

30 November 2021

Net Tangible Assets (NTA)*	
QVE NTA before tax (ex div)	\$1.12
NTA after tax (ex div)	\$1.11

Trailing 12 month yield on month end share price	
Yield	4.39%
Grossed up yield including franking credits	6.27%

*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.

Sharemarket and Portfolio Commentary

Global equity markets endured a volatile end to the month with the MSCI World index finishing November -1.6% lower. Investors were concerned that the emergence of a new Covid variant, Omicron, could derail the global economic recovery as several Governments around the world responded with new travel restrictions. News that the US Federal Reserve could start removing its stimulus programmes earlier than previously expected also weighed on equity markets. Fed Chairman Powell told lawmakers it is time to drop the word 'transitory' as inflation becomes more persistent. The US S&P500 index slid -0.7% for the month, masking the -4% fall in the final week of November, whilst Europe's Stoxx 50 index and Japan's Nikkei fell -4.3% and -3.7% respectively.

Yield curves across the globe continued to flatten, as bond investors positioned for interest rate hikes ahead of expectations in light of inflationary pressures. In the US, the gap between 2yr and 10yr bond yields fell to 0.8%, the lowest level in nearly a year. On the domestic front, September quarter GDP fell -1.9%, representing the third steepest fall on record, courtesy of the Government's enforced lockdowns. Commodity markets felt the brunt of uncertainty surrounding Omicron, particularly the price of oil which fell -16% as concerns intensified as to how Governments would react to the new variant. The price of iron ore slid -7%, whilst copper, often a bell weather for global manufacturing activity, fell -4%.

The broader Australian sharemarket as measured by the ASX300 index endured a volatile month, finishing -0.5% lower, largely the result of weakness amongst the major banks. Conversely the ex20 segment of the market managed to edge out a positive return of +0.5%. Sector performance was mixed, with the Energy sector falling -8% in sympathy with the softer oil price. Despite lower iron ore and base metals prices the Materials sector rebounded strongly with many of the miners staging a relief rally on news that Chinese steel mills are preparing for an easing of production cuts. As well as ongoing speculation within the rare earths and EV battery plays, such as the lithium and nickel miners. Within the industrials segment of the market, the Communications Services sector returned +7%, buoyed by Nine Entertainment shares which rallied +7% off the back of a strong trading update which highlighted solid growth for streaming service Stan and their Domain Holdings stake. The Healthcare sector was also robust, supported by ongoing share price appreciation from Sonic Healthcare as the company continues to benefit from increasing covid testing due to new variants. Financials shed -3% with banks' margins coming under increasing pressure as net interest margins compress due to record low interest rates and fierce competition in mortgage pricing, with the likes of Bank of Queensland and Suncorp falling -13% and -8% respectively. Additionally, BNPL provider Zip Co fell -20% as investors sought more defensive and reliable companies.

The **QVE Portfolio** had a disappointing month shedding -2.0% as several of the portfolio's key holdings were weaker over the month on stock specific concerns. Pact Group and ProPac retreated after both companies confirmed that this year's results would be affected by higher shipping costs and input prices. While these factors will affect first half FY22 profits, margins should start to recover in the second half as price increases to mitigate these higher costs take effect and we remain comfortable with both stocks. Orica's share price retreated, following a strong rise over the past three months, as investors took profits after the company released its FY21 results. These results showed that the company is on track to record better profits in the years ahead thanks to a combination of improved efficiencies, better product pricing and a recovery to normal volumes post-covid. Positively our holdings in Crown (which bounced strongly as Blackstone reaffirmed their \$12.50 takeover offer), AusNet (also under revised takeover), Sonic Healthcare and Nine Entertainment all enjoyed a strong month.

Over the month we took advantage of strong share price performance to take part profits in Incitec Pivot, Integral Diagnostics, and Sonic Healthcare. We deployed the proceeds to top up our holdings in Suncorp, Pact Group and Aurizon which we believe are all good quality stocks currently out of favour and offering very good value.

In the short-term, investors continue to cast a wary eye over the possibility of new restrictions being imposed by Governments as the new covid variant continues to grab the media's attention. However, as we head toward 2022, we believe sharemarkets will be primarily influenced by the direction of interest rates as central banks continue to mull over whether current inflationary trends are transitional or becoming embedded. As such, we continue to steer away from the riskier parts of the sharemarket and remain focused on identifying and holding what we assess to be good quality companies, that we believe are well managed, which offer sound value, and which can do well over the next 3-5 years.

Portfolio Performance	1 month	3 months	1 Year	3 years [^]	5 Years [^]	Since listing [^] 22-Aug-2014
QVE NTA (pre tax)	-2.0%	+0.9%	+15.4%	+6.0%	+4.9%	+6.5%
QVE NTA (after tax)	-1.3%	+0.9%	+11.4%	+5.1%	+4.6%	+5.6%
Benchmark**	+0.5%	-0.4%	+15.0%	+13.7%	+11.6%	+10.6%

[^]% 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 indicative of future performance.

QVE Company and Portfolio Information

ASX: QVE

Shares on Issue:	231.9 M	Benchmark:	S&P/ASX 300 Ex20 Accumulation
Number of Stocks:	20 – 50	Suggested Investment Timeframe:	5+ years
Dividend Frequency:	Quarterly	Investment Objective:	To provide a rate of return which exceeds the return of its benchmark on a rolling 5-year basis

Latest QVE News

QVE paid a **fully franked interim dividend of 1.2 cents per share** for the September quarter on 3 December 2021.

The Board has announced its intention to pay dividends totalling **4.8 cents per share** for the **financial year ending 30 June 2022*** (inclusive of the September 2021 quarterly dividend now declared).

Portfolio Managers

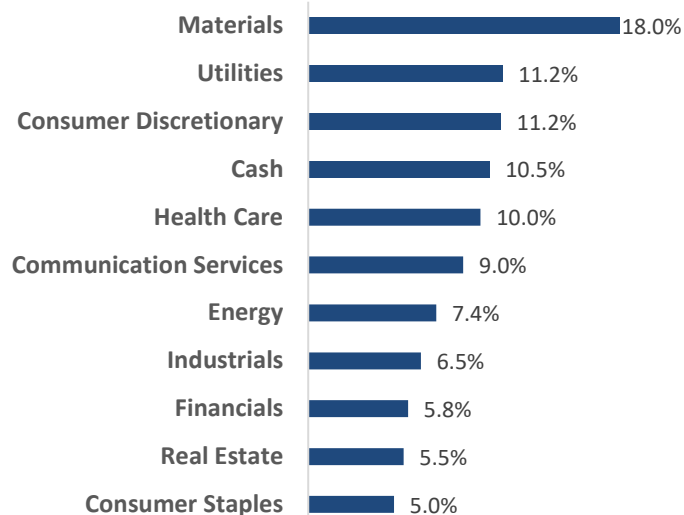
Simon Conn and Anton Tagliaferro



Key Equity Investments

ASX Code	Weight
AusNet	5.8%
AST	5.8%
Orica	5.0%
ORI	5.0%
Aurizon	4.5%
AZJ	4.5%
Amcor	4.3%
AMC	4.3%
Crown Resorts	4.2%
CWN	4.2%
Pact	4.1%
PGH	4.1%
Sonic Healthcare	3.9%
SHL	3.9%
Ampol	3.8%
ALD	3.8%
Tabcorp	3.2%
TAH	3.2%
Origin Energy	2.8%
ORG	2.8%

Sector Allocation



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Release authorised by Company Secretary, Zac Azzi.

**subject to the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events.
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