Monthly Fact Sheet · August 2026

Merlon Concentrated Australian Share Fund - Class A

Merlon Capital Partners

About Merlon

Merlon Capital Partners is an employee owned Australian-based boutique fund manager established in May 2010. We partner with advisers and long-term investors seeking conviction, discipline and trusted stewardship through market cycles. Merlon invests with an absolute-return mindset focused on protecting and growing capital in uncertain markets.

Fund Objective

The Fund aims to outperform the benchmark on a total return basis over the medium to long term.

Fund Features

Proven Investment Philosophy — We believe people are motivated by short-term outcomes, over emphasise recent information and are uncomfortable having unpopular views.

Simple Process — We invest in undervalued companies where we think market participants have become too pessimistic.

Non-benchmark — A portfolio of 25-35 companies constructed without regard to benchmark weights.

True-to-Label Performance — Merlon's investment team has a proven long-term value investing track record since its 2010 inception.

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.

Investment Team

Neil Margolis
Co-founder, Portfolio Manager
28 years experience

Hamish Carlisle
Co-founder, Portfolio Manager
31 years experience

Andrew Fraser
Co-founder, Portfolio Manager
24 years experience

Kirit Hira
Portfolio Manager
20 years experience

Joey Mui
Portfolio Manager
13 years experience

Rebecca Greige
Sustainability Manager
11 years experience

Fund Facts

Fund inception date	1st February 2018
Merlon FUM	$1,048m
Strategy FUM	$412m
Fund FUM	$245m
Management fee	0.52% p.a.
Performance fee	20% of the Fund's daily return above the benchmark.
Minimum Investment	$10,000
Suggested timeframe	At least 5 years
Buy/Sell Spread	+0.20% / -0.20%
Distribution Frequency	Quarterly
APIR Code	HOW2217AU

Top Ten Holdings

AGL Energy	Fletchers
Amcor	Ramsay Health Care
ASX	Santos
Aurizon Holdings	South32
CSL	Treasury Wine Estates

Listed alphabetically.

Investment Enquiries

To find out more about investing in the Merlon Concentrated Australian Share Fund, speak to your financial planner or contact Jack Dooley: jdooley@merloncapital.com

Jack Dooley
Client Relationship Manager

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Fund Performance (%, net of fees)

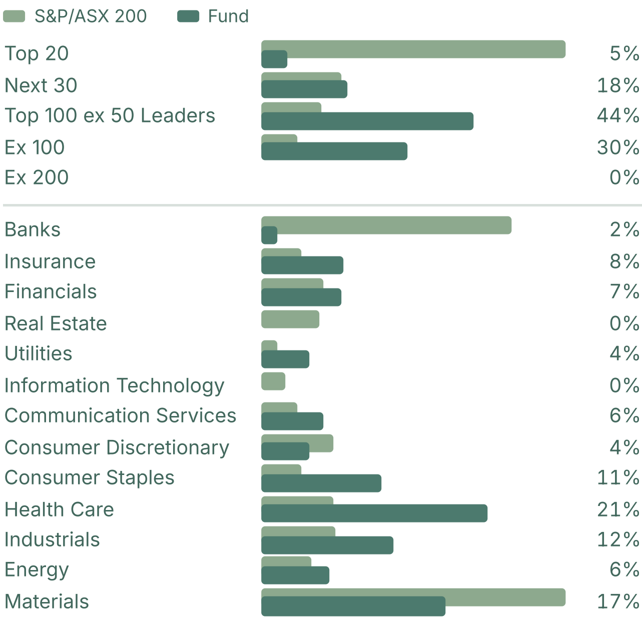
PERIOD	FUND[1]	BENCHMARK[2]	EXCESS
Month	**4.9**	1.5	3.4
Quarter	**16.3**	4.5	11.7
1 Year	**13.1**	4.4	8.7
3 Years (p.a.)	**12.6**	11.2	1.4
5 Years (p.a.)	**12.4**	7.8	4.6
7 Years (p.a.)	**11.1**	8.5	2.6

Strategy Performance (%, before fees)

PERIOD	FUND[1]	BENCHMARK[2]	EXCESS
15 Years (p.a.)	**11.7**	9.5	2.2
15 Years (total)	**5.3x**	3.9x	138%

1 Performance figures assume distributions have been reinvested. No allowance is made for tax when calculating these figures. Past performance is not a reliable indicator of future performance.
2 The Fund benchmark is the S&P/ASX 200 Accumulation Index.
3 The Inception Date for the class is 1 February 2018. Strategy Inception Date is 31 May 2010.

Market Cap Bands & Sector Exposures



Performance Update

Market Backdrop

In August, the ASX200 returned 1.7%, including franking. Reporting season was better than feared, heavily driven by margins and cost control as revenue growth remained soft. Market leadership rotated: Healthcare (+19%) and Materials (+12%) contributed primarily, while Financials and Retail detracted amid slowing loan growth, margin and cost-of-living pressures. Precious metals and copper rallied despite bond yields reaching 15-year highs.

Non-Benchmark Construction

Merlon portfolios are constructed without regard to index weights. When very large cap stocks underperform, the portfolio typically delivers higher relative returns. This provides strong diversification benefits for index-aware investors. During August, an equally-weighted index of stocks we covered outperformed the cap-weighted ASX200 by 4.5%, providing a meaningful tailwind.

Sector & Stock Selection

Benchmark construction aside, sector allocation benefited from being underweight Banks & Real Estate but was held back by Industrials over-exposure and Materials & Energy under-exposure.

Stock selection was broadly neutral. Industrials stock selection added 1.2%, driven by CSL, Ramsay Healthcare, Reliance Worldwide and JB Hi-Fi (not held), while Sonic, Endeavour and Ansell (not held) detracted. Materials & Energy selection detracted 1.9%, driven by Aurizon and Santos. Financials selection added 0.7%, driven by Steadfast, while NIB Holdings detracted.

Portfolio Positioning

On our internal metrics, the portfolio offers 32% valuation upside compared to 15% downside for the ASX200. The portfolio beta is 0.8, indicating the fund may underperform a strong market and outperform a weaker market. Relative to the ASX200, the fund is significantly underweight Banks and overweight Health Care. The fund's active share is 89% highlighting how different it is to the index overall.

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