

Generation Development Group

2020 Annual General Meeting



19 November 2020

Presenters:

Rob Coombe
Non-Executive Chairman

Grant Hackett OAM
Chief Executive Officer of Generation Life

Outthinking today.

Contents



Generation Development Group

Chairman's address	5
About Generation Development Group	6
FY-20 Financial result summary	7

Generation Life

Highlights and key performance measures	8
---	---

Growth strategy and product innovation

Product innovation	11
Investment in Lonsec	13
Generation Development Group outlook	14

Appendices

Appendices	15
------------	----

Questions

Questions	20
-----------	----

Financial Reports

Financial Reports	21
-------------------	----

Resolutions

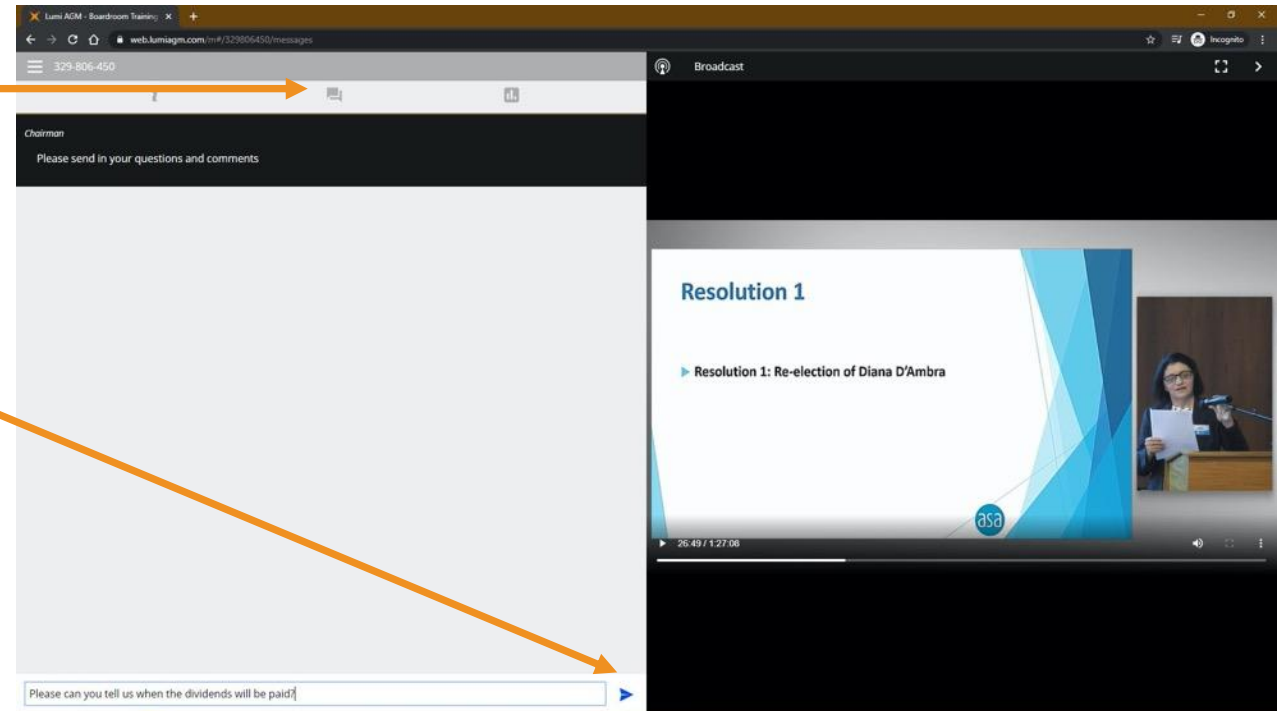
Resolution 1 – Remuneration Report	22
Resolution 2 - Re-election of Rob Coombe as a Director	23
Resolution 3 - Re-election of William Bessemer as a Director	24
Resolution 4 - Refresh of 15% Placement Facility – Placement Shares	25
Resolution 5 - Refresh of 15% Placement Facility – Deferred Consideration Shares	26
Resolution 6 - Approval of 10% Placement Facility	27



Online attendees

Question process

- + When the Question function is available, the Q&A icon will appear at the top of the app.
- + To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- + Your question will be sent immediately for review



Online attendees

Voting process

- + When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen
- + To vote simply select the direction in which you would like to cast your vote, the selected option will change colour.
- + There is no submit or send button, your selection is automatically recorded.



The screenshot displays a mobile application interface for an online meeting. At the top, there is a status bar with the number '320-547-782' and a 'Broadcast' indicator. Below this, a notification states 'You have voted on 1 of 1 items'. The main content area shows a resolution: 'Resolution 1 - That the scheme of arrangement relating to the return of capital to shareholders, as set out in the Arrangement Document incorporated in the Explanatory Notes in the Notice of Special Meeting, be approved.' Below the resolution text, there are three buttons: 'For' (highlighted in orange), 'Against', and 'Abstain'. A 'CANCEL' button is located at the bottom right of the voting section. To the right of the voting interface is a video player showing a woman speaking at a podium. The video player has a title 'Resolution 1' and a subtitle 'Resolution 1: Re-election of Diana D'Ambra'. The video player also shows a timestamp '28:11 / 1:27:08' and a 'asa' logo.



Chairman's address



Rob Coombe
Non-Executive Chairman



Bill Bessemer
Non-Executive Director



Jonathan Tooth
Non-Executive Director



John Wheeler
Non-Executive Director



Grant Hackett
Chief Executive Officer of
Generation Life



Terence Wong
Chief Financial Officer

- + Introducing our Directors and Executive Team
- + Overview of the year that was
- + Growth opportunities in FY21
- + Thank you to shareholders for your continued support

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 with a market capitalisation of \$116m* and net cash of \$23m*. GDG also holds a 37% equity of Lonsec Holdings Pty Ltd, which is one of Australia's largest qualitative research firms whose research ratings is used by many Fund Managers, Superannuation Funds, and Dealer Groups & IFAs.

A trusted partner in providing smart and innovative tax effective investment solutions.



Outthinking today.

* As at 13 November 2020

FY-20 Financial result summary

	FY20	FY19	Change	Change %
Revenue* (A\$'000)	19,900	15,860	4,040	25.5
Expenses** (A\$'000)	(17,084)	(13,610)	(3,474)	(25.5)
Underlying NPAT (A\$'000)	2,816	2,250	566	25.1
Underlying EPS (cps)	2.24	1.80	0.44	24.4
DPS (cps)	0.02	0.02	-	-
FUM (A\$'000)	1,295,000	1,073,000	222,000	20.7
Cash and cash equivalent*** (A\$'000)	11,677	13,701	(2,024)	(14.8)

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

** Underlying excluding Benefit Funds, Ascalon and non-recurring

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



FY-20 highlights and key performance measures

Generation Life



Life Business FUM

\$1,295 m

Up 21%



Life Product Sales

\$332 m

Up 48%



Market share

40.6% of inflows

June quarter 2020

Plan for Life
Rolling 12 month average



APL's

420

Up 7%



Product rating

Highly
Recommended
Zenith and Lonsec



Active Financial Advisers

1,220

Up 31%

Rolling 12 month average



New Bond Numbers

9,563

Up 64%



Saving Plans

\$35.8 m

Up 57%



49 investment options

Up 2%



Average investment term

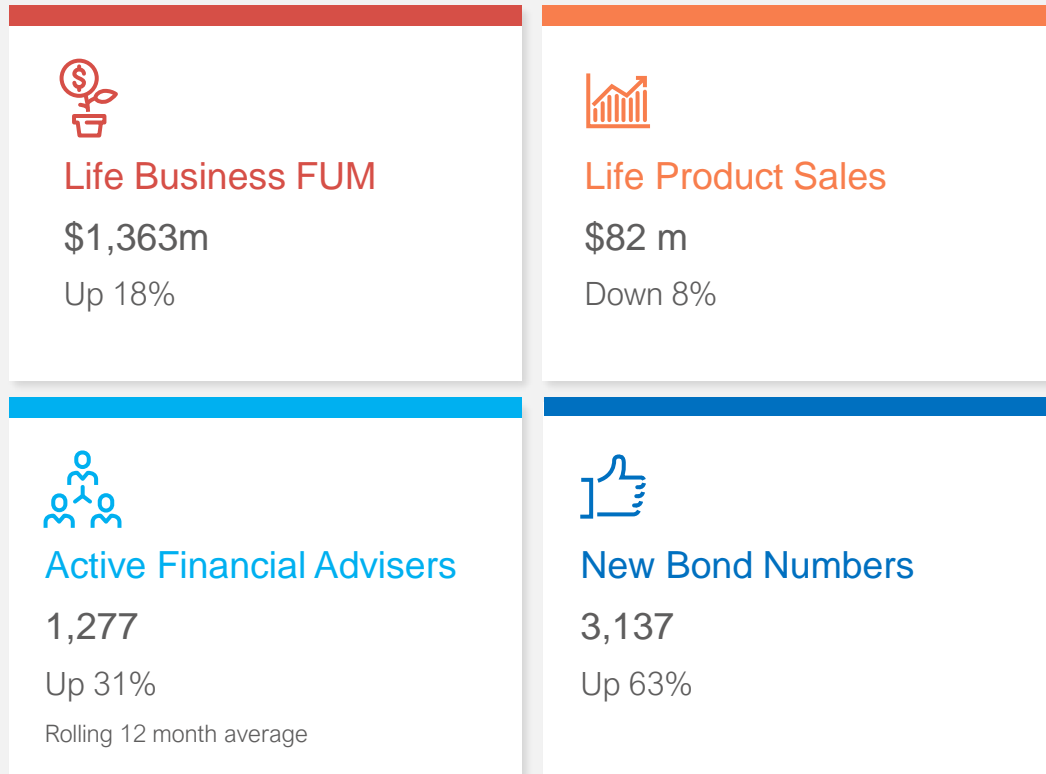
12.9 years

Rolling 2 year average



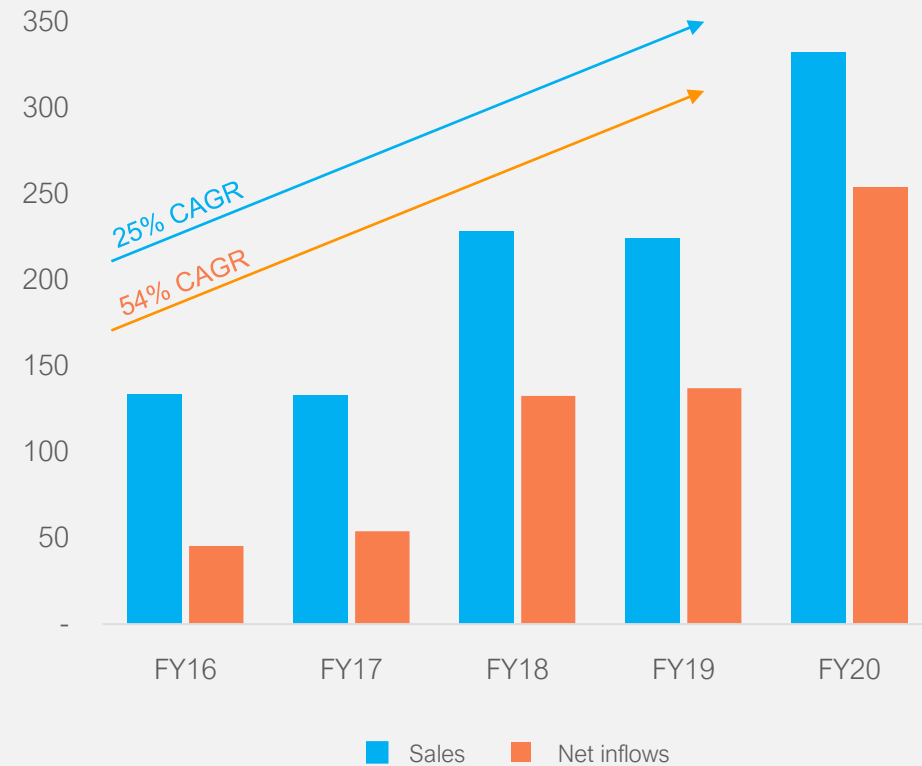
Continued improvements in all key metrics

FY-21 Q1 results



Long-term track record

Annual Sales & Net Inflows (\$ millions)



Growth strategy and product innovation



Product innovation

Generation Life Tax Aware Series 14

Generation Life Equity Income Fund 16

Generation Life Market Linked Annuity 18

Investment in Lonsec 20

Generation Development Group outlook 22



Product innovation

Generation Life Tax Aware Series

Unique to Generation Life, our investment menu now offers three levels of innovative, tax efficient investment options as part of our new tax aware series.



Tax Optimised



Tax Enhanced



Tax Advantage

0.4% - 2.9% p.a.
Increased return*

Generation Life Equity Income Fund

The search for yield appears unstoppable.

- + Market opportunity approximately \$800b with strong investor appetite for income producing products with no additional risk
- + Develop and launch an equity-based income fund with quarterly distributions
- + IM bookbuild commencing December 2020, retail launch in April 2021



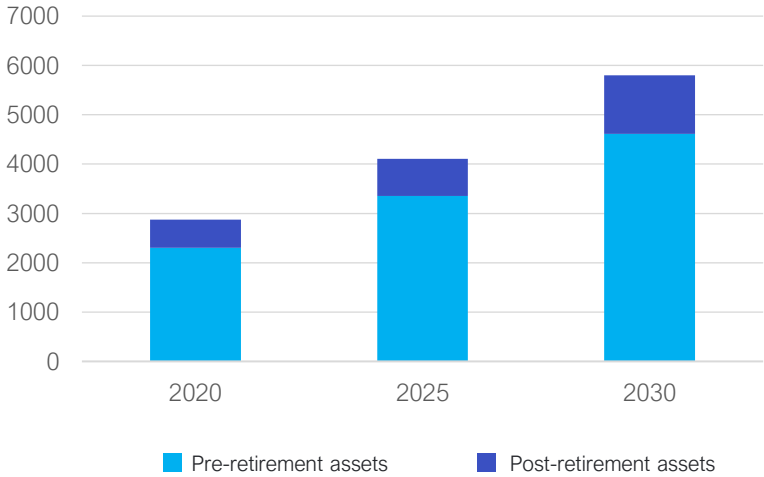



< 10% p.a.
Long term tax rate** – distributions paid quarterly

* Refer to page 28 for performance disclaimer¹.
**Refer to page 28 for assumptions².

Generation Life Market Linked Annuity

The longevity landscape



<p>Key challenges facing Australians is managing the retirement risk of longevity and outliving their savings.</p>	 <p>First to launch - a market linked lifetime annuity product.</p>	 <p>Generating an additional 20-30% return in comparison to traditional lifetime annuities.*</p>	<h3>Market opportunity post retirement assets</h3>  <table border="1"><thead><tr><th>Year</th><th>Pre-retirement assets</th><th>Post-retirement assets</th></tr></thead><tbody><tr><td>2020</td><td>2300</td><td>500</td></tr><tr><td>2025</td><td>3300</td><td>800</td></tr><tr><td>2030</td><td>4600</td><td>1200</td></tr></tbody></table> <p>(Deloitte Dynamics of the Australian Superannuation System – updated 7/8/2020)</p>	Year	Pre-retirement assets	Post-retirement assets	2020	2300	500	2025	3300	800	2030	4600	1200
Year	Pre-retirement assets	Post-retirement assets													
2020	2300	500													
2025	3300	800													
2030	4600	1200													
 <p>Only ~1% of \$566b in post retirement assets are in lifetime annuities.</p>	 <p>Market opportunity to double to over \$1trillion in 10 years.</p>	 <p>Capital light model with longevity risk 100% reinsured. Planning to launch in Q2 FY22.</p>													

*Assuming the gross annual return on the underlying investment option in the GLLP is 7% and CPI in the TLA is 2.5% and using the Challenger rates as of 15 June 2020



Investment in Lonsec

Company overview

Acquired 37% stake in Lonsec

FY20 Revenue
\$29.6 million

FY20 EBITDA
\$7.8 million*

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

Post the Royal Commission, Lonsec is well positioned to independently assess portfolio constructions and other ancillary investment solutions

* Audited revenue and underlying EBITDA

Lonsec



Lonsec Research: Money Management Magazine research house of the year

Lonsec Research

Lonsec Investment Solutions



iRate



Generation Development Group outlook



Ongoing momentum of strong sales and FUM growth



Launch of a tax effective (under 10% tax rate) regular income product in FY21 targeting flows outside the traditional investment bond space



Product development continuing around longevity risk



Actively pursuing investment opportunities that are complementary or that are well positioned for future growth in the financial services sector



Appendices



Why Generation Development Group?



Sustained track record of delivering increased sales and FUM

Number one in inflows for two years running



Consistent NPAT growth underpinned by recurring revenue producing life/investment income



Resilient business model with “sticky FUM” even through market downturns



Track record of product innovation

Development of new tax effective options, increased product features and development of new lifetime annuity product



Licenced PDF delivering tax-free capital gains on shares and tax-exempt dividends



Capital light business model



Positive sales outlook and active pursuit of investment opportunities



Well positioned for future growth in financial services



Reconciliation of statutory profit to underlying earnings

Generation Development Group

	FY20	FY19	Change	Change %
Underlying net profit after tax (A\$'000)	2,816	2,250	566	25.1
Ascalon (net) operating costs (A\$'000)	(2,349)	(1,150)	(1,199)	(104.3)
Deferred tax on carry-forward losses (A\$'000)	(1,572)	891	(2,463)	(276.4)
Non-recurring items (net of applicable tax):				
Unsuccessful transaction costs	(456)	-		
Termination benefits (A\$'000)	(76)	-		
Ausdef remediation costs (A\$'000)	-	(68)		
Fixed assets impairments (A\$'000)	-	(534)		
Unsuccessful product development costs	-	(298)		
Net gain on Ascalon investment	-	4,195		
Statutory profit after tax (A\$'000)	(1,637)	5,286		

FY-20 FUM Growth

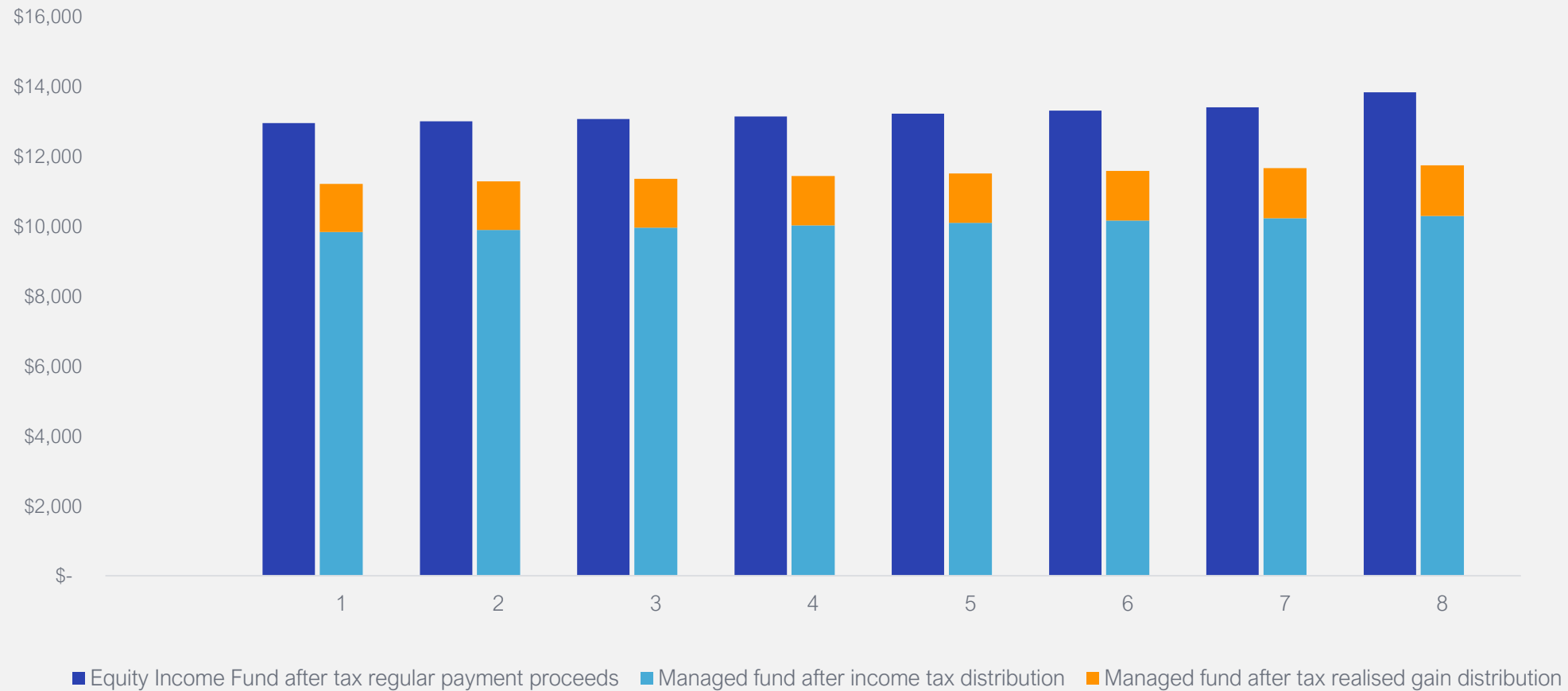
Generation Development Group

	Q1-21 \$'m	Q1-20 \$'m	Change \$'m	FY20 \$'m	FY19 \$'m	Change \$'m
Opening FUM	1,295	1,073	223	1,073	887	186
Sales inflow	82	88	(7)	332	224	108
Investment performance	13	17	(3)	(31)	48	(79)
Exits	(27)	(21)	(6)	(79)	(86)	7
Closing FUM	1,363	1,157	207	1,295	1,073	222

Generation Life Equity Income Fund

The first of its kind

Quarterly payment/distribution split



Questions



Financial Reports



Resolution 1

Remuneration Report

For	Against	Proxy's Discretion	Abstain/Excluded
53,229,847	271,264	6,888,836	40,129,719
88.14%	0.45%	11.41%	

Resolution 2

Re-election of Rob Coombe as a Director 

For	Against	Proxy's Discretion	Abstain/Excluded
93,177,860	3,048,317	4,015,701	277,788
92.95%	3.04%	4.01%	

Resolution 3

Re-election of William Bessemer as a Director



For	Against	Proxy's Discretion	Abstain/Excluded
92,986,683	3,053,317	4,201,878	277,788
92.76%	3.05%	4.19%	

Resolution 4

Refresh of 15% Placement Facility – Placement Shares



For	Against	Proxy's Discretion	Abstain/Excluded
42,379,009	199,254	4,015,701	53,925,702
90.95%	0.43%	8.62%	

Resolution 5

Refresh of 15% Placement Facility – Deferred Consideration Shares



For	Against	Proxy's Discretion	Abstain/Excluded
93,148,697	233,732	4,015,701	3,121,536
95.64%	0.24%	4.12%	

Resolution 6

Approval of 10% Placement Facility 

For	Against	Proxy's Discretion	Abstain/Excluded
89,466,203	3,914,943	4,015,701	3,122,819
91.86%	4.02%	4.12%	

Close of Meeting



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 Statement (PDS) should be considered in deciding whether to acquire, or continue to hold, investment bonds.

The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned September 2020) referred to in this document 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 www.zenithpartners.com.au/regulatory-guidelines-funds-research.

The ratings issued in September 2019 for the Generation Life LifeBuilder are 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. © 2020 Lonsec. All rights reserved.

Performance and assumptions

1. The tax optimised performance information presented represents back-tested performance for the period 1 June 2010 to 31 May 2020 based on simulated data using the underlying return of the fund's investment strategy together with the Generation Life Tax Optimised management approach, an assumed investor turnover of 11% and assuming a consistent turnover of the underlying assets throughout the observed period. Back-tested performance is hypothetical and is provided for informational purposes only to indicate historical performance differences between the Tax Optimised management approaches had they been available over the relevant time period and does not represent actual fund performance and does not factor in administration fees or tax provisions. Back-tested performance also differs due to consistent application of cashflow assumptions rather than actual cashflow movements. As a result, the portfolio trading approach theoretically may vary from time to time and the effect on performance results and tax paid could be either favourable or unfavourable. Past performance or back-tested performance is not guaranteed.
2. Based on the historical investment and transacting profile of the Fund's strategy, the Fund's investment strategy and assumed investment profile, and current tax legislation, the long-term tax payable amount for the Fund is expected to be in the range of 10-15% of the Fund's net earnings. The expected tax payable range is assumed over a long-term and through a full market cycle. The actual level of tax incurred by the Fund may vary and will be dependent on the Fund's level of earnings and investment and transacting profile.