FORAGER

SEPTEMBER 2022 QUARTERLY REPORT

Hanging onto the value moniker

FORAGER

CHIEF INVESTMENT OFFICER LETTER

QUARTERLY LETTER SEPTEMBER 2022

FORAGER FUNDS PERFORMANCE SUMMARY (as at 30 September 2022. Net of all fees and expenses)

	1 month return	3 month return	6 month return	1 year return	3 year return (p.a.)	5 year return (p.a.)	10 year return (p.a.)	Since inception* (p.a.)
Forager Australian Shares Fund	-6.53%	6.70%	-21.57%	-28.92%	2.18%	-0.69%	9.12%	8.62%
Forager International Shares Fund	-5.91%	-0.93%	-13.98%	-33.55%	7.24%	5.03%	-	10.63%

Past performance is not indicative of future performance and the value of your investments can rise or fall. Performance in FASF is calculated using Net Asset Value (NAV), not the market price.

*8 February 2013 for FISF and 30 October 2009 for FASF

The new financial year began the way the previous one ended, with global stock markets dancing to the tune of the world's central bankers. Stock prices surged for the first six weeks of the quarter on optimism that rate rises were coming to an end, only to collapse again when Federal Reserve Chairman Jerome Powell put paid to that assumption in a speech from Jackson Hole.

As I said at our annual roadshow events in July and August, I have never seen financial markets this momentum-driven or correlated. Whether interest rates need to go 1% or 2% higher doesn't significantly change our stock valuations. We are buying businesses that we expect to provide returns well north of 10% per annum over the long term.

The news on that front has generally been good. The largest investment in the Forager International Shares Fund, **Flutter**, has been announcing some thesis-confirming news (see the August monthly report). You can also read about some excellent recent news at Australian Fund investments **Motorcycle Holdings**, **Apollo Tourism and Leisure** and **Tourism Holdings** in this month's Forager Australian Shares Fund report.

More of this is what we are hoping for over the coming years. A world of higher interest rates and cheaper stocks is one in which there are more opportunities to find businesses like these, buy them at attractive prices and let the businesses deliver us outstanding returns. So don't be hoping for a big market rally. If wider markets rise significantly and everything gets expensive again, that only makes our job more difficult.

Speaking of Flutter, it is a business we are confident will grow (a lot) over the coming decades. It is also an investment the likes of which risk getting me kicked out of the value investor's club.

BUYING GROWING BUSINESSES IN A VALUE FUND

Is it fair to say that there is a style change occurring at Forager? It's a question we received off the back of our recent roadshow after disclosing that about one-third of our Forager Australian Shares Fund is currently invested in tech stocks. Plenty of people want to know if we can still call ourselves value investors.

Value investing has always, to me, meant investing in shares of a company at a significant discount to the underlying value of the business. That has often incorporated businesses with significant growth prospects, as long as those growth prospects aren't reflected in the share price.

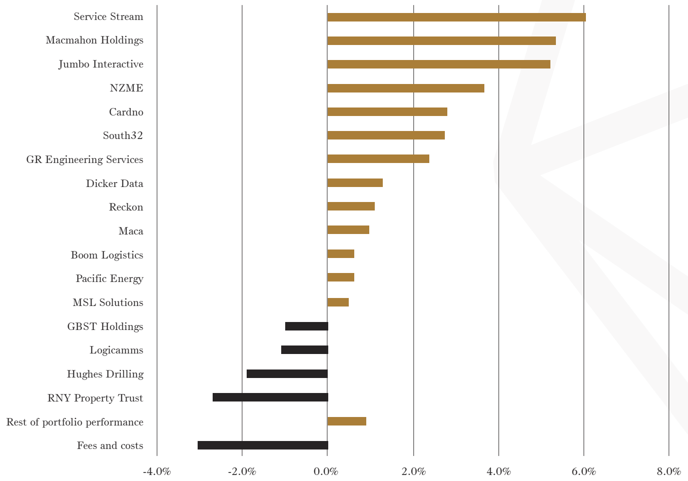
Wind back five years to our 2017 Performance Report and many of the best performers that year were growing businesses and tech companies.

Jumbo Interactive, **GBST** and **Reckon** were all tech stocks. Jumbo and GBST were barely profitable at the time we bought them. Dicker Data was a growth stock (albeit one trading on a low earnings multiple at acquisition).

Most of our historically successful investments were businesses that grew, even if they weren't priced to grow at the time of our first investment.

This is not unique to Forager. Most famous value investors are perfectly capable of valuing growing businesses. One of Warren Buffett's most successful investments, the Coca-Cola Company, was one of the 20th century's greatest growth stocks. Seth Klarman's publicly disclosed holdings currently include Amazon and semi-conductor company Qorvo.

FASF CONTRIBUTION FOR THE 12 MONTHS ENDING 30 JUNE 2017



HANGING ON TO THE VALUE MONIKER

The challenge is that the understanding of what constitutes a value investor has changed with the rise and rise of index funds. By categorising the market as either "value", for stocks with high dividend yields and low price-to-earnings ratios, or "growth" for those with the opposite characteristics, index providers could offer factor funds. Seth Klarman without the fees.

But I'm not yet ready to give up the moniker. Value investors have appreciated growing companies since before the index fund existed, and the distinction between us and the rest is still important.

Quality and growth are not criteria for our portfolios, simply inputs into our valuations. We want to own quality when it is unloved or underappreciated, not quality for quality's sake. Forager's Australian Fund also has investments in **Seven West Media**, mining services and **Qantas**. None of those would meet a "quality" filter. We simply invest on estimates of future cash returns to shareholders. That is equally true of Seven West Media, where we think the earnings will probably shrink slowly, as it is of **RPMGlobal**, where the earnings are fairly obviously going to grow.

MORE NOW, BECAUSE THE TIME IS RIGHT

Forager has certainly "drifted" towards a higher allocation to growing companies over the past few years. There are two good reasons for that.

First, look back at that 2017 list and you will also see **Boom Logistics**, **Hughes Drilling** and **RNY Property Trust**, a cluster of asset-heavy businesses that we invested in at substantial discounts to the "value" of their tangible assets. These did not work out well and were subsequently joined by the likes of **Thorn Group** and **iSelect**, similarly "cheap" stocks that never generated the profits we expected. Every business has a price. But the gap between the right price for a shrinking business and a growing one is a chasm. We learned that more than once.

Second, investors should expect us to "drift" a lot.

We have a particularly high weighting to tech stocks at the moment. They are all established businesses with predictable and growing revenue streams.

Investors didn't give a hoot about profits 18 months ago and tech stocks traded on revenue multiples. Today, the share prices have been absolutely hammered, and all anyone cares about is profitability.

Yes, some of them are currently reporting losses. But that is largely a function of significant investment in attracting new customers rather than any reflection on the profitability of the existing customers. Twenty years ago the accounting standards allowed companies to capitalise customer acquisition costs and spread the expense over the life of the expected revenue stream. That, predictably, led to a proliferation of aggressive and unrealistic assumptions and overstated profitability.

Today's accounting standards, where all customer acquisition costs get expensed upfront, lead to an understatement of economic reality.

For the value investor, therein lies the opportunity. These businesses are no more difficult to value than most, and our estimates have not changed meaningfully over the past 18 months. Yet some share prices are 70% lower, taking them from premiums to our valuation estimates to significant discounts. We buy them when they are cheap.

If those share prices rise a lot and everyone else becomes optimistic, you should expect us to be moving on to the next sector that is out of favour.

If that gets us kicked out of the value investors' club, then so be it.

Kind regards,

Steven Johnson
Chief Investment Officer

INTERNATIONAL SHARES FUND

MONTHLY REPORT SEPTEMBER 2022

FORAGER INTERNATIONAL SHARES FUND PERFORMANCE SUMMARY (as at 30 September 2022. Net of all fees and expenses)

	1 month return	3 month return	6 month return	1 year return	3 year return (p.a.)	5 year return (p.a.)	Since inception* (p.a.)
International Shares Fund	-5.91%	-0.93%	-13.98%	-33.55%	7.24%	5.03%	10.63%
MSCI AC World Net Index in $A	-3.67%	-0.14%	-8.22%	-11.45%	5.31%	8.40%	12.02%

MSCI AC World Net Index in $A is an abbreviation of MSCI All Country World Investable Market Index (Net) in Australian dollars. Past performance is not indicative of future performance and the value of your investments can rise or fall.

*8 February 2013

The macroeconomic concerns that punctuated the end of August continued throughout September, with equities down sharply for the month. The Forager International Shares Fund was lower by 5.9% in September against an index that was down 3.7%, despite a weak Australian dollar. That erased the gains for both the Fund and the market from earlier in the quarter.

Not many sectors have been spared this year as the S&P 500, a broad-based index of US stocks, has fallen 25% in the nine months to 30 September. Some sectors have been hit harder than others, though. The US housing market is one of them, with an S&P US Homebuilders Index down 36% over the same nine-month period and plenty of stocks exposed to the sector down much more than that, particularly at the smaller end of the market capitalisation spectrum.

It's not surprising that investors are spooked. The US 30-year fixed rate for mortgages has more than doubled, rising from 3.2% at the start of 2022 to 6.7% on 29 September.

Some central bankers like sticking their heads in the sand about the correlation, but as interest rates rise, house prices fall. At higher interest rates, borrowers will need to spend more of their disposable income on mortgage repayments, all else equal. The above rate change increases monthly mortgage repayments on the same size loan by almost 50%.

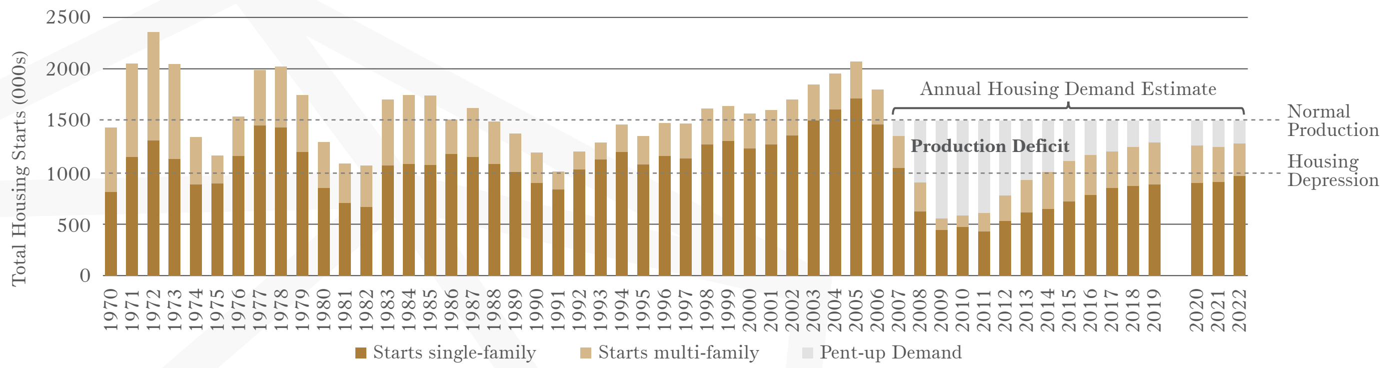
Most borrowers don't have the capacity to pay 50% more of their disposable income in mortgage payments, so they borrow less. When they borrow less, they pay less for houses. It's as simple as that. UBS analyst Jonathon Mott summed it up perfectly when analysing macroprudential lending restrictions here in Australia in 2018:

"House prices are not driven by the demand and supply of housing and population growth. Maybe on a 20-year time frame they are. House prices are determined by the demand and supply of credit availability. When you take your hand down at the auction is when you run out of money. And if the banks aren't lending you as much as they did 12 months ago, well your hand comes down a couple of hundred grand lower".

There is little doubt house prices will fall in the US. But investors are now pricing in another Global Financial Crisis, and they are being indiscriminate, leading to some compelling investing opportunities.

First, this downturn is not likely to be as severe. Vacancy rates of housing stock are at historically low levels, while vacancies were at an all-time high in 2007. The number of people reaching the typical first-time homebuyers age is higher than we've seen before, and increasing. But most importantly, there is a lack of housing supply in the US which contrasts with the oversupply that occurred in the leadup to the GFC.

MACRO OVERVIEW: PRODUCTION DEFICIT OF HOMES, BOTH FOR SALE AND FOR RENT



Source: Miller Value Partners: Is It 2008 All Over Again? Not in the US. 27 September, 2022.

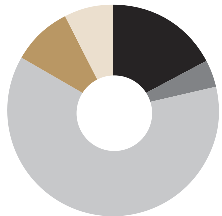
In the nine years preceding the crisis, housing starts were well above normal levels. In the decade since, housing production has been well below historical trends. The chart above shows the meaningful production deficit that occurs as a result, where new home construction is insufficient to meet likely demand. So, while a downturn in housing is not out of the question, it is unlikely to be as deep or as long as what we saw in 2008.

Secondly, spending on renovation and remodelling tends to be less cyclical than on new home construction. While renovations, especially larger ones, will take a hit on higher interest rates, the housing stock requires a minimum level of spending on maintenance to avoid falling into disrepair. And many Americans have 30-year mortgages at low and fixed rates, creating an incentive to stay and spend on the existing home rather than move and take on a new higher-rate mortgage.

Finally, non-residential construction has been in the doldrums. The Biden Government's so-called Inflation Reduction Act has hundreds of billions of dollars set aside to fix the country's ailing infrastructure. Many commercial projects, stalled due to COVID, are just now commencing. That should provide an offsetting boost to many companies suffering from a residential slowdown.

STOCK EXPOSURE BY GEOGRAPHY

- UK (17.2%)
- Europe (4.0%)
- US (62.0%)
- APAC (9.1%)
- Cash (7.7%)



Given the negative sentiment, we have been scanning the sector for opportunities. Our focus is on businesses with sustainable competitive advantages that can compound through a potential downturn, particularly those with more resilient foundations.

One such opportunity is Hong Kong-listed **Techtronic** (HKSE:669), a previous Fund investment from 2020 that we exited after a strong share price rally. The owner of power tools brands including Milwaukee and Ryobi has gone from strength to strength since our valuation-driven 2020 exit, with profit increasing 79% between 2019 and 2021. Despite this, the valuation has fallen by almost 50% over the past 12 months as investors fret over the strength of the US consumer and housing sector, with the price to earnings multiple now at a 10 year low.

A year of far more modest growth is inevitable. But we expect the long-term trends of growing market share and margins to continue for a long time yet, and it trades at just 14 times the next twelve month's earnings. Techtronic has a track record of introducing innovative new products that often create new categories of demand and ensure its market share continues increasing. This comes from a strategy of continuously outspending competitors on research and development, resulting in higher performance products. It is a long way in front of the competition, and we expect it to stay there.

Techtronic is a large company with majority US sales and a suite of well-known brands, but it's listed in Hong Kong, placing it outside the universe of most US investors. We call this an orphan stock, and these businesses can often be mispriced.

It is now one of our ten largest investments, but we have retained the flexibility to increase our position size should the share price continue to fall or if the company exceeds our expectations. It was one of several new investments made over the quarter, but the only one we're ready to talk about yet.

Another longer-held investment exposed to the US housing market is **Installed Building Products** (NYSE:IBP). This investment has been discussed numerous times, including in the May monthly report. While a booming housing market is great for this company's sales trajectory, there is plenty of opportunity to continue to increase market share by accelerating acquisitions at favourable prices should the opportunity arise.

PORTFOLIO DISTRIBUTION ACCORDING TO MARKET CAPITALISATION

- $0-$250m (11.1%)
- $250-$1000m (17.3%)
- $1000-$5000m (32.6%)
- $5000m+ (31.4%)
- Cash (7.7%)

Elon Musk's attempt to backtrack from his deal to buy social media company **Twitter** (NYSE:TWTR) appears to be failing. A steady stream of documents released by the Delaware Court of Chancery - where Twitter is trying to force Musk to pay the $54.20 per share he promised to pay shareholders - suggest Musk is likely to end up on the losing end. The share price was 17% higher for the quarter despite a fairly horrible results announcement and most social media companies suffering.

On 3 October, post the end of the quarter, Twitter filed a short letter to the Securities and Exchange Commission confirming receipt of a proposal from Musk's lawyer to close the transaction at the "originally agreed price", sending the share price up another 22%.

In order to allow Musk the time to execute on his newly refreshed promise to abide by his original signed promise, Chancellor Kathaleen McCormick has granted him a short stay to the case to 28 October. It's a very short rope, and we expect she'll look to hang him with it should he try to back out again.

We put the chances of Twitter shareholders receiving their rightful $54.20 per share by around month end at about 95%. If not, Twitter and Musk will be back in court in November, with Musk's bargaining position - poor to begin with - significantly worsened.

TOP 5 HOLDINGS (as % of NAV)

Flutter Entertainment Plc	**(LSE:FLTR)**	5.3%
Blancco Technology Group Plc	**(AIM:BLTG)**	4.0%
Zeta Global Holdings Corp-A	**(NYSE:ZETA)**	3.8%
Autodesk Inc	**(NASDAQ:ADSK)**	3.7%
Meta Platforms Inc	**(NASDAQ:META)**	3.7%
Cash		7.7%

FUND OBJECTIVE

The Fund is an international equities fund, targeting undervalued securities on the world's stock markets. The Fund's investment objective is to outperform the MSCI All Country World Investable Market Index (Net) in Australian Dollars (MSCI AC World Net Index in $A) over a rolling 5-year period. The Fund's goal is to produce superior long-term returns from a portfolio of 20–40 businesses, irrespective of short-term share price movementsˆ.

FUND PERFORMANCE BY MONTH AND FINANCIAL YEAR

FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Return
2013								-0.26%	-0.62%	2.88%	8.74%	3.47%	**14.73%**
2014	3.61%	1.11%	-1.26%	4.59%	6.58%	2.82%	1.40%	1.92%	-4.64%	1.85%	1.46%	-0.16%	**20.54%**
2015	-1.81%	-0.82%	1.47%	-2.93%	2.43%	3.63%	1.33%	3.59%	1.47%	2.84%	4.54%	-2.17%	**14.06%**
2016	5.61%	-0.29%	-2.07%	2.55%	-3.19%	-2.74%	-5.08%	3.36%	0.09%	3.64%	5.84%	-6.36%	**0.44%**
2017	4.55%	3.84%	1.91%	0.52%	4.65%	5.55%	-0.63%	-0.13%	2.25%	4.97%	1.69%	-4.25%	**27.42%**
2018	-0.76%	-0.43%	3.99%	2.31%	1.62%	-2.76%	0.97%	-1.78%	-1.22%	4.64%	0.97%	1.21%	**8.81%**
2019	-0.55%	1.50%	2.22%	-6.62%	-5.49%	-3.66%	5.11%	5.19%	-4.03%	4.79%	-2.68%	1.85%	**-3.31%**
2020	0.07%	-1.92%	3.09%	0.95%	4.83%	4.73%	3.62%	-6.03%	-15.53%	9.78%	12.60%	-0.22%	**13.74%**
2021	1.36%	10.05%	1.63%	2.36%	10.85%	5.98%	2.07%	6.56%	2.20%	8.05%	1.41%	7.75%	**78.88%**
2022	-4.25%	-0.03%	-3.57%	-1.79%	1.27%	-4.61%	-6.24%	-6.32%	-7.29%	-6.24%	-1.50%	-5.98%	**-38.09%**
2023	4.46%	0.80%	-5.91%										**-0.93%**

Past performance is not indicative of future performance and the value of your investments can rise or fall.

FACTS

Fund inception	8 February 2013
Minimum investment	$20,000
Monthly investment	Min. $200/mth
Distribution	Annual, 30 June
Applications/Redemption	Weekly

UNIT PRICE SUMMARY

As at	30 September 2022
Buy Price	$1.2965
Redemption Price	$1.2914
Mid Price	$1.2939
Portfolio Value	$174.5 million

The Fund is forward-priced; you will receive the price struck subsequent to the receipt of your application/redemption.

ABOUT FORAGER

With approximately $320 million of funds under management and a focus on long-term investing, Forager Funds is a unique Australian asset management company.

Following a strong ten-year track record, Forager is a sustainable business but is nimble enough to invest in smaller listed companies not accessible to many investment managers.

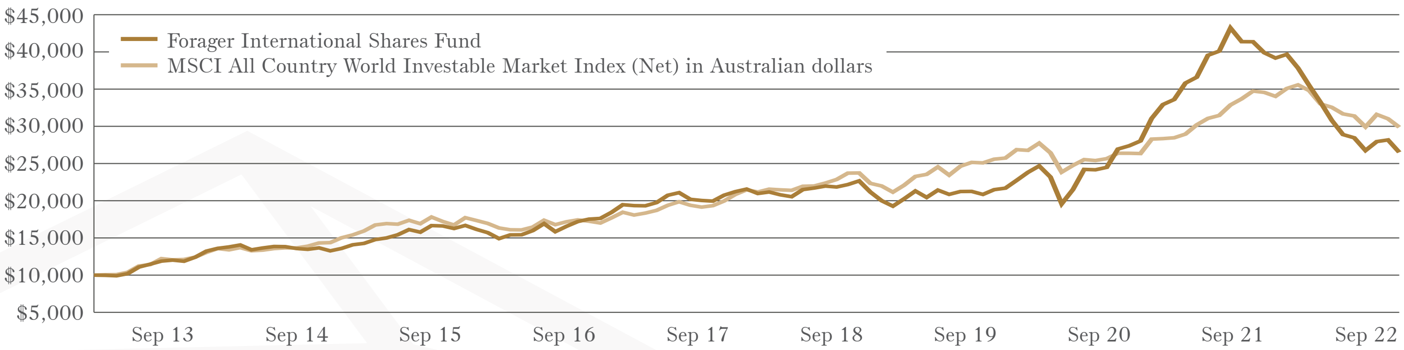
The company is majority owned by staff. Forager's shareholders support the desire to place performance before revenue. That means capping the size of funds before too much money becomes an impediment to performance.

Key investment staff are strongly aligned with investors through co-investment and / or equity in the Forager business.

FUND CHARACTERISTICS

- Concentrated portfolio of global equities
- A combination of large liquid resilient businesses with smaller value based opportunities
- Flexible mandate allows for a wide range of markets
- Investment team with deep pockets of expertise
- Strong focus on managing portfolio risks
- Weekly applications and redemptions

COMPARISON OF $10,000 INVESTMENT OVER TIME



Source (MSCI AC World Net Index in $A): S&P Capital IQ. The above figures assume that all distributions have been reinvested. Past performance is not indicative of future performance.

FORAGER

AUSTRALIAN SHARES FUND

MONTHLY REPORT SEPTEMBER 2022

FORAGER AUSTRALIAN SHARES FUND PERFORMANCE SUMMARY (as at 30 September 2022. Net of all fees and expenses)

	1 month return	3 month return	6 month return	1 year return	3 year return (p.a.)	5 year return (p.a.)	10 year return (p.a.)	Since inception* (p.a.)
Australian Shares Fund (ASX:FOR)	-6.53%	6.70%	-21.57%	-28.92%	2.18%	-0.69%	9.12%	8.62%
All Ordinaries Accumulation Index	-6.41%	0.80%	-12.21%	-8.57%	3.12%	7.11%	8.58%	7.19%

The value of your investments can rise or fall. Performance is calculated using Net Asset Value (NAV), not the market price. Past performance is not indicative of future performance. *30 October 2009

During September the net asset value of the Forager Australian Shares Fund fell 6.5%, in line with the All Ordinaries Index's decline of 6.4%. Smaller companies fared worse than the broader index, with the Small Ordinaries Index falling by 10.1% during the month. With reporting season already wrapped up for the Australian market, it was macroeconomic factors and weak offshore markets that dragged shares lower.

While September gave back some of the recent Fund performance recovery, it has still been a good start to the current financial year. That was mostly driven by company-specific positive developments across the portfolio.

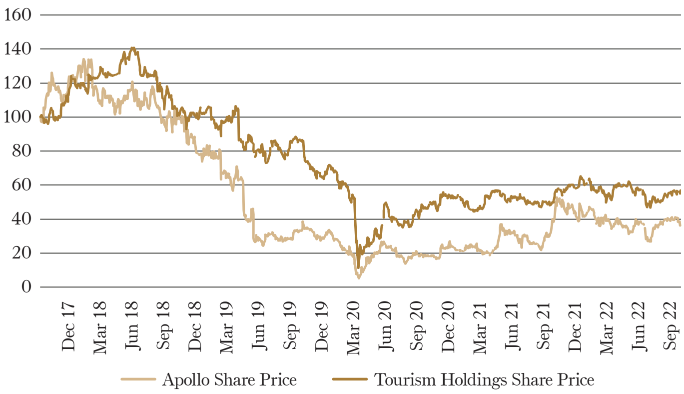
The long-awaited merger between **Apollo** (ATL) and **Tourism Holdings** (NZX:THL), both Fund investments, was finally approved by competition regulators on both sides of the Tasman. The recreational vehicle operators buy, build, rent and sell vehicles in Australia, New Zealand, North America and Europe.

When the deal was first proposed in December 2021, it was optimistically assumed to complete by June 2022. Then competition authorities, New Zealand's NZCC and Australia's ACCC, raised some yellow flags. The companies are close competitors and the authorities worried that consumers would end up paying more.

To assuage these concerns, the companies offered to divest more than 70% of Apollo's Australian and NZ fleets to Jucy Rentals, a small competitor. Jucy was recently acquired by private equity player Next Capital and will take on the campervans, locations and the Star RV brand from Apollo. It will become a legitimate competitor to the combined group.

During the long deal period Apollo's Australia-heavy operations recovered faster than THL's NZ rental-heavy business. So Apollo shareholders were given a sweetener and will now own 27.5% of the combined group, up from the original 25% ownership.

APOLLO AND TOURISM HOLDINGS SHARE PRICE



Source: Bloomberg

The benefits of the merger remain significant for both parties. Synergies were estimated to be NZ$17-19m, about two-thirds of Apollo's stand-alone profitability. The combined group will be able to buy better, build their own inventory in Australia and NZ, rent more effectively across the world and sell better through company-owned networks.

Combined, these two stocks represent the largest investment in the portfolio and have seen some share price appreciation as the merger has become more likely and operational improvement has become clearer. There is still plenty of value on offer.

The full impact of synergies and the recovery in international tourism will be in place by the start of the 2024 financial year. At that point, the larger, and we estimate more liquid, ASX-listed Tourism Holdings will be trading at a very attractive seven times after-tax earnings.

The recreational vehicle operators were not the only ones to stitch together a deal.

Motorcycle Holdings (MTO), a seller of motorcycles and accessories across its dealership, retail and wholesale channels acquired MOJO, an agriculture-focused all terrain vehicles and quad bikes distributor.

MOJO's key products are imported from China-based manufacturer CFMoto, one of the few manufacturers to install rollover protection on its quad bikes. With rival manufacturers unwilling to implement the recently-mandated safety measure and withdrawing from the Australian market, MOJO's sales have grown rapidly.

The Motorcycle Holdings management team, led by managing director and 19% shareholder Dave Ahmet, have struck a deal to buy MOJO for $60m, or six times after-tax earnings. The MOJO vendors are taking half the purchase price in stock and one of the founders is joining the company's board of directors, increasing the likelihood of a successful acquisition. The transaction will increase Motorcycle Holdings' earnings per share by 18%. There are also opportunities to better integrate MOJO into the group and improve sales and profits from the acquired business.

PORTFOLIO DISTRIBUTION ACCORDING TO MARKET CAPITALISATION

- $0-$100m (10.4%)
- $100-$200m (21.8%)
- $200-$1000m (50.3%)
- $1000m+ (10.3%)
- Cash (7.2%)

With economic conditions worsening but not yet impacting sales, concerns about next year's profitability have weighed on investor appetite for cyclical stocks like Motorcycle Holdings. The combined business would have made $33m in after-tax profit last financial year, trades at only six times after-tax profits and last year paid dividends equating to a 7.8% fully-franked yield.

There is little doubt conditions will deteriorate. We expect this well-run, founder-led business to continue growing the business through deals like this. Any market downturn will hurt short-term profitability but should assist the long-term objectives.

TOP 5 HOLDINGS (as % of NAV)

RPMGlobal Holdings Limited	**(ASX:RUL)**	6.6%
Tourism Holdings Ltd	**(NZE:THL)**	5.1%
Integral Diagnostics Limited	**(ASX:IDX)**	5.0%
Readytech Holdings	**(ASX:RDY)**	4.5%
Bigtincan Holdings Limited	**(ASX:BTH)**	4.3%
Cash		7.2%

FUND OBJECTIVE

The Fund targets securities that Forager believes are undervalued and invests predominately in securities listed on the ASX. Its investment objective is to outperform the All Ordinaries Accumulation Index over a rolling 5-year period and its goal is to produce superior long-term returns from a select number of underlying investments, irrespective of short-term price movements^.

The portfolio has historically generally held 15 to 25 securities but in recent times the number of investments has increased to around 35 securities. This has reflected the fact that the Fund has grown, the investment team has grown and the Manager has enhanced the portfolio liquidity requirements as a result. We expect that the portfolio will remain relatively concentrated and the number of portfolio investments will generally be in the 15 to 50 range.

FUND PERFORMANCE BY MONTH AND FINANCIAL YEAR

FY	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Return
2010					-0.69%	2.52%	-1.66%	0.08%	-0.34%	4.60%	-4.27%	-4.40%	**-4.41%**
2011	4.97%	-2.40%	-2.80%	-1.54%	3.12%	6.59%	1.58%	0.47%	-1.49%	3.40%	-5.39%	-0.82%	**5.12%**
2012	-1.00%	-2.61%	-7.20%	9.89%	-0.02%	-4.62%	1.53%	8.90%	5.02%	2.17%	-0.51%	-2.64%	**7.76%**
2013	8.70%	0.44%	2.83%	-3.07%	4.57%	0.33%	5.83%	4.86%	4.51%	1.41%	2.65%	-0.69%	**36.87%**
2014	10.45%	1.13%	4.77%	2.50%	-0.11%	0.38%	1.05%	0.48%	-1.28%	-3.44%	1.28%	-0.15%	**17.73%**
2015	6.70%	2.56%	-1.23%	-2.06%	-0.21%	-1.15%	0.94%	3.38%	4.87%	-2.42%	3.13%	-2.34%	**12.31%**
2016	7.94%	-4.46%	-1.38%	12.87%	-2.97%	0.22%	-1.33%	2.70%	4.40%	2.48%	1.51%	-3.91%	**18.06%**
2017	6.99%	3.25%	4.50%	-1.99%	-4.65%	1.76%	7.20%	1.29%	1.60%	1.16%	1.16%	1.00%	**25.16%**
2018	2.32%	-0.95%	2.69%	0.95%	0.21%	4.06%	-0.57%	-3.18%	-2.64%	2.77%	-0.97%	1.91%	**6.50%**
2019	-0.62%	-1.90%	-2.19%	-6.16%	-3.78%	-3.68%	0.98%	4.46%	-0.95%	-2.02%	-3.97%	-1.46%	**-19.66%**
2020	6.67%	-1.09%	4.38%	1.54%	-3.22%	-1.50%	2.46%	-10.97%	-39.71%	20.57%	18.04%	-2.16%	**-18.36%**
2021	3.70%	18.80%	2.00%	7.79%	13.22%	3.56%	-3.05%	4.07%	1.21%	13.23%	0.26%	1.62%	**87.09%**
2022	5.01%	2.58%	0.45%	1.57%	-1.35%	2.81%	-7.55%	-7.48%	2.86%	-7.29%	-9.60%	-12.30%	**-27.91%**
2023	12.28%	1.67%	-6.53%										**6.70%**

Past performance is not indicative of future performance and the value of your investments can rise or fall. Performance is calculated using Net Asset Value (NAV), not the market price.

FACTS

Fund inception	30 October 2009
ASX Code	FOR
Distribution	Annual, 30 June

UNIT PRICE SUMMARY

As at	30 September 2022
NAV	$1.35
Market Price	$1.24
Portfolio Value	$141.7 million

ABOUT FORAGER

With approximately $320 million of funds under management and a focus on long-term investing, Forager Funds is a unique Australian asset management company.

Following a strong ten-year track record, Forager is a sustainable business but is nimble enough to invest in smaller listed companies not accessible to many investment managers.

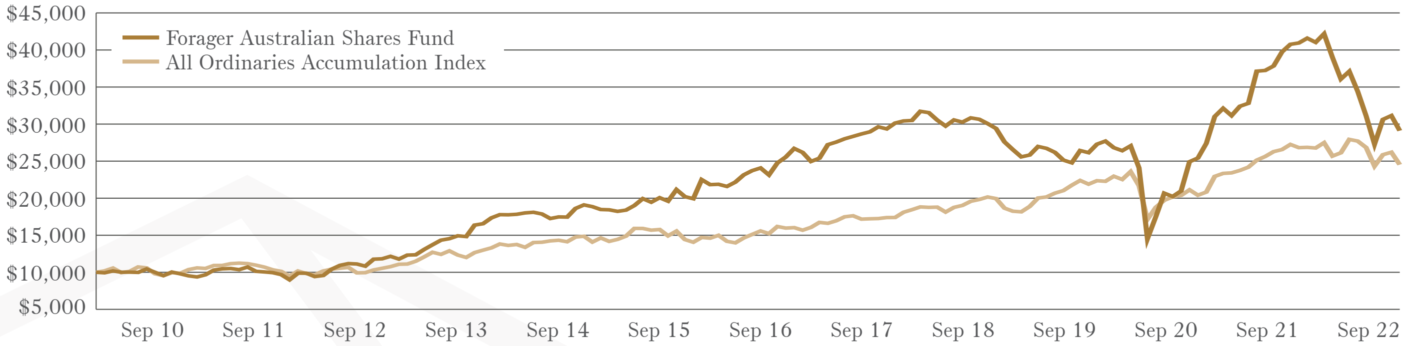
The company is majority owned by staff. Forager's shareholders support the desire to place performance before revenue. That means capping the size of funds before too much money becomes an impediment to performance.

Key investment staff are strongly aligned with investors through co-investment and / or equity in the Forager business.

FUND CHARACTERISTICS

- Concentrated portfolio of ASX-listed stocks
- Long track record in identifying unloved gems
- Restricted fund size allows investment in smaller businesses
- Strong focus on managing portfolio risks
- Listed on ASX as a Listed Investment Trust (LIT)
- Structure offers Forager flexibility in distressed markets

COMPARISON OF $10,000 INVESTMENT OVER TIME



Source (All Ords): S&P Capital IQ. The above figures assume that all distributions have been reinvested. Performance is calculated using Net Asset Value (NAV), not the market price. Past performance is not indicative of future performance.

FORAGER

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