

SANDON CAPITAL

Sandon Capital Investments Limited
ACN 107 772 467
Level 5, 139 Macquarie Street,
Sydney NSW 2000
T: 02 8014 1188
F: 02 8084 9984

Prospectus - 1 for 1 Free Bonus Option Issue

Sandon Capital Investments Ltd (ASX:SNC) has today lodged with ASIC a Prospectus for the recently announced 1-for-1 free Bonus Option Issue. A copy of this prospectus is attached to this announcement.

Shareholders are not required to do anything at this time.

The table below shows the indicative timetable.

Key Dates

Lodgement of Prospectus	21 March 2017
Shares trade ex-bonus Option entitlements	5 April 2017
Record date to determine entitlements under the Issue	6 April 2017
Prospectus sent to Shareholders	Before 20 April 2017
Intended date for issue and entry of Options on the register	20 April 2017
Despatch of new holding statements	20 April 2017
Normal trading in Options commences on ASX	21 April 2017
Options expire	30 April 2018

The above dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

Eligible Shareholders will receive a copy of the Prospectus. A personalised Option Exercise Form will be sent to Eligible Shareholders separately from the Prospectus.

Contact

If you have any questions regarding the Company or its investments, please call Gabriel Radzynski on 02 8014 1188. If you have questions regarding your shareholding, please contact Link, whose details appear below.

Further information:

Sandon Capital Investments Limited
Tel: 02 8014 1188
Fax: 02 8084 9918
Website: www.sandoncapital.com.au

Share registry:
Link Market Services
Tel: 1300 554 474 (toll free within Australia)
Email: registrars@linkmarketservices.com.au
Fax: +61 2 9287 0303
Postal Locked Bag A14, Sydney
Address: South NSW 1235

SANDON CAPITAL

Sandon Capital Investments Ltd

ACN 107 772 467

Prospectus

One-for-one bonus issue of Options
to acquire fully paid ordinary Shares exercisable
at \$1.05 per Option on or before the Expiry Date

Important Information

This Prospectus contains important information for you as a shareholder and requires your immediate attention.

It should be read in its entirety. If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

No application monies are payable for the grant of Options.

Important Notice

This document (Prospectus) is dated 21 March 2017 and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. None of ASIC, the Australian Securities Exchange (**ASX**) nor their respective officers take responsibility for the contents of this Prospectus.

Sandon Capital Investments Limited (ACN 107 772 467) (**Company**) is a disclosing entity for the purpose of the Corporations Act 2001 (Cth). This Prospectus has been prepared on the basis that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Summary of important dates

Lodgement of Prospectus	21 March 2017
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The above dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

For any enquiries concerning the Issue, you can contact Sandon Capital Investments Ltd at 02 8014 1188 or Link Market Services at 1300 911 275 (within Australia) and +61 1300 911 275 (from outside Australia), from 8.30am to 5.30pm on Monday to Friday.

Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act. Accordingly, the Issue is being made pursuant to an intermediary authorisation with Taylor Collison Ltd who has agreed to be the Issue Manager in accordance with Section 911A(2)(b) of the Corporations Act. The Issue Manager will manage the Issue on behalf of the Company at no cost to the Company.

Corporate Directory

Directors of Sandon Capital Investments Limited	Gabriel Radzynski, non-executive director (Chairman) Matthew Kidman, independent non-executive director Paul Jensen, independent non-executive director
Manager of Sandon Capital Investments Limited	Sandon Capital Pty Ltd (ACN 130 853 691) Level 5, 139 Macquarie Street, Sydney, NSW, Australia, 2000 T (02) 8014 1188 F (02) 8084 9918
Registered Office	Level 5, 139 Macquarie Street, Sydney, NSW, Australia, 2000
Auditors of the Company	Pitcher Partners Level 22, 19 Martin Place, Sydney NSW, Australia, 2000, T (02) 8236 7700 F (02) 9233 4636
Share Registry	Link Market Services Limited Level 12, 680 George Street, Sydney, NSW, Australia, 2000
Joint Company Secretaries	Mark Licciardo Chris Lobb
Australian Securities Exchange	Sandon Capital Investments Limited Ordinary Shares (SNC) Sandon Capital Investments Options (SNCOA) Exercise Price \$1.05 and expiring 30 April 2018

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ACN 107 772 467
Level 5, 139 Macquarie Street,
Sydney NSW 2000
T: 02 8014 1188
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Dear Shareholder,

On behalf of the Board of Sandon Capital Investments Limited (**Company or SNC**), I am pleased to provide you this Prospectus for the recently announced free one-for-one bonus option issue to Shareholders. Each Option will give Shareholders the opportunity, but not the obligation, to subscribe for an additional ordinary fully paid share in the Company at the exercise price of \$1.05 per Share at any time before 5pm on the Expiry Date.

The Board recommends you read this Prospectus in its entirety and consider the information it contains before making a decision to deal in Shares and/or Options.

Company highlights

Since listing in December 2013, the Company's investment manager, Sandon Capital Pty Ltd, has applied its activist value investing techniques to the management of the Company's investment portfolio. The investment performance of the Company's portfolio has exceeded that of the All Ordinaries Accumulation Index over the period since listing. The table below shows the comparative returns.

Gross Performance to 28 February 2017¹	Financial YTD	1 yr return	Since inception (annualised)
SNC	19.2%	28.1%	11.6%
All Ordinaries Accumulation Index	11.4%	21.3%	8.5%
outperformance	7.8%	6.8%	3.1%

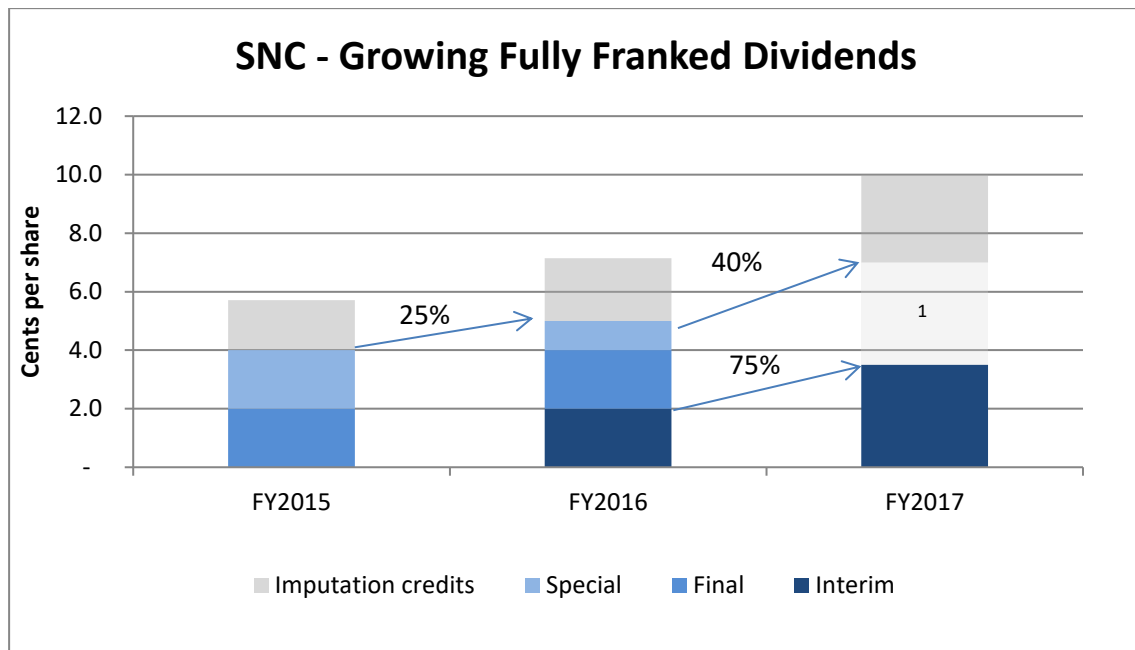
1. Gross returns are before all fees and expenses except brokerage. Index returns do not include any fees or expenses.

A growing stream of fully franked dividends

The Company aims to pay a growing stream of fully franked dividends, to the extent it is able to do so and it is prudent.

Since inception, the Company has declared 15.5 cents per Share of fully franked dividends. The chart below shows the dividend history of the Company. It also includes the proposed final dividend for the 2017 financial year, which the Board currently expects being of a similar size to the interim dividend for the half year ended 31 December 2016. Payment of the final dividend is subject to prudent business practices and the availability of profits.

The Company currently has sufficient profit reserves and franking credits that would allow it to pay the expected fully franked final dividend.



1. This refers a prospective final dividend the Board has announced it expects will be of a similar level to the 3.5 cents per share interim dividend.

Note: This is not a forecast. Past dividend payments are not indicative of future dividends which may be declared or paid to Shareholders.

Advantages of increasing the Company's capital base

The Board believes that the bonus Option Issue is an effective and equitable way to grow the Company. Growing the Company is expected to reduce the fixed corporate expense ratio per Share. A free bonus Option is also a way of rewarding existing Shareholders by giving them the opportunity to participate in future Share price gains by acquiring Shares at a fixed price of \$1.05 at any time until 30 April 2018.

Growing the number of shares on issue should also improve on-market liquidity for the Shares, making it easier for Shareholders to buy and sell the Shares. By increasing the size of the Company, the Company's relevance in the market is expected to increase, improving the prospects of broker and research coverage, as well as improving interest from financial planners.

Use of the additional capital

No capital will be raised from the issue of the Options. If 44,260,206 Options are issued and those Options are all exercised, the Company will raise approximately \$46,473,216.

The proceeds of the additional capital raised from the exercise of Options will be invested in accordance with the Company's disciplined investment process. The Company's objectives are to deliver Shareholders with a regular, growing income stream in the form of fully franked dividends (where possible), to provide a positive return on capital, after fees, over most periods of time and to preserve capital in both the short and long term.

If the Manager does not immediately identify suitable investment opportunities it will invest any additional capital in cash until suitable investments can be acquired.

Advantages of the Issue for Shareholders

- The Company will apply for the Options to trade on the ASX. The Options may trade above or below their intrinsic value;
- Shareholders can exercise or sell their Options on-market or buy additional Options; and
- By exercising Options, Shareholders can increase their holding in the Company without incurring any brokerage fees, and at a fixed price that is below the current market price at the date of issue.

Prospectus and the Issue

The Board recommends that you read this Prospectus carefully and in its entirety. This Prospectus provides details of the Issue and an overview of the business and activities of the Company.

Each Option entitles its holder to subscribe for one additional Share at the exercise price of \$1.05 at any time on or before 5:00pm (Sydney time) on the Expiry Date.

On behalf of the Board of Directors, I thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Radzynski', with a long horizontal flourish extending to the right.

Gabriel Radzynski

Chairman

Sandon Capital Investments Limited

1. Overview of the Issue

Question	Answer	More information
What is the business model of the Company?	<p>Sandon Capital Investments Limited (Company or SNC) is a listed investment company whose assets are managed by an external Manager, Sandon Capital Pty Ltd (Manager).</p> <p>Sandon Capital is an activist value investment manager. It seeks to buy investments at prices the Manager considers are below their intrinsic value. It looks for investments with high levels of tangible assets, marketable securities or cash, although investments may not always have these characteristics.</p> <p>The Manager deploys a range of activist strategies aimed at realising or improving the intrinsic value of those investments. The Manager may also take advantage of other market opportunities that it considers have reasonable prospects for a satisfactory return.</p> <p>The Company may invest in a broad range of investments including (without limitation) ASX listed securities, unlisted securities (including interests in managed investment schemes), bills of exchange and other negotiable investments, interests in cash management trusts and other types of Securities and debt instruments (whether issued in Australia or in a foreign jurisdiction).</p>	<i>Section 7</i>
What are the key risks associated with the business model and the Offer?	<p>The key risks the Company faces are:</p> <ul style="list-style-type: none"> • Reliance on the Manager • Key man risk • Strategy risk • Legal risk • Limited diversification • Liquidity risk • Economic risk • Market risk 	<i>Shareholders should read these risks together with the other risks described in Section 3</i>
What is the key financial information about the financial position, performance and prospects?	<p>The Company listed on the ASX on 20 December 2013 with Net Tangible Assets (NTA) of 96.51 cents per Share. The returns generated from the investment activities of the Company have enabled the Company to pay fully franked dividends to Shareholders since listing on ASX.</p> <p>The Company reported total revenue of \$6,795,586 (2015: \$3,379,738) for the period ending 31 December 2016. This result was largely due to an increase in the market value of investments in the 6-month period to 31 December 2016.</p> <p>The Company's net profit after tax increased by 103% to \$3,597,977 for the period to 31 December 2016 (2015: \$1,775,024).</p> <p>Net tangible assets before taxes as at 28 February 2017 were \$45,614,149, which equated to \$1.0306 per share. Net tangible assets after taxes were \$44,691,453, which equated to \$1.0077 per share.</p>	<i>Section 5</i>
What is the dividend policy and what dividends have been paid?	<p>The Company aims to pay a growing stream of fully franked dividends, to the extent the Company is able to do so and it is prudent.</p> <p>A Shareholder who has held a Share from listing until now would have received 12 cents per share in fully franked dividends in respect of that Share.</p> <p>A Shareholder retaining that Share until 18 May 2017 will also receive the interim fully franked dividend of 3.5 cents per Share, bringing the aggregate dividends they will have received to 15.5 cents per Share.</p>	

Who will be in control and do they have the appropriate expertise?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">• Gabriel Radzynski• Matthew Kidman• Paul Jensen <p>See Section 8.2 for further details regarding the background of the Directors.</p>	Section 8						
What is the Offer?	<p>The issue is a one-for-one bonus Option issue to Eligible Shareholders at no cost.</p> <p>The Option exercise price is \$1.05 and the Expiry Date is 30 April 2018.</p> <p>Eligible Shareholders in the Company will receive one free bonus Option for every one Share that they hold at 5pm (Sydney time) on the Record Date.</p> <p>The Options are exercisable at any time from their date of issue until 5:00pm (Sydney time) on the Expiry Date.</p> <p>The Options entitle holders to purchase additional Shares in the Company at the exercise price of \$1.05 at any time before they expire on Expiry Date on 30 April 2018.</p> <p>The number of Options issued under this Prospectus will depend on the number of Shares on issue on the Record Date and the number of Eligible Shareholders.</p>	Section 4						
How many Options will I receive?	<p>Shareholders in the Company will receive one free bonus Option for every one Share that they hold at 5pm (Sydney time) on the Record Date.</p> <p>The number of Options which you have been issued is shown on the Option holding statement which is enclosed with this Prospectus.</p> <p>You do not need to take any action to receive the Options.</p>							
Will the Options be listed on the ASX?	<p>An application will be made to the ASX for the Options to be quoted on the ASX.</p> <p>The Options are expected to be listed on the ASX under the code ‘SNCOA’.</p>							
How will the proceeds be used?	<p>The money raised by Option holders exercising their Options will be used by the Company for further investments consistent with the Company’s investment strategy.</p> <p>No cash is raised by the Company on issue of the Options.</p> <p>Proceeds are only received by the Company upon Option holders exercising their right to purchase one new Share at \$1.05 for each Option held.</p>	Sections 6 and 7						
What will be the capital structure?	<p>The capital structure of the Company as at the date of this Prospectus, and assuming completion of the Issue, is set out below:</p> <table><tr><td>Shares on issue</td><td>44,260,206</td></tr><tr><td>Options on issue*</td><td>44,260,206</td></tr><tr><td>Fully diluted capital*</td><td>88,520,412</td></tr></table> <p>Based on the number of Shares on issue on the date of this Prospectus and assuming 100% of shares are held by Eligible Shareholders on the Record Date.</p>	Shares on issue	44,260,206	Options on issue*	44,260,206	Fully diluted capital*	88,520,412	Section 6
Shares on issue	44,260,206							
Options on issue*	44,260,206							
Fully diluted capital*	88,520,412							

The above table contains a summary only. This Prospectus should be read in full before making any decisions to deal in Shares or Options.

2. About the Issue

Question	Answer
Who is the issuer of the Options and this Prospectus?	<p>The issuer is Sandon Capital Investments Limited (ACN 107 772 467).</p> <p>The issue is being managed by Taylor Collison Ltd as Issuer Manager.</p>
What is the purpose of the Issue?	<p>The Company is seeking to raise funds for the purpose of:</p> <ul style="list-style-type: none"> • increasing the size of the Company; • lowering the corporate cost component of the Company's management expense ratio (MER); and • satisfying investor demand for Shares. <p>Shareholders will benefit from the Issue by receiving one free bonus Option for each Share that they hold at 5:00pm (Sydney time) on the Record Date.</p> <p>Option holders can choose to exercise their bonus Options at anytime up to the Expiry date of the Options.</p> <p>The Company will apply for the Options to be listed on the ASX providing the opportunity for Shareholders to sell their bonus Options or enable Shareholders to purchase additional Options. The ASX code for the Options will be 'SNCOA'</p> <p>The money raised by Option holders exercising their Options will be used by the Company for further investments consistent with the Company's investment strategy. See Section 6.1 – 6.2 for details.</p>
What do Shareholders need to do to receive their Options?	<p>Eligible Shareholders do not need to do anything to receive their free bonus Options.</p> <p>Eligible Shareholders will receive one free Option for every one Share that they hold at 5pm (Sydney time) on the Record Date.</p> <p>Eligible Shareholders will receive an Option holding statement with this Prospectus. The holding statement will set out the number of Options issued to you by the Company.</p>
How many Options will be issued?	<p>The number of Options that will be issued will equal the number of Shares held by Eligible Shareholders at 5:00pm on the Record Date.</p>
Who is an Eligible Shareholder?	<p>Eligible Shareholders are registered holders of the Company's Shares as at 5.00pm on the Record Date with a registered address in Australia or New Zealand or such other place determined by the Company in which it would be lawful to make the Issue.</p> <p>Directors and their associates that are Eligible Shareholders will participate in the Issue.</p>
How do Shareholders exercise their Options?	<p>To exercise your Options, you can do so by completing the notice of Option Exercise Form which will be sent to Eligible Shareholders separately, paying \$1.05 per each Option exercised to the Company and returning the form to Link Market Services Ltd or the Company.</p> <p>Payment to the Company can be made by enclosing your cheque with the form or it can be made by BPAY. The BPAY details are enclosed on your personalised Option Exercise Form which will be sent to Eligible Shareholders separately.</p>
Can Shareholders exercise part of their Option holding?	<p>Yes, Option holders can exercise all or part of the Options held. Option holders should indicate on the Option Exercise Form (which will be sent to Eligible Shareholders separately) the number of Options they wish to exercise and return the form and remit the appropriate amount of money to the Company.</p>
Will the Options be listed on the ASX?	<p>Within 7 days after the date of this Prospectus, an application will be made to the ASX for the Options to be quoted on the ASX under the code 'SNCOA'.</p> <p>Option holders will be able to sell their Options or buy additional Options on the ASX.</p>

Is there a cooling-off period?

There is no cooling-off period.

How can further information be obtained?

For further information or if you have any questions relating to the Issue, please contact the Company on (02) 8014 1188.

If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

3. Risk factors

3.1 Risk factors

Investors should be aware that dealing in and exercising Options involves various risks. There are general risks associated with owning Securities in publicly listed companies. The price of Securities can go down as well as up due to factors outside the control of the Company. Some of these factors include Australian and worldwide economic and political stability, natural disasters, performance of the domestic and global share markets, interest rates, foreign exchange, taxation and labour relations environments.

The operating results and profitability of the Company are sensitive to a number of factors. The key risks the Company faces are:

- (a) Reliance on the Manager - the success and profitability of the Company will largely depend upon the ability of the Manager to invest in Securities and other permitted instruments which have the ability to generate a return for the Company. The Company is exposed to the risk that the Manager may cease to manage the Portfolio. It follows also that the Company is exposed to the risk the Manager may fail to make investments that generate a return or indeed may make investments that lose money.
- (b) Key man risk - Gabriel Radzynski is the Managing Director of the Manager and the Chairman of the Company. Gabriel is responsible for the Manager devising and implementing the Company's investment strategy. The Company is exposed to the risk that Gabriel Radzynski will cease to be involved with the Manager and cease to manage the Company's Portfolio.
- (c) Strategy risk - the performance of the Company is reliant on the success of the activist strategy developed by the Manager. There is no guarantee that any aspect of such a strategy will be successful.
- (d) Legal risk - the Company will pursue an active strategy of engaging with investees and other stakeholders to improve value. There is a possibility this action may lead to litigation or other enforcement action.
- (e) Limited diversification - the Portfolio may be less diversified than other listed investment companies. The Company has flexibility to take significant positions in individual investments. This may reduce the diversity of the Portfolio and would increase the exposure to abnormal falls in the market price of any single investment.
- (f) Liquidity risk - the ability to sell Shares and Options will be a function of the liquidity of the Shares and Options at the time of sale. Liquidity itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the Company at any one point in time. In addition, there is no guarantee that the Company's investments will be liquid.
- (g) Economic risk - investment returns are influenced by market factors, including changes in the economic conditions (e.g. changes in interest rates and economic activity), changes to legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters, acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities.
- (h) Market risk - there is a risk that investments that form part of the Company's Portfolio may fall in price, value or both over short or extended periods of time. Investors in the Company are exposed to market risk both through their holding in Shares and Options as well as through the Company's Portfolio of investments.

4. Terms of the Issue

4.1 The Issue

The one for one free bonus Option Issue is made to all Eligible Shareholders registered at 5:00pm (Sydney time) on the Record Date (being, 6 April 2017).

The Option holders are entitled to purchase one new Share for each Option held at the option exercise price of \$1.05 at any time before the Expiry Date on 30 April 2018.

The Company will apply for the Options to be listed on the ASX under the code 'SNCOA.'

The number of Options issued to you is shown on the Option holding statement which will be sent to Eligible Shareholders separately. You do not need to take any action to receive the bonus Options.

4.2 Exercising your Options

You can exercise your Options by completing the notice of Option Exercise Form (which will be sent to you separately), paying \$1.05 per each Option to the Company and returning the form to Link Market Services or the Company.

Payment to the Company can be made by enclosing your cheque with the form or it can be made by BPAY. The BPAY details are enclosed on your personalised Option Exercise Form (which will be sent to you separately).

If you need a new Option Exercise Form, please contact Link Market Services on 1300 911 275 (within Australia) and +61 1300 911 275 (from outside Australia), from 8.30am to 5.30pm on Monday to Friday.

4.3 Rights attaching to Options

On exercise, you will be issued a Share. Detailed provisions relating to the rights attaching to Options and Shares are set out in the Company's Constitution and the Corporations Act. A copy of the constitution can be inspected during office hours at the registered office of the Company.

See Section 9.3 for a summary of the rights attaching to the Options and Section 9.4 for the rights attaching to the Shares.

4.4 ASX quotation of the Options

Within 7 days after the date of this Prospectus, application will be made to the ASX for the Options to be quoted on the ASX.

If the ASX does not give permission for quotation of the Options within 3 months after the date of this Prospectus (or a later date permitted by ASIC), none of the Options will be issued and if any have been issued, the issue will be void, unless ASIC grants an exemption permitting the Issue.

It is expected that quotation of the Options will initially be on a deferred settlement basis.

4.5 Issue and allotment of Options

No Options or other securities will be issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date 13 months after the date of this Prospectus.

It is expected the Options will be issued on 20 April 2017 and the Option Holding statements will be despatched together with a copy of this Prospectus (currently expected to be before 20 April 2017).

It is the responsibility of Shareholders to determine their allocation prior to trading in Options. Shareholders who sell any Options before they receive their holding statements will do so at their own risk.

4.6 Overseas Shareholders & Eligible Shareholders

The Options are not offered in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

The Company may form the view that it is unreasonable to make the Issue to overseas Shareholders in jurisdictions (**Excluded Holders**) having regard to:

- (a) the number of Excluded Holders within the relevant jurisdiction;
- (b) the number and value of Shares held by those Excluded Holders; and
- (c) the cost of complying with overseas legal requirements within the relevant jurisdiction.

The Issue is not being extended, and does not qualify for distribution or sale, and the Options may not be issued to a Shareholder with a registered address outside Australia, New Zealand and any other jurisdiction in which it is not lawful to make the offers of Options in accordance with this Prospectus.

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or to make the Issue. Where the Prospectus has been despatched to persons domiciled in a country other than Australia or New Zealand, and where that country's securities code or legislation prohibits or restricts in any way the making of the Issue, the Prospectus is provided for information purposes only.

4.7 Taxation

The potential tax effects relating to the Issue will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of exercising Options by consulting a professional tax adviser.

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of being granted Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of all Shareholders. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Issue. Shareholders should consult their own professional tax adviser in connection with the taxation implications of the Issue.

Before deciding to exercise your Options, you should consider whether the Shares to be issued and allotted on exercise of the Options are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, financial advisor, accountant, solicitor or other professional adviser immediately.

5. Financial position of the Company

5.1 Net tangible assets per Share

The NTA per Share as reported by the Company to the ASX in accordance with Listing Rule 4.12 for the 2 months before the date of this Prospectus is set out below:

	28 February 2017	31 January 2017
NTA before tax	\$1.0307	\$1.0774
Deferred tax asset on realised losses	\$0.0036	\$0.0036
Deferred tax liability on unrealised gains	(\$0.0266)	(\$0.0454)
NTA after tax	\$1.0077	\$1.0355

5.2 Overview of operations and results

The Company reported total revenue of \$6,795,586 (2015: \$3,379,738) for the period ending 31 December 2016. This result was largely due to an increase in the market value of investments in the 6-month period to 31 December 2016.

The Company's net profit after tax increased by 103% to \$3,597,977 for the period 31 December 2016 (2015: \$1,775,024).

The change in the NTA per Share plus dividends paid for the six month period was 10.9%

5.3 Performance to 28 February 2017

The table below sets out the performance of the Company's portfolio for various periods ending 28 February 2017. The performance data excludes all expenses (except brokerage), fees and taxes and is used as a guide to how the Company's Portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index which is also calculated before tax and expenses. The Manager has an absolute return approach to investing and therefore the Company also measures its performance against cash which is shown in the table below.

Performance for periods at 28 February 2017	1 Yr	3 Yrs % p.a.	Since inception % p.a. (16 December 2013)
Sandon Capital Investments Limited ³	28.1%	11.9%	11.6%
S&P/ASX All Ordinaries Accumulation Index ¹	21.3%	6.5%	8.5%
Outperformance	6.8%	5.4%	3.1%
Bank Bill Swap Rate (cash) ¹	1.8%	2.1%	2.2%
Outperformance	26.3%	9.8%	9.4%

The performance table for the relevant periods has been calculated on the basis of the following assumptions:

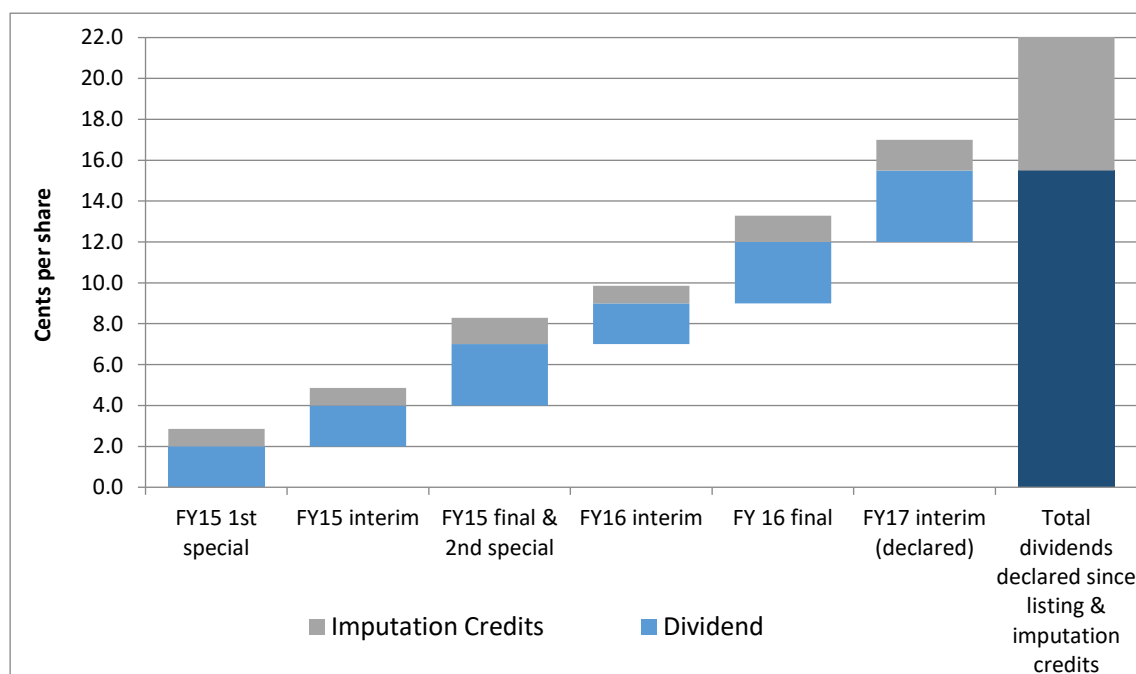
1. The performance of the S&P/ASX All Ordinaries Accumulation and 30 day bank bill swap rate (**BBSW**) is based on trading data prepared by Bloomberg and Australian Financial Markets Association (**AFMA**). Neither Bloomberg nor AFMA has consented to the use of this data in this Prospectus. The 30 day BBSW is the benchmark for performance fee calculations.

2. The S&P/ASX All Ordinaries Accumulation and 30 day BBSW have been chosen for comparison purposes only. The above table is not intended to be an indication of future performance of any asset class, index or the Portfolio.
3. The performance of the Company's portfolio for each of the periods set out above reflects the annualised percentage changes in the value of the Portfolio. The performance of the Company's portfolio has been calculated:
 - a) by reference to the last sale price on the ASX for each investment on the last trading day of each month and the amount of cash maintained by the Company as at that date;
 - b) on a monthly basis, compounded and then annualised over the relevant period;
 - c) by including on an accruals basis dividends, interest and other distributions;
 - d) before the payment of all fees (except brokerage);
 - e) without taking into account any value derived through imputation credits;
 - f) before income tax expenses. The Company considers that the presentation of performance before income tax expense allows the performance of the Company's portfolio to be compared to the S&P/ASX All Ordinaries Accumulation Index;
4. The performance of the Company's portfolio has been presented as a percentage in order to compare it with the S&P/ASX All Ordinaries Accumulation Index.

Past performance of the Company's portfolio or any other entities managed by the Manager is not indicative of the future performance of the Company's portfolio.

5.4 Dividends since inception

The Company's dividend goal is to pay a growing stream of fully franked dividends, subject to it being able and prudent to do so. The chart below shows dividends declared and the imputation credits attached to those dividends since listing on ASX.



Important Note: The details in this graph are not a forecast. Past dividend payments are not indicative of future dividends which may be paid to shareholders.

The Board has announced that it currently expects being able to declare a final dividend for the year ending 30 June 2017 similar to the 3.5 cents per share interim dividend that was declared on 2 February 2017. Payment of the final dividend is subject to prudent business practices and the availability of profits. Under this scenario,

the prospective yield of Shares, assuming the \$1.05 Option exercise price would be to 6.7% (9.5% when grossed up for imputation credits).

5.5 Sandon Capital Investments Limited investments at market value as at 28 February 2017

As at 28 February 2017 the total value of the Portfolio was \$45,749,633. These values were determined on the basis of the last sale price on ASX at close of trading on 28 February 2017 for ASX quoted Securities.

Below are the top 10 Portfolio holdings of the Company on 28 February 2017 and the market value of those securities (based on the closing price on that date).

Company Name	Value in \$ as at 28 February 2017
Armidale Investment Corporation Limited	10,315,046
Fleetwood Corporation Ltd	4,005,931
Centrepont Alliance Limited	3,509,685
Smiths City Group Ltd	3,400,872
Iluka Resources Ltd	3,372,067
Acorn Capital Investment Fund Limited	3,199,483
Tatts Group Ltd	2,944,048
Bluescope Steel Ltd	1,808,426
Speciality Fashion Group Ltd	1,421,914
Coventry Group Ltd	1,251,536
Value of top ten holdings	35,229,007
Other investments, including cash	10,520,626
Total	45,749,633

Important Note: The above table does not reflect the current Portfolio as the Company has continued to actively trade in securities since 28 February 2017.

6. Effect of the Issue and use of funds

6.1 Effect of the Issue

No cash is raised by the Company until Option holders exercise their Options.

If all Options are issued and subsequently exercised by the expiry date, the effect on the Company would be as follows (based on the number of Shares on issue as at the date of this Prospectus):

1. The number of Shares on issue would increase by 44,260,206 Shares to approximately 88,520,412 Shares; and
2. The cash reserves of the Company would increase by approximately \$46,410,114.

The Directors and the Manager do not guarantee that any Options will be exercised or that those funds will be raised. If the Options are exercised and the funds are raised, then the Company will have further capital to invest.

The capital structure of the Company assuming completion of the Issue is set out below:

Shares on issue	44,260,206
Options on issue	44,260,206
Fully diluted capital	88,520,412

Based on the number of Shares on issue on the date of this Prospectus and assuming 100% of Shares are held by Eligible Shareholders on the Record Date.

6.2 Use of Funds

The Directors intend to apply all proceeds raised on the exercise of the Options for further investment consistent with the investment objectives and investment process set out in Section 7. There will be no proceeds from the Issue of the Options.

6.3 Unaudited pro-forma Statement of Financial Position

The unaudited pro-forma statement of financial position of the Company as at 31 December 2016 set out below is based on the reviewed Half-year Financial Report for the Company released to ASX on 27 February 2017, adjusted for completion of the Issue and exercise of all the Options.

It is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus nor at the conclusion of the Issue. In particular, it does not reflect actual expenditure of funds since 31 December 2016.

References to 'pro-forma' information are non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). Non-IFRS financial information has not been subject to audit or review.

Sandon Capital Investments Limited Unaudited pro-forma Statement of Financial Position	As at 31 December 2016	Effect of option issue & exercise	Pro forma
Assets			
Cash and cash equivalents	1,347,555	46,410,114	47,757,669
Trade and other receivables	81,526		81,526
Prepayments	16,415		16,415
Financial assets	45,606,100		45,606,100
Deferred tax assets	161,999	18,931	180,930
Total assets	47,213,595		93,642,640
Liabilities			
Trade and other payables	1,363,661		1,363,661
Current tax liabilities	1,132		1,132
Deferred tax liabilities	1,750,183		1,750,183
Total liabilities	3,114,976		3,114,976
Net assets	44,098,619		90,527,664
Equity			
Issued capital	44,426,953	46,429,045	90,855,998
Profit Appropriation Reserve	3,632,153		3,632,153
Accumulated losses	(1,960,487)		(1,960,487)
Total Equity	44,098,619		90,527,664

1. The column headed "as at 31 December 2016" is a summary statement of financial position of the Company based on the audit reviewed statement of financial position of the Company taken from the Financial Report for the half year ended 31 December 2016
2. The column headed "Pro-forma" is an unaudited pro-forma statement of financial position adjusted to as if completion of the Issue had taken place on 31 December 2016 based on the following assumptions:
 - a) 44,260,206 Options are issued and exercised at \$1.05 per option, and 44,260,206 Shares were issued on 31 December 2016;
 - b) Issue expenses of \$63,100 were paid on 31 December 2016 (including ASX listing fees of approximately \$44,296);
 - c) the interim dividend of \$1,549,107 (3.5 cents per Share) in respect of the half year ended 31 December 2016 has been declared but not paid;
3. All amounts are \$A unless otherwise stated.

6.4 Statement of comprehensive income

There will be no immediate effect on the Company's statement of comprehensive income as a result of the issue of Options pursuant to this Prospectus. The investment of any funds raised from the exercise of Options will ultimately impact the Company's statement of comprehensive income as a result of the performance of the investment. Any such impact is not presently able to be quantified by the Manager or the Directors.

7. Overview of the Company

7.1 Overview of investment process

The Company has a concentrated Portfolio of investments that have been acquired below the Manager's assessment of intrinsic value. The Company believes the key to successful activist investing is to exert influence over an entity which is proportionately greater than the Company's economic investment, without seeking to exercise day to day control. This may be done in a number of ways including through the solicitation of support from directors, management or other investors.

The Company invests in opportunities identified by the Manager:

1. as trading below what the Manager considers to be their intrinsic values; and
2. that offer the potential of being positively influenced by the Manager 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.

The Manager can acquire interests in a broad range of investments including (without limitation) ASX listed securities, unlisted securities (including interests in managed investment schemes), bills of exchange and other negotiable investments, interests in cash management trusts and other types of Securities and debt instruments (whether issued in Australia or in a foreign jurisdiction).

7.2 Overview of Portfolio

The Company has primarily invested in securities listed on ASX with an initial focus on small to medium sized entities.

The Manager invests in a concentrated portfolio of investments it considers meet its investment criteria. The top 10 investments represent approximately 77% of the total Portfolio as at 28 February 2017. As at this date, the Company holds approximately 23% of its total assets in a single company, Armidale Investment Corporation Ltd (AIK), following an appreciation in that company's share price. The Company invested approximately 14% of the Portfolio at cost, mainly during 2016, on the basis the Manager considered the shares to trading below its assessment of intrinsic value. AIK had formerly been a target of the Manager's activist campaign. The Manager's principal, Gabriel Radzynski, had played a role in altering the strategy of AIK using activist techniques and including a period as a director of that company. Since then, the Manager has been supportive of the new direction taken by AIK and saw continued opportunity to acquire shares at attractive prices. AIK's share price has appreciated, taking the Portfolio weight to approximately 23% of the portfolio. The Manager considers this investment to be in the harvesting phase, meaning it is not presently actively targeting the company. Any additional capital raised by the exercise of options will reduce the proportion of the Company's portfolio represented by AIK.

A number of the investments contained in the Portfolio are in various stages of activist engagement. Those made public, where the Manager has published its proposals for a target, include Fleetwood Corporation Ltd, Iluka Resources Ltd and Tatts Group Ltd. Others are non-public and the Company does not disclose or discuss these, as to do so might be prejudicial to the Company's investment objectives.

7.3 Investment Strategies

The Company's investment strategy is summarised below:

- The Company seeks investments whose intrinsic value largely comprises tangible assets, and preferably with easily valued tangible assets. For example, cash, liquid securities and other assets for which a value can be obtained or derived. The Manager does not favour investments with high levels of intangible assets (though may invest in such investments if it considers it prudent). A corollary of this approach is that the Manager seeks investments that can be bought at prices that the Manager considers to offer a reasonable margin of safety (i.e. prices that are considered by the Manager to be at a sufficient discount to the intrinsic value). The Company's typical target universe would be viewed as what are traditionally referred to as 'value' investments.

- The Company seeks to provide positive returns over the medium to long term (i.e. 3 to 5 years). The activist investment strategy requires time and persistence. From time to time the Company will invest in market opportunities created by corporate transactions including takeovers, demergers, management changes or other trading and arbitrage opportunities.
- The Company also focuses on the potential risks associated with a potential investment; particularly on the nature of the risks (for example asymmetric or binary) and whether potential returns are adequate given potential risks.
- The Company has the flexibility to take significant positions in individual securities and cash. This may reduce the diversity of the Company's Portfolio and therefore increase the exposure to falls in the market price of any single investment.

7.4 Changes to the Investment Strategy

The Company's investment policies, guidelines, and strategy are not expected to change following the Option issue.

8. Sandon Capital Investments Limited and its Directors

8.1 Interests of Directors in the Company

The Company's Directors and their associates hold the following Relevant Interests in the Company:

Directors	Ordinary Shares
Gabriel Radzynski	373,341
Matthew Kidman	123,333
Paul Jensen	242,440

Directors and their associates who are Eligible Shareholders will receive Options.

8.2 Background of the Directors

Gabriel Radzynski

Gabriel Radzynski is founder and managing director of Sandon Capital Pty Ltd, an activist investment management firm that seeks to unlock value from the investments it makes in typically underperforming companies. Sandon Capital is the Manager for the Company and Sandon Capital Activist Fund.

He executive director of Mercantile Investment Company Limited, a non-executive director of ASK Funding Ltd and a non-executive director of Future Generation Investment Company Ltd.

Gabriel has a BA(Hons) and MCom from the University of New South Wales.

Matthew Kidman

Matthew Kidman is a portfolio manager at Centennial Asset Management. Prior to this he worked as a portfolio manager at Wilson Asset Management (International) Pty Limited for 13 years between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between 1994 and 1998. In 1997 he was made business editor of the paper and was charged with the responsibility of company coverage. He has a degree in Law and Economics and a Graduate Diploma in Applied Finance.

Matthew Kidman is currently Chairman of Watermark Market Neutral Fund. He is a Director of WAM Research Limited, WAM Active Limited and Incubator Capital Limited. He is also a Director of the investment management company Boutique Asset Management Pty Limited.

Paul Jensen

Paul Jensen is a Fellow of the Australian Institute of Company Directors and holds a Bachelor degree in Accounting and Commercial Law. Paul has over 25 years of international experience in finance, investment management and banking, with specific expertise in strategy formation, governance and financial performance. He has held senior executive positions with Clime Investment Management Limited, HFA Holdings Limited; Director, Lend Lease Corporate Services Limited, Travelex Limited and the Lloyds TSB banking group in New Zealand, United Kingdom and Australia.

Paul is currently Chairman of Hunter Hall Global Value Fund Limited. He was previously a Director of RHG Limited, WAM Capital Limited and Future Generation Investment Company Limited.

8.3 No other interests

Except as set out in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within 2 years before the date of this Prospectus that are, or were respectively, interests of a Director, a proposed Director of the Company or a promoter of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion or the Issue. Further,

there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him to become or to qualify him as a Director or otherwise, for services rendered by him in connection with the promotion or formation of the Company.

8.4 Directors' remuneration

Directors are entitled to receive Directors' fees of \$85,000 per annum to be shared among the Directors. The below table summarises the Directors' remuneration which was paid for the year ending 30 June 2016.

Director	Total \$
Gabriel Radzynski	10,000
Matthew Kidman	25,000
Paul Jensen	25,000
Total	60,000

Note: Directors may be paid additional amounts from time to time in accordance with the Company's constitution.

8.5 Related party disclosures

Gabriel Radzynski is the Managing Director of, and controls, Sandon Capital Pty Ltd, which has been appointed to manage the investment portfolio of the Company. Gabriel Radzynski will benefit indirectly from any fees paid to the Manager in accordance with the Investment Management Agreement.

Details of fees payable to the Manager are set out below:

1. The Manager is entitled to be paid a management fee of 1.5% p.a. (plus GST) of the gross value of the Portfolio. In the 6 months to 31 December 2016, this management fee amounted to \$298,627 and for the 2016 financial year, this management fee amounted to \$515,961.
2. The Manager is entitled to be paid, annually in arrears, a performance fee being 20% (plus GST) of any outperformance of the Portfolio above the Benchmark Reference Rate, subject to a high water mark. The performance fee paid to the Manager in respect of the 2016 financial year was \$651,728.

9 Additional Information

9.1 Capital structure

As at the date of this Prospectus, the Company had 44,260,206 Shares on issue.

The number of Options issued under this Prospectus will depend on the number of Shares on issue on the Record Date and the number of Eligible Shareholders. If 44,260,206 Options are issued and subsequently exercised, the number of Shares on issue would increase to 88,520,412 Shares.

9.2 Legal proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had or may have a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

9.3 Rights attaching to the Options

The terms and conditions of the Options are as follows:

Register

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer/transmission

An Option may be transferred or transmitted in any manner approved by the ASX.

Exercise

On exercise, the Company will issue a Share for each Option exercised. An Option may be exercised by delivery to the Company of a duly completed notice of exercise of options, signed by the registered holder of the Option, together with payment to the Company of \$1.05 per Option being exercised.

An Option may be exercised on any business day from issue to 5:00pm (Sydney time) on Expiry Date (inclusive), but not thereafter.

A notice of exercise of options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend entitlement

Options do not carry any dividend entitlement. Shares issued on exercise of Options rank equally with other issued Shares of the Company on and from issue.

Participating rights

For determining entitlements to the Issue, Option holders may only participate in new issues of Securities to holders of Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date. The Company must give at least 4 business days notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If between the date of issue and the date of exercise of an Option, the Company makes one or more rights issues (being a pro rata issue of ordinary shares in the capital of the Company that is not a bonus issue), the exercise price of options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

NE is the new exercise price of the Option;

OE is the old exercise price of the Option;

E is the number of underlying Shares into which one Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) during the five trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for Shares under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Reconstructions and alteration of capital

Any adjustment to the number of outstanding Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the ASX Listing Rules.

ASX Listing

The Company must make application for quotation of Shares issued on exercise of the Options on the ASX in accordance with the Listing Rules. Shares so issued will rank equally with other issued Shares of the Company.

9.4 Rights attaching to the Shares

The following information is a summary of the terms of issue of Shares as contained in the Company's Constitution. Shareholders have the right to acquire a copy of the Company Constitution, free of charge, from the Company until the expiry of this Prospectus.

Each Share confers on its holder:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders at a general meeting by special resolution.

9.5 Investor considerations

Before deciding to exercise your Options, you should consider whether the Shares are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, accountant, solicitor or other professional adviser immediately.

The potential tax effects relating to the Issue will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of participating in the Issue by consulting a professional tax adviser.

9.6 Continuous disclosure and documents available for inspection

The Company is a disclosing entity for the purposes of Section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Company to:

- prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a Directors' statement and report and an audit or review report;
- within 14 days after the end of each month, notify the ASX the net tangible assets of its quoted securities as at the end of that month; and
- immediately notify the ASX of any information concerning the Company of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in the Company, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to the Company may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to the Company may be obtained from the ASX website (www.asx.com.au),

This Prospectus is issued pursuant to Section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with more limited disclosure than would be required in a full-form prospectus, when the Company has been a listed disclosing entity for a period of at least 12 months.

9.7 Other Documents

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy in relation to this Prospectus:

- the annual financial report of the Company for the year ended 30 June 2016 being the most recent annual report lodged with ASIC before the lodgement of this Prospectus;
- the half-year financial report for the period ending 31 December 2016, being the half-year lodged with ASIC by the Company after the lodgement of the 2016 annual report and before the lodgement of the copy of this Prospectus with ASIC; and
- any other document or financial statement lodged by the Company with ASIC or the ASX under the continuous disclosure reporting requirements in the period after lodgement of the 2016 annual financial report referred to above to the date of lodgement of this Prospectus with ASIC.

9.8 Expenses of the Issue

Expenses of the Issue including ASIC and ASX fees, printing and legal costs are estimated to be approximately \$63,100.

9.9 Minimum subscription

There is no minimum subscription for the Issue.

9.10 ASIC Instruments

The Issue is made pursuant to ASIC Corporations (Options: Bonus Issues) Instrument 2016/77 which exempts the Company from complying with Section 723(1) of the Corporations Act 2001 to the extent that the subsection only permits an Issue of the Options in response to an application form included in or accompanied by a disclosure document.

The Issue is also made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act 2001 to the extent that the section prohibits the Company from issuing Options during the exposure period following lodgement of this Prospectus.

9.11 Other information

There is no information relating to the Issue that, because of its confidential or prejudicial nature, has not been notified to the ASX which investors or their professional advisers would reasonably require and reasonably expect to make an informed assessment of the effect on the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Options.

9.12 Consents and responsibility statements

Pitcher Partners has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as auditor of the Company in the form and context in which it is named.

Sandon Capital Pty Ltd has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Manager of the Company in the form and context in which it is named.

Taylor Collison Ltd has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as Issue Manager in the form and context in which it is named.

Link Market Services Ltd has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as share registrar of the Company in the form and context in which it is named.

None of Sandon Capital Pty Ltd, Pitcher Partners, Link Market Services Ltd or the Issue Manager:

- has authorised or caused the issue of the Prospectus;
- has made, or purported to have made, any statement in this Prospectus, except this section; and
- assumes responsibility for any part of this Prospectus except for statements in this section.

Each of the above parties has only been involved in the preparation of that part of the Prospectus where they are named. Except to the extent indicated above, none of the above parties has authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

10 Definitions and Interpretation

10.1 Defined Terms

In this Prospectus:

AFSL means Australian Financial Services License.

ASIC means the Australian Securities & Investments Commission.

Associate has the same meaning as in the Corporations Act.

ASX or Australian Securities Exchange means the ASX Limited or the securities exchange operated by ASX Limited.

Benchmark Reference Rate means the average of each 1 month Bank Bill Swap Reference Rate published on the first day of each month across the performance calculation period.

Company means Sandon Capital Investments Limited (ACN 107 772 719).

Company Constitution means the constitution of the Company.

Directors or Board means the directors or board of the Company.

Eligible Shareholders means registered holders of Shares as at 5.00 pm on the Record Date with a registered address in Australia, New Zealand or such other place determined by the Company in which it would be lawful to make the Issue.

Issue means the issue of Options offered to Shareholders under this Prospectus.

Issue Manager means Taylor Collison Ltd (ACN 008 172 450).

Listing Rules means the listing rules of the ASX.

Investment Management Agreement means the investment management agreement between the Manager and the Company.

Manager means Sandon Capital Pty Ltd (ACN 130 853 691).

Option means an option to acquire a Share with an exercise price of \$1.05 to be granted pursuant to this Prospectus.

Portfolio means the portfolio of investments of the Company from time to time.

Prospectus means this prospectus as modified or varied by any supplementary document issued by the Company and lodged with ASIC from time to time.

Record Date means 6 April 2017.

Related Body Corporate has the meaning given to that term under Section 50 of the Corporations Act.

Relevant Interest has the meaning set out in the Corporations Act.

Securities means securities as defined in Section 92 of the Corporations Act.

Share means a fully paid ordinary share in the Company.

Shareholder means a registered holder of a Share.

Share Registrar means Link Market Services Ltd.

10.2 Interpretation

In this Prospectus the following rules of interpretation apply unless the context otherwise requires:

- Words and phrases not specifically defined in this Prospectus have the same meaning that is given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- The singular includes the plural and vice versa;
- A reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
- A reference to any gender includes both genders;
- A reference to clause, section, annexure or paragraph is to a clause, section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
- A reference to “dollars” or “\$” is to Australian currency;
- In this document, headings are for ease of reference only and do not affect its interpretation; and
- Except where specifically defined in the Prospectus, terms defined in the Corporations Act have the same meaning in this Prospectus.

10.3 Governing Law

This Prospectus is governed by the laws of New South Wales.

10.4 Approval

This Prospectus has been approved by unanimous resolution of the Directors of the Company.

Dated: 21 March 2017

A handwritten signature in black ink, appearing to read 'G. Radzynski', with a long horizontal flourish extending to the right.

Gabriel Radzynski, Chairman
Sandon Capital Investments Limited