

2020 Half Year Results

ASX Announcement | 27 August 2020

**Future
Generation
Global**
INVESTMENT & SOCIAL RETURNS

Chairman's update

Belinda Hutchinson AC

- **4.7%* investment portfolio outperformance**
- **2.0 cents per share fully franked dividend**
- **\$5.7 million investment to be delivered to youth mental health focused charities in October 2020**

Future Generation Global reported an operating profit before tax of \$17.5 million and an operating profit after tax of \$12.3 million for the six months to 30 June 2020. The strong operating result reflects the increased level of distribution income received from the investments with the underlying fund managers during the period.

During the period, the Future Generation Global investment portfolio outperformed the MSCI AC World Index (AUD) by 4.7%. While the MSCI AC World Index (AUD) fell 4.4%, the Future Generation Global investment portfolio rose 0.3%,

preserving shareholder capital in a highly volatile period which saw major global indices fall during this time. In the 12 months to 30 June 2020 the Future Generation Global investment portfolio increased 7.5%, outperforming the MSCI AC World Index (AUD) by 3.6%.

Since inception, the Future Generation Global investment portfolio has increased 9.2%^{*} per annum, outperforming the MSCI AC World Index (AUD). This investment portfolio outperformance has been achieved with less volatility than the Index, as measured by standard deviation.

We are pleased to have declared a fully franked dividend of 2.0 cents per share to shareholders, a 33.3% increase on the prior year. Future Generation Global held an estimated profits reserve of 6.8 cents per share as at 30 June 2020[†], representing 3.4 years of dividend coverage.

The increased fully franked 2.0 cents per share dividend has been achieved through the profits reserve available and the sound risk-adjusted returns of the investment portfolio during an unprecedented period of volatility for equity markets.

The Company's Investment Committee works to provide investors with risk-adjusted returns derived from a balanced and diversified portfolio allocated to leading global fund managers who generously forgo management and performance fees.

The annual investment to our charity partners is made possible by our fund managers and service providers, and I thank them for their support. It is inspiring to see the work of our charity partners in improving the lives of young Australians affected by mental ill health especially during the uncertain times created by the coronavirus pandemic.

The value of the fund managers' foregone management and performance fees for the period totalled \$3.4 million and the estimated value of the leading service providers working for Future Generation Global on a pro bono basis totalled \$0.5 million.

We currently estimate the value of this pro bono support to be approximately \$7.8 million per annum, and at 1.4% of the Company's net assets, these savings to shareholders greatly exceed the annual donation to our charity partners.

^{*}Investment portfolio performance and Index returns are before expenses, fees and taxes.
[†]Before the payment of the fully franked 2.0 cents per share dividend.

In October 2020 Future Generation Global will deliver its fifth annual investment of \$5.7 million to our charity partners who work to support young Australians facing mental ill health. We are delighted that this will bring the total charitable investment since inception in 2015 to \$19.7 million.

Our charity partners have demonstrated remarkable resilience and adaptability since the start of the coronavirus pandemic. Many have been experiencing surges in demand and in the face of uncertainty, have rapidly transitioned to online delivery via video conferencing, webinars and digital events.

We are incredibly grateful to Future Generation Global's fund managers and service providers for their outstanding generosity that allows us to support and invest in our charity partners.

We congratulate our fund managers for their collective outperformance that has driven an increase in both the fully franked dividend and charitable investment this year.

Although we were unable to meet in person, I enjoyed engaging with our shareholders through the launch of the first Future Generation Virtual Investment Forum in May and we look forward to the next Virtual Forum in October this year.

We launched our podcast series, Conversations with Future Generation, in March. Each month I explore the worlds of investing, philanthropy, mental health and supporting children and youth at risk. I have been joined by David Gonski AC, the Hon. Joe Hockey, the Hon. Anna Bligh AC and Jono Nicholas.

CEO's update

Louise Walsh

Future Generation Founder and Director Geoff Wilson AO and a number of our fund managers have joined me in meeting with brokers and financial advisers to provide an update on performance through a series of virtual roadshow presentations.

We will discuss the 2020 half year results in detail during our Investor Conference Call on Wednesday 2 September at 2.00pm – 3.00pm (Sydney time).

Highlights

2020 investment
portfolio outperformance*

+4.7%

Fully franked dividend

2.0cps

Investment to be delivered to
high-impact youth mental
health focused charities in
October 2020

\$5.7m

Increased fully franked dividend

The Company provides shareholders with diverse exposure to global equities and as such its returns are predominately delivered through capital growth. The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserve and franking credits and it is within prudent business practices.

The Board is pleased to announce a fully franked dividend of 2.0 cents per share, a 33.3% increase on the prior year. The dividend will be paid on 23 October 2020 and will trade ex-dividend on 12 October 2020. Shareholders are able to participate in the Dividend Reinvestment Plan (DRP) and the Dividend Donation Plan (DDP). The last election date for the DRP and the DDP will be 15 October 2020.

Future Generation Global held an estimated profits reserve of 6.8 cents per share as at 30 June 2020[^], representing 3.4 years of dividend coverage.

The increased fully franked 2.0 cents per share dividend has been achieved through the profits reserve available and the sound risk-adjusted returns of the investment portfolio during an unprecedented period of volatility for equity markets.

[†]Investment portfolio performance and Index returns are before expenses, fees and taxes.

[^]Before the payment of the fully franked 2.0 cents per share dividend.

Dividend dates

| | |
|----------------------------|-----------------|
| Ex-dividend date | 12 October 2020 |
| Record date | 13 October 2020 |
| Last election date for DRP | 15 October 2020 |
| Payment date | 23 October 2020 |

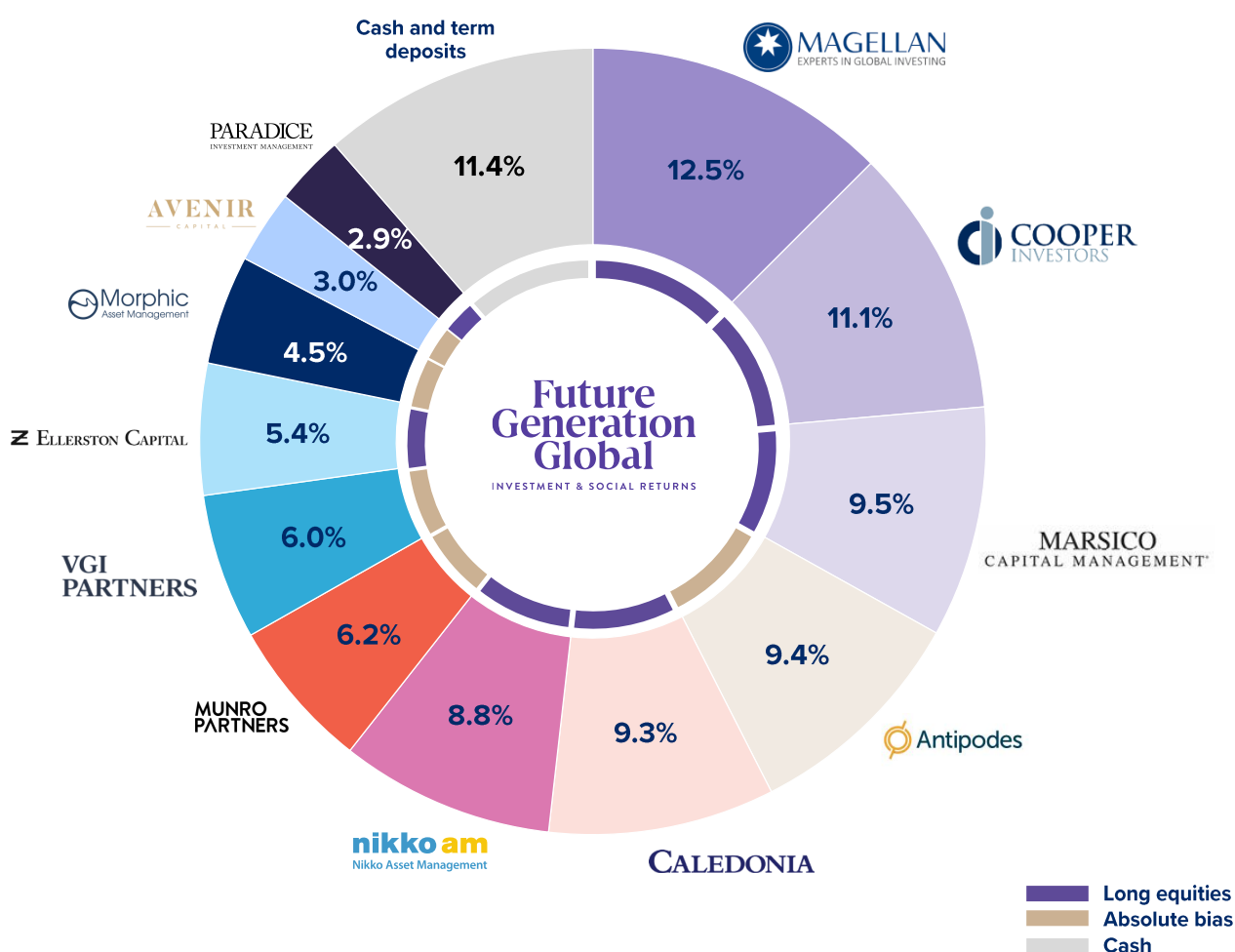
Investment portfolio performance

| As at 30 June 2020 | 6 mths | 1 yr | 3 yrs %pa | Since inception %pa (Sept-15) | Volatility (% standard deviation) |
|---------------------------|--------------|--------------|--------------|-------------------------------|-----------------------------------|
| Future Generation Global | 0.3% | 7.5% | 11.6% | 9.2% | 9.3% |
| MSCI AC World Index (AUD) | -4.4% | 3.9% | 10.0% | 8.9% | 10.8% |
| Outperformance | +4.7% | +3.6% | +1.6% | +0.3% | |

¹Investment portfolio performance and Index returns are before expenses, fees and taxes.

Fund manager allocations

as at 30 June 2020



Fund managers



Charities



Service providers

