



# FY 24

## Results pack

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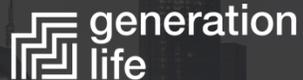
Presenters:

**Grant Hackett OAM**  
Chief Executive Officer and Managing Director  
Generation Life

**Terence Wong**  
Chief Financial Officer  
Generation Development Group



100%



100%<sup>1</sup>



### Investment Bonds

- \$3.3bn in FUM (23% 3-year CAGR)
- #2 market share of total FUM (30%)
- #1 market share of inflows (48%) (12 months to 31 March 2024)
- \$10.3m underlying profit (37% 3-year CAGR)

### Annuities

- Investment Linked Lifetime Annuity
- Income guaranteed for life
- Offers investment choice
- FUM in excess of \$33m since launch in FY22

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

- Over 1,900 products rated
- Lonsec Investment Solutions \$10.6bn Funds Under Management (76% CAGR since June 2021)
- \$23.5m underlying EBITDA (up 37% on PCP)

1. Generation Development Group acquired the remaining interest it did not already own in Lonsec on 1 August 2024.

# A year of growth

## 2024 financial year



**\$3.3bn**

Funds Under Management

**Up 26%**



**\$10.3m**

Underlying earnings (Life/Admin business)

**Up 25%**



**\$657m**

Investment Bond Sales

**Record annual sales  
Up 28%**



**Lonsec Earnings**

Underlying EBITDA and NPAT

**Up 37% and 55%**



**\$10.6bn**

Lonsec Investment Solutions FUM

**Up 21%**



**Lifeline Income**

Investment-linked lifetime annuity

**Total FUM of \$33m  
Up 104%**

# FY24 Financial result summary

## Generation Development Group

	FY24	FY23	Change	Change %
Revenue <sup>1</sup> (A\$'000)	48,510	40,201	8,309	21
Expenses <sup>1</sup> (A\$'000)	(38,199)	(31,985)	(6,214)	(19)
Underlying profit after tax benefit – Life/Admin business (A\$'000)	10,311	8,216	2,095	25
Income tax expense (A\$'000)	(1,166)	(14)	(1,152)	nm
Investment in associates – normalised share of profit (A\$'000)	6,355	3,613	2,742	76
Annuity business costs (net of tax) (A\$'000)	(4,298)	(4,596)	298	6
Underlying profit after tax (A\$'000)	11,202	7,219	3,983	55
DPS (A\$)	0.02	0.02	-	-
FUM (A\$'bn)	3.3	2.6	0.70	27
Cash and cash equivalent <sup>2</sup> (A\$'000)	169,952	16,979	152,973	nm

1. Underlying excluding Benefit Funds and non-recurring, including income tax benefit

2. Includes term deposits and cash of \$150million from the capital raised to fund Lonsec acquisition, and excludes cash attributable to the Benefit Funds

# FY24 highlights and key performance measures

## Generation Development Group

### Life Business FUM

\$3.3 billion

Up 26%

### Sales

Investment bond sales

\$657 million

Annuity product sales

\$17 million

### Market Share

48% of annual market inflows<sup>1</sup>

(12 months to 31 March 2024)

### APL's

714

Up 8%

### Product Rating

Investment bond

“Highly Recommended” by  
Chant West<sup>2,5</sup>

Lifeline

“Superior 4 stars” by SQM<sup>5</sup>

### Active Financial Advisers<sup>3</sup>

2,271

Up 22%

### New Bond Numbers

27,230

Up 27%

### Savings Plan<sup>4</sup>

\$95 million

Up 8%

### Investment options

LifeBuilder / ChildBuilder /

FuneralBond

68 Options

Generation Life Tax Effective

Equity Income Fund

3 Options/ Classes

Lifeline

29 Options

### Average Investment Term

14.8 years<sup>6</sup>

1. Plan for Life, Investment Bonds Market Report for period ended 31 March 2024.

2. Refer to page 28 for further information about ratings for Generation Life Investment Bonds (ChildBuilder and LifeBuilder). The Generation Life Tax Effective Equity Income Fund has a Recommended Chant West rating.

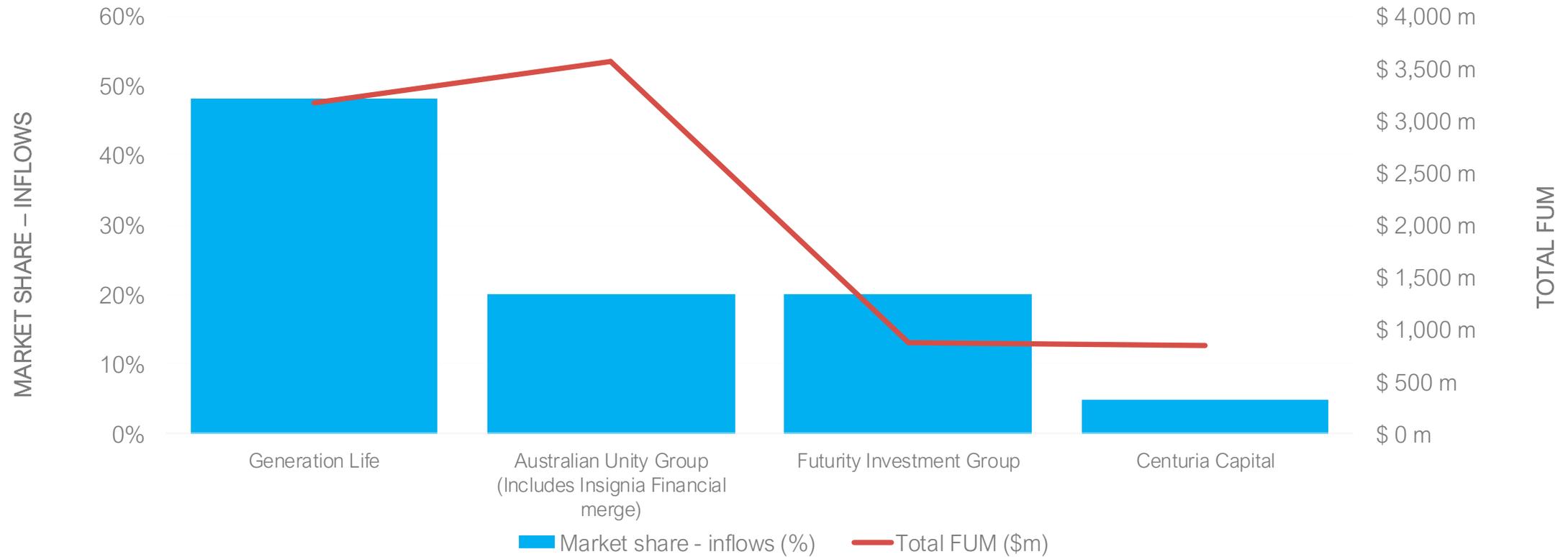
3. Refer to page 28 for the definition of Active Financial Adviser and recent changes to reporting.

4. Automatic ongoing additional contributions from existing investment bond policyholders.

5. Following the successful purchase of all the remaining shares in Lonsec on 1st August 2024, Generation Life is no longer able to obtain research rating from Lonsec (conflict of interest) in accordance with ASIC regulatory guide RG79.136.

6. Average investment term = 1 / Average annual withdrawal rate over 3 years.

# No. 1 in inflows



For the 12 month period ended 31 March 2024.  
 Source: Plan for Life Actuaries & Researchers, Investment Bonds Report for the period ending 31 March 2024. Noting that Australian Unity Group and Insignia Financial merger occurred in November 2023.

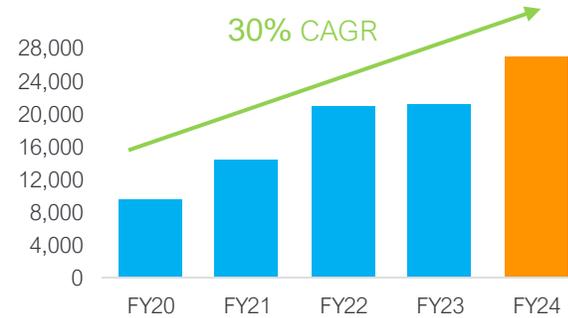
# Continued improvements in all key metrics

## Generation Life

Annual Sales & Net Inflows (\$m)



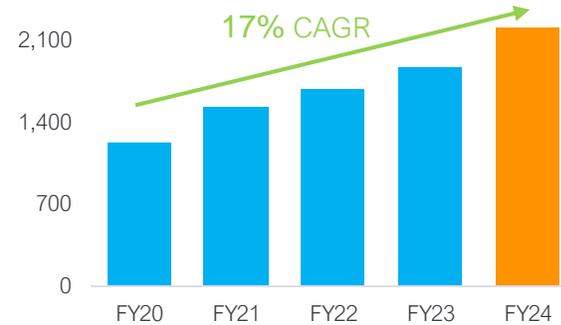
Number of New Applications



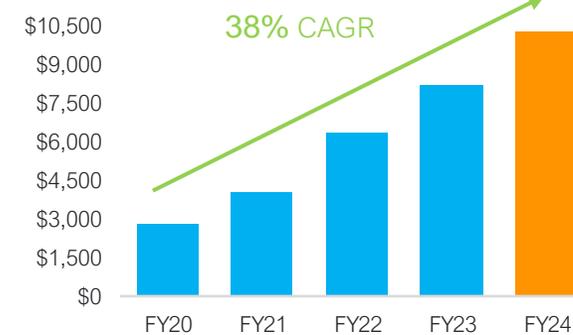
FUM (\$m)



Number of Active Advisers

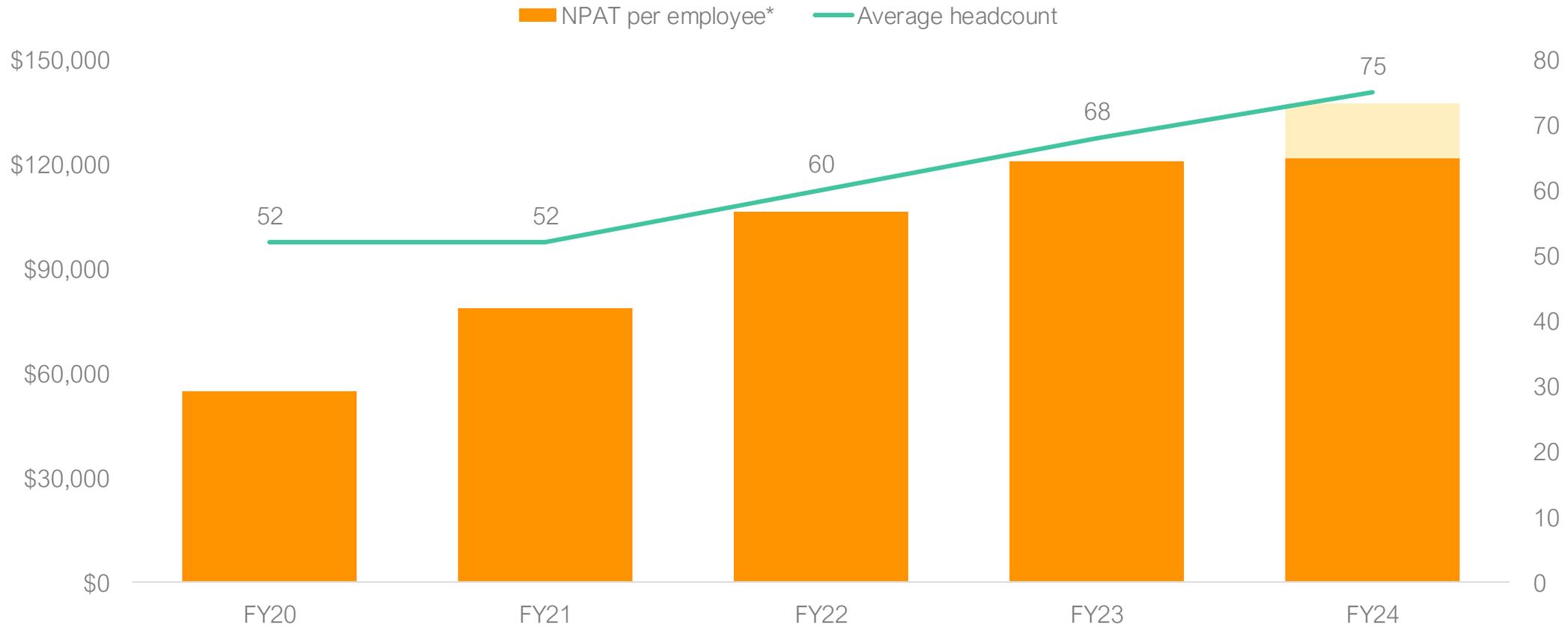


Underlying NPAT (\$'000)



# Profit per Employee

## Generation Development Group

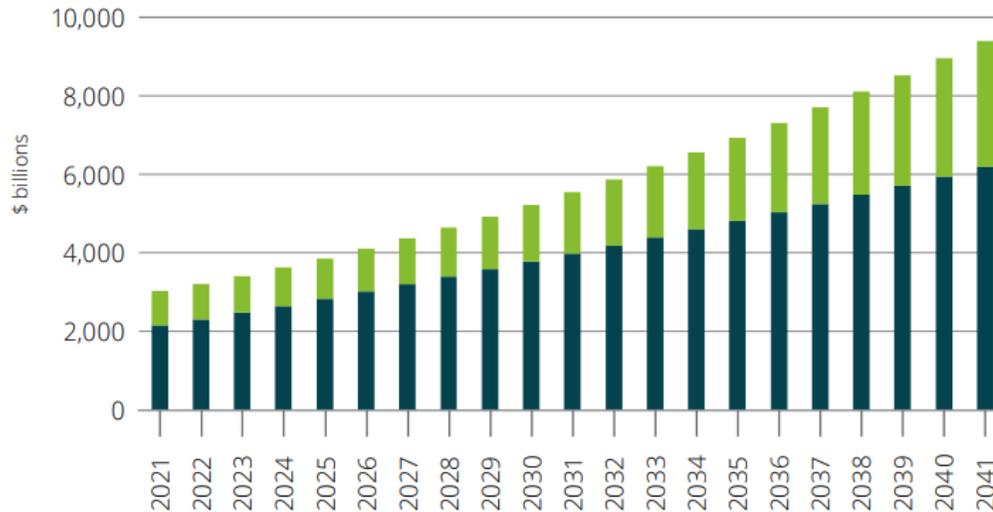


Note: Excludes employees working on Lifeline

\*FY24 includes corporate tax paid that did not apply in prior comparable periods

# The turning point...

Projected superannuation assets (2021 to 2041)<sup>1</sup>



- Pre-retirement assets
- Post-retirement assets

1. 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
2. Source: Australian Financial Review 24 August 2023
3. 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
4. Plan for Life Actuaries and Researchers 30 September 2021
5. <https://www.superannuation.asn.au/resources/super-stats/#:~:text=Total%20superannuation%20assets%20were%20%243.9,sread%20across%2061%20MySuper%20products>
6. <https://amp.theguardian.com/australia-news/2023/feb/22/jim-chalmers-signals-cap-on-super-balances-to-rein-in-tax-concessions-for-wealthy>
7. Assuming 4% inflation for 15 years

## Lifeline

**\$1.4 trillion**

Post-retirement assets market predicted to grow by 2030<sup>2</sup>

**\$750 billion**

Of assets will move into the retirement phase in less than the next 6 years<sup>3</sup>

**Only 1%**

Of post-retirement assets are currently in lifetime annuities. An increase to 2% represents a \$28bn market opportunity<sup>4</sup>

## Investment bonds

**\$3.9 trillion<sup>5</sup>**

In superannuation

**\$224 billion<sup>6</sup>**

Impacted by proposed Division 296 tax on super balances above \$3m

**\$1,665,794**

Value of \$3 million today, in 15 years <sup>7</sup>



# Lonsec

Experts in investment research, consulting and managed accounts



Lonsec Research: Money Management Magazine research house of the year



Lonsec Research

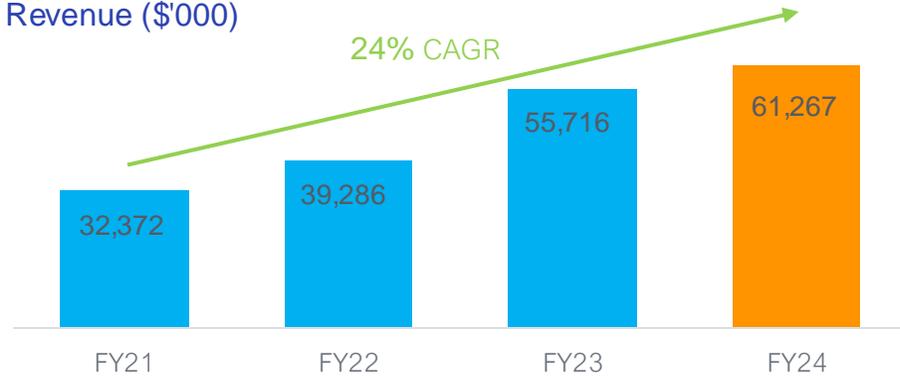
Lonsec Investment Solutions



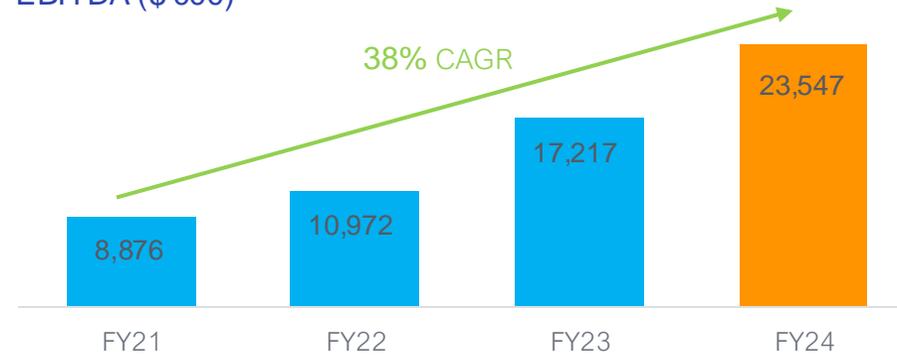
# Underlying Lonsec Financial Results

## Lonsec Group

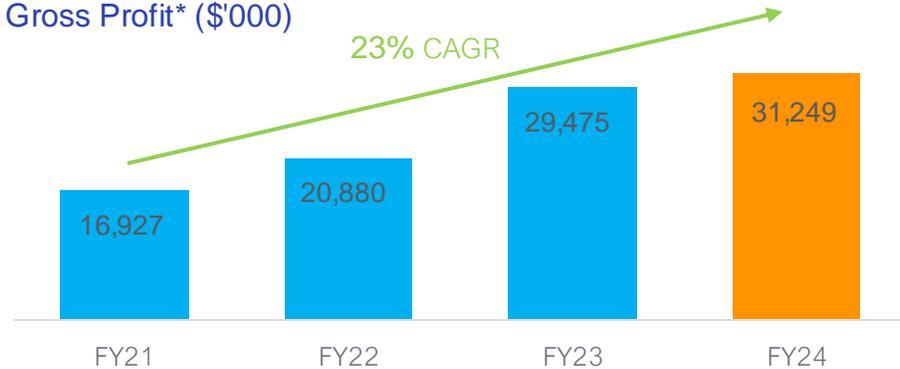
Revenue (\$'000)



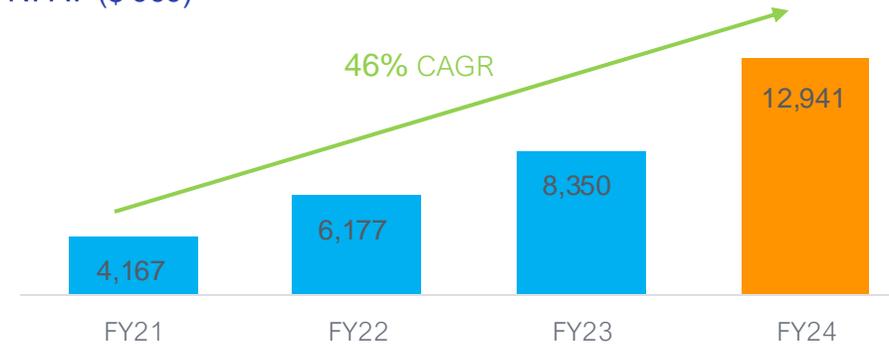
EBITDA (\$'000)



Gross Profit\* (\$'000)



NPAT (\$'000)



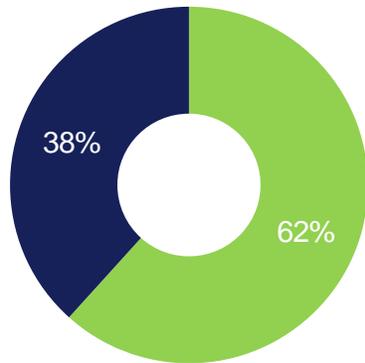
\*Commencing FY24, marketing, technology, risk and compliance costs were allocated to gross profit to better reflect cost attribution.

# Revenue and Gross Profit by Division

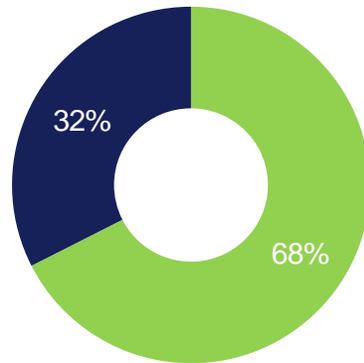
Lonsec Group

## FY23

### Revenue split



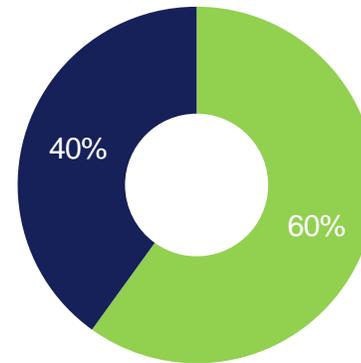
### Gross profit split



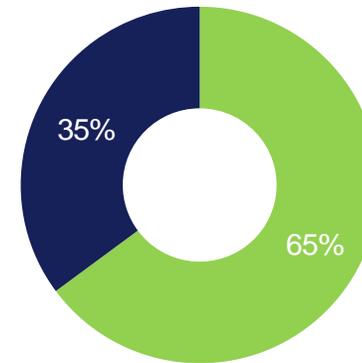
■ Research and Ratings   ■ Lonsec Investment Solutions

## FY24

### Revenue split



### Gross profit split



■ Research and Ratings   ■ Lonsec Investment Solutions

# Research and Ratings

## Lonsec Group

**Lonsec Research** is the market leader in independent investment insights. Our core competencies are research, ratings, data and differentiated insights.

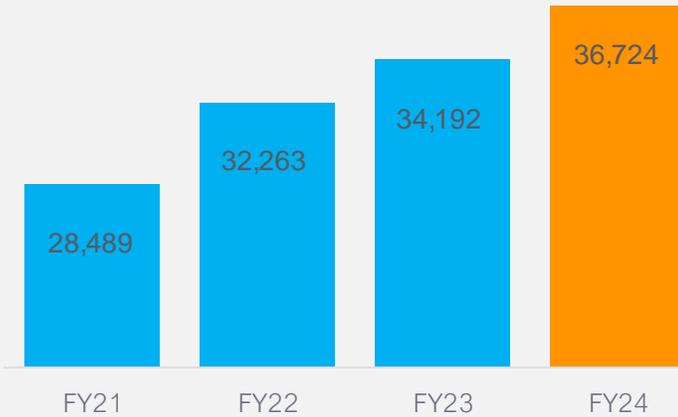
Recognised as the best in the market.<sup>1</sup> As gatekeeper, play a key role in distribution and quality control for advisers.

**SuperRatings®** provides superannuation product ratings and insights.

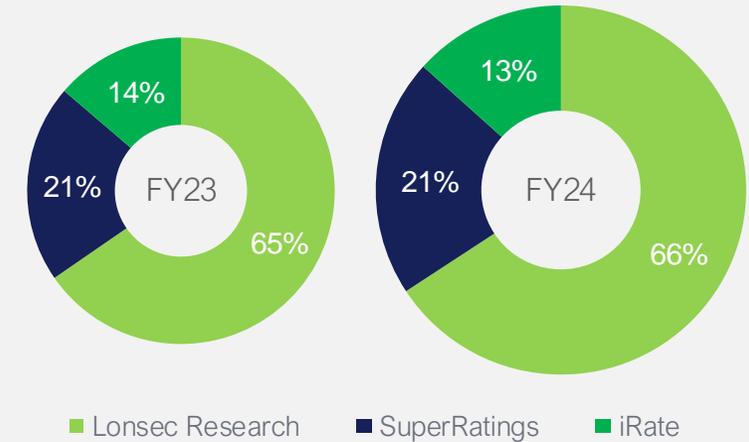
**iRate** is an investment research platform providing financial professionals with access to our full range of financial product research, ratings and analytical tools.

1. Based on Adviser Ratings 2023 and Australian Wealth Management Awards 2024  
 2. Commencing FY24, marketing, technology, risk and compliance costs were allocated to gross profit to better reflect cost attribution.

Revenue (\$'000)



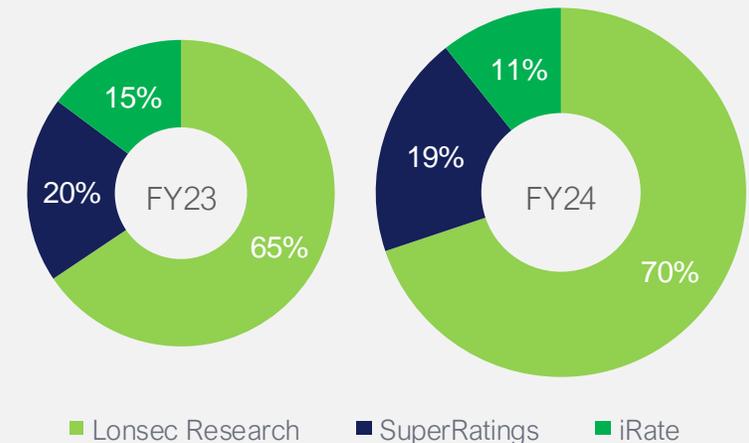
Revenue split



Gross Profit<sup>2</sup> (\$'000)



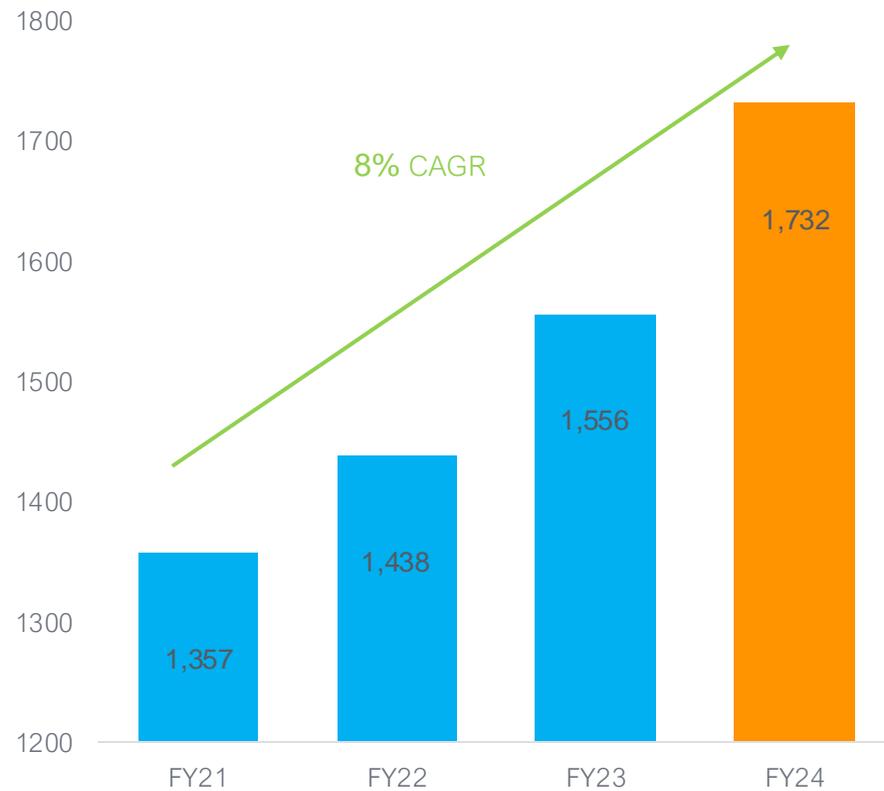
Gross profit split



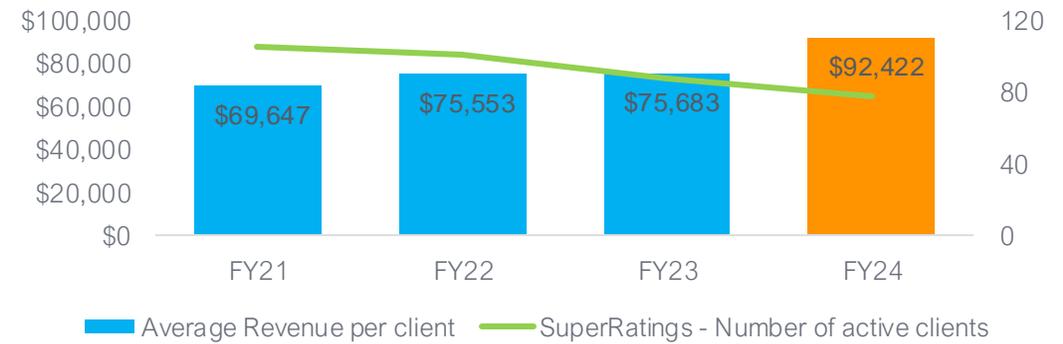
# Research and Ratings

## Lonsec Group

Products Researched



SuperRatings – Average revenue per client



iRate Subscribers and Registered Financial Planners

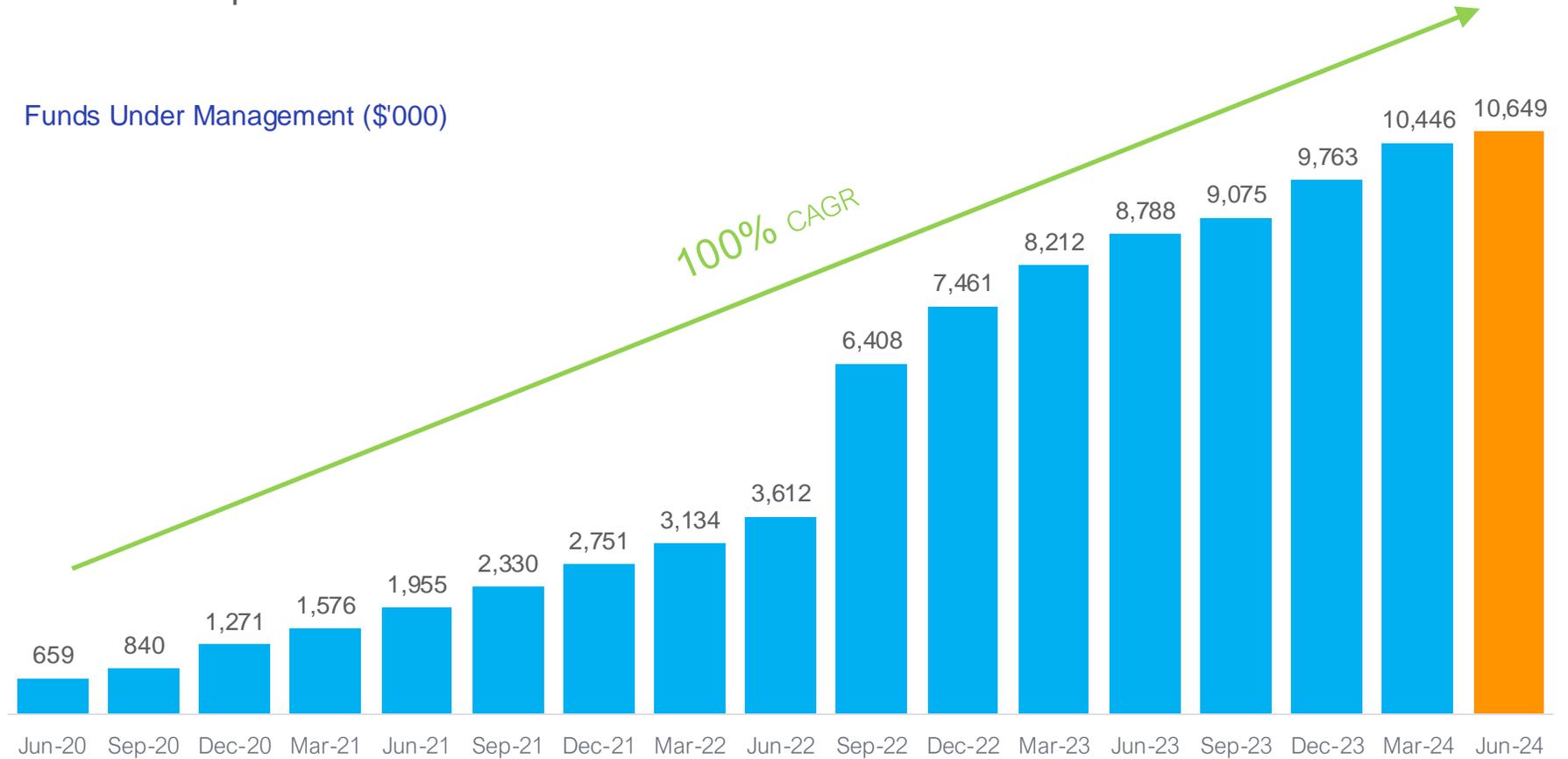




# Lonsec Investment Solutions

## Lonsec Group

Funds Under Management (\$'000)



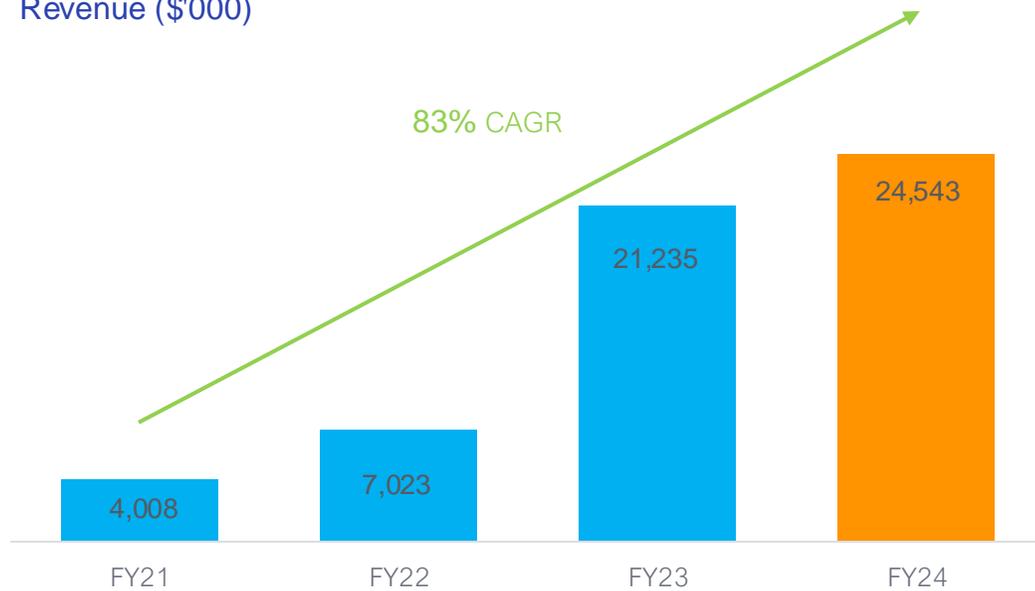
# Lonsec Investment Solutions

## Lonsec Group

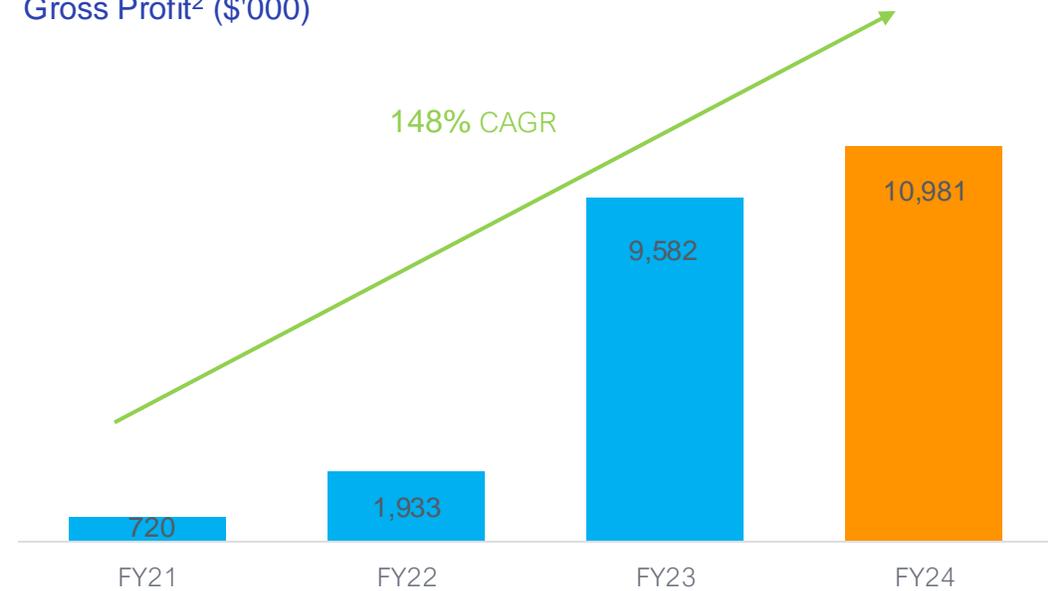
Portfolio management of managed accounts (IMAs & SMAs)<sup>1</sup> including design, construction and rebalancing.

B2B consulting services providing tailored model construction solutions.

Revenue (\$'000)



Gross Profit<sup>2</sup> (\$'000)



1. Individually Managed Account (IMA) and Separately Managed Account (SMA)  
 2. Commencing FY24, marketing, technology, risk and compliance costs were allocated to gross profit to better reflect cost attribution.

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## Generation Development Group outlook

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Confident that the **current sales momentum will continue** – capitalising on the legislative tailwinds from the proposed double tax rate on earnings of super balances above \$3m and redesigned stage 3 tax cut changes

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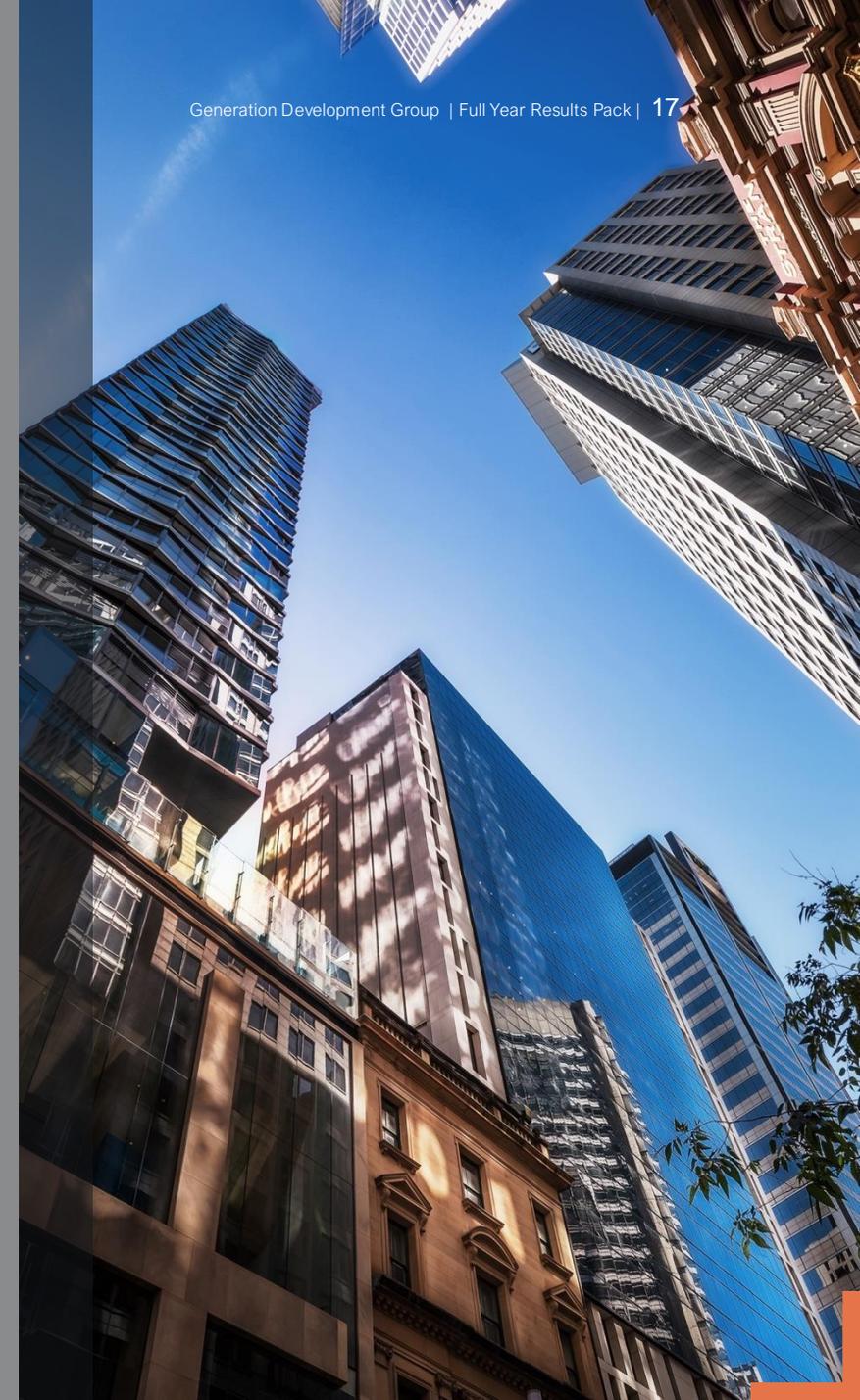
**Continue to innovate our** investment bond offering and tax optimised options on our investment menu, and focus on strategic relationships with superannuation funds to grow LifeIncome

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**Focus on building** out new products for Lonsec Investment Solutions and increasing Research capability

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Prudently **pursue investment opportunities** that are complementary or well positioned for future growth in the Financial Services Sector





## Appendices

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## 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.

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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

## 9 key features of investment bonds

### Life Insurance and Tax Act

**Maximum tax rate of 30%**  
Tax Optimised generally ranges between 12% - 15%\*

**No distributions and access to funds at anytime**

**Tax paid** - no personal tax after 10 years - tax advantages within 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**

\* Estimated average tax rates being the estimated average annual tax as a percentage of earnings for each 12-month period over a forecast period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.

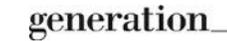
# Our leading investment menu

## Investment bonds

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

68 investment options across all major asset classes:

22 x	Diversified
13 x	Australian shares
13 x	International shares
7 x	Australian fixed interest
4 x	Property
5 x	International fixed interest
2 x	Alternatives
2 x	Cash and deposits



4 x Property



5 x International fixed interest



2 x Alternatives



2 x Cash and deposits



## 6 core uses of LifeIncome

1.

Qualify or bring forward the age to access the Age Pension and ancillary benefits

2.

Minimising the impact of an inheritance on your Age Pension benefits

3.

Protecting your spouse / loved one with income for life or a death benefit payment

4.

Providing peace of mind to spend in retirement and avoiding 'regret risk'

5.

Income layering alongside account-based pension and Age Pension

6.

Investment choice that aligns to your client risk profile with the ability to switch at anytime<sup>1</sup>

1. Brief exclusion period applies – refer to the Product Disclosure Statement



## 8 key features of LifeIncome

### Investment-linked lifetime annuity

Single or reversionary

### Investment menu

29 options with the ability to switch at anytime<sup>1</sup>

### 0% tax environment

Investment earnings within LifeIncome are tax-free

### Dollar-cost averaging

Progressive investment

### Reversionary beneficiary

Money available to support spouse or loved one<sup>2</sup> between ages of 50 and 95

### LifeBooster

More income sooner

### LifeIncome Flex

Increase starting income by choosing a reduced income when investor or their reversionary passes away

### Death Benefit<sup>3</sup> and Withdrawal Benefit<sup>4</sup>

Flexibility and peace of mind

1. Brief exclusion period applies – refer to the Product Disclosure Statement
2. If commencing LifeIncome with superannuation money, they can only nominate their spouse to receive income after they pass away. If commencing LifeIncome with non-superannuation money, they can nominate their spouse or any other person such as their child or sibling.
3. A lump sum Death Benefit is payable to your nominated beneficiaries or estate if you pass away during your Death Benefit Period.
4. A lump sum Withdrawal Benefit is available within the Withdrawal Period. The Withdrawal Period is equal to your Death Benefit Period. If your LifeIncome has the LifeIncome Flex feature, your Withdrawal Period is six months from the commencement of your policy.

# Our leading investment menu

## Lifeline

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

We offer 29 investment options across multiple styles:

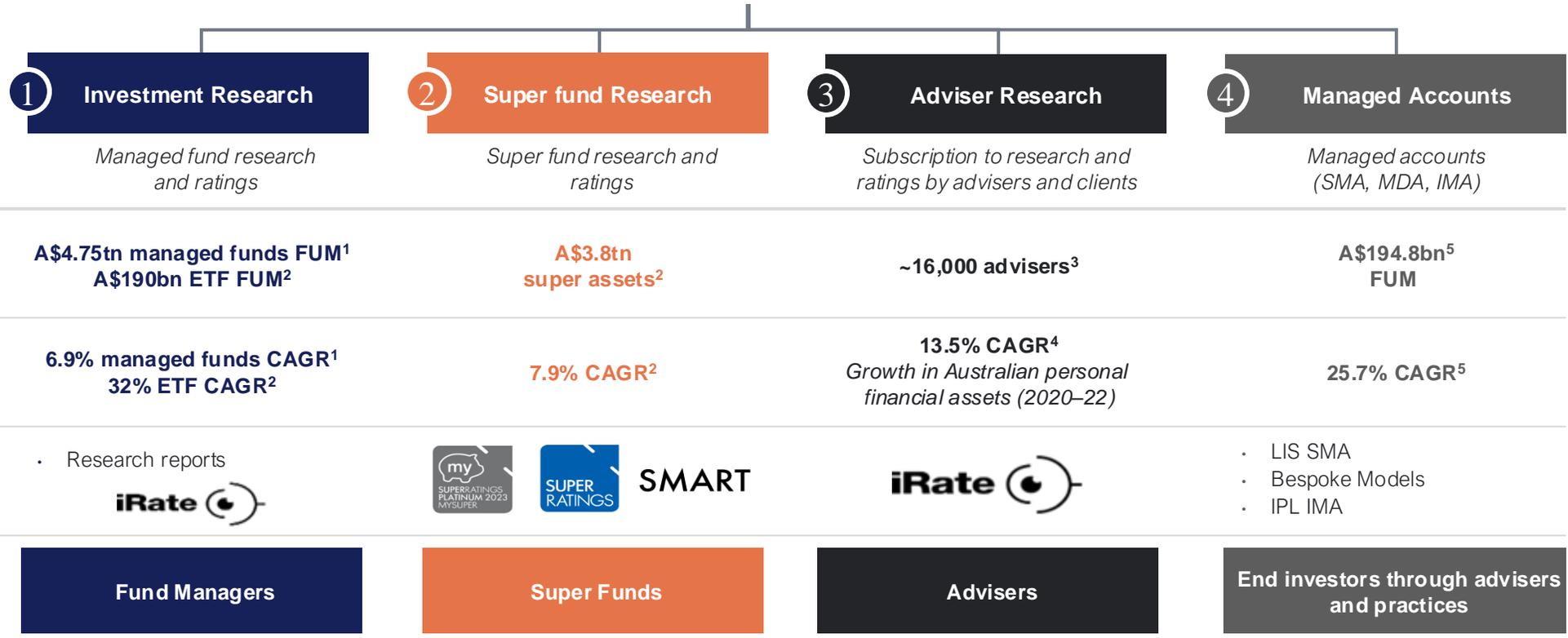
2 x	Retirement Portfolios
5 x	Single Sector Index funds
8 x	Pre-Packaged Diversified Models
3 x	Lower Volatility Outcome Based Funds
5 x	Truly Active Single Sector Funds
1 x	Inflation Linked Fund
3 x	Responsible Investment funds
1 x	Private Debt Fund
1 x	Cash Fund



# Overview of Lonsec's key market segments

Lonsec operates in multiple large and fast-growing market segments

## Lonsec



Lonsec is at the nexus of the Australian wealth management industry

1. Australian Bureau of Statistics, December 2023  
 2. ASX Investment Products Summary, April 2024  
 3. ASIC Financial Adviser Register as at December 2023  
 4. Roy Morgan Research, July 2022  
 5. IMAP data, December 2023

# Reconciliation of statutory profit to underlying earnings

## Generation Development Group

	FY24	FY23	Change	Change %
Underlying profit after tax benefit – Life/Administration business (A\$'000)	10,311	8,216	2,095	25
Income tax expense (A\$'000)	(1,166)	(14)	(1,152)	nm
Investment in associates – share of profit (A\$'000)	6,355	3,613	2,742	76
Annuity business costs (net of tax) (A\$'000)	(4,298)	(4,596)	298	6
<b>Underlying profit after tax (A\$'000)</b>	<b>11,202</b>	<b>7,219</b>	<b>3,983</b>	<b>55</b>
Other items (net of applicable tax):				
Deferred tax asset on carry-forward losses recognised / (utilised) (A\$'000)	(352)	(504)	152	30
Transaction and completion costs (A\$'000)	(1,286)	-	(1,286)	nm
Investment in associates – Lonsec's IPL acquisition and integration costs (A\$'000)	(1,546)	(2,218)	672	30
Investment in associates – Lonsec's divestment transaction costs (A\$'000)	(1,267)	-	(1,267)	nm
<b>Profit after tax (excluding impact of AASB 17) (A\$'000)</b>	<b>6,751</b>	<b>4,497</b>	<b>2,254</b>	<b>50</b>
AASB 17 impact on implementation* (A\$'000)	(911)	(15)	(896)	nm
<b>Statutory profit after tax (A\$'000)</b>	<b>5,840</b>	<b>4,482</b>	<b>1,358</b>	<b>30</b>

\*The Group has adopted AASB 17 Insurance Contracts from 1 July 2023. This represents the net profit and loss impact of adopting AASB 17.

# Investment Bond FUM Growth

## Generation Development Group

	FY24 (A\$m)	FY23 (A\$m)	Change (A\$m)	Change %
Opening FUM	2,626	2,158	468	22
Sales inflow	657	515	142	28
Investment performance	219	160	59	37
Withdrawal	(162)	(143)	(19)	(13)
Death Maturities	(41)	(64)	23	36
Closing FUM	3,299	2,626	673	26



Outthinking today.

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Active Financial Adviser: Active Financial Adviser number defined as financial advisers who have written business in the last 12-month period that remain active at the reporting period close date.

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