# Forager Funds Management

## Roadshow 2025 presentation

Forager

September 2025

# Important Information

## Disclaimer

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## Forward-looking statements

This presentation contains some forward-looking statements which reflect the expectations of Forager Funds Management about the future prospects of companies held within the portfolios of the funds. While Forager Funds Management considers its expectations to be based on reasonable grounds, there is no guarantee that those expectations will be met. Actual performance of the portfolio companies will be impacted by a variety of factors, including circumstances that cannot be foreseen, and could differ significantly from the expectations of Forager Funds Management. These statements should therefore not be relied upon as an accurate representation or prediction as to any future matters. Where portfolio companies do not perform in line with Forager Funds Management's expectations, the funds could be adversely impacted.

## General advice only

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The Trust Company (RE Services) Limited (ABN 45 003 278 831 and AFSL No. 235150) is the Responsible Entity and the issuer of the Forager Australian Shares Fund (ARSN No. 139 641 491) and the Forager International Shares Fund (ARSN No. 161 843 778). Before deciding whether to acquire or continue to hold the product, you should read the relevant Product Disclosure Statement (PDS), and seek advice from investment and taxation professionals to determine if the product is appropriate for your needs. The Target Market Determination for the Forager International Shares Fund and the Forager Australian Shares Fund are available on the Forager website at www.foragerfunds.com/documents-forms. The relevant PDS can also be accessed on the website at www.foragerfunds.com/documents-forms or by calling +61 (2) 8320 0555.

## Performance

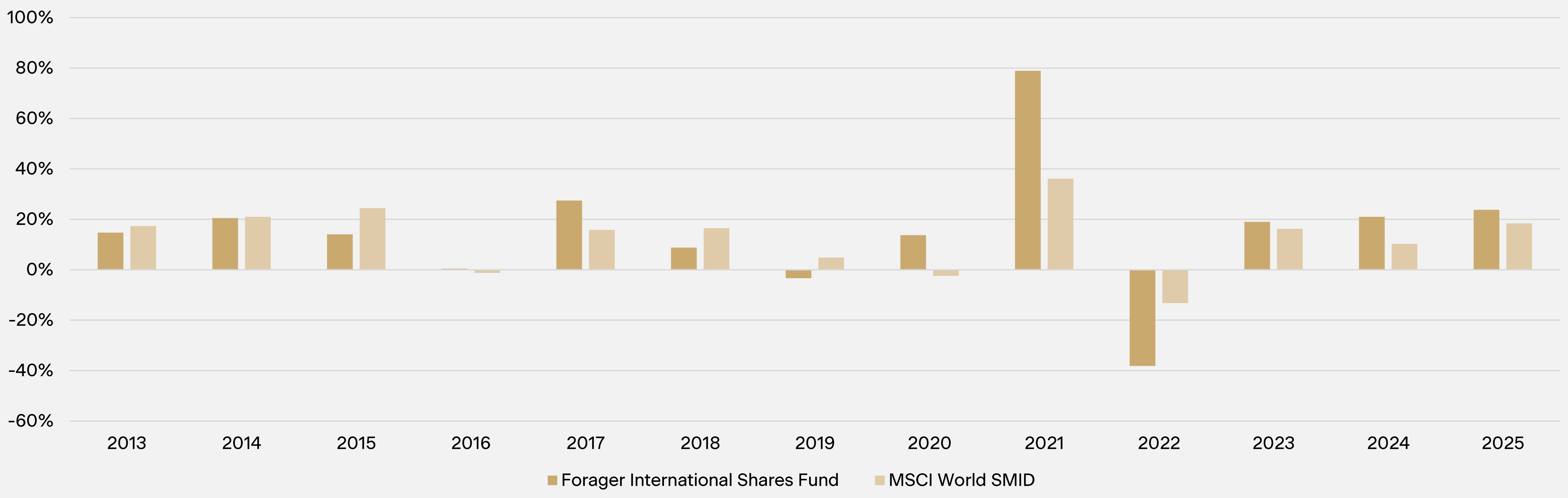
Past performance is not a reliable indicator of future performance. The Trust Company (RE Services) and Forager Funds Management do not guarantee investment performance or distributions, and the value of your investment may rise or fall. Total returns and estimated valuations have been calculated using the exit unit prices, before taxation, after ongoing fees, and assuming reinvestment of distributions. We encourage you to think of investing as a long-term pursuit.

# Agenda

1. CIO Address
2. Panel discussion
3. Q&A
4. Drinks

# Outperformance in 2025

International Shares Fund performance by financial year

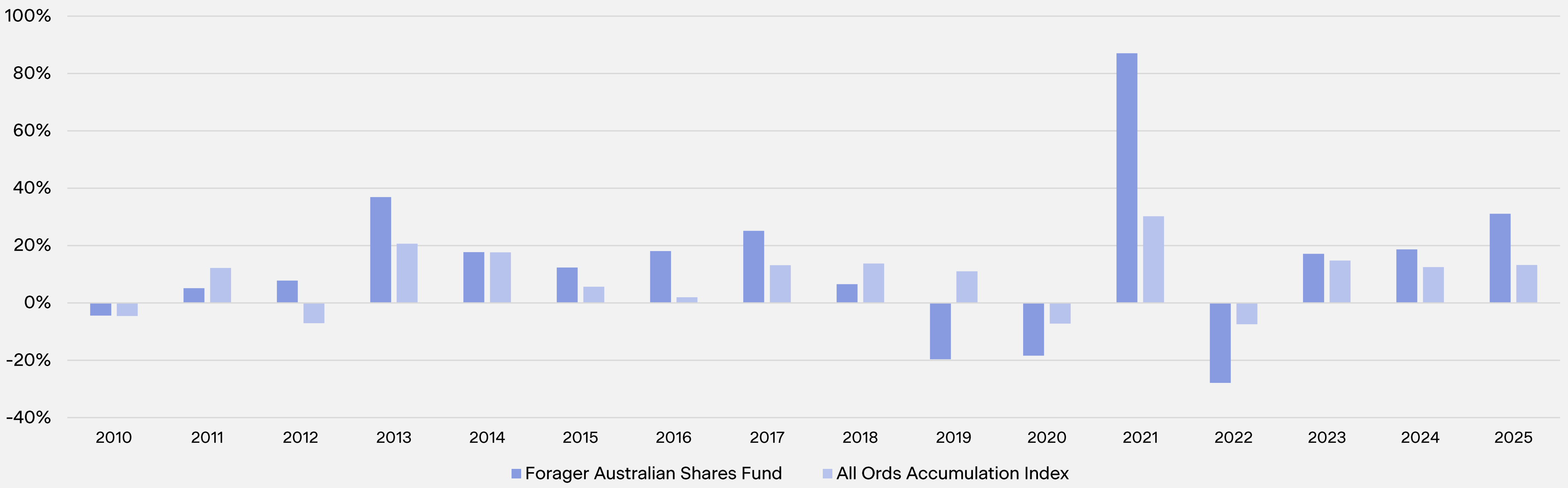



*Source: Bloomberg, MSCI*

*Past performance is not indicative of future performance and the value of your investments can rise or fall. Performance is calculated net of all fees and expenses. MSCI AC World Net Index in $A is an abbreviation of MSCI All Country World Investable Market Index (Net) in Australian dollars. ^Indices provided for comparison purposes only. The risk/return profiles of the Fund and these indices may differ due to differences in the constituents of each. *30 October 2009, 8 February 2013*

# Outperformance in 2025

**Australian Shares Fund performance by financial year**




*Source: Bloomberg, MSCI*

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# Why equities rule for long-term investors

## Real returns from various asset classes (1900-2023)

| | Equities | Bonds | Cash |
|---|---|---|---|
| Australia | 6.7% | 1.6% | 0.6% |
| United Kingdom | 5.4% | 1.5% | 1.0% |
| United States | 6.5% | 1.7% | 0.5% |
| World | 5.1% | 1.8% | N/A |

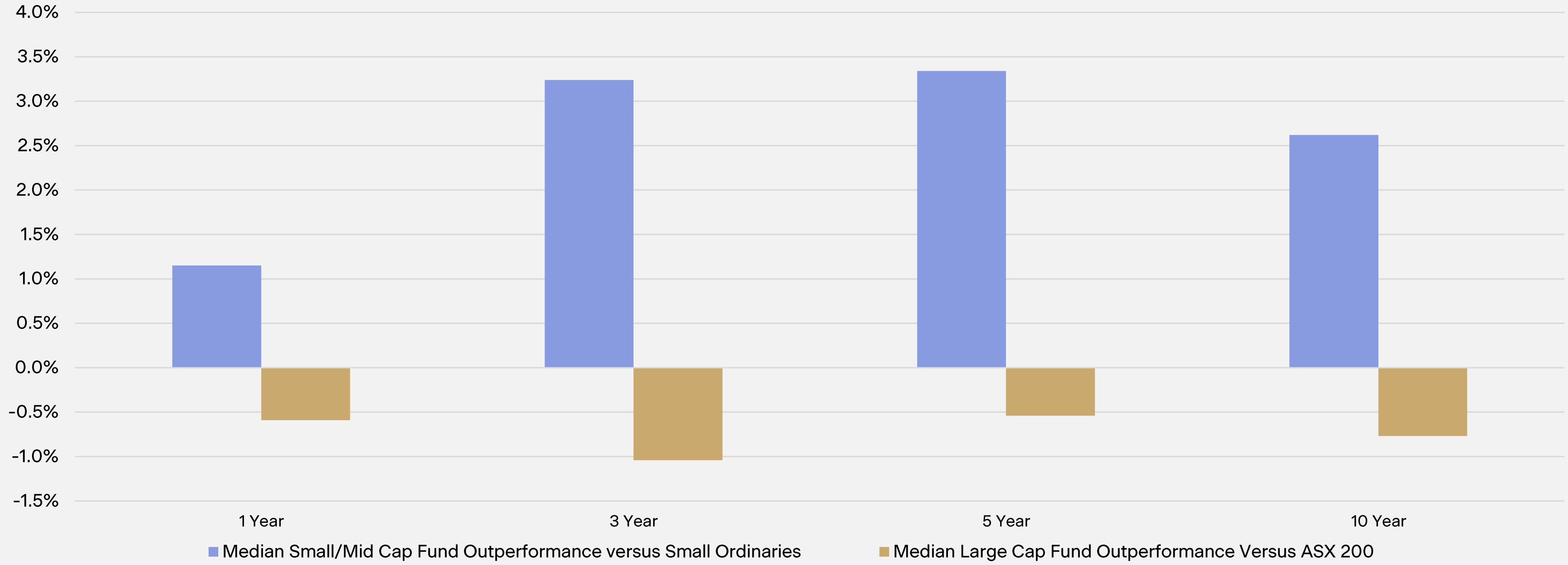
## Cumulative excess returns equities versus cash

| | 10 years | 20 years | 30 years |
|---|---|---|---|
| Australia | 85% | 253% | 580% |
| United Kingdom | 59% | 164% | 350% |
| United States | 83% | 242% | 545% |

*Source: UBS Investment Returns Handbook 2024*

# Small cap outperformance

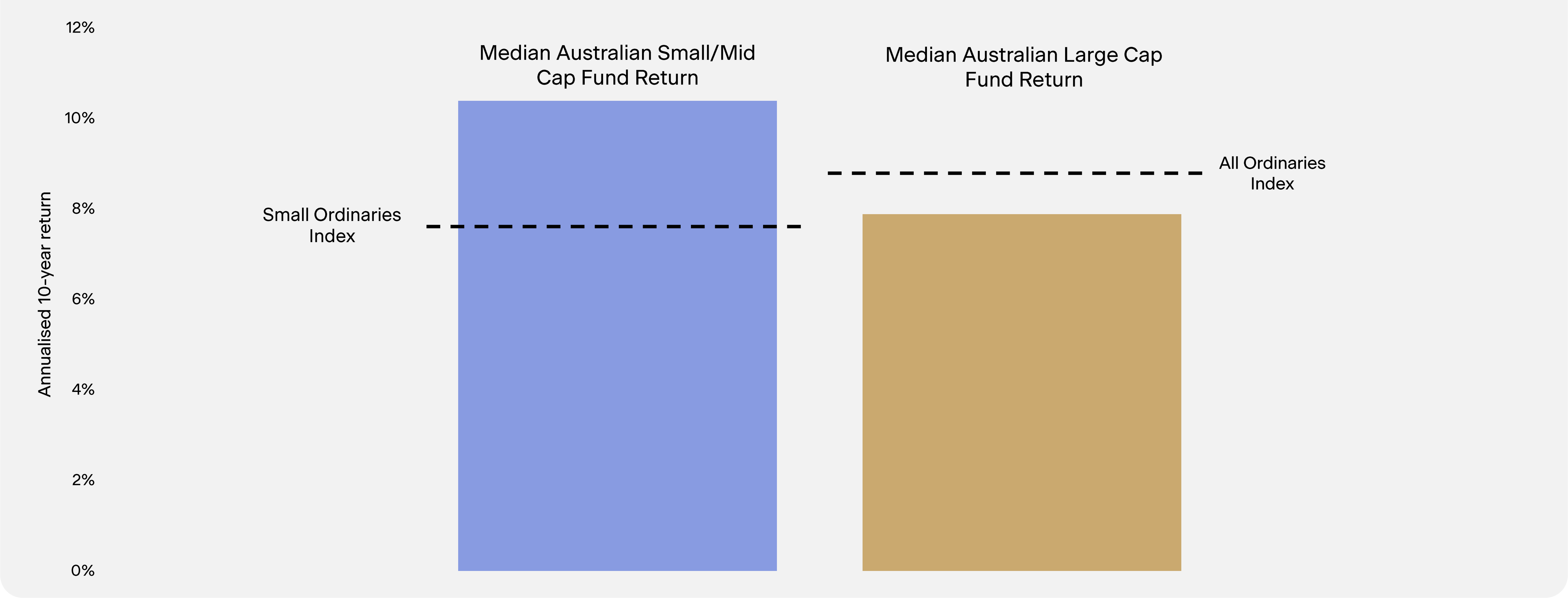
## Small Cap Funds outperform their index




*Source: Morningstar as at 31 July 2025*
*Past performance is not indicative of future performance and the value of your investments can rise or fall. Performance returns are calculated net of all fees and expenses.*

# The median small cap fund has overcome index underperformance

## 10-year return of small and large cap funds vs their respective indices




*Source: Morningstar as at 31 July 2025*
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# Competitive advantage

## Truly long-term investors

Strong transparency with our clients
Well capitalised business
Psychological difference

## Capacity conscious

Small dynamic team
Willing to take on illiquidity

## Contrarian behaviours

Like-minded investor base
Naturally contrarian investment team

These principles lead to:

**A focus on smaller companies**

**Opportunistic portfolios that adapt to markets**

**Long-term outperformance**

# Investment team

Chief Investment Officer and Managing Director
**Steve Johnson**

## Forager International Shares Fund

Portfolio Manager
**Gareth Brown**
12.5 years with Forager

Portfolio Manager
**Harvey Migotti**
6 years with Forager

Senior Analyst
**Chloe Stokes**
8.5 years with Forager

Analyst
**Bella Foley**
4 years with Forager

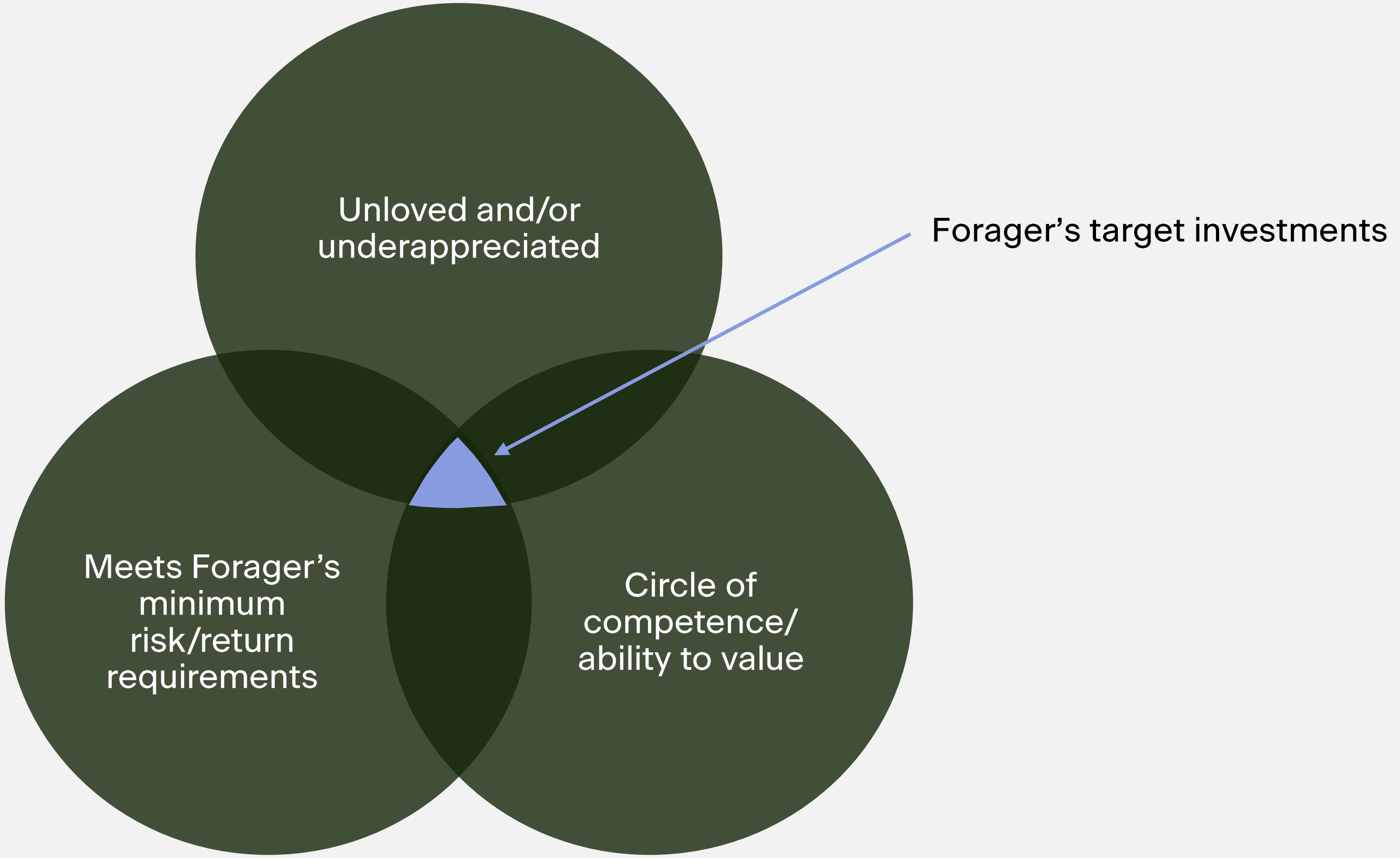
## Forager Australian Shares Fund

Portfolio Manager
**Steve Johnson**
16 years with Forager

Portfolio Manager
**Alex Shevelev**
8.5 years with Forager

Analyst
**Nicholas Plessas**
2 years with Forager

# Forager’s targeted investment approach



# Individual stock return requirements

| | | | |
|---|---|---|---|
| Type of Business | Predictable, established, liquid, large | Established, less liquid, small-medium | Risky, illiquid, small |
| Minimum Investment Return | 12% returns | 15%+ returns | 20%+ returns |
| Example investments | Dalrymple Bay Infrastructure, TESCO | Cuscal, JD Group | RPMGLOBAL, YETI, CATAPULT, NUTEX HEALTH |

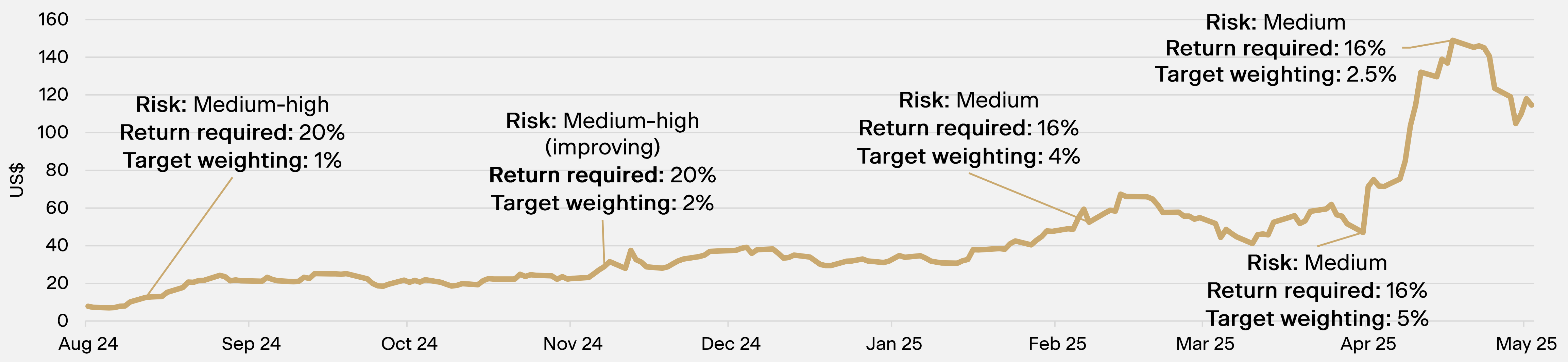
# Risk and return framework

| Risk principles | | Portfolio constraints |
|---|---|---|
| Resilience | → | Individual weighting limits |
| Liquidity | → | Sector exposure limits |
| Diversity | → | Country exposure limits |

# Stock weighting in practice

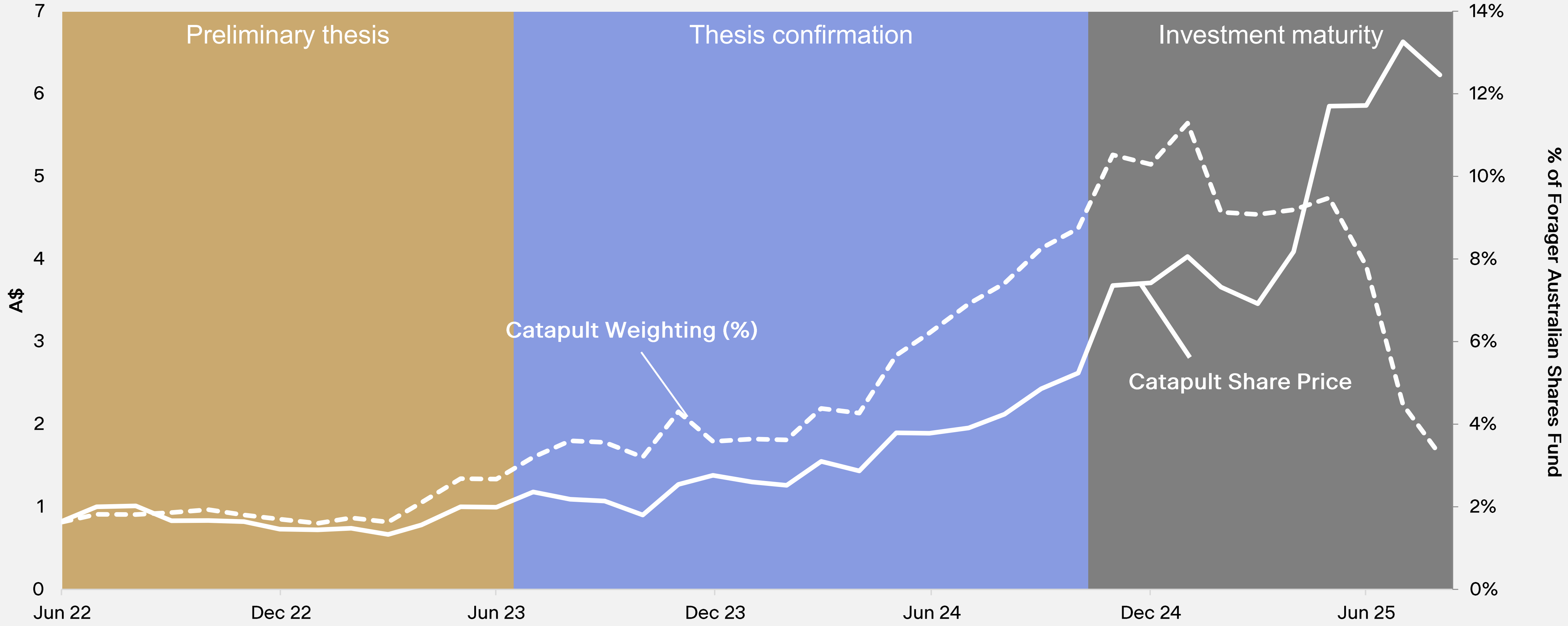
| Type of Business | Predictable, established, liquid, large | Established, less liquid, small-medium | Risky, illiquid, small |
|---|---|---|---|
| Minimum Investment Return | 12% returns | 15%+ returns | 20%+ returns |

## Nutex Health stock weighting



# Disciplined exits from successful investments

## Catapult Investment Lifecycle




*Source: Bloomberg, Forager. As at 31 August 2025*

*Past performance is not indicative of future performance and the value of your investment may rise or fall*

# Australian Shares Fund performance

## Forager Australian Shares Fund (As at 31 August 2025)

| | 1 yr | 3yr (p.a) | 5yr (p.a) | 7yr (p.a) | 10yr (p.a) | Since Inception (p.a)* |
|---|---|---|---|---|---|---|
| **Forager Australian Shares Fund** | **44.18%** | **21.76%** | **17.67%** | **9.35%** | **10.77%** | **11.51%** |
| Small Ordinaries Accumulation Index | 23.40% | 9.81% | 7.91% | 6.04% | 9.19% | 5.39% |
| Outperformance | 20.78% | 11.95% | 9.76% | 3.31% | 1.58% | 6.12% |
| All Ordinaries Accumulation Index | 14.93% | 12.83% | 12.24% | 9.32% | 10.07% | 8.72% |
| Outperformance | 29.25% | 8.93% | 5.43% | 0.03% | 0.70% | 2.79% |

*Source: S&P Capital IQ*

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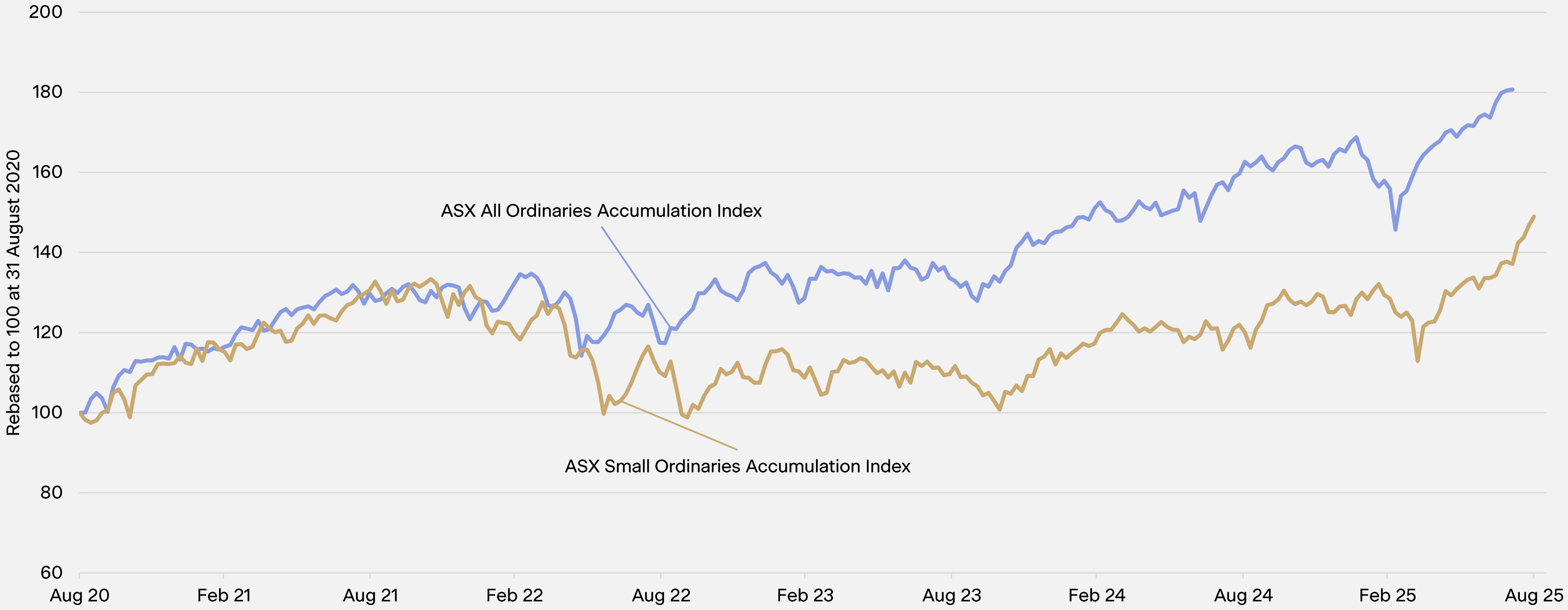
# Small Ordinaries is trading a historically wide discount

## ASX All Ordinaries and ASX Small Ordinaries Accumulation Index




*Source: S&P Capital IQ*

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# International Shares Fund performance

**Forager International Shares Fund (As at 31 August 2025)**

| | 1 yr | 3yr (p.a) | 5yr (p.a) | 7yr (p.a) | 10yr (p.a) | Since Inception (p.a)* |
|---|---|---|---|---|---|---|
| **Forager International Shares Fund** | **23.65%** | **20.68%** | **12.94%** | **12.16%** | **11.54%** | **13.57%** |
| MSCI World SMID Net Index in $A | 18.15% | 14.83% | 12.92% | 9.03% | 9.68% | 12.78% |
| Outperformance | 5.50% | 5.85% | 0.02% | 3.13% | 1.86% | 0.79% |
| | | | | | | |
| MSCI AC World Net Index in $A^ | 19.73% | 18.91% | 14.60% | 11.92% | 11.72% | 14.04% |
| Outperformance | 3.92% | 1.77% | -1.66% | 0.24% | -0.18% | -0.47% |

*Source: Bloomberg, MSCI*
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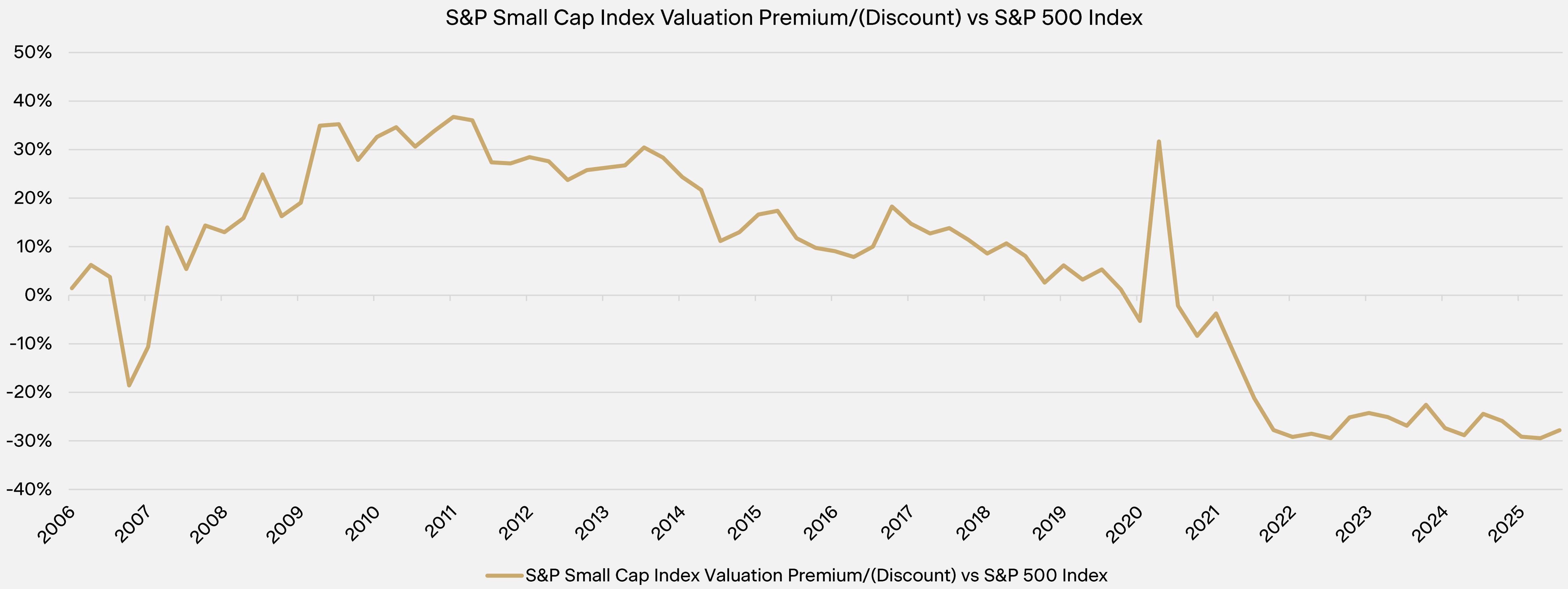
# The set up for small and mid-caps is attractive

**S&P Small Cap Index Valuation Premium/(Discount) vs S&P 500 Index**




*Source: Bloomberg*

# Idea generation process

## Timeless stable of businesses we want to own at the right place

**Experienced-based circles of competence**

Businesses we know and like from past ownership, coverage or research

**Brokers and conferences**

Attend 10+ conferences per year
Meet 200+ companies per fund
Looking for circle of competence + quality (financials + governance)

**Filters and screening**

ROE, ROCE, Revenue Growth, Sector Specific

## Timely idiosyncratic investment ideas

**News cycle**

Broker research, company announcements, WSJ, FT, AFR, Grants, podcasts

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**Filters and screening**

Poor performers (52-week lows)
Value metrics (EV/EBIT, P/E, EV/revenue)
Sector specific, broker downgrades

**Investing peers**

Newsletters/fund updates, subscriptions, investor conferences, regulatory filings (13F, substantial holder), idea exchange

**Preliminary Review:**
Financials, presentations, broker research

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**Preliminary discussion:**
New ideas online forum, CIO/PM, regular team meeting

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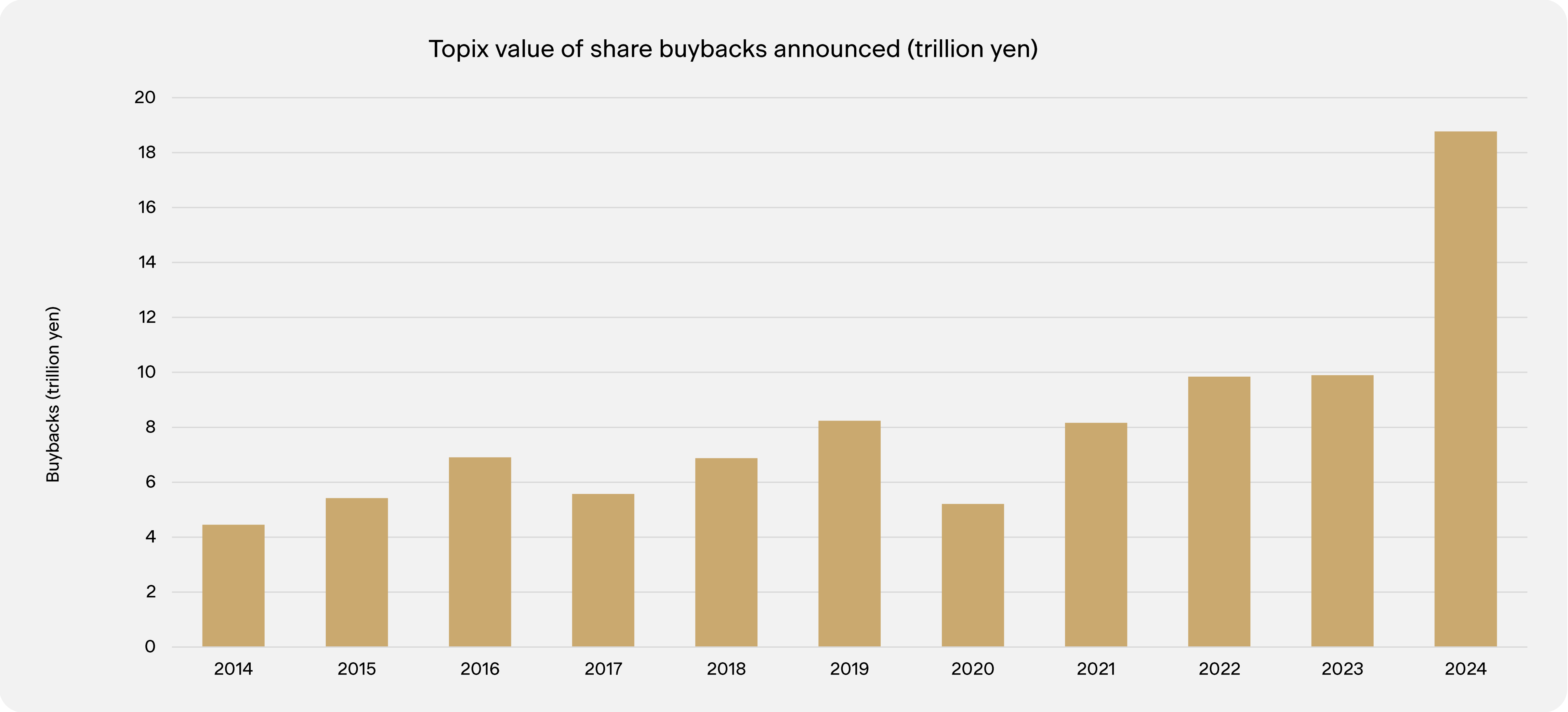
**Short listed:**
Commence detailed research

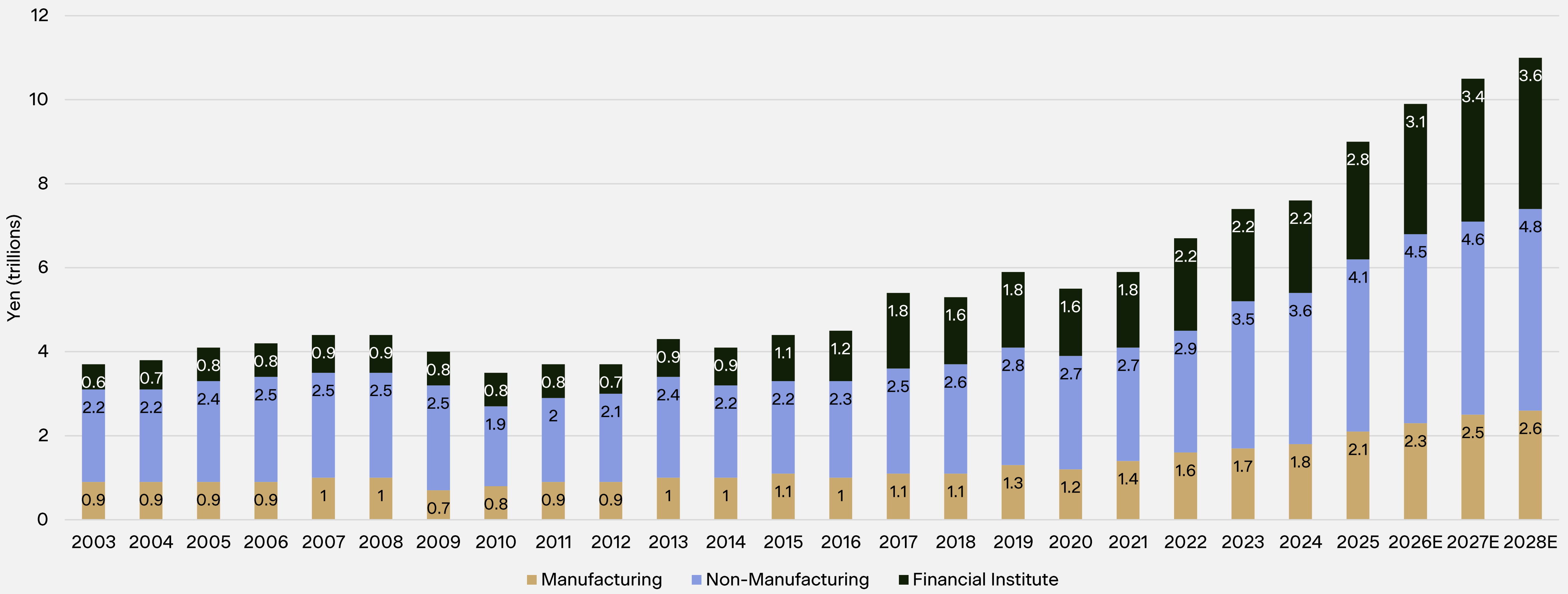
# Japan governance reforms delivering shareholder returns




*Source: Jefferies, Bloomberg.*

# Japanese software investment accelerates

## Software investment forecasts




Source: Citi Research, BoJ Tankan

Data is for the 12 months through to March 31st each year.

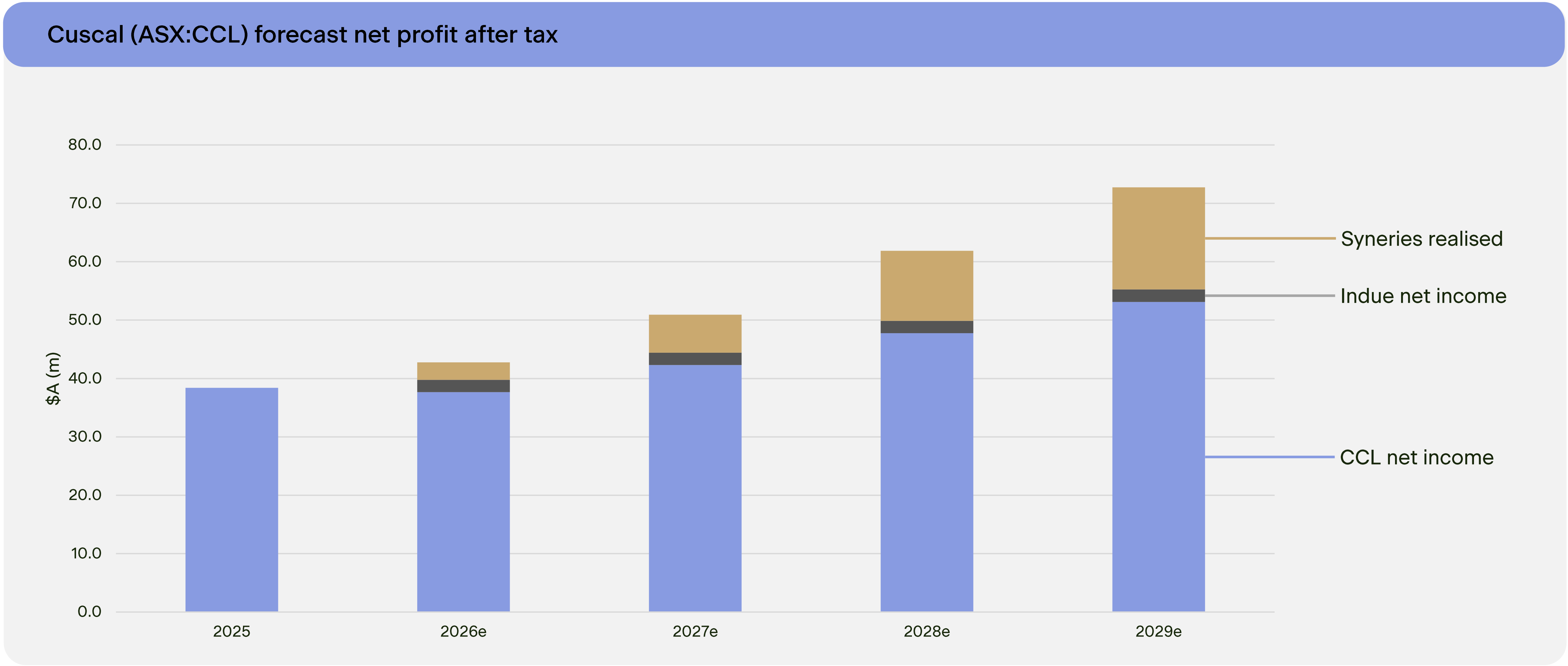
# Key investments: Japan digitisation beneficiaries

| Japan software investments in Forager International Shares Fund | Market Cap (USD) | Forward 1-year profit growth | Forward PE ratio |
|---|---|---|---|
| BayCurrent (TSE:6532) | $8.9bn | 25% | 28x |
| OBIC Business Consultants (TSE:4733) | $4.6bn | 16% | 27x |
| Rakus (TSE:3923) | $3.4bn | 55% | 35x |
| Visional (TSE:4194) | $3.1bn | 18% | 26x |
| Broadleaf (TSE:3673) | $480m | 180% | 34x |
| eWell (TSE:5038) | $290m | 32% | 35x |
| DreamArts (TSE:4811) | $120m | 40% | 18x |
| **US Software Index** | | **10-15%** | **34x** |

*Source: Bloomberg. As at September 12 2025.*

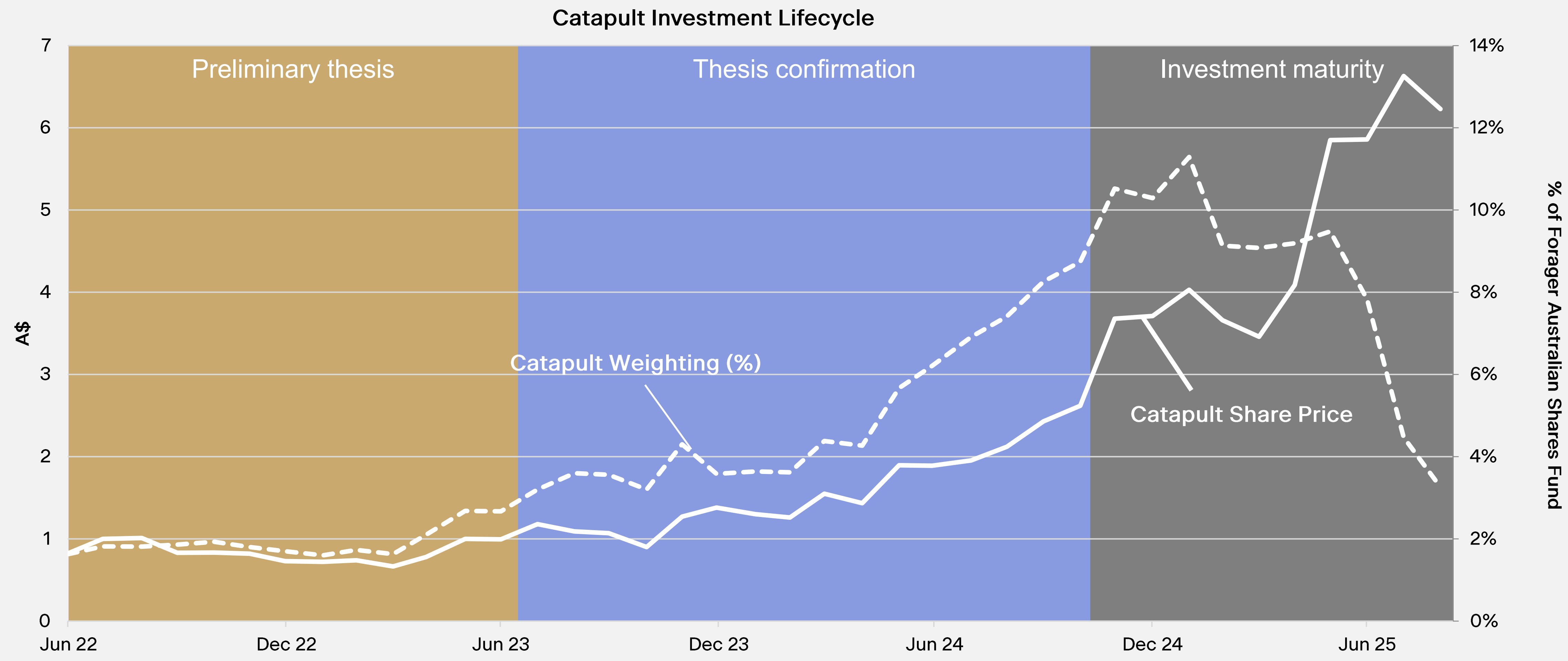
*Note: OBC, DreamArts Forward PE Multiple adjusted for excess net cash.*

# Indue acquisition accelerates Cuscal's growth




*Source: Forager estimates, Management assumptions*

# Disciplined exits from successful investments




*Source: Bloomberg, Forager. As at 31 August 2025*

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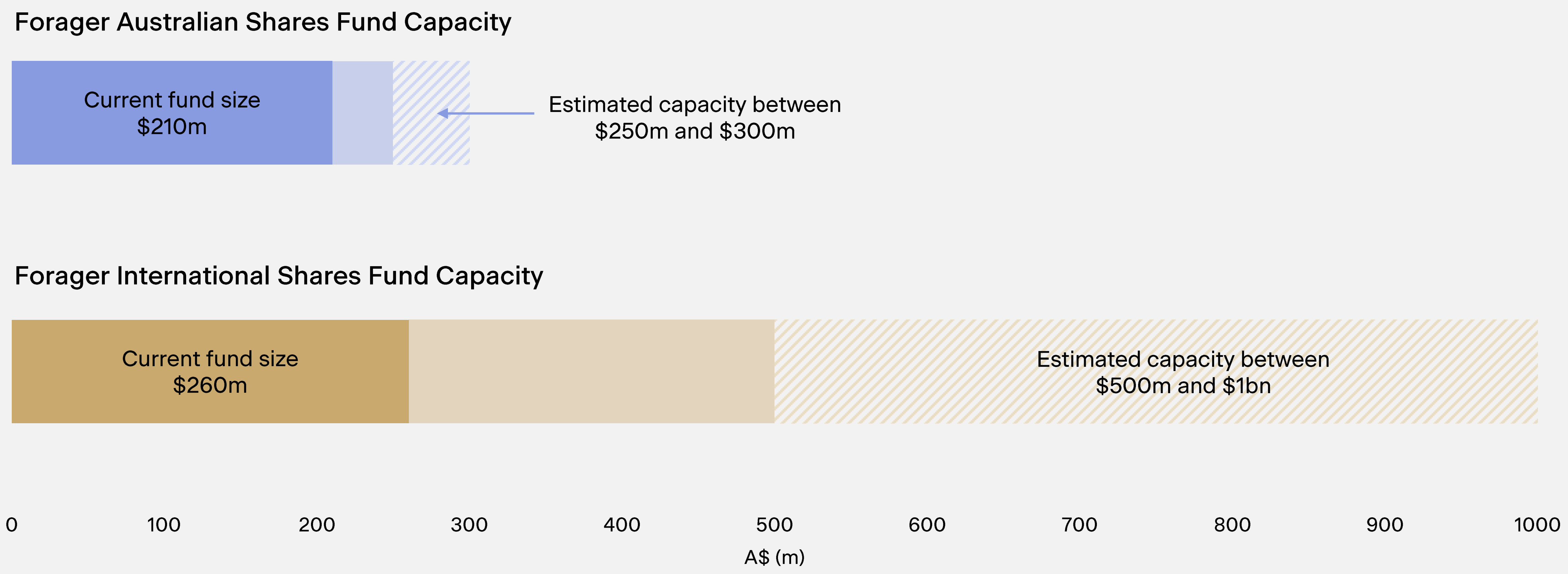
# Disciplined capacity constraints

## Both funds managed by Forager retain excess capacity




Source: Forager. As at 31 August 2025

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