

31 MAY 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.

COMPANY NEWS

- On 24 May 2024, the Federal Court of Australia (**Court**) made orders for QVE to convene a shareholders meeting (**Scheme Meeting**) to consider and vote on the merger of QVE and WAM Leaders Limited through a Scheme of Arrangement (**Scheme**), and approve the distribution of an explanatory statement of the Scheme (**Scheme Booklet**). Read the latest announcement and the Scheme Booklet (as approved by the Court on 28 May 2024) [here](#).
- QVE shareholders should read the Scheme Booklet in full, prior to attending the upcoming Scheme Meeting at 10am on 28 June 2024 and voting on the Scheme (voting may be undertaken personally, or by appointing a proxy to vote on their behalf). QVE shareholders may elect to receive cash for some or all of their shares (instead of receiving shares in WAM Leaders Limited). Ineligible overseas shareholders should read the Scheme Booklet to understand their entitlement if the Scheme is implemented.
- An interim quarterly dividend of 1.3 cents per share was paid on 31 May for the March 2024 quarter.

PORTFOLIO COMMENTARY

- In a volatile month for markets the QVE Portfolio declined -1.9%, disappointingly below the benchmark's -0.9%. The portfolio benefitted from strength in select industrials, while several of our Healthcare holdings weighed on performance. Strength in the IT sector, of which we are cautious given extended valuations in the sector, impacted performance relative to the benchmark.
- For the month Amcor, HMC Capital, Bega, Orica and Incitec Pivot gained while Sonic Healthcare and Aust Clinical Labs disappointed. Sonic revised FY24 earnings guidance lower during the month, warning that the return to post Covid operating conditions was taking longer than expected. We remain confident in the long term, outlook for both companies.
- Recent data releases have confirmed a slowing domestic economy while underlying inflation remains sticky making interest rate cuts unlikely in the medium term. Given this backdrop we remain comfortable with our conservative positioning and focus on quality companies trading at reasonable valuations. Noting QVE's obligations under the SIA we are focused on locking-in gains whenever prudent to increase cash ahead of the potential merger with WLE.

PERFORMANCE	1 MONTH	3 MONTHS	1 YEAR	3 YEARS^	5 YEARS^	SINCE LISTING^ 22 AUG 2014
QVE NTA (pre-tax)	-1.9%	-1.1%	+7.0%	+4.1%	+3.4%	+5.4%
Benchmark**	-0.9%	+0.7%	+9.3%	+5.3%	+6.7%	+8.5%

^ 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	23.8%
Health Care	13.0%
Materials	9.6%
Industrials	9.1%
Real Estate	8.4%
Consumer Discretionary	7.8%
Energy	7.3%
Financials	6.7%
Communication Services	6.5%
Utilities	6.2%
Consumer Staples	1.4%
Information Technology	0.3%

TOP 10 HOLDINGS	ASX CODE	WEIGHT
Aurizon	AZJ	5.0%
APA	APA	4.4%
Amcor PLC	AMC	4.1%
Sonic Healthcare	SHL	3.7%
Orica	ORI	3.0%
Ampol	ALD	2.9%
Skycity Entertainment	SKC	2.4%
Charter Hall Retail REIT	CQR	2.3%
Brambles	BXB	2.2%
Virgin Money UK PLC	VUK	2.1%

PORTFOLIO INFORMATION

Benchmark	S&P/ASX 300 Ex20 Accumulation
No. of stocks	48
Cash weight	24%

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

COMPANY SNAPSHOT

ASX code	QVE
NTA ¹ before tax (ex div)	1.00
NTA ¹ after tax (ex div)	1.04
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

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.

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](#).*

Release authorised by Company Secretary, Zac Azzi.



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