


Generation Life Tax Effective Australian Share Fund

Fact Sheet | 30 June 2024

Performance as at 30 June 2024 ¹	1 Month (%)	3 Month (%)	6 Month (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	Since Inception (% p.a.)
Fund net return (after fees & tax)	0.74	-1.56	3.41	11.43	11.51	5.72	7.79
Benchmark return (before tax) ²	1.01	-1.06	4.21	12.09	12.23	5.62	7.84
Gross investment return (before fees & tax) ³	0.90	-1.75	4.01	13.97	14.39	6.97	9.47
Gross investment return (before fees & after tax) ³	0.94	-1.89	3.96	13.26	13.09	5.66	8.04

Fund facts	
Sector	Australian shares
Tax aware level	 Tax Optimised
Inception date	20 May 2019
Fund code	UF35
Generation Life APIR code	ALL3779AU
Investment management cost⁴	0.54% p.a.
Buy/sell spread	0.25%/0.25%
Suggested minimum investment period	5 Years
Risk level	6 - High

Investment objective

Aims to provide long-term tax effective total returns, with diversification across a broad range of Australian companies and industries.

Investment approach

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

Notes

1. Past performance is not an indicator of future performance.
2. S&P/ASX 200 Accumulation Index.
3. Adjusted for Investment management fees and transaction costs
4. Investment management costs include investment manager's fees, estimated investment expense recoveries and other indirect investment costs as a percentage of the total average assets of the investment option based on latest available information, but excludes indirect transaction and operational costs.

Performance commentary

For the month ended 30 June 2024, the after tax and pre Genlife administration fee return was 0.90%, compared to the AS benchmark pretax return of 1.01%. On a pretax return basis, the portfolio underperformed the benchmark by 0.07% for the month.

In June, the overall effect of the factors – Momentum, Quality and Value on active returns was positive. The Momentum factor has the biggest positive effect whilst stock specific impacts, which is factor agnostic had an overall negative effect.

Sector weightings, being a by-product of the multi factor optimisation process was also negative over the month. Our underweight in the health care sector had a negative impact on returns while and underweight in the financial sector impacted active returns positively.

Over the month, our positions in QBE Insurance Group and National Australia Bank were strengthened from value and momentum scoring respectively. Our positions in Suncorp Group and ANZ Group on the other hand were reduced due to negative Momentum scorings.

Market commentary

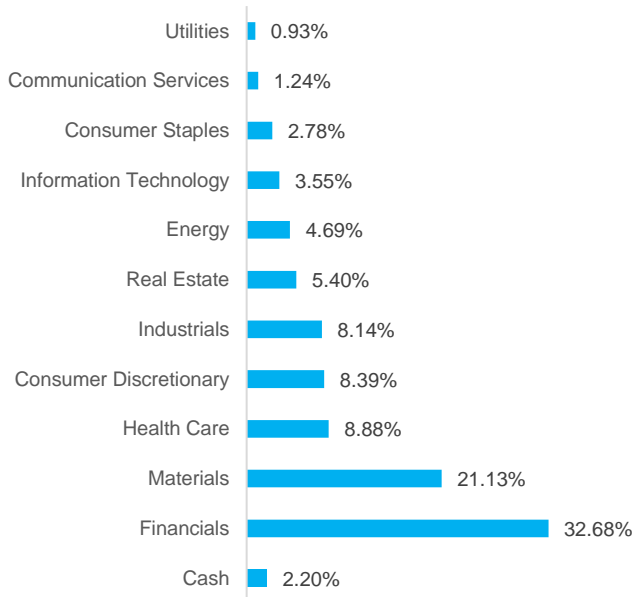
Over the month, the MSCI World Index rallied 2.4% and emerging markets benchmark gained 4.3%. Returns were dominated by selected AI names as the equal weighted index was lower by 2.6%. A broadening out in the US market is expected given the improving outlook in the non-AI names. Whilst the European markets has been buffeted by politics, the cyclical improvement in the economy and discounted equity markets provides sufficient opportunities for active stock selection.

The Australian economy experienced subdued growth for the month of June due to spillover effects from earlier increases in interest rates. Nevertheless, the stock markets were up over the month with financials and healthcare making the most progress. Q1 GDP numbers fell short of expectations at 1.1% y-o-y. With inflation rising to 4%, the RBA maintained the current cash rate acknowledging that returning inflation to target was unlikely to be smooth.

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Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark (%) ²
Commonwealth Bank of Australia	9.21	9.19
BHP Group Ltd	9.10	9.42
Westpac Banking Corp	4.93	4.08
CSL Ltd	4.76	6.18
National Australia Bank Ltd	4.57	4.85
Australia & New Zealand Banking	3.99	3.68
Wesfarmers Ltd	3.76	3.20
Goodman Group	2.99	2.59
Macquarie Group Ltd	2.26	3.15
Cochlear Ltd	2.17	0.93

About the investment manager



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

About Generation Life

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

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

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

Investor services

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

Adviser services

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

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