

SANDON CAPITAL

Sandon Capital Investments Limited
ACN 107 772 467

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Monthly Report

As at 30 April 2015

Net Tangible Assets (NTA)

The net tangible assets per share for Sandon Capital Investments Limited (SNC) as at 30 April 2015 were:

NTA before tax	\$1.0068
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NTA after tax	\$1.0121
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Note: SNC declared a 2.0 cents per share fully franked interim dividend on 25 February 2015.

Investment Performance

Gross Performance to 30 April 2015 ¹	1 Month	Financial YTD	Rolling 12 month Return
SNC	1.2%	6.4%	8.2%
Small Ordinaries Accumulation Index	1.7%	6.4%	5.3%
Outperformance	-0.4%	0.0%	2.9%

1. The SNC and index returns are before all fees and expenses and before any taxes, except that SNC returns are after incurred brokerage expenses. Dividends paid during the period are included when calculating SNC's gross investment performance.

Dividends

The Directors declared a 2.0 cents per share fully franked interim dividend on 25 February 2015. The table below shows the SNC dividend history.

Ex-date	Dividend Amount	Franking	Type
14 October 2014	2.0 cps	100%	Special
1 June 2015	2.0 cps	100%	Interim

SNC has declared 4.0 cents per share of fully franked dividends since 30 June 2014, and the Board anticipates declaring a final dividend in respect of the year ending 30 June 2015, subject to the availability of profits.

After payment of the interim dividend, SNC will retain a franking account equivalent to 9.4 cents per share. Subject to the availability of profits (or reserves), this would allow for the payment of fully franked dividends of 21.9 cents per share.

Portfolio commentary

The main contributor to the month's result was Armidale Investment Corporation Ltd (AIK), which completed its rights issue at 9 cents per share and whose share price ended the month at 10.5 cents per share. The Fund exercised its entitlements in full, and bought additional shares in the shortfall facility. The next significant items of news to come from AIK will be an announcement of whether it is proceeding with the acquisition of the finance brokerage business that was flagged as part of the rights issue announcement.

Sandon Capital Investments Limited

ASX Codes	SNC / SNCO
Listed	23 Dec 2013
Gross assets	\$36.3m
Market capitalisation	\$33.4m
NTA before tax	\$1.00
Share price	\$0.95
Shares on issue	35,138,692
Options on issue	34,999,000
Option Exercise Price	\$1.00
Option Expiry Date	24 July 2015
Fully franked dividend (declared FYTD)	\$0.04
Dividend yield (paid & declared)	4.21%

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 14.9% 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.

AMP China Growth Fund Limited (AGF) also posted strong returns during the month as mainland Chinese “A” shares continued to rise. Despite a 40% increase in the AGF NTA so far this calendar year, the discount to NTA remains substantial (~27% by our estimation). In our minds, this reinforces the many challenges faced by AGF in its current form, for example its lack of cash distribution (as any distributions are mandatorily reinvested as additional units). We remain agnostic on the prospects for the Chinese “A” class share market and at the same time remain focused on the substantial discount to NTA at which AGF units trade.

Other movements in the portfolio were minor.

Onthehouse Holdings Limited (OTH) announced the appointment of a new director, Ms Lisa Hickson to replace retiring director Mr Anthony Eisen. Mr Eisen was an independent director nominated by Sandon Capital and its then associates in 2014 and is replaced by Ms Hickson. OTH remains a core position for the Fund and Sandon Capital remains fully supportive of the new Board. We look forward to the announcement of the results of the new Board’s strategic review.

The Fund continues to build a position in a company we consider offers highly attractive engagement prospects and anticipate reporting on this in coming weeks.

Investment Portfolio

	April 2015	March 2015
Listed Equities	74%	78%
Cash or Cash Equivalents	26%	22%
Number of investments	28	27

Sandon Capital does not habitually disclose the companies held in its investment portfolios or investment weighting within portfolios. Below is a list of substantial shareholder notices filed by Sandon Capital. Copies of the notices are available on the ASX website.

Lastest ASX filing date	ASX Code	Company
19 Jun 14	CYG	Coventry Group Limited
22 Dec 14	CHZ	Chesser Resources Limited
27 Jan 15	CND	Clarius Group Limited
27 Apr 15	AIK	Armidale Investment Corporation Limited

Note: Shares in companies were held by SNC as at 11 May 2015 (the issue date of this report) and may or may not be current beyond that date.

Shareholder Presentations

Below are the dates and locations for our upcoming shareholder presentations. We look forward to seeing you at these events.

Sydney Tuesday 2 June 2015 10.00am – 11.00am History House 133 Macquarie Street Sydney NSW 2000	Adelaide Wednesday 3 June 2015 10.00am – 11.00am Taylor Collison Level 16, 211 Victoria Square Adelaide SA 5000	Brisbane Friday 5 June 2015 10.00am – 11.00am The Irish Club 175 Elizabeth Street Brisbane QLD 4000
Melbourne Wednesday 10 June 2015 10.00am – 11.00am Royal Historical Society of Victoria 239 A’Beckett Street Melbourne VIC 3000	Canberra Thursday 11 June 2015 10.00am – 11.00am Mantra on Northbourne 84 Northbourne Avenue Canberra ACT 2612	

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

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Share registry:

Link Market Services

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