



2023 financial year results

Presenters:

Grant Hackett OAM

Chief Executive Officer and Managing Director
Generation Life

Terence Wong

Chief Financial Officer
Generation Development Group



The right partner for you:



Lonsec





Licensed Pooled Development Fund (PDF) that delivers tax free capital gains and tax exempt dividends

100%

49%



Investment Bonds

- \$2.6bn in FUM (25% 3-year CAGR)
- #1 market share of total FUM (25%)
- #1 market share of inflows (47%) (12 months to 31 March 2023)
- \$8.2m underlying profit (38% 3-year CAGR)

Annuities

- Investment linked lifetime annuity
- Income guaranteed for life
- Offers investment choice
- \$15m sales in FY23

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

- Over 1,700 products rated
- Lonsec Investment Solutions \$8.8bn Funds Under Management (143% CAGR since June 2022)

Outthinking today.

A year of growth

2023 financial year



\$2.6bn

Funds Under Management

Up 22%



\$8.2m

Underlying NPAT (Life/Admin business)

Up 30%



\$515m

Investment Bond Sales

Second highest year on record



Lonsec Earnings

Underlying EBITDA and NPAT

Up 57% and 35%



\$8.8bn

Lonsec Investment Solutions FUM

Up 143%



Lifeline

Investment-linked lifetime annuity

Sales of \$15m



FY23 Financial result summary

Generation Development Group



	FY23	FY22	Change	Change %
Revenue* (A\$'000)	40,201	35,254	4,947	14
Expenses* (A\$'000)	(31,985)	(28,908)	(3,077)	(11)
Underlying profit after tax benefit – Life/Admin business (A\$'000)	8,216	6,346	1,870	30
Income tax expense (A\$'000)	(14)	(4)	(10)	(250)
Investment in associates – normalised share of profit (A\$'000)	3,613	2,048	1,565	76
Annuity business costs (net of tax) (A\$'000)	(4,596)	(3,023)	(1,573)	(52)
Underlying profit after tax (A\$'000)	7,219	5,367	1,852	35
DPS (A\$)	0.02	0.02	-	-
FUM (A\$'bn)	2.6	2.2	0.4	22
Cash and cash equivalent** (A\$'000)	16,979	17,951	(972)	(5)

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

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



FY23 highlights and key performance measures

Generation Development Group

Life Business FUM

\$2.6 billion
Up 22%

Investment Bond Sales

\$515 million

Annuity Product Sales

\$15 million

Market Share

47% of annual
market inflows (12
months to 31 March
2023)

APLs

661
Up 21%

Product Rating

Investment bonds
Highly Recommended by
Zenith & Lonsec

LifeIncome
Superior 4 stars – SQM
Approved by Lonsec

Active Financial Advisers

1,865
Up 10%

New Bond Numbers

21,399
Up 2%

Savings Plan

\$88 million
Up 33%

Investment options

LifeBuilder / ChildBuilder /
FuneralBond
65 Options

Generation Life Tax Effective
Equity Income Fund
1 Option

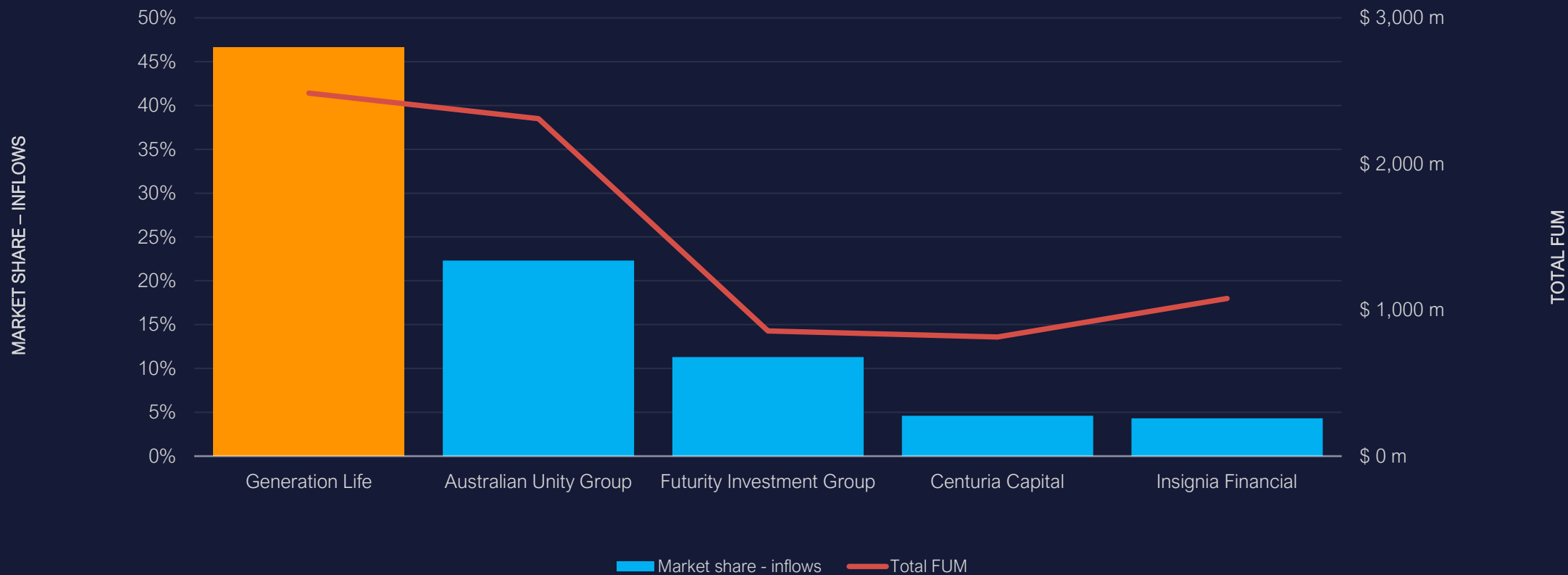
LifeIncome
29 Options

Average Investment Term

15.8 years

No. 1 in inflows

Generation Life 1st in total FUM



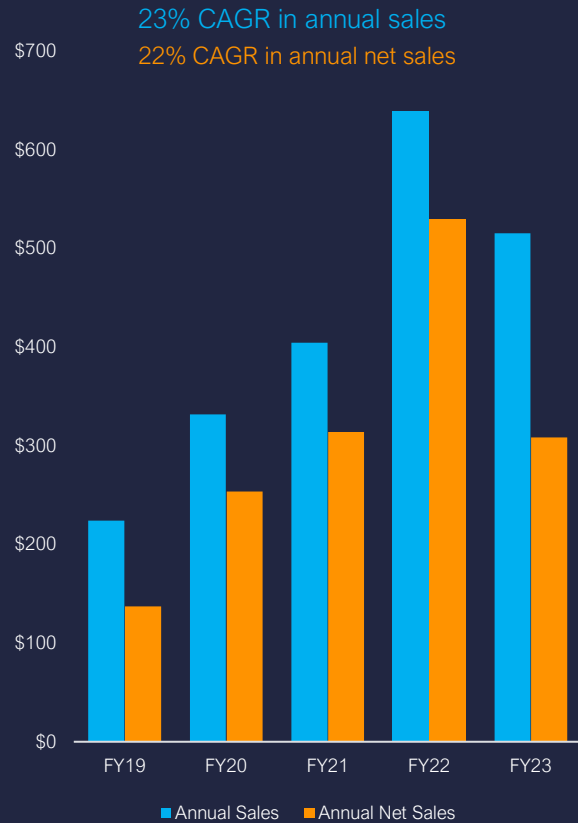
For the 12-month period ended 31 March 2023.
Source: Plan for Life Actuaries & Researchers, Investment Bonds Report for the period ending 31 March 2023



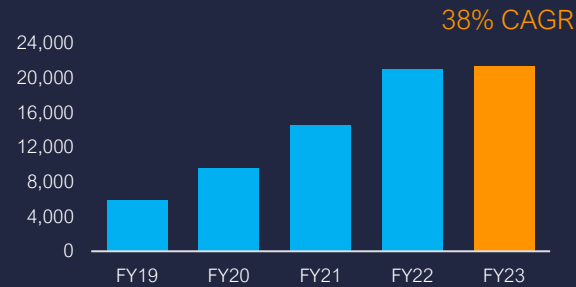
Continued improvements in all key metrics

Generation Life

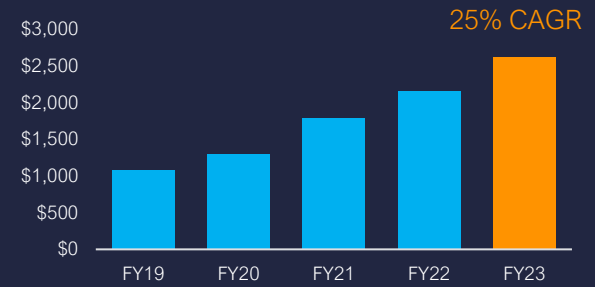
Annual Sales & Net Inflows (\$millions)



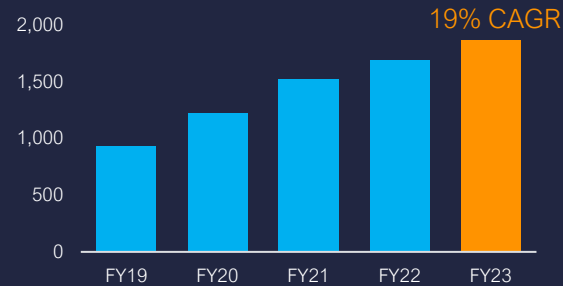
Number of New Applications



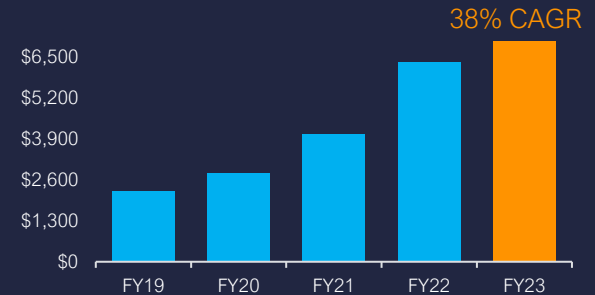
FUM (\$millions)



Number of Active Advisers

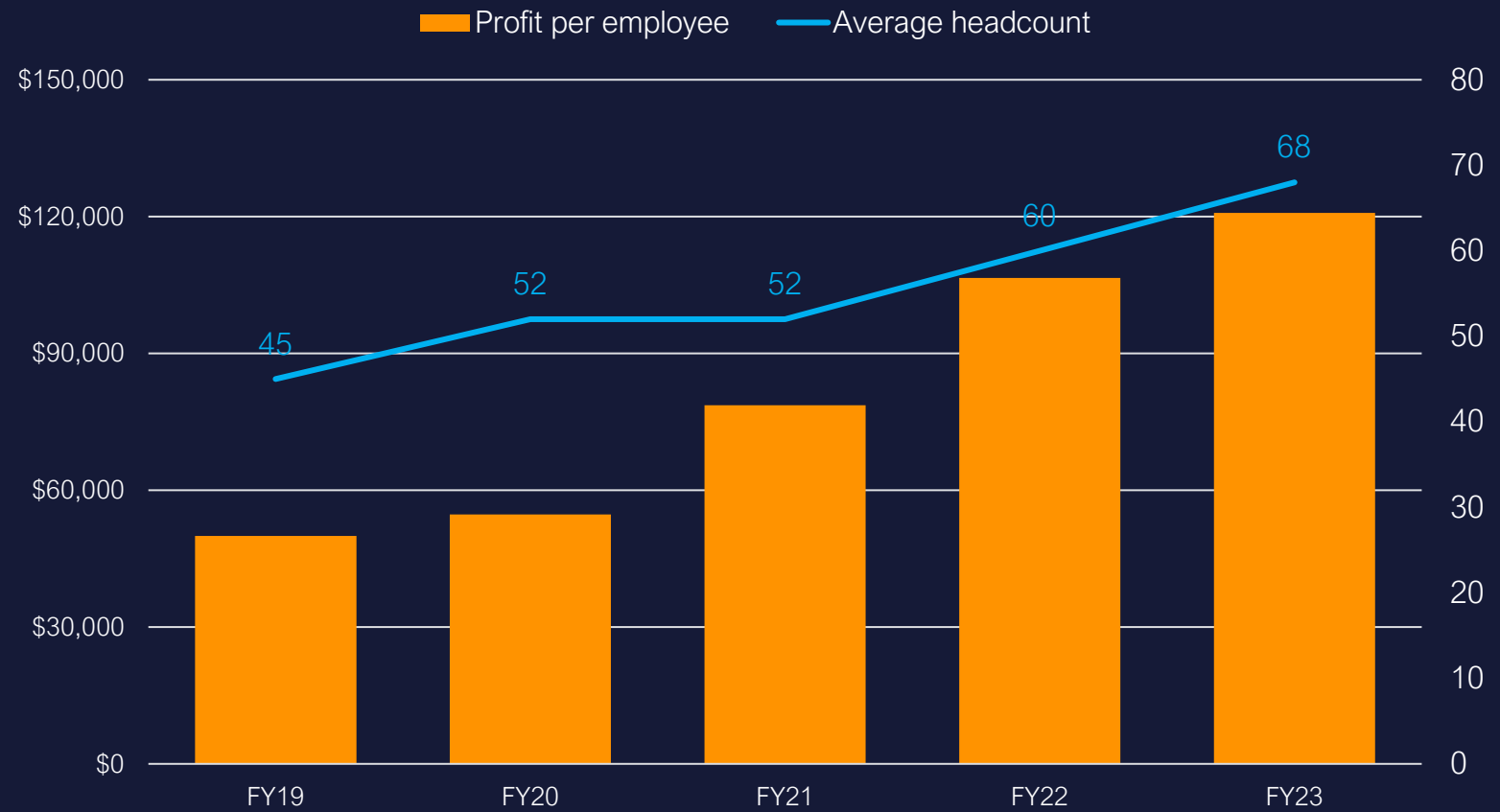


Underlying NPAT (\$ thousands)



Profit per Employee

Generation Development Group



Note: Excludes employees working on annuity product development

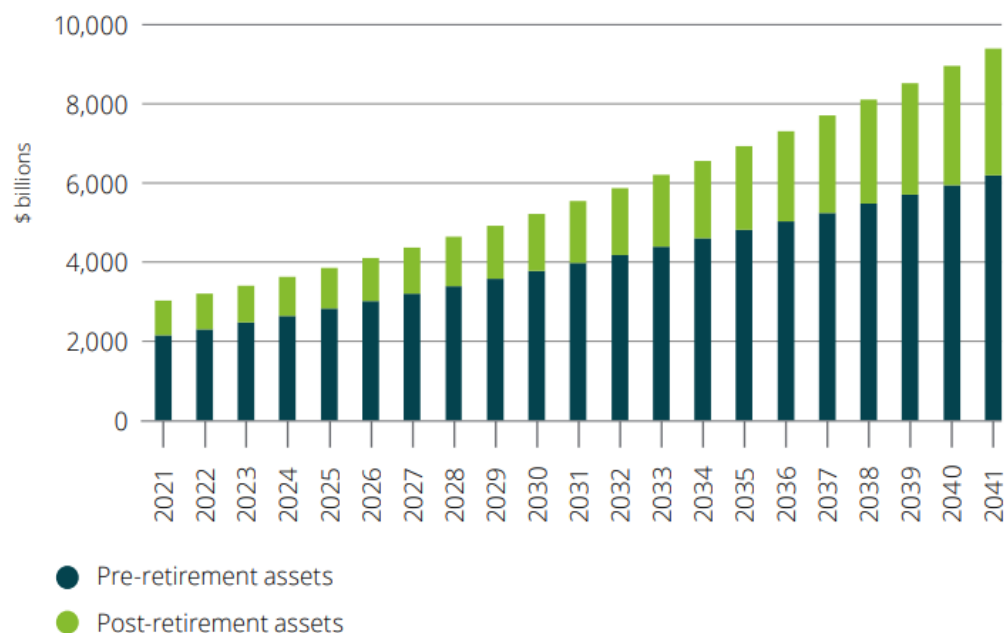


Lifetime annuities - a growing market

“We’re trying to come up with products which maximise income, manage longevity risk and provide flexible access, so that people have a degree of comfort.”¹

Dr Jim Chalmers – Federal Treasurer of Australia, AFR August 2023

Projected superannuation assets (2021 to 2041)¹



\$1.4 trillion

Post-retirement assets market predicted to grow by 2030²

\$750b

Of assets will move into the retirement phase in less than the next 6 years³

Legislative tailwinds

- Retirement Income Review (2020)
- Retirement Income Covenant (2022)
- Release of Discussion Paper in relation to Retirement Income Strategies (Sept/Oct 2023)

Only 1%

Of post-retirement assets are currently in lifetime annuities. An increase to 2% represents a \$28bn market opportunity³

1. Source: Australian Financial Review 24 August 2023

2. Source: Deloitte Actuaries & Consultants, Dynamics of the Australian Superannuation System, The next 20 years to 2041, <https://www2.deloitte.com/au/en/pages/financial-services/articles/dynamics-australian-superannuation-system.html>, published December 2021

3. Plan for Life Actuaries and Researchers 30 September 2021

Key features of Generation Life LifeIncome

Investment-linked lifetime annuity

Single or reversionary

Investment Menu

29 options with the ability to switch at anytime¹

0% tax environment

Investment earnings within LifeIncome are tax-free

Dollar-cost averaging

Progressive investment

Reversionary beneficiary

Money available to support spouse or loved one² between ages of 50 and 95

LifeBooster

More income sooner

LifeIncome Flex

Increase starting income by choosing to reduce income when you or your reversionary passes away

Death Benefit & 6 month Cooling Off period³

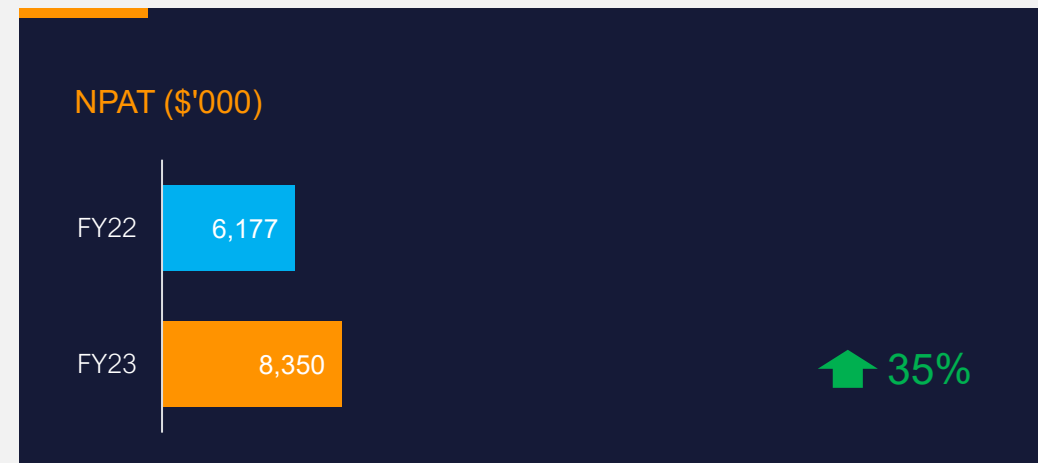
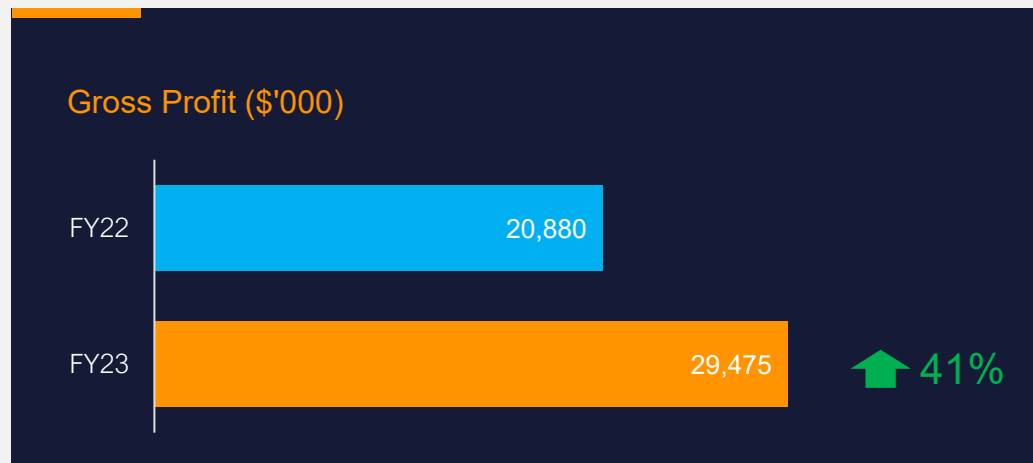
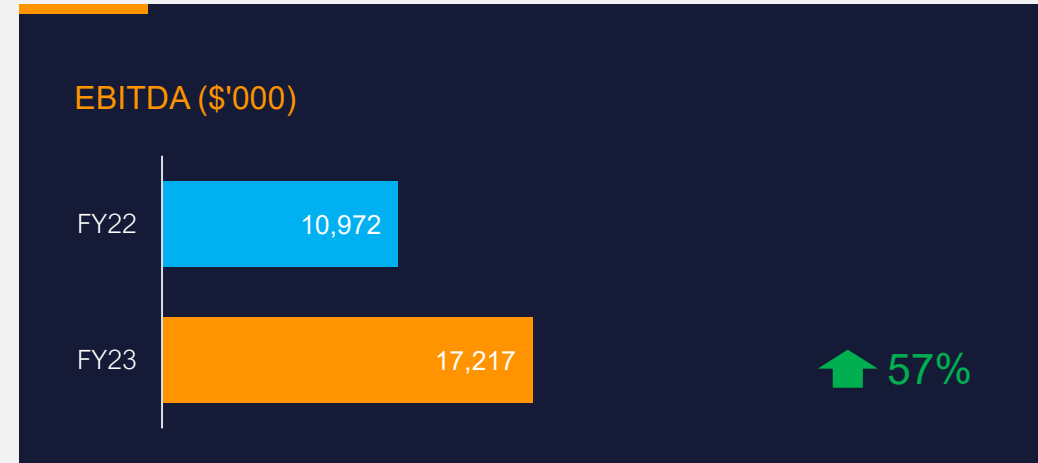
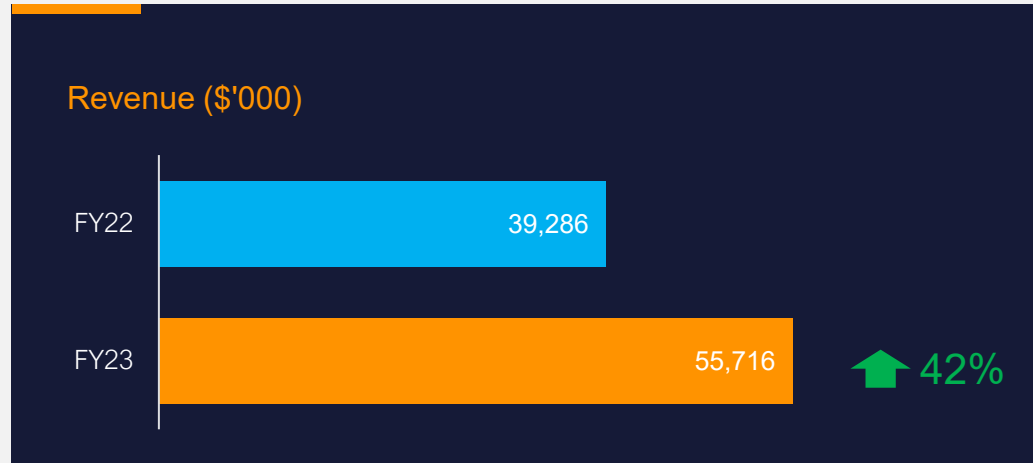
Flexibility and peace of mind

1. Brief exclusion period applies – refer to the Product Disclosure Statement
2. If you are commencing LifeIncome with superannuation money, you can only nominate your spouse to receive your income after you pass away. If you are commencing LifeIncome with non-superannuation money you can nominate your spouse or any other person such as your child or sibling.
3. The amount paid back will be the investment amount adjusted for movements in the unit price of the investment option(s) chosen less any taxes and duties not recoverable by Generation Life, and after deducting income payments already made. Generation Life's management and administration fees and insurance expenses will only be refunded for cancellations within the regulatory 14-day cooling-off period – refer to the Product Disclosure Statement.



Normalised Financial Results FY23 & FY22

Lonsec Group



Key highlights

Lonsec Group

RESEARCH (44% of Lonsec Group gross profit)

192 new investment products

Revenue Up 12% YOY
Gross profit Up 13% YOY

SUPERRATINGS (13%)

Revenue Down 8% YOY
Gross profit Down 18% YOY

INVESTMENT SOLUTIONS (32%)

FUM \$8.8B Up \$5.2B YOY
Revenue Up 202% YOY
Gross profit Up 388% YOY

iRATE (10%)

4,736 iRate users

Revenue Up 4% YOY
Gross profit Up 8% YOY



Lonsec Investment Solutions

143%, or \$5.2bn increase in FUM in FY23



Lonsec acquired Implemented Portfolios Limited (IPL) on 4 August 2022.



Generation Development Group outlook

Continue to **grow overall sales** throughout the year, subject to relatively stable market conditions

Lifeline – Continue to build sales momentum and product enhancements

Continue to **innovate our** investment bond offering and optimise our investment menu

Focus on **execution** of Lonsec's Accelerated Growth Plan and integration of Implemented Portfolios Limited



Appendices



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 and tax-free transfers

No personal Capital Gains Tax on investment switching

No tax file number required

Creditor protection

Can be structured as a non-estate asset



5 key uses of Investment Bonds

Generation Life investment bonds are designed to provide tax-effective investment solutions to help secure a financial future across all generations.

1.

Alternative to superannuation

The most tax effective investment solution after super

2.

Estate planning

Be in control of transferring wealth

3.

Saving for a child

Meeting the rising costs of future generations

4.

Trusts

Reducing distributable income within trusts

5.

Government entitlement

Improving pension entitlements

Our leading investment menu

Investment bonds



At Generation Life, we offer a wide range of investment options to meet investment objectives.

66 investment options across all major asset classes

22 x Diversified	4 x Property
14 x Australian shares	5 x International fixed interest
11 x International shares	2 x Alternatives
6 x Australian fixed interest	2 x Cash and deposits



Key themes from the Retirement Income Review

1.

Longevity risk is not being adequately addressed

It is important as it allows people to confidently drawdown assets to fund their retirement

2.

Maximising retirement income should be the aim

Greater use of longevity risk management products, and more financial advice and guidance

3.

A combination of regular income and access to capital is the solution

To provide confidence of a regular income but also able to fund larger lifestyle purchases such as a new car or a holiday

Our leading investment menu

Lifeline

A wide range of investment options to meet investment objectives. You can hold any combination at any time.

29 investment options across multiple styles

- 2 x Retirement Portfolios
- 5 x Single Sector Index funds
- 8 x Pre Packaged Diversified Models
- 3 x Lower Volatility Outcome Based Funds
- 5 x Truly Active Single Sector Funds
- 1 x Inflation Linked Fund
- 3 x Responsible Investment funds
- 1 x Private Debt Fund
- 1 x Cash Fund



Generation Life

Highly recommended for over a decade

The only provider in the market to hold a “Highly Recommended” rating with both Lonsec and Zenith Investment Partners for our Investment Bonds.

Awards



Research ratings



LifelIncome



Investment Bonds



Investment Bonds
LifeBuilder

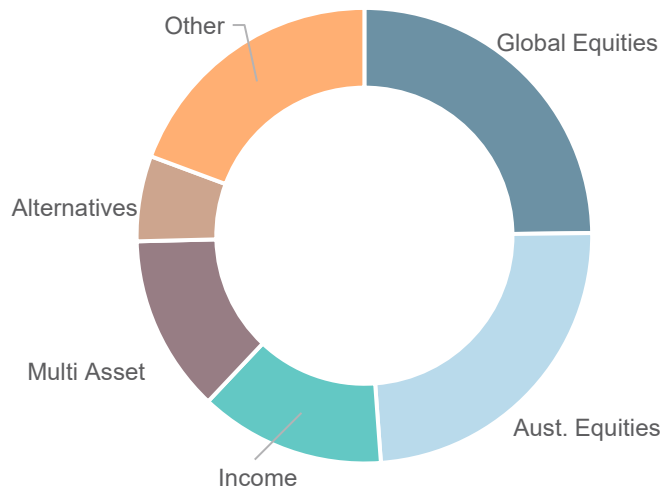
Note: Zenith rating includes LifeBuilder and ChildBuilder



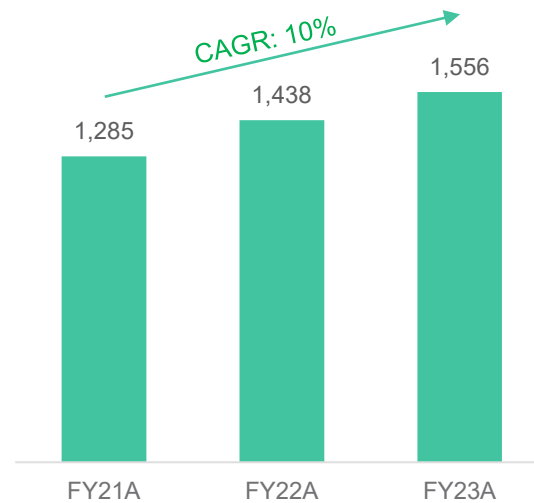
Research and Ratings – Lonsec Research

Lonsec research is the important gatekeeper to ensure manager quality and is important for accessing investor demand

Type and composition of funds as at June 2023¹



Number of funds under contract



Consistently rated #1 in the industry

Research & ratings²

RESEARCH HOUSE OF THE YEAR Overall Winner
 Powered by Money Management
 2016 | 2017 | 2018 | 2019 | 2020

<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research Houses: Overall Best Research House WINNER Lonsec</p>	<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research House: Best Adviser Support WINNER Lonsec</p>
<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research Houses: Breadth of Research WINNER Lonsec</p>	<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research Houses: Timeliness of Research WINNER Lonsec</p>
<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research Houses: Competence of Personnel WINNER Lonsec</p>	<p>2023 Australian Financial Advice Landscape Report Adviser Ratings Research Houses: Quality of Research WINNER Lonsec</p>

Significant breadth and width of coverage – a core competitive advantage

Exposure across all asset classes grants ability to grow through market cycles

1. FY23 managed funds research revenue by asset class

2. There were no awards in 2021 due to COVID and in 2023 Lonsec was awarded the best research house for all six categories, Best Research House, Competence of Personnel, Quality of Research, Breadth of Research,



Investment Solutions overview

Lonsec's Investment Solutions is a high growth business capitalising on strong structural tailwinds driving the demand for managed accounts

Investment Solutions overview

- Provides full spectrum of managed account solutions e.g. Separately Managed Accounts (SMA), Individually Managed Accounts (IMA)
- All strategies have consistently outperformed the benchmark since inception
- Independent, not affiliated with any adviser groups, wrap platforms or fund management businesses
- Available on most major wrap platforms

Customer value proposition

- ✓ Independent, conflict-free and accessible on most platforms
- ✓ Strong investment performance, consistently outperformed benchmark
- ✓ Large range of investment options, 50+ SMA models
- ✓ Strong capabilities for customised portfolios to further meet client needs



Reconciliation of statutory profit to underlying earnings

Generation Development Group

	FY23	FY22	Change	Change %
Underlying profit after tax benefit – Life/Administration business (A\$'000)	8,216	6,346	1,870	30
Income tax expense (A\$'000)	(14)	(4)	(10)	(250)
Investment in associates – share of profit (A\$'000)	3,613	2,048	1,565	76
Annuity business costs (net of tax) (A\$'000)	(4,596)	(3,023)	(1,573)	(52)
Underlying profit after tax (A\$'000)	7,219	5,367	1,852	35
Other items (net of applicable tax):				
Net gain on sale of Ascalon Capital Limited (Asia) (A\$'000)	-	50	(50)	nm
Ascalon (net) operating costs (A\$'000)	-	56	(50)	nm
Deferred tax asset on carry-forward losses recognised / (utilised) (A\$'000)	(504)	(1,526)	(1,022)	67
Transaction and completion costs (A\$'000)	-	(362)	362	nm
Investment in associates – Lonsec IPL acquisition and integration costs, and impairment of software (A\$'000)	(2,218)	(1,684)	(534)	(32)
Statutory profit after tax (A\$'000)	4,497	1,901	2,596	137

FUM Growth

Generation Development Group

	FY23 (A\$m)	FY22 (A\$m)	Change (A\$m)	Change %
Opening FUM	2,158	1,792	366	20
Sales inflow	515	639	(124)	(19)
Investment performance	160	(164)	324	nm
Withdrawal	(143)	(74)	(69)	(93)
Death Maturities	(64)	(36)	(28)	(78)
Closing FUM	2,626	2,158	468	22



Disclaimer

This presentation has been prepared by Generation Development Group Limited ABN 90 087 334 370 (GDG).

GDG believes that the information in this presentation is accurate and reliable, but no warranties of accuracy, reliability or completeness are given (except insofar as liability under any statute cannot be excluded). GDG does not accept responsibility for any errors, omissions or negligence. Statements that are non-factual in nature, including projections and estimates, assume certain economic conditions and industry developments and constitute only current opinions, all of which are subject to change. Past performance is not an indicator of future performance.

The information in this presentation is for information purposes only and does not constitute an offer of, or a recommendation to buy, securities or financial products in any jurisdiction. The investment objectives, financial situation or needs of any particular person have not been taken into account in preparing this presentation. The Generation Life Product Disclosure Statements (PDS) should be considered in deciding whether to acquire, or continue to hold, investment bonds or LifeIncome

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ('Zenith') rating (assigned October 2022) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines> www.zenithpartners.com.au/regulatory-guidelines-funds-research.

The rating issued for Generation Life LifeBuilder, April 2023, is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

This Results Pack has been authorised by the Board.