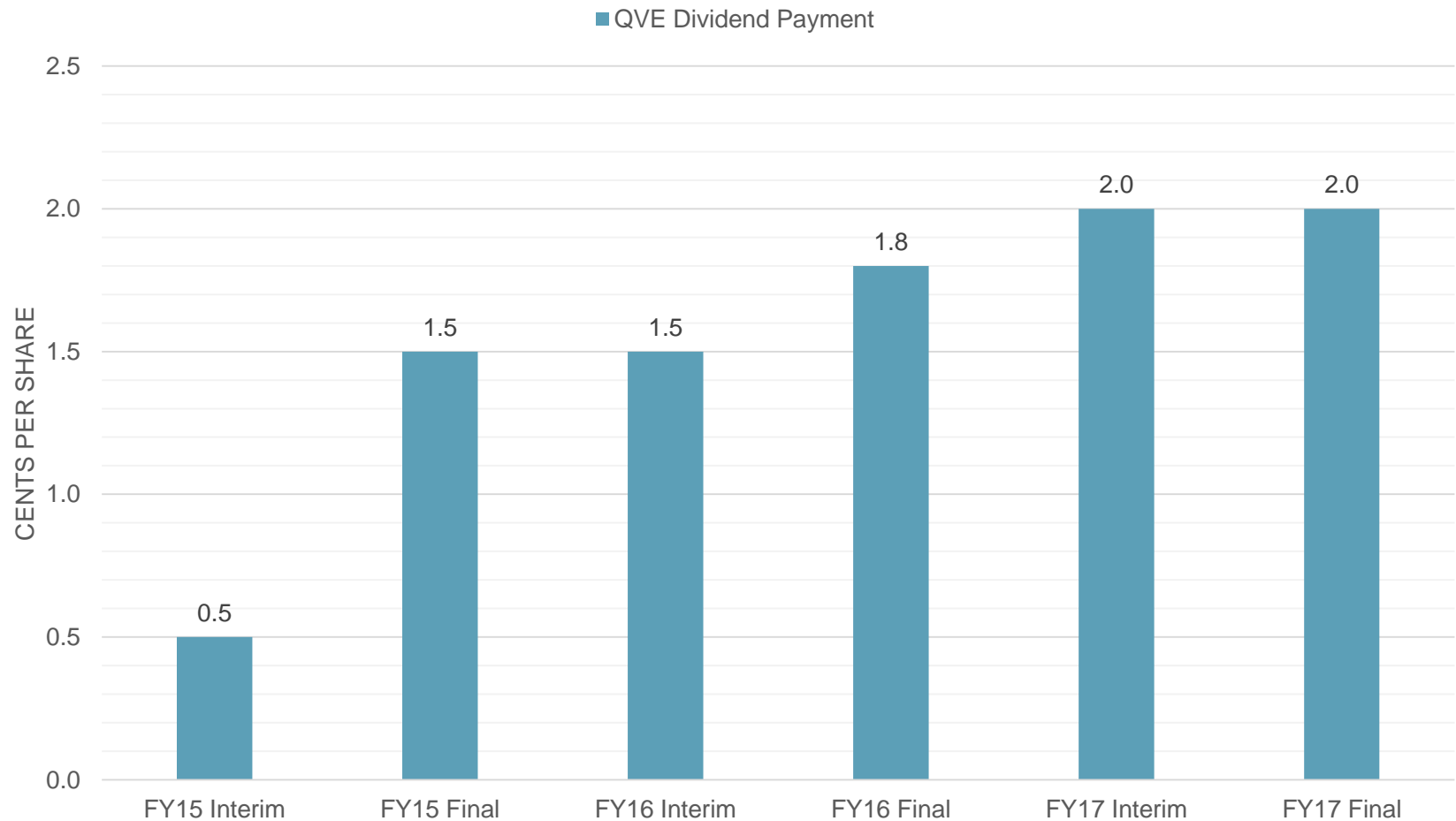
KEY EQUITY INVESTMENTS	ASX CODE	WEIGHT
Sonic Healthcare	SHL	3.6%
Pact Group	PGH	3.2%
Fletcher Building	FBU	3.2%
Clydesdale Bank	CYB	3.2%
Spark Infrastructure	SKI	3.1%
Ansell	ANN	3.1%
Bank of Queensland	BOQ	3.1%
Caltex	CTX	3.0%
Amcor	AMC	2.9%
Tox Free	TOX	2.9%

Historical NTA



Source: QVE NTA as at 30 June 2017

Historical Dividends to QVE Shareholders



QVE: Risk-Adjusted Outcomes



QV Equities AGM

Resolutions



IML INVESTORS
MUTUAL LTD

Item 1 – Annual Financial Report

 Questions

Resolution 1 – Adoption of Remuneration Report

- ☐ To consider and if thought fit pass the following resolution as an ordinary resolution:

“That the Company adopt the Remuneration Report contained in the Company’s Annual Financial Report for the year ended 30 June 2017 in accordance with Section 250R(2) of the Corporations Act.”

Proxy Voting Results- Resolution 1

	Number	Percentage
FOR	10,411,205	80.31%
AGAINST	1,140,218	8.80%
OPEN	1,412,176	10.89%

Resolution 2 - Re-election of Anton Tagliaferro as a Director

- ☐ To consider and if thought fit pass the following resolution as an ordinary resolution:

“That Anton Tagliaferro, who retires by rotation in accordance with the Company’s Constitution and, being eligible for re-election, be re-elected as a Director.”

Proxy Voting Results- Resolution 2

	Number	Percentage
FOR	16,702,034	91.51%
AGAINST	117,652	0.64%
OPEN	1,431,268	7.84%

Resolution 3 – Ratification of Prior Issue of Shares

- ☐ To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That Shareholders of the Company
approve and ratify the prior issue and allotment of the March
Shares and April Shares.”*

Proxy Voting Results- Resolution 3

	Number	Percentage
FOR	15,324,140	85.34%
AGAINST	1,150,157	6.41%
OPEN	1,481,286	8.25%

Other business:

Comments & Questions

DISCLAIMER

- ❑ *QV Equities Limited ACN 169 154 858 (QVE) has prepared the information in this presentation. This presentation has been prepared for the purposes of providing general information only and does not constitute personal financial product or investment advice as it does not take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this presentation in making an investment decision but must make its own assessment of QVE, conduct its own investigations and analysis, and seek independent financial, taxation and legal advice. Past performance is not a reliable indicator of future performance. QVE is an Authorised Representative of Investors Mutual Limited (AFSL Number 229988)*
- ❑ *QVE, its directors, employees and consultants do not warrant the accuracy, reliability or completeness of information contained in the presentation and, to the extent permitted by law, accept no responsibility for any loss or damage arising in any way (whether arising in contract, or tort or negligence or otherwise) from any representation, error or omission in the information or from any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this material or any other person. The information provided within the presentation is not intended to be a complete description of matters described.*
- ❑ *Usage and linking to the QVE presentation is at the users own risk. QVE will not be liable for any loss or damage from any cause (including negligence) to a users system or presentation, or to people linking to QVE from a users presentation, caused by or in connection with the use of or a link to the QVE presentation. Any such loss or damage is at the responsibility of the user. QVE advises users to take their own precautions in relation to protecting their system or presentation from viruses or malfunction.*
- ❑ *Copyright in the information contained in this presentation is owned by QVE. Use of this information or reproduction of it in any form is allowed for personal use only. Without limiting the generality of the foregoing, QVE does not permit reproductions of its material in other presentations in conjunction with advertising, trademarks, logos on material of other financial planners or competitors without the express written permission of QVE.*
- ❑ *All currency references are references to Australian dollars (unless otherwise specified) and any reference to law is to the law of Australia.*
- ❑ *All estimates are made on a reasonable basis and are not a guarantee of actual outcomes or performance.*