

Generation Life Tax Effective Growth Fund

Fact Sheet | 30 September 2025

Performance as at 30 September 2025 ¹	1 Month (%)	3 Month (%)	6 Month (%)	1 year (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception (% p.a.)
Fund net return (after fees & tax) ²	1.14	3.63	7.83	7.94	8.92	6.09	4.28
Benchmark return (before tax) ³	1.10	4.60	11.00	12.80	-	-	15.70 ⁴
Gross strategy return (before fees & tax)	1.70	5.30	9.90	10.80	-	-	14.50 ⁴
Gross strategy return (before fees & after tax)	1.19	3.78	8.13	8.54	-	-	13.90 ⁴

Fund facts	
Sector	Diversified - growth
Tax aware level	 Tax Optimised
Inception date	10 September 2004
Fund code	UF10
Generation Life APIR code	ALL0014AU
Investment management cost⁵	0.76% p.a.
Buy/sell spread	0.15%/0.15%
Suggested minimum investment period	5 Years
Risk level	6 - High

Investment objective

Aims to outperform the weighted average return of a composite index before tax and fees over rolling 5-year periods. As a secondary objective, aim to outperform the benchmark with a preference towards unrealized capital growth.

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).

Market commentary

September was a good month for risk assets, with global equities performing well. Emerging markets generally outperformed developed markets, both in equities and in bonds. It was a generally positive month for bonds as yields fell marginally, with corporate bonds outperforming.

US equities advanced. Top performing sectors included information technology and communication services. Materials and consumer staples underperformed. The Federal Reserve confirmed a widely anticipated interest rate cut, in the wake of recent weak jobs data. Eurozone shares posted gains. The information technology and industrials sectors performed well, while consumer staples, materials and telecoms services underperformed. The Japanese equity market also delivered a positive return. Emerging market (EM) equities advanced in September in US dollar terms, returning more than double the MSCI World's gains. The US Federal Reserve's (Fed) first interest rate cut since December 2024, a weaker US dollar and strong returns from the Asian markets including China, Korea and Taiwan, supported the EM index over the month.

The S&P/ASX 300 Accumulation Index fell -0.65% in September as inflation data exceeded expectations, prompting a reassessment of rate cut prospects. Australian equities saw sharp divergence, with resources and utilities the only sectors to post a positive month while Energy, Healthcare and Financials lagged markedly. The domestic economy proved more resilient than anticipated, with stronger consumption growth and robust household spending challenging earlier forecasts for an extended easing cycle.

Recent investment management history

Investment option name changed from Russell Investments Balanced Fund to Generation Life Tax Effective Growth Fund effective 29 September 2023.

Investment manager changed from Russell Investments to Fidelity International on 29 September 2023.

Notes

- Past performance is not an indicator of future performance.
- The administration fee is deducted directly from the investment option before unit prices are declared.
- Composite Index: 25.0% S&P/ASX 300 Index in AUD, 22.5% MSCI World ex Australia Index (Net) in AUD, 13.5% MSCI World ex Australia Index (Net) Hedged to AUD, 5.0% MSCI World ex Australia Small Cap Index (Net) in AUD, 4.0% MSCI Emerging Markets Index (Net) in AUD, 9.0% Bloomberg AusBond Composite 0+Yr Index in AUD, 21.0% Bloomberg Barclays Global Aggregate Index Hedged to AUD
- Strategy inception is 29 September 2023
- 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 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).

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Portfolio commentary

For the month ending 30 September 2025 the after tax and pre-Gen Life administration fee return was 1.14%. There were 29 building blocks in a tax payable position and 1 in a tax receivable as of 30 September. The fund has generated 4.2% in tax alpha for the current FYTD.

Asset class insights include

Shares vs Fixed Income: risk neutral but nimble taking calculated risk in high conviction positions

Maintain nimble and cautiously optimistic risk-taking as near-term economic activities have been more resilient than feared together with the restart of Fed rate cutting cycle and fiscal impulse from One Big Beautiful Bill (OB BB). Having said that, the medium-term economic outlook is still impacted by the trade policy and geopolitical uncertainties. Risk sentiment remains constructive, supported by stronger earnings growth and improving corporate earnings expectations. Downside risks remain with tariff/trade uncertainty and sequential slowdown from tariff driven pre purchasing.

Australian shares vs Global Shares

Maintain neutral view on Australia vs World. Purchasing Managing Index continues to expand and improve while inflation remains moderating. The RBA is still biased towards easing but the pace could be slow, and commodity rebound supportive. Earnings growth expectations and revisions remain weak in Australia, limiting relative performance.

Within global equities, regional allocations

US – Selectively constructive: Growth moderating in late-cycle, but dovish Fed tilt and fiscal impulse (OB BB) supportive. US remains earnings leader, particularly in AI, favouring growth/quality styles

Europe – Neutral / cautious tilt: Mixed activity, weaker earnings than US, and limited room for further ECB rate cuts. Fiscal/defence spending offsets some weakness but needs to see evidence of it turning to corporate earnings and economic growth. Political/geopolitical risks (France, Russia-Ukraine, Middle East) add volatility

Japan – modestly positive: US-Japan trade deal reduces downside risks; stable economic activity, supportive fiscal policy post-election, and BOJ hikes benefiting banks. Prefer value exposure.

Asia ex-Japan – Constructive: North Asia benefits from AI related supply chain. China companies are also catching up with US peers with

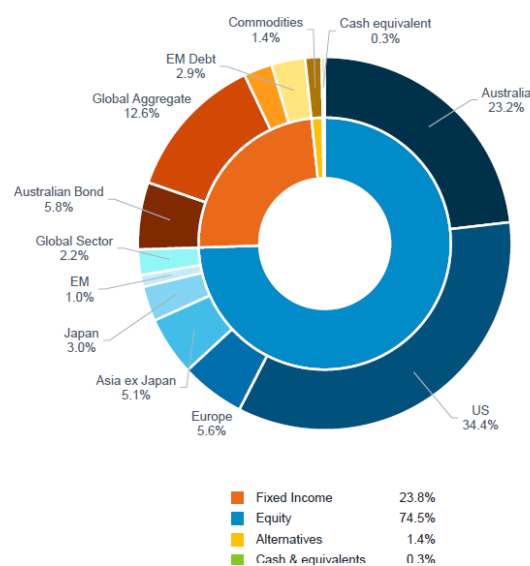
policy continue to stabilize the domestic economy. Tariff dynamics reshape supply chains and remain sources of near-term volatility.

Within fixed income, duration vs. credit

Bond yields have been more volatile due to shifting market narratives around growth, inflation, and policy expectations. We maintain tactical positioning in duration and remain constructive in bonds over the medium term, as central banks are still biased towards rate cutting cycle, making the all-in-yield more attractive. In the situation of growth fears, bonds are useful for hedging equity downside.

We maintain our preference for carry assets considering tariff de-escalation and US fiscal budget. We retain our conviction in emerging market local currency debt to take advantage of the appealing real yields and steep yield curves, which are likely to attract investors looking for favourable real returns in an environment marked by persistent inflation. Additionally, a weak to stable USD is anticipated to offer further support

Portfolio Positioning



Investor services

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Security Name

	Portfolio weight	Unrealised gain+ /loss-
Research Enhanced US Equity	12.1%	2.79%
MSCI USA Quality Factor Fund	9.2%	2.70%
Australian Equities Fund	8.8%	0.34%
S&P ASX 200 ETF	8.2%	0.84%
US Growth ETF	8.2%	0.64%
Global Corporate Bonds	6.2%	0.50%
Australian Future Leaders Fund	6.1%	0.90%
Core Composite Bonds	4.9%	0.19%
Small Companies fund	3.1%	0.01%
Global Short Duration Income Fund	2.8%	0.00%

About the investment manager



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\$714 billion (as at 30 June 2025) on behalf of more than 2.9 million clients globally. Fidelity International remains a private company – predominantly owned by management and members of the founding family.

Investment guidelines

	Range
Cash	0-40%
Global Fixed interest	0-40%
Australian Fixed interest	0-40%
Australian shares	10-60%
International shares ex Aus	10-70%
Other	0-35%
	Range
Equity (Growth assets)	60-80%
Fixed Income and Cash (Defensive assets)	20-40%

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 \$4.8 billion invested with us as of end September 2025.

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

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

Investor services

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