



**Taylor Collison Limited – Lead Manager**

All investors must receive a copy of the Prospectus dated 11 November 2013 (“**Prospectus**”). This is not a complete description of Sandon Capital Investments Limited (“**Sandon**” or “**Company**”) or the new shares in Sandon to be issued under the prospectus offering of Sandon (“**Offer**”). Investors should consider the content of the Prospectus in its entirety, including the terms and conditions of the Offer and risk factors (Section 4 of the Prospectus) involved in investing in the New Shares under the Offer before making any investment decision. Terms defined in the Prospectus have the same meaning in this document unless the contrary intention appears.

**HIGHLIGHTS**

Highlights of the Offer include:

- Access to the management experience and expertise of an “activist” Manager.
- Access to an absolute return fund that seeks to generate positive returns over the medium to long term.
- Access to a flexible investment mandate, whereby the Company may hold up to 100% in cash if the Manager cannot identify appropriate investment opportunities.
- An investment in an ASX listed investment company that aims to provide investors with a **dividend of at least 6.0 cents per annum** (assuming a full financial year of operation) that will be fully franked subject to the availability of franking credits.

**OVERVIEW**

As an activist listed investment company, Sandon will invest in Securities the Manager, Sandon Capital Pty Limited, (“**Manager**”) considers to be under-valued and where the Manager considers there to be opportunity to encourage change to unlock what the Manager has identified as intrinsic value.

The Company’s portfolio will be a concentrated portfolio comprised of Securities in 20-25 different entities and, a variable but significant, amount of cash. capital preservation is a key investment objective.

Taylor Collison Limited is the Lead Manager to the Offer.

**OFFER DETAILS**

Offer Amount	\$100,000,000 with a minimum of \$16,000,000 and a maximum of \$125,000,000
Application Amount	A\$1.00 per share
Option	1 Free Option for Every 1 share subscribed Exercise Price: \$1.00 Expiry Date: 24 July 2015 Estimated value of the Option: ~\$0.11
ASX code	SNC (Shares); SNCO (Options)
Pro forma NAV per Share (Minimum Subscription)	\$0.967
Pro forma NAV per Share (Maximum Subscription)	\$0.984
Lead Manager	Taylor Collison
Offer Jurisdictions	Australia and New Zealand -

**ACTIVIST INVESTING**

The Manager view activism as a critical, and often missing, tool of value investing.

Strategies the Manager may advocate include changes to capital structures or dividends policies, changes in corporate strategy, changes to board and management personnel and changes through corporate activities, such as takeovers or divestitures. The Manager will also consider investing in entities that are already the subject of activist strategies initiated by other parties.

Activism does not involve exercising day to day control over the entities that form part of the Portfolio. Activism describes the exercise of the rights afforded to investors, including, where applicable, convening meetings of members, voting at meetings and otherwise seeking to influence change

**WHY SANDON CAPITAL AS THE MANAGER?**

The Manager has advised its clients, including Sandon Capital Activist Fund as well as unrelated third party clients, in relation to development and the implementation of a number of activist strategies that sought to unlock potential returns from listed investments.

The Manager has advised shareholders and participated in a number of activist engagements including but not limited to:

- **RHG Ltd** – advised 2 substantial shareholders on strategies to prevent delisting, including the removal of the incumbent directors;
- **Signature Capital Investments Ltd** – advised a substantial shareholder on strategies to return capital to shareholders;
- **Australian Infrastructure Fund Ltd** – advised a substantial shareholder on strategies to accelerate repatriation of capital to shareholders following the sale of major infrastructure assets; and
- **Alesco Corporation Ltd** – advised a substantial shareholder on strategies to maximise outcomes for shareholders following a hostile takeover offer.

Clients the Manager has advised in these, and other activist engagements, have had invested between approximately \$2,000,000 and \$90,000,000.

The Managing Director of the Manager is Gabriel Radzyminski. Although the Manager employs other staff, Gabriel is solely responsible for the Manager’s investment decisions and is the “Portfolio Manager” of all investments managed by the Manager. Gabriel Radzyminski, as the Managing Director of the Manager, will also be responsible for the Manager implementing the Company’s investment strategy and managing the Company’s investment Portfolio.

Gabriel is also a director and Chairman of Sandon Capital Investments Limited.



# TAYLOR COLLISON

Sharebrokers and Investment Advisers  
www.taylorcollison.com.au

# Sandon Capital Investments Limited

## PROSPECTUS OFFERING – November 2013

### CORPORATE HISTORY

The Company is not a newly established company; it was incorporated on 28 January 2004 under the name "Global Mining Investments Limited" and was listed on ASX as a listed investment Company investing in global resources shares in the period commencing on 8 April 2004 and ending on 28 November 2012. In late 2012, the Company's shareholders approved a restructure that led to the Company's assets and liabilities being transferred to a new trust (called Global Mining Investment Trust) and the Company being delisted. It was intended that following the Restructure, the Company would be liquidated. Following discussions with the Manager, on 2 October 2013, the Company's Shareholders adopted the name "Sandon Capital Investments Limited" and appointed Gabriel Radzyminski, Matthew Kidman and Paul Jensen as the Board of Directors, with a mandate to undertake this Offer.

### PERFORMANCE

Since its restructure in November 2012 the Company has been dormant and is yet to commence trading the Company's new investment philosophy, strategies and process. There is therefore no performance history which is relevant to investors.

The investment style and criteria adopted by the Manager in managing Sandon Capital Activist Fund to date is the same to that proposed for the Company. Sandon Capital has Funds Under Management of \$13,000,000.

Sandon Capital Activist Fund was established in September 2009 has funds under management of approximately \$3,000,000. Between inception and 31 October 2013, Sandon Capital Activist Fund as delivered a compound annual return, net of all fees and expenses, of 15.5%. Over the same period, the Small Ordinaries Accumulation Index delivered returns of 1.8%.

Sandon was recently awarded a new institutional mandate.

The table below shows the comparison of performance between Sandon Capital Activist Fund, the Small Ordinaries Accumulation Index and cash (1 month Bank Bill Swap Rate).

To Oct 2013	SCAF	Small Ords Accumulation	Cash
Return Since Inception	82.0%	7.5%	18.2%
Annualised Return since inception (p.a.)	15.5%	1.8%	4.1%
12 month return	29.2%	2.8%	3.0%
Annualised Standard Deviation of Monthly Returns	8.2%	17.0%	2.5%

**Note: Sandon Capital Activist Fund returns are shown after all fees and expenses. Inception was 4 September 2009.**

### BOARD OF DIRECTORS

Board and Name	Position	Independence
Gabriel Radzyminski	Chairman	Non-independent
Paul Jensen	Non-executive Director	Independent
Matthew Kidman	Non-executive Director	Independent

### INDICATIVE TIMETABLE

Prospectus lodgement	11 November 2013
Expiry of exposure period	18 November 2013
Offer to open	19 November 2013
Broker Firm Offer close	29 November 2013
Offer expected to close	6 December 2013
Allotment Date	16 December 2013
Despatch of holdings statements	17 December 2013
Estimated date of Listing on ASX	27 December 2013
Option Expiry Date	24 July 2015

### RISK FACTORS

The key risks associated with an investment in the Company include:

- **Reliance on the Manager**
- **Key man risk**
- **No operating or performance history Strategy**
- **Legal risk**
- **Limited diversification**
- **Liquidity risk**
- **Economic risk**
- **Market risk**

Please refer to Section 4 of the Prospectus for more detail about these and other risks.



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## CONTACTS

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**DISCLAIMER:** The Lead Manager, their respective servants or agents, make no recommendation as to whether you should participate in the Offer by Sandon Capital Investments Limited nor do they make any recommendation or warranty to you concerning the shares/options or accuracy, reliability or completeness of the information provided or the performance of the Company. This Term Sheet is intended to provide background information only and does not purport to make any recommendation upon which you may reasonably rely without taking further and more specific advice. You should make your own decision whether to participate based on your own enquires. Potential investors must make their own independent assessment and investigation of the opportunity and should not rely on any statement or the adequacy or accuracy of the information provided by the Lead Manager. The information provided does not purport to cover all relevant information about any potential investment in Sandon Capital Investments Limited. Before making a decision to invest in Sandon, you must obtain and read in its entirety the prospectus dated 11 November 2013 and any subsequent Replacement Prospectus and Supplementary Prospectus (where applicable) issued or to be issued by Sandon. You can obtain a copy of the Prospectus from your Taylor Collison adviser. Accordingly potential investors are advised to seek appropriate independent advice, if necessary, to determine the suitability of this investment.

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