

Dear fellow shareholder,

Investment portfolio performance

In May, we continued to see market volatility with inflation concerns, further interest rate rises and ongoing pressures on supply chains and commodities playing on investors' minds.

The Future Generation Global (ASX: FGG) investment portfolio decreased 1.6%* in May and the MSCI AC World Index (AUD) fell 1.3% for the month. The Future Generation Australia (ASX: FGX) investment portfolio decreased 4.2%* for the month, while the S&P/ASX All Ordinaries Accumulation Index fell 3.1%.

Since inception, the FGX investment portfolio has increased 9.5%* per annum and the FGG investment portfolio has increased 7.2%* per annum. The investment portfolios' performance has been achieved with less volatility than their indexes, as measured by standard deviation.

Future Generation LIVE

Thank you to those who joined our Future Generation LIVE events across Australia. We were fortunate to visit Hobart, Launceston, Noosa, Brisbane, Adelaide, Canberra, Sydney, Melbourne and Perth, meeting over 1,400 shareholders in person. It was great to meet and hear from you, our leading pro bono fund managers and our impact partners. For those who were unable to attend in person, please watch the [Sydney recording](#).

Fund Manager Panel with Australian Financial Review (AFR)

Following our Sydney and Melbourne presentations, the AFR hosted Q&A panels with some of our pro bono fund managers, discussing their market outlook and key themes such as health, inflation, resources and energy as well as recent movements in equity markets. James Thomson led the discussion in Sydney with Jun Bei Liu, Philip King and Geoff Wilson AO and shared the stock tips in his [article](#). In Melbourne, Richard Henderson hosted the panel with Jacob Mitchell, Gabriel Radzysinski and Matthew Haupt, and you can read the coverage [here](#).

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

Mike Baird AO named Chair of Future Generation Australia

Mike Baird will join the FGX Board of Directors and become its new Chair, effective 31 July 2022. Mike will assume the role of Chair from Jonathan Trollip, who has chaired FGX since its inception in 2014 and overseen almost \$30 million of investment in children and youth at risk. We're grateful to Jonathan for his exceptional service and contribution to Future Generation Australia.

Mike is passionate about helping our vulnerable youth and strongly believes that FGX provides a clear pathway for many more Australians to support this cause. The innovative model demonstrates that shareholder and social returns can be achieved together. Read the [media release](#) and additional coverage in [The Australian Financial Review](#), the [Sydney Morning Herald](#), and [The Australian](#).

2Fold: Investing for Impact podcast

We were excited to launch the newest episode of our podcast series [2fold: Investing for Impact](#) with Professor Samuel Harvey, Executive Director and Chief Scientist of [Black Dog Institute](#). Samuel and I discuss the human cost of mental illness and why prevention is key. We're looking forward to releasing upcoming episodes with Geoff Wilson AO, Founder and Chair of [Wilson Asset Management](#), and Tim Minchin, Australian comedian, actor, writer and musician. If you enjoy listening, we encourage you to subscribe, leave a rating and share the series with your family and friends. You can also read a transcript of the episode [here](#).

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)
135.93c	\$554.7m	29.0c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Dividends paid since inception (per share)
136.31c	\$514.9m	33.3c
Net tangible assets after tax	Volatility [^]	2021 fully franked full year dividend
129.93c	11.4% S&P/ASX All Ordinaries Accumulation Index: 14.1%	6.0c

[#]Based on the 31 May 2022 share price of \$1.275 per share and 403,867,511 shares on issue.

The above NTA figures are not adjusted for the 400,206,835 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.

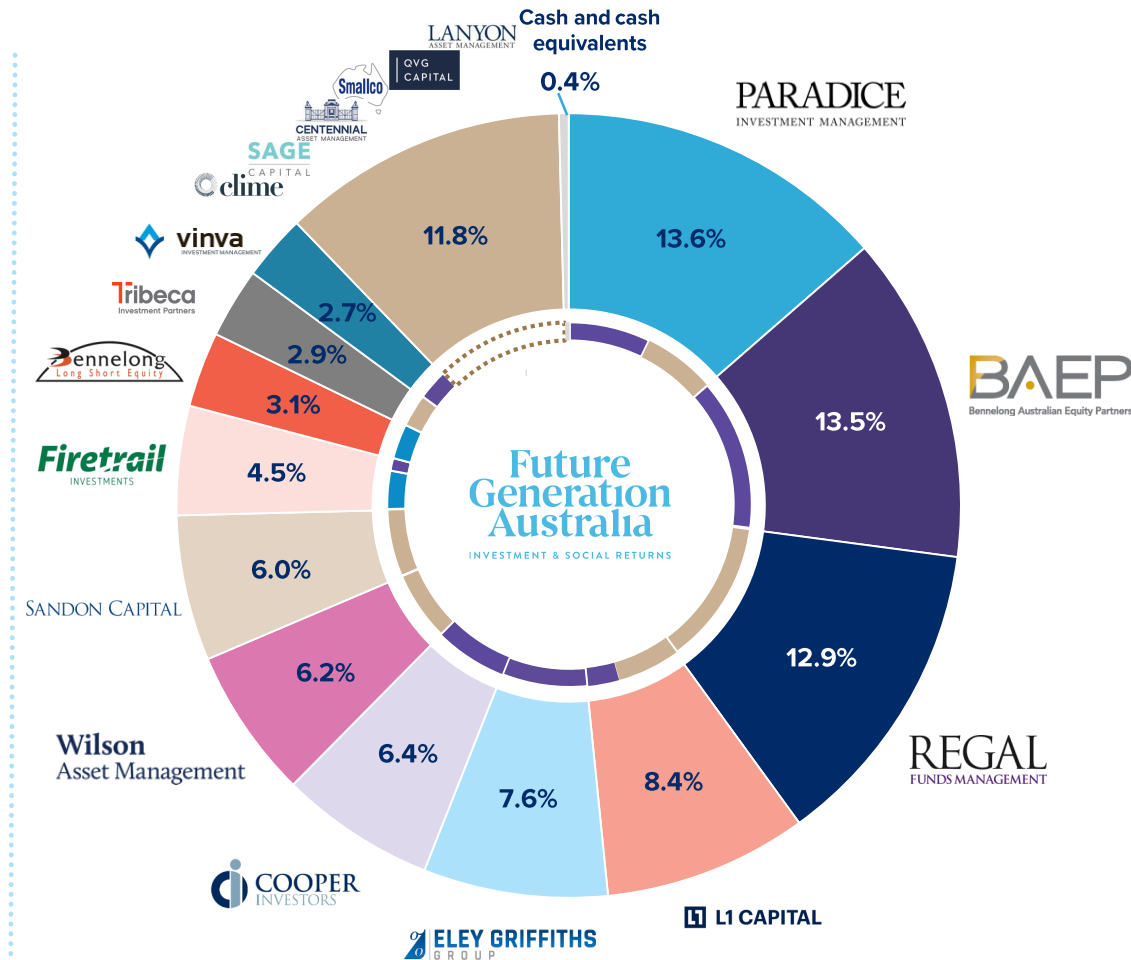
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 31 May 2022	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	-4.2%	-7.7%	-6.4%	1.9%	10.3%	10.0%	9.5%
S&P/ASX All Ordinaries Accumulation Index	-3.1%	-2.4%	0.2%	4.7%	8.5%	9.3%	8.0%

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



11.8% fund manager breakdown

Clime Investment Management	2.6%	Smallco Investment Manager	1.8%
Sage Capital	2.6%	QVG Capital	1.4%
Centennial Asset Management	2.2%	Lanyon Asset Management	1.2%

Long equities 47.1%
Absolute bias 46.0%
Market neutral 6.5%
Cash 0.4%

Investment portfolio performance

The below NTA figures are after the fully franked final dividend of 3.0 cents per share that was paid on 27 May 2022. The shares traded ex-dividend on 16 May 2022.

Net tangible assets before tax* cum dividend	Net tangible assets before tax* ex dividend	Profits reserve (per share)
141.05c	138.05c	45.2c
Net tangible assets after tax and before tax on unrealised gains	Gross assets	2021 fully franked full year dividend
136.85c	\$550.7m	6.0c
Net tangible assets after tax	Market capitalisation [#]	ESG aware [^] (of the portfolio)
134.52c	\$487.0m	99.1%

*The NTA before tax is after the payment of \$3.5m in tax (0.89 cents per share) during the month.

[#]Based on the 31 May 2022 share price of \$1.235 per share and 394,318,455 shares on issue. During the month, 706,175 shares were issued under the Dividend Reinvestment Plan for the final dividend.

[^]As reported in the 2021 Annual Report.

Investment portfolio performance at 31 May 2022	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)	Volatility [*]
Future Generation Global	-1.6%	-17.8%	-17.5%	-13.0%	5.3%	7.3%	7.2%	9.4%
MSCI AC World Index (AUD)	-1.3%	-11.7%	-10.4%	0.4%	10.4%	9.7%	9.6%	10.4%

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

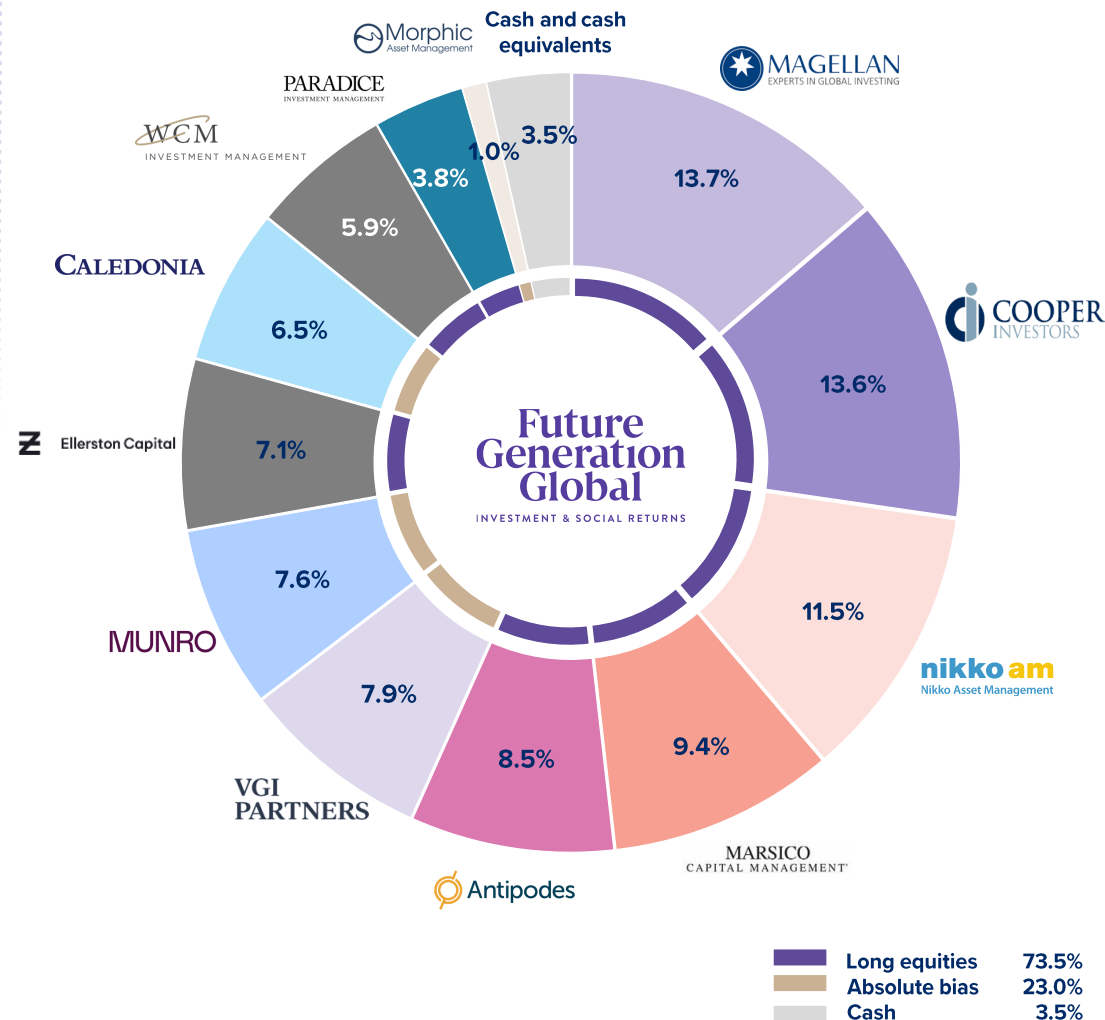
*Volatility is measured by standard deviation.

Future Generation Global Investment Company Limited (ASX: FGG)

ABN: 52 606 110 838

Fund manager allocations

0% management fees
0% performance fees



Meet the Manager

Jacob Mitchell
Founder, CIO and Lead
Portfolio Manager



Why is managing Future Generation Global (ASX: FGG) money important to you?

First, as a firm, Antipodes is focused on supporting youth mental health. We think it's an area that has tended to be under-funded and so Future Generation Global's support of youth mental health charities really appealed to us.

Secondly, if I look at what the fund managers bring to Future Generation Global, it's that (hopefully) we enhance the performance of the vehicle. If we do that and the vehicle grows its capital base, then there will be more money available to fund the charities and the good work they do.

Thirdly, it's very rare for charities to have some degree of certainty around their funding. Given that Future Generation Global is a closed-end structure, that's exactly what this structure can do – and has done. That's why we want to support it in any way we can.

But I do want to put the focus where it matters: on the Future Generation Global shareholders who are supporting the giving. We as fund managers help to facilitate this. But the actual giving is being done by the shareholders.

What is your market outlook over the next 1, 3 and 5 years?

The simple answer is that we think the outlook over multiple time periods – including those 1, 3 and 5 years – is very similar. We think we've fundamentally shifted to a different regime, from one where the policy toolkit was quite blunt, to one where governments have embraced fiscal activism. Fiscal policy is taking over from QE (Quantitative Easing) and QE-targeted asset prices. This will mean a shift from a very low volatility economic environment – which favoured growth assets because of the perceived lack of economic growth – to one with a higher level of nominal growth.

Some of that will come from higher inflation, but it could also come from a higher level of real growth in the economy due to fiscal stimulus. Secondly, there will be more volatility in economic growth. So, point to point, I think you'll see a relatively flat equity market – but with a fairly wide amplitude. In order to navigate this environment, investors will have to be more circumspect and more disciplined around the multiples they pay and they will also demand a higher equity risk premium. Even though there will be largely flat returns, there will still be some great buying opportunities.

Can you describe your investment style?

We have a pragmatic value approach – we look for resilient businesses that are also attractive investments. This isn't always the case because the best businesses are rarely misunderstood by the market. You have to wait until something changes and there is, what we call, “irrational extrapolation”. This could be the perception that there are cyclical changes, structural changes or something going on in the macro environment that is impacting a particular business. Sometimes the market is right and there's a permanent change that makes that business less attractive going forward. Sometimes the market gets it wrong: it's something short term that passes. When you get to a point of maximum uncertainty, you can get a great opportunity to buy a business that's fundamentally attractive and also very cheap.



Have we reached that point of maximum uncertainty, given markets are pretty spooked?

It's happening all the time. What we've seen recently is a macro-driven drawdown. We had really low rates and low real yields and when we eventually had a return to normalisation, this impacted growth stocks that were trading at very high multiples and may not actually have been resilient businesses. They had just benefited from structural tail winds and, arguably, were supercharged by COVID in some way.

Whenever you have a cycle of disruption, you'll get a small number of businesses that survive and remain great businesses, and a lot will just fall away. And that's what's just happened. You've had a shift in the macro environment to a less favourable environment for discount rates – and you've seen a group of stocks that are very sensitive to discount rates sell off. Most companies, even structural growth businesses, will have some sort of sensitivity to the economy. The pragmatic value approach is to invest across the spectrum of growth – from low cyclical growth to high structural growth – but to make sure that you're paying the right multiple relative to that growth. For us, growth and value are joined at the hip; they're not separate concepts.

Read more [here](#).

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:



SANE Australia

SANE Australia works for people with recurring, persistent or complex mental health issues and trauma, to improve support services for young people who are aged 18 to 30. SANE provides continuity of mental health care during the period of transition from youth to adult, helping young people avoid disengaging at a critical time in their recovery.

“There is mounting evidence for the benefit of peer support in mental health recovery. In particular, peer work promotes recovery in three unique ways: fostering hope by sharing one's own experiences; role-modelling self-care and ways of managing everyday life; and developing a peer-to-peer relationship based on trust, acceptance, understanding and empathy.”

[Read a Q&A](#) with Emma Tyers, Support Centre Manager at SANE.

For more information, visit <https://www.sane.org/>

Our designated charities



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as
at 31 May 2022**

Fund Manager	Investment	Strategy	% of Gross Assets
	Mid Cap/Equity Alpha Plus Funds (split out below)		13.6%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	7.2%
	Paradice Equity Alpha Plus Fund	Absolute bias	6.4%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	13.5%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	12.9%
	Long Short/Australian Equities Funds (split out below)		8.4%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	5.6%
	L1 Capital Australian Equities Fund	Long equities	2.8%
	Small/Emerging Companies Funds (split out below)		7.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.2%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.4%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	6.4%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.2%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.0%
	Absolute Return/High Conviction Funds (split out below)		4.5%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.4%
	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	2.9%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.7%
Clime Asset Management	Clime Australian Equities Fund	Long equities	2.6%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.6%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.2%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.8%
QVG Capital	QVG Opportunities Fund	Long equities	1.4%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.2%
	Cash and cash equivalents		0.4%

**Fund manager
allocation and
investments at
market value as
at 31 May 2022**

Fund Manager	Investment	Strategy	% of Gross Assets
Magellan Asset Management	Magellan Global Fund	Long equities	13.7%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	13.6%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	11.5%
Marsico Capital Management	Marsico Global Fund	Long equities	9.4%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	8.5%
VGI Partners	VGI Partners Funds	Absolute bias	7.9%
Munro Partners	Munro Global Growth Fund	Absolute bias	7.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	7.1%
Caledonia	Caledonia Global Fund	Absolute bias	6.5%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	5.9%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.8%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and cash equivalents		3.5%