

Future Generation Global – social investment guidelines 2022

BACKGROUND INFORMATION

What is Future Generation?

The Future Generation Companies (ASX: FGX and ASX: FGG) are Australia's first listed investment companies to provide financial and social returns. This [short video](#) explains our model.

Renowned fund manager and philanthropist Geoff Wilson AO founded the Future Generation model as a way for the funds management industry to make a significant and ongoing impact in the community via two ASX-listed investment vehicles. The Future Generation Companies have more than 15,000 shareholders and \$1.3 billion under the expert management of 27 different fund managers.

Our Social Investment

Since listing in 2014 and 2015 respectively, Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG) have invested \$52.9 million in Australian charities. This annual investment is enabled by a range of leading Australian and global fund managers who offer their services pro-bono so that 1.0% of net tangible assets each year can be donated to charity.

Future Generation Global and youth mental health

Future Generation Global (FGG) is proud to have supported a group of leading mental health charities since inception. 2021 was the fifth and final year of our partner proposed projects and Future Generation Global has been considering the next phase of our social investment in youth mental health over the last 18 months.

Forward strategy

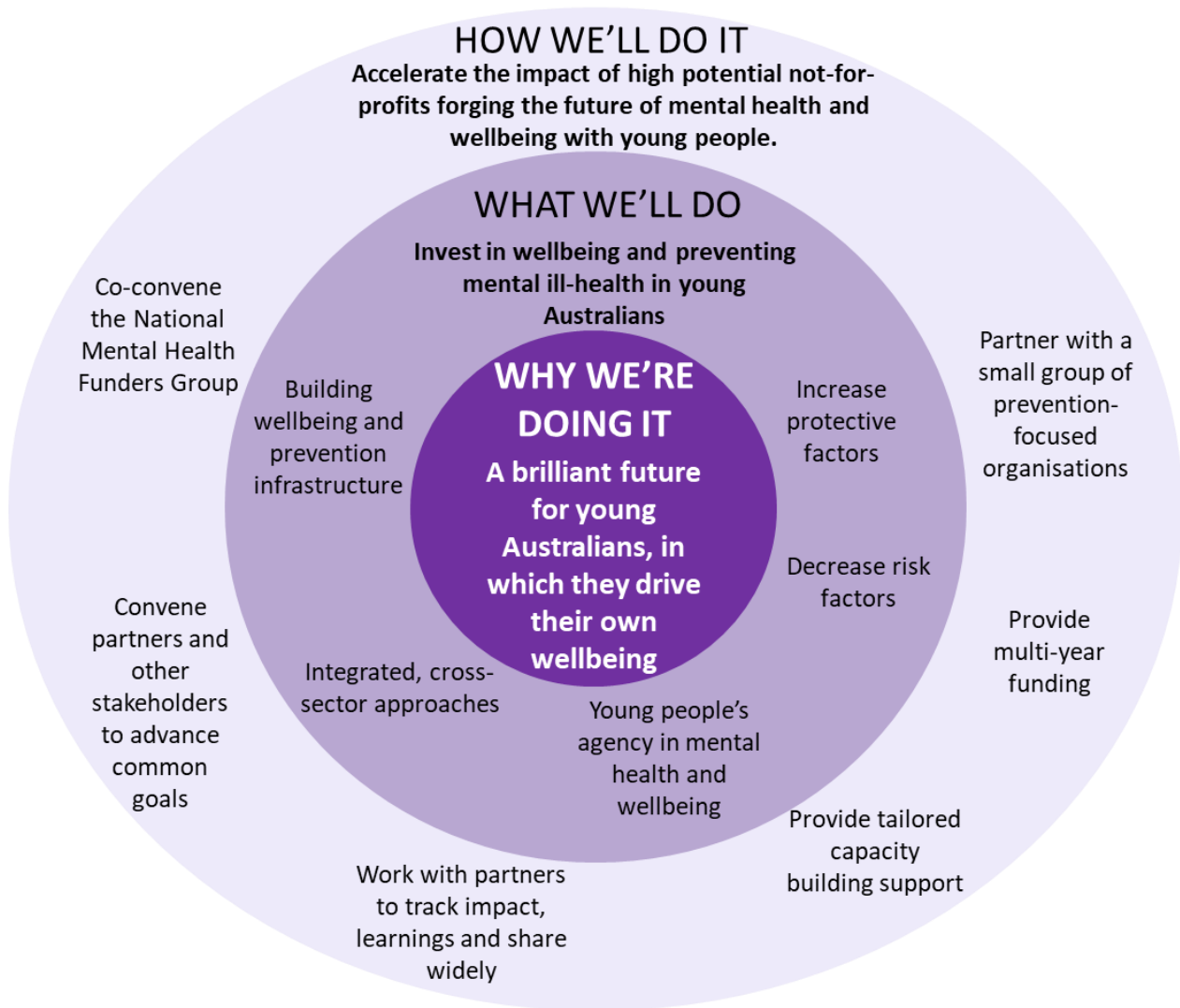
In working on our forward strategy, we have delved into our learnings from our first six years, sought advice from a broad range of people from the mental health sector and beyond, and drawn on the recommendations and insights of recent reviews and inquiries. We have looked at what's been achieved already, and what's happening now, to understand the continued gaps, opportunities and new frontiers that lie ahead. We have looked to our values, strengths, resources and good practice philanthropy to define how we will invest. We have looked to young people, the mental health reform agenda and the broader human services system to define what we will invest in.

We acknowledge the enormity of the task of getting ahead of mental ill-health and the efforts and expertise of governments, public and private health workers and systems, community and not-for-profit service providers, researchers, clinicians, educators, parents, carers, families and communities. We honour young people and acknowledge their experiences of mental wellbeing and ill-health.

We are also resolutely optimistic about the future and believe that Australia will transform its approach to mental health and wellbeing for the better. This is a task of many over time.

As we see it, our immediate task is to direct our contribution so that it punches above its weight in improving mental health outcomes for young people in the long-term. We aim to complement others' efforts and as private investors, take on risk to accelerate change - we'll do this by investing in prevention-focused organisations that are innovating, agitating and challenging the status quo to transform mental health and wellbeing for young people.

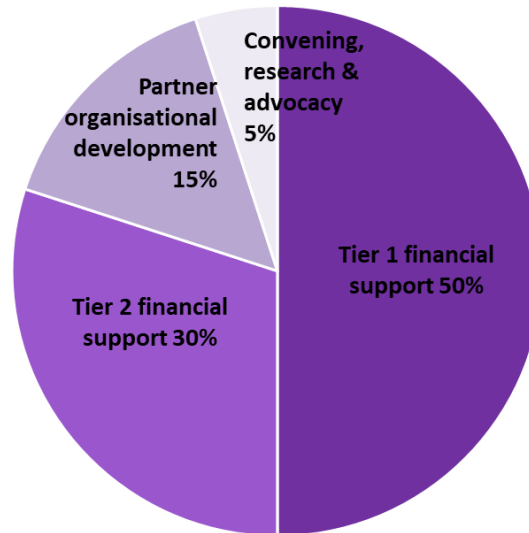
For further information, see our [Social investment strategy](#) available on our website.



Annual social investment – 1.0% of net tangible assets

Each year, FGG donates 1.0% of net tangible assets towards youth mental health, predominantly to a portfolio of not-for-profit partners (with Deductible Gift Recipient status). In early 2022, we will run an Expression of Interest process to establish partnerships based on our forward strategy. Through these partnerships we'll provide multi-year funding and additional capacity building support, tailored to each organisation's circumstances. We will work with partners to track outcomes, learnings and share widely. A small part of our investment is for convening partners and other stakeholders, research and advocacy in order to ensure our partnership investments go further and generate wider impacts.

ESTIMATED TYPICAL YEAR - SOCIAL INVESTMENT SPLIT



The percentages provided are an estimate of an envisaged typical year and will not be exact.

Impact growth funding	<p>Tier 1: We estimate establishing a minimum of 3* flagship partnerships in 2022, with annual funding of between \$400,000 and \$600,000 for three years.</p> <p>Tier 2: We estimate establishing a number of other partnerships in 2022, with annual funding of between \$140,000 and \$200,000 for two years.</p> <p>Funding will be paid annually in late November for partners to deliver their impact growth strategies. We anticipate that over time, some partners will transition between tiers depending on funding available, organisational development stages, performance and forward opportunity.</p>
Organisational development (partner capacity building)	<p>Additional support will be available across our partnerships to invest in addressing organisational capacity gaps that are barriers to impact growth. i.e. business planning, Board development and governance, staff training, leadership development, outcomes measurement, data or communication capabilities etc.</p>
Convening, research and advocacy	<p>FGG will dedicate some funding annually to advancing partners' and other stakeholders' common goals through collaboration, research and advocacy. This is designed to make our partnership investments go further and generate wider impacts.</p>

** The figures provided are our estimated range for the next three years and will be reviewed annually. Our model includes two variables 1) performance of financial markets and 2) shareholder voting, so funding amounts cannot be guaranteed. The estimates above are offered in good faith so organisations have goal posts with which to develop their Expression of Interest. We will aim to be no more than 25% of the organisation's funding base.*