


Generation Life Tax Effective Growth Fund

Fact Sheet | 31 October 2025

Performance as at 31 October 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	1.43	3.91	10.11	9.19	8.33	6.29	4.33
Benchmark return (before tax) ³	1.70	4.50	12.20	14.60	-	-	15.90 ⁴
Gross strategy return (before fees & tax)	1.60	5.00	12.60	12.20	-	-	14.80 ⁴
Gross strategy return (before fees & after tax)	1.48	4.06	10.41	9.79	-	-	14.20 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).

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).

Market commentary

Global shares gained in October. US equities advanced, supported by strong technology earnings. Semiconductor and AI-related stocks led performance, with Nvidia reaching a record valuation on continued demand for its chips, while Apple and Microsoft also rose. Investor sentiments was volatile, caused by renewed trade tensions and concerns over US regional banks, although these eased later in the month. Announcements of further tariffs on Canadian exports and potential additional duties on Chinese goods contributed to market volatility. The Federal Reserve cut interest rates by 25 basis points to 3.75– 4.00% and announced an end to its quantitative tightening programme, though Chair Powell pushed back on expectations of further near-term cuts.

In Europe, shares performance was steady. In a broadly quiet month, French politics remained a focal point following Prime Minister Lecomu's resignation and subsequent reappointment amid parliamentary divisions. Sovereign bond spreads widened briefly before stabilising. The European Central Bank kept rates unchanged at 2%, while S&P downgraded France's sovereign rating to A+ amid ongoing political instability.

Japanese equities delivered strong gains. Sanae Takaichi became Japan's first female prime minister, forming a coalition government focused on fiscal stimulus, defence spending, and energy reform.

Australian equities rose +0.4% in October but retreated from mid-month record highs as higher than expected inflation reduced chances of near-term RBA rate cuts. Volatility picked up after renewed US–China trade

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tensions, though this eased following a one-year truce. Materials outperformed, supported by strong gains in lithium, rare earths and critical minerals after the US and Australia signed a funding framework. Gold gave back earlier gains as bullion prices eased. Tech was the weakest sector amid governance issues and leadership changes in several notable names, while Consumer Discretionary lagged on softer trading updates and fading policy support. Macro data highlighted sticky inflation, with monthly CPI rising to 3.2% year on year and trimmed mean lifting to 3.0%, pushing rate-cut expectations out to 2026.

Portfolio commentary

For the month ending 31 October 2025 the after tax and pre-Gen Life administration fee return was 1.43%. There were 29 building blocks in a tax payable position and 2 in a tax receivable as of 31 October. The fund has generated 4.2% in tax alpha for the current FYTD.

Asset class insights

Shares vs Fixed Income

We remain cautiously optimistic in risk taking as near-term economic activities have been more resilient, and the restart of Fed rate cutting cycle. Having said that, the medium-term economic outlook is likely to moderate as we see US labor market weakness. While the market seems to still indicate “risk on” territory, tariff development and trade policy uncertainties remain a downside risk to growth. The pay back of front-loading activities may lead to sequential slowdown in the coming months. Given the flipflop nature of Trump policy and market complacency on the tariff headlines, preference is to stay nimble with equity positioning while taking calculated risk in areas with more lasting convictions. We continue to have tactical positioning in duration as bond yield has been more volatile as the market narrative shift amid growth, inflation and policy expectations.

Australian shares vs Global Shares

Turning underweight on Australian equity. Domestic Purchasing Managing Index is expanding and commodity rebound are supportive, but RBA rate cut are turning less supportive. Earnings growth expectations and revisions remain relatively weaker, limiting relative performance.

Within global equities, regional allocations

We are turning selectively positive towards US equities. The growth is moderating in late-cycle, but Federal Reserve is keeping dovish tilt, and fiscal policy from the One Big Beautiful Bill (OBBB) are supportive. US

equities remains earnings leader, especially in AI, this is more supportive of the growth and quality investment style.

We are cautious on Europe with mixed activity, weaker earnings to its US peers an limited room for further European Central Bank (ECB) policy rate cuts. Fiscal spending particularly on defence has offset some weakness with geopolitical tension in the region creating heightened volatility.

We are turning modestly positive on Japan – US-Japan trade deal removes some left tail risk and benefits the export-oriented sectors as Japan gain relative tariff advantage versus other trading partners. Economic activities stay largely stable, the new leadership brings in supportive fiscal policy. BOJ rate hike also benefited the banking sector. Hence, prefer value style in Japan.

Constructive on Asia – North Asia benefits from AI related supply chain. Companies in China 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

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. We turn to underweight on Australian bonds as hawkish RBA taking stance on fighting inflation. We maintain our view that bonds are still an effective hedge against equity downside in growth fear.

We retain our preference for carry assets including emerging market credit, as overall credit environment and fundamentals remains resilient, particularly as financial conditions further ease.

Portfolio Positioning

Investor services

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

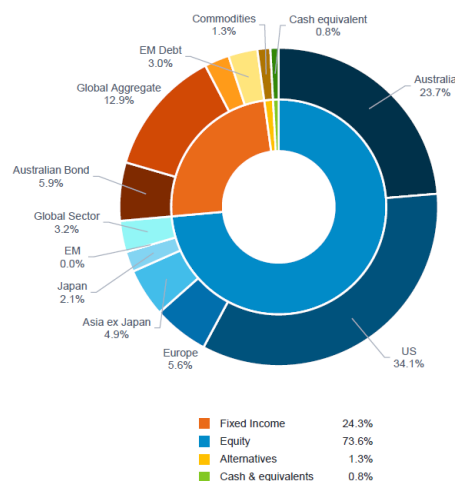
Adviser services

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Top 10 Holdings

Security Name

Research Enhanced US Equity
US Growth ETF
MSCI USA Quality Factor Fund
Australian Equities Fund
S&P/ASX 200 ETF
Global Corporate Bond
Australian Future Leaders Fund
Core Composite Bonds
Small Companies fund
MSCI Asia excl. Japan

Portfolio weight

11.7%
9.0%
8.8%
8.1%
7.7%
5.8%
5.7%
4.5%
2.9%
2.7%

Unrealised gain+ /loss-

3.10%
0.92%
2.75%
0.25%
0.72%
0.54%
0.91%
0.16%
-0.01%
0.44%

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 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\$696 million (as at 31 December 2024) 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.

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 \$3.6 billion invested with us as of end September 2024.

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

Phone 1800 806 362
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Adviser services

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