Investment Option Summary

ANZ Smart Choice Super - Merlon Australian Share Income

30 June 2026

Description

This investment option is intended to be suitable for investors seeking high levels of return, with a large proportion of returns coming from income and who are comfortable with moderate volatility including the possibility of periods of negative returns.

Investment return objective

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.

Investment strategy

Merlon's investment approach is to build a portfolio of undervalued high dividend yielding companies and to then reduce some risk through the use of derivatives. Merlon aims for the fund to be fully invested in large and mid-cap companies listed on Australian listed exchanges such as the ASX, which are selected based on Merlon's investment philosophy. There are two elements to Merlon's investment philosophy:

Value: Merlon believes that stocks trading below fair value will outperform through time. Merlon measures value by sustainable free cash flow yield. Merlon views franking credits similarly to cash and takes a medium to long-term view.

Risk management: Merlon believes that the impact of risk associated with investing can be reduced through derivative based hedging strategies. By entering into a derivative contract whose value moves in the opposite direction to the underlying asset, the risk of a reduction in the value of the underlying asset can be cancelled out in part or in full. Derivative based hedging strategies may also have the potential to provide additional returns and may deliver beneficial tax outcomes.

Minimum time horizon

5 years

Inception date

25 May 2015

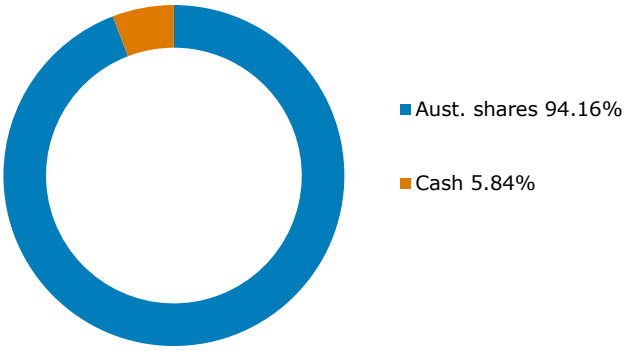
Fund Code: MMF2153AU

Fund performance

	1 mth %	3 mth %	6 mth %	1 yr pa %	3 yrs pa %	5 yrs pa %
Merlon Australian Share Income	3.27	2.72	4.82	8.73	7.34	8.88

Past performance is not indicative of future performance.

Actual asset allocation



Standard Risk Measure

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below: