

Quick Brown Fox Asset Management

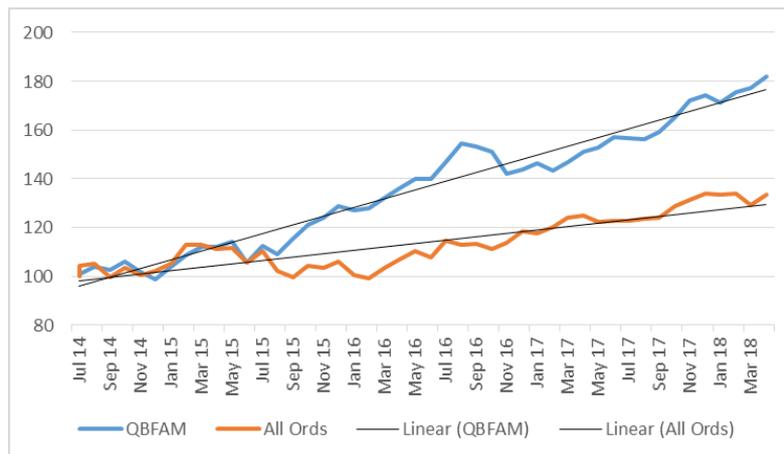


Monthly Report – April 2018

The Australian equity market rebounded in April on the back of the resource sector. This was largely driven by commodity prices and Energy stocks led the way up 10.8% on the back of a 5.6% increase in the oil price. The laggard for the month was the financial sector, in particular diversified financials (-2.4%). This underperformance was driven by 19% fall for AMP on the back of revelations at the Royal Commission into the Banking, Superannuation and Financial Services sector. Our portfolio returned +2.5%, below the 3.5% for the market largely due to our cash weighting. The portfolio was boosted by strong returns from MSL Solutions (+18.4%), NetComm Wireless (+16.1%), Melbourne IT (+12.0%) and Horizon Oil (+11.5%).

	1 month	3 months	6 months	1 year	2 year (annualised)	Since Inception (annualised)
QBFAM	2.5%	6.1%	10.1%	20.3%	15.6%	16.9% <i>1-Jul-14</i>
All Ords	3.5%	0.0%	3.6%	6.4%	11.4%	7.9%
Small Ords	2.8%	0.4%	7.1%	18.4%	13.9%	10.4%

Over the longer term, the portfolio 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

Once again a number of the companies we hold announced positive news. In the current market where cheap stocks are hard to find we have focused on finding companies with identifiable catalysts whether they be potential acquisitions, new contracts or a step change in earnings. During the month we had one of each of those three scenarios play out.

SRG (+7.0%) announced the acquisition of TBS Group. TBS is a New Zealand based industrial contractor that specialises in asset and infrastructure maintenance services. The deal increases the proportion of SRG's revenues and earnings that come from services. The service revenue tends to have a greater recurring component than the construction work and hence we believe this acquisition was of strategic importance to the SRG business. In addition to the acquisition, we expect organic growth will continue to be strong as the company benefits from increasing infrastructure work in Australia. The company currently has record work in hand and the immediate future looks strong. Another exciting aspect is the company's Joint Venture focused on dam repair in North America. This joint venture is not expected to add to earnings significantly in the near term but provides potential long term upside.

NetComm Wireless (+16.1%) announced an agreement with Bell Canada to supply them with their fixed wireless equipment for rural and semi-rural broadband. This deal adds to the existing agreements with the National Broadband Network and AT&T and shows that NetComm is slowly carving out a niche amongst the global telecommunications industry. We acquired a small position in the company after its most recent result which showed a significant swing in profitability. The company is well placed to win further contracts with leading global players and we look forward to further newsflow.

MSL Solutions (+18.4%) provided its most impressive quarterly update as a listed company with Operating Cashflow swinging into positive territory. The company also announced they are moving to monetize the holding of Zuuse on their balance sheet and have utilised some of the excess cash to make a small acquisition. Whilst its early days and our position in the company is a small one, the signs are positive. The company provides software solutions to clubs, stadiums, as well as sporting and golf associations. Growth for the company is coming via expansion globally as well as bolt on acquisitions.

The Portfolio

The fund is currently invested in 21 companies. The cash level is currently 39.7% (down slightly from 40.6%). We trimmed our position in Gentrack whilst adding to positions in Trade Me, Global Construction Services and NetComm Wireless. Part of the current cash weighting is committed to a capital raising that will settle in May.

GTK	7.6%
AXL	4.7%
HSN	4.2%
TME	4.1%
DDR	4.0%
Other Positions	35.8%
Cash	39.7%

Sector Positioning

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

