

Dear Fellow Shareholder,

Strong investment portfolio performance

The Future Generation Global (ASX: FGG) and Future Generation Australia (ASX: FGX) investment portfolios both outperformed the market in February.

- The FGG investment portfolio increased 6.6%* in February, outperforming the MSCI AC World Index (AUD) for the third consecutive month. The investment portfolio has increased 29.8% since the start of 2023.
- The FGX investment portfolio increased 2.0%*, outperforming the S&P/ASX All Ordinaries Accumulation Index by 0.8%. The investment portfolio has increased 12.1% over the past 12 months, outperforming the market.

Increased fully franked dividends

Both FGG and FGX announced increased fully franked full year dividends in their full year results.

- FGG's record FY2023 profit led the FGG Board to [declare](#) an increased fully franked final dividend of 3.6 cents per share, taking the fully franked full year dividend to 7.2 cents per share. This represents a fully franked dividend yield of 5.6%# and a grossed-up dividend yield of 8.0%##. Importantly, this yield is significantly greater than the average global equity market yield of 2.0%* and the average US equity market yield of 1.5%*. FGG has 8.3 years of dividend coverage for shareholders.
- On the back of the FY2023 investment portfolio outperformance, the FGX Board of Directors [declared](#) an increased fully franked final dividend of 3.35 cents per share, bringing the fully franked full year dividend to 6.7 cents per share. This represents a fully franked dividend yield of 5.7%# and a grossed-up dividend yield of 8.1%##. FGX has 4.9 years of dividend coverage for shareholders.

Dr Philip Lowe to become Chair of Future Generation Australia

I am delighted that Dr Philip Lowe, Governor of the Reserve Bank of Australia (RBA) from 2016 to 2023, has [joined](#) the Future Generation Australia Board of Directors as an independent director, and will become the new Chair following the Company's Annual General Meeting in May. Dr Lowe will assume the role from former NSW Premier Mike Baird AO, who will remain on the Board as an independent director.

This is Dr Lowe's first board appointment since leaving the RBA. It says a lot about him that he - like all our directors - has agreed to waive all usual director fees.

Register for our upcoming Shareholder Presentations

We are looking forward to meeting you when we travel across Australia in April to update you on your companies.

Join us in-person at our Shareholder Presentations 

Missed our recent webinar?

[Enjoy the recording](#) of our Future Generation FY2023 Results Webinar.

As always, please call or email us if you have any questions on (02) 9247 9202 or info@futuregeninvest.com.au.

Thank you,



Caroline Gurney
CEO, Future Generation



*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

#Based on the FGG and FGX 13 March 2024 share price of \$1.275 per share and \$1.185 per share, respectively.

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

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

\$75.8m

SOCIAL
INVESTMENT
TO 2023



\$5.2m

Future
Generation
Australia
2023

\$5.4m

Future
Generation
Global
2023

**2023 total social
investment**

\$10.6m

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

\$17.6m

**Total savings on
management fees,
performance fees and
service provider fees
forgone since
inception to 2023**

\$131.3m

Investment portfolio performance

*The February 2024 NTA before tax is after the income tax return refund of \$162k (0.04 cents per share) which was received during the month.

Net tangible assets before tax*	Gross assets	Profits reserve (per share)
158.72c	\$634.9m	60.1c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation#	Dividends paid since inception (per share)
157.07c	\$492.6m	23.1c Including the value of franking credits: 33.0c
Net tangible assets after tax	Volatility**	Grossed-up dividend yield^
148.65c	10.0% MSCI AC World Index (AUD): 10.9%	8.3% Fully franked dividend yield: 5.8%#

#Based on the 29 February 2024 share price of \$1.24 per share and the FY23 fully franked full year dividend of 7.2 cents per share. Future Generation Global has 397,277,724 shares on issue.

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

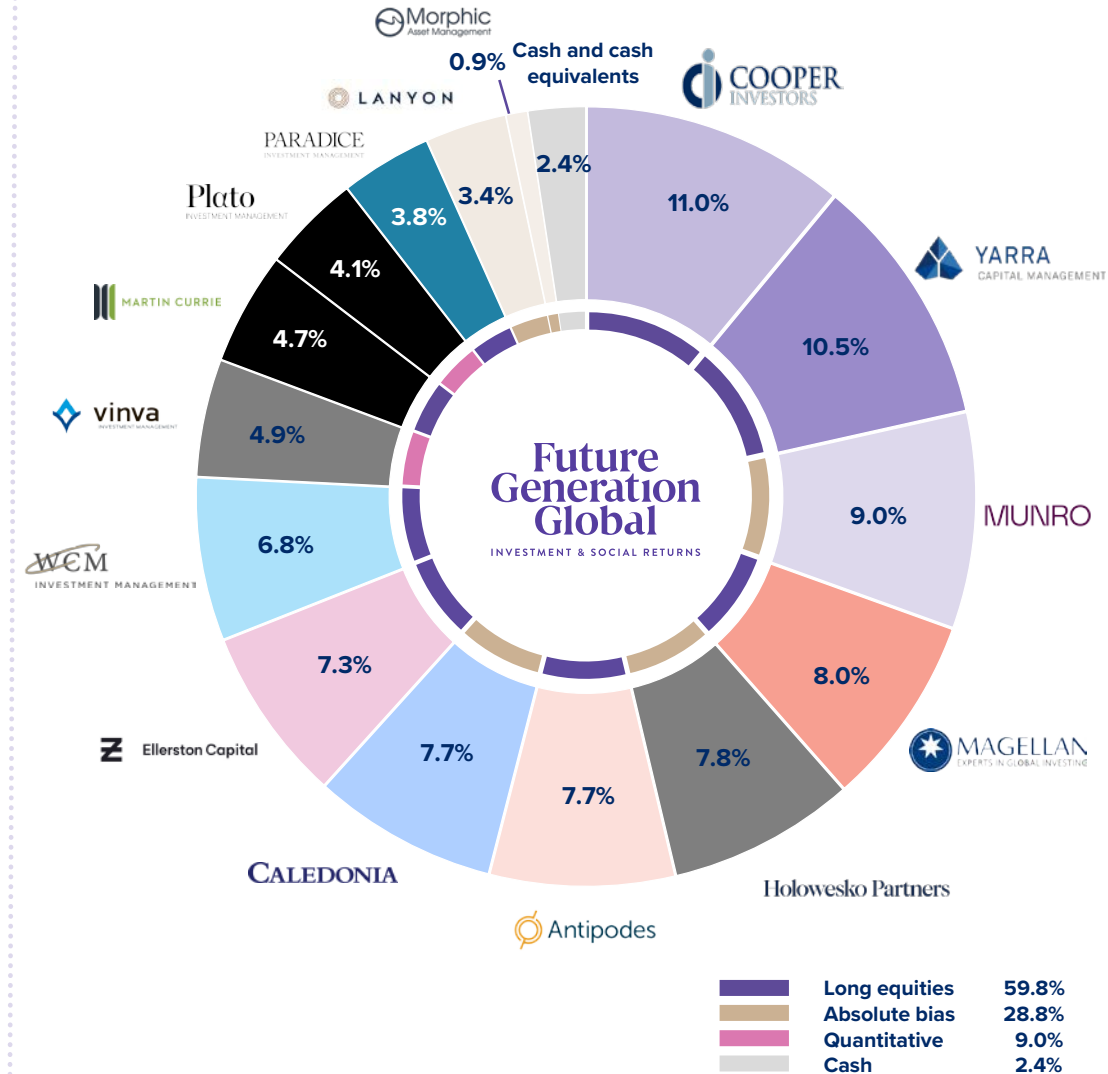
**Volatility is measured by standard deviation.

Investment portfolio performance at 29 February 2024	1 mth	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	6.6%	23.4%	5.2%	9.1%	10.5%	9.0%

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

Fund manager allocations

0% management fees
0% performance fees



Investment portfolio performance

Net tangible assets before tax	Gross assets	Dividends paid since inception (per share)
136.74c	\$560.7m	43.15c Including the value of franking credits: 61.6c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Profits reserve (per share)
135.11c	\$456.0m	32.6c
Net tangible assets after tax	Volatility [^]	Grossed-up dividend yield [*]
131.31c	11.9% S&P/ASX All Ordinaries Accumulation Index: 14.4%	8.6% Fully franked dividend yield: 6.0% [#]

[#]Based on the 29 February 2024 share price of \$1.12 per share and the FY23 fully franked full year dividend of 6.7 cents per share. Future Generation Australia has 407,114,405 shares on issue.

[^]Volatility is measured by standard deviation.

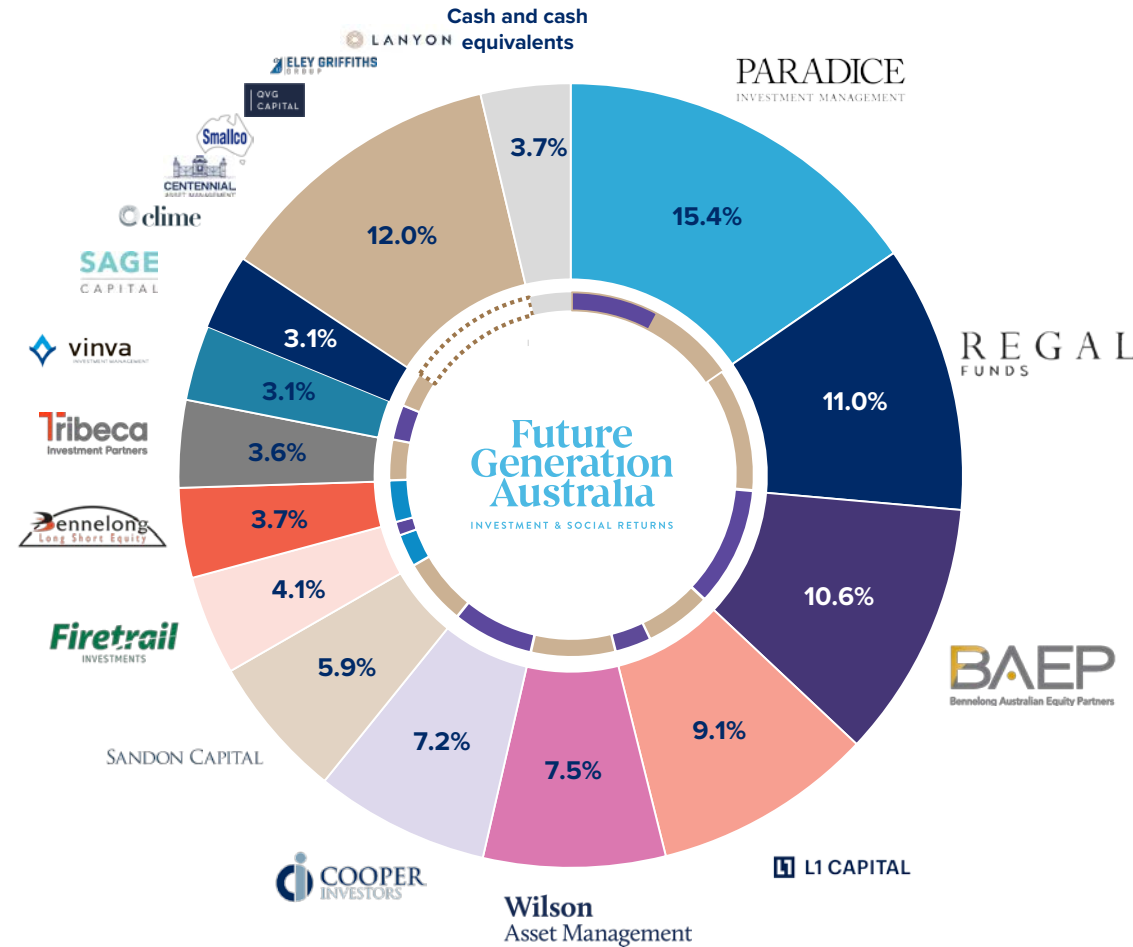
^{*}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 29 February 2024	1 mth	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	2.0%	12.1%	7.3%	9.4%	9.2%	9.1%

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

Fund manager allocations

0% management fees
0% performance fees



12.0% fund manager breakdown

Clime Investment Management	3.0%	QVG Capital	1.6%	Absolute bias	48.4%
Centennial Asset Management	2.6%	Eley Griffiths Group	1.2%	Long equities	41.3%
Smallco Investment Manager	2.4%	Lanyon	1.2%	Market neutral	6.6%
				Cash	3.7%

Meet the Manager

Matt Haupt, Portfolio Manager Wilson Asset Management Leaders Fund

The Wilson Asset Management Leaders Fund has recently joined Future Generation Australia's team of pro bono fund managers, increasing the investment portfolio's diversified exposure to large-cap companies.

Reporting season has come to an end now in Australia. What are the key themes that emerged?

A clear theme from reporting season is the focus on cost control. We're going into a slowing environment and so the companies that did well on costs, their share prices went up with it. It's also a function of good management, addressing issues and taking proactive steps versus reactive management.

Another highlight was around the roles of CFOs within companies. At low interest rates or zero interest rates, the focus of a good CFO was probably lost. But with rising or higher interest rates, the role of the CFO has come back into focus and you could really see the difference there. Good CFOs extended tenure and locked in low interest rates. Whereas the other ones - the not so good ones - really left companies exposed to those rate movements. So there's been huge interest this season on how CFOs have positioned themselves and their company's going forward.

So, who were the winners and losers?

The banking sector has performed pretty well. I think the risk within Australia was that we were going to have this big slow down and there was going to be stress emerging through household debt. That clearly has not happened yet, which I still find a little staggering. All the banks have very benign bad debts and the arrears have ticked up slightly, but there are no clear signs of stress in the Australian economy. So the banking sector did better than feared and you've seen that reflected in the share prices. The ones that suffered were under the government microscope. For example, Woolworths (ASX: WOW). They're in an ACCC review at the moment. You've also got the energy sector and the gambling sector. Anything hot on the government's heels have suffered a lot and they were the clear losers for reporting season.

More generally, what's your market outlook for the rest of 2024?

This changes daily as we're at a critical point. The share market has risen on the back of an expected soft landing and falling interest rates. With falling interest rates - that's an absolute goldilocks scenario - that's already priced into the market. So where to from here? If we do get this soft landing and we get lower interest rates, one hundred percent the market could keep going up.

You mentioned rates, when are you expecting the first cut in Australia?

I think the first cut will be second half of the year. It's very much guesswork at this point in time and the reason why I hesitate is, it's either going to be late this year or it's going to be quite soon because we've had two weak job reports in Australia in the last two months. So that's where I'm torn now. You've got inflation expectations picking up globally. But the Australian labour market is a key swing factor here. If that deteriorates for another few months we could go early. But my base case is now August or September.

Wilson Asset Management



How do you manage the process of selecting a stock as an active investor?

It can come from a multitude of factors, but it's working out where to hunt and that is formed by talking about the macroeconomic backdrop and a forecast of where we think the economy is going, and then also looking at where money is being directed currently and where it could potentially be directed to in the future. And then also doing the very much bottom up stock picking. So seeing the companies, seeing the management, talking to competitors and then trying to combine them all and the gold scenario is when you have all of them aligning at one point in time, but that quite often doesn't happen. So we have a little bit of a contrarian nature in that. We're always looking for stocks that are unloved and sectors that are unloved. So it's trying to get evidence that there is an inflection point coming up and that's generally how we look at things - looking for that inflection point, backed up by data.

The Future Generation companies provide exposure to leading Australian and global fund managers

Future Generation Australia fund managers



Future Generation Global fund managers



Social impact partner in focus:



happy paws
happy hearts

Zoe Black, Co-founder and CEO at Happy Paws Happy Hearts

Happy Paws Happy Hearts connects isolated Australians with rescue animals, improving quality of life and offering genuine vocational pathways.

“We’re really about their individual journey. The natural assumption would be that, because they’re learning how to work with animals, they will end up working in that space. But, actually, our young people are so diverse. They have such different desires for their futures. Some of them want to be aerospace engineers, but they didn’t get through school because of their social anxieties. The animals really bring them into a space where they can rebuild their confidence and reignite their love of learning, so that they can actually achieve those dreams.” – Zoe Black, Co-founder and CEO at Happy Paws Happy Hearts.

[Read the full Q&A on the Future Generation website.](#)

For more information, visit www.Futuregeninvest.com.au

Our social impact partners



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as at
29 February 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.0%
Yarra Capital Management	Yarra Global Share Fund	Long equities	10.5%
Munro Partners	Munro Global Growth Fund	Absolute bias	9.0%
Magellan Asset Management	Magellan Global Fund	Long equities	8.0%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	7.8%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	7.7%
Caledonia	Caledonia Global Fund	Absolute bias	7.7%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	7.3%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	6.8%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	4.9%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.7%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	4.1%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	3.8%
Lanyon	Lanyon Global Value Fund	Absolute bias	3.4%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.9%
	Cash and cash equivalents		2.4%

**Fund manager
allocation and
investments at
market value as at
29 February 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
	Mid Cap/Equity Alpha Plus Funds (split out below)		15.4%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	7.8%
	Paradice Equity Alpha Plus Fund	Absolute bias	7.6%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	11.0%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.6%
	Long Short/Catalyst Funds (split out below)		9.1%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	5.9%
	L1 Capital Catalyst Fund	Long equities	3.2%
	Equity/Leaders Funds (split out below)		7.5%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	3.8%
	Wilson Asset Management Leaders Fund	Absolute bias	3.7%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	7.2%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.9%
	Absolute Return/High Conviction Funds (split out below)		4.1%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	2.9%
	Firetrail High Conviction Fund	Long equities	1.2%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.7%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.6%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.1%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.1%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.4%
QVG Capital	QVG Opportunities Fund	Long equities	1.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.2%
Lanyon	Lanyon Australian Value Fund	Absolute bias	1.2%
	Cash and cash equivalents		3.7%