

Sandon Capital Investments Limited

AGM Presentation

28 November 2014

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This presentation has been prepared for use in conjunction with a verbal presentation and should be read in that context.

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Any quoted performance is post fees and expenses but before tax and assumes distributions were reinvested. Dollars are AUD, unless otherwise stated. We are not responsible for the statements made by or attributed to others in this report. Past performance is no guarantee or does not provide any indication of future returns.

Agenda

- Welcome
- Portfolio performance
- What we do
- Investment objectives
- General market observations
- About us

Summary of achievements since listing

- Building the portfolio
- Reporting results to 30 June 2014 (effectively 6 months of operation)
- Declaring inaugural dividend – 2.0 cents per share fully franked special dividend (paid on 6 November 2014)
- Growing shareholder base from approximately 1,000¹ upon listing to more than 1,200

1. New shareholders who participated in the IPO, and not including un-marketable holders

Portfolio performance

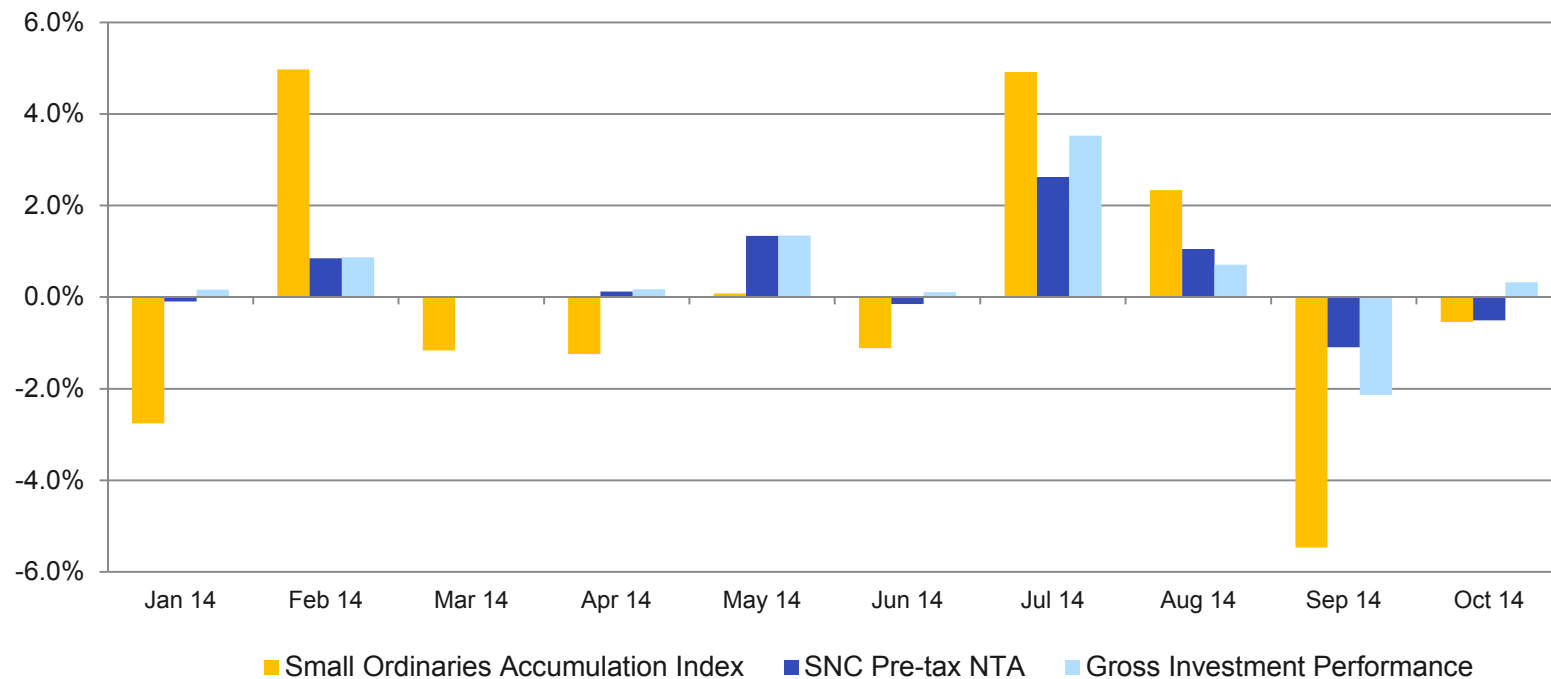
- We have built the portfolio slowly and prudently
- Gross investment performance of 8.6% since inception¹
- NTA per share growth of 3.8% (pre-tax) and 3.7% (post-tax) net of all fees and expenses since inception²
- has outperformed both the Cash benchmark and Small Ordinaries Accumulation Index (note that NTA per share growth is net of all fees and expenses, both on a pre- and post-tax basis)

1. Gross performance is investment performance before all LIC expenses, management fees, any performance fees and taxes, but includes brokerage

2. NTA growth from 16 Dec 2013 to 31 October 2014, adjusted for 2.0 cents per share special dividend (ex-date 14 October 2014). NTA performance is after all fees and expenses, including listing costs.

Portfolio & Performance

- It has been ten months since Sandon Capital Investments Limited listed. Gross investment return since inception is 8.6%.
- The return profile is starting to show:

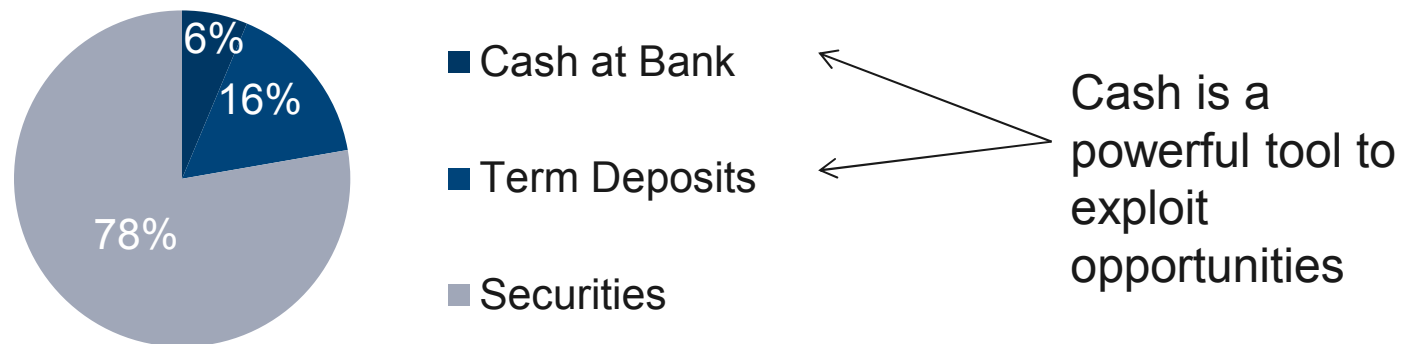


Sources: SNC, Bloomberg

Notes: Small Ordinaries Accumulation Index does not include any management fees or expenses, Gross performance is investment performance before all LIC expenses, management fees, any performance fees and taxes, but includes brokerage, SNC Pre-tax NTA is after all fees and expenses and before any deferred tax assets or liabilities

Performance & Portfolio cont'd

- Portfolio status as at 31 October 2014 – ten months slowly and prudently constructing the portfolio



- We anticipate cash will increase if current takeovers complete, including:
 - Calliden Group Limited (~5.2%)
 - Crowe Horwath Limited (~6.7%)
- We hold cash until we can find investments trading below our assessment of their value and where we believe there is a reasonable prospect for change through our 'activist' strategies.

Performance & Portfolio cont'd

- Since listing, SNC has established core holdings in “activist” targets, as well as taking positions in mergers/arbitrage and trading.
- There were a number of companies that we actively engaged with, including:
 - David Jones Limited
 - **Onthehouse Holdings Limited**
 - **Coventry Group Limited**
- We were opportunistic in trading LICs, including:
 - Clime Capital Limited
 - Century Australia Limited
 - **Katana Capital Limited**
 - **Templeton Global Growth Fund Limited**
- We were not very active in mergers/arbitrage, with only a few positions, including:
 - Noni B Limited
 - Nido Petroleum Limited
 - Oakton Limited
 - Run Corp Limited
 - Sterihealth Limited
 - Wotif.com Limited
- We had two permanent impairments:
 - Nexus Energy Limited
 - van Eyk Research Pty Ltd

Note: This list does not include all investments. Companies in bold denote current holdings as at 18 November 2014.

Portfolio positions

- We do not disclose all our portfolio holdings¹
- Current holdings disclosed by way of ASX substantial shareholding notices:

Name	SNC Portfolio weighting
Coventry Group Limited	8.4%
Armidale Investment Corporation Limited	5.1%
Onthefhouse Holdings Limited	3.6%
Clarius Group Limited	2.4%

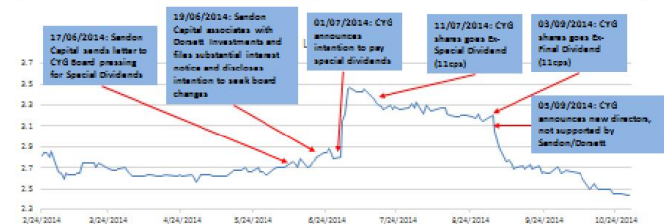
1. Other than as required in the annual report

Portfolio Holding: Coventry Group Limited (CYG)

- We have campaigned against the current Board
 - Privately for some years
 - Publicly since June 2014
- CYG trades below our assessment of its intrinsic value.
- We released a presentation outlining some of our criticisms of the current Board and strategy (available at www.sandoncapital.com.au)
- More than 76% of votes were cast against the remuneration report at the recent CYG AGM.
- Attractions remain: discount to NTA (\$3.25 vs \$2.45 market price), substantial cash, franking credits and turnaround potential

What have we achieved so far

Initially, the market reacted positively to prospects for change, then reality set in...



Our efforts thus far have received the attention and approval of many fellow shareholders and commentators:

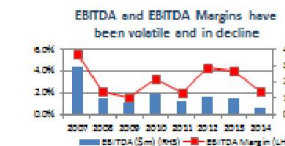
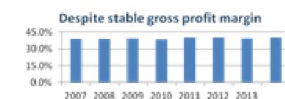


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3. Coventry's inconsistent financial performance

Coventry has failed to deliver any consistent, reliable financial performance under the stewardship of Mr Flynn

- We see gross profit margins as indicative of the "raw ingredients" given to all participants in an industry. We believe the translation of gross profits to net profits is driven by management skill.
- Despite stable gross profits, Coventry has failed to deliver predictable or consistent financial performance
- Management's stated attempts to improve profitability has yielded almost no change in outcomes.
- For example, management's supposed "cost-cutting" initiatives since the sale of the automotive parts in 2011 division has not delivered any sustained improvement in margins



*Sources: Capital IQ, Bloomberg, Sardon Capital Analysis

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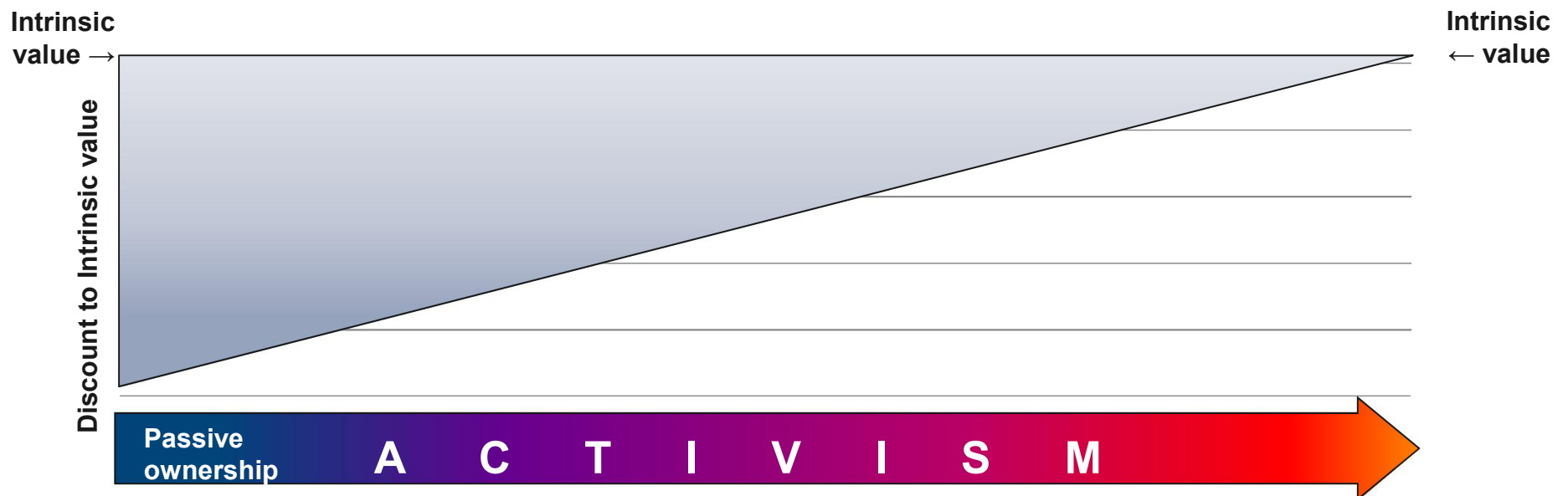
What we do

- We hunt for opportunities with:
 - High levels of tangible assets, marketable securities or cash
 - Values that are somewhat independent of market and economic conditions¹ and
 - Reasonable prospects for change
- We then seek to buy such opportunities at a discount to the Manager's assessed intrinsic value
- The greater discount to intrinsic value, the bigger the buffer in the event things do not go to plan

1. Though such characteristics can never be certain, and market and economic turmoil can affect market price and even value.

What we do – the activist toolkit

- Activism can take many forms:
 - We will seek to apply methods and techniques appropriate for each circumstance
- The Manager seeks to invest in opportunities that:
 - Can be bought at a discount to the Manager's assessed intrinsic value and
 - Offer the potential to foster change that will unwind that discount



Investment objectives

- Sandon Capital Investments Limited (SNC) aims to:
- Generate an absolute positive return over the medium to long term
 - Preserve shareholder capital
 - Provide regular and growing dividends, franked to the fullest extent possible¹

1. This is not intended to be a forecast. It is merely an indication of what SNC aims to achieve over the medium to long term (that is, 3 to 5 years). SNC may not be successful in meeting its objective. Any financial market turmoil or an inability by the Manager, Sandon Capital Pty Ltd, to find and make profitable investments will likely have an adverse impact on achieving this objective. Returns are not guaranteed.

SNC Capital Structure

- Sandon Capital Investments Limited (SNC) capital structure comprises:
 - 35,039,468 Ordinary Shares
 - 34,999,000 Options outstanding
- Option terms
 - Exercise Price \$1.00 per share
 - Exercisable any time until maturity (24 July 2015)

General market observations

➤ A general market comment:

“The consequences of the significant macro factors at play globally are difficult to predict or quantify.”

- Quoted from Sandon Capital Monthly reports since 2009

➤ Media headlines continue to be a source of chaos and confusion

- Profitable opportunities remain to be found by undertaking detailed bottom-up fundamental research

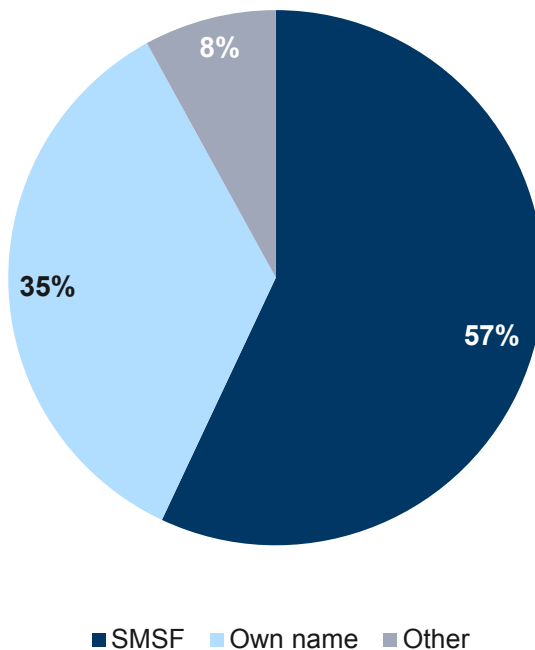
➤ Activism is in an embryonic stage in Australia, creating a less efficient market for such opportunities

➤ We believe market conditions will continue to provide investment opportunities for activist investors

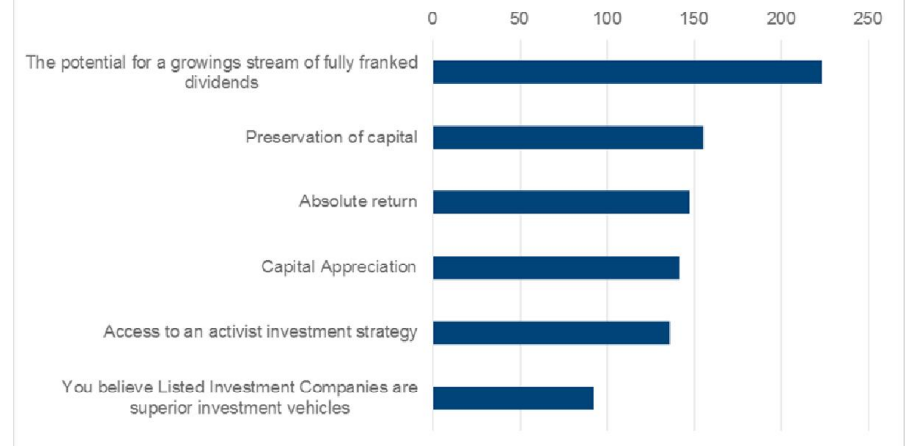
Some things we know about our shareholders

- Many of you have returned the shareholder survey we sent, thank you.
- This is what we have learned:

Structure of your investment



Most important reasons for becoming a shareholder



About us

➤ Contacting us:

Enquiries about your shareholding:

Link Market Services:

1300 554 474 (toll free within Australia)

Investment and other general enquiries:

Gabriel Radzyninski:

(02) 8014 1188 or 0408 936 357

➤ Follow us:

 @SandonCapital

Thank you