

Generation Development Group
HY22 Results Pack



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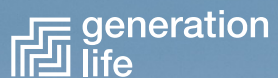
Outthinking today.



Generation Development Group
A compelling shareholder value building model

Generation Development Group (ASX:GDG) is a licensed Pooled Development Fund (PDF) that delivers tax free capital gains and tax-exempt dividends.

Invested in rapidly growing segments of the financial services industry.



Outthinking today.

Why Generation Development Group?

*3-year CAGR from December 2018 on a half year basis



Number one inflows for three years running

46% sales growth, 32%* FUM growth



Strong and sustained NPAT growth

59%* underlying NPAT growth in the investment bond business



Resilient business model with 'sticky FUM' even through market downturns

15.7 years average duration



Track record of product innovation

Continuing to roll out Tax Aware Series, Generation Life Tax Effective Equity Income Fund, and finalising new investment-linked lifetime annuity product



Licensed PDF delivering tax-free capital gains on shares and tax-exempt dividends



Capital light business model



Positive sales outlook

21%* growth in Active Financial Advisers



Utilise our life insurance licence to pursue future growth opportunities in financial services



HY22 financial result summary

Generation Development Group



	HY22	HY21	Change	Change %
Revenue* (A\$'000)	17,504	12,262	5,242	43
Expenses* (A\$'000)	(14,164)	(10,138)	(4,026)	(40)
Underlying NPAT (A\$'000) – Life/Admin business	3,340	2,124	1,216	57
Income from associates (A\$'000)	952	337	615	182
Product development costs (net of tax) (A\$'000)	(1,426)	(230)	(1,196)	(520)
Underlying profit after tax (A\$'000)	2,866	2,231	635	28
DPS (A\$)	0.01	0.01	-	-
FUM (A\$'bn)	2.1	1.5	0.6	44
Cash and cash equivalent** (A\$'000)	18,536	30,062	(11,526)	(38)

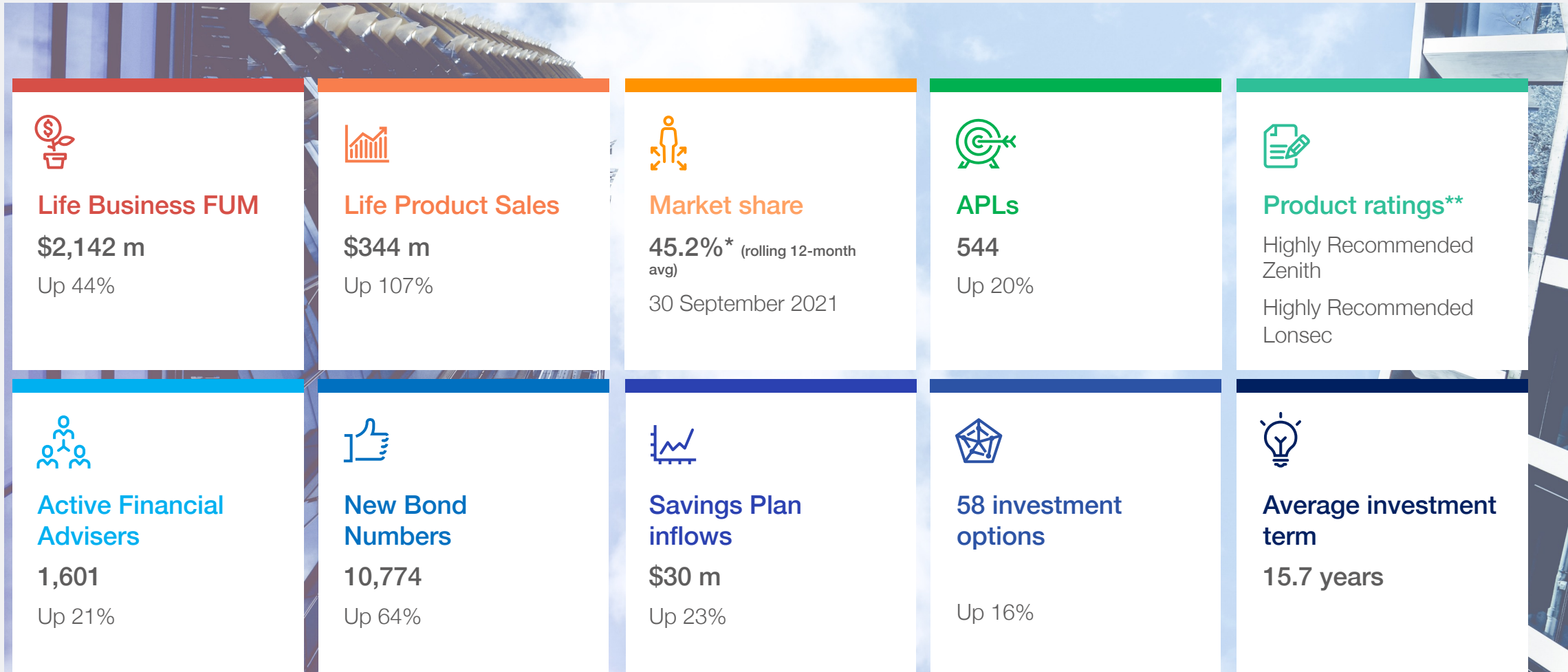
* Underlying excluding Benefit Funds, Ascalon and non-recurring, including income tax benefit

** Includes term deposits, excluding cash attributable to Benefit Funds



HY22 highlights and key performance measures

Generation Life

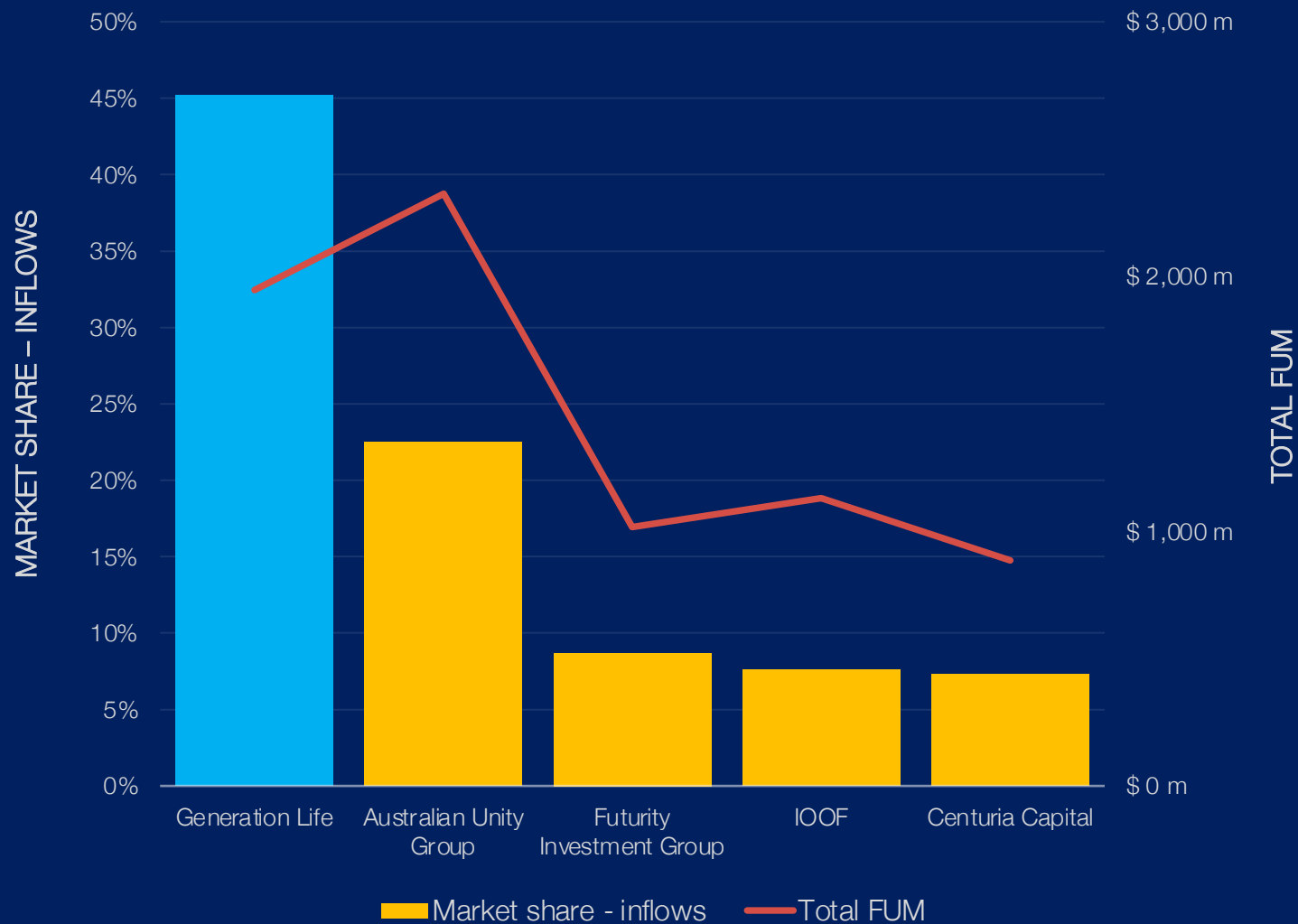


* Plan for Life Actuaries & Researchers, Investment Bonds Report for the period ending 30 September 2021

** Refer to page 20 for further information about ratings for Generation Life Investment Bonds (ChildBuilder and LifeBuilder).



No. 1 in inflows
Generation Life
2nd in total FUM



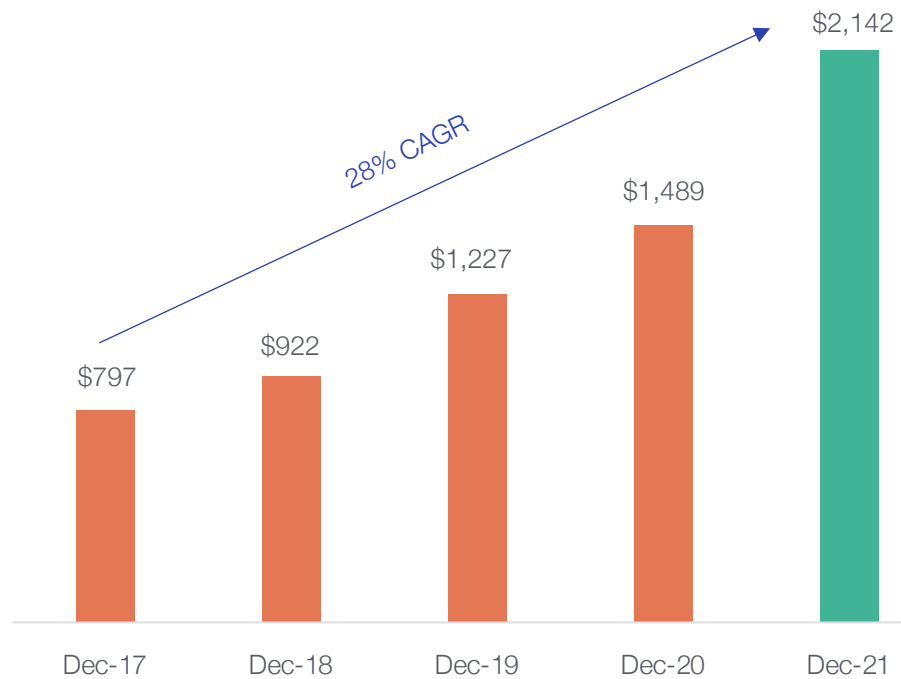
For the 12-month period ended 30 September 2021.
 Source: Plan for Life Actuaries & Researchers, Investment Bonds Report



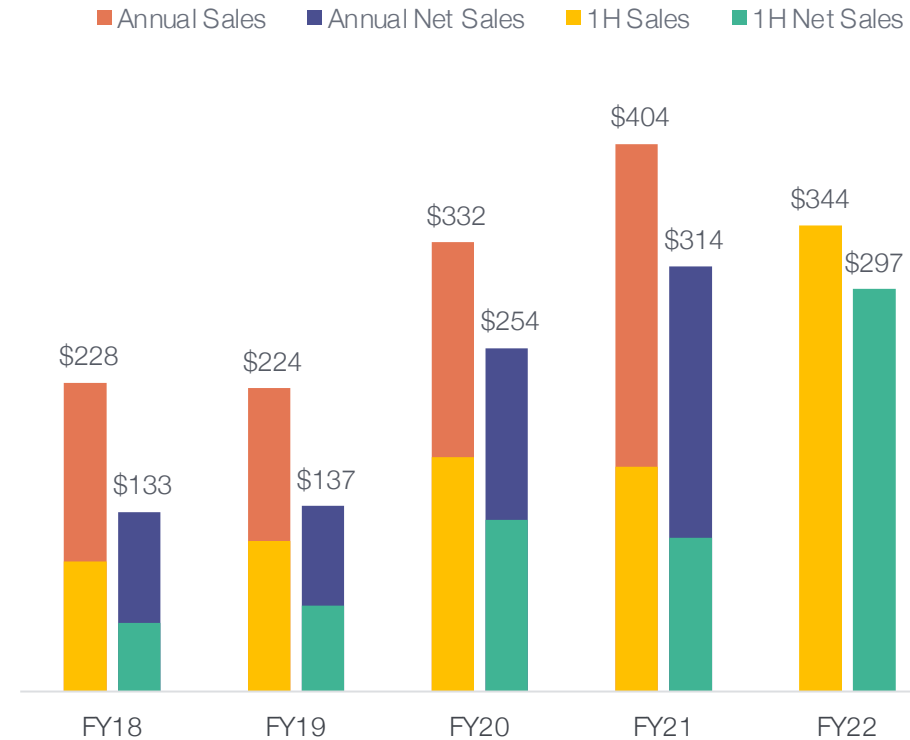
Increasing FUM growth

Generation Life

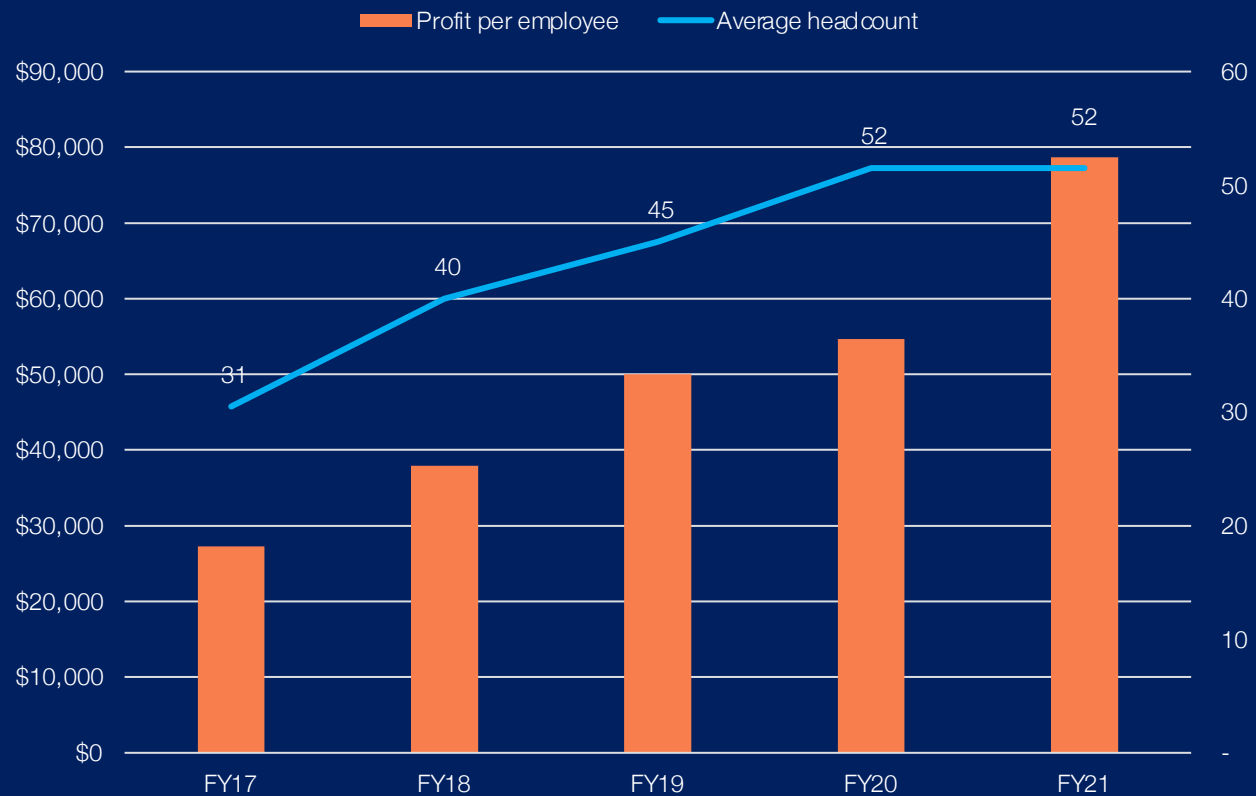
Closing Funds Under Management (FUM)
in \$m (December)



Annual Sales & Net Inflows in \$m



Profit per Employee



Note: Excludes employees working on annuity product development



Investment in Lonsec

Company overview



41% stake in Lonsec



1H FY22 Revenue
\$20.1m* (Up 24% on PCP)

1H FY22 EBITDA
\$6.1m* (Up 22% on PCP)



One of Australia's largest qualitative research firms whose research ratings are used industry wide



Post the Royal Commission, Lonsec is well positioned to independently assess portfolio constructions and other ancillary investment solutions

* Unaudited revenue and underlying EBITDA

Lonsec



Lonsec Research: Money Management Magazine research house of the year

Lonsec Research

Lonsec Investment Solutions



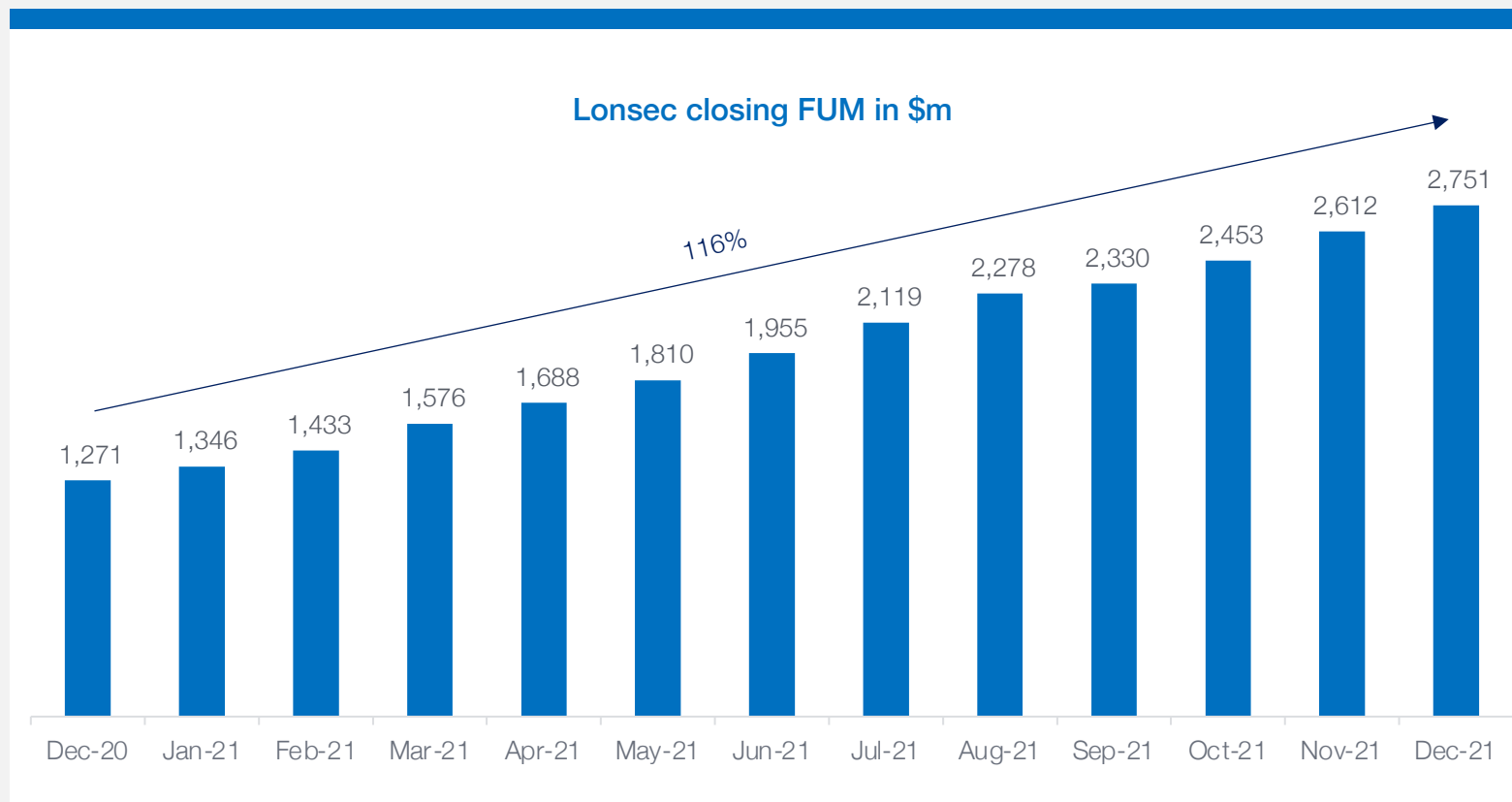
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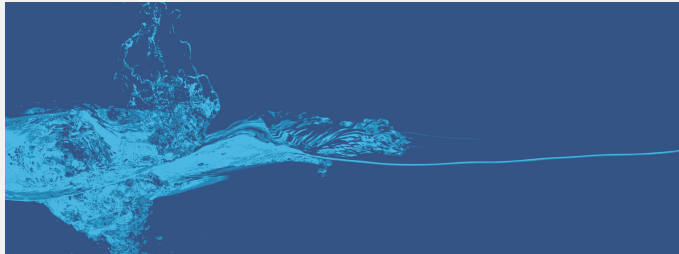
Lonsec Holdings

Lonsec Investment Solutions FUM Growth

Lonsec Investment Solutions is a fast-growing emerging player catering for diversified managed account portfolios and separately managed accounts



Delivering growth and innovation



Generation Life Tax Effective Equity Income Fund

- + Standalone product offering (three classes)
- + Portfolio performance since inception of 13.1% per annum after tax and fees compared to the gross return of the underlying strategy of 16.1% per annum (before tax) as at 31 December 2021
- + 94% increase in after-tax dividend yield vs ASX200 yield (benchmark) for 1H FY22



Investment bonds and Tax Optimised funds

- + Expected long term average tax rate of 12%-17% for Tax Optimised strategies
- + Average of 70bps after tax alpha on growth Tax Optimised options in year 1
- + 95% increase YOY of inflows to 31 December 2021
- + Tax Optimised accounts for 60% of new business as at 31 December 2021
- + Expanding Tax Optimised range, model portfolios and Responsible Investment integration



Investment-linked lifetime annuity

- + Income guaranteed for life
- + Investment-linked, offering investment choice
- + Potential access to some or more social security entitlements
- + Launch 2H FY22, subject to regulatory approval



Generation Development Group outlook

Record **sales momentum, FUM growth and continuous innovation**

Expanding into growing markets - Launch of investment-linked lifetime annuity for the Australian retirement market, subject to regulatory approval

Continuing to innovate our investment bond offering and enhancing our investment menu

Focusing on execution - Lonsec 3-year accelerated growth plan



Appendices



Generation Life

Flagship products highly recommended for over a decade

58 investment options across all asset classes

- + 2 x Cash and term deposits
- + 5 x Australian fixed interest
- + 4 x International fixed interest
- + 10 x Australian shares
- + 7 x Responsible investing
- + 10 x International shares
- + 4 x Property
- + 14 x Diversified
- + 2 x Alternatives



The only provider in the market to hold a 'Highly Recommended' rating with both Lonsec and Zenith Investment Partners*

*Refer to page 20 for further information about ratings for Generation Life Investment Bonds (ChildBuilder and LifeBuilder).



Key features of investment bonds



Max tax rate of 30%



No distributions and access to funds at anytime



Tax paid after 10 years – tax advantages pre 10 years



125% advantage



Portability
Tax-free transfers



No personal CGT on switching



No tax file number required



Creditor protection



Can be structured as a non-estate asset



5 core uses of investment bonds



Alternative or complementary to superannuation

The most tax-effective investment solution after super



Estate planning

Be in control of transferring wealth



Trusts

Reducing distributable income within trusts



Saving for a child

Meeting the rising costs of future generations



Government entitlement

Improving pension entitlements



Generation Life investment-linked lifetime annuity

Capital light model	Pays income for life	Investment-linked Level of income paid is based on the underlying performance of investments chosen
Potential to deliver higher investor returns	Death Benefit	Potential access to more Age Pension benefits
Very positive adviser feedback Compelling proposition to deliver more income to their clients for longer	Awaiting final APRA product approval	Longevity risk lies with reinsurer



Reconciliation of statutory profit to underlying earnings

Generation Development Group



	HY22	HY21	Change	Change %
Underlying net profit after tax (A\$'000) – Life/Administration business	3,340	2,124	1,216	57
Income from associates (A\$'000)	952	337	615	182
Product development costs (net of tax) (A\$'000)	(1,426)	(230)	(1,196)	(520)
Underlying profit after tax (A\$'000)	2,866	2,231	635	28
Other items (net of applicable tax):				
Gain on sale of Ascalon Capital Ltd (Asia) (A\$'000)	50	-	50	nm
Ascalon (net) operating costs inclusive of foreign exchange gain (A\$'000)	56	(640)	696	nm
Deferred tax on carry-forward losses (A\$'000)	(890)	(553)	(337)	(61)
Transaction and completion costs (A\$'000)	(362)	(484)	122	25
Statutory profit after tax (A\$'000)	1,720	554	1,166	210



FUM Growth



Generation Development Group

	HY22	HY21	Change	Change %
Opening FUM (A\$'000)	1,792	1,295	497	38
Sales inflow (A\$'000)	344	166	178	107
Investment performance (A\$'000)	53	81	(28)	(35)
Exits (A\$'000)	(47)	(53)	6	11
Closing FUM (A\$'000)	2,142	1,489	653	44



Thank you

Outthinking today.

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Over backdated 10-year period (based on average return) on Funds launched in Tax Optimised series with no change to investment risk when you optimise for tax. The information provided is general in nature and does not consider the investment objectives, financial situation or needs of any individual and is not intended to constitute personal financial advice. Generation Life does not make any guarantee or representation as to any particular level of investment returns. Past performance is not an indication of future performance.

This Results Pack has been authorised by the Board.