

## Quick Brown Fox Asset Management

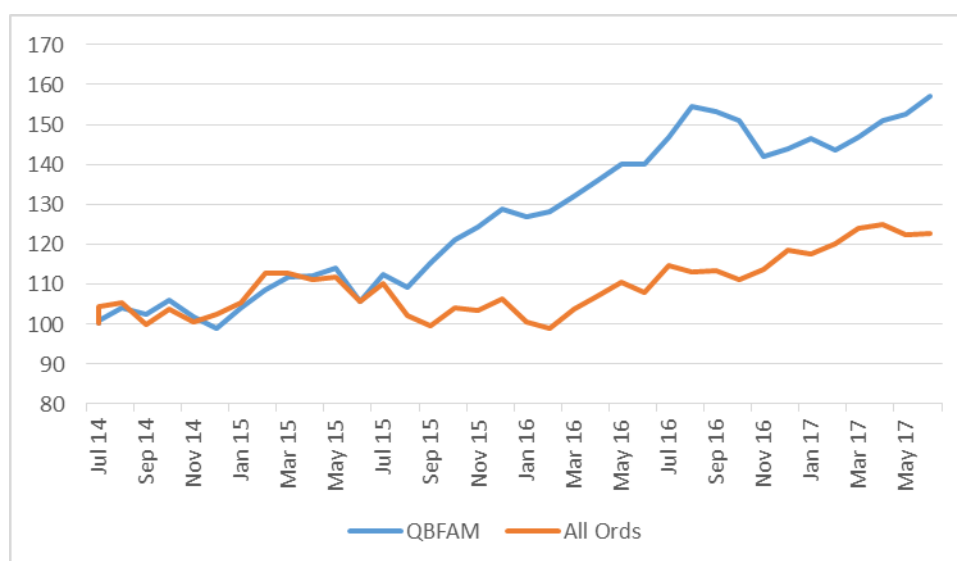


### Monthly Report – June 2017

The Australian equity market lacked a clear direction in June. The All Ords was at one point up 1.78% before falling into the red. It eventually finished the month up 0.28%. Healthcare and IT were the best performing sectors, whilst Real Estate and Energy lagged. The portfolio returned 2.92% for the month led by strong returns from Hansen Technologies (+12.8%), Melbourne IT (+12.5%), Integrated Research (+9.9%), Gentrack (+8.3%) and Asia Pacific Data Centres (+8.2%).

	1 month	3 months	6 months	1 year	2 year (annualised)	Since Inception (annualised)
<b>QBFAM</b>	2.9%	7.0%	9.1%	12.1%	22.0%	16.2%
<b>All Ords</b>	0.3%	-1.5%	2.9%	13.1%	7.4%	6.8%
<b>Small Ords</b>	2.0%	-0.9%	0.6%	6.4%	10.4%	6.9%

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 external investment. To access our investment strategy please contact [Tamim Asset Management](#).*

### Portfolio News

The biggest news for the portfolio during the month was from **Asia Pacific Data Centres (+8.2%)**. After accumulating a 19.9% stake in the company, 360 Capital Group has submitted a proposal to remove the Responsible Entity and become the manager of the trust themselves. Their proposal outlines a plan to introduce a new board and management team which will reduce management costs. In addition they will make a capital return of \$0.45 per security to unit holders by introducing a new debt facility. These changes will see the yield jump from 5.7% to 6.8%.

The greatest benefit of the changes would be a renewed focus on acquisitions. The trust was initially spun out of NextDC with the objective of being the first mover in the consolidation of data centre properties. Unfortunately this has not played out as expected. 360 Capital Group believe the opportunities in the space are great and are already in confidential discussions with global data centre operators for potential acquisitions.

### The Portfolio

The fund is currently invested in 17 companies. The cash level is currently 37.2%. The top five positions are shown below. Of the larger positions, we reduced our exposure to Melbourne IT due to its recent rally. We continue to hold an exposure to the company.

GTK	7.5%
DTL	5.6%
ALU	5.0%
AJD	4.9%
IMF	4.7%
Cash	37.2%
Other Positions	35.0%

## Sector Positioning

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

