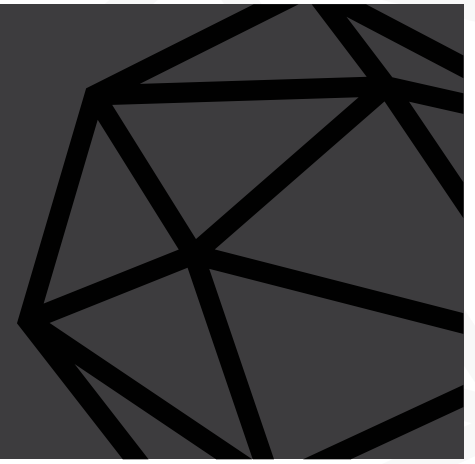


FORAGER

# INTERNATIONAL SHARES FUND

MONTHLY REPORT FEBRUARY 2024



## FORAGER INTERNATIONAL SHARES FUND PERFORMANCE SUMMARY (as at 29 February 2024. 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)	Return since inception (p.a)
<b>International Shares Fund</b>	5.38%	16.32%	12.05%	25.31%	1.18%	11.73%	10.19%	12.58%
<b>MSCI AC World Net Index in \$A</b>	5.76%	11.90%	10.57%	25.95%	12.42%	12.08%	11.62%	13.64%

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. <sup>\*8 February 2013</sup>

In February, the net asset value of the Fund rose 5.4%, broadly in line with the 5.8% rise in the MSCI ACWI IMI. We're happy with that outcome considering the backdrop. **Meta Platforms** (Nasdaq:META), which we have exited, rose 26% during February. **NVIDIA Corporation** (Nasdaq:NVDA) rocketed 28% over the month and a whopping 60% since the New Year's fireworks. It now boasts a larger market capitalisation than Google's owner **Alphabet** (Nasdaq:GOOGL). NVIDIA has also become the latest focus of everyone's permabull uncle, along with Bitcoin of course (up 44% over February). We can't make dinner next week, sorry Auntie.

It's a time for heightened caution. Our focus, unsurprisingly, has been on less loved corners of the market. Many of the Fund's investments are returning impressive amounts of capital to shareholders via buybacks and dividends.

**APi Group** (NYSE:APG) recently announced a buyback representing more than 12% of the company's market capitalisation. **Janus International** (NYSE:JBI) followed suit with a 5% buyback announcement after reporting pleasing earnings and cash flow. Both of these companies have spent the past couple of years paying down debt and are now redirecting their significant cash flow towards shareholders. Another portfolio holding, **TaskUs** (NASDAQ:TASK), has repurchased 10% of its outstanding shares over the past year alone.

It's not just a North American story either. Across the pond, UK supermarket company **Tesco** (LSE:TSCO) reduced its share count more than 4% over the past 12 months via buybacks, while also paying cash dividends equating to a further 4% yield. Similarly, **Lloyds Banking Group** (LSE:LLOY) bought back about 5% of its share capital while simultaneously paying a cash dividend yield approaching 6%. It recently launched a fresh buyback program for an additional £2 billion (7% of market capitalisation) of stock over the remainder of 2024. Dutch bank **ING Groep** (ENXTAM:INGA), another small position in the Fund, has been more generous still.

There is understandably a lot of pessimism surrounding consumer discretionary stocks. But the sector was beaten down to the point where simply meeting the market's modest expectations can see a company's share price shoot up. A good example of this can be seen with portfolio investment **Crocs** (NASDAQ:CROX), which is up 31% over the past two months after providing 2024 guidance in line with prior consensus expectations.

Another area where embracing pessimism has been paying off for the Fund recently is relistings. It won't surprise anyone to point out the UK stock market has been in the doldrums over the past five years, with the FTSE 100 up less than 10% while the S&P 500 index of US stocks is up 80%. As a result, several UK companies with a strong focus on North America have migrated their listing to the US.

This includes a few important investments in the Fund. **CRH** (NYSE:CRH) and **Ferguson** (NYSE:FERG) have already moved their primary listings stateside. **Flutter** (LSE:FLTR) recently listed in America and is expected to make New York its primary listing soon.

American analysts and investors are, for now at least, more predisposed than their UK and European counterparts to embracing the upside of these high-quality businesses. All three stocks have been strong contributors to fund performance recently. These companies are candidates for S&P 500 inclusion in the near future, so this trend may have a while to run yet.

As you can see, many good businesses are getting on with creating shareholder value without pretending to be NVIDIA. They are generating profits and cash flow, investing in their core businesses, making attractive acquisitions and returning capital to shareholders when it makes sense. We are on the hunt for more and, given the speculative fervour is focused elsewhere, are having some success. There have been a number of new portfolio additions in the past few months. Most are candidates for larger weightings should management and business performance meet our expectations.

### TOP 5 HOLDINGS (as % of NAV)

<b>CRH PLC</b>	(NYSE:CRH)	4.3%
<b>Ferguson PLC</b>	(NYSE:FERG)	4.1%
<b>TaskUs Inc</b>	(NASDAQ:TASK)	4.0%
<b>APi Group Corporation</b>	(NYSE:APG)	3.9%
<b>Motorpoint Group PLC</b>	(LON:MOTR)	3.7%
<b>Cash</b>		1.7%

**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 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%	-3.73%	-3.41%	3.59%	8.07%	2.13%	5.38%					16.52%

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

This fund is appropriate for investors with "High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe.

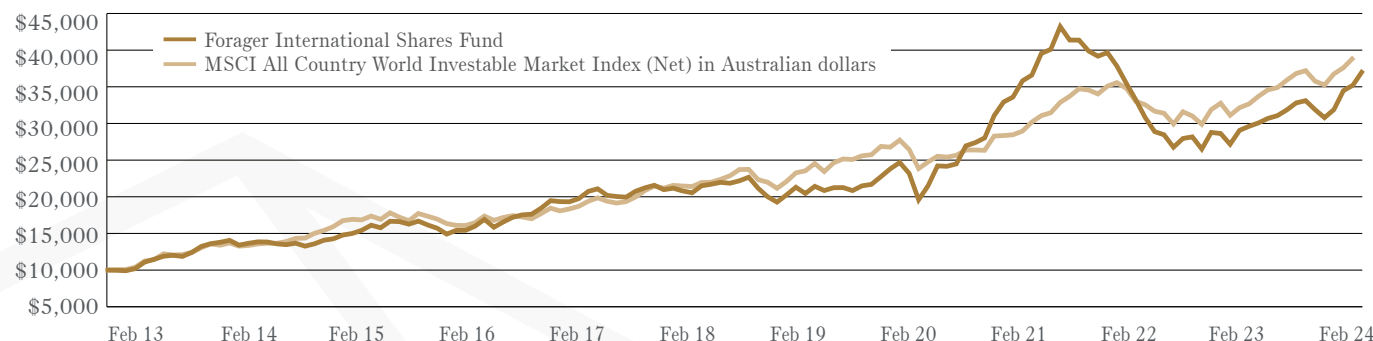
**FACTS**

Fund inception	8 February 2013
Minimum investment	\$20,000
Monthly investment	Min. \$1,000/mth
Distribution	Annual, 30 June
Applications/Redemption	Daily

**UNIT PRICE SUMMARY**

As at	29 February 2024
Buy Price	\$1.8147
Redemption Price	\$1.8075
Mid Price	\$1.8111
Portfolio Value	\$218.6 million

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

**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.

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**ABOUT FORAGER**

With approximately \$380 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