

Dear Fellow Shareholder,

Investment portfolio performance

- The Future Generation Australia (ASX: FGX) investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index in May by 0.1%*, increasing 1.0%. The investment portfolio has increased 16.1%* over the past 12 months.
- The Future Generation Global (ASX: FGG) investment portfolio increased 1.1%*, while the MSCI AC World Index (AUD) rose 1.6% in May. The investment portfolio has increased 15.5%* over the past 12 months.

Register for the upcoming Future Generation Webinar to meet your Chairs

[Register](#) to join our Webinar on Thursday 4 July at 10:00am (Sydney time), to hear from new Future Generation Australia Chair Philip Lowe and Future Generation Global Chair Jennifer Westacott AO. Philip was most recently the Governor of the Reserve Bank of Australia, while Jennifer is the former Chief Executive of the Business Council of Australia. You can [email](#) us questions beforehand or submit them during the webinar.

Building a better future for the next generation

Geoff Wilson AO, Founder of Future Generation, and I recently joined the **For Love & Money** podcast. We talked to host Carolyn Butler-Madden about the story behind the creation of Future Generation, and how the model is delivering value for all stakeholders. Listen to the episode [here](#).

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

In the media:

- [Read](#) Garry Browne AM's article, 'Future Generation: an investor that changes the world,' in the June 2024 edition of Rotary Down Under. The article covers a joint event we held to celebrate Rotary's 119th Anniversary. To date, Future Generation has given more than \$75 million to our social impact partners and other Australian not-for-profit organisations - many of which are also supported by the Rotary Foundation Australia, including ReachOut, BackTrack Youth Works, Raise Foundation and the Australian Children's Music Foundation. Find out more in the social impact update on page six.
- We were delighted to read Phyllis Sakinofsky's opinion piece 'A philanthropic twist to a novice investor's share market journey', about Future Generation in [The Golden Times](#). Phyllis attended our Future Generation Summit last year and shares how Future Generation's model combines social good with building wealth and boosting income in retirement.

As always, please call or email us if you have any questions on (02) 9247 9202 or info@futuregeninvest.com.au.

Thank you,



Caroline Gurney
CEO, Future Generation



Register for the
Webinar 

\$75.8m

SOCIAL
INVESTMENT
TO 2023



\$5.2m

Future
Generation
Australia
2023

\$5.4m

Future
Generation
Global
2023

2023 total social
investment

\$10.6m

2023 savings on
management fees,
performance fees and
service provider fees
forgone

\$17.6m

Total savings on
management fees,
performance fees
and service
provider fees
forgone since
inception to 2023

\$131.3m

Investment portfolio performance

The below NTA figures are **after** the fully franked final dividend of 3.35 cents per share paid on 22 May 2024. The shares traded ex-dividend on 9 May 2024.

The NTA before tax is **after** the payment of \$7.5m (1.83 cents per share) in tax during the month.

Net tangible assets before tax cum dividend	Net tangible assets before tax ex dividend	Dividends paid since inception (per share)
138.88c	135.53c	46.5c Including the value of franking credits: 66.4c
Net tangible assets after tax and before tax on unrealised gains	Assets	Profits reserve (per share)
135.48c	\$558.3m	32.6c
Net tangible assets after tax	Market capitalisation [#]	Grossed-up dividend yield [*]
130.74c	\$479.6m	8.1% Fully franked dividend yield: 5.7% [#]

[#]Based on the 31 May 2024 share price of \$1.175 per share and the FY23 fully franked full year dividend of 6.7 cents per share. Future Generation Australia has 408,156,604 shares on issue. During the month, 1,042,199 shares were issued under the Dividend Reinvestment Plan for the final dividend.

^{*}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

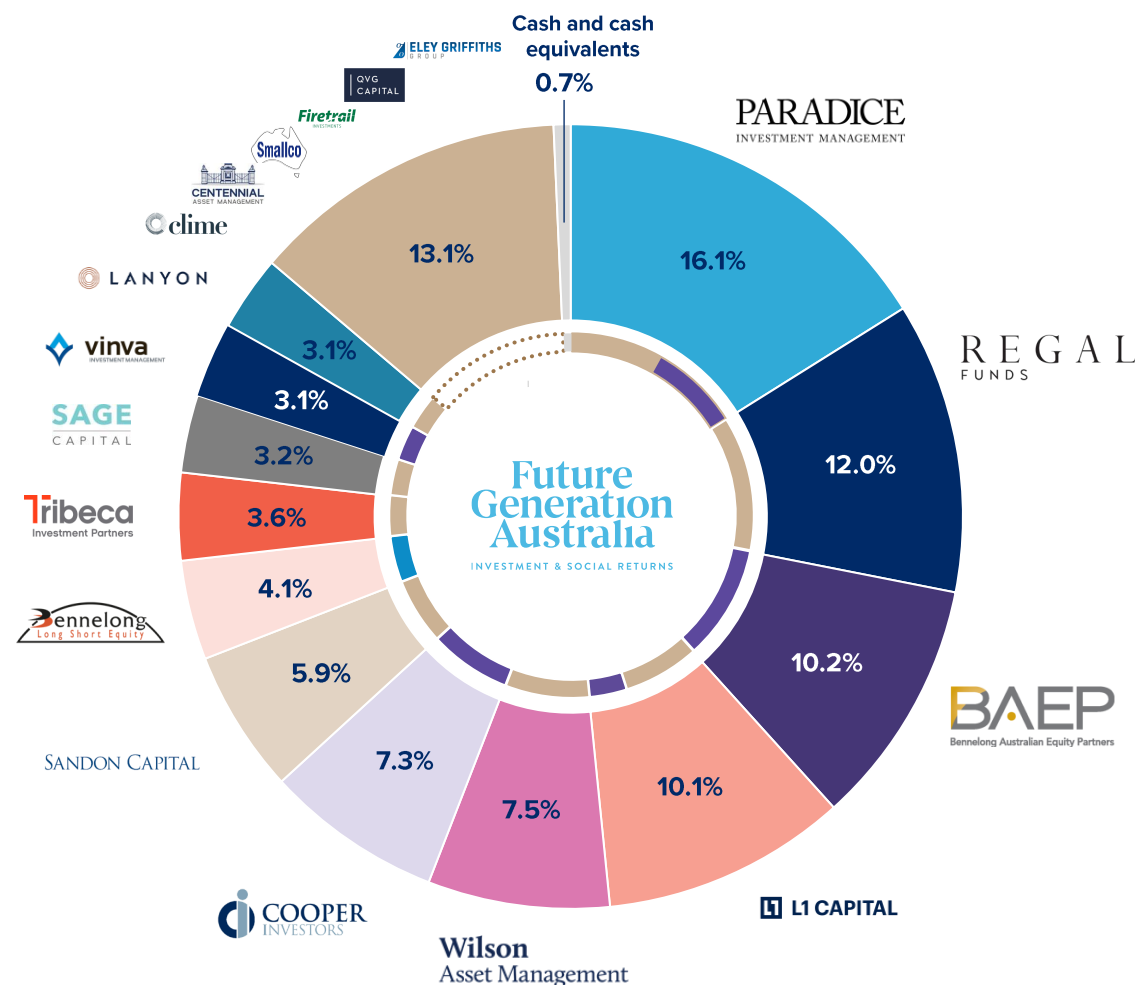
Investment portfolio performance at 31 May 2024	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)	Volatility [^]
Future Generation Australia	6.1%	16.1%	5.9%	9.4%	9.4%	9.2%	11.8%

Investment portfolio performance is before expenses, fees and taxes. Future Generation Australia's financial year is from 1 January to 31 December.

[^]Volatility is measured by standard deviation.

Fund manager allocations

0% management fees
0% performance fees



13.1% fund manager breakdown

Manager	Allocation (%)	Category	Allocation (%)
Clime Investment Management	3.0%	Absolute bias	52.9%
Centennial Asset Management	2.7%	Long equities	42.3%
Smallco Investment Manager	2.4%	Market neutral	4.1%
Firetrail Investments	2.1%	Cash	0.7%
QVG CAPITAL	1.7%		
Eley Griffiths Group	1.2%		

Investment portfolio performance

The below NTA figures are after the fully franked final dividend of 3.6 cents per share paid on 24 May 2024. The shares traded ex-dividend on 13 May 2024.

The NTA before tax is after the payment of \$11.4m (2.86 cents per share) in tax during the month.

Net tangible assets before tax cum dividend	Net tangible assets before tax ex dividend	Profits reserve (per share)
153.99c	150.39c	58.1c
Net tangible assets after tax and before tax on unrealised gains	Assets	Dividends paid since inception (per share)
151.18c	\$604.4m	26.7c Including the value of franking credits: 38.1c
Net tangible assets after tax	Market capitalisation [#]	Grossed-up dividend yield [*]
143.76c	\$517.6m	7.9% Fully franked dividend yield: 5.5% [#]

[#]Based on the 31 May 2024 share price of \$1.30 per share and the FY23 fully franked full year dividend of 7.2 cents per share. Future Generation Global has 398,161,484 shares on issue. During the month, 883,760 shares were issued under the Dividend Reinvestment Plan for the final dividend.

^{*}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

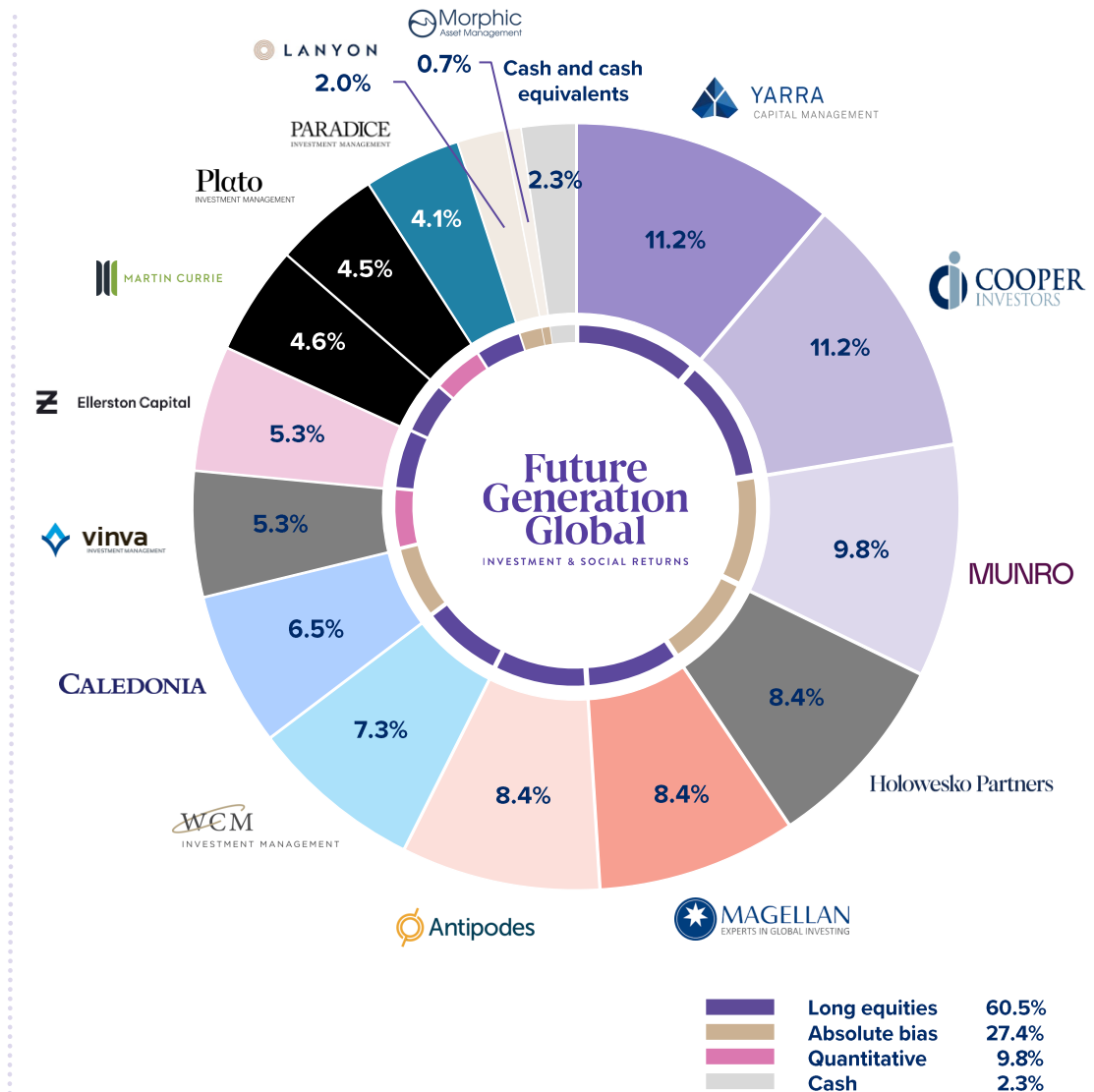
Investment portfolio performance at 31 May 2024	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)	Volatility ^{**}
Future Generation Global	10.3%	15.5%	3.9%	8.5%	9.0%	8.6%	9.9%

Investment portfolio performance is before expenses, fees and taxes. Future Generation Global's financial year is from 1 January to 31 December.

^{**}Volatility is measured by standard deviation.

Fund manager allocations

0% management fees
0% performance fees



Meet the Manager

Matthew Kidman

**Principal and Portfolio Manager,
Centennial Asset Management
and Investment Committee
Member**

[Listen](#) to the latest 2fold: Take Stock podcast and read the edited summary below.



You have said that we are on the last leg of a generational bull run. What do you mean by that? How much further do we have to let that run?

The way I look at it, if you go back in time, there have been several multi-decade bull markets. After the Second World War, there was a bull run from the late '40s through to '66. Then the American market went sideways for 16 years in a bear market. From '82 through to the peak in the tech boom, there was an 18-year bull run. From 2000, we had the tech crash, a rally, then the GFC. That was the next bear market that lasted just under 10 years.

Now, we have been in a bull market for about fifteen years. We have been going up quite steadily, with a couple of small, or quick, blips [like COVID]. They were not small when you went through them. They were quite tough, but they did not break the market down on any permanent basis.

What we have not seen is the blow-off period – and every bull market will have a blow-off period because that is where the excesses are built in. I would think that we are probably grinding up and, at some stage, we will have a period of 18 months to two years, where things go a little bit crazy. People will start borrowing money to buy shares. So, I think we might have three or four good years left, and then we have all got to get ready for a bear market post that. That is what history tells you.

You are on the Future Generation Australia (FGX) Investment Committee. How do you look at the portfolio construction and how has it evolved over time?

We have had some good learnings in what works and what does not. You generally want to back funds that are in the market and participating. Markets go up over time, so you do not want to be too scared or too hedged. You want to be in funds that are continually searching for the best investments they can find.

We have a good exposure to small caps and there are several reasons for that. Over time, that area delivers the best outperformance. History tells you Australian small cap managers, compared to mid-cap managers, compared to everyone else around the world, is a real outlier. I think it is because they have flexibility within their indexes and can pick companies and overweight them. It does not always work, but it works most of the time. I think Australian Small cap managers are the people you want, who are out there hunting for the best possible investments.

We do assess all the FGX managers and at times we have had to change a few. It is rare because we know most of them. But that is the way the world works. Not everyone can stay on top producing great results the whole time. But I think we have got a terrific collection. We have got great insights.

FGX has put together, I think, a terrific Investment Committee. With those people coming on board, it has become a much more industrialised way of looking at the portfolio. Not only have you got the overlay of the likes of Geoff Wilson AO, who knows all the managers, you are also starting to get data points and exposure around industries. We work with them, we talk to them about it, we have the funds come in and present to us and we get a good feel for it. It's improved a lot, I think, over time.



You said that people aren't really going to China anymore to look at investment opportunities. So how are they finding out about them?

Well, they are not going en masse. If you go back to 2000, just before the Global Financial Crisis (GFC) and just after the Chinese government stimulated enormously, you had to go to China at least once a year if you were an investor. Now, people are still going, but not in the way they used to. A lot of people now rely on the macro data.

I think people are mildly scared about going to China. Before COVID hit, 750,000 expats lived in Shanghai. During COVID, it got down to 100,000, and now that is about 200,000. So, there is just not the communication between the expat community and the outside world. It is all a bit more secretive again.

There are still some very good stories there that you can benefit from. Things like A2 Milk (ASX: A2M). We spent a week in China and met a lot of people involved with infant formula. Even though birth rates are way down in China, A2 Milk is gaining market share and doing well. So, you can still pick over the rubble and find things that are working in bad times.

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

Future Generation Australia fund managers



Future Generation Global fund managers



Social impact update:

Earlier this year, Future Generation joined forces with Rotary to celebrate the organisation's 119th anniversary.

Rotary's long history of driving positive change in the community aligns strongly with Future Generation's mission. The evening - which attracted a significant number of new Future Generation supporters - was dominated by discussion on how we can change the lives of those in need, while still ensuring the financial health and security of our families.

Garry Browne AM, a director of the Rotary Foundation Australia, said "Future Generation Australia's recent appointment of Philip Lowe as Chair, shows that those twin objectives are as important to the Future Generation group as they are to us at Rotary. As the former Governor of the Reserve Bank of Australia said when his appointment was announced, he has always strived to work 'with organisations that enhance the welfare of Australians.'"

Read Garry Browne's account of the evening, recently published in *Rotary Down Under*, [here](#).



For more information, visit www.Futuregeninvest.com.au

Our social impact partners



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as at
31 May 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
	Equity Alpha Plus/Mid Cap Funds (split out below)		16.1%
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	8.1%
	Paradice Australian Mid Cap Fund	Long equities	8.0%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	12.0%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.2%
	Long Short/Catalyst Funds (split out below)		10.1%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.8%
	L1 Capital Catalyst Fund	Long equities	3.3%
	Equity/Leaders Funds (split out below)		7.5%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	3.8%
	Wilson Asset Management Leaders Fund	Absolute bias	3.7%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	7.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.9%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	4.1%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.6%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.2%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.1%
Lanyon	Lanyon Investment Fund	Absolute bias	3.1%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.7%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.4%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.1%
QVG Capital	QVG Opportunities Fund	Long equities	1.7%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.2%
	Cash and cash equivalents		0.7%

**Fund manager
allocation and
investments at
market value as at
31 May 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
Yarra Capital Management	Yarra Global Share Fund	Long equities	11.2%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.2%
Munro Partners	Munro Global Growth Fund	Absolute bias	9.8%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	8.4%
Magellan Asset Management	Magellan Global Fund	Long equities	8.4%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	8.4%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	7.3%
Caledonia	Caledonia Global Fund	Absolute bias	6.5%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	5.3%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.3%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.6%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	4.5%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	4.1%
Lanyon	Lanyon Investment Fund	Absolute bias	2.0%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.7%
	Cash and cash equivalents		2.3%