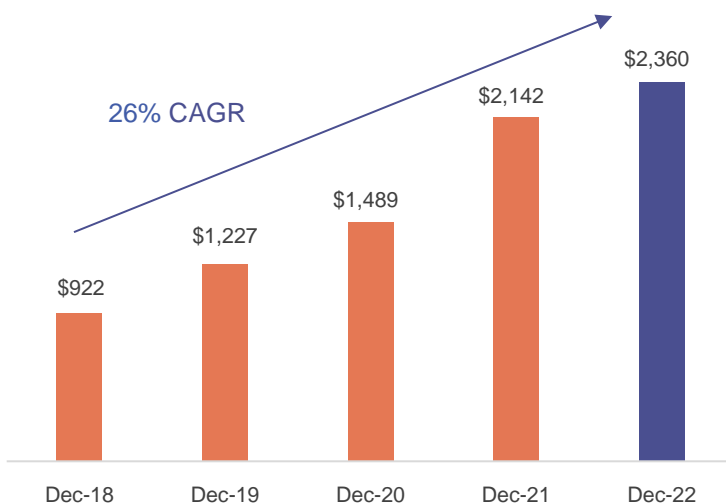


ASX Announcement

23 January 2023

Generation Development Group December Quarter Update

Closing Funds Under Management in \$m (Dec)



Funds Under Management

10% ↑

Up on previous corresponding period

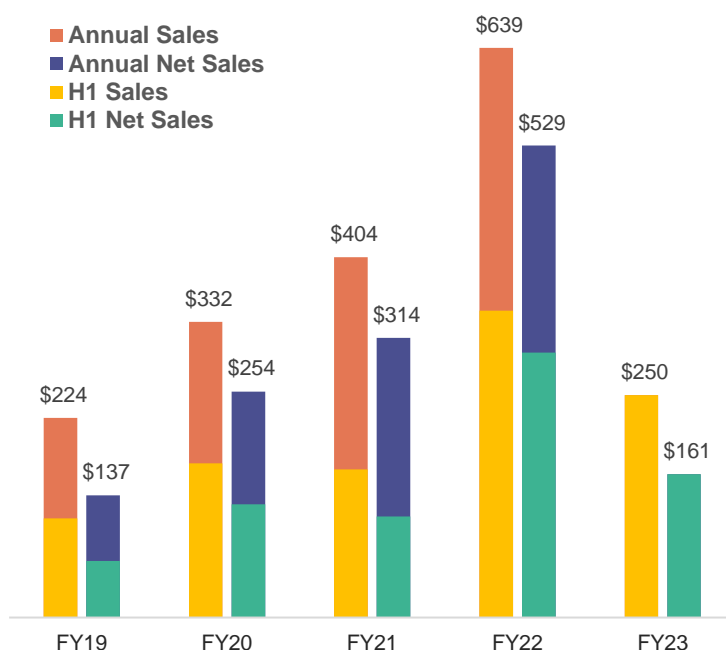
\$2,360m

Total FUM as at December 2022

\$131m

FUM growth September 2022 to December 2022

Annual Sales & Net Inflows in \$m



Gross inflows

38% ↓

Down on previous corresponding period

\$59m

Net inflows September 2022 to December 2022

\$114m

Sales inflows September 2022 to December 2022

\$544m

Sales inflows December 2021 to December 2022

A message from Grant Hackett OAM CEO of Generation Life



A solid result in uncertain times

Generation Life has achieved a significant milestone for the business becoming number one in both total market share and inflows for Investment Bonds¹. This has been driven by many years of hard work, product innovation and investment by the team. The business experienced solid inflows in the second quarter of \$114m, taking our total year to date inflows to \$250m. This is our third biggest half since the commencement of the life company back in 2004. Withdrawals and maturities increased over the period due to multiple death payments and larger redemptions from direct clients in the October month. Redemption rates for financial advised clients, which cover over 90% of our gross flows, remain steady. While overall inflows are down on our record FY22, it is a good result given the material changes we have experienced in the prevailing macroeconomic environment. Our Distribution Managers and Marketing team have continued to generate record levels of activity engaging financial advisers through industry events, master classes and professional development days. This bodes well for inflows for the rest of the year notwithstanding rising interest rates, inflationary pressure and continued market volatility.

In the second half of this financial year, Generation Life will be issuing a new product disclosure statement ("PDS") that will provide additional product features to our Investment Bond, increased investment options and more Tax Optimised investment strategies. The new PDS will give financial advisers and their clients additional strategies and benefits for their Investment Bond.

Our new investment-linked lifetime annuity, LifeIncome, continues to impress with inflows continuing to grow in Q2 and total FUM surpassing the \$10m threshold. Financial adviser feedback has been encouraging and we are currently in the process of designing additional features to retain our competitive advantage against increasing competition in this market.

Overall, the business continues to perform well as we continue to execute our strategic initiatives in the second half of FY23.

Grant Hackett OAM

Chief Executive Officer and Managing Director of Generation Life

1. Plan for Life, Investment Bonds Market Report for period ended 30 September 2022.

Key highlights



The December quarter delivered the **second highest December quarterly inflows** in the history of Generation Life



52% market share of quarterly inflows into investment bonds for the September 2022 quarter¹



Investment bond net inflows of \$59m for the quarter with continued low redemption rates



Solid FUM growth for the quarter notwithstanding volatile equity markets

Movements for the quarter and year



Funds Under Management (\$m)

Generation Life Investment Bonds

	Quarter ended Dec 2022 (\$m)	Quarter ended Dec 2021 (\$m)	Change (\$m)	Change (%)
Opening	2,229.1	1,954.0	275.0	14.1
Sales inflows	113.7	183.7	-70.1	-38.1
Investment growth	72.2	32.6	39.6	121.6
Withdrawals & maturities	-54.8	-28.9	-26.0	-89.9
Closing	2,360.1	2,141.5	218.6	10.2

Lonsec Investment Solutions

Lonsec Investment Solutions continues to exceed growth forecasts with \$7.5bn of Funds Under Management in December 2022. This included an increase of 16% in the December 2022 quarter, or 171% for the year.

Generation Development Group (GDG) holds a 41% interest in Lonsec Holdings Pty Ltd (Lonsec), which includes Lonsec Investment Solutions that helps dealer groups and independent financial advisers establish diversified managed portfolios and separately managed account (SMA) solutions.

Lonsec Funds Under Management (FUM) increased by \$1,053m for the quarter, with IPL growth contributing \$105m of that increase. Pleasingly, funds under management increased by over \$350m on an average monthly basis, from 30 September 2022 to 31 December 2022.

There has been a significant, 171%, or \$4,710m, increase in FUM in the last 12 months since 31 December 2021.

Lonsec Closing Funds Under Management in \$m





Outthinking today.

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