

25 February 2016,

QVE reporting season update

The sharemarket has started 2016 in an uncertain and volatile manner as investors around the world try to assess what the impact of weakness in commodity prices will be on areas such as emerging markets and bank balance sheets.

In the last few weeks many Australian companies have reported their interim results, giving investors an insight into their performance for the 6 months to 31 December 2015 as well as their outlook, as they see it, for the next 6 to 12 months.

Aside from the expected weakness in many Resource companies and those with Resource related exposure, companies who have reported to date have, on average, come out with fairly reasonable results.

In terms of the areas of the sharemarket where the QVE portfolio is positioned - such as the Packaging, Gaming, Utilities and Healthcare sectors that all display recurring and predictable earnings - the vast majority of companies held have come out with very good results.

In fact, many of the companies held in the QVE portfolio have all increased their dividends for the 6 months to 31 December as well as indicating confidence in the sustainability of these dividends, as shown in the table below:

	December 2015 (cps)	December 2014 (cps)	%
GWA	7.0	-	-
Orora	4.5	3.5	+28.0%
ASX	99.1	92.3	+7.3%
AGL Energy	32.0	30.0	+6.6%
Sonic Healthcare	30.0	29.0	+3.4%
Sky City	10.5*	10.0*	+5.0%
Fletcher Building	19.0*	18.0*	+5.5%
Chorus	7.0*	-	-
Steadfast	2.4	2.0	+20.0%
Pact Group	10.0	9.5	+5.3%

*NZ\$

Many of these companies have also indicated confidence in the sustainability of their dividends going forward. Commenting on these results, Anton Tagliaferro, QVE Investment Director stated that:

"The QVE portfolio is made up of a diverse range of quality companies, many of which continue to perform well despite the uncertain economic conditions. While many investors are fretting about things such as lower commodity prices and the weakness in emerging markets, the vast majority of companies in the QVE portfolio have little or no exposure to these areas of investor concern so we remain confident that they will continue to deliver a healthy sustainable income stream to investors, underpinned by resilient and recurring earnings streams".

QVE option holders update

QV Equities Options (QVEO) expire at 5pm Australian Eastern Standard Time ("AEST") on Tuesday 15th March 2016.

QVEO holders who exercise their options by the **15 March 2016** at a price of \$1.00 per option **will be eligible for the interim dividend of 1.5cents per share payable on 4th April 2016**. QVEO holders can exercise their options into ordinary shares by paying \$1.00, with each Option providing the right to purchase a single fully paid ordinary share in the Company.

In Summary

Notwithstanding the volatility in investment markets, the QV Equities portfolio has delivered a reasonable total return to shareholders as measured by the growth in the net tangible asset backing (NTA) of the portfolio as well as the dividends paid to shareholders since our initial capital raising.

The QVE Board believes that the carefully-selected holding of ex-20 stocks, managed by Investors Mutual Limited, will provide good reasonable long-term capital growth and sustainable income over the long term for our investors, despite the current challenging market conditions.

Should you have any questions regarding the above, please do not hesitate to contact us on **1300 552 895** or info@qvequities.com.

QV Equities Limited

If you haven't done so yet & would like to receive further invitations or updates on the portfolio, please provide your email address to info@qvequities.com or subscribe on our website www.qvequities.com

