

Dear fellow shareholder,

Investment portfolio performance

In February, the Future Generation Global (ASX: FGG) investment portfolio outperformed the MSCI AC World Index (AUD), which fell 5.1% for the month. The Future Generation Global investment portfolio decreased 4.9% in February and the Future Generation Australia (ASX: FGX) investment portfolio decreased 1.1% for the month. The S&P/ASX All Ordinaries Accumulation Index rose 1.7% in February.

Since inception, the FGX investment portfolio has increased 9.9%* per annum and the FGG investment portfolio has increased 9.0%* per annum. The investment portfolios' performance has been achieved with less volatility than their indexes, as measured by standard deviation.

FY2021 full year results and Annual Reports

Future Generation Global announces 200.0% increase in fully franked full year dividend

The Future Generation Global Board of Directors [announced](#) 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 and a fully franked full year dividend yield of 4.4%[#] and a grossed-up dividend yield of 6.3%^{##}, 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. Future Generation Global held a profits reserve of 48.3 cents per share as at 28 February 2022^{^^}, representing 8.1 years of dividend coverage. The announcement was covered in [The Australian](#) and is also available to read on our [website](#).

You can read the Future Generation Global 2021 Annual Report [here](#).

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

[#]Based on the 11 March 2022 closing share price of \$1.35 per share.

^{##}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.

^{^^}Before the payment of the fully franked final dividend of 3.0 cents per share.

Future Generation Australia announces 15.4% increase in fully franked full year dividend

The Future Generation Australia Board of Directors [announced](#) the Company's solid investment portfolio outperformance and 15.4% increase in the fully franked full year dividend. The fully franked full year dividend provides shareholders with a fully franked dividend yield of 4.5% and a grossed-up dividend yield of 6.4%^{##}, based on the 11 March 2022 closing share price of \$1.325 per share. Future Generation Australia held a profits reserve of 32.1 cents per share as at 28 February 2022^{^^}, representing 5.4 years of dividend coverage.

You can read the Future Generation Australia 2021 Annual Report [here](#).

In case you missed it

Access our [Investor Webinar](#) which was held on Thursday 10 March 2022 with Founder and Director Geoff Wilson AO, Future Generation Investment Committee member Martyn McCathie and me. We discussed Future Generation Australia and Future Generation Global's FY2021 full year results and answered questions from shareholders.

The next edition of Social Impact Insights

During February, we released the next edition of [Social Impact Insights](#). Read about our social impact story so far, the success of United Way's *The Imagination Library* and digital transformation in the not-for-profit sector.

Future Generation Global Expression of Interest

Expressions of Interest to partner with Future Generation Global closed on 1 March 2022 and we were delighted by the response, with almost 200 applications for partnership received from not-for-profit organisations. Further updates to follow.

Please enjoy our new Meet the Manager interview on page four.

Best wishes,



Caroline Gurney
CEO, Future Generation



\$52.9m

SOCIAL
INVESTMENT
TO 2021



\$5.3m

Future
Generation
Australia 2021

\$6.4m

Future
Generation
Global 2021

2021 total social
investment

\$11.7m

2021 management
fees, performance fees
and services forgone

Total fees forgone
since inception to
2021

\$24.0m

\$97.5m

Investment portfolio performance

Net tangible assets before tax*	Gross assets	Profits reserve (per share)
140.37c	\$569.8m	32.1c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Dividends paid since inception (per share)
140.88c	\$529.9m	30.3c
Net tangible assets after tax	Volatility [^]	2021 fully franked full year dividend
133.92c	11.3% S&P/ASX All Ordinaries Accumulation Index: 14.1%	6.0c

*The NTA before tax is after the payment of \$3.1m (0.77 cents per share) in tax during the month.

[#]Based on the 28 February 2022 share price of \$1.315 per share and 402,932,223 shares on issue.

The above NTA figures are not adjusted for the 400,229,574 options on issue which are trading under the ASX code FGXO with an exercise price of \$1.48 per option and expire on 28 April 2023.

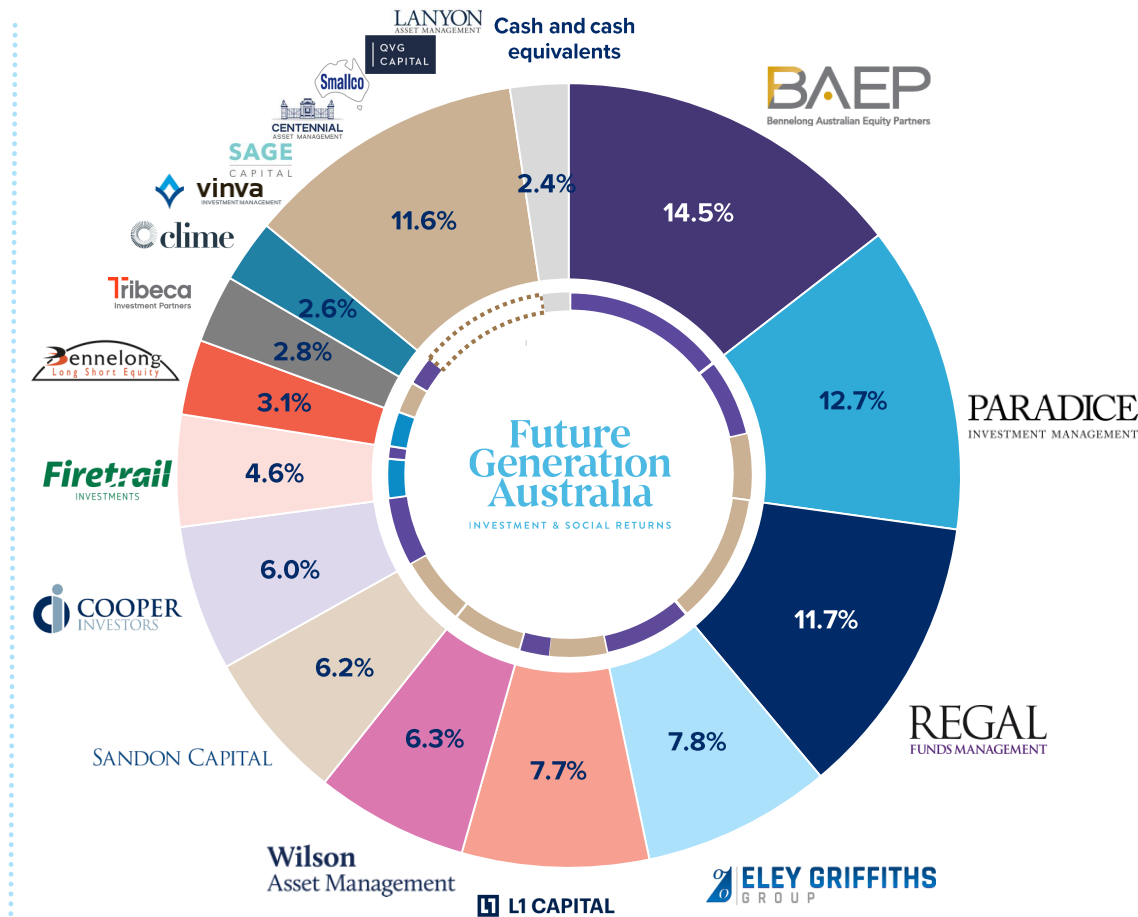
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 28 February 2022	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	-1.1%	-7.0%	-5.5%	10.2%	11.9%	10.6%	9.9%
S&P/ASX All Ordinaries Accumulation Index	1.7%	-5.0%	-4.1%	10.0%	9.3%	9.0%	7.9%

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

Fund manager allocations

0% management fees
0% performance fees



11.6% fund manager breakdown

Vinva Investment Management	2.6%	Smallco Investment Manager	1.7%
Sage Capital	2.5%	QVG Capital	1.4%
Centennial Asset Management	2.3%	Lanyon Asset Management	1.1%

Investment portfolio performance

Net tangible assets before tax*	Gross assets	Profits reserve (per share)
155.48c	\$616.9m	48.3c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation#	2021 fully franked full year dividend
152.14c	\$535.3m	6.0c
Net tangible assets after tax	Volatility**	ESG aware^ (of the portfolio)
146.94c	9.3% MSCI AC World Index (AUD): 10.5%	99.1%

*The NTA before tax is after the payment of \$300k in tax (0.08 cents per share) in tax during the month.

#Based on the 28 February 2022 share price of \$1.36 per share and 393,612,280 shares on issue.

**Volatility is measured by standard deviation.

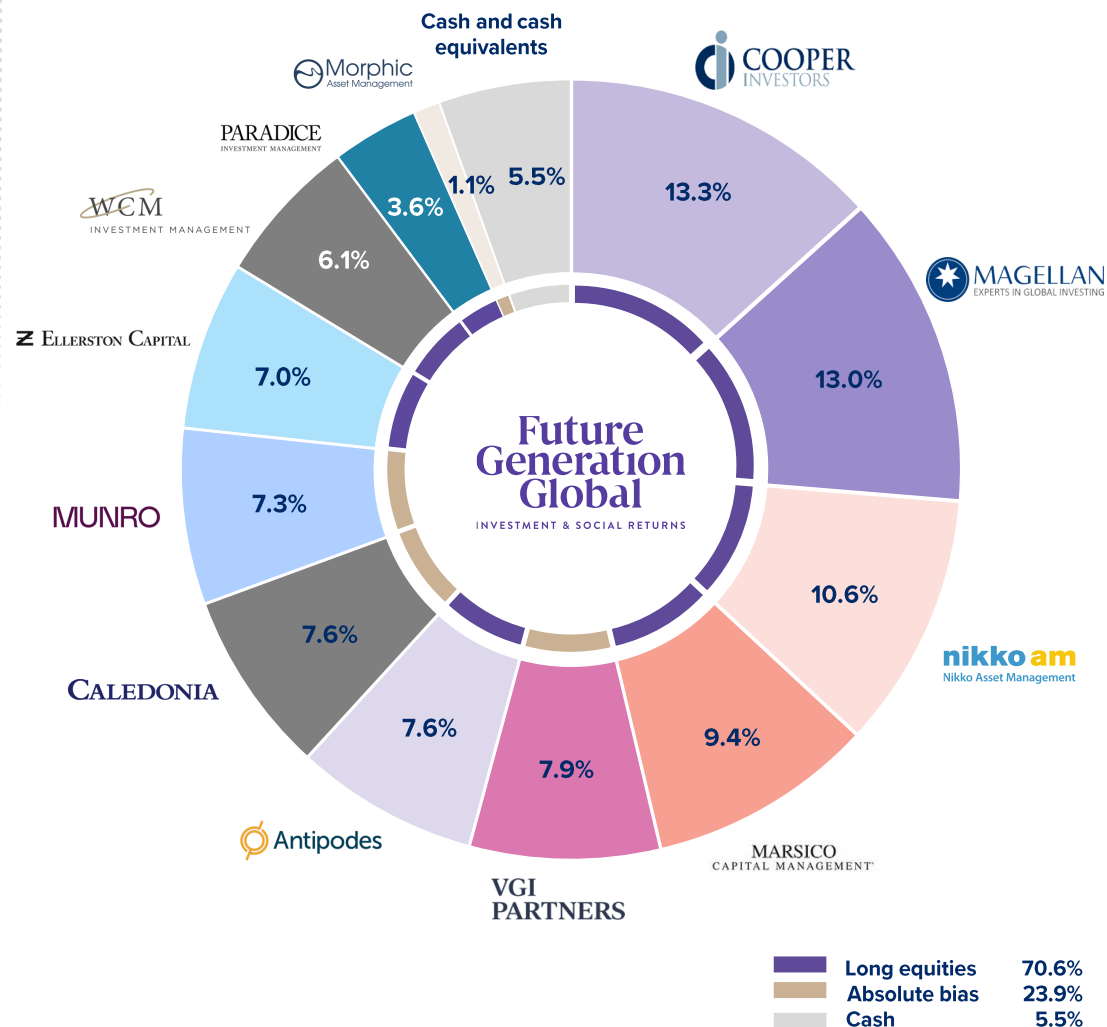
^Based on the 2021 Annual Report.

Investment portfolio performance at 28 February 2022	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	-4.9%	-10.4%	-12.3%	-2.3%	9.0%	11.0%	9.0%
MSCI AC World Index (AUD)	-5.1%	-7.0%	-4.5%	14.8%	12.6%	12.7%	10.9%

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

Fund manager allocations

0% management fees
0% performance fees



Meet the Manager

Gabriel Radzynski
Founder and Chief Investment Officer
Sandon Capital

Sandon Capital is a value activist investor. What does that actually mean?

It means we focus first and foremost on identifying companies that are undervalued and underperforming – and then use activist techniques to try to improve the situation. For example, we might engage with a company board on operational or strategic initiatives that we believe will grow value for all stakeholders. If we encounter inertia or resistance, we will look to persuade and influence other investors. If a majority of investors are of similar views, then boards will usually follow. We are proportional owners of the companies in which we invest – not just owners of pieces of paper (i.e. shares) – and we are prepared to exercise all the rights available to us as owners of the companies.

SANDON CAPITAL

You've had several wins on stocks where you've pushed for change: BlueScope Steel (ASX: BSL), Boral (ASX: BLD), Iluka (ASX: ILU) and Fleetwood Group (ASX: FWD) to name a few. How do wins like that translate into fund performance?

Our flagship Sandon Capital Activist Fund has successfully returned 12.2%* per annum for investors since it was founded in April 2008, versus 8.2%* per annum for the S&P/ASX 200 Accumulation Index over the same period.

The share market continues to reflect anxiety around global events, be it developments in the coronavirus pandemic or the war in Ukraine. How do you deal with this market volatility?

This environment presents both threats and opportunities, and we try to understand where both might lie for our portfolio. In the worst-case scenario, we might look at some of our investments to see how they will survive the current challenges. In the best-case scenario, we are able to pick up investments at very attractive prices, in cases where companies have been sold down to prices far below any sensible estimate of their value. Above all, we stay focused on our activist value investment philosophy. That's how we navigate through this turmoil. We do not try to predict when the turmoil might come to an end.



What's your long-term market outlook?

We believe that Australia is well placed to grow economically for the foreseeable future, in light of government stimuli, the resumption of immigration and population growth. Of course, we are aware of what's happening in the wider world, but we don't use it to predict share price movements or to make investment decisions.

Sandon Capital has been around for more than 12 years. Have you changed the way you do things?

One of my investors said his mother used to tell him to make sure that "what's on the label is exactly what's in the tin". We are very conscious of that. We try to give a good account of what we do and then allow people to decide if what we do is for them. We do not try to be everything to everyone.

What lessons have you learned since starting Sandon Capital?

That if you want to outperform, you have to do things differently. You cannot do things the same as everyone else and expect results that are better than everyone else's. To do what we do, we need to be outsiders.

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

Future Generation Australia fund managers



Future Generation Global fund managers



Charity in focus:



Act For Kids

Act for Kids provides a range of free targeted services to prevent and treat child abuse and neglect. It has delivered services to over 44,000 people across Australia including over 29,000 children in the last 12 months.

“Being able to support vulnerable children to lead safe and happy lives and overcome impacts of abuse and neglect truly is the best job in the world.”

[Read a Q&A](#) with Miranda Willet, Psychologist at Act for Kids.

For more information, visit actforkids.com.au

Our designated charities



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as
at 28 February
2022**

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	14.5%
	Mid Cap/Equity Alpha Plus Funds (split out below)		12.7%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	6.9%
	Paradice Equity Alpha Plus Fund	Absolute bias	5.8%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	11.7%
	Small/Emerging Companies Funds (split out below)		7.8%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.3%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.5%
	Long Short/Australian Equities Funds (split out below)		7.7%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	5.1%
	L1 Capital Australian Equities Fund	Long equities	2.6%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.2%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	6.0%
	Absolute Return/High Conviction Funds (split out below)		4.6%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.5%
	Firetrail High Conviction Fund	Long equities	1.1%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.1%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.8%
Clime Asset Management	Clime Australian Equities Fund	Long equities	2.6%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.6%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.5%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.3%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.7%
QVG Capital	QVG Opportunities Fund	Long equities	1.4%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.1%
	Cash and cash equivalents		2.4%

**Fund manager
allocation and
investments at
market value as
at 28 February
2022**

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	13.3%
Magellan Asset Management	Magellan Global Fund	Long equities	13.0%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	10.6%
Marsico Capital Management	Marsico Global Fund	Long equities	9.4%
VGI Partners	VGI Partners Funds	Absolute bias	7.9%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	7.6%
Caledonia	Caledonia Global Fund	Absolute bias	7.6%
Munro Partners	Munro Global Growth Fund	Absolute bias	7.3%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	7.0%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	6.1%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.6%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.1%
	Cash and cash equivalents		5.5%