

Dear Fellow Shareholder,

We look forward to sharing our half-year results and answering your questions during our half-year Webinar in early September.

Investment portfolio performance

- The Future Generation Global (ASX: FGG) investment portfolio increased 1.2%*, while the MSCI AC World Index (AUD) rose 1.7% in June. The investment portfolio has increased 14.3%* over the past 12 months.
- The Future Generation Australia (ASX: FGX) investment portfolio decreased 0.1%, while the S&P/ASX All Ordinaries Accumulation Index increased 0.7% in June. The investment portfolio has increased 14.0%* over the past 12 months, outperforming the Index by 1.5%.

Missed it? Watch our Webinar recording

Please enjoy the [recording](#) of our Webinar with Future Generation Global Chair, Jennifer Westacott AO and new Future Generation Australia Chair, Philip Lowe. Philip was recently the governor of the Reserve Bank of Australia and Jennifer was the former Chief Executive of the Business Council of Australia. During the Webinar, we answered your questions and discussed inflation, the cost of living, the youth mental health crisis and much more. The transcript is available [here](#).

Voting on our annual social investment

As part of Future Generation, you are entitled to vote on your chosen social impact partner. This provides a reliable source of funding for our social impact partners and other not-for-profit organisations. This allows them to focus their energy and expertise on supporting Australian children and youth at risk, and young Australian's mental health and wellbeing. **Voting will open in September.**

The final opportunity to purchase shares prior to the donation record date will be **Monday, 29 July 2024**. More details to come.

*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

- Nadine Blayney, Head of Content at ausbiz, [interviewed](#) Philip about his appointment as Chair and views on housing and inflation. Transcript available [here](#).
- Read the Australian Financial Review article [How to play higher interest rates for longer in equities](#).

Watch our latest Future Generation video updates:

- [Philip Lowe, new Chair of Future Generation Australia](#): Philip Lowe explains why he decided to take on Future Generation Australia as his first board appointment, outlines the challenges facing Australia's economy and why people should invest in Future Generation. Watch time: 13 minutes; transcript available [here](#).
- [Stock picks from our pro bono fund managers](#): Jun Bei Liu from Tribeca Investment Partners and Ben Griffiths from Eley Griffiths Group share their market outlooks, small cap strategies and why managing Future Generation funds is important to them. We have included a summary of the video on page four of this investment update. Watch time: 20 minutes; transcript available [here](#).
- [Investment insights with John Coombe, Investment Committee Member](#): As Executive Director of JANA Investment Advisers, John Coombe advises some of Australia's biggest super funds. Here he shares an update on the Future Generation Australia investment portfolio and small-to-mid cap strategy. Watch time: 11 minutes; transcript available [here](#).

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



\$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

Net tangible assets before tax	Assets	Dividends paid since inception (per share)
135.29c	\$557.8m	46.5c Including the value of franking credits: 66.4c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Profits reserve (per share)
135.33c	\$481.6m	32.6c
Net tangible assets after tax	Volatility [^]	Grossed-up dividend yield [*]
130.57c	11.7% S&P/ASX All Ordinaries Accumulation Index: 14.2%	8.1% Fully franked dividend yield: 5.7% [#]

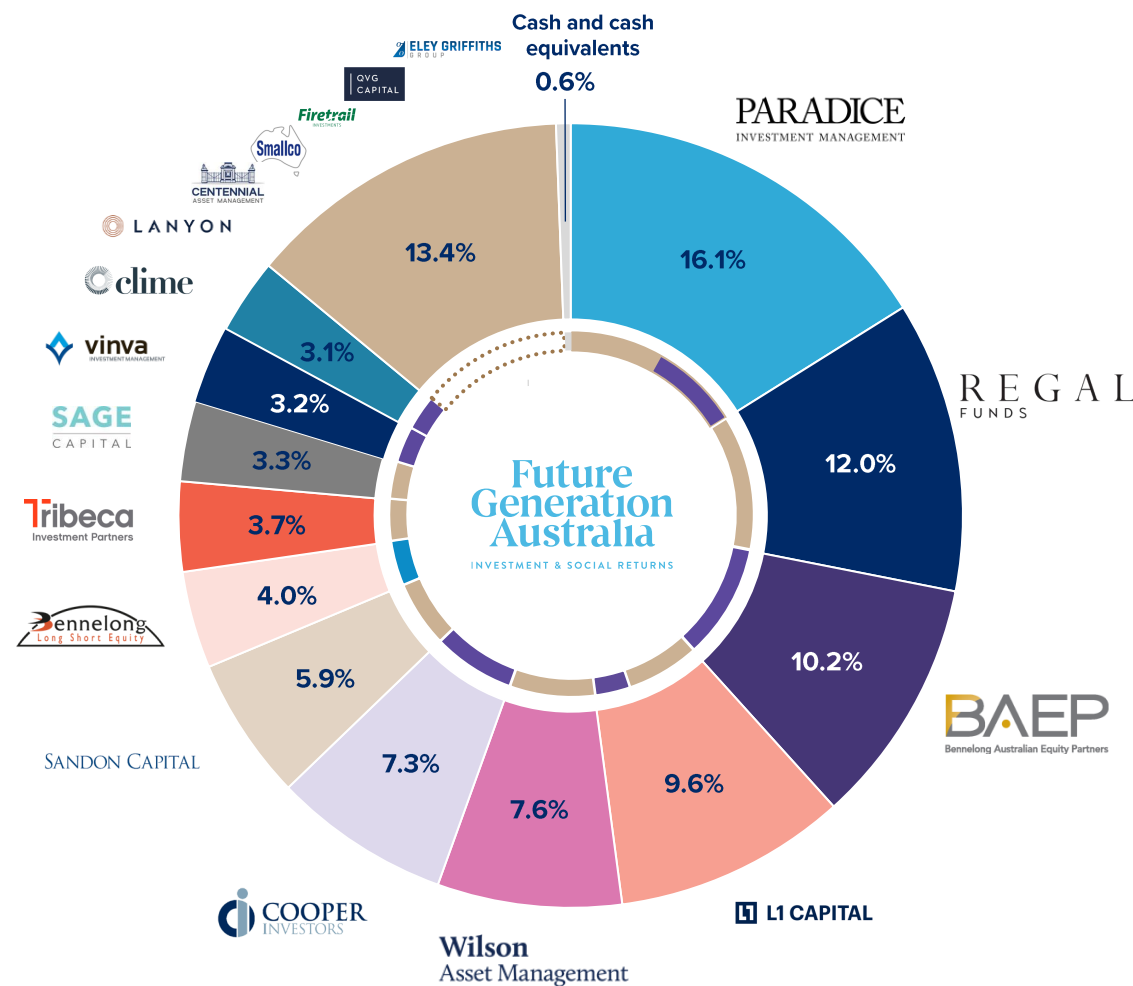
[#]Based on the 28 June 2024 share price of \$1.18 per share and the FY23 fully franked full year dividend of 6.7 cents per share. Future Generation Australia has 408,156,604 shares on issue.
[^]Volatility is measured by standard deviation.
^{*}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 30 June 2024	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	6.0%	14.0%	5.2%	9.0%	9.2%	9.1%

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

Fund manager allocations

0% management fees
0% performance fees



13.4% fund manager breakdown

Fund Manager	Allocation (%)	Asset Class	Allocation (%)
Lanyon	3.0%	Absolute bias	52.9%
Centennial Asset Management	2.8%	Long equities	42.5%
Smallco Investment Manager	2.4%	Market neutral	4.0%
Firetrail Investments	2.2%	Cash	0.6%
QVG Capital	1.7%		
Eley Griffiths Group	1.3%		

Investment portfolio performance

Net tangible assets before tax	Assets	Profits reserve (per share)
152.05c	\$611.6m	58.1c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Dividends paid since inception (per share)
151.24c	\$519.6m	26.7c Including the value of franking credits: 38.1c
Net tangible assets after tax	Volatility ^{**}	Grossed-up dividend yield [^]
144.70c	9.9% MSCI AC World Index (AUD): 10.7%	7.9% Fully franked dividend yield: 5.5% [#]

[#]Based on the 28 June 2024 share price of \$1.305 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.

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

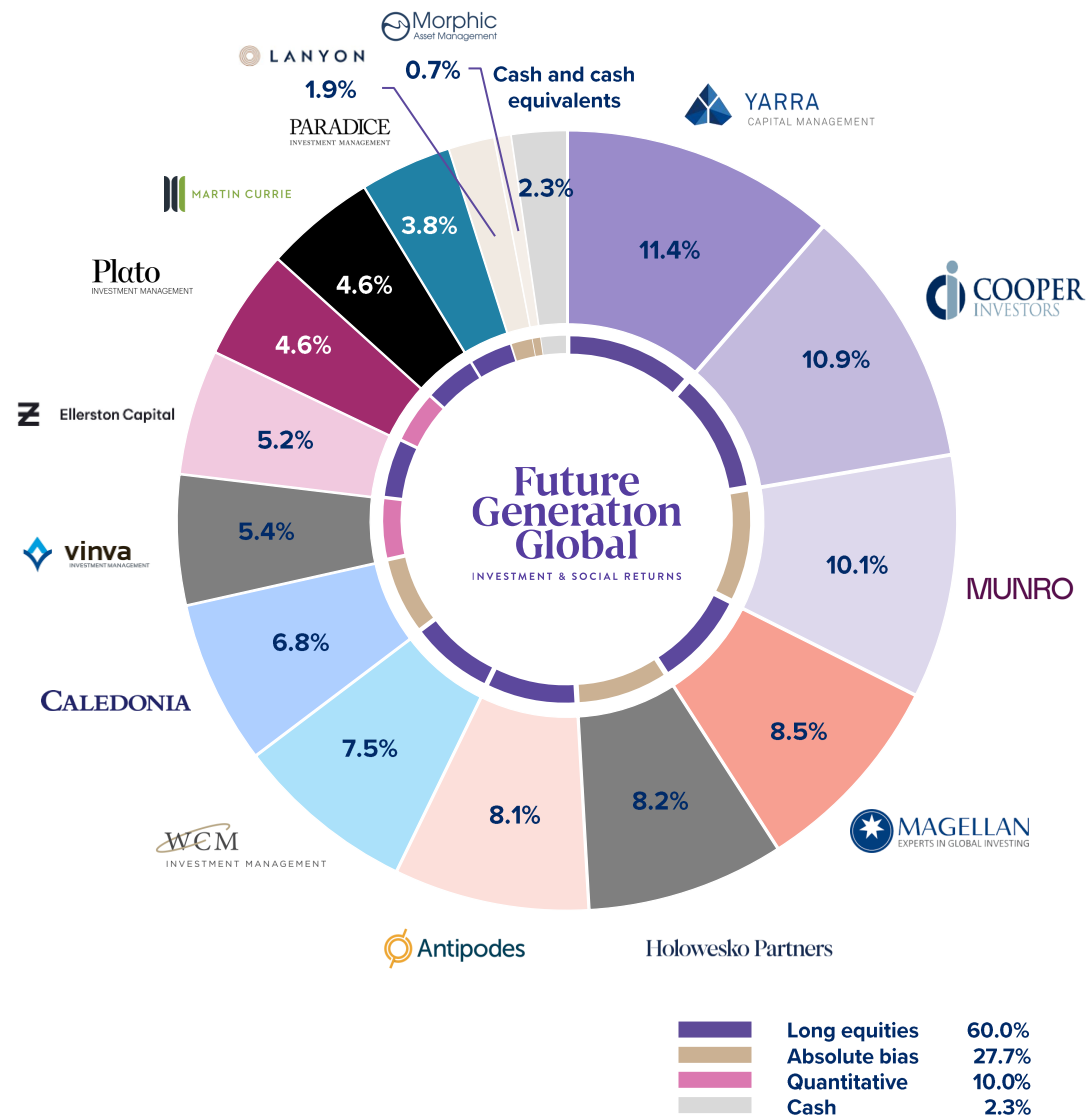
^{**}Volatility is measured by standard deviation.

Investment portfolio performance at 30 June 2024	Fin YTD	1 yr	3 yrs	5 yrs	7 yrs	Since inception %pa (Sept-15)
Future Generation Global	11.6%	14.3%	3.0%	8.0%	9.6%	8.7%

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

Fund manager allocations

0% management fees
0% performance fees



Meet the Managers

Please enjoy our latest Future Generation Australia (ASX: FGX) investment insights with leading pro bono fund managers Jun Bei Liu and Ben Griffiths.

[Watch](#) the video, read the full transcript [here](#) and enjoy the edited summary below.



Jun Bei, you have had strong performance. What is your view on the market?

I think the share market at the moment is fantastic for active investing. It is about picking bottoms, finding a good company and buying it. Particularly at the time when other investors are worried about that company. We have found a lot of opportunity in the last 12 months, in both the small cap and large cap space.

One quality company we identified was Goodman Group (ASX: GMG). While interest rates were increasing, everyone was worried about the property trust, saying Goodman Group was one of the most expensive property companies. People were selling it off and we saw the opportunity. This is a quality company, with great execution and a fantastic pipeline. Clearly, we did not think about the data centre perspective, but we did see a lot of opportunity in this business, particularly when it was trading at the price it was.

In terms of the market, we are pretty positive. The August reporting season is going to mark a low for retailers and others because consumers are slowing down. But I do think with the tax cut and the prospect of an interest rate cut, it is going to make things a little bit better for the Australian economy. China is holding up okay and is recovering slowly. All of that together, makes the Australian economy reasonably resilient.

Ben, what is your view on the market?

I would agree with Jun Bei's sentiments. The Australian share market and the broader market are at all-time highs. You would not know that. It does not seem to be talked about much in the papers, but we are at all-time highs and in step with other markets.

The small cap market has enjoyed or had enjoyed an impressive rally out of the October lows last year, and that really came down to the trajectory of interest rates.

When the Chair of the US Federal Reserve, Jerome Powell, gave the market a verbal cut small caps rallied globally. It is interesting because small cap companies have been pinned down in an earnings downgrade cycle for the last two years.

Jun Bei what is your view on small-to-mid cap companies at the moment?

I think there is a lot more opportunity in the small-to-mid cap company space. 12 months ago, large cap companies pretty much outperformed the small caps. This made some of the bigger companies, much more expensive, even though the earnings momentum was slowing down. For example, we saw Woolworths (ASX: WOW) and Coles (ASX: COL), pretty much peak last year and they have now started to slow down. At one point, large cap companies were very expensive compared to some of the smaller companies, which is where the growth is now on the way up.

I think the prospect of an interest rate cut, and others in the economy not doing as badly as we previously feared, certainly makes the medium to smaller end much more interesting. It is where we can find opportunity.



We think this is the last throes of the downgrade cycle. I think what has caused some angst for investors has been the deferral of any interest rate easing and the fortunes of small cap company investing is pinned heavily to the direction of interest rates.

We were all set at the beginning of this year for six rate cuts in America and now we are going to get one rate cut if we are lucky.

Likewise, in Australia, it feels like the next rate easing will not be until the March quarter next year, despite the fact that most of our trading banks are saying there will be a cut in 2024. So, we feel particularly comfortable about small cap companies right now.

Ben, you are a founding fund manager of Future Generation Australia (ASX: FGX). Why is it so important to you?

It is such an important cause, the future of our youth and our younger population is paramount. It is particularly moving as a father, when I see young children or teenagers in challenging situations.

When Geoff presented the proposal, it was all about raising money from managers and letting us do some work to try and improve the lives of these children that are having a tough time. Geoff is a particularly persuasive presenter, as you know. But it did not take much to get me over the line. It is a magnificent cause.

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:

PREVENTION UNITED

Times are busy at [Prevention United](#), one of Future Generation Global's 14 social impact partners.

The mental health promotion organisation recently released a policy brief, produced in collaboration with its Youth Advisory Group, entitled "[The impact of screen time and social media on the mental health of young Australians](#)". The brief has been downloaded almost 3000 times, making it three times as popular as any other paper that Prevention United has produced.

"Its popularity has taken us by surprise," admits Prevention United Co-Founder Stephen Carbone.

Given considerable interest in the paper from other youth focused organisations, Prevention United is currently setting up a working group, with the aim of providing "unified recommendations to government on how to navigate this important, yet complex space". The government recently appointed a Joint Select Committee on Social Media and Australian Society, which will present an interim report on 15 August 2024, and its final report on 18 November 2024.

All this comes as Stephen hands over the reins as CEO of Prevention United to Suzanne Dick. Future Generation Global thanks Steve for his pioneering work in addressing the glaring gap in Australia's approach to mental health: recognising that as a nation we need to do more to help individuals and communities stay mentally healthy.

For more information on our social impact partners visit:

www.Futuregeninvest.com.au

Our social impact partners



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as at
30 June 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)		9.6%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.5%
	L1 Capital Catalyst Fund	Long equities	3.1%
	Equity/Leaders Funds (split out below)		7.6%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	3.9%
	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	4.0%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.7%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.3%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.2%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.1%
Lanyon	Lanyon Investment Fund	Absolute bias	3.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.8%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.4%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.2%
QVG Capital	QVG Opportunities Fund	Long equities	1.7%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.3%
	Cash and cash equivalents		0.6%

**Fund manager
allocation and
investments at
market value as at
30 June 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
Yarra Capital Management	Yarra Global Share Fund	Long equities	11.4%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.9%
Munro Partners	Munro Global Growth Fund	Absolute bias	10.1%
Magellan Asset Management	Magellan Global Fund	Long equities	8.5%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	8.2%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	8.1%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	7.5%
Caledonia	Caledonia Global Fund	Absolute bias	6.8%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	5.4%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.2%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	4.6%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.6%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	3.8%
Lanyon	Lanyon Investment Fund	Absolute bias	1.9%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.7%
	Cash and cash equivalents		2.3%