



Outthinking today.



Lifetime annuities reimagined

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## LifeIncome

### Investment-linked lifetime annuity







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## Discover Generation Life

Pioneer of Australia's first truly flexible investment bond. Over \$3b invested with us to date.<sup>1</sup> Proud to be innovating the retirement income landscape with an investment-linked lifetime annuity.

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1. As at 31 December 2023



### Specialist provider

Investment bonds and investment-linked lifetime annuity

### Market leader

#1 provider of investment bond solutions with 52% market share of total inflows into investment bonds<sup>1</sup>

### Innovation focused

Tax aware investing, estate planning and retirement income landscape

### Trusted

APRA regulated and our parent company is listed on the ASX

1. Plan for Life, Investment Bonds Market Report for period ended 30 September 2023



## 7 facts about investment-linked lifetime annuities

**Myth:**

I will lose all of my investment if I pass away early

**Myth:**

The provider will default

**Myth:**

Annuities don't offer value for money

**Myth:**

Annuities are fixed income products

**Myth:**

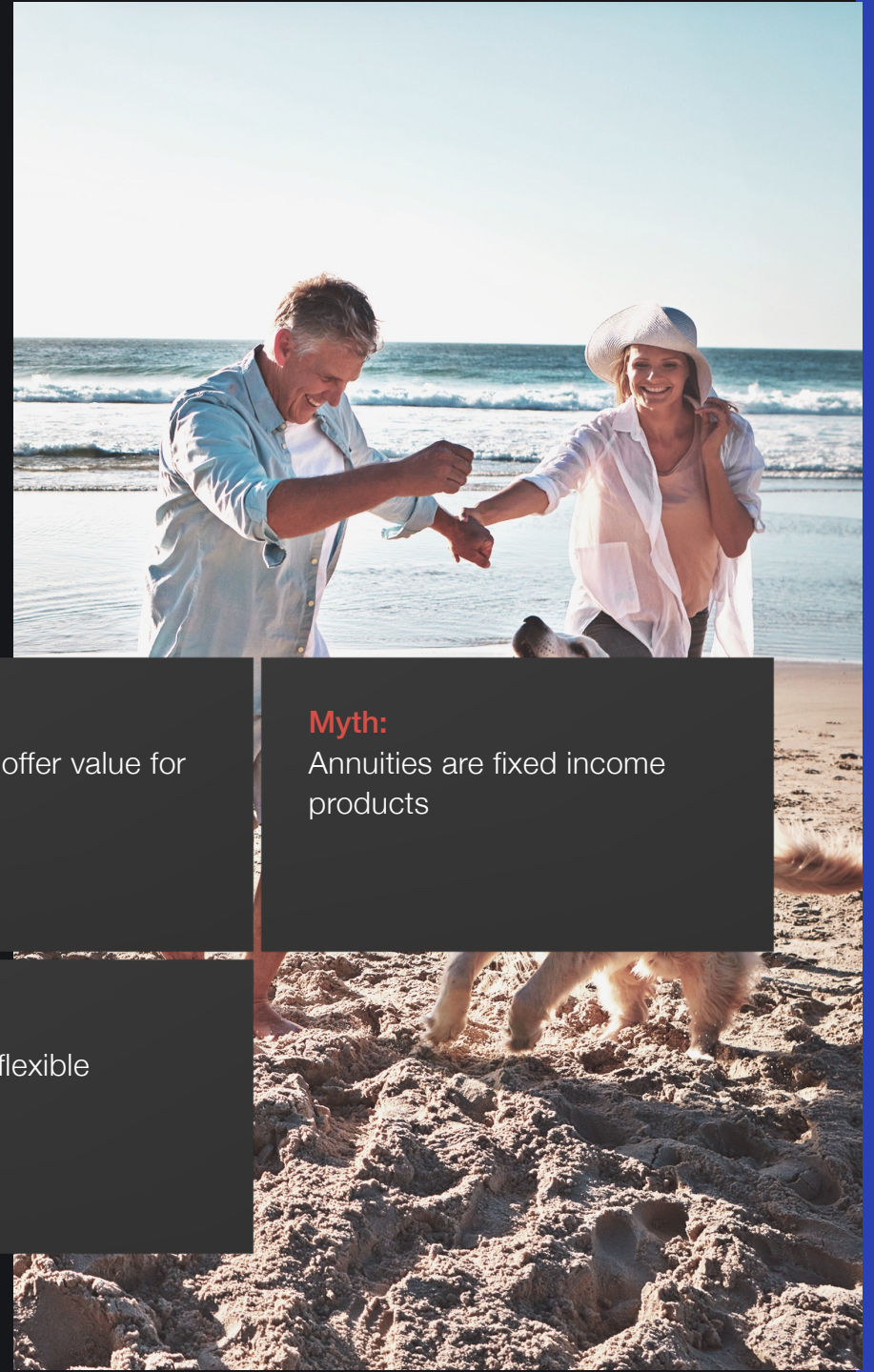
Annuities are complex

**Myth:**

High tax rates that diminish overall returns

**Myth:**

Annuities are inflexible



## 7 facts about investment-linked lifetime annuities

**Fact:**

All lifetime annuities offer a death benefit

**Fact:**

All lifetime annuity providers are regulated by APRA

**Fact:**

Designed to provide more cumulative income sooner and higher starting income that grows over time

**Fact:**

A wider range of investment options across a major asset classes

**Fact:**

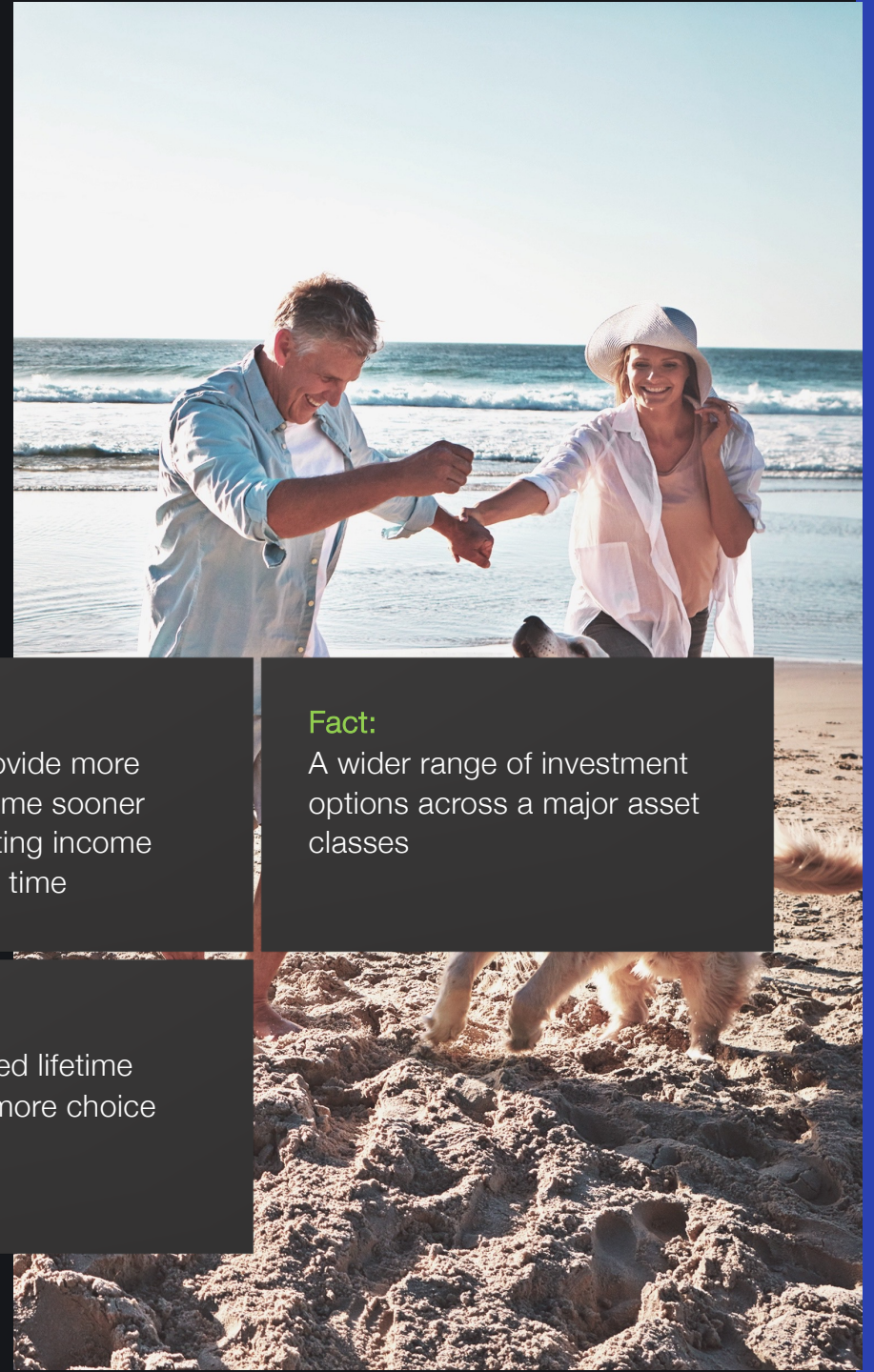
Simple to manage once your investment has been set up

**Fact:**

Generally, no tax is payable when a lifetime annuity is purchased with non-super or super monies

**Fact:**

Investment-linked lifetime annuities offer more choice and flexibility





## 6 key differences to CPI linked lifetime annuities

Higher starting income

Starting income doesn't change

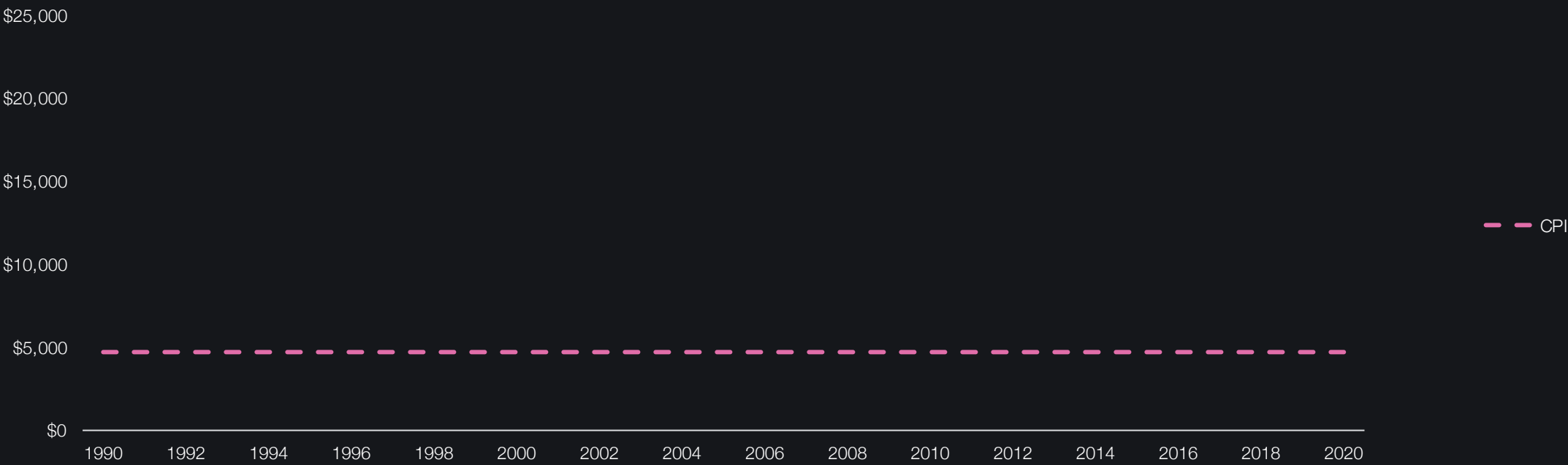
Potential for more cumulative income

Flexibility to change investment outcome

Ongoing adviser involvement

Income redistribution rate

# Real Annual Income



## Real Cumulative Income

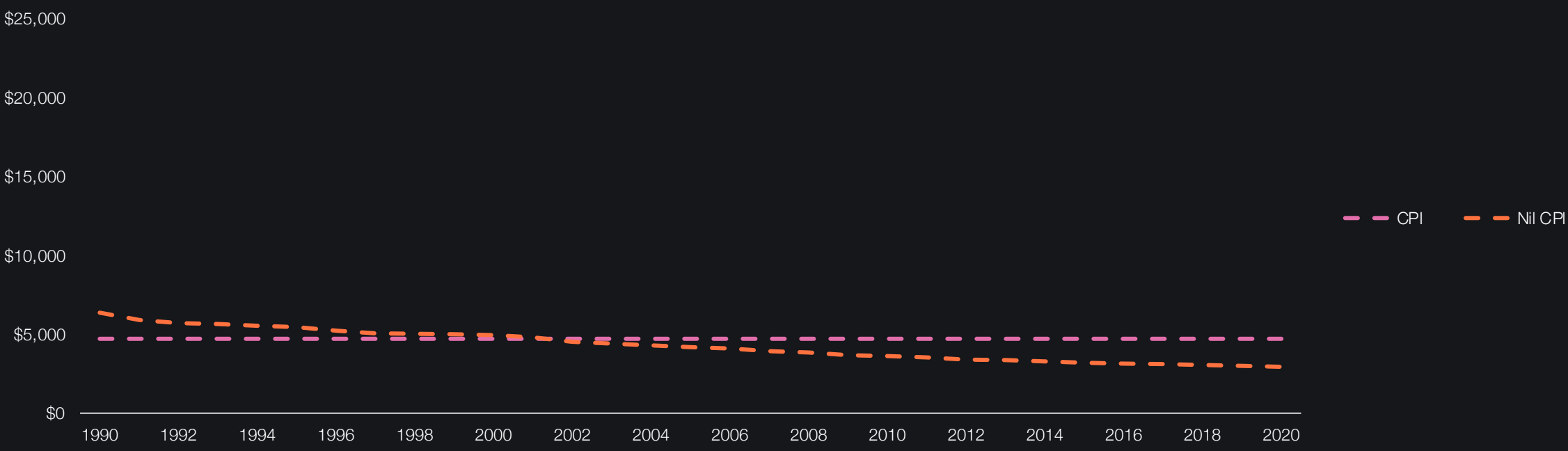
	CPI
5 year	\$23,545
10 year	\$47,090
15 year	\$70,635
20 year	\$94,180
30 year	\$141,270

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various asset classes. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 95 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.





# Real Annual Income



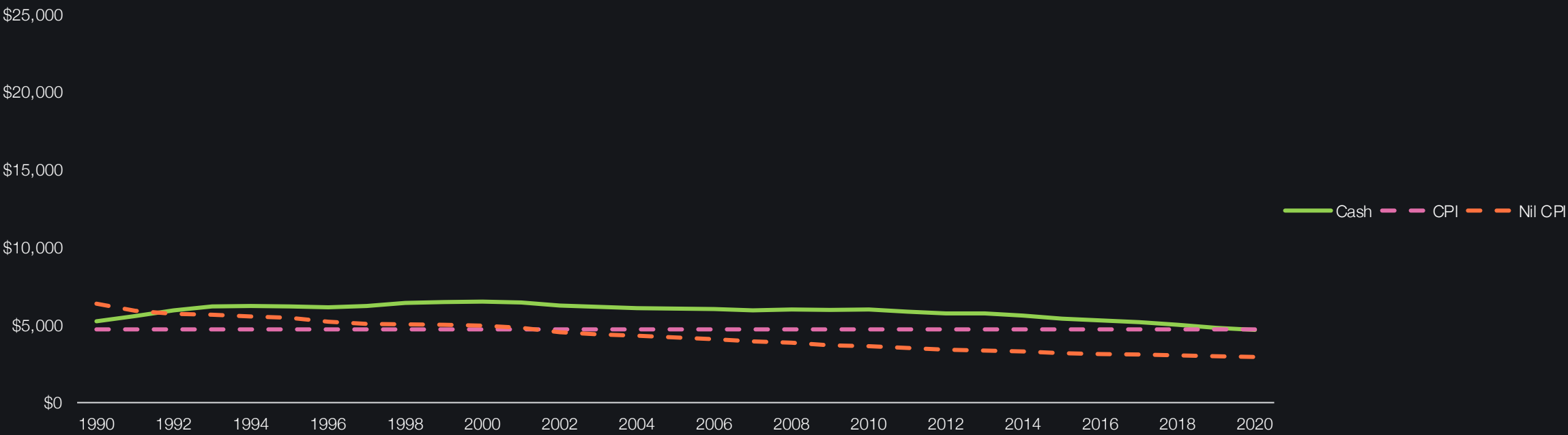
## Real Cumulative Income

	CPI	Nil CPI
5 year	\$23,545	\$29,170
10 year	\$47,090	\$54,921
15 year	\$70,635	\$77,888
20 year	\$94,180	\$97,600
30 year	\$141,270	\$130,232

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various asset classes. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 100 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.



# Real Annual Income



## Real Cumulative Income

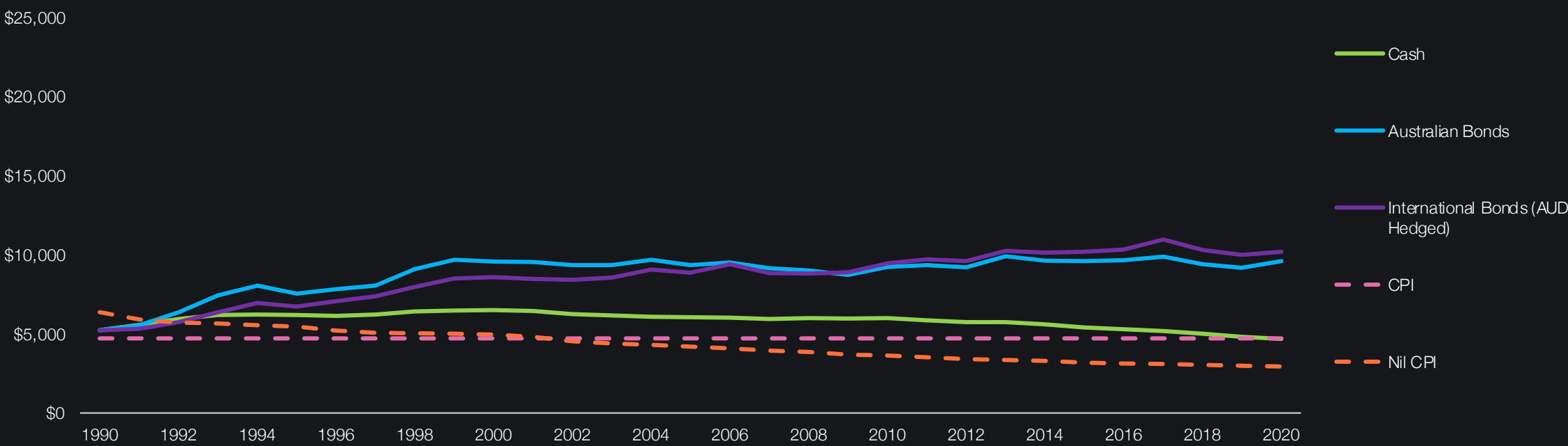
	CPI	Nil CPI	Cash
5 year	\$23,545	\$29,170	\$29,093
10 year	\$47,090	\$54,921	\$60,510
15 year	\$70,635	\$77,888	\$91,910
20 year	\$94,180	\$97,600	\$121,863
30 year	\$141,270	\$130,232	\$176,429

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various asset classes. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 100 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.





# Real Annual Income



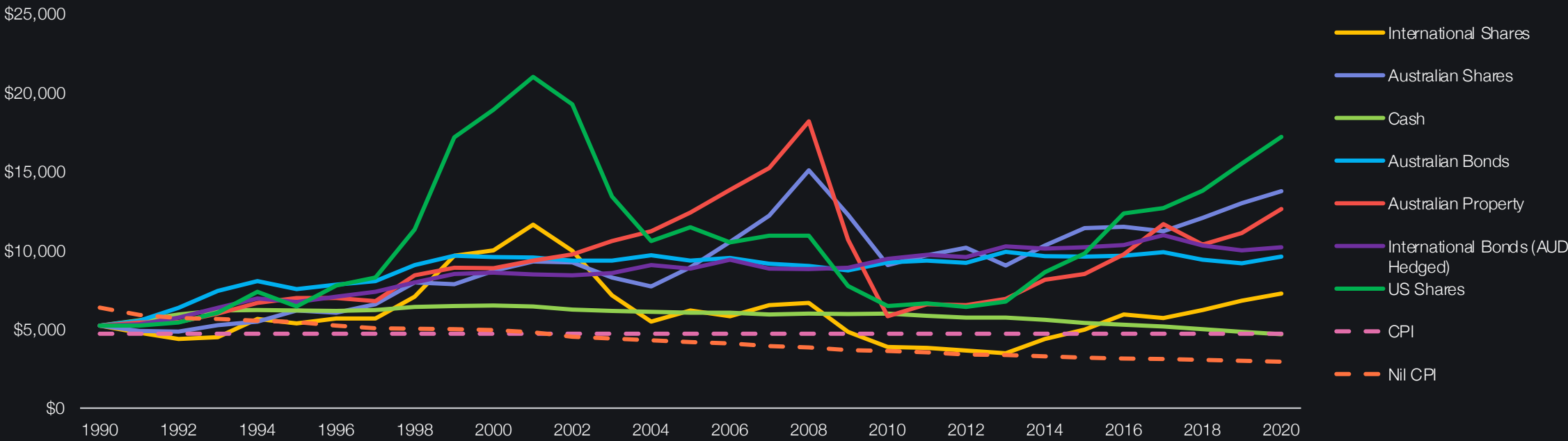
## Real Cumulative Income

	CPI	Nil CPI	Cash	Australian Bonds	International Bonds (AUD Hedged)
5 year	\$23,545	\$29,170	\$29,093	\$32,556	\$29,568
10 year	\$47,090	\$54,921	\$60,510	\$74,699	\$67,170
15 year	\$70,635	\$77,888	\$91,910	\$122,112	\$110,225
20 year	\$94,180	\$97,600	\$121,863	\$167,807	\$154,970
30 year	\$141,270	\$130,232	\$176,429	\$262,738	\$255,760

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various asset classes. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 100 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.



# Real Annual Income



## Real Cumulative Income

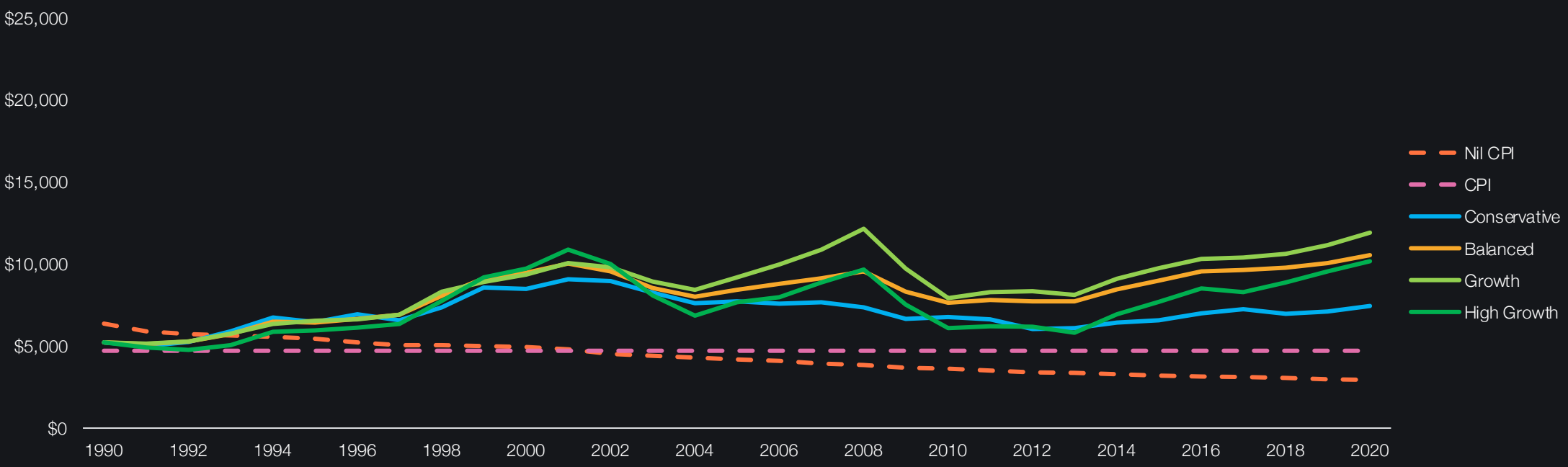
	CPI	Nil CPI	Cash	Australian Bonds	International Bonds (AUD Hedged)	Australian Property	US Shares	International Shares	Australian Shares
5 year	\$23,545	\$29,170	\$29,093	\$32,556	\$29,568	\$28,752	\$29,260	\$24,517	\$25,687
10 year	\$47,090	\$54,921	\$60,510	\$74,699	\$67,170	\$66,717	\$80,180	\$57,884	\$60,326
15 year	\$70,635	\$77,888	\$91,910	\$122,112	\$110,225	\$116,393	\$163,234	\$102,044	\$103,472
20 year	\$94,180	\$97,600	\$121,863	\$167,807	\$154,970	\$186,611	\$214,741	\$132,042	\$162,381
30 year	\$141,270	\$130,232	\$176,429	\$262,738	\$255,760	\$271,864	\$313,559	\$180,771	\$269,661

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various asset classes. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 100 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.





# Real Annual Income



## Real Cumulative Income

	CPI	Nil CPI	Conservative	Balanced	Growth	High Growth
5 year	\$23,545	\$29,170	\$28,076	\$27,797	\$27,734	\$25,793
10 year	\$47,090	\$54,921	\$63,952	\$64,945	\$65,043	\$61,091
15 year	\$70,635	\$77,888	\$106,287	\$110,456	\$111,576	\$106,590
20 year	\$94,180	\$97,600	\$143,259	\$154,626	\$163,434	\$148,257
30 year	\$141,270	\$130,232	\$210,019	\$241,915	\$257,332	\$222,333

**Assumptions:** Starting income is based on a 65-year-old female commencing LifeIncome with \$100,000 and a LifeBooster rate of 2.5%. The graph shows performance of a LifeIncome policy under the historical performance of various diversified portfolio indices. Estimated fees, expenses and costs of 0.92% p.a. Past performance is no indication of future performance. This illustrates until age 100 only, however LifeIncome will pay your client an income for life. The starting incomes of the CPI and Nil CPI traditional annuities are based on the latest available rate as at 30/03/2023 commencing with \$100,000. Performance of the CPI Linked Annuity is based on historical CPI of the respective period. All income is discounted by CPI of the respective period.



## Retiree behaviour

Most retirees **only drawdown the Government mandated minimum** from their account-based pension<sup>1</sup>

### Living too frugally

Passing away with most of their super intact, without spending their retirement savings<sup>1</sup>

Retirees with lifetime annuities effectively **double the amount they are willing to spend** each year, on themselves and their families<sup>2</sup>

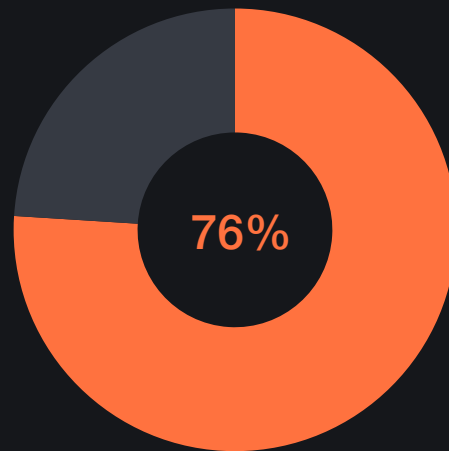
1. Australian Government, The Treasury, Retirement Income Review - Final Report, issued November 2020, <https://treasury.gov.au/publication/p2020-100554>  
2. MarketWatch, Opinion: Retirees with annuities have more fun, August 2021



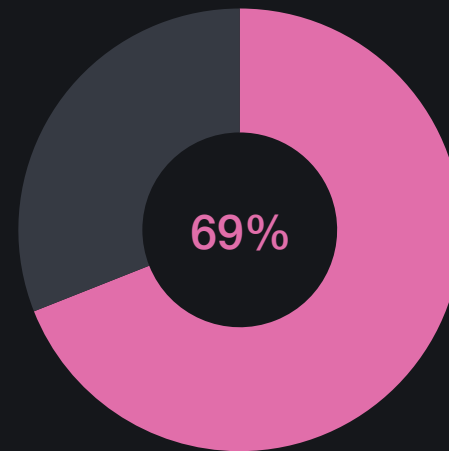
## Retirement is no longer an age, but a mindset...

Retirement represents a **significant milestone** for many, marking the culmination of their professional careers and the **beginning of a new phase of their lives**.

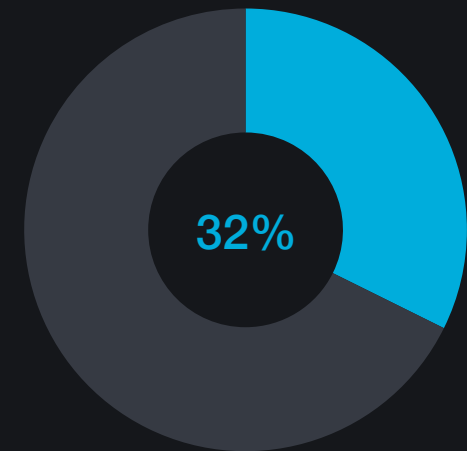
Our research indicates that a happy and dignified retirement needs to be built on solid financial foundations.



Owning your own home



Ongoing income certainty



Flexibility with financial assets

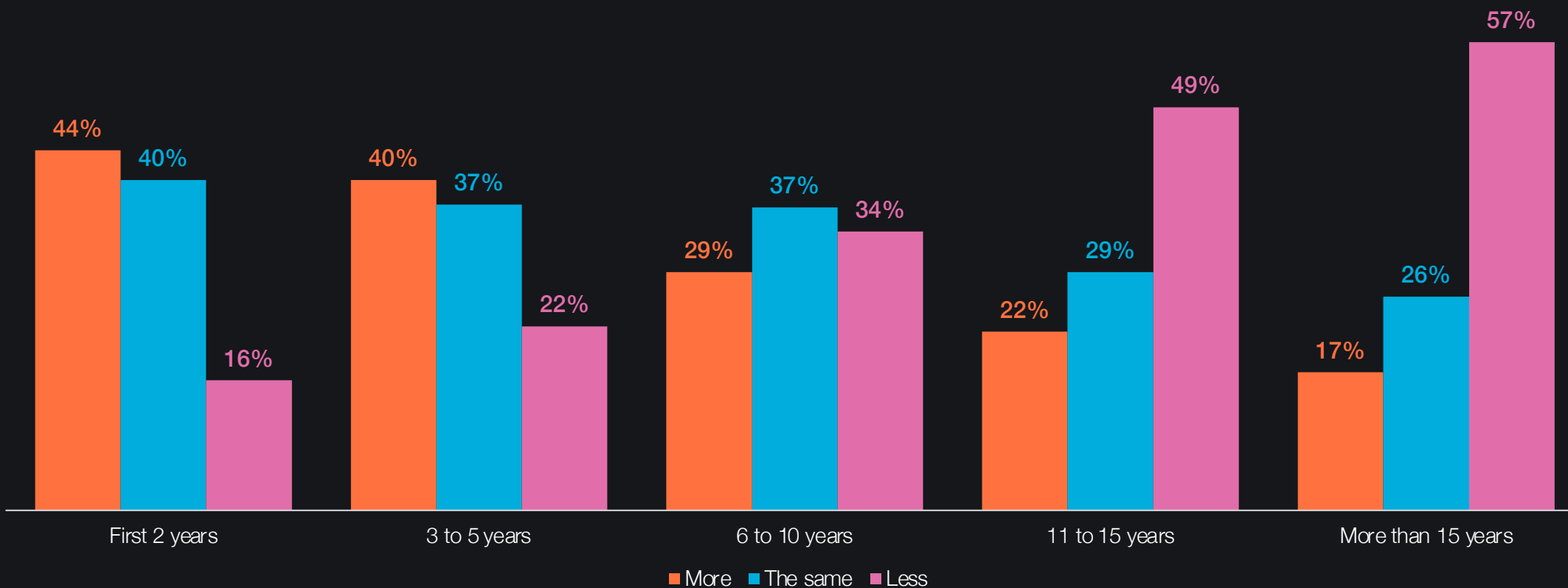
Based on results of survey(s) by Generation Life and CoreData described in the Funding a dignified retirement and leaving a legacy research summary 2023.





## Retirees want to spend more in retirement

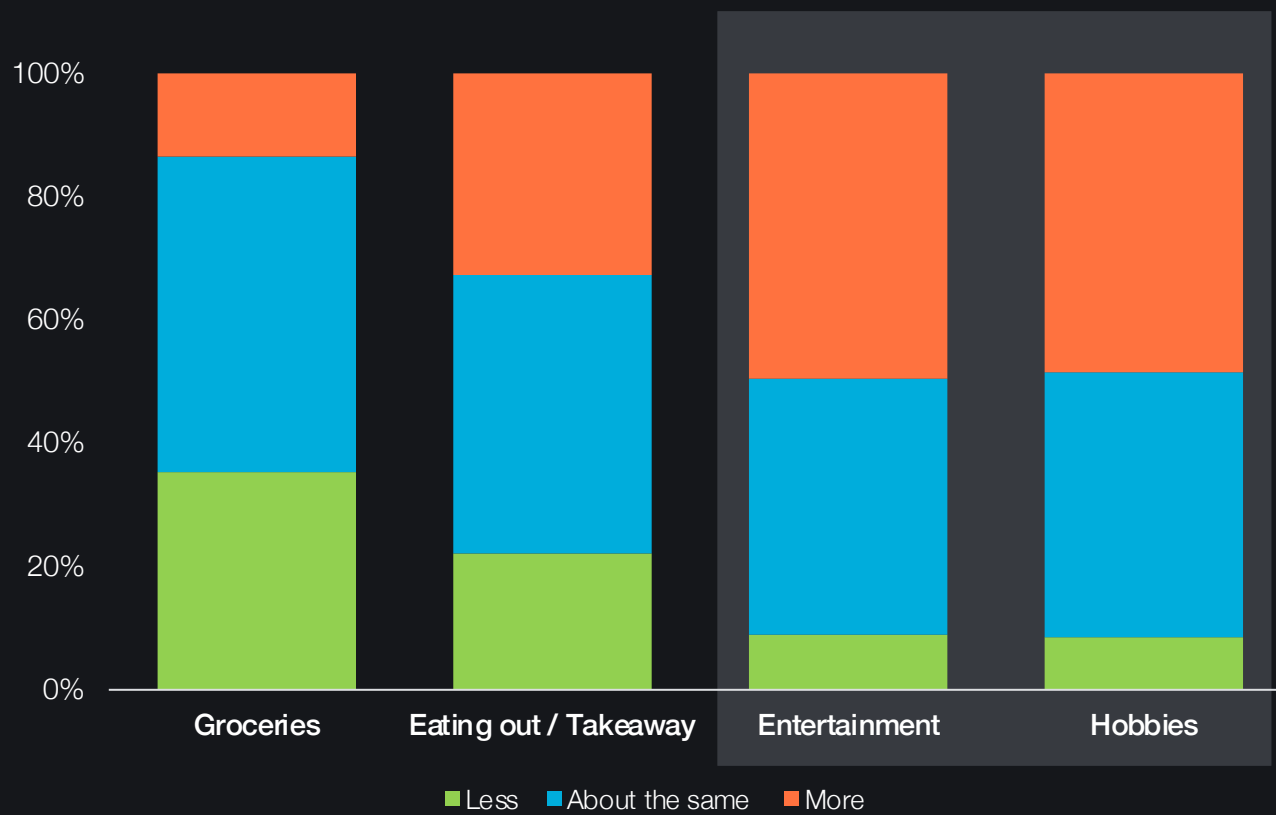
More than two in five expect to spend more than their current income in the earlier years of retirement.



Based on results of survey(s) by Generation Life and CoreData described in the Funding a dignified retirement and leaving a legacy research summary 2023.

## Where is this spend going?

Expected spend on **Entertainment** and **Hobbies** to increase in retirement.



Based on results of survey(s) by Generation Life and CoreData described in the Funding a dignified retirement and leaving a legacy research summary 2023.





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## Lifeline

Investment-linked lifetime annuities reimagined

## LifeIncome

Innovations to lifetime annuities providing choice and flexibility

### An income guaranteed for life

Higher starting income with LifeBooster and more cumulative income sooner

### Investment choice and switching at anytime<sup>1</sup>

Across all major asset classes including purpose-built investment options

### Reversionary beneficiary

Option for reversionary percentage

### Death benefit

Protect your spouse / loved one

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



## 6 core uses of LifeIncome

1.

Qualify or bring forward the age to access the Age Pension and ancillary benefits

2.

Minimising the impact of an inheritance on your Age Pension benefits

3.

Providing peace of mind to spend in retirement and avoiding 'regret risk'

4.

Income layering alongside account-based pension and Age Pension

5.

Investment choice that aligns to your client's risk profile with the ability to switch at anytime<sup>1</sup>

6.

Protecting your spouse / loved one with income for life or a death benefit

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

## Centrelink treatment of LifeIncome

### Means tested asset value

60% of your investment amount. From age 84, only 30% is assessed (subject to a minimum of 5 years)

### Means tested income

Only 60% of your LifeIncome annual income

LifeIncome is defined as an 'Asset-tested income stream (lifetime)' product for social security purposes. All decisions regarding social security benefits for individuals who purchase 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. Based on current social security law, reducing Age Pension by \$3 for every \$1,000 of assets over lower threshold.

### For every \$200,000 invested in LifeIncome

Assessable assets	Reduce by \$80,000
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Age Pension uplift*	\$6,240 p.a.
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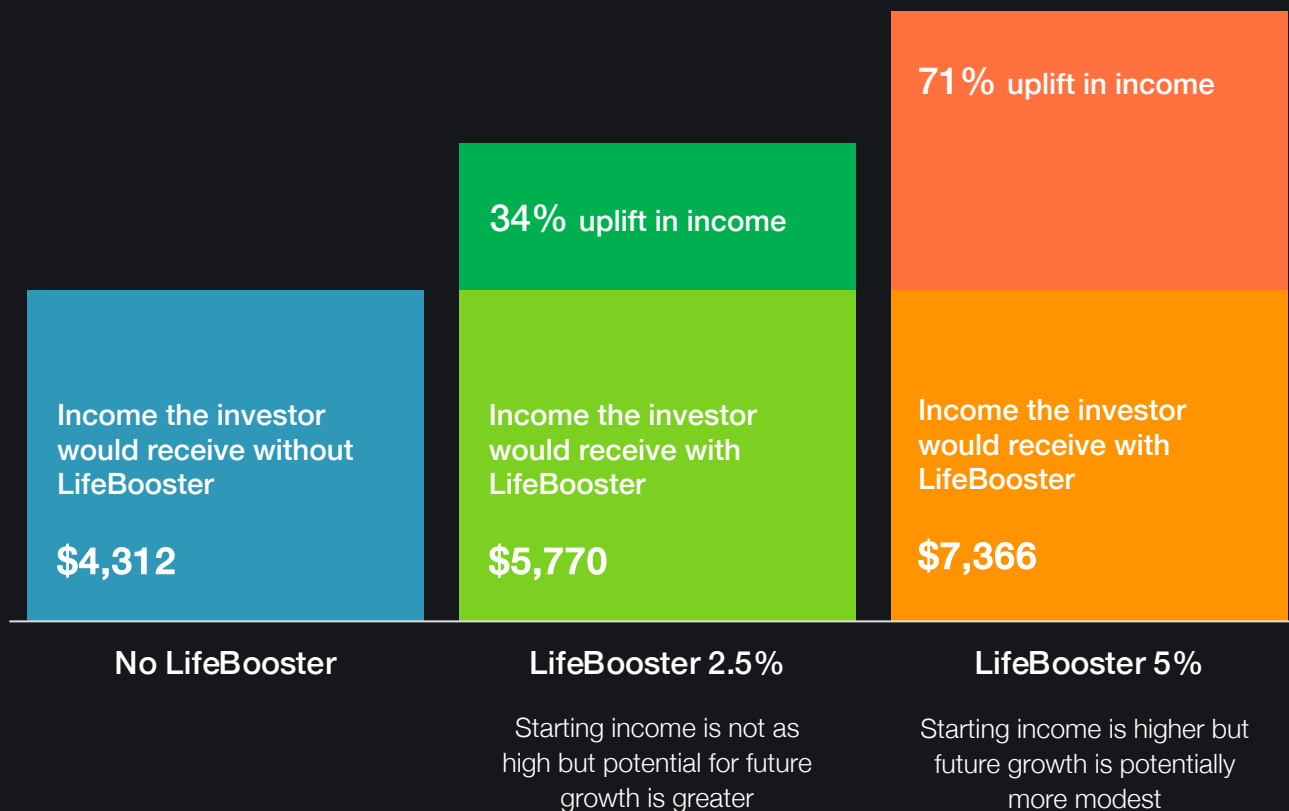
Risk free return*	3.12%
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\*Assuming eligibility



## How LifeBooster works

### Comparing first year income



Assumptions: 67-year-old male, \$100,000 investment.

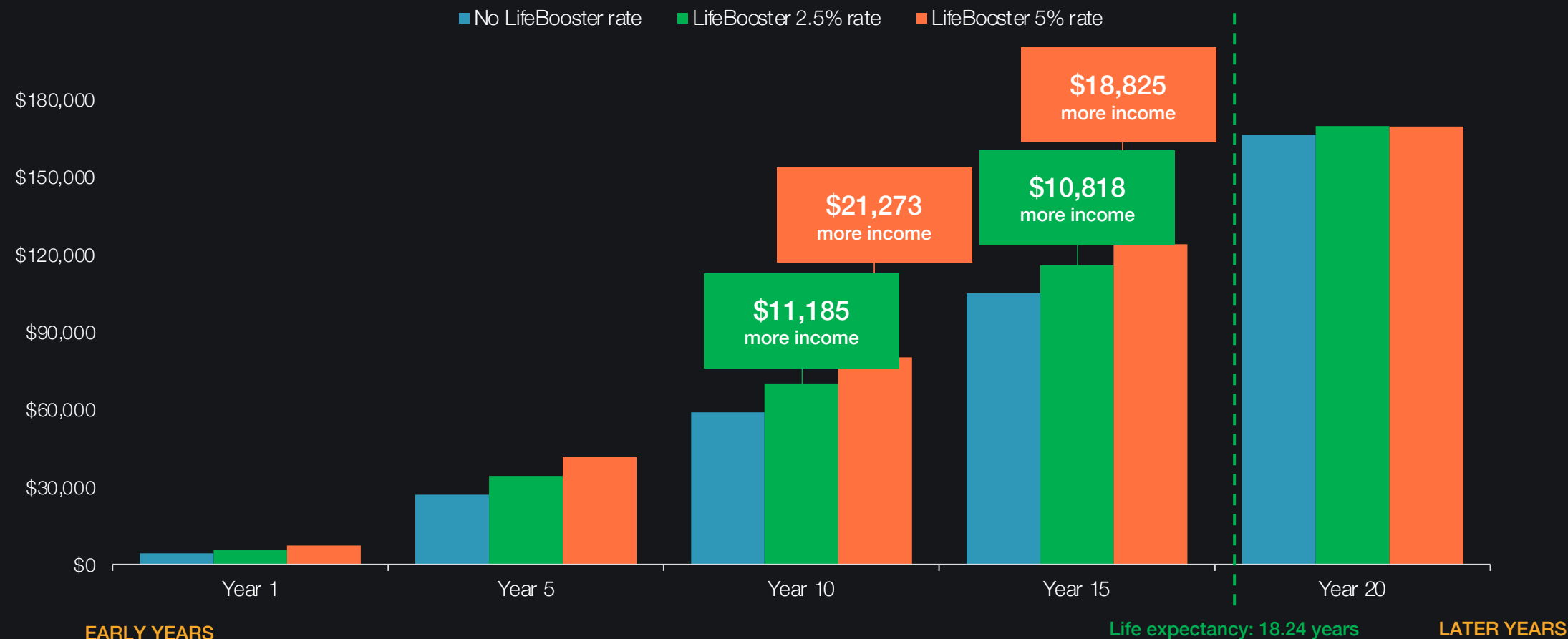
A much higher starting income than if no LifeBooster was applied

Investment paid back in the form of cumulative income sooner

More income in the early years of retirement when retirees are more active and able to enjoy

# The power of LifeBooster

Comparing cumulative income for Vanguard Balanced Portfolio



**Assumptions:** Male 67 years old, initial investment \$100,000, estimated total fees, expenses and costs of 0.92% p.a. Vanguard Balanced Portfolio returns from July 1 2003 with no investment switches. Past performance is no indication of future performance. 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.





## Case study

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# Qualifying and bringing forward Age Pension and ancillary benefits sooner

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## Meet Susan...

Susan is 66 years old, single and a homeowner.

### Susan would like to...

- Spend more time on her hobbies
- She loves going on cruises and having dinners out with her friends





## Susan's situation...

### Susan currently has...

Superannuation balance	\$750,000
Savings	\$90,000
Personal assets	\$10,000

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## Susan's objectives...

### Susan would like to...

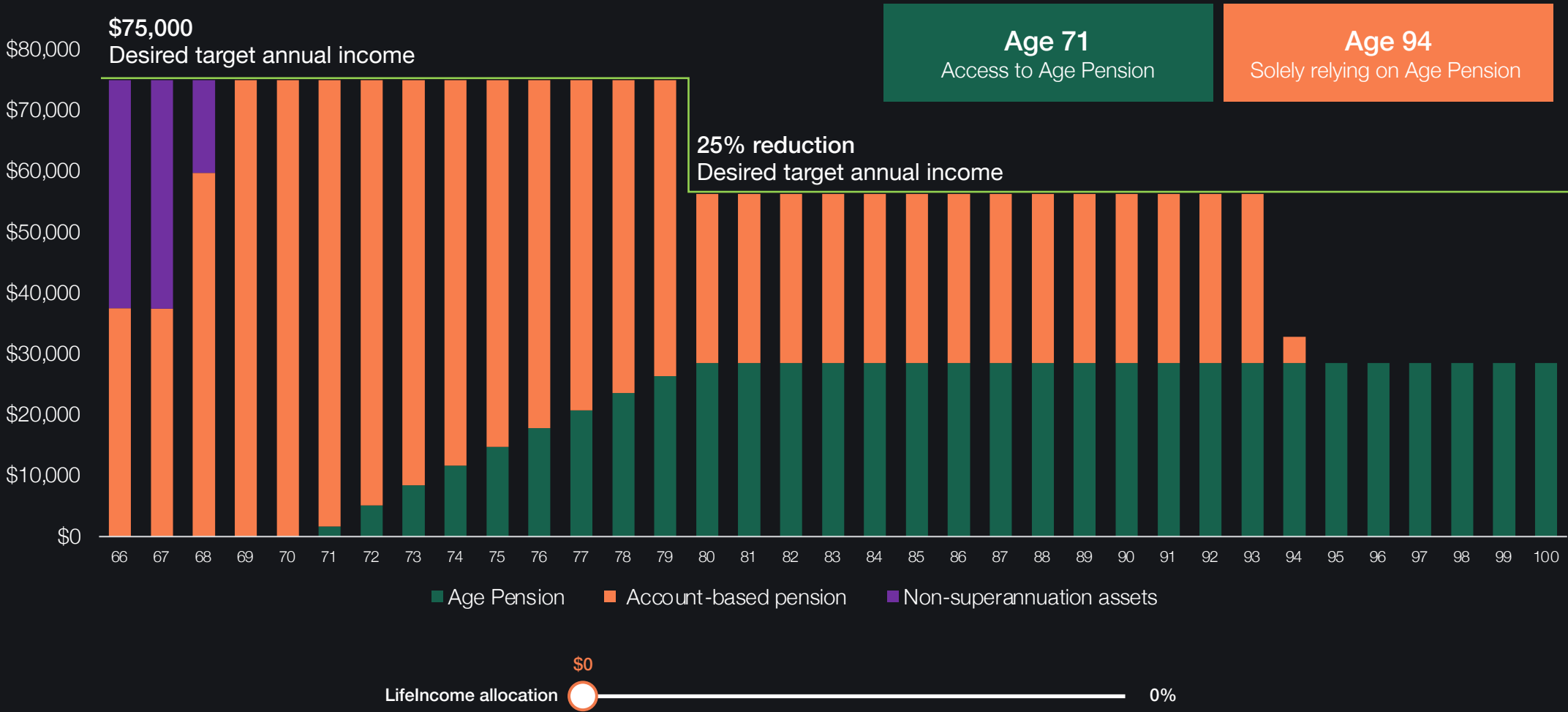
- Wants to be proactive and access the Age Pension sooner to maintain her desired lifestyle
- Wants certainty that she won't run out of money
- Doesn't want to solely rely on the Age Pension
- Doesn't want to burden her loved ones with funeral costs

**Susan speaks to her financial adviser**





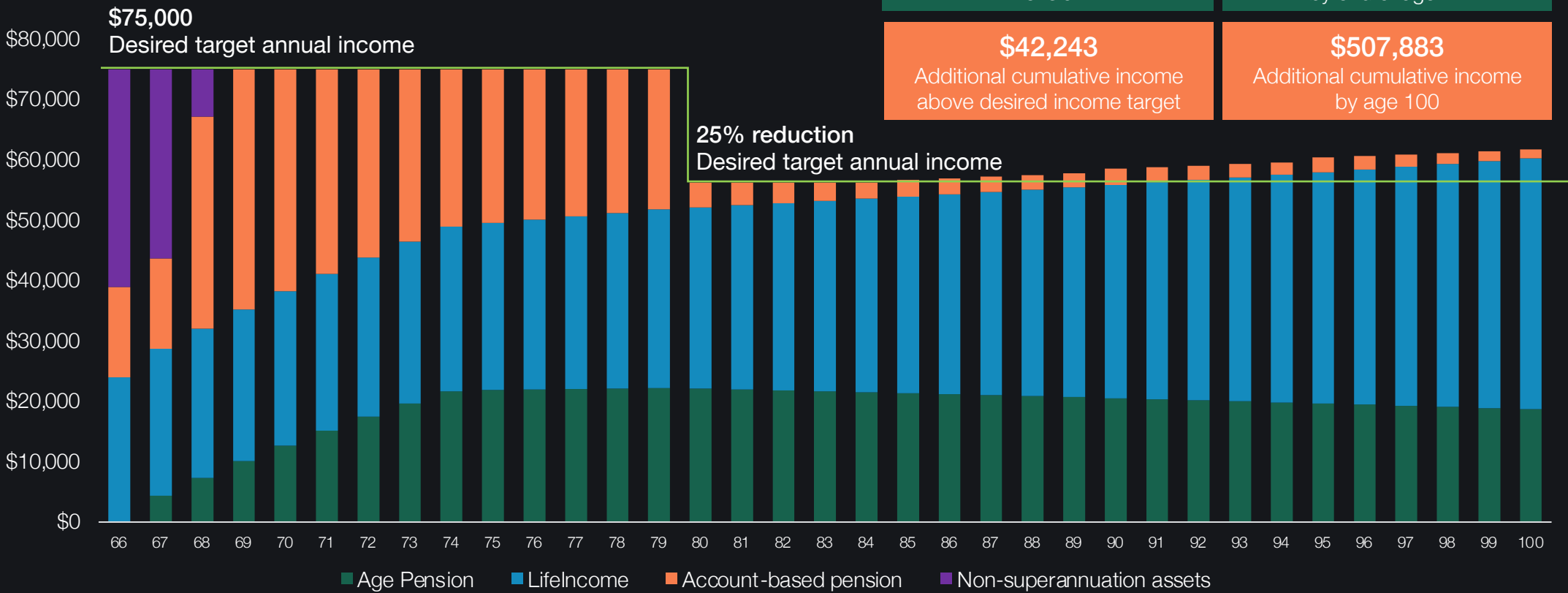
# Susan's current situation...



Susan's superannuation balance is used to commence an account-based pension, drawing income to meet her desired income target. Estimated fees, expenses and costs of 0.5% p.a. for the account-based pension. Assumed investment returns of superannuation assets is 8% p.a., non-superannuation assets at 3% p.a. and inflation of 2.5% p.a. No adviser fees have been charged and social security rates and thresholds are valid at 20/09/2023.



# If Susan establishes a LifeIncome...



<b>Age 67</b> Immediate access to Age Pension	<b>\$52,342</b> Uplift in cumulative Age Pension by end of age 71
<b>\$42,243</b> Additional cumulative income above desired income target	<b>\$507,883</b> Additional cumulative income by age 100



Based on a Lifeline policy for Susan after allocating 60% of her superannuation to Lifeline with a LifeBooster 2.5% rate. Her remaining superannuation balance is used to commence an account-based pension, drawing income to meet her desired income target. Annual income illustrations are shown in real dollars. Estimated fees, expenses and costs of 0.5% p.a. for the account-based pension and 1.22% p.a. for Lifeline. Fees on Lifeline are a percentage of the annual income. There are no fees in the first financial year (or part thereof). Assumed investment returns of superannuation assets is 8% p.a., non-superannuation assets at 3% p.a. and inflation of 2.5% p.a. No adviser fees have been charged and social security rates and thresholds are valid at 20/09/2023.



## Susan's outcome

Immediate access to Age Pension and ancillary benefits at pension age

Additional layer of income guaranteed for life from LifeIncome and never reliant on the Age Pension alone

Ability to maintain her desired income target and almost double her income in later years

Additional cumulative income of \$507,883 at age 100

Pre-paid funeral arrangements easing the burden for the loved ones

Payback period<sup>1</sup> of 12 years



1. The 'payback period' is the estimated time for the return of your investment in the form of cumulative income, as well as any increase in Age Pension which you may receive as a result of investing into LifeIncome and FuneralBond.



## Case study

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# Minimising the impact of an inheritance on your Age Pension benefits



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## Meet Ina...

Ina is 79 years old, recently widowed and a homeowner.



## Ina's situation...

Ina's husband recently passed away. Due to now being assessed on the single rates, with all assets in her name, Ina's Age Pension entitlement has dropped substantially.

### Ina currently has...

Reversionary account-based pension	\$228,000
Cash at bank	\$210,000
Managed fund	\$58,000
Personal assets	\$10,000
<b>Total assessable assets</b>	<b>\$506,000</b>

Age Pension

\$12,583



A reduction from \$38,737 when they were receiving as a couple



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## Ina's objectives...

### Ina would like to...

- Minimise the impact from her late husband's inheritance on her Age Pension benefits
- She would like to optimise the level of income in retirement and complement other income streams

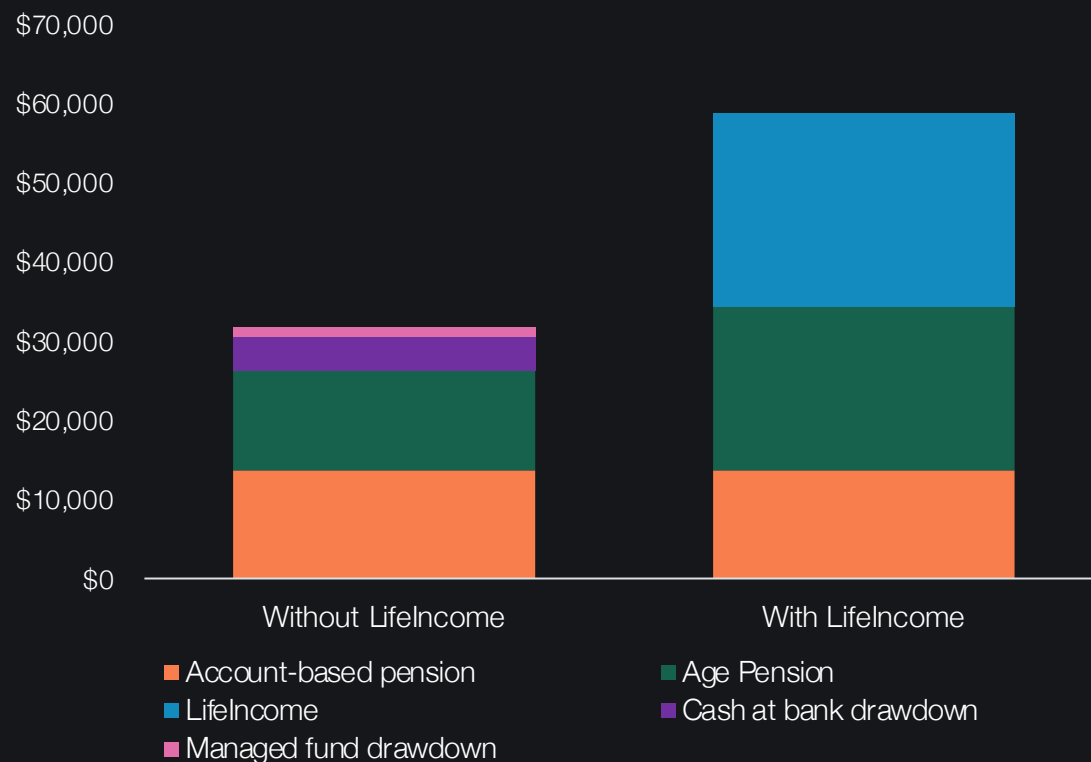
### Ina speaks to her financial adviser



## If Ina establishes a LifeIncome...

Ina's financial adviser recommends she establish a non-superannuation LifeIncome using **\$200,000 from her bank account** and **her \$58,000 managed fund**.

### Ina's first year income position...




	Without LifeIncome	With LifeIncome
LifeIncome	\$0	\$24,468
Age Pension	\$12,583	\$20,636
Account-based pension	\$13,680	\$13,680
Cash at bank drawdown	\$4,200	\$0
Managed fund	\$1,160	\$0
<b>Total</b>	<b>\$31,623</b>	<b>\$58,784</b>

Based on a LifeIncome policy for Ina by investing \$258,000 into a non-superannuation LifeIncome with a LifeBooster 5% rate. There are no fees and costs on the income paid from LifeIncome in the first financial year. The fees and cost of LifeIncome impact the amount of annual income received, after the first financial year. No adviser fees have been charged and social security rates and thresholds are valid at 20/09/2023. Account-based pension assumes minimum drawdown of 6% per annum. Cash at bank and managed fund assumes 2% drawdown for Ina's first year income position without LifeIncome.



## Ina's Age Pension assessment

LifelIncome is defined as an 'asset-tested income stream (lifetime)' product for social security purposes and provides the potential to access some or more of the Age Pension and ancillary benefits such as discounted council rates and cheaper medicine under the Pharmaceutical Benefits Scheme.

	Without LifelIncome	With LifelIncome
Income test	\$9,952	<b>\$18,828</b>
Assets test	\$506,000 assessable assets	<b>\$402,800 assessable assets</b>
Age Pension income	\$12,583	 <b>\$20,636</b>



Social security rates and thresholds as at 20/09/2023.

## Ina's outcome

Uplift of \$27,161 in year 1 with  
\$10,000 in savings for emergencies

Uplift of \$8,053 in Age Pension  
in year 1

Generate regular income with the  
option to select monthly or fortnightly  
payments from LifeIncome

Created an additional income  
stream guaranteed for life on top  
of the Age Pension





## Case study

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# Income layering to maximise retirement income

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## Meet Paul and Jean...

Paul and Jean are happily married and are homeowners.

Paul is 70 years old and Jean is 67 years old.

### Paul and Jean are...

- Grey nomads and love travelling
- They own a motor home and plan to travel around Australia







## Paul and Jean's situation...

### Paul and Jean currently have...

Paul's superannuation balance	\$500,000
Jean's superannuation balance	\$400,000
Savings	\$70,000
Motor home and other personal assets	\$150,000

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## Paul and Jean's concerns...

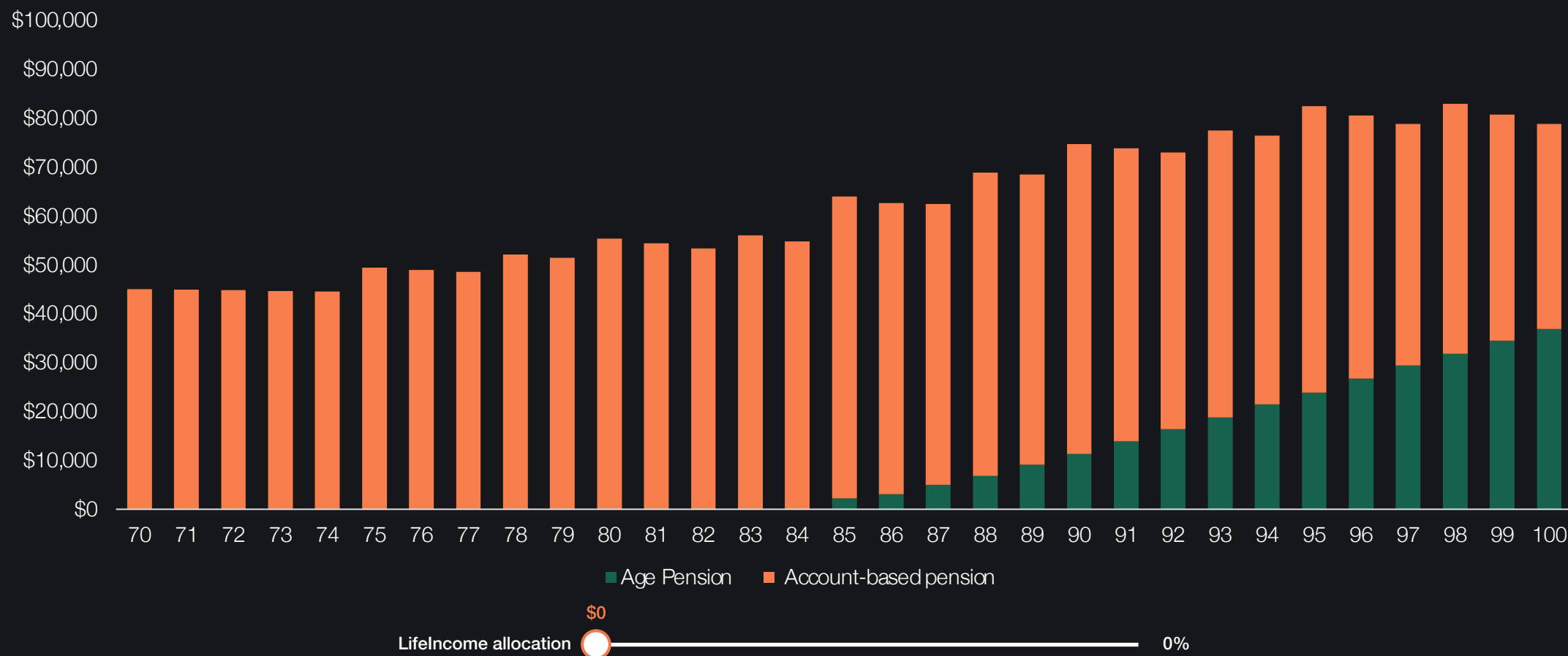
### Paul and Jean are...

- Concerned about running out of money and are just drawing down the minimum each year from their account-based pensions
- Living frugally and spending only \$50,000 p.a. which is impacting their travel plans
- Don't have the confidence to spend more and solely relying on their account-based pensions

**Paul and Jean speak to their financial adviser**

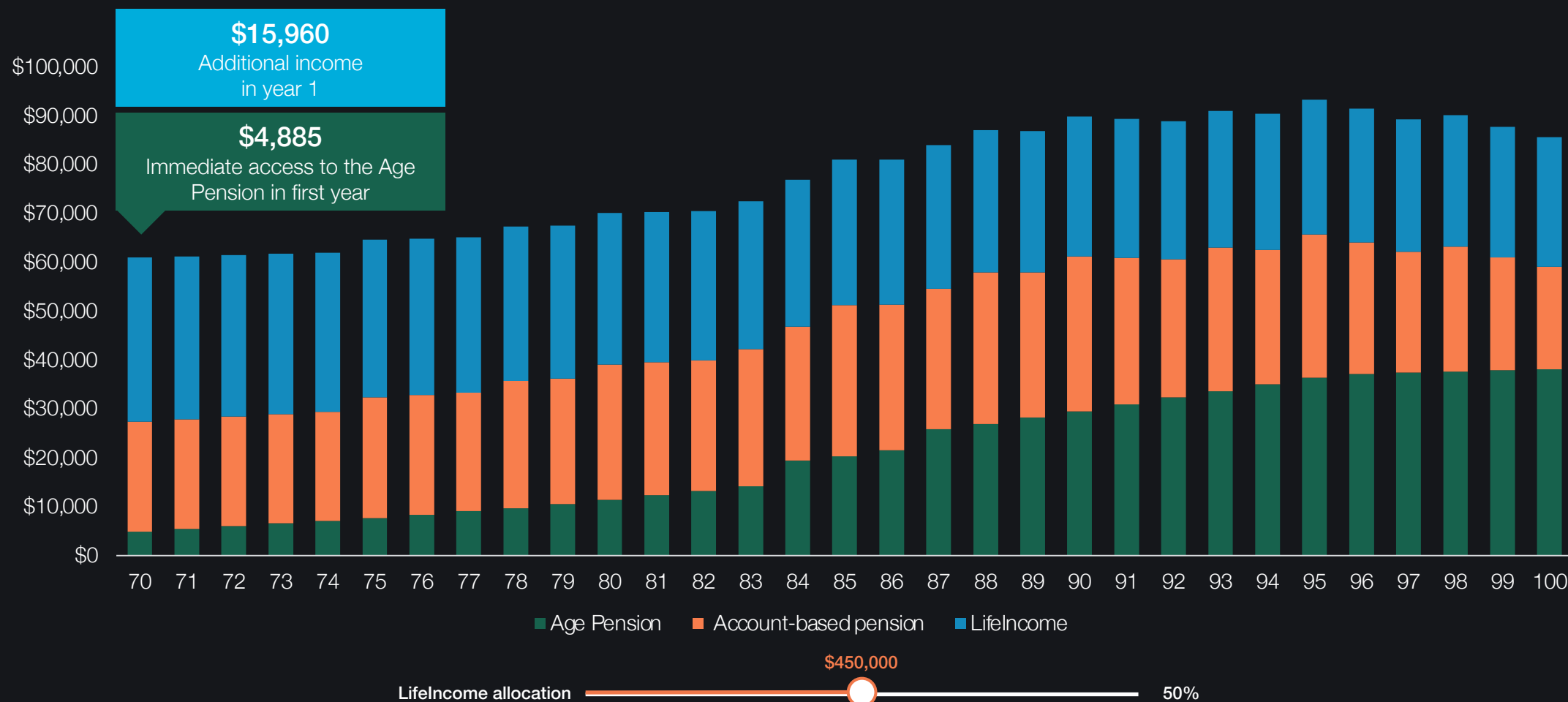


## Paul and Jean's current situation...



Paul and Jean superannuation balances are used to commence account-based pensions, drawing income at the minimum level. Annual income illustrations are shown in real dollars. Estimated fees, expenses and costs of 0.5% p.a. for the account-based pensions. Assumed investment returns of superannuation assets is 8% p.a., non-superannuation assets at 3% p.a. and inflation of 2.5% p.a. No adviser fees have been charged and social security rates and thresholds are valid at 20/09/2023.

## If Paul and Jean establish two LifeIncome policies...



Based on two LifeIncome policies for Paul and Jean after each allocating 50% of their superannuation to LifeIncome with a LifeBooster 5% rate. Their remaining superannuation balances are used to commence account-based pensions, drawing income at the minimum level. Annual income illustrations are shown in real dollars. Estimated fees, expenses and costs of 0.5% p.a. for the account-based pensions and 1.22% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees until the end of the first financial year. Assumed investment returns of superannuation assets is 8% p.a., non-superannuation assets at 3% p.a. and inflation of 2.5% p.a. No adviser fees have been charged and social security rates and thresholds are valid at 20/09/2023.



## Paul and Jean's outcome

Able to access \$4,885 of Age Pension in year 1 and ancillary benefits

Additional income of \$15,960 in year 1 and maximise their retirement income

\$207,747 additional Age Pension until age 85 bringing forward access by 15 years

Additional cumulative Age Pension of \$545,761 until age 100

Additional cumulative income of \$672,367 until age 100

Payback period<sup>1</sup> of 11 years



1. Payback period is defined as how long it will take to payback the LifeIncome investment. The 'payback period' includes the return of your investment in the form of cumulative income, as well as any increase in Age Pension which you may receive as a result of investing into LifeIncome.



## Case study

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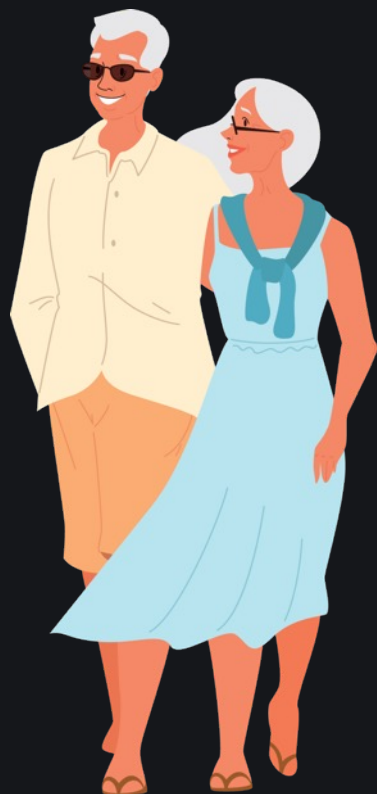
# The power of investment choice and flexibility

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## Meet Jim and Glenda...

Jim and Glenda, both 67 years old and recently retired





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## Jim and Glenda's situation

Jim and Glenda are looking to create an income stream that complements their account-based pension.

They would like to either mirror the existing risk profile of their account-based pension or have the flexibility to change to a different risk portfolio if they choose to do so.

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## Jim and Glenda's objective...

### Jim and Glenda would like to:

- Have certainty that they won't run out of money
- Meet their retirement needs as these change over time
- Have flexibility around investment choice

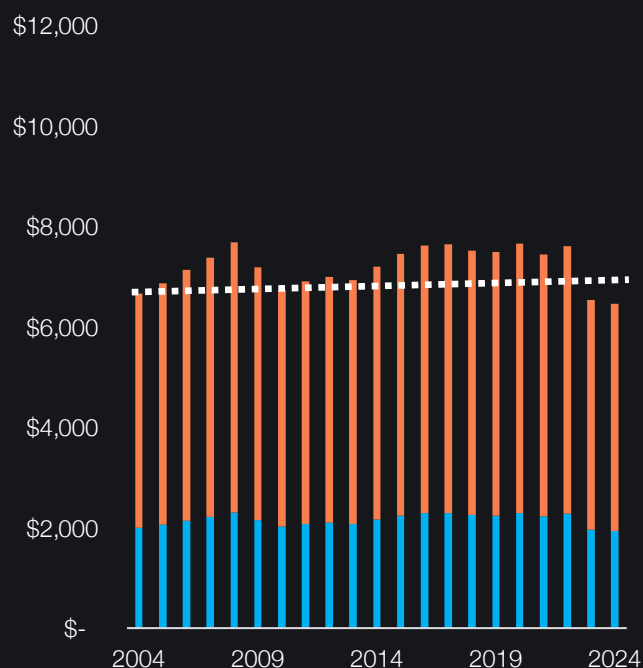
**Jim and Glenda recently read about investment-linked lifetime annuities and decided to speak to their financial adviser**



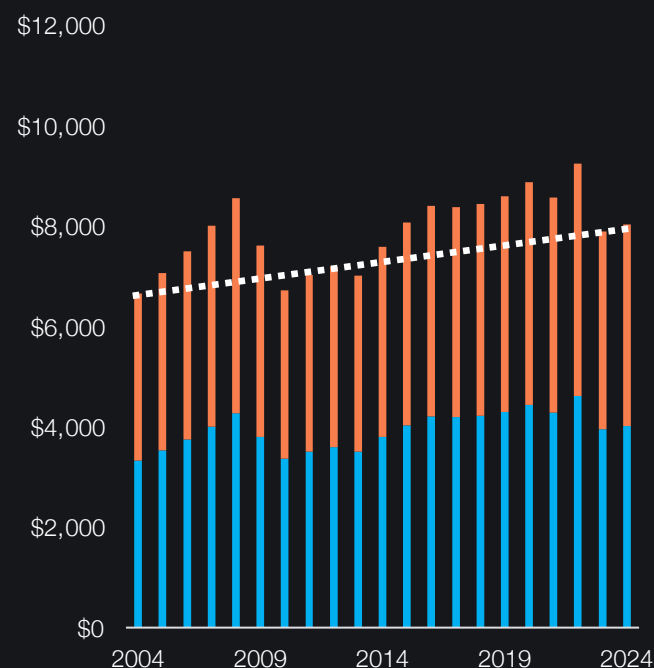


If Jim and Glenda invest \$100,000 with a **5% LifeBooster rate**...

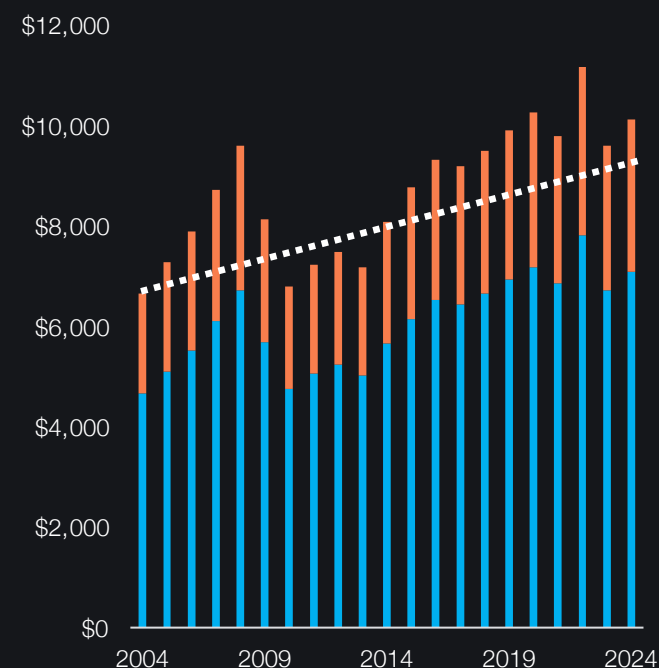
They will receive a higher starting income of **\$6,663** with the opportunity for future growth.



30/70 portfolio



50/50 portfolio

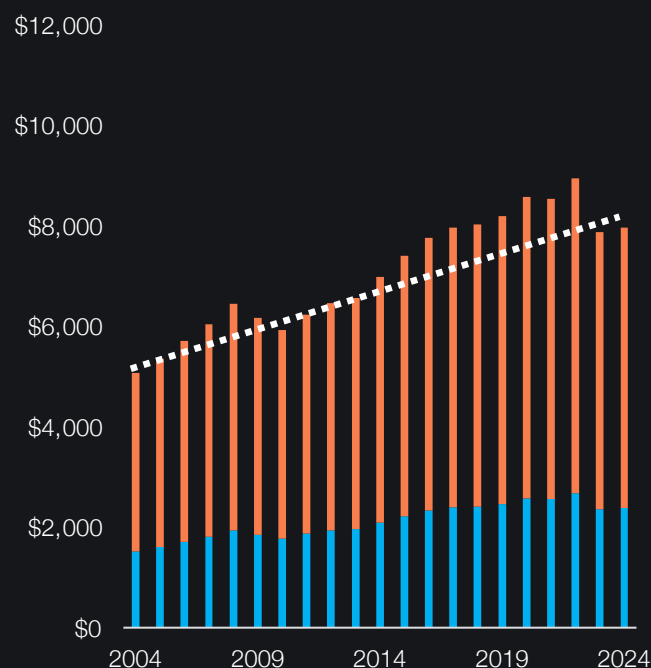


70/30 portfolio

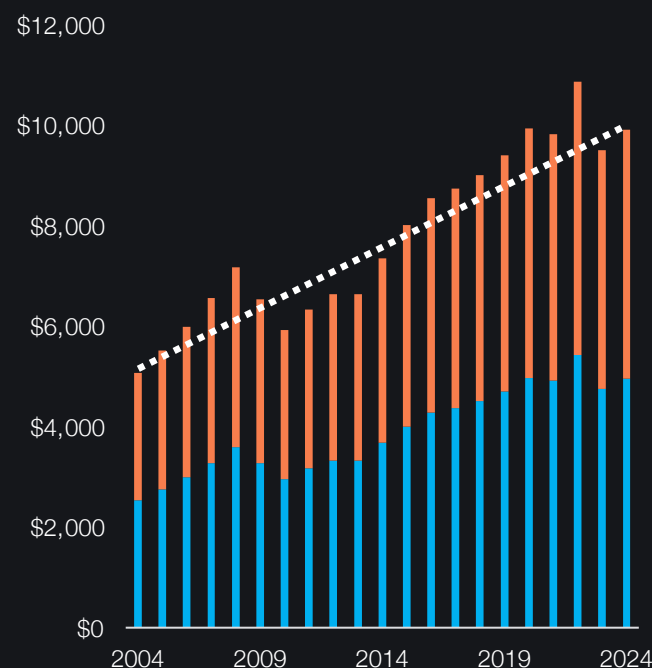
Starting income is based on a LifeIncome for Jim with Glenda nominated as the Reversionary Beneficiary and commencing a LifeIncome policy of \$100,000 investment with LifeBooster 5%. Figures referencing the past 20 years from 1st July 2003 to 30th June 2023. Returns have applied an assumed franking credit refund as follows: Vanguard Conservative, 0.19% p.a., Vanguard Balanced, 0.29% p.a., Vanguard Growth, 0.46% p.a., Vanguard High Growth, 0.58% p.a.. Annual income illustrations are shown in nominal dollars. Estimated administration fees of 0.92% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees until the end of the first financial year. Past performance is not a reliable indicator of future performance.

If Jim and Glenda invest \$100,000 with a **2.5% LifeBooster rate**...

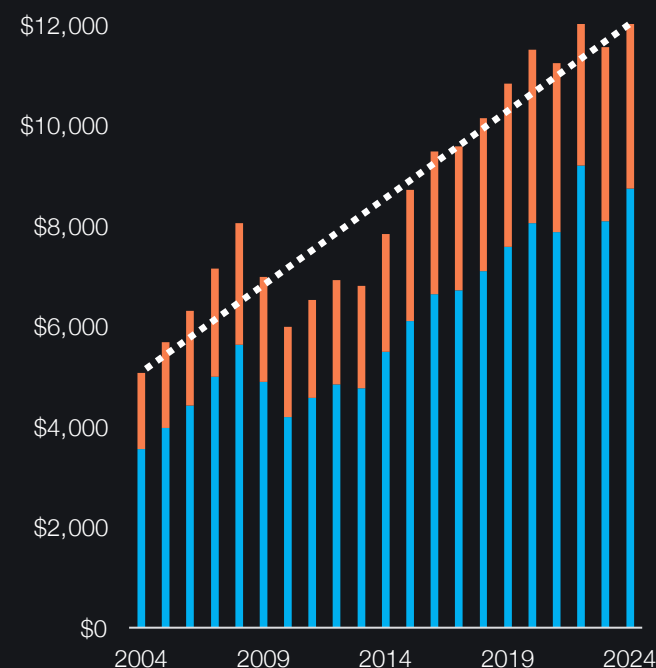
They will receive a starting income of **\$5,077** with future growth potentially is greater.



30/70 portfolio



50/50 portfolio



70/30 portfolio

Starting income is based on a LifeIncome for Jim with Glenda nominated as the Reversionary Beneficiary and commencing a LifeIncome policy of \$100,000 investment with LifeBooster 2.5%. Figures referencing the past 20 years from 1st July 2003 to 30th June 2023. Returns have applied an assumed franking credit refund as follows: Vanguard Conservative, 0.19% p.a., Vanguard Balanced, 0.29% p.a., Vanguard Growth, 0.46% p.a., Vanguard High Growth, 0.58% p.a.. Annual income illustrations are shown in nominal dollars. Estimated administration fees of 0.92% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees until the end of the first financial year. Past performance is not a reliable indicator of future performance.

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## Jim and Glenda's solution

As Jim and Glenda are both in their early years of retirement, they would like to have a higher starting income, linked to a portfolio with a return profile that will deliver income that grows over time.

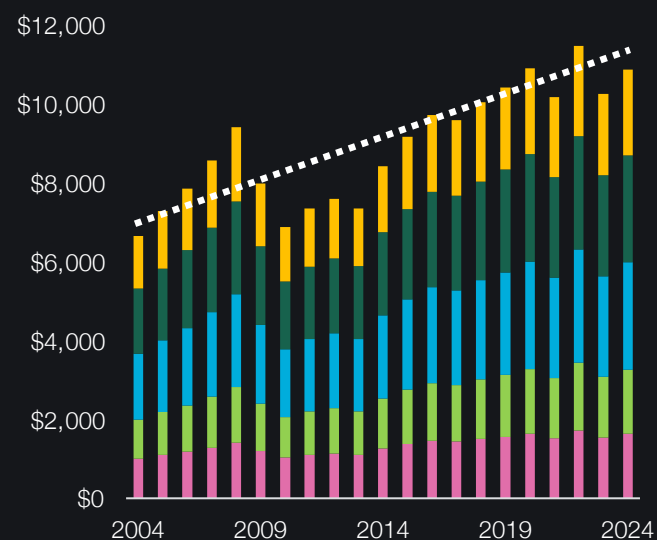
Their financial adviser decides to construct a 70/30 portfolio with a 5% LifeBooster rate to meet Jim and Glenda's current objective.



# Portfolio construction ideas

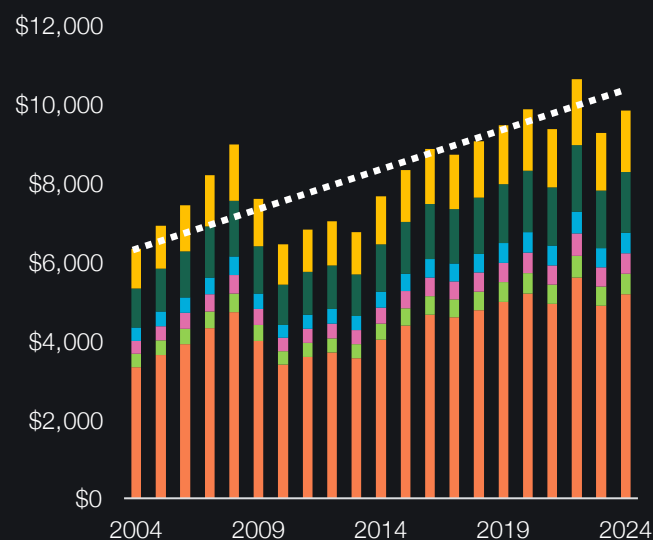
## Options to construct Jim and Glenda's 70/30 Portfolio

### Single Sector Model Portfolios



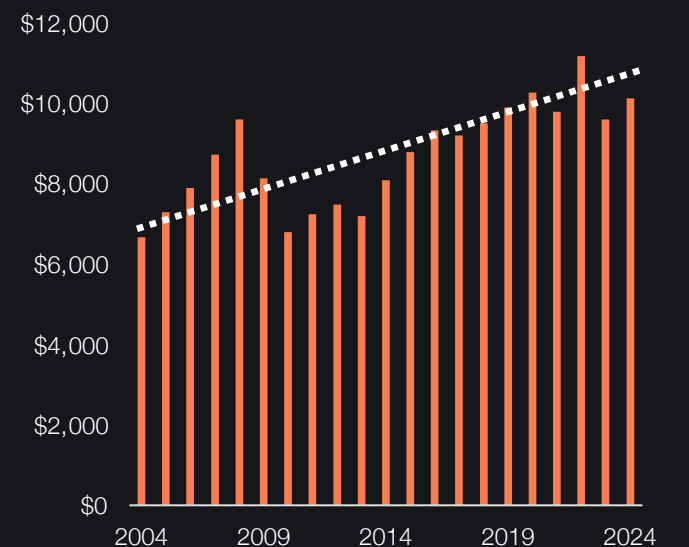
iShares Wholesale Australian Equity Index Fund	25%
iShares Wholesale International Equity Index Fund	25%
IML Australian Share Fund	20%
PIMCO Wholesale Global Bond Fund	15%
iShares Wholesale Australian Bond Index Fund	15%

### A core-satellite approach



Vanguard Growth Portfolio	50%
iShares Wholesale International Equity Index Fund	15%
iShares Wholesale Australian Equity Index Fund	15%
IML Australian Share Fund	5%
PIMCO Wholesale Global Bond Fund	5%
iShares Wholesale Australian Bond Index Fund	10%

### Prepackaged Diversified options



Vanguard Growth Portfolio	100%
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Starting income is based on a LifeIncome for Jim with Glenda nominated as the Reversionary Beneficiary and commencing a LifeIncome policy of \$100,000 investment with LifeBooster 5%. Figures referencing the past 20 years from 1st July 2003 to 30th June 2023. Annual income illustrations are shown in nominal dollars. Estimated administration fees of 0.92% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees until the end of the first financial year. Past performance is not a reliable indicator of future performance. Past performance is not a reliable indicator of future performance.

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## What if Jim and Glenda want to grow their income with less volatility?

### Generation Life's latest innovation...

An investment approach for real return investing is to choose the portfolio that has the **highest probability** of achieving the required **return objective** over the investment horizon while focusing on **downside protection**.



# Introducing Generation Life's Retirement Portfolios



## Generation Life Lifestyle Portfolio

### Objective

To outperform the benchmark by **5.0%** p.a. over rolling 5-year periods. The benchmark is the 5-year rolling annualised change of **Self-Funded Retiree Living Cost Index<sup>1</sup>**.

## Generation Life Protect Portfolio

### Objective

To outperform the benchmark by **2.5%** p.a. over rolling 5-year periods. The benchmark is the 5-year rolling annualised change of **Self-Funded Retiree Living Cost Index<sup>1</sup>**.

1. The Self-Funded Retiree Living Cost Index is published by the Australian Bureau of Statistics.





## Jim and Glenda's outcome

Invest in Generation Life Lifestyle Portfolio with a return profile like a 70/30 portfolio, with downside protection strategies

Able to tailor their risk profile to their current retirement goals

Able to switch at anytime<sup>1</sup> as their circumstance changes overtime

Access to a wide range of leading investment managers across all major asset class



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





## Case study

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# Improving your residential aged care benefits and maximising age pension entitlements



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## Meet Vivienne and Alan

Vivienne 73 and Alan 82 years of age, homeowners.

Vivienne and Alan are married, self funded retirees.

Alan has been approved for residential aged care.

## Vivienne and Alan have

Vivienne's account-based pension (ABP)	\$700,000
Alan's (ABP)	\$500,000
Savings	\$100,000
Car, home and contents	\$5,000



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## Vivienne and Alan's objective

They are looking to increase their overall cashflow to supplement Vivienne's lifestyle needs and to help pay Alan's aged care fees.

They would like to maximise their annual illness separated pension rate and reduce their means tested aged care fee where possible.



# Vivienne and Alan's solution

	Plan A	Plan B	
	Vivienne's super remains in ABP	\$300K invested in LifeIncome, \$400K remains in ABP	Difference
RAD	Use Alan's ABP \$500,000 RAD		
Basic daily fee	\$20,758	\$20,758	
Means-tested care fee	\$6,716	\$5,512	(\$1,204)
Extra service fee \$20 per day	\$7,300	\$7,300	
Vivienne's living expenses	\$35,000	\$35,000	
Alan's living expenses	\$5,200	\$5,200	
Total expenses	\$74,974	\$73,770	(\$1,204)
Savings account earnings	\$3,500	\$3,500	
LifeIncome	\$0	\$20,866	An income, guaranteed for life
ABP Income	\$35,000	\$20,000	
Illness Separated Age Pension	\$23,270	\$32,630	↑ \$9,360
Total income	\$61,770	\$76,996	↑ \$15,226
Cash flow	(\$13,204)	\$9,788	

A \$15,226 improvement in cash flow in year 1

Improvement in Age Pension of \$9,360 in year 1



Assumptions: Age Pension assessed under Illness-Separated Homeowner rates. Social security rates and thresholds are valid as at September 2022 Minimum drawdown rate ignores Covid-19 relief, no adviser fees have been charged. Savings assumed to earn interest of 3%p.a. Income from LifeIncome based on LifeBooster 5% for 75 year old female.



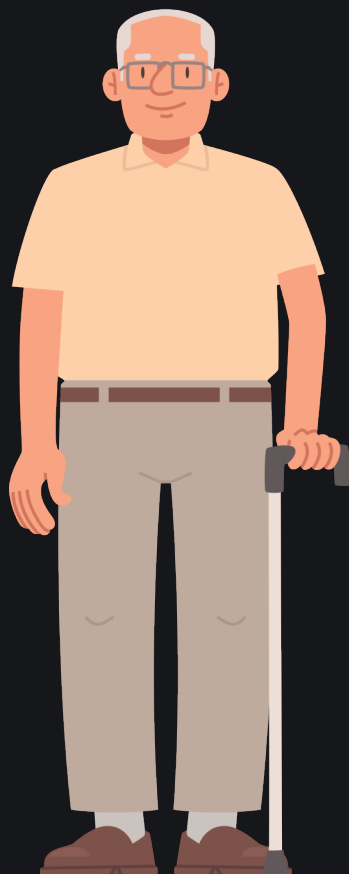




Case study



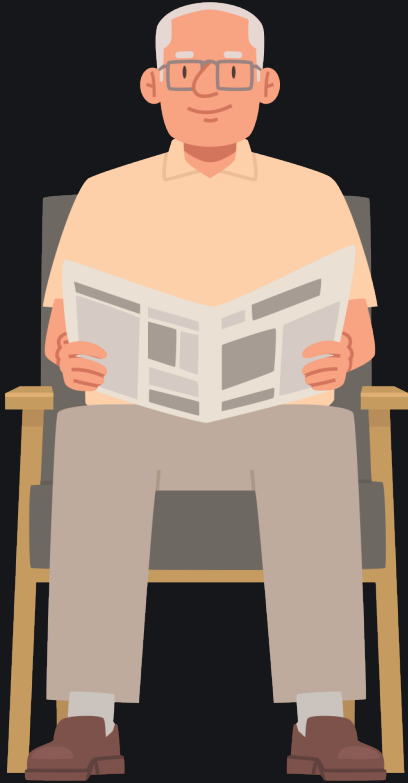
## Aged care & Age Pension impacts



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## Meet Jeff

Jeff is a single 78 year-old and has been approved for residential aged care.



## Jeff's situation

Care Situation	New to care
Level of care required	Residential
Agreed accommodation payment amount	\$450,000
Full amount being paid as a lump sum	
Remaining savings	\$600,000
Personal contents/ valuables	\$4,000

## Jeff's options

Jeff is exploring options to reduce aged care fees and change his age pension.

Generation Life	Current Position	Scenario 1	Scenario 2	Scenario 3
LifeBuilder BCT	-	\$0	\$0	\$175,000
FuneralBond	-	\$0	\$15,000	\$15,000
<b>Other Strategies</b>				
Insurance and Annuity Care Product	-	\$550,000	\$0	\$0
Income	-	\$26,841	\$0	\$0
Gifting	-	\$0	\$10,000	\$10,000
Deemed Asset				
Bank Account	\$600,000	\$50,000	\$575,000	\$400,000
<b>Other Assets</b>				
Personal Contents	\$4,000	\$4,000	\$4,000	\$4,000



# Jeff's estimated outcome

Aged Care Assessment	Current Position	Scenario 1	Scenario 2	Scenario 3
Assessable assets	\$1,054,000	\$985,253	\$1,029,000	\$1,029,000
Assessable income	\$34,619	\$37,796	\$35,545	\$32,069
Daily Means Tested Amount	\$109.48	\$110.07	\$109.38	\$104.96
Asset Component	\$106.34	\$102.56	\$104.96	\$104.96
Income Component	\$3.14	\$7.51	\$4.41	\$0.00
Aged Care Annual Fees				
Basic care fees	\$22,214	\$22,214	\$22,214	\$22,214
Means tested care fees	\$15,527	\$15,741	\$15,490	\$13,879
Age Pension Assessment				
Assessable assets	\$604,000	\$535,253	\$579,000	\$579,000
Assessable income	\$12,292	\$16,230	\$11,730	\$7,792
Relevant Test	ASSET	INCOME	INCOME	ASSET
Annual Age Pension	\$23,815	\$23,054	\$25,303	\$25,765
Aged Care Costs Reduction	-	(\$214)	\$37	\$1,649
Age Pension Uplift	-	(\$761)	\$1,489	\$1,950
Social Security Uplift	-	(\$975)	↑ \$1,526	↑ \$3,599





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## LifeIncome

The most flexible investment-linked lifetime annuity that offers more income and more choice



## 8 key features of LifeIncome

### Investment-linked lifetime annuity

Single or reversionary

### Investment menu

29 options with the ability to switch at anytime<sup>1</sup>

### 0% tax environment

Investment earnings within LifeIncome are tax-free

### Dollar-cost averaging

Progressive investment

### Reversionary beneficiary

Money available to support spouse or loved one<sup>2</sup> between ages of 50 and 95

### LifeBooster

More income sooner

### LifeIncome Flex

Increase starting income by choosing a reduced income when investor or their reversionary passes away

### Death Benefit & 6 month Cooling Off period<sup>3</sup>

Flexibility and peace of mind

1. Brief exclusion period applies – refer to the Product Disclosure Statement
2. If commencing LifeIncome with superannuation money, they can only nominate their spouse to receive income after they pass away. If commencing LifeIncome with non-superannuation money, they can nominate their spouse or any other person such as their child or sibling.
3. 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.

## Our leading investment menu

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

**We offer 29 investment options across multiple styles:**

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



## Flexible styles of investing

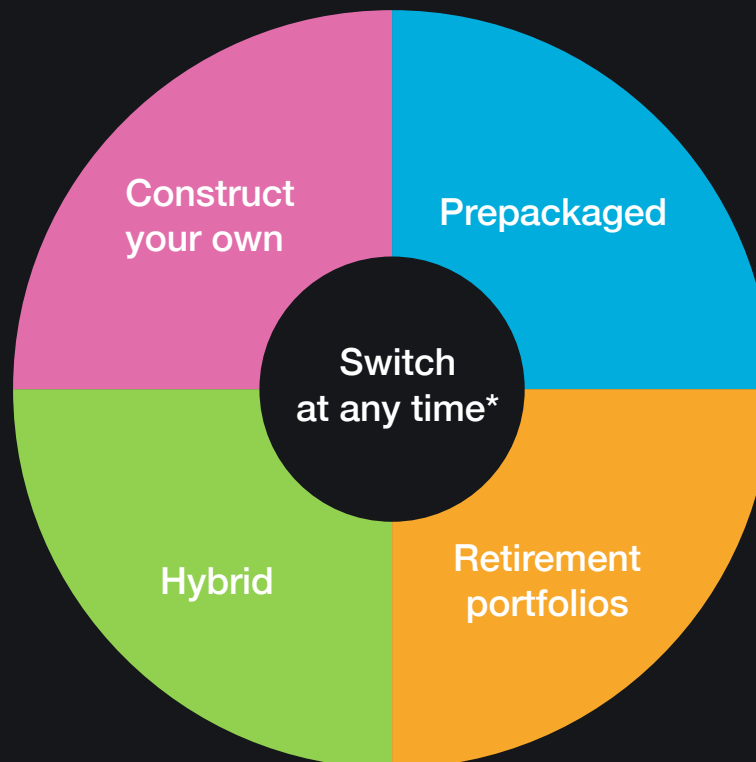
### Four portfolio construction ideas

#### Single Sector Model Portfolios

Construct a portfolio using single sector passive funds and/or a combination of single sector active and passive funds

#### A core-satellite approach

Use a diversified or outcome fund as a core and add a satellite of single sector tilts



#### Diversified options

Using a prepackaged diversified or outcome-based fund

#### Retirement portfolios

Purpose built portfolios tailored for clients' retirement income

\* Brief exclusion period applies – refer to the Product Disclosure Statement



# The new era of investment-linked lifetime annuities

Feature	Generation Life LifeIncome	Product A	Product B	Product C	Product D
Investment Options	29	1 balanced option	5 synthetic investment options made up of indices with a fixed asset allocation	All investment options available via the superannuation platform	1 Investment Option
Portfolio construction	Invest in a combination of investment options	No	No	Invest in combination of options	No
Switching between options	Switch any time (except for 3 day EOFY blackout)	N/A	Once a year on the anniversary of the annuity	Switch any time	No
Access to available Franking Credits	Yes	Yes	No	Yes	No
Income payment frequency	Monthly. Fortnightly.	Fortnightly.	Monthly only	Fortnightly. Monthly. Quarterly. Half-yearly	Monthly
Annual Income Reset	1 July	1 July	Policy Anniversary	1 July	Policy Anniversary
Source of application money	Superannuation and Non-Superannuation	Superannuation only	Superannuation and Non-Superannuation	Superannuation only	Superannuation and Non-Superannuation
Ability to bring forward income / Annual benchmarking	Choice of 2.5% and 5%	5%	1% to 5%, in 0.50% increments	6%	No
Longevity Insurance	Yes	Group Self Annuitized	Yes	Yes	Yes
Withdrawal benefit	Able to withdraw in first 6 months	Able to withdraw in first 6 months	Able to withdraw up to life expectancy	Able to withdraw up to life expectancy	Yes. Either whilst there is a balance or up to life expectancy
Death Benefit (during relevant period)	Yes	Yes	Yes	Yes	Yes
Reversionary Beneficiary	Yes	Yes	Yes	Yes	Yes, but income isn't payable directly to the surviving spouse



# 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.

Note: Zenith rating for LifeBuilder and ChildBuilder

## Awards



## Research ratings



LifeIncome



Investment Bonds



Investment Bonds  
LifeBuilder



# Thank you.

# Outthinking today.

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# Lifeline - Power of a tax-exempt environment

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

# Receiving the quote

## Inputs

Policyholder name	Joe Bloggs	Male	17/02/1956 (67 years old)
Reversionary name	Jane Bloggs	Female	14/04/1956 (67 years old)
Payment Frequency	Monthly		
Purchase Price	\$150,000		
LifeBooster Rate	5%		
Lifeline Flex	No		
Investment Option	Fund XYZ		
Date of Application	1 April 2023		

## Outputs

Annualised First Year Income	\$10,000
Guaranteed Annual Income Units	These will be determined after we invest your client's money in their chosen investment option(s)
Income payable in the remainder of the year	\$2,492
Regular Income Payment	\$833 per month
Date of First Payment	15 April 2023

## Annual Income Reset

**Income Units** are calculated by dividing **Annualised First Year Income** by **unit price**

Annual income is reset at the start of each Financial year.

Annual income is determined by multiplying the number of **Income Units** by the **unit price** of the chosen investment option(s).

**Income Units** remain the same for life. Unless your client chooses to switch investment options.

Annual income reset table

	First year	Year 2	Year 3	Year 4	Year 5
<b>Income Units</b>	5,000	5,000	5,000	5,000	5,000
<b>Net return in previous Financial year*</b>	N/A	5.00%	4.76%	-4.55%	4.76%
<b>Unit price</b>	2.0000	2.1000	2.2000	2.1000	2.2000
<b>Annual income</b>	\$10,000	\$10,500	\$11,000	\$10,500	\$11,000
<b>Monthly income payment</b>	\$833	\$875	\$917	\$875	\$917
<b>Difference in monthly payment from one year to the next</b>	N/A	\$42	\$42	(\$42)	\$42

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



## Switching

Switch at any time (except for last three business days of the Financial year).

Switch from any combination to another combination.

Switching doesn't impact current Financial year's income.

Buy/sell spreads apply.

### Switch from

Investment option	% of option switched	Unit Price	Income Units	Annualised Income
Vanguard Growth Portfolio	100%	2.0000	5,000	\$10,000

### Switch to

Investment option	% of option switched	Unit Price	Income Units	Annualised Income
MCP Wholesale Investments Trust	75	1.0000	7,500	\$7,500
Generation Life Protect Portfolio	25	0.5000	5,000	\$2,500
				\$10,000



Core use 3 | case study

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Providing peace of mind to spend  
and avoiding 'regret risk'

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## Meet Frank and Dot

Frank and Dot are both 67 years old.

### Frank and Dot love:

- Travelling around Australia and overseas
- Spending time with their grandchildren
- Taking their grandchildren to activities when they can







## Frank and Dot's situation

Frank and Dot are homeowners and have:

Frank's superannuation balance	\$500,000
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Dot's superannuation balance	\$450,000
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Personal assets	\$10,000
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## Frank and Dot's objectives

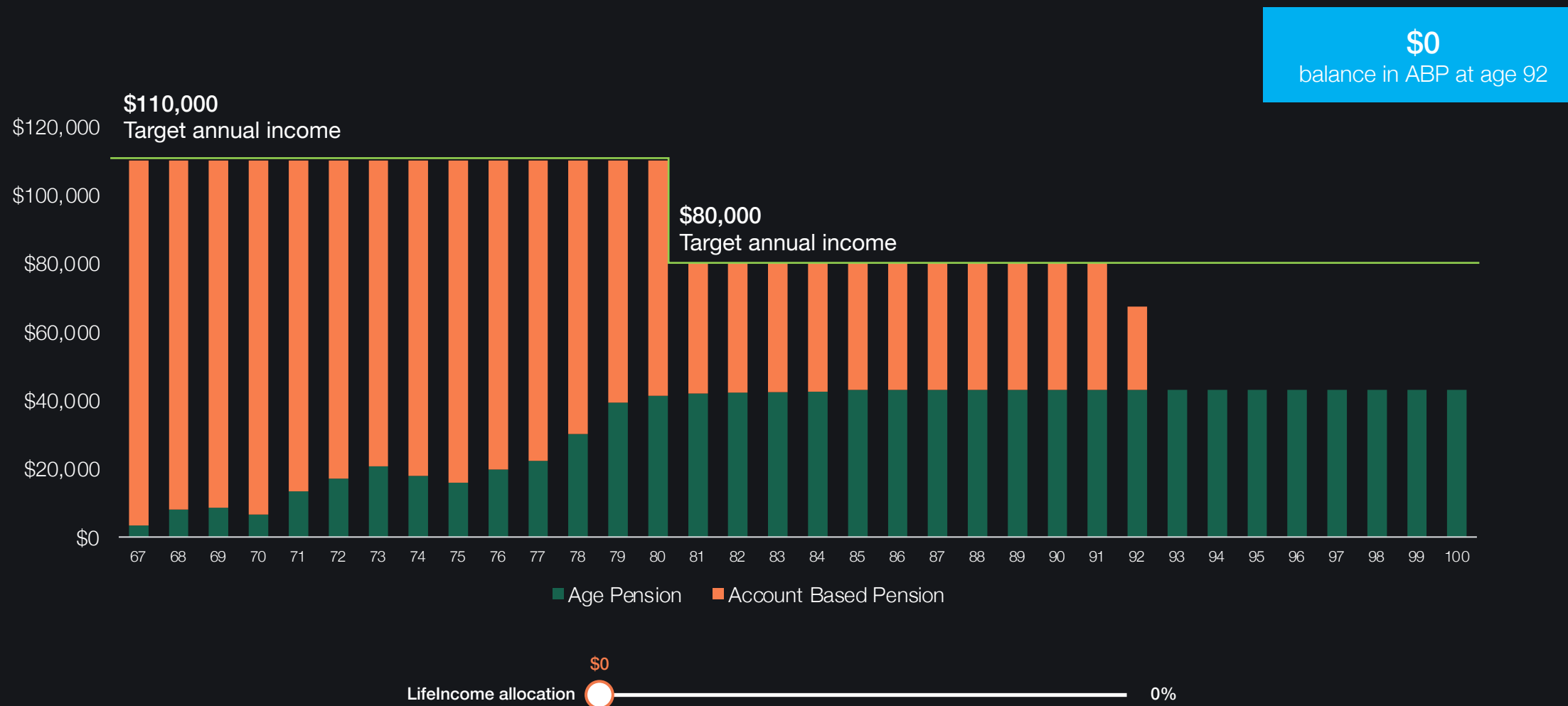
Frank and Dot would like to...

- Spend more in their earlier years, as they are both healthy
- Concerned that they might run out of money
- Don't want to burden their children with funeral expenses
- Want to leave something to their grandchildren

**Frank and Dot speak to their financial adviser**

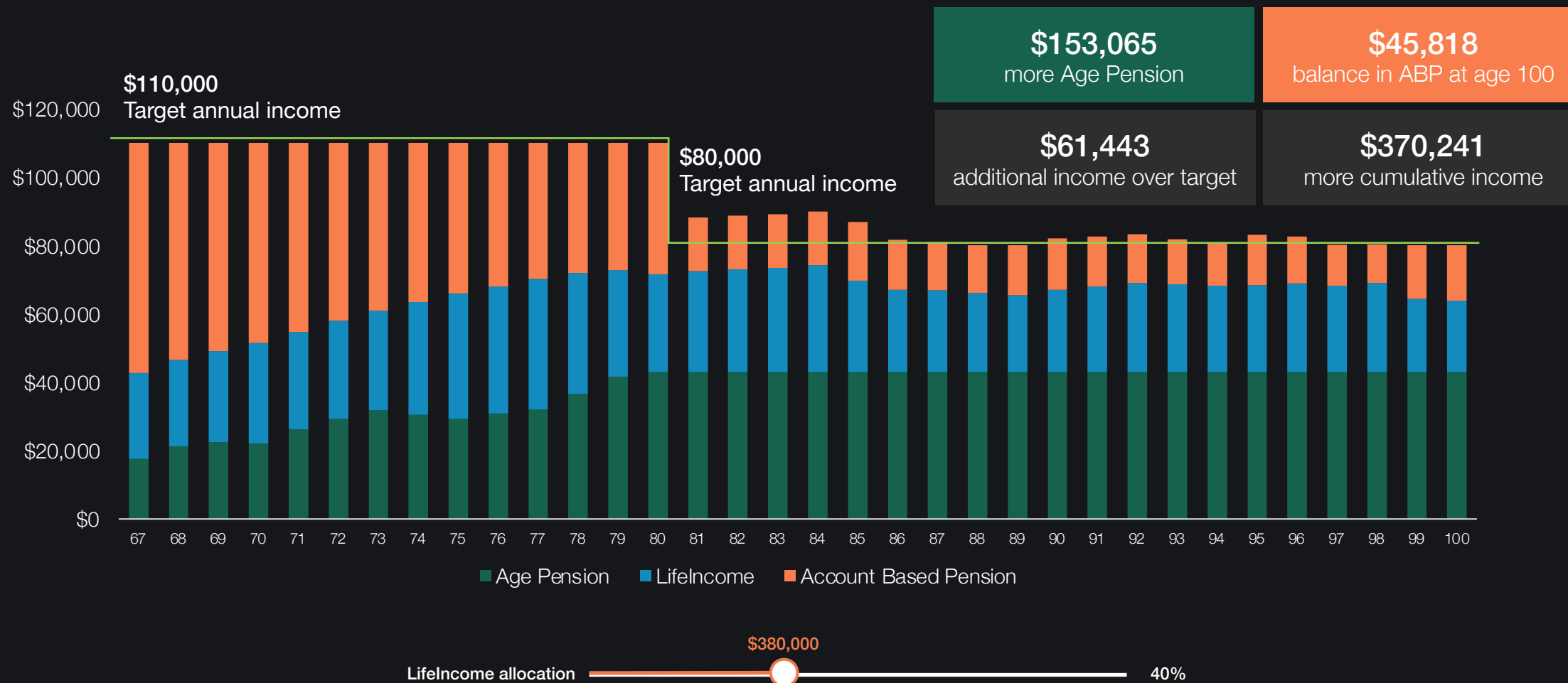


# Frank and Dot's current situation...



Account based-pension drawdown amount is to meet the target income, minimum drawdowns do apply. Annual income illustrations are shown in real dollars. Age pension rates effective 20/09/2023. Investment returns are net of investment management fees and commencing 1st July 1990. Account-based pension invested in a portfolio which consists of a 20% allocation to ASX All Ordinaries, 30% to MSCI World Ex Australia Index, 35% to Bloomberg Global Aggregate Bond Index (AUD Hedged) and 15% to Bloomberg Ausbond Composite Index. Estimated administration costs of 0.3% p.a. for the account-based pension.

# Frank and Dot establish a LifeIncome and two FuneralBond



Based on LifeIncome policy for Frank (67) purchasing LifeIncome with a 5% LifeBooster rate and nominating Dot (67) as a reversionary beneficiary. Account-based-pension drawdown amount is to meet the target income, minimum drawdowns do apply. Annual income illustrations are shown in real dollars. Age pension rates effective 20/09/2023. Investment returns are net of investment management fees and commencing 1st July 1990. Both LifeIncome and account-based-pension invested in the same portfolio which consists of a 20% allocation to ASX All Ordinaries, 30% to MSCI World Ex Australia Index, 35% to Bloomberg Global Aggregate Bond Index (AUD Hedged) and 15% to Bloomberg Ausbond Composite Index. Estimated administration costs of 0.3% p.a. for the account-based pension and 0.92% p.a. for LifeIncome. Fees on LifeIncome are a percentage of the annual income. There are no fees in the first financial year (or part thereof).

## Frank and Dot's outcome

Able to spend more in their earlier years of retirement with confidence and peace of mind

Potentially leave a legacy for their grandchildren

Receive more Age Pension in earlier years

Additional layer of guaranteed income if their account-based pension runs out

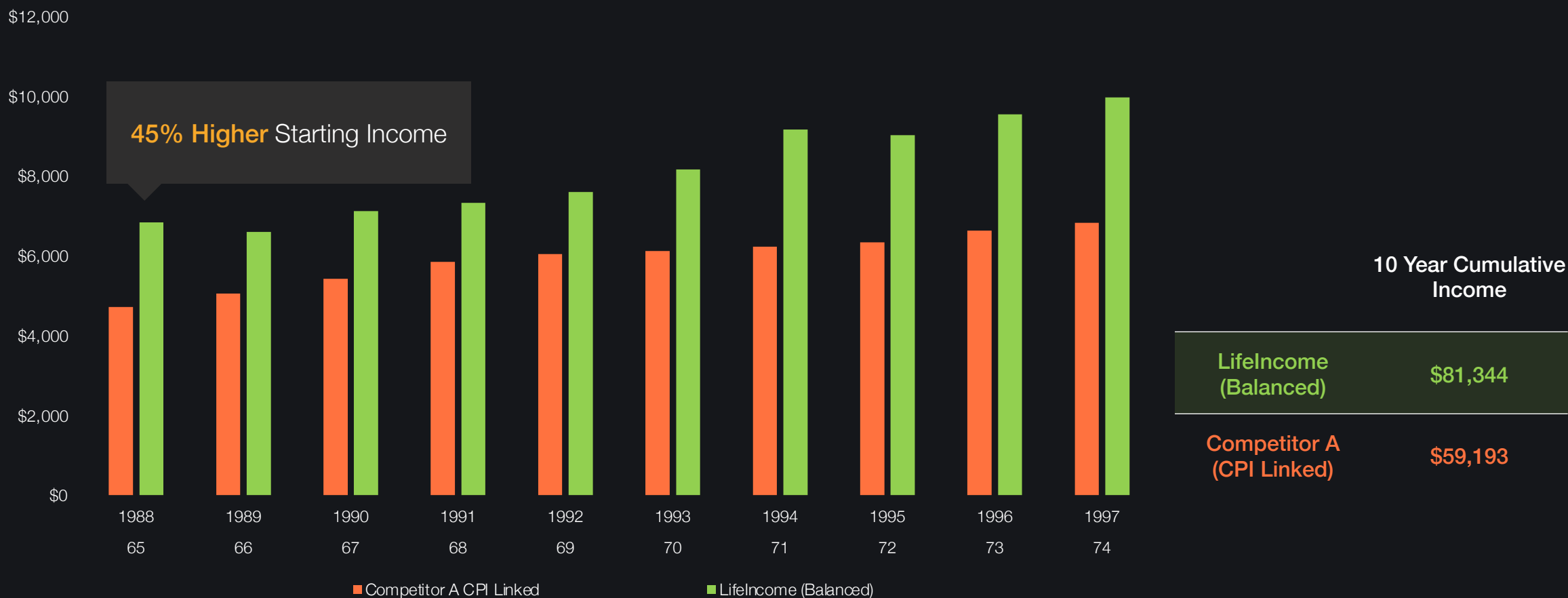
Pre-paid funeral arrangements easing the burden for the loved ones

Payback period<sup>1</sup> of 9 years



1. The 'payback period' is the estimated time for the return of your investment in the form of cumulative income, as well as any increase in Age Pension which you may receive as a result of investing into LifeIncome and FuneralBond.

## More income early



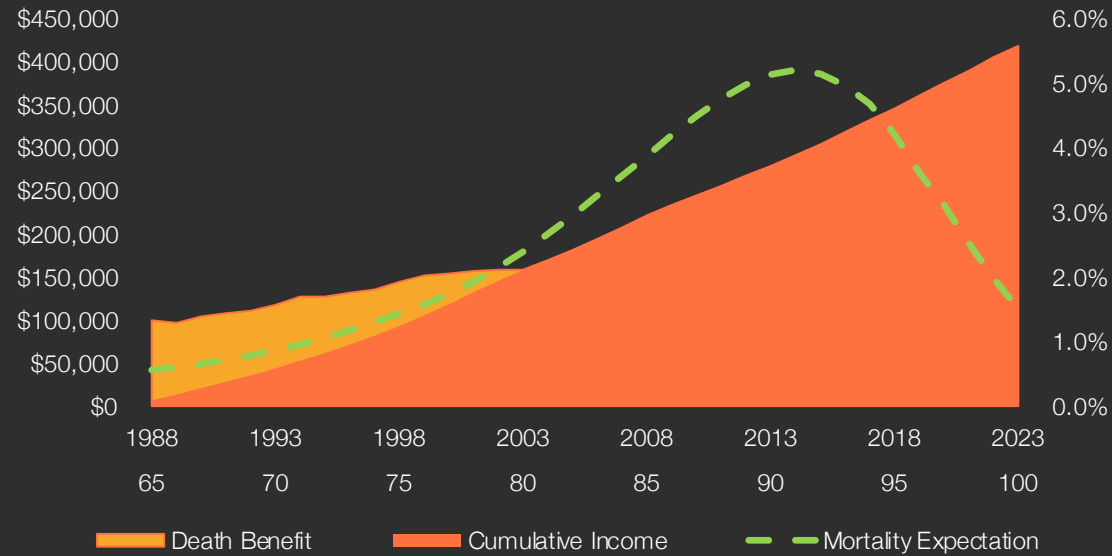
**Assumptions:** Starting income is based on a 65-year-old female, 5% LifeBooster commencing LifeIncome with \$100,000. Annual Income is based on the performance of a Balanced Fund throughout the respective period. Competitor A starting Income is based on the latest available rate of the CPI linked annuity for a 65-year-old female as at 30/03/2023 commencing with \$100,000. Annual Income is calculated using historical CPI of the respective period.



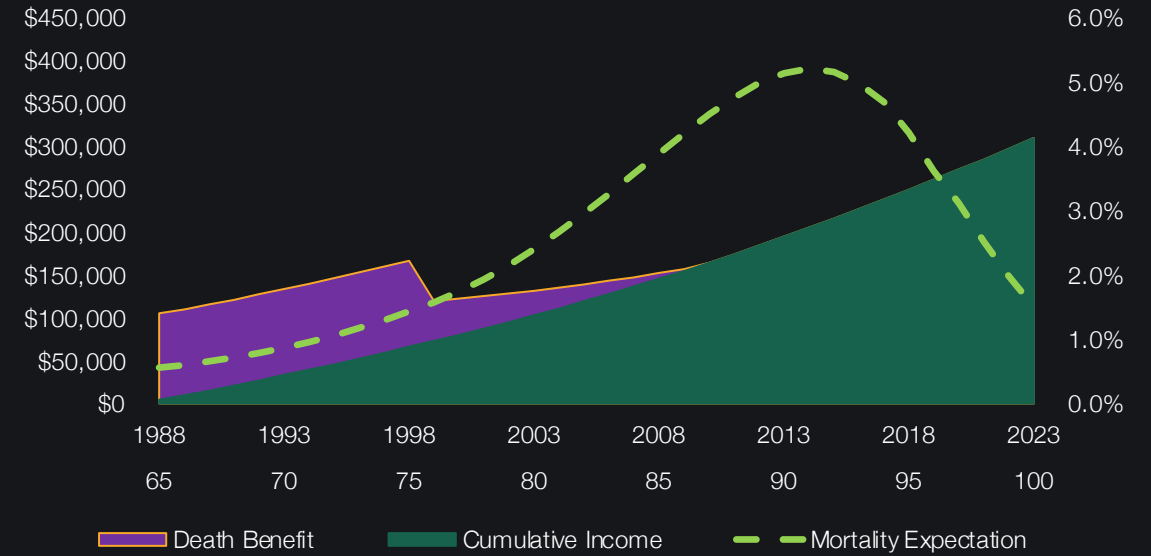


# Delivering cumulative income where it matters

## LifeIncome (Balanced)

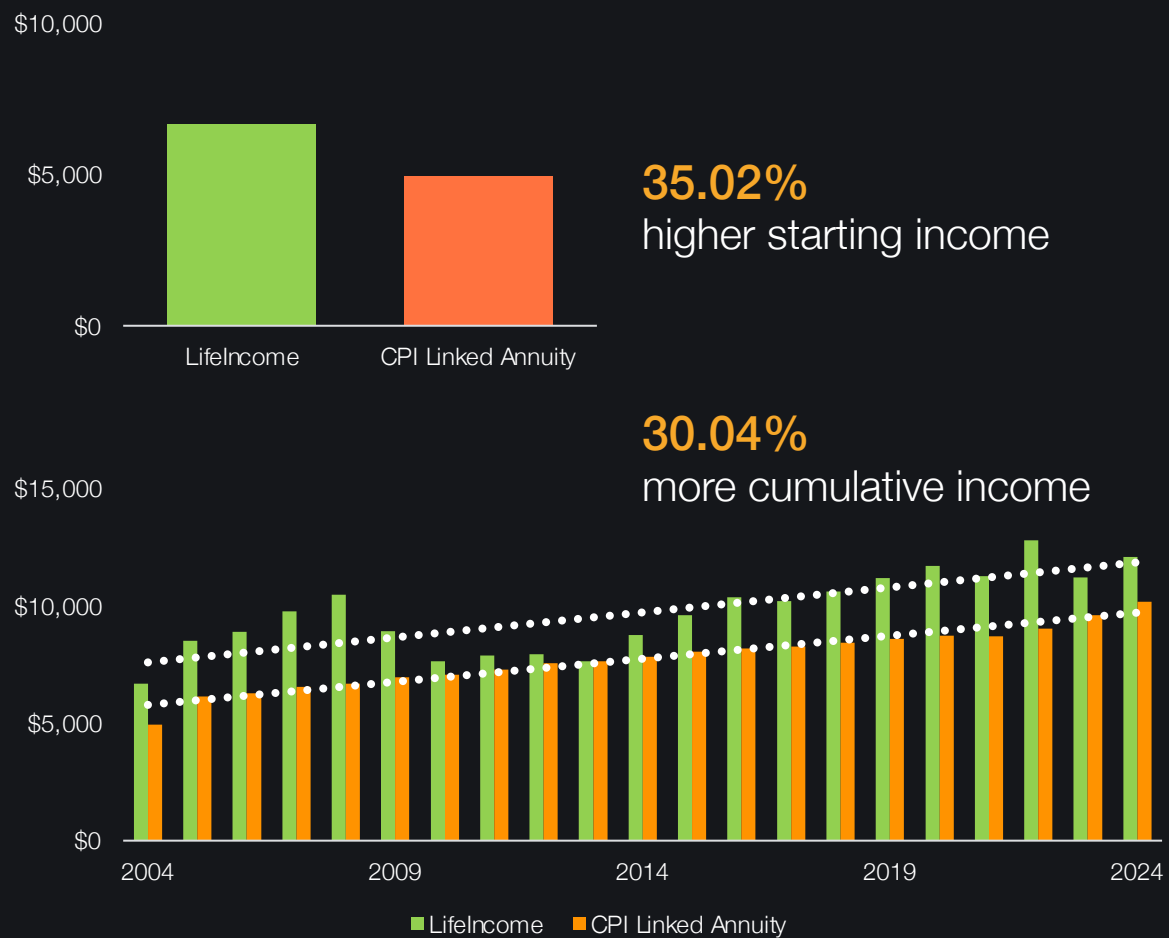


## Competitor A: CPI Linked



**Assumptions:** Starting income is based on a 65-year-old female, 5% LifeBooster and commencing a LifeIncome policy with \$100,000. Death Benefit Amount and Cumulative Income is based on the performance of a Balanced Fund throughout the respective period. Competitor A starting Income is based on the latest available rate of the CPI linked annuity for a 65-year-old female as at 30/03/2023 commencing with \$100,000. The death benefit amount is the capital access schedule and cumulative income is calculated using historical CPI of the respective period.

## Getting more income from your annuity





## More income from your annuity – less pressure on Account-based pension

