


Generation Life Tax Effective Australian Share Fund (Geared)

Fact Sheet | 31 May 2026

Performance as at 31 May 2026 ¹	1 Month (%)	3 Month (%)	6 Month (%)	1 year (%)	2 years (% p.a.)	3 years (% p.a.)	5 years (% p.a.)	Since Inception (% p.a.)
Fund net return (after fees & tax)	2.65	-6.94	-	-	-	-	-	-7.08

Fund facts	
Sector	Australian shares
Tax aware level	 Tax Optimised
Inception date	26 February 2026
Fund code	UF85
Generation Life APIR code	ALL0872AU
Investment management cost^{4,5}	0.54% p.a.
Buy/sell spread	0.27%/0.27%
Suggested minimum investment period	7 Years
Risk level	7 – Very High

Investment objective

Provide investors with leveraged exposure to the Generation Life Tax Effective Australian Share Fund investment option.

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.

Gearing approach

Generation Life overlays gearing through borrowings to leverage the underlying investment option's exposure. The target gearing level of the investment option is 45% and the investment option will generally operate within a range of 35%-50% under normal market conditions.

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 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).
5. The investment management fees and costs are based on the fund's management fee (excluding indirect costs) of 0.50% p.a. charged on its gross asset value, which equates to a management fee of 0.91% p.a. of the fund's net asset value assuming an average annual gearing level of 45%. If the average gearing level in the fund over the year is lower or higher than 45%, the fund's management fee based on net asset value will be respectively lower or higher than 0.91% p.a.
6. **A geared investment option may not always magnify gains under certain market conditions (including, but not limited to, low return or high-interest rate environments) however, losses will always be magnified. Investors may potentially experience large fluctuations in the value of their investment (up and down).**
7. The gearing level is the borrowings divided by the total value of the underlying investment option assets. The investment option provides for a gearing range of 0-60%, with the typical target range being 35-50%. This target range is only an indication of the targeted gearing level. Actual gearing levels may differ depending on market conditions, the level of borrowing and the value of the investment option assets.

Performance commentary

For the one-month period ending 31 May 2026 the after fee and tax return was 1.52%.

Performance was primarily driven by stock selection, while sector positioning was a modest detractor overall. Stock selection within Healthcare and Financials contributed positively. Offsetting this, stock selection within Consumer Discretionary and underweight exposure to Materials detracted from returns.

Factor performance was generally supportive across the month, particularly during the market recovery in the second half of May. Momentum was the strongest performing factor and was the primary driver of model returns. Momentum exposures within mining and financial stocks benefitted as investor sentiment improved later in the month. Value experienced a mixed month. Performance weakened sharply around the Federal Budget announcement before recovering alongside broader cyclical sectors. Quality was similarly uneven, with higher-quality defensive companies lagging as markets rotated toward more economically sensitive areas.

Market commentary

Australian equities delivered another positive month in May, with the S&P/ASX 300 returning +1.25%, although the path higher was volatile. Markets initially weakened following the 2026-27 Federal Budget, as investors reacted to a wider-than-expected fiscal deficit, proposed property tax reforms and concerns around the inflation outlook. Rising global bond yields and geopolitical uncertainty also weighed on sentiment through the first half of the month. Conditions improved later

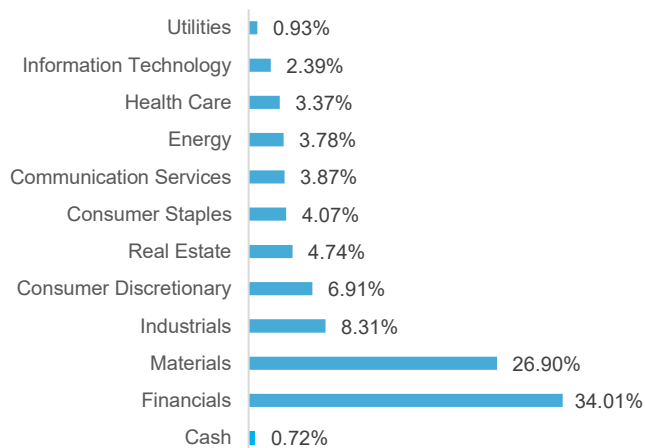
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in May as domestic economic data softened and expectations for further near-term interest rate increases moderated. Australia's unemployment rate rose to its highest level since late 2021, encouraging investors to reassess the outlook for monetary policy. At the same time, optimism around easing tensions in the Middle East supported a recovery in broader risk appetite.

Sector returns were highly dispersed. Materials (+10.3%) was the strongest-performing sector, benefiting from renewed strength in mining stocks and commodity-linked momentum. Consumer Discretionary (+4.6%) and Industrials (+2.8%) also advanced. In contrast, Healthcare (-8.9%), Utilities (-7.6%) and Energy (-6.0%) lagged as investors rotated toward more cyclical areas of the market.

Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark (%) ²
BHP Group Ltd	12.08	11.85
Commonwealth Bank of Australia	9.89	10.37
Westpac Banking Corp	5.51	4.67
ANZ Group Holdings Ltd	4.50	4.01
National Australia Bank Ltd	3.97	4.34
Macquarie Group Ltd	3.65	3.19

Wesfarmers Ltd	3.30	3.41
Telstra Group Ltd	2.82	2.23
Rio Tinto Limited	2.33	2.61
Woolworths Limited	2.02	1.63

About the investment manager



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About Generation Life

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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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