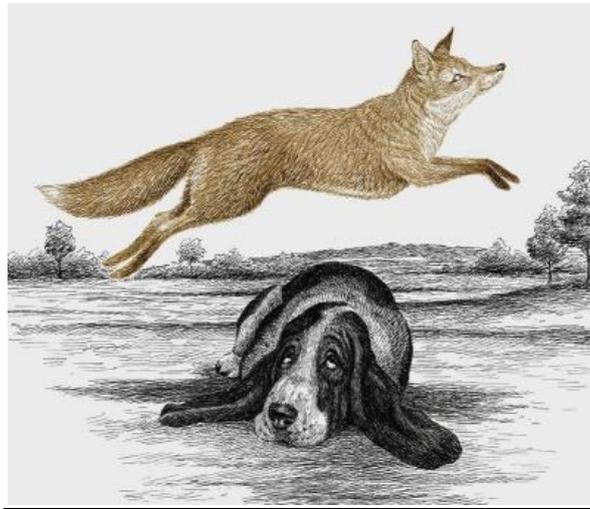


Quick Brown Fox Asset Management

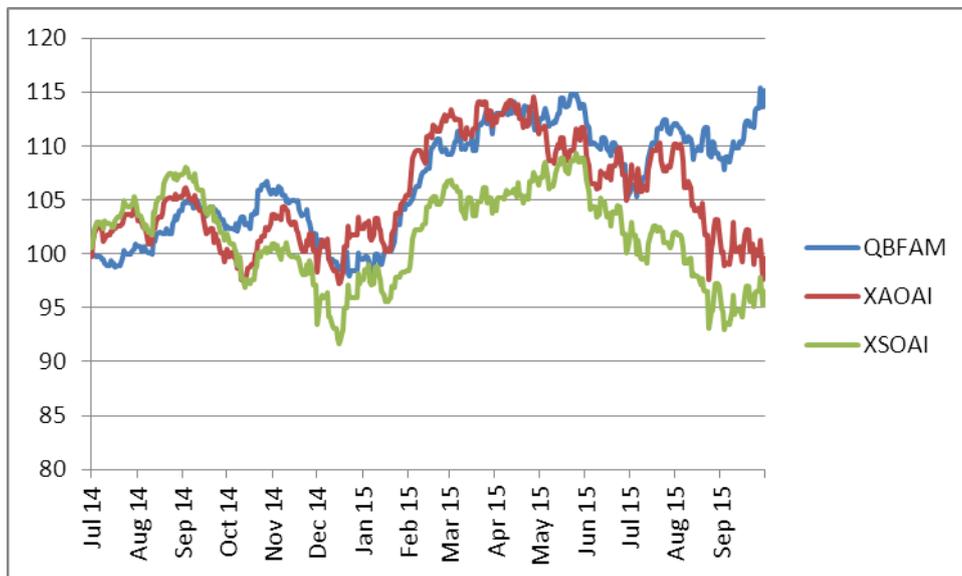


Monthly Report – September 2015

September saw continued volatility with the Australian Equity market finishing the red. The fund on the other hand had a very strong month finishing up 5.80% bringing the return for the last 3 months to 9.42%.

	1 month	3 months	6 months	1 year	Since Inception
QBFAM	5.80%	9.42%	3.22%	12.75%	15.44%
XAOAI	-2.50%	-5.79%	-11.68%	-0.16%	-0.45%
XSOAI	-0.53%	-3.81%	-7.69%	-4.80%	-3.38%

The fund has performed very well in the recent selloff with our varied cash balance used to take advantage of opportunities.



Risk Management

Whilst we are not a huge fan of volatility as a true measure of risk we do note that the standard deviation of our portfolio since inception is approximately 70% of the index:

	QBFAM	All Ords	Small Ords
Std Dev	8.70%	12.59%	11.87%

One thing we are proud of is our performance in down markets. Since inception we have outperformed in 50% of up markets and 71% of down markets.

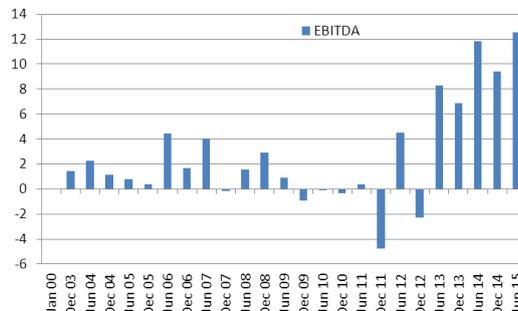
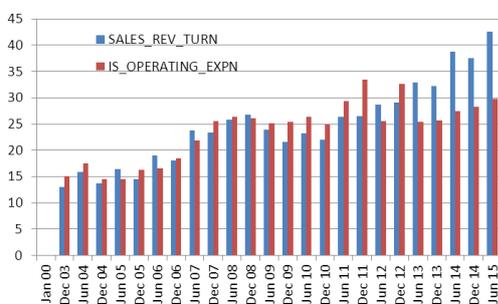
Overall our strategy remains one based around capital preservation and taking advantage of opportunities in the market. The opportunities we look for are high quality companies trading below their intrinsic value.

New Positions

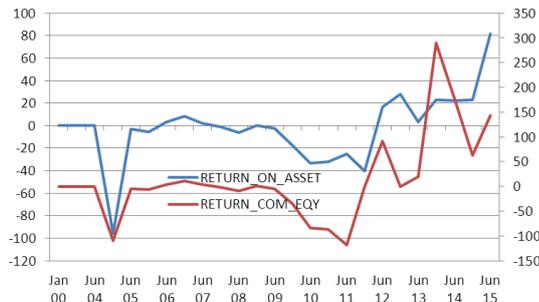
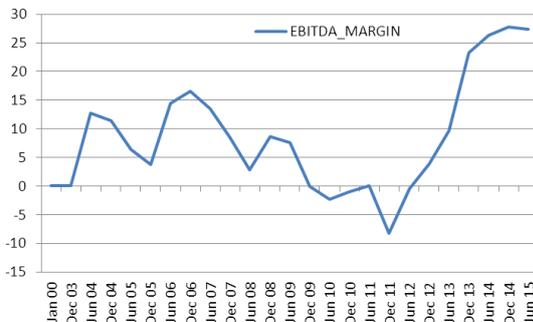
The fund introduced four new positions during the month. The volatility created the opportunity to add positions in quality companies at lower prices. The funds cash balance at the end of August was 33.7% and this enabled us to take advantage of these opportunities.

Altium Limited

Altium is a software developer. That software is then used in electronic design (more specifically Printed Circuit Board design). It is the 5th largest player in the market with a 10% market share that is growing. Revenue and profits have grown consistently in recent years.



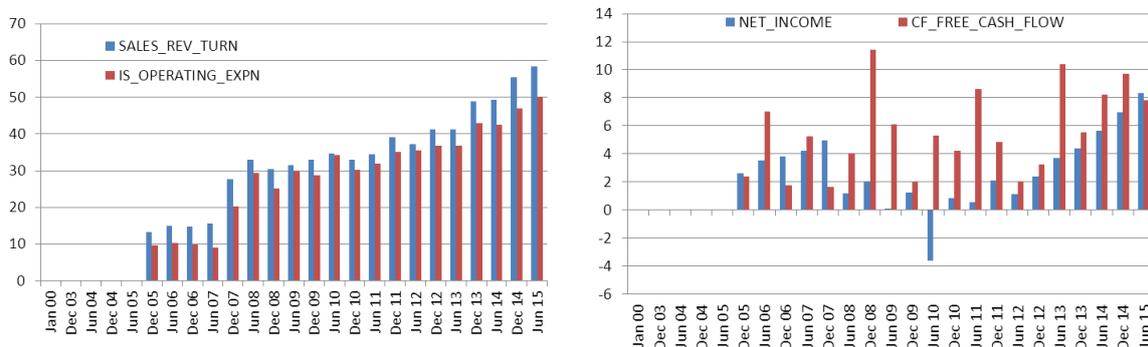
Margins continue to increase on greater sales volume and returns are up.



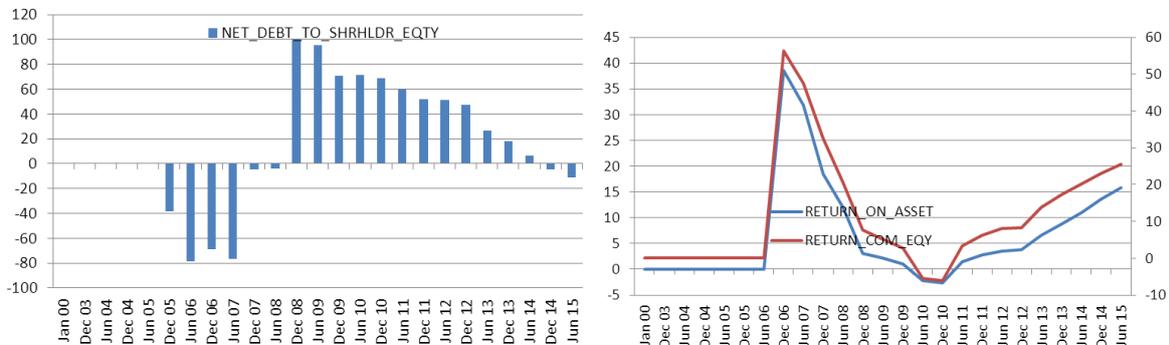
The balance sheet is net cash and recent acquisitions should boost growth. The company has a goal to reach US\$100m revenue by FY17 (currently \$80m) and if it were to reach this the valuation is quite compelling at c. 10x cashflow. The profit and cashflow will be significantly different in upcoming years as the company realised a significant tax loss that it can utilise.

GBST Holdings Limited

GBST is another software company. It is focused on the financial sector and provides security transaction and fund administration software. Its capital markets division provides software to process equities, derivatives, fixed income and managed fund transactions. It also has a wealth management division focused on administration. Growth in recent times has been driven by the wealth management side and has been primarily offshore (with offshore revenue now 55%). Sales have risen steadily and profits have followed suit:

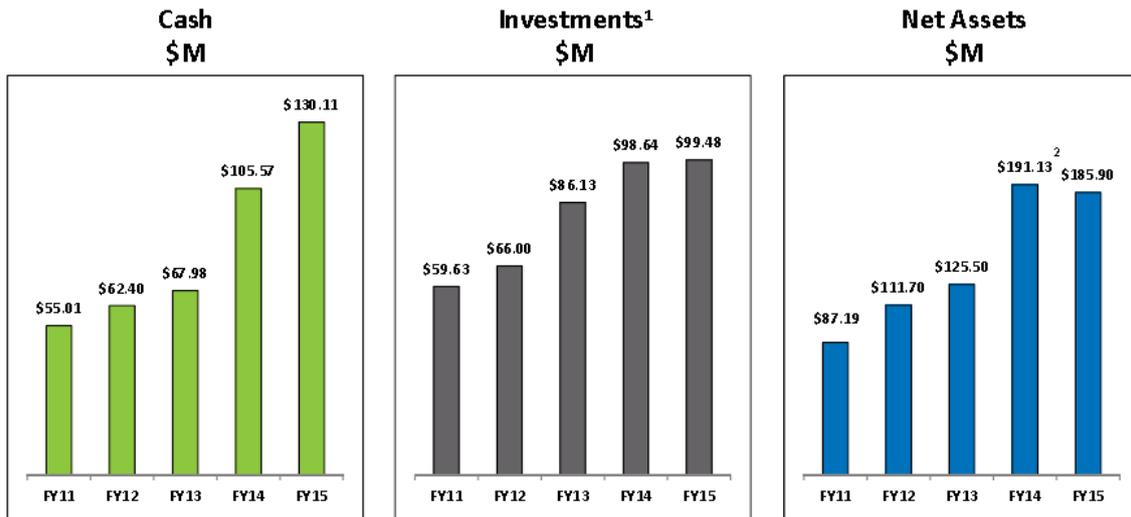


Profits have been used to reduce debt and returns are trending up.



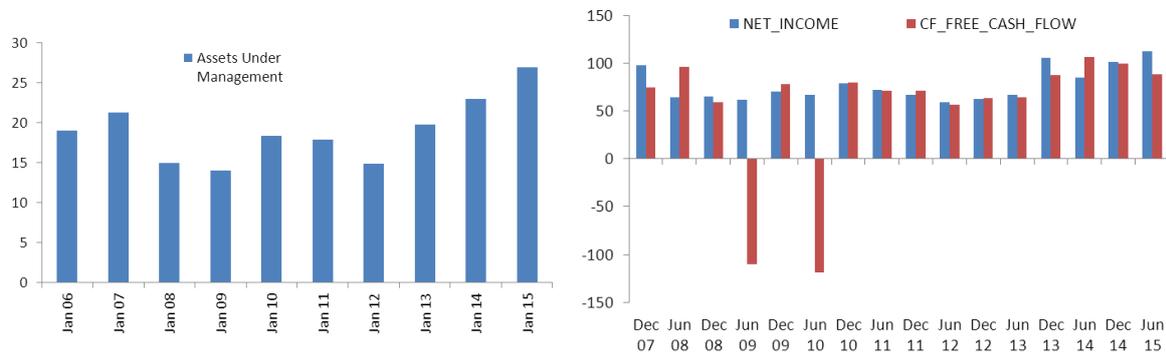
IMF Bentham Limited

IMF Bentham is a simple investment proposition. They are the largest provider of shareholder litigation services in Australia and have a fantastic track record of success. On their balance sheet they have a lot of cash and a lot of investment into cases. Their average Return On Investment for their cases over their history is 158%. The stock has recently traded down towards the value of their net assets and if their historical success is maintained a patient investors will see significant upside.



Platinum Asset Management

Platinum is a pure play international equities manager with a long term track record of outperformance. We are attracted to the space as we think demand for international equities from Australian investors should continue to grow as the domestic economy continues to weaken. We can see that it has in recent times as FUM has hit a record at \$26.9bn at June 30. This locks in higher management fees for the year ahead.



The recent result saw revenue in line with expectations whilst profit was a beat. Management fees were +18% to \$322m on the back of FUM rising from \$22.9bn to \$26.9bn which offset a fall in performance fees. The beat at the profit level is most likely due to a \$16.9m gain on USD holdings. Platinum hold \$327m in cash and a decent part of that is in USD which is worth more in AUD than it was a year ago.

If the current market volatility continues there is a risk FUM will fall but in that instance we would hope to see some performance fees come through. We are happy to back the investment team given their long term track record of outperformance and in particular their track record of outperforming in down markets.

The risk of this position is higher than other holdings given the market sensitivity and because of that we will never hold a large position.

The Portfolio

The fund is currently invested in 14 positions and retains a cash balance of 23.3%. The cash balance is down from 33.7% last month as the fund utilised the volatility to introduce the four new positions discussed above. We also increased our position in MTU whilst trimming our positions in BGL & GEG.

