

Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 July 2020

Performance as at 31 July 2020 ¹	1 Month (%)	3 Month (%)	6 Month (%)	12 Month (%)	Since Inception (%)
Fund net return (after fees & tax)	0.73	6.58	-10.17	-6.89	0.70
Benchmark return (before tax) ²	0.50	7.62	-14.25	-9.87	-1.21
Gross investment return (before fees & tax) ³	1.01	8.48	-13.38	-9.58	-1.08
Gross investment return (before fees & after tax) ³	1.31	8.99	-10.98	-6.50	1.73

Fund facts	
Asset class	Australian shares
Inception date	20 May 2019
Investment menu code	UF35
APIR code	ALL3779AU
Investment management cost (ICR) ⁴	0.65%p.a.
Buy/sell spread	0.25% / 0.25%
Suggested minimum investment period	5 Years
Risk level	High

Investment 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.

Notes

- Past performance is not an indicator of future performance.
- S&P/ASX 200 Accumulation Index.
- Adjusted for Investment management fees and transaction costs
- The Indirect Cost Ratio (ICR) includes the investment manager's fees, estimated performance fee (if applicable), estimated expense recoveries and other indirect costs as a percentage of total average assets of the investment option as at 9 June 2020, but excludes indirect transactions and operation costs (see latest copy of the PDS).

Performance commentary

For the one-month period ending 31 July 2020 the after fee and tax return was 0.73%.

Underweight position in Energy, and overweight positions in Consumer Discretionary and Information Technology Sectors collectively contributed +0.11% to active return.

By contrast, the underweight positions in Consumer Staples, Consumer Discretionary, Materials, and overweight positions in Financials, Industrials, Real Estate and Utilities sectors, collectively detracted -0.17% from active return.

At a stock level Fortescue Metals Group Ltd, Goodman Group and Regis Resources Ltd were the top contributors. On the other side, Overweight positions in Downer EDI Ltd, Alumina Ltd and Super Retail Group Ltd detracted from returns.

The rolling 12-month cash dividend yield of the Fund is forecast to be 3.41% versus the S&P/ASX200 Index of 3.32%

Market commentary

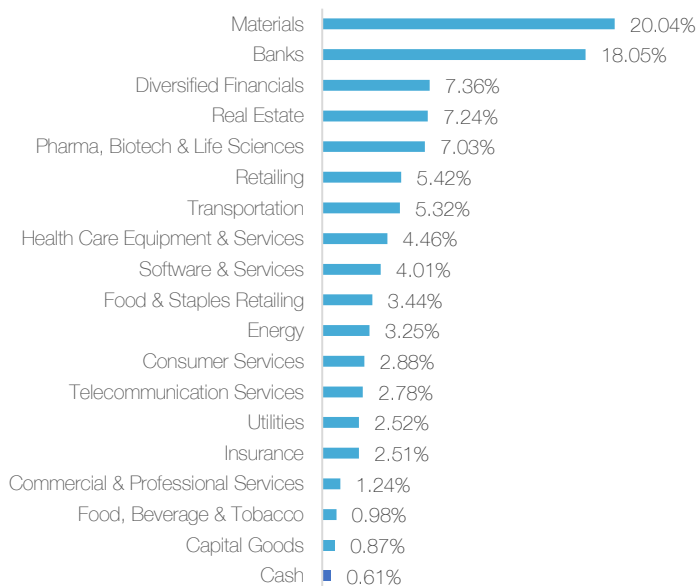
The Australian equity market, as measured by the Index, experienced a total return of +0.50% over the month. The Australian equity market started off strong in the first three days of July, posting returns of +0.61%, +1.66% and +0.43% however the remaining parts of the month saw swings in the daily movement without any days posting consecutive gains (or losses). Concerns regarding COVID-19 re-emerged with increased cases in Victoria and in many US states.

The best performing sectors for the month were Materials (+5.82%), Information Technology (+4.06%), Consumer Staples (+3.35%), Communication Services (+2.74%) and Consumer Discretionary (+2.74%), which outperformed the broader market. The worst performing sectors for the month were Energy (-6.55%), Health Care (-3.89%), Industrials (-3.69%), Financials (-1.11%), Utilities (-0.18%) and Real Estate (-0.03%), which underperformed the broader market as defined by the Index.

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Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark ² (%)
Commonwealth Bank of Australia	9.10	7.75
CSL	7.08	7.54
BHP Group	6.96	6.66
Macquarie Group	3.40	2.50
Fortescue Metals Group	3.22	1.81
Wesfarmers	3.22	3.24
Goodman Group	3.15	1.69
Rio Tinto	2.86	2.33
Transurban Group	2.49	2.32
ANZ	2.48	3.13

About the investment manager



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.

About Generation Life

As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative investment solutions for over 15 years. Today we are a leading specialist of tax effective investment solutions – we have over \$1.5 billion invested with us to date. We are a regulated life insurance company and our parent company is listed on the Australian Stock Exchange. Our investment solutions are built on simplicity, innovation and value.

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Important notice: Generation Life Limited (Generation Life) AFSL 225408 ABN 68 092 843 902 is the issuer of Investment Bonds (IB). In deciding to acquire an IB or to hold an IB (including switching between Investment Portfolio options), you should obtain the relevant PDS and consider its content. We recommend that you obtain financial, legal and taxation advice before making any investment decision, including switching Investment Portfolios. Generation Life does not guarantee (whether expressly or impliedly) investment returns or the return of capital invested when investing in IB Investment Portfolios. The information in this Adviser Reference Sheet does not take account of your objectives, financial situation or needs. Past performance is not an indicator of future performance. Performance is measured by Investment Portfolio unit price movements (after Tax and Management fees). The above-listed information is correct up to and including 31 July 2020 only.