

31 July 2022

Net Tangible Assets (NTA)*

QVE NTA before tax	\$1.09
NTA after tax	\$1.10

Trailing 12 month yield on month end share price

Yield	4.85%
Grossed up yield including franking credits	6.92%

*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 markets rose strongly in July to recover some of the losses recorded in the first half of 2022. The rebound was fuelled by a strong rally in bonds on the growing belief that inflation may be peaking and that Central Banks may not have to increase rates as much as previously expected. Following a further 0.5% increase in the US Federal Reserve's benchmark rate in July to 2.5%, comments from the Fed Chairman implying that the rate may now be close to 'neutral' also lifted hopes that the momentum of further US rate rises would slow for the balance of 2022.

The MSCI World Index had its best month of 2022 to finish up +7.1% for the month with all the major global bourses also performing well with the exception of emerging markets which were broadly flat. In the US, the S&P 500 rose +9.2%, led by IT stocks as witnessed by the Nasdaq's +12.4% surge. In other markets the Euro Stoxx 50 rebounded +7.5% while the FTSE 100 rose +3.7%. and the Nikkei 225 was up +5.4%.

Commodity prices were mainly lower during July as fears of a global economic slowdown weighed on prices: iron ore, copper and nickel all continued to drift lower with the oil price finishing down -4.2% for the month on fears higher prices will reduce demand. Gold continued its poor recent run, despite all the current uncertainties, to finish the month down -3.5%.

The Australian sharemarket as measured by the ASX 300 finished up +6.0% for the month, while QVE's benchmark, the ASX ex-20, was stronger, up +8.0%. The ex-20's rise was led by the Information Technology sector which rebounded +15.4% over the month, reducing its year-to-date losses to just over -25% for 2022. The laggards for the month were the Consumer Staples sector and the Utilities sectors, which rose + 2.4% and +3.1% as some investors switched away from more defensive sectors to chase some of the frothier, more exciting sectors on the belief that the worst was over for sharemarkets.

The **QVE portfolio** was also up strongly in July, returning +5.1%, although this was behind the benchmark's jump of +8.0% as the QVE portfolio continues to focus on well-established and well managed companies. While behind the benchmark for the past month, the QVE portfolio remains ahead for the past year, with a return of +7.2% compared to the benchmark's drop of -2.6%.

Many of the stocks in the QVE portfolio performed well over the month. Several core holdings like Brambles (+6.9%) and TPG (+6.2%) had a strong month, although they lagged the benchmark. Our holdings in media stocks such as Southern Cross Media and Nine Entertainment rebounded by more than +10%, while Hipages jumped over +30% on a positive quarterly report that showed its platform continues to grow strongly and generate positive cashflow. On the negative side of the ledger, Sky City slipped -5.7% as investors reacted cautiously to the news of an independent review into the operation of its Adelaide casino. Given Sky City's low junket exposure we do not believe this review will reveal anything significantly negative and we continue to believe its underlying operations will post strong results going forward as the company recovers from Covid-imposed lockdowns.

Over the month we trimmed our holding in New Hope as it appreciated strongly, while taking advantage of share price weakness to add to our holdings in stocks like Integral Diagnostics and Tabcorp. We believe the demerger of Tabcorp's lotteries division will enable it to fully focus on restructuring and reinvigorating its wagering operations, to be able to regain lost market share.

The upcoming reporting season in Australia will give investors a good indication as to how companies in various sectors are dealing with the current economic environment, which continues to be impacted by rising input prices and interest rates. Sharemarkets have recently adopted a much more positive tone, with many investors now hoping that Central Banks can successfully see off higher inflation without having to increase interest rates to the point which causes a serious recession. While this is possible, we think that this conclusion may be premature and we believe that sharemarkets will remain volatile over the balance of 2022 given the many uncertainties. We continue to adopt a cautious approach and remain on the lookout for opportunities to invest the cash held in the portfolio into good quality, well-established companies when we believe their valuations look compelling.

Portfolio Performance	1 month	3 months	1 Year	3 years [^]	5 Years [^]	Since listing [^] 22-Aug-2014
QVE NTA (pre tax)	+5.1%	-4.3%	+7.2%	+3.4%	+4.0%	+6.1%
QVE NTA (after tax)	+3.5%	-3.0%	+5.9%	+3.3%	+3.6%	+5.3%
Benchmark**	+8.0%	-7.2%	-2.6%	+3.6%	+8.0%	+8.6%

[^] 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 a reliable indicator of future performance.

QVE Company and Portfolio Information

ASX: QVE

Shares on Issue:	229M	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

Dividend: The June quarter dividend of 1.2 cents per share has been declared.

Key dates:

- Ex-Dividend Date: 15 August 2022
- Dividend Record Date: 16 August 2022
- Dividend Payment Date: 2 September 2022

This takes the total dividends for the financial year ended 30 June 2022 to 4.8 cents per share.

Portfolio Managers

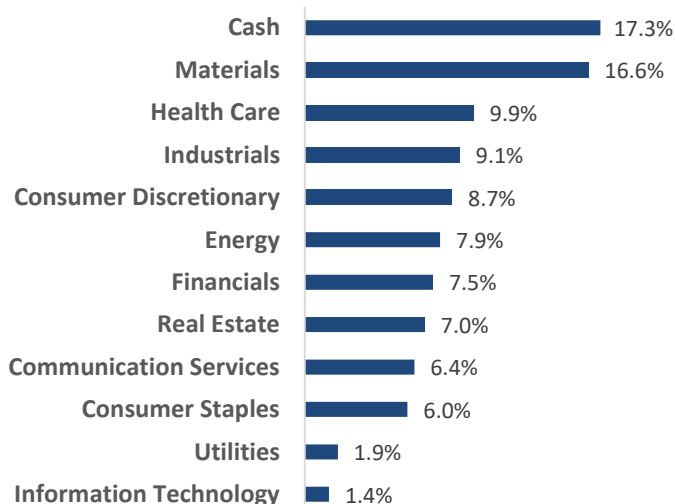
Simon Conn and Anton Tagliaferro



Key Equity Investments

ASX Code	Weight
Aurizon	5.8%
Orica	5.0%
Amcor	4.7%
Ampol	4.4%
Pact	4.0%
Sonic Healthcare	3.6%
The Lottery Corporation	3.3%
SkyCity	3.0%
Brambles	2.3%
Insurance Australia Group	2.3%

Sector Allocation



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Release authorised by Company Secretary, Zac Azzi.

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