

## MONTHLY REPORT

# Sandon Capital Activist Fund (SCAF)

 Entry Price  
 (Lead Units)  
**\$1.9002**

 Exit Price  
 (Lead Units)  
**\$1.8888**

MAY 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	-1.4%	-14.4%	8.2%	4.9%	9.3%	<b>239.3%</b>
S&P/ASX 200 Accum.	-2.5%	2.9%	11.4%	7.5%	7.9%	<b>185.8%</b>
Small Ordinaries Accum.	-3.3%	-5.8%	4.5%	2.5%	4.2%	<b>76.0%</b>
Cash	0.3%	2.3%	0.8%	1.0%	2.3%	<b>36.9%</b>

*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

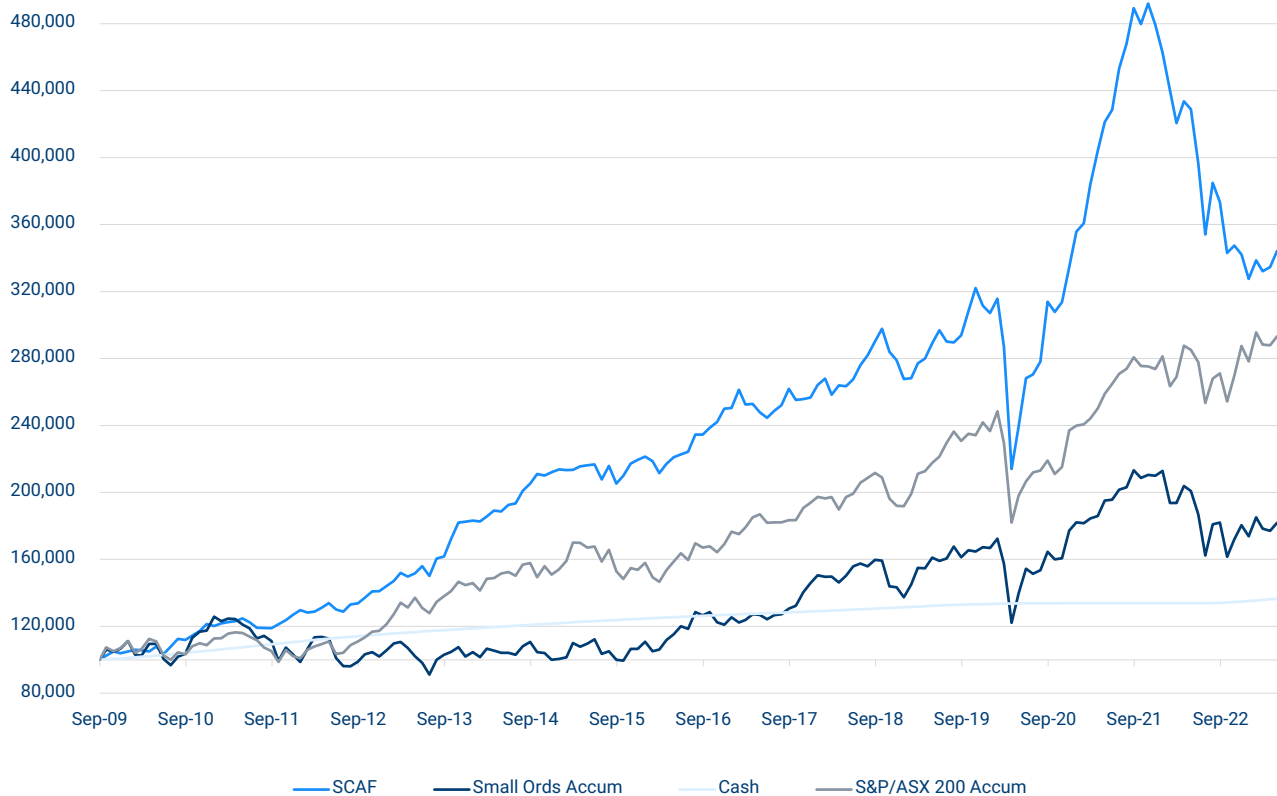
The Fund return for May 2023 was -1.4%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 9.3% per annum. Cash levels ended the month at approximately 4%.

The largest contributor to performance was again Fleetwood Ltd (FWD) (+2.3%), whose share price continue to rise on market speculation that the Searipple accommodation village will win a contract to house the workers for the construction of the Perdaman urea plant. The major detractors were A2B Australia Ltd (A2B) (-0.9%), Midway Ltd (MWY) (-0.7%) and COG Financial Services (COG) (-0.5%). There were a number of other positions that contributed to the negative return for the month, largely arising from weak equity markets rather than company specific announcements.

A2B announced that they had completed the sale of their Bourke Road, Alexandria property for the previously disclosed price of \$19m. We do not expect the sale of the company's larger property at O'Riordan Street, Alexandria to close until December this year. Once the sale of O'Riordan Street completes, we expect the company to turn its focus towards capital management with the potential for a special, fully franked dividend in excess of 60 cents per share.

MWY provided a further update in May confirming expectations in their April market update that a number of woodfibre shipments scheduled for this fiscal year would be deferred until FY24. This has had a significant impact on 2HFY23 volumes which are now expected to be up to 35% below the volumes shipped in 1HFY23. Earnings are still expected to improve in FY23 on the prior corresponding period, albeit the quantum of the improvement in the 2H will not be as large as previously expected. We eagerly await further updates from MWY detailing their plans on how they expect to liberate some of the significant value that is currently tied up in their asset base. This extends to the long-awaited grain strategy that has taken far too long to deliver.

## GROWTH OF INVESTMENT SINCE INCEPTION



## PORTFOLIO EXPOSURES

Net Exposure	96%
Net Cash	4%
Long Positions	24
4Short Positions	0

## TOP 5 POSITIONS

COG Financial Services	18%
Fleetwood	15%
A2B	10%
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

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

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