

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price Exit Price
\$1.9474 \$1.9358

SEPTEMBER 2024

PERFORMANCE RESULTS

	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Annualised since Fund inception	Total Return since Fund inception
SCAF	2.6%	17.5%	-4.1%	6.5%	10.0%	322.7%
S&P/ASX 200 Accumulation	3.0%	21.8%	8.4%	8.4%	8.7%	251.4%
Small Ordinaries Accumulation	5.1%	18.8%	-0.6%	4.4%	4.9%	105.1%
Cash	0.4%	4.4%	2.7%	1.7%	2.5%	44.8%

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

FUND COMMENTARY

The Fund return for September 2024 was 2.6%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 10.0% per annum. Cash levels ended the month at approximately 3%.

The largest positive contributors were Nuix Ltd (NXL) (+1.0%), Wellard Ltd (WLD) (+0.9%), Midway Ltd (MWY) (+0.9%), BCI Minerals Ltd (BCI) (+0.9%) and Fleetwood Ltd (FWD) (+0.7%). These were partially offset by Coventry Group Ltd (CYG) (-0.8%) and COG Financial Services Ltd (COG) (-0.8%).

WLD reached an agreement to secure full and unencumbered ownership of the M/V Ocean Drover (Drover) for a cost of US\$5 million. Previously, the registered owner of the Drover defaulted on the reconveyance of unencumbered title to WLD originally due to take place on 30 June 2023. The pragmatic outcome achieved negated the need for lengthy and expensive litigation that WLD would have otherwise taken to enforce their rights. Concurrently, the WLD Board has commenced a strategic review of the company to determine the best path forward now that it is a single ship business following the previously announced sale of the M/V Ocean Ute, completed on 3 September 2024.

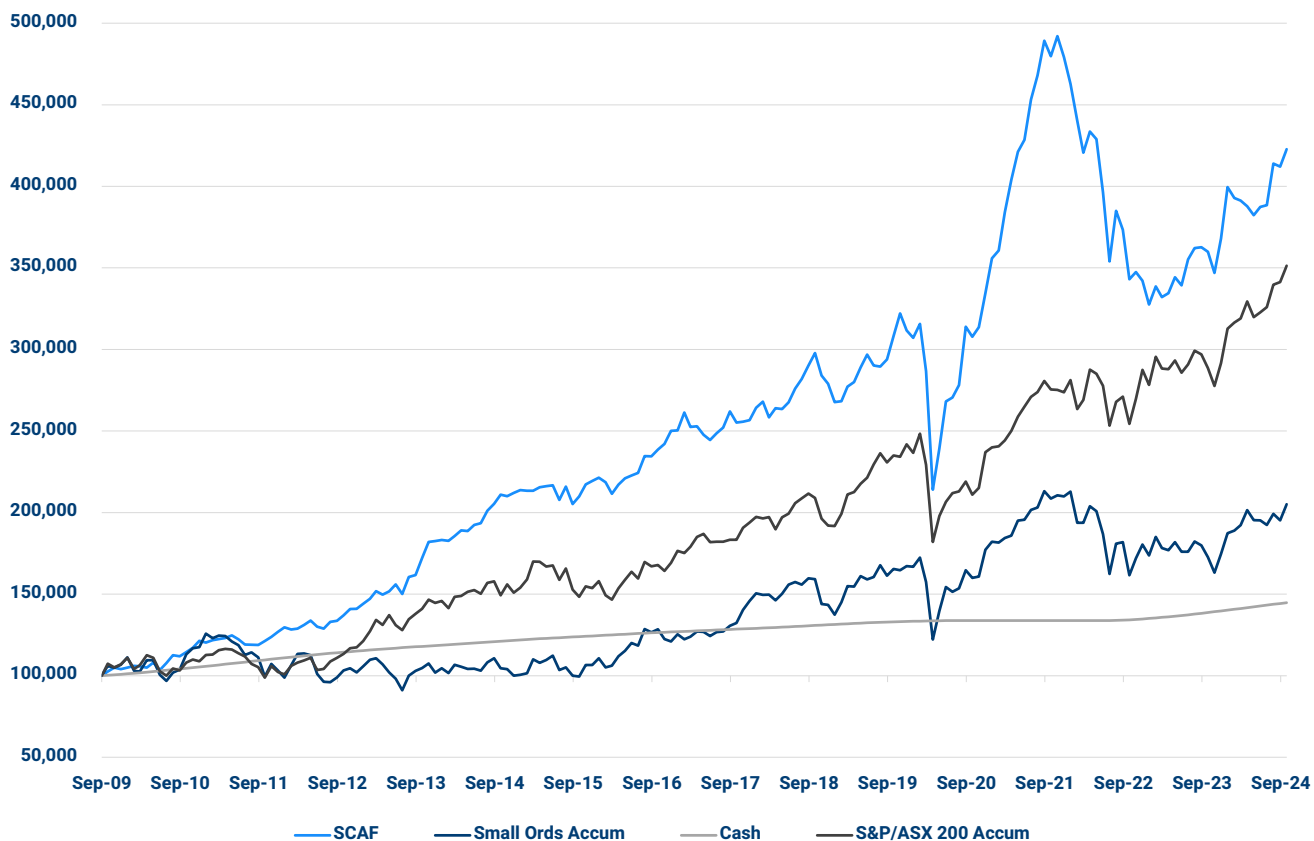
MWY continued its strong run following an excellent FY24 result which included the resumption of the normal dividends and the announcement of a large, special fully franked dividend. The company also announced that it has been appointed by Rio Tinto to develop Pongamia seed farms to test its viability as a sustainable renewable diesel feedstock. Midway will design, execute and manage approximately 3,000 hectares of Pongamia seed farms and associated biodiversity plantings from a new office in North Queensland. We believe this is another important step in MWY developing a carbon and plantation management business. The company is now partnered with one of the world's largest insurance companies (Munich Re) and one of the world's largest mining companies as it seeks to grow its burgeoning carbon credit management business.

BCI announced that it had received the long-awaited Commonwealth Government approval for the Optimised Mardi Project. This important milestone allows operations to commence and enables further construction in the northern area of the project footprint. As of early September 2024, construction of the salt-first component of the Mardi Project has progressed steadily, with 48 per cent already completed, and over \$700 million of BCI Minerals

shareholders' funds invested. BCI remains on track for the first shipment of salt in the December quarter of 2026. As a producer, the company should become a significant supplier of high-quality industrial salt to global markets for many decades to come. Over the next 12 months, we look forward to further progress on the construction of the salt-first project, as well as progress towards a final investment decision on the sulphate of potash (SOP) plant.

Following much press speculation, Macquarie Asset Management (MAM) announced an agreement for the sale of its stake in AirTrunk. GDC is a unitholder in the fund managed by MAM that holds the equity interest in AirTrunk. GDC's proceeds from the transaction are expected to be \$123 million, a significant premium (68%) to the last reported carrying value. Closing of the transaction is conditional upon approval from the Foreign Investment Review Board, which we expect to take at least several months. Once the transaction closes, we expect the proceeds to be returned to unitholders.

GROWTH OF INVESTMENT SINCE INCEPTION (\$)



PORTFOLIO EXPOSURES

Net Exposure	97%
Net Cash	3%
Long Positions	21
Short Positions	0

TOP 5 POSITIONS

Global Data Centre Group	15%
COG Financial Services	14%
Fleetwood	11%
Coventry Group	11%
Magellan Financial Group Ltd	7%

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 Managed Investment Funds Limited
Fund Auditor	Crowe Australasia
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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