SANDON CAPITAL

Lonsec Recommended

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price	Exit Price
$1.6879	$1.6779

MAY 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	-1.8%	-16.7%	7.3%	-0.4%	8.9%	**319.3%**
S&P/ASX 200 Accumulation	1.1%	6.9%	11.0%	8.1%	8.5%	**291.0%**
Small Ordinaries Accumulation	2.0%	11.2%	10.6%	4.0%	5.3%	**138.3%**
Cash	0.3%	3.8%	4.1%	2.9%	2.6%	**54.5%**

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 May 2026 was -1.8%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 8.9% per annum. Cash levels ended the month at approximately 0%.

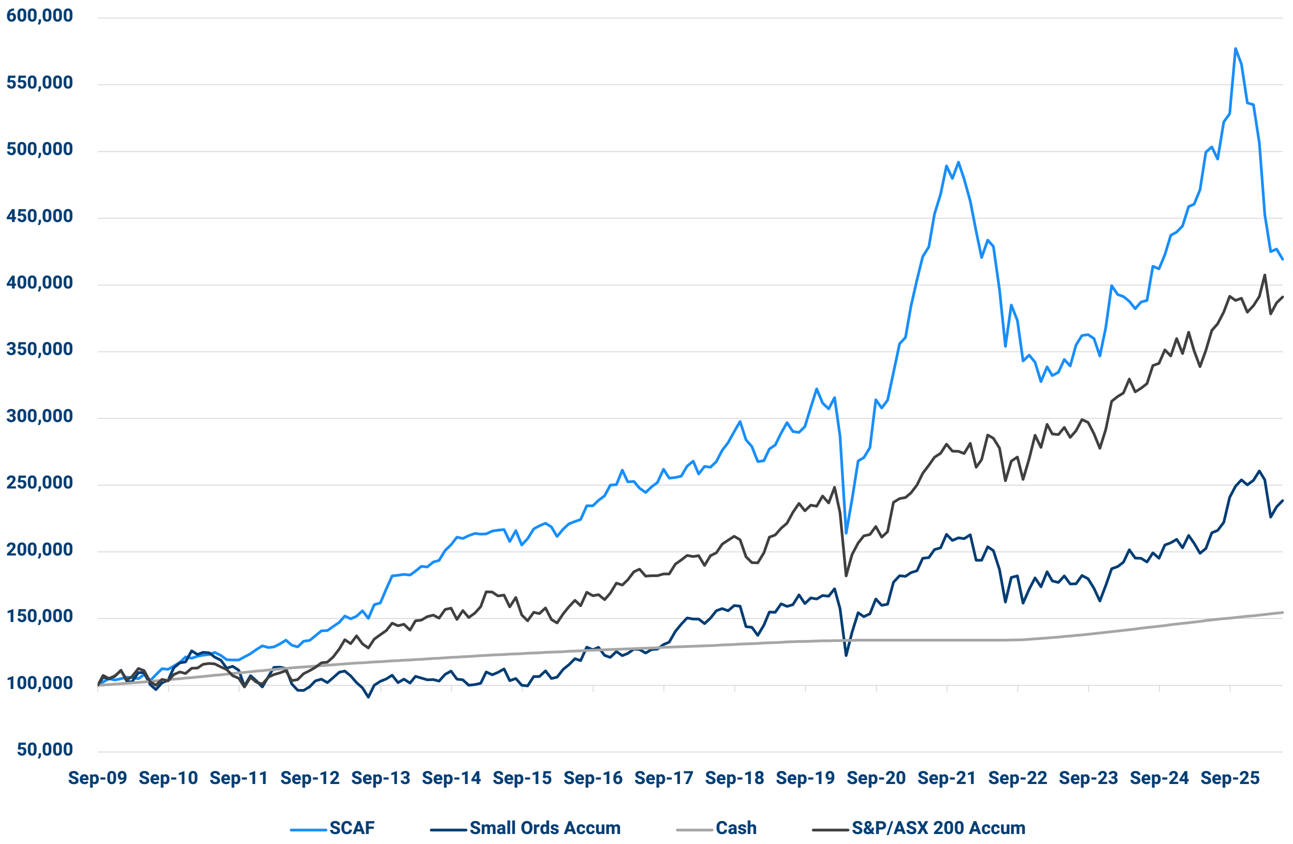
The largest positive contributors were COG Financial Services Ltd (COG) (+2.2%), Fleetwood Ltd (FWD) (+1.2%) and Southern Cross Media Group Ltd (SXL) (+0.7%). These were more than offset by Magellan Financial Group Ltd (MFG) (-1.7%), Coventry Group Ltd (CYG) (-1.4%), QPM Energy Ltd (QPM) (-0.9%), BCI Minerals Ltd (BCI) (-0.8%) and Karoon Energy Ltd (KAR) (-0.8%).

In the lead up to the FY27 Federal Budget, COG received much awaited certainty for its Salary Packaging business with the Australian Government announcing phased changes to the fringe benefits tax (**FBT**) exemption for eligible electric vehicles (**EV**). The existing full FBT exemption for eligible EVs continues until 31 March 2027. From 1 April 2027 to 1 April 2029 the full FBT exemption will apply only to eligible EVs with a value of <$75,000 with eligible electric vehicles above that threshold receiving a 25% FBT discount only. From 1 April 2029, all eligible EVs will receive a 25% FBT discount.

SXL announced that the Chairman, Heith Mackay-Cruise, would step down and retire as a director of the company on 30 June 2026. This announcement came soon after funds managed by Sandon Capital notified SXL of its intention to lodge resolutions at the next general meeting to remove the Chairman and certain other directors. Current SXL independent director, Teresa Dyson, has been appointed Chair-elect. We continue to engage with the board and other shareholders on the long-term direction of the company.

In a poorly communicated release, MFG announced a proposed change to the investment management arrangements for its Global Equities strategy. Vinva Investment Management Ltd, ~28% owned by MFG, will be appointed as investment manager of the Magellan Global Fund and the Magellan Global Fund Hedged (**Funds**), together comprising ~$5.3 billion in assets under management. Magellan Asset Management Ltd will remain the Responsible Entity of the Funds and will retain distribution responsibility. The management fees for the Funds will be reduced from 1.35% to 0.89% per annum and no performance fees will be charged. MFG expects an average fee reduction of ~0.55% (inclusive of sub-advisory fees) across the Funds partly offset by $7 million in annual cost savings.

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	22%
Fleetwood	15%
Southern Cross Media	10%
BCI Minerals	10%
Magellan	8%

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

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