

ASX ANNOUNCEMENT

28 September 2018

Generation Development Group to invest in and own Ascalon Capital Managers Limited

Generation Development Group Limited (ASX: GDG) entered into an agreement after market close yesterday to invest in Ascalon Capital Managers Limited ("Ascalon") which, on completion, will result in Ascalon being wholly owned by GDG.

Ascalon is an Australian funds management business with partner firms in Asia and Australia. It is a wholly owned subsidiary of Westpac Financial Services Group Limited ("Westpac"). Completion of the transaction will see Westpac ceasing to hold an interest in Ascalon, and Ascalon becoming wholly owned by GDG.

Following completion of the transaction, Ascalon will hold minority interests in investment firms Morphic Asset Management and Deepwater Capital. Other investment management businesses in which Ascalon presently holds an interest will not form part of this transaction.

Executive Chairman of GDG Rob Coombe stated "GDG's investment in Ascalon will allow Ascalon to build a capability in funds management that will enable participation in growth expected in ethical and responsible investing and in investors increasingly seeking to focus on smaller firms that have demonstrated true ability to generate alpha".

He also stated that he is delighted to have the opportunity to work with the Ascalon team in Australia and Asia to transform the Ascalon business from a principal to a fiduciary investor through the launch of a fund designed to seed high potential emerging and established fund managers in Asia Pacific.

The investment will involve GDG making an initial investment into Ascalon, which will be supported by underlying net assets within the Ascalon group of companies in excess of the amount invested. It is not expected that the investment will make a material impact on GDG's financial performance in financial year 2019.

Completion of the transaction is subject to the approval of the Securities and Futures Commission of Hong Kong and internal restructuring by Ascalon. Completion is expected to occur by March 2019.

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