

**Forager Australian Shares Fund**

ARSN 139 641 491

**Appendix 4D**

**Interim report**

**For the half-year ended 31 December 2023**

## Preliminary Final Report

This interim report is for the half-year from 1 July 2023 to 31 December 2023. The previous corresponding half-year was from 1 July 2022 to 31 December 2022. This interim report is to be read in conjunction with the annual report for the year ended 30 June 2023, and any public announcements made in respect of the Forager Australian Shares Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors of the Trust Company (RE Services) Limited, the Responsible Entity of Forager Australian Shares Fund (the "Fund") announce the reviewed results of the Fund for the half-year ended 31 December 2023 as follows:

### Results for announcement to the market

	Half-year ended		Increase/(decrease) over corresponding period	
	31 December 2023	31 December 2022		
Net assets attributable to unitholders	<b>154,079</b>	149,358	4,721	3.16%
Total investment income	<b>15,902</b>	23,196	(7,294)	-31.45%
Operating profit for the half-year	<b>14,685</b>	22,072	(7,387)	-33.47%

### Brief explanation of results

The operating profit for the period to 31 December 2023 of \$14,685,000 represented a decrease from \$22,072,000 profit in the period to 31 December 2022. The Fund returned 10.44% for the period compared to 16.69% for the previous corresponding period. The Fund's investment objective is to outperform the S&P/ASX All Ordinaries Accumulation Index over a rolling 5 year period. Over the six-month period to 31 December 2023 the Fund return was 2.49% greater than the S&P/ASX All Ordinaries Accumulation Index, and over the 5 year period to 31 December 2023, the Fund's return was 4.01% per annum lower than the S&P/ASX All Ordinaries Accumulation

As of 31 December 2023, the net assets of the Fund were \$154,079,000, a 3.16% increase from the balance as at 31 December 2022.

### Distribution information

The distributions for the half-year were as follows:

	Cents per unit*	Total amount \$'000	Record date	Date of payment
<b>December 2023</b>	<b>3.0000</b>	<b>2,996</b>	<b>29/12/2023</b>	<b>17/01/2024</b>
December 2022	3.0000	3,093	30/12/2022	17/01/2023

\* Distribution is expressed as cents per unit amount in the Australian Dollars.

### Distribution Reinvestment Plan (DRP)

The Responsible Entity has an established Distribution Reinvestment Plan ("DRP") in relation to Fund distributions. The Responsible Entity expects to make distributions on a semi-annual basis. For such distributions, it is expected the record date will be the last ASX trading day in December and last day for electing into the DRP will be 5.00pm (Sydney time) on the first business day after the record date.

Units under the DRP are currently issued to investors at a price determined by the Responsible Entity (in its absolute discretion) at, or at a premium or discount to, the Fund's Net Asset Value.

As at 20 December 2023, the Responsible Entity has suspended the operation of the DRP until further notice as Forager Australian Shares Fund is trading at a material discount to Net Asset Value.

### Net tangible assets

	As at	
	31 December 2023	31 December 2022
Net tangible assets per security (excluding distribution)	<b>\$1.54</b>	\$1.45

**Control gained or lost over entities during the period**

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

**Details of associates and joint venture entities**

The Fund did not have any interest in associates and joint venture entities during the current period.

**Other information**

The Fund is not a foreign entity.

**Independent review report**

This Appendix 4D is based on the interim financial statements which have been reviewed by the Fund's Auditors - Ernst & Young.

# **Forager Australian Shares Fund**

ARSN 139 641 491

## **Interim report**

**For the half-year ended 31 December 2023**

# Forager Australian Shares Fund

ARSN 139 641 491

## Interim report

### For the half-year ended 31 December 2023

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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 year ended 30 June 2023 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 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

## Directors' Report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity (the "Responsible Entity") of Forager Australian Shares Fund (the "Fund"). The Directors of the Responsible Entity (the "Directors") present their report together with the interim financial statements of the Fund for the half-year ended 31 December 2023.

## Principal Activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund invests predominantly in securities listed on the Australian Securities Exchange ("ASX") and investments that are likely to be listed on the ASX in the future and Australian denominated cash but may also invest up to 20% of its assets in securities that are listed on the New Zealand Exchange ("NZX") in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund's goal is to produce superior long-term returns from a selected number of underlying investments, irrespective of short-term price movements.

The Fund was constituted on 22 September 2009 and commenced operations on 30 October 2009.

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

There were no significant changes in the nature of the Fund's activities during the half-year.

The Fund is currently listed on the ASX under the ASX code FOR.

## Directors

The Directors of The Trust Company (RE Services) Limited, during and appointed within the half-year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

### Name

Glenn Foster	
Vicki Riggio	
Phillip Blackmore	Alternate Director for Vicki Riggio
Alexis Dodwell	Appointed as Director 1 November 2023
Christopher Green	Resigned as Director 1 November 2023

## Units on issue

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

	<b>As at</b>	
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>No.</b>	No.
Units on issue	<b>99,851,310</b>	103,084,861

## Review and results of operations

During the half-year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

## Results

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

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2023</b>	2022
Operating profit (\$'000)	<b>14,685</b>	22,072
Distributions paid and payable (\$'000)	<b>2,996</b>	3,093
Distributions (cents per unit)	<b>3.0000</b>	3.0000

**Directors' Report (continued)**

**Financial Position**

As at 31 December 2023, the Fund's total assets amounted to \$157,358,000 (30 June 2023: \$146,900,000).

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

	<b>31 December 2023</b>	31 December 2022
	\$	\$
At reporting period	<b>1.54</b>	1.48
High during period	<b>1.56</b>	1.55
Low during period	<b>1.39</b>	1.30

**Significant changes in state of affairs**

On 18 September 2023, the Responsible Entity announced the intention to transition service providers of the Fund from Link Fund Solutions to Apex Fund Services Pty Ltd for Fund Administration and Custody, and Automic Pty Limited for Unit Registry. This change was effective on 25 September 2023.

On 1 November 2023, Alexis Dodwell was appointed as Director and Christopher Green resigned as Director.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year.

**Matters subsequent to the end of the half-year**

No matter or circumstance has arisen since 31 December 2023 that have significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Fund in future financial years.

**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.

**Indemnification and insurance of officers and auditors**

No insurance premiums are paid for out of the assets of the Fund in regard to the insurance cover provided to either the officers of the Responsible Entity or the auditors of the Fund. So long as the officers of the Responsible Entity act in accordance with the Fund's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are in no way indemnified out of the assets of the Fund.

**Units in the Fund**

The movement in units on issue in the Fund during the half-year is disclosed in Note 6 of the interim financial statements.

The value of the Fund's assets and liabilities is disclosed in the Statement of financial position and derived using the basis set out in Note 2 of the interim financial statements.

**Environmental regulation**

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

**Directors' Report (continued)**

**Rounding of amounts to the nearest thousand dollars**

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) 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 *ASIC 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  
The Trust Company (RE Services) Limited

Sydney  
22 February 2024





**Building a better  
working world**

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## **Auditor's independence declaration to the directors of The Trust Company (RE Services) Limited as Responsible Entity of Forager Australian Shares Fund**

As lead auditor for the review of the half-year financial report of Forager Australian Shares Fund for the half-year ended 31 December 2023, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive, script font.

Ernst & Young

A handwritten signature in black ink that reads 'Jim Chuang' in a cursive, script font.

Jim Chuang  
Partner  
22 February 2024

**Forager Australian Shares Fund**  
**Statement of comprehensive income**  
**For the half-year ended 31 December 2023**

**Statement of comprehensive income**

		<b>Half-year ended</b>	
		<b>31 December</b>	<b>31 December</b>
		<b>2023</b>	<b>2022</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Investment income</b>			
Interest income from financial assets at amortised cost		303	25
Dividend income		1,115	719
Net gains on financial instruments at fair value through profit or loss	4	14,201	22,322
Management fees reimbursement		248	273
Net foreign exchange gain/(loss)		1	(143)
Other investment income		34	-
<b>Total investment income</b>		<b>15,902</b>	<b>23,196</b>
<b>Expenses</b>			
Responsible Entity's fees		87	84
Management fees		738	746
Administration and custody fees		56	70
Transaction costs		171	30
Registry fees		27	17
Other operating expenses		138	177
<b>Total operating expenses</b>		<b>1,217</b>	<b>1,124</b>
<b>Operating profit for the half-year</b>		<b>14,685</b>	<b>22,072</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>14,685</b>	<b>22,072</b>
<b>Earnings per unit for profit attributable to unitholders of the Fund</b>			
Basic earnings per unit in cents	9	<b>14.68</b>	21.18
Diluted earnings per unit in cents	9	<b>14.68</b>	21.18

*The above Statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Statement of financial position**

		<b>As at</b>	
	<b>Notes</b>	<b>31 December 2023 \$'000</b>	<b>30 June 2023 \$'000</b>
<b>Assets</b>			
Cash and cash equivalents		26,047	28,595
Dividends receivable		50	-
Due from brokers - receivable for securities sold		182	512
Receivable from Investment Manager		35	137
GST receivable		88	62
Financial assets at fair value through profit or loss	5	130,956	117,594
<b>Total assets</b>		<b>157,358</b>	<b>146,900</b>
<b>Liabilities</b>			
Responsible Entity's fees payable		87	54
Distributions payable		2,996	3,022
Management fees payable		130	128
Administration and custody fees payable		30	65
Other payables		36	142
<b>Total liabilities</b>		<b>3,279</b>	<b>3,411</b>
<b>Net assets attributable to unitholders - equity</b>	6	<b>154,079</b>	<b>143,489</b>

*The above Statement of financial position should be read in conjunction with the accompanying notes.*

**Statement of changes in equity**

		<b>Half-year ended</b>	
		<b>31 December</b>	<b>31 December</b>
		<b>2023</b>	<b>2022</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Total equity at the beginning of the half-year</b>		<b>143,489</b>	130,663
<b>Comprehensive income for the half-year</b>			
Profit for the half-year		<b>14,685</b>	22,072
Other comprehensive income		-	-
<b>Total comprehensive income for the half-year</b>		<b>14,685</b>	<u>22,072</u>
<b>Transactions with unitholders</b>			
Units buy-back	6	<b>(1,099)</b>	(3,683)
Units issued upon reinvestment of distributions	6	-	3,399
Distributions paid and payable	6,7	<b>(2,996)</b>	(3,093)
<b>Total transactions with unitholders</b>		<b>(4,095)</b>	<u>(3,377)</u>
<b>Total equity at the end of the half-year</b>		<b>154,079</b>	<u>149,358</u>

*The above Statement of changes in equity should be read in conjunction with the accompanying notes.*

**Statement of cash flows**

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial instruments at fair value through profit or loss	49,181	31,268
Payments for purchase of financial instruments at fair value through profit or loss	(48,012)	(20,543)
Interest income received from financial assets at amortised cost	303	25
Dividends received	1,065	719
Expense reimbursement income received	350	173
Other income received	8	-
Responsible Entity's fees paid	(54)	-
Management fees paid	(736)	(717)
Transaction costs paid	(171)	(28)
Administration and custody fees paid	(91)	-
Other operating expenses paid	(271)	(302)
<b>Net cash inflow from operating activities</b>	<b>1,572</b>	<b>10,595</b>
<b>Cash flows from financing activities</b>		
Payments for buy-back of units from unitholders	(1,099)	(3,683)
Distributions paid	(3,022)	(4,333)
<b>Net cash outflow from financing activities</b>	<b>(4,121)</b>	<b>(8,016)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,549)</b>	<b>2,579</b>
Cash and cash equivalents at the beginning of the half-year	28,595	8,694
Effects of foreign currency exchange rate changes on cash and cash equivalents	1	(143)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>26,047</b>	<b>11,130</b>

*The above Statement of cash flows should be read in conjunction with the accompanying notes.*

**Notes to the interim financial statements**

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## **1 General information**

These interim financial statements cover Forager Australian Shares Fund (the "Fund") as an individual entity. The Fund was constituted on 22 September 2009 and commenced operations on 30 October 2009 and admitted to the Australian Securities Exchange ("ASX") on 14 December 2016. The Fund terminates on the earlier of the date when the Responsible Entity tells the investors it terminates or any date the law requires.

The Trust Company (RE Services) Limited (ABN 45 003 278 831) (AFSL 235150) is the responsible entity of the Fund (the "Responsible Entity"). The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

The investment manager of the Fund is Forager Funds Management Pty Ltd (the "Investment Manager").

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 but may also invest up to 20% of its assets in securities that are listed on the New Zealand Exchange ("NZX"). The Fund's goal is to produce superior long-term returns from a selected number of underlying investments, irrespective of short-term price movements.

The interim financial statements of the Fund are for the half-year ended 31 December 2023. 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 (the "Directors of the Responsible Entity") on 22 February 2024. The Directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

## **2 Summary of material accounting policies**

The principal accounting policies applied in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated in the following text.

### **(a) Basis of preparation**

These 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 Standard IAS 34 *Interim Financial Reporting*. The Fund is a for-profit entity for the purpose of preparing the interim financial statements.

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 2023 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*.

The Statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities at fair value through profit or loss.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at half-year end.

### **(b) Material accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2023.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods. There are no standards issued but not yet effective that would have a material impact on the amounts recognised in the financial statements in the future.

### **(c) Rounding of amounts**

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the interim financial statements. Amounts in the interim financial statements have been rounded to the nearest thousand dollars in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

## 2 Summary of material accounting policies (continued)

### (d) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

## 3 Fair value measurement

The Fund measures and recognises the following financial assets at fair value on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

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

AASB 13 *Fair Value Measurement* 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).

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

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the interim financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used to fair value financial assets and financial liabilities held by the Fund is the last-traded prices.

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 active or unquoted market (level 2 and 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain unlisted shares, certain corporate debt securities and managed funds with suspended applications and withdrawals.

### Recognised fair value measurements

The following table presents the Fund's financial assets measured and recognised at fair value as at 31 December 2023 and 30 June 2023.

<b>As at 31 December 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets at fair value through profit or loss</b>				
Financial assets at fair value through profit or loss:				
Listed equity securities	128,211	-	-	128,211
Listed property trusts	2,745	-	-	2,745
<b>Total</b>	<b>130,956</b>	<b>-</b>	<b>-</b>	<b>130,956</b>



### 3 Fair value measurement (continued)

#### Recognised fair value measurements (continued)

As at 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss:				
Listed equity securities	114,948	-	-	114,948
Listed property trusts	2,646	-	-	2,646
<b>Total</b>	<b>117,594</b>	<b>-</b>	<b>-</b>	<b>117,594</b>

#### (i) Transfers between levels

The Fund'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 the levels in the fair value hierarchy for the half-year ended 31 December 2023 (30 June 2023: nil).

#### (ii) Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the period ended as at 31 December 2023 or period ended 31 December 2022.

#### (iii) Valuation processes

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

#### (iv) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

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

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Financial assets</b>		
Net realised losses on financial assets at fair value through profit or loss	(3,204)	(1,967)
Net unrealised gains on financial assets at fair value through profit or loss	17,405	24,289
<b>Total net gains on financial instruments at fair value through profit or loss</b>	<b>14,201</b>	<b>22,322</b>

### 5 Financial assets at fair value through profit or loss

	As at	
	31 December 2023 \$'000	30 June 2023 \$'000
<b>Financial assets at fair value through profit or loss</b>		
Listed equity securities	128,211	114,948
Listed property trusts	2,745	2,646
<b>Total financial assets at fair value through profit or loss</b>	<b>130,956</b>	<b>117,594</b>

## 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		Half-year ended	
	2023	2023	31 December	31 December
	No. '000	\$'000	2022	2022
		No. '000		\$'000
Opening balance	100,725	143,489	103,097	130,663
Units buy-back	(874)	(1,099)	(2,835)	(3,683)
Units issued upon reinvestment of distributions	-	-	2,823	3,399
Distributions paid and payable	-	(2,996)	-	(3,093)
Profit for the half-year	-	14,685	-	22,072
<b>Closing balance</b>	<b>99,851</b>	<b>154,079</b>	<b>103,085</b>	<b>149,358</b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share 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.

### Units buy-back

On 24 March 2023, the Fund announced a 12-month on-market buy-back program. During the half-year ended 31 December 2023, 873,467 units were bought back at an average buy back of \$1.26 per unit.

### Capital risk management

The Fund classifies its net assets attributable to unitholders as equity.

The Fund is a closed-end Fund and is not subject to applications and redemptions. The movements in the number of units during the half-year were as a result of units buy-back.

Generally, the Fund's strategy is to hold liquid investments. Liquid assets include cash and cash equivalents and listed investments.

## 7 Distributions to unitholders

Distributions are payable semi-annually at the end of each financial period. Such distributions are determined by reference to the net taxable income of the Fund.

The distributions for the half-year were as follows:

	31 December		Half-year ended	
	2023		31 December	
	\$'000	CPU*	\$'000	CPU*
Distributions payable	2,996	3.0000	3,093	3.0000
<b>Total distributions payable</b>	<b>2,996</b>	<b>3.0000</b>	<b>3,093</b>	<b>3.0000</b>

\*Distribution is expressed as cents per unit amount in Australian Dollars.

## 8 Remuneration of auditor

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

	<b>Half-year ended</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Ernst &amp; Young</b>		
<b>Audit and other assurance services</b>		
Review of interim financial statements	<b>18,400</b>	18,400
Total remuneration for audit and other assurance services	<b>18,400</b>	18,400
<b>Total remuneration of Ernst &amp; Young</b>	<b>18,400</b>	18,400

The remuneration of auditor is borne by the Fund. Fees are stated exclusive of GST.

## 9 Earnings/(loss) per unit

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

Diluted earnings per unit are the same as basic earnings/(loss) per unit.

	<b>Half-year ended</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
Operating profit (\$'000)	<b>14,685</b>	22,072
Weighted average number of units on issue ('000)	<b>100,016</b>	104,203
Basic and diluted earnings per unit in cents	<b>14.68</b>	21.18

## 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

For the purpose of these interim financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities. There have been no significant changes to the related party transactions disclosed in the previous annual financial report for the period ending 30 June 2023, except for the appointment of Alexis Dodwell and resignation of Christopher Green on 1 November 2023.

## 12 Significant events during the half-year

On 18 September 2023, the Responsible Entity announced the intention to transition service providers of the Fund from Link Fund Solutions to Apex Fund Services Pty Ltd for Fund Administration and Custody, and Automic Pty Limited for Unit Registry. This change was effective on 25 September 2023.

On 1 November 2023, Alexis Dodwell was appointed as Director and Christopher Green resigned as Director.

There were no other significant events during the half-year.

## 13 Events occurring after the reporting period

The Directors are not aware of any event or circumstance since the end of the half-year not otherwise addressed within this interim financial statements that have affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

**14 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2023.

**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 16 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian 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 2023 and of its performance for the half-year 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.

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



Director  
The Trust Company (RE Services) Limited

Sydney  
22 February 2024



**Building a better  
working world**

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## **Independent auditor's review report to the unitholders of Forager Australian Shares Fund**

### **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 2023, 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 material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2023 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*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of 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 of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us 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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

*Ernst & Young*

Ernst & Young



Jim Chuang  
Partner  
Sydney  
22 February 2024