

## MONTHLY REPORT

# Sandon Capital Activist Fund (SCAF)

Entry Price      Exit Price  
\$1.7107      \$1.7005

MARCH 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	-6.1%	-9.8%	8.3%	1.0%	9.1%	<b>324.9%</b>
S&P/ASX 200 Accumulation	-7.1%	11.7%	9.5%	8.6%	8.4%	<b>278.4%</b>
Small Ordinaries Accumulation	-11.0%	13.7%	8.5%	4.0%	5.0%	<b>126.1%</b>
Cash	0.3%	3.8%	4.1%	2.8%	2.6%	<b>53.5%</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

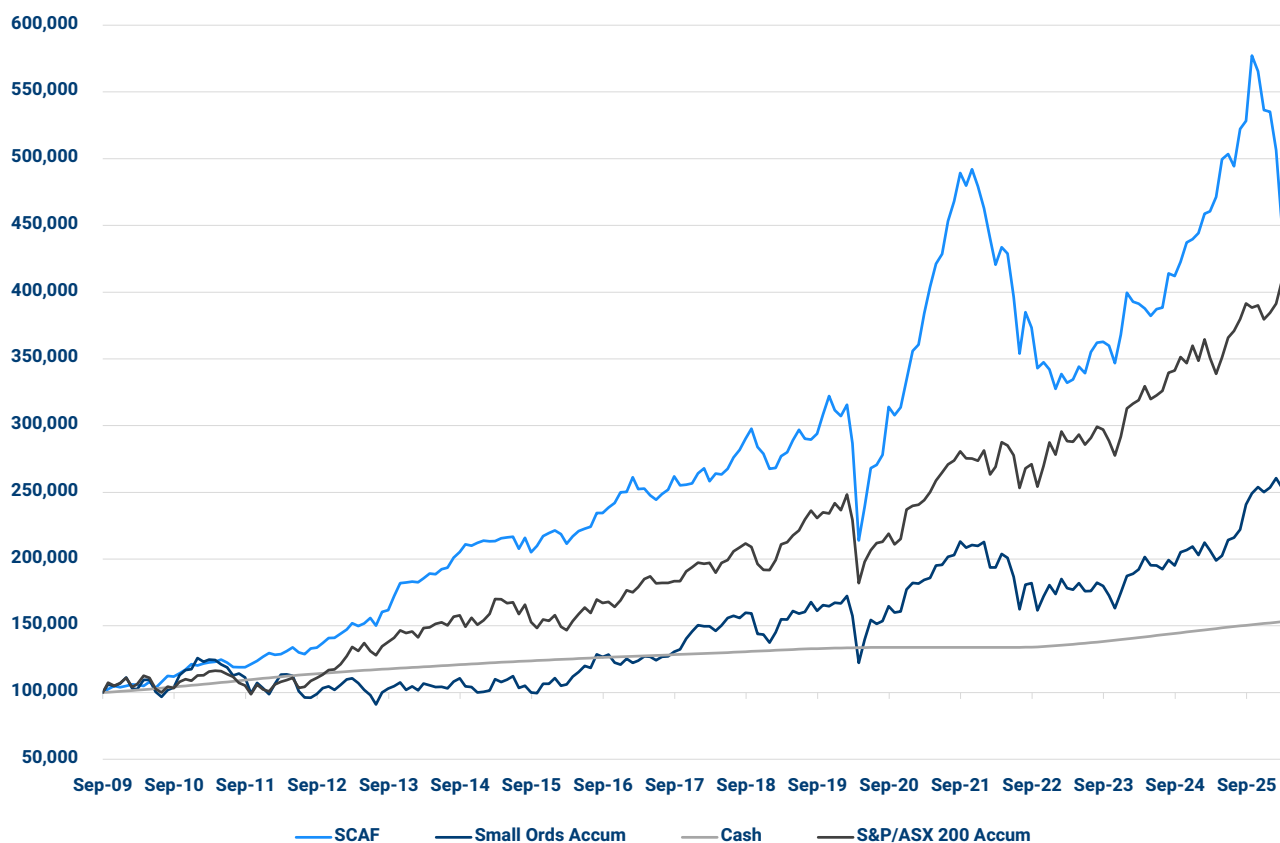
The Fund return for March 2026 was -6.1%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 9.1% per annum. Cash levels ended the month at approximately 0%.

Whilst there were some positive developments across the portfolio during the month, these were overshadowed by the market reaction to the outbreak of hostilities in Iran and the Persian Gulf. The largest positive contributors were Karoon Energy Ltd (KAR) (+2.2%) and Magellan Financial Group Ltd (MFG) (1.2%). These were more than offset by detractors including Fleetwood Ltd (FWD) (-3.2%) and COG Financial Services Ltd (COG) (-2.6%).

QPM announced two important developments during the month. Firstly, the company received a Development Permit and an Environmental Authority from the Queensland Government for the construction and operation of the Isaac Power Station (IPS). Secondly, the reserves and resources at the Moranbah Gas Project were significantly upgraded. QPM believes there are now sufficient gas reserves to justify the Queensland government's plans for a gas pipeline from the Bowen Basin south to the coast. This provides an additional pathway for the company to monetise its significant and valuable gas reserves. Subsequent to month end, QPM announced that the Australian Government's Northern Australia Infrastructure Facility (NAIF) had approved a loan facility of up to \$72 million to be used to fund the construction of IPS. Following NAIF approval, we expect the financing for the IPS to be completed quickly, thereby allowing construction of the project to proceed.

MFG announced an agreement to merge with its 36.4% owned subsidiary, Barrenjoey Capital Partners (Barrenjoey). While the transaction has merit, we are disappointed by the terms agreed by the MFG Board. Under the merger, MFG will issue shares to Barrenjoey shareholders at \$8.45 per share. This implies a valuation for the MFG funds management business of less than two times profit after tax. We have long pressed for more proactive capital management at MFG. The Board's failure to address excess capital left the company strategically exposed and directly enabled this outcome. Shareholders have also been disadvantaged by poor disclosure. Material financial information, including a previously undisclosed \$45 million fully franked special dividend payable to Barrenjoey shareholders prior to completion, was released only after media scrutiny and after voting deadlines had passed for some shareholders. Despite this, MFG remains a profitable investment, and we remain positive on its prospects.

## 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	19%
Fleetwood	13%
BCI Minerals	11%
Magellan	10%
Southern Cross Media	9%

## 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 Fund Services Ltd
<b>Prime Broker</b>	Barrenjoey Markets Pty Ltd
<b>Fund Auditor</b>	Crowe Australasia
<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>	Daily /Quarterly

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