

# Investment Option Summary

## ANZ Smart Choice Super - Merlon Australian Share Income

30 September 2018

### Description

The fund is intended to be suitable for investors seeking high levels of return, with a large proportion of returns coming from income with moderate volatility.

### 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, with the potential for capital growth and inflation protection 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

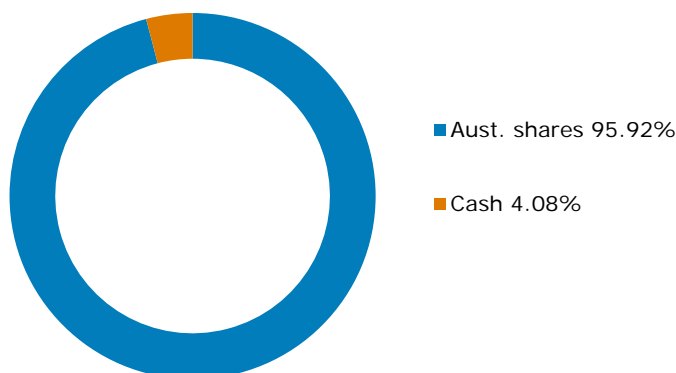
25 May 2015

Fund Code: MMF2153AU

## Fund performance

|                                | 1 mth | 3 mth | 6 mth | 1 yr | 3 yrs | 5 yrs |
|--------------------------------|-------|-------|-------|------|-------|-------|
|                                | %     | %     | %     | pa % | pa %  | pa %  |
| Merlon Australian Share Income | -1.00 | 0.56  | 2.87  | 4.36 | 8.82  |       |

## 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:



Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. Please note that all returns are after the deduction of investment management fees. This document provides a summary only and it should not be considered a comprehensive statement of any matter or relied upon as such. This document contains returns for investment options offered through ANZ Smart Choice Super for employers and their employees and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees. These products are issued by OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000637), a wholly owned subsidiary of ANZ. A copy of the relevant Product Disclosure Statement and Additional Information Guide (PDS) and ANZ FSG is available by visiting [anz.com/smartchoice](http://anz.com/smartchoice) or by calling Customer Services. This information is of a general nature and has been prepared without taking account of your objectives, financial situation or needs. You should consider the appropriateness of the information, having regard to your objectives, financial situation or needs. You should read the PDS before deciding to acquire or hold the product. An investment in ANZ Smart Choice Super for employers and their employees or ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees is not guaranteed and can be volatile in the short term. Your investment is subject to a range of investment risks. These include possible delays in the repayment of withdrawals from your investment and loss of income and principal invested. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market.