



Generation Development Group

HY20 Results Pack

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Generation Life

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Generation Development Group

Generation Development Group

A compelling shareholder value building model

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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 \$92m* and net cash of \$10m*.



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



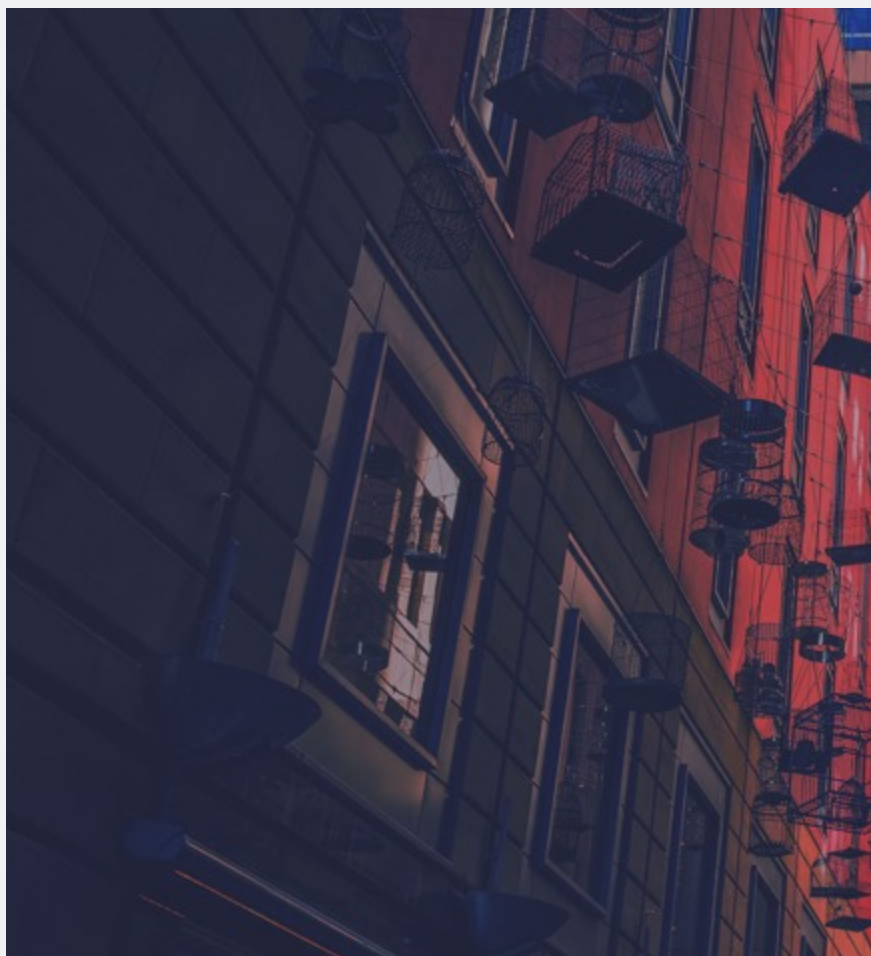
No debt & low capital business model

* As at 31 December 2019



HY-20 Financial Result Summary

Generation Development Group



	HY20	HY19	Change	Change %
Revenue* (A\$'000)	9,334	7,423	1,911	26
Expenses** (A\$'000)	(7,872)	(6,586)	(1,286)	(20)
Underlying NPAT (A\$'000)	1,462	837	625	75
Underlying EPS (cps)	1.17	0.67	0.50	75
DPS (A\$)	0.01	0.01	-	-
FUM (A\$'000)	1,227,000	922,000	305,000	33
Cash and cash equivalent*** (A\$'000)	10,225	10,583	(358)	(3)

* 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

HY-20

Generation Life | Highlights & Key Performance Measures



Life Business FUM

\$1,227 m

Up 33%



Life Product Sales

\$173 m

Up 55%



Market share*

34.3% (rolling 12 month avg)

30 September 2019



APL's

393

Up 9%



Product rating

Highly Recommended Zenith

Highly Recommended Lonsec



Active Financial Advisers

1,084

Up 31%



New Bond Numbers

4,268

Up 54%



Saving Plans

\$15 m

Up 36%



49 investment options

Up 2%



Average investment term

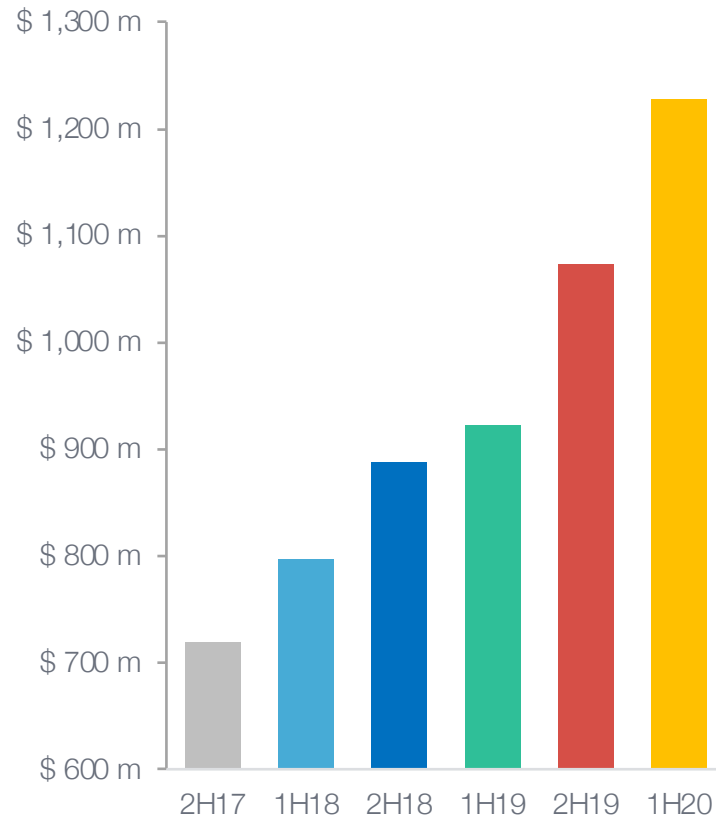
12.5 years

* Strategic Insight Actuaries & Researchers

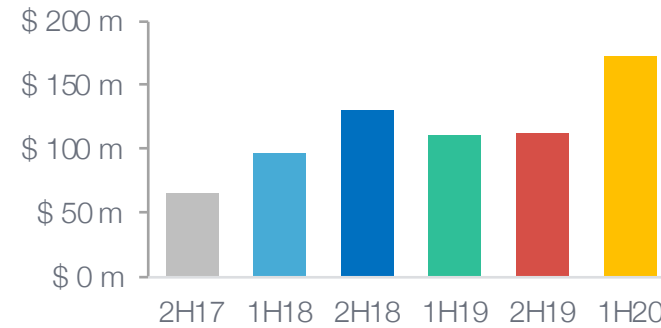
Sustained Performance

Generation Life

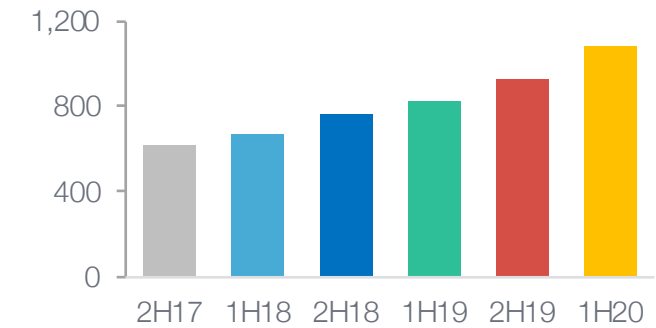
FUM



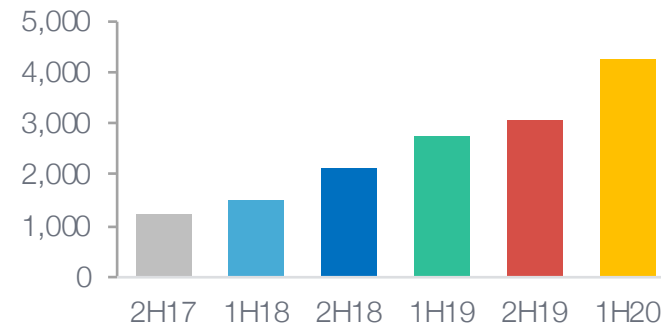
Sales



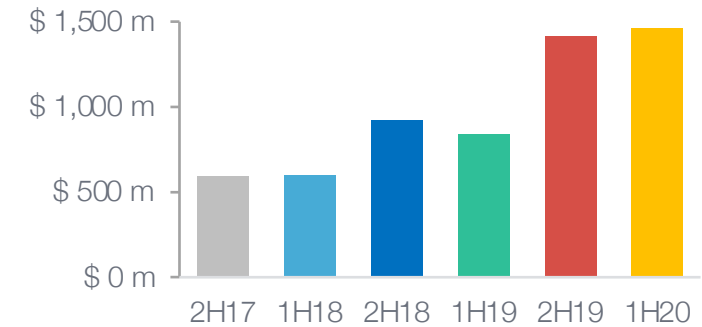
Active Advisers



New Applications

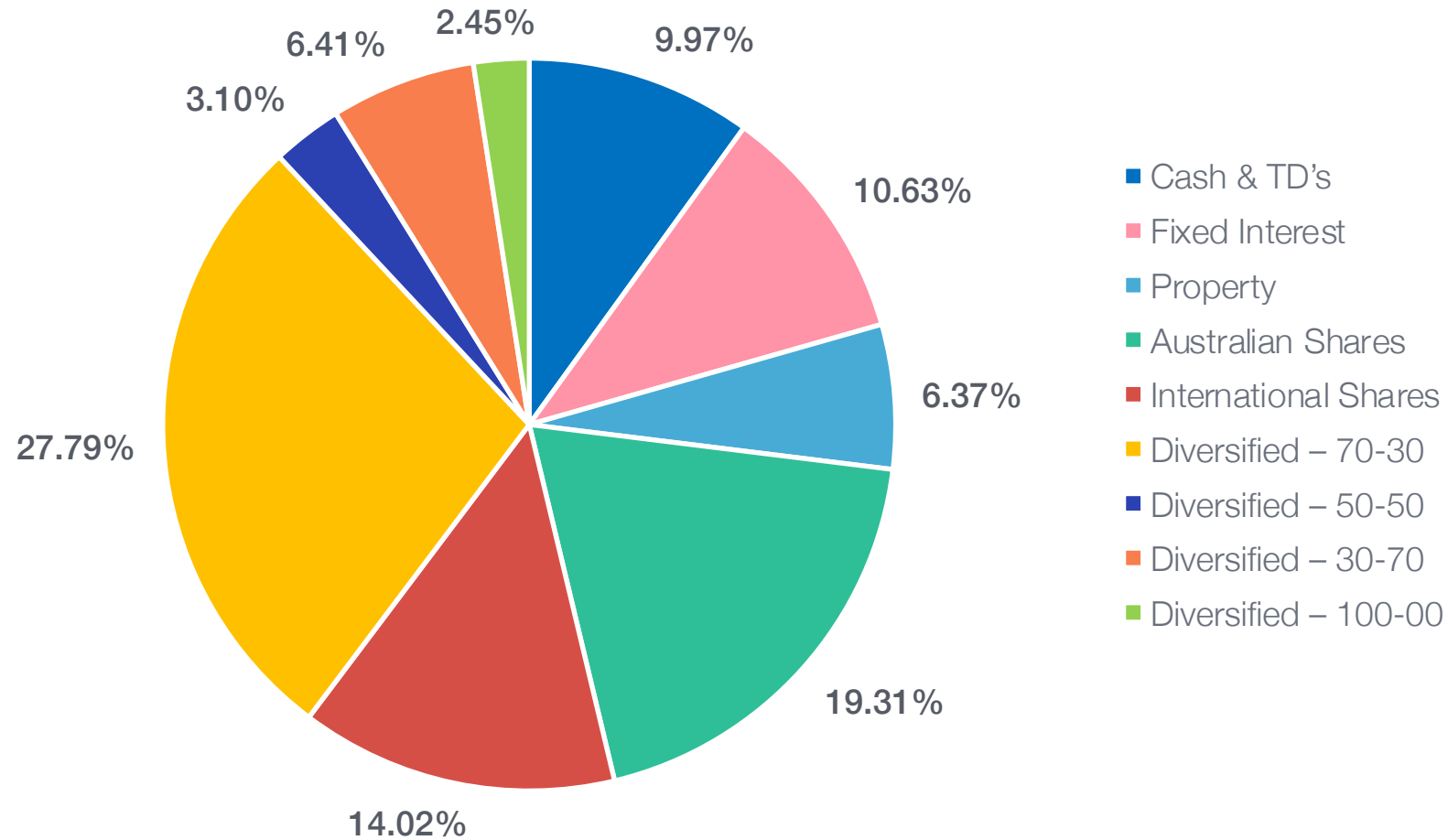


NPAT



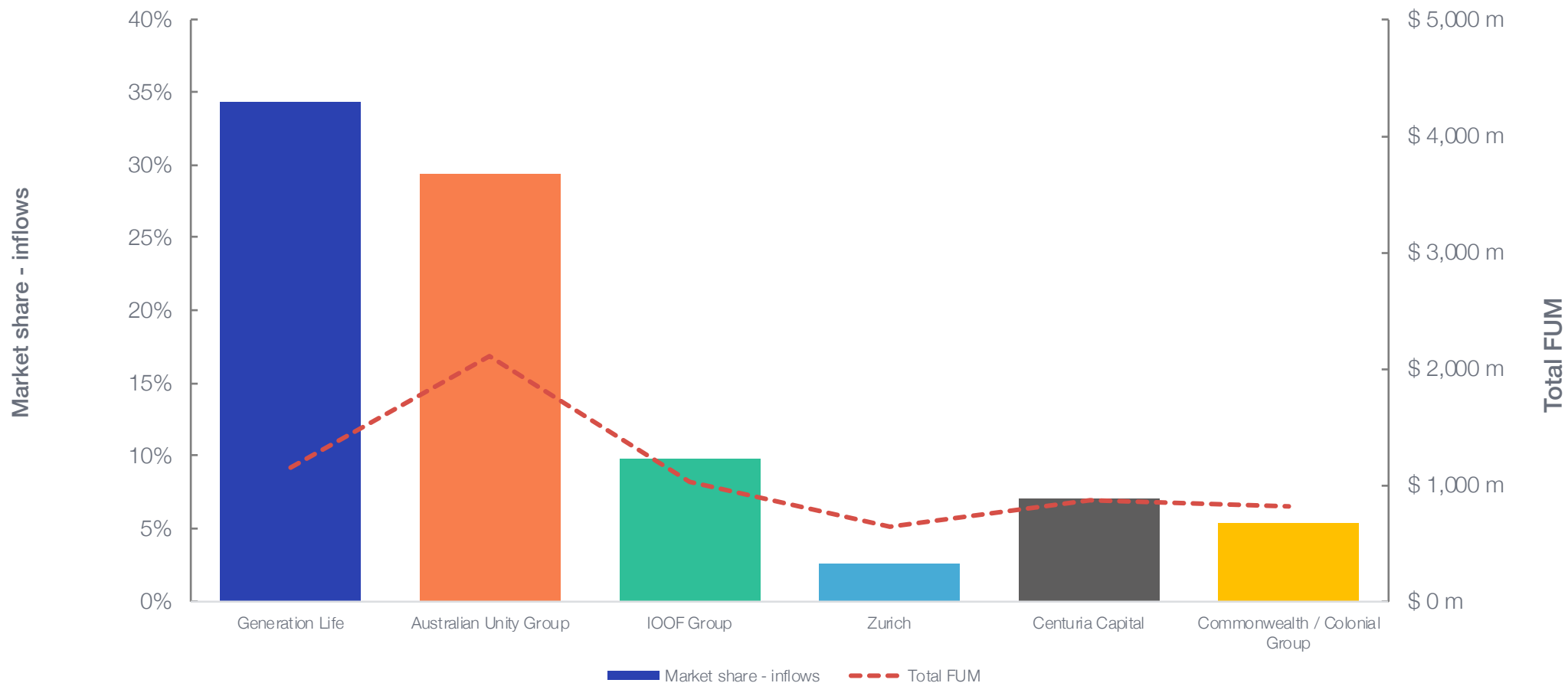
FUM – Asset Classes

Generation Life



No.1 in inflows

Generation Life - 2nd in total FUM



For the 12 month period ended 30 September 2019



Achievements to date

Ascalon Capital

-  Finalising due diligence with several global private banks and potential anchor investors
-  Solid investment pipeline of seed and acceleration opportunities in Asia
-  Significantly reduced monthly operating costs to extend operational runway
-  Capital raising momentum has been impacted by protests in Hong Kong and the appearance of the Coronavirus in January 2020



Ascalon continues to believe that there is sufficient investor interest and expects end of H2 2020 will be an opportune time to launch the fund as the outcome for Coronavirus will become clearer and anchor investor commitment secured

Outlook

Generation Development Group



Pipeline remains strong off the back of a record 6 months



New products including a tax effective regular income product



Focus on launching new Ascalon Fund – Q4 in FY20



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



Management changes with savings reinvested into the business



Appendices



The case for investment bonds

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5 Core Uses

 The most tax effective investment solution after super

 Reducing distributable income within trusts

 Be in control of transferring wealth

 Meeting the rising costs of future generations

 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*

*if there are nominated beneficiaries or a future event transfer



Generation Life

Highly recommended for over a decade



49 investment options across all asset classes

- + Cash and term deposits
- + Australian fixed interest
- + International fixed interest
- + Australian shares
- + International shares
- + Property
- + Balanced
- + Alternatives



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

Reconciliation of statutory profit to underlying earnings

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	HY20	HY19	Change	Change %
Underlying net profit after tax (A\$'000)	1,462	837	625	75
Ascalon (net) operating costs (A\$'000)	(1,421)	-	(1,421)	nm
Deferred tax on carry-forward losses (A\$'000)	(1,185)	-	(1,185)	nm
Non-recurring items (net of applicable tax):				
Termination benefits (A\$'000)	(76)	-		
Statutory profit after tax (A\$'000)	(1,220)	837		



FUM Growth

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	HY-20 \$'m	HY-19 \$'m	Change \$'m	Change %
Opening FUM	1,073	887	186	21
Sales inflow	173	111	62	56
Investment performance	28	(28)	56	200
Exits	(47)	(48)	1	2
Closing FUM	1,227	922	305	33

Product Innovation

Generation Life | Tax Effective Australian Share Fund

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Effective tax rate

9% – 11%

Estimated tax rate paid p.a.*



Long only Australian equity exposure



Managed exclusively through Generation Life



Index plus with low tracking error



Access funds at anytime



Managed by Redpoint – over \$10b in FUM



Lower investment risk - due to reduced volatility

*Based on back-tested strategy for the 20 year period to 30 June 2018.



Thank you

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