


# Generation Life Tax Effective Australian Share Fund

Fact Sheet | 28 February 2021

Performance as at 28 February 2021 <sup>1</sup>	1 Month (%)	3 Month (%)	6 Month (%)	12 Month (%)	Since Inception (%)
Fund net return (after fees & tax)	1.23	2.84	8.94	6.56	6.69
Benchmark return (before tax) <sup>2</sup>	1.45	3.00	11.47	6.48	6.94
Gross investment return (before fees & tax) <sup>3</sup>	1.30	2.58	10.30	6.60	6.26
Gross investment return (before fees & after tax) <sup>3</sup>	1.42	2.85	10.97	10.19	8.72

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) <sup>4</sup>	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

1. Past performance is not an indicator of future performance.
2. S&P/ASX 200 Accumulation Index.
3. Adjusted for Investment management fees and transaction costs
4. 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 28 February 2021 the after fee and tax return was 1.23%.

Communication Services, Materials and Industrials sectors were the largest contributors to active return during the month.

By contrast, allocation in the Real Estate, Financials and Consumer Staples were the largest detractor for the month.

At a stock level Nine Entertainment Co, Platinum Asset Management and Northern Star Resources Ltd were the top contributors. On the other side, positions in Charter Hall Group, Xero Ltd and JB Hi-Fi Ltd detracted from returns.

The rolling 12-month cash dividend yield of the Fund is forecast to be 3.95% versus the S&P/ASX200 Index of 3.68%

## Market commentary

The Australian equity market (S&P/ASX 200 Accumulation Index) rose strongly in first week of February following the re-opening of state borders and buoyed by COVID vaccine optimism. This sentiment waned as the month progressed notwithstanding a better than expected corporate reporting season. Most sectors across the Australian market fell for the month except for Materials, Financials and Energy.

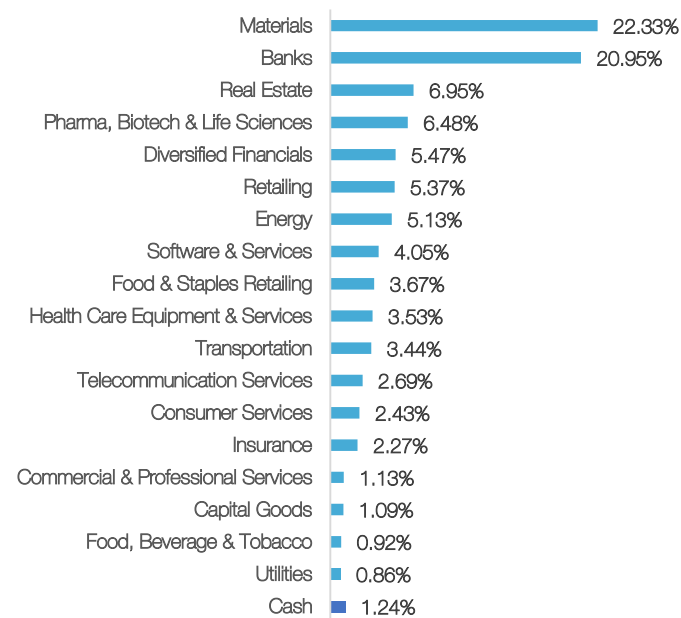
The Materials sector was the best performing sector up 7.4%, with Metals & Mining stocks leading. Sandfire Resource and Lynas Rare Earths were the two best sector performers benefiting from improved metals prices. Underpinning this strong sector performance was better than expected earnings outcomes from 2020 and positive expectations for further improvement for commodities miners in 2021.

Information Technology was the worst performing sector, down 8.9%. Afterpay was the largest stock detractor in the IT sector despite announcing half-yearly sales being up 105%. Afterpay underperformed post announcement as investors reacted negatively to the company's convertible note issue.

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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 <sup>2</sup> (%)
Commonwealth Bank of Australia	7.95	7.76
BHP Group Ltd	7.50	7.76
CSL Ltd	6.59	6.41
Westpac Banking Corp	3.89	4.61
National Australia Bank Ltd	3.88	4.35
ANZ	3.53	3.99
Fortescue Metals Group Ltd	3.32	2.15
Rio Tinto Ltd	2.95	2.53
Macquarie Group Ltd	2.26	2.60
Wesfarmers Ltd	2.10	2.99

## Investor services

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## Adviser services

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