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27 October 2021

Company Announcements
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

QV Equities Limited
Chairman's Address & AGM presentation

Dear Sir / Madam

Please find the following documents attached:

- Chairman's Address
- AGM presentation slides

Yours faithfully

Zac Azzi
Company Secretary

Authorised for release by the Company Secretary

27 October 2021

QV Equities 2021 AGM Chairman's Address

As I am sure we can all appreciate, this past financial year has been another extraordinary one both here in Australia and around the world.

Financial year 2021 was a strong one for investors, with many sharemarkets reaching record highs. Investor confidence was supported by the reopening of many economies as COVID-19 vaccines were made widely available in most developed countries.

The Australian sharemarket was no exception, delivering its best financial year return in three decades. This exceptional performance was aided by the extension of the emergency fiscal stimulus introduced by the Federal Government in response to the first COVID-19 lockdowns. Furthermore, the Reserve Bank of Australia cut the cash rate to 0.1% and introduced its own asset purchasing program.

From COVID-19-induced lows in March 2020, this unprecedented government stimulus together with ongoing record low interest rates and investor exuberance served to support economic growth. As a consequence, many companies' share prices have strongly recovered.

I will first report briefly on the Company's investment performance.

The Company investment portfolio delivered a return before tax and after fees of +23.4% for the year ended 30 June 2021, compared to the ex-20 benchmark's return of +24.9%.

This was a positive result for the QVE portfolio. The benchmark's return was driven primarily by rallies in the more speculative or cyclical sectors such as Technology and Resources. Many companies in these sectors have highly volatile earnings and business models which are unproven. Your Board remains comfortable with the Investment Manager's caution and lower weightings to these sectors.

I will now report on the Company's financial performance.

The Company's after-tax profit was \$5.6 million for the year to 30 June 2021, compared to \$10.5 million for the 2020 financial year. On an earnings per share basis, this equated to after-tax earnings of 2.26 cents per share. This reduction in profit was due primarily to the effect COVID-19 and the associated lockdowns had on the companies in the portfolio, as many of these companies reduced their dividends. I'm very pleased to say that the majority of these companies are now showing strong signs of recovery and have resumed or increased their dividend payments.

Your Board remains focused on the management of expenses. Management expenses of \$2.8 million for the year to 30 June 2021 were down from \$3.0 million in financial year 2020, although the management expense ratio rose modestly due to the lower average investment portfolio value.

The net tangible assets per share before tax on 30 June 2021 was \$1.09, compared to \$0.94 on 30 June 2020. On 30 September 2021 it was \$1.16.

Your Board and Investment Manager are focused on ensuring that the income you receive is paid regularly and that the income payments are based on solid foundations.

In an environment where interest rates are at record lows and where many investors are in need of regular income, your Board adopted a policy in 2020 of paying dividends on a quarterly basis.

Four fully-franked quarterly dividends of 1.1 cents per share were paid over the financial year.

Also, IML's management of the Company's portfolio has ensured that QVE is in a strong position to be able to sustain and grow these quarterly income payments. The realised gains in the portfolio have grown as the portfolio managers sold some of the Company's holdings in stocks that they consider to be fully priced. In addition, the unrealised losses in the portfolio have significantly reduced as the share prices of companies that were affected by COVID-19 and the related lockdowns have recovered.

I am pleased to confirm that your Board intends to increase the quarterly dividend distributions to 1.2 cents per share for the 2022 financial year, including the dividend declared last week for the September quarter. These payments will be conditional upon the Company maintaining sufficient profit reserves and there being no adverse material changes or unforeseen events.

The opportunity to receive an annual dividend of 4.8 cents per share is equivalent to a 4.6% yield calculated on the market share price on 30 September. If franking credits are included this equates to a 6.6% gross yield.

Also, your Board and Investment Manager remain mindful of the issue of the Company's share price trading at a discount to its net tangible assets.

With this in mind, the on-market share buyback which has been in place since September 2019 was extended during the year to September 2022. This enabled the Company to purchase 22.3 million shares at a cost of \$19 million over the financial year to 30 June 2021. The total number of shares the Company has bought back as at 22 October 2021 was 43 million.

These shares were purchased at a discount to net tangible assets and subsequently cancelled. This action increased the net tangible asset backing per share for remaining shareholders.

The Company intends to continue to use available surplus cash for the buyback facility as your Board has confidence in the underlying quality and long-term prospects of the companies held in the QVE investment portfolio.

Your Board and Investment Manager strongly believe in the importance of regular communication, keeping you up-to-date and well-informed about the performance of the Company and the positioning of its investment portfolio.

With this in mind, Investors Mutual continues to provide you with an in-depth, timely investment update and commentary each month, together with a weekly report to the ASX on the Company's net tangible asset backing per share. In addition, the Manager also publishes regular investment insight articles, videos, and hosts regular webinars on the QVE portfolio and investment topics.

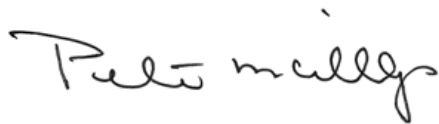
If you have not already done so, I encourage you to subscribe to receive these updates and event invitations through the Company's website qvequities.com.

Looking forward, the outlook for the companies in QVE's investment portfolio remains strong. The sharemarket is showing increasing signs of valuing many companies on the basis of their fundamentals. We have seen share prices increase for solid, well-established companies with track records of consistent earnings and leading positions in their industries. You may have read in the media recently takeover interest in a number of the companies held in QVE's investment portfolio. This is further evidence of the latent value in some of these companies. Your Investment Manager, Investors Mutual, continues to seek new investment opportunities.

We will hear more about this from the Investment Manager in a more detailed Portfolio Update tomorrow afternoon. If you have not already done so, I encourage you to [register](#) for the update through our website.

Your Board remains confident in your Investment Manager's approach to investing in quality companies underpinned by reasonable valuations, with upside potential, sustainable earnings from a diverse range of sectors, and paying franked dividends. This investment approach will over time continue to enable QVE to preserve and increase the value of the investment portfolio, while providing you a stable and reliable income through the payment of franked dividends.

On behalf of your Board, I would like to thank you for your continuing support.

A handwritten signature in black ink, appearing to read 'Peter McKillop', with a stylized, cursive script.

Peter McKillop, Chairman

***About QV Equities:** QV Equities Limited (QVE) is a Listed Investment Company established with the primary objective of providing both long term capital growth and income, through a diversified portfolio of ASX listed entities outside of the S&P/ASX 20 Index. The portfolio is managed by Investors Mutual Limited (IML), a multi award-winning and experienced, value-style investment management company, with a track record of successfully managing Australian equities since 1998.*

Release authorised by the Board

QV Equities Annual General Meeting

27 October 2021



IML INVESTORS
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- ❑ *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
	Jennifer Horrigan	Non-Executive Director	Independent	Greenhill & Co, Dexus Asset Management, Generation Healthcare, Dexus Industrial REIT, Dexus Convenience Retail REIT, Redkite, Breast Cancer Institute of Australia
	Eamonn Roles	Non-Executive Director	Independent	Mosaic Portfolio Advisers, Snowball Group, Advance Funds Management, PwC
	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 Manager's Address
- ❑ Formal Proceedings
 - Item 1: Annual Financial Report for the year ended 30 June 2021
 - Item 2: Adoption of Remuneration Report
 - Item 3: Re-election of Eamonn Roles as a Director
- ❑ Other Business and Shareholder Questions
- ❑ Closure

FY21 – Australian economy and sharemarket

- ❑ Economy began its reopening with the availability of the COVID-19 vaccine
- ❑ Reserve Bank of Australia cut the cash rate to 0.1% and introduced its own asset purchasing program
- ❑ Federal Government extended many COVID-19 emergency stimulus measures to help the economy recover
- ❑ The Australian sharemarket delivered its strongest return in over 30 years

Portfolio Performance - QVE's Net Tangible Assets per share:

	QVE NTA (pre tax)	QVE NTA (post tax)	ASX 300 Ex20
Year ended 30 June 2021	+23.4%	+16.4%	+24.9%
Since inception* p.a.	+6.1%	+5.3%	+10.4%

The above returns are after fees and assumes all declared dividends are reinvested and excludes tax paid from pre tax NTA. Past performance is not indicative of future performance. The before and after tax NTA numbers relate to the provision for tax on net profit in addition to deferred tax on the unrealised gains/losses 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/losses that might arise on such a theoretical disposal, after utilisation of brought forward losses. All figures are unaudited and approximate.

*Inception date: 22 August 2014 Source: ASX & QVE

2021 Final Results

☐ Profit After Tax

2020	2021
\$ 10.5 million	\$5.6 million

☐ Net Assets

2020	2021
\$ 260 million	\$263 million

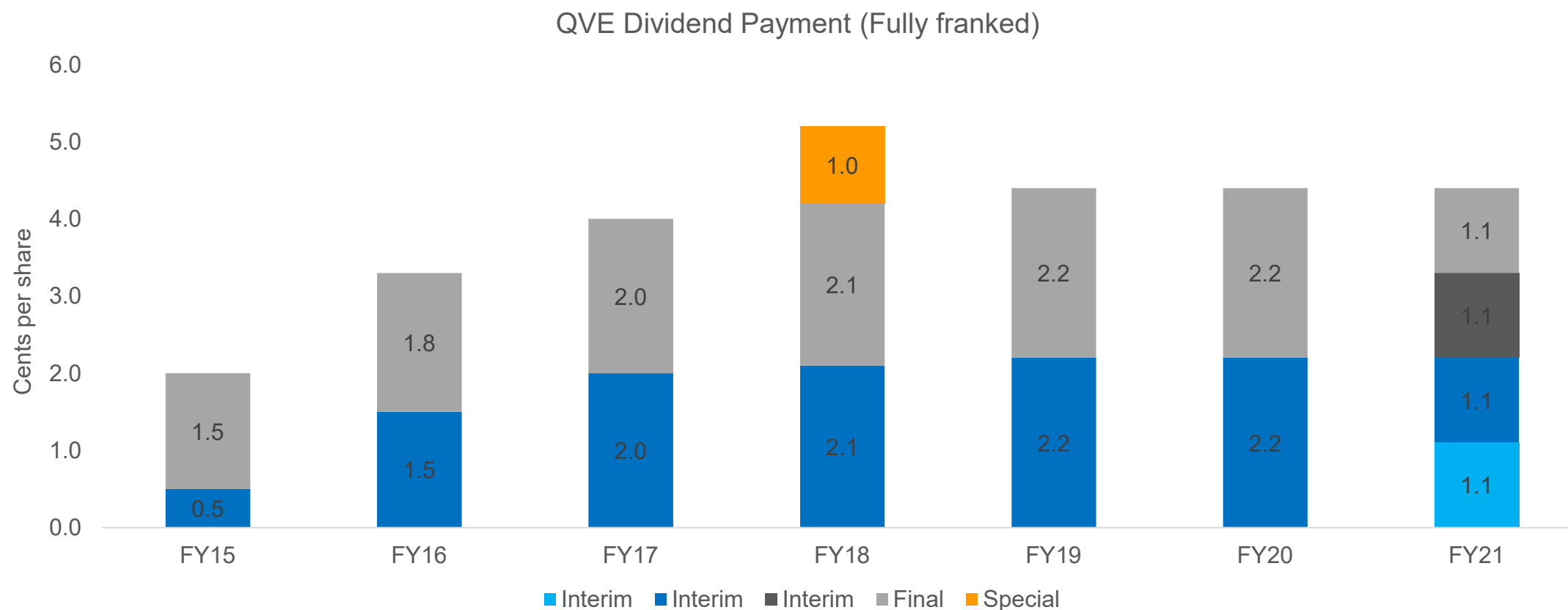
☐ Management Expense Ratio

2020	2021
1.05%	1.11%

☐ Net Tangible Assets per share (pre-tax)

2020	2021
\$0.94	\$1.09

Historical Dividends to QVE Shareholders



Source: QVE Annual report as at 30 June 2021;

The Board recognises the importance of fully franked dividends

Consistent and growing dividend stream – fully franked

2020	2021	2022 Dividend Outlook*
4.4 cps	4.4 cps	4.8 cps

**These payments will be conditional on the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events.*

Initiatives to address the share price

- ❑ Maintained dividends for FY21 in line with previous two years
- ❑ Introduced quarterly dividend payments
- ❑ Increased dividend outlook for FY22: total 4.8 cents per share (1.2 cps quarterly payments)
- ❑ On-market share buyback continues with the intention of increasing the Company's NTA per share

QV Equities Investment Manager's Address

Simon Conn



Why focus on an ex-20 managed portfolio?

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

QVE's portfolio strategy

- ❑ Only holding well-established, good quality stocks
- ❑ Very selective on cyclical companies
- ❑ Cash being used very selectively
- ❑ Writing call options on certain stocks
- ❑ Cash being used to buy back shares at the current discount to NTA
- ❑ Always on the look out for new opportunities

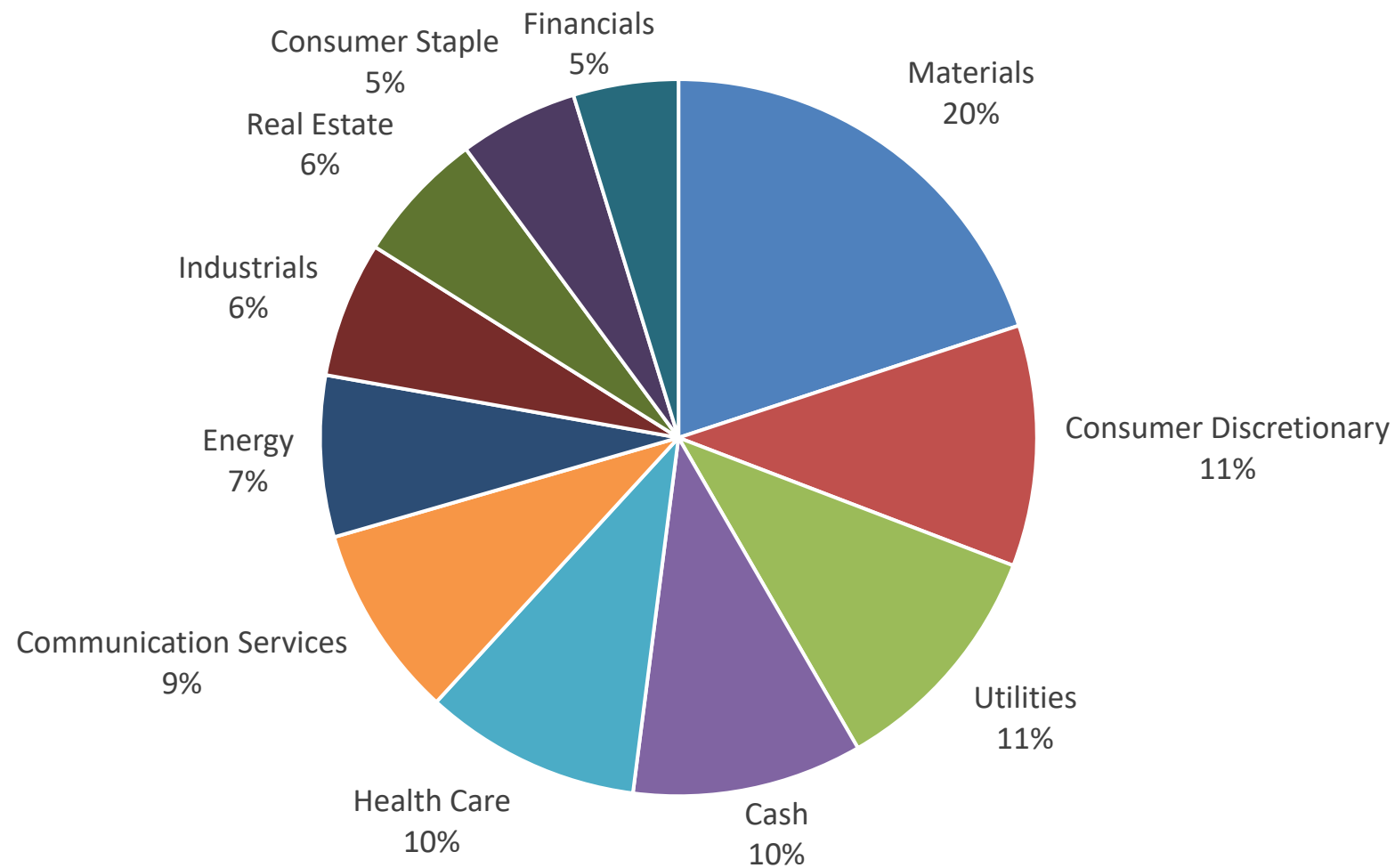
Performance to 30 September 2021

PERFORMANCE*	QVE's NTA (pre tax)	BENCHMARK
1 Month	+2.6%	-1.1%
3 Months	+7.3%	+4.8%
1 Year	+31.7%	+27.9%
3 Years	+4.2%	+9.6%
Since Inception Total Return p.a	+6.9%	+10.7%

*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/losses 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/losses that might arise on such a theoretical disposal, after utilisation of brought forward losses. All figures are unaudited and approximate.

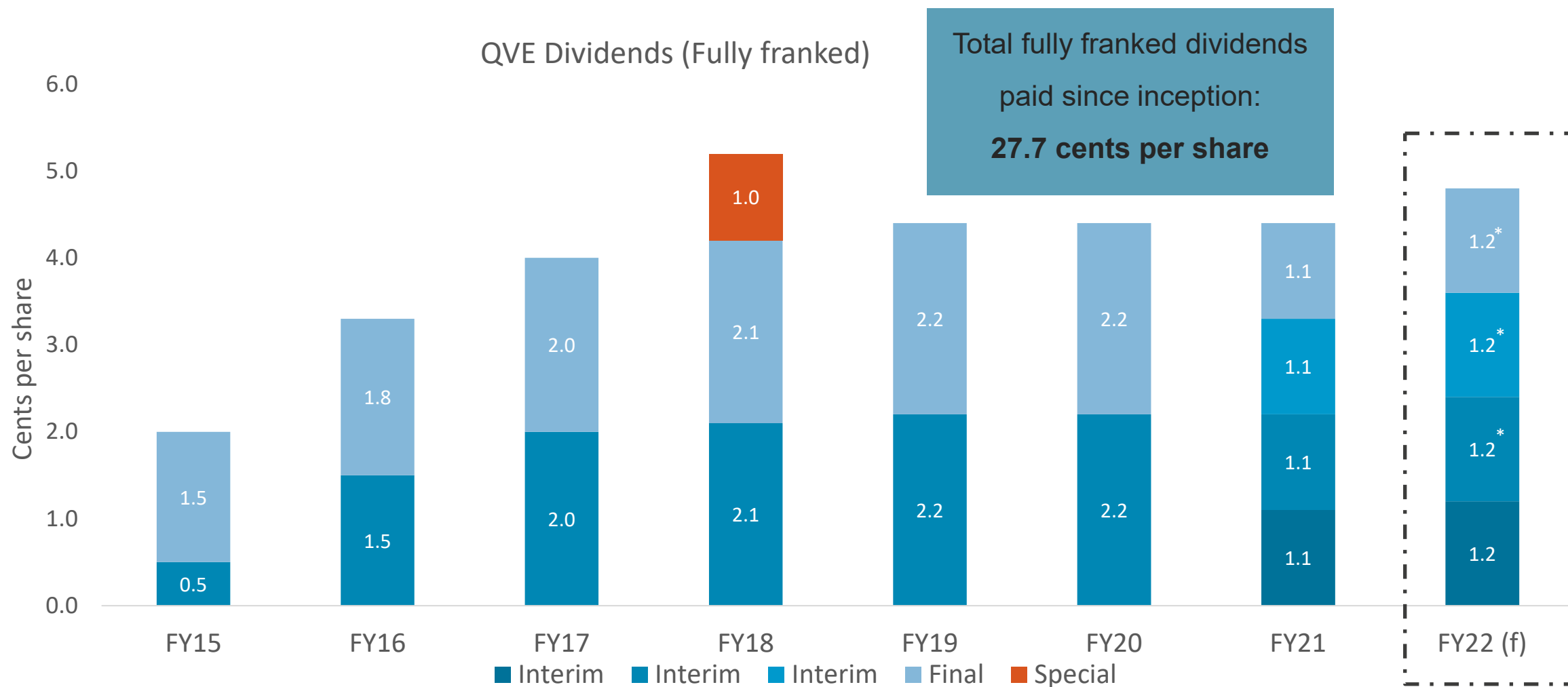
The above returns are after fees and assumes all declared dividends are reinvested and excludes tax paid for pre-tax NTA. Past performance is not indicative of future performance.

QVE Portfolio as at 30 September 2021



Source: Investors Mutual Limited; As at 30 September 2021
Due to rounding the numbers in the chart above may not add up to 100%

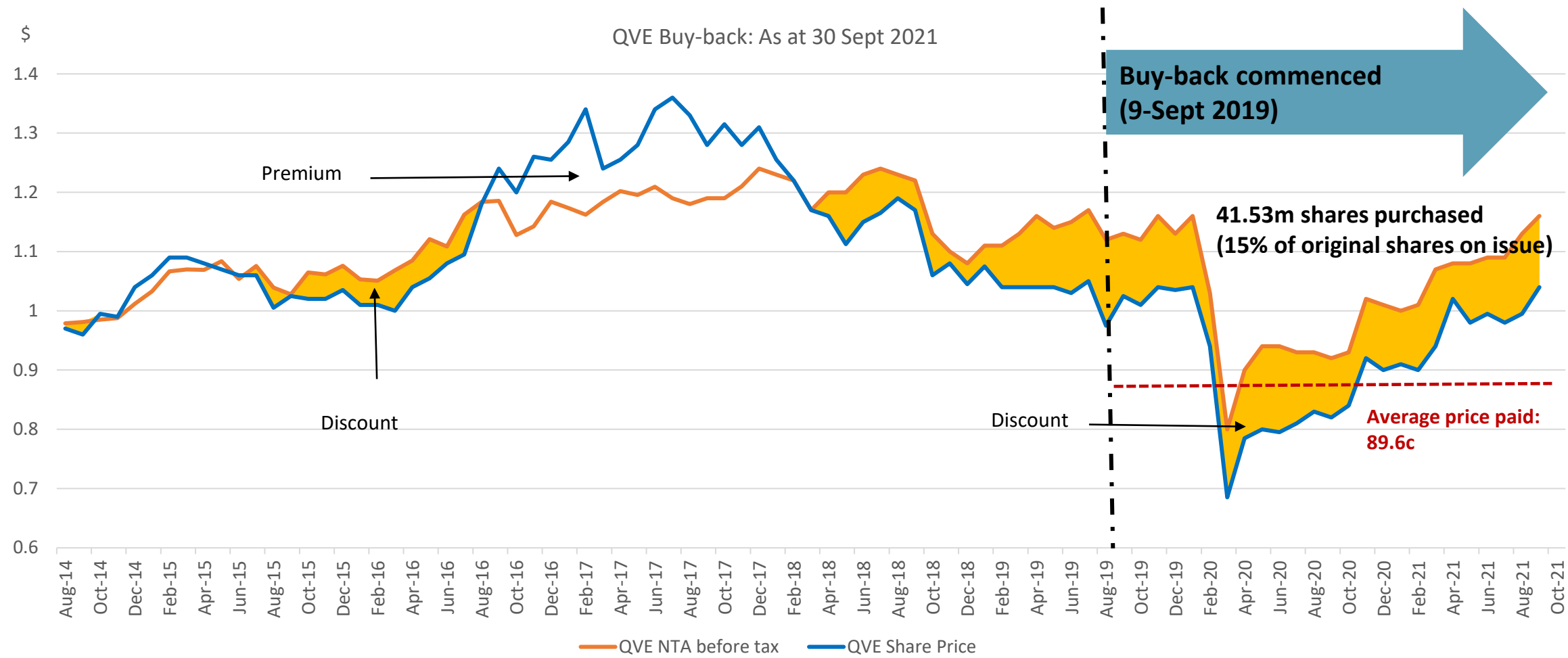
Dividends to QVE Shareholders historical & FY22 Outlook



Past performance is not a reliable indicator of future performance

Source: QVE Annual Reports; ASX Announcement 21 October 2021
 * Intended dividend, subject to the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events.

Share Buy-back progress: As at 30 September 2021



QV Equities AGM

B u s i n e s s



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Financial statements and reports

Questions

Adoption of Remuneration Report

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

“That, for the purposes of section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report contained in the Company’s Annual Financial Report for the year ended 30 June 2021.”

Proxy Voting Results – Item 2

	Number	Percentage
FOR	31,156,756	93.47%
AGAINST	968,034	2.90%
OPEN	1,210,385	3.63%

Re-election of Eamonn Roles as a Director

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

“That Eamonn Roles, a Director who retires by rotation in accordance with the Company’s constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election, be re-elected as a Director of the Company.”

Proxy Voting Results – Item 3

	Number	Percentage
FOR	40,121,992	96.64%
AGAINST	180,134	0.43%
OPEN	1,216,945	2.93%

Comments & Questions

**Don't forget to join the
Portfolio Managers Update
tomorrow 4pm AEDT
[register at qvequities.com/2021AGM](https://qvequities.com/2021AGM)**

