

Investment Options

LifeBuilder | ChildBuilder | FuneralBond



Outthinking today.

About this Investment Options booklet

This document forms part of the Product Disclosure Statement for the following products, referred to in this document as 'Generation Life Investment Bonds':

- Generation Life LifeBuilder
- Generation Life ChildBuilder
- Generation Life FuneralBond

A reference to 'the Product Disclosure Statement' in this document is a reference to the Product Disclosure Statement for the Generation Life Investment Bonds and all of the statements and information incorporated by reference and taken to form part of the Product Disclosure Statement (including this document and the Additional Information booklet) as described and listed in the Product Disclosure Statement for the Generation Life Investment Bonds. You should also read the Product Disclosure Statement and all statements and information incorporated by reference into the Product Disclosure Statement before making a decision about the relevant product.

The Product Disclosure Statement is issued by Generation Life Limited ('Generation Life', 'we', 'our' or 'us') ABN 68 092 843 902 AFS Licence 225408. If any part of the Investment Options booklet (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

LifeBuilder, ChildBuilder and FuneralBond are investment bonds offered through the Generation Life Benefit Funds. Generation Life is a regulated life insurance company within the meaning of the Life Insurance Act 1995.

Investments in investment bonds are subject to investment risk, including loss of income and capital invested. None of Generation Life, its parent company or any related entities promise or guarantee the performance of the investment bonds (whether express or implied) including any particular level of investment returns or that they will achieve their investment objectives or the return of your capital invested. Past performance is not indicative of future performance.

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The Product Disclosure Statement does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. Initial applications for investment can only be made on an application form that accompanies the Product Disclosure Statement.

We may update this Investment Options booklet from time to time and, where a change is material, we will notify you in writing within the timeframes provided for in the relevant legislation. Information contained in this Investment Options booklet that is not materially adverse information is subject to change from time to time without notice to you. You can obtain the current version by visiting www.genlife.com.au or you can request a paper copy free of charge by contacting us on 1800 806 362.

ChildBuilder and LifeBuilder are trademarks of Generation Life. Third party trademarks are used in the Product Disclosure Statement with the consent of their owners.

The investment managers of the investment options available for investment through Generation Life investment bonds have given, and not withdrawn their consent to be included in the Product Disclosure Statement in the form and context in which they are included and have not sponsored the Product Disclosure Statement. The investment managers are acting as investment managers only for the relevant options. They are not issuing, selling, guaranteeing, underwriting or performing any other function in relation to the investment options. Generation Life reserves the right to outsource any or all of its investment management functions, including to related parties, without notice to investors.



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Constructing your investment portfolio

You can build your own portfolio by investing in single asset investment options or using diversified investment options to suit your desired risk profile. We recommend that you consult a financial adviser to assist you in determining these.

One of the significant risks of investing is that your investment strategy does not reflect your financial goals. It is important to consider your investment time frame, your investment goals and your risk tolerance. Diversifying your investments helps manage market volatility and risk across your investment portfolio. Through Generation Life Investment Bonds you can diversify your portfolio in three ways.

Within each asset class

Our investment options invest in a range of underlying securities and assets within an asset class. This means that returns will be less dependent on the performance of a single security or asset. This diversification can help reduce the overall security or asset specific risk of your investment.

Investing in a range of asset classes

Spreading your investment exposure across different asset classes can help reduce the impact of volatility in returns. You can also spread your exposure across different markets and geographical regions.

Investing in different investment styles

Different fund managers have different investment styles and approaches which can perform differently depending on market conditions. Using a mix of investment managers in your portfolio can help smooth out performance volatility and reduce investment manager risk.

Your financial adviser can help you understand investment risk, and design an investment strategy for you. You can find out more about investment risk in the 'Investment risk' section of the Product Disclosure Statement.

How are Generation Life's investment options structured?

Investment structure

When you invest in an investment option your money is combined with other investors that have selected the same investment option in a fund managed by us. All investment options (through their particular fund) invest in assets either directly (by holding the securities or assets through a mandate arrangement) or indirectly through an underlying managed fund or pooled arrangement that invests in asset classes in accordance with the investment option's guidelines.

What is a mandate?

A mandate is an agreement with an investment manager that sets out how the money is to be invested. The mandate may specify an appropriate benchmark, acceptable investments and investment ranges. A mandate structure means that the investments are managed separately on our behalf and are not pooled with the external investment manager's other investors or invested in one of the investment manager's wholesale investment schemes. Therefore, the performance of a mandate may differ from the underlying investment manager's wholesale investment scheme; however, using mandates gives us greater flexibility, including better management of tax outcomes.

Accessing the underlying investment assets

We may invest directly in the underlying investment assets or indirectly through managed investment schemes to gain exposure and administrative efficiencies.



Tax Optimised

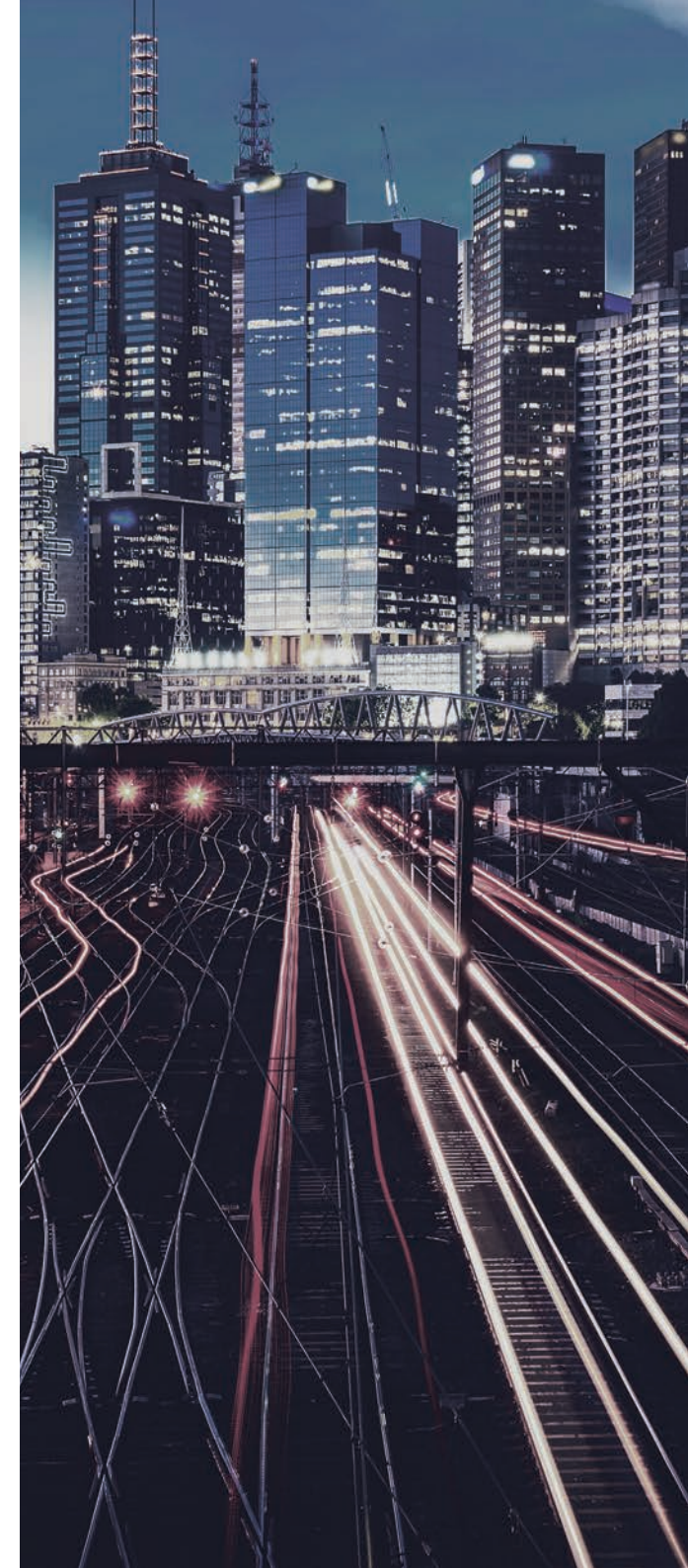


Tax Enhanced

Tax Optimised and Tax Enhanced options

All investment options are managed under the Generation Life Tax Aware management process with the aim of delivering a tax-efficient investment outcome. In the case of the Tax Enhanced and Tax Optimised series of investment options, further levels of tax optimisation are provided with the aim of delivering higher levels of tax efficiency and improved after-tax returns for the respective investment strategies.

You can find out more about our Tax Enhanced and Tax Optimised series of investment options in the 'Tax Aware investing' section of the Product Disclosure Statement.



Our investment selection process

Appointed investment managers are subject to initial and ongoing reviews. We regularly monitor and review our investment managers to ensure they continue to meet their stated objectives, performance expectations and our investment requirements.

In constructing and reviewing our appointed investment managers we consider a number of factors in our assessment that may include:

- the objectives of the investment strategy
- the capabilities and experience of the investment manager
- the investment manager's approach or investment style
- the investment manager's investment processes
- performance track record against the stated investment objective
- how risk is managed by the investment manager.

To ensure that we continue to offer a suitable range of investment options, we may change the investment options, including the investment objectives, strategies and investment managers at any time. We may from time-to-time add, remove, or replace investment options or investment managers, or change exposure weightings to the investment options. We may also close an investment option or cease to accept new contributions (including by switching) into any of the investment options.

We will notify affected investors of any material changes to the investment options as required by law. Updated information about our investment options, investment managers and investment strategies can be found on our website www.genlife.com.au



Responsible investing

The Generation Life Investment Bonds offer responsible investment options to help you invest based on your values.

Responsible investing is commonly used to describe a strategy or practice that considers environmental, social and governance (ESG) factors in the analysis, investment decisions and ownership of an investment. These factors can be known to sometimes affect the risk and return of investments.

The strategies underpinning the responsible investing options are constructed with the objective of investing in companies and assets that improve long-term investor value and have a demonstrated consideration and application of ESG factors.

Types of responsible investment approaches that may be used

Exclusionary (or negative screening)

Excludes certain sectors, countries and securities from an investment universe where the activities do not align with investors or global standards.

Inclusionary (or positive screening)

Proactively invests in sectors or companies that demonstrate 'best in class' ESG practices.

Minimum standards screening

Excludes investments that do not meet minimum standards or practices regarding ESG practices.

Impact investing

Targets investments to generate a positive social or environmental impact plus a level of financial return.

ESG integration

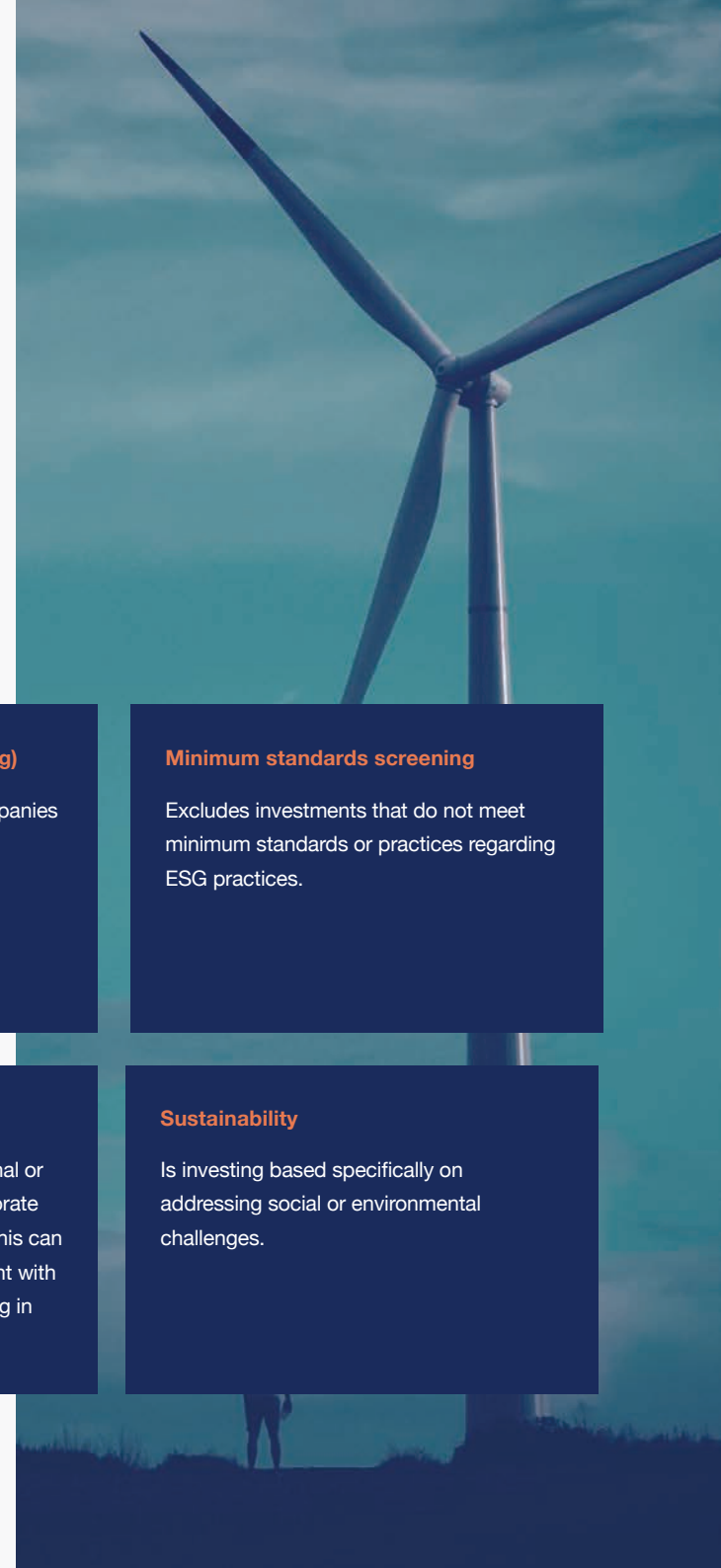
Utilises ESG information together with financial analysis as part of the investment research and decision making process.

Active ownership

Is the use of various resources (internal or external) to positively influence corporate behaviour on ESG - related issues. This can include advocacy efforts, engagement with corporate decision-makers and voting in support of good governance.

Sustainability

Is investing based specifically on addressing social or environmental challenges.



ESG factors

Environmental factors	Social factors	Governance factors
Climate change and greenhouse gases	Supply chains	Board makeup
Pollution and emissions	Privacy protection	Conflicts of interest
Biodiversity	Gender and diversity	Bribery and corruption
Deforestation	Employee engagement	Executive compensation
Energy efficiency	Community relations	Lobbying and political contributions
Waste disposal and management	Human rights	Transparency and reporting
Water usage	Labour standards	Whistle-blower schemes

Our investment options menu includes several investments where responsible investing strategies are implemented. Each Responsible Investing investment option will have a different focus on the core ESG factors and use different approaches to investing.

Responsible investing investment options

Generation Life offers a range of investment options from leading Australian and international fund managers specifically focussed on responsible investing investment approaches.



Our range of Responsible Investing investment options has been developed based on an approach of providing a diverse level of exposure to a number of investment strategies where responsible investing is core to the investment approach. The underlying investment approach for each of the Responsible Investing options offered varies from asset/strategy specific to multi-asset/multi-strategy approaches.

Irrespective of the underlying strategies employed, the fundamental criteria of focusing on financial outcomes while considering the impact of the underlying investment on society must be demonstrated by the investment managers as part of our review and monitoring process. Due diligence is undertaken as part of the appointment and ongoing monitoring process to mitigate the potential for 'greenwashing' or overstatement by the investment manager of the level of responsible investing factored into the investment process.

Each investment manager's approach and responsible investing criteria and objectives will differ, and you should consider whether a strategy meets your specific requirements.

In constructing and monitoring our menu of Responsible Investing investment options on an ongoing basis, a number of quantitative and qualitative factors are considered by Generation Life's investment team including:

- ESG ratings from external data and research providers
- the level of integration of responsible investment principles into the investment manager's processes
- the investment manager's capabilities
- performance track record (against stated objectives)
- other research undertaken by the team.

Importantly, however, we do not assess or stipulate a particular approach to responsible investing, ESG factors or screens that investment managers may apply. Our Responsible Investing investment options are designed to provide a varied choice to cater to investors with different social values and investment objectives. The overarching objective for investment managers is to provide positive financial outcomes while considering ESG and other factors in the process.

Except for the determination of our sustainability range of investment options, we do not consider labour standards or environmental, social or ethical considerations in our investment decisions. However, we do have an overall policy of always acting legally, acting in the best interests of investors, and dealing with parties who, to the best of our knowledge, are reputable organisations. The investment managers may have their own policies on the extent to which labour standards and environmental, social or ethical considerations are considered in their investment processes. Please refer to a specific investment option's profile for further information about the investment approach taken.

Investment managers

Access to a range of investment managers to meet your risk and return objectives.

We aim to give you access to a range of leading Australian and international investment managers and provide you with the flexibility to change and switch investment options. Our selected investment managers are experienced and well regarded with a proven track record of delivering superior long-term performance.



Affirmative Investment Management (AIM) is a global fixed income manager focused on delivering mainstream market returns with impact. AIM is the world's first fund manager to dedicate its investment strategy to impact bonds (i.e. labelled green bonds, social bonds and sustainable bonds). AIM's innovative formula is a fusion of mainstream portfolio management and sustainability. This approach is new in the marketplace and draws on the experience of a team of leading experts in investment and sustainability, providing positive solutions to global challenges. AIM's focus is to promote robust verification and reporting, along with active engagement, whilst ensuring repeatable performance and sustainable impact. Established in 2014 by Stephen Fitzgerald and Stuart Kinnersley, AIM is 100% owned by its employees and headquartered in London, with offices in Washington and Sydney. AIM is comprised of like-minded investment professionals who are advocates for social and environmental change. The company was instrumental in the evolution of green bonds and has the longest track record in the impact bond market.



AllianceBernstein (AB) is a leading global investment management and research firm. It brings together a wide range of insights, expertise and innovations to advance the interests of its clients around the world. As of 30 June 2022, AB managed A\$937 billion in assets for clients, providing diversified investment management services encompassing equities, fixed income, multi-asset and alternatives.



Established in 2008, Ardea Investment Management is a specialist 'relative value' fixed income investment manager. Ardea's differentiated pure 'relative value' investing approach offers a compelling alternative to conventional fixed income investments because it is independent of the prevailing interest rate environment and how bond markets are performing. Ardea believes the pure 'relative value' opportunity set is a proven reliable source of returns because it is driven by structural market inefficiencies that create new 'relative value' mispricing opportunities to profit from. Ardea focuses on delivering consistent volatility-controlled returns in order to strictly limit performance volatility and prioritise capital preservation, irrespective of the market environment.



Bennelong Australian Equity Partners (BAEP) is a boutique fund manager focused on investing in Australian listed equities. The business was founded in 2008 by Mark East in partnership with Bennelong Funds Management, and is an award-winning and highly-rated fund manager. As Chief Investment Officer, Mark East is responsible for the funds BAEP manages on behalf of its retail and institutional clients.



About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 900+ exchange traded funds (ETFs) and US\$2.7 trillion in assets under management as of 30 June 2022, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock.



DFA Australia Limited (DFA Australia) is the manager and responsible entity of the Dimensional Wholesale Trusts. DFA Australia is the Australian subsidiary of the US-based Dimensional Fund Advisors LP (Dimensional), which was founded in 1981. Dimensional is a leading global investment firm that has been translating academic research into practical investment solutions since 1981. Dimensional has fourteen global offices in ten countries and global assets under management of A\$934 billion as at 31 December 2021. Guided by a strong belief in markets, we work to implement compelling ideas in finance for the benefit of clients. Dimensional seeks to deliver investment solutions that add value through careful design, implementation and execution. An enduring philosophy, strong client commitments, and deep connections to the academic community underpin Dimensional's approach.



Founded in 2001, DNR Capital Pty Ltd (DNR Capital) is an Australian investment management company that delivers client-focused, quality, investment solutions to institutions, advisers and individual investors. DNR Capital believes a focus on investing in quality companies will enhance returns through economic cycles when combined with a thorough valuation overlay.



Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer. As Australia's leading specialist trustee company, it offers a diverse range of services to individuals, families and corporate clients including asset management, estate planning, philanthropic services and responsible entity services for external fund managers. Equity Trustees is the brand name of EQT Holdings Limited (ABN 22 607 797 615) and its subsidiary companies, publicly listed company on the Australian Securities Exchange (ASX: EQT and indexed in the S&P/ASX 300) and with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, London and Dublin.



Evergreen Consultants is an independent investment consultant that works with financial advisers to provide a range of bespoke investment solutions. Founded in 2016 by industry veterans, Evergreen is now recognised as one of the pre-eminent providers of investment consulting services in Australia. Evergreen is a specialist in end-to-end investment consulting, fund and security selection, sustainability and ESG analysis, asset allocation, portfolio construction and reporting and analytics services. With a team of experienced investment professionals with over 170 years of relevant experience, well defined and highly rated investment processes with robust proprietary analytical systems, Evergreen is well positioned to provide best in class sustainable investment solutions using a multi-manager approach.



FIL Investment Management (Australia) Limited ('Fidelity') is part of parent company Fidelity International which was founded in 1969 as the international arm of Fidelity Investments (founded in Boston, US in 1946). Fidelity International became independent of the US firm in 1980, and now invests AUD\$1,080m (as at 31 March 2023) on behalf of more than 2.8 million clients globally. Fidelity International remains a private company – predominantly owned by management and members of the founding family.



Firetrail Investments Pty Limited ('Firetrail') is a boutique investment management firm based in Sydney, Australia that specialises in high conviction investing. The firm was established in 2018 with the goal to align their people with their clients. Importantly, the firm is majority owned by the investment staff and the team is invested alongside clients in the investment strategies.



Franklin Resources, Inc., is a global investment management organisation, operating as Franklin Templeton, which is headquartered in California. Franklin Resources, Inc., provides, through its subsidiaries, deep investment expertise across all asset classes - including equity, fixed income and multi-asset solutions. Franklin Templeton provides centralised business and distribution support for all of its specialist investment managers, which includes Martin Currie. Franklin Resources, Inc. is listed on the New York Stock Exchange and has employees in over 34 countries.



Generation Investment Management LLP (Generation) is a global equities manager that integrates long-term sustainability trends into traditional investment processes. Generation believes that sustainability factors (including ESG criteria) will drive a company's returns over the long term, so the team combines sustainability research and fundamental equity analysis to build portfolios comprised of high-quality companies that will be able to maintain their profitability and deliver returns throughout prolonged periods of global change. Based in London, Generation is an independent, owner-managed partnership that was founded in 2004 by seven partners including Chairman Al Gore and Senior Partner David Blood. The investment team has over 190 years of combined investment experience and manages over USD\$33 billion as at December 2021.



GMO Australia is wholly owned by Grantham, Mayo, Van Otterloo & Co. LLC (GMO). GMO is a global investment manager that brings together focused expertise within its investment teams, industry-leading research and tailored client service to advance its clients' goals. Privately owned and renowned for its conviction in a valuation-based, long-term investment philosophy, GMO has been a partner to institutions, family offices, wealth managers and consultants for over 40 years. GMO's global offices include the firm's headquarters in Boston and offices in San Francisco, London, Amsterdam, Singapore and Sydney. GMO manages over A\$85 billion globally (as at 30 June 2022).



Hyperion Asset Management Limited (Hyperion) is a high conviction growth style manager that specialises in identifying and investing in high-quality Australian and Global equities. Hyperion's proprietary investment process aims to produce a relatively concentrated portfolio of high-quality companies with predictable long-term earnings streams and superior growth potential. Hyperion buys what it believes to be the highest quality growth businesses at an attractive valuation based on a thoroughly researched long-term view. Hyperion exploits other market participants' focus on the short-term, market sentiment and indices biases because Hyperion thinks and acts more like a business owner, rather than a share trader. The same team that developed Hyperion's proprietary investment process are shareholders in the company as well as having substantial personal investments in Hyperion's managed products. The result is that clients can feel confident Hyperion's objectives are fully aligned with theirs. As of 31 October 2022, the firm managed approximately A\$10 billion on behalf of its institutional and retail clients.



Invesco Ltd is one of the world's leading specialist investment managers. The firm has funds under management of more than US\$1.32 trillion globally (as at 30 September 2022) and operates in over 20 countries. Invesco is listed on the New York Stock Exchange. Invesco Ltd has more than 8,000 staff including 860-plus investment professionals managing a broad array of specialised investment strategies – ranging from major equity, fixed income, and property assets to alternative assets such as direct real estate, bank loans, multi-strategy, private equity and commodities. These capabilities are delivered through numerous investment centres worldwide designed around distinctive asset classes, styles or regional expertise. In Australia, Invesco has been managing and/or distributing investment portfolios for more than 20 years. Its investment capabilities include Australian equities, fixed income, global equities, alternatives and listed property.



Investors Mutual Ltd (IML) is a specialist Australian equity manager based in Sydney. IML has a conservative investment style with a long-term focus and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing. IML was established in 1998 and has approximately \$5.0 billion in funds under management as at 30 September 2022.



Kapstream is a specialist manager of global fixed income strategies. Kapstream steps beyond the traditional 'core manager' fixed income approach by actively and flexibly investing in a wide range of strategies to exploit market inefficiencies across the full spectrum of fixed income markets. This expertise, together with the broad investment universe that Kapstream can utilise, enables Kapstream to deliver consistent and positive returns to investors over time.



Macquarie Investment Management Global Limited forms part of the Macquarie Asset Management Public Investments, a division in Macquarie Asset Management which is Macquarie Group's asset management business. Macquarie Asset Management Public Investments delivers a full-service offering across a range of asset classes including fixed interest, listed equities (domestic and international), listed real estate securities and infrastructure securities to both institutional and retail clients in Australia and the US, with selective offerings in other regions.



Magellan is a specialist funds management business based in Sydney that manages global equities, global listed infrastructure and Australian equities strategies for high net worth, retail and institutional investors. Magellan is a wholly owned subsidiary of the ASX listed Magellan Financial Group Limited (ASX code: MFG).



Mercer Investments (Australia) Limited (Mercer) is a wholly owned subsidiary of Mercer (Australia) Pty Ltd which is part of the Mercer global group of companies. Mercer is an established multi-manager and separately managed account operator in the Australian market and globally. In designing and managing portfolios, Mercer draws on its global network of investment experts to seek out the best investment opportunities, both here in Australia and globally.



MFS International Australia Pty Ltd (MFSIA) is the investment manager of the MFS Concentrated Global Equity Trust (Trust) and a member of the MFS Investment Management group of companies (MFS). Established in 1924, MFS is an active, global asset manager with investment offices in Boston, Hong Kong, London, Mexico City, São Paulo, Singapore, Sydney, Tokyo and Toronto. MFSIA has delegated the investment management of the Trust to another member of MFS, MFS Institutional Advisors, Inc., a US SEC registered investment adviser. MFS is a member of the Sun Life Financial group of companies.



MLC Asset Management is a company of the Insignia Financial Group, one of the largest wealth managers in Australia, with over 175 years' experience in helping Australians secure their financial wellbeing. At MLC Asset Management, we apply our knowledge and experience with the aim of delivering the best possible investment results for institutional and retail clients in Australia and globally. We offer access to a broad suite of investment capabilities across a range of multi-asset and single asset classes. Our investment management is driven by a highly skilled team of more than 100 investment professionals, operating out of Australia, the USA and the UK.



Morningstar is a leading provider of investment management, asset allocation, portfolio construction and investment research services with over 35 years' experience in the United States, Australia and other international markets. Morningstar advises on, and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals. Morningstar's disciplined investment approach delivers objective, cost-effective and holistic solutions for our clients – helping them reach their financial goals. This long-term, valuation-driven approach is underpinned by an emphasis on preserving capital and undertaking fundamental analysis of global asset classes and securities.



Mutual Limited

Established in 2010, Mutual Limited is a cash, credit and fixed income investment manager based in Australia and independently owned. Mutual Limited is an active investment manager, with an investment approach that focuses on selecting securities that are considered creditworthy and offer the potential to deliver a reliable and safe return to investors. Mutual Limited has a long-term track record of performance and reliability across its investment strategies, specialising in managing funds for investors that are either conservative, prudentially supervised or who operate subject to regulated investment regimes.



Pendal Institutional Limited (Pendal) is an independent, global investment management business focused on delivering superior investment returns for its clients through active management. Pendal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pendal also partners with leading global investment managers.



Perpetual Investment Management Limited (Perpetual), via the Perpetual Asset Management Australia business, is one of Australia's most highly regarded and awarded investment managers, with \$21.3 billion in funds under management (as at 30 June 2022). Perpetual is part of the Perpetual Group, which has been in operation for over 130 years. By employing one of the most experienced and highly regarded investment teams in Australia and applying a proven investment philosophy, Perpetual has been able to help generations of Australians manage their wealth. Perpetual has appointed specialist investment manager Barrow, Hanley, Mewhinney & Strauss, LLC (Barrow Hanley) to manage the Barrow Hanley Global Share Fund. With funds under management of A\$61.6 billion across 21 key strategies, as at 30 June 2022, Barrow Hanley is a diversified investment manager that invests with a value orientation across US equities, global equities, global emerging markets equities and fixed income strategies with offices in Dallas, and a presence in London and Hong Kong.

PIMCO

PIMCO Australia Pty Limited (PIMCO) is a member of the PIMCO Group, one of the largest investment managers in the world. As the investment manager, PIMCO will make investment decisions in relation to the funds. PIMCO Group's history dates back to 1971 when it was established as a specialist fixed interest manager. The PIMCO Group has its head office in the USA with offices located in Hong Kong, New York, Austin, Toronto, Munich, Sydney, Singapore, Tokyo, London, Milan, São Paulo, Taipei, Zurich, Bermuda, Chicago, Solana Beach, Dublin, Miami and Shanghai.

Schroders

Schroders is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 29 countries across Europe, the Americas, Asia and the Middle East. Schroders in Australia was established in 1961 and its domestic research and investment teams are an integral part of Schroders' global network. As at 30 June 2022 Schroders managed over A\$1,125 billion (excluding joint ventures and associates) on behalf of clients around the globe.



Stewart Investors

Stewart Investors is a semi-autonomous business and a sub-brand of First Sentier Investors. Headquartered in Edinburgh, with offices in London, Singapore and Sydney, they have a distinct culture and investment philosophy that has been in place for more than three decades, since the launch of their first investment strategy in 1988. At the heart of this philosophy is the principle of stewardship - careful, considered and responsible management of clients' funds in accordance with their Hippocratic Oath. Stewart Investors manage long-only equity strategies investing in Asia, Europe, global emerging markets and worldwide. They are pioneers of sustainable investing and launched the first of their explicit sustainability funds in 2005.

Vanguard®

With AUD \$10.5 trillion in assets under management globally as of 30 September 2022, including AUD \$2.8 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for 25 years.

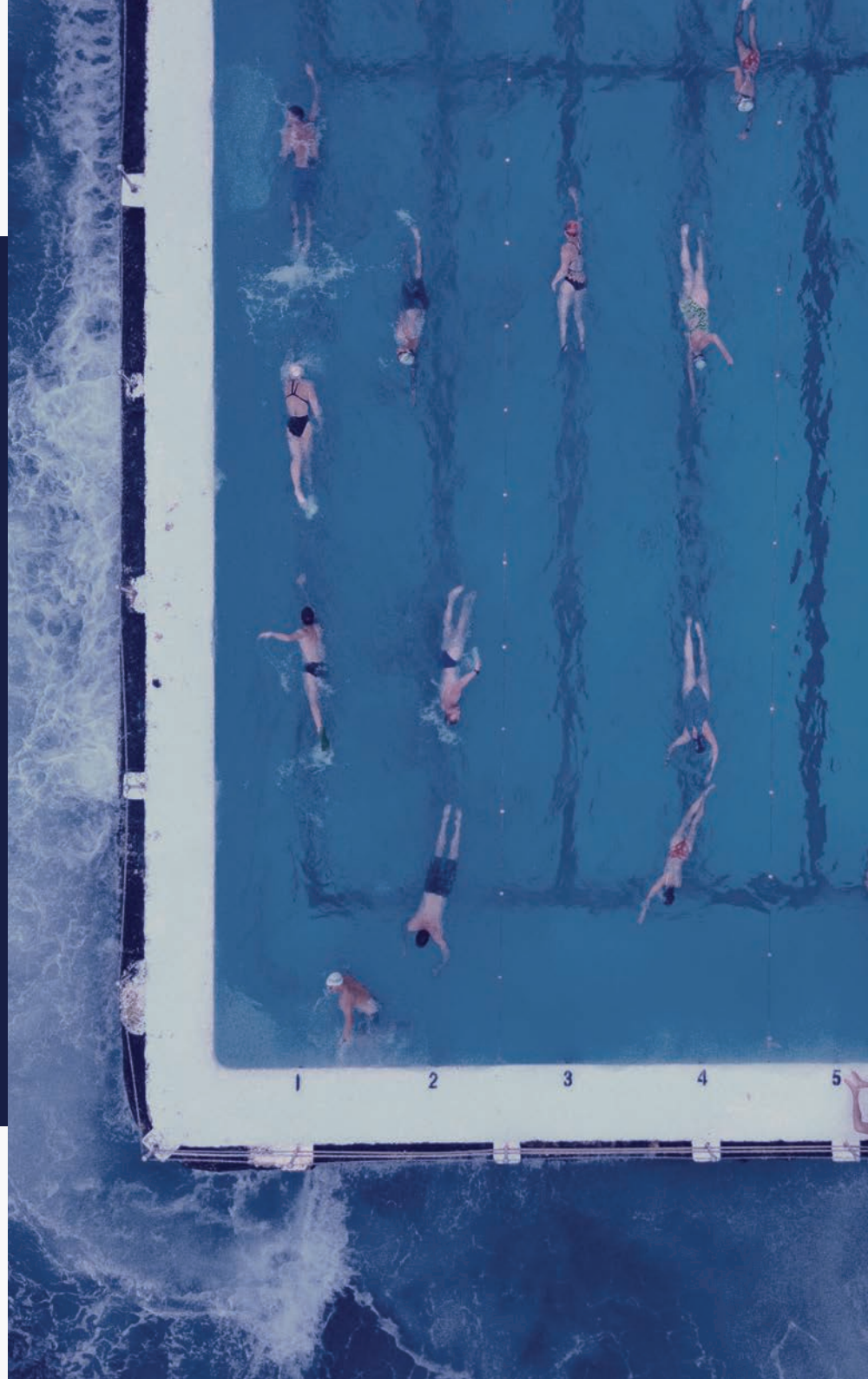
None of the investment managers guarantee the payment of any income, the level of income or the return of your capital invested.



Generation Life's range of investment options
















Depending on your investment goals and the investment amount you have to invest, you can choose a single investment option or multiple investment options. Detailed in the following pages is a summary of the investment options offered by Generation Life Investment Bonds. For more details and any updated information about the investment options, visit our website or contact us.

You should discuss the investment option(s) appropriate to you with your financial adviser.







This table provides the current investment list together with management costs for all investment options. The investment management fees and costs may change from time to time to reflect changes by the investment managers. Please also refer to the Product Disclosure Statement and the Additional Information booklet for further information in relation to fees and other costs applicable to your investment and the investment options. Updates to investment management fees and costs can be found on our website.







Diversified multi-sector options

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
Low to Medium	Diversified conservative	Dimensional World 30/70 Portfolio	UF62	 Tax Optimised	0.37%	0.40%	0.77%	Not applicable	22
Low to Medium	Diversified conservative	MLC Horizon 2 Income Portfolio	UF32	 Tax Enhanced	0.75%	0.60%	1.35%	0.03%	22
Low to Medium	Diversified conservative	Perpetual Conservative Growth Fund	UF26	 Tax Enhanced	0.95%	0.60%	1.55%	Not applicable	22
Low to Medium	Diversified conservative	Vanguard Conservative Portfolio	UF12C	 Tax Optimised	0.27%	0.40%	0.67%	Not applicable	23
Medium	Diversified balanced	MLC Horizon 3 Conservative Growth Portfolio	UF33	 Tax Enhanced	0.81%	0.60%	1.41%	0.03%	23
Medium	Diversified balanced	Morningstar Balanced Model	UF55	 Tax Optimised	0.69%	0.60%	1.29%	Not applicable	23
Medium	Diversified balanced	Vanguard Balanced Portfolio	UF31	 Tax Optimised	0.27%	0.40%	0.67%	Not applicable	24
Medium to High	Diversified balanced	Dimensional World 50/50 Portfolio	UF40	 Tax Optimised	0.397%	0.40%	0.797%	Not applicable	24
Medium to High	Diversified - dynamic allocation	Schroder Real Return Fund	UF10B	 Tax Enhanced	0.62%	0.60%	1.22%	0.01%	24
High	Diversified growth	Dimensional World 70/30 Portfolio	UF24	 Tax Optimised	0.408%	0.40%	0.808%	Not applicable	25
High	Diversified growth	Generation Life Tax Effective Growth Fund	UF10	 Tax Optimised	0.88%	0.60%	1.48%	Not applicable	25
High	Diversified growth	Mercer Future Wealth Balanced Portfolio	UF60	 Tax Optimised	0.64%	0.60%	1.24%	0.29%	25
High	Diversified growth	MLC Horizon 4 Balanced Portfolio	UF22	 Tax Enhanced	0.87%	0.60%	1.47%	0.03%	26
High	Diversified growth	Morningstar Growth Model	UF56	 Tax Optimised	0.72%	0.60%	1.32%	Not applicable	26
High	Diversified growth	Perpetual Balanced Growth Fund	UF19	 Tax Enhanced	1.11%	0.60%	1.71%	Not applicable	27











Diversified multi-sector options (continued)

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
High	Diversified growth	Vanguard Growth Portfolio	UF12D	 Tax Optimised	0.27%	0.40%	0.67%	Not applicable	27
High	Diversified high growth	MLC MultiActive High Growth Portfolio	UF34	 Tax Enhanced	0.94%	0.60%	1.54%	0.00%	28
High	Diversified high growth	Morningstar High Growth Model	UF57	 Tax Optimised	0.76%	0.60%	1.36%	Not applicable	28
High	Diversified high growth	Vanguard High Growth Portfolio	UF30	 Tax Optimised	0.27%	0.40%	0.67%	Not applicable	28

















Index options

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
Medium	Australian fixed interest	iShares Wholesale Australian Bond Index Fund	UF12A	 Tax Enhanced	0.10%	0.60%	0.70%	Not applicable	29
High	Australian shares	iShares S&P/ASX20 ETF Portfolio	UF14	 Tax Enhanced	0.24%	0.60%	0.84%	Not applicable	29
High	Australian shares	iShares Wholesale Australian Equity Index Fund	UF11	 Tax Enhanced	0.10%	0.60%	0.70%	Not applicable	29
High	International shares	iShares Wholesale International Equity Index Fund	UF11A	 Tax Enhanced	0.10%	0.60%	0.70%	Not applicable	30
High	International shares - hedged	iShares Hedged International Equity Index Fund	UF12	 Tax Enhanced	0.10%	0.60%	0.70%	Not applicable	30
High	Property	iShares Wholesale Australian Listed Property Index Fund	UF12B	 Tax Enhanced	0.10%	0.60%	0.70%	Not applicable	30










Single sector options

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
Very Low	Cash & deposits	Generation Life Term Deposit Fund	UF14A	 Tax Advantage	0.09%	0.46%	0.55%	Not applicable	31
Very Low	Cash & deposits	Macquarie Treasury Fund	UF01	 Tax Advantage		0.45%	0.45%	Not applicable	31
Low	Australian fixed interest	Mutual ADI/Bank Securities	UF14B	 Tax Advantage	0.391%	0.33%	0.721%	Not applicable	31
Low	Diversified fixed interest	Ardea Real Outcome Fund	UF37	 Tax Advantage	0.50%	0.60%	1.10%	Not applicable	32
Low	Diversified fixed interest	Kapstream Absolute Return Income Fund	UF10A	 Tax Enhanced	0.55%	0.60%	1.15%	Not applicable	32
Low to Medium	Australian fixed interest	PIMCO Wholesale Australian Bond Fund	UF02	 Tax Enhanced	0.51%	0.60%	1.11%	Not applicable	32
Low to Medium	Diversified fixed interest	Schroder Absolute Return Income Fund	UF13	 Tax Enhanced	0.39%	0.60%	0.99%	0.01%	33
Low to Medium	International fixed interest	PIMCO Wholesale Global Bond Fund	UF04	 Tax Enhanced	0.55%	0.60%	1.15%	Not applicable	33
Medium	Australian fixed interest - mortgages	EQT Wholesale Mortgage Income Fund	UF25	 Tax Advantage	0.85%	0.60%	1.45%	Not applicable	33
Medium to High	Alternatives	GMO Systematic Global Macro Trust	UF47	 Tax Advantage	1.011%	0.60%	1.611%	0.07%	40
Medium to High	Diversified fixed interest	Pendal Enhanced Credit Fund	UF03	 Tax Enhanced	0.45%	0.60%	1.05%	Not applicable	34
High	Alternatives	Firetrail Absolute Return Fund	UF06A	 Tax Enhanced	1.28%	0.60%	1.88%	1.13%	40
High	Australian shares	AB Managed Volatility Equities Fund	UF64	 Tax Enhanced	0.55%	0.60%	1.15%	Not applicable	34
High	Australian shares	Bennelong Concentrated Australian Equities Fund	UF38	 Tax Enhanced	0.89%	0.60%	1.49%	0.68%	34
High	Australian shares	Generation Life Tax Effective Australian Share Fund	UF35	 Tax Optimised	0.54%	0.50%	1.04%	Not applicable	35

Single sector options (continued)

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
High	Australian shares	Investors Mutual Australian Share Fund	UF06	 Tax Optimised	0.993%	0.60%	1.593%	Not applicable	35
High	Australian shares	Martin Currie Equity Income Fund	UF23	 Tax Optimised	0.85%	0.60%	1.45%	Not applicable	36
High	Australian shares	Perpetual Australian Share Fund	UF15	 Tax Optimised	0.99%	0.60%	1.59%	Not applicable	36
High	Australian shares - small companies	DNR Capital Australian Emerging Companies Portfolio	UF20	 Tax Optimised	1.15%	0.60%	1.75%	2.64%	35
High	Australian shares - small & mid companies	Investors Mutual Future Leaders Fund	UF07	 Tax Enhanced	0.993%	0.60%	1.593%	0.00%	36
High	International property	Macquarie Global Listed Real Estate Fund	UF05A	 Tax Enhanced	0.99%	0.60%	1.59%	Not applicable	40
High	International shares	Dimensional World Equity Portfolio	UF28	 Tax Optimised	0.42%	0.40%	0.82%	Not applicable	37
High	International shares	Hyperion Global Growth Companies Fund	UF53	 Tax Enhanced	0.70%	0.60%	1.30%	2.42%	37
High	International shares	Magellan Global Fund	UF08	 Tax Optimised	1.35%	0.60%	1.95%	0.07%	38
High	International shares	MFS Concentrated Global Equity Trust	UF08A	 Tax Enhanced	0.90%	0.60%	1.50%	Not applicable	38
High	International shares - emerging markets	Martin Currie Emerging Markets Fund	UF36	 Tax Enhanced	1.00%	0.60%	1.60%	Not applicable	38
High	International shares - hedged	Walter Scott Global Equity Fund (Hedged)	UF52	 Tax Enhanced	1.28%	0.60%	1.88%	Not applicable	39
High	Property - diversified	Martin Currie Real Income Fund	UF05	 Tax Enhanced	0.85%	0.60%	1.45%	Not applicable	41
High	Property - international infrastructure	Magellan Infrastructure Fund	UF05B	 Tax Optimised	1.06%	0.60%	1.66%	0.09%	41
Very High	Australian shares - geared	Perpetual Geared Australian Share Fund	UF16	 Tax Enhanced	1.19%	0.60%	1.79%	Not applicable	37
Very High	International shares	Barrow Hanley Global Share Fund	UF17	 Tax Enhanced	0.99%	0.60%	1.59%	Not applicable	39
Very High	International shares - small companies	Dimensional Global Small Company Trust	UF09	 Tax Enhanced	0.647%	0.60%	1.247%	Not applicable	39

Responsible Investing options

Risk/volatility	Investment category	Investment option	Code	Tax aware level	Investment management fees and costs (p.a.) ¹	Administration fee (p.a.)	Total estimated management costs (p.a.) ²	Performance fee costs (p.a.) ³	Page
Medium	ESG - International fixed interest	Affirmative Global Impact Bond Fund	UF49	 Tax Enhanced	0.57%	0.60%	1.17%	Not applicable	41
Medium	ESG - International fixed interest	Dimensional Global Bond Sustainability Trust	UF69	 Tax Enhanced	0.36%	0.40%	0.76%	Not applicable	42
High	ESG - Australian shares	Pendal Sustainable Australian Share Fund	UF39	 Tax Enhanced	0.85%	0.60%	1.45%	Not applicable	43
High	ESG - Australian shares	Perpetual ESG Australian Share Fund	UF21	 Tax Enhanced	1.175%	0.60%	1.775%	Not applicable	42
High	ESG - Diversified growth	Dimensional Sustainability World Allocation 70/30 Trust	UF50	 Tax Enhanced	0.407%	0.60%	1.007%	Not applicable	44
High	ESG - Diversified growth	Evergreen Responsible Growth Model	UF27	 Tax Optimised	0.863%	0.60%	1.463%	0.002%	44
High	ESG - Diversified growth	Pendal Sustainable Balanced Fund	UF41	 Tax Enhanced	0.80%	0.60%	1.40%	Not applicable	45
High	ESG - International shares	Generation Global Share Fund	UF66	 Tax Enhanced	1.22%	0.60%	1.82%	0.62%	42
Very High	ESG - International shares	Stewart Investors Worldwide Sustainability Fund	UF29	 Tax Enhanced	0.615%	0.60%	1.215%	Not applicable	43

- Investment management costs include investment manager's fees, estimated investment expense recoveries and other indirect costs as a percentage of the total average assets of the investment option based on the latest information available, but excludes investment performance fee costs that may be charged or incurred by the investment manager and exclude indirect transaction and operational costs (refer to the Product Disclosure Statement for further information about fees and costs).
- Fee is inclusive of the management fee, other management costs and the administration fee.
- Performance fee costs are generally based on the average of actual performance fee costs of the investment manager for the respective investment option (other than the Evergreen Responsible Growth Model which reflects an estimate based on the performance fees of the investment option's underlying investments and the expected portfolio of the investment option) incurred over the previous five financial years (or less if the underlying investment strategy has been in operation by the investment manager for a shorter period) and based on the latest information available. However, the actual performance fee payable (if any) will depend on the performance of the investment option and the performance fee estimate provided is not an indicator of future performance fees of the investment option.



Investment profiles

The investment option profiles provide a summary of the investment options offered within the Generation Life Investment Bonds including descriptions of the respective objectives, investment approaches, risk profile and level of tax-efficiency for each investment strategy offered.

Diversified Multi-Sector - Conservative

Dimensional World 30/70 Portfolio

Sector
Diversified - conservative

Investment manager
DFA Australia



Tax aware level



Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of domestic and global fixed interest securities, equity securities companies and real estate securities listed on approved developed and emerging markets.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 30% exposure to equities and 70% exposure to fixed interest assets.

Allocation guidelines

Fixed interest 60-80%
Australian shares 7-33%
International shares 10-26%

Suggested minimum length of investment

3 years

Risk level¹

3 - Low to Medium

MLC Horizon 2 Income Portfolio

Sector
Diversified - conservative

Investment manager
MLC Investments Limited



Tax aware level



Objective

Aims to outperform the benchmark (before fees and tax) over 3-year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.

Investment approach

The benchmark asset allocation has a strong bias to defensive assets and some exposure to growth assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.

Allocation guidelines

Cash 0-35%
Fixed interest 30-70%
Australian shares 0-25%
International shares 0-25%
Property 0-20%
Infrastructure 0-15%
Alternatives 0-15%

Suggested minimum length of investment

3 years

Risk level¹

3 - Low to Medium

Perpetual Conservative Growth Fund

Sector
Diversified - conservative

Investment manager
Perpetual Investment Management Limited



Tax aware level



Objective

Aims to provide moderate growth over the medium term and income through investment in a diversified portfolio with an emphasis on cash and fixed income securities; to outperform the All Groups CPI + 3.5% p.a. (before fees and tax) over at least two-year periods and to outperform a composite benchmark (before fees and tax) reflecting its allocation to the various asset types over rolling 3-year periods.

Investment approach

The fund invests in a diverse mix of growth, defensive and other assets, with a focus on cash and fixed income securities. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the allocation guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Net foreign currency exposure will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.

Allocation guidelines

Cash 5-55%
Fixed income and credit 15-65%⁹
Australian shares 0-25%¹¹
International shares 0-20%¹¹
Property 0-10%
Other 0-30%¹²

Suggested minimum length of investment

3 years

Risk level¹

4 - Medium

Diversified Multi-Sector - Conservative

Vanguard Conservative Portfolio

Sector
Diversified - conservative

Investment manager
Vanguard Investments



Tax aware level



Objective
Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio, before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Conservative Index strategy and is biased towards income assets. It is designed for investors with a low tolerance for risk. The fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.

Allocation guidelines

Cash 8-12%
Australian fixed interest 16-20%
International fixed interest 40-44%
Australian shares 10-14%
International shares 10-26%

Suggested minimum length of investment
3 years

Risk level¹
3 - Low to Medium

Diversified Multi-Sector - Balanced

MLC Horizon 3 Conservative Growth Portfolio

Sector
Diversified - balanced

Investment manager
MLC Investments Limited



Tax aware level



Objective
Aims to outperform the benchmark (before fees and tax) over 5-year periods. The manager aims to achieve this by actively managing the fund. This includes changing the fund's asset allocation to reduce risk if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.

Investment approach

The benchmark asset allocation has an approximately equal exposure to growth and defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.

Allocation guidelines

Cash 0-25%
Fixed interest 15-50%
Australian shares 5-30%
International shares 5-35%
Property 0-20%
Infrastructure 0-15%
Alternatives 0-20%

Suggested minimum length of investment
5 years

Risk level¹
4 - Medium

Morningstar Balanced Model

Sector
Diversified - balanced

Investment manager
Morningstar Investment Management Australia Limited



Tax aware level



Objective
To achieve a moderate amount of capital growth along with some income, by investing in a diversified portfolio of growth and defensive asset classes

Investment approach

An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and defensive asset classes such as cash and fixed interest securities. In general, the portfolio's long-term average exposure will be around 50% growth assets and around 50% defensive assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

Allocation guidelines

Cash 0-30%
Australian bonds 0-40%
International bonds (Hedged) 0-37%
Australian shares 0-38%
International shares 1-41%
Property and infrastructure 0-28%
Alternatives 0-25%

Suggested minimum length of investment
5 years

Risk level¹
4 - Medium

Diversified Multi-Sector - Balanced

Dimensional World 50/50 Portfolio

Sector
Diversified - balanced

Investment manager
DFA Australia



Tax aware level



Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.

Allocation guidelines

Fixed interest 40-60%
Australian shares 8-28%
International shares 20-48%

Suggested minimum length of investment
4 years

Risk level¹
5 - Medium to High

Vanguard Balanced Portfolio

Sector
Diversified - balanced

Investment manager
Vanguard Investments



Tax aware level



Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Balanced Index strategy and is equally invested in income and growth assets. It is designed for investors with a medium tolerance for risk. The portfolio targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes.

Allocation guidelines

Australian fixed interest 13-17%
International fixed interest 33-37%
Australian shares 18-22%
International shares 22-38%

Suggested minimum length of investment
5 years

Risk level¹
4 - Medium

Diversified Multi-Sector - Dynamic allocation

Schroder Real Return Fund

Sector
Diversified - dynamic allocation

Investment manager
Schroders



Tax aware level



Objective

To achieve a return of CPI plus 4% to 5% p.a. (before fees and tax) over rolling 3-year periods while minimising the incidence and size of negative returns in doing so. CPI is defined as the Reserve Bank of Australia's Trimmed Mean, as published by the Australian Bureau of Statistics.

Investment approach

The manager's approach to inflation plus (or real return) investing is to choose the portfolio that has the highest probability of achieving the required return objective over the investment horizon with the least expected variability around this objective. The fund employs an objective based asset allocation framework in which both asset market risk premium, and consequently the asset allocation of the portfolio are constantly reviewed. The portfolio will reflect those assets that in combination are most closely aligned to the delivery of the objective.

Allocation guidelines

Investments are predominantly in traditional assets, with no leverage and strict limits on exposure to liquidity constrained alternatives which enhances the transparency and liquidity of the portfolios. Assets are classified in three broad types of investments according to the likely returns and the risk:

- Growth assets, typically shares and property securities;
- Diversifying assets, typically higher yielding debt, objective based investments and alternatives; and
- Defensive assets, typically investment grade debt securities, cash and equivalent investments.

Growth assets 0-75%
Diversifying assets 0-75%
Defensive assets 0-100%

Suggested minimum length of investment
3 years

Risk level¹
5 - Medium to High

Diversified Multi-Sector - Growth

Dimensional World 70/30 Portfolio

Sector
Diversified - growth

Investment manager
DFA Australia



Tax aware level



Objective
The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.

Investment approach
The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.

Allocation guidelines
Fixed interest 20-40%
Australian shares 15-35%
International shares 30-60%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Generation Life Tax Effective Growth Fund

Sector
Diversified - growth

Investment manager
Fidelity International
(FIL Investment Management (Australia) Limited)



Tax aware level



Objective
Aims to outperform the weighted average return of a composite index before tax and fees over rolling 5-year periods.

Investment approach
The fund aims to provide long-term capital growth by investing in a range of global asset classes. In actively managing the portfolio, the manager will tactically allocate investments across asset classes and geographic areas (including emerging markets) based on their potential to generate capital growth or reduce overall risk. The fund may use derivatives for efficient portfolio management and investment purposes. The manager will seek to manage the portfolio in a tax-aware manner. The fund typically aims to invest in a diversified portfolio mix with exposure to growth assets of around 70% and defensive assets of around 30%. The manager has the flexibility to allocate outside of the typical asset sector allocation guidelines where required (for example, during periods of market stress).

Allocation guidelines
Cash 0-40%
Australian fixed interest 0-40%
International fixed interest 0-40%
Australian shares 10-60%
International shares 10-70%
Other 0-35%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Mercer Future Wealth Balanced Portfolio

Sector
Diversified - growth

Investment manager
Mercer Investment (Australia) Limited



Tax aware level



Objective
To outperform (before tax and fees) a composite benchmark of the weighted combination of relevant market indexes.

Investment approach
The multi-manager approach involves selecting combinations of managers to achieve exposure to a range of investment styles. Through in-depth local and global research, the manager selects high quality investment managers to invest assets in each asset class.

The portfolio long-term average exposure to growth assets will be around 70% and around 30% for defensive assets.

Allocation guidelines
Growth Assets
Australian shares 12%-42%
International shares 8%-38%
Listed property and infrastructure 0%-30%
Alternatives 0%-27%

Defensive Assets
Cash 0%-20%
Australian fixed interest 0%-27%
International fixed interest 0%-23%

Suggested minimum length of investment
7 years

Risk level¹
6 - High

Diversified Multi-Sector - Growth

MLC Horizon 4 Balanced Portfolio

Sector
Diversified - growth

Investment manager
MLC Investments Limited



Tax aware level



Objective

Aims to provide a return higher than its internal benchmark (before fees and tax) over 5-year periods. The manager aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.

Investment approach

The fund has a strong bias to growth assets and some exposure to defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.

Allocation guidelines

Cash 0-20%
Fixed interest 5-40%
Australian shares 10-40%
International shares 10-45%
Property 0-20%
Infrastructure 0-15%
Alternatives 0-20%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Morningstar Growth Model

Sector
Diversified - growth

Investment manager
Morningstar Investment Management Australia Limited



Tax aware level



Objective

To achieve capital growth through investing in a diversified portfolio of growth and defensive asset classes, with an emphasis on growth asset classes.

Investment approach

An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and defensive asset classes such as cash and fixed interest securities. In general, the portfolio's long-term average exposure will be around 70% growth assets and around 30% defensive assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

Allocation guidelines

Cash 0-24%
Australian bonds 0-30%
International bonds (Hedged) 0-30%
Australian shares 5-45%
International shares 10-50%
Property and infrastructure 0-31%
Alternatives 0-25%

Suggested minimum length of investment

7 years

Risk level¹

6 - High

Diversified Multi-Sector - Growth

Perpetual Balanced Growth Fund

Sector

Diversified - growth

Investment manager

Perpetual Investment Management Limited



Tax aware level



Objective

Aims to provide long-term capital growth and income through investment in a diversified portfolio with an emphasis on Australian and international share investments, to outperform the All Groups CPI + 5% p.a. (before fees and tax) over at least five-year periods and to outperform a composite benchmark (before fees and tax) reflecting its allocation to the various asset types over rolling 3-year periods.

Investment approach

Invests in a diverse mix of growth, defensive and other assets, with a focus on Australian and international shares. Tactical asset allocation strategies may be applied, which involves the fund adjusting its exposure to asset classes on a regular basis within the Allocation guidelines. Currency is managed at the fund level, taking into account currency exposure arising from underlying investments. Currency management is used to either hedge currency for an existing position or create an exposure to a foreign currency. Net foreign currency exposure will be limited to 50% of the gross asset value of the fund. Derivatives and exchange traded funds may be used in managing each asset class.

Allocation guidelines

Cash 0-30%
Fixed income and credit 0-45%⁹
Australian shares 10-50%¹¹
International shares 10-50%¹¹
Property 0-15%
Other 0-30%⁸

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Vanguard Growth Portfolio

Sector

Diversified - growth

Investment manager

Vanguard Investments



Tax aware level



Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.

Allocation guidelines

Australian fixed interest 7-11%
International fixed interest 19-23%
Australian shares 26-30%
International shares 34-50%

Suggested minimum length of investment

7 years

Risk level¹

6 - High

Diversified Multi-Sector - High Growth

MLC MultiActive High Growth Portfolio

Sector
Diversified - high growth

Investment manager
MLC Investments Limited



Tax aware level



Objective
Aims to outperform the benchmark (before fees and tax) over 7-year periods. The manager aims to achieve this return while keeping volatility (movements up and down in value) at levels similar to the benchmark.

Investment approach
The benchmark asset allocation is invested in growth assets with minimal exposure to defensive assets. The manager actively looks for opportunities to provide better returns, or less risk, than those generated by the benchmark asset allocation and to manage the fund's exposure to the risks of investing in markets.

Allocation guidelines
Cash 0-5%
Australian shares 25-55%
International shares 30-60%
Property 0-20%
Infrastructure 0-15%
Alternatives 0-20%

Suggested minimum length of investment
7 years

Risk level¹
6 - High

Morningstar High Growth Model

Sector
Diversified - high growth

Investment manager
Morningstar Investment Management Australia Limited



Tax aware level



Objective
To achieve capital growth through investing in a diversified portfolio of predominantly growth asset classes, with a small proportion of defensive asset classes.

Investment approach
An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and defensive asset classes such as cash and fixed interest securities. In general, the portfolio's long-term average exposure will be around 90% growth assets and around 10% defensive assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

Allocation guidelines
Cash 0-20%
Australian bonds 0-20%
International bonds (Hedged) 0-20%
Australian shares 13-53%
International shares 20-60%
Property and infrastructure 0-34%
Alternatives 0-25%

Suggested minimum length of investment
9 years

Risk level¹
6 - High

Vanguard High Growth Portfolio

Sector
Diversified - high growth

Investment manager
Vanguard Investments



Tax aware level



Objective
Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.

Investment approach
The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard High Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.

Allocation guidelines
Australian fixed interest 1-5%
International fixed interest 5-9%
Australian shares 34-38%
International shares 46-62%

Suggested minimum length of investment
7 years

Risk level¹
6 - High

Index

iShares Wholesale Australian Bond Index Fund

Sector
Indexed - Australian fixed interest

Investment manager
BlackRock Investment Management (Australia) Limited



Tax aware level



Objective
Aims to provide investors with the performance of the market, before fees and tax, as measured by the Bloomberg AusBond Composite 0 + Year Index².

Investment approach
To closely track the risk characteristics of the index, while minimising transaction costs. Will look to closely match the index major risk and return factors through a methodology called stratified sampling.

Allocation guidelines
Australian fixed interest 100%

Suggested minimum length of investment
3 Years

Risk level¹
4 - Medium

iShares S&P/ASX20 ETF Portfolio

Sector
Indexed - Australian shares

Investment manager
BlackRock Investment Management (Australia) Limited



Tax aware level



Objective
The fund aims to provide investors with the performance of the S&P/ASX 20 Accumulation Index (before fees, expenses and tax). The index is designed to measure the performance of the 20 largest Australian securities listed on the ASX.

Investment approach
The fund seeks to achieve its objective by tracking the performance of the S&P/ASX 20 Total Return Index (before fees and tax). The manager believes that a full replication investment strategy is the most appropriate investment strategy to track the performance of the index as risk relative to the index is minimised. The manager's full-replication approach normally aims to purchase every security in the index, while considering transaction costs.

Allocation guidelines
Australian shares 100%

Suggested minimum length of investment
5 Years

Risk level¹
6 - High

iShares Wholesale Australian Equity Index Fund

Sector
Indexed - Australian shares

Investment manager
BlackRock Investment Management (Australia) Limited



Tax aware level



Objective
Aims to provide investors with the performance of the market, before fees and tax, as measured by the S&P/ASX 300 Total Return Index.

Investment approach
To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines
Australian shares 100%

Suggested minimum length of investment
5 Years

Risk level¹
6 - High

Index

iShares Wholesale International Equity Index Fund

Sector

Indexed - international shares

Investment manager

BlackRock Investment Management (Australia) Limited



Tax aware level



Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net TR Index (unhedged in AUD with net dividends reinvested).

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

International shares 100%

Suggested minimum length of investment

5 Years

Risk level¹

6 - High

iShares Hedged International Equity Index Fund

Sector

Indexed - international shares (hedged)

Investment manager

BlackRock Investment Management (Australia) Limited



Tax aware level



Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net Index (hedged in AUD with net dividends reinvested).

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

International shares 100%

Suggested minimum length of investment

5 Years

Risk level¹

6 - High

iShares Wholesale Australian Listed Property Index Fund

Sector

Indexed - property

Investment manager

BlackRock Investment Management (Australia) Limited



Tax aware level



Objective

Aims to match the performance of the S&P/ASX 300.

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

Australian listed property 100%

Suggested minimum length of investment

5 Years

Risk level¹

6 - High

Single Sector - Cash and deposits

Generation Life Term Deposit Fund

Sector
Cash and deposits

Investment manager
Mutual Limited



Tax aware level



Objective

Aims to outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index² and achieve returns superior to cash management trusts, by investing predominantly into a diversified range of term deposit and deposit like investments.

Investment approach

Primarily invests in term deposits issued by major Australian banks with a bias toward the top four banks. The fund is managed to provide a short-term maturity profile to meet liquidity requirements.

Allocation guidelines

Cash 100%

Suggested minimum length of investment

1 year

Risk level¹

1 - Very Low

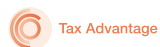
Macquarie Treasury Fund

Sector
Cash and deposits

Investment manager
Macquarie Investment Management Global Limited



Tax aware level



Objective

Aims to perform in line with the Bloomberg AusBond Bank Bill Index² over the short term (before fees and tax) using a low risk investment strategy.

Investment approach

The fund may hold up to 10% in its cash account with the balance invested with the manager. The manager's cash management approach is driven by disciplined and thorough processes, and backed by in-house quantitative analysis. To take advantage of movements in market interest rates, the maturity profile of the fund is actively managed. After determining the maturity profile, the manager uses a number of analytical tools to select the securities that it believes offer the best value and to find the most appropriate yield curve position.

Allocation guidelines

Cash 100%

Suggested minimum length of investment

No minimum

Risk level¹

1 - Very Low

Single Sector - Fixed interest

Mutual ADI/Bank Securities

Sector
Fixed interest - Australian

Investment manager
Mutual Limited



Tax aware level



Objective

Aims to outperform (before fees and tax) the Bloomberg AusBond Bank Bill Index² and achieve returns superior to cash management trusts.

Investment approach

Actively manage a portfolio of low risk debt products and securities on offer by Australian authorised deposit-taking institutions with a bias (minimum 60%) toward those issued by the four major Australian banks.

Allocation guidelines

Cash 0-10%
Australian fixed interest 90-100%

Suggested minimum length of investment

1 year

Risk level¹

2 - Low

Single Sector - Fixed interest

Ardea Real Outcome Fund

Sector
Fixed interest - diversified

Investment manager
Ardea Investment Management Pty Ltd



Tax aware level



Objective
The fund targets a stable return in excess of inflation (before fees and tax) over the medium term.

Investment approach
The manager is a specialist 'relative value' fixed income investment manager. The manager's differentiated pure 'relative value' investing approach offers a compelling alternative to conventional fixed income investments because it is independent of the prevailing interest rate environment and how bond markets are performing. The manager believes the pure 'relative value' opportunity set is a proven reliable source of returns because it is driven by structural market inefficiencies that create new 'relative value' mispricing opportunities to profit from. The manager focuses on delivering consistent volatility-controlled returns in order to strictly limit performance volatility and prioritise capital preservation, irrespective of the market environment. The manager aims to fully hedge any foreign currency exposure back to the Australian dollar.

Allocation guidelines
Government bonds 90-100%
Derivatives 0-10%

Suggested minimum length of investment
2 years

Risk level¹
2 - Low

Kapstream Absolute Return Income Fund

Sector
Fixed interest - diversified

Investment manager
Kapstream Capital



Tax aware level



Objective
Aims to provide a steady stream of income and capital stability over the medium term while aiming to outperform the Reserve Bank of Australia official cash rate through market cycles (before fees and taxes).

Investment approach
Targets an absolute return over time, by investing in a global, diversified portfolio of predominantly investment grade fixed income securities, according to the manager's global macroeconomic and market views.

Allocation guidelines
Cash 0-100%
International fixed interest 0-100%

Suggested minimum length of investment
3 years

Risk level¹
1 - Very low

PIMCO Wholesale Australian Bond Fund

Sector
Fixed interest - Australian

Investment manager
PIMCO Australia Pty Ltd



Tax aware level



Objective
Aims to achieve maximum total return by investing in fixed interest securities predominantly denominated in Australian or New Zealand currencies, and to seek to preserve capital through prudent investment management.

Investment approach
In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.

Allocation guidelines
Cash 0-100%
Australian fixed interest 0-100%

Suggested minimum length of investment
5 years

Risk level¹
3 - Low to Medium

Single Sector - Fixed interest

Schroder Absolute Return Income Fund

Sector
Fixed interest - diversified

Investment manager
Schroders

Schroders

Tax aware level



Objective
Aims to outperform the Reserve Bank of Australia Cash Rate after investment fees but before tax over the medium term.

Investment approach

The fund is an absolute return fixed income strategy that actively invests across the broad and diverse fixed income opportunity set. It seeks to deliver income via a diversified set of return sources, targets low levels of capital volatility with a focus on minimising drawdowns, and offers daily liquidity. The fund diversifies its exposures across geography, issuer type, maturity, ratings grade and capital structure dimensions. Allocations to these dimensions are supplemented by duration management, currency management and alpha strategies. Risk management is crucial to control the fund's exposure to the aggregation of portfolio risks, in particular to limit correlation to equity markets and to minimise volatility and drawdowns.

Allocation guidelines

Australian investment grade 0-100%
International investment grade 0-100%
Australian high yield 0-40%³
International high yield 0-30%³
Cash and cash equivalents 0-100%
Active currency 0-10%

Suggested minimum length of investment
3 years

Risk level¹
3 - Low to Medium

PIMCO Wholesale Global Bond Fund

Sector
Fixed interest - international

Investment manager
PIMCO Australia Pty Ltd

PIMCO

Tax aware level



Objective
Aims to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.

Investment approach

In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long-term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.

Allocation guidelines

Cash 0-100%
International fixed interest 0-100%

Suggested minimum length of investment
5 years

Risk level¹
3 - Low to Medium

EQT Wholesale Mortgage Income Fund

Sector
Fixed interest - mortgages

Investment manager
Equity Trustees

Equity Trustees

Tax aware level



Objective
To outperform the RBA Cash Rate over rolling 3-year periods (before fees and tax).

Investment approach

The fund is conservatively managed and seeks to produce income by providing loans to selected borrowers. These loans are secured by registered first ranking mortgages. Loans are predominantly offered in respect of selected improved retail, commercial, industrial and residential real estate within Australia. Loans are for a maximum term of five years.

Allocation guidelines

Cash 0-100%
Australian fixed interest 0-100%

Suggested minimum length of investment
1 to 3 years

Risk level¹
4 - Medium

Single Sector - Fixed interest

Pendal Enhanced Credit Fund

Sector
Fixed interest - diversified

Investment manager
Pendal Institutional Limited

PENDAL

Tax aware level



Objective
Aims to provide a return (before fees, costs and tax) that exceeds the Bloomberg AusBond Non Govt 0+ Year Index² over the medium term.

Investment approach

This fund is designed for investors who want income, diversification across a broad range of companies and industries and are prepared to accept some variability of returns. The fund aims to take advantage of investment opportunities within the Australian non-Government fixed interest market and invests primarily in Australian dollar corporate bonds including investment grade securities issued by leading corporations listed on the Australian Securities Exchange. The fund may also invest in a limited amount of hybrid securities, non-investment grade securities and unrated securities. The fund may also hold cash and may use derivatives.

Allocation guidelines

Investment grade corporate bonds 70-100%
Commonwealth bonds and semi-government bonds 0-20%
Convertible notes 0-10%
Convertible preference shares 0-10%
Capital notes 0-10%

Suggested minimum length of investment
3 years

Risk level¹
5 - Medium to High

Single Sector - Australian shares

AB Managed Volatility Equities Fund

Sector
Australian shares

Investment manager
AllianceBernstein



Tax aware level



Objective
Aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees and before tax over the medium to long term.

Investment approach

The fund invests mainly in Australian Securities Exchange listed shares but may also invest in global developed market shares and cash. The fund implements a managed volatility equities strategy that aims to reduce volatility by identifying, and investing in, high quality listed equity securities that have reasonable valuations, high quality cash flows and relatively stable share prices. The manager does not always hedge the foreign currency exposures of the fund's global equity assets to Australian dollars but the manager has the discretion to determine the extent of hedging against any foreign currency exposure. Derivatives may be used to manage risks (including foreign currency risk), invest cash, manage volatility and gain or reduce investment exposures. Derivatives will not be used for leveraging or gearing purposes.

Allocation guidelines

Cash 0-20%
Australian shares 60-100%
International shares 0-20%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Bennelong Concentrated Australian Equities Fund

Sector
Australian shares

Investment manager
Bennelong Australian Equity Partners



Tax aware level



Objective
Aims to grow the value of the investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of primarily Australian shares, providing a total return that exceeds the S&P/ ASX 300 Accumulation Index by 4% per annum after investment fees and before tax (measured on a rolling 3-year basis).

Investment approach

Investors are offered a portfolio that holds between 20 and 35 of the team's best high-conviction stock picks. The companies within the fund's portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The fund may invest in securities expected to be listed on the Australian Securities Exchange. Derivative instruments may be used to replicate underlying positions on a temporary basis.

Allocation guidelines

Cash 0-10%
Australian shares 90-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Single Sector - Australian shares

DNR Capital Australian Emerging Companies Portfolio

Sector
Australian shares – small companies

Investment manager
DNR Capital



Tax aware level



Objective
Aims to deliver returns (before fees and taxes) above those of the S&P/ASX Small Ordinaries Total Return Index over rolling 5-year periods by investing in a portfolio of Australian emerging companies.

Investment approach
The portfolio's strategy offers investors exposure to a long-term, concentrated portfolio of high quality, small cap Australian listed equities. The manager seeks to identify good quality emerging businesses that are mispriced by overlaying its quality filter, referred to as the 'quality web', with a strong valuation discipline. The manager defines quality companies as those with earnings strength, superior industry position, sound balance sheet, strong management and low ESG risk. The assessment of a company's quality is overlaid with a detailed valuation assessment seeking to exploit mispriced, market inefficiencies. The manager's security selection process has a strong bottom-up discipline and focuses on buying quality emerging businesses at reasonable prices. The process involves comprehensive company and industry research, company visits and meetings, and detailed valuation analysis and modelling. This information is used to assess the quality of a business and the expected return. The portfolio construction process considers stock weightings based on the risk versus the expected return. It is also influenced by a top-down economic appraisal, sector exposures and liquidity considerations. The investment approach is long-only and is intended to result in a style-neutral, concentrated portfolio that is high conviction and invests over a five-year period. The fund does not use derivatives and does not intend to borrow.

Allocation guidelines
Cash 0-20%
Australian shares 80-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Generation Life Tax Effective Australian Share Fund

Sector
Australian shares

Investment manager
Invesco Ltd



Tax aware level



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.

Allocation guidelines
Cash 0-10%
Australian shares 90-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Investors Mutual Australian Share Fund

Sector
Australian shares

Investment manager
Investors Mutual Limited



Tax aware level



Objective
Aims to provide a return (after investment fees and expenses and before tax) which exceeds the S&P/ASX 300 Accumulation Index over rolling four-year periods.

Investment approach
The fund will invest in a diversified portfolio of quality ASX listed Australian industrial and resources shares, where these shares are identified by the manager as being undervalued.

Allocation guidelines
Cash 0-10%
Australian shares 90-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Single Sector - Australian shares

Investors Mutual Future Leaders Fund

Sector
Australian shares - small & mid companies

Investment manager
Investors Mutual Limited



Tax aware level



Objective
Aims to provide a rate of return (after investment fees and expenses and before tax) which exceeds the return of the S&P/ASX 300 Accumulation Index (ex S&P/ASX50, ex LPT) on a rolling four-year basis.

Investment approach
Will invest in a diversified portfolio of quality ASX listed Australian and New Zealand shares outside the top 50 shares listed on the ASX, where these shares are identified by the manager as being undervalued.

Allocation guidelines
Cash 0-20%
Australian shares 80-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Martin Currie Equity Income Fund

Sector
Australian shares

Investment manager
Martin Currie

Tax aware level



Objective
Aims to provide an income yield above the S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (before fees and taxes) and to grow this income above the rate of inflation.

Investment approach
In selecting stocks, the manager focuses on long term normalised earnings and sustainable dividends of high- quality Australian companies to deliver an attractive and growing income stream. The fund aims to hold investments so that: exposure to an individual stock is no more than 6% of the portfolio; approximately 45 securities are held; and exposure to an individual sector (as determined by the manager) is no more than 22%. The fund will not invest in securities issued by companies involved in the production or distribution of cluster munitions or the manufacture of tobacco products. The fund does not use derivatives and does not intend to borrow.

Allocation guidelines
Cash (or cash equivalents) 0-10%
Australian shares 90-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Perpetual Australian Share Fund

Sector
Australian shares

Investment manager
Perpetual Investment Management Limited



Tax aware level



Objective
Aims to provide long-term capital growth and regular income through investment predominantly in quality Australian industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.

Investment approach
The manager researches companies of all sizes using consistent share selection criteria. The manager's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. The fund may have up to 20% exposure to investments in international shares where the manager believes there are opportunities that may enhance returns.⁴ Derivatives may be used in managing the fund.⁹

Allocation guidelines
Cash 0-10%
Australian shares 90-100%⁴

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Single Sector - Australian shares

Perpetual Geared Australian Share Fund

Sector
Australian shares - geared

Investment manager
Perpetual Investment Management Limited



Tax aware level



Objective
Aims to enhance long-term capital growth through borrowing (gearing) to invest predominantly in quality Australian industrial and resource shares and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.

Investment approach

The manager researches companies of all sizes using consistent share selection criteria. The manager's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality, investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business and recurring earnings. The gearing level of the fund must be kept within pre-determined guidelines. Within these, the manager aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income. The fund may have up to 20% exposure to investments in international shares where the manager believes there are opportunities that may enhance returns.⁴ Derivatives may be used in managing the fund, including for gearing purposes.⁹

Allocation guidelines

Cash 0-10%
Australian shares 90-100%⁴
Gearing level 0-60%⁶

Suggested minimum length of investment
7 years

Risk level¹
7 - Very high

Single Sector - International shares

Dimensional World Equity Portfolio

Sector
International shares

Investment manager
DFA Australia



Tax aware level



Objective
The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity and real estate securities.

Allocation guidelines

Australian shares 26-46%
International shares - developed 45-65%
International shares - emerging 2-12%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Hyperion Global Growth Companies Fund

Sector
International shares

Investment manager
Hyperion Asset Management Limited



Tax aware level



Objective
The fund aims to achieve long-term returns above the MSCI World Accumulation Index (AUD) (before fees and tax) and minimise the risk of permanent capital loss.

Investment approach

The fund invests primarily in the equity of companies listed on members of the World of Federation of Exchanges or the Federation of European Securities Exchanges and will also have some exposure to cash. Typically, the fund is highly concentrated with 15-30 stocks. The manager's strategy uses rigorous and in-depth quantitative and qualitative analysis to establish a unique portfolio. The fund invests in growth-oriented companies which pass the manager's rigorous investment process.

Allocation guidelines

Cash & cash equivalents 0-20%
Australian and international shares 80-100%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Single Sector - International shares

Magellan Global Fund

Sector
International shares

Investment manager
Magellan Asset Management Limited



Tax aware level



Objective

The primary objectives are to achieve attractive risk-adjusted returns over the medium to long-term, while reducing the risk of permanent capital loss.

Investment approach

The manager aims to invest in companies that have sustainable competitive advantages which translate into returns on capital in excess of their cost of capital for a sustained period of time. The manager endeavours to acquire these companies at discounts to their assessed intrinsic value of the companies. The fund's portfolio comprises 20 to 40 investments. It is not the manager's intention to hedge the foreign currency exposure of the fund arising from investments in overseas markets.

Allocation guidelines

Cash 0-20%
Australian and international shares 80-100%

Suggested minimum length of investment

At least 7-10 years

Risk level¹

6 - High

Martin Currie Emerging Markets Fund

Sector
International shares - emerging markets

Investment manager
Martin Currie



Tax aware level



Objective

Aims to deliver capital growth by investing directly or indirectly in equities of companies that are quoted in or operating in one or more countries deemed to be emerging markets. The fund aims to generate after investment fee but before tax, returns in excess of the MSCI Emerging Markets Index expressed in Australian dollars over rolling five-year periods.

Investment approach

The manager seeks to exploit market inefficiencies through rigorous fundamental research and by investing with a patient, long-term mindset. The manager seeks to add further value by investing in quality companies that exhibit the strongest growth characteristics, trading at a reasonable valuation. This philosophy is expressed through a high-conviction, stock-driven portfolio with diversified market and sector exposure. The fund typically holds between 40-60 stocks. The fund may use certain derivatives to implement investment decisions, to manage cash flows or to facilitate timely exposure to emerging markets.

Allocation guidelines

Cash 0-10%
International shares 90-100%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

MFS Concentrated Global Equity Trust

Sector
International shares

Investment manager
MFS International Australia Pty Ltd



Tax aware level



Objective

Aims to provide capital appreciation over the longer term by investing in a concentrated portfolio of global shares and aims to outperform the MSCI World Index (with net dividends reinvested) unhedged, measured in AUD over a full market cycle, before taking into account investment fees, expenses and tax.

Investment approach

In selecting investments in the fund, the manager is not constrained by any particular investment style. The manager may invest in the stocks of companies it believes to have above average earnings growth potential compared to other companies (growth companies), in the stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies. The manager uses an active bottom-up investment approach to buying and selling investments. Investments are selected primarily based on fundamental analysis of individual issuers and their potential in light of their financial condition, and market, economic, political and regulatory conditions. Factors considered may include analysis of an issuer's earnings, cash flows, competitive position and management ability. Currency hedging is rare and usually only undertaken for defensive purposes and as part of the security selection process. The fund does not systematically employ currency management techniques and is considered to be unhedged.

Allocation guidelines

Cash and cash equivalents 0-10%
International shares 90-100%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Single Sector - International shares

Barrow Hanley Global Share Fund

Sector
International shares

Investment manager
Barrow, Hanley, Mewhinney & Strauss, LLC



Tax aware level



Objective

Aims to provide long-term capital growth through investment in quality global shares and outperform the MSCI World Net Total Return Index (\$A) (before fees and taxes) over rolling three-year periods.

Investment approach

The manager aims to select the most attractive securities to construct a well diversified, high active share portfolio that provides asymmetrical returns by participating in up markets while protecting in down markets. The portfolio will exhibit a clear value bias and seek characteristics such as 1) price/earnings ratios below the market, 2) price/book ratios below the market, 3) enterprise value/free cash flow ratios below the market and 4) dividend yields above the market. The manager will primarily invest in companies incorporated in developed markets and may hold up to 20% of the portfolio in companies incorporated in emerging markets. The portfolio has no direct tobacco stock exposure. The currency exposure is unhedged.

Allocation guidelines

Cash 0-5%¹⁰
International shares 95-100%⁸

Suggested minimum length of investment

7 years

Risk level¹

7 - Very high

Walter Scott Global Equity Fund (Hedged)

Sector
International shares - hedged

Investment manager
Macquarie Investment Management Global Limited



Tax aware level



Objective

Aims to achieve a long-term total return (before fees, expenses and tax) that exceeds the MSCI World ex Australia Index, in \$A hedged with net dividends reinvested.

Investment approach

The fund invests in the Walter Scott Global Equity Fund (Underlying Fund), managed by Walter Scott & Partners Limited (Walter Scott). Walter Scott is an independent global investment manager established in 1983, in Edinburgh, Scotland. Walter Scott is a classical, fundamental and long-term growth manager with a wealth of experience in global equity investment. The fund provides exposure to a concentrated portfolio of global equities. The Underlying Fund invests in securities which, in Walter Scott's opinion, offer strong and sustained earnings growth and will not invest in 'tobacco' securities as defined by the Global Industry Classification Standard (GICS®) or 'controversial weapons' securities as defined by MSCI, Inc. The Underlying Fund is actively managed using a benchmark unaware, fundamental, bottom-up and research-driven approach to build a portfolio of strong growth companies capable of generating wealth over long periods of time. The investment approach combines detailed financial analysis with business and management analysis. The portfolio is constructed with a primary focus on stock-based analysis and a bias towards strong growth companies which Walter Scott believes are capable of generating high earnings growth. The fund's exposure to international assets is hedged back to Australian dollars by the manager.

Allocation guidelines

Cash 0-10%
International shares 90-100%

Suggested minimum length of investment

7 years

Risk level¹

6 - High

Dimensional Global Small Company Trust

Sector
International shares - small companies

Investment manager
DFA Australia



Tax aware level



Objective

Aims to provide long-term capital growth by gaining exposure to a diversified portfolio of small companies associated with approved developed markets (excluding Australia).

Investment approach

Seeks exposure to a diversified portfolio of small companies listed in global developed markets (excluding Australia) with the potential for long-term capital growth.

Allocation guidelines

International shares 100%

Suggested minimum length of investment

7 years

Risk level¹

7 - Very High

Single Sector - Property & alternatives

Firetrail Absolute Return Fund

Sector
Alternatives

Investment manager
Firetrail Investments Pty Ltd



Tax aware level



Objective

The fund aims to outperform the RBA Cash Rate over the medium to long term (before fees and tax).

Investment approach

The fund aims to provide investors with access to an actively managed equities portfolio predominately comprised of long positions and short positions in Australian listed securities and constructed using the fund's net market neutral investment strategy. Long only positions are selected using in-depth fundamental analysis. The short portfolio is constructed using a combination of fundamental analysis, systematic strategies and other value-adding strategies.

Allocation guidelines

Cash & cash equivalents 0-95%
Australian shares 0-30%
Derivatives may be used to gain equities exposure typically up to a maximum of 400% gross leverage of the investment strategy's investable holdings.

Suggested minimum length of investment

5 years

Risk level¹

6 - High

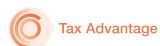
GMO Systematic Global Macro Trust

Sector
Alternatives

Investment manager
GMO Australia Limited



Tax aware level



Objective

The fund's investment objective is long-term total return. The manager aims to produce a portfolio that seeks to outperform the Bloomberg AusBond Bank Bill Index² (before fees and tax).

Investment approach

The manager seeks to take long and short positions in a range of global equity, bond, currency and commodity markets using exchange traded and over the counter derivatives, including futures, forward currency contracts, swaps on commodity indices as well as making other investments. The manager utilises proprietary investment models for systematic global tactical asset allocation and equity, bond, currency and commodity market selection.

Allocation guidelines

Cash 0-100%¹³
Alternatives 0-100%¹³
Derivatives may be used to gain equities exposure typically up to a maximum of 300% gross leverage of the investment strategy's investable holdings.

Suggested minimum length of investment

5 years

Risk level¹

5 - Medium to High

Macquarie Global Listed Real Estate Fund

Sector
Property - international

Investment manager
Macquarie Investment Management Global Limited



Tax aware level



Objective

Aims to provide total returns (income and capital growth) after investment costs and before tax, above the FTSE EPRA/NAREIT Developed Index Hedged in AUD Net Total Return Index on a rolling three-year basis.

Investment approach

Provides exposure to a diversified portfolio of global listed real estate, primarily real estate investment trusts that are listed, or about to be listed, on exchanges globally, focussing on investments in Europe, the Americas and the Asia Pacific. The fund may also invest in other regions. The manager combines a stock specific (bottom-up) selection process, which has a strong focus on a valuation-based stock selection methodology, with a secondary consideration of macroeconomic (top-down) factors. It seeks to identify and capitalise on investment opportunities through an integrated approach to security-level analysis and macro themes impacting real estate markets. The manager believes that real estate securities supported by a sustainable, well governed, business model and high-quality assets will outperform over the long term. The fund's exposure to international assets is hedged back to Australian dollars.

Allocation guidelines

Cash 0-10%
Listed property 90-100%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Single Sector - Property & alternatives

Magellan Infrastructure Fund

Sector
Property - international infrastructure

Investment manager
Magellan Asset Management Limited



Tax aware level



Objective

The primary objective is to achieve attractive risk adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.

Investment approach

Primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash and cash equivalents. The manager can use foreign exchange contracts to facilitate settlement of stock purchases and to mitigate currency risk on specific investments within the portfolio. It is the manager's intention to substantially hedge the capital component of the foreign currency exposure of the portfolio arising from investments in overseas markets back to Australian Dollars.

Allocation guidelines

Cash 0-20%
Australian and international shares 80-100%

Suggested minimum length of investment

At least 7-10 years

Risk level¹

6 - High

Martin Currie Real Income Fund

Sector
Property - diversified

Investment manager
Martin Currie



Tax aware level



Objective

Aims to provide a growing income stream by investing in a diversified portfolio of listed real asset securities (such as A-REITs, infrastructure and utilities) characterised by established physical assets with recurring cash flows.

Investment approach

The manager's approach is premised on the philosophy that high-quality listed real assets can sustain dividends, match rises in the cost of living and are likely to be less volatile than the wider equity market. The manager relies on complementary fundamental and quantitative research, and collective insights into the current investment landscape, to identify the most attractive opportunities. The fund aims to hold approximately 35 securities.

Allocation guidelines

Cash 0-10%
Property and infrastructure 90-100%

Suggested minimum length of investment

3 years

Risk level¹

6 - High

Responsible Investing - Single Sector

Affirmative Global Impact Bond Fund

Sector
ESG - International fixed interest

Investment manager
Affirmative Investment Management Limited



Tax aware level



Objective

Aims to simultaneously create a positive and verifiable environmental and social impact whilst targeting a total return in excess of the Bloomberg Barclays Global Aggregate Index² hedged to Australian dollars (before fees and tax) over rolling three-year time periods.

Investment approach

The fund will invest primarily in investment grade global fixed income instruments, investing for the medium and longer term. The investable universe consists only of issues and issuers that have passed both an Environmental, Social, Governance (ESG) and Impact screen. The process for determining whether an issue and issuer is making a meaningful impact focuses on the use of proceeds, transparency and measurability. The fund's investment universe encompasses green, social and sustainability bonds. The verification process is one of positive selection to identify and verify issues and issuers that deliver a meaningful and measurable impact. The fund invests in bonds that fulfil its sustainability criteria, which covers a broad range of factors such as credit worthiness of the issuer, environment/social benefits and ability to determine that proceeds are dedicated to positive impact. The portfolio invests primarily in tradable debt securities but may use derivatives to gain market exposure or for risk management. The fund can take active currency positions relative to the benchmark (that is hedged into Australian dollars).

Allocation guidelines

Cash and international fixed interest 0-100%

Suggested minimum length of investment

3 years

Risk level¹

4 - Medium

Responsible Investing - Single Sector

Dimensional Global Bond Sustainability Trust

Sector
ESG - International fixed interest

Investment manager
DFA Australia



Tax aware level



Objective

Aims to maximise the return of the portfolio, within portfolio constraints, by investing in a broadly diversified portfolio of eligible intermediate term domestic and global fixed interest and money market securities whilst also taking into account certain environmental, sustainability impact and social considerations.

Investment approach

Seeks exposure to a diversified portfolio of intermediate term domestic global and fixed interest and money market securities with the potential for capital appreciation and income. In considering environmental and sustainability impact and other social factors ('Sustainability Criteria') that the manager believes may be important to investors, the manager may consider carbon and other greenhouse emissions, or potential emissions, land use, biodiversity, involvement in toxic spills or releases, operational waste, water use, coal, tobacco, child labour, alcohol, adult entertainment, gambling, factory farming activities, palm oil, personal firearms, manufacture of controversial weapons and manufacture and maintenance of nuclear weapons components and systems among other factors. In particular, the manager may exclude securities of issuers that it considers to have high carbon or greenhouse gas emissions or reserves that may produce those emissions. The exposure to corporate issuers will generally be adjusted based on the Sustainability Criteria identified above. Investments in securities of sovereign issuers are generally not subject to the Sustainability Criteria identified above. The manager will generally exclude or underweight securities of supranational organisations and certain non-sovereign governmental agencies that may be less sustainable as compared to other similar issuers, based upon the Sustainability Criteria.

Allocation guidelines
Fixed interest 100%

Suggested minimum length of investment
3 years

Risk level¹
4 - Medium

Generation Global Share Fund

Sector
ESG - International shares

Investment manager
Generation Investment Management LLP



Tax aware level



Objective

Aims to deliver superior investment performance by taking a long-term investment view and integrating sustainability research within a rigorous fundamental equity analysis framework. The fund aims to outperform the MSCI World (ex Australia) Index over rolling three-year periods before fees and taxes.

Investment approach

The fund's strategy is to invest in high quality businesses, whose securities are attractively priced, with strong management teams that are capable of delivering superior long-term returns. Sustainable investing is the explicit recognition that economic, health, environmental, social and governance factors directly affect long-term business profitability. The fund invests in around 30 to 60 sustainable companies that provide products and services consistent with a low carbon, prosperous, equitable, healthy and safe society. The manager seeks to identify long-term sustainability and economic trends and develop a research roadmap to select quality companies that are likely to thrive under these conditions. Whilst hedging may be used to manage currency exposures against the relevant benchmark, overall currency exposure will not be hedged back into Australian dollars.

Allocation guidelines
Cash 0-10%
International shares 90-100%

Suggested minimum length of investment
7 years

Risk level¹
6 - High

Perpetual ESG Australian Share Fund

Sector
ESG - Australian shares

Investment manager
Perpetual Investment Management Limited



Tax aware level



Objective

Aims to provide long-term capital growth and regular income through investment predominantly in quality shares of Australian shares that meet the manager's ESG and values-based criteria and to outperform the S&P/ASX 300 Accumulation Index (before fees and tax) over rolling three-year periods.

Investment approach

The fund seeks to invest in companies that represent the best investment quality, are appropriately priced and meet the manager's ESG and values-based criteria.⁵ Investment quality is determined based on four key criteria: conservative debt levels, sound management, quality business and recurring earnings. The fund may have up to 20% exposure to investments in international shares where the manager believes there are opportunities that may enhance returns.⁴ Currency hedges may be used from time to time. Derivatives may be used in managing the fund.⁹

Allocation guidelines
Cash 0-10%
Australian shares 90-100%⁴

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Responsible Investing - Single Sector

Pendal Sustainable Australian Share Fund

Sector
ESG - Australian shares

Investment manager
Pendal Institutional Limited

PENDAL

Tax aware level



Objective

Aims to provide a return (before fees, costs and tax) that exceeds the S&P/ASX 200 Accumulation Index over the medium to long term, whilst maximising the portfolio's focus on sustainability.

Investment approach

The fund uses an active stock selection process that combines sustainable and ethical criteria with the managers' financial analysis. The manager actively seeks out companies and industries that demonstrate leading ESG and ethical practices and excludes companies not meeting the investable criteria. The fund seeks to avoid companies that cause harm or undermine a more sustainable economy. On this basis, the manager employs sector/activity-based exclusionary screens, as well as incident-based screens. In managing the fund, the manager avoids companies involved in: fossil fuels; uranium; logging; gambling; pornography; weapons; alcohol; tobacco; animal cruelty; predatory lending practices; breaches/misconduct. The sustainability, ESG and ethical criteria employed include factors such as environmental issues; social practices; corporate governance; and ethical practices.

Allocation guidelines

Cash 0-10%
Australian shares 90-100%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Stewart Investors Worldwide Sustainability Fund

Sector
ESG - International shares

Investment manager
Stewart Investors


Stewart Investors

Tax aware level



Objective

To achieve long-term capital growth by investing in a diversified portfolio of equity or equity-related securities that are listed, traded or dealt in on any of the Regulated Markets worldwide. The fund is not managed to a benchmark and may have exposure to developed markets or Emerging Markets whilst maintaining its geographical diversity. The fund invests in companies that are positioned to contribute to, and benefit from, sustainable development. The fund aims to exceed the MSCI All Country World Index over rolling five-year periods before fees and taxes.

Investment approach

Stewart Investors applies a bottom-up approach and aims to invest only in well-stewarded, high quality companies with sustainability at the heart of all investment considerations. Investment decisions around companies focuses on quality of: management including integrity, attitude to environmental and social impacts, corporate management, long-term performance and risk; (2) the company franchise including its social usefulness, their environmental impacts and efficiency and responsible business practices; and (3) the company's financials including a preference for low net debt, strong cashflows and fair tax practices, as well as robust financial performance. The fund does not hedge currency risk.

Allocation guidelines

Cash 0-20%
International shares 80-100%

Suggested minimum length of investment

7 years

Risk level¹

7 - Very High

Responsible Investing - Diversified multi-sector

Dimensional Sustainability World Allocation 70/30 Trust

Sector
ESG - Diversified growth

Investment manager
DFA Australia



Tax aware level



Objective
Aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of securities listed on approved developed markets, and domestic and global fixed interest securities.

Investment approach

The fund will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets. Normally, the manager will gain some or all of its exposure by investing in other funds managed by it that invest in equity, real estate and fixed interest securities. Exposures are adjusted to take into account certain environmental and sustainability impact and social considerations. In considering environmental and sustainability impact and other social factors ('Sustainability Criteria') that the manager believes may be important to investors, the manager may consider carbon and other greenhouse emissions, or potential emissions, land use, biodiversity, involvement in toxic spills or releases, operational waste, water use, coal, tobacco, child labour, alcohol, adult entertainment, gambling, factory farming activities, palm oil, personal firearms, manufacture of controversial weapons and manufacture and maintenance of nuclear weapons components and systems among other factors. In particular, the manager may exclude securities of issuers that it considers to have high carbon or greenhouse gas emissions or reserves that may produce those emissions. Investments in securities of sovereign issuers are generally not subject to the Sustainability Criteria identified above. The manager will generally exclude or underweight securities of supranational organisations and certain non-sovereign governmental agencies that may be less sustainable as compared to other similar issuers, based upon the Sustainability Criteria.

Allocation guidelines
Fixed interest 20-40%
Australian shares 15-35%
International shares 30-60%

Suggested minimum length of investment
5 years

Risk level¹
6 - High

Evergreen Responsible Growth Model

Sector
ESG - Diversified growth

Investment manager
Evergreen Consultants



Tax aware level



Objective
The fund's portfolio aims to provide long-term capital growth by investing in a well-constructed and diversified portfolio of superior, socially responsible investment options. The manager aims to achieve returns of the RBA Cash Rate plus 3.5% p.a. (after manager fees and tax) over rolling seven-year periods, in a sustainable way.

Investment approach

The portfolio will be biased to sustainable growth investment options. The manager believes that asset allocation is the primary driver of long-term returns and will ensure the portfolio is correctly constructed in this regard. The manager conducts extensive analysis of potential investment options and underlying managers with respect to both investment characteristics and their environmental, social and governance attributes. This allows the manager to build a well-diversified portfolio, capable of meeting both its investment and sustainability objectives. Investment selection utilises the Evergreen Responsible Investment Grading (ERIG) Index to ensure investments selected are avoiding harm and targeting sustainability.

Allocation guidelines
Cash 0-25%
Fixed interest 10-50%
Australian shares 20-45%
International shares 20-45%
Property and infrastructure 0-15%
Alternatives 0-30%

Suggested minimum length of investment
7 years

Risk level¹
6 - High

Responsible Investing - Diversified multi-sector

Pendal Sustainable Balanced Fund

Sector

ESG - Diversified growth

Investment manager

Pendal Institutional Limited

PENDAL

Tax aware level**Objective**

Aims to provide a return (before fees, expenses and tax) that exceeds the fund's benchmark over the medium to long term.

Investment approach

This fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The fund may also use derivatives. Sustainable and ethical investment practices are incorporated into the Australian and international shares, Australian and international fixed interest and part of the Alternative investments component of the fund. The manager actively seeks exposure to securities and industries that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while excluding companies not meeting the investable criteria. The sustainability and ethical criteria employed includes factors such as: environmental issues, social practices, corporate governance, and ethical practices. In addition, the manager excludes from the fund some types of companies and industries which are materially involved in activities it considers contrary to the ethical and ESG goals of the fund, including industries such as: fossil fuels; uranium; logging; gambling; pornography; weapons; alcohol; tobacco; animal testing; and predatory lending. These exclusions may be applied differently across the asset classes of the fund.

Allocation guidelines

Cash 0-20%
Australian fixed interest 0-25%
International fixed interest 0-25%
Australian shares 20-40%
Australian property securities 0-10%
International property securities 0-10%
International shares 20-40%
Alternative investments 0-20%

Suggested minimum length of investment

5 years

Risk level¹

6 - High

Assumptions and disclaimers

1. The risk level is based on the Standard Risk Measure which allows investors to compare investment options (refer to the Product Disclosure Statement for more information about the risks of investing).
2. Bloomberg Finance L.P. and its affiliates (collectively, 'Bloomberg') do not approve or endorse this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.
3. Maximum aggregate exposure to high yield assets will not exceed 50%.
4. The fund invests predominately in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on an any recognised global exchange. The fund may also invest in Australian or international shares proposed to be listed within six months of any such recognised exchange limited to 10% of the fund's net portfolio value. Currency hedges may be used from time to time.
5. The manager evaluates companies that meet the investment approach set out above using an ESG and values-based criteria when deciding to select, retain or sell an investment. The values-based criteria means not investing in companies or issuers that derive a material proportion (5% or more) of their revenue* from: the manufacture or sale of alcohol or tobacco[^]; the operation of gambling facilities or the manufacture or supply of gambling products; fossil fuels (exploration and extraction); uranium and nuclear; animal cruelty (cosmetic testing); genetic engineering; pornography; or armaments (including weapons)[^].

* Generally calculated using the total gross amount of income generated by the sale of goods or services from normal business operations.

[^] For involvement in the production of tobacco, the manufacture of nicotine alternatives and tobacco-based products and the development, production and maintenance of controversial weapons, a 0% revenue threshold is applied.

Additionally, companies are scored (both positively and negatively) on a broad range of ESG factors such as the company's environmental policy and strategy and consideration of ESG factors in its supply chain management. Companies can receive negative scores for poor management of ESG risk issues, such as a poor approach to human rights, the environment, and corporate governance or supply chains. All company positive and negative scores are totalled, and companies that received a negative overall score fail this criteria and are excluded from investment.

6. The gearing level is the underlying fund's borrowings divided by the total gross value of the underlying fund's assets. It will depend on the present levels and future expectation of the fund's net income (income after fees and expenses and excluding franking credits) and the cost of borrowings. The underlying fund has a gearing range of 0-60%, with the typical target level within this range being between 50-60%. This target is only an indication of the targeted gearing level of the underlying fund. Actual gearing levels of the fund may differ. If the underlying fund's gearing level exceeds 60% (due to withdrawals or negative market movements), the manager will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the underlying fund's assets.
7. The underlying fund invests predominately in shares listed on any recognised global exchange. The underlying fund may also invest in shares proposed to be listed within six months on any such recognised exchange, limited to 10% of the Fund's net asset value.
8. Cash may be held in Australian (AUD) or foreign currencies.
9. The underlying fund's exposure to derivatives is limited to 10% of the fund's net asset value in exceptional circumstances. Derivatives used to manage foreign exchange risk are excluded from this limit.
10. The fund may invest in fixed income funds that allow gearing.
11. The fund may gain its exposure to Australian shares by investing in one or more underlying Australian share funds. Where the fund invests in the Perpetual Australian Share Fund, that underlying fund invests predominantly in Australian shares listed on or proposed to be listed on any recognised Australian exchange but may have up to 20% exposure to international shares listed on or proposed to be listed on any recognised global exchange. The allocation guidelines showing the fund's maximum investment in international shares do not include this potential additional exposure. Underlying Australian share funds may use short positions as part of their investment strategy. Currency hedges may be used from time to time.
12. The manager may allocate up to 30% of the portfolio to other assets which may include, but is not limited to, infrastructure, mortgages (including mezzanine mortgages), private equity, opportunistic property, absolute return funds, commodities and real return strategies. Exposure to other assets aims to enhance the fund's diversification and may help reduce volatility.
13. Applies to net exposures of the investment strategy portfolio.

Generation Life Limited

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Investment Options booklet
30 November 2023

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Outthinking today.