



Presenters

Rob Coombe
Executive Chairman

Grant Hackett
General Manager of Distribution

Terence Wong
Chief Financial Officer

Generation Development Group

A compelling shareholder value building model

Generation Development Group (ASX:GDG) is a licenced Pooled Development Fund (PDF) owning a recurring revenue producing life/investment income



Shareholders receive tax exempt dividends



A full life insurance licence allowing it to issue all style of life products including risk and annuity based products



Shareholders benefit by tax-free capital gains on shares



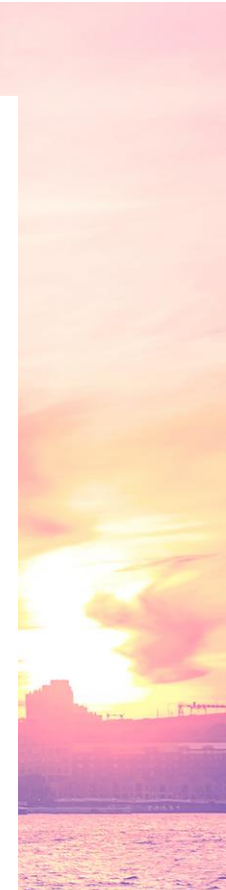
Currently a singular focus on investment bonds



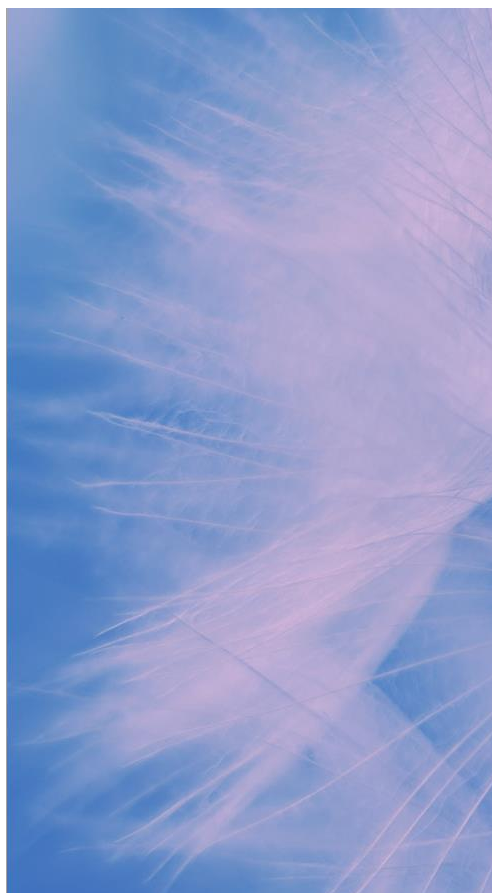
Most of Generation Development Group's PDF income is taxed favourably



No debt & low capital business model



FY18 Financial Result Summary



	FY18	FY17	Change	Change %
Revenue* (A\$'000)	13,054	10,726	2,328	22
Expenses (A\$'000)	-11,536	-9,894	-1,642	-17
Underlying EBITDA (A\$'000)	1,479	824	655	79
Underlying NPAT (A\$'000)	1,518	832	686	82
Underlying EPS (cps)	0.32	0.19	0.13	68
DPS (cps)	0.02	0.02	-	-
FUM (A\$'000)	887,400	720,000	167,400	23
Cash and cash equivalent (A\$'000)	12,292	9,293	2,999	32

* Includes income tax benefit



In 2018, we invested into our future growth



Brand

- + Renamed and launched the new brand from Austock Group and Austock Life to Generation Development Group and Generation Life



IT

- + Modernised and refreshed the website and improved navigation and content
- + Built out the adviser portal and delivered better self-service functionality



People

- + Recruited experienced professionals into the management team with broad industry experience
- + Rollout a Long Term Incentive scheme for the senior executives



Products

- + Introduced a new tiered fee structure with no investment switching cost
- + New product rollout including Funeral Bonds and estate planning features
- + New investing options including dollar cost averaging, auto re-balancing and automatic increases in regular savings plan amount
- + Added 4 new investment options and repriced our index fund



Distribution

- + Developed key account strategy
- + Strategic educational partnerships with key groups
- + Targeted events, webinars, presentations & masterclasses
- + Adopted a new sales & operating rhythm focused on productivity, pipeline & sales outcomes

New management team



Robert Coombe

Executive Chairman of
Generation Development Group
Joined 18 July 2017

- + Non-executive Chairman of Craveable Brands
- + Deputy Chair of the Australian Indigenous Education Foundation and Surfing Australia
- + Advisory Boards - UTS Faculty of Law and 5V Capital Investors
- + Director of CIMB Group
- + Former CEO of BT, Craveable Brands and Group Executive for Westpac Retail & Business Banking



Chris Freeman

Independent Non Executive
Chairman of Generation Life
Joined 22 November 2017

- + 40 years experience in financial services
- + Deep experience and contacts in IFA market
- + Chairman, Templeton Growth Fund Limited
- + Chairman of Advisory Board to Barrons Magazine
- + Member of the Institute of Chartered Accountants and Australian Institute of Company Directors



Catherine van der Veen

Joint Chief Executive Officer of Generation
Life
Joined 8 January 2018

- + Previously Joint Head Wealth Strategy CBA
- + Extensive product, marketing, distribution background
- + Worked in Sydney, London, Singapore, Boston
- + Degree in Agricultural Economics from Sydney Uni and graduate of Harvard Business School (Leadership Program)



Lucy Foster

Joint Chief Executive Officer of Generation
Life
Joined 8 January 2018

- + Previously Joint Head Wealth Strategy CBA
- + Extensive experience in financial services strategy and execution in Australia and overseas
- + MBA (distinction) from the University of Strathclyde and an undergraduate degree in Medical Sciences from the University of Glasgow

New management team



Terence Wong

Chief Financial Officer of
Generation Development Group
Joined 19 March 2018

- + Previously led the Corporate Finance team at EnergyAustralia
- + Significant strategic, commercial, M&A and project finance experience
- + Degrees in Commerce (Honours) and Law (Honours) and Graduate Diploma in Applied Finance
- + Member of the Institute of Chartered Accountants



Grant Hackett OAM

General Manager of Distribution of
Generation Life
Joined 11 September 2017

- + Previously Head of Priority Markets Westpac - experience across marketing & distribution
- + Previously Director Regal Funds Management
- + Diploma in Financial Planning and Diploma in Business/Law
- + Executive MBA (First Class Honours)



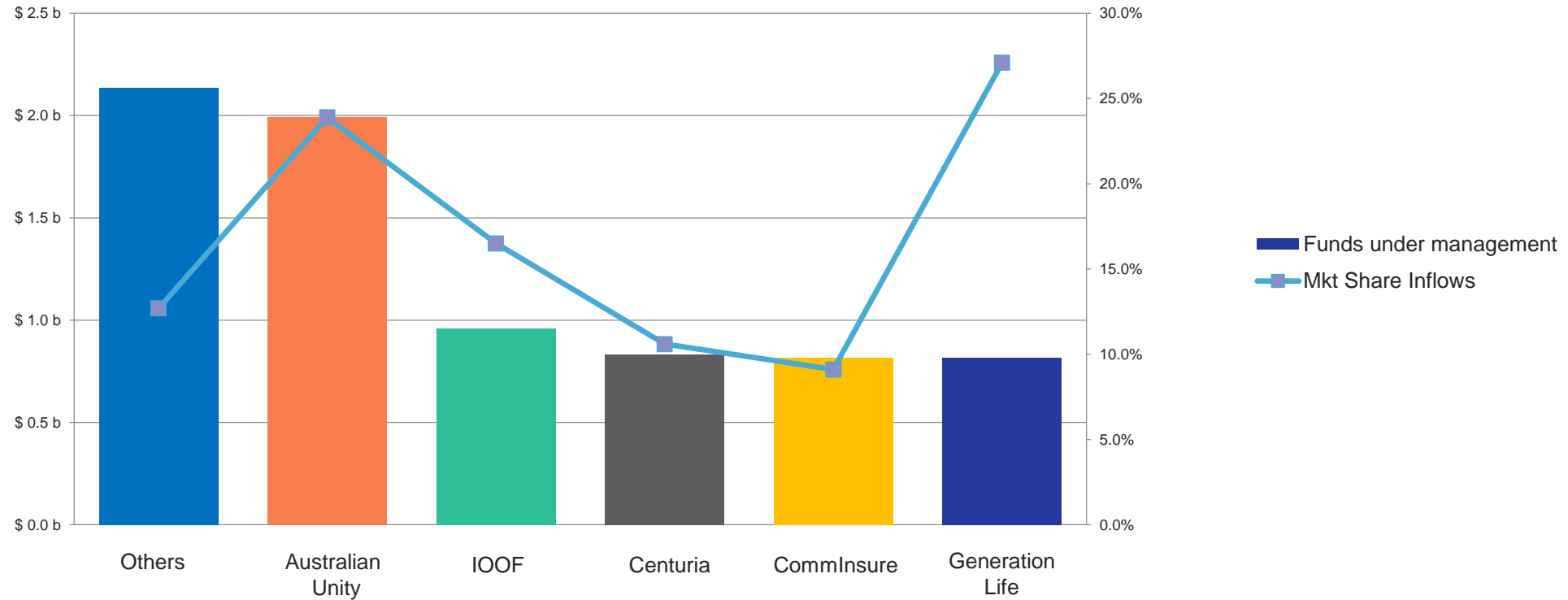
Felipe Araujo

Head of Key Accounts of Generation
Life
Joined 23 October 2017

- + Previously Relationship Director and Head of Industry Specialisation Westpac
- + Extensive experience in customer acquisition
- + Bachelor of Business Economics and Finance RMIT

Market share

Generation Life – Leading inflows



Highlights & key performance measures



Life Business FUM
\$887 m
Up 23%



Life Product Sales
\$228 m
Up 71%



Market share*
27.1%
March quarter 2018



Product rating
Highly Recommended
Zenith



Active Financial Advisers
765
Up 70%



New Bond Numbers
3, 640
Up 60%



Saving Plans
\$19.3 m
Up 68%



37 investment
options
Up 12%

* Strategic Insight Actuaries & Researchers



Market expected to continue growing

Changes to superannuation



Many 'High Net Worth' clients simply can't get money into Super. DEXX&R have estimated this market to be in excess of \$18 billion p.a.


Investment bonds will benefit:


- + Investors looking for the next best tax structure outside of Super
- + Superior for estate and intergenerational planning




Why bonds?


The most tax effective structure after super


 Tax capped at 30%

 Tax free transfers

 No distributions

 No CGT on switching

 Tax paid after 10 years

 No Tax File Number required

 125% advantage

 Creditor protection



Why bonds?

The most tax effective structure after super



5 core uses of bonds:

- + Complementary or an alternative to super
- + Trusts / reducing distributable income
- + Meeting the rising costs of future generations
- + Be in control of transferring wealth
- + Improving pension entitlements



Areas of focus for 2019 and beyond



Continue building brand awareness and grow market share through financial advisers



Deliver new products to provide more tailored and innovative solutions in the High Net Worth market



Develop products in the Retirement Income space



Potential M&A opportunities in complementary or strategically aligned businesses



Generation Life

Highly recommended for over a decade

AMPCAPITAL 

BLACKROCK®

 Dimensional

 MAGELLAN
ASSET MANAGEMENT LIMITED

 Vanguard®

Kapstream
— JANUS HENDERSON —

Z ELLERSTON CAPITAL

Schroders

IML INVESTORS
MUTUAL LTD

PENDAL®

Perpetual 

P I M C O



Mutual Limited



MACQUARIE



 Russell
Investments



37 Investment options

- + Cash and term deposits
- + Fixed interest
- + Properties
- + Australian shares
- + International shares
- + Balanced
- + Alternatives



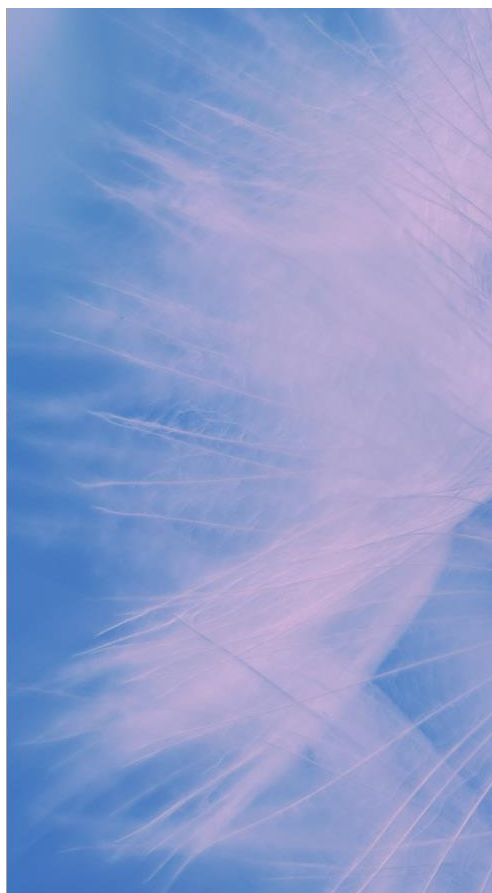
4 new categories

- + Multi strategy income
- + Long/short Australian equity
- + Dynamic allocation
- + Diversified conservative

Appendices



Detailed FY18 Result



	FY18	FY17	Change	Change %
Revenue* (A\$'000)	13,054	10,726	2,328	22
Expenses (A\$'000)	-11,536	-9,894	-1,642	-17
Underlying EBITDA (pre-share based payments - A\$'000)	1,684	824	860	104
Underlying EBITDA (A\$'000)	1,479	824	655	79
Underlying NPAT (A\$'000)	1,518	832	686	82
Statutory profit after tax (A\$'000)	388	200	188	94
Underlying EPS (cps)	0.32	0.19	0.13	68
DPS (cps)	0.02	0.02	-	-
FUM (A\$'000)	887,400	720,000	167,400	23
Cash and cash equivalent (A\$'000)	12,292	9,293	2,999	32
Regulatory capital (A\$'000)	2,565	1,833	732	40
Revenue to FUM ratio** - %	0.87	0.83	0.04	nm
NPAT to FUM ratio - %	0.19	0.12	0.07	nm
Revenue growth to expense growth ratio	1.3x	1.5x	-0.2x	nm
Annualised run rate*** (A\$'000)	7,720	5,976	1,744	29

* Includes income tax benefit

** (Life fee income + Other income – Dealing and Settlement) / Average FUM

*** Annualised run rate = FUM as at 30 June * Revenue to FUM ratio



Reconciliation of statutory profit to underlying earnings



	FY18	FY17	Change	Change %
Underlying net profit after tax (A\$'000)	1,518	832	686	82
Deferred tax on carry-forward losses (A\$'000)	1,517	(632)	2,149	340
Non-recurring items (net of applicable tax)				
Termination benefits (A\$'000)	(173)	-	(173)	nm
Share based payment (A\$'000)	(2,302)	-	(2,302)	nm
Rebranding expenses – Generation Life (A\$'000)	(172)	-	(172)	nm
Statutory profit after tax (A\$'000)	388	200	188	94



FUM Growth

	FY-18 \$'m	FY-17 \$'m	Change	Change %
Opening FUM	720	638	82	13
Sales inflow	228	133	95	72
Investment performance	35	28	7	25
Exits	-96	-79	-17	-22
Closing FUM	887	720	167	23



Thank you!

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