

Generation Life Tax Effective Equity Income Fund

Wholesale Class D

Fact Sheet | 30 September 2021

Fund facts	
Asset class	Australian shares
Strategy inception date	13 July 2021
Regular payment frequency	Quarterly
APIR code	ALL1167AU
Investment management costs ¹	0.98% p.a.
Buy/sell spread	0.25%/0.25%
Suggested minimum investment period	5 years
Risk level	High

Fund statistics	
Number of holdings	45
Percentage of top 10 holdings	40.74%

Portfolio yield 12-month forecast	
Dividend yield (pre-benefit of imputation credits)	5.13%
Franked yield (including benefit of imputation credits)	6.66%

IMPORTANT: The yield forecast represents the estimated yield for the underlying portfolio before fees and tax for the next 12 months and is calculated using the weighted average of broker consensus forecasts of each portfolio holding and research conducted by Legg Mason Asset Management Australia Limited and is gross of fees and taxes. Neither the portfolio yield forecast nor past performance is a guarantee of future results.

Notes

- Based on the gross asset value of the Fund relating to Wholesale Class A investors in the Fund.
- Past performance is not an indicator of future performance.

Investment objective

The Fund provides a tax effective investment for the long term and aims to provide regular quarterly payments. The Fund seeks to generate a growing income profile by investing in a diversified portfolio of high-quality companies. The Fund's portfolio aims to generate an income yield above the S&P/ASX 200 Franking Credit Adjusted Index and to grow this income above the rate of 'inflation'.

Investment approach

The Fund is managed in a tax-aware manner to benefit from franking credits, with the aim of maximising after-tax returns through management strategies employed in the purchase and sale of securities.

The investment manager relies on complementary fundamental and quantitative research, and collective insights into the current investment landscape to identify the most attractive opportunities.

Performance (after tax and fees)²

	Performance %
1 month	0.14
3 months	2.23
6 months	6.49
1 year	-
3 years p.a.	-
5 years p.a.	-
Since inception p.a.	18.02

Regular quarterly payment history

Cents per unit payment	Cents per unit payment
30 June 2021	0.7715
30 September 2021	2.001359

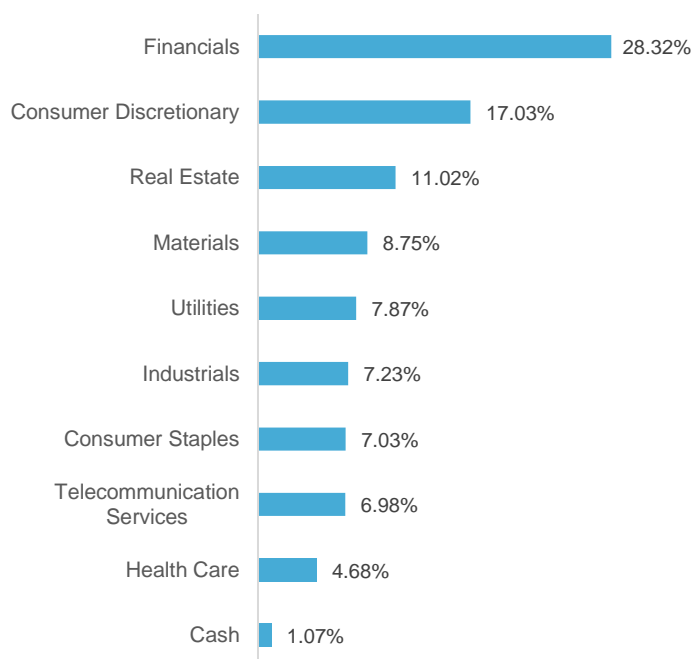
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Top 10 holdings

Company	Fund (%)
National Australia Bank limited	5.26%
Medibank private limited	4.74%
ANZ limited	4.68%
Telstra corporation	4.34%
Commonwealth Bank of Australia	4.11%
Ausnet services limited	4.05%
Harvey norman holdings limited	3.57%
Bhp billiton	3.42%
Alumina limited	3.29%
Aurizon holdings ltd	3.28%

Sector allocation



Performance commentary

For the one-month period ending 30 September 2021 the after fee and tax return was 0.14%.

At the sector level, consumer discretionary and real estate were the largest positive contributors, while non-bank financials and industrials were the biggest detractors.

At the stock level, JB Hi-Fi, GUD Holdings, and National Australia Bank were the largest positive contributors, while Medibank Private, Aurizon Holdings and Star Entertainment Group were the biggest detractors.

Market commentary

The Australian equity market fell -1.90% in September (as measured by the S&P/ASX 200 Accumulation Index), turning negative after 11 sequential months of positive returns.

At the sector level, energy was the best performer as shortages in multiple regional markets drove up gas, coal, and oil prices. Utilities and banks also rose.

Metals & mining was the weakest sector due to falling iron ore prices, which after being well above historical levels for some time, have halved over the last two months.

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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 solutions since 2004. Today we are a leading specialist provider of investment solutions – with over \$2.0 billion invested with us to date.

Generation Life is a life insurance company regulated by the Australian Prudential Regulation Authority ('APRA') and our parent company Generation Development Group Ltd has been listed on the Australian Stock Exchange (ASX:GDG) since 2007. Generation Life is responsible for the overall management of the Fund, including the administration, meeting all prudential requirements, tax management and the appointment of the investment manager.

Our focus is to continue to provide Australians with market leading tax effective investment solutions that provide a flexible investment alternative to meet their 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.

About the investment manager

We have appointed Martin Currie Australia as the investment manager of the Fund. Martin Currie Australia benefits from the resources, oversight and support of Martin Currie Investment Management, an active specialist equity investment manager headquartered in Edinburgh, Scotland. Founded in 1881, the investment manager has had a significant presence in Australia through Martin Currie Australia, dating back to 1954.

Martin Currie is now part of Franklin Resources, Inc. group operating as Franklin Templeton. Franklin Templeton acquired Legg Mason in July 2020. Franklin Resources, Inc. is a global investment management organisation operating together with its subsidiaries, as Franklin Templeton listed on the New York Stock Exchange (NYS:BEN).

Franklin Templeton's goal is to deliver better outcomes by providing global and domestic investment management to clients in over 160 countries. With employees in over 34 countries, it has over US\$1.9 trillion in assets under management as at 31 December 2020. Through specialised teams, Franklin Templeton has deep expertise across all asset classes, including equity, fixed income, alternatives and multi-asset solutions.

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