

FORAGER

INTERNATIONAL SHARES FUND

MONTHLY REPORT APRIL 2023



FORAGER INTERNATIONAL SHARES FUND PERFORMANCE SUMMARY (as at 30 April 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	2.04%	5.60%	6.63%	6.22%	12.59%	7.38%	11.65%	11.59%
MSCI AC World Net Index in \$A	2.64%	7.57%	8.45%	9.21%	11.80%	9.52%	12.78%	12.90%

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

April was another positive month for the Fund and the wider market. The unit price of the Forager International Shares Fund rose 2.0%, slightly underperforming a 2.6% return from the index. While most portfolio investments will report results in May, those that were out in April were good.

Meta Platforms (Nasdaq:META) released its first-quarter results and continued its share price run for the calendar year, up 100% since 31 December 2022. Advertising revenue from the company's social media platforms increased 4% compared to the prior year, after three consecutive quarters of revenue declines. Users are sharing Reels twice as much as they were six months ago and newly introduced AI recommendation tools have driven a whopping 24% increase in time spent on Instagram. That's equal parts scary and impressive. Meta's margins are still lower than they were a year ago but there was a nice improvement versus the last quarter of 2022. Cost guidance for 2023 was lowered again.

Online travel agency **lastminute.com** (SWX:LMN) has been on a similar trajectory, though on a smaller scale. After Swiss legal troubles, a board and management sweep and some underwhelming fourth-quarter results, we were running out of patience for this business. The rest of the market was too. But there was some light at the end of the tunnel with the company's full-year result this month. 2022 was a lackluster year for the business, with revenues still 10% below 2019 levels and margins much worse. But trading for the first quarter of 2023 looks promising. Sales were 10% above the same period in 2019 and while margins aren't quite there yet, they're definitely getting better. We need both of these trends to continue throughout the year.

UK stalwart **Tesco** (LSE:TSCO) continued to deliver on its promises with the release of its full-year results. Retail sales of £56bn were up 5% on the prior year as the grocery retailer maintained its market share against competitors. The company generated £2.1bn of free cash flow in its retail operations, most of which was returned to shareholders through a combination of dividends and share buybacks. Exactly what we want to see from this business.

Sony (TSE:6758) finished up 7% for the month. Investors were pleased that the UK antitrust regulator blocked **Microsoft's** (Nasdaq:MSFT) acquisition of **Activision Blizzard** (Nasdaq:ATVI), which was seen as a potential threat to Sony. The company also reported a solid set of March-quarter results and provided conservative guidance for the upcoming fiscal year. The PlayStation 5 continued to sell well. Sony shipped a record number of units in the quarter and the PS5 is outselling the new Xbox three to one. The company continues to trade at an attractive valuation relative to the quality of its underlying businesses.

GasLog Partners (NYSE:GLOP) received an updated bid from its major shareholder **GasLog Ltd** (NYSE:GLOG-A) (30% owner) to take the company private for \$8.65 per share. We first bought the stock just over a year ago at \$4.60 and increased our investment substantially in the second half of 2022. It's not the most appealing price—just four times last year's earnings—but with Gaslog's vice-like grip on the partnership, the low likelihood of a competing bid and the strong share price performance over the past six months, we have now sold the investment for a tidy profit.

TOP 5 HOLDINGS (as % of NAV)

Blanco Technology Group Plc	(AIM:BLTG)	4.1%
Ferguson Plc	(NYSE:FERG)	4.0%
Flutter Entertainment Plc	(LSE:FLTR)	4.0%
Tesco Plc	(LSE:TSCO)	3.8%
Linamar Corp	(TSX:LNR)	3.6%
Cash		9.5%

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%			14.70%

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

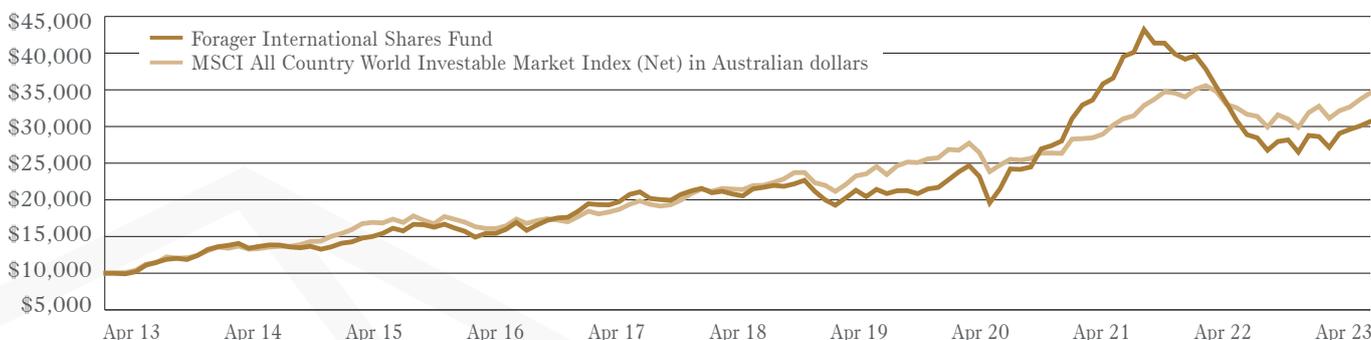
FACTS

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	30 April 2023
Buy Price	\$1.5010
Redemption Price	\$1.4950
Mid Price	\$1.4980
Portfolio Value	\$196.9 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.

ABOUT FORAGER

With approximately \$340 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

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