

26 August 2015

Dear Shareholders,

QVE Inaugural Annual Report for the period ended 30 June 2015

This is the first annual report to shareholders from QV Equities Limited (the "Company"). As the Company listed on the Australian Securities Exchange ('ASX') on 22 August 2014, the detailed account of our operations and financial results for the year ended 30 June 2015 relate to a period of about ten months.

Profit after tax	Management Expense Ratio	
\$3,751,543	1.04%	
Earnings Per Share*	Total Portfolio Return**	Benchmark***
2.81 Basic 2.78 Diluted	+6.8%	+2.4%
	vs	
Dividends	QVE Outperformance**	
2.0 cps Fully Franked	+4.4%	
Net Assets	QVEO exercised	
\$200,334,933	8,898,649	

All data as at 30 June 2015

*Calculated from date of incorporation 17 April 2014

** Returns are measured since listing on 22 August 2014

***S&P/ASX300 ex20 index

It is with pleasure that QV Equities Limited (QVE) presents its inaugural Annual Report for the period ended 30 June 2015.

Financials

QV Equities Limited is pleased to announce an operating profit before tax of \$4.45m and an after tax profit of \$3.75m for the period ended 30 June 2015. The operating profit reflects the dividends and interest received on the money invested in our shares since the IPO in August 2014, less all expenses for the period.

QVE Portfolio of shares, performance & outlook

Don Stammer, Chairman of QVE said: "the Company's portfolio has enjoyed a solid first year, appreciating +6.8%, ahead of the benchmark which gained +2.4% since the Company listing on 22 August 2014. In the 10 months to 30 June 2015, our Manager, Investors Mutual Limited, began the patient process of building up a quality and value-based investment portfolio, which has performed well, delivering consistent returns for our shareholders".

"On behalf of the Board, I am also pleased to note that the percentage increase in the market price of QV Equities share (allowing, from April, the re-investment of the dividend), combined with the market price of a QVE option has, between our capital raising and 31 July 2015, comfortably out-performed the accumulation index for ex-20 shares and for the broader share market".

Dividend Announcement & Important Dates

QV Equities is also pleased to announce a final year dividend of 1.5 cents per share fully franked, which brings the total inaugural dividends paid and declared to 2.0 cents per share fully franked.

QVE's Chairman, Don Stammer added "The Board of QVE is delighted to be paying dividends in its first financial year as a listed company earned from the investment in quality companies. We are sure our shareholders will be delighted that both the interim and final dividends are fully franked. As pointed out in our prospectus, it is Board policy that all dividends paid to shareholders will be franked to the maximum extent possible. Shareholders should be comforted by the fact that the Board is optimistic that this year's dividends are the first of many dividends to be paid to QVE shareholders in the years ahead".

The following dates relate to the final dividend for financial year ended 30 June 2015.

Ex-Dividend	13 October 2015
Record Date	15 October 2015
Payment Date	6 November 2015

QV Equities' Inaugural AGM

It is also with great pleasure that we announce our first Annual General Meeting. Shareholders are invited to attend this inaugural meeting to be held at the **Westin, Sydney on Tuesday 13 October at 10am in the Heritage Ballroom**. Further details regarding the AGM proceedings will be sent to shareholders shortly.

QVEO- Exercise

QVEO holders are reminded options may be exercised at any time up until and including 15 March 2016 at a price of \$1.00 per option. Option holders wishing to exercise their options in order to be eligible for the final dividend must do so before **12 October 2015 date**, being t +3 business days before the Record Date.

In Summary

Notwithstanding the many uncertainties and strains in investment markets since our listing, and the high levels of market volatility in some months, QV Equities has delivered a good return to shareholders since our initial capital raising and our listing.

The Board believes that the carefully-selected holding of ex-20 stocks, managed by Investors Mutual Limited, will continue to provide good opportunities for investors seeking long-term capital return and sustainable income growth from a more diversified holding of investments than is available from companies making up the top-20 index.

I look forward to further discussing the results presented in this Annual Report, and to meeting as many of our shareholders as possible, at the Annual General Meeting on **13 October 2015**.

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

Yours sincerely,



Don Stammer
Chairman, QV Equities

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