

## MONTHLY REPORT

# Sandon Capital Investments Limited (ASX:SNC)

NTA Before Tax

NTA After Tax

\$0.7971

\$0.7965

AUGUST 2023

## INVESTMENT PERFORMANCE

Gross Performance to 31 August 2023 <sup>1</sup>	1 month	1 year	Since inception (p.a.)
SNC	0.5%	3.8%	7.9%
All Ordinaries Accum. Index	-0.7%	8.9%	8.4%
<b>Outperformance<sup>2</sup></b>	<b>1.3%</b>	<b>-5.1%</b>	<b>-0.5%</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 SNC's gross investment performance.

2. Figures may not tally due to rounding.

## SANDON CAPITAL INVESTMENTS LIMITED

ASX Code	SNC
Gross assets*	\$145.9m
Market capitalisation	\$90.4m
Share price	\$0.65
Fully franked dividends	\$0.055
Dividend yield (annualised)	8.5%
Profits reserve (per share)	27.6cps
Franking (per share)	7.6cps
Loan-to-assets (incl. SNCHA)	16%

\*Includes the face value of Mercantile 4.8% unsecured notes

## PORTFOLIO COMMENTARY

The Portfolio was up 0.5% for the month, on a gross basis, after investment management fees and brokerage but before performance fees and corporate expenses, compared to a decline of 0.7% for the All Ordinaries Accumulation Index.

The largest contributors to performance were Coventry Group Ltd (CYG) (+0.5%), BCI Minerals Ltd (BCI) (+0.4%) and Joyce Corporation Ltd (JYC) (+0.4%). These were partially offset by A2B Australia Ltd (A2B) (-0.5%) and Yellow Brick Road Holdings Ltd (YBR) (-0.3%).

August is the most important month of the year as the majority of our portfolio companies release their full year accounts. This provides us an opportunity to analyse the operational and financial performance of our investments and allows the market to focus on fundamentals rather than speculating on possibilities, which is what typically occurs in between reporting periods.

Overall, the operational and financial results reported by our companies were within our expectations and an improvement on the previous year. Those companies that had demonstrated consistent earnings growth over the previous years continued on that trajectory. Encouragingly, a number of companies that have been dealing with legacy issues have put those behind them, and look set to reward us with improved operating and financial performance going forward. We continue to uncover a number of interesting opportunities in the market with which to deploy our existing cash as well as the dividends we expect to receive over the next two months.

Before the next monthly NTA announcement, we intend to provide an update that will discuss in more detail the recent reported results of our largest investments.

## DIVIDENDS

SNC has declared 56.25 cents per share of fully franked dividends since listing in December 2013. The profits reserve is 27.6 cents per share and there are 7.6 cents per share of franking credits. These franking credits support the payment of 22.8 cps of fully franked dividends.

SNC's FY23 final dividend of 2.75cps will be paid on 8 November 2023. The Board anticipates paying an interim dividend for FY24 of 2.75cps, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practice.

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

## TOP 5 POSITIONS

Fleetwood	12%
A2B	11%
COG Financial Services	11%
Spectra Systems PLC	9%
BCI Minerals	6%

## INSTRUMENT EXPOSURE

Listed Australian Equities	82%
Listed International Equities	12%
Unlisted Investments	6%
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 9.7% 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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