

## Sandon Capital Activist Fund

November 2012 Monthly Report

Entry/Exit Prices: \$1.2290/\$1.2192

### Fund Description

The objective of the Fund is to deliver returns to investors through a combination of capital growth and distributions. The Fund aims to achieve this objective by seeking to invest in opportunities that are considered by Sandon Capital to be trading below their intrinsic value and that offer the potential of being positively influenced by investors taking an active role in proposing changes in the areas of corporate governance, capital management, strategic and operational issues, management arrangements and other related activities. Neither returns nor capital are guaranteed.

### Fund Details

Structure	Wholesale unit trust	Minimum Investment	\$250,000 (or as agreed with trustee)
Trustee	Fundhost Ltd	Trustee Fees	0.21%
Custodian	National Australia Bank	Management Fees	1.33%
Investment Manager	Sandon Capital Pty Ltd	Performance Fees	15.375% of returns above cash
Website	www.sandoncapital.com.au	Buy/Sell Spread	±0.40%
Inception	4 Sep 2009	Applications/Withdrawals	Monthly/Quarterly

### Fund Performance (calculated net of all fees, assuming reinvestment of distributions and using unit mid-price. YTD figure is compounded)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2009</b>									2.5%	2.4%	-0.9%	1.0%	5.0%
<b>2010</b>	1.0%	-0.3%	-0.7%	2.9%	-4.2%	4.2%	4.4%	-0.6%	2.3%	2.4%	3.5%	-0.9%	14.5%
<b>2011</b>	1.3%	0.6%	0.5%	1.3%	-1.9%	-2.7%	-0.1%	-0.1%	1.9%	2.1%	2.5%	2.2%	7.8%
<b>2012</b>	-1.0%	0.4%	1.8%	2.1%	-2.8%	-1.0%	3.3%	0.5%	2.5%	2.8%	0.1%		8.7%

### Fund Commentary

The Fund delivered a return of 0.1% in November. The result was borne of a few small increases in market prices offset by a few small declines.

A significant proportion of the Fund's assets were received back as cash during the month, following the completion of a number of corporate transactions. This cash was redeployed throughout the month into existing holdings whose market prices succumbed to weakness.

We expect activity, though not opportunity, to quieten ahead of the festive season. Any hiatus in activity is likely to lead into mid- to late-January 2013.

We continue to remain cautious about the global macro outlook, though actual (and expected) regulatory responses (that we do not consider solve root problems) can engender significant positive market responses. The consequences of the significant macro factors at play globally are difficult to predict or quantify.

We remain focused on opportunities that have high levels of tangible assets, marketable securities or cash and whose prospects are somewhat independent of market and economic conditions, as we believe these offer the best risk-adjusted returns in the current environment.

### Portfolio Exposures

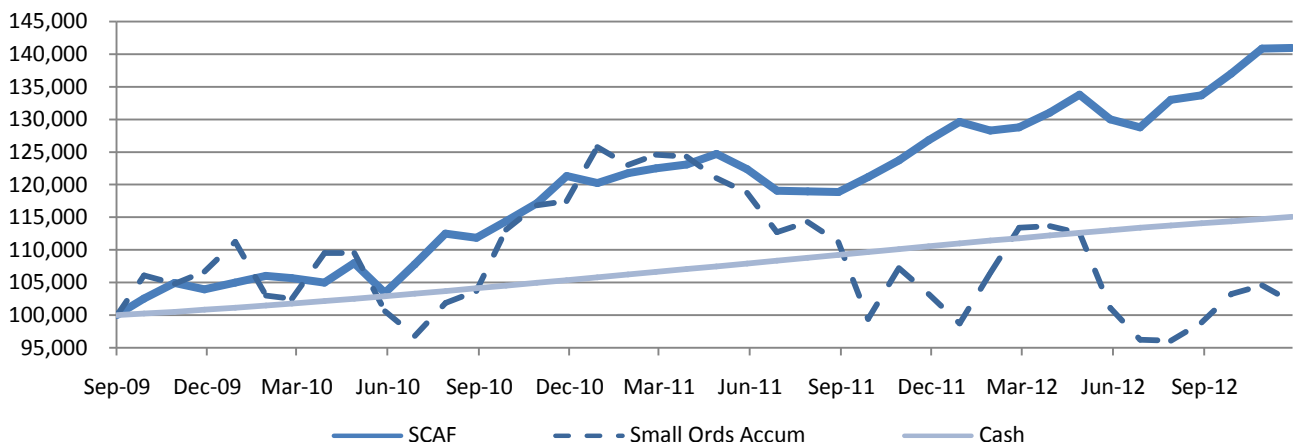
Long Exposure	63%	Long Positions	17
Cash	37%		

Fundhost Limited (ABN 69 092 517 087) (AFSL 233045) ("Fundhost") as trustee of, and issuer of units in, the Sandon Capital Activist Fund ("Fund"). Sandon Capital Pty Limited (ABN 98 130 853 691) (AFSL 331 663) ("Sandon Capital") is the Investment Manager of the Fund.

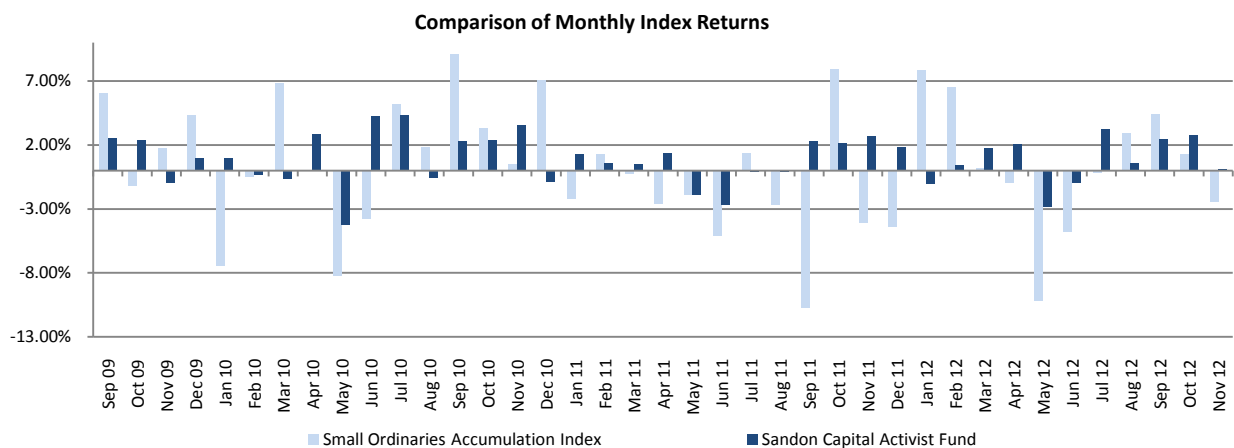
Fund performance is after fees and assumes distributions are reinvested. Past performance is not a reliable guide to future performance. This information has been prepared without taking into account your investment objectives, financial situation, or needs. Before making an investment decision you should consider the appropriateness of the information having regard to these matters. Before you invest it is important that you read and understand the terms set out in the Sandon Capital Activist Fund Information Memorandum ("IM") dated 18 December 2009. In particular, it is important that you understand the risks associated with an investment in the Fund set out on page 9 of the IM.

Information provided by the Investment Manager are views of the Investment Manager only and can be subject to change. While information in this report is given in good faith and is believed to be accurate, Fundhost and Sandon Capital give no warranty as to the reliability or accuracy of the information, nor accept any responsibility for any errors or omissions of third parties. To the extent permitted by law, neither Fundhost nor Sandon Capital, including their employees, consultants, advisors, officers or authorised representatives are liable for any loss or damage arising as a result of reliance placed on the contents of this report.

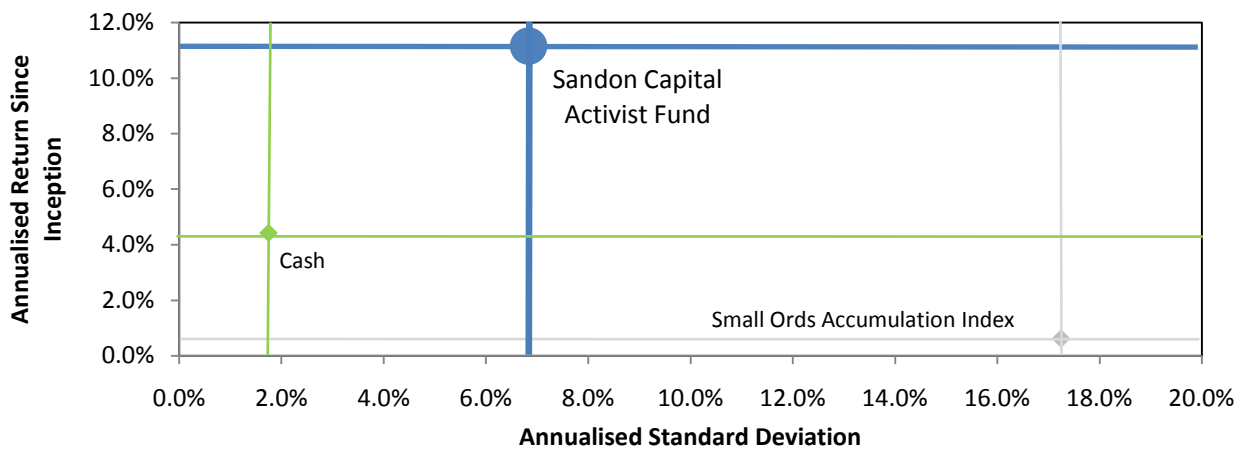
### Growth of \$100,000 invested since inception (assumes reinvestment of distributions)



### Comparison of Monthly Index Returns



### Comparison of Annualised Return versus Volatility



Source for all charts: Sandon Capital, Bloomberg

Note: SCAF returns are net of all fees and expenses. Fund inception is 4 September 2009.

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