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Generation Life Tax Effective Australian Share Fund (Geared)

Fact Sheet | 31 August 2026

Performance as at 31 August 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)	1.09	3.61	-	-	-	-	-	-3.73

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 August 2026 the after fee and tax return was 1.09%.

The Invesco Wholesale Australian Share fund returned 1.5% (gross of fees), mildly underperforming the broad market benchmark return. Underperformance was driven largely by sector allocation, while stock selection added value overall. Our industry underweight to Healthcare was by a long way the largest sector detractor given the strong rally in the sector's largest names, including CSL and Ramsay Healthcare, where underweight positioning also meant stock selection within the sector was negative. Consumer Discretionary was a further detractor at both the sector allocation and stock selection level, reflecting overweight positions in IDP Education and Aristocrat that underperformed during the month.

Our factor exposures performed strongly overall. Value was the standout, as more defensive domestic cyclicals attracted investor interest; Momentum was solid, rebounding as miners and financials reasserted leadership; and Quality was the notable laggard, with higher bond yields and RBA rate-hike speculation compressing multiples on longer-duration, high-quality compounders. Among the key style risks we manage outside of the core factor exposures, our underweights to high Volatility and large Size detracted modestly from performance.

At the stock level, gold industry overweights were the largest positive contributors, including West African Resources (32%), Resolute Mining (47.3%) and Newmont Corporation (31.2%). On the detractor side, our underweight in the rejuvenated pharmaceutical company CSL (39.4%) weighed on relative performance, as did underweight hedges within the gold industry, including Evolution Mining (32%) and Northern Star Resources (17.8%), which detracted as the broader gold complex rallied strongly.

Market commentary

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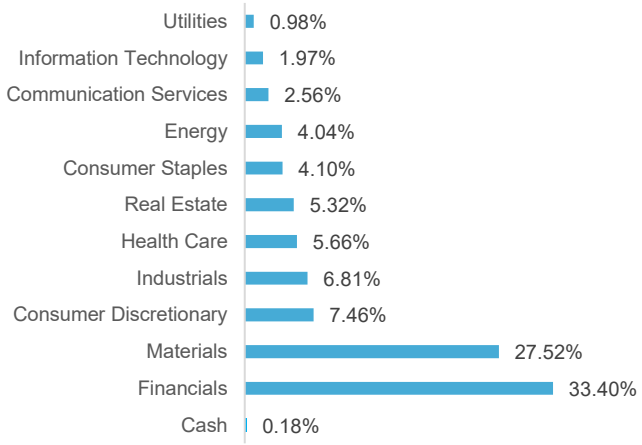
Following a solid July, in which the S&P/ASX 300 returned 2.13%, Australian equities continued to advance in August, with the index delivering a total return of +1.62%, a creditable result given the crosscurrents buffeting markets throughout the month. The period was defined by a busy domestic earnings season, persistent inflation uncertainty, and an unsettled global backdrop shaped by Middle East tensions and shifting US rate expectations.

August's full-year reporting season was the dominant local driver, and results were mixed against a fragile consumer backdrop shaped by elevated interest rates and a softening property market. Super Retail Group and Data#3 were standout performers, both surging around 18% on strong earnings, while SEEK and JB Hi-Fi each fell a similar magnitude after disappointing guidance pointed to a sharper deterioration in consumer demand. The Reserve Bank held the cash rate at 4.35% for a second consecutive meeting, offering brief relief for rate-sensitive sectors, though this proved short-lived once July trimmed-mean CPI printed at 3.6% year-on-year, above consensus, and reignited speculation of a hike as early as September. Materials proved the month's most volatile sector, with a sharp early-August rally in copper and gold giving way to weakness into month-end as gold retreated below US$4,400/oz following hawkish commentary from the US Federal Reserve. Globally, ongoing US-Iran tensions kept Brent crude oscillating between roughly US$85 and US$93/bbl, while rising US Treasury yields weighed on growth and technology names, consistent with a more cautious global tone emerging late in the month.

At the sector level, Healthcare (18.1%), Materials (12.3%) and Utilities (7.4%) led the market, while Consumer Discretionary (-7.3%) and Real Estate (-6.4%) lagged. Beneath the index surface, factor dynamics told an equally important story: Value outperformed as investors favoured cheap, cash-generative businesses in a rising-rate environment; Momentum recovered strongly after a shaky start, as miners and financials reasserted leadership; and Quality struggled, with higher bond yields and rate-hike speculation compressing multiples on longer duration, defensive compounders.

Sector selection



Top 10 holdings

Company	Fund (%)	Benchmark (%)[2]
BHP Group Ltd	12.56	12.33
Commonwealth Bank of Australia	9.69	9.64
Macquarie Group Ltd	4.70	3.23
ANZ Group Holdings Ltd	4.27	4.05
National Australia Bank Ltd	4.11	4.29
Westpac Banking Corp	4.09	4.25
Wesfarmers Ltd	3.87	3.28
CSL Ltd	2.66	3.03
Woodside Energy Group Ltd	2.41	2.23
Woolworths Limited	2.06	1.77

Investor services		Adviser services	
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About the investment manager

Invesco Ltd is one of the world's leading independent global investment firms, dedicated to rethinking possibilities for clients. Founded in 1935, Invesco has funds under management of more than US$1.85 trillion globally (as at 31 December 2024) and operates in over 20 countries. Invesco has more than 8,000 staff, including 800-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. Invesco Ltd is listed on the New York Stock Exchange under the symbol IVZ. Invesco Australia Ltd is the local presence of Invesco Ltd, offering a comprehensive range of investment capabilities across Australian equities, global equities, multi-asset, private credit and real estate.

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.

Investor services		Adviser services	
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