

ASX Announcement

March quarter update

13 April 2021



A message from Grant Hackett OAM CEO of Generation Life



Generation Life has continued to go from strength to strength over the course of the third quarter, reaching all-time record highs.

For the first time in the business's history, we exceeded \$100m of inflows in a single quarter. This is an incredible result considering it is traditionally our lowest quarter coming off the back of the holiday period. We believe this record result has been driven largely by the new product initiatives that were launched to the market in the first half of the financial year, and the increasing number of financial advisers that continue to recommend our various Investment Bond strategies to their clients. We will continue to release new products in the final quarter of this financial year, including a retail offering for the Tax Effective Equity Income Fund. This strategy provides investors with tax effective quarterly distributions and is the first of its kind in the Investment Bond market. If the operating conditions remain relatively stable, we feel confident the business will continue to perform exceptionally well to close out the financial year.

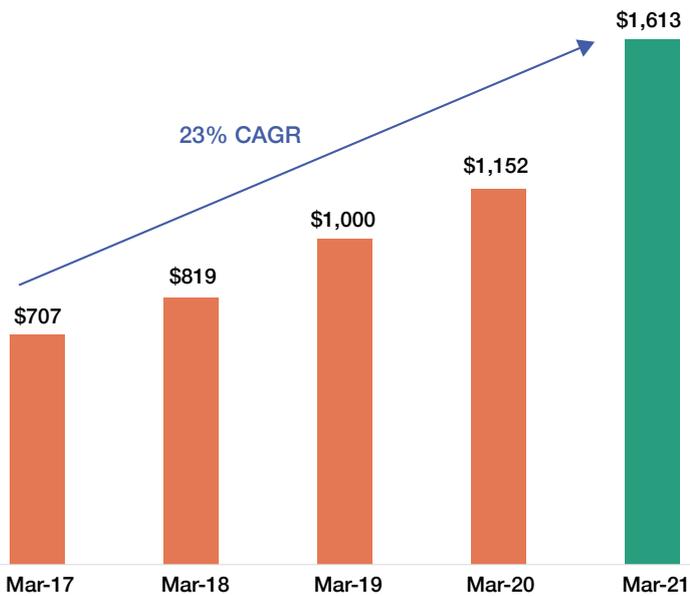
In addition to the outstanding performance of the Investment Bond business, another key milestone was reached in the development of the Generation Life Investment-Linked Lifetime Annuity. Generation Life has entered into a non-binding term sheet with one of the world's top five reinsurers, which will form the basis for a binding reinsurance treaty to be agreed in the months ahead. The construct of the arrangement will ensure the longevity risk is reinsured by a global reinsurer specialising in and supporting longevity solutions and backed by a strong local presence. The reinsurance structure is expected to significantly reduce the regulatory capital requirements for Generation Life to distribute this product.

Grant Hackett OAM

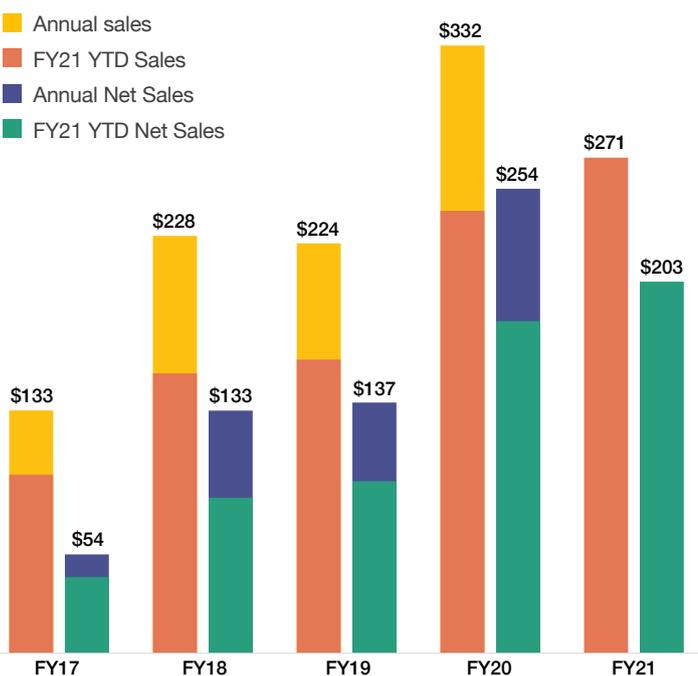
Chief Executive Officer of Generation Life

We have continued to deliver an outstanding performance this quarter

Closing Funds Under Management in \$m
(As at 31 March)



Annual Sales & Net Inflows in \$m



Funds Under Management

↑ 40%

Up on previous corresponding period

\$1,613m

Total FUM as at March 2021

\$124m

FUM growth December 2020 to March 2021

Net inflows

↑ 64%

Up on previous corresponding period

\$90m

Net inflows December 2020 to March 2021

\$105m

Sales inflows December 2020 to March 2021

Movements for the quarter and year



Funds Under Management (\$ million)

	Quarter ended March 2021 (\$m)	Quarter ended March 2020 (\$m)	Change (\$m)	Change (%)
Opening	1,488.9	1,227.4	261.5	21.3
Sales inflows	104.9	68.9	36.0	52.2
Investment growth	34.2	-130.4	164.6	N/A
Withdrawals & maturities	-15.3	-14.3	-1.0	7.0
Closing	1,612.7	1,151.6	461.1	40.0

Key highlights



Highest quarter of sales inflows in the history of Generation Life, reaching \$105m



Net inflows of \$90m with continued low redemption rates



Largest market share of inflows into Investment Bonds with a 40% market share of quarterly inflows¹



Solid FUM growth for the quarter supported by significant sales inflows and strong investment growth

¹ Plan for Life, Investment Bonds Market Report for period ended 31 December 2020.

Lonsec’s Listed Investment Solutions (Division)



Lonsec’s Listed Investment Solutions Division’s funds under management has continued to experience significant growth, and materially exceeded forecasts.

On 13 October 2020, Generation Development Group (GDG) completed its 37% investment in Lonsec Holdings Pty Ltd (Lonsec). The Listed Investment Solutions (LIS) Division is a fast-growing emerging player catering to the burgeoning Dealer Group/Independent Financial Adviser need for diversified managed portfolios and Separately Managed Accounts (SMA).

Lonsec’s funds under management increased by more than \$100m a month on an average monthly basis, from 31 December 2020 to 31 March 2021 to close at \$1,576m, or by 24%, for the quarter.

There has been a significant, 88%, or \$736m, increase in funds under management in the last six months since 30 September 2020.

Lonsec Closing Funds Under Management (FUM) in \$m





Outthinking today.

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