

31 March 2023

Net Tangible Assets (NTA)*

QVE NTA before tax	\$1.01
NTA after tax	\$1.06

Trailing 12 month yield on month end share price

Yield	5.41%
Grossed up yield including franking credits	7.72%

*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

Despite significant instability in the global financial system in March most global markets recorded gains over the month, with the MSCI Index gaining +2.5%. Markets were impacted by the collapse of three US regional banks and a government mandated take-over of Swiss bank Credit Suisse by rival UBS. These bank failures led to a sharp fall in bond yields as markets started to anticipate an end to the rate hiking cycle. Supporting this view, the US Federal Reserve, despite increasing rates in March, stated that it anticipates a slowing US economy and a gradual decline in inflation as the labour market slowly rebalances. Commodity prices were mixed over March, with the likes of oil and lithium down on softer demand. Gold rebounded +8% on safe-haven buying as the banking crisis unfolded.

The local ASX 300 was down -0.2% for March, with the ASX ex20 Index also lower, down -0.8%. The Healthcare (+5.5%), and Materials (+2.2%) sectors moved higher on the back of ongoing M&A activity. Materials was largely driven by global lithium producer Abermarle's bid for ASX-listed Liantown as well as newsflow that indicated Newmont remains interested in a bid for Newcrest. The Healthcare sector also benefitted from the prospect of M&A with ACL proposing a merger with rival Healius, while private equity made a bid for aged care provider Estia Health. The Financials sector was down -4.4% over fears of contagion from the banking crisis in the US and Europe.

The **QVE portfolio** was down slightly over the month, -0.5%, though ahead of its benchmark. The portfolio benefitted from several strong performances including United Malt and A2B as well as Newcrest, which was up +19% on the takeover news flow.

United Malt shares were up +33% after the Board announced it had received an indicative takeover proposal from Malteries Soufflet, the world's second largest malt producer, and that it would enter a period of exclusive due diligence. Malteries Soufflet's approach was no surprise given that it had long voiced its ambition to grow outside Europe and so would logically be interested in United Malt's hard-to-replicate footprint of malting assets across the UK, Australia and North America. In our view the offer is positive for shareholders.

A2B continued its good price performance since its February result, up a further +12% in March after it announced the sale of its significant O'Riordan St property in Alexandria, Sydney for a price of \$78m. This was a strong outcome in a softening property market and is in line with the independent value established in May 2022, which speaks to the strategic location of the property as well as the diligence by management in maximising the sale price. The sale should result in a sizeable, fully-franked special dividend being paid to shareholders by the end of this calendar year. This outcome is the result of a more focussed strategy under a new management team, which was installed after agitation by shareholders, including IML on behalf of the QVE portfolio.

Holding back performance over the month was the portfolio's low exposure to the highly cyclical mining sector. Virgin Money UK also declined due to concerns about the broader banking sector however the company is well capitalised, and we are confident in its long-term position. We took part profits in our Regis Healthcare and Sonic holdings after strength in the Healthcare sector and used the proceeds to top up on energy infrastructure company APA and Bega Cheese. We took the opportunity to add to our HomeCo (HMC Capital) position in a capital raise by the company and also added HealthCo REIT as a new position, also through a capital raise, on an attractive yield of around 6%. It offers a long-dated, secure income stream after its purchase of Australia's second-largest private hospital network.

The outlook for the economy, inflation and interest remains uncertain, as Central Banks try to balance the risks of continued high inflation with further financial instability. Given this continued uncertainty, we remain cautious of the highly cyclical sectors and continue to position the portfolio in well-established, relatively stable companies that are well placed to continue to operate profitably and pay consistent dividends. At the same time, we are watching the sharemarket closely, looking for new opportunities that the current market volatility may provide.

Portfolio Performance	1 month	3 months	1 Year	3 years [^]	5 Years [^]	Since listing [^] 22-Aug-2014
QVE NTA (pre tax)	-0.5%	+3.7%	-2.8%	+15.0%	+3.0%	+5.5%
QVE NTA (after tax)	-0.1%	+2.9%	-1.1%	+10.9%	+3.0%	+4.8%
Benchmark**	-0.8%	+3.3%	-4.2%	+16.1%	+6.9%	+8.4%

[^]% 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:	228.0 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

- Anton Tagliaferro has transitioned his portfolio management responsibilities for the QVE portfolio in line with his retirement from IML, as [announced by the board in September 2022](#). Anton remains a director of the QVE Board.
- A fully franked quarterly dividend of 1.3 cents per share** for the December 2022 quarter was paid on 3 March 2023.

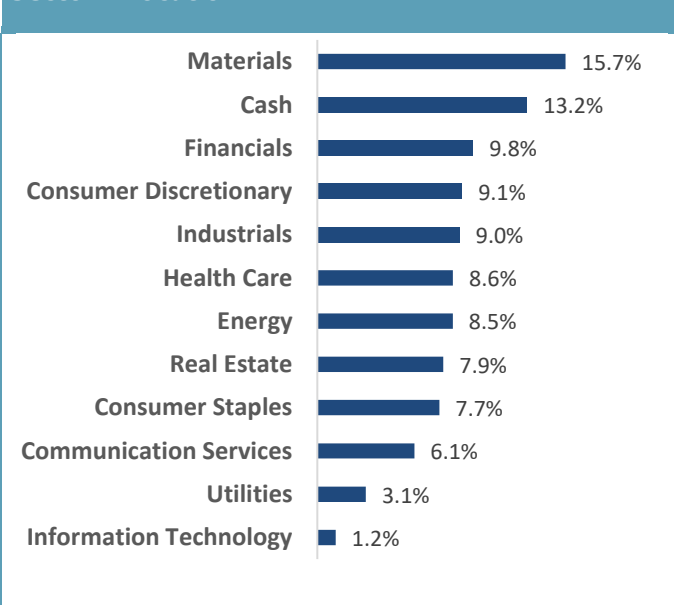
Key Equity Investments	ASX Code	Weight
Orica	ORI	5.4%
Aurizon	AZJ	5.3%
Ampol	ALD	4.6%
Amcor	AMC	3.9%
Sonic Healthcare	SHL	3.2%
The Lottery Corporation	TLC	3.0%
Skycity	SKC	3.0%
Coles	COL	2.6%
Suncorp	SUN	2.6%
Pact	PGH	2.4%

Portfolio Managers

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Sector Allocation



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Release authorised by Company Secretary, Zac Azzi.

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