



FORAGER AUSTRALIAN SHARES FUND

ARSN 139 641 491

PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE OFFER DOCUMENT

ASX CODE: FOR

MANAGER

FORAGER FUNDS MANAGEMENT PTY LTD
(ABN 78 138 351 345, AFSL 459312)

RESPONSIBLE ENTITY

THE TRUST COMPANY (RE SERVICES) LIMITED
(ABN 45 003 278 831, AFSL 235150)

Pro-Rata Non-Renounceable Rights Issue Offer Document

A non-renounceable rights issue offer to existing Unitholders of the Forager Australian Shares Fund of 1 New Unit at an issue price of \$1.58 each for every 6 Units held to raise up to approximately \$26,101,423.

Important notice

This document is not a product disclosure statement. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Units offered by this document. The New Units offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Units then you should consult your stockbroker, accountant or other professional advisor.

Assistance and information about how to apply is available from Link Market Services on 1800 132 875 or at the dedicated website: www.foragerfunds.com/rightsoffer2018.

IMPORTANT NOTICES

The offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Forager Australian Shares Fund (ARSN 139 641 491) (**FOR** or the **Fund**). This rights issue Offer Document is not a product disclosure statement for the purposes of Part 7.9 Division 2 of the *Corporations Act*.

The issuer under this Offer Document is The Trust Company (RE Services Limited) (**Responsible Entity** or **Perpetual**) as responsible entity of the Fund. The Responsible Entity is offering the securities under this Offer Document without disclosure to investors under Part 7.9 Division 2 of the *Corporations Act 2001* pursuant to Section 1012DAA of the *Corporations Act* (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a product disclosure statement and Eligible Unitholders should consider all relevant facts and circumstances, including their knowledge of the Responsible Entity and disclosures made to the ASX and should consult their professional advisors before deciding whether to accept the Offer.

This Offer Document is dated 30 August 2018 and was lodged with the ASX on that date. This Offer Document has not been lodged with ASIC. ASIC and the ASX does not take any responsibility for the contents of this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Responsible Entity has complied with:

- the provisions of Chapter 2M of the *Corporations Act*, as they apply to the Responsible Entity; and
- Section 674 of the *Corporations Act*.

No excluded information

As at the date of this Offer Document the Responsible Entity is not aware of any excluded information of the kind which would require disclosure in this Offer Document pursuant to Subsections 1012DAA (8) and (9) of the *Corporations Act*.

Foreign Unitholders

The Responsible Entity has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Responsible Entity's Unitholders may reside. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Unitholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The Responsible Entity has decided that it is unreasonable to make offers under the Offer to Unitholders with registered addresses outside Australia and New Zealand having regard to the number of Unitholders in those places, the number and value of the New Units they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Units will be issued to Unitholders having registered addresses outside Australia and New Zealand.

New Zealand

In making this offer to Eligible Unitholders in New Zealand, the Responsible Entity is relying on the *Securities Act (Overseas*

Companies) Exemption Notice 2013 by virtue of which this Offer Document is not required to be registered in New Zealand.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Responsible Entity or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Deciding to Accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of the Responsible Entity, the repayment of capital or the payment of a return on the New Units.

Please read this document carefully before you make a decision to invest. An investment in FOR has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Fund including ASX announcements, which can be found at Forager Australian Shares Fund's and ASX's websites at:

- <https://investors.foragerfunds.com/Investor-Centre/> and
- <http://www.asx.com.au/asx/statistics/announcements.do>

Forward Looking Statements

This Offer Document contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Responsible Entity is involved as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Responsible Entity, any of its officers, or any person named in this Offer Document with their consent or any person involved in the preparation of this Offer Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements. Forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document.

Privacy

The Responsible Entity and Forager may each collect personal information from you when you contact them and from any other relevant forms to be able to administer your investment and comply with any relevant laws, including the Privacy Act 1988 (Cth) and provide information to relevant government agencies in accordance with those laws. If you do not provide the Responsible Entity with your relevant personal information, we may not be able to properly administer your investment. Privacy laws apply to the handling of personal information and the Responsible Entity and Forager will collect, use and disclose your personal information in accordance with their privacy policies, which includes details about the following matters:

- the kinds of personal information collected and held;

- how the Responsible Entity and Forager collects and holds personal information;
- the purposes for which the Responsible Entity and Forager collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity and Forager holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (**APP**), or a registered APP code (if any) that binds the Responsible Entity and Forager, and how the Responsible Entity and Forager will deal with such a complaint; and
- whether the Responsible Entity and Forager is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be

located if it is practicable for the Responsible Entity and Forager to specify those countries.

The privacy policy of the Responsible Entity and Forager is publicly available at their websites at www.perpetual.com.au and www.foragerfunds.com or you can obtain a copy free of charge by contacting them.

Miscellaneous

It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance.

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions and Glossary in section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

30 August 2018



Dear Forager Australian Shares Fund Investor,

PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

As the Investment Manager of the listed Forager Australian Shares Fund (**FOR or Fund**), I am pleased to announce a rights offer to FOR investors.

The Trust Company (RE Services) Limited (**Responsible Entity** or **Perpetual**) in its capacity as the responsible entity for the Fund is undertaking a 1 for 6 pro-rata non-renounceable rights issue offer (**Offer**). Eligible investors may also apply for additional units.

Since Forager started the Fund in October 2009, we have indicated that the investment strategy's natural capacity limit is \$200m. When the Fund was listed in December 2016 we reconfirmed this limit and today continue to believe this is the case.

Currently FOR has \$156m in funds under management. If the additional funds are raised, the Fund will be well capitalised to take advantage of opportunities but will sit comfortably below the \$200m limit.

Please read this Offer Document and visit our dedicated website www.foragerfunds.com/rightsoffer2018 for more information. If you do not understand the offer or you are in doubt with how to deal with it, you should contact your professional adviser. Otherwise, please contact the Forager Australian Shares Fund Offer Information Line on 1800 132 875 (within Australia) or +61 1800 132 875 (from outside Australia). For other questions, please feel free to call Forager on 02 8305 6050.

Thank you for your ongoing support and interest.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve', with a long horizontal flourish extending to the right.

Steve Johnson
Chief Investment Officer and Director
Forager Funds Management

1. OFFER DETAILS

1.1 The Offer

This Offer Document is for the non-renounceable rights issue offer of approximately 16,519,888 New Units at the Issue Price of \$1.58 per New Unit, on the basis of 1 New Unit for every 6 Units held by Eligible Unitholders as at the Record Date to raise up to \$26,101,423 (**Offer**).

The Issue Price has been set by reference to the Net Asset Value (NAV) per Unit at the close of business on 29 August 2018.

On the same date as announcing the Offer, the Responsible Entity applied to the ASX for the New Units to be granted official quotation on the ASX. Issue of the New Units is expected to occur on or about 28 September 2018.

The Responsible Entity may at any time decide to withdraw this Offer Document and the offer of New Units made under this Offer Document, in which case the Responsible Entity will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is not underwritten. The Responsible Entity reserves the right to not issue any part of the Shortfall.

1.2 Eligibility of Unitholders

Only Eligible Unitholders may apply for New Units under the Offer.

Eligible Unitholders are those Unitholders on the Record Date who have a registered address in Australia and New Zealand or who are Unitholders that the Responsible Entity has otherwise determined are eligible to participate.

The Offer is not being extended to Ineligible Unitholders because of the small number of such Unitholders, the number and value of Units that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

In particular, this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer without any requirement for a product disclosure statement to be lodged or registered.

1.3 Minimum subscription

There is no minimum subscription to the Offer.

1.4 New Unit terms

Each New Unit will rank equally with all existing Units then on issue. Full details of the rights and liabilities attaching to the Units are set out in the Constitution, a copy of which is available for inspection at the Responsible Entity's registered office during normal business hours.

1.5 Acceptance of Entitlement to New Units

The number of New Units to which each Eligible Unitholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Unitholders who are entitled and may wish to apply for the New Units. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Units can be accepted by Eligible Unitholders in full or in part or in excess of their Entitlement by applying online at www.foragerfunds.com/rightsoffer2018 or by completing and returning the Entitlement and Acceptance Form which is attached to this Offer

Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.6 Important dates

Section 1012DAA(2)(f) notice and Appendix 3B lodged with ASX	Before 8.30am Thursday, 30 August 2018
Notice to Unitholders setting out Appendix 3B information and timetable.	Thursday, 30 August 2018
Lodge Offer Document with ASX	Thursday, 30 August 2018
Ex date	Monday, 3 September 2018
Record date	7.00pm (Sydney time) Tuesday, 4 September 2018
Despatch of Offer Document and Entitlement and Acceptance Form to Unitholders.	Thursday, 6 September 2018
Opening Date	Thursday, 6 September 2018
Closing Date	5.00pm (Sydney time) Friday, 21 September 2018
Units quoted on a deferred settlement basis	Monday, 24 September 2018
Notify ASX of undersubscriptions	Wednesday, 26 September 2018
Settlement date	Thursday, 27 September 2018
Allotment date of New Units	Friday, 28 September 2018
Despatch of New Units holding statements	Friday, 28 September 2018
Commencement of trading of New Units on ASX	Monday, 1 October 2018

The dates set out in this table are subject to change and are indicative only. The Responsible Entity reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice. In addition, the Responsible Entity, subject to the requirements of the Listing Rules and the Corporations Act, reserves the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

1.7 Eligible Unitholders may apply for Additional Units

Entitlements not taken up may become available as additional Units to Eligible Unitholders. Eligible Unitholders may, in addition to their Entitlements, apply for New Units over and above their Entitlement at the Issue Price (**Additional Units**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Units will be bound to accept a lesser number of Additional Units allocated to them than applied for. If a lesser number is allocated to them, excess Application Money will be refunded without interest (where the

amount is \$1.00 or greater) and will be returned to Eligible Unitholders as soon as practicable following the Closing Date, without interest.

The Responsible Entity reserves the right to scale back any applications for Additional Units in their absolute discretion and to ensure that no Unitholder will, as a consequence of taking up their Entitlement and being issued any Additional Units, be in breach of the takeovers provisions in Chapter 6 of the Corporations Act.

However, it is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units they can apply for.

1.8 Placement of Shortfall

In the event there is a Shortfall in subscriptions under the Offer (including applications for Additional Units), the Responsible Entity may issue the Shortfall in its absolute discretion. They will do so in a manner which will ensure that no Unitholder or other investor will, as a consequence of taking up their Entitlement, Additional Units and being issued any Shortfall, be in breach of the takeovers provisions in Chapter 6 of the Corporations Act.

Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Issue Price of \$1.58 per New Unit.

Any Shortfall will be issued without a product disclosure statement in accordance with an exemption contained in Part 7.9 Division 2 the Corporations Act.

1.9 Options available to each Eligible Unitholder

If you are an Eligible Unitholder, you may:

- take up all of your Entitlement (see section 1.10 for instructions on how to do this);
- in addition to applying for all of your Entitlement, apply for Additional Units under the Shortfall Facility (see section 1.7 for instructions on how to do this);
- take up part of your Entitlement and allow the balance of your entitlement to lapse (see section 1.10 for instructions on how to do this); or
- allow all of your Entitlement to lapse (see section 1.12).

1.10 How to accept your Entitlement

Eligible Unitholders may accept their Entitlement either in whole or in part. They may also apply for Additional Units (as set out in section 1.7 above).

The number of New Units to which Eligible Unitholders are entitled to is available by entering your exact registered details online at www.foragerfunds.com/rightsoffer2018. Alternatively they are shown on the personalised Entitlement and Acceptance Form which accompanies this Offer Document.

If Eligible Unitholders take no action in respect of their Entitlement they will have no right to subscribe for the New Units pursuant to this Offer. If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Units that you would have otherwise been entitled to under the Offer may be placed by the Responsible Entity to third parties.

(a) *Online Acceptance and Application - Payment by BPAY® -*

For payment by BPAY® through the dedicated website, please visit www.foragerfunds.com/rightsissue2018. Eligible unitholders will be able to apply online by entering exact registered details. A confirmation email that will contain the application details, Biller Code and Customer Reference Number will then be received. Eligible Unitholders who have multiple holdings will have multiple Customer Reference Numbers.

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® through the dedicated website:

- (i) you will submit the Online Application; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Units which is covered in full by your Application Money.

(b) *Printed Entitlement and Acceptance Form - Payment by BPAY®*

If you have not elected to receive electronic communications with Link Market Services Limited, you will receive a printed Entitlement and Acceptance Form in the mail. For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form, which includes the Biller Code and Customer Reference Number. Eligible Unitholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form, but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Units which is covered in full by your Application Money.

It is your responsibility to ensure that your BPAY® payment is received by the Unit Registry by no later than 5.00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

(c) *Printed Entitlement and Acceptance Form - Payment by cheque, bank draft or money order*

Entitlements to New Units can be accepted in full or in part of the Entitlement by completing and returning the Entitlement and Acceptance Form which is attached to this Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Unit Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque, bank draft or money order. The Issue Price of \$1.58 per New Unit is payable in full on acceptance of part or all of your Entitlement.

If you wish to take up all of your Entitlement and apply for Additional Units, complete the Entitlement and Acceptance Form by inserting the number of New Units for which you wish to accept under this Offer Document plus the number of Additional Units (being more than your Entitlement as specified on the Entitlement and Acceptance Form) in accordance with the instructions set out on the form and ensure that your payment is sufficient to cover the Application Money for both the New Units under your Entitlement and any Additional Units.

Cheques should be in Australian currency and made payable to "Forager Australian Shares Fund" and crossed "not negotiable".

Completed Forms and accompanying cheques, bank drafts or money orders should be lodged at or forwarded to the following address:

Mailing Address	Hand Delivery
Forager Australian Shares Fund C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	During business hours (Monday to Friday, 9.00am - 5.00pm) to: Forager Australian Shares Fund c/- Link Market Services Limited 1A Homebush Bay Drive Rhodes, New South Wales, 2138 <i>Note: Please do not use this address for mailing purposes</i>

Entitlement and Acceptance Forms will not be accepted at the Responsible Entity's registered office.

(d) *Administration of applications for New Units*

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Units under this Offer Document. The amount payable on Acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Units. The subscription account will be established and kept by the Responsible Entity on behalf of the Applicants. Any Application Money received for more than your final allocation of Units (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Application Money will be retained by the Responsible Entity irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.11 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding offer to acquire New Units on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Units. The Responsible Entity's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite application monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have fully read and understood both this Offer Document and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Document and the Entitlement and Acceptance Form;
- (b) you agree to be bound by the terms of the offer, the provisions of this Offer Document and the Constitution;

- (c) you authorise the Responsible Entity to register you as the holder(s) of New Units allotted to you;
- (d) you declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) you are an Eligible Unitholder and are not an Ineligible Unitholder, particularly, you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Units under the Offer;
- (f) you acknowledge that the New Units have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia; and
- (g) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

1.12 Allowing your Entitlement to lapse

If you do not wish to accept the Offer, take no action, and all of your Entitlement will lapse. Your percentage Unitholding in FOR, however, may be diluted.

1.13 Allotment and allocation policy

The Responsible Entity will proceed to allocate New Units as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Units.

In the case that there is less than full subscription by Eligible Unitholders to their Entitlements under this Offer Document, the Responsible Entity reserves the right to issue any Shortfall at their discretion. This includes discretion not to issue any part of the Shortfall.

Successful Applicants will be notified in writing of the number of New Units allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Units allocated to them prior to trading in New Units. Applicants who sell New Units before they receive notice of the number of New Units allocated to them do so at their own risk.

1.14 ASX listing

The Responsible Entity has applied for the listing and quotation of the New Units on the ASX. If granted, quotation of the New Units will commence as soon as practicable after allotment of the New Units to Applicants. It is the responsibility of the Applicants to determine their allocation of New Units prior to trading.

If the ASX does not grant quotation of the New Units, the Responsible Entity will refund all Application Monies (without interest).

1.15 Investment risks

Investors should carefully read the section on Risk Factors outlined in section 5 of this Offer Document. An investment of this kind involves a number of risks, a number of which are specific to the Responsible Entity and the industry in which it operates.

1.16 CHESS

The Responsible Entity will apply for the New Units to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Responsible Entity will not issue certificates to Unitholders with respect to the New Units. After allotment of the New Units, Unitholders who are issuer sponsored will be provided with

an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements will set out the number of New Units allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in FOR during a particular month.

1.17 No rights trading

Entitlements to New Units pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

1.18 Overseas Unitholders

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Units in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form. The distribution of this Offer Document and the accompanying form in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Responsible Entity has decided that it is unreasonable to make offers under the Issue to Unitholders with registered addresses outside Australia and New Zealand having regard to the number of Unitholders in those places, the number and value of the New Units they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Units will be issued to Unitholders having registered addresses outside Australia and New Zealand.

In particular, the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a product disclosure statement to be lodged or registered.

1.19 Taxation

None of the Responsible Entity, its officers, employees or advisers is giving or is able to give you advice about any specific tax consequences for you, if any, with being issued Units under the Offer. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

1.20 Enquiries

If you have any questions regarding the Offer or this Offer Document, please do not hesitate to contact the Forager Australian Shares Fund Information Line on **1800 132 875** or contact your stockbroker or professional advisor.

2. PURPOSE OF THE OFFER

2.1 Background

- (a) Since the commencement of the Fund in October 2009, Forager has indicated that it believes \$200m is the natural capacity limit for its Australian shares investment strategy. It confirmed this belief leading up to listing the Fund in December 2016. Forager currently manages \$156m in this Fund, the ASX listed FOR.

- (b) Forager also manages another \$24m in its Australian shares strategy. This Fund is an (open-end) unit trust, with a responsible entity that is unrelated to Perpetual (Other Fund). Forager recently resigned as the investment manager of the Other Fund but currently expects that it will continue to be involved in the management of the Other Fund up until December 2018.
- (c) Because of strong demand from investors, Forager has recommended that the additional capacity created by Forager's resignation be made available to FOR unitholders.

2.2 Purpose of the Offer

The Investment Manager intends to apply the proceeds of the Offer to investments consistent with the Fund's investment strategy. This may include, but is not limited to opportunities that may arise from Forager resigning as the investment manager of the Other Fund.

3. ABOUT THE INVESTMENT MANAGER AND THE FUND

(a) *The Investment Manager*

Forager Funds Management Pty Limited (**Investment Manager** or **Forager**) is the investment manager of the Fund and operates under AFSL 459312. As at the date of this Offer Document, Forager has over \$364m in funds under management.

(b) *The Fund*

The Fund invests predominately in securities listed on ASX and aims to generate capital growth and occasionally some income from investments it holds. FOR invests no more than 10% of its assets into unlisted investments. FOR holds a relatively small number of securities, generally between 15 and 25.

Although FOR's wide mandate gives the Investment Manager the flexibility to find opportunities in all parts of the market, the focus has tended to be on securities with smaller market capitalisations.

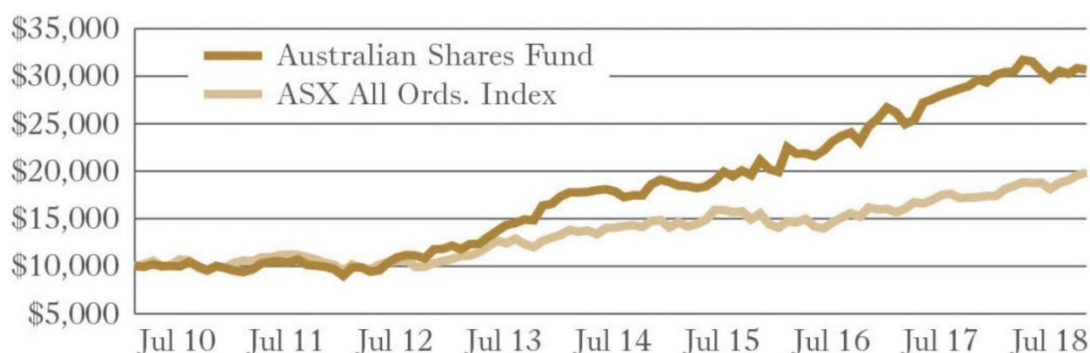
The Fund's investment objective aims to outperform the S&P/ASX All Ordinaries Accumulation Index over a rolling 5 year period. This investment objective is not a forecast and returns are not guaranteed. The historical returns are summarised in the table below.

Table 1: Performance returns (net of all fees) as at 31 July 2018

	FASF NAV	S&P All Ords. Accum. Index	Outperformance
1 year	3.54%	14.91%	-11.37%
2 year (p.a.)	11.33%	10.69%	0.64%
3 year (p.a.)	13.19%	8.42%	4.77%
4 year (p.a.)	13.30%	7.66%	5.64%
5 year (p.a.)	13.38%	9.38%	4.00%
6 year (p.a.)	17.31%	11.49%	5.82%
7 year (p.a.)	17.45%	9.75%	7.71%
Since inception* (p.a)	13.66%	8.13%	5.53%
Cumulative	206.78%	98.25%	108.54%

*Inception 30 October 2009. Returns use the Net Asset Value (NAV) midpoint and assume reinvestment of all distributions. Investments can go up and down. Past performance is not necessarily indicative of future performance.

Chart 1: Comparison of \$10,000 Investment in the Forager Australian Shares Fund vs ASX All Ordinaries Index



Source (All Ords): S&P Capital IQ. The above figures assume that all distributions have been reinvested. Investments can go up and down. Past performance is not necessarily indicative of future performance.

4. DILUTION AND EFFECT ON CONTROL

4.1 Present position

At the date of this Offer Document the Responsible Entity is of the view that there is no one entity which controls the Fund.

The top 20 Unitholders of the Fund as at 28 August 2018 are as follows:

Unitholder	Units	%
BRAZIL FARMING PTY LTD	4,420,979	4.46
TRANSFIELD FINANCE PTY LTD	2,928,342	2.95
CATRETA PTY LTD	1,475,319	1.49
MR AARON SHELLEY & MISS TENNILLE SHELLEY	1,384,519	1.40
MR IAN WILLIAM TURNBULL	1,322,700	1.33
JELLY PTY LTD	1,185,023	1.20
BIG MAX INDUSTRIES PTY LTD	1,157,335	1.17
FORSYTH BARR CUSTODIANS LTD	950,560	0.96
SUPER SUPER NO 1 PTY LTD	905,464	0.91
JELLY PTY LTD	899,399	0.91
MR RICHARD COLLINS & MRS MARY MARION COLLINS	840,366	0.85
MR JOHN MICHAEL WOODHEAD & MRS TUTZ WOODHEAD	802,708	0.81
MR STEVEN JOHNSON & MR BRENDON JOHNSON	726,512	0.73
MR GAVIN GERARD DOUGLAS & MRS SALLY MAREE DOUGLAS	679,098	0.69
MR SCOTT PLUNKETT	678,467	0.68
MR JOHN REILLY	628,741	0.63
WRITEMAN PTY LIMITED	610,649	0.62
BNP PARIBAS NOMINEES PTY LTD	584,426	0.59
MR STEPHEN PATRICK COLES	576,558	0.58
PLATINUM MANAGEMENT GROUP PTY LTD	567,111	0.57
TOTAL		

4.2 Capital structure

Assuming full subscription under the Offer, the total number of Units issued in the Fund immediately following the Issue will be as follows:

	Units
Units on issue at the date of the Offer Document	99,199,326
Maximum number of New Units under the Offer Document	16,519,888
Total:	115,639,214

As at the date of this Offer Document, the Fund does not have any options on issue.

4.3 Potential effect of the Offer

The Offer is a pro-rata offer. If all Eligible Unitholders take up their Entitlements, the voting power of all Eligible Unitholders will remain the same or increase. The size of any increase will be dependent on the number of Ineligible Unitholders and the participation in and issue of Units resulting from the Shortfall facility. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of FOR.

If an Eligible Unitholder does not take up their Entitlement in full, there is likely to be a dilutionary effect on that Unitholder's proportional holdings (which may occur as a result of other Eligible Unitholders taking up Additional Units or as a result of the placement of the Shortfall by the Responsible Entity).

In the event of a Shortfall, the Responsible Entity reserves the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

As set out in section 1.7 above, the Responsible Entity reserves the right to scale back any applications for Additional Units in their absolute discretion. Regardless, it is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units they can apply for.

4.4 Impact on NAV

While the Issue Price has been set by reference to the NAV per Unit, the Fund's NAV is likely to change due to market movements prior to the date on which the New Units are issued. If the NAV on the date of issue is higher than the Issue Price, the Offer will have a dilutive impact on the NAV per Unit. If the NAV on the date of issue is lower than the Issue Price, the Offer will have an accretive impact on the NAV per Unit.

5. RISK FACTORS

5.1 Introduction

The activities of FOR are subject to risks which may impact on its future performance. The Responsible Entity and Investment Manager have appropriate actions, systems and safeguards for known risks; however, some are outside its control. The principal risk factors are described below.

You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Offer Document before you decide whether to accept New Units.

5.2 Nature of investment

Any potential investor should be aware that subscribing for New Units involves risks. The New Units to be issued pursuant to this Offer carry no guarantee with respect to making distributions, return on capital or the market value of those New Units. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Units is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Units; and
- (c) the Fund is placed in liquidation making it reasonably foreseeable that Unitholders could receive none, or only some of their initial investment.

5.3 Asset risk

All investments carry risk. Different investments may carry different levels of risk. Assets with the highest long-term returns may also carry the highest level of short-term risk. Investments to which the Fund is exposed, like securities on a securities exchange, can (and do) fall in value for many reasons, such as changes in a business's internal operations or management, or in its business environment.

Adverse movements in the price of investments held by the Fund will have an adverse impact on the Net Asset Value per Unit.

From time to time the Fund may enter into an agreement in relation to a capital raising to be undertaken by an entity which is seeking to raise capital. Under this agreement, the Fund will agree to purchase an amount of securities, generally at a fixed price. There is a risk that the price paid to purchase these securities is higher than the market price of the securities at the time that they are purchased.

5.4 Broad mandate risk

The Investment Manager has a broad investment mandate. Accordingly, it may be difficult for investors to assess the risk associated with the type of underlying investments that may be made by the Fund.

5.5 Concentration risk

The Fund invests its assets in a limited number of securities (generally between 15 and 25) which may cause the value of the Fund's investments to be more affected by any single adverse business, economic, political or regulatory event than the investments of a more diversified portfolio. The concentrated nature of the Portfolio also means that the movement in an individual security's price may have a material impact on the value of the Portfolio.

5.6 Investment liquidity risk

The Fund can (and as at the date of this Offer Document, does) hold unlisted securities. There may be limited or no willing buyers for these securities. This risk can also apply to securities held by the Fund that are listed on ASX.

5.7 Market risk

The New Units may trade on the ASX at higher or lower prices than the Issue Price following listing. Investors who decide to sell their New Units after listing may not receive the entire amount of their original investment.

The Units are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Units or that the price of the New Units will increase.

The price at which the New Units trade on the ASX may be affected by external factors over which the Responsible Entity has no control. These factors include movements on domestic and international markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand, and other legal, regulatory or policy changes.

5.8 Economic factors

The operating and financial performance of the Fund is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Fund's performance.

5.9 Management actions

The Responsible Entity will, to the best of their knowledge, experience and ability (in conjunction with the Investment Manager) endeavour to anticipate, identify and manage the risks inherent in the activities of the Fund, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Fund and its securities.

5.10 Regulatory risk

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of FOR and the market price of its securities.

5.11 Future capital requirements

FOR may require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Unitholders, may be undertaken at lower prices than the current market price (or the Issue Price) or may involve restrictive covenants which limit the Responsible Entity and Investment Manager's strategy for FOR.

5.12 Other risks

The above list of risk factors ought not to be taken as exhaustive list of the risks faced by the Responsible Entity or by investors in FOR. The above factors, and others not specifically referred to above, may, in the future, materially affect the financial performance of the Responsible Entity and the value of the New Units.

6. ADDITIONAL INFORMATION

6.1 Section 1012DAA of the Corporations Act

FOR is a "disclosing entity" and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, FOR has to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to Section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters, a notice under Section 1012DAA(2)(f) need:

- (a) to contain information that is excluded information as at the date of the Offer Document pursuant to Sections 1012DAA(8) and (9); and
- (b) to state:
 - (1) the potential effect the issue of the New Units will have on the control of the Fund; and
 - (2) the consequences of that effect.

A notice under Section 1012DAA(2)(f) was lodged with the ASX on 30 August 2018.

6.2 Rights and liabilities attaching to New Units

The New Units will have from issue the same rights attaching to all existing Units on issue in FOR. The rights attaching to ownership of the New Units are set out in the Constitution, a copy of which is available for inspection at the registered office of the Responsible Entity during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Units.

6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by FOR. Total expenses of the Offer are estimated to be in the order of \$60,000 (plus GST). Based on an agreement entered into with the RE at the time of listing (outlined in the PDS), expenses for the Fund are capped until December 2019. As a consequence of this cap, the expenses related the Offer are indirectly being paid by the Manager.

6.4 Consents and disclaimers

Written consents to the issue of this Offer Document have been given and at the time of this Offer Document have not been withdrawn by the following parties:

The Trust Company (RE Services) Limited has given and has not withdrawn its consent to be named in this Offer Document as the responsible entity for FOR in the form and context in which it is named.

Forager Funds Management Pty Limited has given and has not withdrawn its consent to be named in this Offer Document as the investment manager for FOR in the form and context in which it is named.

Link Market Services Limited has given and has not withdrawn its consent to be named in this Offer Document as the Registry of FOR in the form and context in which it is named. It has had no involvement in the preparation of any part of this Offer Document other than recording its name as the unit registry to FOR. It takes no responsibility for any part of the Offer Document other than the references to its name.

KardosScanlan Pty Limited has given and has not withdrawn its consent to be named in this Offer Document as solicitors to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Offer Document other than references to its name.

6.5 Responsible Entity's statement

This Offer Document is authorised and issued by Perpetual in its capacity as responsible entity for FOR.

Signed on the date of this Offer Document for and on behalf of Perpetual in its capacity as the responsible entity for the Forager Australian Shares Fund by:



Vicki Riggio

Director

The Trust Company (RE Services) Limited

7. Definitions and glossary

Terms and abbreviations used in this Offer Document have the following meaning:

Term	Meaning
Acceptance	An acceptance of Entitlements.
Application Money	The Issue Price multiplied by the number of New Units applied for.
Additional Units	Has the meaning given in section 1.7.
Applicant	A person who submits an Entitlement and Acceptance Form or applies online at www.foragerfunds/rightsoffer2018 .
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691.
CHESS	The clearing house electronic sub register system, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.
Closing Date	The date by which valid Acceptances must be received by the Unit Registry being 5.00pm (Sydney Time) 21 September 2018 or such other date determined by the Responsible Entity.
Constitution	The Constitution of FOR.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Eligible Unitholder	A Unitholder on the Record Date whose registered address is in Australia or New Zealand.
Entitlement and Acceptance Form or Form	A personalised entitlement and acceptance form in the form attached to this Offer Document.
Entitlements	The entitlement to accept New Units under this Offer Document.
FOR or the Fund	Forager Australian Shares Fund (ARSN 139 641 491).
Ineligible Unitholder	A Unitholder who: (a) has a registered address which is not in Australian or New Zealand; (b) is in the United States or is US Person (as defined in Regulation S under the US Securities Act); or (c) is ineligible under any applicable securities laws to receive an offer under the Offer.
Issue	The issue of New Units in accordance with this Offer Document.

Issue Price	\$1.58 for each New Unit, which has been set by reference to the NAV per Unit on 29 August 2018 (to the nearest cent).
Investment Manager or Forager	Forager Funds Management Pty Limited.
Investment Portfolio	The investment portfolio of FOR.
Listing Rules	The official listing rules of the ASX.
NAV	The net asset value of the Fund as calculated in accordance with the Constitution. The NAV per Unit is calculated on a pre-tax basis. For the purposes of reporting to the ASX, the NAV and NTA (net tangible assets) are the same.
New Units	Units proposed to be issued under the Offer.
Offer	The offer of New Units pursuant to this Offer Document.
Offer Document	This Offer Document dated 30 August 2018 as modified or varied by the Responsible Entity from time to time.
Opening Date	The date of commencement of the Offer, expected to be 6 September 2018.
Record Date	7.00pm (Sydney time) 4 September 2018.
Register	The unit register of FOR.
Responsible Entity or Perpetual	The Trust Company (RE Services) Limited, as the responsible entity for the Fund.
Securities	Has the same meaning as in Section 92 of the Corporations Act.
Shortfall	Those New Units which are not subject to a valid Entitlement and Acceptance Form.
Unit Registry	Link Market Services Limited (ACN 083 214 537).
Unitholders	The holders of Units from time to time.
Units	The ordinary units on issue in the Fund from time to time.
United States	The United States of America.
US Securities Act	The US Securities Act of 1933, as amended.

CORPORATE DIRECTORY

Forager Australian Shares Fund	Australian Solicitors to the Offer
ARSN 139 641 491	<i>KardosScanlan Pty Limited</i> Level 5, 151 Castlereagh Street Sydney, New South Wales, 2000
Responsible Entity	Investment Manager
<i>The Trust Company (RE Services) Limited</i> Level 18, 123 Pitt Street Sydney, New South Wales, 2000	<i>Forager Funds Management Pty Limited</i> Level 14, 56 Pitt Street Sydney, New South Wales, 2000 Tel: +61 (2) 8305 6050
FOR Website	Unit Registry
www.foragerfunds.com/rightsoffer2018	<i>Link Market Services Limited</i> Level 12, 680 George Street Sydney, New South Wales, 2000



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Forage

verb, foraged, foraging.

to search about; seek; rummage; hunt (for what one wants).