

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price Exit Price
\$2.0256 \$2.0134

NOVEMBER 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 | 0.6% | 19.5% | -2.8% | 7.1% | 10.2% | 339.7% |
| S&P/ASX 200 Accumulation | 3.8% | 23.4% | 9.6% | 8.3% | 8.8% | 259.9% |
| Small Ordinaries Accumulation | 1.3% | 19.9% | -0.1% | 4.6% | 5.0% | 109.4% |
| Cash | 0.4% | 4.4% | 2.9% | 1.8% | 2.5% | 45.8% |

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 November 2024 was 0.6%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 10.2% per annum. Cash levels ended the month at approximately 11%.

The largest positive contributors were Midway Ltd (MWY) (+2.6%), Global Data Centre Group (GDC) (+1.8%) and Wellard Ltd (WLD) (+0.4%). These were predominantly offset by IDT Australia Ltd (IDT) (-1.0%), COG Financial Services Ltd (COG) (-0.8%), BCI Minerals Ltd (BCI) (-0.8%), Nuix Ltd (NXL) (-0.6%), Fleetwood Ltd (FWD) (-0.5%) and Ignite Ltd (IGN) (-0.5%).

MWY announced that it had entered into a binding Scheme Implementation Deed with River Capital for the acquisition of all the shares in MWY by way of scheme of arrangement for a cash price of \$1.19 per share. The consideration is inclusive of a partially franked special dividend of \$0.38 per share. The MWY Board has recommended shareholders vote in favour of the scheme in the absence of a higher offer. We look forward to reading the scheme booklet to be released by MWY in due course.

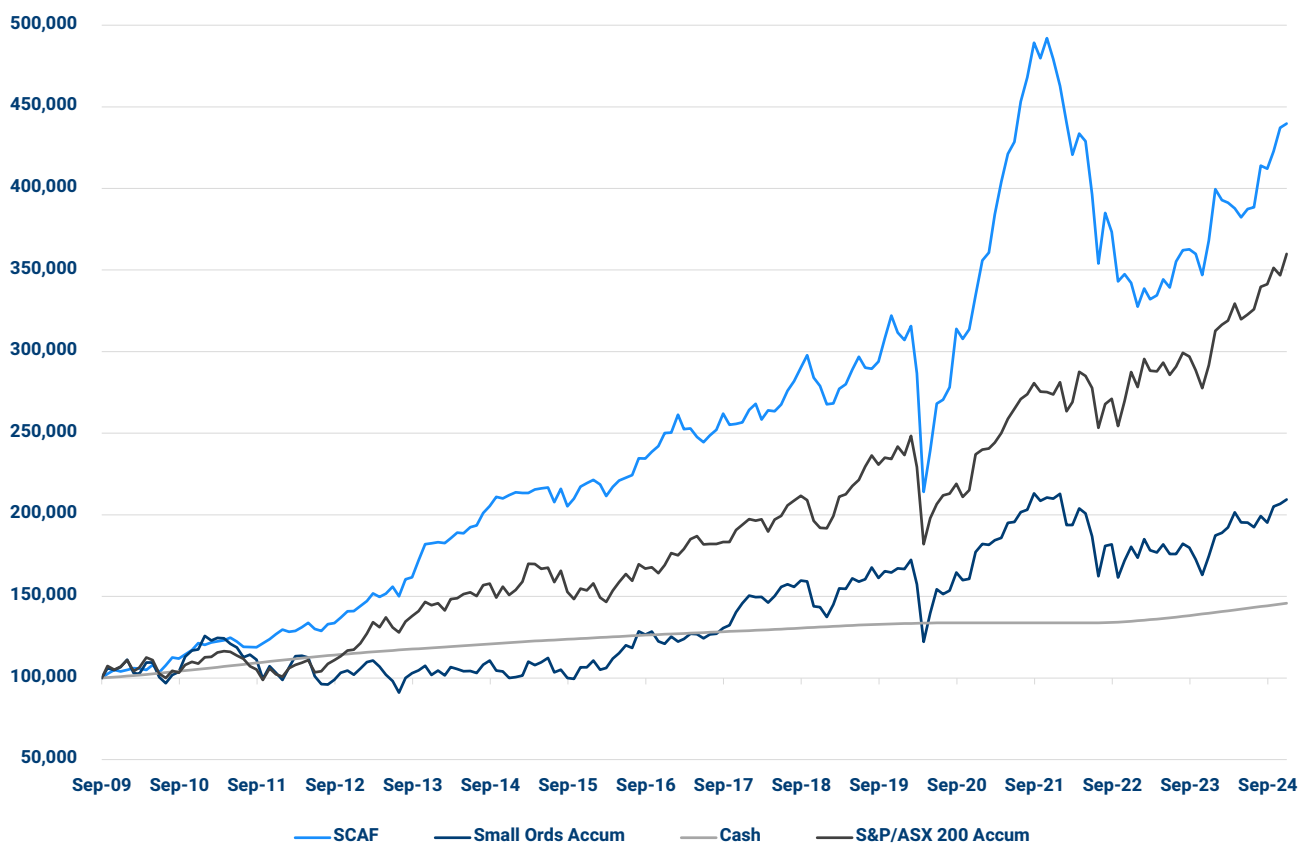
GDC paid out \$2 per share of capital during the month comprised of a return of capital (\$1.066 per share) and a partially franked dividend (\$0.934 per share, 2.77% franked). Whilst the (yet to be received) cash proceeds from the sale of the AirTrunk stake are substantial (\$123 million), GDC was suspended from trading on 20 November, being six months from the agreement to sell its main undertaking (Etix). After month end, GDC released an unaudited Net Asset Value (NAV) of \$1.55 per share. If press reports are true that FIRB approval for the sale of AirTrunk is imminent, we expect to receive further capital returns from GDC in the first quarter of next calendar year.

Following the sale of the Ocean Drover M/V in July, WLD made good on its promise to return the majority of the proceeds to shareholders with a 2 cent per share capital return approved by shareholders at the Annual General Meeting (AGM). As a result of the recent settlement with Ruchira Ships' liquidators and a subsequent strategic review, WLD has received enquiries from multiple credible industry participants to purchase its last remaining ship, the M/V Ocean Drover. We expect to receive an update on the potential sale of the M/V Ocean Drover by the end of the calendar year.

After receiving a non-binding indicative (NBIO) offer of \$0.15 per share from Myndbio Pty Ltd (Mynd) in June, IDT announced that it had terminated discussions as Mynd had not submitted an updated proposal in a timely manner. Given the rapid growth seen at IDT since the NBIO was announced, we are supportive of the Board's decision to focus on the existing business without the distraction of takeover discussions. 1QFY25 revenue increased 70% over the prior corresponding period, and the momentum is strong with \$6.8 million in new contract wins and \$24.7 million in proposals submitted during the quarter. IDT remains well placed to return to positive earnings and free cash flow before the end of FY25.

IGN shares fell almost 50% following its 10-for-1 consolidation on 21 November. This significant decline in the share price was a result of three (3) shares traded for total consideration of approximately one dollar. Despite the non-sensical share price fall, the AGM update was positive with the company expecting further year-on-year profit improvement in FY25.

GROWTH OF INVESTMENT SINCE INCEPTION (\$)



PORTFOLIO EXPOSURES

| | |
|-----------------|-----|
| Net Exposure | 89% |
| Net Cash | 11% |
| Long Positions | 22 |
| Short Positions | 1 |

TOP 5 POSITIONS

| | |
|--------------------------|-----|
| Fleetwood | 14% |
| Coventry Group | 11% |
| COG Financial Services | 10% |
| Midway | 7% |
| Global Data Centre Group | 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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