SANDON CAPITAL

Lonsec Recommended

MONTHLY REPORT

Sandon Capital Activist Fund (SCAF)

Entry Price	Exit Price
$1.8074	$1.7966

SEPTEMBER 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	1.7%	-18.0%	9.6%	-0.3%	9.5%	**373.5%**
S&P/ASX 200 Accumulation	-2.4%	2.7%	11.4%	7.7%	8.4%	**298.9%**
Small Ordinaries Accumulation	-2.3%	-6.7%	10.4%	2.2%	5.1%	**132.3%**
Cash	0.4%	4.0%	4.2%	3.2%	2.7%	**56.8%**

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 September 2026 was +1.7%, bringing total returns (net of all fees and expenses) since inception to the equivalent of 9.5% per annum. Cash levels ended the month at approximately 0%.

The largest positive contributors were COG Financial Services Ltd (COG) (+4.5%) and BCI Minerals Ltd (BCI) (+2.8%). These were partly offset by Fleetwood Ltd (FWD) (-3.0%) and Karoon Energy Ltd (KAR) (-0.6%).

COG's share price increased 22% for the month. Despite there being no "news", we expect that quiet contemplation of the full year results announced in August have combined with management briefings to increase confidence in the company's outlook. We expect that same combination helped drive BCI's share price higher.

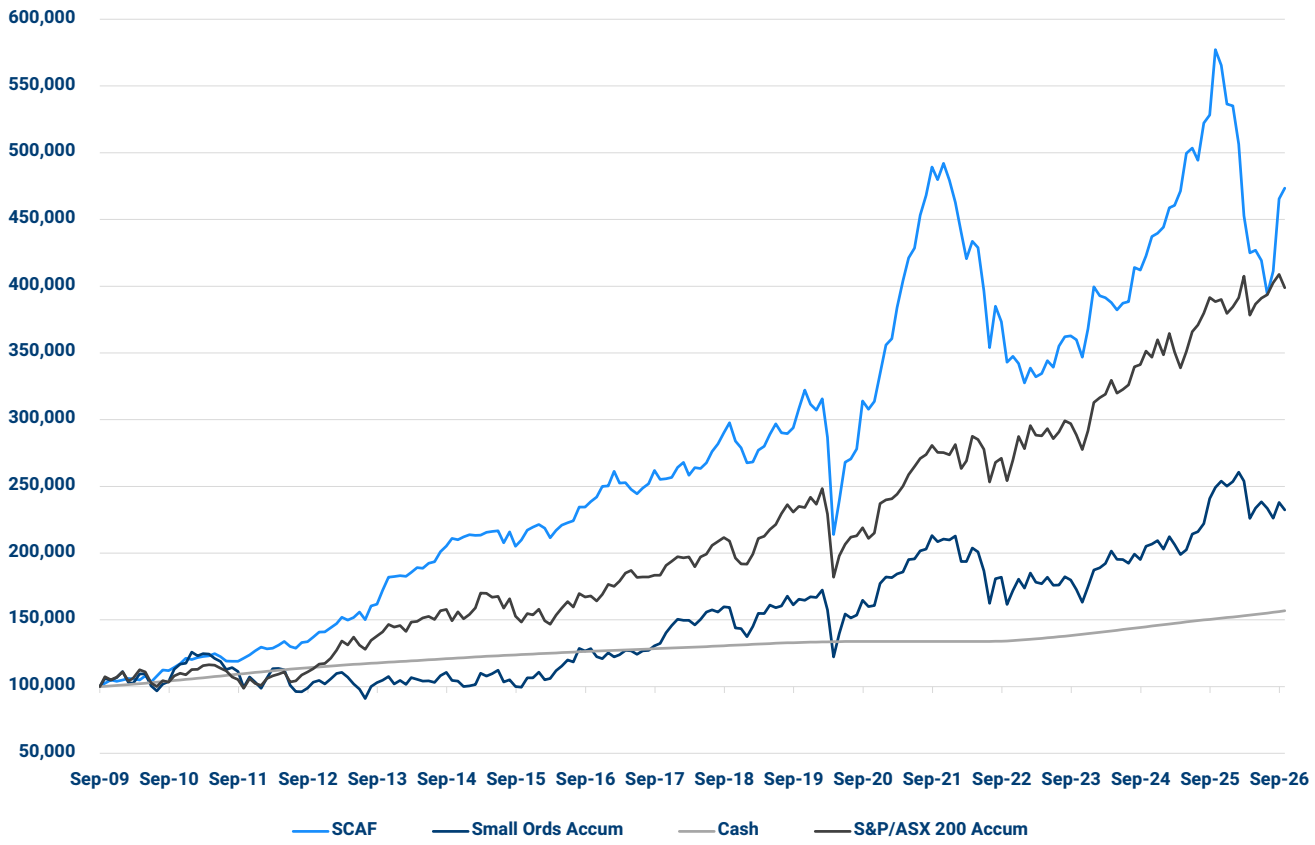
Near the end of the month, FWD announced the resignation of its chief financial officer. There was no other news from the company. Completion of the acquisition of the Red Dog village in Karratha followed by accommodation contracts are the next likely catalysts for FWD.

KAR announced a fault in the newly installed power cable for the downhole Electrical Submersible Pump (ESP) at its SPS-92 well in Bauna. The new ESP had been in operation for less than 3 months and is likely to take 6 months to repair. Whilst this problem appears to be related to faulty equipment, and therefore subject to equipment warranty and insurance recoveries, it continues a track record of disappointing production updates at KAR's operating assets.

In early October, we made public a letter we sent to the Board of Orora Ltd (ORA) detailing the rationale behind our voting intentions at the AGM in mid-October. ORA is our newest position and is a glass and aluminium packaging company operating across 17 sites in Australasia, North America, Europe and the UAE. Orora Cans is the leading producer of cans in Australia and New Zealand with six manufacturing plants. Saverglass produces premium glass bottles in France, Belgium, the UAE and Mexico at six manufacturing plants and four decoration sites. ORA represents approximately 5.5% of the portfolio. We will discuss our investment thesis for the company in due course.

We expect little anticipated news flow from our portfolio companies until annual general meetings commence, where most companies holding meetings are likely to provide an update on current trading conditions and the outlook.

GROWTH OF INVESTMENT SINCE INCEPTION ($)



PORTFOLIO EXPOSURES

Net Exposure	100%
Net Cash	0%
Long Positions	21
Short Positions	1

TOP 5 POSITIONS

COG Financial Services	25%
Fleetwood	18%
BCI Minerals	13%
Southern Cross Media	9%
Magellan	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

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