

29 FEBRUARY 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

The formal evaluation of strategic options for QVE (**Strategic Review**) which was announced to the market on 31 January 2024 has been concluded. QVE announced on 12 March 2024 jointly with WAM Leaders Limited (ASX: WLE) that the parties have entered into a Scheme Implementation Agreement (**SIA**) to merge the two entities through a Scheme of Arrangement (**Proposed Transaction**). Per the announcement, QVE shareholders will be given the opportunity to vote on the Proposed Transaction and detailed information relating to the Proposed Transaction will be provided to QVE shareholders in due course. [Read the full announcement here.](#)

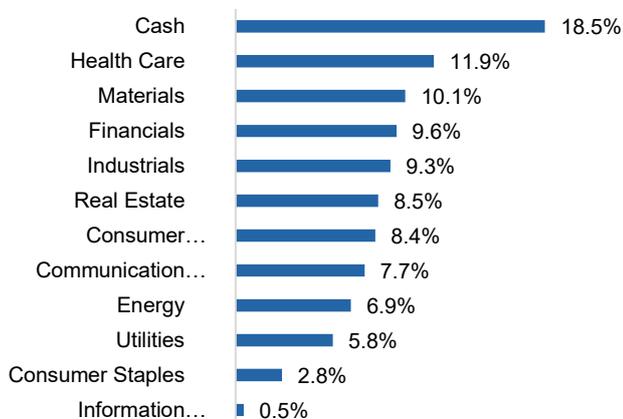
PORTFOLIO COMMENTARY

- The QVE Portfolio had a flat month which was below the benchmark's gain of +3.4%. Our caution towards richly priced technology companies, and the cyclical resources sector, impacted our performance relative to the benchmark. There were strong gains in the IT sector as the Nasdaq rallied to a record high on the back of the AI thematic as well as a takeover bid for Altium. A rebound in lithium stocks also contributed to the index's gains. Interim reporting season dominated financial news, with most companies reporting better than expected results and surprisingly resilient operating margins, although meaningful revenue growth was hard to achieve.
- For the month Mayne Pharma, Integral Diagnostics and Bega all rallied strongly after their results indicated higher future earnings. While Australian Clinical Labs, Sonic, TPG and APA disappointed, we remain confident in their long-term outlook.
- We expect market volatility to persist with cost pressures remaining a challenge for companies in 2024, while we believe revenue growth will become harder to generate as cost-of-living pressures weigh on the consumer. We continue to focus on well-established companies with strong competitive advantages and recurring earnings that are reasonably priced and likely to perform well in a range of economic conditions, while we continue to actively look for new opportunities.

PERFORMANCE	1 MONTH	3 MONTHS	1 YEAR	3 YEARS [^]	5 YEARS [^]	SINCE LISTING [^] 22 AUG 2014
QVE NTA (pre-tax)	+0.0%	+7.6%	+6.3%	+7.2%	+4.2%	+5.7%
Benchmark**	+3.4%	+10.7%	+9.6%	+7.5%	+7.5%	+8.7%

[^] 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***



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

RATINGS

Zenith	Recommended
Independent Investment Research	Recommended +

TOP 10 HOLDINGS

TOP 10 HOLDINGS	ASX CODE	WEIGHT
Aurizon	AZJ	5.0%
Orica	ORI	4.3%
Sonic Healthcare	SHL	4.0%
APA	APA	3.9%
Amcor PLC	AMC	3.5%
Suncorp	SUN	2.8%
Skycity Entertainment	SKC	2.7%
Brambles	BXB	2.4%
Charter Hall Retail REIT	CQR	2.3%
The Lottery Corporation	TLC	2.3%

PORTFOLIO INFORMATION

Benchmark	S&P/ASX 300 Ex20 Accumulation
No. of stocks	47
Cash weight	19%

COMPANY SNAPSHOT

ASX code	QVE
NTA ¹ before tax (ex div)	1.02
NTA ¹ after tax (ex div)	1.06
Dividend frequency	Quarterly
Yield ²	5.62%
Grossed up yield ³	8.03%
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](#)

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