

Product Update

5 November 2018

The information in this document forms part of the Product Disclosure Statement for Generation Life Investment Bonds dated 4 December 2017 ('PDS') and replaces the Product Update dated 27 June 2018.

You should read this document, together with the PDS, before making a decision to invest into Generation Life Investment Bonds. You can obtain the current version by visiting www.genlife.com.au.

Administration fee discount - special limited fee reductions

The following administration fee scale will apply to investment bonds established between the date of this Product Update and 31 December 2018 (inclusive) ('Eligible Investment Bonds').

Administration fee applicable up to 31 December 2019

Tiered balance of eligible investment options ¹	Administration fee applied (after discount) up to 31 December 2019
First \$50,000	Nil – full discount
Next \$9,950,000 ¹	0.30% p.a.
Balance over \$10,000,000 ¹	Nil – full discount

Administration fee applicable from 1 January 2020 to 30 June 2021

Tiered balance of eligible investment options ²	Administration fee applied (after discount) from 1 January 2020 to 30 June 2021
First \$50,000	Standard administration fee for each eligible investment option – no discount (refer to page 41 of the PDS)
Next \$9,950,000 ²	0.30% p.a.
Balance over \$10,000,000 ²	Nil – full discount

¹ For investment balances above \$50,000 the administration fee discount will not apply for the portion of the investment amount held in the Macquarie Treasury Fund, Generation Life Term Deposit Fund or Mutual ADI/Bank Securities and the tiered balance will exclude these investment options when determining the investment balance.

² The administration fee discount will not apply for the portion of the investment amount held in the Macquarie Treasury Fund, Generation Life Term Deposit Fund or Mutual ADI/Bank Securities and the tiered balance will exclude these investment options when determining the investment balance.

The level of the administration fee discount will depend on the investment value of the Eligible Investment Bonds held and the investment options invested in. Please refer to page 41 of the PDS for investor and investment eligibility criteria and further information about how the administration fee discount rebate works.

These special limited fee reductions will apply on Eligible Investment Bonds held up to and including 30 June 2021, following which the administration fee will revert to the standard administration fee arrangements and any applicable discounts at that time. Generation Life may withdraw, vary or extend the eligibility term of these special limited fee reductions at its discretion without notice.

Update to investment managers

The following information should be read in conjunction with the 'Investment managers' section on pages 25 and 26 of the PDS. Russell Investments has been appointed as the investment manager of the Generation Life Sectoral Blend Fund.



Russell Investments, a global asset manager, is one of only a few firms that offers actively managed multi-asset portfolios and services that include advice, investments and implementation. Russell Investments provides solutions for institutional investors, financial advisers and individuals working with their advisers - using the firm's core capabilities that extend across capital market insights, manager research, asset allocation, portfolio implementation and factor exposures - to help each achieve their desired investment outcomes. The firm has A\$379.4 billion in assets under management (as of 31 December 2017) and works with more than 2,500 institutional clients, independent distribution partners and individual investors globally.

BT Investment Management (Institutional) Limited has changed its name to Pandal Institutional Limited (effective 2 May 2018).

The following manager profile replaces the BT Investment Management (Institutional) Limited investment manager profile on page 25 of the PDS.



Pandal Institutional Limited (Pandal) is an independent, global investment management business focused on delivering superior investment returns for its clients through active management.

Pandal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pandal also partners with leading global investment managers.

Pandal is a wholly owned subsidiary of Pandal Group Limited. With \$99.0 billion³ in funds under management (as at 31 March 2018), Pandal Group Limited is one of Australia's largest and most enduring pure investment managers (ASX: PDL).

Prior to May 2018, Pandal Group Limited was known as BT Investment Management Limited.

³ Includes J O Hambro Capital Management assets under management.

Change to investment option names

The BT Wholesale Enhanced Credit Fund has been re-named as the Pandal Enhanced Credit Fund following a change of name to the investment manager. The Schroders Credit Securities Fund has been re-named as the Schroder Absolute Return Income Fund.

Management costs for each investment option

The following updates and replaces the section titled 'Management costs for each investment option' contained on page 39 of the PDS.

Management costs

Investment option	External investment management ICR ⁵ (p.a.)	Our administration fee (p.a.)	Total estimated management costs (p.a.)
AMP Capital Dynamic Markets Fund	0.61%	0.60%	1.21%
AMP Capital Global Property Securities Fund	0.97%	0.60%	1.57%
Dimensional Global Small Company Trust	0.66%	0.60%	1.26%
Dimensional World Allocation 70/30 Trust	0.44%	0.40%	0.84%
Ellerston Australian Market Neutral Fund ⁴	2.65%	0.60%	3.25%
EQT Wholesale Mortgage Income Fund	0.70%	0.60%	1.30%
Generation Life Sectoral Blend Fund	0.85%	0.60%	1.45%
Generation Life Term Deposit Fund	0.15%	0.50%	0.65%
Investors Mutual Australian Share Fund	0.99%	0.60%	1.59%
Investors Mutual Future Leaders Fund ⁴	0.99%	0.60%	1.59%
iShares Wholesale Australian Bond Index Fund	0.10%	0.60%	0.70%
iShares Wholesale Australian Equity Index Fund	0.10%	0.60%	0.70%
iShares Wholesale International Equity Index Fund	0.10%	0.60%	0.70%
iShares Hedged International Equity Index Fund	0.10%	0.60%	0.70%
iShares Wholesale Australian Listed Property Index Fund	0.10%	0.60%	0.70%
Kapstream Absolute Return Income Fund	0.70%	0.60%	1.30%
Macquarie Treasury Fund	0.44%	0.20%	0.64%
Magellan Global Fund ⁴	1.35%	0.60%	1.95%
Magellan Infrastructure Fund ⁴	1.05%	0.60%	1.65%
MLC Horizon 4 Balanced Portfolio	1.07%	0.60%	1.67%
MLC Wholesale IncomeBuilder™	0.72%	0.60%	1.32%
MLC Property Securities Fund	0.73%	0.60%	1.33%
Mutual 50 Leaders Australian Shares Fund	0.85%	0.60%	1.45%
Mutual ADI/Bank Securities	0.38%	0.33%	0.71%
Pendal Enhanced Credit Fund	0.45%	0.60%	1.05%
Perpetual Wholesale Australian Share Fund	1.17%	0.60%	1.77%
Perpetual Wholesale Balanced Growth Fund	1.04%	0.60%	1.64%
Perpetual Wholesale Conservative Growth Fund	0.90%	0.60%	1.50%
Perpetual Wholesale Ethical SRI Fund	1.18%	0.60%	1.78%
Perpetual Wholesale Geared Australian Share Fund	1.17%	0.60%	1.77%
Perpetual Wholesale Industrial Share Fund	0.99%	0.60%	1.59%
Perpetual Wholesale International Share Fund	1.29%	0.60%	1.89%
PIMCO Wholesale Australian Bond Fund	0.50%	0.60%	1.10%
PIMCO Wholesale Global Bond Fund	0.49%	0.60%	1.09%
Schroder Absolute Return Income Fund	0.54%	0.60%	1.14%
Vanguard Diversified Conservative Index Fund	0.29%	0.40%	0.69%
Vanguard Diversified Growth Index Fund	0.29%	0.40%	0.69%

⁴ The investment manager may charge performance based fees.

⁵ The Indirect Cost Ratio (ICR) includes the investment manager's fees, estimated performance fee, estimated expense recoveries and other indirect costs as a percentage of the total average assets of the investment option as at 30 June 2017, but excludes indirect transaction and operational costs (see page 41 of the PDS).

Update to investment option profiles

Perpetual Investment's approach to managing the Perpetual Wholesale Ethical SRI Fund has been updated.

The following investment option profiles for the Perpetual Wholesale Ethical SRI Fund, the Generation Life Sectoral Blend Fund (following Russell Investments' appointment as investment manager), Schroder Absolute Return Income Fund (formerly the Schroders Credit Securities Fund) and Pandal Enhanced Credit Fund (formerly the BT Wholesale Enhanced Credit Fund) replace the existing profiles for these investment options contained on pages 30 to 32 of the PDS.

Sector	Fixed interest – credit	Australian shares – ESG
Option name	Pandal Enhanced Credit Fund	Perpetual Wholesale Ethical SRI Fund
Investment manager	Pandal Institutional Limited	Perpetual Investments
Risk level	5 - Medium to High	6 – High
Suggested length of investment	3 Years	5 years
Objective	Aims to provide a return (before fees, costs and taxes) that exceeds the Bloomberg AusBond Non Govt 0+ Year Index ⁶ over the medium term.	Aims to provide long-term capital growth and regular income through investment in quality shares of socially responsible companies and to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.
Investment approach	This fund is designed for investors who want income, diversification across a broad range of companies and industries and are prepared to accept some variability of returns. The fund aims to take advantage of investment opportunities within the Australian non-Government fixed interest market and invests primarily in Australian dollar corporate bonds including investment grade securities issued by leading corporations listed on the Australian Securities Exchange. The fund may also invest in a limited amount of hybrid securities, non-investment grade securities and unrated securities. The fund may also hold cash and may use derivatives.	The manager researches companies of all sizes using consistent share selection criteria. The priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. The manager utilises a strategy for screening ethical and socially responsible investments. Derivatives may be used in managing the fund. The fund invests primarily in Australian listed, or soon to be listed, shares but may have up to 20% exposure to stocks outside Australia.
Investment guidelines	Cash 0-100% Australian fixed interest 0-100%	Cash 0-10% Australian shares 90-100%
Sector	Diversified – growth	Fixed interest – credit
Option name	Generation Life Sectoral Blend Fund	Schroder Absolute Return Income Fund
Investment manager	Russell Investments	Schroders
Risk level	6 – High	4 - Medium
Suggested length of investment	5 years	3 Years
Objective	To outperform (before tax and fees) an internal benchmark comprising the weighted combination of relevant market indexes.	Outperform the RBA Cash Rate after fees over the medium term.
Investment approach	The fund typically invests in a diversified portfolio mix with exposure to growth investments of around 70% and defensive assets of around 30%. Derivatives may be used to implement investment strategies.	An active, absolute return strategy that invests in a range of domestic and international fixed income securities. The full spectrum of available securities, including non-investment grade, may be utilised. With a focus on managing downside risk, the fund has the flexibility to invest in cash and other debt securities (such as government bonds) to help preserve capital during downturns in the credit cycle. The fund may also use derivatives and active currency management as part of the overall investment strategy to create a well-diversified portfolio with the potential to deliver consistent returns above cash and term deposits but with less risk and volatility than the equity market.
Investment guidelines	Cash 0-20% Fixed interest 0-40% Australian shares 0-60% International shares 0-40% Property 0-20% Other 0-20%	Australian investment grade 0-100% International investment grade 0-100% Australian high yield ⁷ 0-40% International high yield ⁷ 0-30% Cash and cash equivalents 0-100%

⁶ Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

⁷ Maximum aggregate exposure to high yield assets will not exceed 50%.

Update to cut-off times for processing instructions

The following information should be read in conjunction with the 'Processing your instructions' section on page 48 of the PDS.

Effective from 1 July 2018, the cut-off time for the receipt of any initial and additional applications, investment switches or withdrawal requests (collectively referred to as "requests") has changed to 12.00 noon (Melbourne time) on a business day. We will generally process these requests received up to 12.00 noon (Melbourne time) on a business day using the unit price applying to the close of business on the day the request is received.

Requests received after 12.00 noon (Melbourne time) on a business day will generally be processed using the unit price applying to the following business day.



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