



Most people didn't anticipate Donald Trump winning the US election. Nobody that we know of anticipated the positive market reaction. Yet now everyone seems to know exactly what will happen next.

For the record, we have no idea whether tax rates are going to get cut, walls are going to be built or Federal Reserve Chairs sacked. We are just trying to find cheap stocks and put a portfolio together that is robust to shock. The speculation has impacted the portfolio, though, and caused some adjustments.

Since the US election investors have paid up for companies with a nationalist bent. It doesn't get much more flag-waving than **Harley-Davidson** (NYSE:HOG). Indeed, its share price has risen almost twice as much as the overall market since Donald Trump's victory. Sentiment that Harley's core customer base will fare better under the new administration, combined with optimism around its new engine redesign, has pushed its share price to a level we feel reflects fair value. As a result, we have taken the opportunity to exit our position at a notable gain.

US cable provider **Cable One** (NYSE:CABO) reported third quarter earnings during the month. Revenue grew 3.7% from the previous year, which may not sound like much but stands out in an industry growing at less than 2% per annum. Read the [September quarterly](#) for the details but remember that broadband data revenue is much more profitable for CABO than traditional cable TV subscribers. Its data-related revenue is growing, and the TV revenues are declining at a slower rate than previously. Pre-tax operating profit, a key marker for the business, expanded by more than 20% as a result.

Back in July, we outlined a new investment in Winthrop Realty Trust, a real estate investment trust that was in the process of delisting. This month management announced it would pay a \$0.50 per share distribution. This brings the total amount of cash dividends received to date to \$2.75 per share, and we estimate there is at least another \$9.00 per share in value remaining. Over half of that value rests in the company's Times Square property, and on that front it made some progress. Winthrop announced that it had increased the amount of debt tied to the property and renegotiated for a lower interest rate. We view this as a signal that management's confidence in the value of the asset has grown.

Recent results from **Sarine Technologies** (SGX:U77) suggest the previously frozen diamond market is rapidly thawing (see the [June quarterly report](#) for our introduction to Sarine). Profits for the first nine months of the year increased fivefold as diamond processors resumed buying new equipment from Sarine and processing more diamonds. The company's business model makes for cyclical but wonderful revenue streams and the recurring component — based on a fee per diamond processed — should continue to increase. With a market capitalisation of US\$440m, growth is a must but the progress so far is encouraging.

Finally, on the last day of the month, members of the Opec oil cartel met in Vienna to agree on a cut to production. The announced agreement was larger than expected. Non-Opec producers — Russia most importantly — are supposedly contributing further cuts which could mean demand in excess

of supply as early as the first quarter of 2017. There is a large amount of surplus oil that needs to be consumed. And Opec agreements are notoriously porous. But the oil price increased 15% in the days following the announcement, taking the share prices of the Fund's oil-related holdings along for the ride.

FACTS

Fund commenced	8 February 2013
Minimum investment	\$20,000
Monthly investment	Min. \$200/mth
Income distribution	Annual, 30 June
Applications/Redemption	Weekly

UNIT PRICE SUMMARY

Date	30 November 2016
Buy Price	\$1.6162
Redemption Price	\$1.6098
Mid Price	\$1.6130
Portfolio Value	\$110.6

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

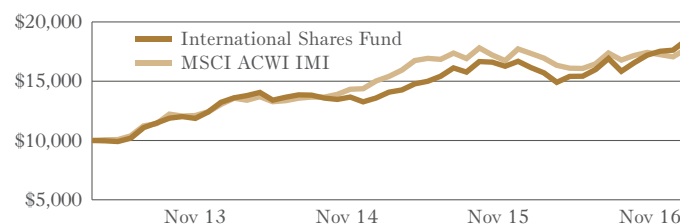
PERFORMANCE

Forager International Shares Fund Performance Summary (as at 30 November 2016)

	International Shares Fund	MSCI ACWI IMI
1 month return	4.65%	3.77%
3 month return	7.21%	1.57%
6 month return	9.00%	1.88%
1 year return	14.20%	2.09%
2 year return	16.51% p.a.	8.57% p.a.
3 year return	11.71% p.a.	10.69% p.a.
Since inception*	17.42% p.a.	16.17% p.a.

*8 February 2013

COMPARISON OF \$10,000 INVESTED IN INTERNATIONAL SHARES FUND VS MSCI ACWI IMI



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