

Forager Australian Shares Fund

ARSN 139 641 491

Appendix 4D

Half-Year Report

For the half-year ended 31 December 2017

Half-year report

This half-year report is for the reporting period from 1 July 2017 to 31 December 2017. The previous corresponding half-year period was from 1 July 2016 to 31 December 2016.

Results for announcement to the market

	31 December 2017	31 December 2016	Percentage increase/ (decrease) over corresponding period
	\$'000	\$'000	
Net assets attributable to unitholders	171,486	140,533	22.03%
Revenues from continuing operations	17,090	9,897	72.68%
Net profit attributable to unitholders before finance costs	14,972	8,327	79.80%

Brief explanation of results

The \$14,972,000 net profit attributable to unitholders before finance costs for the period represented a 79.80% increase on the six months ended 31 December 2017. Both the increase in revenue of 72.68% and increase in net profit were a function of an increase in the average net tangible assets of the Fund. Net portfolio performance for the period of 9.5% was slightly lower than the 9.8% return for the previous corresponding period.

As of 31 December 2017, the net assets of the Fund were \$171,486,000, a 22.03% increase from the balance as at 31 December 2016. The increase in assets was a result of portfolio appreciation and additional units issued through the Distribution Reinvestment Plan.

Distribution information

No distributions relating to the period were paid or are payable.

Net tangible assets

	31 December 2017	31 December 2016
Net tangible assets per security	\$1.8806	\$1.6035

Other information

There was no gain or loss of control of entities during the current period.

The Fund does not have associates or joint venture entities.

The Fund is not a foreign entity.

Audit

This report is based on accounts which have been reviewed by the Fund's Auditors - Ernst & Young.

The report is not subject to review qualification.

Forager Australian Shares Fund

ARSN 139 641 491

Interim report

For the half-year ended 31 December 2017

Forager Australian Shares Fund

ARSN 139 641 491

Interim report

For the half-year ended 31 December 2017

Contents	Page
Directors' Report	2
Auditor's Independence Declaration	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	20
Independent Auditor's Review Report to the Unitholders of Forager Australian Shares Fund	21

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual report for the period ended 30 June 2017 and any public announcements made in respect of Forager Australian Shares Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers Forager Australian Shares Fund as an individual entity.

The Responsible Entity of Forager Australian Shares Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150).

The Responsible Entity's registered office is:

Level 18
123 Pitt Street
Sydney, NSW 2000.

Forager Australian Shares Fund
Directors' Report
For the half-year ended 31 December 2017

Directors' Report

The Directors of The Trust Company (RE Services) Limited (part of Perpetual Limited) (ABN 45 003 278 831, AFSL 235150), the Responsible Entity of Forager Australian Shares Fund (FOR), present their report together with the interim financial statements of Forager Australian Shares Fund ('the Fund') for the half-year ended 31 December 2017.

Forager Funds Management Pty Ltd (ABN 78 138 351 345, AFSL 459312) is the Investment Manager of FOR.

The financial report has been prepared for the Forager Australian Shares Fund as it is a disclosing entity under the *Corporations Act 2001*.

Directors

The following persons held office as Directors of The Trust Company (RE Services) Limited during the half-year or since the end of the half-year and up to the date of this report:

Andrew Cannane
 Glenn Foster
 Christopher Green
 Michael Vainauskas
 Andrew McIver (Alternate Director for Michael Vainauskas)
 Vicki Riggio (Alternate Director for Andrew Cannane)
 Vicki Riggio (Alternate Director for Christopher Green) (appointed 24 November 2017)
 Rodney Ellwood (Alternate Director for Christopher Green) (resigned 24 November 2017)
 Gillian Larkins (Alternate Director for Glenn Foster) (appointed 14 July 2017)
 Neil Wesley (Alternate Director for Glenn Foster) (resigned 14 July 2017)

Directors were in office for this entire period except where stated otherwise.

Principal activities

The Fund invests predominantly in securities listed on the ASX and investments that are likely to be listed on the ASX in the future and Australian denominated cash. The Fund's goal is to produce superior long-term returns from a select number of underlying investments, irrespective of short term price movements.

The Fund did not have any employees during the half-year.

The Fund is currently listed on the Australian Security Exchange (ASX).

Units on Issue

Units on issue in the Fund at half-year are set out below:

	31 December 2017 No.	30 June 2017 No.
Units on issue	91,188,438	87,640,000

Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2017	31 December 2016
Net profit/(loss) attributable to unitholders before finance costs (\$'000)	14,972	8,327

No distributions relating to the period were paid or are payable.

Forager Australian Shares Fund
Directors' Report
For the half-year ended 31 December 2017
(continued)

Financial Position

As at 31 December 2017, the Fund's total assets amounted to \$172,833,000 (30 June 2017: \$162,362,000).

Net Tangible Assets (NTA) per unit as disclosed to the ASX was as follows:

	31 December 2017	31 December 2016
	\$	\$
At reporting period	1.8806	1.6035
High during period	1.8806	1.6053
Low during period	1.7272	1.5709

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- the operations of the Fund in future financial period, or
- the results of those operations in future financial period, or
- the state of affairs of the Fund in future financial period.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

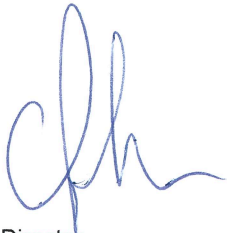
Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that Corporations Instrument, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



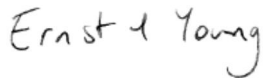
Director

Sydney
22 February 2018

Auditor's Independence Declaration to the Directors' of The Trust Company (RE Services) Ltd

As lead auditor for the review of Forager Australian Shares Fund for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Rohit Khanna
Partner
22 February 2018

Forager Australian Shares Fund
Statement of Comprehensive Income
For the half-year ended 31 December 2017

Statement of Comprehensive Income

		Half-year ended	
		31 December	31 December
		2017	2016
	Notes	\$'000	\$'000
Investment income			
Interest income		251	226
Dividend and distribution income		1,752	1,215
Net gains/(losses) on financial instruments held at fair value through profit or loss	4	14,657	8,304
Expense reimbursement income		252	97
Other operating income		178	55
Total net investment income/(loss)		17,090	9,897
Expenses			
Responsible Entity's fees	11	74	61
Management fees		794	588
Performance fees		982	750
Administration fees		67	62
Custody fees		17	12
Remuneration of auditors	8	16	16
Transaction costs		46	73
Other operating expenses		122	8
Total operating expenses		2,118	1,570
Net profit/(loss) attributable to unitholder before finance costs		14,972	8,327
Finance costs attributable to unitholders			
(Increase)/decrease in net assets attributable to unitholders	6	(14,972)	(8,327)
Profit/(loss) for the half-year		-	-
Other comprehensive income			
		-	-
Total comprehensive income for the half-year		-	-
		Cents	Cents
Earnings per unit for profit attributable to unitholders of the Fund			
Basic earnings per unit		16.50	10.49
Diluted earnings per unit		16.50	10.49

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Forager Australian Shares Fund
Statement of Financial Position
As at 31 December 2017

Statement of Financial Position

		As at	
		31 December	30 June
		2017	2017
	Notes	\$'000	\$'000
Assets			
Cash and cash equivalents		48,552	29,692
Receivables		193	289
Financial assets held at fair value through profit or loss	3, 5	124,060	132,381
Other assets		28	-
Total assets		172,833	162,362
Liabilities			
Payables		1,347	2,139
Distributions payable		-	9,799
Total liabilities (excluding net assets attributable to unitholders)		1,347	11,938
Net assets attributable to unitholders - liability	6	171,486	150,424

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Forager Australian Shares Fund
Statement of Changes in Equity
For the half-year ended 31 December 2017

Statement of Changes in Equity

	Half-year ended	
	31 December	31 December
	2017	2016
	\$'000	\$'000
Total equity at the beginning of the half-year	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the half-year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or the end of the half-year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Forager Australian Shares Fund
Statement of Cash Flows
For the half-year ended 31 December 2017

Statement of Cash Flows

	Half-year ended	
	31 December 2017	31 December 2016
	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	51,427	18,537
Purchase of financial instruments held at fair value through profit or loss	(28,252)	(37,068)
Interest income received	278	191
Dividends and distributions received	1,555	1,087
Other operating income received	178	55
Responsible Entity's fees paid	(71)	(29)
Management fees paid	(797)	(541)
Performance fees paid	(1,730)	(133)
Other operating expenses paid	(19)	(134)
Net cash inflow/(outflow) from operating activities	22,569	(18,035)
Cash flows from financing activities		
Proceeds from applications by unitholders	-	42,377
Payments for redemptions by unitholders	-	(4,842)
Distributions paid	(3,709)	(3,646)
Net cash inflow/(outflow) from financing activities	(3,709)	33,889
Net increase/(decrease) in cash and cash equivalents	18,860	15,854
Cash and cash equivalents at the beginning of the half-year	29,692	24,815
Cash and cash equivalents at the end of the half-year	48,552	40,669

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

	Page
1 General information	11
2 Basis of preparation	11
3 Fair value measurements	11
4 Net gains/(losses) on financial instruments held at fair value through profit or loss	15
5 Financial assets held at fair value through profit or loss	15
6 Net assets attributable to unitholders	16
7 Distributions to unitholders	16
8 Remuneration of auditors	16
9 Earnings per unit	17
10 Segment information	17
11 Related party transactions	17
12 Events occurring after the reporting period	19
13 Contingent assets and liabilities and commitments	19

1 General information

These interim financial statements cover Forager Australian Shares Fund ('the Fund') as an individual entity. The Fund is an Australian registered managed scheme under the *Corporations Act 2001*, which was constituted on 22 September 2009 and was admitted to the Australian Stock Exchange ('ASX') on 14 December 2016.

The Responsible Entity of the Fund is The Trust Company (RE Services) Limited (the 'Responsible Entity'). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The interim financial statements are for the half-year ended 31 December 2017. The interim financial statements are presented in the Australian currency.

The interim financial statements were authorised for issue by the Directors of the Responsible Entity on the date the Directors' Declaration was signed. The Directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

These interim financial statements do not include full note disclosures of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the 30 June 2017 annual financial statements.

2 Basis of preparation

The interim financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2017.

3 Fair value measurements

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting half-year.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3 Fair value measurements (continued)

(i) *Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) *Fair value in an inactive or unquoted market (level 2 and level 3)*

Investments in other unlisted unit trusts are recorded at the redemption value per unit net of discount rate applied as reported by the investment managers of such funds. The Fund may make adjustments to the value based on considerations such as: liquidity of the Investee Fund or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Recognised fair value measurements

The following table presents the Fund's financial assets measured and recognised at fair value as at 31 December 2017 and 30 June 2017.

At 31 December 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	123,601	-	-	123,601
Unlisted equity securities and unit trusts	-	-	459	459
Total financial asset	123,601	-	459	124,060
 At 30 June 2017	 Level 1 \$'000	 Level 2 \$'000	 Level 3 \$'000	 Total \$'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equity securities	131,922	-	-	131,922
Unlisted equity securities and unit trusts	-	-	459	459
Total financial asset	131,922	-	459	132,381

3 Fair value measurements (continued)

Transfers between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels for recurring fair value measurements during the half-year (30 June 2017: nil).

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2017 by class of financial instrument.

At 31 December 2017

	Unlisted unit trust \$'000
Opening balance - 1 July	459
Gains and losses recognised in the Statement of Comprehensive Income	-
Closing balance	459
At 31 December 2016	
Opening balance - 1 July	484
Gains and losses recognised in the Statement of Comprehensive Income	(25)
Closing balance	459

Level 3 investments comprise:

1. An investment was previously held in Centrebet International Limited, formerly listed on the ASX. A scheme of arrangement was entered into with all shareholders in August 2011 resulting in the shareholders receiving a cash payment as well as one litigation claim unit and one litigation claim right per share.

Following delisting of Centrebet International Limited and receipt of litigation claim units and litigation claim rights, the Fund's investment was reclassified from 'level 1' to 'level 3'. Additional units were purchased in August 2011.

For these financial instruments the fair value has been estimated using a valuation technique that uses non-market observable data. Payments are estimated to be completed in 2018.

2. An investment held in Brookfield Australian Opportunities Fund was delisted on 29 October 2012, and wound up on 30 October 2012. Unitholders in the Fund received one unit in BAO Trust for each unit held in the Fund. The security is unlisted and is valued at 1.0 cents per unit.

3 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3) (continued)

Valuation processes

Valuation of level 3 securities is performed monthly, or when distribution payments are received from the underlying investments.

For Centrebet International Limited, a discounted cash flow method is applied when valuing the potential future value of the investment. This is based on the expected cash flow from the litigation claim discounted at a rate of 12%. Changing the discount rate would have the following impact on fair value:

	Effect on fair value Higher/(Lower)	
	31 December 2017	30 June 2017
	\$'000	\$'000
Discount rate +1%	(15)	(15)
Discount rate -1%	16	16

For Brookfield Australian Opportunities Fund, the manager has determined that it is appropriate to discount the published net tangible asset value of the investment by 30% due to the investment trading at a 30% discount to net asset value prior to delisting. The table below demonstrates the impact of a 10% price movement to the discounted net asset value.

	Effect on fair value Higher/(Lower)	
	31 December 2017	30 June 2017
	\$'000	\$'000
Price movement +10%	2	2
Price movement -10%	(2)	(2)

Financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value does not differ from its fair value (deemed to be redemption price for individual units) due to no differences in valuation inputs.

4 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets held at fair value through profit or loss:

	Half-year ended	
	31 December 2017 \$'000	31 December 2016 \$'000
Financial assets		
Net gain/(loss) on financial assets designated as at fair value through profit or loss	14,657	8,304
Net gains/(losses) on financial assets held at fair value through profit or loss	14,657	8,304
Net realised gain/(loss) on financial assets held at fair value through profit or loss	14,127	8,172
Net unrealised gain/(loss) on financial assets held at fair value through profit or loss	530	132
Net gains/(losses) on financial assets held at fair value through profit or loss	14,657	8,304
Total net gains/(losses) on financial instruments held at fair value through profit or loss	14,657	8,304

5 Financial assets held at fair value through profit or loss

	As at	
	31 December 2017 \$'000	30 June 2017 \$'000
Designated at fair value through profit or loss		
Listed equity securities	123,601	131,922
Unlisted equity securities and unit trusts	459	459
Total designated at fair value through profit or loss	124,060	132,381
Total financial assets held at fair value through profit or loss	124,060	132,381

An overview of the fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 to the interim financial statements.

6 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	31 December 2017	31 December 2017	30 June 2017	30 June 2017
	Units '000	\$'000	Units '000	\$'000
Opening balance	87,640	150,424	60,049	87,707
Applications	-	-	25,756	42,328
Redemptions	-	-	(2,962)	(4,839)
Reinvestment of distributions	3,548	6,090	4,797	7,010
Increase/(decrease) in net assets attributable to unitholders	-	14,972	-	18,218
Closing balance	91,188	171,486	87,640	150,424

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

7 Distributions to unitholders

No distributions have been paid or became payable for the half-year ended 31 December 2017 (31 December 2016: nil).

8 Remuneration of auditors

During the half-year the following fees were paid or payable for services provided by the auditor of the Fund:

	Half-year ended	
	31 December 2017	31 December 2016
Ernst & Young		
<i>Audit and other assurance services</i>		
Review of financial statements	16,000	16,000
Total remuneration for audit and other assurance services	16,000	16,000

9 Earnings per unit

Basic earnings per unit amounts are calculated by dividing net profit/(loss) attributable to unitholders before distributions by the weighted average number of units outstanding during the half-year.

Diluted earnings per unit are the same as basic earnings per unit.

	Half-year ended	
	31 December 2017	31 December 2016
Profit attributable to unitholders (\$'000)	14,972	8,327
Weighted average number of units in issue ('000)	90,757	79,400
Basic and diluted earnings per unit in cents	16.50	10.49

10 Segment information

The Fund has only one reportable segment. The Fund operates predominantly in Australia and is engaged solely in investment activities, deriving revenue from dividend and distribution income, interest income and from the sale of its investment portfolio.

11 Related party transactions

Responsible Entity

The Responsible Entity of Forager Australian Shares Fund is The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL 235150). The Trust Company (RE Services) Limited was appointed Responsible Entity on 17 October 2016 following the retirement of Fundhost Limited who acted as Responsible Entity from the inception of the Fund until 16 October 2016. The Responsible Entity is a wholly owned subsidiary in the Perpetual Limited Group (ASX: PPT). Accordingly, transactions with entities related to The Trust Company (RE Services) Limited are disclosed below.

The Responsible Entity has contracted services to Forager Funds Management Pty Ltd to act as Investment Manager for the Fund, Link Fund Solutions Pty Limited to act as Administrator and Custodian and J.P. Morgan Chase Bank, N.A. (Sydney Branch) to act as Sub-custodian for the Fund. The contracts are on normal commercial terms and conditions.

(a) Directors

Key management personnel includes persons who were Directors of the Responsible Entity at any time during or since the end of the half-year period and up to the date of this report:

Andrew Cannane
Glenn Foster
Christopher Green
Michael Vainauskas
Andrew McIver (Alternate Director for Michael Vainauskas)
Vicki Riggio (Alternate Director for Andrew Cannane)
Vicki Riggio (Alternate Director for Christopher Green) (appointed 24 November 2017)
Rodney Ellwood (Alternate Director for Christopher Green) (resigned 24 November 2017)
Gillian Larkins (Alternate Director for Glenn Foster) (appointed 14 July 2017)
Neil Wesley (Alternate Director for Glenn Foster) (resigned 14 July 2017)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial period.

11 Related party transactions (continued)

(c) Responsible Entity and Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement, the Responsible Entity and the Investment Manager are entitled to receive management fees. The Investment Manager is also entitled to a performance fee.

The transactions during the half-year between the Fund, the Responsible Entity and the Investment Manager were as follows:

	31 December 2017	31 December 2016
	\$	\$
Investment management fees for the half-year	793,856	588,252
Performance fees for the half-year	982,457	750,469
Expense reimbursement (income)/fees for the half-year	(251,659)	(96,869)
Responsible Entity fees for the half-year	74,052	-
Responsible Entity fees for the period 1 July 2016 to 16 October 2016 (Fundhost Limited)	-	27,655
Responsible Entity fees for the period 17 October to 31 December 2016 (The Trust Company (RE Services) Limited)	-	33,068
Administration fees charged by Fundhost Limited for the period 12 July to 16 October 2016	-	45,209

The amounts payable at half-year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	31 December 2017	31 December 2016
	\$	\$
Total fees payable to the Investment Manager at half-year end	1,223,047	977,366
Total fees (receivable)/payable for reimbursement (income)/fees at half-year end	(43,283)	(29,996)
Total fees payable to Fundhost Limited at half-year end	-	11,327
Total fees payable to The Trust Company (RE Services) Limited at half-year end	41,137	28,257

(d) Related party unitholdings

Parties related to the Fund (including The Trust Company (RE Services) Limited, its related parties and other funds managed by The Trust Company (RE Services) Limited and the Investment Manager), held units in the Fund as follows:

31 December 2017

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Senefelder Super Fund	485,281	641,892	0.70	156,611	-	-
The Senefelder Trust	168,457	54,430	0.06	10,973	(125,000)	-
Tema Super Fund	133,889	142,610	0.16	8,721	-	-

11 Related party transactions (continued)

(d) Related party unitholdings (continued)

30 June 2017

Unitholder	No. of units held opening (Units)	No. of units held closing (Units)	Interest held (%)	No. of units acquired (Units)	No. of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Senefelder Super Fund	356,859	485,281	0.53	128,422	-	54,258
The Senefelder Trust	226,063	168,457	0.19	-	(57,606)	18,835
Tema Super Fund	35,102	133,889	0.15	98,787	-	14,970
Robert H. Nagel Super Fund*	79,396	89,041	0.10	9,645	-	9,956

* Robert H. Nagel Super Fund ceased to be a related party from 17 October 2016 as a result of the resignation of Fundhost Limited as the Responsible Entity of the Fund.

(e) Investments

The Fund did not hold any investments in The Trust Company (RE Services) Limited or its related parties during the half-year (31 December 2016: nil).

12 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as disclosed in the Statement of Financial Position as at 31 December 2017 or on the results and cash flows of the Fund for the half-year ended on that date.

13 Contingent assets and liabilities and commitments

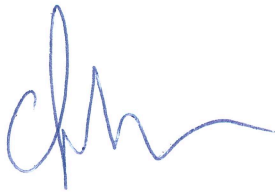
There are no contingent assets, liabilities or commitments as at 31 December 2017 and 31 December 2016.

Directors' Declaration

In the opinion of the Directors of the Responsible Entity:

- (a) the interim financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance for the financial period ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

This declaration is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.



Director

Sydney
22 February 2018

Independent Auditor's Review Report to the Unitholders of Forager Australian Shares Fund

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Forager Australian Shares Fund (the Fund), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of The Trust Company (RE Services) Limited, as the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rohit Khanna'.

Rohit Khanna
Partner
Sydney
22 February 2018