



A strong rise in the Australian dollar versus most major currencies blunted a blistering up month for most global stockmarkets. We responded to the return of exuberance with some selling—the Fund's cash weighting rose to 13% from 9% a month earlier.

Winthrop Realty Trust (NYSE: FUR) is a US real estate investment trust (REIT) in the process of liquidating its assets and returning capital to shareholders. The Fund bought a stake leading up to its delisting on the 5th of August.

Both Forager funds are able to hold up to 10% of assets in unlisted investments. This ability to own investments that others are often forced to sell has led to some great results in the Australian Shares Fund from past delistings including Centrebet and Brookfield Australian Opportunities Fund.

Winthrop entered a plan of liquidation in mid-2014. Under listing rules, a liquidating REIT has two years to sell up, after which any remaining assets go into a liquidating trust where the process continues without a stock exchange listing.

Winthrop has been selling assets and returning cash to shareholders since 2014. But there are specific assets where it made sense to overshoot the two year window in order to maximise value, particularly a trophy property on one of the major corners of Times Square.

If the remaining assets are liquidated at directors' estimates of fair value, there's 28% upside to our purchase price, with proceeds drip fed over an 18 month period. And there's a chance of further upside from the Manhattan property if a keen buyer can be found.

Austrian electronic tolling company **Kapsch TrafficCom** (WBAG: KTCG) announced its largest ever contract win in the US. The company will install express toll collection systems on all bridges and tunnels operated by the Port Authority of New York and New Jersey. The installation will take four years and there's at least six years of ongoing maintenance work involved, generating revenues of EUR134m.

The project should be nicely profitable but perhaps more important is what it signals—evidence that American operators are interested in improving tolling efficiency. And it suggests Kapsch is viewed as a top choice in a market where national nepotism often holds sway.

We expect Kapsch to win a lot of work in the US over the coming decade. This announcement suggests our thesis is on track.

A second consecutive positive quarter from **eBay** (Nasdaq: EBAY) was also welcome. The highlight was an acceleration in revenue growth thanks mainly to improvement in its main Marketplace business segment, where prior weakness had resulted from a strong US dollar, changes to Google's search algorithm and increased competition. eBay has worked hard to tackle these issues and this quarter's result suggests those efforts are paying off.

eBay has two other businesses which also generated strong results in the quarter. Ticketing platform StubHub grew revenue 40% from the previous year, and eBay Classifieds 15%. Such growth from StubHub is unlikely to continue, but more modest increases will still create a valuable business.

In addressing its revenue problems, eBay has had to invest more heavily to improve its website. It's also shouldered more operating costs since separating from PayPal in 2015. We expect the company's cost base to come down and we are pleased by the return to revenue growth.

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	31 July 2016
Buy Price	\$1.4525
Redemption Price	\$1.4452
Mid Price	\$1.4488
Portfolio Value	\$95.1m

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

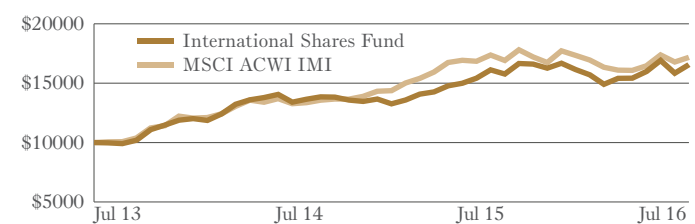
PERFORMANCE

Forager International Shares Fund Performance Summary (as at 31 July 2016)

	International Shares Fund	MSCI ACWI IMI
1 month return	4.55%	2.33%
3 month return	3.63%	4.34%
6 month return	11.10%	5.12%
1 year return	-0.56%	-3.54%
2 year return	10.45% p.a.	12.14% p.a.
3 year return	11.70% p.a.	12.01% p.a.
Since inception*	15.62% p.a.	16.83% p.a.

*8 February 2013

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



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