

# QV Equities AGM

24 October 2018



QV  
Equities Ltd.

IML INVESTORS  
MUTUAL LTD

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## Board & Key Personnel

Name	Position	Independence	Experience
Peter McKillop	Non-executive Director	Independent	State Super Financial Services and Perpetual Funds Management
John McBain	Non-executive Director	Independent	Centuria Capital Limited and Century Property Funds
Jennifer Horrigan	Non-executive Director	Independent	Greenhill & Co, APN Funds Management, Generation Healthcare Industria REIT, Redkite, Breast Cancer Institute of Australia
Anton Tagliaferro	Executive Director	Non Independent	Perpetual, County Natwest and BNP
Simon Conn	Executive Director	Non Independent	QBE Insurance Investment Division, KPMG
Zac Azzi	Company Secretary		SFG Australia Limited, St George, AMP, Old Mutual (Skandia)

# AGM Agenda

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- ❑ Chairman's Welcome
- ❑ Chairman's Address
- ❑ Investment Manager's Address
- ❑ Formal proceedings
  - Annual Financial Report for the year ended 30 June 2018
  - Resolution 1 (Adoption of Remuneration Report)
  - Resolution 2 (Re-election of John McBain as a Director)
- ❑ Other Business
- ❑ Closure
- ❑ Morning Tea & Refreshments

QVE Investment Update presentation will follow

# Investors Mutual – 20 year anniversary

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## Year ended 30 June 2018:

### Increase in QVE's Net Tangible Assets per share:

	QVE NTA (pre tax)	QVE NTA (post tax)	ASX 300 Ex20	ASX 300
Year ended 30 June 2018	+6.0%	+5.6%	+15.9%	+13.2%
Since inception* p.a.	+9.6%	+8.0%	+11.9%	+7.2%

The above returns are after fees and assumes all declared dividends are reinvested and excludes tax paid for pre-tax NTA. Past performance is not indicative of future performance.

The before and after tax NTA numbers relate to the provision for tax on net profit in addition to deferred tax on the un-realised gains 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 that might arise on such a theoretical disposal, after utilisation of brought forward losses.

### Growing Dividend Stream– Fully Franked

2017	2018
4.0 cps	<b>5.2 cps</b> (includes 1.0 cps special dividend)

# The Australian Sharemarket

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- ❑ Share market at 10 year high
- ❑ Continuing economic growth, and falling unemployment
- ❑ Wage growth and inflation remained low
- ❑ Record low interest rates and record high consumer debt
- ❑ AUD falling against USD
- ❑ Global interest rates rising and geo-political risks
- ❑ Policy uncertainty

## 2018 Final Results

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### Profit After Tax

2017	2018
\$ 8.5 million	<b>\$ 11.1 million</b>

### Net Assets

2017	2018
\$ 320 million	<b>\$ 326 million</b>

### Management Expense Ratios

2017	2018
1.01%	<b>0.99%</b>



# Management Expense Ratio

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- ❑ The investment management fee:
  - ❑ 0.90% on assets up to \$150 million
  - ❑ 0.75% on assets above that figure and;
- ❑ NTA before tax was \$337 million as at 30 September 2018
- ❑ No performance fee

## QVE Dividend Reinvestment Plan summary

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- ❑ DRP raised \$566,410 during FY18
- ❑ 3% DRP discount introduced on 16 August 2017

## QVE's Net Tangible Assets per share to 30 September 2018

	QVE NTA (pre tax)	QVE NTA (post tax)	ASX 300 Ex20	ASX 300
3 months to 30 September 2018	-0.2%	-0.2%	+1.5%	+1.5%
Annualised since inception to 30 September 2018	+9.0	+7.5%	+11.6%	+7.1%

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# QV Equities Investment Manager's Address

Anton Tagliaferro



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## Why focus on an ex 20 managed portfolio?

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- ❑ More diverse entities in terms of market capitalisation and industry sectors
- ❑ Less researched opportunities
- ❑ Investors typically underweight in this segment
- ❑ Solid yields on offer
- ❑ IML has a long record of significant value add in this segment

## QVE Portfolio Strategy

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- ❑ Buying quality stocks
- ❑ Selectively taking profits
- ❑ Focus on industrial stocks
- ❑ High cash weighting

## Performance & NTA – 30 June 2018

NET TANGIBLE ASSETS (NTA)	QVE-ASX
NTA before tax	1.23
NTA after tax	1.18

PERFORMANCE	QVE's NTA (pre tax)	BENCHMARK
1 Month	+2.0%	+2.1%
3 Months	+4.7%	+7.4%
6 Months	+1.8%	+3.9%
1 Year	+6.0%	+15.9%
Since Inception Total Return p.a.	+9.6%	+11.9%

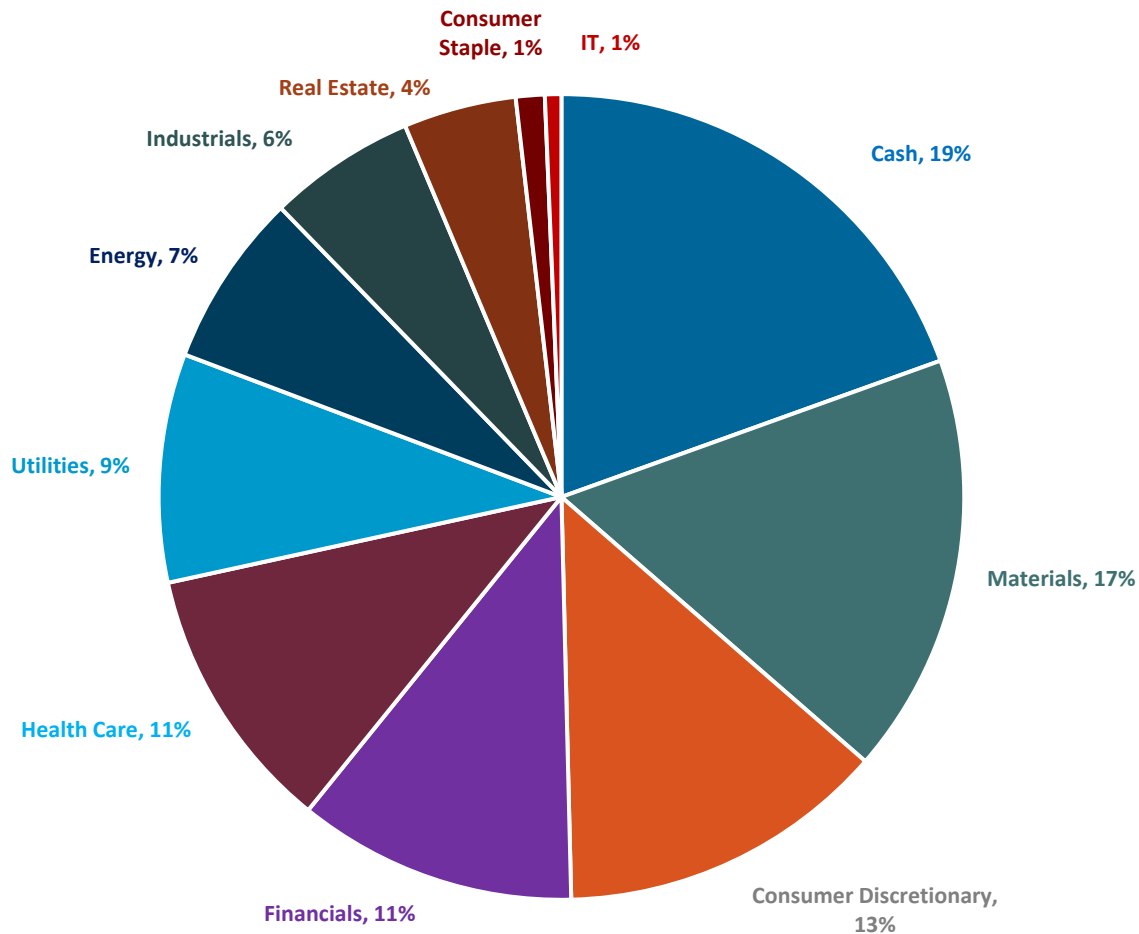
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Source: QVE NTA as at 30 June 2018

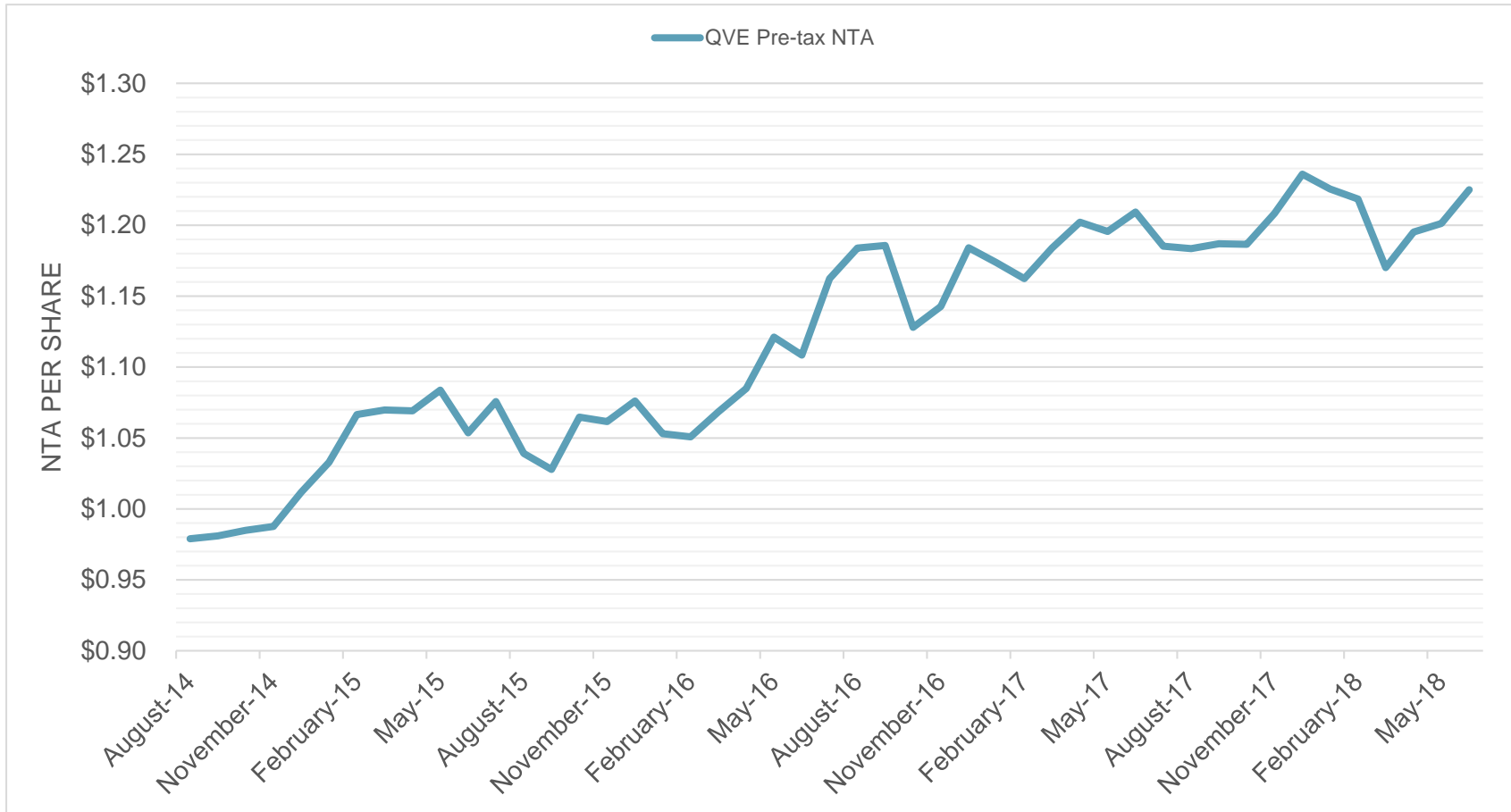
# QVE Portfolio as at 30 June 2018

PORTFOLIO ALLOCATION AS AT 30 JUNE 2018

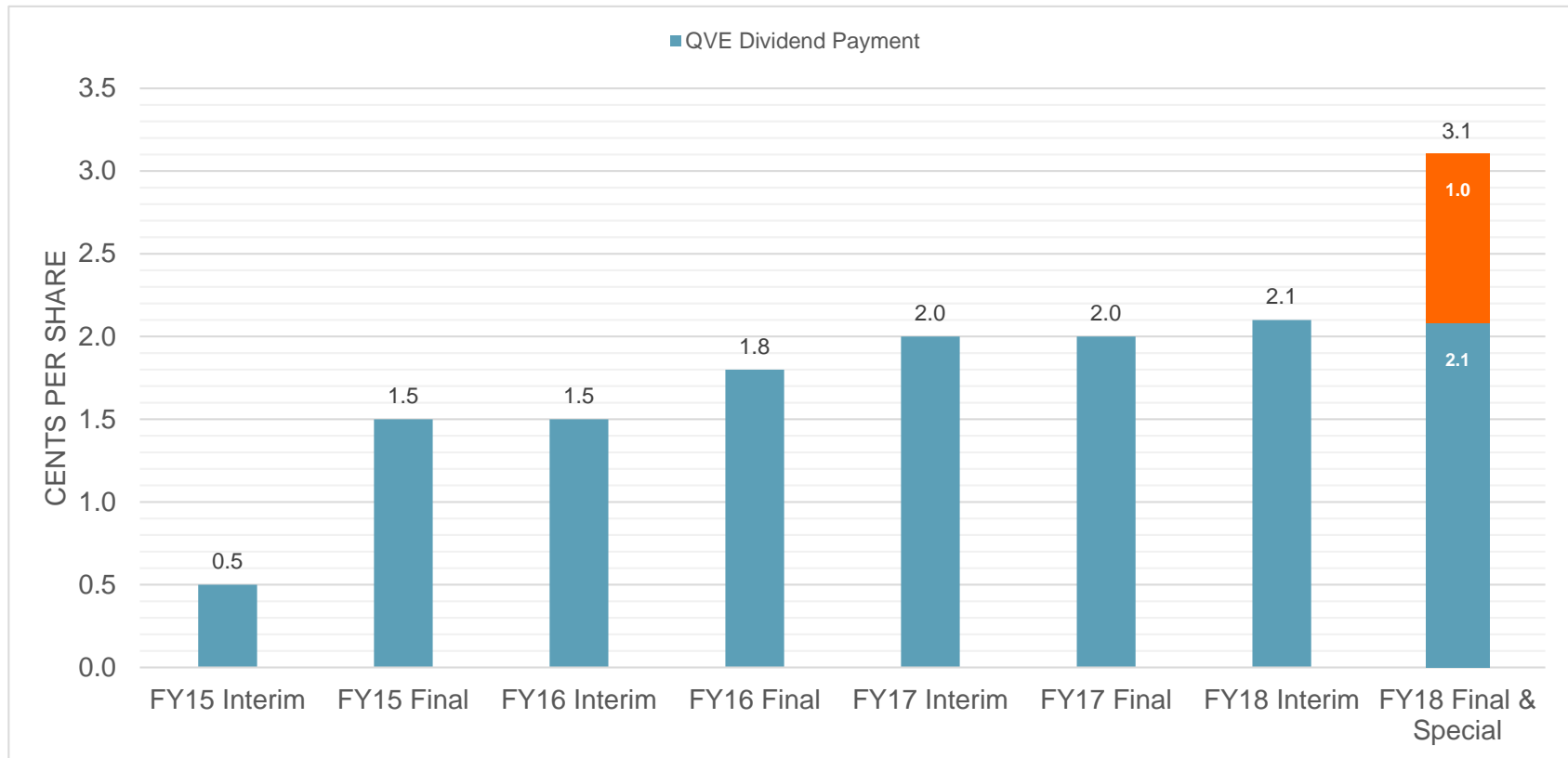




# Historical NTA



# Historical Dividends to QVE Shareholders



# QV Equities AGM

Resolutions



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## Item 1 – Annual Financial Report

Questions

### Resolution 1 – Adoption of Remuneration Report

- To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That the Company adopt the Remuneration Report contained in the Company’s Annual Financial Report for the year ended 30 June 2018 in accordance with Section 250R(2) of the Corporations Act.”*

## Proxy Voting Results- Resolution 1

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	Number	Percentage
<b>FOR</b>	8,316,877	79.62
<b>AGAINST</b>	1,018,062	9.75
<b>OPEN</b>	1,111,205	10.64

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### Resolution 2 - Re-election of John McBain as a Director

- To consider and if thought fit pass the following resolution as an ordinary resolution:

*“That John McBain, who retires by rotation in accordance with the Company’s Constitution and, being eligible for re-election, be re-elected as a Director.”*

## Proxy Voting Results- Resolution 2

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	Number	Percentage
<b>FOR</b>	15,124,071	92.30
<b>AGAINST</b>	102,889	0.63
<b>OPEN</b>	1,159,344	7.08

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## Other business:

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### Comments & Questions

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