


Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 August 2021

| Performance as at 31 August 2021 ¹ | 1 Month (%) | 3 Month (%) | 6 Month (%) | 12 Month (%) | 24 Month (%) | Since Inception (%) |
|--|-------------|-------------|-------------|--------------|--------------|---------------------|
| Fund net return (after fees & tax) | 1.46 | 4.34 | 12.21 | 22.24 | 8.83 | 10.61 |
| Benchmark return (before tax) ² | 2.50 | 5.97 | 14.96 | 28.15 | 10.31 | 11.90 |
| Gross investment return (before fees & tax) ³ | 1.52 | 5.15 | 14.52 | 26.32 | 9.63 | 11.17 |
| Gross investment return (before fees & after tax) ³ | 1.61 | 5.36 | 15.04 | 27.66 | 11.96 | 13.40 |

| Fund facts | |
|---|---|
| Sector | Australian shares |
| Tax aware level |  Tax Optimised |
| Inception date | 20 May 2019 |
| Fund code | UF35 |
| Generation Life APIR code | ALL3779AU |
| Investment management cost⁴ | 0.65%p.a. |
| Buy/sell spread | 0.25%/0.25% |
| Suggested minimum investment period | 5 Years |
| Risk level | 6 - High |

Investment objective

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 systematic quantitative rules-based approach to build a diversified portfolio by considering factors such as the quality of a company, its growth potential and its implied value relative to its price. The approach considers the tax position of each holding and incorporates additional active investment insights to take advantage of dividends, associated franking credits and other tax effective payments with the aim of delivering an enhanced after-tax return.

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. Investment management costs include investment manager's fees, estimated investment expense recoveries and other indirect investment costs as a percentage of the total average assets of the investment option based on latest available information, but excludes indirect transaction and operational costs.

Performance commentary

For the one-month period ending 31 August 2021 the after fee and tax return was 1.46%.

Consumer Discretionary, Materials and Industrials sectors were the largest contributors to active return during the month.

By contrast, allocation in Communication services, Information technology and Consumer staples were the largest detractors for the month.

At a stock level Domino's Pizza enterprise, Aristocrat leisure Ltd and Amcor PLC were the top contributors. On the other side, positions in Champion iron, Fortescue metals group and Magellan financial group detracted from returns.

The rolling 12-month cash dividend yield of the Fund is forecast to be 4.25% versus the S&P/ASX200 Index of 3.98%.

Market commentary

The Australian equity market (S&P/ASX 200 Accumulation Index) returned +2.5% over the month of August, its 11th consecutive monthly gain to reach intra month record highs. The index is now up 17% year to date. Reporting season dominated the headlines domestically, which was overall, in line with expectations.

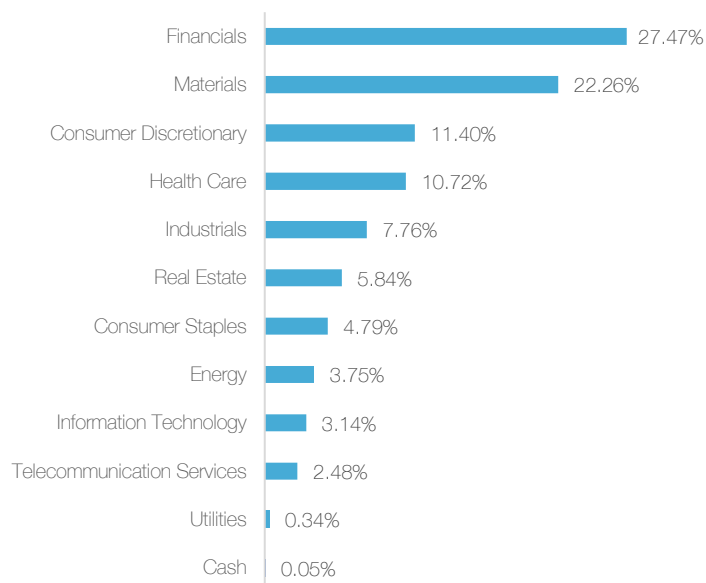
Sector wise, in Australia, the best performer was Information technology (+16.8%). Healthcare (+6.8%) and Consumer staples (+6.5%) sectors also rose

Materials (-7.5%) was the worst performing sector, following decline in Iron ore prices. Energy (-5.1%) continued its poor run after oil process declined 6.5%.

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Sector selection



Top 10 holdings

| Company | Fund (%) | Benchmark (%) ² |
|---------------------------------|----------|----------------------------|
| Commonwealth Bank of Australia | 7.69 | 8.41 |
| CSL Ltd | 6.15 | 6.72 |
| BHP Group Ltd | 6.12 | 6.36 |
| Westpac Banking Corp | 4.38 | 4.48 |
| Rio Tinto Ltd | 3.80 | 1.97 |
| National Australia Bank Ltd | 3.55 | 4.33 |
| Aristocrat Leisure Ltd | 3.42 | 1.38 |
| Australia & New Zealand Banking | 3.18 | 3.75 |
| Fortescue Metals Group Ltd | 2.65 | 1.65 |
| Woolworths Group Ltd | 2.63 | 2.51 |

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 approximately \$10 billion for institutional and retail clients across a range of domestic and global equity strategies.

About Generation Life

As the pioneer of Australia's first truly flexible investment bond, we have been at the forefront of providing innovative tax-effective investment solutions since 2004. As an innovation led business, we constantly strive to enhance our products and processes to optimise after-tax investment performance for our investors. We are a leading specialist provider of tax optimised investment and estate planning solutions – with over \$2 billion invested with us to date.

Generation Life is a regulated life insurance company and our parent company is listed on the Australian Securities Exchange. Our focus is to continue to provide Australians with market leading tax-effective investment solutions that provide a flexible investment alternative to meet both personal and financial goals.

Our investment solutions are designed to help you grow your wealth, meet your day-to-day investment needs and to help you plan for your future needs including the transfer of wealth to the next generation.

Investor services

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

Adviser services

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

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