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QV Equities Ltd (QVE)

Capital Raising

February 2017



IML INVESTORS
MUTUAL LTD

QV Equities Limited

- Managed by Investors Mutual
- Focused on Ex-20 stocks
- Listed 22 August 2014
- Experienced Board with independent majority
- Focus on long-term capital growth & income

About IML

- Boutique manager established in 1998
- Disciplined 'true to label' value style
- Large investment team with experienced leadership
- Consistent performance over 18 years
- Over \$7bn FUM - large retail following

Retail investor needs:

- ❑ Capital preservation
- ❑ Reasonable capital growth
- ❑ Income focused

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Investment Philosophy: focus on quality

We seek to buy and own:

Companies with a **competitive advantage**,

with **recurring earnings**,

run by **capable management**,

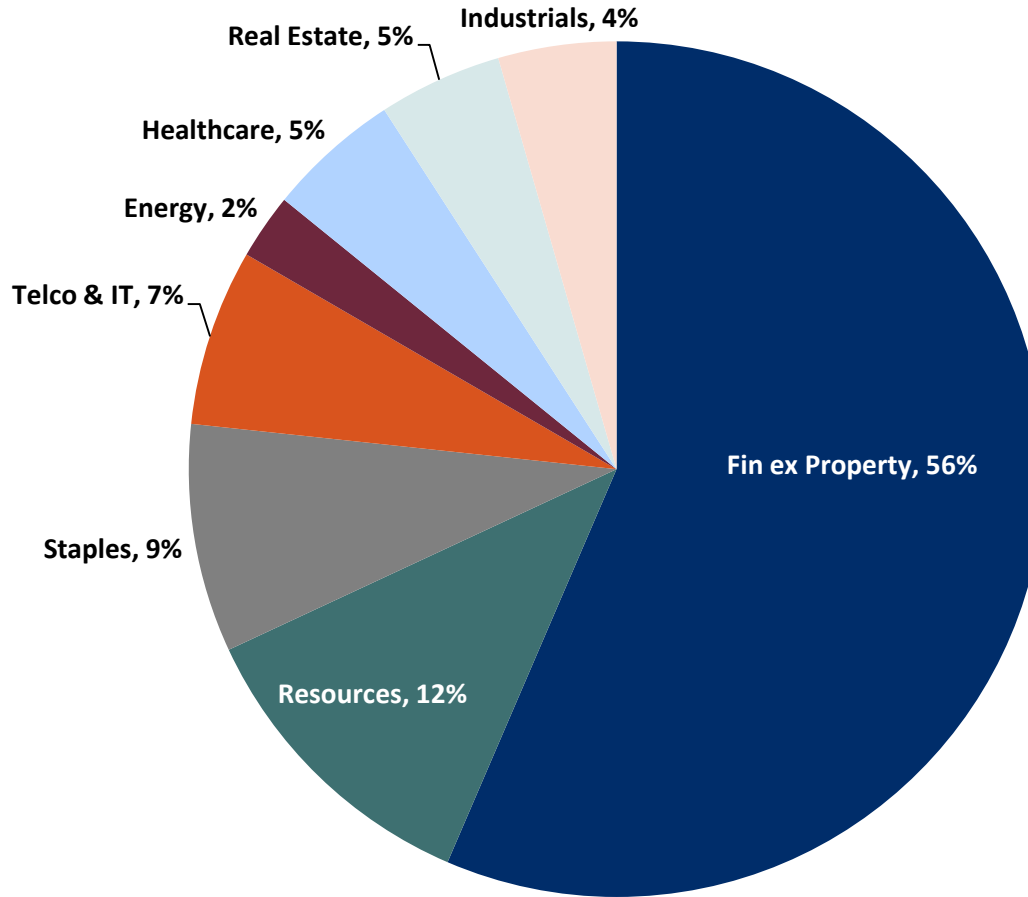
that can **grow**,

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

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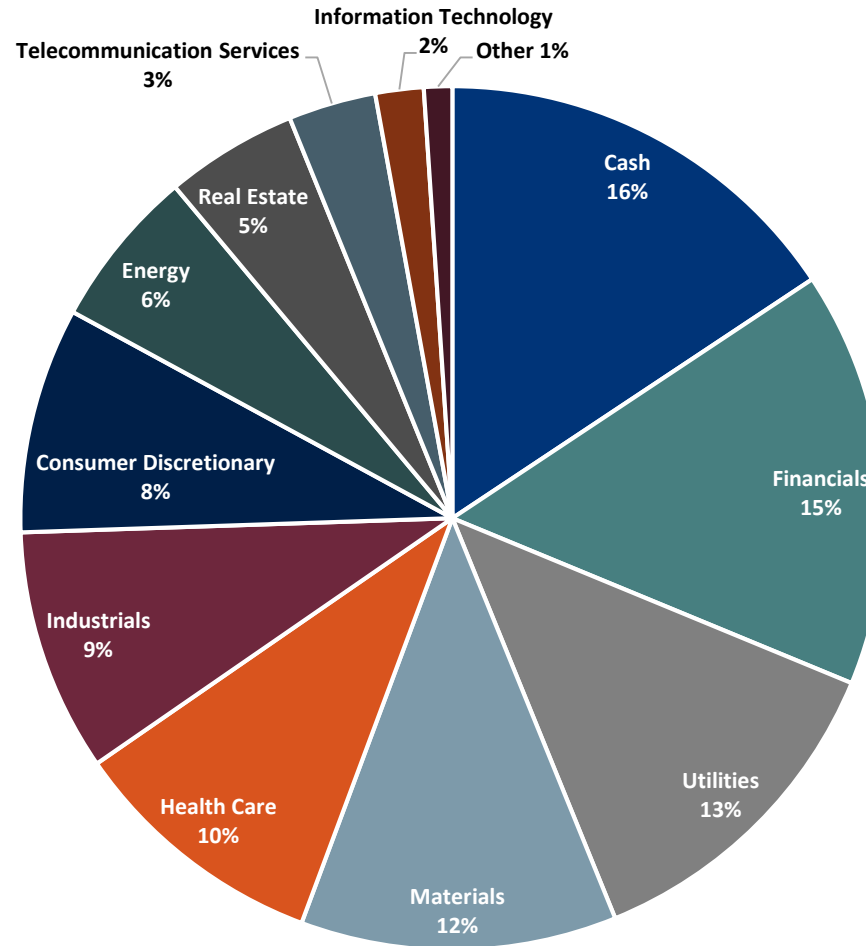
ASX 20 – dominated by two key sectors

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QVE Portfolio Weights – as at 24 February 2017

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Why focus on an Ex 20 managed portfolio?

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

Earnings growth that is 'self' generated

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Cost-outs & restructuring →	Cabcharge
Acquisitions →	Pact Group
Contracted growth →	Ausnet Spark Infrastructure
Market share gains →	Ansell

QVE portfolio activity- Recent buys:

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Recent buys
Ansell
Mayne Pharma
Amcor
Sky City
Spark Infrastructure
Tox Free Solutions

QVE portfolio activity- Part profits taken on:

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Part profits taken on:
Fletcher Building
AGL Energy
Pinnacle
GWA
Steadfast

QV Equities Top 10

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KEY EQUITY INVESTMENTS	ASX Code	Weight
Bank of Queensland	BOQ	3.7%
Steadfast	SDF	3.5%
Sonic Healthcare	SHL	3.2%
Tox Free Solutions	TOX	3.2%
Fletcher Building	FBU	3.1%
Pact Group	PGH	3.0%
Ansell	ANN	2.9%
Orica	ORI	2.9%
Amcor	AMC	2.9%
AGL Energy	AGL	2.8%

QVE Performance & NTA – January 2017

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NET TANGIBLE ASSETS (NTA)*	QVE-ASX
NTA before tax	1.1736
NTA after tax	1.1220

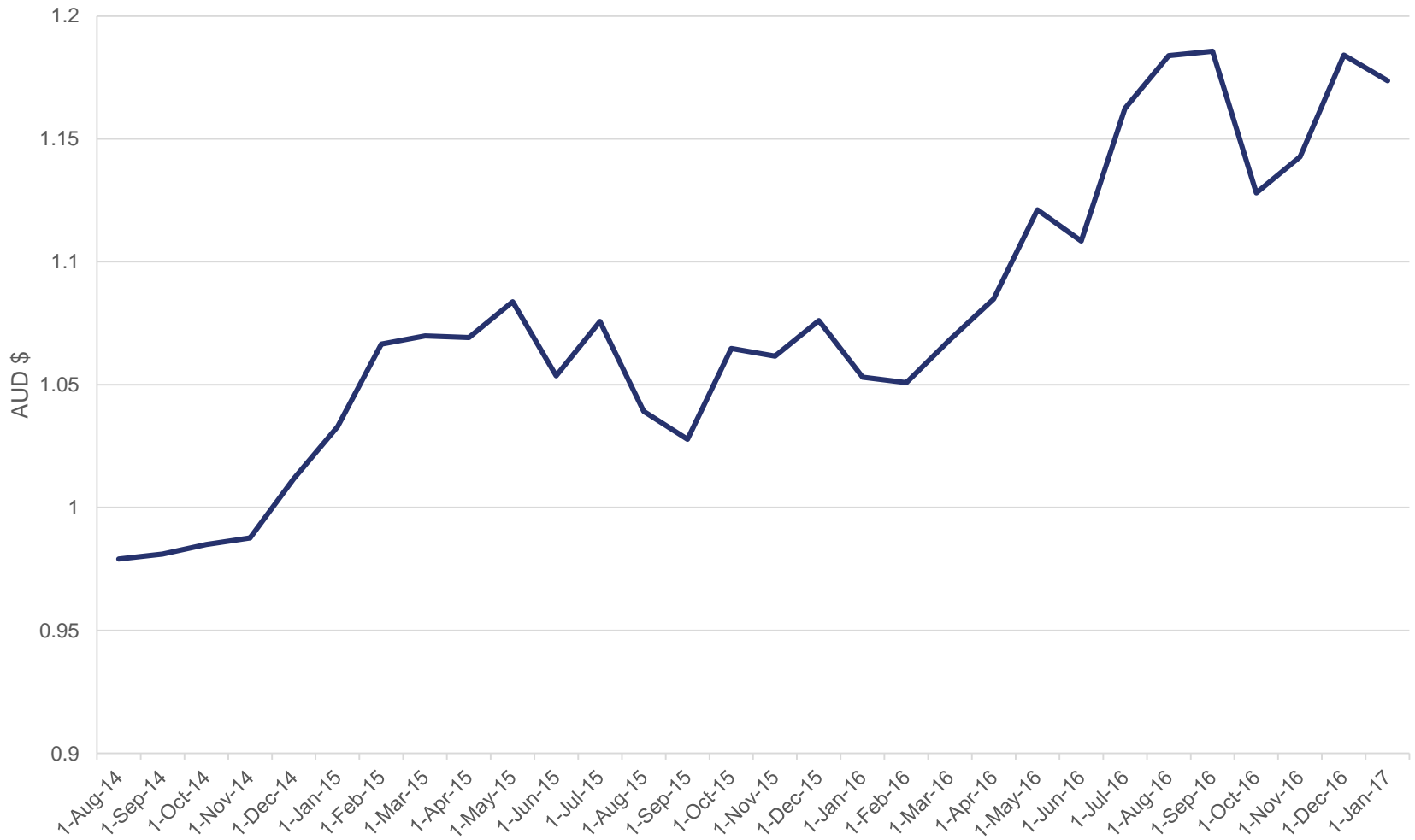
PERFORMANCE	QVE's NTA (pre tax)	QVE's NTA (after tax)	BENCHMARK **
1 Month	-0.9%	-0.6%	-1.1%
3 Months	+4.0%	+3.1%	+3.7%
6 Months	+2.6%	+2.8%	-1.7%
1 Year	+14.8%	+12.1%	+19.6%
Since Inception Total Return p.a	+9.9%	+8.0%	+8.9%

*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.

** S&P/ASX 300 Accumulation Index, excluding the S&P/ASX 20 Index

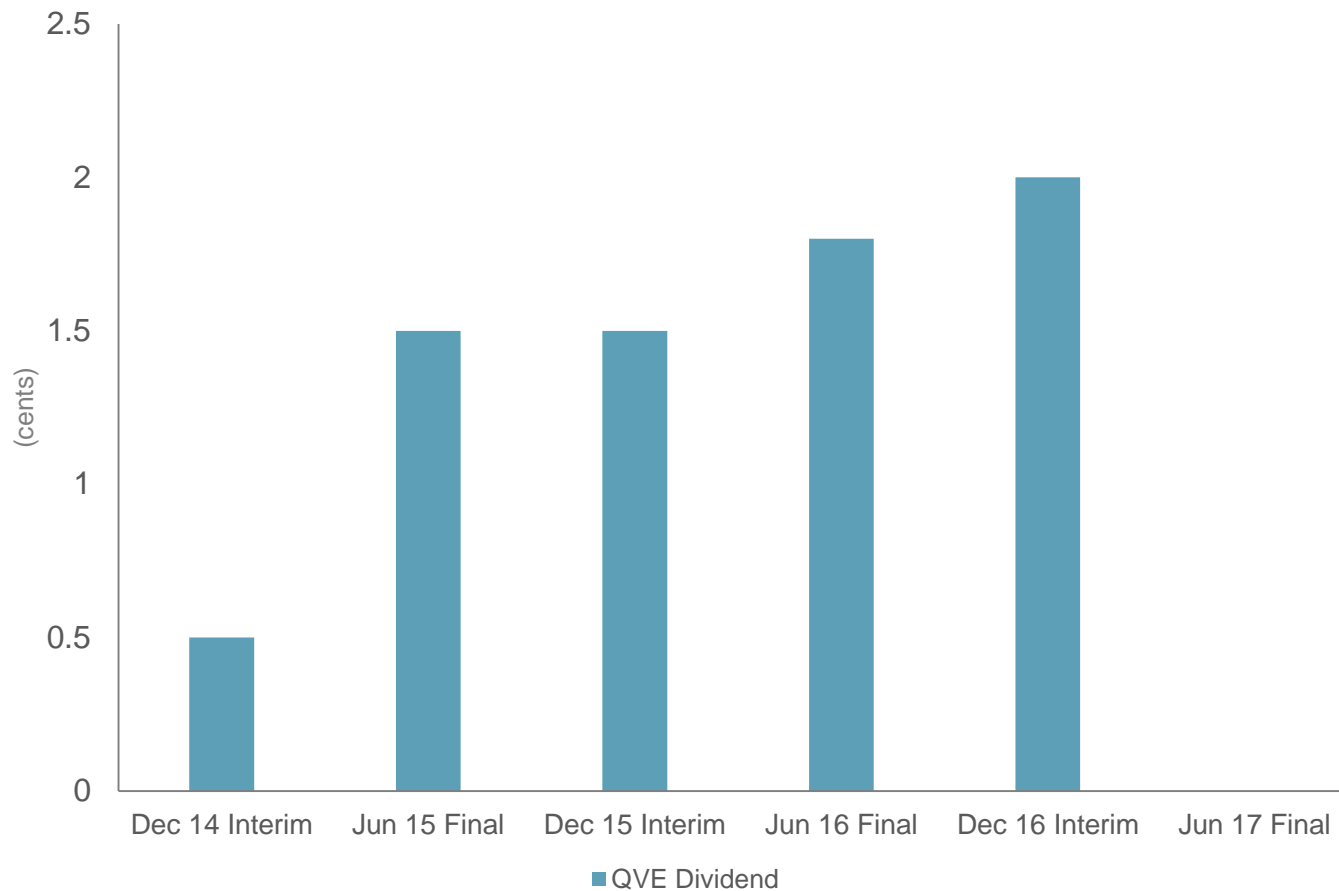
QVE historical NTA

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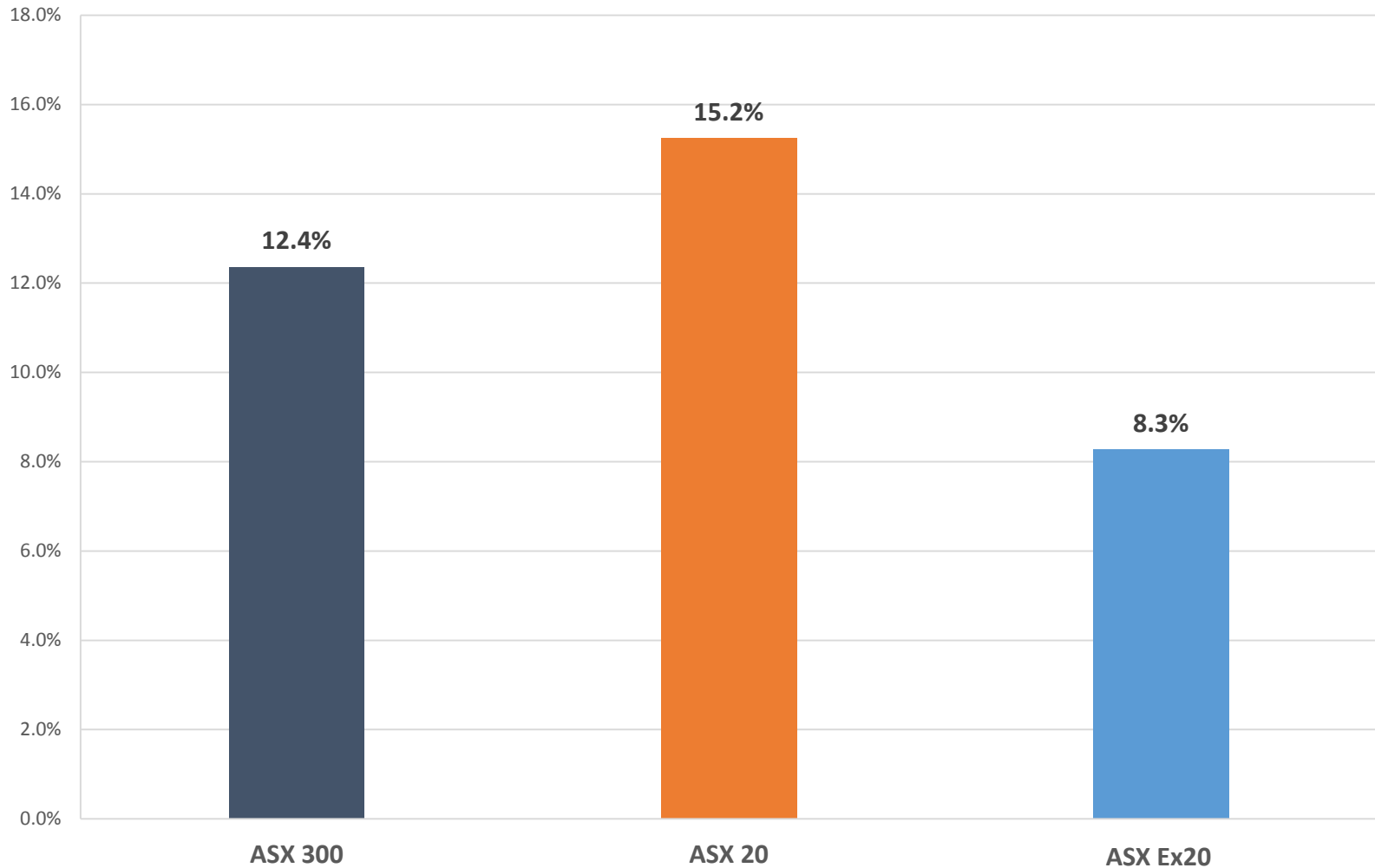
QVE Interim dividend history

- Looking to deliver a growing and consistent *fully franked dividend*



Market returns since Trump election 2016: ASX Ex20 lagging top 20 names

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Market returns since Trump election 2016: ASX Ex 20 lagging top 20 names

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S&P/ASX 20		S&P/ASX Ex 20	
Total Return:	+15.2%	Total Return:	+8.3%

Top 20 Performance driven by:		Laggards within the ex20:	
NAB:	+23.7%	Ansell:	-1.5%
CBA:	+19.9%	Amcor:	+0.8%
BHP:	+11.1%	GWA:	+1.7%
Rio:	+20.1%	Mayne Pharma:	-4.5%
CSL:	+21.2%	Sonic Healthcare:	+4.6%

Capital Raising: Key Metrics

QV Equites Limited

ASX Code

ASX: QVE

Placement

Placement to professional and sophisticated clients

- Placement issue price: \$1.22 per share
- Placement to raise capital up to \$35m

Share Purchase Plan

Share Purchase Plan (SPP) to eligible shareholders at the record date

- Each Shareholder may subscribe for up to: \$15,000 of fully paid ordinary shares
- SPP issue price: \$1.22 per share
- SPP to raise capital up to \$35m

Capital Raising: Key Dates

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Proposed Key Dates	Activity
28 Feb - 1 March	Trading Halt
1 March	Record Date for SPP
2 March	Recommence trading, announce Placement results and SPP
7 March	SPP Open Date and SPP Booklets despatched
20 March	Placement settles
21 March	Commencement of trading of Placement shares
24 March	SPP Close Date
10 April	Commencement of trading of SPP shares

Market Outlook: where are we today?

- Earnings environment remains mixed
- Rally on Trump optimism
- Banks & Resource stocks have been strongly rerated
- Stock selection remains key
- Opportunities exist in the Ex 20

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