



**FIDANTE**  
PARTNERS

Investor Services 13 51 53  
Adviser Services 1800 195 853  
Facsimile 02 9994 6666  
GPO Box 3642 Sydney NSW 2001

13 April 2022

Dear Investor

We are writing to you regarding your investment in the Merlon Australian Share Income Fund (ARSN 090 578 171, APIR HBC0011AU, ASX Code MLO02AU, APIR HOW1607AU – Class X, APIR HOW4411AU – Class C, APIR HOW5941AU – Class P) (the **Fund**).

Fidante Partners, as responsible entity of the Fund, in conjunction with Merlon Capital Partners Pty Ltd (the **Manager**), has recently conducted a review of the Fund to ensure it remains contemporary and true to label.

As a result of this review, we have determined to amend to benchmark to better align it with the lower equity risk profile of the Fund and replace an existing objective with a more measurable total return objective.

It is important to note that there is no change to the Fund's investment strategy, investment universe or how Merlon manage the Fund as a result of these changes.

These changes are further outlined below.

### **1. Update to the Benchmark**

The Fund is an equity income strategy, that aims to provide tax effective income with lower volatility than other equity funds, through the use of derivatives. The Fund invests in Australian companies listed on the ASX which are selected based on Merlon's investment philosophy.

To better reflect the Fund's underlying exposures and reduced volatility due to its use of derivatives, the benchmark will change as follows:

<b>Current benchmark</b>	<b>New benchmark effective 16 May 2022</b>
S&P/ASX 200 Accumulation Index	70% S&P/ASX 200 Accumulation Index / 30% Bloomberg Ausbond Bank Bill Index.

## 2. Update to Objective of the Fund

The overall objective of the Fund is to provide tax effective income with a lower level of risk to other equity funds. The current objective also includes clarification that the Fund will also have the potential for capital growth and inflation protection.

After our review of the Fund, we determined to replace the reference to capital growth and inflation protection to a more meaningful total return objective that can be measured. As such, the objective of the Fund will change as follows:

<b>Current objective</b>	<b>New objective effective 16 May 2022</b>
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 providing the potential for capital growth and inflation protection over the medium to long term.	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.

The Fund will continue to aim to provide potential capital growth with inflation protection as part of Merlon's overall strategy and investment approach.

### Updated Target Market Determination (TMD)

There is no change to the fund's investment strategy or universe and the amendments do not alter the target market or distribution conditions for the fund. An updated TMD with the changes will be made available on the Fidante website.

### Further information

If you have any further questions regarding these changes, or for updated information about the Fund, please contact your financial adviser, visit our website [www.fidante.com.au](http://www.fidante.com.au) or call our Investor Services team on 13 51 53, during Sydney business hours.

Thank you for your continued support of our business.



Aarti Mathur  
Senior Manager, Investor and Advisor Services  
Fidante Partners

