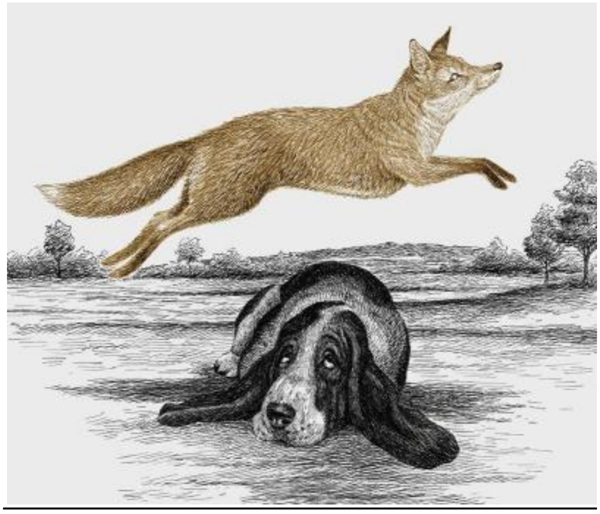
Quick Brown Fox Asset Management

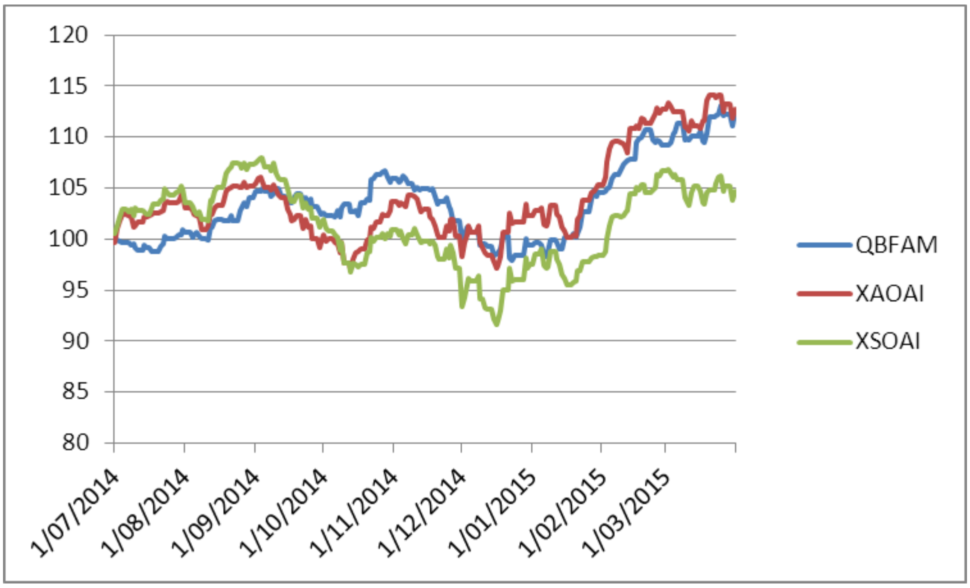


Monthly Report – March 2015

The fund had a strong month in March rising 3.03%. This was particularly impressive as both the broader market and small ords finished the month down.

	1 month	3 months	6 months	Since Inception
				1-Jul-14
QBFAM	3.03%	13.15%	9.90%	12.52%
XAOAI	-0.03%	10.21%	13.04%	12.72%
XSOAI	-1.94%	7.30%	3.13%	4.67%

The March return caps a very strong quarter to start the year with the fund almost 3% above the broader market and 5.9% ahead of the small ords.

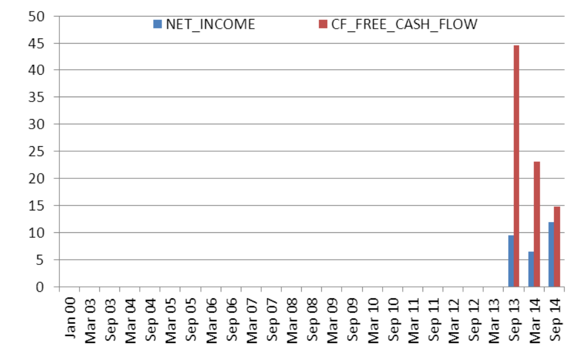


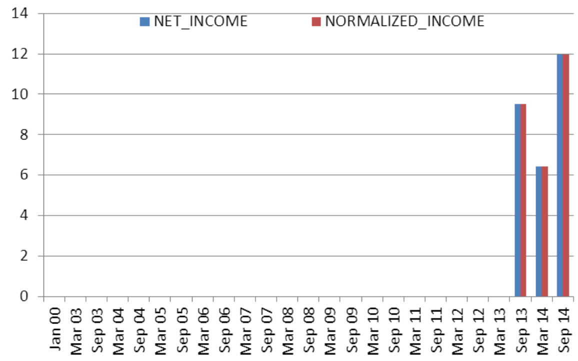
New Positions

Ozforex Limited

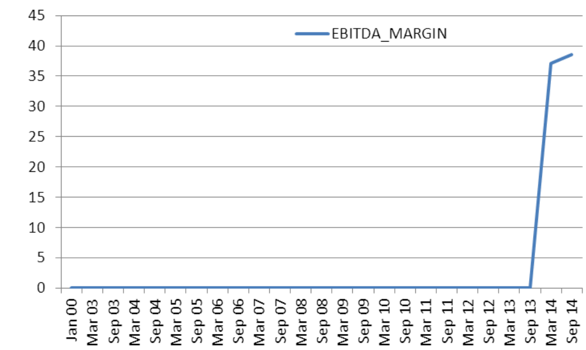
Ozforex in an online forex exchange and payments company based in Australia with operations across Australia, New Zealand, Europe, Asia and North America. The firm essentially utilises banking relationships and pools clients money to give them better exchange rate on currency conversion. After an extremely successful IPO the share price has fallen back towards the listing price of $2 on the back of 2 issues: 1) Westpac terminating their relationship with the company and 2) the CEO Neil Helm announcing he will step down. We don't expect either of these to be material to earnings and the company has already replaced the place of Westpac in their business.

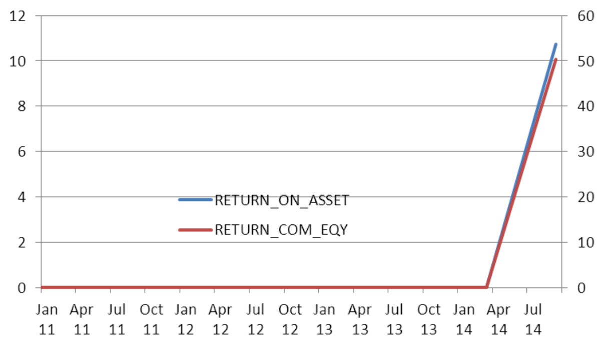
The limited history of the company as a listed entity is impressive with strong earnings growth and cashflow. It has to be noted that the cashflow of the business can be a bit misleading as clients money flows through their account. Due to this we consider the P&L side of the accounts to be a more reflective measure.





The business is a very high margin one with tremendous returns on capital. As their brand name and presence grows in other markets so should their earnings. We note the company reports in May and if consensus expectations for this year and next are right the stock currently appears cheap.



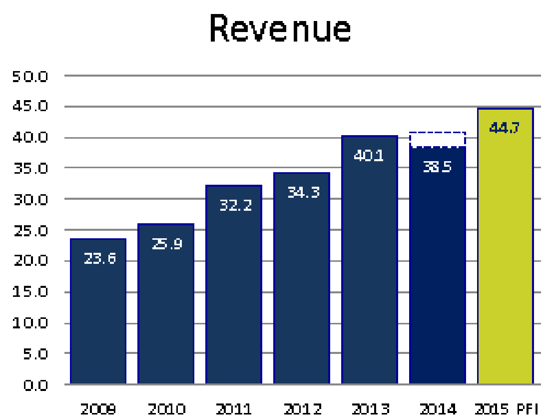


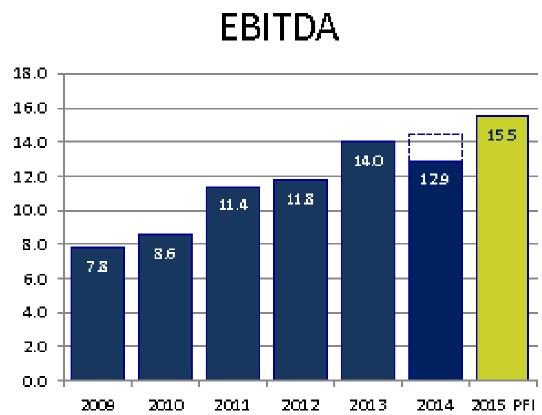
Gentrack Limited

Gentrack is a software company headquartered in New Zealand but with a global presence. The company has two distinct businesses: 1) Billing software for utilities and energy companies, and 2) Airport management software designed to optimise an airport's operations and produce a better traveller experience.

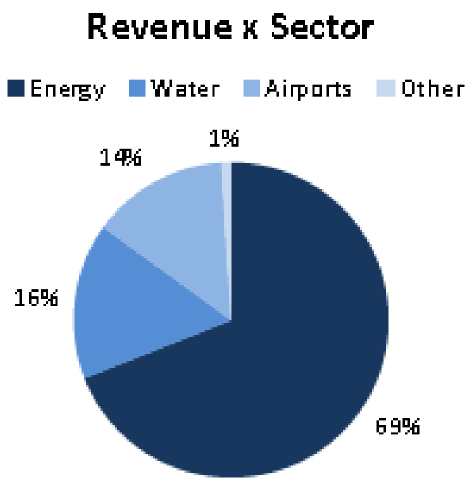
The company has not been listed long and committed the cardinal sin of downgrading earnings before its first report. This was on the back of delays in the start date of 2 contracts. The issues have since been resolved and the company is back on track.

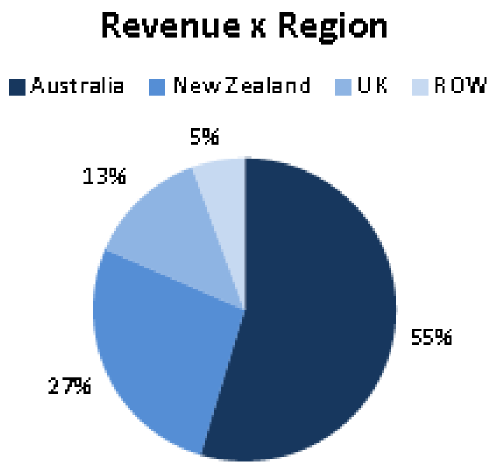
Revenue and EBITDA both declined last year in NZD terms but in constant currency they actually increased. There is potential downside to FY15 guidance too as the NZD continues to head towards parity with the AUD (guidance was based on $0.93). 55% of the revenue comes from Australia so whilst NZD profit falls there is a natural hedge for Australian investors.





A majority of the revenue currently comes from the utilities side with 69% from energy companies and 16% from water. The airport software is where the growth is and with most major Airports on board in Australasia the focus is on the rest of the world and in particular the UK. Signs are good with Bristol Airport having recently implemented the software. Other major international airports to use the software include JFK International Airport and Hong Kong.





Childcare Sector

The fund exited its positions in Affinity Education and Think Childcare and Education. The sector has come under pressure on 2 regulatory issues:

1) The planned increase in staff number in the 2-3 year old range for NSW starting 2015. Staff ratios will go from 1 to 8 to 1 to 5. Staff costs are therefore expected to rise.

2) The Family Tax Benefit is set to be redefined with parts A and B set to be combined. The likely impact is that less families will be eligible.

The combination of the 2 has casted uncertainty on the industry. Affinity made an interesting move to raise capital - partly for acquisition but also partly to pay off debt. This move suggests that management may not be comfortable carrying significant debt with the increased uncertainty around their earnings.

We decided to remove the regulatory risk from the portfolio and exited both positions.

The Portfolio

The fund is currently invested in 10 positions and retains a cash balance of 26.2%. As well as the moves listed above the fund reduced its position in Webjet on the back of recent strength.