



Outthinking today.

LifelIncome

Rethink retirement with confidence

The emotional journey



Outthinking today.

Discover Generation Life

Pioneer of Australia's first truly flexible investment bond. Over \$2.8b invested with us to date¹. Proud to be innovating the retirement income landscape with an investment-linked lifetime annuity.



1. As at 31 December 2022
2. Plan for Life, Investment Bonds Market Report for period ended 30 September 2022

Ethical considerations

Are the recommended strategies in the best interests of your clients?

Have you considered every option available to meet your clients' desired outcomes?

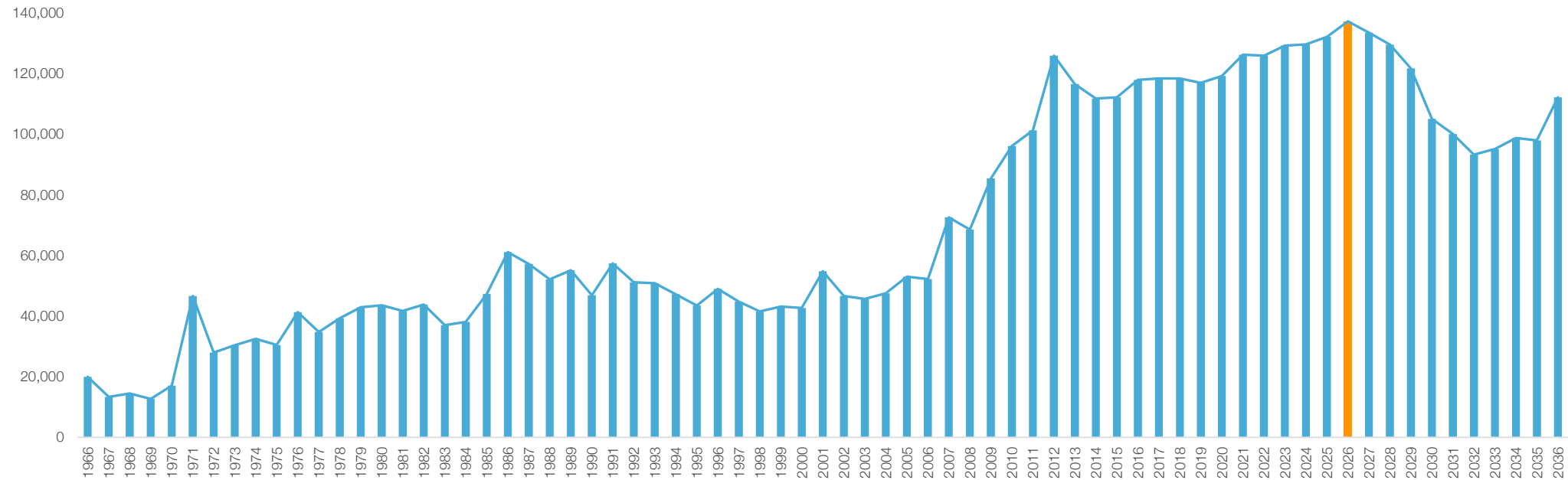
Can your solution protect your clients against family disputes?

Have you considered your clients' emotional needs as well as their desired financial outcomes?



Boomer's retirement mountain

Net annual change in Australian population 65+



“Surge in the retiree population is caused by the great baby boom of the 1950s”

1990s

65-and-over population increased by an average of around **40,000 per year**

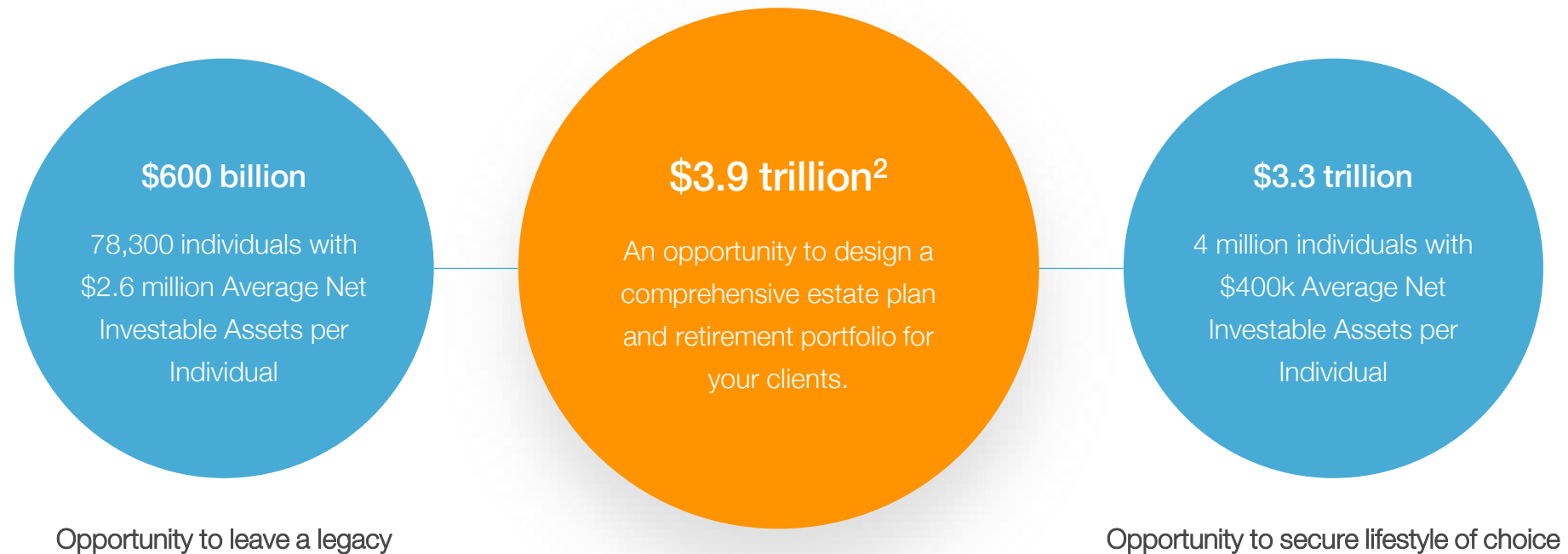
2020s

65-and-over population passing **126,000 per year in 2021, peaking at 137,000 per year in 2026**

Source: Salt, B, 2021, “Turning point: the 2020s baby boom retirement surge”, published in Firstlinks on 24 March 2021, <https://www.firstlinks.com.au/turning-point-2020s-baby-boom-retirement-surge>

The opportunity

\$224b estimated to pass each year in inheritances by 2050¹

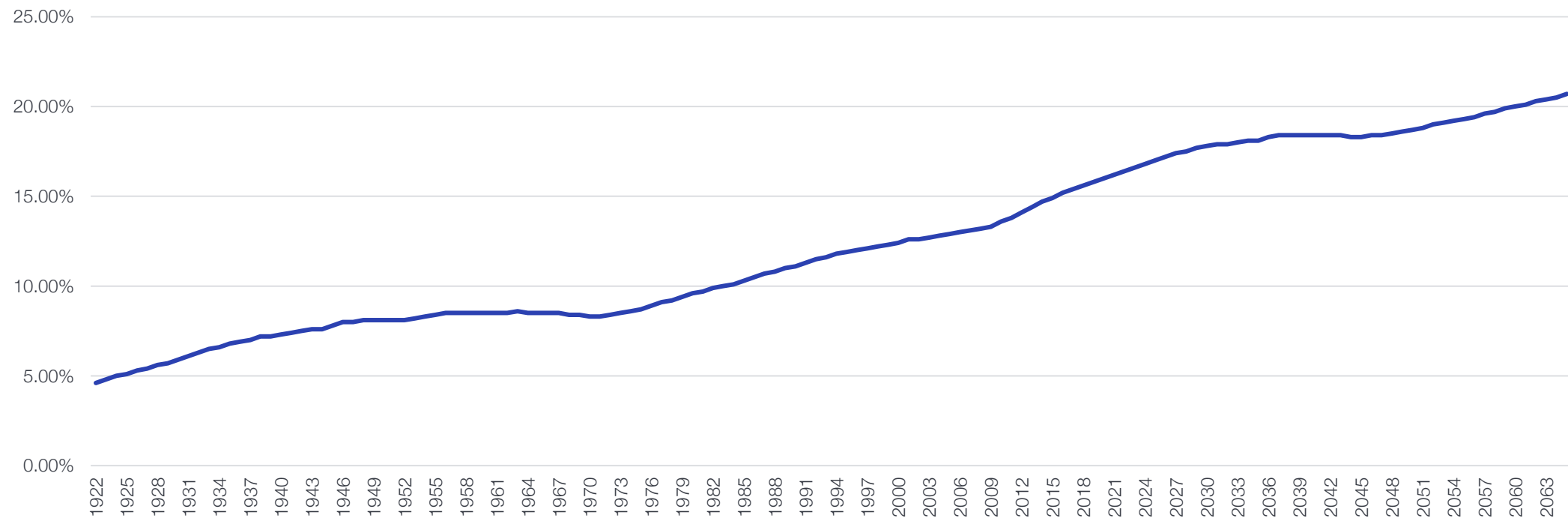


1. Vickovich, A, 2021, "Baby Boomers to pass on \$224b a year by 2050", published in The Australian Financial Review on 7 December 2021
2. Generation Life – Locking In The Next Generation by Core Data 2022

Did you know...

At 30 June 2020, there were an estimated 4.5 million older Australians (aged 65 and over) with older people comprising 16% of the total Australian population (ABS 2020b).

Percentage of the Australian population aged 65 and over, at 30 June, over time



Source: <https://www.aihw.gov.au/reports/older-people/older-australians/contents/demographic-profile>

2.5 million Australians receive a part or full pension

1.8 million retirees get no Age Pension



With your expert advice, you can help your clients reach
the pinnacle of retirement

Source: <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2022#data-downloads-data-cubes>



With **financial advice**, you can help your clients to potentially **qualify for the Age Pension** and push them up the retirement mountain.

With your expert advice, you can help your clients reach
the pinnacle of retirement

Life expectancy

Age	M	F
50	32.84	36.14
51	31.93	35.21
52	31.03	34.27
53	30.13	33.34
54	29.24	32.42
55	28.35	31.49
56	27.47	30.57
57	26.6	29.66
58	25.73	28.75
59	24.87	27.84
60	24.02	26.93
61	23.17	26.03
62	22.33	25.14
63	21.5	24.24
64	20.67	23.36
65	19.86	22.47
66	19.04	21.6
67	18.24	20.73
68	17.45	19.87
69	16.67	19.02

Age	M	F
70	15.9	18.18
71	15.14	17.35
72	14.39	16.53
73	13.66	15.73
74	12.95	14.93
75	12.25	14.15
76	11.57	13.39
77	10.9	12.64
78	10.25	11.9
79	9.63	11.18
80	9.02	10.49
81	8.44	9.81
82	7.89	9.16
83	7.36	8.54
84	6.86	7.94
85	6.39	7.37
86	5.95	6.83
87	5.54	6.32
88	5.16	5.84
89	4.81	5.4

Age	M	F
90	4.5	4.99
91	4.22	4.61
92	3.96	4.28
93	3.72	3.97
94	3.5	3.69
95	3.29	3.43
96	3.11	3.18
97	2.93	2.94
98	2.77	2.73
99	2.62	2.53
100	2.49	2.36
101	2.36	2.19
102	2.24	2.05
103	2.14	1.91
104	2.04	1.8
105	1.94	1.69
106	1.86	1.59
107	1.78	1.51
108	1.71	1.43
109	1.64	1.37

Did you know that **50%** of retirees live past their **life expectancy**?



Source: Australian Life Tables 2015-17, The Australian Government Actuary, <https://aga.gov.au/publications/life-tables>



The minimum annual cost of a comfortable retirement.



Singles
\$48,266*



Couples
\$68,014*

Daily essentials

- Housing
- Groceries
- Transport
- Clothing and footwear



Staying fit and healthy

- Health insurance
- Pharmacy
- Doctor/specialist visits
- Exercise



Staying socially engaged

- Movies
- Day tours
- Visit to local club
- Streaming services



Connecting with family

- Computer
- Mobile/home phone
- Domestic flight
- International flight



The ASFA Retirement Standard

Health, vitality and connection in retirement

*For retirees aged 65-84 who own their own home.

September quarter 2022

Key features of Generation Life LifelIncome

An immediate, investment-linked lifetime annuity that can be linked to a single or reversionary life

23 investment options – any combination of investment options can be held at a time with the ability to switch between at any time¹

0% tax environment
Investment earnings within LifelIncome are tax-free. There are tax benefits on income payments too

LifeBooster feature pays a higher income from the start. Choose between two LifeBooster rates of 5% and 2.5%

A Death Benefit is payable if the investor, and their Reversionary if they have chosen one, passes away within their Death Benefit Period

6 month 'cooling-off' period inclusive of the statutory 14-day cooling-off period²

Ability to charge an initial advice fee and ongoing adviser service fee

Available for super and non-super money to investors aged at least 50³

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

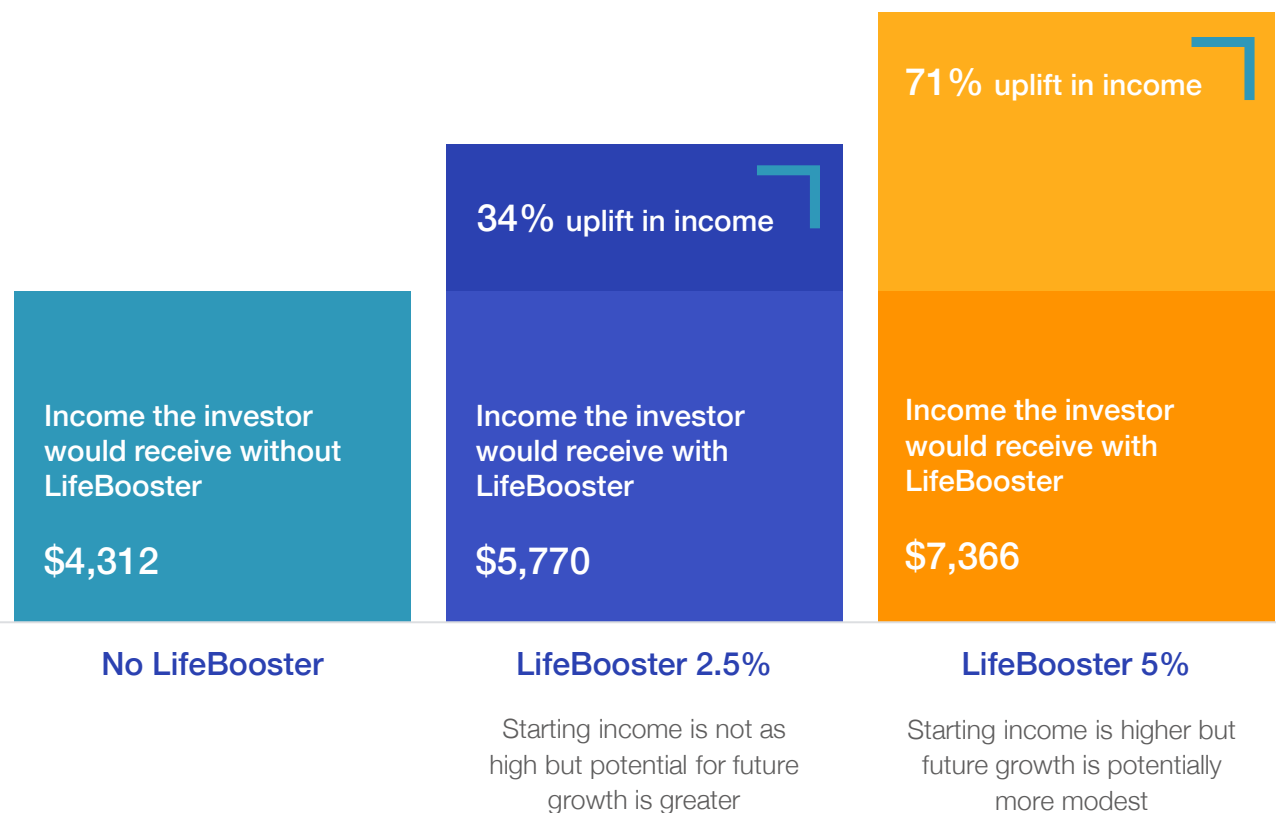
2. The amount paid back will be the investment amount adjusted for movements in the unit price of the investment option(s) chosen less any taxes and duties not recoverable by Generation Life, and after deducting income payments already made. Generation Life's management and administration fees and insurance expenses will only be refunded for cancellations within the regulatory 14-day cooling-off period – refer to the Product Disclosure Statement.

3. For superannuation money, your client must have satisfied a relevant condition of release to access their preserved benefits.



More income, sooner with LifeBooster

Comparing first year income



Assumptions: 67-year-old male, \$100,000 investment, LifeBooster rate 5% and 2.5%

LifeBooster provides retirees with:

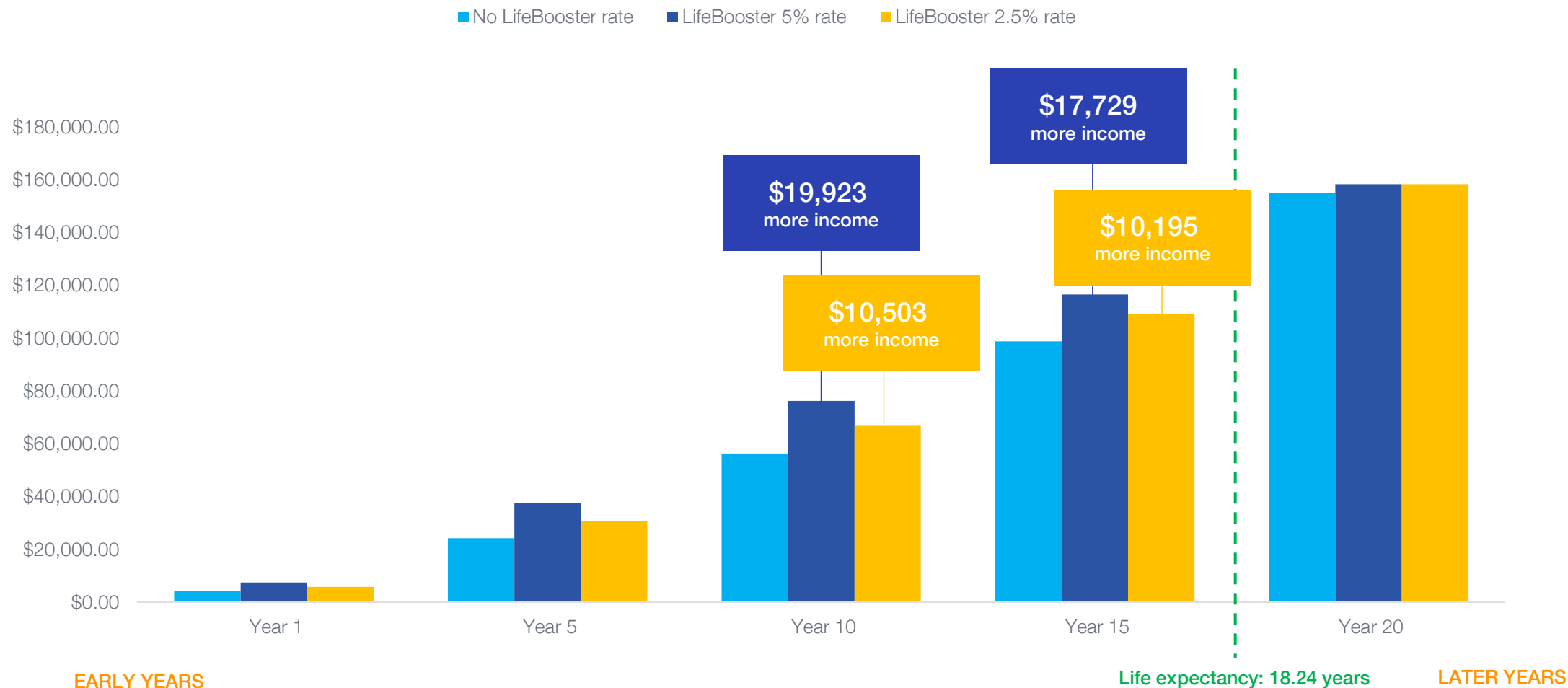
A much higher starting income than if no LifeBooster was applied

Investment paid back in the form of cumulative income sooner

More income in the early years of retirement when a retiree is more active and able to enjoy it

The power of LifeBooster

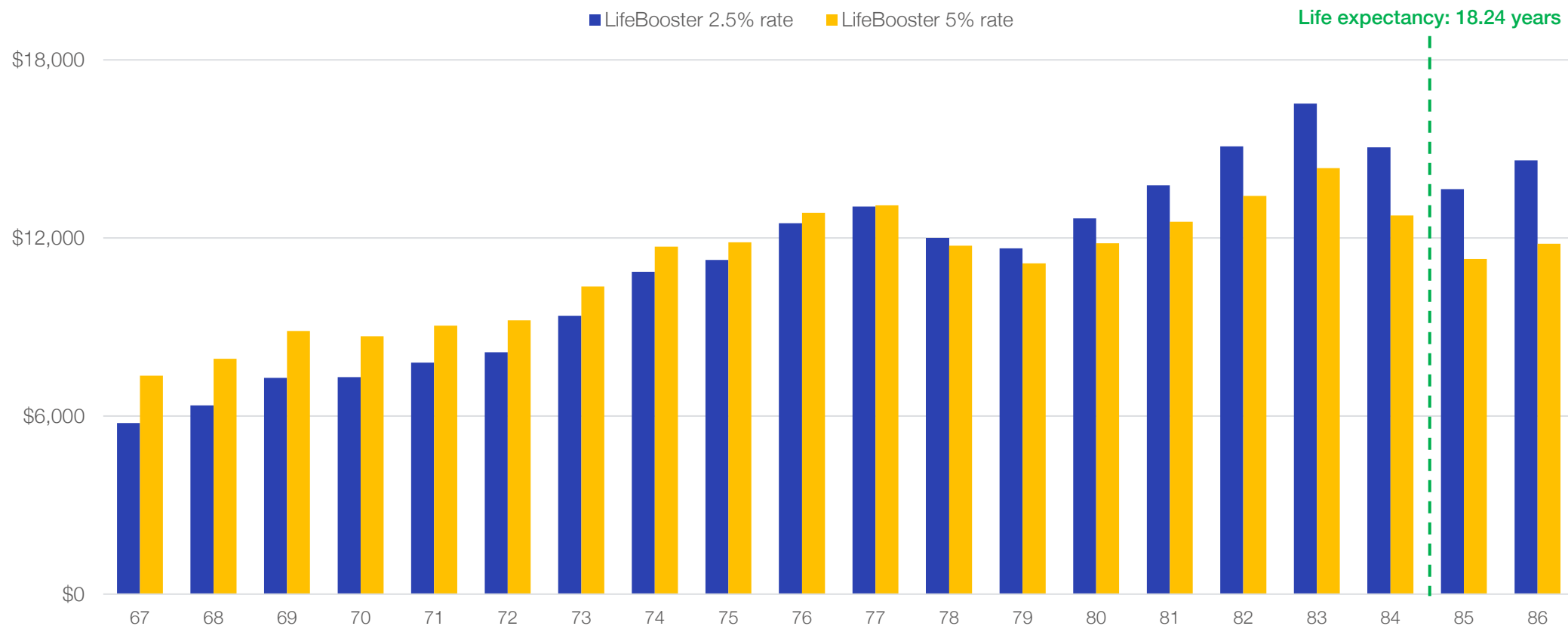
Cumulative income - Comparing LifeBooster 5% and 2.5% to no LifeBooster



Assumptions: Male 67 years old, initial investment \$100,000, gross return on LifeIncome investment option 7%, 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 old for LifeBooster 5% rate, and exceeds 88 years old for LifeBooster 2.5% rate.

Choosing the right LifeBooster rate

Comparing annual income for Vanguard Balanced Portfolio



Assumptions: Starting income is based on a 67-year-old male commencing LifeIncome with \$100,000 and a LifeBooster 2.5% rate. Estimated fees, expenses and costs of 0.92% p.a. + investment management fee of chosen investment option(s) and discounted by the LifeBooster rate of 2.5% p.a. Past performance is no indication of future performance. This illustrates a 20-year period only, however LifeIncome will pay your client, and their spouse if they choose, an income for life. Vanguard Balanced Portfolio returns are actual from 2003 and are constructed using indices and approximate asset allocation from 1992.



Our leading investment menu

Lifeline

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

23 investment options across multiple styles

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



Centrelink treatment of LifeIncome

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.

Means tested asset value

Under the assets test, only 60% of your investment amount is assessed. From age 84, subject to a minimum of 5 years from the date of investment, only 30% is assessed.

Year 1 means tested income

Only 60% of your LifeIncome annual income, which changes each year, is assessed under the income test.

For every **\$200,000 invested** in LifeIncome, **assessable assets reduce by \$80,000**.

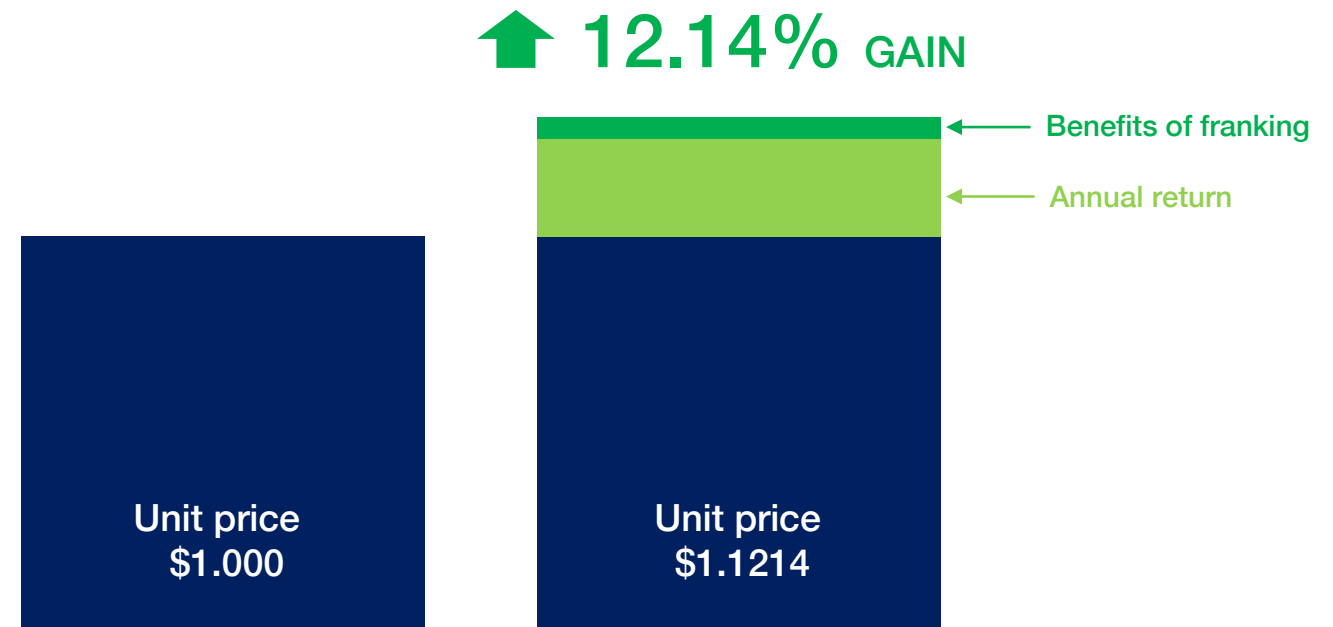
This equates to an increase in Age Pension benefits of **\$6,240 a year** (assuming eligibility). That's an equivalent risk free **return of 3.12%**.



Power of a tax-exempt environment

- + Any earnings on LifeIncome are tax-free while they remain in your client's account, regardless of their age.
- + This is an advantage LifeIncome has over non-retirement phase investments inside or outside or superannuation.

Impact of Franking Credits



Assume a 10% annual return consisting of

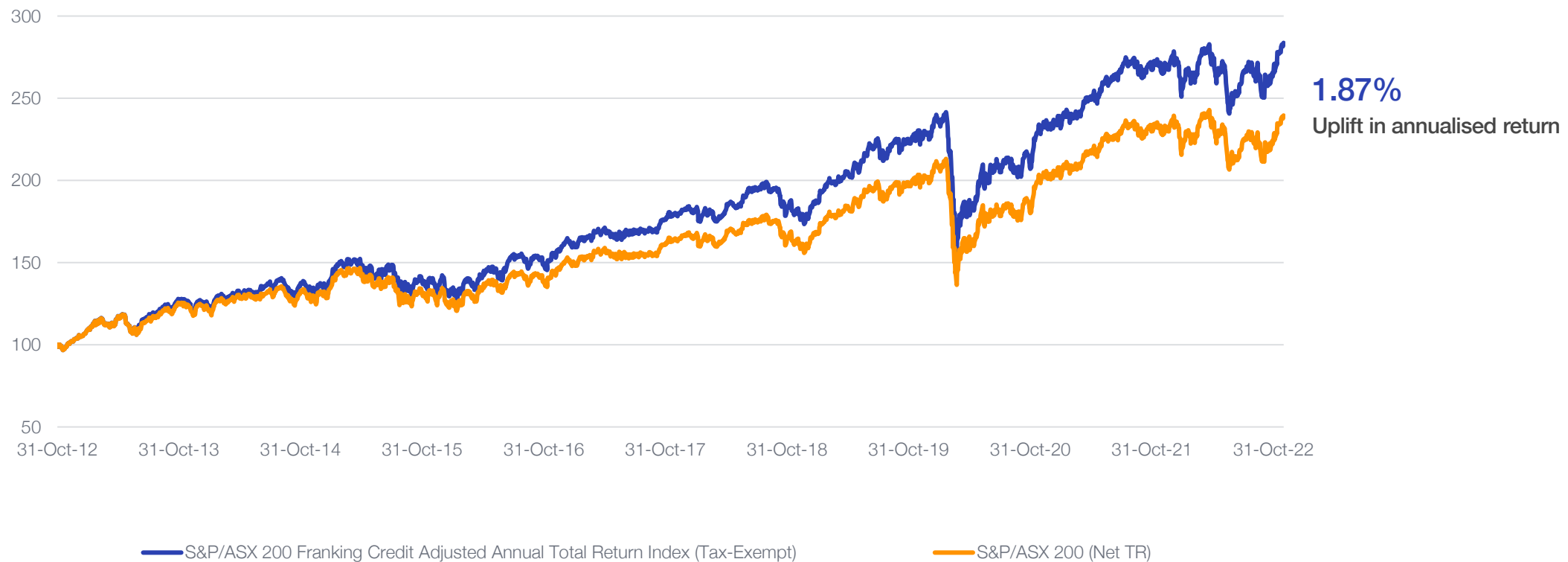
5% capital growth and 5% income which is fully franked



LifeIncome - Power of a tax-exempt environment

The annualised return of the S&P/ASX 200 Total Net Return Index was 9.12% the past decade.

When you add the Franking Credit Adjustment, which applies to the tax-exempt environment, the annualised return is 10.99%.



Past performance is not an indication of future performance. Graph illustrates the 10-year performance of the S&P/200 Franking Credit Adjusted Annual Total Return Index and the S&P/ASX 200 Net Total Return Index.

Can an account-based pension last for life?

Drawing the same income payable using the returns from the Balanced Composite Index

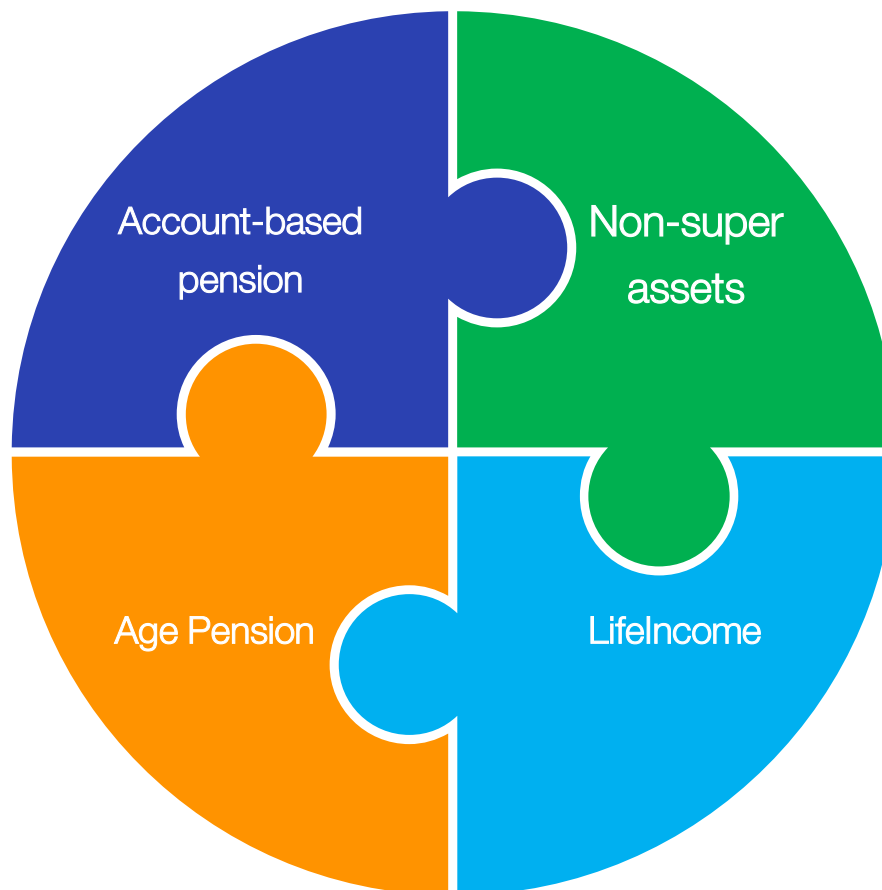


Assumptions: Starting income is based on a 67-year-old male commencing Lifeline with \$100,000 and a LifeBooster 2.5% rate. Estimated fees, expenses and costs of 0.92% p.a. + investment management fees and discounted by the LifeBooster rate of 2.5% p.a. Account-based pension fees assumed at 0.60% + investment management fees. Past performance is no indication of future performance. This illustrates until age 100 only, however Lifeline will pay your client, and their spouse (upon reversion) if they choose, an income for life. Balanced Composite Index comprises of (weight/index): 20% S&P/ASX300 Index, 14.5% MSCI World ex-Australia Index (with net dividends reinvested) in Australian dollars, 9% MSCI World ex-Australia Index (with net dividends reinvested) hedged to Australian dollars, 3.5% MSCI World ex-Australia Small Cap Index (with net dividends reinvested) in Australian dollars, 3% MSCI Emerging Markets Index (with net dividends reinvested) in Australian dollars, 15% Bloomberg AusBond Composite 0+ Yr Index, 35% Bloomberg Global Aggregate Float-Adjusted and Scaled Index hedged to Australian dollars.

Maximising Retirement Income

Finding an optimal mix

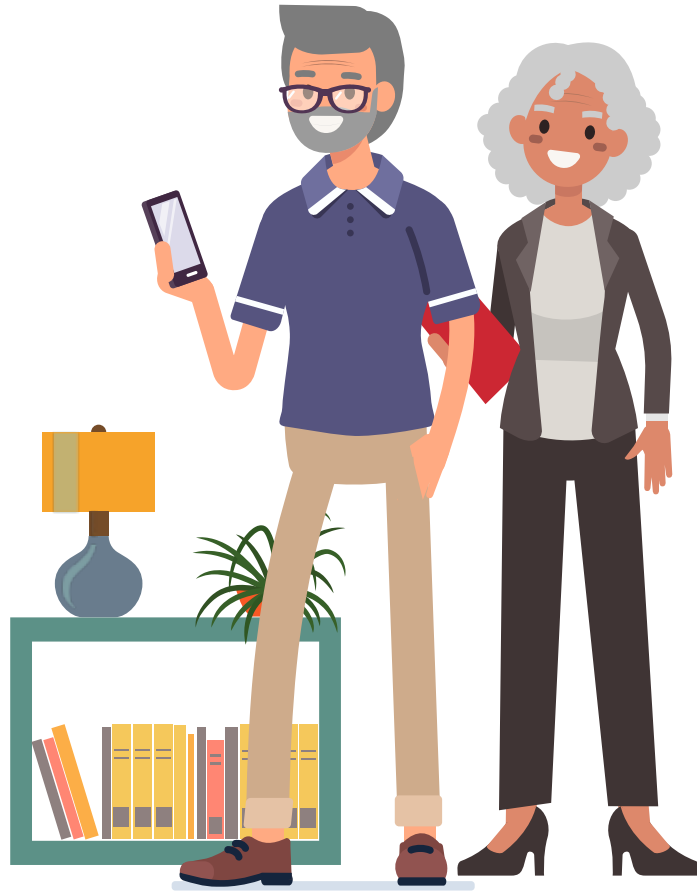
A flexible income stream offering wide investment choice, lump sum withdrawals and the ability to vary income.



Assets accumulated over time, including savings, the family home, shares, other investments.

Government social security support, which can include income and other benefits such as healthcare discounts.

A lump sum converted into regular income payments for life, regardless of the amount invested. Benefit from concessional social security and tax treatment.



Meet Bill and Rita

Bill is 70 years old, and Rita is 68 years old.



Bill and Rita's situation

Bill and Rita are homeowners and require \$81,330 p.a. to retire comfortably.

They have \$480,000 in deemed assets and \$30,000 in car and contents.

They currently receive \$33,140 p.a. in Age Pension.

Bill and Rita's objective

Bill and Rita are looking to maximise their Age Pension.

They currently have enough income to meet their lifestyle but would like to preserve as much of their capital as long as possible.

They would also like to ensure that they don't burden their children with their funeral costs.



Bill and Rita’s current situation

Deemed financial assets	\$480,000
Contents and car	\$30,000

Assessable Income	\$8,928
Assessable Assets	\$510,000
Current income (p.a.):	
Age pension (\$16,570 p.a. each)	\$33,140
Income drawn from financial assets	\$48,190
Total income	\$81,330



Bill and Rita’s solution

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Contents and car	\$30,000

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Age pension (\$16,570 p.a. each)	\$33,140
Income drawn from financial assets	\$48,190
Total income	\$81,330

What if...
Bill and Rita establish a LifeIncome and two FuneralBonds.

Deemed financial assets	\$292,000
Contents and car	\$30,000
Gifting	\$10,000
LifeIncome	\$150,000
Generation Life Funeral Bonds	\$28,000

Assessable Income	\$10,879
Assessable Assets	\$412,000
Current income (p.a.):	
Age pension (\$19,842 p.a. each)	\$39,166
Income drawn from financial assets	\$31,863
LifeIncome	\$10,301
Total income	\$81,330



Bill and Rita’s solution

Deemed financial assets	\$480,000
Contents and car	\$30,000
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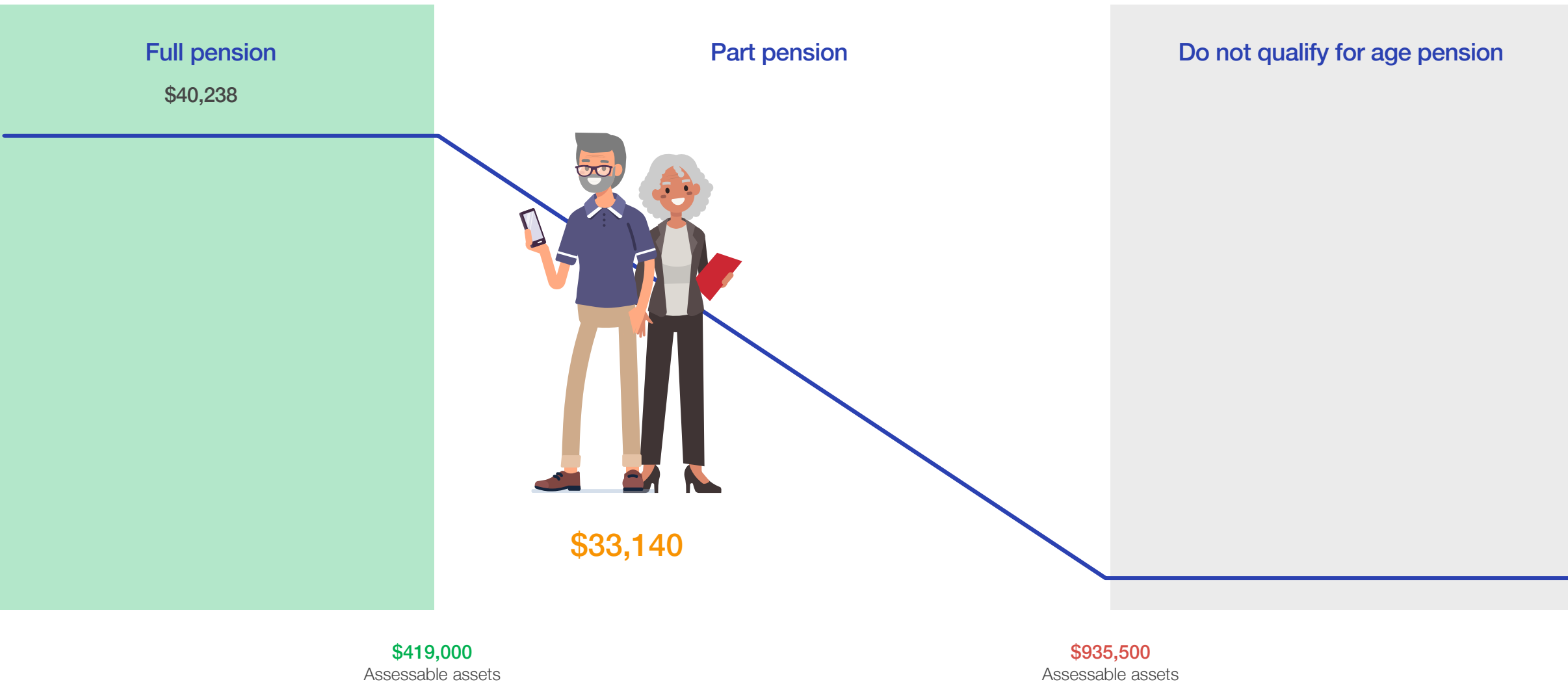
What if...

Bill and Rita establish a LifelIncome, two FuneralBonds, and a BCT.

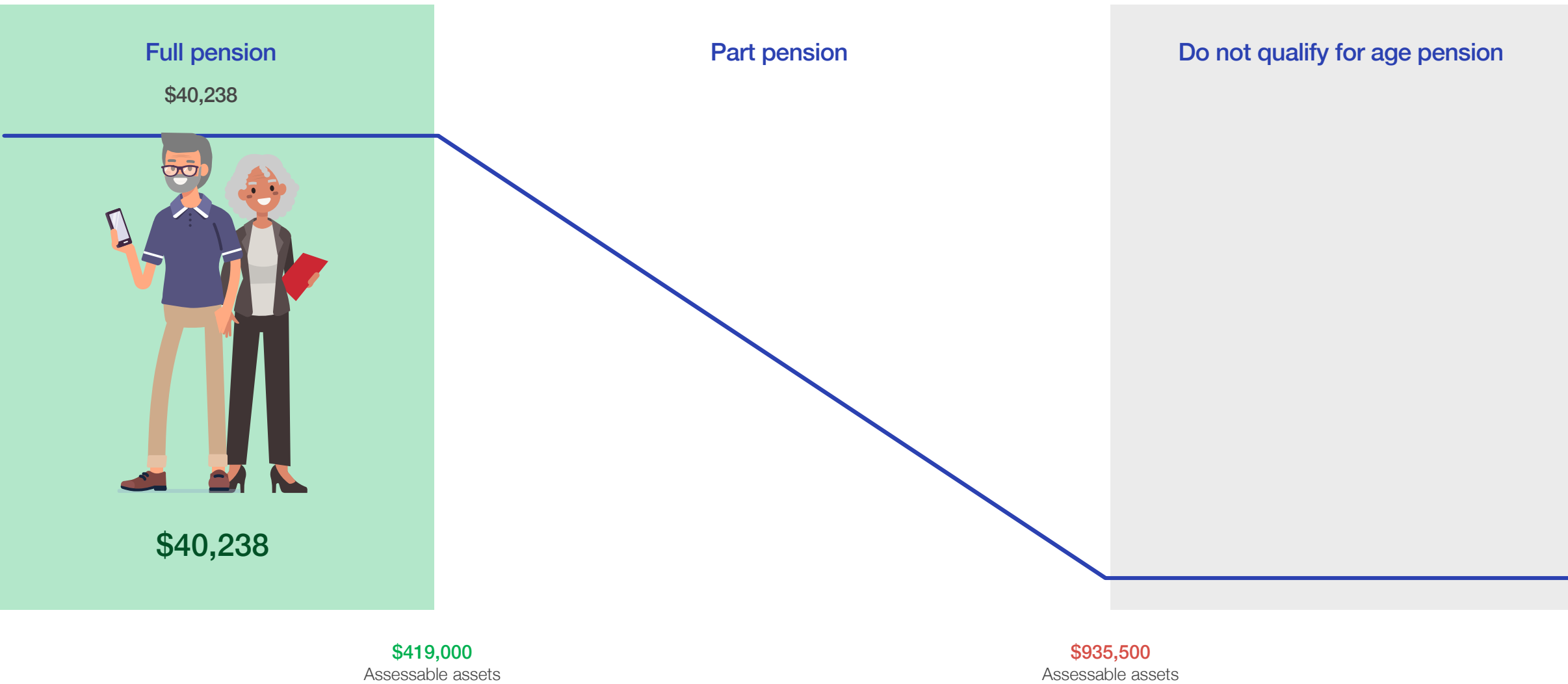
Deemed financial assets	\$192,000
Contents and car	\$30,000
Gifting	\$10,000
LifelIncome	\$150,000
Generation Life Funeral Bonds	\$28,000
Generation Life BCT	\$100,000
Assessable Income	\$8,628
Assessable Assets	\$412,000
Current income (p.a.):	
Age pension (\$20,119 p.a. each)	\$40,238
Income drawn from financial assets	\$30,791
LifelIncome	\$10,301
Total income	\$81,330



Bill and Rita's current situation



Bill and Rita's outcome



Bill and Rita's outcome

By restructuring their asset, Bill and Rita can:

- + **Total Pension Uplift of \$7,098** in the first year
- + Maximise their age pension
- + Generate an income guaranteed for life
- + Preserve their capital to meet their lifestyle or leave a legacy
- + Not burden their children with their funeral costs





Meet John and Judy

John is 74 years old, and Judy is 70 years old.

They are both part pensioners.

They are seeking financial advice for the first time in their lives.



John and Judy's situation

John and Judy recently received an inheritance of \$200,000 from John's brother Jimmy, who recently passed away.

They currently have account-based pension balance of \$300,000, Term Deposit balance of \$300,000, cash balance of \$100,000, \$10,000 home contents and a \$30,000 car.

John and Judy's concern

Due to the inheritance from Jimmy, John and Judy no longer qualify for the Age Pension, losing their additional income stream and ancillary benefits.



John and Judy's current situation

John and Judy sought advice from their financial adviser around where to invest the inheritance of \$200,000 to enable them to qualify for the Age Pension.

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$36,400
Total	\$68,000



John and Judy's solution one

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$36,400
Total	\$68,000

What if...
John and Judy establish a LifeIncome of \$200,000

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$16,060
LifeIncome	\$14,500
Age Pension	\$5,840
Total	\$68,000
Age Pension uplift	\$5,840



John and Judy's solution two

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$36,400
Total	\$68,000

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$16,060
LifelIncome	\$14,500
Age Pension	\$5,840
Total	\$68,000
Age Pension uplift	\$5,840

What if...
John and Judy establish a LifelIncome of \$172,000, and two FuneralBonds of \$28,000

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$16,780
LifelIncome	\$12,470
Age Pension	\$7,150
Total	\$68,000
Age Pension uplift	\$7,150

John and Judy's outcome

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$36,400
Total	\$68,000

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$16,060
Lifeline Income	\$14,500
Age Pension	\$5,840
Total	\$68,000

Age Pension uplift	\$5,840
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Outcome for solution 1:

John and Judy will now qualify for Age Pension. However, they will still like to cover for their funeral costs.

TD (3.8% income)	\$7,600
ABP (6% drawdown)	\$24,000
Bank Account Drawdown	\$16,780
Lifeline Income	\$12,470
Age Pension	\$7,150
Total	\$68,000

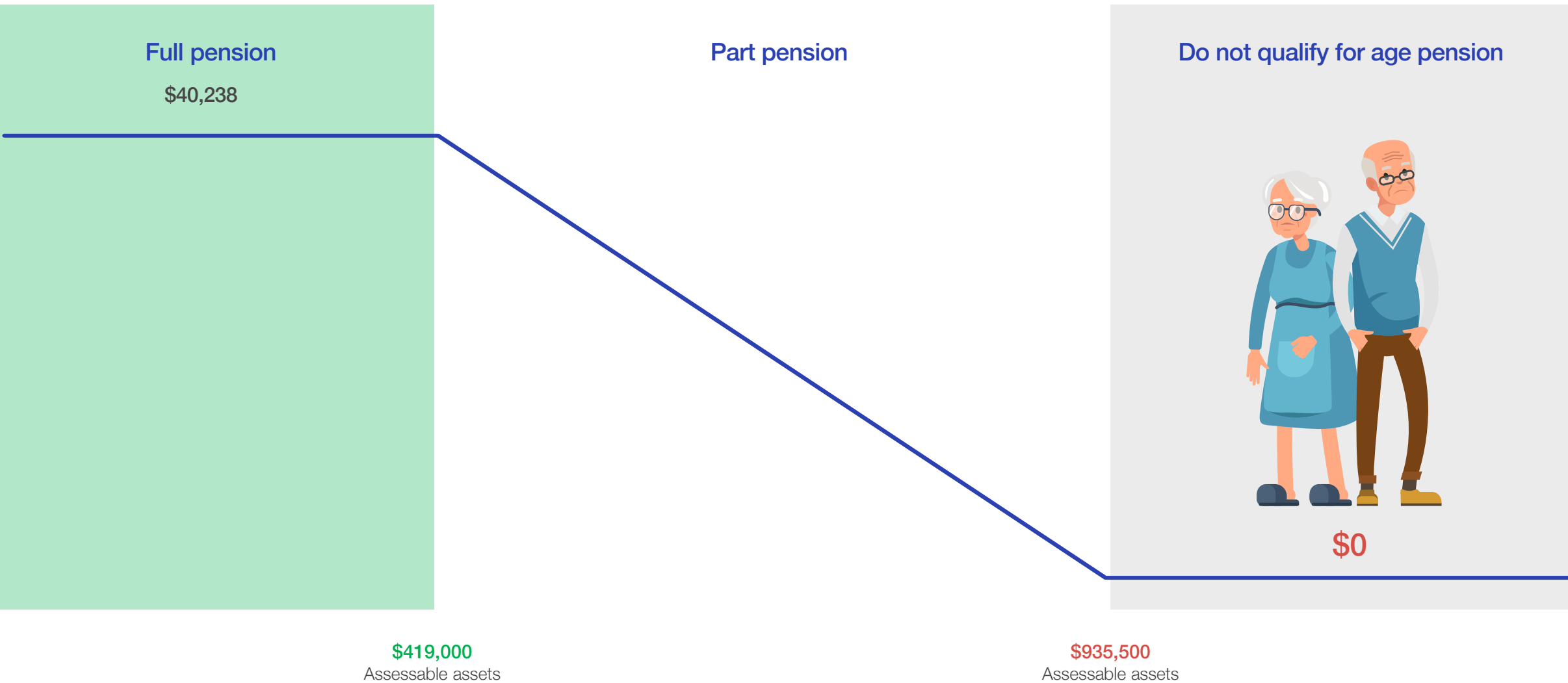
Age Pension uplift	\$7,150
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Outcome for solution 2:

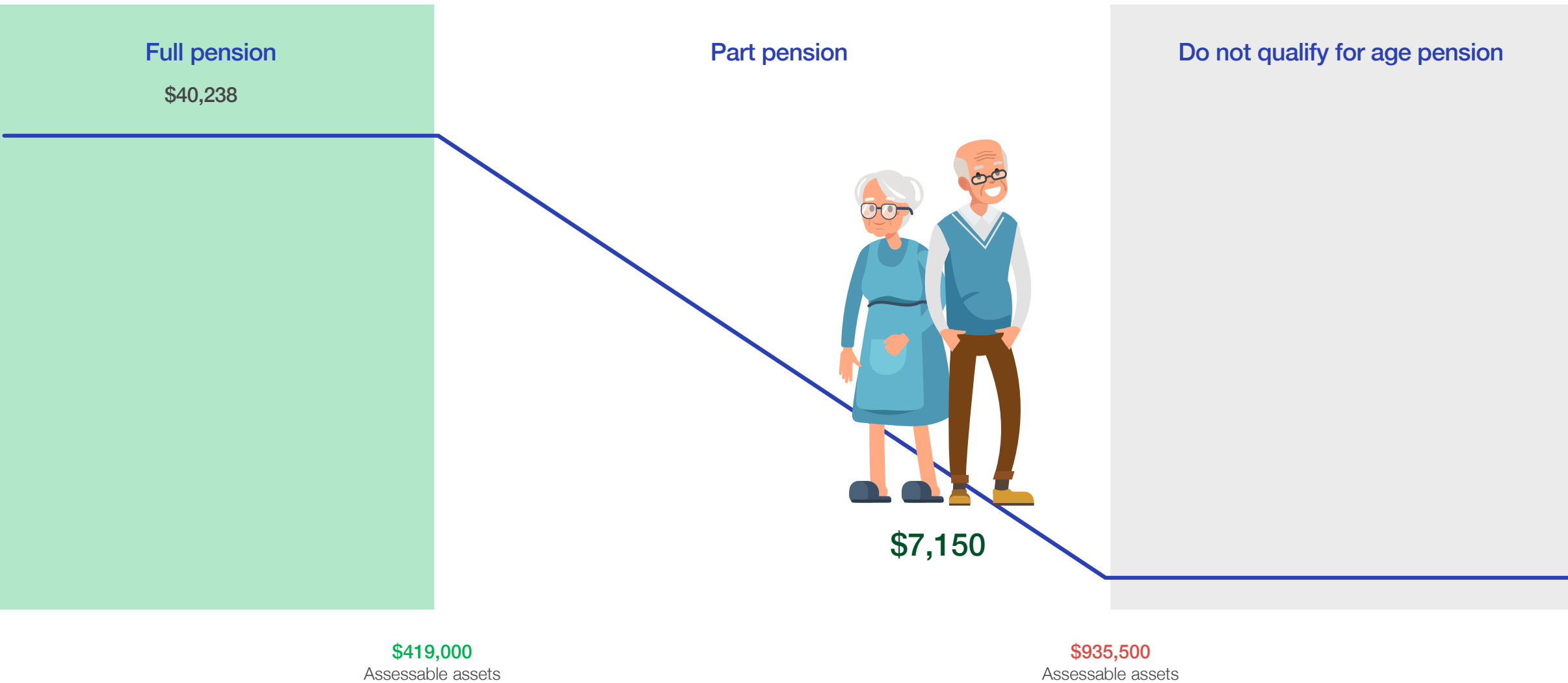
John and Judy will receive more Age Pension, cover their funeral cost and maintain their income needs with more certainty.



John and Judy's current situation



John and Judy's outcome





Meet David and Margaret

David and Margaret, are retirees in their early 70s, and are both full pensioners.



David and Margaret's situation

David and Margaret are currently receiving the full \$40,238 p.a. Centrelink pension as a couple and have a total of \$160,000 in combined superannuation.

Margaret however just inherited \$800,000 from her mother who recently passed away.

Due to this inheritance, David and Margaret no longer qualify for the Age Pension.

David and Margaret's objective

David and Margaret would like to receive additional income to replace their lost Age Pension, as well as maximise their cashflow to improve their lifestyle.

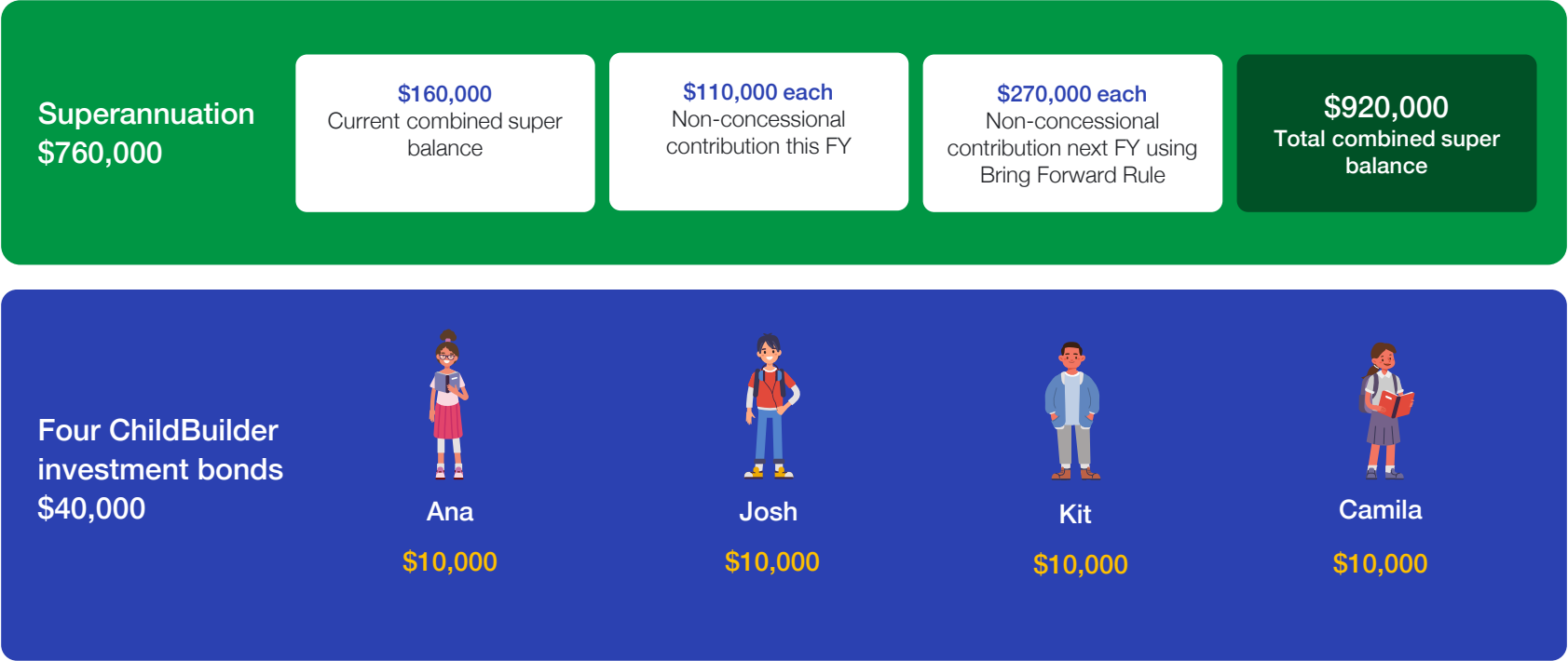
They would like to also achieve some form of Centrelink benefit to get the pension card.

David and Margaret would like to pass \$10,000 onto each of their four grandchildren and ensure that their grandchildren do not gain access to these funds prior to age 25.



David and Margaret's solution

David and Margaret structure their inheritance of \$800,000



Assumes David and Margaret has not already triggered their carry forward non-concessional cap.

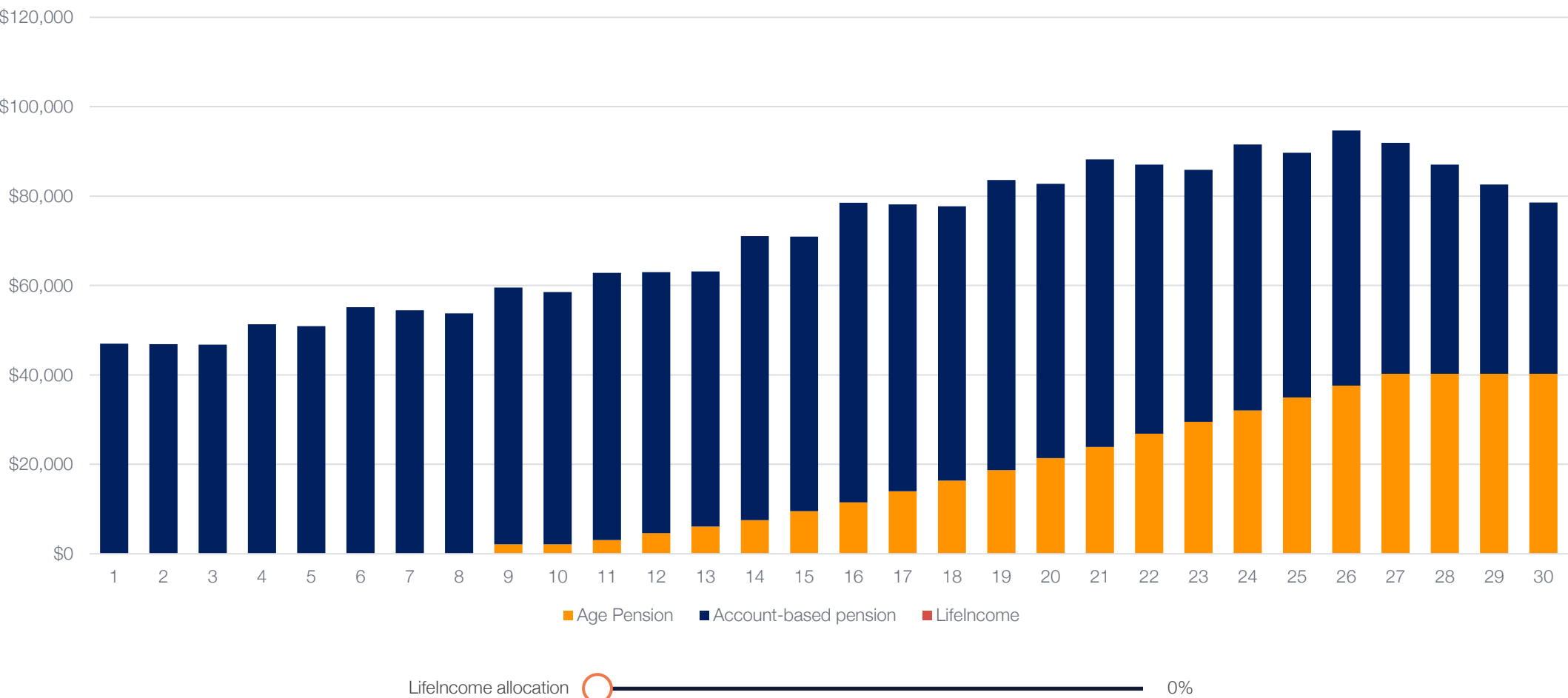
David and Margaret's solution

David and Margaret structure their inheritance of \$800,000

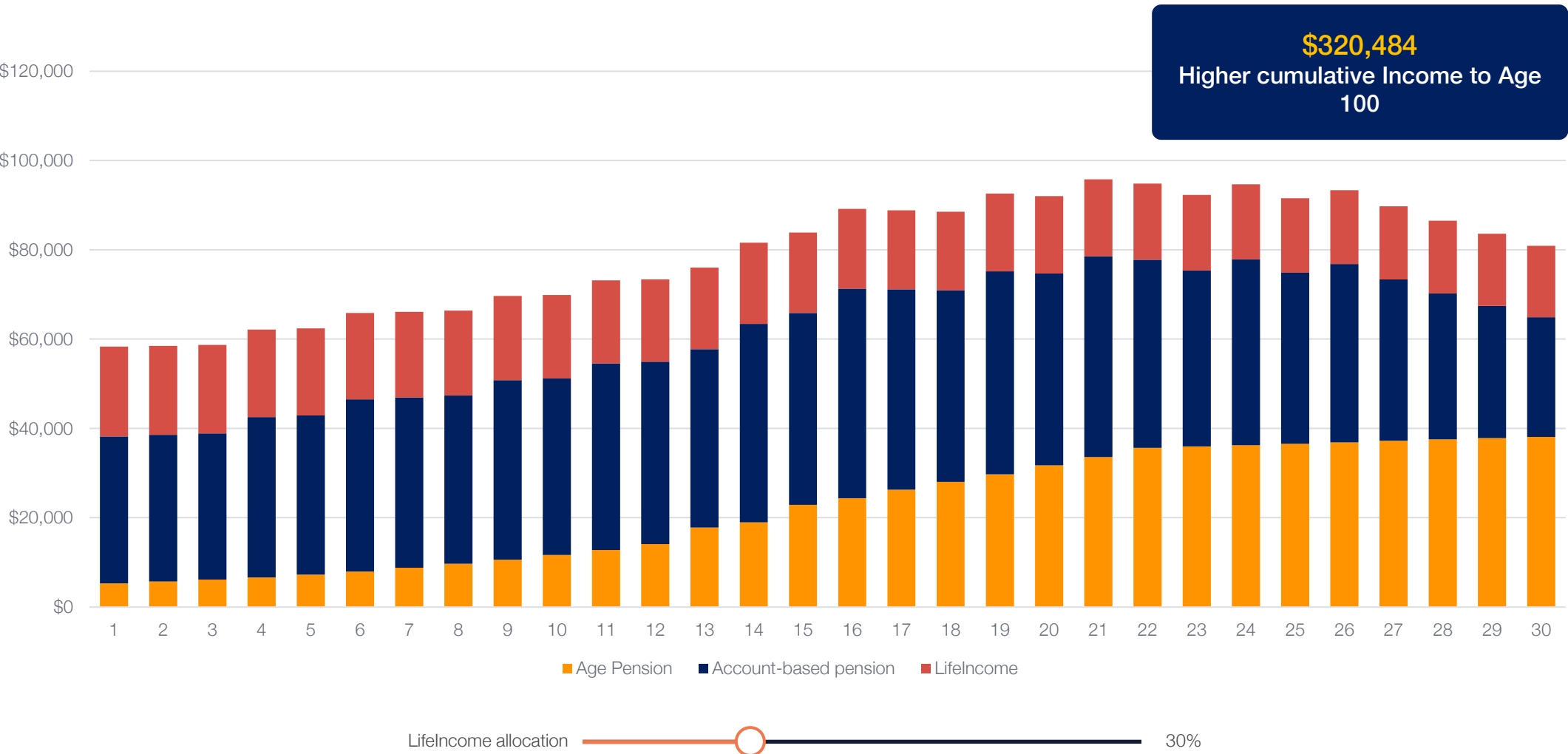


Assumes David and Margaret has not already triggered their carry forward non-concessional cap.

David and Margaret's income over time



David and Margaret's income over time



David and Margaret's outcome

David and Margaret are now able to qualify for the age pension and the benefits associated with the pension card.

They will also now receive \$58,305 in total annual income to enjoy their retirement.

In addition, they have also provided estate planning certainty for their 4 Grand Children.

	Without Lifeline	With Lifeline
Lifeline	-	\$20,111
Age Pension	-	\$5,294
Account-based pension (5% drawdown)	\$47,000	\$32,900
Total Income	\$47,000	\$58,305



Assumptions: Based on reversionary lifetime annuity policies for David and Margaret after each allocating 30% of their superannuation to Lifeline with a LifeBooster 5% rate. Estimated fees, expenses and costs of 0.5% for the account-based pensions and 1.22% for Lifeline. Assumed investment returns of superannuation assets is 7% p.a., non-superannuation assets at 3% and inflation of 2.5%pa. This illustrates a 30-year period only, however the lifetime annuity will pay an income for life. Minimum drawdown rate ignores Covid-19 relief, no adviser fees have been charged and social security rates and thresholds are valid at September 2022.

Generation Life

Highly recommended for over a decade

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

Awards



Research ratings



Lifeline



Investment Bonds



Investment Bonds
LifeBuilder

Note: Zenith rating includes LifeBuilder and ChildBuilder

Thank you.

Outthinking today.

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