

Quick Brown Fox Asset Management

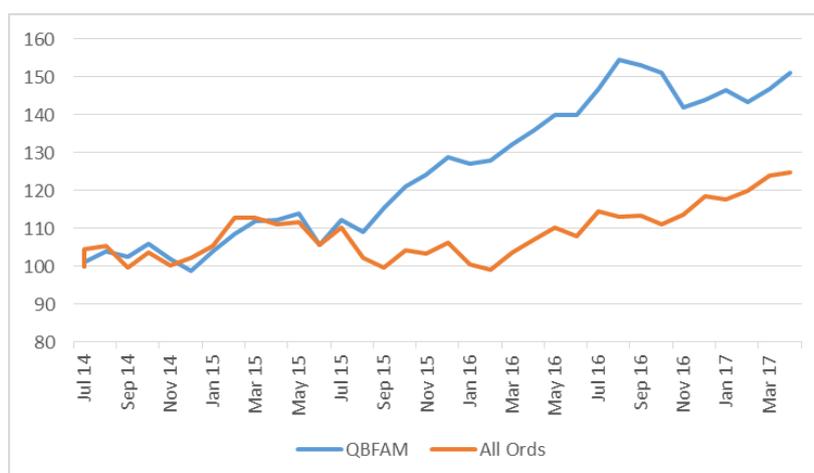


Monthly Report – April 2017

The early part of April saw global markets selloff as the Trump reflation trade started to falter. Commodity prices fell as did bond yields with the US Treasury curve retracing back to pre-election levels. The second half of the month however saw a rebound in equity markets with a relief rally on the back of round one in the French elections. All polls are pointing to a victory for Emmanuel Macron, so for now it appears France has bucked the trend with regards to the rise of populism. The fund performed well during the month, finishing up 3% driven by strong performance from Gentrack Group (+14.3%) and Adacel Technologies (+10.3%).

	1 month	3 months	6 months	1 year	2 year (annualised)	Since Inception (annualised) 1-Jul-14
QBFAM	3.0%	3.1%	0.0%	11.1%	16.1%	15.7%
All Ords	0.8%	6.1%	12.4%	16.6%	6.0%	8.1%
Small Ords	-0.8%	3.2%	3.1%	9.5%	7.3%	7.4%

Over the longer term, the fund maintains a strong lead over the market.



Note: All returns are pre fees and unaudited. The fund is not currently available for investment. To access our investment strategy please contact [Tamim Asset Management](#).

Portfolio News

The major news for the fund once again came from our largest position in **Gentrack Group**. After announcing a major acquisition in the UK in March (Junifer Systems), the company announced two smaller acquisitions. Both are “bolt-ons” to their existing Airport software division.

- 1) 79.8% of Blip Systems for NZ\$8.4m. Blip is a Denmark based company which has software specialising in passenger flow, queue prediction and capacity forecasting. The solutions use video cameras as well as mobile phone wifi and Bluetooth sensors to track passenger movement.
- 2) 75% of CA Plus for \$11.4m. CA Plus is based in Malta and has software specialising in the management, optimisation and auditing of airport retail concession revenue.

Both acquisitions are funded from debt and will add incrementally to EBITDA with the Airports division expected to deliver over \$5m of EBITDA in FY19 up from \$2.7m in FY16. The acquisition of both companies will also provide cross sell opportunities across existing airport relationships.

The other news during the month came from **TPG Telecom** which announced a capital raising to build its own mobile network. TPG has bought \$1.26bn of mobile spectrum and has announced plans to spend \$600m to roll out a mobile network over the next 3 years that will cover 80% of the population. This sent a shock to the share price of Telstra due to the entry of a new competitor. TPG now has its hands full over the coming years with this build in addition to the move into Singapore. If the company executes well we believe there is significant value to be realised over the next 3-5 years but we also acknowledge the significant risk. Hence, we continue to hold a small 2% position in the company.

The Portfolio

The fund is currently invested in 17 companies. The cash level is currently 28.9%. The positions above 5% are shown below.

GTK	8.6%
IMF	6.1%
DTL	6.0%
ALU	5.1%
Other Positions	40.2%
Cash	28.9%

Sector Positioning

The fund maintains a strong overweight to the IT sector with other exposures in Healthcare, REITs, Financials and Telcos.

