

31 JANUARY 2024

QV Equities (QVE) aims to deliver a consistent quarterly income stream for shareholders, while also aiming to grow their capital over time. QVE is a Listed Investment Company (LIC) managed by Australian equities asset manager IML. It invests in high-quality, good value companies listed on the ASX outside the top 20, aiming to provide a rate of return which exceeds the return of its benchmark on a rolling 5+ year basis.

COMPANY NEWS

- On 31 January 2024, WAM Leaders Limited (ASX: WLE) announced its intention to make an off-market takeover bid for QVE, subject to certain conditions. QVE separately announced it had, after careful consideration, rejected a confidential incomplete, conditional non-binding merger proposal from WLE on the terms proposed. The Board has advised shareholders to **take no action** in respect of both matters at this time, and has commenced a formal evaluation of strategic options. [Read the Board's full response.](#)
- An interim quarterly dividend of 1.3 cents per share for the December 23 quarter was declared on 30 January. The Board intends to maintain quarterly dividends of 1.3 cents per share for the remainder of FY 2024.* [Key dividend dates and more](#)
*Subject to the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events

PORTFOLIO COMMENTARY

- The QVE Portfolio had a very good month gaining +1.9% in January, ahead of the benchmark's gain of +0.4%.
- Markets edged higher over the month, continuing from the strong finish to the end of 2023, with the future path of interest rates dominating investor positioning. Investor focus now turns to the interim reporting season which will give investors a clearer picture of how companies are dealing with the current economic challenges.
- Over the month the QVE benefitted from solid performances by several stocks including Alumina, Bega, Medibank and Brambles while recent additions Resmed and Sigma Healthcare (following QVE's participation in the placement where a proposed merger with Chemist Warehouse was announced) performed strongly.
- While inflation is falling in most developed markets, it remains above most central banks' stated targets. We expect market volatility to persist with cost pressures remaining a challenge for companies in 2024. We continue to focus on well-established companies with strong competitive advantages and recurring earnings that are likely to perform well in a range of economic conditions, while actively looking for new opportunities.

| PERFORMANCE | 1 MONTH | 3 MONTHS | 1 YEAR | 3 YEARS [^] | 5 YEARS [^] | SINCE LISTING [^] 22 AUG 2014 |
|-------------------|---------|----------|--------|----------------------|----------------------|---|
| QVE NTA (pre-tax) | +1.9% | +10.5% | +8.7% | +8.0% | +4.7% | +5.7% |
| Benchmark** | +0.4% | +13.0% | +4.3% | +6.3% | +7.8% | +8.4% |

[^] Performance per annum. ^{**} The benchmark is the S&P/ASX 300 Ex20 Accumulation. The above returns are after fees, assume all declared dividends are reinvested, and exclude tax paid from pre-tax NTA. Past performance is not a reliable indicator of future performance.

SECTOR WEIGHTS***

| | |
|------------------------|-------|
| Cash | 19.1% |
| Health Care | 11.7% |
| Materials | 10.3% |
| Financials | 10.0% |
| Industrials | 8.8% |
| Consumer Discretionary | 8.3% |
| Real Estate | 7.9% |
| Communication Services | 7.7% |
| Energy | 6.9% |
| Utilities | 6.0% |
| Consumer Staples | 2.9% |
| Information Technology | 0.4% |

***Numbers may not add up to 100% due to rounding.

RATINGS

| | |
|---------------------------------|---------------|
| Zenith | Recommended |
| Independent Investment Research | Recommended + |

TOP 10 HOLDINGS

| ASX CODE | WEIGHT |
|--------------------------|--------|
| Aurizon | 5.3% |
| Orica | 4.5% |
| APA | 4.1% |
| Sonic Healthcare | 3.9% |
| Amcor PLC | 3.2% |
| Suncorp | 2.9% |
| Ampol | 2.8% |
| Skycity Entertainment | 2.6% |
| Charter Hall Retail REIT | 2.4% |
| Medibank Private | 2.3% |

PORTFOLIO INFORMATION

| | |
|---------------|-------------------------------|
| Benchmark | S&P/ASX 300 Ex20 Accumulation |
| No. of stocks | 48 |
| Cash weight | 19% |

COMPANY SNAPSHOT

| | |
|-------------------------------|--|
| ASX code | QVE |
| NTA ¹ before tax | 1.04 |
| NTA ¹ after tax | 1.07 |
| Dividend frequency | Quarterly |
| Yield ² | 5.50% |
| Grossed up yield ³ | 7.86% |
| FY23 dividends ⁴ | 5.2 cps |
| Management fee | 0.90% p.a. of the NAV up to \$150m 0.75% p.a. over \$150m |
| Performance fee | Nil |
| Shares on issue | 227M |
| Portfolio Managers | Simon Conn Marc Whittaker |
| Listing date | 22 August 2014 |

SHAREHOLDER BENEFITS

What should you expect when you invest with QVE?

Consistent income, growing over time* – QVE aims to pay a quarterly, fully franked dividends, which gives Australian investors additional income through tax offsets or refunds.

Portfolio diversification – as QVE invests outside the ASX Top 20, it provides diversification benefits for investors who already invest in the largest Australian companies.

Experienced Board and Investment Manager with a 25-year track record.

Past performance is not a reliable indicator of future performance as a result past dividends are not indicative of future dividends.

**Refers to dividend income. See QVE historical dividends chart on [QVE's website](#).*


1. 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. 2. Trailing 12 month yield on month end share price 3. Trailing 12 month yield on month end share price, includes franking credits 4. Dividends paid for the financial year 2023 reporting period. Past performance is not a reliable indicator of future performance.

Important note: Shares of a Listed Investment Company (including QVE) can trade at a discount or a premium to the Net Tangible Assets (NTA) per share of the Company. The share price of any company is based on demand for the shares, compared to the supply of the shares.

Release authorised by Company Secretary, Zac Azzi.

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Please direct distribution enquiries to your representative from [Natixis Investment Managers](#)

Natixis Investment Managers Australia Pty Limited AFSL 246830 has prepared and distributed the information in this announcement, under an arrangement with Investors Mutual Limited AFSL 229988, as the Investment manager for, and on behalf of, QV Equities Limited ACN 169 154 858 (QVE). This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, solicitation or recommendation with respect to the purchase or sale of any securities in QVE nor does it constitute financial product or investment advice nor 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 announcement in making an investment decision but must make their own assessment of QVE and conduct their own investigations and analysis. Sharemarkets can move up and down and this may adversely impact your investment return. Past performance is not a reliable indicator of future performance.