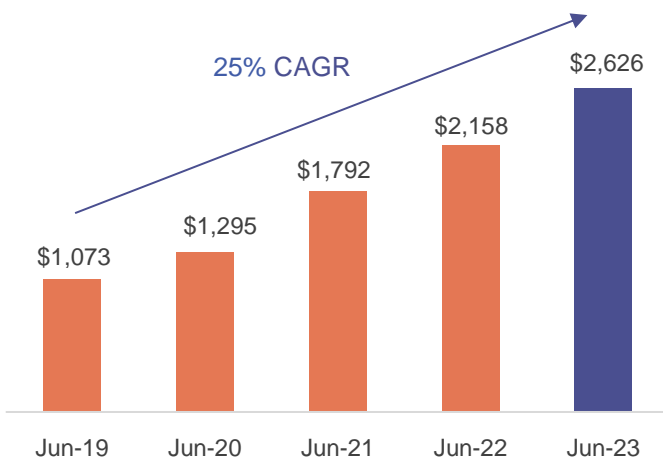


ASX Announcement

20 July 2023

Generation Development Group June Quarter Update

Closing Funds Under Management in \$m (Jun)



Funds Under Management

22%↑

Up on previous corresponding period

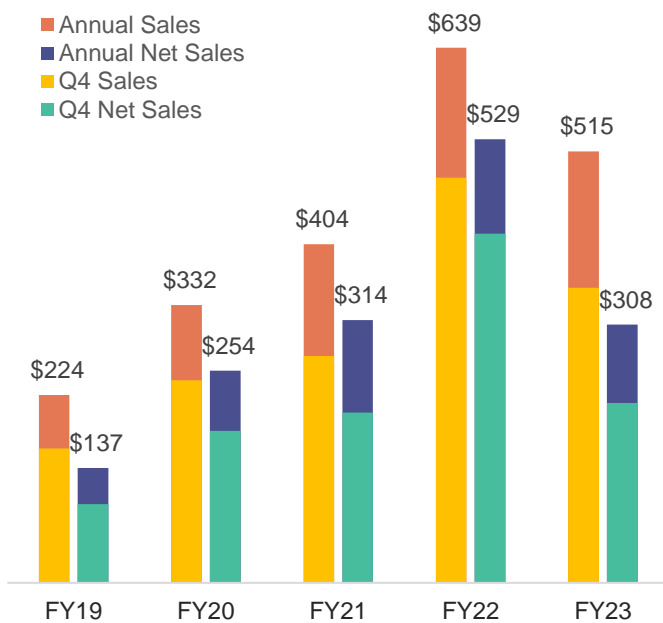
\$2,626m

Total FUM as at June 2023

\$132m

FUM growth March 2023 to June 2023

Annual Sales & Net Inflows in \$m



Gross inflows

5% ↑

Up on previous corresponding period

\$94m

Net inflows March 2023 to June 2023

\$163m

Sales inflows March 2023 to June 2023

\$515m

Sales inflows June 2022 to June 2023

Note: Excludes LifeIncome sales and funds under management.

A message from Grant Hackett OAM CEO of Generation Life



Record June quarter inflows to finish the Financial Year

Generation Life came home with a wet sail in the June quarter, producing its strongest June quarter result with a total of \$163m in sales for the year. This was the second largest quarter of inflows on record. The second half of the financial year saw momentum return to Investment Bond sales, with much stronger than anticipated results even though investor confidence remained somewhat subdued due to inflationary and interest rate pressures. Generation Life is proud to report that it achieved its second largest annualised inflows of \$515m. Funds Under Management (FUM) grew materially to \$2.6b in FY23, increasing by 22%.

Throughout the year we have seen a comparative increase in redemptions. We are pleased to report this is not due to the lack of attractiveness of the product. In fact, most withdrawals have been due to deaths and subsequent maturity payments. This is up 130% YoY, totaling \$25m for the quarter including a single beneficiary payment of \$12m. Statistically, death rates were up by 17% on average in comparison to the last 7 years¹. There has also been an increase in partial redemptions over the period due to clients' personal liquidity requirements, which accounted for close to 40% of redemptions. The feedback received from financial advisers is that most clients have been reluctant to make these withdrawals but have needed to do so to fund short-term expenses. We do not believe these drivers are permanent and expect redemptions will reduce on a relative basis over time. On a positive note, estate planning is a core use for Investment Bonds, so it's encouraging to see financial advisers and their clients utilising this feature to disseminate their wealth upon their passing. Generation Life is going to implement several retention initiatives to retain this FUM.

Our investment-linked lifetime annuity, LifeIncome has remained steady with sales of \$1m to \$2m per month over the quarter and \$15m for the financial year. The distribution team continues to educate financial advisers on the strengths of our new product and how it can significantly enhance retirement outcomes for retirees. This is a 2 to 3 year process and we remain committed to the high levels of activity and adviser education required to get this product to scale. The market opportunity and demand for this solution will grow, as baby boomers enter retirement and more superannuation assets transition into pension phase. The importance of addressing longevity and sequency risk becomes even more critical as we reach the peak of 137,000 baby boomers turning 65 years old by 2026. In June, we released our second Product Disclosure Statement (PDS) for LifeIncome, providing financial advisers and their clients with five new product features and six additional investment options that better cater for a higher interest rate environment. We will continue communicating with financial advisers on what their clients' requirements are and how we can further enhance the attractiveness of LifeIncome.

Overall, FY23 has been a very good year for the Generation Life team as we continue to capitalise on the strong momentum we built in the second half of FY23, introducing a range of new product features for both Investment Bonds and LifeIncome and having a record number of financial advisers writing business with us over a single financial year.

Grant Hackett OAM

Chief Executive Officer and Managing Director of Generation Life

1. Australian Bureau of Statistics, Provisional Mortality Statistics, Jan 2023
2. Plan for Life, Investment Bonds Market Report for period ended 31 March 2023.

Key highlights



The June quarter delivered **\$163m of quarterly inflows** being the second largest ever quarterly inflow



The June quarter delivered the **highest June quarterly FUM inflow** in the history of Generation Life



47% market share of annual inflows into investment bonds for the period ended March 2023²



Investment bond net inflows of \$94m for the quarter

Movements for the quarter and year



Funds Under Management (\$m)

Generation Life Investment Bonds

	Quarter ended Jun 2023 (\$m)	Quarter ended Jun 2022 (\$m)	Change (\$m)	Change (%)
Opening	2,494.0	2,196.6	297.4	13.5
Sales inflows	163.0	155.4	7.7	4.9
Investment growth	38.7	-151.3	190.0	N/A
Withdrawals	-44.8	-31.2	-13.6	-43.6
Death Maturities	-24.8	-11.4	-13.4	-117.5
Closing	2,626.2	2,158.0	468.2	21.7

Lonsec



Lonsec Investment Solutions continues to achieve strong growth, with \$8.8bn of Funds Under Management at June 2023. This included an increase of 7% in the June 2023 quarter, or 143% for the last twelve months.

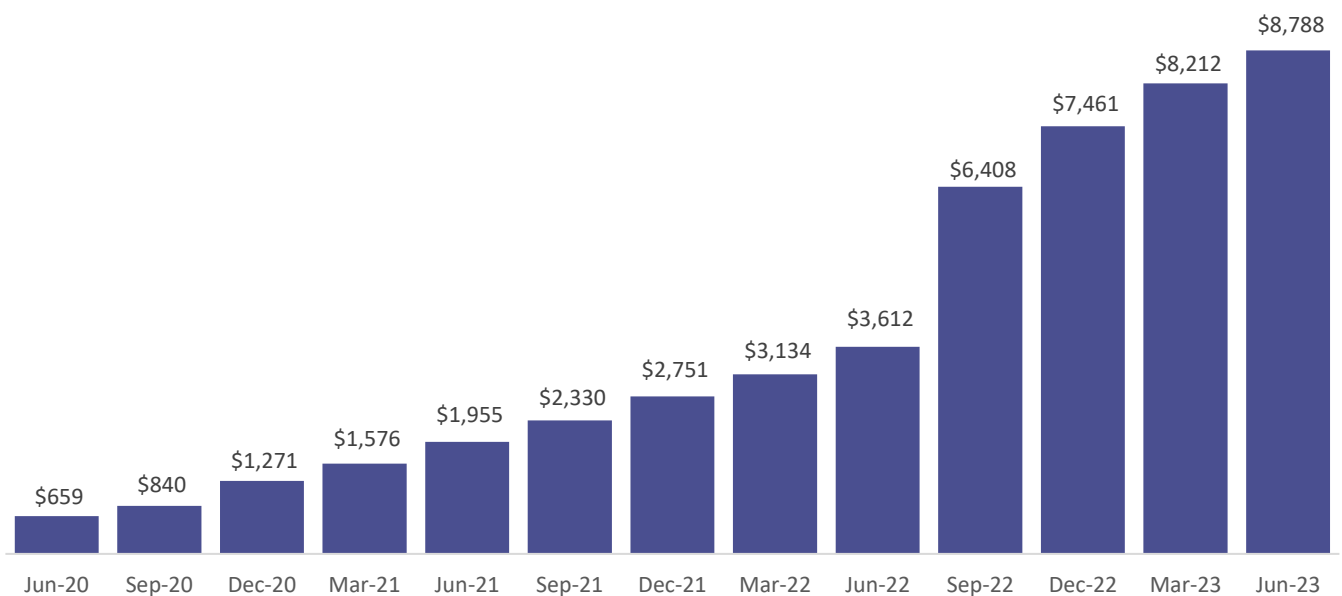
Generation Development Group (GDG) holds a 49.2% interest in Lonsec Holdings Pty Ltd (Lonsec), which includes Lonsec Investment Solutions that helps dealer groups and independent financial advisers establish diversified managed portfolios and separately managed account (SMA) solutions.

Lonsec Funds Under Management (FUM) increased by \$576m for the quarter.

There has been a significant, 143%, or \$5.2bn, increase in FUM in the last 12 months since 30 June 2022.

Pleasingly, we are seeing encouraging growth in the Lonsec Research business. We will be providing more insights on the overall Lonsec business when we present our full year results.

Lonsec Closing Funds Under Management in \$m





Outthinking today.

Authorised by and contact for further information:

Terence Wong
Chief Financial Officer

Telephone: +61 3 8601 2021

gendevdevelopmentgroup.com.au

1800 806 362