generation life

Turning tax policy changes and market uncertainty into opportunity

Webinar

L1 Capital x Generation Life

The information in this presentation is based on Federal Budget 2026-27 measures announced on 12 May 2026 and the Federal Budget 2026-27 fact sheets issued. The announcements may be subject to change and final legislation enacted.

Outthinking today.

Discover Generation Life

Generation Life is the market leader and innovator in tax-aware investing, intergenerational wealth transfer, succession planning, and retirement income solutions.

As a wholly owned subsidiary of Generation Development Group, we are proud to be part of the Group that includes Lonsec Research and Ratings, and Evidentia Group.

>$5.95b

in FUM[1]

#1 provider of investment bond

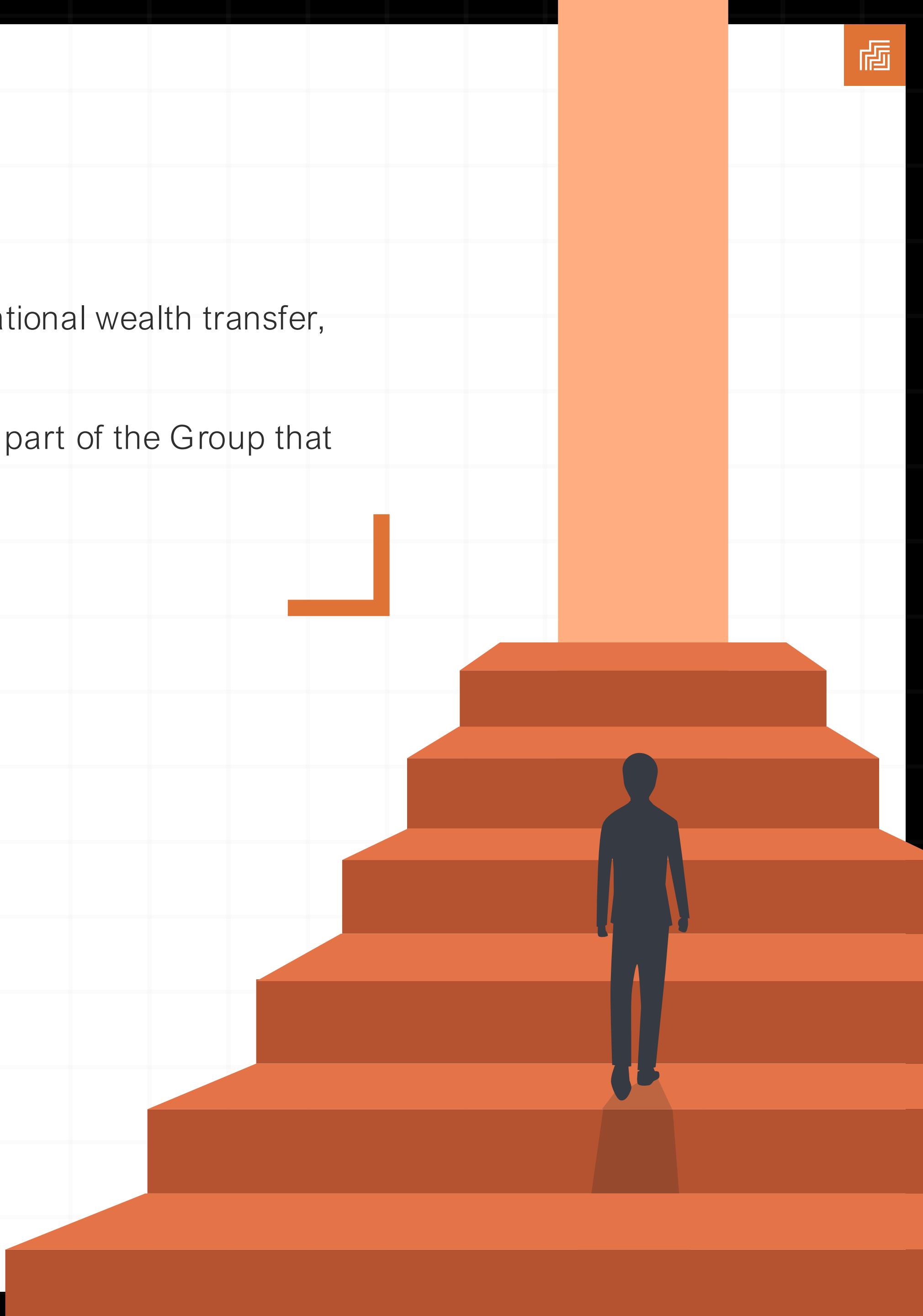
59% market share of annual investment bond inflows[2]

Innovating retirement landscape

with estate planning and lifetime income solutions

Trusted and APRA regulated

Parent company ASX 200 listed[3]



1. As at 30 June 2026
2. Plan for Life, Investment Bonds Market Report for period ended 31 March 2026.
3. ASX 200 inclusion on the 24th of April 2025.

30%

Tax at 30¢ in the dollar is the new normal

The new tax reality

Based on Federal Budget 2026-27 measures announced on 12 May 2026

Current uncertainty…

Tax-efficient investment opportunities are narrowing.

Already legislated…

Capital gains tax

- Cost base indexation – inflation adjusted – including pre-1985 assets
- 30% minimum tax on taxable capital gains
- All assets – not just property
- Commencing 1 July 2027 – grandfathering available
- Superannuation/SMSFs - not impacted

Superannuation

- Division 296 tax a reality
- 30% tax on earnings for balances above $3m
- Further 10% tax on earnings for balances above $10m
- Commencing 1 July 2026
- Death benefit tax and estate planning limitations should be considered

Discretionary Trusts

- 30% minimum tax on taxable earnings
- This limits the benefit of income streaming
- Impacts all trust beneficiaries
- 30% non-refundable tax credit available (except for corporate beneficiaries)
- Potential double taxation for corporate beneficiaries
- Commencing 1 July 2028

Based on Federal Budget 2026-27 measures announced on 12 May 2026

Other tax considerations

Negative gearing

Who is impacted

Investors negatively gearing established residential property purchased/contracted after 12 May 2026.

Individuals, partnerships, companies and most trusts – widely held trusts and super funds excluded.

Considerations

Property adding to housing stock exempted

Rental income losses quarantined and can only be offset in future against other residential income and capital gains

Other investment solutions or asset classes as alternatives to leverage and accumulate wealth

Super death tax and Division 296 tax

Who is impacted

Super death benefits paid to non-dependants attract a 15% tax on the taxable component

Division 296 tax of up to 25% on earnings impacts large super balances above $3m and $10m thresholds

Considerations

Recontribution strategies may be limited depending on client position.

May also impact those currently under the thresholds with future contributions and growth in value outstripping indexing

Income tax cuts

Who is impacted

The reduction in the second marginal tax rate tier from 16% to 15% from 1 July 2026, and to 14% from 1 July 2027

Complemented with proposed $250 Working Australian Tax Offset and a $1,000 instant tax deduction

Considerations

No plan by government to index marginal tax rates – budget constraints will determine affordability

Negative gearing, CGT reform and income tax measures legislated via Royal Assent 26 June 2026. Division 296 legislated 10 March 2026, effective 1 July 2026.

Your role as financial advisers today…

“Chief Interpretation Officers”

1. Simplifying complex decisions

2. Providing reassurance under changing rules

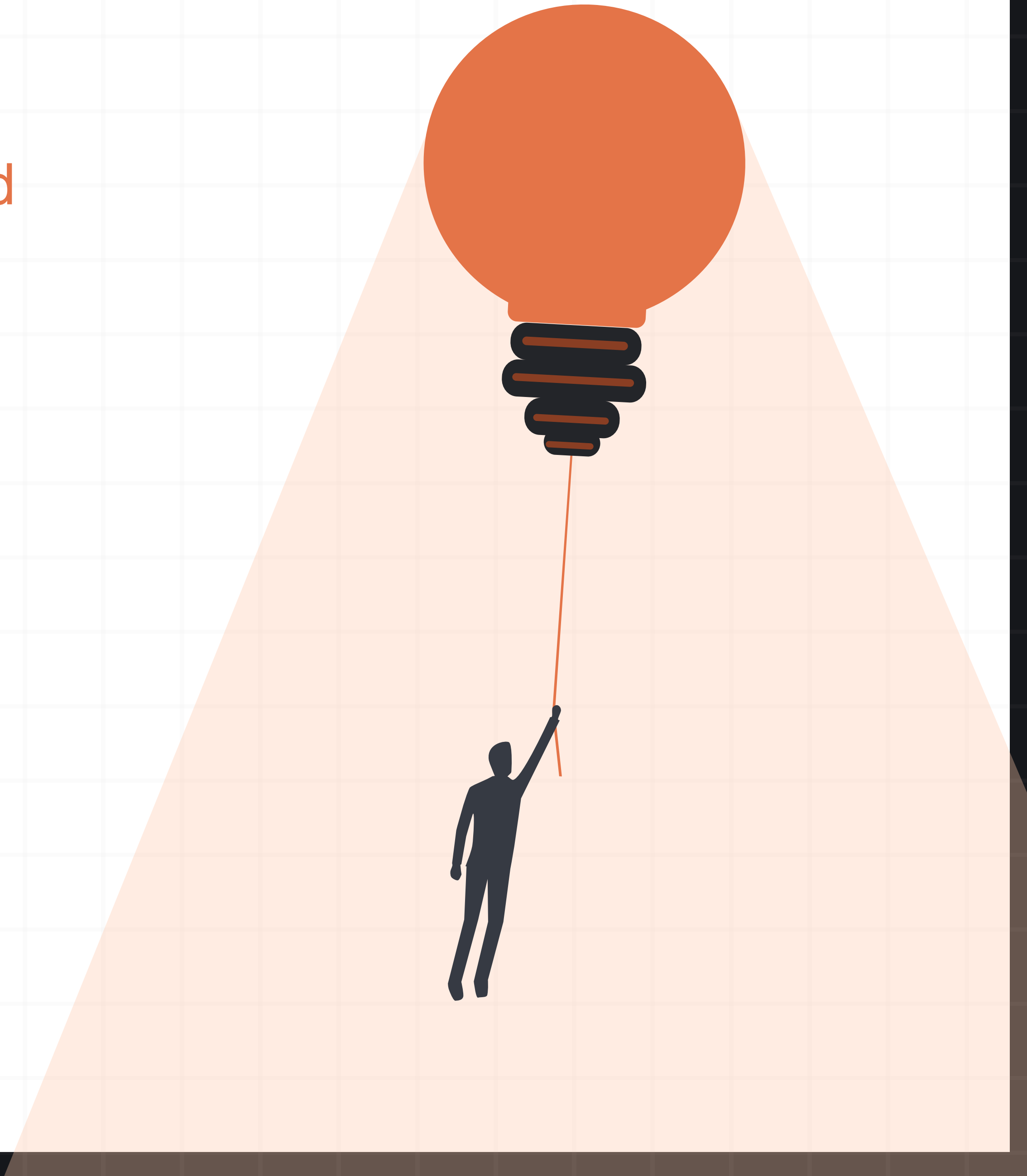
3. Sustaining confidence in long-term planning

Investment bonds

Built to provide certainty in an uncertain world

Forward Thinking - At Generation Life, we don't just respond to change. We anticipate it.

- Predictable tax rules
- Tax-effective and tax-paid structure
- Estate planning flexibility
- Wide range of investment choice across all major asset classes
- Access to internal gearing and direct property strategies



9 key features of investment bonds

Life Insurance and Tax Act

1.

Maximum tax rate of 30%
Tax Optimised generally ranges between 10% - 15%[1]

2.

No distributions and access to funds at anytime

3.

Tax paid - no personal tax after no 10 year reset
- tax advantages within 10 years

4.

125% advantage

5.

Portability and tax-free transfers

6.

No personal capital gains tax on investment switching

7.

No tax file number required

8.

Creditor protection[2]

9.

Can be appropriately structured as a **non-estate asset**

1. Indicative effective average tax rates representing the estimated average annual tax as a percentage of earnings for each 12-month period over a future period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option.
2. Creditor protection applies where the investment bond is appropriately structured and the client's intention is not to defeat creditors.

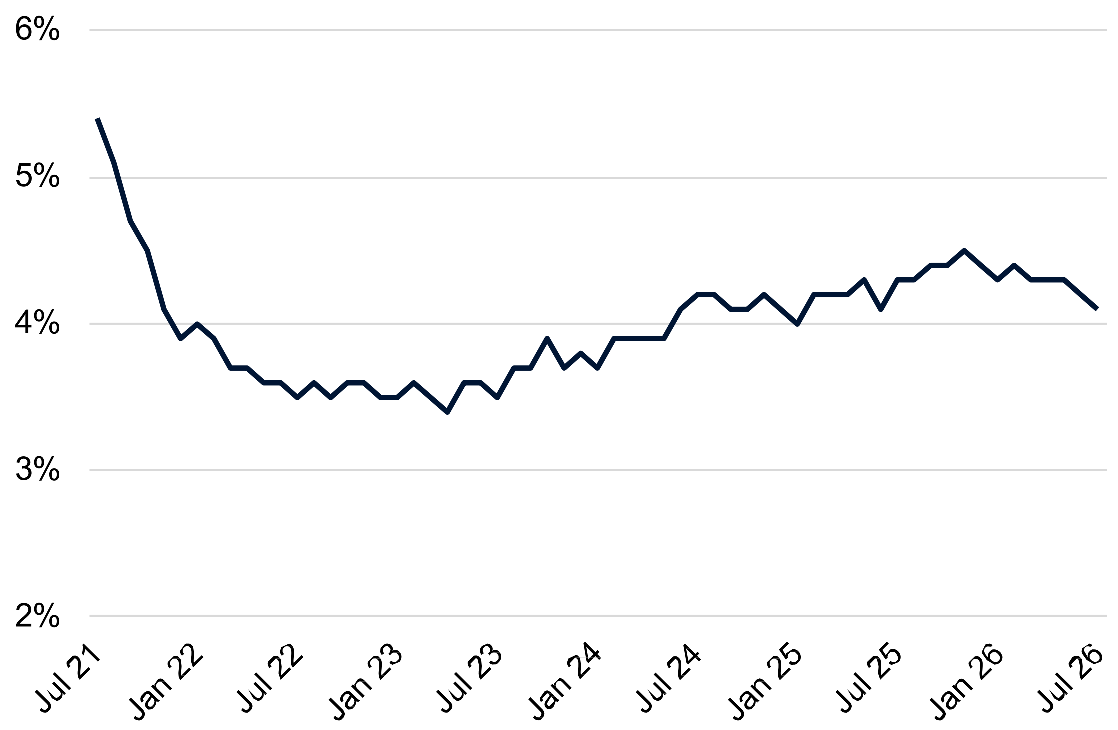
L1 CAPITAL
Part of L1 Group

Investment Environment

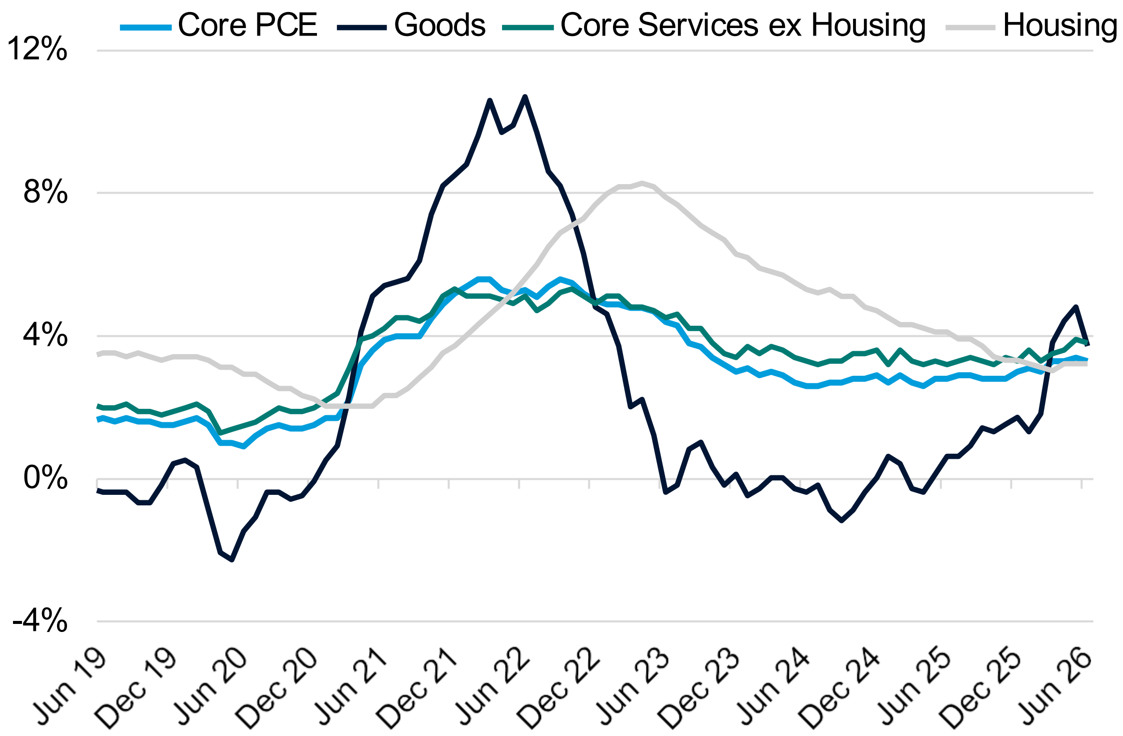
Unemployment vs. Inflation

Employment conditions are broadly stable. Inflation remains above target

U.S. unemployment rate



U.S. inflation growth by category



Source: Federal Reserve Bank of St. Louis, Bureau of Economic Analysis.

A broadly resilient but uneven global economy

Monetary policy is a blunt tool in a nuanced economic and geopolitical environment

Consumers

Affluent consumers doing well. Lower-income consumers remain under pressure from cost-of-living and financing costs

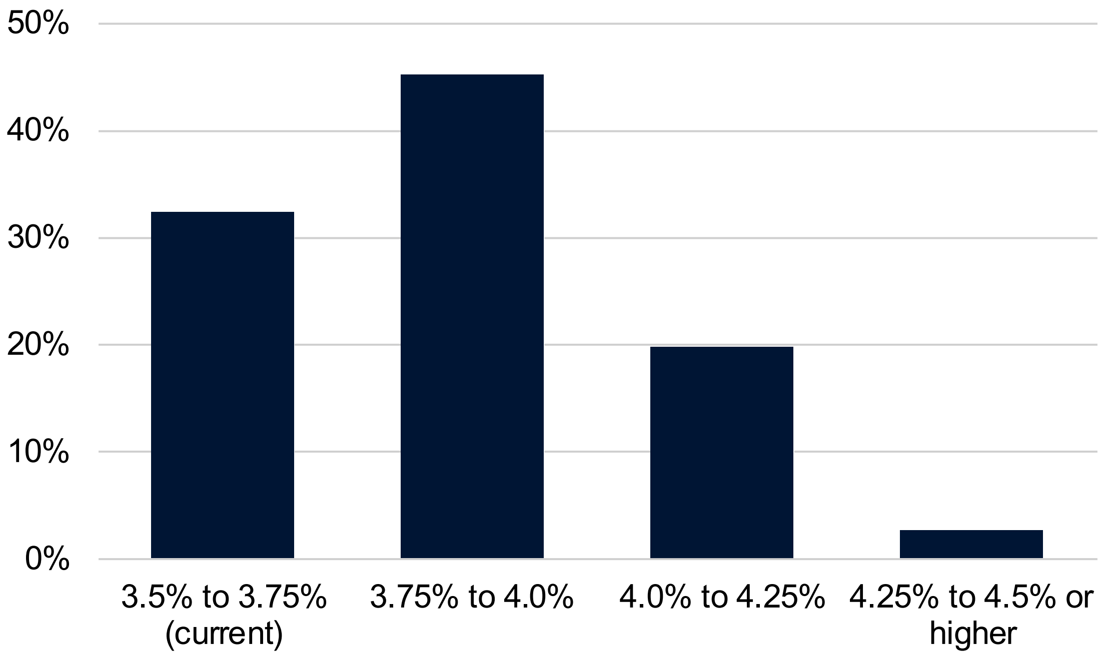
Labour

Employment remains resilient, although AI creates longer-term uncertainty

Capital investment

AI-related capital expenditure remains exceptionally strong
U.S. onshoring broadens investment activity
Some segments such as new residential construction are soft

Fed Funds Rate – December 2026 forecast



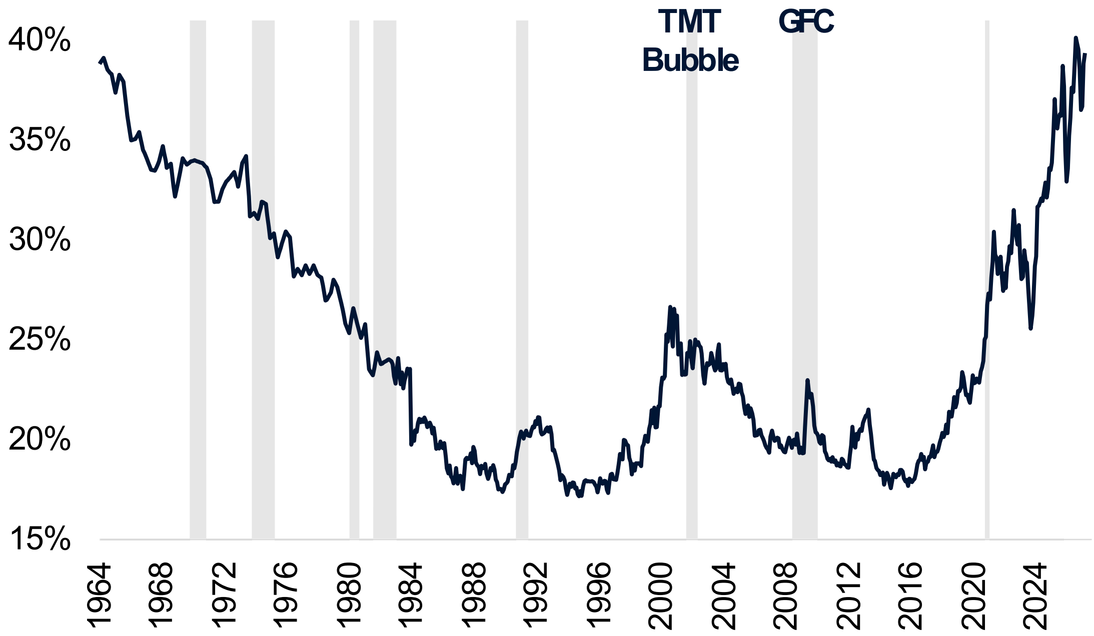
Globally, long-term rates have been increasing and are more important to economic conditions and valuations than short-term rates

Source: CME FedWatch.

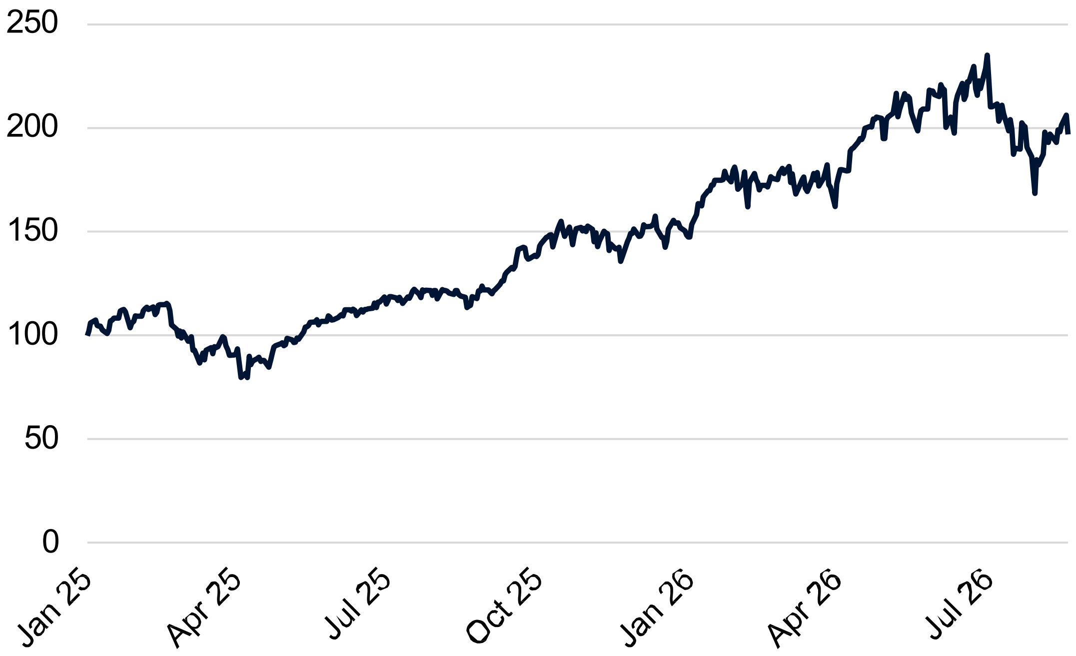
The market has become increasingly concentrated…

…and driven by momentum

S&P 500 Index concentration



U.S. Momentum Index



Mega caps dominate the world's growth industries – competitive advantages are increasing

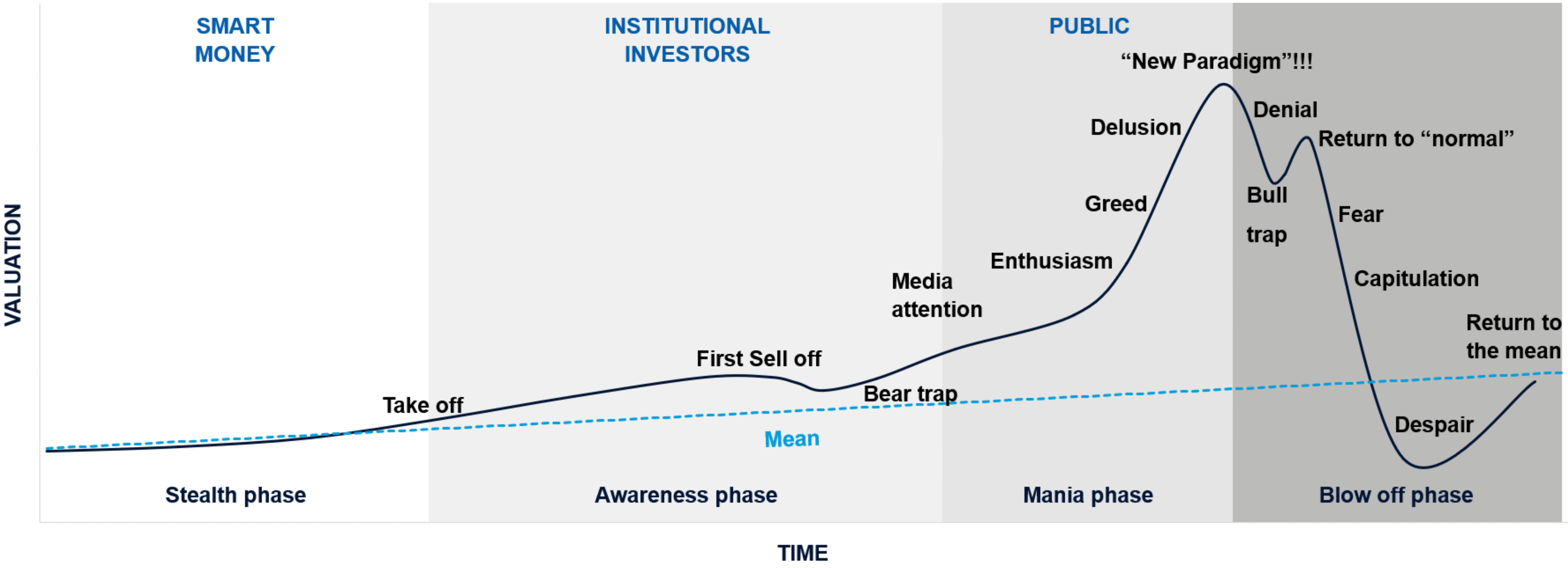
Source: Left chart – JP Morgan U.S. Strategy. Right chart – Bloomberg – GS Long Momentum Index.

Extreme investor positioning, slightly more balanced recently

Source: ChatGPT, L1 Capital International.

Stages of a Market Bubble

Artificial Intelligence – are we in the ‘Mania phase’ or is it different this time?



We are still in an acute compute deficit. Key issue is value created from application of Artificial Intelligence vs. the cost

Source: Jean-Paul Rodrigue, “Stages (Phases) of a Bubble” (2008), Department of Global Studies & Geography, Hofstra University.

AI is rapidly becoming more capable, will reshape many industries

Valuation still matters

What we believe

- AI is rapidly becoming more capable
- Many leading AI beneficiaries are among the world's strongest and most profitable companies
- AI capex to remain stronger for longer – currently there is an acute compute shortage
- Societal considerations becoming more prominent
- Management execution for all businesses is critical

Investing implications

- Some valuations assume exceptional growth and near-perfect execution
- Risks of over-extrapolating the present
- Investor positioning and momentum can cause valuation distortions
- Opportunities in perceived AI losers
- Opportunities in less AI sensitive industries

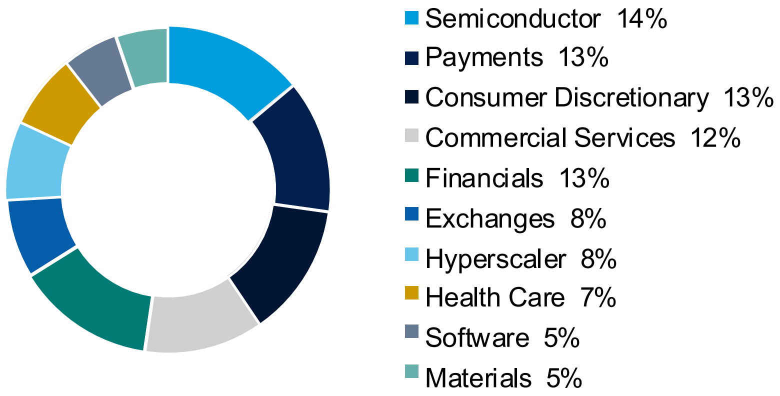
Opportunities both within and outside the AI ecosystem

Structural diversification

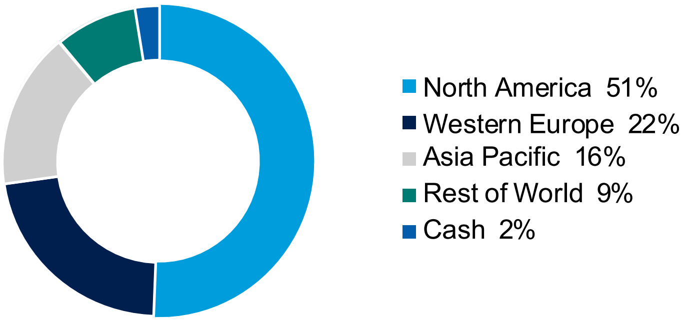
Current portfolio positioning | Diversified by industry, region and company size

Portfolio focused on high-quality companies in developed markets in a range of well-structured and growing industries

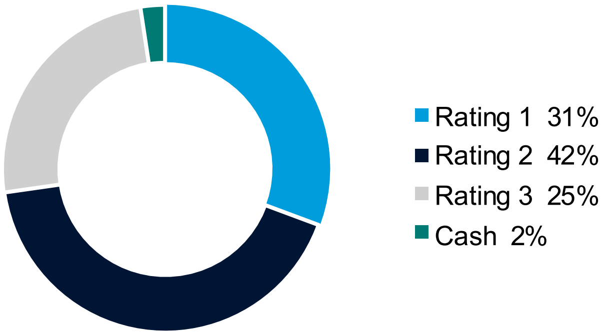
Sector exposure



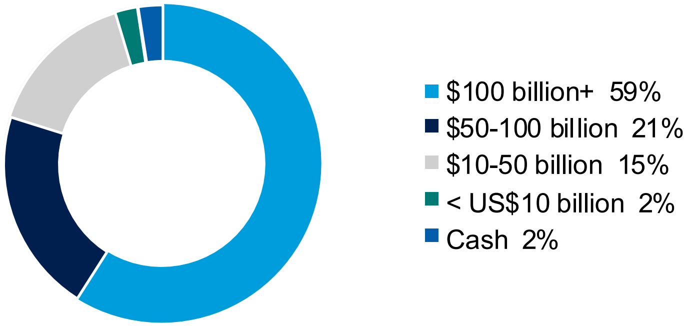
Regional exposure by region[1]



L1 Capital International Quality Rating



Market capitalisation exposure (in US$)[2]



Source: L1 Capital International as at 31 July 2026. **1.** Revenue by region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio. **2.** Sector exposure is defined by L1 Capital International to best describe the nature of the underlying businesses.

Portfolio overview

Market positioning and valuation distortions have become less extreme over the past few months, but we still see strong value across the portfolio

AI infrastructure beneficiaries	NVIDIA, tsmc
Hyperscalers	amazon, Google, Microsoft
Quality & highly attractive value	AERCAP, APOLLO, ICE, CRH, danaher, LSEG, mastercard, VISA, HCA Healthcare
White-collar employment	Jacobs, MARSH, LPL Financial, TETRA TECH
Perceived tech-centric AI losers	Booking.com, Microsoft, INTUIT

Ways to access L1 Capital International Share Fund

L1 GROUP

1. Individual

Tax Implications:

- Assessable income taxed at the marginal tax rate.
- No CGT discount for holdings under 12 months.
- Indexed CGT discount for holdings of at least 12 months.

2. Private Trust

Tax Implications:

- Income and realised capital gains distributed to beneficiaries taxed at their marginal tax rates.
- Beneficiaries may receive a CGT discount on long-term realised gains.

3. Company

Tax Implications:

- Earnings taxed at a flat rate of 30%.
- No CGT discount applies.
- Shareholders may claim franking credits for dividends paid.
- Separate income and capital buckets required.

4. Superannuation

Tax Implications:

- 15% tax on earnings in the accumulation phase.
- Earnings in the pension phase are tax-free.
- One-third CGT discount applies to gains on units held for at least 12 months, reducing the effective CGT rate to 10%.

5. Investment bond

Tax Implications:

- Assessable income is taxed within the investment bond at a maximum rate of 30%, generally ranges between 10% - 15%[1]
- No personal tax liability on assessable income if the investment bond is held for at least 10 years.

1. Estimated average tax rates being the estimated average annual tax as a percentage of earnings for each 12-month period over a period of 15 years. Actual tax amounts payable are not guaranteed and may vary from year to year based on, amongst other things, the earnings of an investment option. Past performance is no indicator of future performance.

The future of wealth planning

Going beyond your typical structures

01.
Need for structural diversification

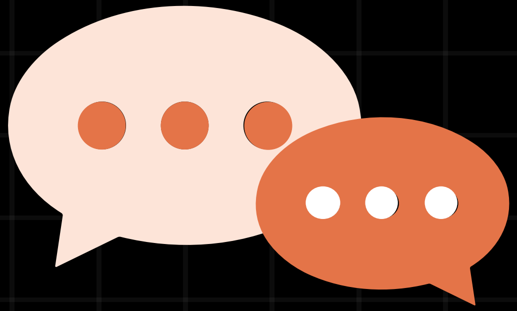
02.
Multiple tax environments

03.
Greater flexibility

Why this matters now?

Change isn't slowing down

Client portfolio structuring needs to be designed for change – not dependant on it



Questions…

Thank you.

Generation Life

Highly recommended for over a decade

Awards

Research ratings

Investment Bonds[1]

1. Rating relate to LifeBuilder and ChildBuilder investment bond products

Disclaimer

Important information

L1 Capital International Pty Ltd

Information contained in this publication

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