

ASX announcement & media release

6 August 2020

Future Generation Australia announces increased fully franked interim dividend

Increased fully franked interim dividend

2.6cps

Fully franked interim dividend increase

+8.3%

HY2020 investment portfolio outperformance

+3.3%

The Future Generation Australia (ASX: FGX) Board of Directors is pleased to have declared a fully franked interim dividend of 2.6 cents per share to shareholders, an 8.3% increase on the prior corresponding period.

The fully franked interim dividend represents an annualised fully franked full year dividend of 5.2 cents per share, providing shareholders with a fully franked dividend yield of 5.1% and a grossed-up dividend yield of 7.3%** based on the 6 August 2020 closing share price of \$1.02 per share.

Since inception in September 2014, Future Generation Australia has paid 22.1 cents per share in fully franked dividends to shareholders. Future Generation Australia held an estimated profits reserve of 8.6 cents per share as at 30 June 2020*.

The Future Generation Australia investment portfolio is structured to provide shareholders with access to leading boutique Australian fund managers, portfolio diversification and reduced volatility. The increased fully franked interim dividend of 2.6 cents per share has been achieved through available profits reserve and the sound risk-adjusted returns of the investment portfolio during an unprecedented period of volatility for equity markets.

In the six months to 30 June 2020, the Future Generation Australia investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 3.3%*. While the S&P/ASX All Ordinaries Accumulation Index fell 10.4%, the Future Generation Australia investment portfolio declined 7.1%*. In the 12 months to 30 June 2020 the Future Generation Australia investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 6.0%*. The S&P/ASX All Ordinaries Accumulation Index fell 7.2% while the Future Generation Australia investment portfolio only declined 1.2%*.

Since inception, the Future Generation Australia investment portfolio has increased 7.3%* per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.8%*. This investment portfolio outperformance has been achieved with less volatility than the Index, as measured by standard deviation.

*Before the payment of the fully franked 2.6 cents per share interim dividend.

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

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

Investment portfolio performance

As at 30 June 2020	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	-7.1%	-1.2%	6.0%	7.8%	7.3%
S&P/ASX All Ordinaries Accumulation Index	-10.4%	-7.2%	5.4%	6.2%	5.5%
Outperformance	+3.3%	+6.0%	+0.6%	+1.6%	+1.8%

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

Investing in Australia's future generation

The objectives of the Company are to provide shareholders with an attractive investment and Australian charities focused on children and youth at risk with a source of funding. The fund managers do not charge management or performance fees, allowing the Company to invest 1.0% of its average net assets to the supported charities each year. Future Generation Australia has partnered with designated charities that provide a significant benefit to young Australians in the area of children and youth at risk: Act For Kids, Australian Children's Music Foundation, Australian Indigenous Education Foundation, DEBRA Australia, Diabetes Kids Fund, Giant Steps, Lighthouse Foundation, Mirabel Foundation, Raise Foundation, United Way Australia, Variety and Youth Off The Streets. This year Future Generation Australia will invest \$4.8 million in charities focused on children and youth at risk, bringing the total charitable investment since inception to \$21.4 million.

Fund managers



About Future Generation Australia

Listed in 2014, Future Generation Investment Company Limited (ASX: FGX) provides:

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



Charities primarily focused on children and youth at risk with a stream of annual investments.



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



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