FORAGER

JUNE 2021 FINANCIAL YEAR
PERFORMANCE REPORT

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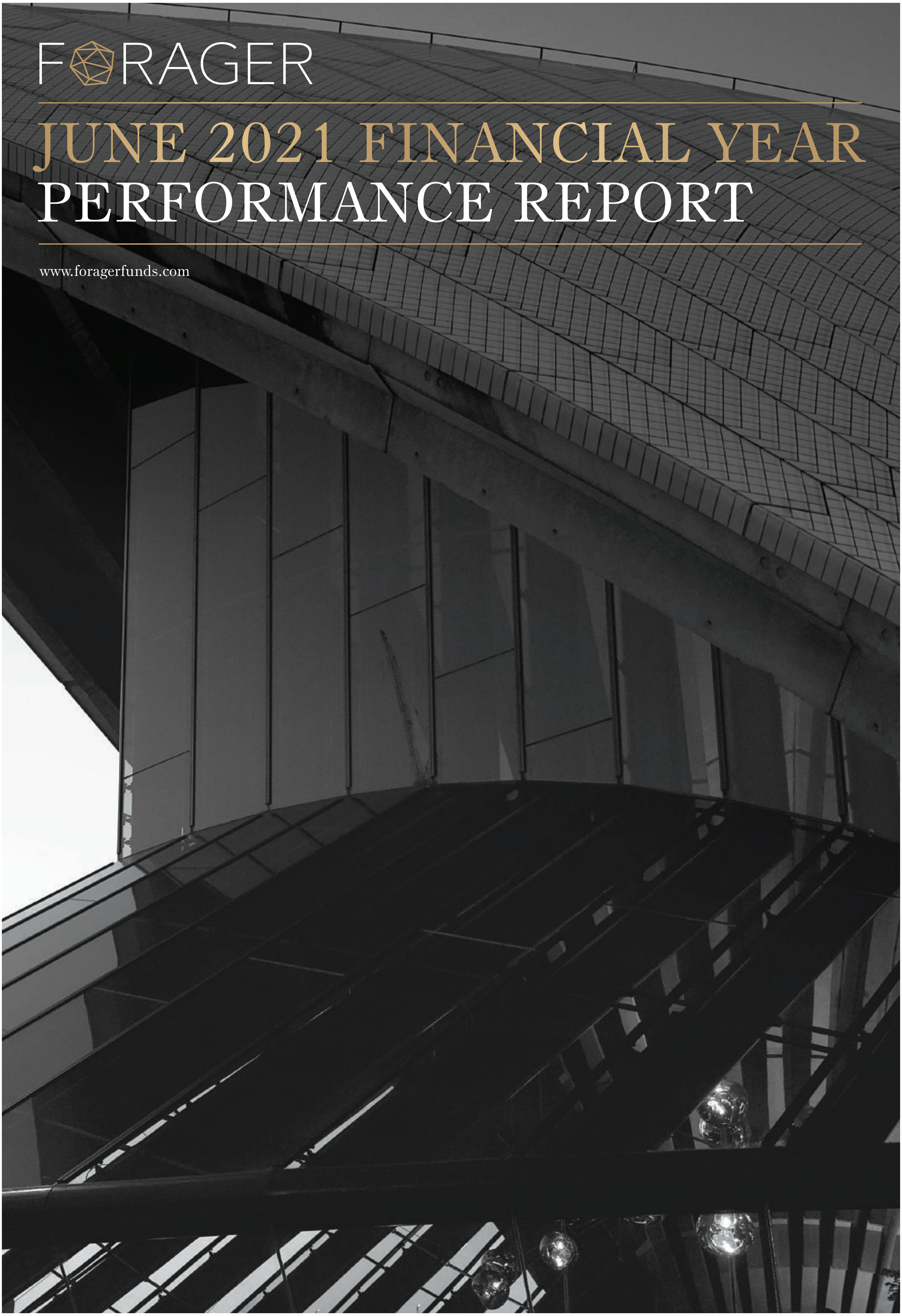

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INTERNATIONAL SHARES FUND

PERFORMANCE REPORT JUNE 2021

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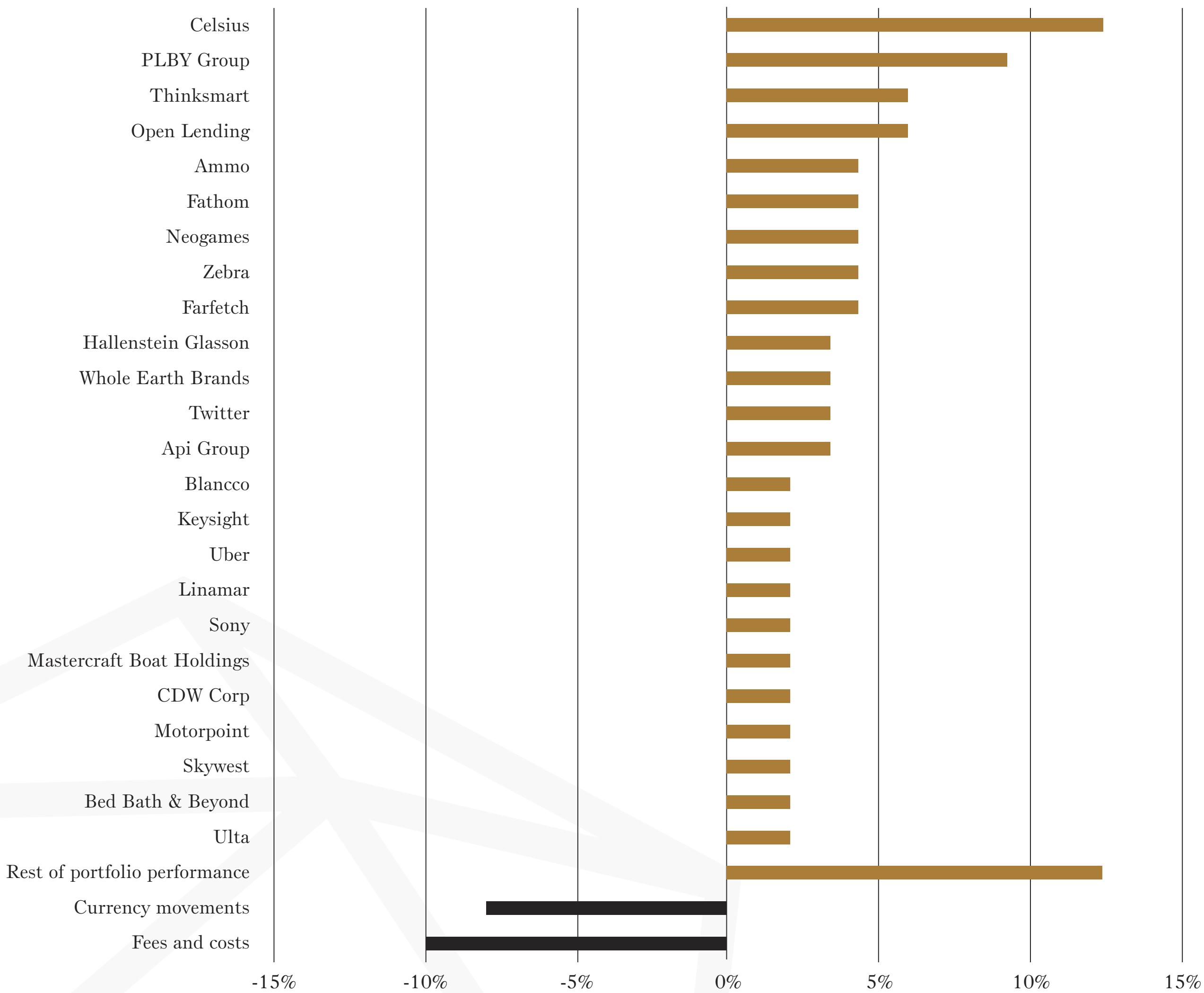
FORAGER INTERNATIONAL SHARES FUND SUMMARY OF RETURNS (as at 30 June 2021. Net of all fees and expenses)

	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	6 year (p.a.)	7 year (p.a.)	Return since inception* (p.a.)
International Shares Fund	78.88%	42.64%	25.30%	20.96%	22.22%	18.29%	17.68%	19.05%
MSCI AC World Net Index in $A	29.25%	15.45%	13.63%	14.07%	14.36%	11.69%	13.34%	15.21%
Outperformance	49.63%	27.19%	11.67%	6.89%	7.86%	6.60%	4.33%	3.83%

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

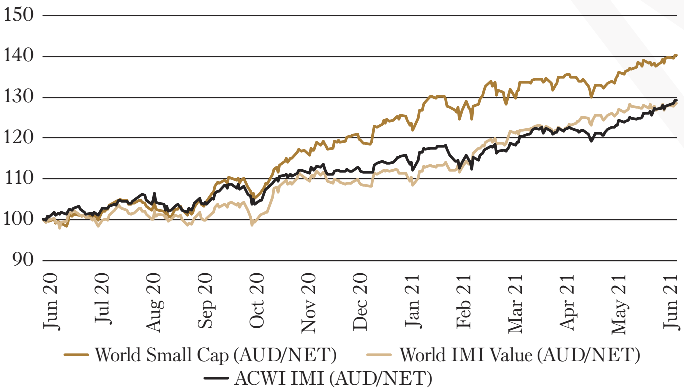
FISF PERFORMANCE CONTRIBUTION FOR THE YEAR ENDING 30 JUNE 2021



Backing up an excellent 2020, the past year's results were outstanding for investors in the Forager International Shares Fund. The Fund returned 78.9% for the 2021 financial year, almost 50% in excess of the MSCI World IMI Index benchmark.

The general environment was more favourable for Forager's investing style than it has been in recent years. As you can see in the chart below, small companies performed better than large companies and value stocks even had their day in the sun. Whichever way you cut it, though, it was a stellar year from the Fund and the outperformance was consistent across company size, market capitalisation and geography.

MSCI WORLD IMI VS MSCI SMALLS VS MSCI VALUE IMI



Source: Capital IQ

Flexibility has been an essential part of our offering since the Fund's inception. We can and do invest wherever we see the most attractive opportunities at any point in time. That has been particularly helpful over the past 12 months. Markets have moved fast and opportunities have come and gone at an unprecedented velocity (in our experience, at least). As you will read below, our outsized returns have come from some very different places throughout the year.

Last year's results take the return since inception to 19.0% per annum net of all fees and costs, 3.8% per annum more than the benchmark. An investment of $10k at inception in February 2013, assuming reinvestment of all distributions, would be worth $43,213 at 30 June 2021*.

SMALLER GROWTH STOCKS ROCKET

Subsequent to the COVID-19 panic of early 2020, smaller growth stocks have done very well globally. The Forager International Shares Fund has been able to do better again, sourcing mispriced opportunities from areas where others have been hesitant to search.

Energy drinks made by **Celsius** (NASDAQ:CELH) continued to explode in popularity over 2021. The drink now outsells Red Bull on Amazon in the US, and is taking market share from the major players in all distribution channels in a growing category. The stock followed. Already one of the Fund's best performers last year, Celsius was the Fund's most important contributor in 2021, rising 546% over the year and adding 12.4% return to Fund performance. Since the Fund's first purchase at $5.54 in January 2020, Celsius's share price has risen almost 13 times, ending the 2021 financial year at $76.04.

Erasure and diagnostic software company **Blancco** (AIM:BLTG) contributed meaningfully to fund performance for the fourth year in a row, adding 2.1%. Unlike some of the other stocks in this category, Blancco's share price has roughly risen in line with our estimate of its value. That has kept it entrenched as one of the Fund's largest investments and leaves us optimistic about good years ahead.

Open Lending (NASDAQ:LPRO) is one of six SPAC investments made in 2021, out of the hundreds of deals we looked at.

Coming to market via a Special Purpose Acquisition Company (SPAC) was all the rage over 2021. Massive swathes of the investment community refused to even look at any stock that utilised this low-red tape form of raising and listing. It is understandable. There is a lot of uninvestable rubbish coming down that pipe. But we've said all year that their hesitancy is our opportunity, and so it's proven. Five of the meaningful contributors outlined in this report came to market via a SPAC.

Open Lending provides Software as a Service to financial institutions offering loan analytics, risk-based pricing, risk modeling and default insurance to help lenders run profitable auto loan books. It is highly profitable, generates cash and is growing like a weed. Open Lending's share price appreciated several fold over the year, adding 5.8% to portfolio returns.

Fathom Holdings (NASDAQ:FTHM) is an online real estate brokerage business. It provides services to real estate brokers at a flat fee per transaction, allowing brokers to keep more of the profits from a sale. It's rapidly attracting new agents and adding margin via cross-selling title and mortgage. We participated in Fathom's conventional IPO. The stock is up 227% since and added 4.3% to performance.

Farfetch (NYSE:FTCH) is the online marketplace for luxury fashion goods. COVID-19 lockdowns around the world provided a massive opportunity to cement its market-leading position, but the market took months to catch on. The stock price rose 231% between our purchase and final sale and lifted fund returns by 3.5%. Farfetch has also recently re-entered the portfolio thanks to a subsequent partial retraction.

RE-OPENING GATHERED STEAM

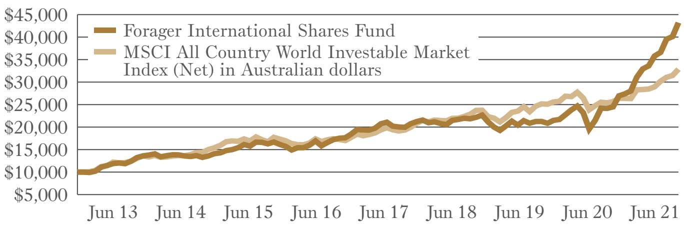
The Fund enjoyed good returns from businesses that were whacked early in first wave lockdowns but ultimately proved resilient as more normal times returned.

US-based retailers **Ulta Beauty** (NASDAQ:ULTA) and **Bed Bath & Beyond** (NASDAQ:BBBY) were both forced to shut down their expansive store footprints due to COVID-19 restrictions. Ulta has come out of the pandemic with a much stronger online offering and added 1.5% to our results this year. The Bed Bath & Beyond business has shown some positive signs in the early stages of its turnaround, but there is still some way to go. However, the shares were caught up in the ridiculous Reddit short squeeze game, doubled almost overnight and added 1.5% to Fund returns as we sold down aggressively.

Regional airline **SkyWest** (NASDAQ:SKYW) obviously suffered from the pandemic, but recovered strongly as conditions improved—lifting our returns 1.6% through the fiscal year and reversing losses from the stock in 2020.

Globally, the pandemic caused consumers to move their spending "closer to home". Powerboat manufacturer **MasterCraft** (NASDAQ:MCFT) benefited from that trend and lifted portfolio returns by 1.6%. Over in the UK, used car dealer **Motorpoint** (LSE:MOTR) benefited similarly. It rapidly shifted business online during the pandemic, with home delivery of cars now an increasingly important part of its future. It added 1.6% to results.

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.

VALUE TO THE FORE

Not to be left behind, more traditional value stocks rallied hard in the second half of the year. We owned our share of them in the portfolio.

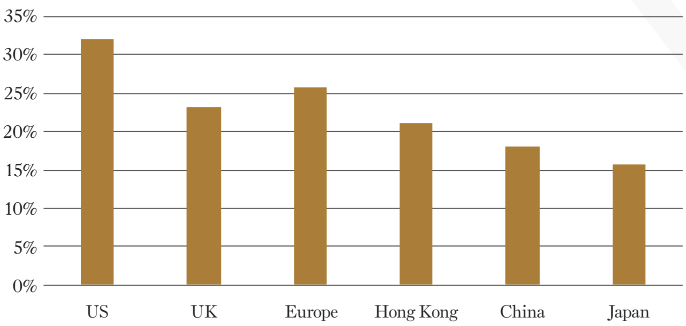
Auto parts, agricultural and industrial machinery manufacturer **Linamar** (TSX:LNR) profited as the pandemic eased and the world started demanding more cars, combine harvesters and lifting equipment than ever. The group is transitioning well to the global adoption of electric vehicles. Linamar added 2.0% to the Fund's results.

Whole Earth Brands (NASDAQ:FREE) ticked a lot of our boxes. It was brought to market via a hurried SPAC deal as the prior major shareholder was in financial distress. It offered a cheap price tag for a cash-generative, defensible yet growing business. It added 3.4% to portfolio returns and remains one of the Fund's largest investments.

Long-held Kiwi fast fashion retailer **Hallenstein Glasson Holdings** (NZSE:HLG) did very well to maintain sales early in the pandemic via online channels, then grow sales sharply once stores were able to reopen. The stock recovered all of its 2020 losses and then some, boosting our returns 3.5%. It is still cheap.

How should we categorise **ThinkSmart** (AIM:TSL)? Is it value, trading at a massive discount to net asset value at the start of the financial year? Or is it YOLO growth, with that underlying asset value heavily linked to the share price of buy now, pay later darling **Afterpay** (ASX:APT)? Either way, the discount closed and the stock rallied hard over the year. We sold all the way up. ThinkSmart contributed 5.9% to portfolio returns, making it one of the biggest winners for the year.

MAJOR MARKET RETURNS FOR THE YEAR TO 30 JUNE 2021



Source: MSCI

MID AND LARGE CAP QUALITY

Larger, higher quality companies were generally (relative) laggards on the stockmarket this year. But they add an important layer of resilience to returns. Not every year is going to run like 2021. For the Forager International Shares Fund, they still performed admirably.

Zebra Technologies (NASDAQ:ZBRA) provides asset tracking hardware and software to retail and warehouse customers. COVID-19-related disruptions have enabled Zebra to show how fundamental its logistics solutions are in a world of multi-channel retailing. Its earnings were resilient and that led to a significant re-rate of the multiple investors are willing to apply to those earnings. That made it an important contributor to Fund performance for a second year running, with the stock rising 107% in 2021 and adding 3.6% to returns.

Twitter (NYSE:TWTR) and **Uber Technologies** (NYSE:UBER) share some similarities. Both are "must have" products for users. And both have historically struggled to financially capitalise on their position. Our thesis on purchasing Twitter 12 months ago was that it was becoming a little less bad at monetising. That's happened and it can get better yet. The stock is up 131% and improved portfolio results by 2.7%. Uber was one of our more controversial pandemic investments. Our thesis revolved around a profitable and growing core Rides business, and a rapidly improving Food Delivery business helped by significant industry consolidation. The market soon saw our side of the argument, and Uber lifted Fund returns by 2.0%

APi Group (NYSE:APG) provides maintenance services in the fire safety, utilities and telecommunications sector. Boring? We say predictable revenue and profitability, with a long runway for smaller, value-adding mergers and acquisitions. Brought to market via the SPAC route, all the usual buyers for this sort of reliable business were absent. The stock rose 72% in 2021 and added 2.5% to results.

Market leader in the communications and electronics testing business, **Keysight** (NASDAQ:KEYS), is benefiting from multiple tailwinds—5G infrastructure buildout, connected cars and Internet of Things to name a few. It's a wonderful business, and one that was trading too cheaply a year ago. The stock rose 53% over the year and lifted Fund returns by 2.0%.

CDW (NASDAQ:CDW) is a provider of IT hardware, solution and services in the United States. It's the market leader in a highly fragmented market, and can grow without requiring a lot of capital to do so. It contributed 1.6% to returns.

Finally, the largest of our collection of larger companies is misunderstood conglomerate **Sony** (TSE:6758). It became a little less misunderstood over 2021, adding 1.7% to Fund results.

CLASS OF 2021

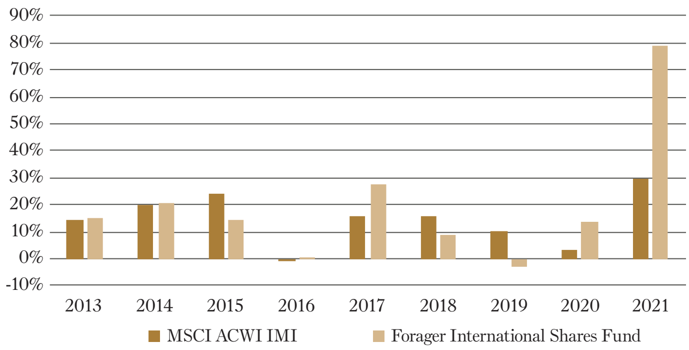
Always important, we've talked a lot about the unusually good opportunities 2021 offered to recycle capital. Stocks we owned worked out blisteringly quickly and we worked hard to make sure there was always a fresh, underpriced idea to replace it. The next three investments, all made in the second half of the financial year, contributed meaningfully to the Fund's performance this year.

PLBY Group (NASDAQ:PLBY) is another SPAC that came to the market at a very low valuation that did not properly account for the value of the underlying brand and growth potential in the business. Most analysts seemingly didn't even dig deep enough to realise Playboy had gotten out of the centrefold magazine business altogether. Management soon set the investment community right, and outlined some impressive monetisation plans. The stock re-rated very rapidly, generating multiples of our initial purchase price in a matter of months, adding 9.2% to returns. It was the second most impactful stock of the year.

Ammo Inc (NASDAQ:POWW) contributed 4.5% to our returns this year. Its ammunition business offers a variety of innovative products such as biodegradable ammo that are disrupting a sleepy industry. The company is currently growing over 100% annually and we feel it has a bright future ahead of it.

Neogames (NASDAQ:NGMS) built on several past successes we've had in lotteries businesses and gaming generally. The company is providing software to enable state lotteries in North America to take their business online, in exchange for a cut of revenue generated. The market is shifting from fledgling to huge very rapidly. From purchase in March until year end, the stock nearly doubled and added 3.8% to overall returns.

FISF RELATIVE PERFOMANCE BY FINANCIAL YEAR



Source: Forager, S&P Capital IQ. *Past performance is not indicative of future performance. Returns are not guaranteed.

THE NEGATIVE SIDE OF THE LEDGER

Unusually in a portfolio of more than 30 stocks, there weren't any significant stocks detracting from performance in 2021. Medicine was taken early on a couple of investments that weren't showing the progress we expected, like **Card Factory** (LSE:CARD). And disciplined selling of successful investments where the share price had run too far meant the few stocks that saw their share prices fall over the year, like gaming company **GAN** (NASDAQ:GAN), hardly made a dent in returns.

The Australian dollar's appreciation over the course of the year did do some damage. The Aussie rallied 7.9% against the US dollar across the year and that, combined with other foreign exchange movements, reduced the value of the Fund's investments, measured in Australian dollars, by some 8.0%. As a currency that tends to be correlated with the global economy, the Aussie dollar has historically muted some of the upside in strong markets and mitigated the downside in selloffs. That held true in 2021.

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AUSTRALIAN SHARES FUND

PERFORMANCE REPORT JUNE 2021 www.foragerfunds.com

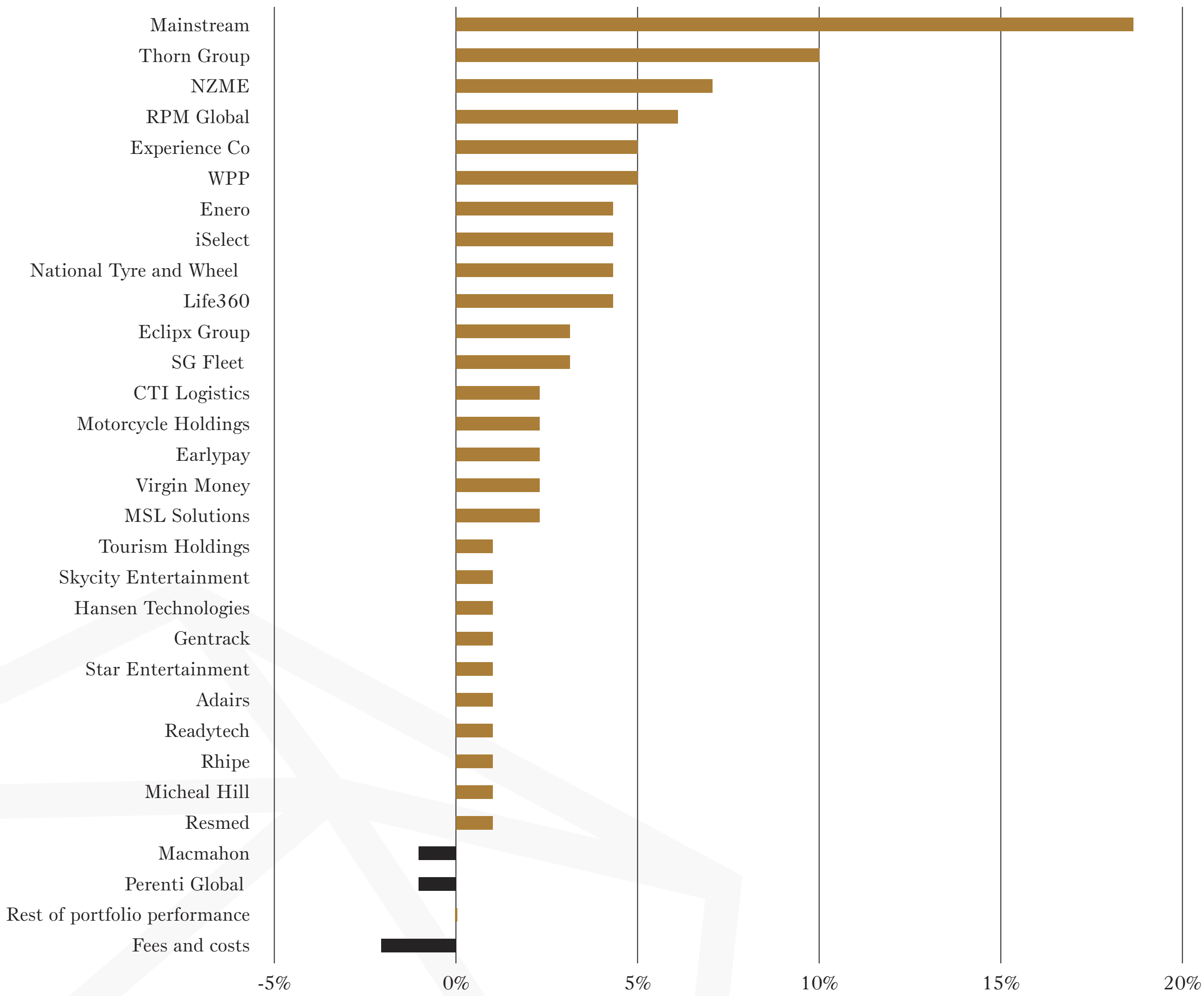
FORAGER AUSTRALIAN SHARES FUND SUMMARY OF RETURNS (as at 30 June 2021. Net of all fees and expenses)

	1 year	2 year (p.a.)	3 year (p.a.)	4 year (p.a.)	5 year (p.a.)	6 year (p.a.)	7 year (p.a.)	8 year (p.a.)	9 year (p.a.)	10 year (p.a.)	Return since inception* (p.a.)
Australian Shares Fund	87.09%	23.59%	7.06%	6.92%	10.34%	11.59%	11.69%	12.43%	14.92%	14.18%	12.08%
All Ordinaries Accumulation Index	30.24%	9.93%	10.30%	11.15%	11.54%	9.89%	9.28%	10.29%	11.40%	9.40%	8.63%
Outperformance	56.85%	13.65%	-3.24%	-4.23%	-1.20%	1.70%	2.42%	2.14%	3.52%	4.78%	3.45%

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

FASF PERFORMANCE CONTRIBUTION FOR THE YEAR ENDING 30 JUNE 2021



The Forager Australian Shares Fund's 87% return for the 2021 financial year was the best in the Fund's twelve year history. The All Ordinaries Accumulation Index rose 30%.

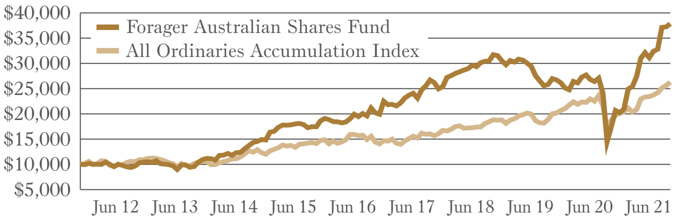
An investment of $10,000 in the Fund at inception in October 2009 would now be worth close to $38,000 at net asset value, a return of 12.1% per year*. During the same period an investor in the index would have seen an 8.6% per year return and ended up with a little over $26,000. Outperformance of 3.5% per year over more than a decade has compounded into a handy lead for the Fund's investors.

In last year's performance report we wrote:

"We start the year with a much better balanced portfolio. The combination of attractively priced, well run businesses with turnarounds that are well underway augurs well for the year ahead. It needs to deliver on the promise."

And so it has.

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.

THOSE THAT HAVE FALLEN WILL RISE AGAIN

Many of the difficult investments of the past few years recovered strongly in 2021. These businesses were not performing well, but they are not as bad as the share prices suggested this time last year.

Lender **Thorn Group** (TGA) contributed 10% to performance thanks to a more than 200% total shareholder return in the year.

Readers of the Forager reports will have seen our continued efforts to realise value from Thorn. In October 2020, Forager applied to the Takeovers Panel, a body which resolves corporate takeover disputes, suggesting that the company's dividend reinvestment plan could hand control of the company to Thorn's largest shareholder Somers Limited. The Panel forced Thorn to pay Somers' dividend mostly in cash instead of shares, which would have been issued at about $0.15 per share. At Thorn's November 2020 extraordinary general meeting Forager voted to replace two of the company's board members, though the resolutions were very narrowly defeated.

Had the resolutions passed, Thorn investors would have likely seen dividends and capital returns. Instead investors are now considering a bid for the business from Somers. The price, at $0.21, is close to a 50% premium above the dividend reinvestment plan issue price. This has presented an opportunity for Thorn shareholders not keen on backing the board's new strategy to sell their shares to Somers. The Fund sold its entire Thorn holding in early July 2021.

NZ media outfit **NZME** (NZM) was another strong contributor, rising nearly 180% and contributing 7% to the Fund's performance. Not many would have thought NZME's print, radio and online business would have rebounded so well from COVID-19's grasp. Despite revenue dropping 11% in the 2020 calendar year, operating net profit was up 27%. At the heart of the change was a permanent cost reduction of NZ$20m. Net debt dropped to much more manageable levels. Growth in digital subscriptions to NZM's leading *NZ Herald* masthead and progress in growing the OneRoof online property portal helps set the business up well for this year. Still valued like a business in perpetual decline, investors may wake up one day to find overall revenue returning to consistent growth.

Being dependent on the number of international tourists into Australia has not helped the profitability of our travel exposed investments. Skydiving business **Experience Co** (EXP) and recreational vehicle operators **Tourism Holdings** (NZX:THL) and **Apollo** (ATL) cost the Fund in the 2020 financial year.

For Experience Co the pre-COVID-19 period was disrupted by fires and the reconstruction of the business after some errant acquisitions by prior management. Despite COVID-19, the business is now in better operational and financial shape, is making acquisitions and has the financial firepower to survive to the eventual resumption of international travel.

An oversupply of recreational vehicles in the US market has turned into a shortage as COVID-19 pushed holiday-makers into domestic and socially-distant getaways. Some players, Apollo included, sold their fleets and exited the market. For Apollo, removing the drag of the loss-making US fleet was a positive. For Tourism Holdings it leaves a less competitive market.

All three are now trading in line or higher than the stock prices seen pre-COVID-19 but they should also see higher earnings after the pandemic than before. With the world looking through to an eventual return to normal travel patterns, all three contributed positively in the 2021 financial year, to the total tune of 6.5%.

Much like the recreational vehicle operators, a move towards domestic and socially distant holidays helped tyre distributor **National Tyre** (NTD) recover well. The investment contributed 3.7% to performance for the year thanks to an almost tripling of the share price. Reported profits in the first half of the financial year rose four-fold. A major acquisition in late 2020 improved National Tyre's distribution network and gave the business a bigger exposure to truck, bus and agricultural tyres. With the business firing on all cylinders, management has guided for earnings of $0.17 per share for the 2021 financial year.

But the acquisition of National Tyre's major supplier **Cooper** (NYSE:CTB) by the much larger **Goodyear** (NASDAQ:GT) has created a lot of uncertainty around future earnings. Goodyear has a large distribution network in Australia and will be keen to get synergies from its purchase. The valuation might be cheap, but not cheap enough to compensate for the dual risks of normalising tyre sales and the threat of cut supply. The Fund sold the last of its National Tyre shares in June 2021.

Online comparison website **iSelect** (ISU) doubled during the year, adding 3.8% to portfolio performance. Two health care rate rises during the financial year will help the group capture the attention of savings-hungry private health buyers. The energy comparison market, zapped by regulatory moves, looks to have stabilised. And deals with big media partners will put the iSelect brand in front of even more consumers.

The company is still due $120m from partners for originating health and life insurance policies in the past. This cash, accumulated over future years, will begin to be released in the 2022 financial year. Compare the Market, the company's largest competitor and largest shareholder has been waiting in the wings some time now. Will this be the year the two businesses combine to realise the significant synergies on offer?

Logistics company **CTI Logistics** (CLX) improved profits in the last reported half year as the West Australian economy rebounded. And its flooring storage business continues to benefit from COVID-19-induced border closures and a strong housing market. The property portfolio remains an attractive asset. But with the recent rally taking the share price to pre-COVID-19 highs and the valuation fair the Fund sold the entire holding in late June. CTI contributed 2.4% to returns.

LAST YEAR'S WINNERS ROLLING ON

Last year's winners, **RPMGlobal** (RUL) and **Enero** (EGG) are back as big contributors this year.

RPMGlobal, a supplier of enterprise software to mining companies, faced some headwinds early in the pandemic. With mining companies dealing with COVID-19 outbreaks, sales of new software slowed in the second half of the 2020 calendar year. But new sales roared back in 2021. In the half to June, RPMGlobal generated its strongest sales ever, signing up $7.1m of new recurring revenue.

CEO Richard Matthews, a veteran of the Australian enterprise software space, continues to drive growth, while investing in its state of the art products. With recent sales momentum, RPMGlobal should continue to add to its very valuable cashflows. The business looks to finally be attracting the attention of more stock market investors. With time, it might draw the attention of some potential acquirers too. RPMGlobal contributed 6.1% to the year's results.

Marketing services business Enero one of the Fund's investments for over a decade. In the past year we have seen some of the most dramatic changes in the business. A new CEO was appointed and started to put his mark on the business. The business braved COVID-19 remarkably well, growing revenue in its marketing agencies for the first half of the 2021 financial year. But the real highlight was the group's half share of marketing tech business OBMedia. It contributed nearly 40% of the group's net profit and the vast majority of recent growth.

Despite limited disclosure, OBMedia's potential is being digested by the market. The share price rallied almost 80%, providing a 4.4% contribution to the year's performance. Further growth in OBMedia or tech PR business Hotwire will continue to make the group look cheap.

COVID-19 BARGAINS

With the COVID-19 market panic in full force in March 2020, opportunities were extreme. The Fund took advantage of some amazing bargains.

UK bank **Virgin Money** (VUK) was trading at only one quarter of the value of its net tangible assets after falling 70% as the pandemic took hold. The UK economy was being ravaged by COVID-19. Investors were concerned that borrowers would not repay loans.

But UK regulators and the Bank of England acted quickly. Interest rates were cut, banks were told to stop the payment of dividends and were offered access to more funding. The UK government stepped up to help borrowers by paying some wages and extending credit and grants to small businesses and the self-employed.

With 82% of the loan book in mortgage lending, where banks have traditionally not lost much money, Virgin bounced back quickly. Another boost came from mooted cost reductions and an increase in market mortgage lending rates. The small investment netted the Fund a 1.8% contribution during the year.

Casino operators **Star Entertainment** (SGR) and **Skycity** (SKC) closed their doors early in the pandemic, standing down staff and winding back any available spending. Both lost more than 60% of their market value in the space of a month.

The recovery took quite a bit longer. The reopening process started in mid-2020, but has been punctured with frequent snap lockdowns. Domestic visitors have returned quickly. With gambling junkets facing a regulatory backlash, international visitors are unlikely to return in the same way as pre-COVID-19. But the core characteristics of these assets shone through: high quality, long-term cashflows from local monopolies. The casino operators contributed 2.1% to portfolio performance and were sold by July 2021.

Car leasing businesses **Eclipx** (ECX) and **SG Fleet** (SGF) were buffeted by the pandemic but eventually confirmed our suspicions: these are higher quality businesses than many investors give them credit for.

The new management team at Eclipx, led by CEO Julian Russell, navigated the business through a radical process of asset sales, deleveraging and refocusing on the attractive fleet management segment. Competitor SG Fleet was impacted to a greater degree, but managed to do a deal with foreign-owned competitor Leaseplan to begin to consolidate the industry. Scale will bring more efficiency. There is possibly one deal to be done in the sector before the ACCC starts to cast a disapproving gaze. And Eclipx is more likely to be prey than predator.

Family tracking company **Life360** (360) was cast aside by investors as the usage of its app declined in a world under lockdown. As vaccines helped to get some countries moving again, the company started growing new users. New membership plans are increasing the value of new members. The company is making acquisitions and has plans to list in the US, where valuations are likely to be higher.

At a forecast December 2021 revenue run-rate of more than US$110m and more than 28 million users, the company now has the scale to step up to the US exchanges. The share price has more than tripled since the Fund's first investment in June 2020, contributing 3.6% to returns during the year.

VALUE REALISED THROUGH TAKEOVERS

Alongside Thorn, the Fund saw another two takeovers during the year.

Marketing services business **WPP AUNZ** (WPP) received a bid from its parent company **WPP plc** (LSE:WPP) in late 2020. New management had successfully been turning the business around after being walloped by COVID-19. Permanent cost cuts were significant. Revenue from customers was returning.

The Brits already owned 62% of the business and the local arm worked within the sprawling 130,000-person international empire. The first bid, at $0.55 per share, was opportunistically low. The second, at $0.70 including $0.20 of fully franked dividends, hit the spot. The final price was at a 71% premium over where the local WPP shares were trading before the bid and a 54% return on our initial purchase, including dividends. WPP added 4.6% to performance for the year.

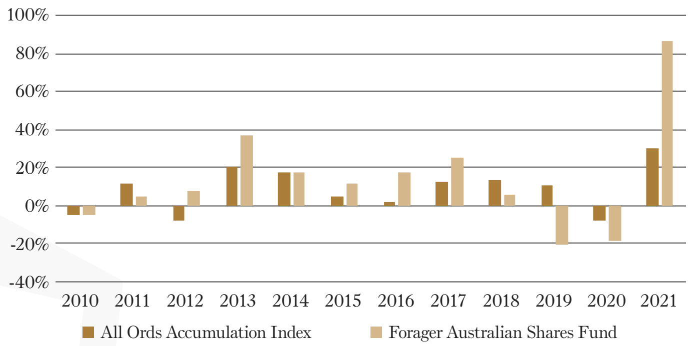
The **Mainstream** (MAI) takeover saga, stretching for three months and fifteen bids, seems to have finally come to a close. The last bid for the fund administration provider from Apex Group, at $2.80 per share, now looks to have won the day. Behemoth **SS&C** (NASDAQ:SSNC) flinched at paying the required price to continue in the auction.

The highly recurring and strategic nature of the revenues at Mainstream have been building for years. But its importance has only been recognised as these two behemoths went head to head to win control of the business.

Mainstream's management, helmed by Managing Director Martin Smith, not only built the business into an attractive target but also expertly navigated the auction process. To kick start the process, management- and director-shareholders gave initial bidder Vistra a conditional option over 20% of the company. The insiders gave up some gains to get the auction process started. And in negotiating the original deal, Mainstream's management agreed a 'go shop' clause. This allowed the company to seek competing bids and helped to get more potential acquirers into the auction. The final result was a 133% premium offered by Apex, over and above the initial offer tabled by Vistra.

This has been a stellar outcome for the Fund, Mainstream's largest institutional shareholder. In June 2020 Mainstream's share price was trading at $0.57. The current bid represents a 391% increase. Mainstream contributed 19% to the Fund's performance last year.

FASF RELATIVE PERFOMANCE BY FINANCIAL YEAR



Source: Forager, S&P Capital IQ. *Past performance is not indicative of future performance. Returns are not guaranteed.

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