


# Generation Life Tax Effective Growth Fund

Fact Sheet | 30 April 2026

| Performance as at 30 April 2026 <sup>1</sup>    | 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) <sup>2</sup> | 4.26        | -0.55       | -0.26       | 9.83       | 6.60             | 4.13             | 4.21                     |
| Benchmark return (before tax) <sup>3</sup>      | 3.40        | 0.40        | 0.20        | 12.4       | -                | -                | 12.80                    |
| Gross strategy return (before fees & tax)       | 5.20        | 0.10        | 1.10        | 13.8       | -                | -                | 12.40                    |
| Gross strategy return (before fees & after tax) | 4.31        | -0.40       | 0.04        | 10.43      | -                | -                | 11.80                    |

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

## 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).

## 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

Risk assets rebounded sharply in April, as investors looked through the continued geopolitical uncertainty stemming from the Middle East, and focused on a strong US Q1 earnings season, as well as a resilient macroeconomic backdrop in the US (at least for now). While the Strait of Hormuz remains effectively closed, markets were buoyed by the news of a ceasefire between the US and Iran, with many anticipating a relatively quick resolution to the conflict after the announcement of the ceasefire. However, as negotiations dragged out, and a deal failed to be reached, energy prices rebounded, though this was not enough to spook broader equity markets, as a strong US earnings season, where over 80% of companies have beat analyst expectations, and a rebound in investor positioning, supported broad equity market performance. The ongoing increase in AI related capital expenditure resulted in strong performance from the US tech sector, as well as regions that are heavily linked to the thematic such as Taiwan and Korea. Despite the positive price action for equity markets in April, the fundamental issue of an energy shortage remains the most pertinent risk for now, and the longer the Strait of Hormuz remains closed, the more stagflationary the economic outcomes are. Inventory drawdowns in oil, an increase in US oil exports and a decrease in Chinese oil imports, have all helped to keep oil prices range bound for now, but these factors that have helped to alleviate the net shortfall in oil won't last forever.

Global developed equity markets had a very strong month, with a return of 9.6% in local currency terms, while Australian equities underperformed on a relative basis with a return of 2.2% over the month. Emerging markets had a particularly strong month with a return

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of almost 15% in US dollar terms, being supported by strong performance in the Asian tech sector, as well as a weaker US dollar. The ASX 300 closed April up 2.2%, though well off its highs after eight consecutive falls into month end. Markets were volatile throughout, caught between an early recovery from March's correction and mounting pressure from intensifying geopolitical risk. The dominant macro theme was the US Iran conflict and Iran's closure of the Strait of Hormuz, which the IEA described as the largest oil supply disruption in market history.

Fuel prices surged 32.8% year on year, lifting goods inflation and stoking stagflation concerns globally. Domestically, the RBA stayed on hold in April, but hawkish momentum continued to build, with markets pricing a roughly 75% probability of a further hike at the May meeting. The labour market remained tight, with 52,500 full time jobs added in March. Sector performance was mixed. Information Technology and Materials advanced, while Health Care fell to eight year lows and Consumer Staples weakened late on a cautious outlook from Woolworths.

## Portfolio commentary

For the month ending 30 April 2026 the after tax and pre-Gen Life administration fee return was 4.26%. There were 21 building blocks in a tax payable position and 9 in a tax receivable. The fund has generated 8.9% in tax alpha for the current FYTD.

## Shares vs fixed income

Nimble overall equity positioning as the geopolitical headlines leading to elevated market volatility. Latest development show signs of positive progress towards a deal.

Global growth have been more resilient before the war thanks to supportive monetary and fiscal policy backdrops and AI capex driven growth, however the energy disruption from the current US-Israel-Iran conflict brings stagflationary risk to the macro outlook.

Risk sentiment remain positive so far, but continue to watch the US-Israel-Iran conflict development and the 2nd order impact on global supply chain.

## Australian shares vs global shares

Moderate underweight Australian equity. RBA policy stance remains hawkish given the inflation risk, while the energy disruption could challenge the growth outlook.

Earnings growth expectations and revisions continue to improve, but watch the corporate guidance on the potential supply chain implication from the conflict.

## Within global equities, regional allocations

US – Selectively constructive: Growth moderating in late-cycle, but expectation of fiscal impulse (OBBB) and tax refund remain supportive. The inflation upside risk might result in a Fed rate pause. US remains earnings leader, particularly in AI. Increasingly target the exposure in AI capex beneficiaries rather than spenders.

Europe – Cautious, activities show signs of early cycle recovery before the war but the region is facing inflation impact from the conflict and the energy security is a concern. ECB message is relative hawkish while the fiscal room is tight for any further support/subsidies to the business activities/consumers. Earnings season has been relatively weak.

Japan – Moderately constructive: stable economic activity and robust corporate earnings, supportive fiscal policy under new leadership, and BOJ hikes benefiting banks. Prefer value exposure. However, the country is highly dependent on the Middle East energy flows. The China-Japan tension is another source of potential risk.

Asia ex-Japan – Moderately 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. However, Asia is more vulnerable in a prolonged energy disruption scenario.

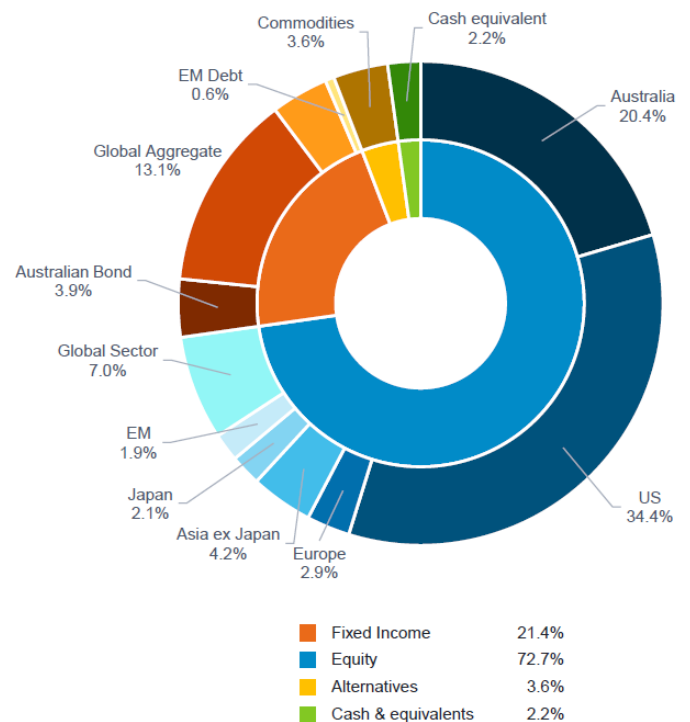
## Within fixed income, duration vs. credit

Duration: maintain tactical positioning; constructive medium term given central banks' rate-cutting bias and attractive yields. Underweight Australian bonds on hawkish RBA

Credit: Maintain preference for carry assets for now as fundamentals remain resilient, however, watching contagion risk from private credit segment.

Maintain some cash as dry powder to deploy into mispriced opportunities

## Portfolio Positioning



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## Top 10 Holdings

| Security Name                       | Portfolio weight | Unrealised gain+ /loss- |
|-------------------------------------|------------------|-------------------------|
| Research Enhanced US Equity         | 12.4%            | 2.36%                   |
| S&P/ASX 200 ETF                     | 7.6%             | 0.45%                   |
| MSCI USA Quality Factor Fund        | 7.4%             | 2.10%                   |
| Australian Equities Fund            | 7.0%             | 0.04%                   |
| Australian Future Leaders Fund      | 5.8%             | -0.13%                  |
| Global Bond Fund                    | 5.2%             | -0.25%                  |
| Global Corporate Bond Fund          | 4.6%             | 0.05%                   |
| Core Composite Bonds ETF            | 3.9%             | 0.02%                   |
| Semiconductor ETF                   | 3.8%             | 0.93%                   |
| American Industrial Renaissance ETF | 3.6%             | 0.61%                   |

## 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\$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.

## 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 \$5.2 billion invested with us as of end December 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.

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