

# Merlon Australian Share Income Fund

## Monthly Fact Sheet - August 2024

For queries, please call Investor Services on 1300 721 637



### Fund Features

**Sustainable income:** Paid monthly and majority franked. As the Fund's name suggests, sustainable above-market income is a targeted outcome of our investment approach and a key objective of the Fund.

**Proven Investment Philosophy:** We believe people are motivated by short-term outcomes, overemphasise recent information and are uncomfortable having unpopular views.

**Portfolio diversification:** The benchmark unaware approach to portfolio construction is a key structural feature, especially given the concentrated nature of the ASX200 index.

**Downside protection:** In addition to placing a heavy emphasis on capital preservation through our fundamental research, we use derivatives to reduce the Fund's market exposure and risk by 30% whilst still retaining all of the dividends and franking credits from the portfolio.

**Integrated ESG Approach:** We believe deep consideration of governance, social as well as environmental issues – coupled with active ownership – enhances investment, business and community outcomes.

### Fund Facts

<b>Portfolio managers</b>	Neil Margolis & Andrew Fraser
<b>Fund inception date</b>	30 <sup>th</sup> September 2005
<b>Merlon FUM</b>	\$821m
<b>Strategy FUM</b>	\$659m
<b>Fund FUM</b>	\$500m
<b>Management fee</b>	0.95% p.a
<b>Fund objective<sup>5</sup></b>	The Fund aims to provide a higher level of tax effective income with a lower level of risk than the S&P/ASX 200 Accumulation Index, whilst also aiming to outperform the benchmark on a total return basis over the medium to long term.
<b>Minimum Investment</b>	\$10,000
<b>Suggested timeframe</b>	At least 5 years
<b>Buy/Sell Spread</b>	+0.20% / -0.20%
<b>Distribution Frequency</b>	Monthly
<b>APIR Code / ASX Code</b>	HBC0011AU / MLO02

### Top Ten Holdings (Alphabetical)

AMP	Medibank
ASX	QBE Insurance
BHP Billiton	Ramsay Health Care
Coles	Westpac
Insurance Australia Group	Woolworths

### Fund Performance (net of fees)

% <sup>1</sup>	Fund	Benchmark <sup>2</sup>	Yield <sup>4</sup>
<b>Since Inception (p.a.)</b>	7.6	7.4	9.3
<b>10 Years (p.a.)</b>	7.8	7.4	7.0
<b>5 Years (p.a.)</b>	8.9	7.4	6.5
<b>3 Years (p.a.)</b>	10.7	6.7	6.4
<b>1 Year</b>	9.3	12.7	6.0
<b>FYTD</b>	1.4	3.6	0.9
<b>CYTD</b>	9.7	7.8	3.9
<b>Quarter</b>	2.8	4.5	1.3
<b>Month</b>	-2.1	0.6	0.5

<sup>1</sup>Performance figures are calculated after fees have been deducted and assume distributions have been reinvested. All returns are grossed up for franking credits. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance.

<sup>2</sup>The Fund's benchmark is a composite of 70% S&P/ASX 200 Accumulation Index / 30% Bloomberg Ausbond Bank Bill Index and is used for all time periods. From 30 September 2005 to 16 May 2022, the Fund's benchmark was the S&P/ASX 200 Accumulation Index.

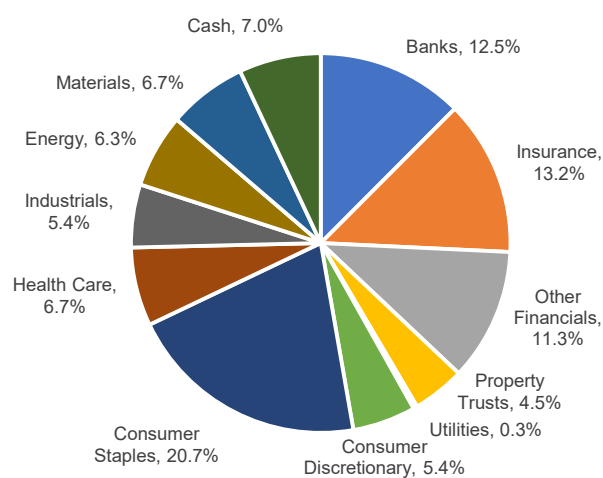
<sup>3</sup>The Inception Date for the Fund is 30 September 2005

<sup>4</sup>Yield represents the Gross distribution yield (inclusive of franking credits)

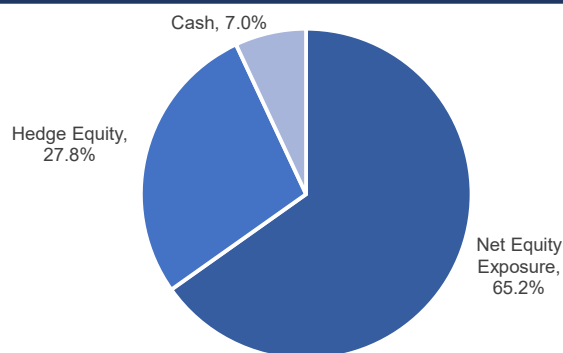
<sup>5</sup>In line with the Fund's benchmark change, the Fund's objective was also amended on 16 May 2022 to include a total return objective.

Source: Fidante Partners Limited, 31 August 2024.

### Sector Exposures



### Asset Allocation



Partners Limited ABN 94 002 835 592 AFSL 234668 (Fidante) is a member of the Challenger Limited group of companies (Challenger Group) and is the responsible entity of the Fund. Other than information which is identified as sourced from Fidante in relation to the Fund, Fidante is not responsible for the information in this material, including any statements of opinion. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable to your circumstances. The Fund's Target Market Determination and Product Disclosure Statement (PDS) available at [www.fidante.com](http://www.fidante.com) should be considered before making a decision about whether to buy or hold units in the Fund. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not a reliable indicator of future performance. Merlon and Fidante have entered into arrangements in connection with the distribution and administration of financial products to which this material relates. In connection with those arrangements, Merlon and Fidante may receive remuneration or other benefits in respect of financial services provided by the parties. Fidante is not an authorised deposit-taking institution (ADI) for the purpose of the Banking Act 1959 (Cth), and its obligations do not represent deposits or liabilities of an ADI in the Challenger Group (Challenger ADI) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Fidante. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or principal invested. Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any member of the Challenger Group.