

Product Update



17 December 2019

The information in this document forms part of the Product Disclosure Statement for Generation Life Investment Bonds dated 20 May 2019 (PDS).

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 or contacting us.

Your investment strategy allocation

The section below is inserted immediately after the section titled 'Initial investment' on page 36 of the PDS.

"Your investment strategy

Generation Life Investment Bonds provide you with the flexibility to choose multiple investment options (refer to page 46). As part of setting up your investment, you must nominate your investment option allocations strategy that you would like your funds to be invested into (subject to the minimum investment requirements referred above). This is known as your Default Investment Allocation.

Your Default Investment Allocation forms the basis for the allocation of the initial and all future contributions you make to your investment, whether by way of one-off additional investments or regular investments through the Regular Savings Plan facility. The Default Investment Allocation will also be used for the auto-rebalancing facility and progressive investing facility (where applicable).

You can change your Default Investment Allocation at any time, however, please note that any changes you make will apply only to all future contributions you make. In the event that an investment option becomes suspended, restricted or unavailable, your Default Investment Allocation will be re-weighted in proportion to your remaining investment options in your Default Investment Allocation."

Additional Investments

The section below replaces the 'Additional investments' section on page 36 of the PDS as follows:

"Additional investments

Additional investments can be made at any time by direct debit, BPAY, electronic funds transfer/direct credit, cheque or starting a Regular Savings Plan.

The minimum additional investment in any investment option is \$500 (or \$50 by using the Regular Savings Plan).

Your additional investment will be processed according to your Default Investment Allocation. If you would like to process your investment based on a different allocation strategy, then you can only do so by providing us with a specific one off investment allocation instruction and using the Additional Investment via Direct Debit form available from our website.

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Progressive investing (dollar cost averaging)

The section below replaces the 'Progressive investing (dollar cost averaging)' section on page 37 of the PDS as follows:

"Progressive investing (dollar cost averaging)

This facility lets you set a period to progressively invest, on a monthly basis (up to a maximum of 12 payments), your initial and additional contributions (excluding Regular Savings Plan contributions). Because your progressive investments will be applied for at varying prices, the cost of gaining exposure to the particular investment option(s) is 'averaged' over time.

The minimum contribution to use this facility is \$25,000 (either as an initial or additional contribution) per investment bond. Your contribution will be initially invested in the Macquarie Treasury Fund investment option (or other cash investment option as we determine from time to time) and progressively switched into your chosen investments according to your Default Investment Allocation. Please refer to page 70 for more information on how this facility works."

The section below replaces the 'Progressive investing (dollar cost averaging) facility' section on page 70 of the PDS as follows:

"Progressive investing (dollar cost averaging) facility

By using the progressive investing facility, you are authorising us to switch a portion of the amount contributed from the Macquarie Treasury Fund option or other cash investment option used for this purpose (as determined by us) to another selected investment option(s) at regular intervals.

The first switch instalment will occur at the time of your contribution, with subsequent switches to commence in the following month. Switches will normally occur on the 24th of each month or the next Melbourne business day. Your progressive investing facility will continue until your contribution has been fully invested or if you cancel it.

Switching investment options

The section below is inserted after the final paragraph in the 'Switching investment options' section on page 38 as follows:

"Your Default Investment Allocation will be updated to reflect your portfolio holding weightings after executing each switch request."

Auto-rebalancing facility

The section below replaces the 'Auto-rebalancing' section on page 38 of the PDS as follows:

"Auto-rebalancing

The value of your investment in any particular investment option will change over time and this movement may cause your investment portfolio allocation to deviate from your Default Investment Allocation.

Auto-rebalancing re-aligns your investment portfolio to your selected investment option weightings according to your Default Investment Allocation. It is, in effect, a form of automatic switching. This facility provides a simple way for you to maintain your investment strategy by authorising us to switch between your chosen investment options to rebalance your investment portfolio on an annual basis (normally in May of each year). If all your investment option balances are within 1% of your selected weightings on the auto-rebalance date, then the auto-rebalance may not occur, however, auto-rebalancing will remain active on your investment portfolio for the next rebalance date.

You can choose to have your portfolio rebalanced annually by completing the appropriate section of the Application Form.

Auto-rebalancing may be subject to the normal minimum investment or switching requirements that apply.

Although there are no fees associated with using the auto-rebalancing facility, it will withdraw you from one investment option and invest into another, so buy/sell spreads will apply. Please refer to the 'Transaction and operational costs' section on page 65 for further details on buy/sell spreads."

The section entitled 'Auto-rebalancing facility' on page 70 of the PDS is deleted in its entirety.

Changes to investment options

Kapstream Absolute Return Income Fund

The investment manager has changed the Kapstream Absolute Return Income Fund benchmark to the Reserve Bank of Australia official cash rate (before fees and taxes).

AMP Capital Dynamic Markets Fund

The AMP Capital Dynamic Markets Fund's investment manager has been replaced with Schroders. The investment option's name has changed to the Schroder Real Return CPI Plus 5% Fund.

Pendal Sustainable Balanced Fund

The asset allocation ranges for the Pendal Sustainable Balanced Fund have been updated following a change to the asset allocation ranges by the investment manager.

Refer to the updated investment option profiles below for more detailed information.

Choosing the right investment options

The table on pages 46 and 47 of the PDS is updated as follows:

Remove the following investment option.

Investment option

AMP Capital Dynamic Markets Fund

Replace with the following investment option in its place.

Investment option

Schroder Real Return CPI Plus 5% Fund

Investment option profiles

The following table reflects the changes to the above investment options in the 'Investment option profiles' section of the PDS on pages 48 to 58.

Kapstream Absolute Return Income Fund

Sector Fixed interest - absolute return	Investment manager Kapstream Capital	Risk level⁵ 3 - Low to Medium
Objective Aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform the Reserve Bank of Australia official cash rate through market cycles (before fees and taxes).	Investment approach Targets an absolute return over time, by investing in a global, diversified portfolio of predominantly investment grade fixed income securities, according to the manager's global macroeconomic and market views.	Investment guidelines Cash 0-100% Australian fixed interest 0-100% International fixed interest 0-100%
Suggested minimum length of investment 3 Years		

Schroder Real Return CPI Plus 5% Fund

Sector Diversified - dynamic allocation	Investment manager Schroders	Risk level⁵ 5 - Medium to High
Objective To deliver an investment return of 5% p.a. before fees and taxes above Australian inflation over rolling 3-year periods while minimising the incidence and size of negative returns in doing so. Inflation is defined as the Reserve Bank of Australia's Trimmed Mean, as published by the Australian Bureau of Statistics.	Investment approach The manager's approach to inflation plus (or real return) investing is to choose the portfolio that has the highest probability of achieving the required return objective over the investment horizon with the least expected variability around this objective. The fund employs an objective based asset allocation framework in which both asset market risk premium, and consequently, the asset allocation of the portfolio are constantly reviewed. The portfolio will reflect those assets that in combination are most closely aligned to the delivery of the objective.	Investment guidelines Growth assets 0-75% Diversifying assets 0-75% Defensive assets 0-100% <p><i>Growth assets</i>, typically shares and property securities, offer potentially the highest return but also the highest volatility.</p> <p><i>Diversifying assets</i>, typically higher yielding debt and alternatives, offer higher potential returns usually with an income generating focus which assist in diversifying the portfolio's sources of return.</p> <p><i>Defensive assets</i>, typically investment grade debt securities and cash and cash equivalents, are relatively secure with lower volatility.</p>
Suggested minimum length of investment 5 Years		

Pendal Sustainable Balanced Fund

Sector Diversified - growth ESG	Investment manager Pendal Institutional Limited	Risk level⁵ 6 - High
Objective Aims to provide a return (before fees, expenses and tax) that exceeds the fund's benchmark over the medium to long term.	Investment approach The fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The manager actively seeks exposure to securities and industries that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while excluding companies not meeting the investable criteria.	Investment guidelines Cash 0-20% Australian fixed interest 0-25% International fixed interest 0-25% Australian shares 20-40% Australian property 0-10% International property 0-10% International shares 20-40% Alternatives 0-20%
Suggested minimum length of investment 5 Years		

Management costs for each investment option

The investment management fees and costs table on page 62 of the PDS is updated as follows:

Remove the following investment option.

Investment option

AMP Capital Dynamic Markets Fund

Add the following investment option.

Investment option	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.)
Schroder Real Return CPI Plus 5% Fund	0.60%	0.60%	1.20%

Update the following investment options.

Investment option	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.)
Bennelong Concentrated Australian Equities Fund ²	0.90%	0.60%	1.50%
Dimensional World Allocation 50/50 Trust	0.41%	0.40%	0.81%
Dimensional World Allocation 70/30 Trust	0.43%	0.40%	0.83%
Ellerston Australian Market Neutral Fund ²	1.40%	0.60%	2.00%
EQT Wholesale Mortgage Income Fund	0.806%	0.60%	1.406%
Investors Mutual Australian Share Fund	0.993%	0.60%	1.593%
Investors Mutual Future Leaders Fund ²	0.993%	0.60%	1.593%
Kapstream Absolute Return Income Fund	0.55%	0.60%	1.15%
Magellan Infrastructure Fund ²	1.31%	0.60%	1.91%
MLC Horizon 2 Income Portfolio	0.82%	0.60%	1.42%
MLC Horizon 3 Conservative Growth Portfolio	0.90%	0.60%	1.50%
MLC Horizon 4 Balanced Growth Portfolio	0.95%	0.60%	1.55%
MLC Horizon 6 Share Portfolio	1.02%	0.60%	1.62%
Pendal Sustainable Balanced Fund	0.85%	0.60%	1.45%
Perpetual Wholesale Australian Share Fund	0.99%	0.60%	1.59%
Perpetual Wholesale Balanced Growth Fund	1.07%	0.60%	1.67%
Perpetual Wholesale Conservative Growth Fund	0.93%	0.60%	1.53%
Perpetual Wholesale Ethical SRI Fund	1.175%	0.60%	1.775%
Perpetual Wholesale Industrial Share Fund	0.99%	0.60%	1.59%
Perpetual Wholesale International Share Fund	1.12%	0.60%	1.72%
PIMCO Wholesale Australian Bond Fund	0.54%	0.60%	1.14%
PIMCO Wholesale Global Bond Fund	0.74%	0.60%	1.34%
Russell Investments Balanced Fund	0.87%	0.60%	1.47%

Footnote 1 on page 62 of the PDS is updated as follows:

¹ Investment management costs include investment manager's fees, estimated performance fees, estimated investment expense recoveries and other indirect investment costs as a percentage of the total average assets of the investment option as at 30 June 2019 (except the Kapstream Absolute Return Income Fund which is as at 1 October 2019 and the Pendal Sustainable Balanced Fund which is as at 2 December 2019), but excludes indirect transaction and operational costs (see page 65).

Transaction and operational costs

The section below replaces the final paragraph in the 'Transaction and operational costs' section on page 65 as follows:

"Transaction and operational costs incurred, other than in connection with applications and withdrawals as a result of day-to-day trading, operational activities and other indirect costs, are reflected in the investment option's unit price. These costs vary depending on the investment option and currently range between 0.11% p.a. and 1.02% p.a. Further information about indirect transaction and operational costs as they impact each individual investment option, can be found in the Additional Information Booklet."



Outthinking today.

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Investment bonds



Flexible tax effective investing for all life stages

About this Product Disclosure Statement



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LifeBuilder, ChildBuilder and FuneralBond are investment bonds offered through the Generation Life Benefit Funds. Generation Life is a regulated life insurance company within the meaning of the Life Insurance Act 1995.

Investments in the investment bonds are subject to investment risk, including loss of income and capital invested. None of Generation Life, its parent company or any related entities promise or guarantee the performance of the investment bonds (whether express or implied) including any particular level of investment returns or that they will achieve their investment objectives or the return of your capital invested. Past performance is not indicative of future performance.

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Additional Information Booklet

You can find more detailed information on particular topics in the Additional Information Booklet ('Additional Information Booklet') which is available on our website www.genlife.com.au or by contacting us.



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Contents

What is an investment bond?	6
Who is an investment bond suitable for?	8
Key features	10
Investment bonds	12
A range of investment bonds for all life stages	20
Investment snapshot	28
Setting up your investment and ownership	30
Using EstatePlanner	32
How do I invest and maintain my investment?	35
Investment managers	42
Investment options	46
Investment risk	59
Fees and other costs	61
Tax and social security	68
Additional information	70



We understand that finding the right investment partner is important to you.

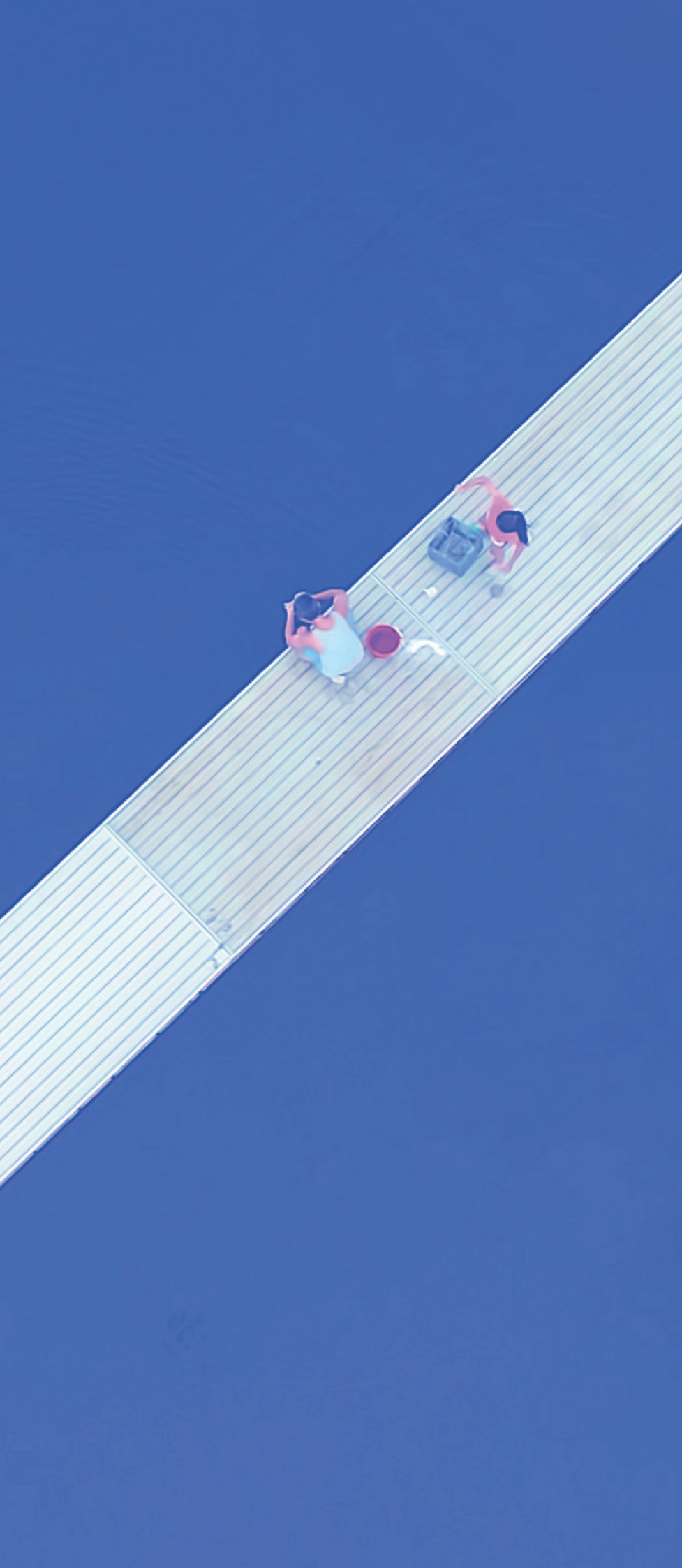


As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative tax effective solutions for over 16 years.

Today we are a leading specialist provider of investment solutions – we have had over \$1.4 billion invested with us to date.

Generation Life is a regulated life insurance company and our parent company is listed on the Australian Stock Exchange.

Our goal is to continue to offer market leading tax effective investment solutions that provide a flexible alternative to meet your investment needs and strategies.



Outthinking today.

What is an investment bond?

Tax effective and flexible solutions that put you in control



Investment bonds help you meet the twists and turns of life and your long-term investment goals

An investment bond is a tax effective investment solution providing flexibility, simplicity, control and access at any time. Investment earnings are taxed at a maximum rate of 30%, rather than your personal marginal tax rate. Investment bonds provide additional benefits to securely manage the transfer of wealth to the next generation.



Earnings are taxed
at a maximum rate
of 30%



No limit on how much
you can invest



Large range of investment
options to choose from
covering cash, fixed interest,
shares and property



Flexible and secure options
to manage estate planning
and wealth transfer



Access to your funds at
any time



Little to no
tax reporting

Who is an investment bond suitable for?

Generation Life investment bonds have been designed to suit the needs of a wide range of investors

LifeBuilder



High income earners

All earnings are taxed at a maximum rate of 30%.



Looking for an alternative to or a complement to superannuation

There are no limits on how much and when you can contribute. You can access your funds at any time.



Retirees looking to create a tax effective income stream

There are no restrictions on when you can start your income stream – including if you are intending to retire early and access to superannuation is not available.



Need certainty with estate planning and distributing wealth

You can provide for future generations tax free and with certainty and peace of mind with our EstatePlanner features.



Looking to manage income levels in private trusts

While the trust remains invested there is no income for the trust to declare and distribute from its LifeBuilder investment.



People looking to qualify for or improve Government benefits

Options to help manage or improve Government benefits and entitlements including using our Bonds Custodian Trust feature.

ChildBuilder



Looking to invest for a child's future

A flexible and tax effective way for families to provide for a child's future financial needs.

FuneralBond



Save for funeral expenses

A tax effective way to save for funeral expenses.

Key features

Generation Life investment bonds provide flexible investment solutions to help meet your financial goals.

	LifeBuilder	ChildBuilder	FuneralBond
Taxed at rate of up to 30%	✓	✓	✓
Annual tax returns not required to be completed	✓	✓	✓
No tax file number required	✓	✓	✓
Access to a large range of investment options	✓	✓	✓
Switch between investment options fee free and with no personal tax consequences	✓	✓	✓
Can make additional contributions	✓	✓	✓
Progressive investing (dollar cost averaging)	✓ Minimum \$25,000 investment required	✓ Minimum \$25,000 investment required	✓ Minimum \$25,000 investment required
Regular Savings Plan	✓	✓	✓
Automatically increase regular savings amounts annually	✓	✓	—
Regular withdrawal facility to set up an income stream	✓ Monthly, quarterly, half-yearly or annual basis	✓ Monthly, quarterly, half-yearly or annual basis	— Withdrawals only available to fund funeral costs

	LifeBuilder	ChildBuilder	FuneralBond
Automatic portfolio re-balancing	✓	✓	✓
Automatically transfer ownership of your investment at future date or on your death without re-setting 10 year tax period	✓ Can nominate persons or entities to have investment transferred to on selected date or your death	✓ Can nominate a child between 10 and 25 years of age to have investment transferred to on selected date or your death	✓ Can be assigned to a funeral director as part of a prepaid funeral arrangement
Control the access to your investment after automatic transfer of ownership	✓	✓	—
Nominate beneficiaries to pay benefits	✓	—	—
Automatically re-allocate benefits between beneficiaries on death of a beneficiary	✓ Joint survivorship and down the line options	—	—
Can be used as security against a loan	✓	✓	—
Protection from creditors	✓	✓	✓
Invest online	✓	✓	✓
Online access to view your investment details	✓	✓	✓
Nominate your adviser to act on your behalf	✓	✓	✓

Please refer to the relevant feature section of this document for further information.

Investment bonds



Tax effective and flexible solutions that
put you in control



Our investment solutions prepare you today to navigate the financial realities of tomorrow

Investment bonds help you meet the twists and turns of life and your long-term investment goals in a number of ways.

Tax benefits

Generation Life investment bonds are 'tax paid' investments where tax on the investment bond's earnings are paid by Generation Life at a maximum tax rate of 30%, rather than your personal marginal tax rate. These earnings don't contribute to your personal income. This is especially beneficial for investors on a marginal tax rate of greater than 30%.

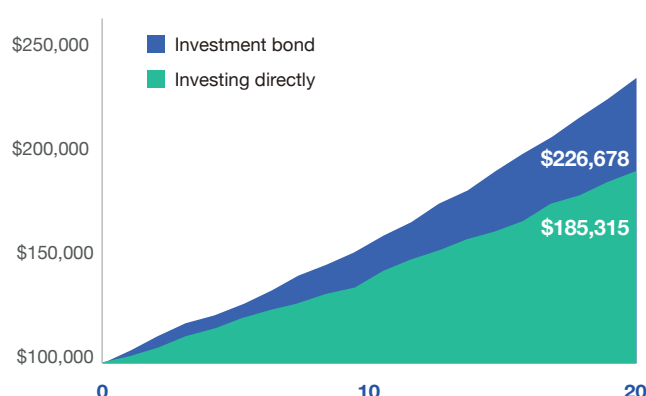
From year to year, the actual tax paid can be less than 30% depending on the asset class invested in. This is because of the favourable effects of imputation and foreign tax credits and tax provisioning undertaken for your investment.

This table shows the estimated long-term tax payable ranges for different asset classes held within our investment bonds.

Asset class	Estimated long-term tax payable
Australian shares	23%-27%
International shares	22%-27%
Australian fixed interest	27%-30%
International fixed interest	27%-30%
Property securities	22%-29%
Cash	27%-30%

Over the long term, the compounding effect of a lower tax rate on your earnings can be significant when compared to other direct investment options such as bank accounts, shares or managed funds where tax on earnings is paid by the investor directly. The returns and performance from Generation Life investment bonds are on an after tax basis – unlike other investments such as managed funds, shares and term deposits where the returns received are before the deduction of tax at your marginal tax rate.

The following graph shows the difference over 20 years between investing directly versus investing in an investment bond with an initial investment amount of \$100,000, an annualised return of 6% p.a. after fees and costs but before tax and an assumed investor marginal tax rate of 47% (including levies).



Investment returns are for illustrative purposes only and do not represent any actual or future performance expectations.

Unlike other investments such as managed funds where a switch of investment options could result in a personal capital gains tax liability to you, switching between investment options within the investment bond does not result in a personal capital gains tax liability to you. The capital gain forms part of the investment bond's earnings and is taxed within the investment bond at a maximum rate of 30%.

Simple tax reporting

There is no need to provide a tax file number and no annual tax reporting is required while you hold your investment, provided you don't make a withdrawal within the first 10 years. After holding your investment for 10 years, earnings won't attract any personal tax liability - this is known as the '10 year advantage'.

Importantly, unlike superannuation, you have access to your investment at any time, including before 10 years. If you make a withdrawal before 10 years some or all of your investment earnings (excluding your capital contributions) may need to be included in your personal income tax return.

Making a withdrawal before 10 years

You can withdraw part or all of your LifeBuilder or ChildBuilder investment at any time. If you hold your investment for at least 10 years there is no personal tax payable on withdrawals made after this time (the 10 year advantage).

The 10 year period begins on the date you first establish your investment. The 10 year period can be re-set (refer to 'The 125% opportunity' on page 16).

If you make a withdrawal (partial or full) within 10 years of your initial investment date you will generally need to include a portion of the earnings generated by your LifeBuilder or ChildBuilder investment as part of your tax assessable earnings for that year. Importantly, your capital contributions are not included as part of the earnings.

The amount of earnings that need to be included as part of your tax assessable earnings will depend on how long after your 10 year starting date the withdrawal is made. The portion of earnings included in the withdrawal amount included depends on the investment year of the withdrawal (see below).

There is however a compensating tax offset available (currently 30%) which you can use to offset any personal tax payable in the financial year that the withdrawal was made.

This means you will only pay the difference between your personal marginal tax rate (if above 30%) and the 30% tax already paid by us on the earnings component of your withdrawal amount. For example, if your marginal tax rate (including levies) was 47%, then you would pay 'top up' tax of 17% after using the 30% tax offset. If your marginal tax rate is below 30%, then the offset can be used to reduce tax payable on other income you may have earned including salary and wages. This means you will only pay the difference between your marginal tax rate (if above 30%) and the 30% tax already paid by us on the earnings.

We will advise you of the earnings (if any) you are required to report in your tax return where a pre-10 year withdrawal is made.

If your investment bond benefit is paid to a beneficiary on the death of the life insured or you decide to transfer ownership there won't be any additional tax incurred as a result, even if the payment or transfer occurred within the first 10 years.

Assessable amounts for withdrawals within first 10 years

Withdrawals within first 8 years



100% portion of earnings assessable

Withdrawals in year 9



2/3rds portion of earnings assessable

Withdrawals in year 10



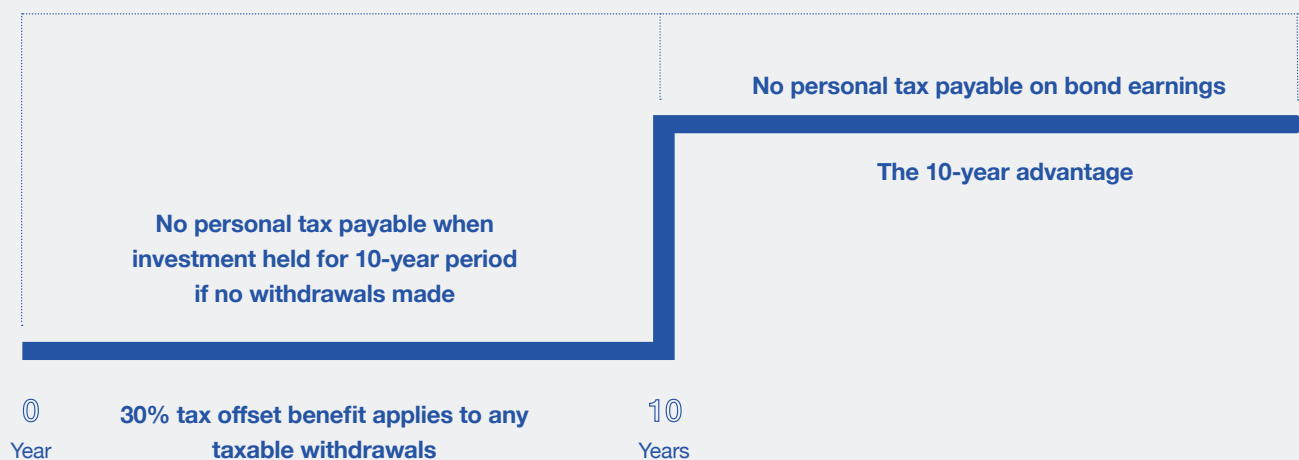
1/3rd portion of earnings assessable

After year 10



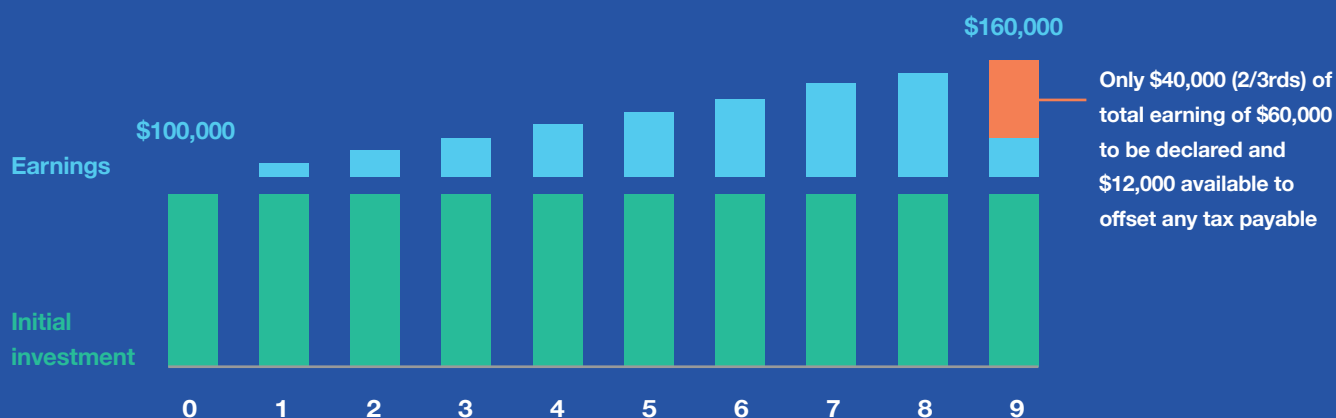
You pay no additional tax on your investment earnings

The 10 year advantage



Example of assessable earnings on a withdrawal within first 10 years

David invested \$100,000 in LifeBuilder. In the 9th year of the investment David withdrew his entire investment balance. The value of his investment at the time of withdrawal was \$160,000 of which \$60,000 represented the earnings.



Because David withdrew his investment in the 9th year he will only have to declare 2/3rds of the earnings, being \$40,000. David will also be entitled to a tax offset of \$12,000 (30% of \$40,000) to offset any tax payable by David.

It's important to note that the 10-year period can be re-set in certain circumstances (see 'The 125% opportunity' section on page 16).

The '125% opportunity'

Unlike superannuation where personal contribution amounts are capped and subject to penalty tax rates if exceeded, investment bonds give you much greater flexibility on how much you can contribute to your investment. Investment bonds also don't have a restriction on the maximum value of the investment, unlike superannuation where a balance cap might limit your ability to make additional contributions.

With an investment bond, there are no limits on the amount you can invest in the first investment year. Your first investment year starts on the day your bond is set up. Each subsequent investment year starts on the anniversary date of your investment bond's initial start date.

Each investment year, additional contributions of up to 125% of the previous year's contributions can be made without re-setting the 10-year period. Those additional contributions benefit from being treated (for tax purposes) as if they were invested at the same time as your initial contribution. This means these additional contributions don't have to be invested for the full 10 years to be included as part of the 10-year period.

It's important to remember that if you don't make an additional contribution in a particular investment year, then making an additional contribution in any subsequent investment year will restart the 10-year period. Also, if your contributions in an investment year exceed 125% of the previous investment year's contributions, your 10-year period will also re-start. The investment date is reset to the start of the investment year that the contributions exceeded 125% of the previous year's contributions.

If you want to make additional contributions but do not want to re-set the 10-year period on your investment you could instead start a new investment bond. Alternatively, setting up an investment bond with a regular savings plan and the ability to automatically increase the regular savings amounts can provide a simple and effective way to take advantage of the 125% opportunity.

Increase the level of contributions each year with the 125% opportunity

Based on total contributions of \$10,000 in the first year and additional contributions each subsequent investment year of 125% of the previous investment year's contributions over a period of 15 years. The 125% opportunity can continue for the life of your investment and is not re-set after 10 years.

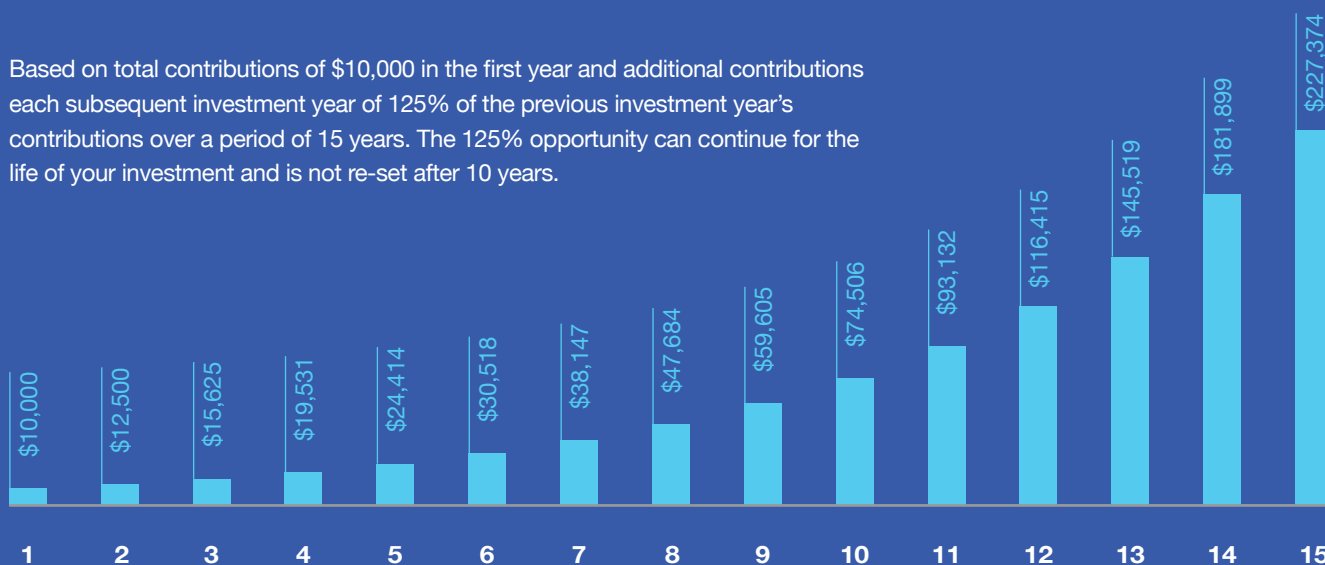


Illustration of contribution levels to take advantage of the 125% opportunity and does not include any projection returns.

Example of the 125% opportunity



Initial contribution

Jenny started her LifeBuilder investment on 1 March 2019 (this is the initial start date) by investing \$10,000 and does not make any further contributions for the rest of her investment year.



Making an additional investment

In her second investment year, Jenny starts a regular savings plan and contributes \$5,000 in that year. Jenny could have contributed up to \$12,500 in that year ($\$10,000 \times 125\%$). Jenny continues to make regular \$5,000 contributions each investment year.



Maximising the 125% opportunity

In June 2023 (investment year 5), Jenny wants to maximise her contributions for that investment year and invests an additional \$1,250 (on top of her regular savings amount of \$5,000). This means she has contributed \$6,250 for that investment year ($\$5,000 \times 125\%$).



Exceeding the 125% amount

In September 2026 (investment year 9) Jenny wants to make an additional contribution (on top of her regular savings amount) of \$5,000. The total contribution for that investment year would be \$10,000. The maximum investment amount she could make in that investment year to take advantage of the 125% opportunity would be \$6,250 ($\$5,000 \times 125\%$).

Because the contribution of \$10,000 (200% of previous year's contribution) exceeded her 125% opportunity amount of \$6,250, her 10-year period investment start date would be re-set to 1 March 2026 – the investment anniversary date in the year the excess contribution was made.

Easy access with ability to set up a regular income stream

LifeBuilder and ChildBuilder investment bonds give you access and flexibility. You can access your investment at any time when you need it.

Unlike superannuation where restrictions apply to accessing funds before retirement, your funds aren't locked away until retirement and you can access them regardless of your age. You decide when to access your investment with no maximum limit on how much you take out - ideal if you are looking to fund an early retirement, meet an unexpected expense or make a major purchase. You can even set up a regular income stream arrangement if you want to regularly access funds.

You can also transfer a LifeBuilder investment to another person as a gift, normally without personal tax or capital gains tax implications, while a ChildBuilder investment bond has been designed to automatically transfer to a child at a nominated vesting age (see page 24).

Control: Estate planning and transferring wealth

LifeBuilder and ChildBuilder investment bonds are an efficient and cost effective way of providing for family and transferring your wealth. Any benefits paid or transferred to the recipients are tax free, irrespective of how long you have held the investment bond.

You control how your wealth is transferred. Using an investment bond in conjunction with, or as an alternative to, a will or a testamentary trust allows you to bypass the delays and uncertainties sometimes associated with administering or winding up an estate.

LifeBuilder's EstatePlanner feature provides a simple and convenient way to transfer your wealth with certainty and avoid the complexities that can be associated with using a will or testamentary trust or where there are complex family arrangements (see page 32).

ChildBuilder has been specifically designed to help provide for a child's future financial needs while giving you the flexibility to easily and automatically transfer ownership (see page 24).

Borrow against

Generation Life investment bonds (other than FuneralBond) can be used as security against a loan. If your loan is used to generate income, interest and other loan-related costs may be tax deductible.

Protection from creditors

Similar to superannuation, if you own an investment bond as an individual, you may receive protection from creditors in the case of bankruptcy (provided your intention wasn't to defeat creditors) where the life insured is the bankrupt or the bankrupt's spouse (including de facto spouse). This protection applies to the investment bond itself as well as any proceeds from the investment bond received on or after the date of bankruptcy. You should seek independent legal advice to determine if this applies to your circumstances.

Peace of mind: funeral expenses

The Generation Life FuneralBond is a special type of investment bond specifically designed to pay for future funeral expenses. You have the flexibility to hold the investment in your name or transfer your investment bond to a funeral director as part of a pre-paid funeral arrangement.

Special rules apply to the FuneralBond to ensure the benefit paid is only for funeral expenses. The FuneralBond can also provide valuable social security benefits depending on your individual circumstances (see page 26).

A simple alternative to complement your superannuation

Flexibility to accumulate wealth and save for retirement without the complexities

The superannuation system provides a tax effective way of saving for retirement. However, because of these benefits, superannuation has restrictions, conditions and limitations that may or may not meet your financial needs. Superannuation can also be complex with many rules and complications which may change over time.

LifeBuilder provides a complementary investment solution to accumulate wealth for retirement and beyond without the complexities.

How does LifeBuilder compare to superannuation?

	LifeBuilder	Superannuation
Tax rate	✓ Maximum of 30%.	✓ Maximum of 15%.
Access to funds	✓ Available at any time.	✗ Generally cannot access before retirement age (preservation age or 65 years).
Ability to transfer ownership	✓ Yes. No capital gains tax or stamp duty costs.	✗ No, not possible.
Limits on contribution amounts	✓ No limit in first year and 125% of previous year's contributions if taking advantage of the 125% opportunity.	✗ Annual cap of \$25,000 for concessional contributions and \$100,000 for non-concessional contributions. Penalty tax applies if caps exceeded.
Contributions tax	✓ None.	✗ 15% (30% for higher income earners).
Investment limits	✓ No limit on value of investment.	✗ Lifetime account balance limit of \$1.6m on pension accounts. Penalty tax applies if caps exceeded.
Tax reporting	✓ Not required unless making a withdrawal within first 10 years of investment.	✗ Yes if rules are breached.
Investing	✓ 49 investment options.	✓ Typically multiple investment options.
Estate planning	✓ Flexible options to pass on wealth to dependants, non-dependants and entities.	✗ Limited to dependant beneficiaries and may be subject to trustee discretion.
Tax on death	✓ No tax payable on death or payment of death benefits (even if held for less than 10 years).	✗ Death benefit payments may be subject to additional tax.
Used as security against a loan	✓ Yes, can be used as security for a loan.	✗ No. Cannot be encumbered and can only be used for retirement savings.

A range of investment bonds for all life stages



LifeBuilder | ChildBuilder | FuneralBond

Generation Life's tax effective investments can provide investment solutions for all life stages

Whether you're interested in wealth creation, looking for an alternative to superannuation, giving a child a financial head start, looking to pass on your wealth to the next generation, or pre-planning a funeral - we have a solution for you.

Generation Life provides a range of innovative tax effective investment solutions designed to help you through various life stages and events.

LifeBuilder

Putting you in control

Even with life's twists and turns, you're always in control of your investment.

LifeBuilder caters for a wide range of investment needs and life stages. With 49 investment options, you have the flexibility to switch between options at any time with no personal tax implications. You can also add to your investment regularly and have your investment mix automatically rebalanced to reflect your preferred investment allocation.





Tax benefits

LifeBuilder's earnings are taxed at a maximum rate of 30%, rather than your personal marginal tax rate - these earnings don't contribute to your personal income.

Provided you hold your entire investment for at least 10 years, you pay no additional tax on your investment's earnings and you won't have to declare any income in your annual tax returns. This can also potentially minimise the impact of additional personal tax due to Government levies and surcharges. If the investor is a trust (for example a private, family or discretionary trust), there will also be no income for the investing trust to distribute.

There is also no tax reporting needed if you don't make a withdrawal within the first 10 years. This means there's no need to maintain tax and investment records normally associated with investing directly in other investments such as shares or managed funds.



No distributions

All earnings generated by a LifeBuilder investment bond are retained within the investment bond and not distributed (unlike other investments such as managed funds). This means LifeBuilder's earnings aren't required to be included in your annual tax return if you hold your investment for at least 10 years.

Not distributing investment earnings until you need them means that using a LifeBuilder investment bond can help you qualify for Government benefits like the Commonwealth Seniors Health Card and Family Tax Benefits that are assessed on your taxable income. When combined with our Bonds Custodian Trust facility, LifeBuilder may also help manage means-income tested age pension entitlements and reducing aged care resident fees.



Estate planning

LifeBuilder is a simple, cost-effective solution that provides greater control over how you pass your investment on to the right people, at the right time. LifeBuilder's EstatePlanner feature can help with transferring your wealth in a will-like fashion, and can help manage complex family arrangements. You can also provide for non-family members, as well as charities.

EstatePlanner provides certainty and control over how your wealth will be passed on.

You can use the Future Events option to arrange for someone else to continue holding your investment. This feature gives you the control to arrange the automatic transfer of your investment at a future set date or on your death.

Importantly, the investment's tax status will be preserved for the future recipient as the 10-year advantage period isn't re-set.

For extra peace of mind, you can also control when the recipient can make withdrawals and limit the amount they can withdraw each year. Alternatively, you can nominate beneficiaries (which can include individuals, companies, trusts and charities) to receive the proceeds of your investment on the death of the nominated life insured.

You can find out more about the EstatePlanner features on page 32.

ChildBuilder

Looking after the next generation



It's important to consider the best option to help secure the financial needs of a child. Typically this may involve a long term investment approach. It's important to ensure that whatever option you choose, your long term goals are achieved.

ChildBuilder is specifically designed for anyone (parents, grandparents, family and friends) wanting to establish a tax effective investment for a child's future financial needs and goals. It's simple, cost-effective and can also create inheritances for children and transfer wealth between generations without the uncertainties and complexities of a will.

ChildBuilder is a flexible and tax effective alternative to other types of investment such as cash, term deposits and managed funds to help meet a child's future financial needs. With the cost of living continually increasing, education costs increasing and housing costs increasing in the long term, ChildBuilder lets you save tax effectively to help meet those costs.

ChildBuilder is particularly suited to parents or grandparents who want to ensure their wishes will be met and their wealth or inheritance will be passed onto a child or grandchild. ChildBuilder operates with the same tax benefits as LifeBuilder.

You can set up a ChildBuilder for anyone under 16 years of age and vest (transfer) ownership to them when they reach a specified age (between 10 and 25 years). The vesting is automatic and with no personal tax consequence, no stamp duty, and no additional fees or charges.

When vested, the investment converts to a LifeBuilder with the benefit of the 10-year tax advantage period not resetting. If the ChildBuilder is transferred to a child between the age of 10 and under 16 years, a parent's or guardian's consent is required in order to transact on the investment.



Control and access to funds by the child

You can pre-arrange how the child can access their funds, including setting an annual limit on how much can be withdrawn after the vesting date. You can also set the length of time that the annual withdrawal limit will apply for (refer 'Future transfers and vesting' on page 32 for more information).

Importantly, until the ChildBuilder is vested, you retain full control and flexibility. You can change the vesting age or access your investment at any time, including making withdrawals for your own purposes or paying for a child's education or maintenance expenses.



Specify an intended purpose

You can also specify a non-binding intended purpose for the use of ChildBuilder once the investment has vested in the child. These can be noted on your investment confirmation and might include objectives or goals such as:

- a first home deposit
- education or study expenses
- funding living away from home expenses
- a first car
- wedding expenses
- overseas travel

There is no restriction on the type of intended purpose you can specify.



What happens if you die or the child dies before transfer?

In the event that you pass away before the child reaches the nominated vesting age, your estate representative will hold the investment on trust (on behalf of the child). If the child dies before reaching vesting date, the ChildBuilder does not form part of the child's estate - you (or your estate) will receive the proceeds of the investment tax free.

FuneralBond

Providing peace of mind



Planning for the cost of your funeral is like planning for other life events (such as retirement) or preparing for life's unpredictability (such as fires, illness and accidents).

Saving for your funeral expenses is a practical and thoughtful gesture that can ease unnecessary financial stress on those left behind during their time of grief.



Like other investment bonds, a FuneralBond's earnings are taxed at a maximum rate of 30%. FuneralBond can be used to tax effectively save and pay for funeral expenses. You're not required to report any investment returns in your personal tax return each year. It's also exempt (up to certain limits) from the social security assets test and deeming provisions for the income test that applies to the age pension, service pension and other means tested Government entitlements.

You can also choose how your savings will be invested, with access to a broad range of investment options.

If you've entered into or are considering entering into a pre-paid funeral arrangement with a funeral director, you can transfer ownership of the FuneralBond to them as part of that arrangement. It's important to note that if you transfer ownership, the funeral director becomes the legal owner of the FuneralBond. Please refer to the 'Transferring your investment' section on page 40 for more information.



How much can I invest?

You can invest as much as you need to meet the reasonable costs of your funeral expenses, however there are some limitations.

For Age and Department of Veterans' Affairs pension purposes - if you don't enter into a pre-paid funeral contract your total contribution amount cannot exceed the allowable limit amount. The allowable limit amount is currently \$13,000 per person, which is indexed annually each July.

If you invest more than the allowable limit, the entire investment amount will be assessed under the social security deeming rules and will also be considered an assessable asset for the purpose of the assets test (refer to the 'Tax and social security' section on page 68 for more information about social security benefits).

There are no limits on the amount that you can contribute into your FuneralBond if you've entered into a pre-paid funeral arrangement with a funeral director and transfer the FuneralBond to the funeral director.

We recommend you consult with your financial adviser or contact Centrelink or the Department of Veterans' Affairs for further information about social security benefits.



Payment of benefits

If you've transferred ownership of your FuneralBond investment to a funeral director (as part of a pre-paid funeral arrangement), the benefit will be paid directly to them. Otherwise, we will pay the benefit to your estate or if directed by the estate, to the funeral director.

You cannot withdraw any money from your FuneralBond prior to your death, as it is designed to be used to meet your future funeral expenses. Refer to the 'Withdrawals' section on page 39 for further details.

Investment snapshot

Our investment bonds deliver flexibility, control and simplicity

Tax effective investing

Tax on investment earnings is paid by Generation Life at a maximum tax rate of 30%, irrespective of your personal marginal tax rate.

See page 13

Simplicity

No need to complete annual tax returns or maintain ongoing tax records and no requirement to provide a tax file number.

See page 13

Investment options

Choice of 49 investment options, covering a range of risk profiles and asset classes, as well as diversified investment options and low cost indexed investment options.

See page 42

Investment switching

Switch between investment options at any time (subject to a minimum amount of \$50 per investment option) without incurring personal income or capital gains tax.

See page 38

Making contributions

Start an investment with as little as \$1,000. Contributions made in the first year of investment are uncapped, while subsequent contributions are subject to the 125% limit. Additional investments of at least \$500 can be made unless using the Regular Savings Plan where a lower minimum applies (see below).

See page 36

FuneralBond investors should consider limits relating to social security exemptions.

Progressive investing (dollar cost averaging)

For investments greater than \$25,000 you can progressively invest (dollar cost average) on a monthly basis into your preferred investment options to help manage investment risk. Your investment will be progressively switched into your chosen investments over your selected period.

See page 37

Regular Savings Plan

Flexibility to make monthly, quarterly, half-yearly or annual contributions. The minimum regular contribution is \$100 per month and your regular contribution amount can be increased by up to 25% each year with the automatic escalation feature.

See page 37

Access to funds and Regular Withdrawal Facility

Access your investment at any time with a one off withdrawal request or by using the Regular Withdrawal Facility. Access to FuneralBond funds is only available for the payment of funeral expenses.

See page 39

You can make regular withdrawals on a monthly, quarterly, half-yearly or annual basis. Regular withdrawals are not available with a FuneralBond.

Ownership flexibility

For LifeBuilder and ChildBuilder, investors can be:

See page 30

- individuals or joint individuals (aged 10 years and over)
- companies or trusts (including deceased estates)
- children aged 10 to under 16 years (with parent or guardian consent)

For FuneralBonds, individual or joint individual ownership is available.

Automatic portfolio re-balancing

Convenience of electing to have your investment bond's portfolio automatically re-balanced every year in line with your investment bond's set investment strategy.

See page 38

Looking after the next generation

EstatePlanner can be used as a simple and effective way of passing on wealth to the next generation, without the potential complications of wills, trusts and estates.

See page 32

Multiple beneficiaries can be nominated to receive your investment bond's investment proceeds. You can also choose how benefits will be re-distributed in the event of the passing of your nominated beneficiary(ies).

With the Future Event feature you can also select a future date or event (such as your passing) where your investment bond will transfer to someone else nominated by you and still maintain the investment bond's valuable tax status.

Fee discounts

Administration fee discounts on investments established under this PDS are based on the value of your investment.

See page 61

Investing online

Initial and additional investments can be made online at www.genlife.com.au/invest

See page 36

Online access

You can easily track your investment portfolio and download reports by signing up for investor online at www.online.genlife.com.au

See page 40

Setting up your investment and ownership



An investment bond is a type of life insurance investment contract, which means there must be a bond owner (investor) and a life insured.

Investment bond owner (investor)

The investment bond owner is the legal owner of the investment bond and (provided the owner is at least 16 years of age) has full ownership and transaction rights. The requirements for investment bond owners will depend on the type of investment bond set up.

LifeBuilder

LifeBuilder provides flexible ownership options.

Individuals or joint investors

Up to three people can apply for a LifeBuilder investment. Where there are joint investors, each joint investor will be treated as a joint life insured, unless you specify someone else to be the bond's life insured.

In the event that one joint investor passes away, the investment will continue in the name of the surviving investor(s) provided that the joint investor was not also the sole life insured or nominated life insured.

Companies and trusts

Companies and trusts (including deceased estates) can also set up an investment. A natural person needs to be specified as the life insured. Nominating a beneficiary is not possible with these forms of ownership.

ChildBuilder

A ChildBuilder investment can be established by up to three individuals (as joint owners) or a trust for a nominated child. Applications by a company cannot be made and you cannot change the child once they are nominated.

If you die before the ChildBuilder vests (transfers) to the child, your estate's representative will hold the ChildBuilder in trust for the child. They will be required to administer the investment for the maintenance and benefit of the child.

If the child passes away before the vesting age, the investment will mature with the proceeds paid to you (or your estate) as a tax free payment.

FuneralBond

With a FuneralBond, you have the following ownership options.

Individual ownership

You can own the FuneralBond in your own name. An ideal arrangement for couples is to each own a separate FuneralBond. This enables each individual owner to invest up to the maximum amount allowed under social security rules without affecting pension entitlements.

Joint ownership

You and any other person can jointly own the FuneralBond. In this case, the FuneralBond covers the funeral expenses of one of the joint owners.

Children investing

Children between the ages of 10 and under 16 years of age can invest and set up an investment bond, provided a parent or guardian provides written consent. Until the child reaches 16 years of age, the child is only able to transact on the investment with the consent of the parent or guardian.

When the child reaches 16 years of age, the child will become the owner of the investment bond in his or her own capacity, and will have full control and rights over the investment.

The life insured

For LifeBuilder, at least one life insured must be set on the investment. The life insured must be a natural person, who can be the owner (but does not have to be). The life insured does not need to be related to the owner or be a dependant. You cannot remove a life insured, but you can add additional lives insured.

You can select a particular life insured as the preferred life insured that will result in a payment of benefits to nominated beneficiaries (if selected) on the death of that life insured. If you do not nominate a preferred life insured the benefit proceeds will be paid on the death of the last surviving life insured. The preferred life insured can be changed at any time by completing the form available on our website or by notifying us.

On the death of the preferred life insured or the last surviving life insured (as the case may be), tax free benefit proceeds will be paid to the selected nominated beneficiary(ies) or (where the nominated life insured is not the owner) to the investment bond's owner(s).

Please refer to 'Nominating a beneficiary' on page 34 for further information on how you can nominate beneficiaries to receive benefits from your investment bond on your death.

For ChildBuilder, your nominated child is automatically set as the life insured. It's not possible to remove the child or add another life insured to a ChildBuilder investment.

For FuneralBond, its owner(s) are automatically set as the life insured(s).

Investment term

Your LifeBuilder investment has an investment term of 99 years, however, you are able to make a full or partial withdrawal at any time. The investment term applied does not impact your ability to access your LifeBuilder investment when you need it. You can access your investment at any time. The investment term can be changed at any time by completing the form available on our website or by notifying us in writing.

ChildBuilder and FuneralBond investments do not require an investment term to be set.

Using EstatePlanner

Flexibility to choose to who and how your LifeBuilder investment is passed on

EstatePlanner lets you establish tax effective inheritances with the flexibility to structure your investment, as part of, or outside of your will and legal estate.

You can use the unique Future Events feature to control when and how your investment will be tax effectively transferred and accessed by the next generation, including setting how much can be withdrawn.

Alternatively, you can use the nomination feature, where you can set one or multiple beneficiaries to receive the proceeds of your investment on the death of the life insured.

If you do not elect to use EstatePlanner your investment will pass under your will and legal estate.

Future Event transfers

A unique feature of EstatePlanner is the ability to select a future date for the automatic transfer of your investment, including your death. The Future Event feature is a convenient way to automatically transfer your LifeBuilder investment bond to a new owner, including joint owners, a company or trust.

You have the peace of mind knowing that you control when the future transfer of your investment bond occurs and that you can change it at any time. You continue to have full control and access to your investment up to the transfer occurring.

Using the Future Event feature provides added tax related benefits as the initial investment date of your investment bond is retained after transfer, meaning that the 10 year advantage period is not re-set when transferred. The transfer also happens tax free and without any personal tax or capital gains tax implications. See 'Tax and social security' section on page 68.

If you select your death as the transfer event, the delays of obtaining probate are avoided as the transfer will occur once we have received notification of your death and all required documentation.

There may be situations where you would like to control how the recipient of your investment bond accesses funds. With the Future Event transfer feature, you can pre-arrange how and when the new investment bond owner accesses funds, including setting an annual limit on how much can be withdrawn by them. You can also set the length of time the annual withdrawal limit will apply providing you with further control on how your wealth is distributed.

If you elect to arrange for a transfer to occur on a set future date, the new owner must be at least 10 years of age as at the future date. If the new owner hasn't reached the required age, then your investment bond will be held by your estate representative on trust (on behalf of the child) until the child turns 10 years of age.

Your investment bond will also be held by your estate representative if your nominated future date occurs after your death. You alternatively have the option of having the investment bond transferred to your intended recipient on your death, if you unexpectedly pass away prior to the selected transfer date. You can elect for this to occur on the Application Form.

If you have elected to use the Future Event feature and your investment bond is held by your estate representative, they will not be able to revoke or amend the transfer request. You can also elect to restrict the ability for your estate's representative to make a withdrawal from your investment, transfer ownership of the investment or use the investment as security. This provides added peace of mind knowing that your investment bond will be transferred to your intended recipient.

Your investment strategy at the time of the transfer will carry over to the new owner(s) on transfer. The new owner(s) will be able to modify the investment strategy and make further contributions, provided they are at least 16 years of age. Where the new owner is a child under 16 years of age, withdrawals or switches are only permitted with the consent of the child's parent or guardian.

It is important to note that the life insured doesn't change on transfer of ownership, however the new owners will be automatically added as life(s) insured. The new owner(s) can also specify additional lives insured. Please refer to page 31 for more information about nominating a life insured.

Using the Future Event feature is simple and straight forward



Step 1

You simply nominate on the Application Form who is to receive your LifeBuilder investment bond (this can be an individual, joint investors, trust or company). There is no additional cost or minimum investment amount required to be held above the normal LifeBuilder limits (refer to the 'Initial investment' section on page 36).



Step 2

Nominate on the Application Form when you want the transfer to occur (either a future date or on your death). You can also nominate the earlier of the nominated date and the date of your death. If you have nominated a future date and your death occurs before the date you can also elect to restrict the ability of your estate from making a withdrawal, creating a charge, transferring or assigning ownership.



Step 3

Elect any conditions you want to place on the ability for funds to be withdrawn after the transfer happens. You can select:

- The date from when funds can be accessed after transfer
- The maximum annual withdrawal amount (either as a dollar amount or percentage)



Step 4

After the nominated transfer date (or your death as the case may be) your investment bond will be transferred to the new owner(s). We will need to verify the identity of the new owners (including any identification documentation required) and receive notification of your death (if applicable).



Step 5

Once all the required documentation is completed and processed your new owner will have the LifeBuilder investment bond transferred to their name(s) tax free. They will also benefit from not having to re-start their 10 year advantage period.



Step 6

The new owner is free to change the investment strategy and make withdrawals (subject to any conditions you have placed).

Nominating a beneficiary

As an alternative to the Future Event transfer feature, you can choose beneficiaries to receive the proceeds of your investment bond benefit tax free on the death of the nominated life insured or last surviving insured (as the case may be - see page 31). You can nominate individuals, companies, trusts or charities as beneficiaries to receive your investment bond's proceeds.

There is no restriction on the number of beneficiaries you can nominate or what percentage to allocate to each beneficiary. You can also remove or add a beneficiary, as well as change the tax free benefit percentage allocations at any time.

By nominating a beneficiary, your LifeBuilder investment bond does not form part of your estate. This means that tax free benefit proceeds pass outside of your will and legal estate and potentially helps avoid challenges and claims that can be associated with a will. You can also avoid possible lengthy delays and legal costs associated with the granting of probate or the administration of your estate.

Joint survivorship nomination

EstatePlanner makes it easy for you to manage your beneficiary nominations. If you have nominated multiple beneficiaries and one of the beneficiaries passes before the death of the preferred life insured, you can also choose to have the deceased beneficiary's percentage tax free benefit entitlements re-distributed automatically to the surviving beneficiaries on an equal pro- rata basis.

This option means you don't need to remember to modify your beneficiary nomination in the event of the death of one of the beneficiaries.

Down-the-line nomination

An alternative to using the Joint Survivorship feature, you can automatically re-allocate tax free benefit proceeds from the originally specified beneficiary to pass 'down-the-line' (for example, from a nominated parent beneficiary, to his or her child, or estate representative) in the event of their passing before the last nominated life insured.

How do I invest and maintain my investment?

Investing and managing your investment is easy and simple



Step 1

Select the investment bond type and the owner type (individual, joint, trust – including deceased estates, or company)



Step 2

Set the life or lives insured (LifeBuilder only)



Step 3

Select your investment mix from the wide range of investment options available



Step 4

Select how you would like to use the EstatePlanner feature (optional LifeBuilder feature)



Step 5

Select any additional features including the regular savings plan and regular withdrawal facility



Manage your investment, including making additional investments, switching investment options and making withdrawals

Initial investment

The minimum initial investment is \$1,000, which can be paid by:



BPAY® - make a payment from your Australian financial institution (you will be provided with our BPAY biller code and customer reference number).

Direct debit - you will need to complete the direct debit authorisation section of the Application Form.

EFT/direct credit - please transfer funds to:

Generation Life

BSB: 083 817

Account No. 14 924 6690

Cheque - made payable to Generation Life Ltd <Investor name> and marked 'Not Negotiable'.

The minimum investment in any investment option is \$500. You should indicate on your Application Form the amount or proportion of your investment in each investment option.

Your investment will be processed once we have received a completed Application Form (including any identification documents required) and your investment amount.

You can also apply quickly and conveniently using the online Application Form at www.genlife.com.au/invest

Additional investments

Additional investments can be made at any time by direct debit, BPAY, by EFT/direct credit, sending us a cheque or starting a regular savings plan (refer to 'Regular Savings Plan' on page 37).

The minimum additional investment in any investment option is \$500 (or \$50 by Regular Savings Plan – see page 37).

You can also apply quickly and conveniently using the online Additional Investment Form at www.genlife.com.au/forms/addon

Your additional investment will be processed once we have received a completed form and your investment amount.

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Regular Savings Plan

The Regular Savings Plan lets you take a disciplined approach to investing.

Regular savings contributions can be made via direct debit on a monthly, quarterly, half yearly or annual basis. The minimum savings plan contribution is \$100 per month, with a minimum of \$50 per investment option. Funds will be automatically drawn from your nominated Australian financial institution account at the selected frequency, normally on the 15th day of the month or the next business day.

Bank transaction fees and Government charges may apply. You are required to ensure that you have provided us with up to date details of your Australian financial institution account and that sufficient funds are available.

Bank dishonour fees may apply if you don't maintain sufficient funds to cover the regular deposit amount. Your Regular Savings Plan may also be cancelled where more than two consecutive direct debit failures occur.

You can change your nominated Australian financial institution account details, regular investment amount (provided it stays above \$100 per month), frequency, or suspend or cancel your savings plan by completing the regular savings plan form available from our website. Please notify us at least ten (10) days before the next automatic contribution is due, to ensure your request is carried out.

If you also use the auto-rebalancing facility, your investment strategy and your selected allocation for your Regular Savings Plan must be the same.

Automatically increase your Regular Savings Plan amount

You can increase your Regular Savings Plan amount at any time by sending us a change request form available from our website or by contacting us. Alternatively, you can have your regular savings amounts increased automatically each investment year, by a fixed percentage amount of up to 25%.

This enables you to conveniently manage the 125% opportunity that an investment bond provides. You will need to have made consistent regular contributions over the previous investment year in order to commence your automatic increase.

For example, if your quarterly Regular Saving Plan contributions are \$300 per quarter and you elect to increase your savings amount by 10%, your annual contributions will be automatically increased to \$330 per quarter in the following investment year. This increase will take effect from the first Regular Savings Plan contribution on or after the start of your investment year.

We will notify you prior to the start of the investment year of the intended increase to your Regular Savings Plan contribution. To automatically increase your Regular Savings Plan contributions simply make this selection on the Application Form. You can change or cancel this facility at any time by notifying us in writing.

Progressive investing (dollar cost averaging)

This facility lets you set a period to progressively on a monthly basis invest your initial and additional contributions (excluding Regular Savings Plan contributions). Because your progressive investments will be applied for at varying prices, the cost of gaining exposure to the particular investment option(s) is 'averaged' over time.

The minimum contribution to use this facility is \$25,000 (either as an initial or additional contribution). Your contribution will be initially invested in the Macquarie Treasury Fund investment option (or other cash investment option as we determine from time to time) and progressively switched into your chosen investments over your selected frequency. Please refer to page 70 for more information on how this facility works.

Illustration of progressive investing

John wants to invest \$30,000 into an Australian share option for the long term but is concerned that the value of the investment may in the short term fall in value. John decides to use the progressive investment facility and has nominated that his investment be progressively invested into the Australian share investment option in three equal monthly instalments.



Switching investment options

You can switch all or part of an investment option into one or more of the other investment options at any time, as long as you meet the withdrawal and application criteria for the chosen investment options, including:

- a minimum switch amount of \$50 per investment option
- a minimum balance of \$500 must be held in an investment option after any partial switch from that investment option.

The PDS may be updated or replaced from time to time and you should read the current version before you switch. You can obtain a copy of the current PDS, free of charge, from our website www.genlife.com.au or by contacting us.

We can suspend processing of switches where we believe it is in the best interests of investors, as well as impose additional conditions (see 'Suspension of applications, switches and withdrawals' section on page 71 for further information).

Auto-rebalancing

The value of your investment in any particular investment option will change over time and this movement may cause your investment portfolio allocation to deviate from your set investment strategy.

Auto-rebalancing re-aligns your investment portfolio to your selected investment option weightings. It's, in effect, a form of automatic switching. This facility provides a simple way for you to maintain your investment strategy by authorising us to switch between your chosen investment options to rebalance your investment portfolio on an annual basis.

If you have chosen more than one investment option you can choose to have your portfolio rebalanced annually by completing the appropriate section of the Application Form. Your actual portfolio balance as at the rebalance date (currently in May each year) will be compared to selected investment option weightings. If your investment option balance is within 1% of your selected weighting on the auto-rebalance date, then no automatic switch will occur. However, auto-rebalancing will remain active on your investment for the next rebalance date.

If you turn on your auto-rebalancing facility, we will also set your future investment selection and Regular Savings Plan (if applicable) to this same investment option weighting. This means that any additional investments you make will be invested in line with your selected auto-rebalancing investment option weightings.

Further information about the auto-rebalancing facility can be found in the Additional Information section on page 70.

Bonds Custodian Trust

If you're looking to hold your LifeBuilder investment in a private trust, then our Bonds Custodian Trust (BCT) facility can be both convenient and cost-effective.

The BCT only holds LifeBuilder investments and can hold more than one LifeBuilder investment provided the investments are in the same name.

Holding a LifeBuilder investment within the BCT can assist with certain financial and estate planning outcomes, in particular it can help improve any entitlements and benefits that are affected by the age pension income test and aged care accommodation or home care service fee income test. A BCT that holds a LifeBuilder investment will not generate ongoing assessable income (this is because LifeBuilder itself does not distribute ongoing income). The BCT will however be subject to the age pension assets test, while no assets test applies to aged care accommodation or home care service fees.

We recommend you consult with your financial adviser or contact Centrelink or the Department of Veterans' Affairs for further information about social security benefits.

There's no need to set up a separate bank account for the BCT and there's also no additional tax reporting required. You have full access to a LifeBuilder investment held by a BCT established for you, including the ability to switch investments.

Once your BCT has been established, you will receive a copy of the BCT trust deed, your BCT nomination schedule and confirmation that your LifeBuilder investment has been transferred into your BCT. You can find further information about the BCT in the Additional Information section on page 74.

We recommend that you consult with your financial adviser if you are considering establishing a BCT.

Withdrawals

LifeBuilder and ChildBuilder

Full or partial withdrawals

You can request to access part or all of your investment at any time subject to the following minimum requirements.

Minimum withdrawal amount	\$500
Minimum investment balance required (after withdrawal)	\$1,000

Benefit payments on death of the nominated life insured

Benefit payments as a result of the death of the nominated life insured will be processed with the effective date being the day all of our death benefit claim requirements are met.

Regular Withdrawal Facility

This is a convenient way for you to receive automatic payments from your investment for pre-determined amounts at regular intervals. For example, if you are relying on your investment to provide you with a regular income, this facility eliminates the need for you to lodge a separate withdrawal request each time. The minimum withdrawal amount for the Regular Withdrawal Facility is \$500 per month. You must also maintain at least \$1,000 in your investment after the withdrawal, otherwise your investment may be closed and the remaining funds returned to you.

You can choose regular withdrawals to be paid from your selected investment options monthly, quarterly (January, April, July, and October), half-yearly (January and July) or yearly - the default frequency (July). Regular withdrawal payments will normally occur on the 15th of the month. If any of these days are not business days, the next business day will apply.

Please contact us if you want to change the frequency or amount, your nominated Australian financial institution account details or cancel your regular withdrawal facility. There may be tax implications where a withdrawal is made within 10 years of the investment date (refer page 14).

Further details about the Regular Withdrawal Facility are on page 70.

FuneralBond

Funds cannot be withdrawn from your FuneralBond prior to your death. Your benefit will be paid after a claim for funeral expenses is lodged and processed. If your FuneralBond has been transferred to a funeral director as part of a pre-paid funeral arrangement, then the benefit proceeds will be paid to the funeral director, otherwise the benefit will be paid to the estate's representative.

Where there are joint owners, the surviving owner must advise us within 30 days of notification of death whether to continue with the FuneralBond or have the benefits paid out for the funeral expenses of the deceased. If we do not receive notification, the FuneralBond will continue.

Payment of withdrawals and death benefits

We aim to pay completed withdrawal requests, death benefit payments and FuneralBond payments generally within seven (7) business days. In certain circumstances, the payment of withdrawals can be delayed (see the 'Suspension of applications, switches and withdrawals' section on page 71 for further information).

Authorised Representative facility

You can appoint your licensed financial adviser to act on your behalf as your authorised representative.

Your representative can generally do a range of things, including make additional investments, make investment switching requests, and have access to your investment details.

Your representative cannot however, make a withdrawal, appoint other representatives, transfer the ownership of your investment to anyone else, change your personal and banking arrangements, change a ChildBuilder vesting date, or change or add beneficiaries or lives insured.

You can cancel the appointment of your representative at any time by providing 14 days written notice. Please refer to page 72 for the Authorised Representative facility terms and conditions.

Electronic instructions

You can provide certain instructions on your investment to us by electronic communications via email. We are not able to accept an instruction unless it's accompanied by the scanned signature(s) of the investor(s) on the instructions. In some cases an original signature may also be required. Please refer to page 72 for electronic instructions terms and conditions.

Transferring your investment

You can transfer ownership of your investment at any time subject to the restrictions noted below. The transfer of ownership normally occurs without personal tax or capital gains tax implications. Importantly, the 10-year tax advantage is maintained and not re-set as a result of the transfer. To transfer your investment you will need to complete a transfer form available from our website or by contacting us. On transfer, you will be replaced as the owner of the investment with ownership and all future rights assigned to the new owner.

For LifeBuilder, transferring your ownership will void the nomination of beneficiaries and instructions under the EstatePlanner facility, unless the transfer is part of establishing a Bonds Custodian Trust facility (refer to the 'Bonds Custodian Trust' section on page 38). With ChildBuilder, a transfer can only be made to a natural person or trust and only prior to the child reaching the vesting age.

A FuneralBond can only be transferred to a funeral director (as part of a pre-paid funeral arrangement). The funeral director will then become the legal owner of the investment, will be able to change the investment strategy and will receive all future communications.

Keeping you informed

Investor online

To help keep you informed of your investment you can choose to have access to your investment information online through the Generation Life's Investor Online. Our secure Investor Online lets to track your investment bond from anywhere and at any time.

You can view your portfolio including performance information and charts, transactions, fees and investment options chosen. You can also utilise the resource centre which includes forms to help you manage your investment.

You can sign up for access to Investor Online by visiting www.online.genlife.com.au

Other information

As an investor you will also receive the following information:

Confirmation of your initial investment - includes ownership details and confirmation of any regular savings plan. In the case of ChildBuilder, we will also include details of the nominated child and selected vesting date.

Investment anniversary reminder - we will notify you of the maximum additional contributions you can make in line with the 125% opportunity to maximise your investment while still maintaining the current tax status of your investment.

Transaction statement - issued for additional investments (excluding Regular Savings Plan), investment switches and partial or full withdrawals (excluding withdrawals under the Regular Withdrawal facility).

Confirmation of instructions - we will confirm instructions received relating to changes to your investment details, such as banking details, changes to nominated beneficiaries or the inclusion of additional lives insured.

Annual statement and report - contains transactions made on your investment over the previous 12 months, performance and investment information relating to the investment options.

Tax statements - For LifeBuilder and ChildBuilder, a tax statement will be provided after each financial year end where a withdrawal has been made within the 10-year period. For a FuneralBond, a tax statement will be provided following the payment of the benefit to the estate's representative.

Change of ownership

Where the ownership of an investment bond has transferred, assigned or vested, all future correspondence will only be sent to the new owner (or first named owner in the case of joint ownership). In the case of a FuneralBond assignment to a funeral director, all correspondence will be sent to the funeral director. Where a ChildBuilder has vested and ownership has transferred to the nominated child, the child will receive all future correspondence.

Investment managers



Access to a range of investment managers to meet your risk and return objectives

We aim to give you access to a range of leading Australian and international investment managers and provide you with the flexibility to change and switch investment options. You can build your own portfolio by investing in single asset investment options or use one of the diversified investment options to suit your desired risk profile.

Our selected investment managers are experienced and well regarded with a proven track record of delivering superior long-term performance. We regularly monitor and review our investment managers to ensure they continue to meet their stated objectives and our investment requirements.



AMP Capital is a global investment manager with a large presence in Australia. As part of the AMP Group, they share a heritage that spans over 170 years. Its home strength in Australia and New Zealand has enabled it to grow internationally, and today it has operations established in the Dubai, China, Hong Kong, India, Ireland, Japan, Luxembourg, the United Kingdom and the United States. It also collaborates with a network of global investment partners, leveraging their shared capabilities to provide greater access to new investment opportunities. Their asset class specialists, investment strategists and economists work together with the aim of delivering strong investment outcomes for their clients. That is why AMP Capital clients trust them to invest over A\$189.3 billion (as at 30 June 2018) on their behalf, across a range of single sector and diversified funds.



Bennelong Australian Equity Partners ('BAEP') is a boutique fund manager focused on investing in Australian listed equities. The business was founded in 2008 by Mark East in partnership with Bennelong Funds Management, and is an award-winning and highly-rated fund manager. As Chief Investment Officer, Mark East is responsible for the funds BAEP manages on behalf of its retail and institutional clients.



BlackRock helps investors build better financial futures. As a fiduciary to its clients, BlackRock provides the investment and technology solutions they need when planning for their most important goals. As of 31 December 2018, the firm managed approximately USD\$5.98 trillion in assets on behalf of investors worldwide.



DFA Australia Limited (DFA Australia) is the Manager and Responsible Entity of the Dimensional Wholesale Trusts. DFA Australia Limited is the Australian subsidiary of the US-based Dimensional Fund Advisors LP, which was founded in 1981. With clients around the world, Dimensional has 13 offices in nine countries and global assets under management of \$735 billion (in AUD) as at 31 December 2018. Dimensional manages assets for institutional investors and clients of registered financial advisors.



Ellerston Capital specialises in equity and alternative strategies. They have over \$5 billion in funds under management, including separately managed accounts (SMAs), wholesale funds and retail offerings for a range of financial advisers, institutions and individual investors. As a dedicated investment manager, Ellerston aims to do one thing exceptionally well: grow and protect clients' wealth through investing. Ellerston are passionate about creating value for clients by identifying investment opportunities and designing portfolios that perform over the long term.



Equity Trustees was established in 1888 for the purpose of providing independent and impartial Trustee and Executor services to help families throughout Australia protect their wealth. As Australia's leading specialist trustee company, we offer a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and Responsible Entity (RE) services for external Fund Managers. Equity Trustees is the brand name of EQT Holdings Limited (ABN 22 607 797 615) and its subsidiary companies, publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, New York, London and Dublin.



Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long term focus, and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. IML was established in 1998, and has approximately \$9.0 billion in funds under management as at 30 December 2018.



Kapstream Capital manages over A\$13 billion from offices in Sydney and Newport Beach, California. Kapstream invest by setting absolute return targets and absolute risk limits, creating portfolios that are constructed using predominantly investment grade assets that more closely meet the requirements of a growing number of investors, in delivering consistent and positive returns. Since July 2015 Kapstream has operated as an autonomous 'boutique' subsidiary, initially of Janus Capital Group and - since their merger in May 2017 with Janus Henderson Investors.



Legg Mason is guided by a mission of Investing to Improve Lives™. Legg Mason helps investors globally achieve better financial outcomes by expanding choice across investment strategies, vehicles and investor access through independent investment managers with diverse expertise in equity, fixed income, alternative and liquidity investments. Legg Mason is a global equity specialist manager and has had a presence in Australia since 1954. Today, Legg Mason is a leading provider of active equity solutions, managing a growing suite of equity, multi-sector and tailored strategies.



Macquarie Investment Management Global Limited, forms part of the Macquarie Group's investment management business, Macquarie Investment Management. Macquarie Investment Management delivers a full-service offering across a range of asset classes including fixed interest, listed equities (domestic and international) and infrastructure securities to both institutional and retail clients in Australia and the US, with selective offerings in other regions.



Magellan is a specialist funds management business based in Sydney that manages global equities and global listed infrastructure strategies for high net worth, retail and institutional investors. Magellan is a wholly owned subsidiary of the ASX listed Magellan Financial Group (ASX code: MFG).



MFS International Australia Pty Ltd ("MFSIA") is the investment manager of the MFS Concentrated Global Equity Trust ("Trust") and a member of the MFS Investment Management group of companies ("MFS"). Established in 1924, MFS is an active, global asset manager with investment offices in Boston, Hong Kong, London, Mexico City, São Paulo, Singapore, Sydney, Tokyo and Toronto. MFSIA has delegated the investment management of the Trust to another member of MFS, MFS Institutional Advisors, Inc., a US SEC registered investment adviser. MFS is a member of the Sun Life Financial group of companies.



MLC has been looking after the investment needs for generations of Australians. MLC believes the best way to manage portfolios is to employ the skills of multiple specialist investment managers. MLC's investment experts have extensive knowledge and experience at designing and managing portfolios using a multi-manager investment approach.



Mutual is an independently owned investment manager and adviser with total FUM and funds under advice at 29 March 2019 exceeding \$2.8 billion. The Company specialises in investment mandates and advisory roles for prudentially supervised institutions (including APRA regulated institutions). Mutual manages and advises individual wholesale clients under tailored Investment Management Agreements. Its investment expertise covers short-term securities, fixed interest and Australian shares.

PENDAL

Pendal Institutional Limited (Pendal) is an independent, global investment management business focused on delivering superior investment returns for its clients through active management. Pendal 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, Pendal also partners with leading global investment managers. Pendal is a wholly owned subsidiary of Pendal Group Limited. With \$92.8 billion in funds under management (as at 31 December 2018), Pendal Group Limited is one of Australia's largest and most enduring pure investment managers (ASX:PDL).

Perpetual

Perpetual Investments is one of Australia's leading investment managers, with \$27.7 billion in funds under management (as at 31 December 2018). Perpetual Investments is part of the Perpetual Group, which has been in operation for over 130 years. By employing some of the industry's best investment specialists and applying a proven investment philosophy, Perpetual Investments has been able to help generations of Australians manage their wealth.

PIMCO

PIMCO is a member of the PIMCO Group, one of the largest fixed interest managers in the world. PIMCO Group's history dates back to 1971 when they were established as a specialist fixed interest manager. The PIMCO Group has its head office in Newport Beach, California, USA with offices located in Hong Kong, New York, Toronto, Munich, Amsterdam, Sydney, Singapore, Tokyo, London, Milan, Rio de Janeiro and Zurich. The PIMCO Group is majority owned by Allianz SE. PIMCO's goal is to provide attractive returns while maintaining a strong culture of risk management and long-term discipline. PIMCO's investment process emphasises well researched fundamental economic and credit analysis to identify value in market sectors and individual securities.

Russell Investments

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\$371 billion in assets under management (as of 31 December 2018) and works with more than 2,500 institutional clients, independent distribution partners and individual investors globally.

redpoint

Redpoint is a boutique Australian investment manager that specialises in listed asset classes including Australian equities, international equities, global infrastructure and global property. Redpoint has brought together a significant group of seasoned investment specialists with complementary skills with a shared vision of delivering risk efficient and cost-effective investment solutions to their clients. The Redpoint team have been managing systematic Australian and global equity strategies for over 20 years. Redpoint currently manages over \$10 billion for institutional and retail clients across a number of strategies.

Schroders

Schroders is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 29 countries across Europe, the Americas, Asia and the Middle East. Schroders in Australia was established in 1961 and its domestic research and investment teams are an integral part of Schroders global network. As at 31 December 2018 Schroders managed over AU \$790 billion on behalf of clients around the globe, and over AU \$37 billion on behalf of clients domestically.

Vanguard

With more than AUD \$6.9 trillion in assets under management as of 31 December 2018, including more than AUD \$1.2 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for more than 20 years.

Investment options

Choosing the right investment options

One of the significant risks of investing is that your investment strategy doesn't reflect your financial goals. It's important to consider your investment timeframe, your investment goals and your risk tolerance. We recommend that you consult a financial adviser to assist you in determining these. Diversifying your investments helps manage market volatility and risk across your investment portfolio. You can diversify your investment portfolio by:

- spreading your investment exposure across markets and regions
- investing in a range of asset classes
- investing across a range of managers with different investment strategies.

You can learn more about the risks associated with investing on page 59.

Option type	Asset class	Investment option	Page reference
Indexed	Australian fixed interest	iShares Wholesale Australian Bond Index Fund	48
	Australian shares	iShares Wholesale Australian Equity Index Fund	48
	International shares	iShares Wholesale International Equity Index Fund	48
		iShares Hedged International Equity Index Fund	48
	Property	iShares Wholesale Australian Listed Property Index Fund	49
Active	Cash	Macquarie Treasury Fund	49
		Generation Life Term Deposit Fund	49
	Fixed interest	Mutual ADI/Bank Securities	49
		Kapstream Absolute Return Income Fund	49
		PIMCO Wholesale Australian Bond Fund	50
		PIMCO Wholesale Global Bond Fund	50
		Pendal Enhanced Credit Fund	50
		Schroder Absolute Return Income Fund	50
		EQT Wholesale Mortgage Income Fund	50
	Australian Shares	Perpetual Wholesale Australian Share Fund	51
		Investors Mutual Australian Shares Fund	51
		Generation Life Tax Effective Australian Share Fund	51
		MLC Wholesale IncomeBuilder™	51
		Perpetual Wholesale Industrial Share Fund	51
		Bennelong Concentrated Australian Equities Fund	52
		Mutual 50 Leaders Australian Shares Fund	52
		Investors Mutual Future Leaders Fund	52
		Perpetual Wholesale Geared Australian Share Fund	52
		Pendal Sustainable Australian Share Fund	53
		Perpetual Wholesale Ethical SRI Fund	53

Option type	Asset class	Investment option	Page reference
Active	International shares	Magellan Global Fund	53
		Perpetual Wholesale International Share Fund	53
		MFS Concentrated Global Equity Trust	54
		Legg Mason Martin Currie Emerging Markets Fund	54
		Dimensional Global Small Company Trust	54
	Property	Legg Mason Martin Currie Real Income Fund	54
		AMP Capital Global Property Securities Fund	54
		Magellan Infrastructure Fund	55
	Alternatives	Ellerston Australian Market Neutral Fund	55
	Diversified	Vanguard Conservative Index Fund	55
		MLC Horizon 2 Income Portfolio	55
		Perpetual Wholesale Conservative Growth Fund	55
		Dimensional World Allocation 50/50 Trust	56
		MLC Horizon 3 Conservative Portfolio	56
		Vanguard Balanced Index Fund	56
		AMP Capital Dynamic Markets Fund	56
		Vanguard Growth Index Fund	56
		Perpetual Wholesale Balanced Growth Fund	57
		MLC Horizon 4 Balanced Portfolio	57
		Dimensional World Allocation 70/30 Trust	57
		Russell Investments Balanced Fund	57
		Pendal Sustainable Balanced Fund	58
		MLC Horizon 6 Share Portfolio	58
		Vanguard High Growth Index Fund	58

Investment structure

All investment options invest in assets either directly or indirectly via underlying managed funds that invest in asset classes in accordance with the investment option's guidelines.

Changes to the investment options, managers & strategies

We may from time-to-time add, delete or replace investment options, investment managers and change exposure weightings to them. We may also close an investment option or cease to accept new contributions (including by switching) into any of the investment options.

We will notify affected investors of any material changes to the investment options as required by law. Updated information about our investment options, investment managers and investment strategies can be found on our website www.genlife.com.au or by contacting us.

Investment option profiles

Depending on your investment goals and the investment amount you have to invest, you can choose a single investment option or multiple investment options.

Detailed in the following pages is a summary of the investment options offered by Generation Life investment bonds. For more details and any updated information about the investment options, visit our website or contact us. You should discuss the investment option(s) appropriate to you with your financial adviser.

Index options

iShares Wholesale Australian Bond Index Fund

Sector Indexed - Australian fixed interest	Investment manager BlackRock Investment Management (Australia) Limited	Risk level⁵ 4 - Medium
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the Bloomberg AusBond Composite 0 + Year Index ¹ .	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will look to closely match the index major risk and return factors through a methodology called stratified sampling.	Investment guidelines Australian fixed interest 100%
Suggested minimum length of investment 3 Years		

iShares Wholesale Australian Equity Index Fund

Sector Indexed - Australian shares	Investment manager BlackRock Investment Management (Australia) Limited	Risk level⁵ 6 - High
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the S&P/ASX 300 Total Return Index.	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Investment guidelines Australian shares 100%
Suggested minimum length of investment 5 Years		

iShares Wholesale International Equity Index Fund

Sector Indexed - international shares (unhedged)	Investment manager BlackRock Investment Management (Australia) Limited	Risk level⁵ 6 - High
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net TR Index (unhedged in AUD with net dividends reinvested).	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Investment guidelines International shares 100%
Suggested minimum length of investment 5 Years		

iShares Hedged International Equity Index Fund

Sector Indexed - international shares (hedged)	Investment manager BlackRock Investment Management (Australia) Limited	Risk level⁵ 6 - High
Objective Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net Index (hedged in AUD with net dividends reinvested).	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Investment guidelines International shares 100%
Suggested minimum length of investment 5 Years		

iShares Wholesale Australian Listed Property Index Fund

Sector Indexed – Australian property	Investment manager BlackRock Investment Management (Australia) Limited	Risk level⁵ 6 - High
Objective Aims to match the performance of the S&P/ASX 300 A-REIT Total Return Index before fees and tax.	Investment approach To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.	Investment guidelines Australian listed property 100%
Suggested minimum length of investment 5 Years		

Cash options

Macquarie Treasury Fund

Sector Cash	Investment manager Macquarie Investment Management Global Limited	Risk level⁵ 1 - Very Low
Objective Aims to perform in line with the Bloomberg AusBond Bank Bill Index ¹ over the short term (before fees and tax) using a low risk investment strategy.	Investment approach The manager's cash management approach is driven by disciplined and thorough processes, and backed by in-house quantitative analysis. To take advantage of movements in market interest rates, the maturity profile of the fund is actively managed. After determining the maturity profile, the manager uses a number of analytical tools to select the securities that it believes offer the best value and to find the most appropriate yield curve position.	Investment guidelines Cash 100%
Suggested minimum length of investment No minimum		

Generation Life Term Deposit Fund

Sector Cash - term deposits	Investment manager Mutual Limited	Risk level⁵ 1 - Very Low
Objective To outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index ¹ and achieve returns superior to cash management trusts, by investing predominantly into a diversified range of term deposit and deposit like investments.	Investment approach Primarily invests in term deposits issued by major Australian banks with a bias toward the top four banks. The fund is managed to provide a short-term maturity profile to meet liquidity requirements.	Investment guidelines Cash 100%
Suggested minimum length of investment 1 year		

Fixed interest options

Mutual ADI/Bank Securities

Sector Fixed interest - short-term	Investment manager Mutual Limited	Risk level⁵ 2 - Low
Objective To outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index ¹ and achieve returns superior to cash management trusts.	Investment approach Actively manage a portfolio of low risk debt products and securities on offer by Australian authorised deposit-taking institutions with a bias (minimum 60%) toward those issued by the four major Australian banks.	Investment guidelines Cash 0-20% Australian fixed interest 0-100%
Suggested minimum length of investment 1 Year		

Kapstream Absolute Return Income Fund

Sector Fixed interest - absolute return	Investment manager Kapstream Capital	Risk level⁵ 3 – Low to Medium
Objective Aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform a composite index of 50% Bloomberg AusBond Composite Bond 0-3 Year Index ¹ & Bloomberg AusBond Bank Bill Index ¹ through market cycle (before fees and taxes).	Investment approach Targets an absolute return over time, by investing in a global, diversified portfolio of predominantly investment grade fixed income securities, according to the manager's global macroeconomic and market views.	Investment guidelines Cash 0-100% Australian fixed interest 0-100% International fixed interest 0-100%
Suggested minimum length of investment 3 Years		

PIMCO Wholesale Australian Bond Fund

Sector Fixed interest – Australian	Investment manager PIMCO	Risk level⁵ 4 – Medium
Objective To achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies, and to seek to preserve capital through prudent investment management.	Investment approach In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.	Investment guidelines Cash 0-100% Australian fixed interest 0-100%
Suggested minimum length of investment 5 Years		

PIMCO Wholesale Global Bond Fund

Sector Fixed interest - international	Investment manager PIMCO	Risk level⁵ 2 - Low
Objective Seeks to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.	Investment approach In pursuing the Fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.	Investment guidelines Cash 0-100% International fixed interest 0-100%
Suggested minimum length of investment 5 Years		

Pendal Enhanced Credit Fund

Sector Fixed interest – credit	Investment manager Pendal Institutional Limited	Risk level⁵ 5 - Medium to High
Objective Aims to provide a return (before fees, costs and tax) that exceeds the Bloomberg AusBond Non Govt 0+ Year Index1 over the medium term.	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.	Investment guidelines Investment grade corporate bonds 70-100% Commonwealth bonds and semi-government bonds 0-20% Convertible notes 0-10% Convertible preference shares 0-10% Capital notes 0-10%
Suggested minimum length of investment 3 Years		

Schroder Absolute Return Income Fund

Sector Fixed interest - credit	Investment manager Schroders	Risk level⁵ 4 - Medium
Objective Outperform the RBA Cash Rate after investment fees but before tax over the medium term.	Investment approach 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 Australian investment grade 0-100% International investment grade 0-100% Australian high yield ² 0-40% International high yield ² 0-30% Cash and cash equivalents 0-100% Active currency 0-10%
Suggested minimum length of investment 3 Years		

EQT Wholesale Mortgage Income Fund

Sector Fixed interest - mortgages	Investment manager Equity Trustees	Risk level⁵ 4 - Medium
Objective To outperform the RBA Cash Rate over rolling 3 year periods.	Investment approach The fund is conservatively managed and seeks to produce income by providing loans to selected borrowers. These loans are secured by registered first ranking mortgages. Loans are predominantly offered in respect of selected improved retail, commercial, industrial and residential real estate within Australia. Loans are for a maximum term of five years.	Investment guidelines Cash 0-100% Australian fixed interest 0-100%
Suggested minimum length of investment 1 to 3 Years		

Australian shares options

Perpetual Wholesale Australian Share Fund

Sector Australian shares	Investment manager Perpetual Investments	Risk level⁵ 6 - High
Objective Aims to provide long-term capital growth and regular income through investment in quality industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.	Investment approach 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 fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time. Derivatives may be used in managing the fund.	Investment guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years		

Investors Mutual Australian Shares Fund

Sector Australian shares	Investment manager Investors Mutual	Risk level⁵ 6 - High
Objective To provide a return (after investment fees and expenses and before tax) which exceeds the S&P/ASX 300 Accumulation Index over rolling four-year periods.	Investment approach The fund will invest in a diversified portfolio of quality ASX listed Australian industrial and resources shares, where these shares are identified by the manager as being undervalued.	Investment guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years		

Generation Life Tax Effective Australian Share Fund

Sector Australian shares – tax aware	Investment manager Redpoint Investment Management	Risk level⁵ 6 - High
Objective This fund aims to provide long-term tax effective total returns, with diversification across a broad range of Australian companies and industries.	Investment approach The fund uses a quantitative rules based approach to generate return through an investment style known as factor investing. The approach encompasses the use of active investment trading strategies to take advantage of dividend payments, franking credits and other tax effective payments, while also looking to manage tax positions as part of the investment trading process.	Investment guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 years		

MLC Wholesale IncomeBuilder™

Sector Australian shares - income	Investment manager MLC Investments Limited	Risk level⁵ 6 - High
Objective Aims to provide returns from companies that are expected to deliver a growing dividend stream over time.	Investment approach Invests primarily in Australian companies that have the potential to provide future growth in dividends. Expected to generate tax effective returns by investing in companies expected to have high franking levels and by carefully managing the realisation of capital gains.	Investment guidelines Australian shares 0-100%
Suggested minimum length of investment 5 Years		

Perpetual Wholesale Industrial Share Fund

Sector Australian shares - industrial	Investment manager Perpetual Investments	Risk level⁵ 6 - High
Objective Seeks to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.	Investment approach 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 fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 10% exposure to shares listed on or proposed to be listed on any recognised global exchange. Currency hedges may be used from time to time. Derivatives may be used in managing the fund.	Investment guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 Years		

Bennelong Concentrated Australian Equities Fund

Sector Australian shares - concentrated	Investment manager Bennelong Australian Equity Partners	Risk level⁵ 6 - High
Objective To grow the value of the investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of primarily Australian shares, providing a total return that exceeds the S&P/ASX 300 Accumulation Index by 4% per annum after investment fees and before tax (measured on a rolling three-year basis).	Investment approach The companies within the fund's portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The fund may invest in securities expected to be listed on the ASX. Derivative instruments may be used to replicate underlying positions on a temporary basis. The fund typically holds between 20-35 stocks.	Investment guidelines Cash 0-10% Australian shares 90-100%
Suggested minimum length of investment 5 years		

Mutual 50 Leaders Australian Shares Fund

Sector Australian shares - larger companies	Investment manager Mutual Limited	Risk level⁵ 6 - High
Objective Aims to achieve a return greater than the return of the S&P/ASX 300 Accumulation Index plus 2% per annum, before tax, but after investment fees and expenses, over rolling three-year periods.	Investment approach Invests in equity securities which are listed or expected to list on an Australian exchange and is suitable for investors who are seeking long term capital growth and are prepared to hold their investment for at least five years.	Investment guidelines Cash 0-20% Australian shares 80-100%
Suggested minimum length of investment 5 Years		

Investors Mutual Future Leaders Fund

Sector Australian shares - mid & smalls	Investment manager Investors Mutual	Risk level⁵ 6 - High
Objective To provide a rate of return (after investment fees and expenses and before tax) which exceeds the return of the S&P/ASX 300 Accumulation Index (ex S&P/ASX50, ex LPT) on a rolling four-year basis.	Investment approach Will invest in a diversified portfolio of quality ASX listed Australian and New Zealand shares outside the top 50 shares listed on the ASX, where these shares are identified by the manager as being undervalued.	Investment guidelines Cash 0-20% Australian shares 80-100%
Suggested minimum length of investment 5 Years		

Perpetual Wholesale Geared Australian Share Fund

Sector Australian shares - geared	Investment manager Perpetual Investments	Risk level⁵ 7 - Very High
Objective Aims to enhance long-term capital growth through borrowing (gearing) to invest in quality industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.	Investment approach The manager researches companies of all sizes using consistent share selection criteria. The manager's 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 fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The gearing level of the fund must be kept within pre-determined guidelines. Within these, the manager aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income. Currency hedges may be used from time to time. Derivatives may be used in managing the fund, including for gearing purposes.	Investment guidelines Cash 0-10% Australian shares 90-100% Gearing level 0-60% ³
Suggested minimum length of investment 7 Years		

Pendal Sustainable Australian Share Fund

Sector Australian shares - ESG	Investment manager Pendal Institutional Limited	Risk level⁵ 5 – Medium to High
Objective The fund aims to provide a return (before fees, costs and tax) that exceeds the S&P/ASX 200 Accumulation Index over the medium to long term, whilst maximising the portfolio's focus on sustainability.	Investment approach The fund uses an active stock selection process that combines sustainable and ethical criteria with the managers' financial analysis. The manager actively seeks out companies and industries that demonstrate leading ESG and ethical practices and excludes companies not meeting the investable criteria. The sustainability and ethical criteria employed includes factors such as environmental issues; social practices; corporate governance; and ethical practices. The fund will not invest in companies with material business involvement in the following activities: the production of tobacco or alcohol; manufacture or provision of gaming facilities; manufacture of weapons or armaments; manufacture or distribution of pornography; direct mining of uranium for the purpose of weapons manufacturing; and extraction of thermal coal and oil sands production.	Investment guidelines Cash 0–10% Australian shares 90–100%
Suggested minimum length of investment 5 years		

Perpetual Wholesale Ethical SRI Fund

Sector Australian shares - ESG	Investment manager Perpetual Investments	Risk level⁵ 6 - High
Objective Aims to provide long-term capital growth and regular income through investment in quality shares of ethical and socially responsible companies and to outperform the S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.	Investment approach 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. The fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. In addition the manager utilises a strategy for screening ethical and socially responsible investments. Currency hedges may be used from time to time. Derivatives may be used in managing the fund.	Investment guidelines Cash 0–10% Australian shares 90–100%
Suggested minimum length of investment 5 Years		

International shares options

Magellan Global Fund

Sector International shares	Investment manager Magellan Asset Management Limited	Risk level⁵ 6 - High
Objective The primary objectives are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.	Investment approach The manager aims to find companies at attractive prices which have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. The manager will endeavour to acquire these companies at a discount to its assessment of the intrinsic value of the companies. The portfolio will consist of 20 to 40 investments. This option does not hedge currency risk.	Investment guidelines Cash 0–20% Australian and international shares 80–100%
Suggested minimum length of investment 7 Years		

Perpetual Wholesale International Share Fund

Sector International shares	Investment manager Perpetual Investments	Risk level⁵ 6 - High
Objective Aims to provide long-term capital growth through investment in quality global shares and outperform the MSCI World Net Total Return Index (\$A) (before fees and taxes) over rolling three-year periods.	Investment approach The manager adopts a 'bottom-up' stock selection approach to investing, where the decision to buy or sell is based on fundamental quality and valuation. The manager constructs a portfolio within a framework that is benchmark independent in terms of stock and sector weights. The manager adds value from the portfolio manager's high conviction approach to stock selection. Currency hedging can be used with the aim of protecting the value of the fund's assets. Derivatives may be used in managing the fund.	Investment guidelines Cash 0–25% International shares 75–100%
Suggested minimum length of investment 7 Years		

MFS Concentrated Global Equity Trust

Sector International shares - concentrated	Investment manager MFS International Australia Pty Ltd	Risk level⁵ 6 - High
Objective The fund aims to seek capital appreciation over the longer term by investing in a concentrated portfolio of global shares and aims to outperform the MSCI World Index (with net dividends before fees) in AUD over a full market cycle, before taking into account investment fees and expenses, and tax.	Investment approach The manager believes that companies with sustainable above-average growth and returns, and whose prospects are not reflected in their valuation, will outperform over the long run. The value of compounding high returns on capital and above-average growth rates over long time periods is often underestimated by the market. Through fundamental analysis, the manager seeks to identify enduring businesses, focusing on operational risks and the long-term potential for change. The manager considers whether the valuation reflects the long-term growth and returns of the company, and to what extent it adequately incorporates risk.	Investment guidelines Cash 0–10% International shares 90-100%
Suggested minimum length of investment 5 years		

Legg Mason Martin Currie Emerging Markets Fund

Sector International shares – emerging markets	Investment manager Legg Mason	Risk level⁵ 6 - High
Objective The fund aims to deliver capital growth by investing directly or indirectly in equities of companies that are quoted in or operating in one or more countries deemed to be emerging markets. The fund aims to generate after investment fee but before tax returns in excess of the MSCI Emerging Markets Index expressed in Australian dollars over rolling five-year periods.	Investment approach The manager seeks to exploit market inefficiencies through rigorous fundamental research and by investing with a patient, long-term mindset. The manager seeks to add further value by investing in quality companies that exhibit the strongest growth characteristics, trading at a reasonable valuation. This philosophy is expressed through a high-conviction, stock-driven portfolio with diversified market and sector exposure. The fund typically holds between 40-60 stocks. The fund may use certain derivatives to implement investment decisions, to manage cash flows or to facilitate timely exposure to emerging markets.	Investment guidelines Cash 0–10% International shares 90-100%
Suggested minimum length of investment 5 years		

Dimensional Global Small Company Trust

Sector International shares - small companies	Investment manager DFA Australia	Risk level⁵ 7 - Very High
Objective To provide long-term capital growth by gaining exposure to a diversified portfolio of small companies associated with approved developed markets (excluding Australia).	Investment approach Seeks exposure to a diversified portfolio of small companies listed in global developed markets (excluding Australia) with the potential for long-term capital growth.	Investment guidelines International shares 100%
Suggested minimum length of investment 7 Years		

Property & alternatives options

Legg Mason Martin Currie Real Income Fund

Sector Property – Australian listed real assets	Investment manager Legg Mason	Risk level⁵ 4 - Medium
Objective The fund seeks to provide a growing income stream by investing in a diversified portfolio of listed real asset securities (such as A-REITs, infrastructure and utilities) characterised by established physical assets with recurring cash flows.	Investment approach The manager's approach is premised on the philosophy that high-quality listed real assets can sustain dividends, match rises in the cost of living and are likely to be less volatile than the wider equity market. The manager relies on complementary fundamental and quantitative research, and collective insights into the current investment landscape, to identify the most attractive opportunities. The fund aims to hold approximately 20 to 45 securities.	Investment guidelines Cash 0-10% Property and infrastructure 90–100%
Suggested minimum length of investment 3 Years		

AMP Capital Global Property Securities Fund

Sector Property - international	Investment manager AMP Capital	Risk level⁵ 7 – Very High
Objective To provide total returns (income and capital growth) after investment costs and before tax, above the FTSE EPRA/NAREIT Developed Index Hedged in AUD Net Total Return Index on a rolling three-year basis.	Investment approach To take advantage of global real estate market conditions, as well as country-specific opportunities, the fund's investment style combines a stock-specific (bottom-up) selection process complemented by a macroeconomic (top- down) approach to regional and country allocations.	Investment guidelines Cash 0-20% Listed property 90-100%
Suggested minimum length of investment 5 years		

Magellan Infrastructure Fund

Sector Property - international infrastructure	Investment manager Magellan Asset Management Limited	Risk level⁵ 6 - High
Objective The primary objective is to achieve attractive risk adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.	Investment approach Primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash and cash equivalents. The manager can use foreign exchange contracts to facilitate settlement of stock purchases and to mitigate currency risk on specific investments within the portfolio. It is the manager's intention to substantially hedge the capital component of the foreign currency exposure of the portfolio arising from investments in overseas markets back to Australian Dollars.	Investment guidelines Cash 0-20% Australian and international shares 80-100%
Suggested minimum length of investment 7 Years		

Ellerston Australian Market Neutral Fund

Sector Alternatives - Australian shares long/ short	Investment manager Ellerston Capital	Risk level⁵ 6 - High
Objective Targets absolute returns with an annualised return objective of 5% above the RBA Cash Rate (before fees and tax) over rolling five year periods.	Investment approach Seeks to provide a return profile that has a low correlation (i.e. low relationship) with traditional asset class returns. Aims to generate positive returns in all market environments by reducing the majority of market risk and focusing primarily on capital preservation and out performance. The manager uses a relative value and a special situations strategy. Derivatives will be used to, amongst other things, leverage the portfolio and achieve a short position.	Investment guidelines Cash 0-100% Australian shares 0-100% International shares 0-20%
Suggested minimum length of investment 7 Years		

Diversified options**Vanguard Conservative Index Fund**

Sector Diversified - conservative	Investment manager Vanguard Investments	Risk level⁵ 2 - Low
Objective The fund seeks to track the weighted average return of the various indices of the underlying funds in which the fund invests in proportion to the strategic asset allocation for the fund, before taking into account fees, expenses and tax.	Investment approach The fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The fund is biased towards income assets, and is designed for investors with a low tolerance for risk. The fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.	Investment guidelines Cash 8-12% Australian fixed interest 16-20% International fixed interest 40-44% Australian shares 10-14% International shares 10-26%
Suggested minimum length of investment 3 Years		

MLC Horizon 2 Income Portfolio

Sector Diversified - conservative	Investment manager MLC Investments Limited	Risk level⁵ 3 - Low to Medium
Objective Aims to outperform the benchmark, before fees and tax, over 3 year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high.	Investment approach The benchmark asset allocation has a strong bias to defensive assets and some exposure to growth assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Investment guidelines Cash 0-25% Fixed interest 30-75% Australian shares 0-25% International shares 0-25% Property 0-15% Defensive alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 3 years		

Perpetual Wholesale Conservative Growth Fund

Sector Diversified - conservative	Investment manager Perpetual Investments	Risk level⁵ 3 - Low to Medium
Objective Aims to provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash, enhanced cash and fixed income securities, to outperform CPI + 3.5% p.a. (before fees and taxes) over at least two-year periods and to outperform a composite benchmark (before fees and taxes) reflecting its allocation to the various asset types over rolling three-year periods.	Investment approach Invests in a diverse mix of growth, defensive and other assets, with a focus on cash, enhanced cash and fixed income securities. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.	Investment guidelines Cash and cash enhanced 5-55% Fixed interest 15-65% ⁶ Australian shares 0-25% ⁷ International shares 0-20% ⁷ Property 0-10% Other 0-30% ⁸
Suggested minimum length of investment 3 Years		

Dimensional World Allocation 50/50 Trust

Sector Diversified – balanced	Investment manager DFA Australia	Risk level⁵ 5 - Medium to High
Objective To provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities. Will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.	Investment approach Normally, the manager will gain some or all of its exposure by investing in other funds managed by it that invest in equity, real estate and fixed interest securities.	Investment guidelines Cash 0-10% Fixed interest 35-55% Australian shares 8-28% International shares 15-43.5% Property 0-8.5%
Suggested minimum length of investment 4 Years		

MLC Horizon 3 Conservative Growth Portfolio

Sector Diversified - balanced	Investment manager MLC Investments Limited	Risk level⁵ 4 - Medium
Objective Aims to outperform the benchmark, before fees and tax, over 3 year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high.	Investment approach The benchmark asset allocation has an approximately equal exposure to growth and defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Investment guidelines Cash 0-20% Fixed interest 20-60% Australian shares 10-35% International shares 5-35% Property 0-15% Defensive alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 4 years		

Vanguard Balanced Index Fund

Sector Diversified - balanced	Investment manager Vanguard Investments	Risk level⁵ 5 - Medium to High
Objective The fund seeks to track the weighted average return of the various indices of the underlying funds in which the Fund invests in proportion to the strategic asset allocation for the fund, before taking into account fees, expenses and tax.	Investment approach The fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The fund is designed for investors seeking a balance between income and capital growth. The fund targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes.	Investment guidelines Cash 0% Australian fixed interest 13-17% International fixed interest 33-37% Australian shares 18-22% International shares 22-38%
Suggested minimum length of investment 3 years		

AMP Capital Dynamic Markets Fund

Sector Diversified - dynamic allocation	Investment manager AMP Capital	Risk level⁵ 5 - Medium to High
Objective Aims to provide a total return (income and capital growth), before costs and before tax, of 4.5% p.a. above inflation (the RBA inflation rate (Consumer Price Index) - trimmed mean), on a rolling five- year basis.	Investment approach The fund has the flexibility to change the asset class mix at any time within broad ranges, and rebalance the fund's asset allocation mix across a range of asset classes in order to take advantage of opportunities arising from market mispricing.	Investment guidelines Cash 0-50% Fixed interest 10-100% Australian shares 0-50% International shares 0-50% Property 0-25% Other 0-50%
Suggested minimum length of investment 5 Years		

Vanguard Growth Index Fund

Sector Diversified - growth	Investment manager Vanguard Investments	Risk level⁵ 6 - High
Objective The fund seeks to track the weighted average return of the various indices of the underlying funds in which the fund invests in proportion to the strategic asset allocation for the fund, before taking into account fees, expenses and tax.	Investment approach The fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The fund is biased towards growth assets, and is designed for investors seeking long-term capital growth. The fund targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.	Investment guidelines Cash 0% Australian fixed interest 7-11% International fixed interest 19-23% Australian shares 26-30% International shares 34-50%
Suggested minimum length of investment 7 Years		

Perpetual Wholesale Balanced Growth Fund

Sector Diversified - growth	Investment manager Perpetual Investments	Risk level⁵ 6 - High
Objective Aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments, to outperform CPI + 5% pa (before fees and taxes) over at least five-year periods and to outperform a composite benchmark (before fees and tax) reflecting its allocation to the various asset types over rolling three- year periods.	Investment approach Invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the investment guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Exposure to foreign currency will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.	Investment guidelines Cash and enhanced cash 0-30% Fixed interest 0-45% ⁶ Australian shares 10-50% ⁷ International shares 10-50% ⁷ Property 0-15% Other 0-30% ⁸
Suggested minimum length of investment 5 Years		

MLC Horizon 4 Balanced Portfolio

Sector Diversified - growth	Investment manager MLC Investments Limited	Risk level⁵ 6 - High
Objective Aims to provide a return higher than its internal benchmark (before fees and tax) over 4 year periods. The manager aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.	Investment approach The fund has a strong bias to growth assets and some exposure to defensive assets. The manager actively manages the allocations to these assets within defined ranges, in accordance with its changing view of risk and opportunities in investment markets. The fund is broadly diversified across asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas.	Investment guidelines Cash 0-15% Fixed interest 5-40% Australian shares 20-45% International shares 10-40% Property 0-15% Diversified alternatives 0-15% Growth alternatives 0-15%
Suggested minimum length of investment 5 Years		

Dimensional World Allocation 70/30 Trust

Sector Diversified - growth	Investment manager DFA Australia	Risk level⁵ 6 - High
Objective To provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities. Will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.	Investment approach Normally, the manager will gain some or all of its exposure by investing in other funds managed by it that invest in equity, real estate and fixed interest securities.	Investment guidelines Cash 0-10% Fixed interest 15-35% Australian shares 15-35% International shares 25-55% Property 0-10%
Suggested minimum length of investment 5 Years		

Russell Investments Balanced Fund

Sector Diversified - growth	Investment manager Russell Investment Management Ltd	Risk level⁵ 6 - High
Objective To outperform (before fees and tax) an internal benchmark comprising the weighted combination of relevant market indexes.	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.	Investment guidelines Cash 0-20% Fixed interest 0-40% Australian shares 0-60% International shares 0-40% Property 0-20% Other 0-20%
Suggested minimum length of investment 5 Years		

Pendal Sustainable Balanced Fund

Sector Diversified – growth ESG	Investment manager Pendal Institutional Limited	Risk level⁵ 6 - High
Objective The fund aims to provide a return (before fees, expenses and tax) that exceeds the fund's benchmark over the medium to long term.	Investment approach This fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The manager actively seeks exposure to securities and industries that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while excluding companies not meeting the investable criteria.	Investment guidelines Cash 0-10% Australian fixed interest 5-32% International fixed interest 0-20% Australian shares 28-48% Australian property 0-10% International property 0-10% International shares 12-32% Alternatives 0-20%
Suggested minimum length of investment 5 Years		

MLC Horizon 6 Share Portfolio

Sector Diversified – high growth	Investment manager MLC Investments Limited	Risk level⁵ 6 - High
Objective Aims to outperform the benchmark, before fees and tax, over 5 year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high.	Investment approach The benchmark asset allocation is invested in growth assets with minimal exposure to defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.	Investment guidelines Cash 0-5% Australian shares 30-55% International shares 30-60% Property 0-15% Defensive alternatives 0-7% Growth alternatives 0-15%
Suggested minimum length of investment 6 years		

Vanguard High Growth Index Fund

Sector Diversified – high growth	Investment manager Vanguard Investments	Risk level⁵ 6 - High
Objective The fund seeks to track the weighted average return of the various indices of the underlying funds in which the fund invests in proportion to the strategic asset allocation for the fund, before taking into account fees, expenses and tax.	Investment approach The fund provides low-cost access to a range of sector funds, offering broad diversification across multiple asset classes. The fund invests mainly in growth assets, and is designed for investors with a high tolerance for risk who are seeking long-term capital growth. The fund targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.	Investment guidelines Cash 0% Australian fixed interest 1-5% International fixed interest 5-9% Australian shares 34-38% International shares 46-62%
Suggested minimum length of investment 7 years		

1. 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.
2. Maximum aggregate exposure to high yield assets will not exceed 50%.
3. The gearing level is the fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowings. If the fund's gearing level exceeds 60% (due to withdrawals or negative market movements), the manager will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the fund's assets.
4. Includes cash equivalents, including cash funds managed by Perpetual or other approved investments.
5. Other than the Russell Investments Balanced Fund, the risk level has been provided by the investment managers and is based on the Standard Risk Measure which allows investors to compare investment options (refer page 59 for more information about the risks of investing).
6. This fund may invest in fixed income funds that allow gearing.
7. The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the fund invests in the Perpetual Wholesale Australian Share Fund, that underlying fund invests primarily in shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange. The investment guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
8. The manager may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may help reduce volatility.

Investment risk

Risk level

The risk level is represented by the Standard Risk Measure (SRM), which is based on industry guidance to allow you to compare investments that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM is not a complete assessment of all forms of investment risk and does not take into account the impact of fees on the likelihood of a negative return.

You should ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

Specific risks of investing

Risk is often defined as the likelihood that an investment will fluctuate in value. Generally the higher the potential return of an investment, the greater the risk of loss. It is important to understand that all investments involve varying degrees of risk.

There are many factors beyond the control of investors that may affect investment returns. The following is a summary of the main risks that can impact your investment.

Market risk

Markets are affected by a host of factors, including economic and regulatory conditions, market sentiment, political events, and environmental and technology issues. These could have a negative effect on the returns of all investments in that market. This may affect investments differently at various times.

Interest rate risk

Changes in interest rates can have a negative impact, either directly or indirectly, on investment value or returns on all types of assets.

Currency risk

If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns.

Credit risk

There is always a risk of loss arising from a debtor or other party to a contract failing to meet its obligations. This potentially arises with various securities including derivatives, fixed interest and mortgage securities.

Liquidity risk

Liquidity risk is the risk that an investment may not be easily converted into cash with little, or no loss of capital and minimum delay because of either inadequate market depth or disruptions in the marketplace.

Derivatives and gearing risk

Some investment options may use derivatives and gearing directly or indirectly. The use of derivatives (which may be used to reduce risks and buy investments more effectively) may reduce potential losses and may also reduce potential profits. The use of gearing (borrowing) will magnify the volatility of investment returns.

Investment manager risk

This is the risk that the underlying investment managers and investment options may not perform as expected. We regularly review the performance of the underlying investment managers as well as conduct extensive research on new investment options that may be made available.

Short selling risk

Some underlying investment managers may use short selling as part of their investment strategy or as a risk management tool. Where permitted, a short position can be created when the investment option sells a 'borrowed' security before buying it back on the open market in order to return it to the securities lender. If the market price of the security falls in value, a profit is made, because it is bought back for less than it was sold. If the security rises in value, a loss is made, because it is bought back for more than it was sold. Another short selling risk is that borrowed securities may be recalled by their lenders forcing the manager to re-borrow or buy the securities on unfavourable terms.

Legal and regulatory risk

Changes in domestic and foreign investment and taxation laws may adversely affect your investment.

Operational risk

This is the risk that, if Generation Life doesn't properly discharge its duties in the management of the investment bonds (i.e. the operation and administration of the investment options), this may result in a reduction in the value of your investment. We manage this risk through the implementation of corporate governance, risk management and compliance frameworks designed to mitigate operational risk. Additionally, we are supervised by the Australian Prudential Regulation Authority (APRA) and are required to provide regular reporting and meet APRA's prudential standards requirements.

Asset risk

Assets classes carry market risk. Specific risks for the main asset classes are as follows.

Shares

Shares carry the risk of falling in value, of not meeting expected dividends and other income payments or not delivering expected dividend franking credits. Shares carry the risk of individual companies faltering due to increased competition, poor management, internal operational failures or adverse market sentiment. International share investments may also carry currency risk.

Property

The major risks for property investment are a fall in property values and/or rentals default or decline. Property investments, particularly if directly held, can also be subject to liquidity risk. Individual property investments face the risk of loss of tenants, local supply and demand factors, and construction, financing and tenancy risks for new developments.

Fixed interest and mortgages

Investing in fixed interest securities or mortgages is in essence lending money to government or business at a rate of interest for a specified length of time. The major risk affecting fixed interest securities and mortgages is credit risk, where the issuer of a fixed interest security or borrower may default on the repayment of principal and/or interest. For fixed interest securities, there is also interest rate risk of investments losing value when market interest rates rise. For floating rate securities and mortgages, returns may fall when interest rates fall.

Cash

Cash investments generally include bank deposits, term deposits, very short-term fixed interest securities and other similar investments. Cash investments are the most secure, stable and predictable of the asset classes, as the underlying investments are either very short-term in nature or subject to variable interest rates making them less susceptible to capital movement when interest rates change. Cash is a very low risk investment, but also provides relatively low returns in the long-term compared to the other asset classes.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better investor services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable if you are a wholesale or professional investor. Ask us or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your investment, from the returns on your investment or from the assets of the investment options as a whole. The impact of taxes on your investment is covered on page 68.

You should read all of the information about fees and costs because it's important to understand their impact on your investment.

Type of fee or cost	Amount	How and when the fee is paid
Fees when your money moves in or out of the Fund	Establishment fee. The fee to open your investment.	Nil.
	Contribution fee. The fee on each amount contributed to your investment.	Nil.
	Withdrawal fee. The fee on each amount you take out of your investment.	Nil.
	Exit fee. The fee to close your investment.	Nil.
Management costs The fees and costs for managing your investment.	The management costs include the following: Administration fees and costs	An administration fee of up to 0.60% p.a. Fee discounts apply to balances over \$50,000 (see page 64)
	Investment fees and costs	The fees and costs incurred range from 0.10% p.a. to 1.42% p.a. The estimated cost for each specific investment option is shown on page 62.
Service fees	Switching fee¹ The fee for changing investment options.	Nil.

¹ You may incur a transaction cost (buy/sell spread) which is included in the entry and exit price of the applicable investment option you choose. For more information on transaction costs, please refer to the 'Additional explanation of fees and costs' section on page 63.

Management costs for each investment option

This table provides the current management costs for all investment options.

Investment option	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.)
AMP Capital Dynamic Markets Fund	0.48%	0.60%	1.08%
AMP Capital Global Property Securities Fund	0.97%	0.60%	1.57%
Bennelong Concentrated Australian Equities Fund ²	0.85%	0.60%	1.45%
Dimensional Global Small Company Trust	0.66%	0.60%	1.26%
Dimensional World Allocation 50/50 Trust	0.42%	0.40%	0.82%
Dimensional World Allocation 70/30 Trust	0.44%	0.40%	0.84%
Ellerston Australian Market Neutral Fund ²	1.75%	0.60%	2.35%
EQT Wholesale Mortgage Income Fund	0.81%	0.60%	1.41%
Generation Life Tax Effective Australian Share Fund	0.65%	0.50%	1.15%
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 ²	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%
Legg Mason Martin Currie Emerging Markets Fund	1.00%	0.60%	1.60%
Legg Mason Martin Currie Real Income Fund	0.85%	0.60%	1.45%
Macquarie Treasury Fund	0.44%	0.20%	0.64%
Magellan Global Fund ²	1.55%	0.60%	2.15%
Magellan Infrastructure Fund ²	1.32%	0.60%	1.92%
MFS Concentrated Global Equity Trust	0.90%	0.60%	1.50%
MLC Horizon 2 Income Portfolio	0.75%	0.60%	1.35%
MLC Horizon 3 Conservative Growth Portfolio	0.80%	0.60%	1.40%
MLC Horizon 4 Balanced Growth Portfolio	0.85%	0.60%	1.45%
MLC Horizon 6 Share Portfolio	0.95%	0.60%	1.55%
MLC Wholesale IncomeBuilder™	0.72%	0.60%	1.32%
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%
Pendal Sustainable Australian Share Fund	0.85%	0.60%	1.45%
Pendal Sustainable Balanced Fund	0.90%	0.60%	1.50%
Perpetual Wholesale Australian Share Fund	1.01%	0.60%	1.61%
Perpetual Wholesale Balanced Growth Fund	1.10%	0.60%	1.70%
Perpetual Wholesale Conservative Growth Fund	0.96%	0.60%	1.56%
Perpetual Wholesale Ethical SRI Fund	1.18%	0.60%	1.78%
Perpetual Wholesale Geared Australian Share Fund ²	1.17%	0.60%	1.77%
Perpetual Wholesale Industrial Share Fund	1.00%	0.60%	1.60%
Perpetual Wholesale International Share Fund	1.24%	0.60%	1.84%
PIMCO Wholesale Australian Bond Fund	0.50%	0.60%	1.10%
PIMCO Wholesale Global Bond Fund	0.49%	0.60%	1.09%
Russell Investments Balanced Fund	0.79%	0.60%	1.39%
Schroder Absolute Return Income Fund	0.54%	0.60%	1.14%
Vanguard Balanced Index Fund	0.29%	0.40%	0.69%
Vanguard Conservative Index Fund	0.29%	0.40%	0.69%
Vanguard Growth Index Fund	0.29%	0.40%	0.69%
Vanguard High Growth Index Fund	0.29%	0.40%	0.69%

¹ Investment management costs include investment manager's fees, estimated performance fees, estimated investment expense recoveries and other indirect investment costs as a percentage of the total average assets of the investment option as at 30 June 2018, but excludes indirect transaction and operational costs (see page 65).

² The investment manager may charge performance based fees please refer to the 'Additional explanation of fees and costs' section on page 63.

Additional explanation of fees and costs

Management costs

Management costs include our administration fee and the investment management costs associated with the assets of the investment options. The investment management costs are the estimated investment fees and costs charged by the investment managers or incurred in managing the investment assets for an investment option. These fees and costs are either deducted by the underlying investment manager at their respective underlying fund level or incurred directly by the investment option. These fees and costs are incorporated into the unit price for the investment option.

Any performance fees and other costs charged or incurred by the investment managers are included in the total investment fees and costs (see Performance fees below).

Our administration fee is deducted directly from the investment option before unit prices are declared and not from your investment directly. They do not include fees or costs deducted from your investment (such as adviser service fees), buy/sell spreads and other indirect transactional and operational costs (refer to page 65). The investment management cost for each investment option is shown in the table above.

Performance fees

For some investment options, the investment management fee may include performance fees payable to or incurred by them. These fees are earned if the investment manager's performance exceeds their specified benchmark or hurdle return rates.

Performance fees are calculated by the investment manager and included in either the value of the portfolio of the investment option or deducted directly from the value of the investment option. The amount of any performance fee payable will vary depending on the performance of the investment manager. It is therefore not possible to predict or estimate the future performance fee that may be incurred (if any).

Example of annual fees and costs

This table gives an example of how the fees and costs for the Vanguard Growth Index Fund investment option can affect your investment value over a one year period. You can use this table to compare this product with other investment products.

Vanguard Growth Index Fund Option		Investment balance of \$50,000 with total contributions of \$5,000 at end of the year
Contribution fees	Nil	Nil on your \$5,000 contribution made during the year.
Plus Total management costs	0.69% p.a.	And, for every \$50,000 you have invested in the Vanguard Growth Index Fund, you will be charged \$345 each year
Equals Cost of investment option ¹		If you had an investment of \$50,000 at the beginning of the year and you contribute an additional \$5,000 at the end of that year, you will be charged fees of \$345.

¹ Investment transaction and operational costs would also apply. The buy spread incurred on the \$5,000 additional contribution for the investment option in the example above would be \$6.00. The impact of indirect transaction and operational costs would be \$130 p.a. (\$50,000 x 0.26% p.a.).

Administration fee discount

You may be entitled to a lower discounted administration fee on a new investment bond established under this PDS. The level of the administration fee discount will depend on the investment value of the investment bonds held and the investment options you have invested in. The fee discount is applied on the progressive balance of eligible investments.

The following administration fee scale (after discount) applies.

Balance of eligible investment options ¹	Administration fee (after discount) ¹
First \$50,000	Standard administration fee for each eligible investment option – no discount (refer to page 62)
Next \$450,000	0.45% p.a.
Next \$2,000,000	0.30% p.a.
Next \$7,500,000	0.15% p.a.
Balance over \$10,000,000	Nil – full discount

¹ The Macquarie Treasury Fund, Generation Life Term Deposit Fund and Mutual ADI/Bank Securities are not eligible investment options for the purpose of calculating the investment balance and are not eligible for an administration fee discount.

Where an eligible investment option's standard administration fee is lower than the discounted administration fee applicable to the investment balance, the lower administration fee will apply. For example, for the Vanguard Growth Index Fund a fee of 0.40% p.a. will apply to that investment option on account balances up to \$500,000, with the discounted rate applying where the account balance is in excess of \$500,000.

Calculation of the fee discount amount

The reduced fee applies only to eligible new investment bonds established under this PDS. The fee is calculated at the end of each month using the average investment balance of eligible investments for the month. We have the discretion to determine the average investment balance and our calculation is final.

How the discount will be applied

The reduced administration fee will be applied as a rebate to your fees. This rebate will be credited to your investment(s) in the form of additional units normally in the following month.

Units are allocated using the unit price applicable on the day the transaction is processed. Any applicable buy/ sell spread costs incurred from reinvesting the rebate are deducted from your investment.

If you have more than one investment, (e.g. you hold a ChildBuilder and LifeBuilder investment) the total rebate will be allocated proportionally across each investment. If you are invested into more than one investment option, the rebate is allocated proportionally across each investment option.

In the event of a full withdrawal, your withdrawal will only include a rebate calculated to the end of the month prior to the withdrawal. No discount applies if you make a full withdrawal within the cooling off period. We may (at our discretion) refuse to apply the administration fee discount.

Example of administration fee discount calculation

Assuming the following investment options are held:

Generation Life Term Deposit Fund	\$100,000 ²
Generation Life Tax Effective Australian Share Fund	\$600,000
Total eligible investment balance	\$600,000

The ongoing fee on the eligible investment options is calculated as follows:

\$0 - \$50,000	\$300
\$50,000 x 0.60% p.a.	
\$50,001 - \$500,000	\$2,025
\$450,000 x 0.45% p.a.	
\$500,001 - \$2,500,000	\$300
\$100,000 x 0.30% p.a.	
Total annual administration fees on eligible investment (after discount)	\$2,625

² The fee discount does not apply to this investment option with the administration fee calculated separately based on its administration fee (refer to page 62). This example assumes the investment balance is maintained over a 12 month period.

Transaction and operational costs

Each investment option may incur transactional and operational costs. Transactional and operational costs include brokerage, trading costs, settlement costs, clearing costs, any applicable stamp duty when the underlying investments are bought or sold and other indirect costs we determine.

For most investment options, there is a difference between the unit price used to issue and redeem units and the value of the investment option's assets. This difference is commonly called the buy/sell spread.

When you invest, switch or withdraw all or part of your investment in an investment option, we use the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. We use the buy/sell spread to allocate transaction costs to the transacting investor rather than other investors in the investment option.

An investment option's buy/sell spread reflects the estimated transaction costs the investment option will incur as a result of an individual investor's transactions. The estimated buy/sell spread that applies to each investment option is shown in the Additional Information Booklet.

The buy/sell spread is an additional cost included in the unit price of each investment option. The actual buy/sell spread is subject to change from time to time depending on changes to the composition of the investment option's assets. The buy/sell spreads can be altered without prior notice to you.

Transaction and operational costs incurred, other than in connection with applications and withdrawals as a result of day-to-day trading, operational activities and other indirect costs, are reflected in the investment option's unit price. These costs vary depending on the investment option and currently range between 0.11% p.a. and 0.89% p.a. Further information about indirect transaction and operational costs as they impact each individual investment option, can be found in the Additional Information Booklet.

Miscellaneous costs

If we incur a fee because a cheque or direct debit for your investment is dishonoured by your financial institution, the amount will be charged to your investment.

Offsetting transactions

If we effect an investment transaction without buying or selling the relevant asset (for example, by netting transactions of different investors) we are entitled to retain as a benefit the amount that would otherwise have been payable if the netting or offsetting had not occurred. The relevant costs for the transaction would apply as if the transaction had taken place without netting or offsetting.

Increases or alterations to the fees

Changes to Generation Life fees

We may vary the fees within the limits prescribed in the investment bond's product rules (refer to page 77). If the variation is an increase in a fee or charge, we will give you at least three (3) months' prior written notice. The product rules provide for the following maximum fees to be paid (fees are inclusive of the net effect of GST):

- a maximum contribution fee of 5%
- a maximum administration fee charged to an investment option of 3% p.a.
- a maximum switching fee of 5% of the value of the investment switched.

These maximums can only be changed with investor approval.

Changes to underlying fund manager fees and costs

Changes to the fees and costs associated with the underlying fund managers may change without notice.

Other taxes and stamp duty

All fees, charges and financial adviser remuneration shown, are inclusive of the impact of GST (where applicable) and less any reduced inputs tax credits (for GST purposes) available, except where otherwise indicated. Contributions into or withdrawals from your investment do not create a GST liability for you. We may incur expenses which may attract a GST liability.

Stamp duty may be payable in some Australian States based on the initial investment amount for the establishment of the investment bond. It is not payable on additional contributions including Regular Savings Plan contributions. For example, New South Wales stamp duty on a \$50,000 initial contribution would be \$49.

On initial contributions of up to \$50,000 we will pay the duty applicable. For initial contributions above \$50,000, we will deduct the stamp duty amount payable from your initial contribution. We will advise you of any applicable stamp duty cost incurred in your confirmation statement.

What can be paid to your financial adviser?

All fees paid to your financial adviser are negotiable between you and your financial adviser. You can change the fees or set up a new arrangement at any time.

Initial advice fee

You can agree with your financial adviser to pay an initial advice fee for the advice and services your financial adviser provides.

If you elect to pay your financial adviser an agreed fee from your initial contribution and/or future or ongoing contributions, the fee will be deducted from your contributions before investment and paid directly to your financial adviser.

The initial advice fee can be charged as:

- a percentage of your contribution value, or
- a set dollar amount.

You can nominate any fee agreed between you and your financial adviser in the Application Form.

Adviser service fee

You can also agree with your financial adviser to have an adviser service fee, for ongoing advice and services received relating to your investment, paid directly from your investment on a monthly basis (in arrears).

The adviser service fee can be charged as:

- a percentage of your investment bond's value, or
- a set dollar amount.

The adviser service fee is normally deducted from your investment on the 10th of each month or this date fall on a non-Melbourne business day, the next Melbourne business day. If you have more than one investment option, the fee will be deducted proportionately across the investment options. We may refuse to deduct the adviser service fee at our discretion or if required by law.

You can nominate any fee agreed between you and your financial adviser in the Application Form.

Alternative remuneration

Subject to the law, we may provide remuneration to financial advisers by paying them additional amounts and/or non-monetary benefits. If these amounts or benefits are provided, they are payable out of the fees we receive and are not an additional cost to you.

Differential fee arrangements

We may at our discretion enter into arrangements or individually negotiate our fees with certain investors (or financial advisers acting on their behalf), including 'sophisticated' and 'professional' investors (within the meaning of the Corporations Act), with our employees (and those of our related entities) or with large investors or other investors as permitted by the law. If we do this, lesser fees can be charged or fees can be rebated or waived in full or part.

Tax and social security

LifeBuilder and ChildBuilder

Tax on investment earnings

Generation Life investment bonds are tax paid investments. That is, Generation Life pays the tax on the earnings at the current tax rate of 30%. The actual effective rate impacting your investment may be lower as a result of franking credits and tax offsets passed from the underlying investment options as well as certain tax deductions available to us.

Death, financial hardship or serious illness

If the nominated life insured dies or suffers an accident, other disability or serious illness before the 10 year period, then no part of the proceeds is assessable and will be paid as a tax-free distribution. Similarly, in the event of an unforeseen serious financial hardship being experienced by the investor within the 10 year period, then the benefits paid will also not be assessable and will be paid tax-free to the investor.

Transfer of ownership

Transfer of ownership of a LifeBuilder investment bond and the vesting (in effect a transfer) of a ChildBuilder to a child occurs without personal tax or capital gains tax implications. The 10-year advantage period is also maintained and not re-set as a result of the transfer.

FuneralBond

The FuneralBond's investment earnings are tax paid at up to 30% by us. This means that you will not have to include anything in your annual tax return.

If you do not transfer your FuneralBond to a funeral director the funeral benefit will be paid to your estate. The FuneralBond's earnings component (being the difference between the end value and your net contributions) will then be assessable income in the hands of your estate.

If you transfer your FuneralBond to a funeral director (as part of a pre-paid funeral arrangement) then the benefit paid on your death will need to be included as assessable income in the hands of the funeral director.

The transfer of a FuneralBond to a funeral director occurs without personal tax or capital gains tax implications.

Goods and Services Tax (GST)

GST is not payable on contributions, investment earnings, withdrawals or switching transactions.

In the event of any change in tax laws or their interpretation which affects the rate of GST payable or the reduced input tax credit levels that we may receive, the amounts deducted from your investment in respect of applicable fees and costs may be varied or adjusted to reflect these changes without your consent or further notice to you.

Tax file numbers

Under current laws there is no requirement to provide a Tax File Number ('TFN') or Australian Business Number ('ABN') to invest in the bonds.

Tax information

The tax information contained in this PDS sets out our general understanding of relevant and current tax laws as at the date of this document. Those tax laws and their interpretation could change in the future. The tax information contained in this PDS generally applies to individual investors that are Australian tax residents. If you are investing as a company or trust or you are a non-resident investor, you should seek your own tax advice.

Our reporting obligations

We are required to identify tax residents of countries other than Australia in order to meet account information reporting requirements under Australian and international laws.

If at any time after investing, information in our possession suggests that you may be a tax resident of a country other than Australia or you are an investing entity's controlling person or key beneficial owner, you may be contacted to provide further information on your foreign tax status and/or the foreign tax status of the entity and/or any controlling person/beneficial owner. Failure to respond may lead to certain reporting requirements applying to the investment.

A controlling person/beneficial owner refers to the individual(s) that directly or indirectly owns a legal interest in the entity of 25% or more and/or exercises actual effective control over the entity, whether from an economic or other perspective, such as through voting rights.

In addition, in the case of a trust, a controlling person/beneficial owner includes the settlor(s), trustee(s), appointer(s), beneficiary(ies) or classes of beneficiaries and in the case of an entity other than a trust, the term includes persons in equivalent or similar positions.

By completing the Application Form, you certify that if at any time there is a change to the foreign tax status details for you, the entity and/or any controlling persons/beneficial owner, you will inform us. You also certify that if at any time there is a change of a controlling person or beneficial owner in your entity, you will inform us.

Changes in residency

If you change from being a non-resident to an Australian tax resident or vice versa, it is important that you notify us immediately.

Social security

Owning a LifeBuilder, ChildBuilder or FuneralBond investment may affect entitlements to means tested Government benefits received from Centrelink or the Department of Veterans Affairs. LifeBuilder and ChildBuilder investments are treated as 'financial assets', will count as an asset under the assets test, and are deemed to earn income under the income test.

For FuneralBond investments, assets and income test exemptions may apply.

You should consult with your financial adviser, Centrelink or the Department of Veterans Affairs on the pension implications of investing in an investment bond.

Withholding tax

Earnings from an investment bond are not subject to Australian resident withholding tax or foreign resident capital gains tax withholding rules. Non-resident withholding tax does not generally apply to earnings, investment growth or withdrawal amounts. Non-resident investors should seek their own professional advice on tax implications in their country of residence.

Additional information

Progressive investing (dollar cost averaging) facility

By using the progressive investing facility you are authorising us to switch a portion of the amount contributed from the Macquarie Treasury Fund option or other cash investment option used for this purpose (as determined by us) to another selected investment option(s) at regular intervals. Any earnings generated in the cash investment option will be maintained in that investment option.

The first switch instalment will occur at the time of your contribution, with subsequent switches to commence in the following month. Switches will normally occur on the 24th of each month or the next Melbourne business day. Your progressive investing facility will continue until your contribution has been fully invested or if you cancel it.

Auto-rebalancing facility

Auto-rebalancing will be subject to the normal minimum investment or switching requirements that apply.

Although there are no fees associated with using the Auto-rebalancing facility, it will withdraw you from one investment option and invest into another, so buy/ sell spreads will apply. Please refer to the 'Transaction and operational costs' section on page 65 for further details on buy/sell spreads.

We will immediately stop your Auto-rebalancing facility if:

- you tell us to invest an additional investment and select a different investment option weighting
- you change your future investment selection to a different investment option weighting
- you make a withdrawal in different proportions to your selected investment option weightings

- you switch all or part of your investment balance between investment options
- an investment option you hold becomes suspended, restricted or unavailable.

If your Auto-rebalancing facility is cancelled, generally you can re- institute it and select new investment option weightings. The rebalancing will then exclude your investments in any suspended, restricted or unavailable investment option(s).

We will notify you of your new selected investment option weightings for your Auto-rebalancing facility (and your future investment selection) or if your Auto-rebalancing facility has been cancelled.

Regular Withdrawal Facility

If you use the Regular Withdrawal Facility, the proceeds of your regular withdrawal will:

- only be deposited into your nominated Australian financial institution account
- usually be available in your nominated Australian financial institution account within seven (7) business days, given normal operating conditions.

We can cancel your Regular Withdrawal Facility relating to a selected investment option if a partial withdrawal (including Regular Withdrawal Facility withdrawal) reduces your investment balance in that investment option to less than \$500 (or another amount that we may set and advise you). The Regular Withdrawal Facility is also subject to you maintaining a minimum total investment balance of at least \$1,000.

We can terminate, suspend or impose additional conditions on the operation of your Regular Withdrawal Facility at any time with notice to you.

Processing your instructions

Where a valid application (a completed application and cleared funds received) for an initial or additional investment, switch or withdrawal request is received at our office on or prior to 12:00 noon (Melbourne time) on a business day, we will generally process your request using the unit price applying to the close of business that day. We will generally process your request using the unit price applying to the following Melbourne business day if we receive the request at our office after 12:00 noon (Melbourne time).

Transaction processing for all investment options may generally take up to seven (7) business days to be finalised, and will be dependent on obtaining up-to-date valuations for the underlying investments of the investment option you have chosen to invest in or withdraw from.

If any required documentation doesn't accompany your application monies (including required customer identification documents) we may either refuse or delay your application request for up to 30 days, after which the application monies will be returned to you.

Suspension of applications, switches and withdrawals

In certain situations impacting:

- the effective and efficient operation of a market for an asset held directly or indirectly by an investment option, or
- in circumstances where we otherwise consider it to be in investors' interests, we may suspend processing all applications, switches or withdrawals (including regular withdrawals) for that investment option. This may include (but may not be limited to) situations where:
 - we cannot properly ascertain the value of an asset held by the investment option
 - an event occurs outside of our control that results in us not being able to calculate unit prices or reasonably acquire or dispose of assets held by the investment option
 - an underlying fund or manager suspends applications, withdrawals and/or unit pricing
 - the law otherwise permits us to delay or restrict processing applications or withdrawals.

There may be delays or deferrals in processing a withdrawal, benefit payment or investment switch as a result of processing delays or deferrals imposed by the underlying investment managers in respect of their respective investment options.

Where this is the case, we may delay the processing of the withdrawal, benefit payment or investment switch until after the underlying investment manager has processed our instructions or until we have received all relevant financial information from the underlying investment manager.

We may also choose to delay processing applications, switches or withdrawals until we have received the tax components for any distributions paid by the investment managers of the underlying funds during any given financial year.

Applications, withdrawals or switching requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

Authorised Representative facility terms and conditions

You are responsible for anything that your representative does on your behalf. If someone we reasonably believe to be your representative acts on your behalf, we will treat the request as if you had personally acted.

If you instruct us to accept instructions from your authorised representative, you release us from any claims and indemnify us against all losses and liabilities arising from any payment or action we make based on instructions (even if not genuine) that we receive from your authorised representative and reasonably believe are genuine.

You also agree that neither you, nor anyone claiming through you, has any claim against Generation Life in relation to these payments or actions.

Electronic instructions

We will not be responsible for any loss or delay that results from a transmission not being received by us and will only process electronic instructions received in full and signed by authorised signatories.

Only instructions received from you or a person authorised by you will be accepted by us. You must comply with any security or verification procedures required by us from time to time. We will assume that any instruction received by electronic means in respect of your investment has been authorised by you, and we will not investigate or confirm that authority (unless we are actually aware that the instruction was not authorised).

We may refuse to act on any instruction until the validity of the instructions has been confirmed, and we will not have any liability to the investor or any other person for any consequences resulting from not acting on the instruction. If you chose to provide electronic instructions, you release our representatives and agents from any claims and indemnify us, our representatives and agents against all costs, expenses, losses, liabilities or claims arising from any payment or action we make based on instructions (even if not genuine) that we receive and reasonably believe are genuine, including as a result of gross negligence or wilful default by us, our agents or representatives.

You also agree that neither you, nor anyone claiming through you, has any claim against us, our representatives or agents in relation to acting on instructions received (authorised by you or otherwise). Please be careful. There is a risk that fraudulent requests can be made by someone who has access to your investment information.

We may vary the conditions of the service at any time by providing notice, either in writing, by email or other electronic communication. We may also suspend or cancel the service at any time without notice.

Discretions and minimums

We reserve the right to reject an application for additional investment, switch or withdrawal request at our discretion. We also reserve the right to fully withdraw your investment if your withdrawal request would cause your holding to be less than the minimum investment balance requirement.

Minimums may be varied from time to time at our discretion.

Future transfers and vesting

If you use the Future Event transfer facility with LifeBuilder, multiple transferees will be treated as joint owners with individual transferees added as joint life(s) insured to the investment. Where the intended transferee is an entity (such as a company), a life insured (other than the owner) must be nominated.

A transfer under the Future Event transfer facility will take effect on the date of registration of the transfer by us. Registration will only be possible once the future event or date has occurred. In the case of death – this is once we have received official notification of your death, and after we have verified the eligibility of the new owner(s).

Transfers under the Future Event transfer facility and vesting (in the case of ChildBuilder) will only be possible where the transferee (or nominated child in the case of ChildBuilder) is at least 10 years of age at the date of registration of the transfer or vesting date. In the event that the owner is deceased and the transferee (or nominated child) has not reached 10 years of age, the owner's estate representative will hold the investment on trust (on behalf of the child) until the child turns 10 years of age (or attains the vesting age in the case of ChildBuilder). Your estate's representative will not be able to revoke or amend your transfer request or child's nomination.

In the case of the Future Event transfer facility, if a nominated transferee dies before the nominated future transfer date, the transfer will either pass to the remaining transferees (where multiple transferees are nominated) or remain with the registered owner (where a single transferee was nominated).

Any initial and ongoing Adviser Service fees attached to the investment will be discontinued as at the date of the transfer. Any existing Regular Savings Plan or Regular Withdrawal Facility will also be discontinued.

If the transfer date is not a Melbourne business day, the transfer will be effective on the next Melbourne business day. The transfer will not be effective until the transferee has provided all required identification requirements at the time of transfer, and in the case that the transfer event is as a result of death of the investment bond owner, after we have received official notification of the death of the last surviving investment bond owner.

If the transferee (including a child under a vested ChildBuilder) chooses to make withdrawals which are less than any annual withdrawal limit condition or to defer the withdrawals for a specified period, the unused component of the annual withdrawal limit is carried forward and added to the annual withdrawal limit in the following year.

If a payment date falls on a non-Melbourne business day, the payment will be made the following Melbourne business day. Any payments made are subject to any minimums that may apply from time to time.

The new investment bond owner will not be able to transfer ownership of their investment or use the investment as security (for example as part of a loan arrangement) where restrictions have been placed on access to funds by the original (transferor) investor.

Where a restriction on future withdrawals has been included as a condition of transfer or vesting, then the original (transferor) investor may seek confirmation from us that those conditions have been met.

For LifeBuilder, by nominating a future dated event and transferee(s) you instruct us to arrange a transfer of ownership. You and the transferee(s) release us from any claims and indemnify us against all losses and liabilities arising from any payment or action we make based on instructions we have received. You also agree that neither you, nor anyone claiming through you, have any claim against Generation Life or the investment bonds in relation to these payments or actions.

Bonds Custodian Trust

Only individuals can be the primary beneficiary(ies) of a bare trust established under the Bonds Custodian Trust facility. The commencement date of your bare trust will be the date that your LifeBuilder investment is transferred to your bare trust. If you choose to set up a Bonds Custodian bare trust to hold your LifeBuilder investment you acknowledge and agree that:

- Bonds Custodian Pty Ltd ('Bonds Custodian') is the trustee of the Bonds Custodian Trust and each of the sub-bare trusts established under the Bonds Custodian Trust deed
- your Bonds Custodian bare trust (once established) will hold your LifeBuilder investment applied for under the Application Form and you consent to the transfer of your investment to Bonds Custodian in its capacity as trustee of the Bonds Custodian Trust to hold on bare trust as your property
- the transfer of your investment to the Bonds Custodian Trust does not take effect until it is registered by Generation Life
- Bonds Custodian will hold your LifeBuilder investment bond on bare trust on the terms outlined in the Bonds Custodian Trust deed
- you authorise Generation Life to act as your agent for the purpose of completing the trust nomination schedule as required under the Bonds Custodian Trust deed consistent with the instructions provided in the Application Form
- you accept and agree to the terms outlined in the Bonds Custodian Trust deed
- in the event of the LifeBuilder investment's maturity and on payment of the LifeBuilder investment's proceeds, you release Bonds Custodian and Generation Life from all further obligations and liabilities in respect of the bare trust and the LifeBuilder investment
- you agree to indemnify and keep indemnified Bonds Custodian for liabilities incurred by Bonds Custodian, in the honest, proper and reasonable discharge of its obligations and duties as a trustee and in acting in accordance with this PDS and any instructions under the bare trust application

- Bonds Custodian will not receive reports, statements or confirmations from Generation Life in respect of transactions relating to your LifeBuilder investment and that Bonds Custodian Trust has no role in respect of giving, receiving, activating or reporting to you on these matters
- if you have nominated a beneficiary(ies) under the EstatePlanner facility, your LifeBuilder proceeds will be dealt with in accordance with those instructions
- if you have not nominated a beneficiary(ies) under the EstatePlanner facility, your LifeBuilder proceeds will be dealt with and distributed by your estate representative.

Direct debit

You can authorise us in your Application Form to debit investment amounts directly from your nominated Australian financial institution account. We are unable to debit a third party account, so you must be a party to the bank account selected for direct debits. For joint investors, at least one investor must be a party to the nominated account.

We will initiate direct debit drawings automatically upon acceptance of your instruction and we will not advise you beforehand. To avoid potential dishonours by your financial institution and any associated charges, it is your responsibility to ensure that:

- direct debit is available from any account you nominate
- your selected account has sufficient funds available to meet any authorised direct debits.

Please refer to the Additional Information Booklet for details of the direct debit service agreement.

How your investment is valued

When you invest, you are allocated a number of units in each investment option you have selected. Each of these units represents an equal part of the market value of the portfolio of investments that the investment option holds. As a result, each unit has a dollar value or 'unit price'.

The unit price is calculated by taking the total market value of all of an investment option's assets on a particular day, adjusting for any liabilities, accruals and provisions (including tax provisions) and then dividing the investment option's net value by the total number of units held by all investors on that day.

Although your unit balance in an investment option will stay constant (unless there is a transaction on your account), the unit price will change, according to changes in the market value of the investment portfolio, provisions, accruals or the total number of units issued for the option.

We determine the market value of each investment option based on the most recently available information we have. We may exercise certain discretions that could affect the unit price of units on application or withdrawal in each investment option (such as determining transaction costs and buy/sell spreads). Our Unit Pricing Discretion Policy sets out the principles we follow when exercising these discretions. This policy is available free of charge by contacting us.

Refer to the Additional Information Booklet for the buy/sell spreads that apply to each investment option.

Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in our investment decisions. However, we do have an overall policy of always acting legally, acting in the best interests of investors, and dealing with parties who, to the best of our knowledge, are reputable organisations.

The investment managers may have their own policies on the extent to which labour standards, environmental, social or ethical considerations are taken into account in their investment processes.

Updating information

We may change any of the terms and conditions contained or referred to in the PDS, subject to compliance with the product rules and laws and, where a change is material, we will notify you in writing within the timeframes provided for in the relevant legislation. Information contained in this PDS which is not materially adverse information is subject to change from time to time and may be updated via our website and can be found at any time by visiting our website. A paper copy of any updated information is available free of charge on request by contacting us on 1800 806 362.

The offer made in the PDS is available only to persons receiving the PDS within Australia.

Privacy policy

We respect and uphold your rights to privacy protection and we have measures in place governing how we collect, hold, use and disclose your personal information. These matters are governed by our Privacy Policy which covers information such as:

- your name, contact details and identification information banking details
- transactions and dealings with us, or with our related entities.

Further information about our Privacy Policy is contained in the Additional Information Booklet.

Your cooling-off rights

You have rights called 'cooling-off' that allow you to cancel your initial application by written notice within 14 days (unless a longer period applies based on specific State or Territory legislation).

The cooling-off period starts the earlier of (unless specified otherwise by your State or Territory legislation):

- the date you receive your confirmation of investment from us, or
- the end of the fifth day after we formally accept your application by issuing units in your selected investment options.

If you cancel your initial application, the amount we will return to you will be adjusted for any changes in the unit prices of the investment options that you have invested in, less any reasonable transaction costs or taxes or duties that are not recoverable by us. The timing of a payment to you as a result of you exercising your cooling off rights will be subject to the availability of funds and any withdrawal rules that may apply to any investment options chosen.

In the case of the FuneralBond, some States or Territories provide for a processing fee to be deducted and payable to a funeral director (where the FuneralBond had been assigned to them) in accordance with the relevant legislation.

Cooling-off provisions do not apply to contributions made using the Regular Savings Plan, investment switches and additional investments. Please note that the cooling-off period will lapse if you transact on your investment within the cooling-off period.

Complaints resolution

You should notify us in writing if you have a complaint. We will acknowledge receipt of your complaint and aim to resolve it within 45 days. We will write to you to explain our decision and any further avenues of recourse.

We are a member of the Australian Financial Complaints Authority ('AFCA'), an independent body established to resolve complaints in the financial services industry. If we have not resolved your complaint within a reasonable time or you are not satisfied with our determination of your complaint, you can refer the matter to AFCA for resolution. Contact details for AFCA are:

Australian Financial Complaints Authority

GPO Box 3 Melbourne, Victoria 3001

www.afca.org.au

Telephone 1800 931 678

Related parties

Generation Life reserves the right to outsource any or all of its investment management and administration functions, including to related parties, without notice to investors. All related party transactions entered into will be in accordance with relevant laws and be made subject to arms length and commercial terms.

Licensing and regulation

Generation Life is a registered life insurance company under the Life Insurance Act 1995 ('Life Act') and is also an Australian financial services licence holder under the Corporations Act 2001 ('Corporations Act').

We and the investment bonds offered under this PDS are subject to regulation by the Australian Prudential Regulation Authority ('APRA') and by the Australian Securities and Investments Commission. Our operations and the operations of the investment bonds are governed by the product rules ('Product Rules'), the Life Act, and the Corporations Act.

Product Rules and security

The Product Rules govern the operation of the investment bonds and the investment options. The Product Rules have been approved by APRA. Each investment option is constituted as a separate benefit fund under the Product Rules.

Each benefit fund is held separate and distinct from the other benefit funds and the assets of Generation Life. Each benefit fund is therefore quarantined and protected from any potential adverse positions that may impact either us or any of the other benefit funds.

The Product Rules provide us with certain rights and powers, including (but not limited to):

- the types of investment and investment bonds that we can issue
- how the investment options (benefit funds) are established, valued, priced and how they operate
- how applications are made and any conditions attached, including the power to accept or not accept applications and transfer/assignment requests at our discretion
- the ability to accept or defer an application to change the vesting age under a ChildBuilder investment
- imposing conditions or restrictions on withdrawals
- determining taxation treatments, provisions and allocations to and between the benefit funds.

Any changes to the Product Rules must be approved by APRA. Please contact us to inspect a copy of the Product Rules.

Your contract with us

By us approving your investment application, you enter into a contract with us. That contract is formed when we accept your investment application. The terms of your contract with us comprise the terms and conditions contained in your investment application, the Product Rules and this PDS or any future PDS or disclosure document issued.

Investment manager benefits

Where allowed by law, we may receive certain benefits in the form of payments or rebates from underlying investment managers of the investment options. We may use these to reduce the management fees you pay or they may be retained by us in our general management fund.

Tax credits

The Product Rules provide for tax credits related to certain on-going expenses incurred by Generation Life in the management of the investment options to be passed onto the investment options.

These tax credits are those arising from expenses, including costs associated with acquiring, disposing, registering investment option assets; appointing underlying funds and ongoing investment management; bank fees and duties; taxes, rates and outgoings on investment assets and legal costs. Otherwise, depending on the nature, size and origins of the expenses giving rise to the tax credit, the benefit of all other tax credits (whatever their source) are able to be realised by us and allocated at our discretion to investment options and/or retained by us in our general management fund.

Consents

Each of the investment managers referred to in this PDS have given and not withdrawn their consent before the date of this PDS to the inclusion of the description of the investment options and the investment managers in the form and context that they have been named.

Your liability

Investors are not under any personal obligation to indemnify Generation Life (or its creditors) in respect of our liabilities in relation to the investment bonds, investment options, or the underlying investment managers.

Anti-money laundering legislation and financial crimes monitoring

We are bound by laws about the prevention of money laundering and the financing of terrorism as well as sanctions obligations, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML/CTF Laws').

As part of meeting our obligations you are required to confirm and agree to certain terms and conditions. These terms and conditions can be found in the Additional Information Booklet.

FATCA & CRS Requirements under Automatic Exchange of Information

The Foreign Account Tax Compliance Act (FACTA) attempts to minimise US income tax avoidance by US persons investing in assets outside the US, including through their investments in Foreign Financial Institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service (IRS).

The Australian Government has entered into an Inter-Governmental Agreement (IGA) with the Government of the United States of America for the reciprocal exchange of taxpayer information. Under the IGA, Financial Institutions operating in Australia report information to the Australian Taxation Office (ATO) rather than the US IRS. The ATO may then pass the information on to the US IRS.

The Common Reporting Standard (CRS) is a new information-gathering and reporting requirement for financial institutions in participating countries/jurisdictions, to help fight against tax evasion and protect the integrity of tax systems.

The CRS seeks to establish the tax residency of customers. Under the CRS, financial institutions are required to identify customers who appear to be tax resident outside of the country/jurisdiction where they hold their investments, and report certain information to the ATO. The ATO may then share that information with the tax authority where you are tax resident.

Australian Financial Institutions such as Generation Life are required to comply with both FATCA and CRS obligations.

As part of meeting our obligations you are required to confirm and agree to certain terms and conditions. These terms and conditions can be found in the Additional Information Booklet.

Contact us



GPO Box 263, Collins Street West
Melbourne VIC 8007



Investor services 1800 806 362
Adviser services 1800 333 657



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