Generation Life LifeIncome

An investment-linked income stream that pays you for life

Product Disclosure Statement
22 March 2022

Generation Life Limited
ABN 68 092 843 902   AFS Licence 225408

genlife.com.au

About this Product Disclosure Statement

This Product Disclosure Statement ('PDS') is issued by Generation Life Limited ('Generation Life', 'we', 'our' or 'us') ABN 68 092 843 902 AFS Licence 225408. If any part of the PDS (such as a term or condition) is invalid or unenforceable under the law, it is excluded so that it does not in any way affect the validity or enforceability of the remaining parts.

Generation Life is a regulated life insurance company within the meaning of the Life Insurance Act 1995 (Cth) ('Life Act'). Generation Life LifeIncome ('LifeIncome') is a lifetime annuity offered through the Generation Life Benefit Funds established under its Product Rule B registered pursuant to the Life Act.

Investments in LifeIncome are subject to investment risk, not limited to loss of income. None of Generation Life, its parent company Generation Development Group Limited ABN 90 087 334 370 or any related entities promise or guarantee the performance of the investment options offered within LifeIncome (whether express or implied) including any particular level of investment returns or that they will achieve their investment objectives or the return of your capital invested. Past performance is not indicative of future performance.

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Contents

Glossary

Term	Definition
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
CAS	Capital Access Schedule as described in the 'Limits on the amount that can be paid to you as a lump sum' section on page 20
Financial year	From 1 July to 30 June
Life Act	Life Insurance Act 1995 (Cth)
TFN	Tax File Number

Introducing Generation Life

Generation Life, a wholly owned subsidiary of Generation Development Group Limited (ASX:GDG), is a life company registered under the Life Act. As the pioneer of Australia's first truly flexible investment bond, Generation Life has been at the forefront of providing innovative tax-effective investment solutions since 2004. Over $2.5 billion has been invested with us to date.

Generation Life is proud to be shaping the retirement income landscape with our LifeIncome product, by applying our innovative approach to clients' retirement income needs and enabling Australians to focus on enjoying retirement with the confidence of an income guaranteed for life.

Generation Life is regulated by the Australian Prudential Regulation Authority ('APRA') and as such, is required to hold a minimum amount of capital, determined by APRA, to ensure any payment obligations to clients can be met. APRA is the same independent statutory authority that supervises banks in Australia.

What is LifeIncome?

One of the key challenges facing Australians in retirement is managing the risk of outliving their savings and suffering a reduction in lifestyle, known as longevity risk. Many Australians manage this risk by reducing their spending in retirement, living more frugally than they should[1] and missing out on some of the good things in life. In their later years, many Australians look back with regret, and wish they had spent more in their earlier and more active years. This is called 'regret risk'.

Studies in the US[2] and Australia[3] show that if retirees knew they wouldn't run out of retirement savings, they would spend more money in the early years. One way of ensuring that you have the confidence to spend without the fear of running out of money, is to invest part of your savings in a lifetime annuity, such as Generation Life's LifeIncome.

LifeIncome is simple and provides five key benefits to enhance your retirement:

- Generation Life guarantees income for life.
- Your income is investment-linked and you have the flexibility to switch between a range of investment options.
- Increases access to the Age Pension and other benefits for a broad range of investors.
- Generation Life is proud to offer a 6-month cooling-off period.
- Protect your loved one – by selecting the Reversionary Beneficiary option you automatically pass your LifeIncome over to your spouse with all the same benefits.

By investing a portion of your retirement savings in LifeIncome, you can be sure that you'll receive an income for as long as you live.

1. Retirement Income Review, Final report, published July 2020 p.19 and p.57
2. Guaranteed Income: A License to Spend. David Blanchett and Michael Finke https://ssrn.com/abstract=3875802
3. FirstLinks retirement income survey. Results published 11 August 2021 at firstlinks.com.au

LifeIncome can help you meet your retirement objectives

Your retirement is a phase in your life that has been a long time coming. Generation Life believes that retirement is something that you should look forward to and not be afraid of. With the assistance of your financial adviser, you can develop a retirement plan that meets your retirement objectives now and into the future as well as manage some of the risks.

A key consideration for a good retirement plan is giving you the confidence to enjoy your retirement by not being afraid to spend your retirement savings for fear of running out of money. This is where LifeIncome comes into play. When you combine LifeIncome with an account-based pension, you can potentially achieve more retirement objectives and enjoy your retirement more than by using just one retirement income solution.

Other considerations for a good retirement plan include being able to access the Age Pension and other related benefits, having an income stream that generally grows over time, and having access to savings.

Everyone's retirement plan will be different, because everyone's objectives, preferences and circumstances are different. A critical part of your plan should be managing your sources of income. Generation Life believes a comprehensive retirement income plan should address the considerations highlighted in the table below. The table also shows that combining an investment-linked lifetime annuity such as LifeIncome with a flexible investment-linked income stream such as an account-based pension can address these considerations.

Achieving retirement income planning objectives – can you have it all?

Consideration	Account-based pension	LifeIncome	A combination of an account-based pension and LifeIncome
Guaranteed Income for life	No	Yes	Yes
Concessional social security treatment	No	Yes	Yes
Flexibility in drawdowns / access to savings	Yes	Annual income is linked to the returns of the investment options chosen by you and your financial adviser.	Yes
Income that has the potential to grow over time	Yes	Yes	Yes
Investment choice	Yes	Yes	Yes
Money available to support beneficiaries	Account balance paid on death plus Reversionary option	A Death Benefit is available within a Death Benefit Period, plus Reversionary option available to provide your spouse with an income for life if you choose	Yes

The key thing to remember about account-based pensions is that they can run out of money. There is no guarantee of regular income for life. This risk may make you cautious about spending your retirement savings, particularly in the earlier years.

Investment-linked lifetime annuities, such as LifeIncome, do offer some flexibility, such as investment choice and switching, however, to ensure that an income is payable for life, there are some restrictions as well:

- Other than in the first six months, you cannot withdraw your investment once it has commenced[4].
- Unlike an account-based pension, your annual income will not vary during a Financial year.
- With an account-based pension, you can vary your income at any time (subject to minimum income requirements). In LifeIncome, your first year's income is determined at the commencement of LifeIncome and can rise and fall from one year to the next dependent on the performance of your chosen investment option(s).

4. Lump sum withdrawals may be capped in accordance with the Capital Access Schedule (CAS).

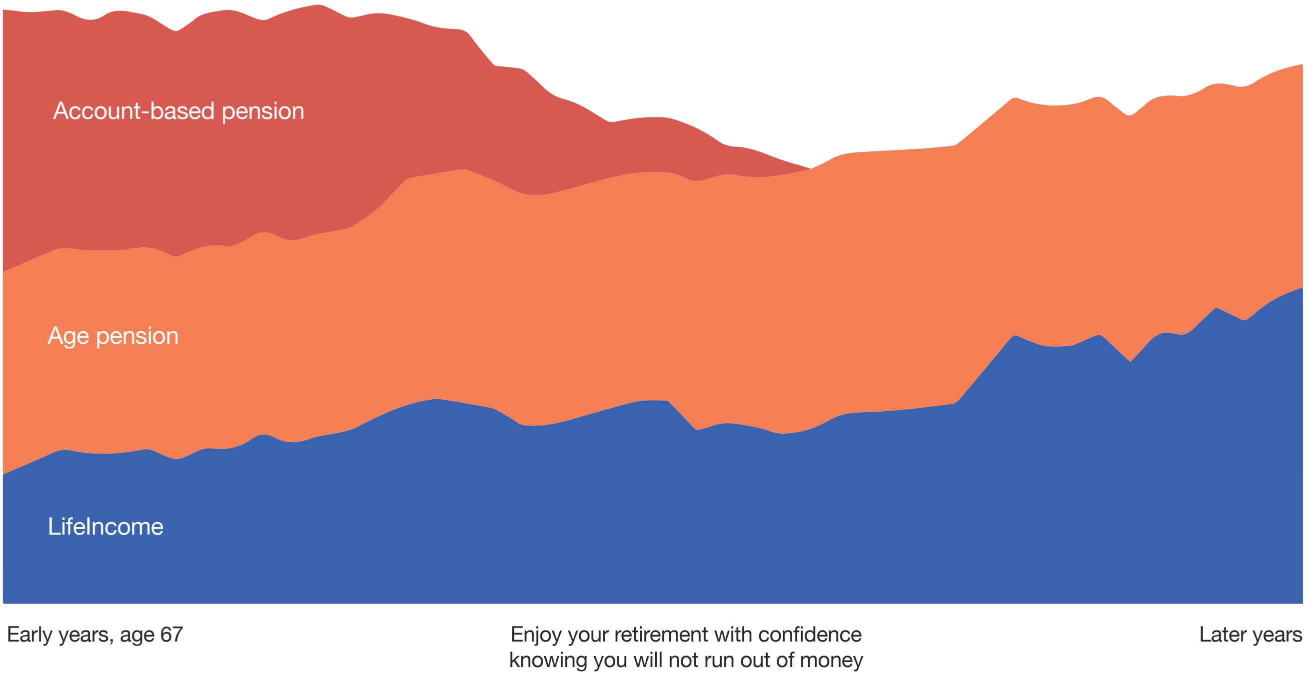
The other income stream to consider is the Age Pension, if you qualify. Many Australians supplement their own savings by accessing the Age Pension and associated social security benefits, described on page 45. Money invested and income paid from LifeIncome is treated concessionally under the assets test and income test and may make you eligible for some or more of the Age Pension sooner than you otherwise would be.

The amount of Age Pension you receive can change over time with indexation, but can also rise and fall depending on your total assessed level of assets and income.

A high-level example of a retirement income plan

The below example of a retirement income plan assumes that the retiree is eligible for the Age Pension and has commenced their plan at age 67.

Sources of income in retirement



The benefits of this plan ensure:

- You will receive a regular income for as long as you live.
- You can consider spending more than the minimum income provided by your account-based pension.
- You will have income generated for life with LifeIncome, which means you'll be able to use your money for life events and estate planning purposes.
- You can have a retirement income that generally keeps pace with increases in the cost of living and out of pocket medical expenses, depending on your investment choices.
- You have the opportunity to potentially receive the Age Pension and receive benefits that are tied to having the Age Pension.

LifeIncome - key features at a glance

Feature	Description
Income for life	LifeIncome pays a regular income for as long as you live. You can include your spouse in your LifeIncome and LifeIncome will pay a regular income for as long as you live and following your death, for as long as your spouse lives. In this instance your spouse is known as a Reversionary Beneficiary.
Income guaranteed for life	You are guaranteed to receive income for life. You are guaranteed to receive the income that is determined by the Annual income reset process each Financial year (see page 11). What isn't guaranteed is the level of income which can rise and fall from one year to the next because LifeIncome is investment-linked. See page 35 for a description of investment risk.
Investment earnings within LifeIncome are tax-free. There are tax benefits on your income payments too	Any earnings on LifeIncome are tax-free while they remain in your account, regardless of your age. This is an advantage LifeIncome has over non-retirement phase superannuation accounts and investments outside superannuation. You also receive the benefits of any franking credits that may arise. In addition, LifeIncome income payments are tax-free in your hands if you are using your superannuation and are at least 60 years old. In all other cases there are tax concessions on your regular payments.
Potential Age Pension benefits (Applicable also to veterans' Service Pension)	Potentially access or improve Age Pension entitlements because 40% of regular payments and 40% of your investment amount will be exempt from the income and assets tests, respectively. The assets test exemption increases to 70% at age 84, or after five years from the date of commencement, whichever is the later.
Investment choice	We offer a range of 23 investment options under this PDS to which you can allocate your LifeIncome. You can combine any number of investment options within the one LifeIncome.
Investment choice switching	You can generally switch between the investment options at any time with no switching fee (however buy/sell spreads apply). See page 41.
Commence LifeIncome with superannuation or non-superannuation money	You have the option to start a LifeIncome with money from your superannuation or your personal savings. If you are using money from your superannuation, you must have unrestricted access to your superannuation. The conditions under which you can access your superannuation to commence LifeIncome are described on page 49. If you want to invest with both superannuation money and personal savings, you will need to commence a separate LifeIncome for each source.
LifeBooster	LifeBooster is a rate used to calculate your starting income and enables you to receive more income in the early years of your investment. The effect of using LifeBooster is that your starting income is higher than what it otherwise would have been. You have a choice of two LifeBooster rates, namely 2.5% and 5% (see page 16). You select your LifeBooster rate when you commence LifeIncome. Your LifeBooster rate cannot be changed after commencement.
6-month cooling-off period	If you change your mind within the first six months of the commencement of your LifeIncome, you can withdraw your investment. After the 6-month cooling-off period expires you can no longer withdraw your investment from LifeIncome.
Death Benefit available	A lump sum Death Benefit is payable to your nominated beneficiaries or estate if you pass away during your Death Benefit Period (see page 18)
Monthly or fortnightly income payments	Monthly income is paid on the 15th day of each month. Where the 15th day is not a Melbourne business day, you will be paid on the preceding business day. Fortnightly payments are made in line with the Centrelink payment schedule.
1 July annual income reset	Your annual income is reset at the start of each Financial year, based on the unit price of your chosen investment option(s). Your annual income can rise and fall from one year to the next (see page 11).

How does LifeIncome work?

At commencement

When you invest in LifeIncome, you exchange a lump sum for regular income that is payable for life. When Generation Life establishes your LifeIncome, your first year's income ('Annualised First Year Income') is determined and then converted into Guaranteed Annual Income Units ('Income Units'). Your Annualised First Year Income is converted into Income Units by dividing your Annualised First Year Income by the unit price of your chosen investment option(s) on your LifeIncome commencement date.

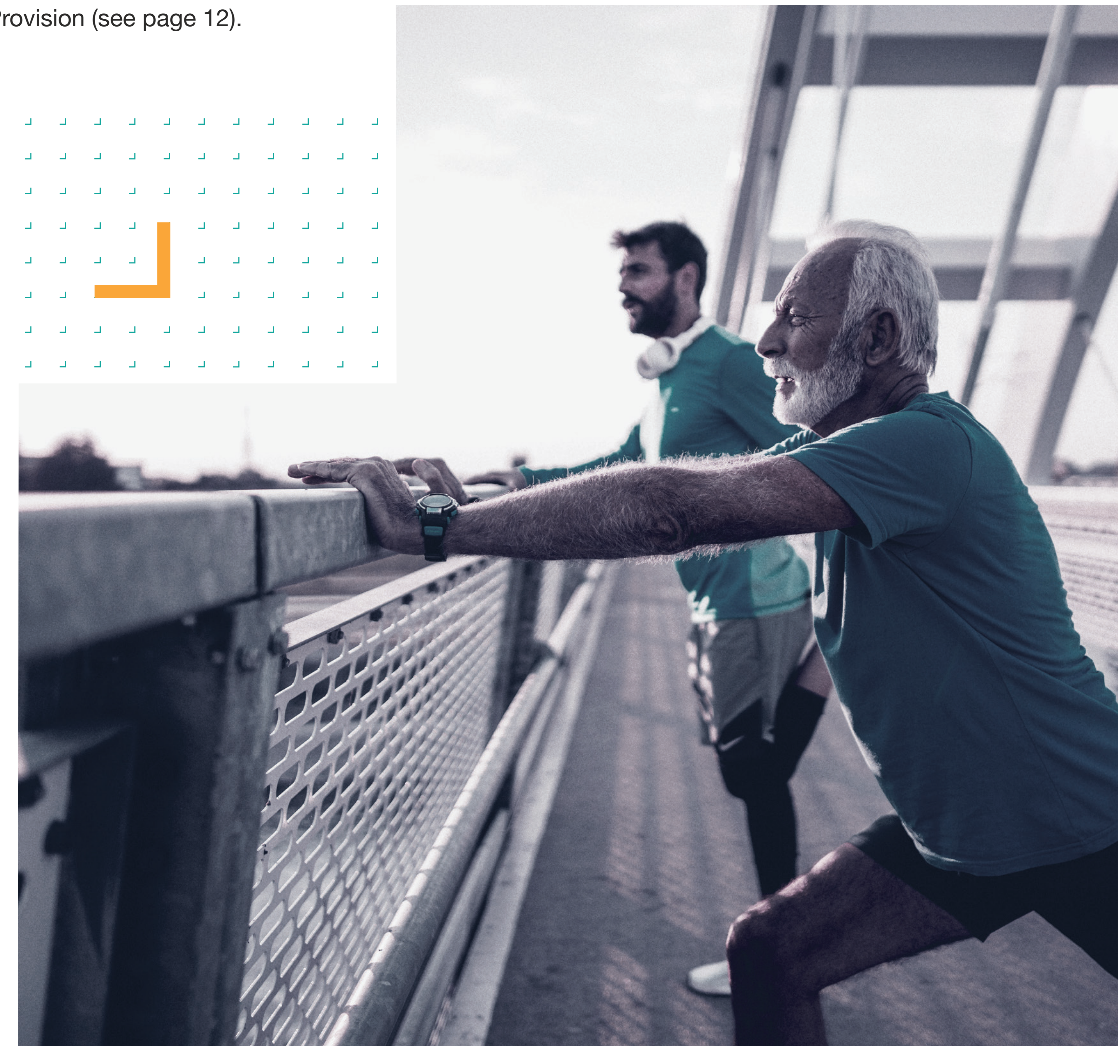
The number of these Income Units remain the same for the life of your LifeIncome (except if you choose to switch investment options) and are used to calculate your annual income at the start of each Financial year into the future.

The amount of your Annualised First Year Income is calculated using a formula that uses a number of factors including:

- Your initial investment.
- Your age when your LifeIncome starts and your spouse's age if they are included as a Reversionary Beneficiary.
- Gender.
- Lifetime Income Protection Provision (see page 12).
- LifeBooster rate.

If you start your LifeIncome part-way through a Financial year, the amount of income you receive will be a pro rata amount based on your Annualised First Year Income. The pro rata amount is calculated using the number of days remaining in the current Financial year. Once your LifeIncome is established, you will receive an Investment Confirmation Statement that will contain relevant information including:

- Your Annualised First Year Income.
- Your Guaranteed Annual Income Units.
- Pro rata income to be paid for the remainder of the Financial year.
- Regular income payment amount.
- Income payment frequency.
- Date of first income payment.
- Your chosen LifeBooster rate.



Based on the information you provide as part of your application, here is an example of some of the information you will receive and how we calculate your Annualised First Year Income:

INPUTS

DATE OF BIRTH
1 April 1955

GENDER
Male

INITIAL INVESTMENT
$100,000

PAYMENT FREQUENCY
Monthly

INVESTMENT OPTION
Your choice

DATE OF APPLICATION
1 April 2022

LIFEBOOSTER RATE
5%

APPLY

OUTPUTS

Annualised First Year Income	$7,366.20
Guaranteed Annual Income Units	4,949
Income to be paid for the remainder of the Financial Year	$1,841.55
Regular Income Payment	$613.85
Date of first Payment	15 April 2022

Assumptions: Unit price $1.4885

Based on the information you provide as part of your application, here is an example of some of the information you will receive and how we calculate your Annualised First Year Income when you include your spouse as a Reversionary Beneficiary:

INPUTS

POLICYHOLDER'S DOB
1 April 1955
SPOUSE'S DOB
1 April 1955

GENDER
Male
SPOUSE'S GENDER
Female

INITIAL INVESTMENT
$100,000

PAYMENT FREQUENCY
Monthly

INVESTMENT OPTION
Your choice

DATE OF APPLICATION
1 April 2022

LIFEBOOSTER RATE
5%

APPLY

OUTPUTS

Annualised First Year Income	$6,662.73
Guaranteed Annual Income Units	4,476
Income to be paid for the remainder of the Financial Year	$1,665.68
Regular Income Payment	$555.23
Date of first Payment	15 April 2022

Assumptions: Unit price $1.4885

Annual income reset

At the start of each Financial year, your new annual income is determined by multiplying the number of your Income Units by the unit price of your chosen investment option(s).

Next Financial year's annual income = Income Units x unit price

The unit price of your chosen investment option(s) is net of fees and charges and the impact of discounting investment performance by your chosen LifeBooster rate (for more information see The Power of LifeBooster section on page 16) and a Lifetime Income Protection Provision in some cases (see page 12). Your returns are discounted each year, because your starting income was made higher by using a future rate of return assumption, the LifeBooster rate, and the Lifetime Income Protection Provision.

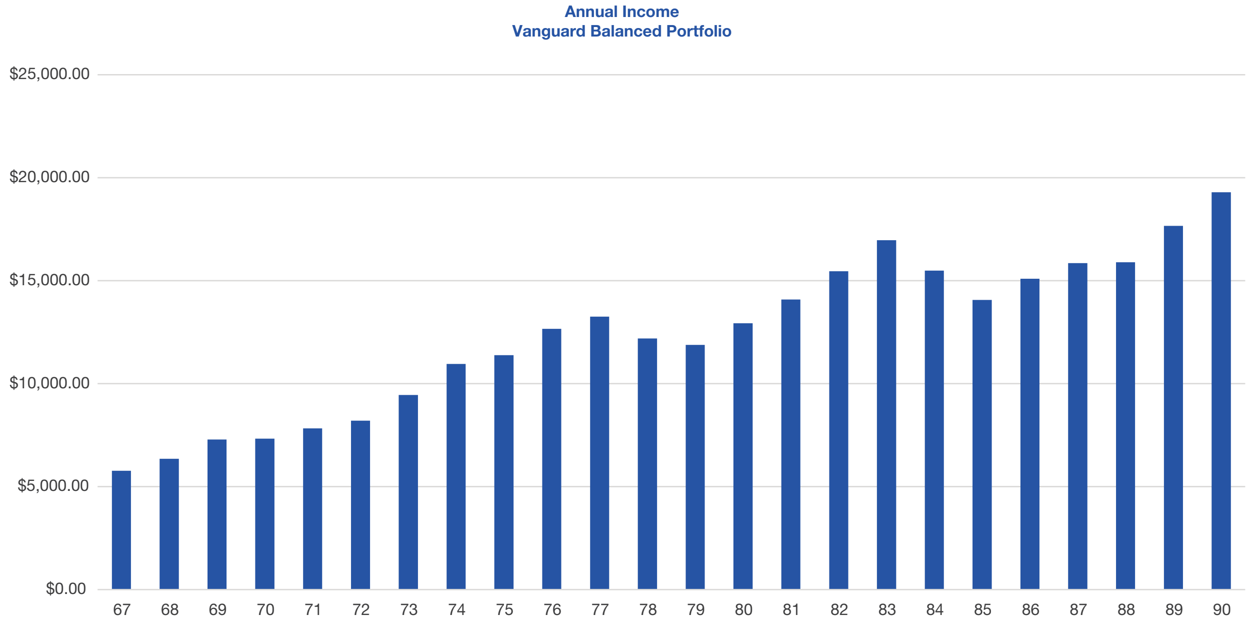
In effect if the performance of your investment option(s), after fees and charges and discounts is positive, your income increases. If the performance of your investment option(s), after fees and charges and discounts is negative, your income decreases. Provided your investment option has a positive value, you will always receive an income for life.

Annual income reset table

	First year	Year 2	Year 3	Year 4	Year 5
Net return in previous Financial year*	n/a	3%	-2%	5%	2%
Income units	4,949	4,949	4,949	4,949	4,949
Unit Price	$1.4885	$1.5332	$1.5025	$1.5776	$1.6092
Annual income	$7,367	$7,588	$7,436	$7,808	$7,964
Monthly income payment	$614	$632	$620	$651	$664
Difference in monthly payment from one year to the next	n/a	$18	($12)	$31	$13

*Indicative returns are net of fees and the impact of discounting investment performance by your chosen LifeBooster rate and the Lifetime Income Protection Provision.

LifeIncome is investment-linked and has the potential for annual income to grow over time. The graph below uses the historical performance of a balanced investment option to demonstrate that income can rise and fall from one year to the next but generally grows over time.



Assumptions: initial investment $100,000. 67-year-old male starting LifeIncome on 1 July 1998. Returns from 2003 onwards are the actual results of a balanced fund that is one of Generation Life's investment bond portfolio options. Returns from 1998 to 2003 are constructed using indices and inception asset allocation of the fund's approximate asset allocation. All returns are net of estimated total fees and charges of 1.19% and the impact of discounting the returns by a LifeBooster rate of 2.5%. The Lifetime Income Protection Provision has been included for the first two years.

Paying an income for life

When you commence LifeIncome, you exchange a lump sum for a regular income that will be paid to you for the remainder of your life regardless of how long you live. Generation Life establishes and manages reserves from which your regular income is paid. These reserves pool your investments with the investment of all other investors and are based on the life expectancy of you and other investors. A proportion of the reserves is reinsured to address the possibility that you or other investors live longer than the life expectancy assumptions used to calculate the reserves.

The reinsurer is Hannover Life Re of Australasia Ltd ('Hannover') a subsidiary of Hannover Rueck SE, a part of the Hannover Re Group worldwide. At the time of preparation of this PDS, the rating agencies most relevant to the industry have awarded the Hannover Re Group very strong insurer financial strength ratings (Standard & Poor's AA- 'Very Strong') and A.M. Best A+ ('Superior'). As a subsidiary, Hannover currently enjoys a Standard & Poor's financial strength of AA- (very strong capacity to meet financial commitments).

The reinsurance arrangements support Generation Life making income payments for life, however you are not a party to the reinsurance arrangements between Generation Life and Hannover. Hannover does not issue a financial product or make any commitment or guarantee directly to you. The reinsurance arrangements do not guarantee the performance of Generation Life or LifeIncome, including the level of income you will receive, which is investment-linked (see page 35 for a description of investment risk).

A Lifetime Income Protection Provision ('Provision') supports the LifeIncome lifetime income guarantee. This Provision ensures that income is payable for life regardless of the mortality experience of investors under this PDS and the Australian population more generally. Having this Provision in place enables us to increase your Annualised First Year Income and Income Units. The Provision is also considered when adjusting annual income and can vary between 0% and 0.94% and is actuarially determined by us at the start of each Financial year. For the next two Financial years from the date of this PDS, the Provision will be no more than 0.35% and will be reassessed in subsequent Financial years. This means there is a modest discount on your future income of approximately $3.50 per $1000 of income received p.a. for a minimum of the first two years from the date of this PDS.

The Provision can also be reduced to 0% if mortality assumptions were found to be set too conservatively after 2 years from the date of this PDS, which would mean that there would be no discount applied to your future income for the applicable Financial year.

Key questions answered

Key questions	Short answer	The detail
Who can invest?	An individual aged between 50 and 85 years.	LifeIncome can only be commenced by an individual; no joint accounts, companies, trusts or self-managed super fund ('SMSF') are allowed. You can start LifeIncome with non-superannuation money or a rollover from your existing superannuation fund (including your SMSF). For superannuation money, you must have met a condition of release and have access to your preserved superannuation benefits. If you want to invest in LifeIncome and you are under 50 years of age, you will need to contact Generation Life.
Can I include my spouse, and have them benefit from an income guaranteed for life?	Yes, you can include your spouse. Your spouse, if included, is known as a Reversionary Beneficiary.	A Reversionary Beneficiary continues to receive your income and becomes the policyholder when you pass away if your Reversionary Beneficiary survives you. A 'Reversionary' must be your spouse as legally defined in Australian superannuation law (see page 21) and can only be included during the application process. You cannot choose to add or change a spouse as your Reversionary Beneficiary once your LifeIncome has commenced. You can choose to remove your spouse as a Reversionary Beneficiary at any time, but this will not change your Income Units. Nominating a Reversionary Beneficiary will affect your Annualised First Year Income when you commence LifeIncome. Your spouse's date of birth and gender is taken into account because the income stream will continue to be paid to your surviving spouse after you pass away. As such, adding a spouse may reduce your Income Units.
How much can I invest?	Minimum investment: $10,000. Maximum investment: $1.7 million (superannuation money)	The maximum investment with superannuation money is $1.7 million, which is the current general Transfer Balance Cap. For information on the Transfer Balance Cap, see page 46.
How do I invest?	Non-superannuation money – BPAY®. Superannuation money – Rollover(s). ®Registered to BPAY Pty Ltd ABN 69 079 137 518	If you use personal savings, your initial investment must be made using BPAY®. Generation Life will provide you with the biller code and your unique customer reference number at the time of application. If you invest with superannuation money, you will need to rollover your initial investment from a superannuation fund(s). This is done electronically via the Australian Taxation Office's ('ATO') SuperStream network which all super funds must use. This will be arranged for you during the application process.
How often can I receive payments?	Monthly. Fortnightly.	Monthly income is paid on the 15th day of each month. Where the 15th day is not a Melbourne business day, you will be paid on the preceding business day. Fortnightly payments are made in line with the Centrelink payment schedule. You can only change your payment frequency before the commencement of each Financial year starting from 1 July 2023. Payments are made by electronic transfer to your nominated bank, building society or credit union account.

Key questions answered

Key questions	Short answer	The detail
When will I get my first payment?	This depends on when Generation Life receives cleared application funds.	Generally, if cleared application funds are received before 12pm, two Melbourne business days before the next payment date, you will receive your first income payment on the next payment date.
Will my regular income payment amount change from year to year?	Yes, from one Financial year to the next.	At commencement and at the start of each Financial year Generation Life will calculate your annual income and your regular income payment amount which is guaranteed to be paid for that Financial year. Your annual income amount can rise and fall from one Financial year to the next, as it is linked to the performance of the investment option(s) chosen and the Lifetime Income Protection Provision in some cases.
Can I switch between investment options?	Yes.	You can switch between investment options at any time, with the exception of the period between midday on the third last business day of the Financial year and the end of the Financial year. Switches can be made provided that the minimum held in any investment option, determined at the time of the switch, is at least 1% of the value of your Income Units. There is no limit to the number of switches you can make. Switches will not impact your current Financial year's income. When you switch, the number of Income Units will change, because the unit prices of each investment option will be different. For example, if you have 4,000 Income Units in an investment option with a unit price of $1.08 (income of $4,320) and you wanted to switch all your units to an investment option with a unit price of $1.00 you would have 4,320 Income Units after the switch (income of $4,320). Your next year's annual income will then be calculated using 4,320 Income Units.
How long will I receive payments?	We guarantee payments for your lifetime and thereafter the lifetime of your spouse if you choose a Reversionary Beneficiary.	LifeIncome pays you an income for as long as you live. If you include your spouse as a Reversionary Beneficiary, when you pass away LifeIncome pays an income to them for as long as they live.
Will my family receive anything back when I pass away?	A lump sum Death Benefit is payable if you (or subsequently your Reversionary Beneficiary) pass away within your Death Benefit Period.	The Death Benefit is a lump sum payment made to your (or, if applicable, your Reversionary Beneficiary's) nominated beneficiaries or estate. If you (or, if applicable, your Reversionary Beneficiary) pass away after the Death Benefit Period has expired, then no Death Benefit is payable. The Death Benefit is described in more detail on page 18.
Can I add more money to my LifeIncome?	No.	You cannot add more money into your LifeIncome after it has commenced. You can, however, commence a new LifeIncome. You can commence more than one LifeIncome.

Key questions answered

Key questions	Short answer	The detail
Can I withdraw from my LifeIncome?	Only in the first six months.	Two cooling-off periods are available with LifeIncome if you change your mind after you invest and you want to withdraw: • a regulatory 14-day cooling-off period, and • an extended cooling-off period of six months which Generation Life is proud to offer. You can cancel your LifeIncome application by written notice within the 14 days (unless a longer period applies based on specific State or Territory legislation). If your policy is cancelled, the amount paid back will be the investment amount adjusted for movements in the unit price of the investment option(s) chosen less any taxes and duties not recoverable by Generation Life. Any income payments already paid to you will also be deducted from the amount refunded. Our management and administration fee and insurance expense will be refunded. If your LifeIncome is cancelled after the 14-day period but before the end of the 6-month period, the amount paid back will be the investment amount adjusted for movements in the unit price of the investment option(s) chosen less any taxes and duties not recoverable by Generation Life. Any income payments already paid to you will also be deducted from the amount refunded. Our management and administration fees and insurance expense for the period will not be refunded. If you exercise your cooling-off rights, your LifeIncome will be closed and no further income payments will be made to you. You can only redeem your whole LifeIncome during the cooling-off periods. You will be unable to make a partial withdrawal during a cooling-off period or at any time thereafter. At the end of the extended cooling-off period, generally no withdrawals (other than a Death Benefit) are possible. Cooling-off rights are described in more detail on page 53. If your LifeIncome is funded by superannuation money you can choose whether to rollover your withdrawal amount or have it paid to you as a lump sum. The amount of any withdrawal is subject to the maximum allowable under superannuation and social security law. This is known as the Capital Access Schedule ('CAS'). More information is contained on page 20.

The power of LifeBooster

LifeBooster is a key benefit of LifeIncome that enables you to receive more income in the early years of your retirement.

To enable you to tailor your income requirements over time, LifeIncome offers two LifeBooster rates of 5% and 2.5%, which optimise starting income while still allowing your income to grow over the life of your investment. For retirees, this means:

- your starting income is much higher than if no LifeBooster was applied
- your investment is paid back to you in the form of cumulative income sooner, and
- you receive more income in the early years of your investment when you are more active and able to enjoy it.

The concept of LifeBooster has been utilised in investment-linked lifetime annuity products across the world for many years.

How LifeBooster works

LifeBooster is a rate of return that is used to calculate your starting income and brings forward future income. The higher the LifeBooster rate used, the higher your starting income.

Instead of your income growing each year in line with full investment returns, future investment returns are discounted by the LifeBooster rate. LifeIncome has a higher starting income, and future income growth is achieved when net investment returns, discounted by the LifeBooster rate, is positive.

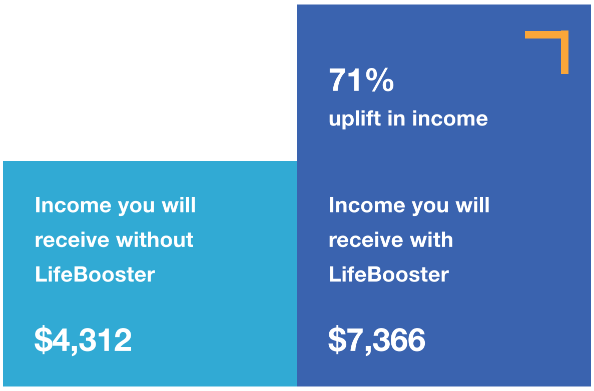
LifeIncome offers a choice of two LifeBooster rates, 5% and 2.5%.

Where a LifeBooster 5% rate is used, starting income is higher but future growth is potentially more modest.

Where a LifeBooster 2.5% rate is used, starting income is not as high but your potential for future growth is greater.

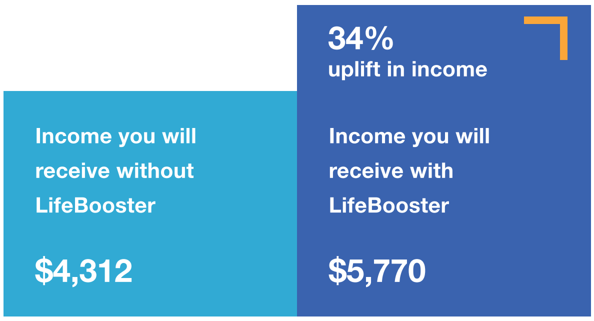
To illustrate the benefits, let's compare how LifeIncome would work with and without LifeBooster.

First Year Annualised Income



Assumptions: 67-year-old male, $100,000 investment, LifeBooster 5% rate

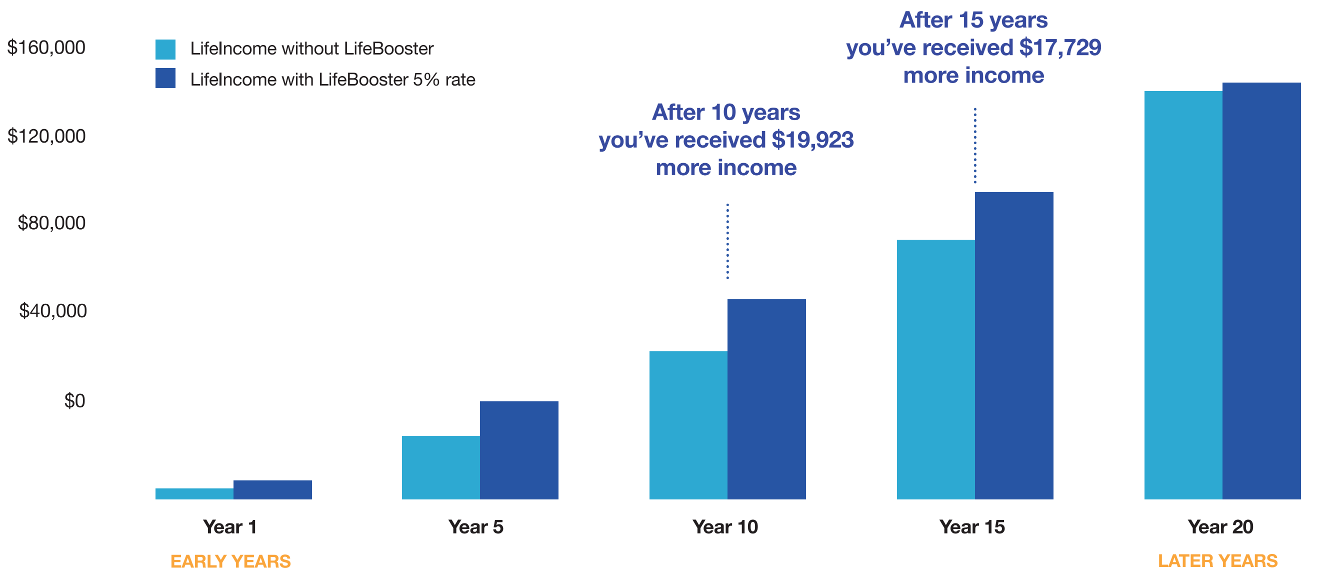
First Year Annualised Income



Assumptions: 67-year-old male, $100,000 investment, LifeBooster 2.5% rate

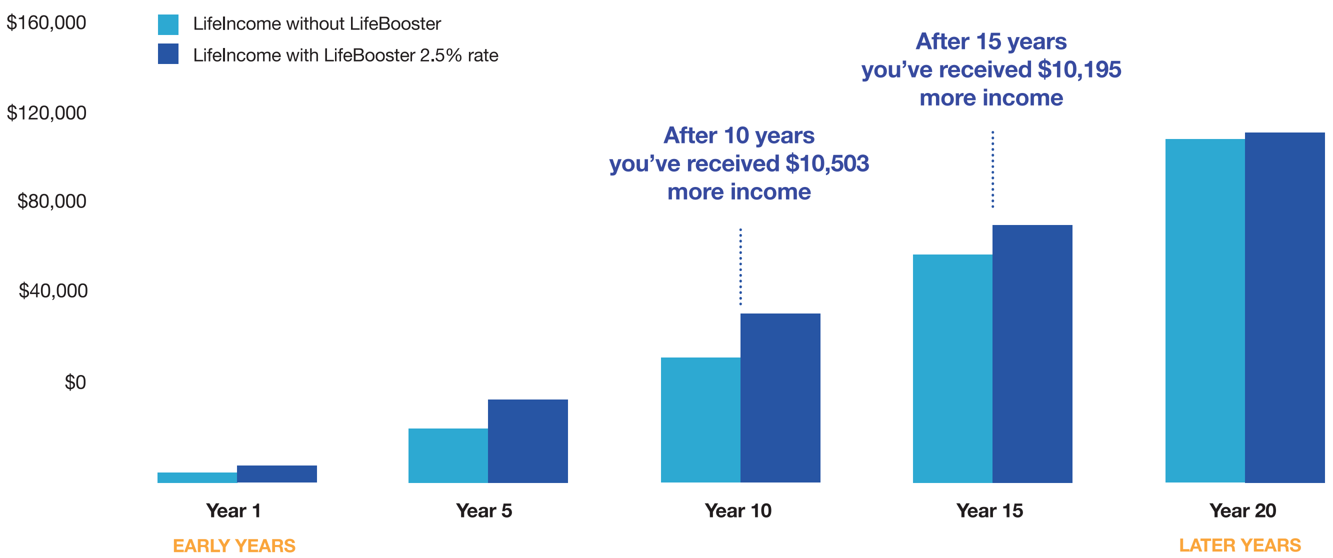
The graphs below demonstrate that cumulative income is higher in the earlier years of your investment, and that you receive your investment back sooner in the form of income when LifeBooster is applied.

Cumulative Income - LifeBooster 5% rate



Assumptions: Male 67 years old, initial investment $100,000 gross return on LifeIncome investment option 7%, LifeBooster 5% rate, estimated total fees, expenses and costs of 1.22%. In this example LifeIncome without LifeBooster would pay more cumulative income only after the investor exceeds 87 years of age.

Cumulative Income - LifeBooster 2.5% rate



Assumptions: Male 67 years old, initial investment $100,000 gross return on LifeIncome investment option 7%, LifeBooster 2.5% rate, estimated total fees, expenses and costs of 1.22%. In this example LifeIncome without LifeBooster would pay more cumulative income only after the investor exceeds 88 years of age.

Death Benefit options

At the time you apply, LifeIncome offers two choices to you with regards to what happens to your LifeIncome when you pass away. You can choose for your nominated beneficiaries or your estate to receive a lump sum payment only or you can choose for your LifeIncome to continue to be paid to your spouse for as long as they live. Your spouse is then referred to as your Reversionary Beneficiary. Under this choice, a lump sum payment may also be paid in some cases.

Death Benefit payment

A lump sum Death Benefit is payable if you pass away within your Death Benefit Period. If your application includes your spouse as a Reversionary Beneficiary, then the Death Benefit is payable on the passing of the last life if it is within the Death Benefit Period.

The Death Benefit Period is determined at the commencement of your LifeIncome based on your age. Your spouse's age, if you have chosen to include your spouse as a Reversionary Beneficiary, is not considered when calculating the Death Benefit Period. This period commences when you start your LifeIncome and is measured in complete years as per the table below.

In the first 12 months of LifeIncome, the Death Benefit amount equals your initial investment adjusted for market movements, less any fees and costs, taxes and duties, and adviser fees not recoverable by Generation Life. Any income payments already made will also be deducted. If you pass away within the 14-day cooling-off period, our fees and expenses will be refunded.

After 12 months, the Death Benefit amount gradually declines to zero by the end of your Death Benefit Period.

No Death Benefit is payable after the Death Benefit Period expires.

The Death Benefit may be limited to an amount as defined in superannuation and social security legislation. Refer to the section on page 20 titled 'Limits on the amount that can be paid to you as a lump sum'.

The Death Benefit amount will be determined using the unit price of your chosen investment option(s) on the day that we receive satisfactory evidence that you have passed away.

Upon commencement of your LifeIncome, your Investment Confirmation Statement will show the Death Benefit Period. The estimated Death Benefit payable on 30 June each year will be shown on your Annual Statement.

If you have included your spouse as a Reversionary Beneficiary and they outlive you, your LifeIncome will pass to your spouse in the event of your death. Regular income payments will continue to be paid to them for as long as they live. If your spouse subsequently passes away during your Death Benefit Period then the lump sum would be payable to their estate or nominated beneficiaries.

To illustrate, we have calculated examples of Death Benefits payable for a male and a female at the ages of 67, 72 and 77 years at the commencement of a LifeIncome to demonstrate how the Death Benefit changes over time (see Death Benefit Illustration on page 19).

Rules around beneficiaries are described on page 20.

Death Benefit Period table

Age of policy holder on the 15th of the month of policy commencement	Years from commencement		Age of policy holder on the 15th of the month of policy commencement	Years from commencement		Age of policy holder on the 15th of the month of policy commencement	Years from commencement	
	Female	Male		Female	Male		Female	Male
50	20	19	62	17	16	74	13	12
51	20	19	63	16	16	75	12	12
52	19	19	64	16	15	76	12	11
53	19	19	65	16	15	77	11	10
54	19	18	66	15	15	78	11	10
55	19	18	67	15	14	79	11	9
56	18	18	68	15	14	80	10	9
57	18	18	69	14	14	81	9	8
58	18	17	70	14	14	82	9	7
59	18	17	71	14	13	83	8	7
60	17	17	72	13	13	84	7	6
61	17	16	73	13	12	85	7	6

Death Benefit Illustration

The following tables provide indicative values for a $100,000 net investment in LifeIncome made on 1 April 2022. The first table assumes a 2.5% Life Booster rate and the second table assumes a 5% Life Booster rate.

If death occurred at the end of Financial year	Age 67 at time of investment		Age 72 at time of investment		Age 77 at time of investment	
	Single Female	Single Male	Single Female	Single Male	Single Female	Single Male
1	$98,630	$98,558	$98,428	$98,356	$98,136	$98,021
2	$96,318	$95,890	$95,208	$94,915	$93,627	$92,901
3	$92,215	$91,247	$89,952	$89,674	$86,797	$85,021
4	$87,750	$86,209	$84,261	$84,001	$79,434	$76,540
5	$82,906	$80,756	$78,114	$77,874	$71,511	$67,430
6	$77,661	$74,864	$71,488	$71,268	$62,999	$57,658
7	$71,996	$68,514	$64,357	$64,159	$53,870	$47,192
8	$65,888	$61,680	$56,697	$56,522	$44,092	$35,998
9	$59,316	$54,338	$48,481	$48,332	$33,632	$24,038
10	$52,256	$46,464	$39,681	$39,559	$22,458	$11,276
11	$44,683	$38,030	$30,268	$30,175	$10,535	–
12	$36,573	$29,009	$20,212	$20,150	–	–
13	$27,897	$19,371	$9,481	$9,452	–	–
14	$18,629	$9,087	–	–	–	–
15	$8,739	–	–	–	–	–
16	–	–	–	–	–	–
17	–	–	–	–	–	–
18	–	–	–	–	–	–

If death occurred at the end of Financial year	Age 67 at time of investment		Age 72 at time of investment		Age 77 at time of investment	
	Single Female	Single Male	Single Female	Single Male	Single Female	Single Male
1	$98,231	$98,158	$98,040	$97,967	$97,757	$97,641
2	$92,066	$91,652	$91,037	$90,746	$89,543	$88,834
3	$86,045	$85,138	$83,963	$83,964	$81,034	$79,363
4	$79,930	$78,522	$76,779	$76,533	$72,394	$69,746
5	$73,719	$71,803	$69,483	$69,261	$63,622	$59,981
6	$67,411	$64,980	$62,075	$61,876	$54,715	$50,068
7	$61,006	$58,052	$54,553	$54,378	$45,672	$40,004
8	$54,501	$51,018	$46,915	$46,765	$36,492	$29,788
9	$47,897	$43,875	$39,161	$39,036	$27,172	$19,418
10	$41,191	$36,624	$31,290	$31,190	$17,713	$8,892
11	$34,383	$29,262	$23,299	$23,224	$8,111	–
12	$27,472	$21,789	$15,188	$15,139	–	–
13	$20,456	$14,204	$6,955	$6,933	–	–
14	$13,335	$6,504	–	–	–	–
15	$6,106	–	–	–	–	–
16	–	–	–	–	–	–
17	–	–	–	–	–	–
18	–	–	–	–	–	–

Important information and assumptions: The above amounts are shown for illustrative purposes only, based on an annual return of 7% less estimated total fees, expenses and costs of 1.22% and the impact of discounting investment performance by LifeBooster rates of 2.5% (first table) and 5% (second table). In reality, the performance of your investment option(s) will be different to this assumption and so the actual Death Benefit would be higher or lower than the figures in the table. If investment returns are very high, then the amount of your Death Benefit could potentially be capped according to the CAS.

Limits on the amount that can be paid to you as a lump sum

Innovative income streams, such as LifeIncome, are designed to ensure the conversion of a lump sum investment to regular income payments provided throughout retirement for as long as the investor lives. Tax concessions and concessional social security assessment, as described in this PDS, are dependent on these income streams meeting certain legislative requirements under the *Superannuation Industry (Supervision) Act 1993* and *Regulations 1994* and the *Social Security Act 1991* and *Veterans' Entitlements Act 1986* and *Income Tax Assessment Acts 1936 and 1997*. One such requirement seeks to protect the capital supporting the income stream by imposing maximum limits on the amount that can be paid to you as a lump sum (referred to in the legislation as a 'commutation'). This is known as the CAS.

A 'commutation' is a lump sum payment – regular income payments are not commutations. Generally, LifeIncome only pays commutations in two circumstances; if you choose to withdraw your investment under one of the cooling-off periods or where you pass away and a Death Benefit is payable.

If you are withdrawing from LifeIncome within the 14-day cooling-off period, the maximum amount Generation Life can pay to you is your investment amount less any reasonable transaction costs, taxes and duties not recoverable by Generation Life.

If you pass away within the first half of your life expectancy[5] period, the maximum Death Benefit payable is your investment amount.

If you are withdrawing under the extended 6-month cooling-off period, or you pass away in the second half of your life expectancy, the maximum benefit payable is calculated on a declining straight-line basis over your life expectancy period. The maximum commutation value is calculated by dividing your investment amount by your life expectancy and then multiplying this by the remaining life expectancy at the time of withdrawal.

Under the CAS, any commutation is only allowed within your life expectancy period. The legislative requirements prohibit any commutations after this period.

A Death Benefit or a withdrawal amount will be calculated under cooling-off periods as described in those sections. However, Generation Life will restrict any withdrawal paid to the maximum amount determined under the CAS in all circumstances.

Choosing a beneficiary

A Death Benefit can be payable to your (or, if applicable, your Reversionary Beneficiary's) nominated beneficiary (or beneficiaries). If a beneficiary is not nominated, any Death Benefit will be paid to your or your Reversionary Beneficiary's estate.

The rules for nominated beneficiaries are different depending on whether you open your LifeIncome with superannuation money or non-superannuation money.

When you commence your LifeIncome with superannuation money, a beneficiary must be a dependant at the time of the nomination and at the time of your death. A 'dependant' means any person who is:

- your spouse
- your child (including stepchild and adopted child); or
- in an interdependency relationship with you.

If you open LifeIncome with non-superannuation money, the dependant rules that apply to superannuation don't apply. Any individual or legal entity can be nominated as a beneficiary.

If you nominate more than one beneficiary, you should nominate the proportion of any benefit that each beneficiary should receive. If a beneficiary predeceases you or is no longer eligible in the case of superannuation money, their proportion will be distributed pro rata to the remaining beneficiaries. If all beneficiaries predecease you any Death Benefits payable are paid to your estate.

Your nominated beneficiaries can be updated at any time. If you nominate your spouse as a Reversionary Beneficiary, your nominated beneficiaries will automatically be removed upon your death and your spouse may nominate their own beneficiaries as per the rules above.

5. Your life expectancy is determined at the commencement of LifeIncome. If you choose for your spouse to be your Reversionary Beneficiary, their life expectancy is ignored for the purposes of determining the maximum withdrawal under the CAS. For more information on life expectancy please see the Australian Government Actuary website.

Reversionary Beneficiary

For greater peace of mind, you may choose for your spouse to receive your income after you pass away for as long as they live. Your spouse is then referred to as the Reversionary Beneficiary.

A Reversionary Beneficiary must be your spouse, both at the time of application and at your death. A 'spouse' is defined as follows:

- Another person, whether of the same or a different sex, with whom the person is in a relationship that is registered under a law.[6]
- Another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

Choosing to include your spouse as your Reversionary Beneficiary will impact the calculation of your First Year's Annualised Income and your Income Units. This is because the date of birth and gender of your spouse is considered in this calculation as your LifeIncome is paid across both lives and not just one.

You must make this choice when you commence your LifeIncome. You cannot add a Reversionary Beneficiary after your LifeIncome has commenced. You can remove a Reversionary Beneficiary from your LifeIncome, but this will not change your Income Units.

Your Death Benefit Period is determined by your age and gender at the commencement of LifeIncome only. The Reversionary Beneficiary's details are not considered.

When you pass away, if your Reversionary Beneficiary has predeceased you, or is no longer your spouse, income payments will cease, but a Death Benefit will be payable to your nominated beneficiary(ies) or estate, if your Death Benefit Period has not expired. If you pass away after your Death Benefit period has expired, no Death Benefit will be payable.

Your Reversionary Beneficiary becomes the policyholder when you pass away, and your LifeIncome income will be paid to them, for as long as they live. In such circumstances, your nominated beneficiaries would be removed, and your spouse can add their own nominated beneficiaries if they wish.

If you commenced your LifeIncome with superannuation money, when LifeIncome is transferred to your Reversionary Beneficiary, Generation Life will report the transfer to the ATO. The value of the LifeIncome at that date will generally count towards your Reversionary Beneficiary's Transfer Balance Cap 12 months from the date of your death. You should consider this when choosing this option. See the information on the Superannuation Transfer Balance Cap in the 'Tax and Social Security' section of this PDS on page 45 and discuss this with your financial adviser.

If your Reversionary Beneficiary passes away before the end of the Death Benefit Period, then a lump sum Death Benefit is payable to their nominated beneficiaries or estate.

Your Reversionary Beneficiary must also be aged between 50 and 85 when you commence LifeIncome.

6. 'Spouse' as registered under a law of a State or Territory prescribed for the purposes of section 2E of the Acts Interpretation Act 1901 as a kind of relationship prescribed for the purposes of that section

How Death Benefits are taxed

If you pass away within the Death Benefit Period and you do not have a Reversionary Beneficiary, then a lump sum Death Benefit is payable to your nominated beneficiaries or your estate.

Death Benefit paid to your estate

The tax payable on a lump sum Death Benefit is different depending on whether you have established your LifeIncome with superannuation or non-superannuation money. Where a payment is made to your estate, Generation Life will not withhold any tax. The tax impact of the benefit will need to be determined by your estate.

Income tax laws can change from time to time and the following outlines the current position.

Death Benefit paid to your nominated beneficiary

Superannuation

The lump sum Death Benefit payable is generally tax-free if paid to a nominated beneficiary that is a tax dependant as at the date of your death. A tax dependant can include:

- your spouse (as defined by law) or ex-spouse
- your child (under 18 years of age or otherwise financially dependent on you and includes an adopted child or stepchild)
- someone who is financially dependent on you (i.e. you contribute necessary financial support to maintain that person), or
- someone in an interdependency relationship with you[7], or
- any other person who is dependent on you.

If a lump sum Death Benefit amount were paid to a non-dependant, its taxable component may be subject to the beneficiary's marginal tax rate (including the Medicare levy) up to 17% - whether paid directly or via the estate. If paid via the estate, the trustee of the estate pays the tax on behalf of the beneficiaries – paying the same amount of tax as if paid directly to the beneficiaries.

In the event your beneficiary elects to receive the Death Benefit as a rollover, no tax is payable at the time of rollover.

Non-superannuation

Generally, the portion regarded as a repayment of capital is tax-free. Any excess may be taxable. However, subject to any independent tax advice sought, your beneficiaries may be required to include any net excess amount they receive as an assessable amount in their tax return.

7. An interdependency relationship is a close personal relationship between two people who live together where one or both provides for the financial, domestic and personal support of the other (or who would meet these conditions except they are temporarily living apart due to either or both of them suffering from a physical, intellectual or psychiatric disability).

Commencing LifeIncome

To commence LifeIncome, you will need to complete an online Application Form with your financial adviser. Page 56 of this PDS describes the application process and provides a checklist of key documents and information you will need to have with you before you commence the application.

As part of the application process Generation Life will create your online access for your LifeIncome. All ongoing communication with you regarding your LifeIncome will be electronic via email and through your online account.

At the completion of the application and once we have received and invested your application monies, you will receive an Investment Confirmation Statement that will contain important information about your LifeIncome.
This will include:

- Your Annualised First Year Income Amount.
- Your Guaranteed Annual Income Units.
- The amount of income payable for the remainder of the Financial year.
- Your regular income payment amount.
- Income payment frequency.
- The date of your first income payment.
- Your chosen LifeBooster rate.

Managing LifeIncome is simple

Once your LifeIncome has been established, you will be able to access your account via our Investor Online portal at secure.genlife.com.au. At all times you and your financial adviser will have access to the latest information on your investment, and be able to track your investment at any time. You can view your annual income amount, Income Units, your nominated beneficiaries and other investment information.

You will also be able to access online resources via our website, genlife.com.au, including forms to help manage your investment and initiate switching, change your nominated beneficiaries or remove your Reversionary Beneficiary.

Annual information

After the end of each Financial year we will issue you an Annual Statement, made available via your online account. Your statement will include your investment information, including payments made in the last year, annual income for the new Financial year, your regular income payment amount and frequency for the new Financial year, Income Units and 30 June unit price(s), your Estimated Death Benefit payable as at 30 June and other investment information.

You will also be issued with a Centrelink Schedule. If we have withheld tax from your income payments, we will issue you a PAYG payment summary.

Online information

You'll be able to view:

- Your annual income amount.
- Your Income Units.
- How much income is payable for the remainder of the Financial year.
- Your regular income payment amount.
- When your next payment is due.
- What your annual income is projected to be the next Financial year.
- Reversionary Beneficiary or nominated beneficiaries.

Transactions

Access forms and online resources via our website, genlife.com.au to:

- Change your details, including your bank account details, as well as update your nominated beneficiaries.
- Update your Adviser Representative details.
- Enable your Reversionary Beneficiary to transfer the LifeIncome into their name on your passing.
- Enable your nominated beneficiary(ies) to claim the Death Benefit on your passing.

Annual statements

After the end of each Financial year we will issue you an Annual Statement, including:

- Payments made in the last year.
- Annual income for the new Financial year.
- Regular income payment amount and frequency for the new Financial Year.
- Income Units and 30 June unit price(s).
- Estimated Death benefit payable as at 30 June.

Continuity checking

At least every six months, Generation Life may request evidence that you remain eligible to continue to receive regular payments i.e. evidence of existence. Should evidence not be received in a reasonable time, Generation Life reserves the right to suspend or discontinue regular payments.

When does LifeIncome end?

Your LifeIncome ends when you pass away or when you and your Reversionary Beneficiary pass away. Where regular payments are made after the date of the last death, Generation Life reserves the right to deduct overpayments from any Death Benefit payable and/or recover overpayments from the estate.

Investment managers

Access to a range of investment managers to meet your risk and return objectives

We give you access to a range of leading Australian and international investment managers and provide you with the flexibility to change and switch investment options. You can build your own portfolio by investing in single asset investment options or use one of the diversified investment options to suit your desired risk profile.

Our selected investment managers are experienced and well regarded with a proven track record of delivering superior long term performance. Generation Life regularly monitors and reviews its investment managers to ensure they continue to meet their stated objectives and our investment requirements. None of the investment managers listed below guarantees the payment of any income, the level of income or the return of your capital invested.

AllianceBernstein (AB) is a leading global investment management and research firm. It brings together a wide range of insights, expertise and innovations to advance the interests of its clients around the world.

As of 30 September 2021, AB managed A$1,032 billion in assets for clients, providing diversified investment management services encompassing equities, fixed income, multi-asset and alternatives.

Formed in 2008 by its four founding principals, Ardea is a boutique fixed income investment manager with a focus on delivering stable, risk-controlled returns to investors. With extensive capabilities across inflation linked and nominal bonds, as well as credit and cash markets, Ardea has a long and successful track record in managing fixed income portfolios from traditional, defensive products, inflation-linked bonds and benchmark unaware and objectives-based solutions. Across all of these strategies, the team seeks to identify and exploit inefficiencies to deliver excess returns over and above the relevant benchmark with comparatively low risk.

Bennelong Australian Equity Partners (BAEP) is a boutique fund manager focused on investing in Australian listed equities. The business was founded in 2008 by Mark East in partnership with Bennelong Funds Management and is an award-winning and highly rated fund manager. As Chief Investment Officer, Mark East is responsible for the funds BAEP manages on behalf of its retail and institutional clients.

About BlackRock

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, BlackRock helps millions of people build savings that serve them throughout their lives by making investing easier and more affordable. As of 30 June 2021, the firm managed approximately US$9.5 trillion in assets on behalf of investors worldwide.

About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 900+ exchange traded funds (ETFs) and US$3.0 trillion in assets under management as of 30 June 2021, iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm (based on US$9.5 trillion in assets under management as of 30 June 2021).

DFA Australia Limited (DFA Australia) is the Manager and Responsible Entity of the Dimensional Wholesale Trusts. DFA Australia is the Australian subsidiary of the US-based Dimensional Fund Advisors LP (Dimensional) which was founded in 1981. With clients around the world, Dimensional has 13 global offices and global assets under management of A$934 billion as at 31 December 2021. Dimensional manages assets for institutional investors and clients of registered financial advisors. For more than four decades, Dimensional has been combining rigorous academic research with practical experience to deliver real-world investment solutions. Using this approach, Dimensional seeks to deliver investment solutions that add value through careful design, implementation and execution.

Hyperion Asset Management Limited (Hyperion) was established in 1996 and manages approximately $13 billion for industry and public funds as well as for many private investors. Its mindset is centered on achieving attractive long term absolute positive real (inflation adjusted) returns on its clients' portfolios. Its investment philosophy and process aim to compound its clients' capital at rates of return that are not only positive in absolute (inflation adjusted) terms but also materially above the relevant passive benchmarks over long term horizons. Compounding returns on capital is core to how it invests and how it seeks to grow its clients' capital.

Magellan is a specialist funds management business based in Sydney that manages global equity, global listed infrastructure and Australian equities strategies for high net worth, retail and institutional investors. Magellan is a wholly owned subsidiary of the ASX listed Magellan Financial Group (ASX code: MFG).

Pendal Institutional Limited (Pendal) is an independent, global investment management business focused on delivering superior investment returns for its clients through active management. Pendal offers investors a range of Australian and international investment choices including shares, property securities, fixed income and cash strategies, as well as multi-asset and responsible investments. To complement its in-house expertise, Pendal also partners with leading global investment managers. Pendal is a wholly owned subsidiary of Pendal Group Limited. With $135.7 billion in funds under management (as at 31 December 2021), Pendal Group Limited is one of Australia's largest and most enduring pure investment managers (ASX: PDL).

PIMCO Australia Pty Limited (PIMCO) is a member of the PIMCO Group, one of the largest investment managers in the world. As the investment manager, PIMCO will make investment decisions in relation to the funds. PIMCO Group's history dates back to 1971 when it was established as a specialist fixed interest manager. The PIMCO Group has its head office in the USA with offices located in Hong Kong, Toronto, Munich, Sydney, Singapore, Tokyo, London, Milan, São Paulo, Taipei, Zurich, Bermuda, Chicago, Solana Beach, Dublin, Miami and Shanghai.

Schroders is one of the largest and most internationally diverse independent investment managers providing investment management, research and marketing services from offices located in 29 countries across Europe, the Americas, Asia and the Middle East. Schroders in Australia was established in 1961 and its domestic research and investment teams are an integral part of Schroders global network. As at 30 June 2021 Schroders managed over A$1.0 trillion on behalf of clients around the globe.

Stewart Investors is a semi-autonomous business and a sub-brand of First Sentier Investors. Headquartered in Edinburgh, with offices in London, Singapore and Sydney, they have a distinct culture and investment philosophy that has been in place for more than three decades, since the launch of their first investment strategy in 1988. At the heart of this philosophy is the principle of stewardship – careful, considered and responsible management of clients' funds in accordance with their Hippocratic Oath. Stewart Investors manage long-only equity strategies investing in Asia, Europe, Global Emerging Markets and Worldwide. They are pioneers of sustainable investing and launched the first of their explicit sustainability funds in 2005.

With more than A$11.6 trillion in assets under management as of 31 December 2021 including more than A$3 trillion in ETFs, Vanguard is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, retail clients and institutional investors for 25 years.

Investment options

Choosing the right investment options

One of the biggest challenges with investing is ensuring your investment strategy reflects your financial and retirement goals. It's important to thoroughly consider your investment goals and your risk tolerance. This is an important discussion you will need to have with your financial adviser to ensure that they are able to align your investment strategy with your financial and retirement goals. Diversifying your investments helps manage market volatility and risk across your investment portfolio. You can diversify your investment portfolio by:

- spreading your investment exposure across markets and regions
- investing in a range of asset classes, and/ or
- investing across a range of managers with different investment strategies.

You can learn more about the risks associated with investing on page 35.

Investment structure

All investment options invest in assets either directly or indirectly via underlying managed funds that invest in asset classes in accordance with the investment option's guidelines.

Changes to the investment options, managers and strategies

Generation Life may from time-to-time add or replace investment options, investment managers and change exposure weightings to them. Generation Life may also close an investment option or cease to accept new contributions (including by switching) into any of the investment options.

Affected investors will be notified of any material changes to the investment options as required by law. Updated information about our investment options, investment managers and investment strategies can be found on our website at www.genlife.com.au or by contacting us.

Investment option profiles

Depending on your retirement goals and the amount you wish to invest, you can choose a single investment option or multiple investment options.

Detailed on the following pages is a summary of the investment options offered by LifeIncome. For more details and any updated information about the investment options, visit our website or contact us.

You should discuss the investment option(s) appropriate to you with your financial adviser.

Index options

iShares Wholesale Australian Bond Index Fund – Unitised Fund No. 6

Sector

Indexed – Australian fixed interest

Investment manager

BlackRock Investment Management (Australia) Limited

Risk level

4 - Medium

Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the Bloomberg AusBond Composite 0 + Year Index[8].

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will look to closely match the index major risk and return factors through a methodology called stratified sampling.

Allocation guidelines

Australian fixed interest 100%

Suggested minimum length of investment

3 Years

iShares Wholesale Australian Equity Index Fund - Unitised Fund No. 2

Sector

Indexed – Australian shares

Investment manager

BlackRock Investment Management (Australia) Limited

Risk level

6 - High

Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the S&P/ASX 300 Total Return Index.

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

Australian shares 100%

Suggested minimum length of investment

5 Years

iShares Wholesale International Equity Index Fund – Unitised Fund No. 3

Sector

Indexed – international shares (unhedged)

Investment manager

BlackRock Investment Management (Australia) Limited

Risk level

6 - High

Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net TR Index (unhedged in AUD with net dividends reinvested).

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

International shares 100%

Suggested minimum length of investment

5 Years

iShares Hedged International Equity Index Fund – Unitised Fund No. 4

Sector

Indexed – international shares (hedged)

Investment manager

BlackRock Investment Management (Australia) Limited

Risk level

6 - High

Objective

Aims to provide investors with the performance of the market, before fees and tax, as measured by the MSCI World ex Australia Net TR Index (hedged in AUD with net dividends reinvested).

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

International shares 100%

Suggested minimum length of investment

5 Years

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iShares Wholesale Australian Listed Property Index Fund – Unitised Fund No. 5

Sector

Indexed – property

Investment manager

BlackRock Investment Management (Australia) Limited

Risk level

6 - High

Objective

Aims to match the performance of the S&P/ASX 300 A-REIT Total Return Index before fees and tax.

Investment approach

To closely track the risk characteristics of the index, while minimising transaction costs. Will hold all of the securities in the index (most of the time), allowing for individual security weightings to vary marginally from the index from time to time.

Allocation guidelines

Australian listed property 100%

Suggested minimum length of investment

5 Years

Diversified options

Dimensional World 30/70 Portfolio – Unitised Fund No. 14

Sector

Diversified - conservative

Investment manager

DFA Australia

Risk level

3 - Low to Medium

Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of domestic and global fixed interest securities,
equity securities of companies and real estate securities listed on approved developed and emerging markets.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.

Allocation guidelines

Fixed interest 60-80%

Australian shares 6-16%

International shares 10-26%

Property 0-6%

Suggested minimum length of investment

3 Years

Dimensional World 50/50 Portfolio – Unitised Fund No. 10

Sector

Diversified - balanced

Investment manager

DFA Australia

Risk level

5 – Medium to High

Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 50% exposure to equities and 50% exposure to fixed interest assets.

Allocation guidelines

Fixed interest 40-60%

Australian shares 8-28%

International shares 15-43.5%

Property 0-8.5%

Suggested minimum length of investment

4 Years

Dimensional World 70/30 Portfolio – Unitised Fund No. 11

Sector

Diversified - growth

Investment manager

DFA Australia

Risk level

6 - High

Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets, and domestic and global fixed interest securities.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity, real estate and fixed interest securities. The portfolio will seek to target approximately 70% exposure to equities and 30% exposure to fixed interest assets.

Allocation guidelines

Fixed interest 20-40%

Australian shares 15-35%

International shares 25-55%

Property 0-10%

Suggested minimum length of investment

5 Years

Schroder Real Return Fund – Unitised Fund No. 12

Sector

Diversified – dynamic allocation

Investment manager

Schroders

Risk level

5 – Medium to High

Objective

To achieve a return of CPI plus 4% to 5% p.a. (before fees and tax) over rolling 3-year periods while minimising the incidence and size of negative returns in doing so. CPI is defined as the Reserve Bank of Australia's Trimmed Mean, as published by the Australian Bureau of Statistics.

Investment approach

The manager's approach to inflation plus (or real return) investing is to choose the portfolio that has the highest probability of achieving the required return objective over the investment horizon with the least expected variability around this objective. The fund employs an objective based asset allocation framework in which both asset market risk premium, and consequently the asset allocation of the portfolio are constantly reviewed. The portfolio will reflect those assets that in combination are most closely aligned to the delivery of the objective.

Allocation guidelines

Investments are predominantly in traditional assets, with no leverage and strict limits on exposure to liquidity constrained alternatives which enhances the transparency and liquidity of the portfolios.

Assets are classified in three broad types of investments according to the likely returns and the risk:

- Growth assets, typically shares and property securities;
- Diversifying assets, typically higher yielding debt, objective based investments and alternatives; and
- Defensive assets, typically investment grade debt securities, cash and equivalent investments.

Growth assets 0-75%

Diversifying assets 0-75%

Defensive assets 0-100%

Suggested minimum length of investment

3 Years

Vanguard Conservative Portfolio – Unitised Fund No. 7

Sector

Diversified - conservative

Investment manager

Vanguard Investments

Risk level

3 – Low to Medium

Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio, before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Conservative Index strategy and is biased towards income assets. It is designed for investors with a low tolerance for risk. The fund targets a 70% allocation to income asset classes and a 30% allocation to growth asset classes.

Allocation guidelines

Cash 8-12%

Australian fixed interest 16-20%

International fixed interest 40-44%

Australian shares 10-14%

International shares 10-26%

Suggested minimum length of investment

3 Years

Vanguard Balanced Portfolio – Unitised Fund No. 8

Sector

Diversified - balanced

Investment manager

Vanguard Investments

Risk level

4 – Medium

Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Balanced Index strategy and is equally invested in income and growth assets. It is designed for investors with a medium tolerance for risk. The portfolio targets a 50% allocation to income asset classes and a 50% allocation to growth asset classes.

Allocation guidelines

Australian fixed interest 13-17%

International fixed interest 33-37%

Australian shares 18-22%

International shares 22-38%

Suggested minimum length of investment

5 Years

Vanguard Growth Portfolio – Unitised Fund No. 9

Sector

Diversified - growth

Investment manager

Vanguard Investments

Risk level

6 – High

Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 30% allocation to income asset classes and a 70% allocation to growth asset classes.

Allocation guidelines

Australian fixed interest 7-11%

International fixed interest 19-23%

Australian shares 26-30%

International shares 34-50%

Suggested minimum length of investment

7 Years

Vanguard High Growth Portfolio – Unitised Fund No. 13

Sector

Diversified – high growth

Investment manager

Vanguard Investments

Risk level

6 – High

Objective

Seeks to track the return of the various indices of the underlying funds in proportion to the strategic asset allocation for the portfolio before taking into account fees, expenses and tax.

Investment approach

The portfolio provides low-cost access to a range of Vanguard sector funds, offering broad diversification across multiple asset classes. It seeks to replicate the asset allocation of the Vanguard High Growth Index strategy and is biased towards growth assets. It is designed for investors with a high tolerance for risk. The portfolio targets a 10% allocation to income asset classes and a 90% allocation to growth asset classes.

Allocation guidelines

Australian fixed interest 1-5%

International fixed interest 5-9%

Australian shares 34-38%

International shares 46-62%

Suggested minimum length of investment

7 Years

Single sector - fixed interest

Ardea Real Outcome Fund – Unitised Fund No. 21

Sector

Fixed Interest - diversified

Investment manager

Ardea Investment Management Pty Ltd

Risk level

2 – Low

Objective

The fund targets a stable return in excess of inflation (before fees and tax) over the medium term.

Investment approach

The manager is a specialist 'relative value' fixed income investment manager. The manager's differentiated pure 'relative value' investing approach offers a compelling alternative to conventional fixed income investments because it is independent of the prevailing interest rate environment and how bond markets are performing. The manager believes the pure 'relative value' opportunity set is a proven reliable source of returns because it is driven by structural market inefficiencies that create new 'relative value' mispricing opportunities to profit from. The manager focuses on delivering consistent volatility-controlled returns in order to strictly limit performance volatility and prioritise capital preservation, irrespective of the market environment. The manager aims to fully hedge any foreign currency exposure back to the Australian dollar.

Allocation guidelines

Government bonds 90-100%

Derivatives 0 – 10%

Suggested minimum length of investment

2 Years

PIMCO Wholesale Global Bond Fund – Unitised Fund No. 1

Sector

Fixed interest – international

Investment manager

PIMCO Australia Pty Ltd

Risk level

2 – Low

Objective

Aims to achieve maximum total return by investing in global fixed interest securities, and to seek to preserve capital through prudent investment management.

Investment approach

In pursuing the fund's investment objective, the manager applies a wide range of diverse strategies including Duration analysis, Credit analysis, Relative Value analysis, Sector Allocation and Rotation and individual security selection. The manager's investment strategy emphasises active decision making with a long term focus and seeks to avoid extreme swings in Duration or maturity with a view to creating a steady stream of returns.

Allocation guidelines

Cash 0-100%

International fixed interest 0-100%

Suggested minimum length of investment

5 Years

Single sector - shares

AB Managed Volatility Equities Fund – Unitised Fund No. 16

Sector

Australian shares

Investment manager

AllianceBernstein

Risk level

6 – High

Objective

Aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees and before tax over the medium to long term.

Investment approach

The fund invests mainly in Australian Securities Exchange listed shares but may also invest in global developed market shares and cash.The fund implements a managed volatility equities strategy that aims to reduce volatility by identifying, and investing in, high quality listed equity securities that have reasonable valuations, high quality cash flows and relatively stable share prices. The manager does not always hedge the foreign currency exposures of the fund's global equity assets to Australian dollars but the manager has the discretion to determine the extent of hedging against any foreign currency exposure.

Derivatives may be used to manage risks (including foreign currency risk), invest cash, manage volatility and gain or reduce investment exposures. Derivatives will not be used for leveraging or gearing purposes.

Allocation guidelines

Cash 0-20%

Australian shares 60-100%

Global Shares 0-20%

Suggested minimum length of investment

5 Years

Bennelong Concentrated Australian Equities Fund – Unitised Fund No. 17

Sector

Australian shares

Investment manager

Bennelong Australian Equity Partners

Risk level

6 – High

Objective

Aims to grow the value of the investment over the long term via a combination of capital growth and income, by investing in a diversified portfolio of primarily Australian shares, providing a total return that exceeds the S&P/ASX 300 Accumulation Index by 4% per annum after investment fees and before tax (measured on a rolling three-year basis).

Investment approach

Investors are offered a portfolio that holds between 20 and 35 of the team's best high-conviction stock picks. The companies within the fund's portfolio are primarily selected from, but not limited to, the S&P/ASX 300 Index. The fund may invest in securities expected to be listed on the Australian Securities Exchange. Derivative instruments may be used to replicate underlying positions on a temporary basis.

Allocation guidelines

Cash 0–10%

Australian shares 90-100%

Suggested minimum length of investment

5 Years

Dimensional World Equity Portfolio – Unitised Fund No. 15

Sector

International Shares

Investment manager

DFA Australia

Risk level

6 – High

Objective

The portfolio aims to provide a total return, consisting of capital appreciation and income, by gaining exposure to a diversified portfolio of companies and real estate securities listed on approved developed and emerging markets.

Investment approach

The portfolio will gain its exposure by investing in strategies managed by Dimensional that invest in equity and real estate securities.

Allocation guidelines

Australian shares 26-46%

International shares – developed 40-60%

International shares – emerging 2-12%

International property securities 2-12%

Suggested minimum length of investment

5 Years

Hyperion Global Growth Companies Fund – Unitised Fund No. 18

Sector

International shares

Investment manager

Hyperion Asset Management Limited

Risk level

6 – High

Objective

The fund aims to achieve long term returns above the MSCI World Accumulation Index (AUD) (before fees and tax) and minimise the risk of permanent capital loss.

Investment approach

The fund invests primarily in the equity of companies listed on members of the World Federation of Exchanges or the Federation of European Securities Exchanges and will also have some exposure to cash. Typically, the fund is highly concentrated with 15-30 stocks. The manager's strategy uses rigorous and in-depth quantitative and qualitative analysis to establish a unique portfolio. The fund invests in growth-oriented companies which pass the manager's rigorous investment process.

Allocation guidelines

Cash & Cash equivalents 0-20%

International shares 80-100%

Suggested minimum length of investment

5 Years

Magellan Infrastructure Fund – Unitised Fund No. 20

Sector

Property - international infrastructure

Investment manager

Magellan Asset Management Limited

Risk level

6 – High

Objective

The primary objectives are to achieve attractive risk adjusted returns over the medium to long term, while reducing the risk of permanent capital loss.

Investment approach

Primarily invests in the securities of companies listed on stock exchanges around the world, but will also have some exposure to cash and cash equivalents. The manager can use foreign exchange contracts to facilitate settlement of stock purchases and to mitigate currency risk on specific investments within the portfolio. It is the manager's intention to substantially hedge the capital component of the foreign currency exposure of the portfolio arising from investments in overseas markets back to Australian Dollars.

Allocation guidelines

Cash 0-20%

Australian and international shares 80-100%

Suggested minimum length of investment

7 Years

Responsible investing

Dimensional Global Bond Sustainability Trust – Unitised Fund No. 23

Sector

ESG – international fixed interest

Investment manager

DFA Australia

Risk level

4 – Medium

Objective

The portfolio is managed to invest in a broadly diversified portfolio of eligible intermediate term domestic and global fixed interest and money market securities whilst also taking into account certain environmental, sustainability impact and social considerations.

Investment approach

Seeks exposure to a diversified portfolio of eligible intermediate term domestic global and fixed interest and money market securities.

Allocation guidelines

Fixed interest 100%

Suggested minimum length of investment

3 Years

Pendal Sustainable Balanced Fund – Unitised Fund No. 22

Sector

ESG - diversified growth

Investment manager

Pendal Institutional Limited

Risk level

6 – High

Objective

Aims to provide a return (before fees, and expenses) that exceeds the fund's benchmark over the medium to long term.

Investment approach

This fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international listed property securities, Australian and international fixed interest, cash and alternative investments. The fund may also use derivatives.

Sustainable and ethical investment practices are incorporated into the Australian and international shares, Australian and international fixed interest and part of the Alternative investments components of the fund. The manager actively seeks exposure to securities and industries that demonstrate leading environmental, social and corporate governance (ESG) and ethical practices while excluding companies not meeting the investable criteria.

Allocation guidelines

Cash 0-20%

Australian fixed interest 0-25%

International fixed interest 0-25%

Australian shares 20-40%

Australian property securities 0-10%

International property securities 0-10%

International shares 20-40%

Alternative Investment 0-20%

Suggested minimum length of investment

5 Years

Stewart Investors Wholesale Worldwide Sustainability Fund – Unitised Fund No. 24

Sector

ESG - international shares

Investment manager

Stewart Investors

Risk level

7 – Very High

Objective

To achieve long term capital growth by investing in a diversified portfolio of equity or equity-related securities that are listed, traded or dealt in on any of the Regulated Markets worldwide. The fund is not managed to a benchmark and may have exposure to developed markets or Emerging Markets whilst maintaining its geographical diversity. The fund invests in companies that are positioned to contribute to, and benefit from sustainable development. The fund aims to exceed the MSCI All Country World Index over rolling five-year periods before fees and taxes.

Investment approach

Stewart Investors take a bottom-up approach to investing in high quality companies that contribute to and benefit from sustainable development. Research focuses on each company's sustainability positioning and the quality of management, franchise and financials. Each company's contribution to sustainable development is fully integrated into the assessment process and must be core to the businesses model. Portfolio holdings tend to be firms that make products or provide services with a social or environmental purpose where success is aligned with sustainability. Environmental, social and governance risks and issues which are relevant to the company are integrated into the assessment of quality. A focus on capital preservation means that valuations must be reasonable, with a goal of achieving equity-like absolute returns appropriate for the level of risk over the long term.

Allocation guidelines

Cash 0-20%

International shares 80-100%

Suggested minimum length of investment

7 Years

Risks of purchasing LifeIncome

There are two categories of risk that need to be considered when purchasing LifeIncome – one is investment risk and the other is operational and legal risk.

Investment risk

Understanding investment risk is a key to developing a successful investment strategy. When considering your investment strategy, it is important to understand that:

- all investments are subject to risk
- your income may fall from one year to the next
- different investment strategies will carry different levels of risk depending on the assets that make up the strategy and the investment approach, and
- higher long term returns may also carry the higher level of short-term risk.

When formulating your investment strategy for LifeIncome, it is important to understand that:

- the value of your Income Units can increase and decrease
- returns are not guaranteed, and
- past returns do not determine future performance.

The appropriate level of risk for you to meet your investment objective will depend on a number of things, such as your comfort with the value of your Income Units changing from year to year and the volatility in returns during your investment term. It is highly unlikely that the value of your Income Units could fall to zero, given the nature of the investment options offered, but no absolute guarantee can be given on this. Based on the investment options, historically there has never been a market scenario that has seen any of these asset classes reduce to zero.

Generally, over the long term, the higher the level of risk, the higher the expected levels of return that may be achieved. Selecting the investments that best meet your investment risk tolerance and timeframe is important when considering the level of risk you are prepared to accept. Your financial adviser can help you understand investment risk and develop an investment strategy that meets your investment objectives.

Measuring risk levels

The risk level is represented by the Standard Risk Measure ('SRM'), which is based on industry guidance to allow you to compare investments that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM is not a complete assessment of all forms of investment risk and does not take into account the impact of fees on the likelihood of a negative return. You should ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or more

Specific risks of investing

Risk is often defined as the likelihood that an investment will fluctuate in value. Generally, the higher the potential return of an investment, the greater the risk of loss. It is important to understand that all investments involve varying degrees of risk.

There are many factors beyond the control of investors that may affect investment returns. The following is a summary of the main risks that can impact your investment. Returns from individual Investment Options may be affected by risks additional to those summarised below.

Market risk

Markets are affected by a host of factors, including economic and regulatory conditions, market sentiment, political events, and environmental and technology issues. These could have a negative effect on the returns of all investments in that market. This may affect investments differently at various times.

Interest rate risk

Changes in interest rates can have a negative impact, either directly or indirectly, on investment value or returns on all types of assets.

Inflation risk

Inflation risk is the loss of purchasing power. This is the risk that your investment returns do not grow enough above inflation, meaning that your money will effectively be worth less than when you started.

Timing risk

This is the risk of selling an investment at the wrong time. Selling an investment when prices are low might mean that you lose money. Timing risk can also relate to trying to predict future prices in making investment decisions. This can be more significant when switching investment options.

Currency risk

If an investment is held in international assets, a rise in the Australian Dollar relative to other currencies may negatively impact investment values or returns.

Investment manager risk

This is the risk that the underlying investment managers and investment options may not perform as expected. Generation Life regularly reviews the performance of underlying investment managers, as well as conducts extensive research on new investment options that may be made available.

Liquidity risk

Liquidity risk is the risk that an investment may not be easily converted into cash with little, or no loss of capital and minimum delay because of either inadequate market depth or disruptions in the marketplace.

Mortality risk

Mortality risk is the risk that policyholders collectively live longer than the assumed life expectancy and that the Lifetime Income Protection Provision increases, which may discount future growth in annual income. The risk is limited by the cap on the Provision of 0.94%.

Asset risk

Investment assets classes carry market risk. Specific risks for the main asset classes are as follows:

Shares

Shares carry the risk of falling in value, of not meeting expected dividends and other income payments or not delivering expected dividend franking credits. Shares carry the risk of individual companies faltering due to increased competition, poor management, internal operational failures or adverse market sentiment. International share investments may also carry currency risk.

Property

The major risks for property investment are a fall in property values and/or if rentals default or decline. Property investments, particularly if directly held, can also be subject to liquidity risk. Individual property investments face the risk of loss of tenants, local supply and demand factors, and construction, financing and tenancy risks for new developments.

Fixed interest and mortgages

Investing in fixed interest securities or mortgages is in essence lending money to government or business at a rate of interest for a specified length of time. The major risk affecting fixed interest securities and mortgages is credit risk, where the issuer of a fixed interest security or borrower may default on the repayment of principal and/or interest. For fixed interest securities, there is also interest rate risk of investments losing value when market interest rates rise. For floating rate securities and mortgages, returns may fall when interest rates fall.

Cash

Cash investments generally include bank deposits, term deposits, very short-term fixed interest securities and other similar investments. Cash investments are the most secure, stable and predictable of the asset classes, as the underlying investments are either very short-term in nature or subject to variable interest rates, making them less susceptible to capital movement when interest rates change. Cash is a very low risk investment, but also provides relatively low returns in the long term compared to the other asset classes.

Operational and legal risks

Operational risk

This is the risk that, if Generation Life doesn't properly discharge its duties in the management of LifeIncome (i.e. the operation and administration of the investment options), this may result in a reduction in the value of your investment. Generation Life manages this risk through the implementation of corporate governance, risk management and compliance frameworks designed to mitigate operational risk. In addition, Generation Life is supervised by APRA and is required to provide regular reporting and meet APRA's prudential standards requirements.

Regulatory risk

Government laws and policies, including superannuation, tax and social security laws have an impact on your investment in LifeIncome. If these laws and policies change in the future, your personal circumstances may be impacted. In the event of these types of changes, the terms and conditions of your investment may need to be changed.

In such circumstances, Generation Life may be required to change the terms and conditions of LifeIncome and this may be more or less favourable to your situation. You would be notified of any material change that Generation Life was required to make to comply with these changes. Generation Life may also need to consider directives made by a relevant government authority.

Changes in domestic and foreign investment and tax laws may adversely affect your investment returns.

Withdrawal risk

If you withdraw your money in the first six months, you may receive less than your initial investment. This is because LifeIncome is investment-linked and unit prices may fall after you invest. This risk also applies in the event you pass away.

Counterparty risk

Counterparty risk is the risk that Generation Life does not meet its contractual commitments to you.

Generation Life is a registered life insurer and is regulated by APRA in accordance with the Life Act. Generation Life must comply with minimum prescribed capital and solvency requirements to ensure that it meets its obligations to investors. APRA actively monitors compliance with these requirements and other requirements of the Life Act.

It should be noted that, whilst financial institutions may be APRA regulated, this does not provide a financial guarantee.

Fees, expenses and costs

The table below provides a summary of Generation Life's fees, expenses and costs associated with LifeIncome. A more detailed breakdown of these fees, expenses and costs is outlined on page 40.

Type of fee or cost	Amount	How and when the fee is paid
Management and administration fee which includes intellectual property licence fees we pay to third parties.	A total of 0.75% p.a.	Calculated daily based on the net asset value of each investment option. This is reflected in the unit prices and is payable monthly in arrears.
Investment management fees and costs.	The fees and costs incurred range from 0.10% p.a. to 1.05% p.a. The estimated cost for each specific investment option is shown in the table below.	These costs are either deducted by the underlying investment manager at their respective underlying fund level or deducted by us from the value of the investment option and incorporated into the unit price for the investment option. The underlying investment managers may recover a range of expenses and costs both of a normal and abnormal nature under their fund constitutions.
Transaction and operational costs.	The transaction and operational costs that are incurred vary depending on the investment option and range between 0.17% to 0.60% p.a. The estimated costs for each specific investment option are shown in the table below on page 42.	These costs are paid directly from the investment option or indirectly from the underlying fund, usually at the time of the transaction and incorporated into the unit price for the investment option.

FUND NAME	MANAGEMENT AND ADMINISTRATION FEE (p.a.)	INVESTMENT MANAGEMENT FEES AND COSTS[9] (p.a.)	TOTAL ESTIMATED MANAGEMENT COSTS (p.a.)
AB Managed Volatility Equities Fund	0.75%	0.55%	1.30%
Ardea Real Outcome Fund	0.75%	0.50%	1.25%
Bennelong Concentrated Australian Equities Fund	0.75%	0.89%	1.64%
Dimensional Global Bond Sustainability Trust	0.75%	0.35%	1.10%
Dimensional World 30/70 Portfolio	0.75%	0.37%	1.12%
Dimensional World 50/50 Portfolio	0.75%	0.397%	1.147%
Dimensional World 70/30 Portfolio	0.75%	0.408%	1.158%
Dimensional World Equity Portfolio	0.75%	0.42%	1.17%
Hyperion Global Growth Companies Fund	0.75%	0.70%	1.45%
iShares Hedged International Equity Index Fund	0.75%	0.10%	0.85%
iShares Wholesale Australian Bond Index Fund	0.75%	0.10%	0.85%
iShares Wholesale Australian Equity Index Fund	0.75%	0.10%	0.85%
iShares Wholesale Australian Listed Property Index Fund	0.75%	0.10%	0.85%
iShares Wholesale International Equity Index Fund	0.75%	0.10%	0.85%
Magellan Infrastructure Fund	0.75%	1.05%	1.80%
Pendal Sustainable Balanced Fund	0.75%	0.80%	1.55%
PIMCO Wholesale Global Bond Fund	0.75%	0.53%	1.28%
Schroder Real Return Fund	0.75%	0.60%	1.35%
Stewart Investors Worldwide Sustainability Fund	0.75%	0.615%	1.365%
Vanguard Balanced Portfolio	0.75%	0.27%	1.02%
Vanguard Conservative Portfolio	0.75%	0.27%	1.02%
Vanguard Growth Portfolio	0.75%	0.27%	1.02%
Vanguard High Growth Portfolio	0.75%	0.27%	1.02%

9. Investment management fees and costs include investment manager's fees and their estimated investment expense recoveries and other costs as a percentage of the total average assets of the investment option based on the latest information available, but excludes indirect and operational costs (see page 40).

The impact of fees and costs on your income

The fees and costs of LifeIncome impact the annual income that you receive. Your first year's income has no fees and costs.

Let's assume that you invest in the Vanguard Growth Portfolio. If your income for a Financial year, determined after the Annual Income Reset, is $5,250, the impact of fees and costs on your income would be as follows:

Management and Administration fee	$39.38
Investment Management fee	$14.18
Transaction and operational costs	$10.50
Total	**$64.06**

Additional explanation of fees, expenses and costs

Management costs

Generation Life's management and administration fee includes intellectual property licence fees we pay to third parties, costs incurred in financing our corporate operations, unit pricing and the administration of policies, reserves and death benefits, operating the investment options and our marketing and distribution costs.

The management and administration fee is deducted directly from the investment option before unit prices are declared and not from your investment directly. It does not include fees or costs deducted from your investment (such as adviser service fees), buy/sell spreads and other indirect transactional and operational costs recoveries (refer to page 41).

The investment management fees and costs are the estimated investment fees and costs charged by the investment managers or incurred in managing the investment assets for an investment option.

These fees and costs are either deducted by the underlying investment manager at their respective underlying fund level or incurred directly by the investment option. These fees and costs are incorporated into the unit price for the investment option. Any other costs charged or incurred by the investment managers are included in the total investment fees and costs.

The investment management fees and costs for each investment option is shown in the table on the previous page.

Performance fees

For some investment options, the investment management fees may include performance fees payable to or incurred by them. These fees are earned if the investment manager's performance exceeds their specified benchmark or hurdle return rates.

Performance fees (where applicable) are included in the value of the portfolio of the investment option and the amount of any performance fee payable will vary depending on the performance of the investment manager over its performance period. It is therefore not possible to predict or estimate the future performance fee that may be incurred (if any).

The following funds may include performance fees:

Investment option	Performance fee costs (p.a.)[10]
Bennelong Concentrated Australian Equities Fund	0.42%
Hyperion Global Growth Companies Fund	2.63%
Magellan Infrastructure Fund	0.08%

10. Performance fee costs are generally based on the average of actual performance fee costs of the investment manager for the respective investment strategy incurred over the previous 5 financial years (or less if the underlying investment strategy has been in operation by the investment manager for a shorter period) based on the latest information available. However, the actual performance fee payable (if any) will depend on the performance of the investment option and the performance fee estimate provided is not an indicator of future performance fees of the investment option.

Transaction and operational costs

Each investment option may incur transaction and operational costs in the course of the administration, management and investment of each investment option, which can be paid directly from the investment options or reimbursed to us. These transaction and operational costs include brokerage, trading, settlement and clearing costs and duty, when the underlying investments are bought and sold, bank fees, insurance expense and auditor's and actuaries' fees.

These costs and expenses are variable between our different investment options. They are not charged directly to you or against your policy, however they are reflected in the unit prices of the investment options. These costs vary depending on the investment option and currently range between 0.17% p.a. and 0.60% p.a. We pay them directly to external parties (including by apportionment across investment options) or Generation Life is reimbursed if we have paid expenses on behalf of investment options. A substantiation basis applies under the Product Rules to restrict such costs and expense recoveries to those properly incurred in operating the investment options.

For most investment options, there is a difference between the unit price used to issue and redeem units and the value of the investment option's assets. This difference is commonly called the buy/sell spread.

When you invest, switch or withdraw your investment in an investment option, Generation Life uses the buy/sell spread to pay for the transaction costs incurred as a result of the transaction. Generation Life uses the buy/sell spread to allocate transaction costs to the transacting investor rather than other investors in the investment option.

An investment option's buy/sell spread reflects the estimated transaction costs the investment option will incur as a result of an individual investor's transactions. The estimated buy/sell spread that applies to each investment option is shown in the table on page 42.

The buy/sell spread is an additional cost included in the unit price of each investment option. The actual buy/sell spread is subject to change from time to time depending on changes to the composition of the investment option's assets. The buy/sell spreads can be altered without prior notice to you.

FUND NAME	ESTIMATED TRANSACTION & OPERATIONAL COSTS (P.A)	TRANSACTION COSTS (BUY/SELL SPREAD)
AB Managed Volatility Equities Fund	0.26% to 0.31%	0.25%/0.25%
Ardea Real Outcome Fund	0.18% to 0.23%	0.05%/0.05%
Bennelong Concentrated Australian Equities Fund	0.20% to 0.25%	0.20%/0.20%
Dimensional Global Bond Sustainability Trust	0.17% to 0.22%	0.10%/0.10%
Dimensional World 30/70 Portfolio	0.17% to 0.22%	0.08%/0.08%
Dimensional World 50/50 Portfolio	0.17% to 0.22%	0.08%/0.08%
Dimensional World 70/30 Portfolio	0.17% to 0.22%	0.10%/0.10%
Dimensional World Equity Portfolio	0.17% to 0.22%	0.12%/0.12%
Hyperion Global Growth Companies Fund	0.19% to 0.24%	0.30%/0.30%
iShares Hedged International Equity Index Fund	0.18% to 0.23%	0.10%/0.10%
iShares Wholesale Australian Bond Index Fund	0.17% to 0.22%	0.05%/0.05%
iShares Wholesale Australian Equity Index Fund	0.17% to 0.22%	0.08%/0.08%
iShares Wholesale Australian Listed Property Index Fund	0.19% to 0.24%	0.08%/0.08%
iShares Wholesale International Equity Index Fund	0.17% to 0.22%	0.08%/0.08%
Magellan Infrastructure Fund	0.17% to 0.26%	0.15%/0.15%
Pendal Sustainable Balanced Fund	0.39% to 0.44%	014%/0.14%
PIMCO Wholesale Global Bond Fund	0.55% to 0.60%	0.00%/0.10%
Schroder Real Return Fund	0.26% to 0.31%	0.20%/0.20%
Stewart Investors Worldwide Sustainability Fund	0.33% to 0.38%	0.15%/0.15%
Vanguard Balanced Portfolio	0.22% to 0.27%	0.10%/0.10%
Vanguard Conservative Portfolio	0.22% to 0.27%	0.10%/0.10%
Vanguard Growth Portfolio	0.20% to 0.25%	0.09%/0.09%
Vanguard High Growth Portfolio	0.19% to 0.24%	0.08%/0.08%

Increases or alterations to the fees

Changes to Generation Life fees

Generation Life may vary the fees within the limits prescribed in LifeIncome's Product Rules (refer to page 53). If the variation is an increase in a fee or charge, you will be given at least three (3) months prior written notice. The Product Rules provide for the following maximum fees to be paid (fees are inclusive of the net effect of GST):

- a maximum management and administration fee charged to an investment option of 5% p.a.

This maximum can only be changed with investor approval.

Changes to underlying fund manager fees and costs

Changes to the fees and costs associated with the underling fund managers may change without notice.

Other taxes and stamp duty

All fees, charges and financial adviser remuneration shown are inclusive of GST (where applicable) and less any reduced inputs tax credits (for GST purposes) available, except where otherwise indicated. Your initial investment in, or regular payments from, your LifeIncome do not create a GST liability for you. Generation Life may incur expenses which may attract a GST liability.

Stamp duty may be payable in some Australian States and Territories based on the investment amount for the establishment of the LifeIncome policy. It is not payable on regular income payments. During the currency of this PDS, Generation Life will pay any such stamp duty payable.

What can be paid to your financial adviser?

You can agree with your financial adviser to pay an optional adviser fee (either an initial advice fee or an ongoing advice fee) from your investment or income for advice services received relating to your investment. All fees paid to your financial adviser (or your financial adviser's licensee) are negotiable between you and your financial adviser. You can change the fees or set up a new arrangement at any time, however we recommend speaking to your financial adviser before making changes to the fees on your account as this may mean the services and advice they provide to you will change. Where financial adviser fees are deducted from your LifeIncome, they must be consented to by you in writing. The amounts you specify will be GST inclusive. Fees payable for advice and services provided to you are an additional cost to you. There are no maximum amounts, however Generation Life may refuse to deduct the adviser service fee if required by law.

Initial advice fee

You can agree with your financial adviser to pay an initial advice fee for the advice and services your financial adviser provides.

An initial advice fee will be deducted from your investment before your LifeIncome commences and paid directly to your financial adviser.

The initial advice fee can be charged as a set dollar amount.

You can nominate any fee agreed between you and your financial adviser in the online Application Form. An initial advice fee will reduce the amount of your Income Units.

Example

If you invest $100,000 in LifeIncome and you agree to pay an initial advice fee of $1,000, your Annualised First Year Income and Income Units will be calculated using your investment amount less the initial advice fee i.e., $99,000.

Adviser service fee

You can also agree with your financial adviser to have an adviser service fee for ongoing advice and services received relating to your LifeIncome, paid directly from your regular income payments.

The adviser service fee can be charged as:

- a percentage of your regular income payment's value, or
- a set dollar amount.

You can nominate any fee agreed between you and your financial adviser in the online Application Form. The adviser service fee can be varied by you at any time by notifying Generation Life or your financial adviser. The adviser service fee will only be paid where regular income payments are sufficient to cover the fee.

Example

If you receive after-tax monthly regular income payments of $500 this Financial year and you agreed to pay an ongoing adviser service fee of 5%, Generation Life will deduct $25 from your income. Your financial adviser will receive the $25 and you will receive $475 for the remainder of the Financial year. Once your annual and regular income payments are adjusted for the new Financial year, the amount deducted will reflect 5% of your new income.

Your written consent to deduct fees from your account

Where required by law, your consent to any ongoing adviser service fees must be renewed annually through your financial adviser. Where you do not consent to these fees, your adviser cannot arrange for them to be deducted. If you were previously paying an ongoing adviser service fee and do not renew your consent, your financial adviser must notify us to stop charging these fees within five (5) days.

Alternative remuneration

Subject to the law, Generation Life may provide remuneration to financial advisers by paying them additional amounts and/or non-monetary benefits. If these amounts or benefits are provided, they are payable out of the fees Generation Life receives and are not an additional cost to you.

Differential fee arrangements

Generation Life may, at its discretion, enter into arrangements or individually negotiate its fees with certain investors (or financial advisers acting on their behalf), including ‘sophisticated’ and ‘professional’ investors (within the meaning of the Corporations Act 2001 (‘Corporations Act’), with its employees (and those of our related entities) or with large investors or other investors as permitted by law. If we do this, lesser fees can be charged or fees can be rebated or waived in full or part.

Tax and social security

Tax in general

The tax information contained in this PDS sets out our general understanding of relevant and current tax laws at the date of this PDS. Those tax laws and their interpretation could change in the future. The tax information contained in this PDS generally applies to individual investors that are Australian tax residents and you should seek your own tax advice. If you are a non-resident investor or a temporary visa holder, you should also seek your own tax advice.

When you invest in LifeIncome

When you commence LifeIncome with non-superannuation money there is no tax deducted by Generation Life from your initial investment.

There is generally no tax deducted on superannuation benefits that are rolled over from a taxed source within the superannuation system to invest in LifeIncome. However, if you roll over a superannuation benefit which contains an untaxed element of the taxable component (which can occur with benefits paid from unfunded schemes, such as public sector superannuation funds), tax is deducted at a maximum rate of 15% by Generation Life and remitted to the ATO. The investment in LifeIncome bought with a rollover of a superannuation benefit which contains an untaxed element is net of the tax on the rollover.

How regular income payments are taxed

Superannuation money

If you invested in LifeIncome with money rolled over within the superannuation system and you are aged 60 and over, your regular payments are tax-free.

If you invested in LifeIncome with superannuation money and you are under 60 years old your regular income payments may comprise tax-free and taxable components. Pay as you go ('PAYG') withholding tax may be withheld on the taxable amount. You may be entitled to a 15% tax offset. Generation Life will apply this automatically to reduce the amount of tax it withholds from your income payments, where applicable. At the end of the Financial year, Generation Life will send you a PAYG payment summary for you to complete your income tax return.

Where you have nominated a Reversionary Beneficiary who starts to receive income after you pass away, the tax withheld may change.

If you pass away aged 60 or over, the income payments to your Reversionary Beneficiary will be tax-free. Otherwise, the income payments will maintain the same tax-free taxable components as the original income stream to you, but any PAYG withholding tax will be dependent on the age of the Reversionary Beneficiary.

Non-superannuation money

If you invested in LifeIncome with non-superannuation money, part of your regular payments may be included in your assessable income and subject to PAYG withholding tax. The assessable amount is reduced by a 'deductible amount'.

The deductible amount will be the amount of each regular payment that is considered, for tax purposes, to represent a proportionate return of your initial investment.

The following formula can be used to calculate your annual deductible amount at commencement of your LifeIncome:

$$\textit{Deductible amount} = \frac{\textit{Initial investment}}{\textit{Life Expectancy}}$$

Where you have selected the Reversionary Beneficiary option, the longer life expectancy of you and your Reversionary is used to calculate the deductible amount.

Like an employer, Generation Life may be required to withhold an amount from the payments it makes to you and remit that amount to the ATO. Note that PAYG withholding tax is not a final tax, and a greater or lesser amount of tax may apply on later assessment of your annual income tax return.

When your Reversionary Beneficiary starts to receive income, after you pass away, normal PAYG withholding tax applies to the taxable portion of the regular payments for the Reversionary Beneficiary. The deductible amount is not recalculated.

At the end of the Financial year, Generation Life will send you a PAYG payment summary for you to complete your income tax return.

Providing your tax file number to us

By completing a tax file number ('TFN') declaration, any PAYG withholding tax that is required to be deducted from your regular income payments may be reduced. The TFN declaration also allows you to apply for a tax-free threshold. You should consult your financial adviser or tax adviser to ascertain whether you are eligible to claim the tax-free threshold.

Failing to quote your TFN is not an offence however, when commencing LifeIncome with superannuation money, it facilitates the transfer of money from another superannuation fund.

When commencing LifeIncome with non-superannuation money it is also not an offence not to quote your TFN, but if you choose not to, Generation Life may be required to deduct tax at the highest marginal rate (along with applicable levies and charges).

Generation Life will use your TFN for legal purposes only. This includes providing information to the ATO so that your tax can be properly assessed. The collection of TFNs is authorised by tax and privacy laws.

Superannuation transfer balance cap

An individual is subject to a lifelong cap on the amount of money they can transfer from the accumulation phase of superannuation to the tax-free 'retirement phase', where you start to receive an income stream. The general transfer balance cap is set at $1.7 million for the 2021-22 Financial year. Individuals who start their first retirement phase income stream on or after 1 July 2021 will have a personal transfer balance cap of $1.7 million. However, an individual will have their own transfer balance cap, and it may be less than $1.7 million depending on their circumstances.

When you commence LifeIncome with your superannuation money, Generation Life is required to report your investment amount to the ATO, which will be recorded in your transfer balance account and count towards your transfer balance cap. An individual's transfer balance account and cap is tracked by the ATO; it is not the responsibility of Generation Life to monitor an individual's cap.

If your spouse starts to receive a Death Benefit income stream as the Reversionary Beneficiary, Generation Life will report an amount to the ATO that will count towards their transfer balance cap 12 months from when they started to receive the income and will notify your spouse of the amount reported to the ATO.

If you exceed your transfer balance cap, the ATO may send us a Commutation Authority instructing us to remove money from LifeIncome (make a commutation). Generation Life will contact you, and your financial adviser, if this happens. However, if we are unable to contact you, Generation Life may have to act by redeeming part or all your LifeIncome. This may reduce the amount of your Income Units. If you are still within a cooling-off period, Generation Life may refund your LifeIncome under those provisions.

For further information on your own transfer balance cap, and what action you can take if you exceed your transfer balance cap, please refer to ATO online, the ATO website (ato.gov.au) or speak to your financial adviser or tax adviser.

Seniors and Pensioners Tax Offset

If you invest in LifeIncome, you might be eligible to claim the Seniors and Pensioners Tax Offset ('SAPTO'). The amount of your SAPTO will depend on your personal circumstances. If you are eligible and wish for Generation Life to reduce any PAYG tax we withhold on your regular payments, please complete the TFN declaration when you apply and then send us a Withholding Declaration.

Social security

LifeIncome is defined as an 'asset-tested income stream (lifetime)' product for social security purposes. Centrelink and the Department of Veterans' Affairs entitlements are determined using two 'means' tests: an assets test and an income test.

Under the assets test, only 60% of your investment amount is assessed. From age 84, or after a minimum of five years from date of commencement, whichever is the later, only 30% is assessed.

Only 60% of your LifeIncome annual income is assessed under the income test.

A statement will be provided to you when you commence LifeIncome and at the start of each Financial year when your annual income is reset so that you can submit this to Centrelink or the Department of Veterans' Affairs. You can request a statement from us at any time.

All social security assessment decisions regarding individuals who commence LifeIncome will be made by Centrelink or the Department of Veterans' Affairs officers based on social security law and the circumstances of the individual at the time of claim. Centrelink is part of Services Australia.

Changes in residency

If you change from being a non-resident to an Australian tax resident or vice versa, it is important that you notify Generation Life immediately.

Our reporting obligations

We are required to identify tax residents of countries other than Australia to meet account information reporting requirements under Australian and international laws.

If at any time after investing, information in our possession suggests that you may be a tax resident of a country other than Australia, you may be contacted to provide further information on your foreign tax status. Failure to respond may lead to certain reporting requirements applying to your investment.

By completing the online Application Form, you certify that if at any time there is a change to your foreign tax status details, you will inform Generation Life.

Additional information

Using a financial adviser

You will require a financial adviser to open a LifeIncome policy. You can cancel or change that nomination at any time. The instruction will take up to 10 Melbourne business days to be processed. If you cancel your nomination, you will not be able to have an Adviser Representative appointed.

You may want to speak to a registered financial adviser to help you with investing generally. You can appoint a financial adviser as your Nominated Financial Adviser to assist you with managing your investment. You can agree to pay your Nominated Financial Adviser's AFS Licensee fee as described in the 'What can be paid to your financial adviser?' section on page 43.

Your personal information and information about your investment, including copies of communications sent to you by us, will be provided to your Nominated Financial Adviser, including their officers and staff. Generation Life may provide this information either directly or through third party service providers. Your Nominated Financial Adviser is automatically appointed as your Adviser Representative (unless you instruct us otherwise). Your Adviser Representative is able to act on your behalf and provide certain instructions to us on your behalf. Officers or staff of your Nominated Financial Adviser are also authorised to give instructions in relation to your investment and they are bound by the same terms and conditions as your Adviser Representative.

Your Adviser Representative can generally do a range of things, including make investment switching requests and have access to your investment details. Your Adviser Representative cannot, however, make a withdrawal, change your contact details and banking arrangements, or change or add beneficiaries unless expressly authorised by you. Your Adviser Representative cannot appoint another representative.

As your Adviser Representative can access your information and they will have authority to act on your behalf on matters concerning your investment, it is important that you are comfortable with your Nominated Financial Adviser handling your investment. If you have any doubts about this, you should select the opt-out option in the Adviser Representative appointment section in the online Application Form.

You are responsible for anything that your Adviser Representative does on your behalf. If someone we reasonably believe to be your Adviser Representative, their officers or staff acts on your behalf, Generation Life will treat the request as if you had personally acted.

Generation Life has discretion to terminate the Adviser Representative facility or not act on an instruction or request received from an Adviser Representative where it suspects the Adviser Representative is acting illegally or without authorisation. Generation Life is not responsible for the actions of your Adviser Representative or for the actions of their officers or staff. The registration of a Nominated Financial Adviser to act as an Adviser Representative is not to be taken as an endorsement of them by Generation Life.

If you do not opt-out from appointing your financial adviser as your Adviser Representative, you release Generation Life from any claims and indemnify it against all losses and liabilities arising from any payment or action made based on instructions received from your Adviser Representative, or their officers or staff, that are reasonably believed to be genuine. You also agree that neither you, nor anyone claiming through you, has any claim against Generation Life in relation to these payments or actions. If you have more than one Generation Life investment, and you would like to appoint an Adviser Representative, please provide an instruction for each investment.

In exceptional circumstances, Generation Life may exercise its discretion to allow LifeIncome to be acquired directly without a financial adviser.

LifeIncome owner

LifeIncome is a life insurance policy and the policy owner of LifeIncome (you) is the life insured. The life insured must be a natural person. LifeIncome can only be commenced by an individual. The policy owner has full ownership and switching rights. The policy owner can choose to nominate a spouse as a Reversionary Beneficiary who becomes the policy owner in the event of the original policy owner's death.

If you nominate a Reversionary Beneficiary (your spouse) to receive regular payments on your death, the Reversionary Beneficiary (unless removed or ineligible) becomes the succeeding policy owner and life insured of LifeIncome and has full ownership and switching rights and the right to nominate beneficiaries.

Investment term

Your LifeIncome, as a lifetime annuity, has an investment term for the rest of your life (and your spouse's life if nominated as a Reversionary Beneficiary). A full withdrawal is possible in the first six months under the extended cooling-off period, but after that there is no voluntary withdrawal option provided. A lump sum Death Benefit will be paid to the nominated beneficiaries or the estate if the policy owner passes away within the Death Benefit Period, if there is no Reversionary Beneficiary. If there is a Reversionary Beneficiary and they pass away within the Death Benefit Period, a lump sum payment will be paid to their nominated beneficiaries or their estate.

Conditions of release

If you are commencing a LifeIncome with superannuation money you must roll over from your existing superannuation fund. LifeIncome cannot accept contributions from any other source. You also need to have met a condition of release.

The main conditions of release include:

- reaching your preservation age and permanently retiring
- ceasing an employment arrangement on or after age 60
- reaching age 65
- terminal illness; or
- permanent incapacity.

What is my preservation age?

If you were born:	Your preservation age is:
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 or after	60

Complaints resolution

You should notify Generation Life in writing if you have a complaint. Generation Life will acknowledge receipt of your complaint, aim to resolve it within 30 days and will write to you to explain the decision and any further avenues of recourse.

Generation Life is a member of the Australian Financial Complaints Authority ('AFCA'), an independent body established to resolve complaints in the financial services industry. If your complaint has not been resolved within a reasonable time or you are not satisfied with the determination of your complaint, you can refer the matter to AFCA for resolution. Contact details for AFCA are:

Australian Financial Complaints Authority
GPO Box 3 Melbourne, Victoria 3001
www.afca.org.au
Telephone 1800 931 678

Processing your instructions

Where a valid application (a completed application and cleared funds received), switch or withdrawal request is received on or prior to 12:00 pm (Melbourne time) on a Melbourne business day, your request will generally be processed using the unit price applying to the close of business that day. Should the request be received after 12.00pm (Melbourne time) your request will be processed using the unit price applying to the following Melbourne business day. Please note a withdrawal is either a cooling-off request or the payment of a Death Benefit.

Transaction processing for all investment options may generally take up to seven (7) Melbourne business days to be finalised and will be dependent on obtaining up-to-date valuations for the underlying investments of the investment option in your portfolio at the time of any of switch or withdrawal.

If any required documentation doesn't accompany your application monies (including required customer identification documents), Generation Life may either refuse or delay your application for up to 30 days, after which the application monies will be returned to you.

What information is required on the death of a policy owner?

Death Benefit claims can be made by contacting Generation Life.

To calculate a Death Benefit Generation Life will require satisfactory evidence that you have passed away.

If you have nominated a Reversionary Beneficiary and they survive you, your Reversionary Beneficiary will need to provide evidence that they are still your spouse at the time of your death.

If you commenced your policy with superannuation money, and you have nominated beneficiaries, your beneficiaries will need to provide evidence that they are still your eligible beneficiaries at the time of your death.

Your representative(s) will be required to produce various documents to support the claim which will be confirmed at the time of the claim. Death Benefit payments will generally be made within 30 business days of the Death Benefit claim requirements being met.

Suspension of applications, switches and withdrawals

In certain situations impacting:

- the effective and efficient operation of a market for an asset held directly or indirectly by an investment option, or
- in circumstances where Generation Life otherwise considers it to be in investors' interests.

Generation Life may suspend processing all switches and withdrawals for that investment option. This may include (but may not be limited to) situations where:

- Generation Life cannot properly ascertain the value of an asset held by the investment option
- an event occurs outside of our control that results in Generation Life not being able to calculate unit prices or reasonably acquire or dispose of assets held by the investment option
- an underlying fund or manager suspends applications, withdrawals and/or unit pricing
- the transaction would be prejudicial to the interest of other investors, or
- the law otherwise permits a delay or restriction on processing applications or withdrawals

There may be delays or deferrals in processing any withdrawal or investment switch as a result of processing delays or deferrals imposed by the underlying investment managers in respect of their respective investment options.

Where this is the case, Generation Life may delay the processing of a withdrawal or investment switch until 14 Melbourne business days after the underlying investment manager has processed the instructions or until Generation Life has received all relevant financial information from the underlying investment manager.

Notwithstanding, we may further delay such processing of transactions for up to three calendar months, where to do so, would in our opinion, be prejudicial to the financial interests of policy holders.

Generation Life may also choose to delay the processing of switches or withdrawals until it has received the tax components for any distributions paid by the investment managers of the underlying funds during any given Financial year.

Withdrawals or switching requests received during the suspension will be processed using the entry and/or exit price applicable when the suspension is lifted.

Family Law considerations

Family Law legislation may affect a LifeIncome that is commenced with superannuation money, should a policy owner separate from their spouse. By operation of law, Generation Life will be required to provide information to a spouse about the LifeIncome policy without reference to the policy owner.

Given that it is not possible to withdraw from LifeIncome from six months after investment, Generation Life will split the regular income payment in line with an order from the Family Court.

Unclaimed money

In some circumstances, if an amount is payable to you, your estate or your nominated beneficiaries and Generation Life is unable to ensure that you, your estate or your nominated beneficiaries will receive it (for example Generation Life is unable to confirm your eligibility to continue to receive regular payments or we may not be able to locate your nominated beneficiaries), Generation Life may be obliged to transfer the amount to ASIC. For more information on unclaimed monies, refer to www.asic.gov.au or contact your financial adviser.

Electronic instructions

Generation Life will not be responsible for any loss or delay that results from a transmission not being received by us and will only process electronic instructions received in full and signed by authorised signatories.

Only instructions received from you, or a person authorised by you, will be accepted by Generation Life. You must comply with any security or verification procedures required by Generation Life from time to time. Generation Life will assume that any instruction received by electronic means in respect of your investment has been authorised by you, and it will not investigate or confirm that authority (unless we are aware that the instruction was not authorised).

Generation Life may refuse to act on any instruction until the validity of the instructions has been confirmed, and it will not have any liability to the investor or any other person for any consequences resulting from not acting on the instruction. By providing electronic instructions, you release Generation Life's representatives and agents from any claims and indemnify Generation Life, its representatives and agents against all costs, expenses, losses, liabilities or claims arising from any payment or action made based on instructions (even if not genuine) received and reasonably believed to be genuine, including as a result of gross negligence or wilful default by Generation Life, its agents or representatives.

You also agree that neither you, nor anyone claiming through you, has any claim against Generation Life, its representatives or agents in relation to acting on instructions received (authorised by you or otherwise). Please be careful.

There is a risk that fraudulent requests can be made by someone who has access to your investment information.

Generation Life may vary the conditions of the service at any time by providing notice, either in writing, by email or other electronic communication. It may also suspend or cancel the service at any time without notice.

Discretions and minimums

Generation Life reserves the right to reject a switch request at our discretion. Minimum investment allocations may be varied from time to time at our discretion.

How your investment is valued

When you invest, you are allocated a number of Income Units of a category in each chosen investment option you have selected (your category of Income Unit will be dependent on the LifeBooster rate selected).

Each of these Income Units represents an equal part of the market value of the portfolio of investments that the investment option holds. As a result, each category of Income Unit has a dollar value or 'unit price'.

As an example, if you have 3,000 Income Units and the unit price for that class is $1.08 on 30 June, the value of you Income Units and your annual income for the following year would be $3,240.

The unit price of each category of Income Unit is calculated by taking the total market value of an investment option's assets relevant to that class on a particular day, adjusting for any liabilities, accruals and provisions and then dividing the investment option's net value by the total number of units held by all investors of the same category on that day.

Although your Income Unit balance in an investment option will stay constant (unless there is a switching transaction on your account), the unit price will change, according to changes in the market value of the investment portfolio, provisions, accruals or the total number of units issued for the option. Switching between different categories of units in an investment option is not permitted.

Generation Life determines the market value of each investment option based on the most recently available information it has and may exercise certain discretions that could affect the unit price of units on application or withdrawal in each investment option (such as determining transaction costs and buy/sell spreads). Generation Life's Unit Pricing Discretion Policy sets out the principles followed when exercising these discretions. This policy is available free of charge by contacting Generation Life.

Refer to page 42 for the buy/sell spreads that apply to each investment option.

Labour standards or environmental, social or ethical considerations

Generation Life does not take into account labour standards or environmental, social or ethical considerations in its investment decisions. However, it does have an overall policy of always acting legally, acting in the best interests of investors, and dealing with parties who, to the best of its knowledge, are reputable organisations.

The investment managers may have their own policies on the extent to which labour standards, environmental, social or ethical considerations are taken into account in their investment processes.

Updating information

Generation Life may change any of the terms and conditions contained or referred to in the PDS, subject to compliance with the Product Rules and laws and, where a change is material, will notify you in writing or via email within the timeframes provided for in the relevant legislation. Information contained in this PDS which is not materially adverse information is subject to change from time to time and may be updated. A paper copy of any updated information is available free of charge on request by contacting Generation Life on 1800 806 362.

The offer made in this PDS is available only to persons receiving the PDS within Australia.

Privacy Policy

Generation Life respects and upholds your rights to privacy protection and has measures in place governing how it collects, holds, uses, and discloses your personal information. These matters are governed by Generation Life's Privacy Policy which covers information such as:

- your name, contact details and identification information
- your banking details, and
- any transactions and your dealings with Generation Life, or with our related entities.

Collection, use and disclosure of your personal information

Generation Life may collect, use and disclose your personal information for a variety of purposes, including:

- providing our services and products to you and in marketing and communicating offers and opportunities to you
- in managing and administering your investments (e.g. accounting, record-keeping, systems development, staff training and compliance monitoring), and
- to enable your financial adviser to provide you with financial advice and ongoing services.

Information about others

If you provide personal information about another person, then you must ensure that person (or their parent or guardian if they are under the age of 16) also understands our Privacy Policy.

Providing your personal information to others

In the ordinary operation of business, Generation Life may disclose your personal information to a range of people and organisations including:

- agents, contractors or service providers Generation Life engages to carry out or assist its functions and activities
- our related entities
- your authorised agent, solicitor, executor, administrator, trustee, guardian, attorney or financial adviser or anyone acting for you in connection with your dealings with us, and
- parties that Generation Life is authorised or required by law or court/tribunal order to disclose information to.

Generation Life will only use your personal information to enable these people or organisations to undertake matters covered within our Privacy Policy.

Your personal information and information about your investment may be disclosed to your financial adviser. You acknowledge that your financial adviser is acting as your agent for this purpose.

Confidentiality

Generation Life will take reasonable steps to ensure your personal information is held securely and protected from any misuse, interference or loss as well as unauthorised access, modification or disclosure.

Accessing your information, correction and opting out

You may request access to your personal information. Generation Life will take reasonable steps to correct your personal information to ensure that it is accurate and up to date. If you believe that personal information held about you is incorrect then you may request Generation Life to correct it.

You can also opt out of receiving communications from Generation Life, other than as required for the management and administration of your investment and operation of our business.

If you have any questions or a complaint about the Privacy Policy, you should contact our privacy officer at:

Generation Life Limited
GPO Box 263 Collins Street West
Melbourne VIC 8007
Telephone: 1800 806 362
Email: privacy@genlife.com.au

If Generation Life does not address your complaint to your satisfaction, you may write to the Privacy Commissioner at:

Office of the Australian Information Commissioner
GPO Box 5218
Sydney NSW 2001

Your consent

By signing the online Application Form, you are consenting to Generation Life collecting, using and disclosing your personal information in accordance with its Privacy Policy.

Changes and current Privacy Policy

Generation Life can change its Privacy Policy from time to time at its discretion. This is only a summary, and a copy of the full version of our current Privacy Policy can be obtained from Generation Life or on our website at www.genlife.com.au

Your cooling-off rights

You have rights called 'cooling-off' that allow you to cancel your LifeIncome application by written notice within 14 days (unless a longer period applies based on specific State or Territory legislation).

The cooling-off period starts the earlier of (unless specified otherwise by your State or Territory legislation):

- the date you receive your confirmation of investment from Generation Life, or
- the end of the fifth day after your application has been formally accepted by Generation Life as demonstrated by the issuing of Income Units in your selected investment options.

If the policy is cancelled, the amount paid back will be adjusted for movements in the unit price of the investment options chosen less any reasonable transaction costs or taxes and duties not recoverable by Generation Life. Any income payments will also be deducted from the amount refunded. Our Administration fees and insurance expenses will be refunded. The timing of a payment to you as a result of you exercising your cooling-off rights will be subject to the availability of funds and any withdrawal rules that may apply to any investment options chosen.

In addition to these cooling-off rights that are required by law, Generation Life also allows you to cancel your LifeIncome by written notice within the 6-month extended cooling-off period. The benefits payable under this extended cooling-off period are described on page 15.

Related parties

Generation Life reserves the right to outsource any or all of its investment management and administration functions, including to related parties, without notice to investors. All related party transactions entered into will be in accordance with relevant laws and be made subject to arm's length and commercial terms.

Licensing and regulation

Generation Life is a registered life insurance company under the Life Act and is also an Australian financial services licence holder under the Corporations Act.

Generation Life and the lifetime annuity offered under this PDS are subject to regulation by APRA and by ASIC. Generation Life's operations and the operations of the lifetime annuity are governed by the Product Rules, the Life Act, and the Corporations Act.

Product Rules and security

The Product Rules govern the operation of LifeIncome and the investment options. The Product Rules have been approved by APRA. Each investment option is constituted as a separate benefit fund under the Product Rules.

Each benefit fund is held separate and distinct from the other benefit funds and the assets of Generation Life. Each benefit fund is therefore quarantined and protected from any potential adverse positions that may impact either Generation Life or any of the other benefit funds.

The Product Rules provide Generation Life with certain rights and powers, including (but not limited to):

- the types of investment options that Generation Life can issue
- how the investment options (benefit funds) are established, valued, priced and how they operate
- how applications are made and any conditions attached, including the power to accept or not accept applications at our discretion, and
- the determination of tax treatments, provisions and allocations to and between the benefit funds.

Any changes to the Product Rules must be approved by APRA.

Your contract with Generation Life

By Generation Life approving your LifeIncome application, you enter into a contract with it. That contract is formed when your LifeIncome application is accepted. The terms of your contract comprise the terms and conditions contained in your LifeIncome application, the Product Rules and this PDS or any future PDS or disclosure document issued.

Investment manager benefits

Where allowed by law, Generation Life may receive certain benefits in the form of payments or rebates from underlying investment managers of the investment options and may use these to reduce the management fees you pay or they may be retained in our general management fund.

Tax credits

The Product Rules provide for the benefit of tax credits related to certain costs where Generation Life has sought reimbursement to be passed onto the relevant investment option. Depending on the nature, size and origins of reimbursable costs not specifically specified under the Product Rules, the benefit of the tax credit (whatever its source) is able to be realised by us and allocated at our discretion to investment options and/or retained by us in our general management fund.

Consents

Each of the investment managers referred to in this PDS have given and not withdrawn their consent before the date of this PDS to the inclusion of the description of the investment options and the investment managers in the form and context that they have been named. Hannover has also consented to being named in this PDS.

Your liability

Investors are not under any personal obligation to indemnify Generation Life (or its creditors) in respect of our liabilities in relation to LifeIncome, the investment options, or the underlying investment managers.

Anti-money laundering legislation and financial crimes monitoring

Generation Life is bound by laws relating to the prevention of money laundering and the financing of terrorism as well as sanctions obligations, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ('AML/CTF Laws').

As part of meeting our obligations you are required to confirm and agree to certain terms and conditions.

By approving your application, you agree that:

- Generation Life is required to carry out procedures that verify your identity before providing services to you, and from time to time thereafter.
- You are not investing under an assumed name.
- Any money you invest is not derived from or related to any criminal activities.
- Any proceeds will not be used in relation to any criminal activities.
- You will not initiate, engage in or effect a transaction that may be in breach of AML/CTF Laws or sanctions (or the law or sanctions of any other country).
- If asked, you will provide any additional information that is reasonably required for the purposes of AML/CTF Laws or sanctions. This could include information about you, certification of your identity, your estate, about anyone acting on your behalf or the source of funds used in connection with a contribution
- In order to comply with AML/CTF Laws and sanctions, Generation Life may be required to take action, including delaying or refusing the processing of any application or any transaction related to your investment if it is believed or suspected that the application or transaction may breach any obligation of or cause Generation Life to commit or participate in an offence under any AML/CTF Laws or sanctions. Generation Life will not incur any liability in doing so.
- You are not aware and have no reason to suspect that the money used to fund your investment is derived from or related to money laundering, terrorism financing or similar activities, and that proceeds of your investments will fund illegal activities.
- In certain circumstances Generation Life may be obliged to freeze or block an investment where it is used in connection with illegal activities or suspected illegal activities. Freezing or blocking can arise as a result of the transaction monitoring that is required by AML/CTF Laws or Financial Account Tax Compliance Act ('FATCA')/Common Reporting Standard Act ('CRS'). If this occurs, Generation Life is not liable to you for any consequences or losses whatsoever and you agree to indemnify Generation Life if it is found liable to a third party in connection with the freezing or blocking of your investment.
- Where legally obliged to do so, Generation Life may disclose the information gathered to regulatory and/or law enforcement agencies or other entities.

FATCA & CRS Requirements under Automatic Exchange of Information

The Foreign Account Tax Compliance Act ('FATCA') is designed to counter US income tax avoidance by US persons investing in assets outside the US, including through their investments in Foreign Financial Institutions. FATCA requires reporting of US persons' direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service ('IRS').

The Australian Government has entered into an Inter-Governmental Agreement ('IGA') with the Government of the United States of America for the reciprocal exchange of taxpayer information. Under the IGA, Financial Institutions operating in Australia report information to the ATO rather than the US IRS. The ATO may then pass the information on to the US IRS.

The Common Reporting Standard ('CRS') is a newer and corresponding information-gathering and reporting requirement for financial institutions in participating countries/jurisdictions, to help fight against tax evasion and protect the integrity of tax systems.

Under the CRS, financial institutions are required to identify customers who appear to be tax resident outside of the country/jurisdiction where they hold their investments, and report certain information to the ATO. The ATO may then share that information with the tax authority where you are a tax resident.

Australian financial institutions such as Generation Life are required to comply with both FATCA and CRS obligations. As part of meeting our obligations, you are required to confirm and agree to certain terms and conditions. These terms and conditions can be found on our website at www.genlife.com.au

How to commence LifeIncome

You should read this PDS and discuss whether this product is right for you with your financial adviser. If you would like a quote, contact your financial adviser.

Your LifeIncome will be issued once Generation Life completely validates your application and funds for your investment have all been cleared.

Commencing LifeIncome is easy and convenient. To commence a LifeIncome, you must complete the following:

Online application	Work with your financial adviser to ensure all valid sections of the online Application Form are fully completed and signed. Generation Life will not be able to proceed with your application if it is not completed. Generation Life may attempt to contact you or your financial adviser in these situations. Until all required information is received, your application funds will be held in a non-interest bearing account until the application is fully completed.
Identity verification	In accordance with AML/CTF legislation, your identity must be verified before your LifeIncome commences.
Cleared funds	Generation Life cannot commence a LifeIncome until all relevant funds have been received and cleared.

To ensure your application is processed as quickly as possible, below is a checklist of items you will need for the application process:

- Identification information, for example:
  - Driver's licence.
  - Passport.
- Bank account details.
- Superannuation details (if using superannuation money to commence LifeIncome):
  - Unique Superannuation Identifier (USI).
  - Superannuation account number.
  - ABN (only relevant for SMSFs).
- Your TFN.
- A touchscreen device to sign the electronic signature sections.

If you include your spouse as your Reversionary Beneficiary, your spouse will also need their identification information at the time of completing the application.

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Contact us

enquiry@genlife.com.au

Investor services 1800 806 362
Adviser services 1800 333 657

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generation life

Product Disclosure Statement
22 March 2022

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Outthinking today.