SANDON CAPITAL

Lonsec Recommended

MONTHLY REPORT

Sandon Capital Investments Limited (ASX:SNC)

NTA Before Tax (ex-dividend)	NTA After Tax (ex-dividend)
$0.7755	$0.7784

OCTOBER 2026

INVESTMENT PERFORMANCE

Gross Performance to 31 October 2026[1]	1 month	1 year	Since inception (p.a.)
SNC	-3.5%	-17.0%	7.7%
All Ords Accumulation Index	0.7%	1.6%	8.7%
Outperformance[2]	**-4.2%**	**-18.6%**	**-1.0%**

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*	$152.8m
Market capitalisation	$111.2m
Share price	$0.715
Annual fully franked dividend (paid monthly)	$0.0564
Dividend yield (annualised)	7.9%
Profits reserve (per share)	45.8cps
Franking (per share)	7.0cps
Loan-to-assets (incl. SNCHA)	27%

*Includes the face value of 8.5% unsecured notes (ASX: SNCHA).

PORTFOLIO COMMENTARY

The portfolio was down 3.5% 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 0.7% for the All Ordinaries Accumulation Index.

Whilst large cap indices finished the month in positive territory, small cap indices finished deeply in negative territory (down 6-9%). Our portfolio was not immune to the carnage despite limited newsflow. The largest positive contributors were Spectra Systems PLC (SPSY) (+2.3%), Orora Ltd (ORA) (+0.7%) and Karoon Energy Ltd (KAR) (+0.6%). These were more than offset by Fleetwood Ltd (FWD) (-2.6%), BCI Minerals Ltd (BCI) (-2.1%), Southern Cross Media Group Ltd (SXL) (-0.9%), COG Financial Ltd (COG) (-0.7%) and Coventry Group Ltd (CYG) (-0.6%).

SPSY announced that it had received its first order for Fusion™ polymer banknote substrate from the Central Bank of Egypt. Whilst the expected revenue is not material to SPSY's 2026 financials, the significance lies in Spectra having qualified Fusion™ substrate with a major central bank for the first time. Now that Fusion™ substrate is qualified, we look forward to further orders from other central banks over the next 12-18 months.

CYG provided a solid 1QFY27 trading update with a 1.3% increase in revenue translating to an 87% increase in EBITDA (both against the prior corresponding period). This result reflected the third consecutive sequential improvement in EBITDA and was the strongest quarterly result since 1QFY25. With the full benefit of savings now reflected in the cost base, continued sales momentum and improving gross margin, we expect continued improvement in CYG's earnings.

FWD held its AGM late in the month with the trading update in line with that provided at the result in August. The next major event for the company is the closing of the acquisition of the Red Dog accommodation village which we expect in the next few months.

Shareholders voted at the Magellan Financial Group Ltd AGM to change the company's name to Barrenjoey Group Ltd. This became effective at the end of the month and the company's ASX ticker was also changed from MFG to BJY.

DIVIDENDS

SNC has declared 73.0 cents per share (cps) of fully franked dividends since listing in December 2013. The profits reserve is 45.8cps and there are 7.0cps of franking credits. These franking credits support the payment of up to 20.9cps of fully franked dividends.

SNC's inaugural monthly dividend of 0.47cps was paid on 31 October 2025. The Board recently announced its intention to pay dividends of 0.47 cents per share per month for each of October, November and December 2026. These monthly dividends represent an annualised fully franked dividend rate of 5.64 cents per share.

A full list of SNC dividends announced since the IPO in December 2013 can be found here.

TOP 5 POSITIONS

COG Financial Services	15%
Fleetwood	11%
BCI Minerals	9%
Carbon Conscious	9%
Spectra Systems plc	9%

INSTRUMENT EXPOSURE

Listed Australian Equities	72%
Listed International Equities	11%
Unlisted Investments	17%
Cash or Cash Equivalents	0%

Positions and exposure based on weights in the investment portfolio

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 9.1% 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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