Monthly Fact Sheet · October 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



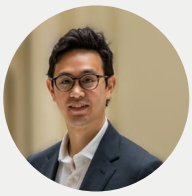
Hamish Carlisle
Co-founder, Portfolio Manager
31 years experience



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	$952m
Strategy FUM	$302m
Fund FUM	$129m
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	Seek
Endeavour Group	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)

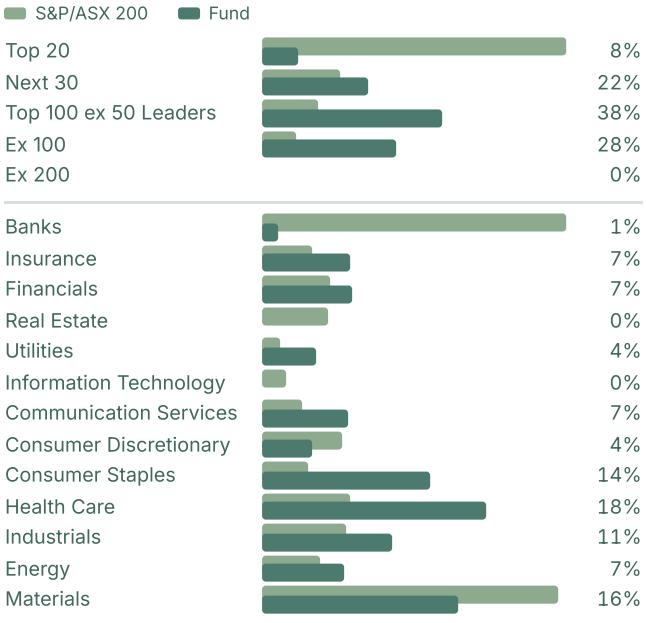
PERIOD	FUND[1]	BENCHMARK[2]	EXCESS
Month	**4.1**	1.4	2.7
Quarter	**7.7**	0.5	7.3
1 Year	**19.0**	3.7	15.4
3 Years (p.a.)	**17.0**	13.4	3.7
5 Years (p.a.)	**12.7**	8.0	4.7
7 Years (p.a.)	**11.2**	8.1	3.1

Strategy Performance (%, before fees)

15 Years (p.a.)	**11.6**	9.3	2.3
15 Years (total)	**5.2x**	3.8x	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



Top 20	8%
Next 30	22%
Top 100 ex 50 Leaders	38%
Ex 100	28%
Ex 200	0%
Banks	1%
Insurance	7%
Financials	7%
Real Estate	0%
Utilities	4%
Information Technology	0%
Communication Services	7%
Consumer Discretionary	4%
Consumer Staples	14%
Health Care	18%
Industrials	11%
Energy	7%
Materials	16%

Performance Update

Market Backdrop

The ASX200 index returned +1.4% during the month. Industrials, Banks & Real Estate and Financials led the rise, posting returns of 6%, 5% and 4% respectively. This was offset by Materials & Energy, returning -8%. Over the period, real rates fell 0.3% as financial conditions loosened, oil prices rose 3%, and global cyclicals underperformed defensives by 10%.

Non-Benchmark Construction

Merlon portfolios are constructed without regard to index weights. When very large cap stocks underperform, the portfolio typically delivers higher returns. During October, an equally-weighted index of stocks we covered underperformed the cap-weighted ASX200 by 2.1%, imposing a meaningful headwind.

Sector & Stock Selection

Sector allocation decisions added 2.8% to performance. Over-representation in the Industrials sector added 1.9%; Under-exposure to the Materials & Energy sector added 1.5%; A tilt away from the Banks & Real Estate sector detracted 0.8%.

Stock selection decisions added 2.3% to performance. In the Materials & Energy sector, stock selection added 2.3%, driven by AGL, Santos and Aurizon.

Portfolio Positioning

On our internal metrics, the portfolio offers 32% valuation upside compared to 14% downside for the ASX200. The portfolio beta is 0.7, 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.

Investment Enquiries

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