



MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price
(Lead Units)
\$1.9279

Exit Price
(Lead Units)
\$1.9163

APRIL 2023

PERFORMANCE RESULTS

	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Annualised since fund inception	Total Return since Fund inception
SCAF	2.9%	-19.7%	12.9%	5.5%	9.5%	244.3%
S&P/ASX 200 Accum.	1.8%	2.8%	14.0%	8.3%	8.2%	193.2%
Small Ordinaries Accum.	2.8%	-9.4%	9.2%	3.9%	4.5%	81.9%
Cash	0.3%	2.0%	0.7%	1.0%	2.3%	36.5%

Note: Inception date is Sep 2009. Entry/Exit prices are for Lead Series Units. SCAF returns are net of all fees and expenses and are calculated for Lead Series units. Investors should refer to their personalized statements for performance of their investment.

FUND COMMENTARY

The Fund return for April 2023 was 2.9%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 9.5% per annum. Cash levels ended the month at approximately 4%.

The largest contributors to performance were Fleetwood Ltd (FWD) (+2.4%), Global Data Centre Group (GDC) (+1.4%) and IDT Australia (IDT) (+0.6%). These were partially offset by Midway Ltd (MWY) (-0.8%) and Nuix Ltd (NXL) (-0.6%).

Whilst FWD did not make any announcements during the month, its share price was buoyed by Perdaman Chemicals and Fertiliser's (Perdaman) announcement that it had achieved financing for its ~A\$6bn urea project to be built on the Burrup Peninsula. Construction of the project will commence immediately and is estimated to generate an average of 2,000 jobs during the four-year construction phase. There is no guarantee that Fleetwood's Searipple accommodation village will win a contract to house the construction workers for the Perdaman plant, however given the shortage of accommodation in Karratha, we believe it is well placed. We do not expect the tender(s) for the construction accommodation to be awarded for at least another 6-8 weeks. A number of other significant future projects planned in the oil and gas and green energy sectors in northwest WA provide other potential opportunities for Searipple over the medium term.

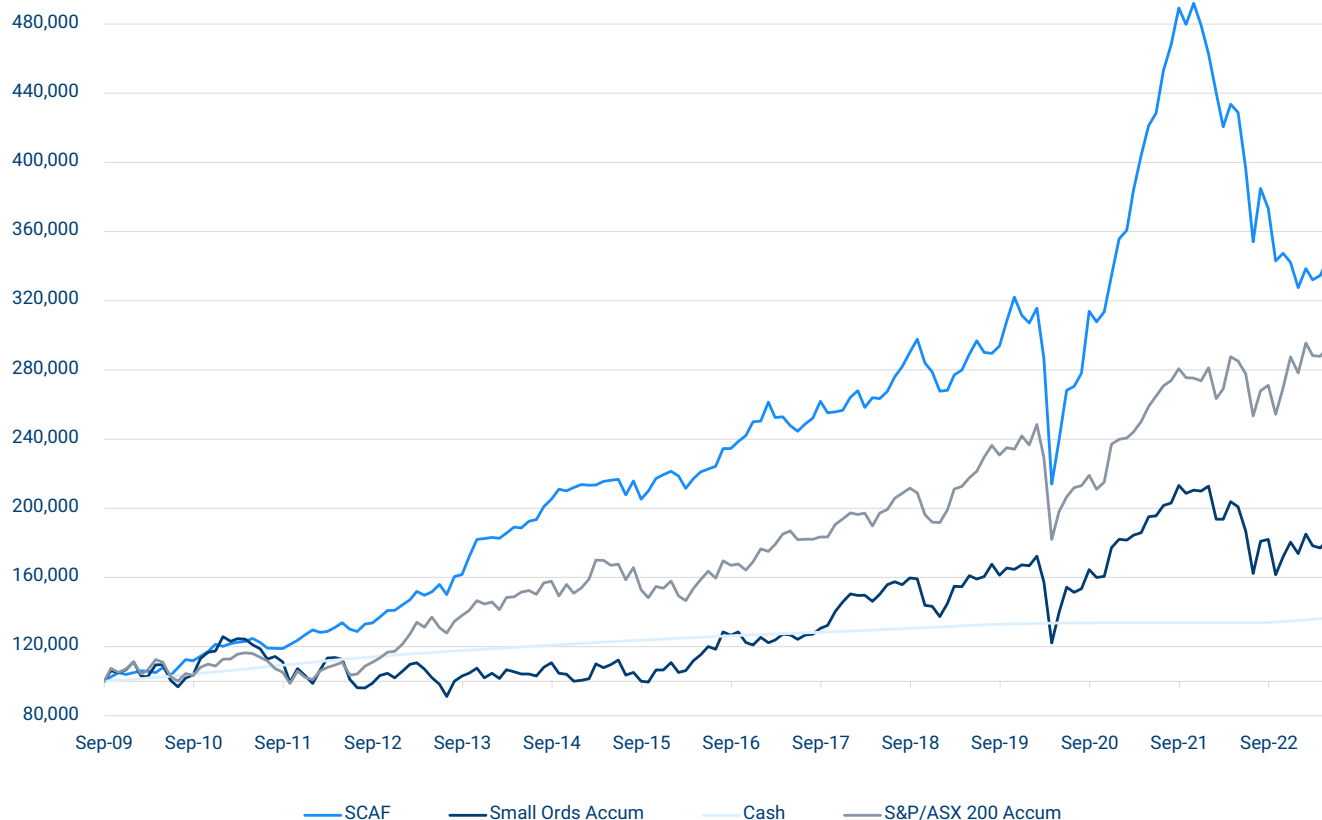
Following feedback from several large investors and an internal strategic review, GDC announced that it will move to a value realisation strategy. Under this strategy, GDC is unlikely to make new investments and will instead seek to realise the value of its existing assets over the medium term through asset disposals. As part of the value realisation strategy, the investment manager's remuneration has been restructured such that the management fee is proposed to be halved and the performance fee is proposed to be replaced with a performance rights plan. GDC and its investment manager, Lanrik Partners Pty Ltd, headed by Managing Director David Yuile, are to be congratulated

for their shareholder friendly actions. Sandon Capital is fully supportive of the value realisation strategy and the unitholder aligned incentive structure that has been proposed.

IDT released a trading update for the March quarter. Encouragingly, revenue jumped 26% over the December quarter due to recent contract wins in the Specialty Orals business. The outlook for the Specialty Orals business is promising due to the rapid growth in the Australian medicinal cannabis market and the opening of the psychedelics market in Australia from 1 July 2023. Ultimately, we believe IDT's Advanced Therapies business will be the long-term driver of value at the company through mRNA and Antibody Drug Conjugation technologies. Whilst there is a lot of work to do to return the company to profitability, the early signs under new Chairman Mark Simari, and new CEO Paul McDonald, are encouraging.

MWY announced that 2023 annual woodchip contracts had been settled, with prices for wood fibre from Victoria up 10.4% to US\$198.75 per bone dry metric tonne (BDMT) and prices for wood fibre from Tasmania up ~15% to US\$189 per BDMT. The contracted prices will be backdated to the start of this calendar year for volumes already shipped. In contrast to the positive news on woodchip pricing, MWY disclosed that woodchip volumes had started to soften as a result of a weakening global pulp market. This weakness is expected to persist for at least the next six months as pulp inventories are drawn down. On April 26, Stonepeak and Spirit Super announced that they had completed the acquisition of Geelong Port from Brookfield and State Super. We expect the closure of this transaction to clear the way for MWY to progress the long-awaited grain strategy on its 19 hectares of freehold land at the Geelong Port.

GROWTH OF INVESTMENT SINCE INCEPTION



PORTFOLIO EXPOSURES

Net Exposure	96%
Net Cash	4%
Long Positions	25
Short Positions	0

TOP 5 POSITIONS

COG Financial Services	19%
Fleetwood	12%
A2B	11%
Global Data Centre Group	8%
Coventry Group	8%

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
Trustee	One Fund Services Ltd
Custodian	One Investment Group
Fund Auditor	Crowe
Investment Manager	Sandon Capital Pty Ltd
Inception	4 Sep 2009
Minimum Investment	\$250,000 (or as agreed with trustee)
Trustee/Admin Fees	0.21%
Management Fees	1.33%
Performance Fees	15.375% of returns above cash
High water Mark	Yes
Buy/Sell Spread	±0.30%
Applications/Withdrawals	Monthly/Quarterly

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