

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price Exit Price
\$2.2766 \$2.2630

OCTOBER 2025

PERFORMANCE RESULTS

	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Annualised since Fund inception	Total Return since Fund inception
SCAF	-2.1%	29.3%	17.6%	12.5%	11.3%	465.5%
S&P/ASX 200 Accumulation	0.4%	12.5%	13.1%	12.6%	8.8%	290.0%
Small Ordinaries Accumulation	1.9%	22.8%	13.9%	9.6%	5.9%	153.9%
Cash	0.3%	4.1%	4.0%	2.5%	2.6%	51.3%

Note: Inception date is Sep 2009. SCAF returns are net of all fees and expenses. 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 October 2025 was -2.1%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 11.3% per annum. Cash levels ended the month at approximately 2%.

The largest positive contributors were COG Financial Services Ltd (COG) (+1.7%) and QPM Energy Ltd (QPM) (+0.4%). These were more than offset by Fleetwood Ltd (FWD) (-1.0%), Ignite Ltd (IGN) (-0.7%), Southern Cross Media Group Ltd (SXL) (-0.6%), BCI Minerals Ltd (BCI) (-0.6%) and a few others whose contributions were less than 0.5%.

COG announced the acquisition of an additional 14.1% in Fleet Network Pty Ltd (Fleet Network) for consideration of \$23.9 million, representing an FY25 multiple of ~6.1x. Fleet Network is an existing subsidiary under the Paywise salary packaging and novated leasing platform, with COG now owning 92.4% and Fleet Network management the remaining 7.6%. Coinciding with the acquisition, COG announced a \$20 million capital raising via a placement at \$2 per share. We view the acquisition and associated capital raising as a sensible, low risk way for COG to grow its business inorganically.

FWD provided a solid update at its Annual General Meeting (AGM). The contracted occupancy for FY26 at the Searipple accommodation village is currently 86% - up from 84% announced at the results in August - and there are opportunities for this to improve as the year progresses. Building Solutions has grown its order book to \$150 million and has a further \$200 million in tenders and submissions pending award. In addition to the order book, Building Solutions generates >65% of its revenue from long term panel agreements across education, housing and commercial, positioning it to grow in FY26. The small RV Solutions business continues to operate in a challenging environment and after a strategic review has decided to close local manufacturing, consolidate sites and rationalise product lines. We expect this business to return to profitability in FY26.

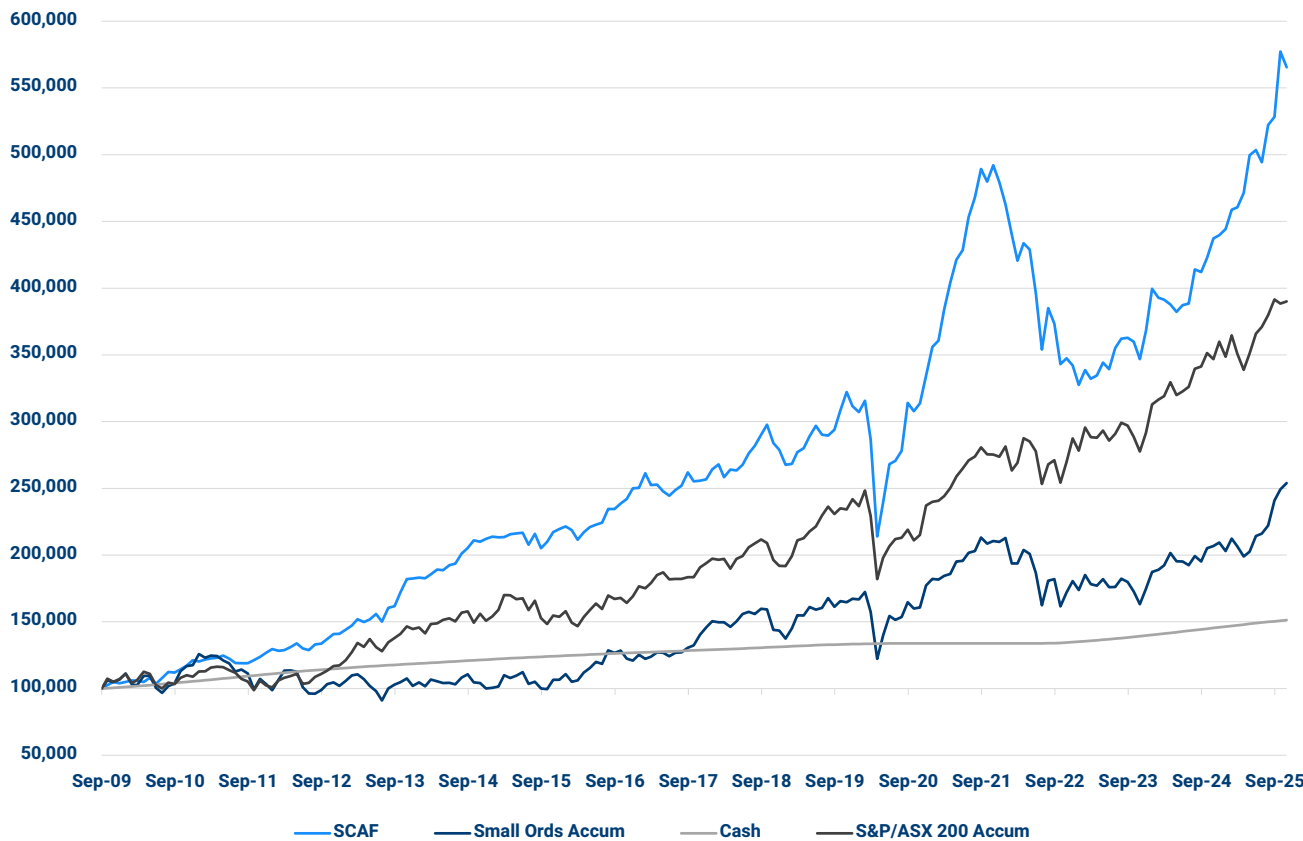
QPM announced that it had secured a \$114 million master lease agreement with Macquarie Bank to fund the acquisition of two gas turbines from GE Vernova. This locks in the delivery of the 112MW Isaac Power Station (IPS) and underpins the mid-2027 commissioning target. QPM continues to progress the financing package for the balance of the IPS development costs. We expect a further update some time over the next few months.

We continued to criticise the proposed merger of SXL with Seven West Media Ltd (SWM) without a shareholder vote. Recent AGM updates from SWM and its competitor, Nine Entertainment Company Holdings Ltd (NEC) did nothing to change our opposition to the merger. Both companies outlined the continued difficult operating environment and structural decline in the television market. They highlighted that the TV advertising market had dropped off a cliff in October leading to further revenue declines in 1H26. These updates give further credence to our description of the merger as “*diworsification*” from an SXL shareholder perspective.

We encourage all SXL shareholders to express their dissatisfaction by voting FOR the removal of all the non-executive directors at the upcoming AGM.

We also encourage SXL shareholders to vote FOR the amendment to the constitution such that the company cannot issue >25% of its shares without prior shareholder approval. Voting for this change should, if passed, then allow an SXL shareholder vote on the merger.

GROWTH OF INVESTMENT SINCE INCEPTION (\$)



PORTFOLIO EXPOSURES

Net Exposure	98%
Net Cash	2%
Long Positions	22
Short Positions	2

TOP 5 POSITIONS

COG Financial Services	25%
Fleetwood	18%
Southern Cross Media	11%
BCI Minerals	8%
Magellan	6%

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 & Custodian	One Fund Services Ltd
Prime Broker	Barrenjoey Markets Pty 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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