

Future
Generation
Global

INVESTMENT & SOCIAL RETURNS

Annual Report



FOR THE YEAR ENDED 31 DECEMBER 2021

Future Generation Global Investment Company Limited

ABN: 52 606 110 838

Future Generation Global Investment Company Limited

The principal activity of the Company is to provide diversified exposure to global equities while also helping to improve the lives of young Australians affected by mental ill health.

Acting Chair

Geoff Wilson AO

Directors

Frank Casarotti
Kiera Grant
Sarah Morgan
Jonathan Nicholas
Kate Thorley
Geoff R Wilson

Joint Company Secretaries

Jesse Hamilton
Mark Licciardo

Investment Committee

Kiera Grant (Chair)
Gary Brader
John Coombe
Lukasz de Pourbaix
Aman Ramrakha
Sean Webster
Geoff Wilson AO
Martyn McCathie

Chief Executive Officer

Caroline Gurney

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000

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Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

T: (02) 9290 9600
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan and Dividend Donation Plan) and related matters, please contact the share registry.

Australian Securities Exchange

Future Generation Global Investment Company Limited Ordinary Shares (FGG)



Key Highlights FY2021

Operating profit before tax

\$67.8m

Increase in fully franked full year dividend

+200.0%

Fully franked full year dividend (3.0cps FF interim dividend and 3.0cps FF final dividend)

6.0cps

Savings on management fees, performance fees & services forgone

\$9.9m

2021 social investment in youth mental health

\$6.4m

Summary of FY2021 results

On 15 February 2022, the Board was pleased to declare a fully franked full year dividend of 6.0 cents per share, representing a 200.0% increase on the FY2020 fully franked full year dividend, a fully franked dividend yield of 3.7%^{^^} and a grossed-up dividend yield of 5.3%[#]. The Company's fully franked dividend yield is greater than the average global equity market yield of 1.8%^{***} and the average US equity market yield of 1.4%[^]. For the first time since inception in 2015, the Company will aim to provide shareholders an interim and final dividend each financial year.

The fully franked final dividend of 3.0 cents per share is in addition to the 3.0 cents per share 30 June 2021 fully franked interim dividend delivered to shareholders during the year. Since inception, after including the payment of the fully franked final dividend, the Company will have paid 12.5 cents per share in fully franked dividends to shareholders.

For the year ended 31 December 2021, the investment portfolio increased by 11.9%^{*}. The MSCI AC World Index (AUD) rose by 25.3%^{*} over the period. Since inception, the investment portfolio has increased 11.1%^{*} per annum. Future Generation Global's investment portfolio performance has been achieved with less volatility than the market, as measured by standard deviation, 8.7% compared to the market's 10.2%.

The Company reported an operating profit before tax of \$67.8 million (2020 restated: \$76.2 million) and an operating profit after tax of \$47.7 million (2020 restated: \$53.8 million). The operating profit reflects the solid performance of the investment portfolio over the period, achieved through the investments with the leading global pro bono fund managers.

Snapshot as at 31 December 2021

ASX code	FGG
Listing date	Sept 2015
Gross assets	\$688.7m
Market capitalisation	\$631.7m
Share price	\$1.605
Shares on issue	393,612,280
Net tangible assets (pre-tax)	\$1.74
Net tangible assets (post-tax)	\$1.60
Management fees	0.0%
Performance fees	0.0%
Annual social investment (% of net assets)	1.0%
FY2021 fully franked full year dividend	6.0 cents
FY2021 fully franked dividend yield ^{^^}	3.7%
FY2021 fully franked grossed-up dividend yield [#]	5.3%

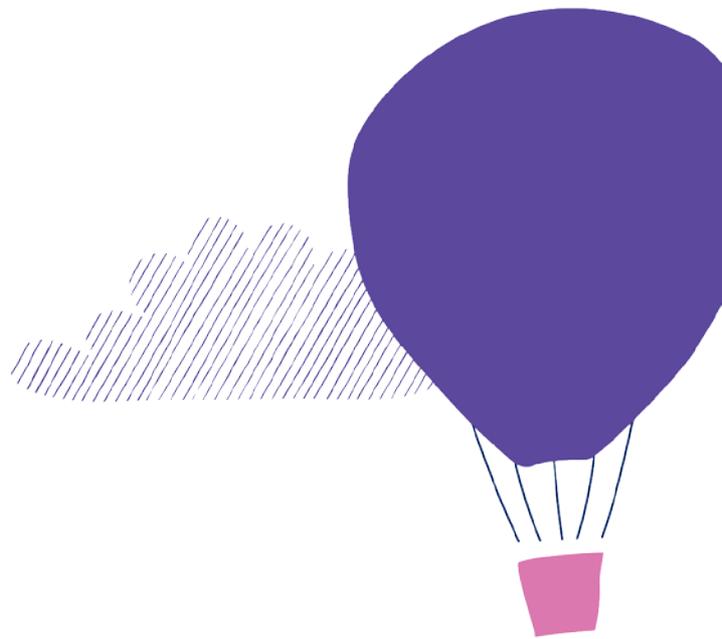
^{^^}Based on the 31 December 2021 closing share price of \$1.605.

[#]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 dividend yield as at 31 December 2021.

[^]Based on the S&P 500 Index dividend yield as at 31 December 2021.

^{*}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.



Contents

Chair & Chief Executive Officer's Letter	6
Investment Committee Report	12
Social Impact Report	19
Directors' Report to Shareholders	24
Auditor's Independence Declaration	36
Statement of Comprehensive Income	37
Statement of Financial Position	38
Statement of Changes in Equity	39
Statement of Cash Flows	40
Notes to the Financial Statements	41
Directors' Declaration	59
Independent Auditor's Report	60
ASX Additional Information	64

Chair & Chief Executive Officer's Letter

Geoff Wilson AO

Acting Chair



Caroline Gurney

Chief Executive Officer



Dear Fellow Shareholders,

We were pleased to provide our shareholders with a fully franked full year dividend of 6.0 cents per share, an increase of 200.0% on the previous year. In November 2021, we delivered our sixth annual social investment of \$6.4 million in charities focused on youth mental health, made possible by the incredible generosity and support of our leading global fund managers and service providers.

On behalf of the Board, we would like to thank you for your continued support of Future Generation Global Investment Company Limited (Future Generation Global or the Company).

On 15 February 2022, the Board was pleased to announce a fully franked full year dividend of 6.0 cents per share, representing a 200.0% increase on the FY2020 fully franked full year dividend, with the fully franked final dividend being 3.0 cents per share. The fully franked final dividend of 3.0 cents per share is in addition to the 3.0 cents per share 30 June 2021 fully franked interim dividend delivered to shareholders during the year and provides shareholders with a fully franked dividend yield of 3.7%^{**} and a grossed-up dividend yield of 5.3%[#], which is greater than the average global equity market yield of 1.8%^{***} and the average US equity market yield of 1.4%[^]. For the first time since inception in 2015, the Company will aim to provide shareholders an interim and final dividend each financial year.

In November 2021, the Company made its sixth annual social investment of \$6.4 million (2020: \$5.7 million) towards better mental health outcomes for young people in Australia. Of this, \$4.0 million (2020: \$3.9 million) was allocated to the eight Future Generation Global designated charity partners, \$2.1 million (2020: \$1.8 million) contributed to other charities with Australian deductible gift recipient (DGR) status as nominated by shareholders with 1 million or more shares and \$0.3 million to be donated as part of the Expression of Interest (EOI) process to other charities with Australian deductible gift recipient (DGR) status. The Company is on track to deliver its seventh annual investment of approximately \$7.0 million this year.

In 2021, the Company reported an operating profit before tax of \$67.8 million (2020 restated: \$76.2 million) and an operating profit after tax of \$47.7 million (2020 restated: \$53.8 million). The operating profit reflects the solid performance of the investment portfolio over the period, achieved through the investments with the leading global pro bono fund managers.

+200.0%

FY2021 fully franked full year dividend increase

6.0cps

Fully franked full year dividends (3.0cps FF interim dividend and 3.0cps FF final dividend)

+11.9%*

Investment portfolio performance

\$67.8m

2021 profit before tax

^{**}Based on the 31 December 2021 closing share price of \$1605.

[#]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 dividend yield as at 31 December 2021.

[^]Based on the S&P 500 Index dividend yield as at 31 December 2021.

^{*}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Chair & Chief Executive Officer's Letter

An exciting new chapter

In March 2021, Acting Chief Executive Officer (CEO) Kate Thorley was appointed to the Future Generation Global Board of Directors and resigned from the role of Joint Company Secretary of the Company. Kate was appointed to the Audit and Risk Committee in October 2021. Kate is the CEO of Wilson Asset Management and is a Director of WAM Capital Limited (ASX: WAM), WAM Leaders Limited (ASX: WLE), WAM Global Limited (ASX: WGB), WAM Microcap Limited (ASX: WMI), WAM Strategic Value Limited (ASX: WAR), WAM Research Limited (ASX: WAX), WAM Active Limited (ASX: WAA) and Future Generation Australia (ASX: FGX).

Jesse Hamilton was appointed Joint Company Secretary of the Company. As the Chief Financial Officer of Wilson Asset Management, Jesse oversees the finance, accounting and company secretary responsibilities for the listed investment companies (LICs) managed by Wilson Asset Management, in addition to Future Generation Australia and Future Generation Global.

In April 2021, Louise Walsh stepped down as CEO and in June 2021, Belinda Hutchinson AC announced her retirement from the Board of Directors and resignation as Chair of the Company at the Annual General Meeting (AGM) in June 2021, after serving in the role since Future Generation Global's inception in 2015. We thank Belinda and Louise for their exceptional service and contribution to Future Generation Global since inception in September 2015. Geoff Wilson AO has been appointed Acting Chair following Belinda's retirement, as we continue discussions with suitable candidates for the role.

Caroline Gurney commenced in the role of CEO in September 2021 and will lead Future Generation Global in an exciting new phase of growth, continuing to focus on promoting the unique investment model of dual investment and social returns.

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Global and has been providing financial and operational support since the inception of Future Generation Global in 2015. Wilson Asset Management looks forward to continuing its support for Future Generation Global and the service agreement entered into between Wilson Asset Management and Future Generation Global during the year reflects the enduring relationship between the parties.

In 2021 Future Generation Global concluded a strategic review of its social impact, with the Board of Directors approving a refined focus for its social investment from 2022 onwards. Promoting wellbeing and preventing the onset of mental-ill health in young Australians was determined as where the Company's investment, on behalf of shareholders, can be most impactful. Accordingly, we were excited to open an Expression of Interest for the first time to establish new partnerships with not-for-profit organisations in 2022 and look forward to providing further updates on our chosen charity partners ahead of 30 June 2022.

Company performance

The Company's primary investment objective is to provide shareholders with long-term capital growth through diversified exposure to high quality fund managers investing in global equities. As a listed investment company, there are three key measures we use to evaluate the performance of Future Generation Global, which are: investment portfolio performance; NTA growth and fully franked dividends; and TSR. Investment portfolio performance measures the growth of investments with the underlying fund managers and cash before expenses, fees and taxes. The MSCI AC World Index (AUD) is also measured before expenses, fees and taxes. NTA change is the change in value of the Company's assets, less liabilities and costs and is essentially the realisable value of the Company. The NTA is announced to shareholders on the ASX each month. TSR measures the tangible value change for shareholders from share price changes and dividends paid over the period. Importantly, TSR does not include the value of franking credits distributed to shareholders by way of fully franked dividend.

Chair & Chief Executive Officer's Letter

1. Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees and taxes. The MSCI AC World Index (AUD) is also measured before expenses, fees and taxes. For the year ended 31 December 2021, the investment portfolio increased 11.9%, while the MSCI AC World Index (AUD) rose 25.3%. Since inception, the investment portfolio has increased 11.1%¹ per annum. Future Generation Global's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.7% versus the Index's 10.2%.

Investment portfolio performance

+11.9%

Performance at 31 December 2021	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)	Volatility (% standard deviation)
Future Generation Global Investment Portfolio	11.9%	15.5%	13.2%	11.1%	8.7%
MSCI AC World Index (AUD)	25.3%	19.1%	14.2%	12.5%	10.2%

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

2. NTA growth

NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax, management and performance fees). The NTA represents the realisable value of the Company and is provided to shareholders and announced to the ASX each month.

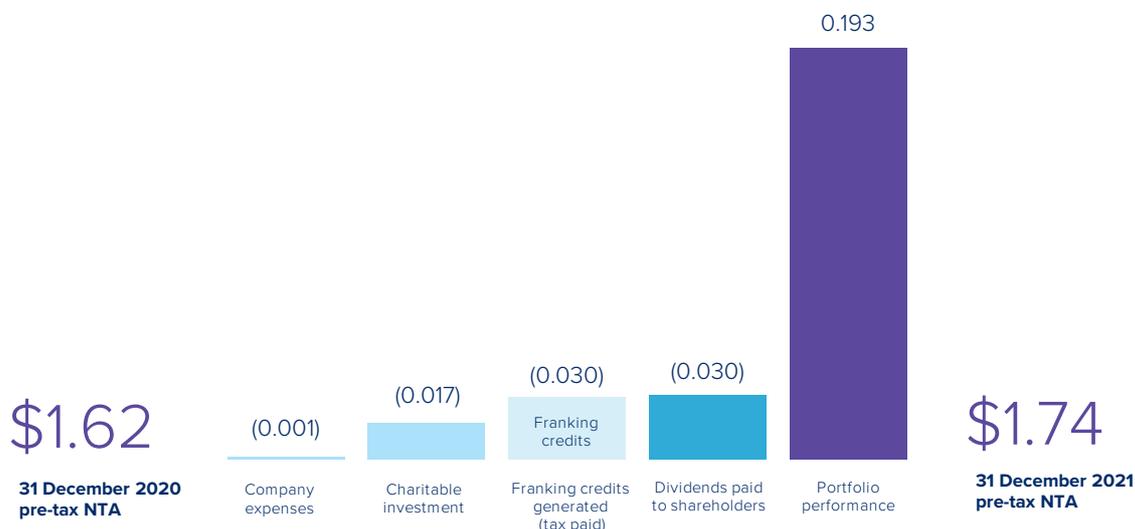
Pre-tax NTA growth

+8.9%

Future Generation Global's pre-tax NTA increased 8.9% for the 12 months to 31 December 2021, including the 3.0 cents per share fully franked interim dividend paid to shareholders during the year. This increase is after corporate tax paid of 3.0 cents per share or 1.9% during the year. Corporate tax payments made throughout the period and the charitable investment of 1.0% were the major items of difference between the investment portfolio performance of 11.9% and the NTA performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Company related expenses of 0.1% also contributed to the change in value of the assets during the year.

Chair & Chief Executive Officer's Letter

Future Generation Global's pre-tax NTA performance



3. Total shareholder return (TSR)

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends.

TSR
+9.0%

This measure shows the tangible return to shareholders, being the change in the share price together with dividends paid, assuming their reinvestment. The TSR for the Company for the year to 31 December 2021 was reflective of the investment portfolio performance during a highly volatile period for equity markets, offset by the slight increase in the share price discount to NTA. As at 31 December 2021, the share price discount to NTA was 7.8% (2020: discount of 7.7%), with TSR of 9.0% for the year. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Chair & Chief Executive Officer's Letter

Dividends

On 15 February 2022, the Board was pleased to announce a fully franked final dividend of 3.0 cents per share, bringing the fully franked full year dividend to 6.0 cents per share, a 200.0% increase on the prior year. The dividend will be paid on 27 May 2022 and the Company will trade ex dividend on 16 May 2022. For the first time since inception in 2015, the Company will aim to provide shareholders an interim and final dividend each financial year. The Board is committed to providing a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves, franking credits and it is within prudent business practices.

Since inception in 2015, after taking into account the fully franked final dividend payable on 27 May 2022, the Company will have paid 12.5 cents per share in fully franked dividends to shareholders.

At the end of the period, the Company's profits reserve was 48.3 cents per share and forms part of the NTA, before the payment of the 3.0 cents per share fully franked final dividend.

Investment objectives and portfolio

The Company's primary investment objective is to provide shareholders with long-term capital growth, by providing shareholders with diversified exposure to global equities. The Company's investment philosophy is based on the belief that the diversification of the portfolio is important in managing and mitigating risk and by having a number of different fund managers, the Company has access to a range of investment styles and strategies.

As at 31 December 2021, the investment portfolio was comprised of 12 fund managers with investments in 12 unlisted unit trusts and one direct listed investment company.

The spread between the broad equities strategies as at 31 December 2021 was 71.4% long equities, 23.7% absolute bias and 4.9% cash.

Fund managers and service providers

Through their investment in Future Generation Global, shareholders gain unprecedented access to leading global equity fund managers and make a significant contribution to youth mental health in Australia. This is made possible by our leading global fund managers forgoing management and performance fees. The Board of Directors, the Investment Committee and most service providers also work on a pro bono basis.

We would like to thank our fund managers and service providers for their outstanding and continued generosity throughout the period. The value of the management and performance fees forgone by the fund managers for the period totalled \$8.6 million and the value of the service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$1.3 million. These savings to shareholders exceed the annual investment to charities.

Thank you to our Board and Committee Members for their service, and thank you to shareholders for your continued support.



Geoff Wilson AO
Acting Chair



Caroline Gurney
Chief Executive Officer

Dated this 28th day of February 2022

Chair & Chief Executive Officer's Letter

With thanks to the following service providers



“We thank and congratulate our generous fund managers in helping us provide shareholders with an attractive investment and in providing a source of funding for Australian charities with a focus on youth mental health.”



Investment Committee Report

The Investment Committee of Future Generation Global is primarily responsible for selecting fund managers and managing the Company's investment portfolio on behalf of shareholders. The Company's Investment Committee consists of Kiera Grant (Chair), Gary Brader, John Coombe, Lukasz de Pourbaix, Aman Ramrakha, Sean Webster, Geoff Wilson AO and Martyn McCathie[^]. The Investment Committee's experience and qualifications are set out in the Directors' Report.

The Future Generation Global investment portfolio is constructed in order to provide investors with diversification in terms of investment managers and investment strategies, providing a spread between long equities and absolute bias strategies, with the balance of the portfolio held in cash and cash equivalents. As at 31 December 2021, the portfolio was 71.4% long equities, 23.7% absolute bias and 4.9% cash. The composition of the investment portfolio will vary over time in terms of the allocation to the above strategies as well as the allocation to various funds. The Investment Committee aims to balance the strategies that contain the most systematic equity market risk (long equity), with strategies with lower correlation to equities (absolute bias). This enables the portfolio to be diversified and provide some protection when equity markets fall.

The investment portfolio was made up of 12 global fund managers with investments in unlisted unit trusts and one direct listed investment company at the end of the period. The company redeemed its holding in the Avenir Global Fund during the period.

For the year ended 31 December 2021, the investment portfolio increased 11.9%*, while the MSCI AC World Index (AUD) rose by 25.3%. Since inception, the investment portfolio has increased 11.1% per annum. The Company's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.7% versus the Index's 10.2%.

The Investment Committee notes that all managers have a belief that the assessment of Environmental, Social and Corporate Governance (ESG) factors adds value to investment returns and the majority have an ESG Charter or Responsible Investment Policy in place.

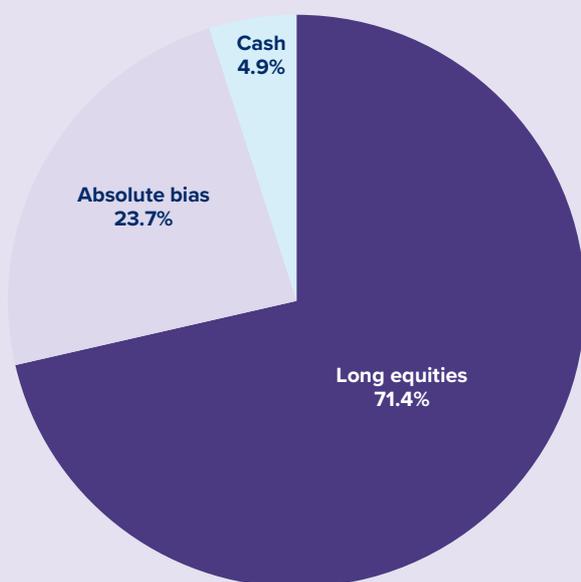
In the year to 31 December 2021, the Future Generation Global investment portfolio's average cash level was 6.2%.

The Investment Committee's allocation to absolute bias strategies aims to provide the investment portfolio with downside protection and reduced volatility. Absolute return strategies seek to earn a positive return, over time, regardless of market conditions.

[^]Martyn McCathie was appointed to the Investment Committee on 24 February 2022.

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

Investment strategy allocation – as at 31 December 2021



Long equities

Investing in a portfolio of equities based on the expectation the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company that is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

Absolute bias

An investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques (including but not limited to short selling and leveraging) to profit from rising and falling markets, providing portfolio protection in the event an equity market experiences a significant fall.

Investment Committee Report

Fund manager allocation and investments at market value as at 31 December 2021

Fund manager	Investment	Strategy	\$ Value	% of Gross assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	93,786,641	13.6
Magellan Asset Management	Magellan Global Fund	Long equities	88,209,799	12.8
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	73,197,194	10.6
Marsico Capital Management	Marsico Global Fund	Long equities	71,437,038	10.4
Caledonia	Caledonia Fund	Absolute bias	52,694,460	7.7
VGI Partners	VGI Partners Funds	Absolute bias	51,927,677	7.5
Munro Partners	Munro Global Growth Fund	Absolute bias	50,046,773	7.3
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	48,801,918	7.1
Antipodes Partners	Antipodes Global Fund - Long	Long equities	48,351,712	7.0
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	44,336,323	6.4
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	23,612,681	3.4
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	7,134,028	1.1
	Cash and term deposits		33,799,761	4.9
	Distributions, interest, rebates receivable		1,375,864	0.2
	Gross Assets		688,711,869	

Investment Committee Report

The following information summarises the performance, risk matrices and underlying holdings of the Future Generation Global investment portfolio at 30 September 2021 using data provided by the underlying fund managers and prepared and analysed by Lonsec and Style Research.

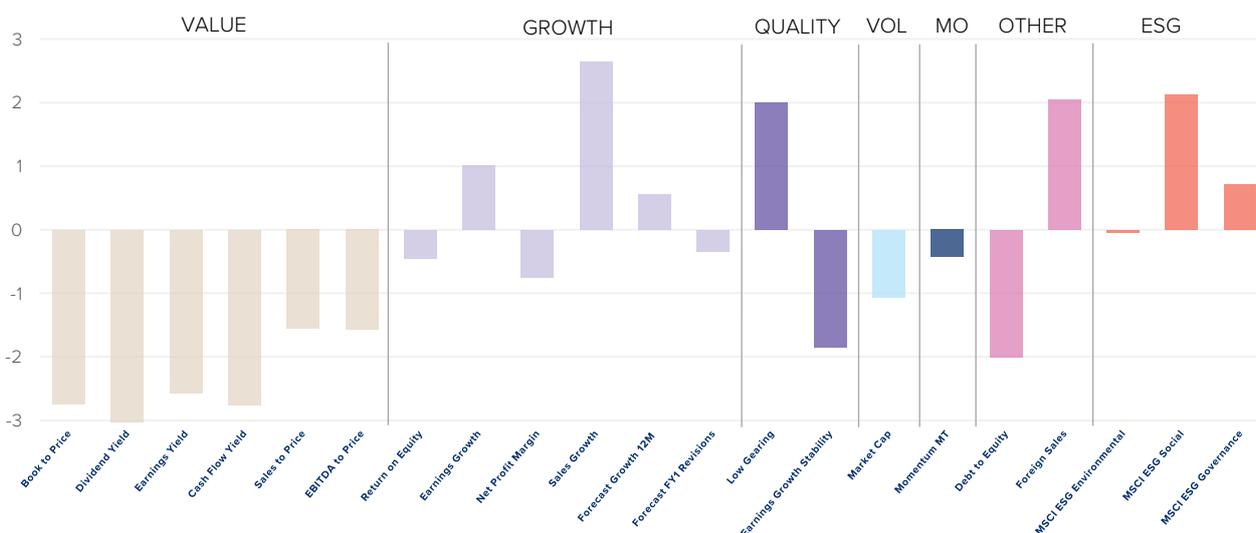
Holdings based analysis

This analysis is based on the stock holdings within the underlying managers' respective investment portfolios*. Note that the intention of this analysis is to provide a point in time snap-shot of the portfolio structures and it does not reflect any future biases within the portfolios. The 30 September 2021 period data has been used as it is the most current and up to date information available at the date of this report. The 31 December 2021 Lonsec Research is expected to be available in late April 2022.

Style analysis

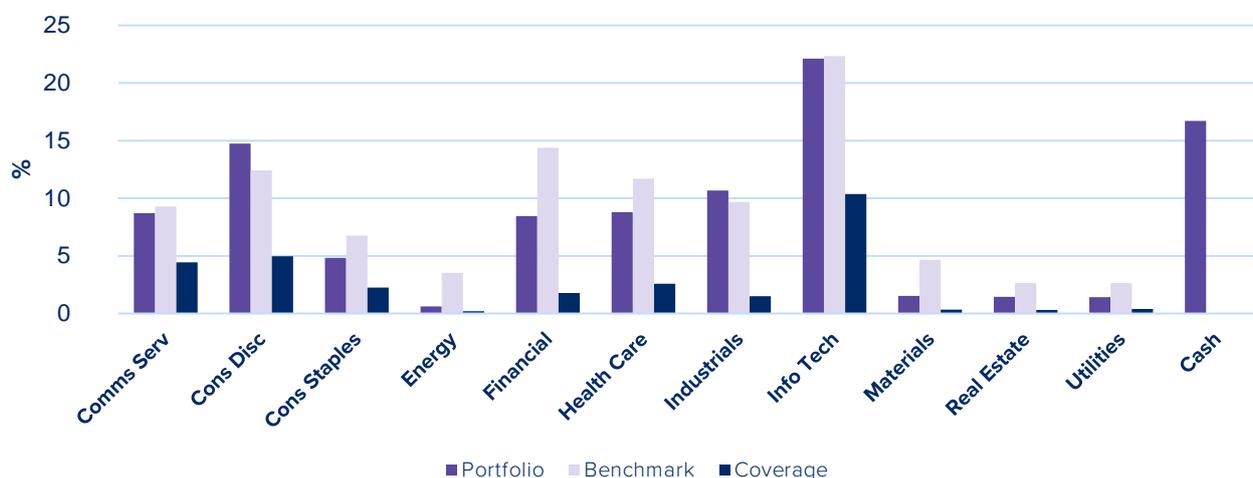
The below chart shows the country and sector-adjusted style tilts exhibited by the blend of global equities in the underlying portfolio of Future Generation Globals's investments with the fund managers. The value bars (far left-hand side) represent factors associated with a value-based investment style, while the growth bars (second from left) represent factors associated with a growth-based investment style. The blend of global equities within the portfolio exhibited a slight growth style bias when compared to the MSCI AC World NR Index, a global equity investment benchmark.

Style Skyline (Country and Sector Adjusted)



This chart displays the sector weights of the blend of global equities in the portfolio of the underlying fund managers of Future Generation Global and the MSCI AC World NR Index. Coverage data reveals the diversification across the benchmark, for each sector and for the portfolio overall.

Sector Distribution



*The holdings based analysis includes 90.4% of the investment portfolio.

Investment Committee Report

Risk attribution

The following table and chart examine the various risk factors associated with the blend of global equities in the portfolio of the underlying fund managers of Future Generation Global. Risk attribution focuses on the estimation, analysis and decomposition of Tracking Error (and Tracking Variance) risk. The decomposition of the Tracking Variance identifies the principal sources of risk and further reveals risk compounding and risk offsets (via the Cross-Terms).

Risk Estimates

Tracking Error	Coverage	Persistence Ratio	Portfolio Beta	Portfolio Volatility	Benchmark Volatility
2.3%	29.1%	1.6	0.90	9.7%	10.5%
Correlation (Port, BM)	Portfolio Actual Stocks	Benchmark Actual Stocks	Portfolio Effective Stocks	Benchmark Effective Stocks	
0.98	316*	2,974	128.9	212.9	

*The number of Portfolio Actual Stocks includes positions held in Exchange Traded Funds and the underlying stock exposure on a look through basis.

For a description of the key risk measures listed above, please refer to Appendix A on page 18.

Risk Attribution

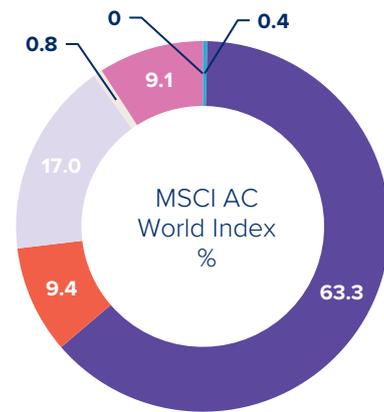
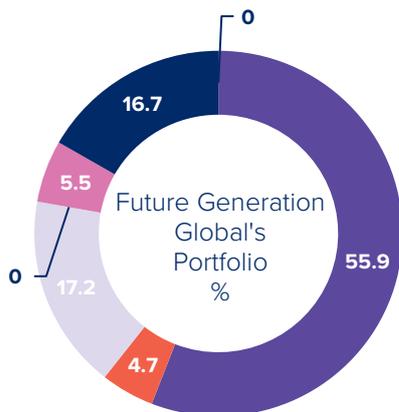


The above chart shows that 79% of the portfolio risk comes from market risk or the extent to which the portfolio exposures to equity markets differs from the benchmark. The biggest factor reducing risk in the portfolio is the Market Xterms which is the degree to which returns between the portfolio's currencies and markets move in tandem. In this case, these two factors do not move in tandem and therefore reduce overall risk within the investment portfolio.

Investment Committee Report

Regional allocations – as at 30 September 2021

Region	Active position (%)
Africa	-0.4
Americas	-7.4
Asia	-4.6
Europe	0.2
Middle East	-0.8
Pacific	-3.6
Cash	16.7

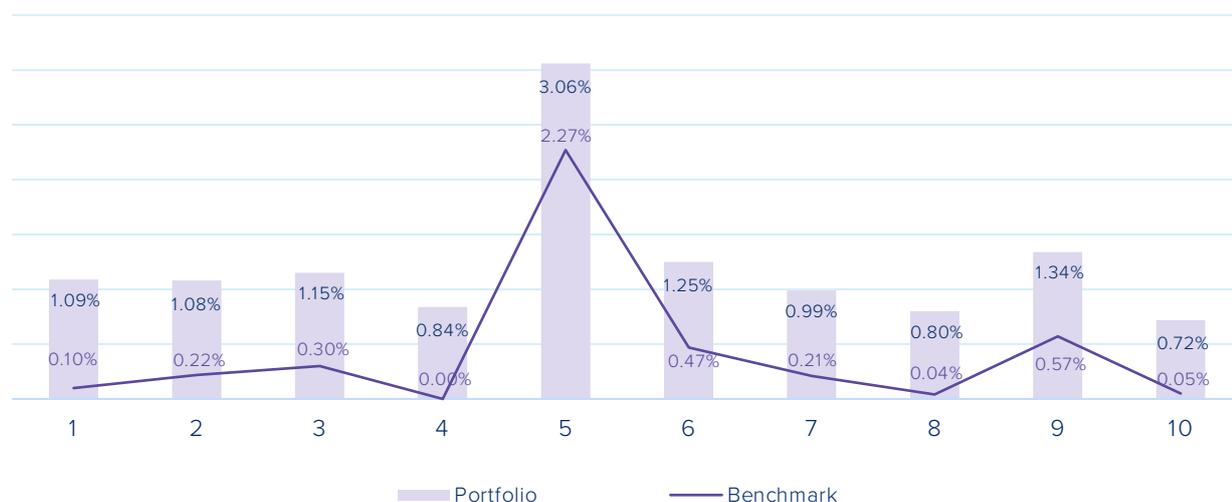


Detailed portfolio holdings – as at 30 September 2021

Global equities – top 10 overweights

Holding/Sector	Active position (%)	Holding/Sector	Active position (%)
1 Intercontinental Exchange Incorporated <i>Financials</i>	0.99	6 Mastercard Incorporated <i>Information Technology</i>	0.78
2 SAP SE <i>Information Technology</i>	0.87	7 Sony Group Corporation <i>Consumer Discretionary</i>	0.78
3 Danaher Corporation <i>Health Care</i>	0.85	8 Olympus Corporation <i>Health Care</i>	0.77
4 Taiwan Semiconductor Manufacturing Company Limited <i>Information Technology</i>	0.84	9 Visa Incorporated <i>Information Technology</i>	0.76
5 Amazon.com Incorporated <i>Consumer Discretionary</i>	0.79	10 Cellnex Telecom SA <i>Communication Services</i>	0.67

Active position portfolio and benchmark overweights



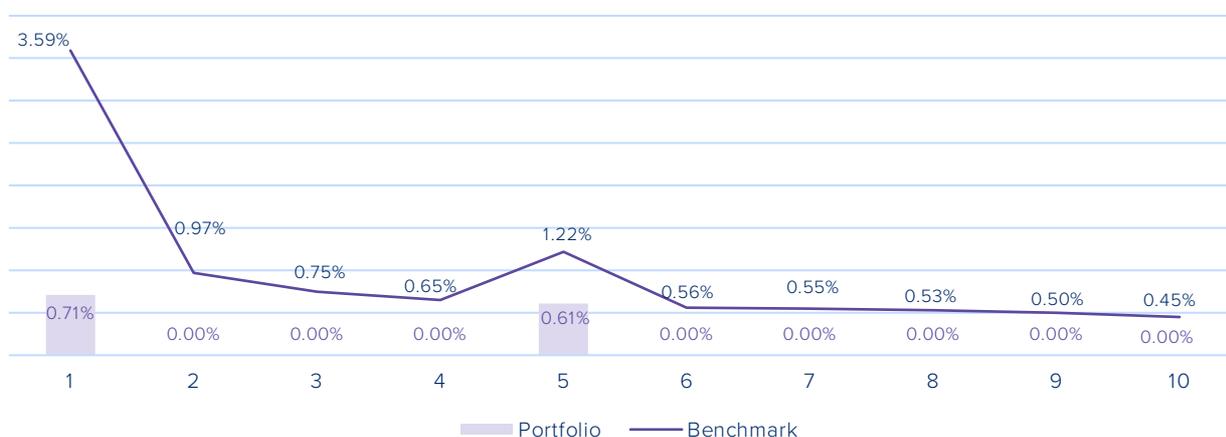
Investment Committee Report

Detailed portfolio holdings – as at 30 September 2021

Global equities – top 10 underweights

	Holding/Sector	Active position (%)		Holding/Sector	Active position (%)
1	Apple Incorporated <i>Information Technology</i>	-2.88	6	United Health Group Incorporated <i>Health Care</i>	-0.56
2	Telsa Incorporated <i>Consumer Discretionary</i>	-0.97	7	Berkshire Hathaway Incorporated <i>Financials</i>	-0.55
3	JP Morgan Chase & Co <i>Financials</i>	-0.75	8	Home Depot Incorporated <i>Consumer Discretionary</i>	-0.53
4	Johnson and Johnson <i>Health Care</i>	-0.65	9	Bank of America Corporation <i>Financials</i>	-0.50
5	Aphabet Incorporated <i>Communication Services</i>	-0.61	10	Samsung Electronics Company <i>Information Technology</i>	-0.45

Active position portfolio and benchmark underweights



Environmental, Social and Corporate Governance (ESG) summary - as at 30 September 2021

This table summarises the exposure of the Future Generation Global portfolio to selected industries which are considered to be less ESG aware.

Cash/Industry	Exposure (%)
Distillers and vintners	0.18%
Casinos and gambling	0.72%
Coal and consumable fuel	0.00%
Tobacco	0.00%
Brewers	0.00%
Total of Future Generation Global portfolio considered to be ESG aware	99.10%

Kiera Grant

Chair of the Investment Committee

Dated this 28th day of February 2022

Investment Committee Report

Appendix A – Risk estimates glossary

Tracking Error	Measures the degree to which the performance of the portfolio varies from that of the underlying benchmark, in this case the MSCI AC World Net Return Index. Tracking error shows an investment's consistency versus a benchmark over a given period. A lower tracking error means that the investment will deliver a return closer to the underlying benchmark. The Future Generation Global portfolio tracking error of 2.3%, as shown in Risk Estimates, is low.
Coverage	The coverage ratio is the market value of the securities that are in the portfolio as compared to the benchmark. The ratio of 29.1% above means that 29.1% of the value of portfolio overlaps shares in the MSCI AC World Index.
Persistence Ratio	A practical indicator of the extent to which a forecast Tracking Error may be underestimated due to time-varying weights and trending in returns.
Portfolio Beta	Shows the degree of sensitivity of the portfolio to a 1.0% change in the underlying Index. As shown in the table, the Future Generation Global portfolio beta is 0.90 and this means that if the Index rose 1.0% the portfolio would increase by 0.90% and likewise if the Index fell 1.0% it would fall 0.90%. The beta of 0.90 is well within what would be expected from a well-diversified portfolio.
Portfolio/Benchmark 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 portfolio. The volatility (or risk) for the portfolio of 9.7% is below the underlying Index, which is 10.5%.
Correlation	The correlation coefficient is a measure that determines the degree to which two variables' movements are associated. In this case, it measures the degree of association between movements in the Future Generation Global portfolio and the underlying Index. A correlation of 0.98 is reasonably high and shows that the portfolio returns are reasonably highly correlated to movements in the underlying Index.
Portfolio/Benchmark Actual Stock	Indicates the number of stocks in the portfolio as well as the number of stocks in the benchmark.
Portfolio/Benchmark Effective Stock	Shows the number of stocks in terms of reducing the portfolio risk from holding a specific stock, it is a measure of how diversified a portfolio is. The 128.9 effective stocks count for the Future Generation Global portfolio is very high as any diversified holding of stocks above about 30 stocks indicates a good degree of diversification. No single stock holding can overly impact the portfolio.





Each of our charity partners have excellent track records for design and delivery of effective programs across early intervention, crisis response, and treatment of mental ill-health. This year continued to be challenging, with partners managing ongoing high demand for support from young people who are presenting with increased complexity and need in their mental health struggles.

In December 2021, we released *Our impact story so far* reflecting on our first five years of impact and what's next for our social investment portfolio. We continue to learn: how better to work with partners, where we can add value with our resources, expertise and networks, and crucially, what new changes we can trigger as we increase the amount we invest.

With the support of our valued shareholders and pro bono fund managers and service providers, FGG is enormously proud to have supported a group of leading mental health charities since inception. Their many achievements and insights generated over the last five years will have ongoing impact for young people, their families, communities and the mental health sector long into the future. Our partners have leveraged our support to raise millions of additional dollars towards their ongoing work in improving youth mental health and preventing suicide. Many have been recognised for advancing the field with significant funding from the Federal and State Governments and increased impact in policy discussions.

2021 is the fifth and final year of the projects our partners proposed at the beginning of our partnership. In early 2021, FGG determined to provide partners an additional year of funding and to review and refine the focus of our next phase of investment in youth mental health. Conscious of the impact of the pandemic on mental health, the increasing demand for support from young people and the monumental reform challenges facing the mental health sector and those that support it, we are keen to ensure our future contribution is as useful as possible in the circumstances society now faces. During August 2021, shareholders voted their charitable allocation and we were delighted by the response, with more shareholders than ever taking part. The specific allocation to each charity, as shown in the table below, was determined by shareholders' votes and directions, with the Board distributing the undirected monies. The Company made its sixth annual investment of \$6.1 million in November 2021, with an additional \$0.3 million to be utilised by June 2022 as part of the Company's Expression of Interest process for its 2022 investment. The Company is on track to donate approximately \$7.0 million in 2022, bringing the total investment since inception to over \$33 million.

2021 and 2020 total social investment:

Designated charities	2021 Investment	2020 Investment
Black Dog Institute	\$528,880	\$513,476
Brain and Mind Centre	\$491,490	\$491,490
Butterfly Foundation for Eating Disorders	\$480,410	\$480,410
Kids Helpline	\$506,450	\$491,699
Orygen - the National Centre of Excellence in Youth Mental Health	\$476,797	\$462,909
ReachOut Australia	\$545,983	\$513,625
SANE Australia	\$519,481	\$504,350
Youth Focus	\$503,665	\$488,995
Directed to other youth related charities*	\$412,000	\$585,419
Directed to other Australian charities*	\$1,648,002	\$1,192,707
Expression of Interest process 2021	\$300,698	-
Total charitable allocation	\$6,413,856	\$5,725,080

*Directed by shareholders with 1 million or more shares. These shareholders have the ability to direct their donation voting allocation to any non-profit organisation of their choosing, provided the organisation has deductible gift recipient (DGR) status.

Social Impact Report

Information on the work that Future Generation Global's charity partners undertook in the year ended 31 December 2021 with monies from their allocation of the annual investment in 2020 (paid in November 2020) is detailed below.



**Black Dog
Institute**

blackdoginstitute.org.au

Black Dog Institute investigates mental health across the lifespan. Their translational approach aims for research findings to be quickly accessible through clinical services, education and e-health products that improve people's lives.

Funding: \$528,880

Future Generation Global's investment supported the progression of three research projects in youth suicide prevention.

1. Development of an app (Lifebuoy) to help young people manage suicidal thoughts. Phase one of the app trial was completed in 2020 with 450 young participants. Lifebuoy was found to significantly reduce suicidal ideation at post-intervention and 3-months follow-up, compared to the control group. The outcome paper is under review with the PloS Medicine journal. Lifebuoy 2.0 is currently being re-developed to incorporate user feedback and will go through a final trial to confirm its efficacy in March 2022.
2. Development of a smartphone app to detect depression and anxiety. 7,705 students from 147 high schools were enrolled in the Future Proofing Trial study and baseline data collected from 6,082 students. School staff and parents responded positively to the mental health screening aspect which flagged 50% of students previously unknown to their school's counselling service. Staff and parents report participation is helping to open up communication with teens about mental health.
3. Development of an SMS system to provide continuity of care for young people discharged from the hospital following a suicide attempt. A randomised controlled trial planned in eight metropolitan and regional hospitals moved to community-based recruitment due to ongoing challenges with access to hospitals caused by the pandemic. A digital app intervention to reduce suicidal ideation was also trialed with 121 young people and data collection was completed in December.

Funding: \$491,490

Future Generation Global allows the Brain and Mind Centre to continue to deliver progressive research and training, harnessing digital technology to improve mental health care for young Australians.

Throughout the year, Brain and Mind Centre further developed the Youth Mental Health and Technology Program resources. The Program is underpinned by an innovative model of youth mental health care based on research involving thousands of individuals over more than 10 years.

Covid-19 related lockdowns significantly hindered Brain and Mind Centre's ability to deliver education and training to *headspace* centres in regional and rural areas as planned. Despite these obstacles, the team conducted training with health care workers from *headspaces* in Nowra and Wollongong in New South Wales. Training was also delivered to psychiatry registrars at the University of Notre Dame and the concepts behind the Youth Mental Health and Technology Program were presented to *headspace* centres in South Australia.

Online webinars are being developed to continue ongoing training, as well as a micro-credentialing course for health professionals at the University of Sydney.



THE UNIVERSITY OF
SYDNEY

Brain and Mind
Centre

sydney.edu.au/brain-mind

The Brain and Mind Centre's vision is to transform brain and mind health with world leading research, focusing on conditions effecting child development and youth mental health.

Social Impact Report



butterfly.org.au

Butterfly's mission is to bring about change to the culture, policy and practice in the prevention, treatment and support of those affected by eating disorders and body image issues.

Funding: \$480,410

Future Generation Global's investment has supported the Youth Program, providing evidence-based, effective early intervention for 109 young people aged between 18 and 25 years with disordered eating and eating disorders.

Butterfly has doubled the capacity of the program in the last year, with 70 young people participating since August 2020. Among them, there was a high retention rate of 78.5%. Outcomes reported by participants include improvement with their eating concerns (78%) and reduced distress (53%). Its virtual nature allows young people to easily maintain their education and employment during the program and is accessible regardless of geography.

In June 2021, Butterfly opened Wandi Nerida, Australia's first residential treatment centre for eating disorders. With eating disorder presentations and acuity significantly rising in the past two years, the Centre provides an important leap forward in treatment options and brings hope to young people and families struggling with eating disorders.

There have now been 14 rounds of the Youth Program with high retention and overall success in addressing symptoms of disordered eating. Butterfly is now partnered with many health professionals and is receiving increased referrals to the Program.

Data from the program was recently presented at the annual Australia and New Zealand Academy for Eating Disorders (ANZAED) Conference, leading to many enquiries about Butterfly's pioneering program.

Funding: \$506,450

Kids Helpline is an essential youth mental health service, having responded to more than 8.4 million calls from young Australians over the past thirty years.

Future Generation Global has supported its critical digital transformation project, to enable it to meet significantly increasing demand from young people across Australia. While 13 - 18 years remains the largest group accessing Kids Helpline, this year has seen an 80% increase in contacts from children aged 5 - 12 years old.

2021 saw deep insight generation with human-centred design used to ensure the transformation of the service will meet the needs of young people. Engagement with 550 young people from across the country identified four stages of help seeking and the opportunity to engage young people earlier in their help-seeking before they become mentally unwell.

The technology uplift will increase the service's channels of communication, improving its accessibility for young people through social media messaging and integrating seamlessly with other platforms such as the Government's Head to Health digital platform.

The implementation of the digital transformation from early 2022 will translate into improved self-service tools, increased access to counsellors, improved call centre productivity and better engagement with repeat service users.



kidshelpline
Anytime | Any Reason

kidshelpline.com.au

Kids Helpline is Australia's only free, national 24/7 confidential support and counselling service specifically for children and young people aged five to 25. It offers counselling support via phone, email and real-time WebChat.

Social Impact Report

The Orygen logo is written in a stylized, lowercase, orange font. The letters 'o', 'y', and 'g' are connected, and the 'e' and 'n' are separate. The logo is set against a white background with a blue and white striped pattern in the upper left corner.

orygen.org.au

Established in 2002, Orygen is widely regarded as one of the world's leading research organisations focusing on mental ill health in young people. Orygen has driven a shift in services and treatments to focus on early intervention.

Funding: \$476,797

During the year, Future Generation Global's investment supported a number of Orygen's youth suicide prevention research and training initiatives, engaging Australian students, parents and schools to advance the field of youth suicide prevention.

In 2021, Orygen established several mental health initiatives including a new youth Aftercare service, O-HOPE. The suicide aftercare program launched at the end of the year and will enable Orygen to provide evidence-based mental health support while gathering data from clients and families, informing the continual advancement of the youth suicide prevention field.

Orygen's MAPSS project saw six schools and 543 students undergo suicide alertness training. In risk screening, approximately 30% of Year 10 students were found to be requiring support of which only a small percentage had previously been engaged with mental health support.

Targeting youth suicide holistically, Orygen also completed the PERSYST pilot study with 127 parents taking part in online suicide alertness training. This training yielded positive results including increases in perceived self-efficacy and help-seeking intentions. 2022 will see a larger study with parents alongside the MAPSS schools project.

Findings from Orygen's Emergency Department project were submitted for publication, showing a 60% increase in self-harm related presentations among young people aged 9 - 24, affirming the necessity of continued focus on youth suicide prevention.

Funding: \$545,983

Future Generation Global's investment has allowed ReachOut to improve digital self-help to better meet the needs of young people living in regional, rural and remote Australia.

This year, ReachOut and Future Generation Global released *'Supported, educated and understood': ReachOut's impact on the wellbeing of young people living in regional, rural and remote Australia*, detailing the outcomes of the work and their insights into how young people in rural and regional areas are faring compared to five years ago.

While the report found a trend of worsening psychological distress for rural young people over the past five years, attitudes towards mental health services and use of online services have improved, highlighting the importance of ReachOut's work. The success of the project has been shown by a significant increase in young people rating the ReachOut services favourably, up from 66% in year one to 81% in year five. The report also showed willingness to engage with online services up from 20.9% in year one to 53.22% in year five, and a significant increase in mental health literacy levels, which have increased from 19.3% to 30.1%.

ReachOut advises that having our five-year investment to focus on this audience means they now understand young people in rural and regional areas better and accommodate their needs through business as usual. ReachOut has recently received \$13 million from the Federal Government towards their core work – which now includes rural and regional young people.

The ReachOut logo consists of the words 'REACH OUT' in a bold, blue, sans-serif font, with 'REACH' on the top line and 'OUT' on the bottom line. Below the text is the website address 'REACHOUT.COM' in a smaller, blue, sans-serif font. The entire logo is enclosed in a blue rectangular border.

reachout.com

ReachOut is Australia's leading online mental health organisation for young people and their parents. Practical support, tools and tips help young people to navigate everyday issues and tough challenges.

Social Impact Report



**SANE
AUSTRALIA**

sane.org

SANE Australia is a national mental health charity making a real difference in the lives of people affected by complex mental health issues through support, research and advocacy.

Funding: \$519,481

With Future Generation Global's support, SANE Australia supports young people aged 18 to 30 who are at risk of or experiencing complex mental health issues with evidence-based services, resources, information and referral pathways. After connecting with SANE, 56% of young people report greater knowledge of mental health and 70% report feeling better.

SANE's Help Centre is seeing more phone and online traffic than ever before and while the number of young people arriving on their website is also increasing, it saw the need for service redesign to ensure young adults visiting their website can access the support they need there.

This year, SANE consolidated the learnings from a number of small-scale pilots (discharge support, multi-session counselling, online peer-support groups and 1:1 support) and undertook robust codesign with 60+ people with a lived experience, including eight young people, to develop a new service model.

The new model will combine peer support, counselling, system navigation, social connection and therapeutic groups, recovery planning, education and resources and in a major disruption to the existing service landscape – bridge the gap with referral and collaborative care arrangements in partnership with GPs and hospitals.

SANE advises it has secured its largest ever investment (\$9.3m over two years) from the Commonwealth to deliver its new model for the next two years which would not have been possible without FGG's investment over the last five years.

Funding: \$503,665

Future Generation Global enables Youth Focus to provide a Vocational Support Program (VSP) that supports young people accessing clinical counselling services to find and maintain jobs or education.

There are multiple barriers to people with mental illness participating in education, training, and employment including stigma and discrimination; the perceptions, attitudes and understanding of employers; and structural issues associated with poorly coordinated services and financial disincentives to participate in work (Beyond Blue, 2011). The funding provided by FGG has allowed Youth Focus to offer young people accessing clinical services an evidence-based, high-quality service that provides integrated care and individualised support responsive to their mental health and vocational goals. As a result, these young people are engaging in meaningful work or study and are more socially connected with family, friends, and community.

In 2021, Youth Focus employed another vocational specialist allowing more young people to access the program across the Perth Metropolitan area and Peel regions in Western Australia. Utilising a shared care approach, young people who engaged with the VSP received ongoing clinical treatment in tandem with vocational assistance. As a result, 61 young people have successfully transitioned into meaningful education and training pathways this year.

Relationships have now been developed with Centrelink and local training providers to increase employment opportunities. Furthermore, the establishment of a Vocational Brokerage Fund allows youth to overcome financial hardship by securing items and services such as identification, work attire and criminal background checks.



youthfocus

youthfocus.com.au

Suicide is the leading cause of death for Western Australians under the age of 25. Youth Focus' mission is to reduce youth suicide by supporting young people aged 12 to 25, to overcome the issues associated with depression, anxiety, self-harm and suicidal ideation.

Directors' Report to Shareholders

For the year ended 31 December 2021

The Directors present their report together with the financial report of Future Generation Global Investment Company Limited (Future Generation Global or the Company) for the year ended 31 December 2021.

Principal activity

The principal activity of the Company is investing in global equity fund managers while also investing in charities focused on improving the lives of young Australians affected by mental ill health. The Company invests its capital with fund managers who have agreed to provide their services for 0.0% management fees and 0.0% performance fees. The pro bono support of the fund managers, the Board of Directors and service providers means an amount equal to 1.0% of the Company's average monthly net assets for the relevant financial year can be provided as a source of funding for Australian youth mental health charities.

There was no change in the nature of the activity of the Company during the year or is likely in the future.

Operating and financial review

The Company reported an operating profit before tax of \$67.8 million for the year ended 31 December 2021 (2020 restated: \$76.2 million), and an operating profit after tax of \$47.7 million (2020 restated: \$53.8 million). The operating profit reflects the solid performance of the investment portfolio over the period, achieved through the investments with the leading global pro-bono fund managers.

For the year ended 31 December 2021, the investment portfolio increased 11.9%. The MSCI AC World Index (AUD) increased 25.3% for the year. Since inception, the investment portfolio has increased 11.1% per annum. Future Generation Global's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.7% versus the Index's 10.2%.

The pre-tax NTA for each share as at 31 December 2021 was \$1.74 per share (2020: \$1.62). The post-tax NTA was \$1.60 per share (2020: \$1.50). These figures are after the 3.0 cents per share fully franked interim dividend paid during the year.

The operating profit and other comprehensive income for the period includes the distribution income received from underlying fund managers, in addition to the unrealised gains and losses arising as a result of the changes in the market value of the investments held with the underlying fund managers. The level of distribution income received and the movement in the market value of the investments can add to or reduce operating profit and other comprehensive income in each period respectively. This treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

The operating profit and other comprehensive income is important to understand with context to the overall performance of equity markets in any given period. Given the potential variability, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

Further information on the financial performance of the Company is contained in the Chair and Chief Executive Officer's Letter on pages 6 to 11 of this report and in the Investment Committee Report on pages 12 to 18 of this report.

Financial position

The net asset value of the Company as at 31 December 2021 was \$629.2 million (2020: \$592.3 million).

Further information on the financial position of the Company is contained in the Chair and Chief Executive Officer's Letter on pages 6 to 11 of this report.

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

Directors' Report to Shareholders

For the year ended 31 December 2021

Dividends

Dividends paid or declared are as follows:

	\$'000
Fully franked FY2021 interim dividend of 3.0 cents per share paid on 22 October 2021	11,788

Since the end of the year, the Company declared a fully franked final dividend of 3.0 cents per share to be paid on 27 May 2022. Since inception, after taking into account the fully franked final dividend payable, the Company will have paid 12.5 cents per share in fully franked dividends to shareholders.

Change in accounting policy

During the period, the Board reassessed the accounting classification of the investments held in managed funds with its pro bono fund managers. Importantly, there has been no change to the Company's net asset position as a result of this change in accounting policy.

The Company had previously recorded and measured all investments at fair value through other comprehensive income. As a result, the change in the underlying value of these investments was recorded through other comprehensive income rather than the Company's operating profit (or loss) in each reporting period. After careful consideration, the Company has determined that it would be more appropriate for these investments to be recorded and measured through the Company's operating profit (or loss), or at fair value through profit or loss. The movement in the underlying value of the Company's investments will now be recognised as a component of operating profit (or loss) of the Company, instead of through other comprehensive income, in each period.

As a result of the change, the Company's distributable profits reserve to shareholders have increased, providing the Company with additional flexibility and capacity surrounding dividend and capital management decisions.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Geoff Wilson AO	Acting Chair, Non-Executive Director
Frank Casarotti	Non-Executive Director
Kiera Grant	Non-Executive Director
Sarah Morgan	Non-Executive Director
Jonathan Nicholas	Non-Executive Director
Kate Thorley	Non-Executive Director (appointed 16 March 2021)
Geoff R Wilson	Non-Executive Director
Belinda Hutchinson	Chair, Non-Executive Director (retired 17 June 2021)

Information on Directors

Geoff Wilson AO (Acting Chair, Non-Executive Director)

Experience and expertise

Geoff Wilson has over 41 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed investment companies to deliver both investment and social returns, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson has been a Director of the Company since May 2015.

Other current directorships

Geoff is Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), WAM Strategic Value Limited (appointed March 2021) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014). Geoff is a Director of Global Value Fund Limited (appointed April 2014), Hearts and Minds Investments Limited (appointed September 2018), WAM Alternative Assets Limited (appointed September 2020), Incubator Capital

Directors' Report to Shareholders

For the year ended 31 December 2021

Geoff Wilson AO (Acting Chair, Non-Executive Director) (continued)

Limited (appointed February 2000), Wollongong 2022 Limited (appointed March 2019), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation and the Australian Children's Music Foundation. Geoff is a member of the Second Bite NSW Advisory Committee. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in the last 3 years

Geoff Wilson resigned as a Director of 8IP Emerging Companies Limited in September 2020 and Australian Leaders Fund Limited in March 2021.

Special responsibilities

Acting Chair and member of the Investment Committee.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interest in contracts of the Company are included later in this report.

Frank Casarotti (Non-Executive Director)

Experience and expertise

Frank Casarotti joined Magellan Financial Group in March 2007 and is General Manager – Distribution. Frank began his career at Australian Eagle Insurance Group in 1979, later joining Colonial First State (then known as First State Fund Managers) as its Queensland State Manager in 1992 and relocating to Sydney to take up the role of Head of Adviser Distribution in 2001. His role at Colonial First State extended from the promotion of Colonial's asset management business capability to its entry into the platform market.

Frank Casarotti has been a Director of the Company since May 2015.

Other current directorships

None.

Former directorships in the last 3 years

Frank Casarotti has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Details of Frank Casarotti's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Frank Casarotti's interest in contracts of the Company are included later in this report.

Directors' Report to Shareholders

For the year ended 31 December 2021

Kiera Grant (Non-Executive Director)

Experience and expertise

Kiera Grant has extensive experience as a non-executive Director of public and private companies as well as senior management experience, having spent 15 years working in equity capital markets, most recently as Executive Director, UBS Australia.

Kiera Grant has been a Director of the Company since March 2018.

Other current directorships

Kiera Grant is currently a non-executive Director of Adairs Limited, Samuel Smith & Sons Pty Limited (holding company of the Yalumba Wine Company and Negotiants Distribution) and the Ascham School Foundation. Kiera is Chair of the Art Gallery of NSW Foundation.

Former directorships in the last 3 years

Kiera Grant has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chair of the Investment Committee.

Interests in shares of the Company

Details of Kiera Grant's interests in shares of the Company are included later in this report.

Interests in contracts

Kiera Grant has no interests in contracts of the Company.

Sarah Morgan (Non-Executive Director)

Experience and expertise

Sarah is an experienced corporate financial advisor. Her previous executive roles included 16 years with independent corporate advisory firm Grant Samuel. Sarah is a member of the Australian Institute of Company Directors (AICD).

Sarah Morgan has been a Director of the Company since June 2015.

Other current directorships

Sarah Morgan is currently a non-executive Director of Adslot Limited (appointed January 2015), Melbourne Girls Grammar (appointed December 2018), Intrepid Group Limited (appointed January 2019), Whispir Limited (appointed January 2019), Nitro Software Limited (appointed November 2019) and Skalata Ventures Pty Limited (appointed February 2021).

Former directorships in the last 3 years

Sarah Morgan resigned as a Director of Hansen Technologies Limited in December 2019.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Sarah Morgan's interests in shares of the Company are included later in this report.

Interests in contracts

Sarah Morgan has no interests in contracts of the Company.

Directors' Report to Shareholders

For the year ended 31 December 2021

Jonathan Nicholas (Non-Executive Director)

Experience and expertise

Jonathan was one of the early staff members of ReachOut and served the organisation for more than 20 years, including as Founding CEO of ReachOut Ireland in 2009 and CEO of ReachOut Australia between 2010 and 2018. In 2018, Jonathan established the Wellbeing Outfit, a consulting business specialising in mental health and wellbeing. Jonathan is also an Executive Consultant at Ernst & Young specialising in mental health.

Jonathan Nicholas has been a Director of the Company since April 2019.

Other current directorships

Jonathan Nicholas is the Deputy Chair of the Foundation for Alcohol Research and Education.

Former directorships in the last 3 years

Jonathan Nicholas has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Jonathan Nicholas has no interests in shares of the Company.

Interests in contracts

Jonathan Nicholas has no interests in contracts of the Company.

Kate Thorley (Non-Executive Director)

Experience and expertise

Kate Thorley has over 16 years' experience in the funds management industry and more than 22 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management, Director of WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Strategic Value, WAM Research, WAM Active, and Future Generation Investment Company. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified Chartered Accountant. Kate is a Graduate member of the Australian Institute of Company Directors (AICD).

Kate Thorley has been a Director of the Company since March 2021.

Other current directorships

Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Investment Company Limited (appointed April 2015), WAM Leaders Limited (appointed March 2016), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021).

Former directorships in the last 3 years

Kate Thorley has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

Interests in contracts

Kate Thorley has no interests in contracts of the Company.

Directors' Report to Shareholders

For the year ended 31 December 2021

Geoff R Wilson (Non-Executive Director)

Experience and expertise

Geoff's broad business experience across a range of sectors spans more than 35 years, holding numerous positions with KPMG in Australia including as CEO, in Hong Kong as COO for Asia Pacific and as a Partner in Silicon Valley. He is a founding member of the Male Champions of Change, a member of the UNSW Business School Advisory Council, former President of the Business Schools alumni network in Hong Kong and has been active in the not-for-profit sector across education and indigenous engagement. Geoff is a Graduate member of the Australian Institute of Company Directors (AICD) and a fellow of the Institute of Chartered Accountants in Australia.

Geoff R Wilson has been a Director of the Company since March 2019.

Other current directorships

Geoff R Wilson is a non-executive Director and Chairman of the Audit Committee of Nanosonics Limited and Toll Group. Geoff is a non-executive Director and Chairman of the Sydney Symphony Orchestra. Geoff is a non-executive director of ipSCAPE Pty Limited and non-executive director and Chair of the Risk Management Committee of HSBC Bank Australia Limited and is an advisory board member for HitCheck.

Former directorships in the last 3 years

Geoff R Wilson has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Audit and Risk Committee.

Interests in shares of the Company

Details of Geoff R Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Geoff R Wilson has no interests in contracts of the Company.

Chief Executive Officer

Caroline Gurney

Caroline is Chief Executive Officer of Future Generation and has more than 25 years' experience in the financial services sector focused on marketing, corporate affairs and corporate social responsibility. Caroline has held senior roles at UBS and Citibank and has worked in London, across Asia-Pacific and Australia during her career. She is a member of Ascham School Council and the Centennial Park and Moore Park Foundation, an ambassador for the Australian Indigenous Education Foundation (AIEF), a director of Our Watch, an organisation focused on preventing violence against women and children and set up and was a director of the UBS Australia Foundation. Caroline has also previously served as a director of Future Generation Australia and as a Council Member of Chief Executive Women, and is currently an active member.

Joint Company Secretaries

The following persons held the position of Company Secretary at the end of the financial period:

Jesse Hamilton

Jesse is a Chartered Accountant with more than 14 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. He is Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia and Future Generation Global. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Jesse was appointed Company Secretary of Future Generation Global in March 2021.

Directors' Report to Shareholders

For the year ended 31 December 2021

Mark Licciardo

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services. A former Company Secretary of ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is a Fellow of the Australian Institute of Company Directors (AICD), the Institute of Company Secretaries and Administrators and the Governance Institute of Australia. Mark is a current director of a number of public and private companies and a former Chairman of the Governance Institute of Australia Victoria division, Melbourne Fringe Festival and the Academy of Design Melbourne (LCI Melbourne).

Members of the Investment Committee

The experience and qualifications of the members of the Investment Committee during the financial period and up to the date of this report are set out below:

Kiera Grant (Chair)

Kiera Grant is also a Director. Please refer to page 27 of the Directors' Report for details of Kiera's experience and qualifications.

Gary Brader

Gary has worked at QBE since 2003 and was appointed Group Chief Investment Officer in January 2011. Gary is also a member of the Investment Committee for the Great Barrier Reef Foundation. Gary previously worked at Alliance Capital in London, with 20 years investment experience including time with AXA Investment Managers in London and AXA Australia. Gary holds a Bachelor of Commerce and Administration.

John Coombe

John Coombe is a Principal Consultant and a Director at investment consulting firm JANA and has worked at the firm since 1988. Prior to joining JANA, John's experience includes 10 years at the State Electricity Commission of Victoria (SECV), where he worked in the superannuation, treasury and accounting areas. John holds a Diploma of Business Studies from Footscray Institute of Technology and is a qualified accountant.

Lukasz de Pourbaix

Lukasz leads the Lonsec Investment Solutions Pty Limited (LIS) business as Executive Director & Chief Investment Officer. LIS harnesses Lonsec's broad investment research and portfolio construction expertise delivering effective and efficient portfolio solutions to financial advisers. Lukasz is also Chairman of Lonsec's Asset Allocation Investment Committee and is a member of the Manager Selection and Direct Equities Investment Committees. Prior this, Lukasz was Lonsec's General Manager – Investment Consulting where he provided portfolio construction and manager selection advice to dealer groups, fund managers, super funds and private wealth institutions. Lukasz has over 18 years' industry experience commencing his research career at ING Australia where he was Research Manager. Prior to ING, he worked for BT Investment Management. Lukasz holds a Bachelor of Commerce degree and the CIMA designation. Lukasz is a Graduate member of the Australian Institute of Company Directors (AICD).

Aman Ramrakha

Aman is currently Director, Manager Selection Services at Morningstar. Aman's previous roles include Director, Manager Research Ratings at Morningstar and Executive Manager at the Commonwealth Bank of Australia where he was responsible for the investment and insurance research function within the Wealth Management Advice Business. Aman has over 20 years financial services experience and has held technical, consulting and advisory roles at BT Financial Group, Colonial First State, KPMG and the Commonwealth Private Bank. Aman holds a Bachelor of Commerce, majoring in Economics and Finance, a Graduate Diploma in Applied Finance and Investments, Diploma of Financial Planning and is a Certified Investment Management Consultant.

Directors' Report to Shareholders

For the year ended 31 December 2021

Sean Webster

Sean Webster is Senior Manager – Research and Investment Strategy in AMPA Research at AMP. He has a strong research background that spans over 27 years bringing a wealth of investment research and management experience. Sean previously worked at Australian Fund Monitors, a boutique, research house specialising in absolute return funds. Sean has also been Head of Investment Research at Byron Capital Private Investors and a senior analyst with Berkley Group (now Findex) and has experience as an investment manager with Centuria Capital, a multi-manager funds management business. Sean has a strong economics background and experience across all asset classes including equities, fixed interest, property, and alternatives and has a Master of Arts from Clark University, Massachusetts, USA, a Bachelor of Commerce degree and is a Chartered Financial Analyst (CFA).

Martyn McCathie (appointed 24 February 2022)

Martyn McCathie is the Head of Operations and Key Account Manager at Wilson Asset Management. He has more than 20 years' experience within financial services, both domestic and overseas. Prior to joining Wilson Asset Management in 2015, Martyn spent several years as senior operations manager at RARE Infrastructure and spent 3 years at RBC Dexia Investor & Treasury Services in a number of senior operations roles.

Geoff Wilson AO

Geoff Wilson is also the Acting Chair of the Board. Please refer to page 25 to 26 of the Directors' Report for details of Geoff's experience and qualifications.

Remuneration Report (Audited)

The responsibility of the Company's remuneration policy rests with the Board. Given the size of the Company, its charitable nature, the fact that the Company does not have any employees (following the resignation of Louise Walsh as Chief Executive Officer in April 2021) and has no intention to remunerate its Directors, no remuneration committee has been formed by the Company.

a) Remuneration of Directors and Other Key Management Personnel

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2021, no Directors' fees were paid by the Company (2020: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Global and has been providing financial and operational support since the inception of Future Generation Global in 2015. The Company has entered into a service agreement with Wilson Asset Management regarding the financial and operational support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged for incremental costs incurred by Wilson Asset Management in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer (Caroline Gurney) and the Social Impact Manager (Emily Fuller). For the year ended 31 December 2021, the recharge of costs under the service agreement from 16 June 2021 amounted to \$189,863 (excl. GST) (2020: nil). On a per annum basis, the estimated costs to be incurred by the Company under the service agreement is approximately \$350,000 (excl. GST) each year.

Caroline Gurney is remunerated for her services as Chief Executive Officer by Wilson Asset Management. The Company is charged for incremental costs incurred by Wilson Asset Management in accordance with the service agreement between the entities. The Company also paid Emily Fuller, as Social Impact Manager \$13,200 (2020: \$31,815) for services provided to April 2021. The Social Impact Manager is now paid by Wilson Asset Management and recharged in line with the service agreement.

The Company remunerated LW Consulting Pty Limited, an entity associated with Louise Walsh, \$100,000 (excl. GST) per annum for providing her services as Chief Executive Officer. The term of the contract terminated in April 2021 upon Louise's resignation as Chief Executive Officer.

During the year ended 31 December 2021, the Company paid LW Consulting Pty Limited a total of \$32,322 (excl. GST) for services provided (2020: \$100,000 (excl. GST)). This payment is exclusive of \$10,000 (excl. GST) in performance based remuneration paid during the period to Louise's resignation in April 2021 (2020: \$20,000 (excl. GST)).

Directors' Report to Shareholders

For the year ended 31 December 2021

Remuneration Report (Audited) (continued)

a) Remuneration of Directors and Other Key Management Personnel (continued)

The following table reflects the Company's performance and Executive remuneration over five years:

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Operating profit after tax restated (\$'000)*	47,657	53,829	8,562	12,761	3,047
Dividends paid (cents per share)	3.0	2.0	1.5	1.0	1.0
Share price (\$)	1.605	1.50	1.275	1.33	1.26
NTA after tax (\$ per share)	1.60	1.50	1.39	1.24	1.19
Total Directors' remuneration (\$'000)	-	-	-	-	-
Total Executive remuneration (\$'000)**	43	120	120	100	100
Shareholders equity (\$'000)	629,219	592,325	545,683	484,690	351,836

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

**Executive remuneration includes remuneration paid to Louise Walsh for her services as Chief Executive Officer of Future Generation Global until her resignation in April 2021. Caroline Gurney is remunerated for her services as Chief Executive Officer by Wilson Asset Management. The Company is charged for incremental costs incurred by Wilson Asset Management in accordance with the service agreement between the entities, which was announced on the ASX on 16 June 2021. For further information on the service agreement recharge, please refer to section (b) of the remuneration report below.

b) Director Related Entities Remuneration

Except as noted below, all transactions with related entities were made on normal commercial terms and conditions and at market rates.

Frank Casarotti is General Manager – Distribution of Magellan Asset Management Limited which is the Responsible Entity of the Magellan Global Fund. Magellan Asset Management Limited is a fund manager for the Company and has agreed to forgo management and performance fees on the funds managed on behalf of the Company. Notwithstanding Frank's interest in contracts with the Company, he is considered to be independent.

Geoff Wilson AO is the Chairman and director of Wilson Asset Management. Wilson Asset Management provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has entered into a service agreement with Wilson Asset Management regarding the financial and operational support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged for incremental costs incurred by Wilson Asset Management in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer and the Social Impact Manager. For the year ended 31 December 2021, the recharge of costs under the service agreement from 16 June 2021 amounted to \$189,863 (excl. GST) (2020: nil). On a per annum basis, the estimated costs to be incurred under the service agreement is approximately \$350,000 (excl. GST) each year.

Wilson Asset Management looks forward to continuing its support for the Company and the service agreement between Wilson Asset Management and the Company reflects the enduring relationship between the parties.

Directors' Report to Shareholders

For the year ended 31 December 2021

Remuneration Report (Audited) (continued)

c) Equity Instruments Disclosures of Directors, Other Key Management Personnel and Related Parties

As at the date of this report, the Company's Directors, other key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors and Key Management	Balance at 31 December 2020	Acquisitions/ on appointment	Disposals/ on retirement	Balance at 31 December 2021	As at the date of this report
Geoff Wilson AO	5,248,779	101,498	-	5,350,277	5,350,277
Frank Casarotti	50,000	-	-	50,000	50,000
Kiera Grant	782,734	-	-	782,734	782,734
Sarah Morgan	90,909	-	-	90,909	90,909
Jonathan Nicholas	-	-	-	-	-
Geoff R Wilson	85,135	-	-	85,135	85,135
Kate Thorley*	-	80,378	-	80,378	80,378
Caroline Gurney*	13,000	-	-	13,000	13,000
Belinda Hutchinson*	1,991,350	-	(1,991,350)	-	-
Louise Walsh*	44,411	-	(44,411)	-	-

*Kate Thorley was appointed to the Board of Directors on 16 March 2021 and Caroline Gurney commenced as CEO of Future Generation Global on 27 September 2021. Belinda Hutchinson AC retired from the Board of Directors on 17 June 2021 and Louise Walsh stepped down as the CEO of Future Generation Global on 16 April 2021.

Directors, other key management personnel and director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial period, been granted options over unissued shares or interests in shares of the Company as part of their remuneration. For further details, please refer to Note 20 of the financial statements.

– END OF REMUNERATION REPORT –

Directors' Meetings

Director	No. eligible to attend	Attended
Geoff Wilson AO	4	4
Frank Casarotti	4	4
Kiera Grant	4	4
Sarah Morgan	4	4
Jonathan Nicholas	4	4
Kate Thorley*	2	2
Geoff R Wilson	4	4
Belinda Hutchinson AC*	2	2

*Kate Thorley was appointed to the Board of Directors on 16 March 2021 and Belinda Hutchinson AC retired from the Board of Directors on 17 June 2021.

Directors' Report to Shareholders

For the year ended 31 December 2021

Audit & Risk Committee Meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2021 Corporate Governance Statement available on the Company's website at futuregeninvest.com.au.

Director	No. eligible to attend	Attended
Geoff R Wilson (Chair)	4	4
Sarah Morgan	4	4
Kate Thorley*	1	1
Belinda Hutchinson AC*	2	2

*Belinda Hutchinson AC retired from the Board of Directors and Audit and Risk Committee on 17 June 2021 and Kate Thorley was appointed to the Audit and Risk Committee on 26 October 2021.

Investment Committee Meetings

Investment Committee Member	No. eligible to attend as a member	Attended
Kiera Grant (Chair)	4	4
Gary Brader	4	4
John Coombe	4	4
Lukasz de Pourbaix	4	4
Aman Ramrakha	4	3
Sean Webster	4	4
Geoff Wilson AO	4	3
Martyn McCathie*	-	-

*Martyn McCathie was appointed to the Investment Committee on 24 February 2022.

After Balance Date Events

Since the end of the year, the Company declared a fully franked final dividend of 3.0 cents per share to be paid on 27 May 2022.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods

Future Developments

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall performance of the Company's investments and equity markets.

As such, we do not believe it is possible or appropriate to predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental Regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or a State or Territory.

Indemnification and Insurance of Officers or Auditors

During the year, the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director, Officer or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Directors' Report to Shareholders

For the year ended 31 December 2021

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

During the year Pitcher Partners, the Company's auditor, did not perform any non-assurance services in addition to their statutory duties for the Company. Related entities of Pitcher Partners perform certain taxation services for the Company on a pro bono basis. Details of the amounts paid to the auditors are disclosed in Note 7 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 7 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the *APES 110: Code of Ethics for Professional Accountants (including Independence Standards)* set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise indicated.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 31 December 2021 is provided on the Company website at futuregeninvest.com.au.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 36 of this Annual Report.

This report is made in accordance with a resolution of directors pursuant to Section 298(2)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO

Acting Chair

Dated this 28th day of February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of Future Generation Global Investment Company Limited
ABN 52 606 110 838**

In relation to the independent audit of Future Generation Global Investment Company Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S S Wallace
Partner

Pitcher Partners
Sydney

28 February 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	NOTE	2021 \$'000	RESTATED* 2020 \$'000
Investment income from ordinary activities			
Net realised and unrealised gains on financial investments		41,032	48,644
Distributions received		25,541	27,761
Investment management and performance fee rebates	3	8,060	6,583
Other income		410	14
Interest income		91	322
Net foreign exchange gains/(losses)		26	(717)
		75,160	82,607
Expenses			
ASX listing fees		-	-
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
Audit fees	7	-	-
Charity investment accrual	5	(6,820)	(5,997)
Share registry transaction costs		(41)	(75)
Executive remuneration	20(a)	(43)	(132)
Other expenses		(197)	(194)
Service agreement costs	20(a)	(195)	-
ASIC industry funding levy		(18)	(39)
ASX CHESS fees		(15)	(17)
Tax fees	7	(4)	(3)
Profit before income tax		67,827	76,150
Income tax expense	4(a)	(20,170)	(22,321)
Profit after income tax for the year attributable to members		47,657	53,829
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Other comprehensive income for the year, net of tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		47,657	53,829
Basic and diluted earnings per share	16	12.12 cents	13.71 cents

The accompanying notes form part of these financial statements.

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

Statement of Financial Position

As at 31 December 2021

	NOTE	2021 \$'000	RESTATED* 2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	13	33,800	56,303
Trade and other receivables	8	1,394	2,501
Other current assets		44	27
Total current assets		35,238	58,831
Non-current assets			
Financial assets at fair value through profit or loss	9	653,536	583,553
Deferred tax assets	4(b)	1,424	1,214
Total non-current assets		654,960	584,767
Total assets		690,198	643,598
Liabilities			
Current liabilities			
Trade and other payables	10	251	73
Charity investment accrual	5	3,820	3,118
Current tax liabilities	4(c)	7,860	3,050
Total current liabilities		11,931	6,241
Non-current liabilities			
Deferred tax liabilities	4(d)	49,048	45,032
Total non-current liabilities		49,048	45,032
Total liabilities		60,979	51,273
Net assets		629,219	592,325
Equity			
Issued capital	11	451,834	450,809
Profits reserve	12(a)	190,227	141,626
Accumulated losses	12(b)	(12,842)	(110)
Total equity		629,219	592,325

The accompanying notes form part of these financial statements.

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

Statement of Changes in Equity

For the year ended 31 December 2021

	NOTE	ISSUED CAPITAL \$'000	RESTATED* INVESTMENT RESERVES \$'000	RESTATED* PROFITS RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2020		450,147	81,248	14,398	(110)	545,683
Adjustment on change in accounting policy (Note 2(c))		-	(81,248)	81,248	-	-
Balance at 1 January 2020 - Restated¹		450,147	-	95,646	(110)	545,683
Net profit for the period		-	-	-	53,829	53,829
Transfer of profits reserve	12(a)	-	-	53,829	(53,829)	-
Other comprehensive income, net of tax		-	-	-	-	-
Transactions with owners:						
Shares issued via Dividend Reinvestment Plan	11(b)	662	-	-	-	662
Dividends paid	6(a)	-	-	(7,849)	-	(7,849)
Balance at 31 December 2020 - Restated*		450,809	-	141,626	(110)	592,325
Net profit for the period		-	-	-	47,657	47,657
Transfer of profits reserve	12(a)	-	-	60,389	(60,389)	-
Other comprehensive income, net of tax		-	-	-	-	-
Transactions with owners:						
Shares issued via Dividend Reinvestment Plan	11(b)	1,025	-	-	-	1,025
Dividends paid	6(a)	-	-	(11,788)	-	(11,788)
Balance at 31 December 2021		451,834	-	190,227	(12,842)	629,219

The accompanying notes form part of these financial statements.

¹Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

Statement of Cash Flows

For the year ended 31 December 2021

	NOTE	2021 \$'000	RESTATED* 2020 \$'000
Cash flows from operating activities			
Proceeds from sale of financial assets		43,397	68,017
Payments for financial assets		(37,500)	(42,350)
Rebate income received		153	-
Distribution income received		134	134
Interest received		91	322
Other income received		-	10
Income tax paid		(11,554)	(7,532)
Charity investment		(6,113)	(5,725)
Payments for other expenses		(374)	(532)
Net cash (used in)/provided by operating activities	14	(11,766)	12,344
Cash flows from financing activities			
Dividends paid to the Company's shareholders (net of Dividend Reinvestment Plan)		(10,763)	(7,187)
Net cash used in financing activities		(10,763)	(7,187)
Net (decrease)/increase in cash and cash equivalents		(22,529)	5,157
Cash and cash equivalents at the beginning of the period		56,303	51,863
Effects of exchange rate changes on cash and cash equivalents		26	(717)
Cash and cash equivalents at the end of the period	13	33,800	56,303
Non-cash operating and financing activities			
Distributions, rebates and equalisation income reinvested	15	34,849	32,847
Shares issued via Dividend Reinvestment Plan	15	1,025	662

The accompanying notes form part of these financial statements.

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

Notes to the Financial Statements

1. General information

Future Generation Global Investment Company Limited (Future Generation Global or the Company) is a listed public company, incorporated and domiciled in Australia. The registered office is Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000. The financial statements of the Company are for the year ended 31 December 2021.

The financial report was authorised for issue on 28 February 2022 by the Board of Directors.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

These general purpose financial statements for the year ended 31 December 2021 have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(i) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss or through other comprehensive income.

(iii) New standards and interpretations not yet mandatory or early adopted

There are no new standards or interpretations applicable that would have a material impact for the Company.

(b) Revenue recognition

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the period they are incurred, in accordance with the policies described in Note 2(c).

(ii) Trust distributions

Trust distributions are recognised as revenue in the Statement of Comprehensive Income when the right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues in the Statement of Comprehensive Income using the effective rate method which, for floating rate assets, is the rate inherent in the instrument.

(iv) Management and performance fee rebate income

Fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis and are based on the investment being held with the fund calculated on a monthly basis.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(c) Investments and other financial assets

Classification and change in accounting policy

During the financial year, the Company reassessed the classification of investments held in managed funds. In previous financial years, the Company elected to designate, and subsequently measure, all investments held in managed funds at fair value through other comprehensive income (FVTOCI). After reconsidering the underlying terms and conditions of units held in managed funds, the Company has determined that it would be more appropriate for units redeemable directly from the fund to be classified, and subsequently measured, at fair value through profit or loss (FVTPL). As a result, changes in fair value of investments in redeemable units are now recognised in profit or loss, instead of other comprehensive income. Comparative information has been restated to align with the revised accounting policy, so that both the current year and prior year information is presented on a consistent and comparable basis. Applying the revised accounting policy to the comparative information resulted in the restatement of prior year profit from \$19.8 million to \$53.8 million, the restatement of prior year other comprehensive income from \$34.1 million to \$nil and transfer of cumulative changes in fair value from investment reserve to profits reserve of \$81.2 million. The revised accounting policy did not impact the reported amount of total comprehensive income or the carrying amount of investments held in managed funds.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs related to financial instruments are expensed to the Statement of Comprehensive Income immediately.

Subsequent changes in fair value for financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Determination of Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company's accounting policy on fair value is disclosed in Note 18.

The Board of Directors values the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts. The fair value of investments traded in an active market are based on the closing quoted last price at the end of a reporting period.

(d) Foreign currency translation

(i) Functional and presentation currency

The financial statements of the Company are presented in Australian Dollars, which is the Company's functional and presentation currency, as determined in accordance with Australian Accounting Standard AASB 121: The Effects of Changes in Foreign Exchange Rates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(e) Income tax

The charge of current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Impairment of assets

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses in the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 31 December 2021, there are no expected credit losses recognised (2020: nil).

(g) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(h) Trade receivables

Trade and other receivables are non-derivative financial assets and are stated at their amortised cost.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the proceeds from the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(k) Profits reserve

A profits reserve has been created representing an amount allocated on a monthly basis from retained earnings that is preserved for future dividend payments.

(l) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the Financial Statements

2. Summary of significant accounting policies (continued)

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue for the year ended 31 December 2021.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. There are no estimates or judgements that have a material impact on the Company's financial results for the year ended 31 December 2021.

(p) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise indicated.

(q) Comparatives

Where necessary, comparative information has been reclassified to be consistent with the current reporting period.

3. Investment income from ordinary activities

As at 31 December 2021, the investment portfolio was made up of 12 global fund managers, with investments in 12 unlisted unit trusts and one direct listed investment company.

Where available, the Company has invested in unit classes that have zero management and performance fees. The unit trusts with a zero fee unit class are the Caledonia Global Fund and Avenir Global Fund (redeemed in full in August 2021). The aggregated amount of management and performance fees forgone by the unit trusts with a zero fee unit class for the year ended 31 December 2021 was \$0.5 million (2020: \$0.7 million).

The remaining investments are made in unit trusts with global fund managers that normally charge management and performance fees, excluding the direct listed investment company. These fund managers have rebated the fees charged. The aggregate amount of management and performance fees rebated to the Company was \$8.1 million for the year ended 31 December 2021 (2020: \$6.6 million). Management and performance fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis. The estimated value of the other pro bono services provided to the Company for the year ended 31 December 2021 totalled \$1.3 million (2020: \$1.1 million).

Notes to the Financial Statements

4. Income tax

(a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2021 \$'000	RESTATED* 2020 \$'000
Prima facie tax on profit before income tax at 30.0% (2020: 30.0%):	20,348	22,845
Imputation credit gross up	17	16
Foreign tax credits gross up on distributions	-	172
Franking credits on distributions received	(57)	(53)
Foreign tax credits on distributions received	-	(574)
Over provision in prior period	(138)	(85)
Income tax expense	20,170	22,321
Effective tax rate	29.7%	29.3%

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

The effective tax rate of the Company in 2021 was 29.7% (2020 restated: 29.3%). The increase in the effective tax rate from the prior year is primarily as a result of the decrease in the level of foreign tax credits received on distribution income compared to the prior period.

	2021 \$'000	RESTATED* 2020 \$'000
Total income tax expense results in a:		
Current tax liability	16,364	6,921
Deferred tax asset	(210)	746
Deferred tax liability	4,016	14,654
Income tax expense	20,170	22,321

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

(b) Deferred tax assets

	2021 \$'000	RESTATED* 2020 \$'000
Capitalised share issue costs	278	278
Provisions	1,146	936
At reporting date	1,424	1,214

Movement in deferred tax assets:

Balance at the beginning of the period	1,214	1,960
Credited/(charged) to profit or loss	210	(746)
At reporting date	1,424	1,214

Notes to the Financial Statements

4. Income tax (continued)

(c) Current tax liabilities

	2021 \$'000	RESTATED* 2020 \$'000
Movement in current tax liabilities:		
Balance at the beginning of the period	3,050	(348)
Current year income tax expense on operating profit	16,364	6,921
Income tax expense on realised gains on investments	-	4,009
Income tax paid	(11,554)	(7,532)
At reporting date	7,860	3,050

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

(d) Deferred tax liabilities

	2021 \$'000	RESTATED* 2020 \$'000
Fair value adjustments	49,048	45,032
At reporting date	49,048	45,032
Movement in deferred tax liabilities:		
Balance at the beginning of the period	45,032	34,387
Charged to profit or loss	4,016	14,654
Credited to equity	-	(4,009)
At reporting date	49,048	45,032

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

5. Charity investment

In line with the Company's stated objectives, the Company invests a percentage of its assets in Australian charities supporting youth mental health. The investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. All investments are made to charities with deductible gift recipient (DGR) status. The investment represents a tax deduction for the Company. The annual investment by the Company in supporting youth mental health is detailed further in the Social Impact Report on page 19 of this report.

For the 12 months ended 31 December 2021, the amount recognised in the Statement of Comprehensive Income was \$6.8 million (2020: \$6.0 million).

The Company paid its sixth annual investment of \$6.1 million in November 2021, with an additional \$0.3 million to be utilised by June 2022 as part of the Company's Expression of Interest process for its 2022 investment. The specific allocation to each charity was determined by shareholder votes and directions, with the Board distributing the undirected monies between the designated charities.

As at 31 December 2021, the charity investment accrual in the Statement of Financial Position was \$3.8 million, which includes the six-month accrued commitment of \$3.5 million to 31 December 2021 (2020: \$3.1 million) and \$0.3 million to be utilised by June 2022 as part of the Company's Expression of Interest process for its 2022 investment.

Notes to the Financial Statements

6. Dividends

(a) Ordinary dividends paid during the year

	2021 \$'000	2020 \$'000
2021 Interim dividend: 3.0 cents per share fully franked paid 22 October 2021 (2020 Full year dividend: 2.0 cents per share fully franked)	11,788	7,849

(b) Dividend not recognised at year end

	2021 \$'000	2020 \$'000
In addition to the above dividends, since the end of the year, the Board has declared a 3.0 cents per share fully franked final dividend which has not been recognised as a liability at the end of the financial year	11,808	-

(c) Dividend franking account

	2021 \$'000	2020 \$'000
Opening balance of franking account	10,337	5,542
Franking credits on distributions received	160	627
Tax paid during the year	11,554	7,532
Franking credits on dividends paid	(5,052)	(3,364)
Closing balance of franking account	16,999	10,337
Adjusted for franking credits arising from: - Estimated income tax payable	7,860	3,050
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 6(b)	(5,061)	-
Adjusted franking account balance	19,798	13,387

The Company's ability to continue to pay franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked distributions received from the fund managers and the payment of tax on profits. The balance of the franking account does not include the tax to be paid on unrealised investment gains currently recognised as a deferred tax liability of \$49.0 million (2020: \$45.0 million).

7. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2021 \$'000	2020 \$'000
Audit and review of financial statements	41	41
<i>Other services provided by a related practice of the auditor:</i>		
Taxation services	4	3
Total remuneration for audit and other assurance services	45	44

Steadfast Group Limited has agreed to pay for the audit and review of the Company's financial statements provided by Pitcher Partners.

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and reviews the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm to ensure that they do not compromise independence.

Notes to the Financial Statements

8. Trade and other receivables

	2021 \$'000	2020 \$'000
Rebate income receivable	1,215	1,416
Distribution income receivable	160	1,084
GST receivable	19	1
Total trade and other receivables	1,394	2,501

9. Financial assets at fair value through profit or loss

	2021 \$'000	2020 \$'000
Financial assets at fair value through profit or loss	653,536	583,553

A breakdown of the fund manager allocation and investments at market value is included in the Investment Committee Report on page 13.

10. Trade and other payables

	2021 \$'000	2020 \$'000
Trade and other payables	251	73

11. Issued capital

(a) Paid-up capital

	2021 \$'000	2020 \$'000
393,612,280 ordinary shares fully paid (2020: 392,947,106)	451,834	450,809

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(b) Movements in ordinary share capital

	2021 \$'000	2020 \$'000
Balance at the beginning of the period	450,809	450,147
392,947,106 ordinary shares fully paid (2020: 392,455,012)	-	-
665,174 shares issued on 22 October 2021 under a Dividend Reinvestment Plan	1,025	-
492,094 shares issued on 23 October 2020 under a Dividend Reinvestment Plan	-	662
At reporting date	451,834	450,809

(c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. The Board believes that shareholder value should be preserved through the management of the level of distributions to shareholders, share placements, share purchase plans, options issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to manage the capital of the Company during the year. The Company is not subject to any externally imposed capital requirements.

Notes to the Financial Statements

12. Reserves

(a) Profits reserve

	2021 \$'000	RESTATED* 2020 \$'000
Profits reserve	190,227	141,626

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments.

Movements:

	2021 \$'000	RESTATED* 2020 \$'000
Profits reserve		
Opening balance	141,626	14,398
Opening balance adjustment – change in accounting policy (Note 2(c))	-	81,248
Transfer of profits during the year	60,389	53,829
Dividends paid	(11,788)	(7,849)
At reporting date	190,227	141,626

(b) Accumulated losses

	2021 \$'000	RESTATED* 2020 \$'000
Opening balance	(110)	(110)
Net profit for the period	47,657	53,829
Transfer to profits reserve	(60,389)	(53,829)
At reporting date	(12,842)	(110)

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

13. Cash and cash equivalents

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$'000	2020 \$'000
Cash at call	33,800	56,303

The accounts are earning interest at fixed rates. The weighted average interest rate for cash as at 31 December 2021 is 0.27% (2020: 0.10%). Of the above cash amount, there are no amounts denominated in US Dollars (2020: \$1,532 (\$USD 1,182)).

Risk exposure

The Company's exposure to interest rate risk is discussed in Note 17. The maximum exposure to credit risk in relation to cash at the end of the reporting period is the carrying amount of cash at call.

Cash at call is held with major Australian banks and their 100% banking subsidiaries that have a Standard and Poor's short term rating of A-1+ and long term rating of AA-. There were no term deposits held at 31 December 2021 (2020: nil).

Notes to the Financial Statements

14. Reconciliation of profit after income tax to net cash used by operating activities

	2021 \$'000	RESTATED* 2020 \$'000
Profit after tax for the year	47,657	53,829
Effects of foreign currency exchange rate changes on cash and cash equivalents	(26)	717
Amortisation of intangibles	-	4
Fair value gains and movements in financial assets	(69,983)	(55,824)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,107	(1,366)
Increase in other current assets	(17)	(15)
(Increase)/decrease in deferred tax assets	(210)	746
Increase/(decrease) in other trade and other payables	178	(61)
Increase in charity investment accrual	702	271
Increase/(decrease) in current tax liabilities	4,810	(611)
Increase in deferred tax liabilities	4,016	14,654
Net cash used in/(provided by) operating activities	(11,766)	12,344

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

15. Non-cash operating and financing activities

	2021 \$'000	2020 \$'000
Distribution income reinvested	26,331	26,748
Rebate and equalisation income reinvested	8,518	6,099
Shares issued via Dividend Reinvestment Plan	1,025	662
Total non-cash operating and financing activities	35,874	33,509

Notes to the Financial Statements

16. Earnings per share

	2021 \$'000	RESTATED* 2020 \$'000
Profit after income tax used in the calculation of basic and diluted earnings per share	47,657	53,829

(a) Basic and diluted earnings per share

	2021 CENTS PER SHARE	RESTATED* 2020 CENTS PER SHARE
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	12.12	13.71

(b) Weighted average number of shares used as denominator

	NUMBER '000	NUMBER '000
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	393,081	392,548

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

There are no outstanding securities that are potentially dilutive in nature for the Company.

17. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

EXPOSURE

The Company holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

The Company does not hedge against its foreign exchange exposure, and consequently, the impact of foreign exchange movements are directly reflected in the Statement of Comprehensive Income.

The Investment Committee formulates views on the future direction of foreign exchange rates and the potential impact on the Company and these are factored into its asset allocation decisions. While the Company has direct exposure to foreign exchange rate changes on the price of non-Australian dollar-denominated investments, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain funds in which the Company invests, even if those funds are denominated in Australian dollars. For that reason, the sensitivity analysis below may not necessarily indicate the total effect on the Company's equity of future movements in foreign exchange rates.

Notes to the Financial Statements

17. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The table below summarises the Company's financial assets and liabilities, monetary and non-monetary, which are denominated in US dollars.

	2021 \$'000	RESTATED* 2020 \$'000
Cash and cash equivalents	-	2
Trade and other receivables	80	136
Financial assets at fair value through profit or loss	31,541	44,765
	31,621	44,903

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

SENSITIVITY

The following table illustrates the sensitivities of the Company's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by 10% against the US dollar.

	2021		2020	
	\$'000	\$'000	\$'000	\$'000
Impact on net profit/(loss)	-10%	+10%	-10%	+10%
Cash and cash equivalents	-	-	-	-
Trade and other receivables	(8)	8	(14)	14
	(8)	8	(14)	14

(ii) Price risk

EXPOSURE

The Company is exposed to price risk on its investments in unlisted unit trusts. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit and loss. The Company seeks to manage and constrain market risk by diversification of the investment portfolio across a number of prominent global equity fund managers with a focus on long equities and absolute bias strategies.

SENSITIVITY

The following table illustrates the effect on the Company's profit and loss from possible changes in the fair value of financial assets that were reasonably possible based on the risk that the Company was exposed to at reporting date, assuming a flat tax rate of 30.0%:

	2021 \$'000	2020 \$'000
Impact on profit and loss		
MSCI AC World Index (AUD)		
Change in variable +/-5% (2020: +/-5%)	22,874	20,424
Change in variable +/-10% (2020: +/-10%)	45,748	40,849

Notes to the Financial Statements

17. Financial risk management (continued)

(iii) Cash flow and fair value interest rate risk

EXPOSURE

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

	INTEREST BEARING \$'000	NON-INTEREST BEARING \$'000	TOTAL \$'000
31 December 2021			
Financial Assets			
Cash and cash equivalents	33,800	-	33,800
Trade and other receivables	-	1,394	1,394
Financial assets at fair value through profit or loss	-	653,536	653,536
Total financial assets	33,800	654,930	688,730
Financial Liabilities			
Trade and other payables	-	251	251
Total financial liabilities	-	251	251
Net exposure	33,800	654,679	688,479
31 December 2020			
Financial Assets			
Cash and cash equivalents	56,303	-	56,303
Trade and other receivables	-	2,501	2,501
Financial assets at fair value through profit or loss*	-	583,553	583,553
Total financial assets	56,303	586,054	642,357
Financial Liabilities			
Trade and other payables	-	73	73
Total financial liabilities	-	73	73
Net exposure	56,303	585,981	642,284

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

Notes to the Financial Statements

17. Financial risk management (continued)

SENSITIVITY

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

At 31 December 2021, if interest rates had increased by 100 basis points (bps) or decreased by 100 bps from the rates at the end of the period, with all other variables held constant, the net profit after tax for the period would have been \$236,600 higher/\$236,600 lower (2020: changes of 100bps: \$394,100 higher/\$394,100 lower), mainly as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

Credit risk is managed as noted in Note 13 with respect to cash and cash equivalents and Note 8 for trade and other receivables. None of these assets are overdue or considered to be impaired.

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Board and Investment Committee monitor the Company's cash-flow requirements in relation to the investment portfolio taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of distribution and interest revenue received and the funds received from capital raising initiatives from time to time. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are investments in underlying fund managers, dividends paid to shareholders and the annual investment in youth mental health, the level of these outflows are managed by the Board and Investment Committee.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's cash is held at call which mitigates liquidity risk.

Maturities of financial liabilities

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at period end.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 month \$'000	1-12 months \$'000	Total contractual undiscounted cash flows \$'000
2021			
Non-derivatives			
Trade and other payables	-	251	251
Total non-derivatives	-	251	251
2020			
Non-derivatives			
Trade and other payables	-	73	73
Total non-derivatives	-	73	73

Notes to the Financial Statements

18. Fair value measurements

The Company measures and recognises its financial assets at fair value through profit or loss (FVTPL) on a recurring basis.

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

LEVEL 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

LEVEL 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

LEVEL 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2021 on a recurring basis:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2021				
Financial assets at FVTPL	7,134	646,402	-	653,536
31 December 2020*				
Financial assets at FVTPL	5,531	578,022	-	583,553

*Please refer to Note 2(c) on change in accounting policy and restatement of the prior period.

There were no transfers between levels for recurring fair value measurements during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

(iii) Valuation techniques used to determine fair value

Recurring fair value measurements

Included within Level 1 of the hierarchy is the Company's direct investment in a listed investment company. The fair value of the investment is based on the closing quoted last price at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Board of Directors value the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net asset backing of the unlisted unit trusts at the end of the period.

19. Segment information

The Company is engaged in investing activities including cash, term deposits and investments in underlying funds managed by prominent global equity fund managers. It has no reportable business or geographical segment.

Notes to the Financial Statements

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the year ended 31 December 2021 are:

Geoff Wilson AO	Acting Chair, Non-Executive Director
Frank Casarotti	Non-Executive Director
Kiera Grant	Non-Executive Director
Sarah Morgan	Non-Executive Director
Jonathan Nicholas	Non-Executive Director
Geoff R Wilson	Non-Executive Director
Kate Thorley	Non-Executive Director (appointed 16 March 2021) (Acting Chief Executive Officer from April to September 2021)
Caroline Gurney	Chief Executive Officer (commenced September 2021)
Belinda Hutchinson AC	Chair, Non-Executive Director (retired 17 June 2021)
Louise Walsh	Chief Executive Officer (resigned April 2021)

(a) Remuneration of Directors and other Key Management Personnel

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2021, no Directors' fees were paid by the Company (2020: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Global and has been providing financial and operational support since the inception of Future Generation Global in 2015. The Company has entered into a service agreement with Wilson Asset Management regarding the financial and operating support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged for incremental costs incurred by Wilson Asset Management in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer (Caroline Gurney) and the Social Impact Manager (Emily Fuller). For the year ended 31 December 2021, the recharge of costs under the service agreement from 16 June 2021 amounted to \$189,863 (excl. GST) (2020: nil). On a per annum basis, the estimated costs to be incurred by the Company under the service agreement is approximately \$350,000 (excl. GST) each year.

Caroline Gurney is remunerated for her services as Chief Executive Officer by Wilson Asset Management. The Company is charged for incremental costs incurred by Wilson Asset Management in accordance with the service agreement between the entities. The Company also paid Emily Fuller, as Social Impact Manager \$13,200 (2020: \$31,815) for services provided to April 2021. The Social Impact Manager is now paid by Wilson Asset Management and recharged in line with the service agreement.

The Company remunerated LW Consulting Pty Limited, an entity associated with Louise Walsh, \$100,000 (excl. GST) per annum for providing her services as Chief Executive Officer. The term of the contract terminated in April 2021 upon Louise's resignation as Chief Executive Officer.

During the year ended 31 December 2021, the Company paid LW Consulting Pty Limited a total of \$32,322 (excl. GST) for services provided (2020: \$100,000 (excl. GST)). This payment is exclusive of \$10,000 (excl. GST) in performance based remuneration paid during the period to Louise's resignation in April 2021 (2020: \$20,000 (excl. GST)).

Notes to the Financial Statements

20. Key management personnel compensation (continued)

(b) Shareholdings

As at 31 December 2021, the Company's key management personnel and their related parties held the following interests in the Company:

2021

Ordinary shares held Directors and Key Management	Balance at 31 December 2020	Acquisitions/ on appointment	Disposals/ on retirement	Balance at 31 December 2021
Geoff Wilson AO	5,248,779	101,498	-	5,350,277
Frank Casarotti	50,000	-	-	50,000
Kiera Grant	782,734	-	-	782,734
Sarah Morgan	90,909	-	-	90,909
Jonathan Nicholas	-	-	-	-
Geoff R Wilson	85,135	-	-	85,135
Kate Thorley*	-	80,378	-	80,378
Caroline Gurney*	13,000	-	-	13,000
Belinda Hutchinson*	1,991,350	-	(1,991,350)	-
Louise Walsh*	44,411	-	(44,411)	-

*Kate Thorley was appointed to the Board of Directors on 16 March 2021 and Caroline Gurney commenced as CEO of Future Generation Global in September 2021. Belinda Hutchinson AC retired from the Board of Directors on 17 June 2021 and Louise Walsh stepped down as the CEO of Future Generation Global on 16 April 2021.

2020

Ordinary shares held Directors and Key Management	Balance at 31 December 2019 / on appointment	Acquisitions	Disposals	Balance at 31 December 2020
Geoff Wilson AO	5,248,779	-	-	5,248,779
Frank Casarotti	50,000	-	-	50,000
Kiera Grant	108,616	674,118	-	782,734
Sarah Morgan	90,909	-	-	90,909
Jonathan Nicholas	-	-	-	-
Geoff R Wilson	23,046	62,089	-	85,135
Louise Walsh	43,761	650	-	44,411
Belinda Hutchinson AC	1,221,194	770,156	-	1,991,350

Directors, other key management personnel and their related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors and key management personnel have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

Notes to the Financial Statements

21. Related Party Transactions

All transactions with related entities were made on normal commercial terms and conditions and at market rates, except as noted below.

Geoff Wilson AO is the Chairman and director of Wilson Asset Management. Wilson Asset Management provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has entered into a service agreement with Wilson Asset Management regarding the financial and operational support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged for incremental costs incurred by Wilson Asset Management in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer and the Social Impact Manager. For the year ended 31 December 2021, the recharge of costs under the service agreement from 16 June 2021 amounted to \$189,863 (excl. GST) (2020: nil). On a per annum basis, the estimated costs to be incurred under the service agreement is approximately \$350,000 (excl. GST) each year.

Wilson Asset Management looks forward to continuing its support for the Company and the service agreement between Wilson Asset Management and the Company reflects the enduring relationship between the parties.

22. Contingencies

The Company had no contingent liabilities as at 31 December 2021 (2020: nil).

23. Commitments

The Company invests a percentage of its assets in Australian charities with a focus on young Australians affected by mental ill health, under the terms outlined in the Prospectus dated 9 July 2015. The investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. As at 31 December 2021, the accrued commitment is \$3.8 million, which includes the six-month accrued commitment of \$3.5 million to 31 December 2021 (2020: \$3.1 million) and \$0.3 million to be utilised by June 2022 as part of the Company's Expression of Interest process for its 2022 investment.

24. Events occurring after the reporting period

Since the end of the year, the Company declared a fully franked final dividend of 3.0 cents per share to be paid on 27 May 2022.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of Future Generation Global Investment Company Limited declare that:

- 1) The financial report as set out in pages 37 to 58 and the additional disclosures included in the Directors' Report designated as 'Remuneration Report', as set out on pages 31 to 33, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2021 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date; and
- 2) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the persons and organisations who perform the Chief Executive Officer and Chief Financial Officer functions respectively, for the purpose of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 295(5)(a) of the *Corporations Act 2001*.



Geoff Wilson AO
Acting Chair

Dated this 28th day of February 2022

**Independent Auditor's Report
To the Members of Future Generation Global Investment Company Limited
ABN 52 606 110 838**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Future Generation Global Investment Company Limited ("the Company"), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Future Generation Global Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

- i. Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Matter
<p>Existence and Valuation of Financial Assets Refer to Note 9: Financial assets at fair value through profit or loss</p>	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and Profits.</p> <p>The quantum of investments held inherently makes financial assets a key audit matter, in addition however, there may be judgements involved in determining the fair value of investments.</p> <p>The Company's investments are considered to be non-complex in nature with fair value based on readily observable inputs. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to the valuation are based on other observable inputs).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of and evaluating the investment management processes and controls; ▪ Reviewing and evaluating the independent audit report on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Administrator; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness for the periods to which the audit report relates to and obtaining a bridging letter and confirmation; ▪ Agreeing the investment holdings to investment holding statements from fund managers or trustees of the investee entities; ▪ Assessing the valuation of investments by agreeing the units held and the exit price at reporting date to the reported unit pricing from investment holding statements and comparing the value of investments to the valuation report of the Administrator; ▪ For a sample of investments held at balance date, obtaining their latest audited accounts, and performing procedures including: <ul style="list-style-type: none"> ○ Recalculating the net asset value and comparing it to the reported unit price; ○ Considering the appropriateness of accounting policies; and ○ Confirming that the audit opinion of the funds were unmodified; ▪ Evaluating the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

**Independent Auditor's Report
To the Members of Future Generation Global Company Limited
ABN 52 606 110 838**

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our

**Independent Auditor's Report
To the Members of Future Generation Global Company Limited
ABN 52 606 110 838**

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation;

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included at pages 31 to 33 of the Directors' Report for the year ended 31 December 2021. In our opinion, the Remuneration Report of Future Generation Global Investment Company Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S S Wallace
Partner

28 February 2022



Pitcher Partners
Sydney

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 January 2022)

QBE Insurance Group Limited are currently a substantial shareholder in Future Generation Global Investment Company Limited, holding 5.1% voting power as at 31 January 2022.

Category	Number of shareholders	Percentage of issued capital held
1 - 1,000	516	0.1%
1,001 - 5,000	981	0.7%
5,001 - 10,000	933	1.9%
10,001 - 100,000	4,028	34.9%
100,001 and over	540	62.4%
	6,998	100.0%

The number of shareholdings held in less than marketable parcels is 163.

Twenty largest shareholders – Ordinary shares (as at 31 January 2022)

	Number of ordinary shares held	Percentage of issued capital held
HSBC Custody Nominees (Australia) Limited	39,770,262	10.1%
Citicorp Nominees Pty Limited	21,023,921	5.3%
Netwealth Investments Limited	12,798,605	3.3%
Snow Foundation Limited	7,919,842	2.0%
Balmoral Financial Investments Pty Limited	6,038,038	1.5%
Entities associated with Mr Geoff Wilson AO	5,350,277	1.4%
BNP Paribas Nominees Pty Limited	5,002,936	1.3%
Ian Potter Foundation Limited	4,900,000	1.2%
Clurname Pty Limited	3,206,197	0.8%
Fendell Pty Limited	2,250,000	0.6%
The Smith Family	2,000,000	0.5%
Almavijo Pty Limited	2,000,000	0.5%
Entities associated with Ms Belinda Hutchinson AC	1,991,350	0.5%
Spinifex (2007) Pty Limited	1,934,481	0.5%
Gumala Investments Pty Limited	1,829,194	0.5%
Lochann Pty Limited	1,519,600	0.4%
Kingwood Pty Limited	1,449,990	0.4%
Geat Incorporated	1,397,000	0.4%
Coolah Holdings Pty Limited	1,374,831	0.3%
Bond Street Custodians Limited	1,258,446	0.3%
	125,014,970	31.8%

Securities Exchange Listing

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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