



Presenters

Grant Hackett

Chief Executive Officer

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Chief Financial Officer

Generation Development Group

A compelling shareholder value building model

Generation Development Group (ASX:GDG) is a licenced Pooled Development Fund (PDF) owning a recurring revenue producing life/investment income



Shareholders receive tax exempt dividends



Shareholders benefit by tax-free capital gains on shares and most PDF income is taxed favourably



A full life insurance licence allowing it to issue all style of life products



No debt & low capital business model

HY19 Interim Financial Result Summary

	HY ended Dec 18	HY ended Dec 17	Change	Change %
Revenue* (A\$'000)	7,423	6,086	1,337	22
Expenses (A\$'000)	-6,586	-5,489	-1,097	-20
Underlying EBITDA (A\$'000)	921	529	392	74
Underlying NPAT (A\$'000)	837	597	240	40
Underlying EPS (cps)	0.67	0.49	0.18	37
DPS** (A\$)	0.01	0.01	-	-
FUM (A\$'000)	922,000	797,000	125,000	16
Cash and cash equivalent*** (A\$'000)	10,583	12,292	-1,709	-14

* Includes income tax benefit

** Half yearly declared dividend

*** includes term deposits

HY19

Highlights & Key Performance Measures



Life Business FUM

\$922 m

Up 16% pcip



Life Product Sales

\$111 m

Up 16% pcip



Market share*

27% (rolling 12 month avg)

30 September 2018



APL increase

361

Up 25% (vs 2H18)



Product rating

Highly Recommended Zenith

Highly Recommended Lonsec



Active Financial Advisers

826

Up 25% pcip



New Bond Numbers

1,881

Up 101% pcip



Saving Plans

\$11 m

Up 27% pcip



48 investment options

Up 30% (vs 2H18)



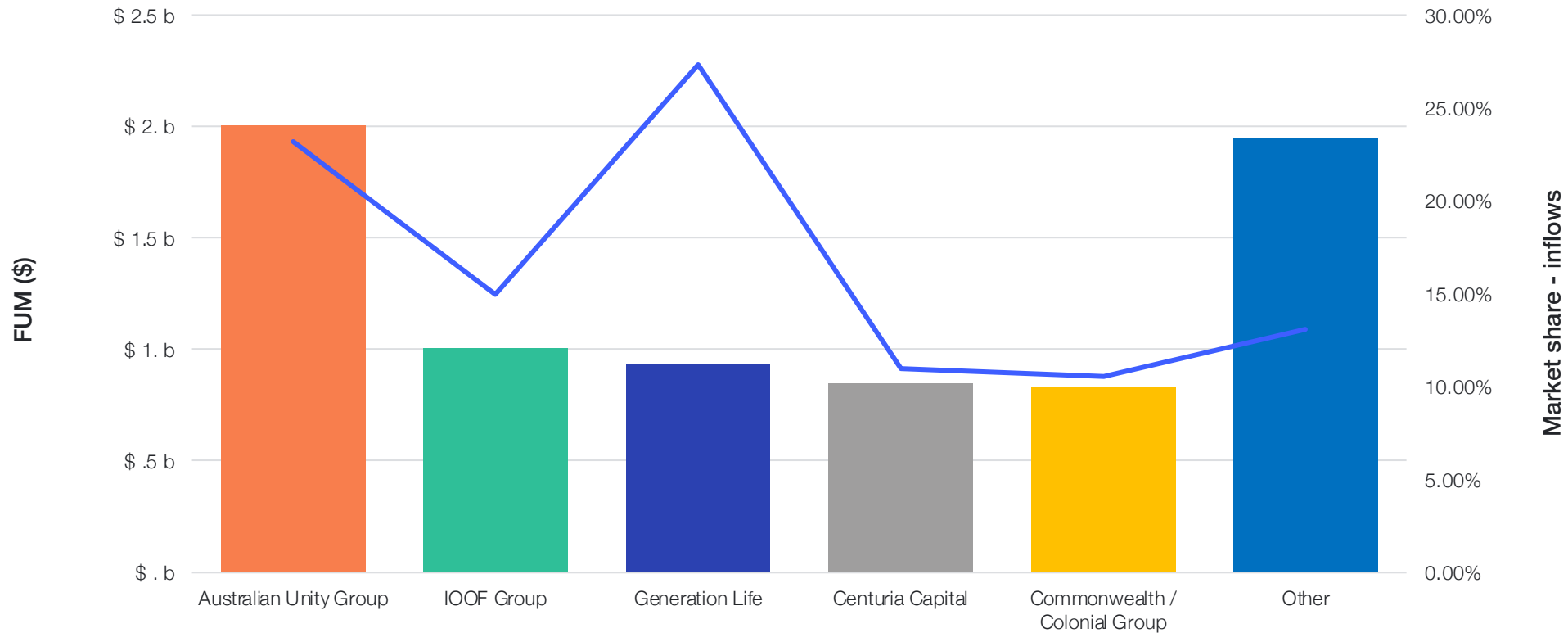
+ Customer portal

+ Data feed to adviser platform

* Strategic Insight Actuaries & Researchers

Rising from 5th to 3rd in 2018

Generation Life – Market share FUM



For the 12 month period ended 30 September 2018

Ascalon deal terms and what was acquired



Acquisition completed on 8th February 2019 on fully funded basis



Acquisition delivered more than \$4m in cash and equivalent to GDG, with at least half used to establish new Ascalon fund



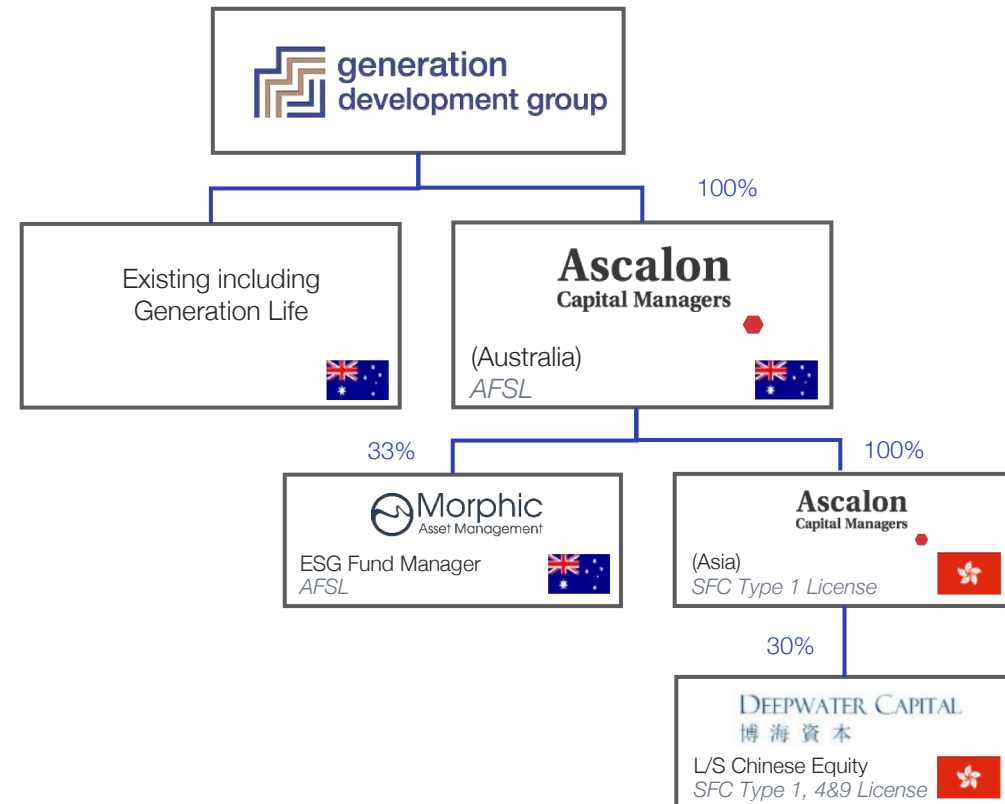
Ascalon brings a high pedigree team with a strong track record to market



Ascalon Growth Catalyst Fund (AGCF) (subject to regulatory approvals) will provide structured access to Asia Pacific hedge funds through seeding and acceleration investments



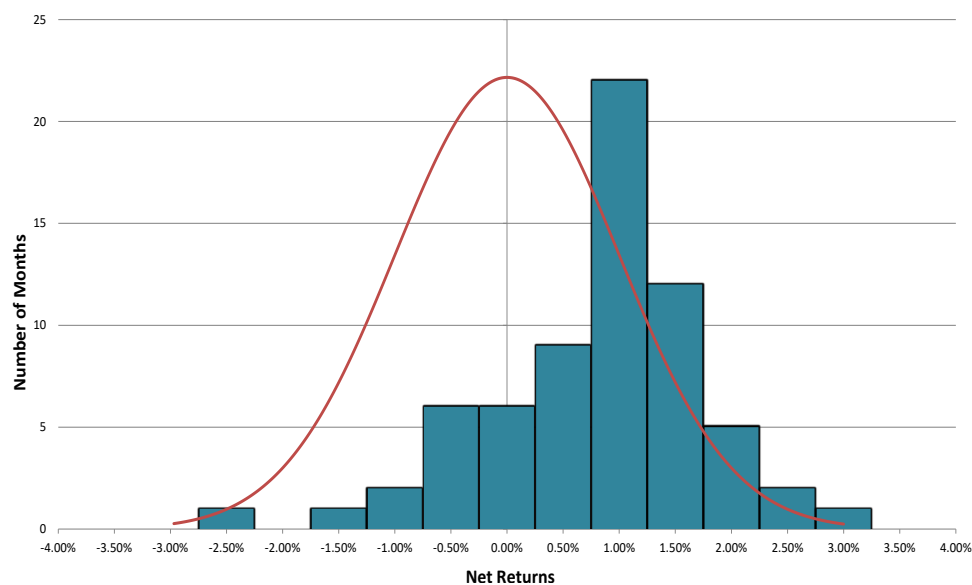
Successful launch of AGCF will be transformative for Generation Development and will generate an additional and substantive income stream



Ascalon

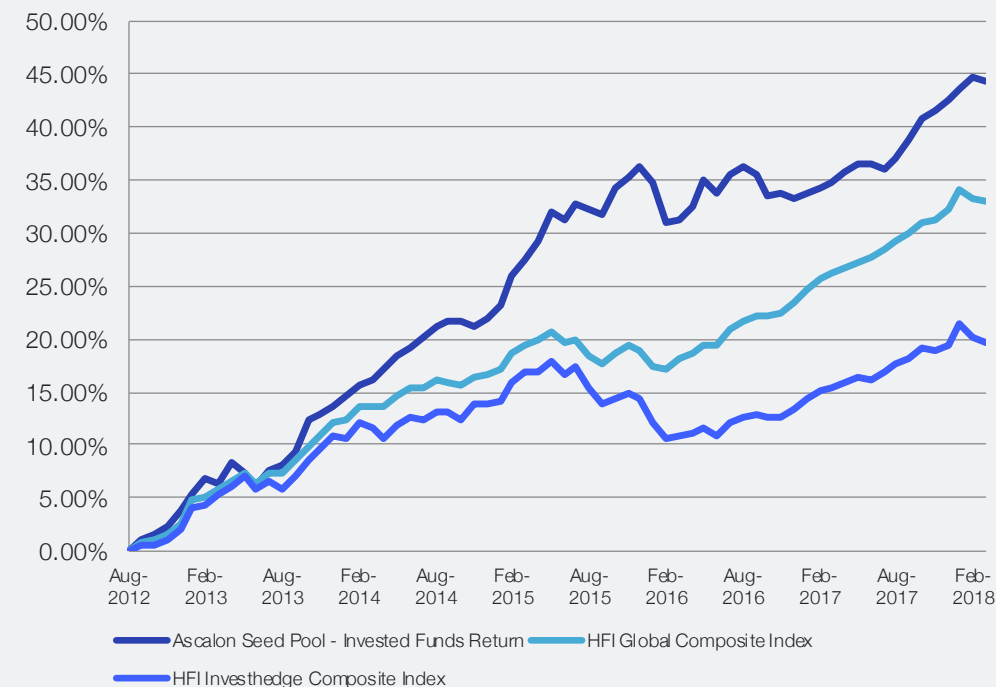
Proven Track Record

Ascalon Portfolio Performance: Distribution of Returns¹



51 out of 66 months have delivered positive returns

Ascalon Performance¹ vs Benchmarks^{2,3}



1. Performance data from 30 Sept 2012 to 31 March 2018 (net USD returns),
2. Ascalon portfolio return total out-performance over global fund of hedge fund industry (HFI Investhedge Composite Index): 26.6% since September 2012
3. Ascalon portfolio return total out-performance over global hedge fund industry (HFI Global Composite Index): +11.4% since September 2012



Ascalon

A leading incubator and partner of boutique fund managers in the Asia Pacific region



<p>2018 Nominated Best Asian Event Driven Fund by</p> <p> Asian Hedge Fund Awards</p> <p>Athos Capital</p>	<p>2018 Nominated Best Asia-Based Global Macro Fund by</p> <p> Asian Hedge Fund Awards</p> <p>RV Capital</p>	<p>2018 Nominated Best Global Equity Fund by</p> <p>AsiaHedge</p> <p>Morphic Asset Management</p>	<p>2016 Awarded Best Asian Event Driven Fund by</p> <p> Asian Hedge Fund Awards</p> <p>Athos Capital</p>	<p>2015 Awarded Best Asia-Based Global Macro Fund by</p> <p> Asian Hedge Fund Awards</p> <p>RV Capital</p>	<p>2015 Nominated Best Global Equity Fund by</p> <p>AsiaHedge</p> <p>Morphic Asset Management</p>
<p>2015 Awarded Best Asian Fixed Income Fund by</p> <p> HFM AWARDS ASIA 2015</p> <p>RV Capital</p>	<p>2014 Nominated Best Early-Stage Hedge Fund Investor by</p> <p> Institutional Investor</p> <p>Ascalon Capital Managers</p>	<p>2014 Awarded Best Asian Long Term Value Event Driven by</p> <p> HFM AWARDS ASIA 2015</p> <p>Athos Capital</p>	<p>2013 Nominated Best New Fund of the Year by</p> <p>AsiaHedge</p> <p>Morphic Asset Management</p>	<p>2013 Awarded Best Asian FX Investing Fund by</p> <p> Asian Hedge Fund Awards</p> <p>RV Capital</p>	<p>2011 Awarded Best Investor Supporting Australian Managers by</p> <p> The Australian HEDGE FUND AWARDS</p> <p>Ascalon Capital Managers</p>

Strong track record
more than 50 industry award
wins and nominations
amongst investee funds and
Ascalon Capital

Ascalon key management team



Chuak Chan
Chief Investment Officer
Executive Chairman

- + 30 years in fund management industry, in Hong Kong, Singapore, and Australia.
- + Chuak joined Ascalon in 2011 to establish and lead the Asian business.
- + Prior to this, Chuak was a cofounder and partner of a leading Asian hedge fund.
- + 1998-2007 - Senior regional management with ING Investment Management in Hong Kong.
- + 1988-1998 - Bankers Trust funds management in Australia and Singapore.



Myo Schollum
Chief Executive Officer
Business Development

- + 22 years financial services experience, of which, 17 years was with Credit Suisse where his primary function was to grow and manage key relationships of the Firm across Global Markets Prime Brokerage and Wealth Management Divisions.
- + Clients have included Hedge Funds, HNW and UHNW Family offices, and External Asset Managers.
- + Myo has lived and worked in Australia, Hong Kong, Japan, Singapore, and the United Kingdom.



Delia Burrage
Chief Operating Officer
Legal Counsel

- + 22 years experience; both in-house legal & compliance and private practice in Australia.
- + Delia was previously working at Avoca Investment Management where she provided consulting services to establish a new boutique funds management business.
- + Delia has worked at Herbert Geer and Mallesons Stephen Jacques, focusing on financial services, before moving to in-house legal and compliance at Westpac.

Ascalon Growth Catalyst Fund

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- + GDG working with Ascalon to transform business from a principal to fiduciary investor
- + AGCF (subject to regulatory approvals) will seed and accelerate Asia Pacific hedge funds in exchange for investment manager economics to enhance returns for fund investors
- + **AGCF** will target 10 - 12% IRR per annum
- + Sources of returns for investors will include capital appreciation from fund investments, income from share of fund manager economics and potential future monetization of fund manager economics
- + Ascalon will earn fee revenues from management fees, performance fees and a share (**participation fee**) of revenues and monetisation events
- + Q4 2019 targeted launch date

Target New Fund size:

US\$ 300-500m

Proposed Fee Structure:

Management Fee (1%)

Performance Fee (10%)

Participation Fee (12.5%)

Outlook



Optimistic about growing investment bond sales both from a market share and year on year perspective



Long term outlook remains favourable, but short term headwinds from volatile equity markets, disruptions in the sector from the Royal Commission and uncertainties from upcoming Federal Election



Focus on launching new Ascalon Fund and increasing investment menu



Increase in M&A opportunities in financial services sector as existing market participants evaluate their portfolio especially in light of Royal Commission findings

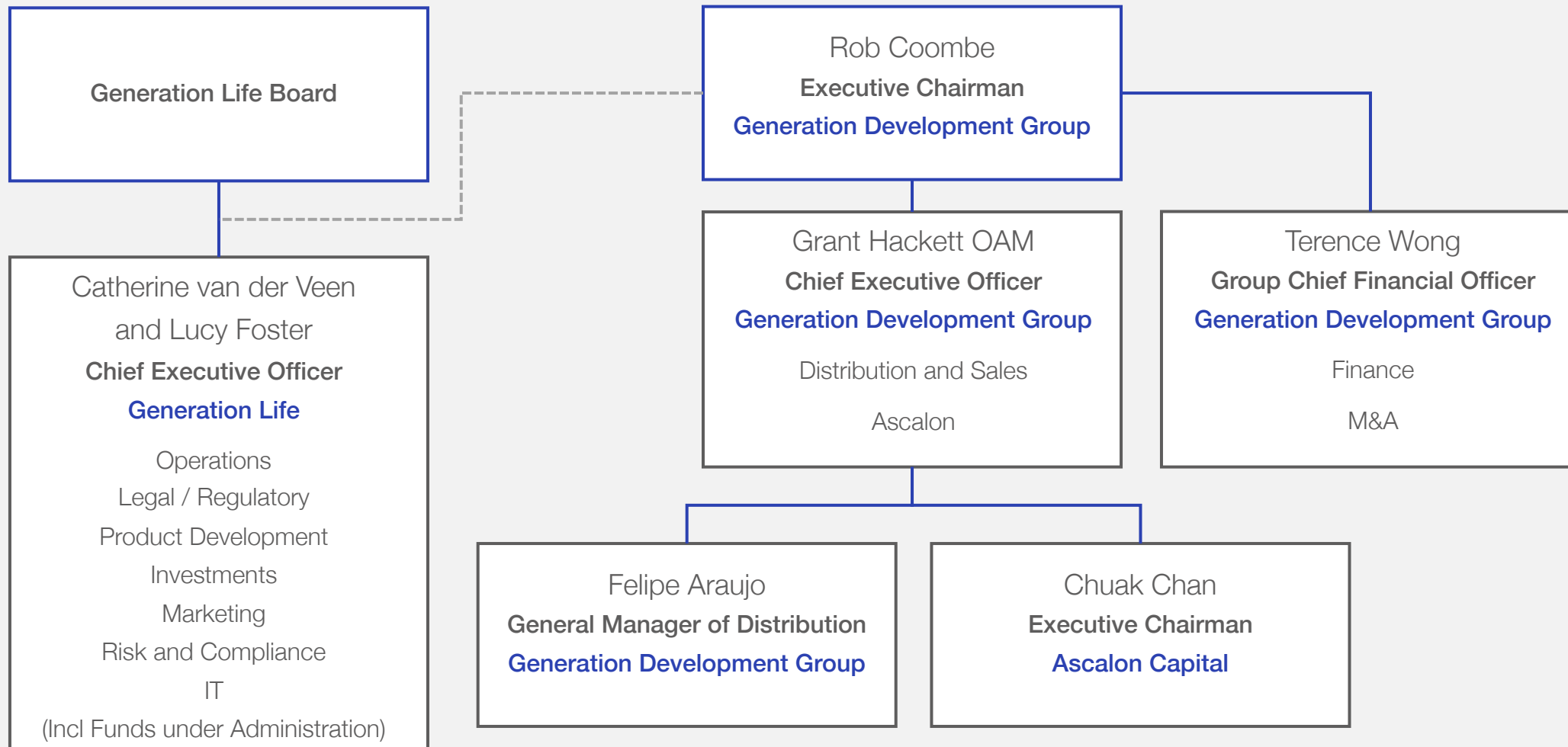


Appendices



GDG Executive Management Team


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The case for bonds


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5 Core Uses

 The most tax effective investment solution after super

 Trusts / reducing distributable income

 Meeting the rising costs of future generations

 Be in control of transferring wealth

 Improving pension entitlements

Key Features



Max tax rate
of 30%



No distributions



Tax paid after
10 years



125% advantage



Tax free transfers



No CGT on
switching



No Tax File
Number required



Creditor
Protection



Non-estate asset

Generation Life

Highly Recommended by Zenith and Lonsec

AMPCAPITAL



BLACKROCK®

Dimensional

ELLERSTON CAPITAL



Kapstream
— JANUS HENDERSON —

IML INVESTORS
MUTUAL LTD

LEGG MASON
GLOBAL ASSET MANAGEMENT



MAGELLAN
ASSET MANAGEMENT LIMITED



PENDAL

Perpetual

PIMCO

Russell
Investments

Schroders



48 Investment options

- + Cash and Term Deposits
- + Fixed Interest
- + Property
- + Australian Shares
- + Ethical
- + International Shares
- + Alternatives
- + Diversified



8 new categories

- + Diversified High Growth
- + Diversified Balanced
- + ESG Diversified
- + ESG Australian Equity
- + Emerging Markets
- + Real Assets
- + Australian Shares – Concentrated
- + International Shares - Concentrated



FUM Growth

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	HY-19 \$'m	HY-18 \$'m	Change	Change %
Opening FUM*	887	720	167	23
Sales inflow	111	96	15	16
Investment performance	-28	26	-54	nm
Exits	-48	-45	-3	-7
Closing FUM	922	797	125	16

*FUM at the start of each financial year

Thank you!

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