

Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 January 2021

Performance as at 31 January 2021 ¹	1 Month (%)	3 Month (%)	6 Month (%)	12 Month (%)	Since Inception (%)
Fund net return (after fees & tax)	-0.26	9.43	9.94	-1.25	6.24
Benchmark return (before tax) ²	0.31	11.89	12.99	-3.11	6.37
Gross investment return (before fees & tax) ³	-0.31	11.30	11.75	-3.21	5.76
Gross investment return (before fees & after tax) ³	-0.19	11.53	12.38	0.04	8.24

Fund facts

Asset class	Australian shares
Tax aware level	 Optimised
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 27 October 2020, but excludes indirect transactions and operation costs (see latest copy of the PDS).

Performance commentary

For the one-month period ending 31 January 2021 the after fee and tax return was -0.26%.

Financials, Materials and Real Estate sectors were the largest contributors to active return during the month.

By contrast, allocation in the Communication Services, Consumer Staples and Industrials were the largest detractor for the month.

At a stock level Harvey Norman Holdings Ltd, Super Retail Group Ltd and Mirvac Group were the top contributors. On the other side, positions in Charter Hall Group, Woodside Petroleum Ltd and Xero Ltd detracted from returns.

The rolling 12-month cash dividend yield of the Fund is forecast to be 3.72% versus the S&P/ASX200 Index of 3.49%

Market commentary

the Consumer Discretionary sector was the best performing sector gaining 4.7% led by education firm IDP and car accessories retailer ARB. Other retailers also outperformed led by Harvey Norman, Wesfarmers, Super Retail and JB HIFI. Travel and entertainment underperformed as Flight Centre, Webjet, Star Entertainment and Sky City Entertainment all fell.

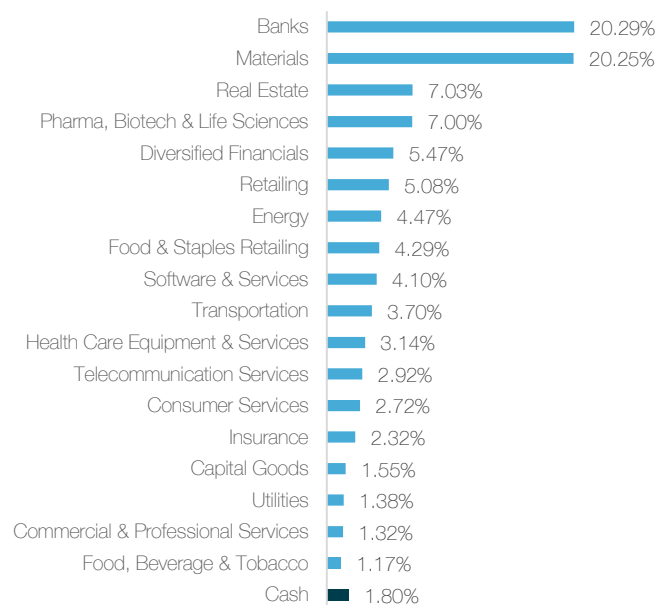
Real Estate was the worst performing sector followed by Industrials, Health Care, Materials and Utilities: all sectors delivering a negative return in January. Stockland, Unibail-Westfield and Ingenia Communities were the only real estate stock to post a positive return in January.

Mirvac and Lend Lease were the worst performers falling by 9.9% and 8.3% respectively. Travel related stocks such as Sydney Airport and Qantas were the worst performers in the Industrials sectors impacted by the emergence of new COVID cases in Melbourne in late January.

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Sector selection



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.

Top 10 holdings

Company	Fund (%)	Benchmark ² (%)
Commonwealth Bank of Australia	8.26	8.04
CSL Ltd	7.12	6.71
BHP Group Ltd	6.93	6.96
National Australia Bank Ltd	3.57	4.20
Westpac Banking Corp	3.52	4.14
Australia & New Zealand Banking	3.43	3.65
Fortescue Metals Group Ltd	2.98	1.97
Rio Tinto Ltd	2.80	2.22
Wesfarmers Ltd	2.42	3.36
Macquarie Group Ltd	2.24	2.42

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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 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 options. Generation Life does not guarantee (whether expressly or impliedly) investment returns or the return of capital invested when investing in IB investment options. The information provided does not take account of your objectives, financial situation or needs. Past performance is not an indicator of future performance. Performance is measured by unit price movements (after tax and fees). The above-listed information is correct up to and including 31 January 2021 only.