

## MONTHLY REPORT

# Sandon Capital Investments Limited (ASX:SNC)

JULY 2025

NTA Before Tax

NTA After Tax

\$0.9865

\$0.9395

## INVESTMENT PERFORMANCE

| Gross Performance to<br>31 July 2025 <sup>1</sup> | 1 month     | 1 year      | Since<br>inception<br>(p.a.) |
|---------------------------------------------------|-------------|-------------|------------------------------|
| SNC                                               | 3.6%        | 19.0%       | 9.9%                         |
| All Ords Accumulation Index                       | 2.6%        | 11.9%       | 9.2%                         |
| <b>Outperformance<sup>2</sup></b>                 | <b>1.0%</b> | <b>7.1%</b> | <b>0.7%</b>                  |

1. The SNC gross returns are after investment management fees and brokerage expenses but before performance fees and corporate expenses. Index returns are before all fees and expenses and before any taxes. Dividends paid during the period are included when calculating SIN's gross investment performance.

2. Figures may not tally due to rounding.

## SANDON CAPITAL INVESTMENTS LIMITED

|                                                |          |
|------------------------------------------------|----------|
| ASX Code                                       | SNC      |
| Gross assets*                                  | \$173.1m |
| Market capitalisation                          | \$130.7m |
| Share price                                    | \$0.900  |
| Annual fully franked dividend (paid quarterly) | \$0.056  |
| Dividend yield (annualised)                    | 6.2%     |
| Profits reserve (per share)                    | 42.7cps  |
| Franking (per share)                           | 7.5cps   |
| Loan-to-assets (incl. SNCHA)                   | 19%      |

\*Includes the face value of 4.8% unsecured notes (ASX: SNCHA)

## PORTFOLIO COMMENTARY

The portfolio was up 3.6% for the month, on a gross basis, after investment management fees and brokerage but before performance fees and corporate expenses, compared to an increase of 2.6% for the All Ordinaries Accumulation Index.

The largest positive contributors were COG Financial Services Ltd (COG) (+2.0%), Magellan Financial Group Ltd (MFG) (+1.0%), Southern Cross Media Group Ltd (SXL) (+0.8%) and Ignite Ltd (IGN) (+0.5%). The major detractor was Spectra Systems plc (SPSY LN) (-0.9%).

MFG announced another month of relatively stable Assets Under Management (AUM) with minor net outflows of \$200m more than offset by investment performance. The company also announced that they are entitled to \$11 million of performance fees for the fiscal year ended 30 June 2025. Going forward, MFG will transition from providing monthly AUM updates to quarterly. We are supportive of this change.

In response to a request from entities managed by Sandon Capital, the Takeovers Panel varied the previous orders that applied to SXL put in place in early 2024. As a result of those orders SXL's major shareholder, ARN Media Ltd (A1N), has been unable to vote ~7% of SXL shares, except in limited circumstances. As a result of the variation to the orders announced by the Panel, relevantly this restriction falls away over the next 12-18 months. This process has allowed us to clarify how these shares can and cannot be voted and when. We expect that this will be useful as our campaign progresses.

QPM announced very strong support for its previously announced Share Purchase Plan, upscaling it to \$7 million from the original \$2 million target. The additional funds will be used to accelerate workstreams associated with the Isaac Power Station (IPS).

Encouragingly, the federal government's Northern Australia Infrastructure Facility (NAIF) has Board approval to proceed to the due diligence phase of providing finance for the construction of the IPS. QPM's management has done an excellent job over the past 12-18 months implementing a difficult turnaround and setting the company up to be a critical component of the energy transition in Queensland.

The month of August will encompass reporting season, when companies report their 2025 fiscal year accounts. We will provide updates on the results we consider most relevant to the portfolio's prospects in the next newsletter.

## DIVIDENDS

SNC has declared and paid 64.55 cents per share (cps) of fully franked dividends since listing in December 2013. The profits reserve is 42.7cps and there are 7.5cps of franking credits. These franking credits support the payment of up to 22.5cps of fully franked dividends.

The Board recently announced their intention to pay the next quarterly dividend of 1.4cps on 5 September 2025. SNC's inaugural quarterly dividend of 1.4cps was paid on 7 March 2025.

A full list of SNC dividends since the IPO in December 2013 can be found [here](#).

## TOP 5 POSITIONS

|                        |     |
|------------------------|-----|
| Fleetwood              | 13% |
| COG Financial Services | 13% |
| Spectra Systems        | 10% |
| Carbon Conscious       | 9%  |
| BCI Minerals           | 6%  |

## INSTRUMENT EXPOSURE

|                               |     |
|-------------------------------|-----|
| Listed Australian Equities    | 71% |
| Listed International Equities | 11% |
| Unlisted Investments          | 18% |
| Cash or Cash Equivalents      | 0%  |

## COMPANY OVERVIEW

Sandon Capital Investments Limited is a specialist 'Activist' listed investment company, managed by Sandon Capital. Sandon Capital devises and implements activist shareholder strategies that seek to unlock value inherent in securities held in our investment portfolios.

SNC provides investors with exposure to a portfolio of Australian companies that are typically not available to traditional investors. Through active engagement with the target company, Sandon Capital seeks to release the embedded value for shareholders. Target companies are likely to be in the small - to mid-cap market segment.

Sandon Capital has successfully employed its Activist investment strategy since September 2009. The wholesale Sandon Capital Activist Fund's investment performance since inception is 10.9% p.a. (after all fees and expenses).

### Investment Objectives

- To provide absolute positive investment performance over the medium to long term, ensuring capital preservation, while providing capital growth.
- To provide an investment strategy that few investors have the capacity to implement themselves.
- To provide shareholders with a growing stream of fully franked dividends.

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# SANDON CAPITAL

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