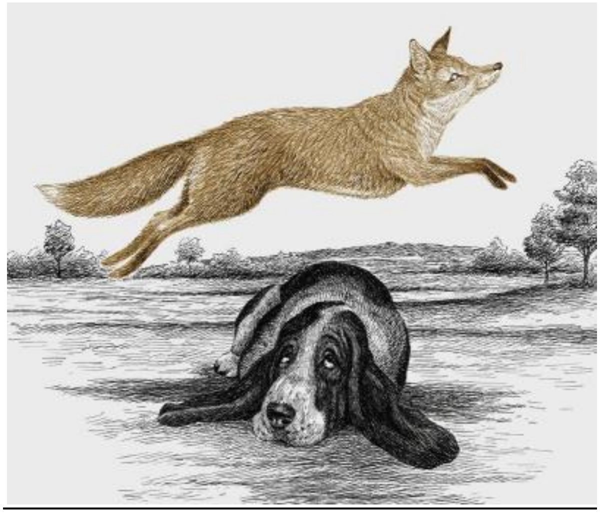
Quick Brown Fox Asset Management

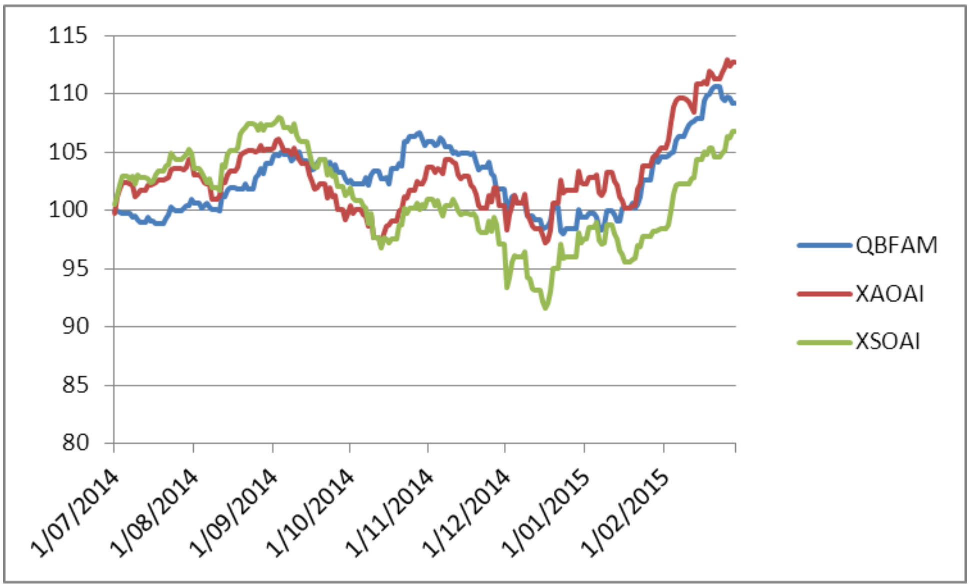


Monthly Report – February 2015

The fund had a strong month in February rising 4.41%. The market had a very strong month +7.00% and the Small Ords outperformed the broader market (+8.43%).

	1 month	3 months	6 months	Since Inception
				1-Jul-14
QBFAM	4.41%	9.83%	11.75%	9.21%
XAOAI	7.00%	10.24%	15.30%	12.75%
XSOAI	8.43%	9.42%	8.40%	6.73%

The return for February continued the strong start to the year.



Reporting Season Update

Reporting season has kept us busy over the last month both in assessing our own companies results and in scanning the market for new opportunities.

AFJ – Earnings in line with IPO guidance, slightly weaker than consensus

- Underlying NPAT came in at $11.4m, eps came in at 8.1cps (cons exp: 8.92cps), revenue was very weak due to low occupancy at $111.4m (cons: $114m)
- Acquisition costs $15.5m effecting headline NPAT
- Overall, slightly weaker than expected but guidance +ve and dividends expected in 6 months time

AGI – Underlying result fairly weak, international growth intact but domestic operations still struggling

- NPAT -3% to $34.6m does not tell the full story, Revenue -8% to $111.9m is more reflective
- NPAT given a boost by a forex gain on cash held of $14.3m (after tax impact of $10.1m), so underlying NPAT was $24.5m
- Domestic revenue was very weak down 34% to $53.5m with delay in product approvals and general market conditions blamed
- International revenue was very strong +45% to $58.4m overtaking domestic operations
- Cashflow was weak with working capital increasing, inventory build is +ve for the 2nd half
- Bullish guidance given with sales expected to exceed the previous years $244.1m on the back of international markets, this indicates a record 2nd half for AGI

BGL - Strong underlying result distorted by acquisitions, revenue growth set to increase going forward

HSN – great result, strong sales growth, increasing margins, good cashflow conversion, on track to beat guidance

- Operating Revenue +19% to $49.2m
- EBITDA +42% to $15.9m
- NPAT +22% to 22%
- Cashflow conversion strong with OCF $16.0m and debt of $8m repaid
- Guidance maintained for revenue of greater than $95m and 25-30% EBITDA margins, this result suggests revenue will be well ahead of $95m

MTU - Strong result, in line with expectations, guidance maintained for the full year

- This is the first result in a while for M2 that is not acquisition affected, hence all growth is organic
- Revenue was up 8% to $546m, EBITDA up 14% to $86.1m, NPAT up 25% to $38.5m
- Underlying NPAT which strips out the non-cash amortisation charges associated with previous acquisitions was +16% to $50.6m
- Interim Dividend +30% to 15c
- Cashflow strong and debt was reduced by $15.8m whilst cash increased by $3.9m
- Growth was driven by Broadband (+23k services), Fixed Voice (+26k services) and energy (+14k) whilst Mobile fell slightly (-2k)

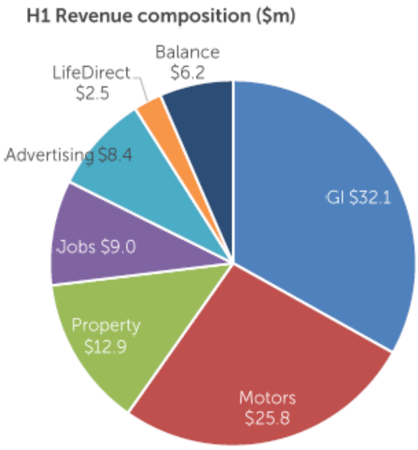
- Maintained full year guidance of 8-9% revenue growth with NPAT growth of 15-20%, the market consensus is currently looking at 19% growth

SKT - Solid result – sales up slightly outpaced by NPAT growth, guidance tempered to low end of the range

- Revenue rose 1.8% from $456.4m to $464.5m (cons: $459m)
- Number of subscribers fell marginally by 0.1% but this was offset by ARPU rising 2.4% on transition from Standard to MySky
- EBITDA was +1.1% to $192.4m (cons: $182.4m) and NPAT rose 12.7% to $92.5m with both D&A as well as Interest falling
- Dividend up to 15cps from 14cps
- Balance sheet in great shape with $8m of debt repaid and a $21.7m increase of cash on hand – continue to expect capital management in the near term from the company
- Guidance slightly disappointed – "lower end of previous guidance range" suggests NPAT of $77.5m in the 2nd half (pcp: $82.3m)

TME - Solid result, bang in line with guidance – you've essentially got a mature General Items (Ebay) business funding a number of growth options, note all values in NZD (current conversion: $0.9646 and heading towards $1)

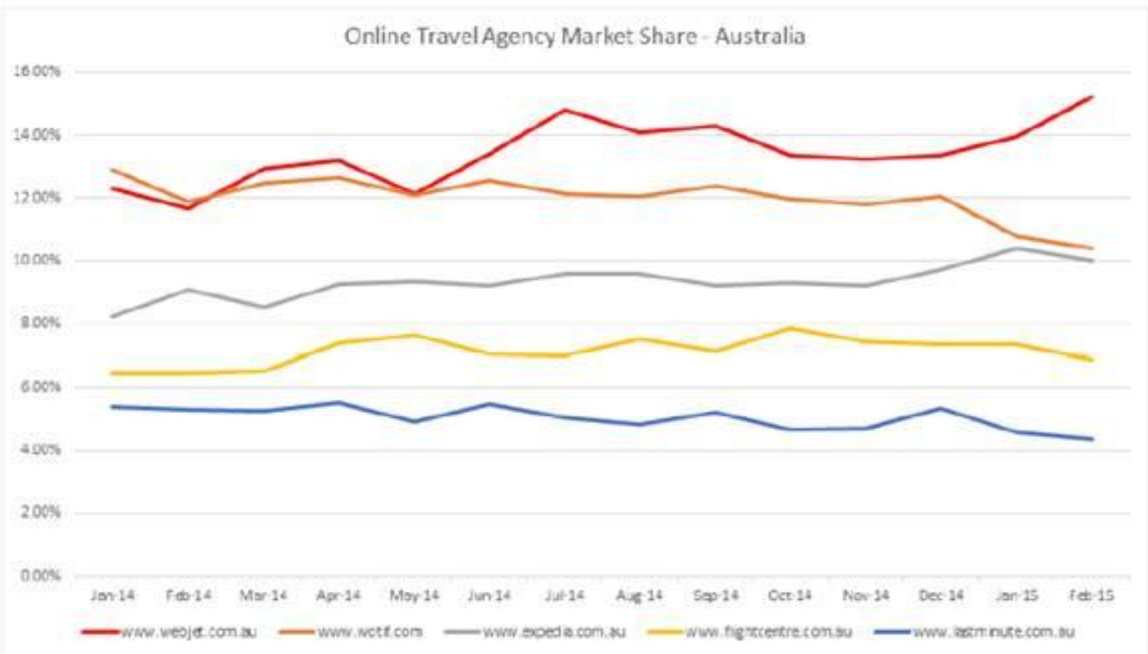
- 6 months ago at the full year result, management guided to "Low double digit revenue growth and subdued EDITDA growth" as they plan to continue to invest heavily in the business
- This result is bang in line with that forecast: Rev +13% to $96.9m (cons: $97.9m), EBITDA +7% to $64.6m (cons: $63.9m) and NPAT +1.1% to $38.4m (cons: $39.2m)
- NPAT lagged as there was an increased D&A charge (+$2.1m) due to increased Amortisation of recent acquisitions, interest expense also increase modestly ($1.8m) as interest rates in NZ have been going up)
- Div was increased from 7.6c to 7.7c and cashflow conversion was strong (OCF +16.2% to $52.7m)
- And they have reaffirmed guidance: "Looking ahead, we expect our full year results to deliver on the intentions we set out in August 2014 – with low double-digit revenue growth, continuing investment, and therefore subdued EBITDA"
- Looking through the divisions: Revenue from General Items fell (-1.5%) but this was offset by classified revenue (+23%)
- Within classifieds the standout was Motors with revenue +40.6% on the acquisition of MotorWeb (it's by far their 2nd largest division now – see chart below), Jobs revenue was strong +17.8% (they have gained ground on Seek), Property was a little weak +2.4% as listings fell 11% (NZ property market has slowed with the introduction of macro prudential rules)
- They have made 3 additional acquisitions in the last 7 months which provide further growth options: Paystation (online payment processor), ViewingTracker (automated tenant booking software) and Harmoney (peer to peer lending platform)



TNK - First report as a listed entity, meaningless result

WEB - Solid result, guidance maintained but runrate suggests they might beat

- Strong top line growth with Revenue +11.5% to $58.2m (cons: $56.7m); EBITDA very strong +17.3% to $14.4m
- NPAT lagged -1% to $9.1m, primarily due to a lower tax bill tax in the pcp, current tax rate is normalised
- TTV +22.2% driven both by acquisitions and organic growth
- Zuji the major disappointment with TTV -26.8% resulting in a loss of $0.6m
- Core Webjet brand seeing strong growth with bookings up 17% and every month seeing record TTV
- Company continues to highlight that operating conditions are difficult but to offset that they have been gaining market share (chart below)



Source: Hitwise Experian. Data shows number of visitors. Feb15 data through to 10/2/15.

WLL – Company keeps delivering solid growth; the business has a remarkable track record in what should be a very cyclical industry

- Net Revenue up 42% on pcp to $41.4m, EBIT +22% to $6.8m, NPAT +11% to $4.6m
- Dividend growth continues, interim div up to 8.5c from 8.0c
- OCF was strong and the balance sheet remains strongly net cash
- Australasia was solid, UK was weak but new US acquisitions are performing very well

The Portfolio

The fund is currently invested in 10 positions and retains a cash balance of 24.8%. During the month we trimmed our positions in AFJ, AGI, MTU, WEB and WLL. We increased our positions in BGL, HSN and SKT.