

Merlon Australian Share Income Fund

Monthly Fact Sheet – February 2023

For queries, please call Investor Services on 13 51 53



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

| | |
|-----------------------------------|--|
| Portfolio managers | Neil Margolis |
| Fund inception date | 30 th September 2005 |
| Merlon FUM | \$1,044m |
| Strategy FUM | \$580m |
| Fund FUM | \$418m |
| Management fee | 0.95% p.a |
| Performance fee | nil |
| Fund objective⁵ | 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. |
| Minimum Investment | \$10,000 |
| Suggested timeframe | At least 5 years |
| Buy/Sell Spread | +0.20% / -0.20% |
| Distribution Frequency | Monthly |
| APIR Code / ASX Code | HBC0011AU / MLO02 |

Top 10 Holdings (Alphabetical)

| | |
|---------------------------|-----------------------------|
| AMP | Origin Energy |
| BHP Group | Qantas Airways |
| Coles Group | QBE Insurance Group |
| Insurance Australia Group | Suncorp Group |
| Medibank | Westpac Banking Corporation |

Fund Performance net of all fees and expenses

| % ¹ | Fund | Benchmark ² | Yield ⁴ |
|------------------------------------|------|------------------------|--------------------|
| Since Inception³ | 7.3 | 7.1 | 9.6 |
| 10 years (p.a) | 7.8 | 7.9 | 7.3 |
| 5 Years (p.a) | 6.9 | 7.1 | 6.9 |
| 3 Years (p.a) | 10.3 | 7.1 | 6.7 |
| 1 Year | 13.3 | 6.7 | 6.8 |
| FYTD | 14.2 | 10.9 | 4.7 |
| Quarter | 0.7 | 0.6 | 1.3 |
| 1 Month | -1.5 | -1.5 | 0.5 |

¹Performance 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.

²The 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.

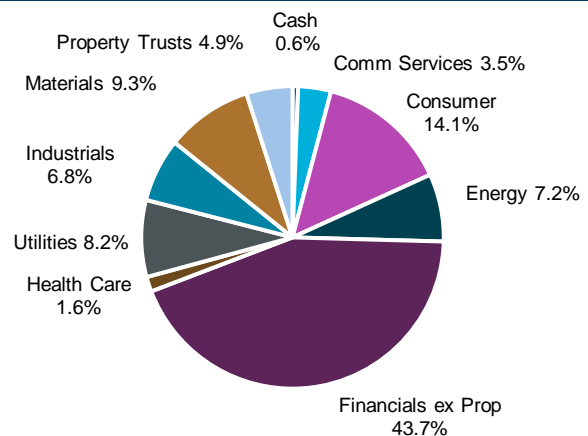
³The Inception Date for the fund is 30 September 2005.

⁴Yield represents the Gross distribution yield (inclusive of franking credits)

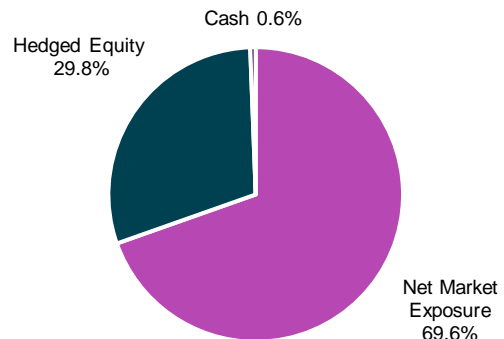
⁵In line with the Fund's benchmark change, the Fund's objective was also amended on 16 May 2022 to include a total return objective.

Source: Fidante Partners Limited, 28 February 2023.

Sector Exposure



Asset Allocation



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