

## MONTHLY REPORT

# Sandon Capital Activist Fund (SCAF)

Entry Price  
**\$2.0383**

Exit Price  
**\$2.0261**

**JANUARY 2026**

## PERFORMANCE RESULTS

	1 month	1 year	3 years (p.a.)	5 years (p.a.)	Annualised since Fund inception	Total Return since Fund inception
SCAF	-5.4%	10.4%	14.4%	7.0%	10.4%	<b>406.4%</b>
S&P/ASX 200 Accumulation	1.8%	7.4%	9.8%	10.2%	8.7%	<b>291.4%</b>
Small Ordinaries Accumulation	2.7%	22.8%	12.1%	7.5%	6.0%	<b>160.6%</b>
Cash	0.3%	3.9%	4.1%	2.7%	2.6%	<b>52.6%</b>

*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 January 2026 was -5.4%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 10.4% per annum. Cash levels ended the month at approximately 0%.

There was little company specific news during January due to the Australian summer holidays. The largest positive contributors were Fleetwood Ltd (FWD) (+0.8%), BCI Minerals Ltd (BCI) (+0.7%) and Karoon Energy Ltd (KAR) (+0.6%). These were more than offset by COG Financial Services Ltd (COG) (-3.8%), Southern Cross Media Group Ltd (SXL) (-2.0%) and Coventry Group Ltd (CYG) (-1.3%).

There were no announcements from COG during the month that might explain its share price decline. On that basis, we remain sanguine about COG's prospects. We eagerly await their results in late February.

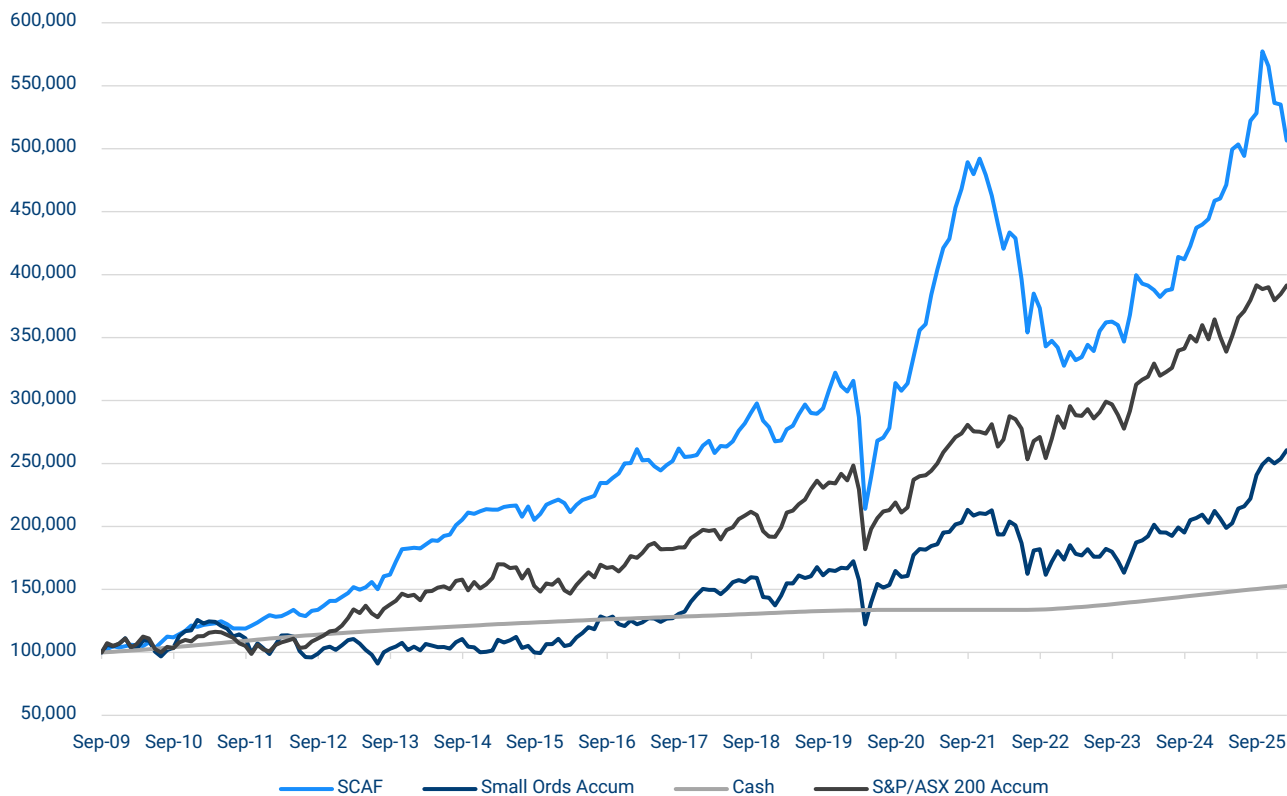
CYG announced a 1HFY26 trading update with sales up 2% on the prior corresponding period, though this did not flow through to earnings. EBITDA declined 68% on the pcp due to gross margin compression, investment in new branches and the one-off impact of relocating the Fluid's business's largest branch. More importantly, following unsolicited third-party approaches for individual business units, the company has commenced a strategic review and appointed advisers. We view this as a welcome and much-needed move.

QPM announced it has executed an agreement with Powerlink Queensland to connect the 112MW Isaac Power Station to Powerlink's Moranbah substation. This represents a major project milestone and a critical prerequisite for completion of the IPS project finance facility. QPM is progressing through the remaining steps to secure the debt/convertible funding required for construction and commissioning. We expect further announcements in coming months.

Geopolitics and uncertainty continue to foster greed and fear in financial markets, at times concurrently. Times like this can provide opportunities to acquire investments with sound medium- to long-term prospects at attractive prices. There has been a noticeable increase in investor risk appetite over the past 6 months. Too much investor attention has shifted to 'story stocks'—thematic investments with seductive narratives but negligible-to-no earnings history, nor proven track records. Some such investors may now regret their speculations.

We are much more comfortable with the valuation of our own portfolio, where many of the investments have idiosyncratic drivers of earnings and cash flows and remain undervalued. We look forward to receiving December half year updates in February from the majority of our portfolio positions.

GROWTH OF INVESTMENT SINCE INCEPTION (\$)



PORTFOLIO EXPOSURES

Net Exposure	100%
Net Cash	0%
Long Positions	23
Short Positions	2

TOP 5 POSITIONS

COG Financial Services	21%
Fleetwood	19%
BCI Minerals	10%
Southern Cross Media	9%
QPM Energy	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 Fund Services Ltd
Prime Broker	Barrenjoey Markets Pty Ltd
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	Daily /Quarterly

Copyright © 2026 Sandon Capital Pty Ltd All Rights Reserved

This document has been prepared by Sandon Capital Pty Ltd (ACN 130 853 691) (AFS License 331663) (**Sandon Capital**). This document contains general information only. It is not intended to take the place of professional, legal, tax or financial advice. Sandon Capital has prepared this document in good faith in relation to the facts known to it at the time of preparation. In preparing this document, Sandon Capital did not consider the investment objectives, financial situation or particular needs of any recipient, and the recipient should not rely on the opinions, recommendations and other information contained in this document alone. Sandon Capital does not express any views about the accuracy or completeness of the information in this document and is not required to update the information in this document. Past performance is not a reliable indicator of future performance.

One Fund Services Ltd (ACN 615 523 003) (AFSL 493421) is the trustee of the Sandon Capital Activist Fund. The information contained in this document was not prepared by OFSL but was prepared by other parties. While OFSL has no reason to believe that the information is inaccurate, the truth or accuracy of the information in this document cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should consider the Information Memorandum (**IM**) relevant to the Fund before making any decision to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. A copy of the IM and related application form may be obtained from the [Sandon Capital Website](#) or [info@oneregistryservices.com.au](mailto:info@oneregistryservices.com.au).

**Lonsec Research Ratings and Logos:** The rating issued 10/2025 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.