Generation Life Tax Effective Australian Share Fund

Fact Sheet | 31 August 2024

Performance as at 31 August 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)	2.13	5.21	5.38	13.74	10.36	5.95	7.94
Benchmark return (before tax)[2]	0.47	5.74	6.96	14.89	11.01	5.97	8.51
Gross investment return (before fees & tax)[3]	0.73	6.43	6.58	16.70	12.24	6.56	8.85
Gross investment return (before fees & after tax)[3]	0.77	6.50	6.82	17.45	13.51	7.92	10.27

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 cost[4]	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.

Performance commentary

For the month ended 31 August 2024, the after tax and pre Genlife administration fee return was 0.73%, compared to the benchmark pretax return of 0.47%. On a pretax return basis, the portfolio outperformed the benchmark by 0.26% for the month.

In August, the overall effect from the factors Momentum, Quality and Value were positive on the funds active returns. The Momentum factor had the biggest positive effect on active returns. Stock specific effects had a negative effect.

Sector weightings were negative over the month. Our overweight in the discretionary sector and underweight in the health care sector both had an overall negative impact on active returns.

Over the month we strengthened our positions in Coles Group due to its consistently positive Momentum and Value scores. We also increased our exposure to Aristocrat Leisure due to its positive Momentum and Quality scores. Our positions in Fortescue and Ampol produced negative Momentum scores so these positions were scaled back.

Market commentary

Over the month, the MSCI World Index rallied 1.7%. Returns were dominated by the Asian ex-Japan and Emerging Markets delivering returns of 2% and 1.8% respectively. Europe underperformed the US in local currency terms, returning 1.4%. In the US, the NASDAQ dropped almost 6% over the course of three days.

The Australian economic showed signs of improvement with core inflation softening but still running at 3.8% y-o-y. The decline in core inflation provides some confidence that inflation is not reaccelerating. Unemployment rose to 4.2%, its highest level since early 2022 but still low in historical terms. From a sector perspective, consumer staples outperformed whilst the worst performing sector was telecommunications.

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.

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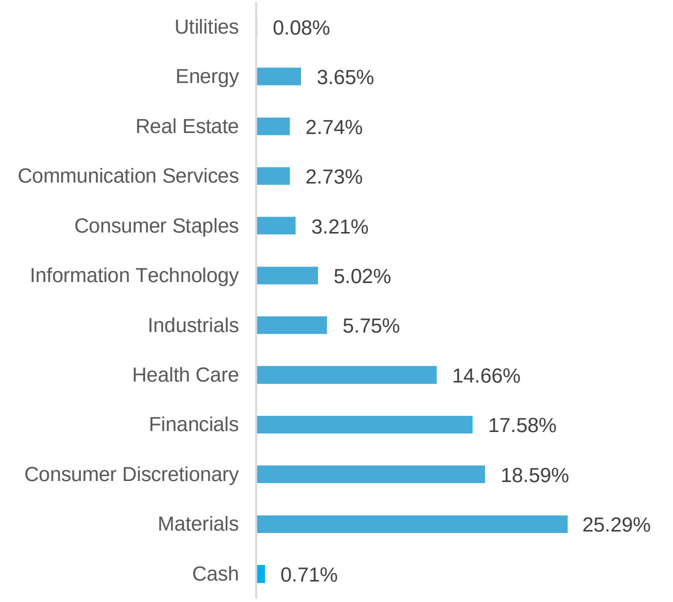
Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark (%)[2]
Commonwealth Bank of Australia	9.91	9.51
BHP Group Ltd	8.21	8.42
Westpac Banking Corp	5.91	4.42
CSL Ltd	4.87	6.07
National Australia Bank Ltd	4.51	4.82
Wesfarmers Ltd	4.09	3.40
Australia & New Zealand Banking	3.60	3.71
Coles Group	2.48	1.03
Goodman Group	2.36	2.35
Aristocrat Leisure Ltd	2.32	1.41

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

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