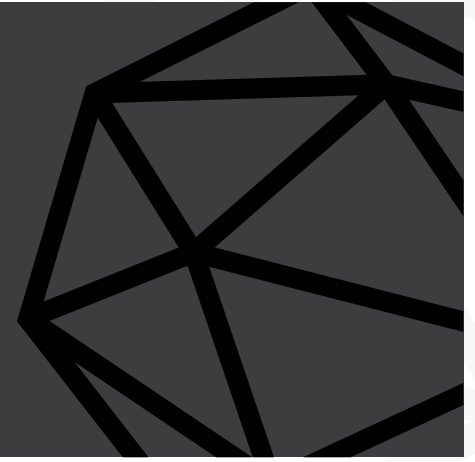



FORAGER

INTERNATIONAL SHARES FUND

MONTHLY REPORT AUGUST 2023



FORAGER INTERNATIONAL SHARES FUND PERFORMANCE SUMMARY (as at 31 August 2023. 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.)
International Shares Fund	0.94%	6.61%	11.84%	17.54%	7.11%	8.35%	10.66%	12.00%
MSCI AC World Net Index in \$A	1.06%	6.64%	13.92%	19.97%	12.14%	9.43%	11.93%	13.24%

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

While August was a weak month for global stock markets, an even weaker Australian dollar more than offset the decline. The Forager International Shares Fund notched up a gain of 0.9% for the month, just shy of the 1.1% return from the MSCI World Investable Market Index.

Share price appreciation associated with a takeover offer for **Blanco** (AIM:BLTG) added more than 1% to Fund returns for the month ([see the July monthly report](#)). The shares are currently trading at a small premium to the takeover offer. The bidder, Francisco Partners, hasn't gained any traction beyond the three largest shareholders that had already committed to selling their cumulative 47% stake when the deal was first announced. We're now slightly more hopeful that enough shareholders might join us in vetoing the current deal but, with the deadline for acceptance still a month away, it is too early to have any confidence.

The uranium price is up almost 10% since the start of August and is now up 27% so far in 2023, bolstering the Fund's investment in the **Sprott Physical Uranium Trust** (TSX:U.UN). This investment is part of a broader commodities basket intended to provide a useful hedge against inflation. The Fund has slowly increased its investment in this owner of physical uranium over the past two years, with it now representing 2.3% of the Fund's assets. After 15 years of next to no investment in uranium mining assets, our view is that the price needs to rise further to encourage enough mining to meet the world's growing needs.

Nuclear power is controversial. But it's likely an important piece of the decarbonisation puzzle. Wind, solar and other intermittent renewable sources of energy will only get us so far. Environmentally-conscious Germany, which recently decommissioned its last nuclear plant, is now burning more coal instead. In contrast, California has pushed back its plan to shutter the Diablo Canyon reactors for at least a decade. Additional reactor life extensions are being granted across the US, UK and Japan. Political support for nuclear power has also turned a corner since 2022, with the US and EU now classifying it as a clean/green energy source.

But this story isn't really centred on the West. After 20 years of almost no new nuclear reactors being built across the world, 40 are set to be completed between 2024 and 2027 (largely driven by India and China, where nuclear power has become a core to their emissions reduction and pollution control strategies). Further out, there are 19 additional reactors under construction and 425 new reactors planned or proposed across 31 countries.

Even without these new reactors, current demand sits well above existing uranium production (the gap having been met by stockpile depletion). Some of the world's largest uranium producers, such as **Kazatomprom** (KAS:KZAP) and **Cameco** (TSX:CCO) have missed production targets and downgraded guidance.

The investment case for higher uranium prices has been doing the rounds for a decade. While the recovery was set back by the Fukushima disaster, it's our belief that this has only exacerbated the underinvestment in future production.

An investment in **Sprott Physical Uranium Trust** (a closed-ended trust that owns physical uranium) gives the Fund direct exposure to the uranium price without the risks associated with miners themselves. If we're right about a significantly higher uranium price, there will undoubtedly be miners and mining explorers that prove to be wonderful investments. In our experience, there will also be plenty that end up losing money whether the uranium price rises or not. It is our preference to keep it simple, and Sprott is as simple as it gets.

Backing out currency and the Blanco contribution, the rest of the portfolio was down a touch more than 4% for the month. **Open Lending** (Nasdaq:LPRO) and **Taskus** (Nasdaq:TASK) were the two most significant detractors, delivering good results for the June quarter but warning that the second half of the calendar year looks difficult. Even some of those that exceeded market expectations saw their share prices fall, like Canadian manufacturer **Linamar** (TSX:LNR). With stock markets around the world rising strongly so far in 2023, some negativity is welcome.

TOP 5 HOLDINGS (as % of NAV)

Blanco Technology Group Plc	(AIM:BLTG)	5.2%
Linamar Corp	(TSX:LNR)	4.0%
Ferguson Plc	(NYSE:FERG)	3.9%
Flutter Entertainment Plc	(LSE:FLTR)	3.8%
Insight Enterprises Inc	(NASDAQ:NSIT)	3.4%
Cash		6.0%

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 movements[^].

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%	8.57%	-0.52%	-5.13%	7.00%	1.88%	1.57%	2.04%	1.21%	2.51%	19.01%
2024	3.03%	0.94%											4.00%

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	31 August 2023
Buy Price	\$1.6197
Redemption Price	\$1.6132
Mid Price	\$1.6164
Portfolio Value	\$201.9 million

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

ABOUT FORAGER

With approximately \$350 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.

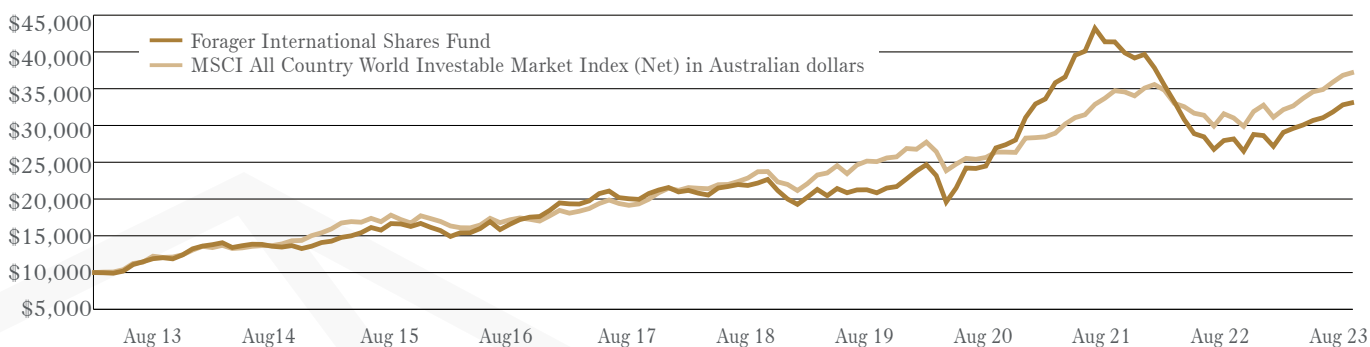
The company is majority owned by staff. Forager's shareholders support the desire to place performance before revenue. That means capping the size of funds before too much money becomes an impediment to performance.

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.

WARNING The information given by Forager Funds Management is general information only and is not intended to be advice. You should therefore consider whether the information is appropriate to your needs before acting on it, seeking advice from a financial adviser or stockbroker as necessary. This report may contain some forward-looking statements which reflect the expectations of Forager Funds Management about the future prospects of companies held within the portfolios of the funds. While Forager Funds Management considers its expectations to be based on reasonable grounds, there is no guarantee that those expectations will be met. **DISCLAIMER** Forager Funds Management Pty Ltd operates under AFSL No: 459312. Fundhost Limited (ABN 69 092 517 087, AFSL No: 233045) is the responsible entity and the issuer of the Forager International Shares Fund (ARSN No: 161 843 778). You should obtain and consider a copy of the product disclosure statement relating to the Forager International Shares Fund before acquiring or continue to hold the financial product. You may obtain a product disclosure statement from Fundhost Limited or download a copy at www.foragerfunds.com. The International Shares Fund Target Market Determination can be found at <https://fundhost.com.au/fund/forager-international-shares-fund/>. To the extent permitted by law, Fundhost and Forager Funds Management Pty Limited, its employees, consultants, advisers, officers and authorised representatives are not liable for any loss or damage arising as a result of reliance placed on the contents of this document. [^]This investment objective is not a forecast and returns are not guaranteed. Although the MSCI AC World Net Index in \$A benchmark represents the available investment universe for the Fund, the Portfolio will represent a very small proportion of those available investments and the Fund's results may vary from the benchmark. www.foragerfunds.com