SANDON CAPITAL

Lonsec Recommended

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price	Exit Price
$1.5700	$1.5606

JULY 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	4.4%	-21.2%	4.3%	-2.6%	8.7%	**311.3%**
S&P/ASX 200 Accumulation	2.3%	6.0%	10.4%	8.0%	8.6%	**302.6%**
Small Ordinaries Accumulation	-3.2%	1.8%	7.5%	2.2%	4.9%	**126.2%**
Cash	0.4%	3.8%	4.1%	3.1%	2.6%	**55.6%**

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 July 2026 was +4.4%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 8.7% per annum. Cash levels ended the month at approximately 0%.

The largest positive contributors were Fleetwood Ltd (FWD) (+4.9%), Karoon Energy Ltd (KAR) (+1.1%), BCI Minerals Ltd (BCI) (+1.1%) and Coventry Group Ltd (CYG) (+0.8%). These were partially offset by QPM Energy Ltd (QPM) (-3.3%) and COG Financial Services Ltd (COG) (-1.0%).

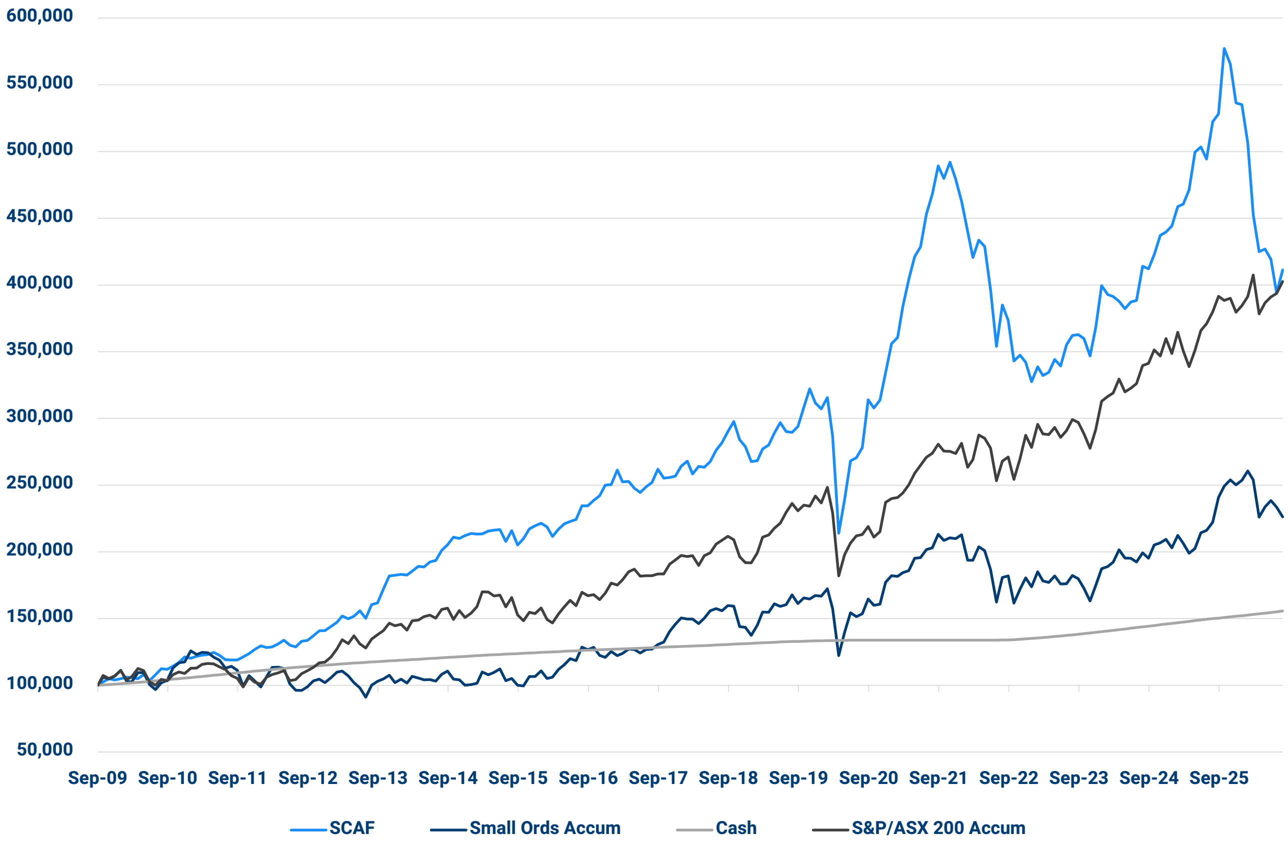
FWD announced that it had entered into an agreement to acquire Red Dog Village, a large-scale transient worker accommodation facility located in Karratha, for consideration of $20 million. The economics appear attractive with FWD estimating that the acquisition has the potential to increase Earnings Before Interest & Tax (EBIT) by $10-20 million on an annual basis. The acquisition also provides longer term flexibility with FWD controlling ~3,500 rooms in Karratha, allowing it to support key worker accommodation for the foreseeable future whilst working with key stakeholders on longer term residential options. Subject to satisfaction of conditions precedent, the acquisition is expected to close in December 2026 with FWD assuming operational control from January 2027.

KAR provided an encouraging production update with the Bauna operation in Brazil now operating near capacity (~22,000 barrels per day) following a major FPSO revitalisation and maintenance campaign as well as restoration of production at the SPS-92 and PRA-2 wells. In the Gulf of Mexico, the Who Dat A1 sidetrack came online in mid-July and we expect that a final investment decision on Who Dat East is imminent. KAR remains well placed to generate strong free cash flows in the current oil price environment.

CYG's 4Q trading update demonstrated solid sales growth and an improvement in earnings, albeit off a depressed base. Following a cost out program ($10 million) and with continued sales growth, we expect further earnings improvement in FY27. Critical for CYG will be to convert earnings into cash. The strategic review announced in January remains ongoing with no material update provided.

As reported in our last newsletter, QPM announced the disappointing news that its directors had placed the company into administration. We will provide further commentary as more information becomes available.

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	20%
Fleetwood	20%
BCI Minerals	13%
Southern Cross Media	10%
Magellan	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

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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