

**Future Generation Global
Caroline Gurney and Kiera Grant**

CAROLINE GURNEY: I would firstly like to acknowledge the Gadigal people of the Eora Nation, the traditional custodians of this land, and pay my respects to elders past, present and emerging. My name is Caroline Gurney. I am the new CEO of Future Generation. We wanted to provide shareholders with additional insights on the FGG Investment Portfolio. And so it is my pleasure to welcome Board Director of FGG Kiera Grant and Chair of the FGG Investment Committee. The Investment Committee is comprised of seven investment professionals and is primarily responsible for selecting fund managers and managing the company's investment portfolio. The portfolio currently has twelve leading boutique fund managers, providing shareholders with a diversified portfolio which is important as we navigate market cycles. As you all know, all of the underlying fund managers, the Board and the IC provide their services on a pro bono basis, for which we are extremely grateful. Kiera, can you please talk us through the investment objectives of the IC?

KIERA GRANT: Thanks Caroline. The Investment Committee identifies global leading fund managers who have a strong track record and a demonstrated ability to add value, given their particular investment approach. We look to provide investors with market or better than market performance, with reduced volatility as measured by standard deviation. The Committee ensures that we are invested with a complementary blend of managers providing shareholders with exposure to a diverse portfolio of investment styles and strategy, all under one investment vehicle, and we obviously review those fund managers on a regular basis. Since inception, the portfolio has provided shareholders with 15% less volatility than the MSCI or Country World Index. And we are particularly pleased that the portfolio has been able to preserve capital for shareholders during those periods of market drawdowns.

CAROLINE GURNEY: Thank you Kiera. So can we provide shareholders with a little bit more information about the stock composition of the portfolio? Because I think that's really interesting in terms of what Future Generation Global has managed to achieve.

KIERA GRANT: Sure Caroline. So firstly, the Investment Committee review a look through analysis of the investment portfolio on a quarterly basis, which ensures that we are providing shareholders with diversity through the blend of managers we choose. On a look through basis, we have exposure to over 350 underlying investment companies. So for example, the portfolio is underweight large cap companies, predominantly the FAANGs as you would know, with a net underweight of 10% in the top 100 companies globally. Regionally, the portfolio is 30% overweight Europe compared to the benchmark which is the MSCI AC World Index at 22.2% versus us at 17.1%, which highlights that the managers are looking at the relative value across the globe. And given how expensive the US market is at the moment, it's not surprising that we are underweight the large cap US companies. On a sector basis, the investment portfolio is actually overweight communication services and consumer discretionary, while we are underweight financials.

CAROLINE GURNEY: So what are the unique qualities of the investment portfolio?

KIERA GRANT: A portfolio of global equities provides FGG shareholders with quite a unique exposure to companies in the technology sector and in particular exposure to macro themes, such as the global shortage of semiconductors, that investors are unable to normally access here domestically. The investment portfolio also provides shareholders with exposure to a diverse mix of investment strategies, even in the small to mid-cap end of the market. Within our strategic asset allocation, the portfolio

includes exposure to long equities and absolute bias strategies. And within each of these strategies, we're able to provide FGG shareholders with exposure to

complementary investment styles. For example, you've got the high conviction, you've got growth and you've got value strategies as well. So it's the group of investment managers that are largely active, bottom-up stock pickers, which provides FGG shareholders with a portfolio of stocks based on fundamentals, rather than a portfolio that is macro driven.

CAROLINE GURNEY: Everybody talks about diversification, but why is it so important to have it in a portfolio such as this?

KIERA GRANT: As we navigate different market cycles which are inevitable, it's important not to be anchored to any one investment style or type of exposure. For example, growth investing has been a clear winner in recent times. However there are signs coming through now that investors are wishing to seek value during uncertain times, and so we're obviously conscious of that. And through our portfolio construction approach, the investment team and the portfolio of FGG provides shareholders with a balance between reward and risk. And in an environment where we're seeing more market volatility and more market shocks different exposures means that we're less impacted by any one single event.

CAROLINE GURNEY: Kiera, you've just been talking about market cycles. So tell us, how has the portfolio performed during volatility?

KIERA GRANT: I'm pleased to say that during periods of volatility, the FGG investment portfolio has performed extremely well. In market drawdowns, the investment portfolio has provided shareholders with a downside capture ratio of 67.6%, and what that means is that we have outperformed by 32.4%. So as an example, in February and

March of 2020, when the market really started to react to the onset of coronavirus globally, the MSCI All Countries World Index fell by 12.7% collectively, yet during that exact two month period we actually outperformed by 3.4%. As a result of the downside protection, historically the investment portfolio FGG has been able to

recover losses quicker than the market. Again, using that same volatile period of February and March in 2020 as an example, the MSCI All Countries Accumulation Index took ten months to recoup its losses, whereas FGG took about seven months, which is not a bad performance.

CAROLINE GURNEY: Thank you very much Kiera. I'm delighted to say that we're actually rated by Lonsec and Zenith, among others. And if shareholders or anybody else wants to hear anymore, please let us know. Thank you.

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