

# QV Equities Webinar

## *Market Corrections: Lessons from the QVE Portfolio Managers*

February 2022



**IML** INVESTORS  
MUTUAL LTD

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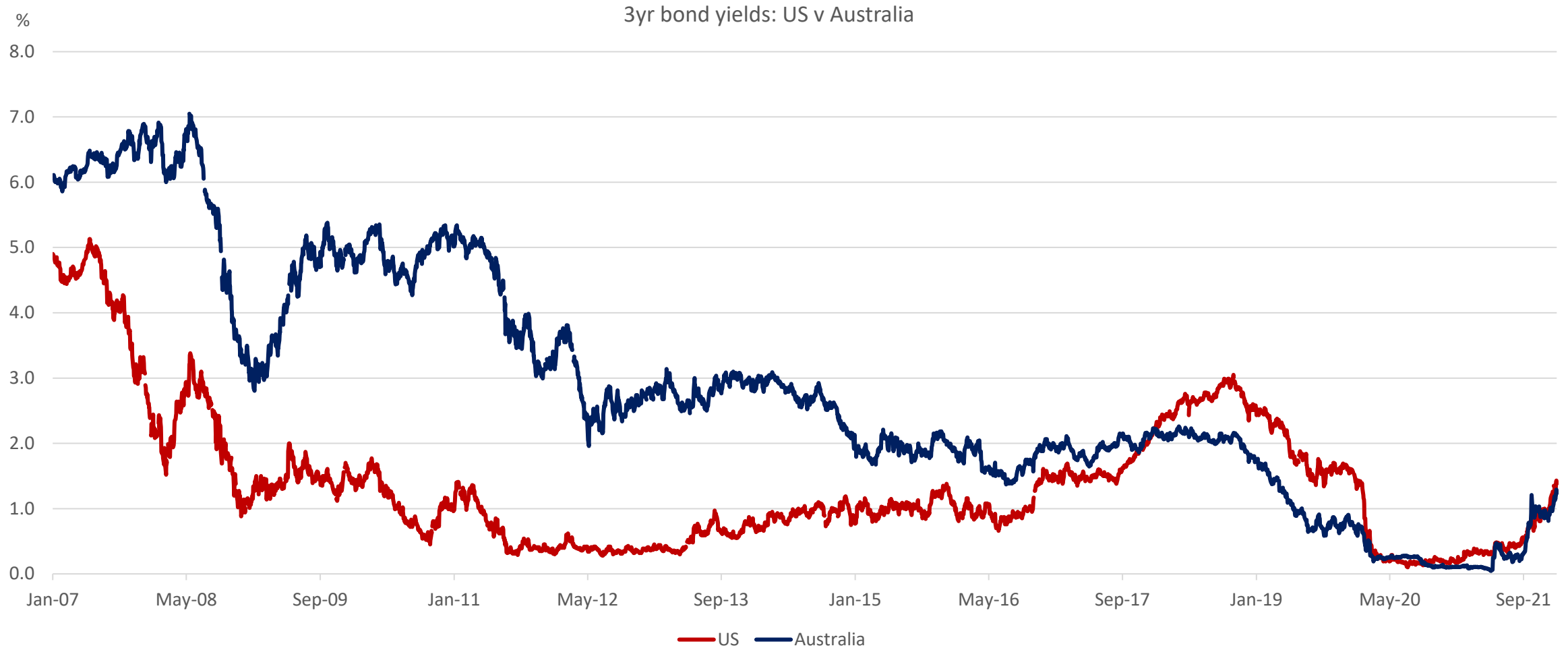
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# QV Equities Limited

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- ❑ Listed 22 August 2014
- ❑ Focused on Ex-20 stocks
- ❑ Often less researched opportunities
- ❑ Focus on long-term capital growth & income
- ❑ A diversified set of well-established, good quality companies

# 3 year bond yields – last 15 years



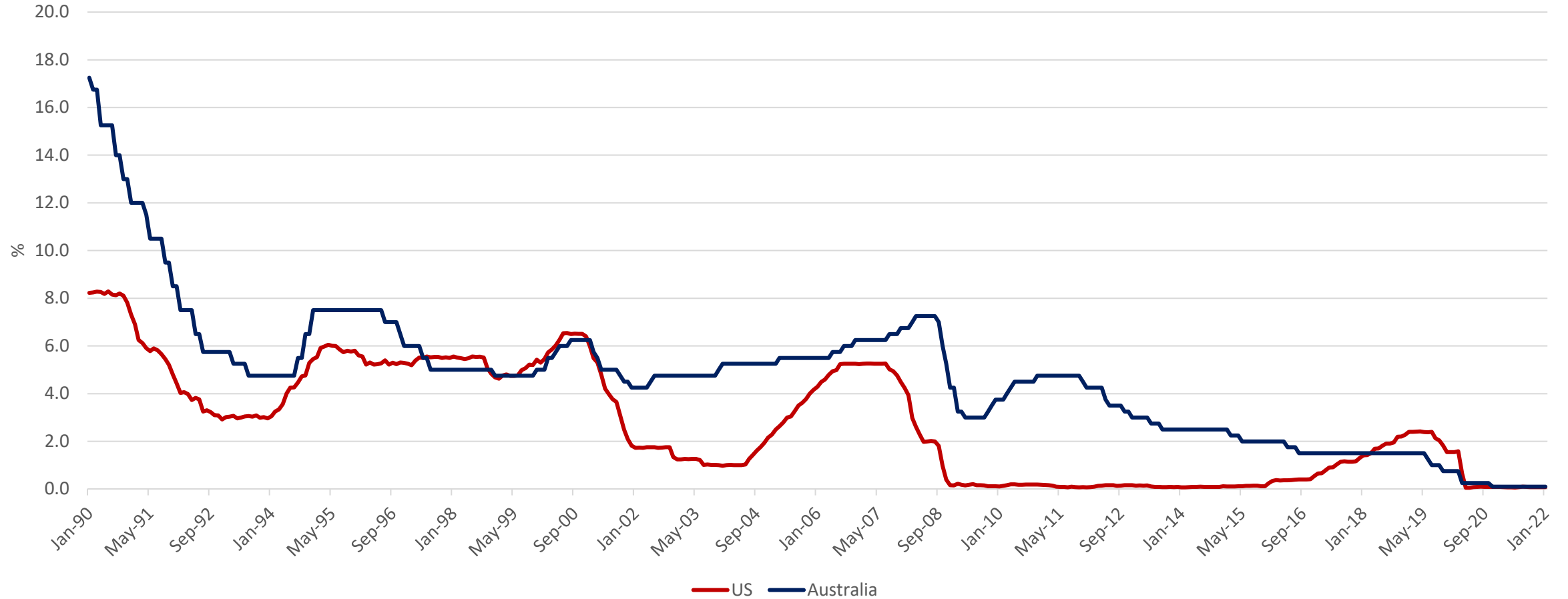
# 10 year bond yields – last 15 years

10y bond yields: US v Australia

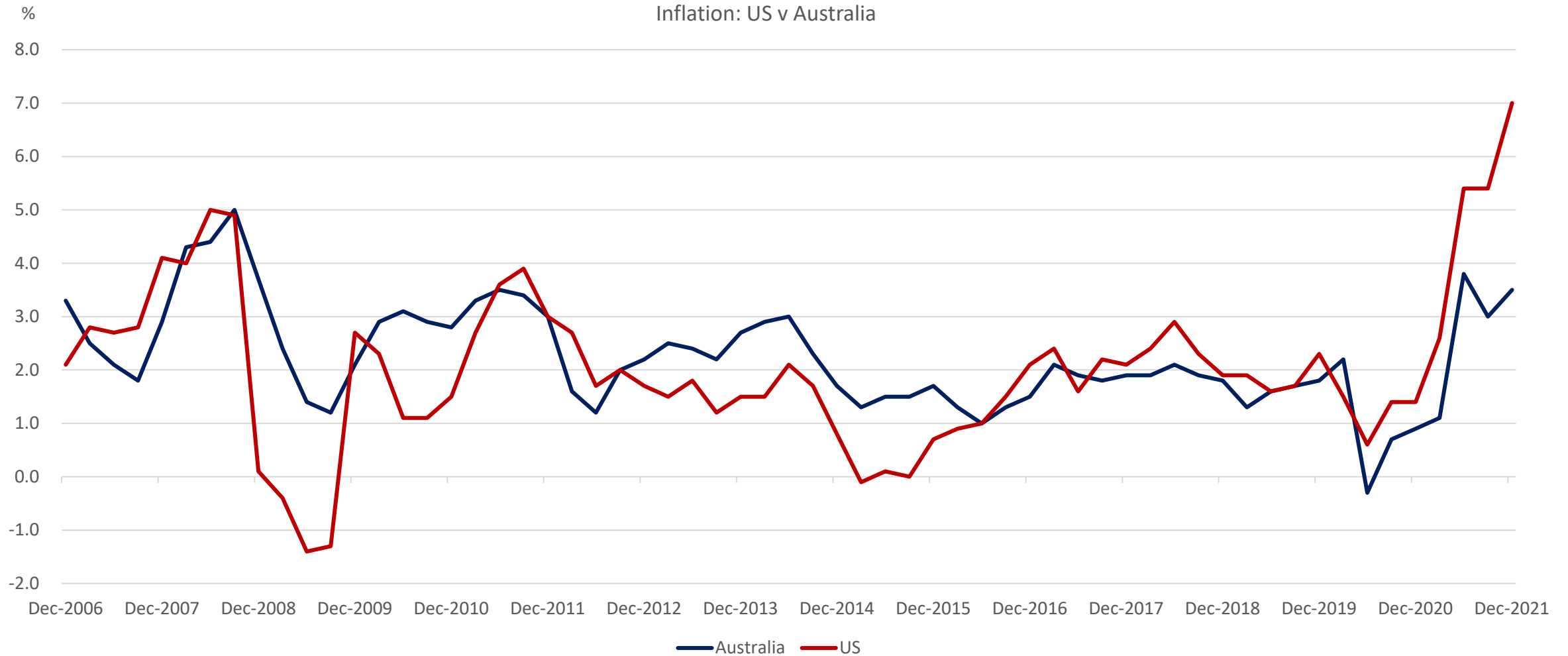


# Cash rate: US v Australia – since 1990

Cash rate: US v Australia



# Inflation – last 15 years



# Investment Philosophy

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We seek to buy and own:

Companies with a **competitive advantage**,

with **recurring earnings**,

run by **capable management**,

that can **grow**,

.....at a **reasonable price**.



# What sort of companies are we looking for :

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- Industry leaders
- Recurring earnings
- Experienced management
- Strong balance sheets
- Company specific growth drivers

.....at the right price

# Top 10 stocks

Top 10 holdings	
AusNet	6.0%
Orica	5.3%
Aurizon	5.0%
Crown	4.8%
Ampol	4.3%
Amcor	4.3%
Pact	3.9%
Sonic Healthcare	3.4%
Origin Energy	3.3%
Tabcorp	3.1%

## Recent strong performance helped by

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- ❑ A number of takeover offers
- ❑ Selective participation in new IPO's and placements
- ❑ Rerating of many portfolio companies' share prices
- ❑ Buyback continues to be accretive to NTA and performance

# Current takeover offers for stocks held in the portfolio

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Ausnet

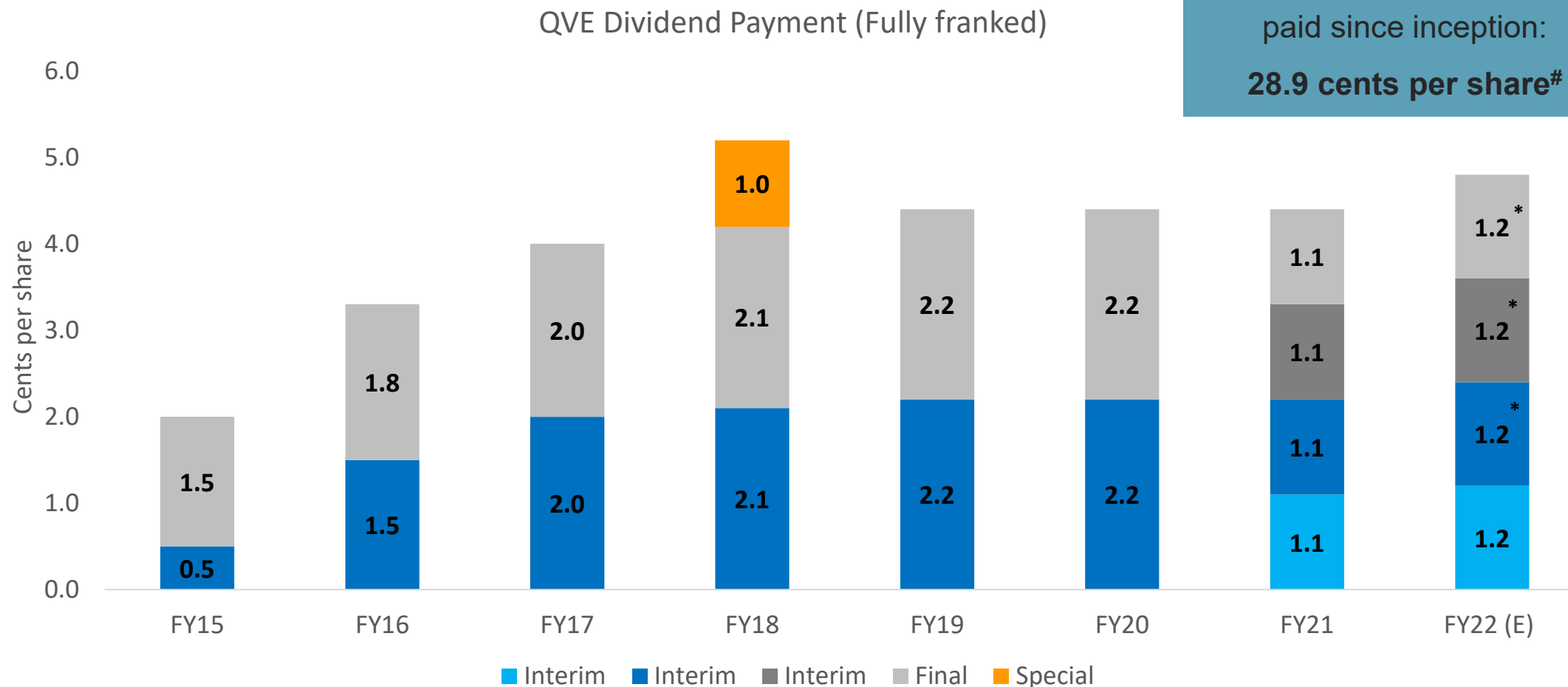
Z Energy

Crown Resorts

Australian Pharmaceutical Industries

# Historical Dividends to QVE Shareholders

Total fully franked dividends paid since inception:  
**28.9 cents per share<sup>#</sup>**



\*ASX Announcements; As at 28 January 2022

# Amount paid up till Q1 FY 2022, Dec qtr dividend will go ex-div on 14 February 2022, paid on 4 March 2022

Past performance is not a reliable indicator of future performance

Source: QVE Annual reports & QVE Announcements



## QVE's strategy

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- ❑ Always on the look out for well-established, good quality stocks at the right price
- ❑ Topping up on favoured stocks in weakness
- ❑ Writing call options opportunistically to generate extra income
- ❑ Cash being used to buy back shares at the current discount to NTA

# Current outlook

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- ❑ Inflation trending higher
- ❑ Interest rates trending higher
- ❑ Unemployment at near record lows

*The outlook for many companies is good :*

- ❑ Balance sheets are strong
- ❑ Demand outlook remains solid across most sectors
- ❑ Margins can be broadly maintained despite increased costs

# Q & A

## Contact us

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