

Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 August 2020

Performance as at 31 August 2020 ¹	1 Month (%)	3 Month (%)	6 Month (%)	12 Month (%)	Since Inception (%)
Fund net return (after fees & tax)	2.15	5.19	-2.18	-3.11	2.33
Benchmark return (before tax) ²	2.83	6.04	-4.48	-5.08	0.98
Gross investment return (before fees & tax) ³	2.62	6.48	-3.35	-4.86	0.94
Gross investment return (before fees & after tax) ³	2.70	7.01	-0.71	-1.81	3.69

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 August 2020 the after fee and tax return was 2.15%.

Communication Services, Consumer Discretionary and Consumer Staples sectors were the largest contributors to active return during the month.

By contrast, allocation in the Utilities sector was the largest detractor for the month.

At a stock level Stockland, Nine Entertainment and Harvey Norman were the top contributors. On the other side, Overweight positions in Regis Resources, AGL and Bendigo & Adelaide Bank detracted from returns.

The rolling 12-month cash dividend yield of the Fund is forecast to be 3.42% versus the S&P/ASX200 Index of 3.25%

Market commentary

As the reporting season continues for FY20, the overall results from the company announcements have been negative, with both earnings and dividend announcements down by approximately 20% and 30% respectively. Despite the negative outlook, the Australian Equity market continued its fifth consecutive month of positive gains, posting a total return of +2.83% ignoring the performance of ASX constituent announcements and the re-emergence of COVID-19 cases in Australia, in particular within Victoria which recorded triple digit cases for 29 out of the 31 days in August

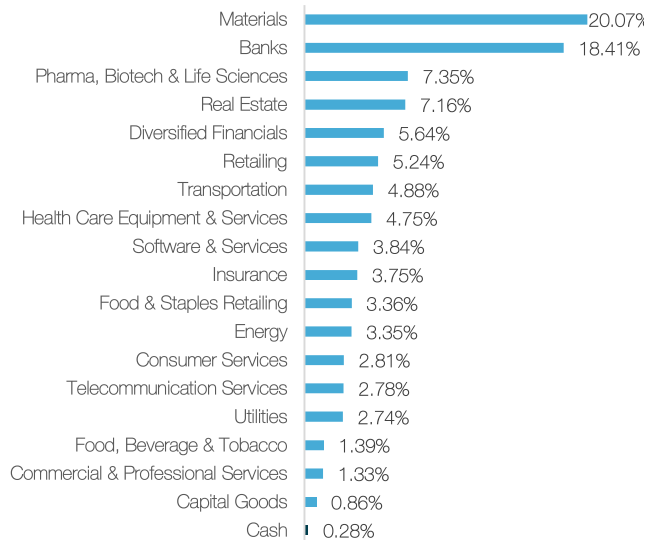
The best performing sectors for the month were Information Technology (+15.47%), Consumer Discretionary (+8.68%) and Real Estate (+7.53%) while the worst performing sectors were Utilities (-4.82%) and Communication Services (-3.77%).

Information Technology surged ahead relative to other sectors, mostly driven by Afterpay Ltd which alone contributed more than half of the Information Technology's sector return.

Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 August 2020

Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark ² (%)
Commonwealth Bank of Australia	7.74	7.25
CSL	7.38	7.79
BHP	6.54	6.70
Rio Tinto	3.36	2.18
National Australia Bank	3.27	3.44
Macquarie Group	3.11	2.53
ANZ	3.11	3.11
Goodman Group	3.02	1.79
Wesfarmers	3.01	3.23
Fortescue Metals	2.86	1.77

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.

Investor services

Phone 1800 806 362
Email enquiry@genlife.com.au

Adviser services

Phone 1800 333 657
Email advisers@genlife.com.au

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 August 2020 only.