

Record profit leads to increased fully franked full year dividend

28 February 2024
ASX announcement
& media release

+16.7%

Investment portfolio performance in FY2023¹

7.2cps ↑

Fully franked full year dividend FY2023

5.9%

Fully franked dividend yield FY2023²

6.8 years

Dividend coverage³

The Future Generation Global (ASX: FGG) Board of Directors declared an increased fully franked final dividend of 3.6 cents per share, bringing the fully franked full year dividend to 7.2 cents per share, while the investment portfolio increased 16.7%¹ in FY2023.

The FY2023 fully franked full year dividend of 7.2 cents per share represents a fully franked dividend yield of 5.9%² and a grossed-up dividend yield of 8.4%³ including franking credits. The fully franked dividend yield is significantly greater than the average global equity market yield of 2.0%⁴ and the average US equity market yield of 1.5%⁴.

The investment portfolio performance drove a record operating profit before tax of \$78.9 million and a record operating profit after tax of \$55.7 million. This led to the increase in the fully franked full year dividend, consistent with the Company's objective of paying a stream of fully franked dividends to shareholders.

The Company has 6.8 years of dividend coverage for shareholders, equating to 48.9 cents per share available in the profits reserve, before the payment of the fully franked final dividend of 3.6 cents per share. After the payment of the fully franked final dividend on 24 May 2024, Future Generation Global will have paid 26.7 cents per share in fully franked dividends to shareholders since inception.

Future Generation Global Chair Jennifer Westacott AO said, "I am excited to be leading a company that epitomises the idea of "doing good by doing well". This is an idea that many companies espouse, but few truly deliver. Thanks must go to our very generous fund managers and service providers, who waive all their usual fees to make this possible. I would also like to thank our shareholders for locking in beside our young people to fight mental ill-health."

The Future Generation Global investment portfolio increased 16.7%¹ for the year ended 31 December 2023. The investment portfolio is constructed with an allocation to absolute bias strategies, with lower correlation to equities, to provide investors with less volatility and some protection when equity markets fall. The Future Generation Global investment portfolio weighted average return derived from allocations to long equities and quantitative strategies kept pace with the MSCI AC World Index (AUD) which increased 21.9%. This investment portfolio performance of the long equities and quantitative strategies were balanced with the exposure to absolute bias strategies and cash.

The Future Generation Global Investment Committee (IC) has selected leading global fund managers who have a proven ability to outperform the market and their peers over the long term. This has resulted in the investment portfolio having a small and mid-cap tilt and an underweight exposure to mega-cap companies. While the contributors to the Future Generation Global investment portfolio performance were diverse, index returns during the period were narrow with seven mega-cap companies contributing more than 40% towards index returns - Apple (NASDAQ: AAPL), Microsoft (NASDAQ: MSFT), Amazon.com (NASDAQ: AMZN), Nvidia (NASDAQ: NVDA), Meta Platforms (NASDAQ: META), Tesla (NASDAQ: TSLA), and Alphabet (NASDAQ: GOOGL).

The IC and our leading pro bono fund managers continue to believe that a disciplined investment process focused on fundamentals, earnings growth and valuation will derive outsized returns for shareholders and enable the Company to meet its investment objectives over the medium-to-long term.

Future Generation CEO Caroline Gurney said, "We are pleased to have delivered a solid risk-adjusted investment portfolio performance and strong fully franked dividend yield. Currently, the share price doesn't reflect the value of the Company's underlying net tangible assets. As a team, we remain focused on actively narrowing the share price discount to net tangible assets for shareholders and returning the share price to trade at a premium to net tangible assets."

LIVE

Register to join the
Future Generation
FY2023 Results
Webinar

**Wednesday 6 March at
12:00pm (Sydney time)**



¹Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

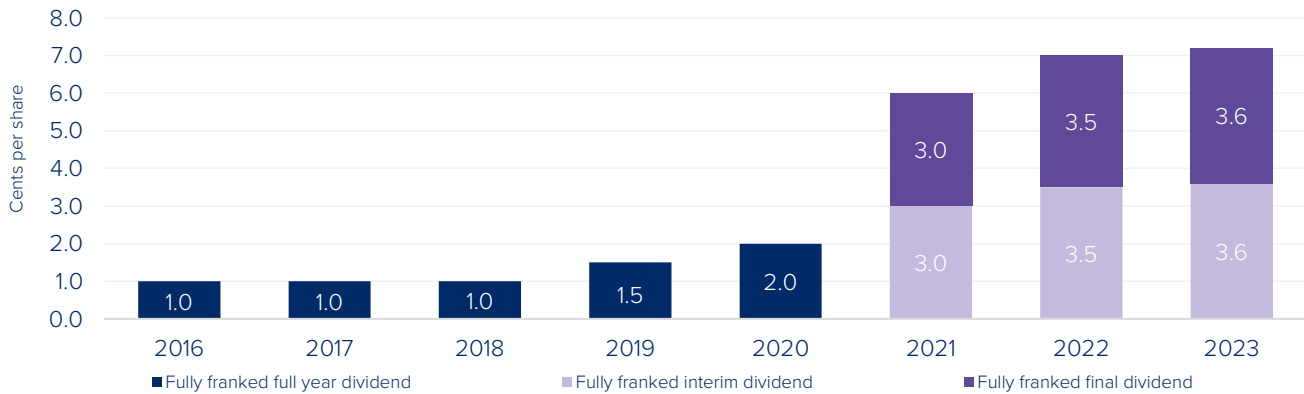
²Based on the 27 February 2024 closing share price of \$1.22 per share.

³Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

⁴Profits reserve and dividend coverage are before the payment of the FY2023 fully franked final dividend of 3.6 cents per share.

⁵Based on the MSCI World Index and S&P 500 Index dividend yield as at 31 December 2023.

Fully franked dividends since inception



48.9cps

Profits reserve as at 31 December 2023

6.8 years

Dividend coverage^{^^}

23.1cps

Dividends paid since inception

5.9%

Fully franked dividend yield*
Grossed-up dividend yield^{^^}: 8.4%

Key dividend dates

Ex dividend date	13 May 2024
Dividend record date (7:00pm Sydney time)	14 May 2024
Last election date for DRP	16 May 2024
Payment date	24 May 2024

Investment portfolio performance

The investment portfolio's performance since inception has been achieved with less volatility[#] than the market, 9.8% versus the Index's 10.8%.

Performance at 31 December 2023	1 yr	3 yrs % pa	5 yrs % pa	7 yrs % pa	Since inception % pa (Sept-15)	Volatility [#] since inception
Future Generation Global investment portfolio	16.7%	2.4%	8.1%	8.6%	7.8%	9.8%

Investment portfolio performance is before expenses, fees and taxes. Future Generation Global's financial year is from 1 January 2023 to 31 December 2023.

Significant social investment in the promotion of wellbeing and prevention of mental ill-health in young Australians

In November 2023, Future Generation Global delivered its eighth annual investment of \$5.4 million to its social impact partners and other not-for-profit organisations with a focus on promoting wellbeing and preventing mental ill-health in young Australians. This takes the Company's total social investment since inception to \$38.0 million and has been made possible by the incredible generosity and support of our leading pro bono fund managers and service providers.

Future Generation Global estimates the value of management and performance fees generously forgone by its pro bono fund managers, service providers, the Board and Investment Committee to be approximately \$9.0 million for FY2023, or around 1.6% of the net assets of the Company. These savings to shareholders exceed the annual investment to our social impact partners each year.

\$59.0m

Savings on management fees, performance fees and service provider fees forgone since inception

\$38.0m

Investment in our social impact partners with a focus on youth mental health since inception

\$9.0m

2023 savings on management fees, performance fees and service provider fees forgone

\$5.4m

2023 investment to social impact partners

^{^^}Profits reserve and dividend coverage are before the payment of the FY2023 fully franked final dividend of 3.6 cents per share.

*Based on the 27 February 2024 closing share price of \$122 per share.

[^]Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

[#]Volatility shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the investment portfolio. Volatility is measured by standard deviation, a statistical measurement.

About Future Generation Global

Listed in 2015, Future Generation Global Limited (ASX: FGG) provides:



Shareholders with exposure to leading fund managers without paying management or performance fees.



Social impact partners primarily focused on youth mental health with a reliable stream of annual income.



Fund managers with a unique opportunity to make a positive difference to Australia's future generations.

All major platforms provide access to Future Generation Global, including AMP North, BT Panorama, Colonial First State Wrap, Netwealth, Macquarie Wrap and Hub 24. Future Generation Global receives coverage from independent research provider Lonsec.



This announcement has been authorised by the Board of Future Generation Global Limited.

**Future
Generation
Global
8 Years Listed**



For more information visit
www.futuregeninvest.com.au
or contact:

Jennifer Westacott AO

Chair

E. info@futuregeninvest.com.au
T. (02) 9247 9202

Caroline Gurney

Chief Executive Officer

T. (02) 9247 9202
M. 0403 279 605

Kathryn Sherry

Senior Corporate Affairs Advisor

T. (02) 9247 9202
M. 0417 691 164

About Future Generation

The Future Generation companies, Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG), are Australia's first listed investment companies to provide investment and social returns.

Future Generation provides shareholders with exposure to leading Australian and global fund managers with the aim of delivering long-term capital growth, a stream of fully franked dividends and preserving shareholder capital. This group of leading fund managers manage more than \$1 billion in assets on a pro bono basis, waiving their management and performance fees, which allows the Future Generation companies to donate 1% of their average net tangible assets each year in our social impact partners and other not-for-profit organisations.

Shareholders are able to decide which social impact partner or other not-for-profit organisation will receive the annual social investment, whether it's supporting children and youth at risk (FGX) or investing in the promotion of wellbeing and prevention of mental ill-health (FGG). The Future Generation companies are on track to deliver more than \$100 million by 2030, having invested \$75.8 million since inception.