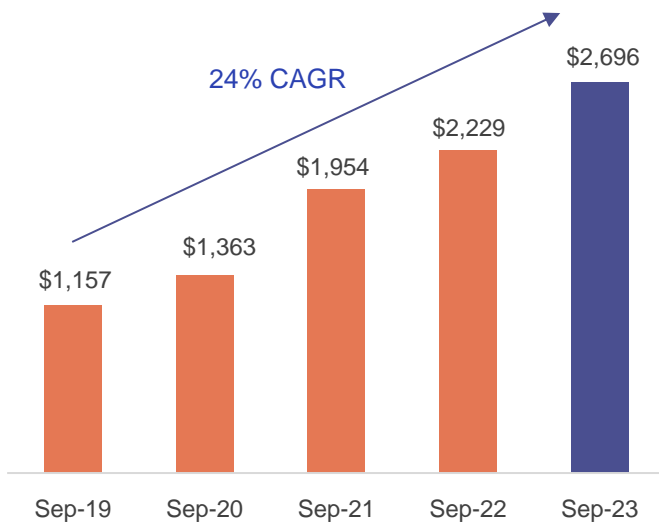


ASX Announcement

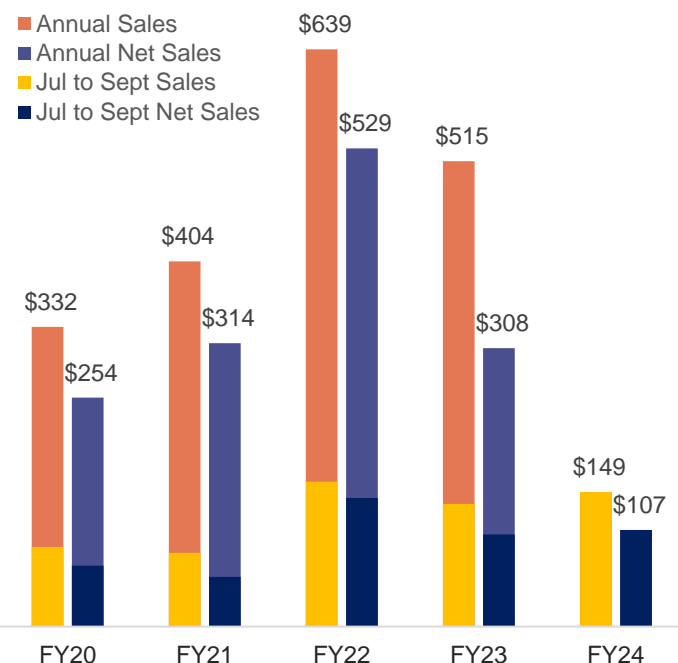
23 October 2023

Generation Development Group September Quarter Update

Closing Funds Under Management in \$m (Sept)



Annual Sales & Net Inflows in \$m



Note: Excludes LifeIncome sales and funds under management.

Funds Under Management

21%↑

Up on previous corresponding period

\$2,696m

Total FUM as at September 2023

\$70m

FUM growth June 2023 to September 2023

Gross inflows

10%↑

Up on previous corresponding period

\$149m

Sales inflows June 2023 to September 2023

\$107m

Net inflows June 2023 to September 2023

\$528m

Sales inflows September 2022 to September 2023

A message from Grant Hackett OAM CEO of Generation Life



After a record Q4 in FY23, momentum has continued into Q1 FY24 with sales of our investment bond product increasing 10% to \$149m. Notwithstanding market volatility which continues to be a drag on investment markets with investors becoming more cautious due to the economic uncertainty, we managed to grow funds under management to \$2.7bn. Encouragingly, our technical team have seen a significant lift in client scenarios being sent through from financial advisers, driven by the proposed changes to superannuation and the potential tax implications that the new division 296 tax could have on their wealthy clients. In addition, the deal sizes being contemplated are much larger than what we have traditionally seen. To further educate the market on these changes and demonstrate how the investment bond structure is a more suitable tax effective alternative, we have hosted a record number of industry and Generation Life events over the quarter.

Pleasingly, redemptions have started to normalise over the period with a reduction of over 30% in comparison to the last two quarters (Q3 & Q4 of FY23). Subject to a spike in deaths, we expect this to remain steady over the financial year.

Lifeline, our investment linked lifetime annuity, continues to generate sales of \$1m-\$2m per month, with funds under management now exceeding \$20m. The innovations we have brought into the lifetime annuity market have been well received by financial advisers. Notwithstanding, gaining sales traction is taking slightly longer than anticipated while we develop a track record in this product category. Consequently, we are carefully managing expenses but not to the extent that it will impact sales. We retain a high conviction on this annuity product as many more baby boomers shift into retirement over the next few years. Managing longevity risk and maximising income in retirement will be a key consideration for retirees.

Given the positive shift in momentum and much higher levels of engagement with financial advisers in the last six months, we expect strong inflows for investment bonds over the course of FY24.

Grant Hackett OAM

Chief Executive Officer and Managing Director of Generation Life

Key highlights



The September quarter delivered **\$149m of quarterly inflows** being 10% up on previous corresponding period



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



51% market share of quarterly inflows into investment bonds for the period ended June 2023¹



Investment bond net inflows of \$107m for the quarter

¹ Plan for Life, Investment Bonds Market Report for period ended 30 June 2023.

Movements for the quarter and year



Funds Under Management (\$m)

Generation Life Investment Bonds

	Quarter ended Sept 2023 (\$m)	Quarter ended Sept 2022 (\$m)	Change (\$m)	Change (%)
Opening	2,626.2	2,158.0	468.2	21.7
Sales inflows	149.0	135.9	13.0	9.6
Investment growth	-36.9	-31.4	-5.5	-17.6
Withdrawals	-34.7	-22.2	-12.5	-56.4
Death Maturities	-7.3	-11.3	4.0	35.5
Closing	2,696.2	2,229.1	467.2	21.0

Lonsec



Lonsec Investment Solutions continues to achieve solid growth in volatile investment markets, with \$9.1bn of Funds Under Management at September 2023. This included an increase of 3% in the September 2023 quarter, or 42% for the last twelve months.

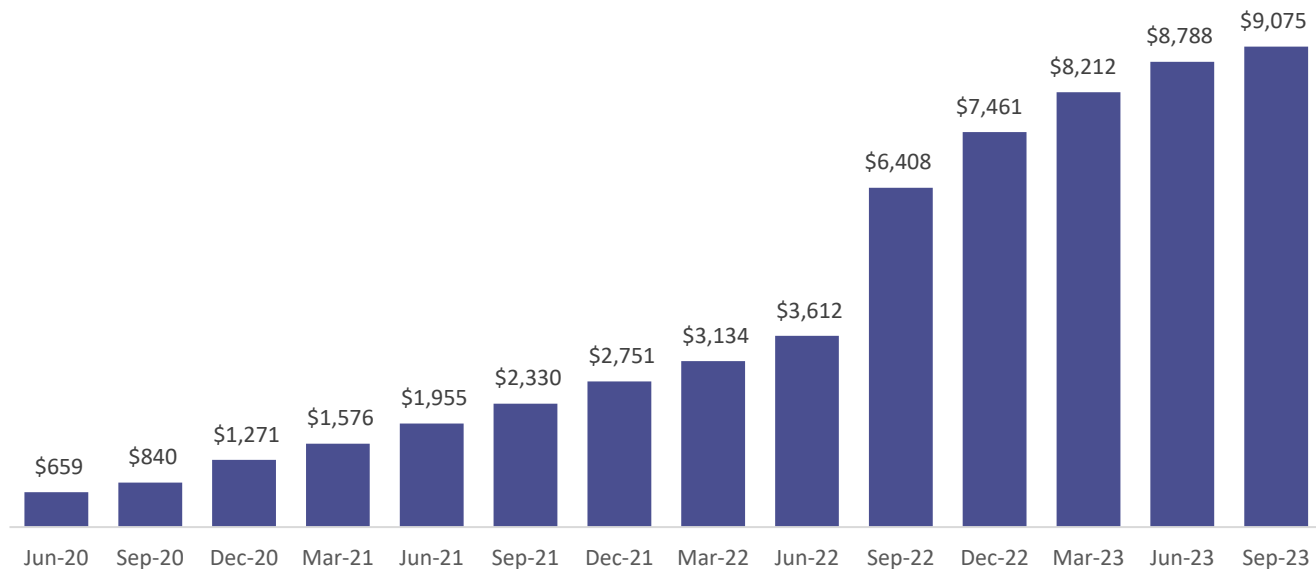
Generation Development Group (GDG) holds a 49.2% interest in Lonsec Holdings Pty Ltd (Lonsec), which includes Lonsec Investment Solutions that helps dealer groups and independent financial advisers establish diversified managed portfolios and separately managed account (SMA) solutions.

Lonsec Funds Under Management (FUM) increased by \$287m for the quarter.

There has been a significant, 42%, or \$2.7bn, increase in FUM in the last 12 months since 30 September 2022.

Pleasingly, we are also seeing encouraging growth in the Lonsec Research business.

Lonsec Closing Funds Under Management in \$m





Outthinking today.

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