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Investors Mutual gets in on LIC act

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By [Mark Smith](#) | In [Investment](#)



Investors Mutual will launch its first listed investment company (LIC) for investors looking for direct access to a ready-made diversified portfolio of Australian shares.

QV Equities Limited (ASX: QVE) invests in companies outside the top 20 stocks in the ASX 300, an approach which Investors Mutual founder and investment director Anton Tagliaferro hopes will appeal to the growing number of self-managed super fund investors and their advisers.

"We want to offer a ready-made portfolio of shares which offers diversification outside of what SMSF investors already own. Some of the other portfolios available on the ASX can leave investors highly concentrated in the biggest stocks," he said.

"The ex 20 offers more diverse entities in terms of industry sectors, providing a far greater breadth of opportunity. Remaining true to IML's tried and tested investment philosophy QVE will identify and invest in stocks which IML assesses are good value and have the quality attributes of strong competitive advantage, recurring earnings, capable management and can grow their earnings and dividends over time."

Last week Manny Pohl's boutique Australian equity house, ECP Asset Management (ECPAM), released the prospectus for a similar small- and mid-cap LIC.

Australian alternatives manager Blue Sky and global equities boutique PM Capital have also launched LICs recently.

"Ours in a traditional style, buy-and-hold type portfolio," Tagliaferro continued. "Some of the newer offerings I've seen appear to have high fees including a performance element, complex strategies and high turnovers."

The LIC is being launched with a fee of 90 basis points but Tagliaferro has indicated that this will drop to 75 basis points once the fund grows to \$150 million. The fee may continue to fall as the fund achieves scale benefits, he added. QVE will not charge any performance fees to its investors.

The strategy also has a 'Highly Recommended' rating from Lonsec and a 'Recommended' rating from Zenith.

"We have received overwhelmingly positive feedback from research houses, advisers, accountants and individual investors on the approach and strategy behind QVE," Tagliaferro said.

"The offer complements the increased move we're seeing in the market to direct equities. In addition, QVE will be a useful vehicle for many investors and advisers currently using ETFs and index tracking funds."

QVE's offer period will be open from 14 July to 8 August, 2014 with a raising target of between \$100 and \$200 million. The issue has been arranged through CBA Equities who are also one of the joint lead managers to the issue along with BBY, Patterson and Taylor Collison and co-manager Lonsec Securities.

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