

**Future
Generation
Australia**

INVESTMENT & SOCIAL RETURNS

Annual Report

FOR THE YEAR ENDED 31 DECEMBER 2024

Future Generation Australia Limited

ABN: 97 063 935 553

Future Generation Australia Limited (Future Generation Australia or the Company) is a listed investment company and is a reporting entity. The Company's primary investment objectives are to provide shareholders with a stream of fully franked dividends, achieve long-term capital growth and preserve shareholder capital.

Company Directory

Chair

Dr Philip Lowe

Directors

Stephanie Lai
Mike Baird AO
David Leeton
David Paradise AO
Gabriel Radzyminski
Kate Thorley
Geoff Wilson AO

Joint Company Secretaries

Jesse Hamilton
Mark Licciardo

Investment Committee

Geoff Wilson AO (Chair)
John Coombe
Matthew Kidman
Gabriel Radzyminski
David Smythe
Bruce Tomlinson
Martyn McCathie

Chief Executive Officer

Caroline Gurney

Auditor

Pitcher Partners Sydney

Country of Incorporation

Australia

Registered Office

Level 26
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001

T: (02) 9247 9202
E: info@futuregeninvest.com.au
W: futuregeninvest.com.au

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

T: 1300 737 760 (in Australia)
+61 2 9290 9600 (International)

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 Australia
Limited Ordinary Shares
ASX Code: FGX

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April 2025 Future Generation Shareholder Presentations

We look forward to meeting with our shareholders across the country. You will hear from Future Generation CEO Caroline Gurney and some of our leading pro bono fund managers and social impact partners.

Canberra	Tuesday 1 April	Melbourne	Tuesday 8 April
Sydney	Wednesday 2 April	Perth	Wednesday 9 April
Brisbane	Thursday 3 April	Adelaide	Thursday 10 April
Hobart	Monday 7 April		

Join our hybrid Annual General Meeting

Wednesday 21 May 2025
Museum of Sydney (Warrane Theatre)
Cnr Bridge St and Phillip St Sydney
NSW 2000

Further details will be provided.

Deadline for Director nominations
5:00pm (AEST)
FGX: 27 March 2025

FY2024 Highlights

Operating profit before tax in FY2024

\$62.8m

Total shareholder return in FY2024, including franking credits

+23.5%

Investment portfolio performance in FY2024

+13.0%

Fully franked full year dividend

7.0 cps

Fully franked dividend yield

5.6%

Grossed-up dividend yield

8.0%

Dividends and franking credits paid to shareholders since inception

\$256.5m

Management fees, performance fees and service provider fees foregone since inception

\$81.8m

Social investment since inception

\$43.3m

Dividends and franking credits paid to shareholders in FY2024

\$39.9m

Management fees, performance fees and service provider fees foregone in FY2024

\$9.5m

Social investment in FY2024

\$5.4m

31 December 2024 snapshot

Assets	Market capitalisation	Profits reserve, before the payment of the fully franked final dividend
\$576.4m	\$515.5m	37.9 cps
NTA before tax	Share price	Dividends paid since inception, including franking credits
\$1.40	\$1.26	71.4 cps

Glossary of performance measures

The key measures used to analyse and discuss our results are defined here to guide the reader through FY2024 financial highlights, the Letter from the Chair and Chief Executive Officer and the Investment Committee Report. A full glossary of terms is also located on pages 83 to 84.

Dividend yield	The annual dividend amount expressed as a percentage of the share price at a certain point in time. <i>This is calculated as follows: Annual dividend amount per share ÷ share price</i>
Grossed-up dividend yield	Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is fully franked. <i>This is calculated as follows: Annual dividend yield % ÷ (1 – the corporate tax rate of 30.0%)</i>
Net tangible assets (NTA) before tax	The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company, i.e. cash and investments, less any associated liabilities excluding tax and is the most comparable figure for a listed investment company (LIC) to an exchange traded fund (ETF) or managed fund.
Share price premium or discount	LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA. <i>This is calculated as follows: (Share price – NTA before tax) ÷ NTA before tax</i>
Total shareholder return (TSR)	Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders. <i>This is calculated as follows:</i> <i>(Closing share price – starting share price + dividends paid + franking credits) ÷ starting share price</i> <i>Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.</i>

“2024 marked my first year as Chair of Future Generation Australia and I am proud of the outstanding performance we have achieved for shareholders. With a total shareholder return exceeding 20% and more than \$5 million donated to our non-profit partners, Future Generation Australia is well positioned to deliver strong returns for shareholders while making a meaningful difference to children facing adversity.”

Dr Philip Lowe
Chair

“Over the past ten years, Future Generation Australia has paid an increasing stream of fully franked dividends to shareholders. With more than five years of coverage in our profits reserve, we are confident in the sustainability of future dividends. We aim to unlock further value for shareholders as the share price moves to NTA, or a premium, from its current discount.”

Caroline Gurney
Chief Executive Officer



Chair & Chief Executive Officer's Letter

Dear Fellow Shareholders

On behalf of the Board, we would like to thank you for your continued support of Future Generation Australia. We greatly appreciate your commitment to our innovative approach of delivering strong investment returns while creating meaningful social impact for our communities.

We are pleased to report that 2024 was a strong year for Future Generation Australia, marked by total shareholder return (TSR) of 23.5%, when including the value of franking credits. During the year, the Company's investment portfolio increased 13.0%, outperforming the S&P/ASX All Ordinaries Accumulation Index which returned 11.4%.

The Board was pleased to announce an increased fully franked final dividend of 3.5 cents per share, providing a grossed-up dividend yield of 8.0% to shareholders. With a profits reserve of 37.9 cents per share and dividend coverage of 5.4 years, we are confident in the sustainability of future dividends.

The Company's share price increased from \$1.105 at 31 December 2023 to \$1.26 at 31 December 2024, narrowing the share price discount to NTA from 17.1% to 10.0% over the year. We aim to unlock further value for shareholders as the share price moves to NTA, or a premium, from its current discount.

12-month total shareholder return including franking credits

+23.5%

FY2024 investment portfolio performance

+13.0%

Fully franked full year dividend

7.0 cps

Fully franked dividend yield on the 31 December 2024 share price

5.6%

Grossed-up dividend yield: 8.0%

The investment portfolio performance contributed to an operating profit before tax of \$62.8 million (2023: \$59.3 million) and an operating profit after tax of \$47.9 million (2023: \$45.8 million).

Since inception in 2014, our investment portfolio has delivered an average return of 9.3% per annum, outperforming the S&P/AX All Ordinaries Accumulation Index by 1.0% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.2% per annum.

The Investment Committee has done a stellar job of assembling a diverse portfolio of active fund managers able to outperform over the medium and long term in all market conditions. Their stock-picking expertise, predominantly in the small-to-mid-cap sector, has enabled us to outperform the market.

Since January 2022, our investment portfolio – which is skewed to the smaller end of the market – has delivered a return of 4.7% per annum, while the S&P/ASX Small Ordinaries Accumulation Index has declined by 1.6% per annum and the broader S&P/ASX All Ordinaries Accumulation Index has increased by 6.9% per annum.

The Investment Committee believes that the strategic positioning of our portfolio, combined with an expected recovery in the small-to-mid-cap sector, positions our investment portfolio for further growth.

We are pleased to have met the Company's primary investment objectives of providing shareholders with a stream of fully franked dividends, achieving long-term capital growth and preserving shareholder capital. We have done this by providing shareholders with diversified exposure to leading fund managers who invest predominantly in Australian equities. At 31 December 2024, the investment portfolio was comprised of 17 fund managers with investments in 20 unlisted unit trusts.

We are proud to have made our tenth annual investment of \$5.4 million in our non-profit partners, bringing our total social investment in children and youth at risk to \$43.3 million. We sincerely thank our leading fund managers and service providers, whose pro bono support enables this significant contribution.

Since it was founded ten years ago, Future Generation Australia has provided \$43.3 million in untied annual funding to ten incredible not-for-profits supporting children and youth at risk and other not-for-profit organisations. This type of funding is in line with philanthropic best practice, and we are extremely proud of what we have achieved with our partners.

As we move into the next decade, we are determined to ensure that our giving is as impactful as it can be for the current climate and for the challenges facing some Australian children.

To this end, we have undertaken a strategic review of our giving and, in November 2024, called for expressions of interest from not-for-profits which are supporting children in adversity to thrive. We expect to announce our new social impact partners towards the middle of 2025. We will measure their impact on an individual and collective basis to ensure transparency and accountability to our shareholders.

We would like to take this opportunity to thank our inaugural social impact partners for the incredible work they continue to do in the community. Future Generation Australia is enormously proud to have supported this group of leading not-for-profits since inception. Their many achievements over the past decade will have an ongoing impact for young people, their families and our communities.

Looking ahead

As we continue to navigate an ever-changing market environment, we remain optimistic about the opportunities within the small, mid and micro-cap sectors and believe our portfolio is positioned for further growth.

We would like to extend our deepest gratitude to our leading fund managers, service providers, the Committee Members and the Board for their ongoing dedication and support.

We also thank you, our shareholders, for your continued trust in Future Generation Australia. We remain committed to delivering strong financial returns and making a meaningful social impact.

Thank you for your ongoing support.

Sincerely,



Dr Philip Lowe
Chair



Caroline Gurney
Chief Executive Officer

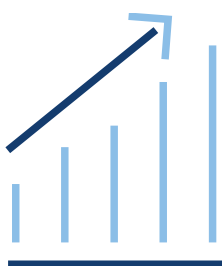
Dated this 28th day of February 2025

Company Performance

There are three key measures important to evaluate a listed investment company's (LIC) performance.

Key performance measure 1

Investment portfolio performance



Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees and taxes. Each LIC is driven towards outperforming a benchmark index, or increasing the underlying investment portfolio of investments and cash at a faster rate.

Key performance measure 2

Net tangible asset (NTA) growth



NTA growth is the change in value of the company's assets, less liabilities and costs (including tax, social investment and company related expenses). The NTA growth includes dividends paid to shareholders and tax paid (franking credits), demonstrates the value of the investment portfolio performance and quantifies the impact of capital management decisions.

Key performance measure 3

Total shareholder return (TSR)

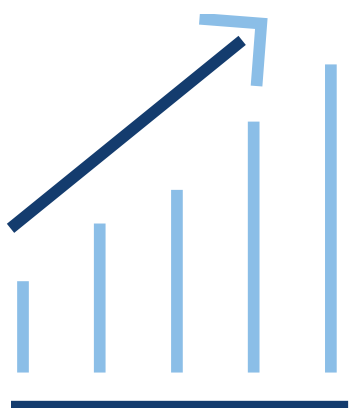


TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before and after the value of any franking credits distributed to shareholders through fully franked dividends.

Key performance measure 1

Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees and taxes. The S&P/ASX All Ordinaries Accumulation Index and S&P/ASX Small Ordinaries Accumulation Index are also measured before expenses, fees and taxes.



Investment portfolio performance in the financial year to 31 December 2024

+13.0%

For the year ended 31 December 2024, the investment portfolio increased 13.0%, outperforming both the S&P/ASX All Ordinaries Accumulation Index which rose 11.4% and the S&P/ASX Small Ordinaries Accumulation Index which increased 8.4%.

Since inception, the investment portfolio has increased 9.3% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.0% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.2% per annum. The investment portfolio outperformance since inception has been achieved with less volatility as measured by standard deviation, 11.6% versus the S&P/ASX All Ordinaries Accumulation Index's 14.0% and the S&P/ASX Small Ordinaries Accumulation Index's 17.0%.

Set out on the next page is the performance of Future Generation Australia investment portfolio since inception, on a calendar year basis. The performance data is before expenses, fees and taxes and is used as a guide to show how the Company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index over the same period.

Future Generation Australia investment portfolio performance

	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sep-14)	Volatility since inception (standard deviation)
Performance at 31 December 2024						
Future Generation Australia Investment Portfolio	13.0%	4.7%	9.0%	8.7%	9.3%	11.6%
S&P/ASX All Ordinaries Accumulation Index	11.4%	6.9%	8.3%	8.6%	8.3%	14.0%
Outperformance	+1.6%	-2.2%	+0.7%	+0.1%	+1.0%	
S&P/ASX Small Ordinaries Accumulation Index	8.4%	-1.6%	4.0%	4.4%	6.1%	17.0%
Outperformance	+4.6%	+6.3%	+5.0%	+4.3%	+3.2%	

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes. Future Generation Australia's financial year is from 1 January to 31 December.

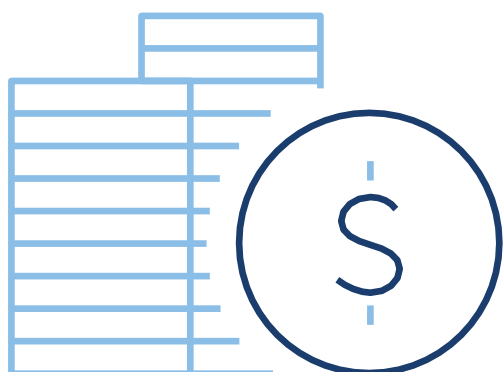
Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured by standard deviation, and can be thought of as an assessment of the risk in the investment portfolio. In most cases, the higher the volatility, the riskier the investment.

Investment portfolio performance by calendar year

Calendar year	Future Generation Australia Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index
2015	15.4%	3.8%	10.2%
2016	6.1%	11.6%	13.2%
2017	14.3%	12.5%	20.0%
2018	-3.8%	-3.5%	-8.7%
2019	20.7%	24.1%	21.4%
2020	10.0%	3.6%	9.2%
2021	22.1%	17.7%	16.9%
2022	-10.3%	-3.0%	-18.4%
2023	13.1%	13.0%	7.8%
2024	13.0%	11.4%	8.4%

Key performance measure 2**Net tangible asset (NTA) growth**

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

**NTA growth in the financial year to 31 December 2024****+11.8%**

Future Generation Australia's pre-tax NTA increased 11.8% for the 12 months to 31 December 2024, including the 6.85 cents per share of fully franked dividends paid to shareholders during the year and corporate tax paid of 1.9 cents per share or 1.4%. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

Social investment of 1.0% was the major items of difference between the investment portfolio performance increase of 13.0% and the NTA performance of 11.8%. Other items contributing to the change in the value of assets during the year were company related expenses of 0.1% and capital management decrction of 0.1%.

Future Generation Australia pre-tax NTA performance

\$1.33

31 December 2023
NTA before tax

\$1.40

31 December 2024
NTA before tax

+\$0.173

Portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees and taxes. The Future Generation Australia investment portfolio increased 13.0% for the 12 months to 31 December 2024.

Paid to shareholders as fully franked dividends

\$0.0685

Dividends paid to Shareholders

When the Company pays a dividend, it represents income that is returned to shareholders out of the Company's assets and profits reserve. The dividend payment reduces the Company's NTA when paid. This excludes the value of franking credits attached to the dividend payment for shareholders. During the year, 6.85 cents per share of fully franked dividends were paid or 9.8 cents per share when including the value of franking credits, comprising of the FY2023 fully franked final dividend of 3.35 cents per share and the FY2024 fully franked interim dividend of 3.5 cents per share.

\$0.019

Franking credits generated (tax paid)

Tax paid reduces the pre-tax NTA of the Company, as it represents an outflow of cash from the investment portfolio at the time of payment. Shareholders receive the benefit of tax paid by the Company as fully franked dividend payments are made. Shareholders receive the cash dividend, plus the value of the attached franking credits. Shareholders can use these credits to help offset additional tax payable on their taxable income, or have it refunded to them if their tax rate is lower than the 30% franking rate (corporate tax rate) attached to the dividend.

\$0.013

Company expenses paid

Company related expenses include ASX, ASIC, audit, tax, registry, service agreement fees and other expenses incurred that relate to the operation of the Company each year.

\$0.001

Social investment paid

The Company invests a percentage of its net assets to support its social impact partners who focus on children and youth at risk, as well as other not-for-profit organisations. The social investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. The social investment reduces the Company's NTA.

\$0.001

Capital management decrction

New shares issued at a premium or discount to NTA through the dividend reinvestment plan (DRP) can impact the value of the Company's NTA. During the year, new shares were issued through the DRP in May 2024 for the FY2023 final dividend, and in October 2024 for the FY2024 interim dividend.

Key performance measure 3

Total shareholder return (TSR)

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



TSR in the financial year to 31 December 2024

+23.5%

The TSR for the Company was 23.5% during the 12 months to 31 December 2024, including the value of franking credits distributed to shareholders through fully franked dividends. This was driven by the investment portfolio performance of 13.0% during the year, in addition to the narrowing of the share price discount to NTA from 17.1% at 31 December 2023 to 10.0% at 31 December 2024. Excluding the value of franking credits, TSR was 20.6% for the year.

NTA growth and TSR calculations

The table below reflects the Company’s total return to shareholders calculated on a per share basis by adding back dividends paid (including the value of tax paid or franking credits) to the change in the NTA before tax or share price during the year. The dividends are assumed to have been re-invested at the relevant net asset value or share price, respectively, on the date on which the shares were quoted ex-dividend. The movement in the NTA before tax is driven by the investment portfolio performance, with TSR being added or offset by the increase or narrowing in the share price premium or discount to NTA.

	NTA before tax	Share price	Discount to NTA
2024			
At 31 December 2024	\$1.4006	\$1.26	(10.0%)
At 31 December 2023	\$1.3328	\$1.105	(17.1%)
Change in the year (capital)	5.1%	14.0%	
Impact of dividend reinvestments (income)	5.3%	6.6%	
Impact of tax paid/value of franking credits (income)	1.4%	2.9%	
Total return for the year	11.8%	23.5%	

Fully franked full year dividend

7.0 cps

Fully franked dividend yield

5.6%

Grossed-up dividend yield

8.0%

**Profits reserve at 31 December 2024,
before the payment of the final dividend**

37.9 cps

**Dividends paid since inception,
including franking credits**

71.4 cps

Dividends

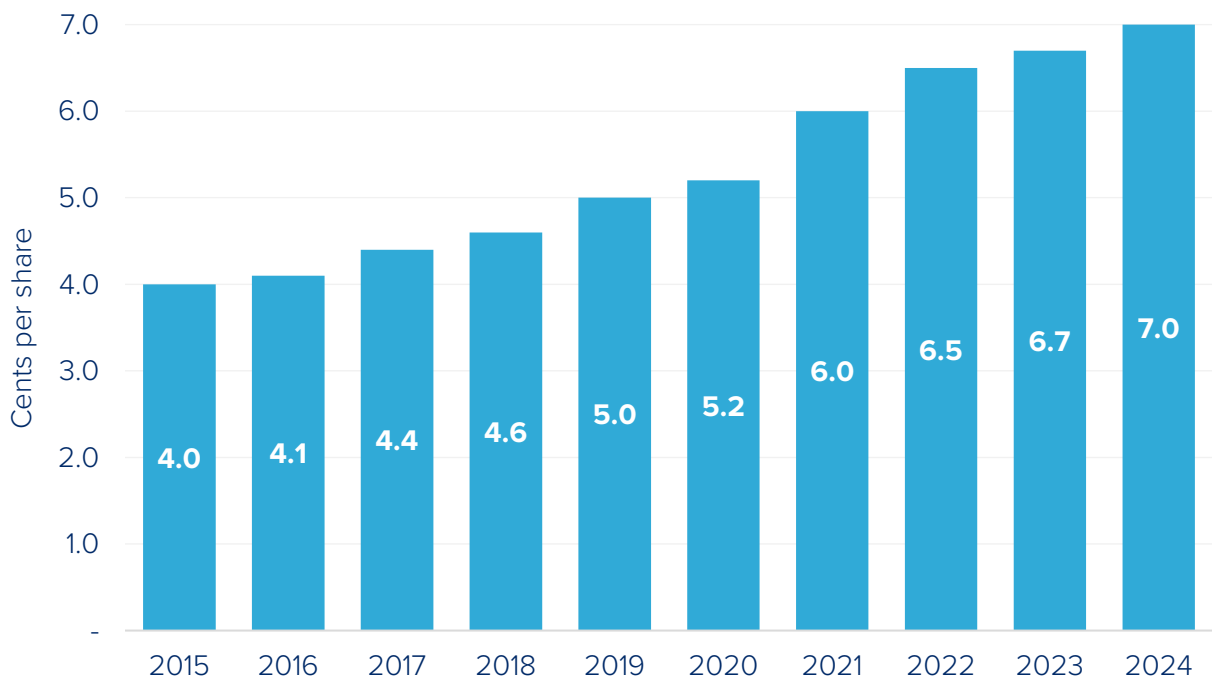
The Board declared an increased fully franked final dividend of 3.5 cents per share, bringing the fully franked full year dividend to 7.0 cents per share. Since inception in September 2014, the Company has paid 50.0 cents per share in fully franked dividends to shareholder and 71.4 cents per share when including the value of franking credits.

The Board is committed to providing a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserve and franking credits, and it is within prudent business practices. As at 31 December 2024, the Company had 5.4 years of dividend coverage based on the profits reserve of 37.9 cents per share, before the payment of the fully franked final dividend of 3.5 cents per share. The Company's ability to generate franking credits is reliant on the receipt of franked distributions from the underlying pro bono fund managers and the payment of tax on realised profits.

The Dividend Reinvestment Plan (DRP) is in operation and the fully franked final dividend of 3.5 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the volume weighted average market price (VWAP) of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date, inclusive of the ex-dividend date. The DRP will operate without a discount for the fully franked final dividend.

Since inception, Future Generation Australia has returned over \$256.5 million or 71.4 cents per share in dividends and franking credits to shareholders.

Fully franked dividends since inception



Key dividend dates

Ex-dividend date	8 May 2025
Dividend record date (7:00pm Sydney time)	9 May 2025
Last election date for DRP	13 May 2025
Payment date	21 May 2025

Fund managers and service providers

We thank our generous fund managers for helping us provide shareholders with an attractive investment and for providing a source of funding for our Australian children and youth at risk social impact partners and other not-for-profit organisations.

We would like to thank our leading fund managers and service providers for their outstanding and continued generosity. This generosity has allowed the Company to support its designated social impact partners and other Australian not-for-profit organisations. The value of the fund managers' forgone management and performance fees for the year ended 31 December 2024 totalled \$7.7 million, and the estimated value of the service providers working for the Company on a pro bono basis totalled \$1.8 million. These savings of approximately \$9.5 million, or around 1.7% of the net assets of the Company, exceed the annual investment to our social impact partners.

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

Thank you to our pro bono service providers

Thank you to our pro bono fund managers

PARADICE
INVESTMENT MANAGEMENT

REGAL
FUNDS

BAEP

L1 CAPITAL

Wilson
Asset Management

COOPER
INVESTORS

SANDON CAPITAL

Tribeca
Investment Partners

SAGE
CAPITAL

vinva
INVESTMENT MANAGEMENT

CENTENNIAL
ASSET MANAGEMENT

clime

LANYON

Smallco

Firetrail
INVESTMENTS

QVG
CAPITAL

ELEY GRIFFITHS
GROUP

Investment Committee Report

During the 2024 calendar year, the investment portfolio increased 13.0%, outperforming both the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index by 1.6% and 4.6% respectively.

The investment portfolio outperformance was pleasing, in a period where small-cap companies again underperformed large-cap peers, given the investment portfolios continued overweight exposure to small, mid and micro-cap companies and its significant underweight exposure to large-cap companies.

During the year, returns for the S&P/ASX All Ordinaries Accumulation Index were dominated by the financials sector which increased 8.9%, contributing almost 80% to index returns as a small number of companies drove index returns. Financials make up approximately 18.0%^ of the Future Generation Australia investment portfolio, compared with 29.6%^ of the S&P/ASX All Ordinaries Index, showing the diversification offered by Future Generation Australia when compared to a passive investment.

Since inception, the investment portfolio has increased 9.3% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.0% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.2% per annum. The investment portfolio outperformance since inception has been achieved with less volatility as measured by standard deviation, 11.6% versus the S&P/ASX All Ordinaries Accumulation Index's 14.0% and the S&P/ASX Small Ordinaries Accumulation Index's 17.0%.

^As at 30 September 2024.

The Investment Committee has selected leading Australian fund managers that have a proven ability to outperform the market and their peers over the long term. This has resulted in the investment portfolio having a larger weighting towards small, mid and micro-cap companies as many managers view this as the most attractive part of the market to add value. The largest 50 companies in Australia make up approximately 38.0%[^] of the Future Generation Australia investment portfolio, compared with 72.0%[^] of the S&P/ASX All Ordinaries Index. Similarly, the top 200 companies in Australia make up approximately 66.1%[^] of the portfolio, compared to 94.0%[^] of the S&P/ASX All Ordinaries Index.

Over the past three years, small, mid and micro-cap companies have continued to underperform large-cap companies both in Australia and globally. In the 36 months to 31 December 2024, the S&P/ASX All Ordinaries Accumulation Index increased 22.2%, while the S&P/ASX Small Ordinaries Accumulation Index decreased 4.6%, representing an underperformance of 26.8% or 8.5% per annum.

The Future Generation Australia investment portfolio has maintained its strong tilt towards small, mid and micro-cap companies as Future Generation Australia's pro bono fund managers seek relative value for shareholders outside of Australia's largest companies.

During the year, the Company's exposure to long equities and absolute bias strategies produced a weighted average return of 13.4%, outperforming the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index. This investment portfolio performance of the long equities and absolute bias strategies were balanced with the exposure to market neutral strategies and cash and cash equivalents during the year. Following a review of the investment portfolio, the Investment Committee's divested from market neutral strategies during the period in order to enhance risk adjusted returns for investors.

In the 12-month period to 31 December 2024, the S&P/ASX All Ordinaries Accumulation Index returned negative performance for three months of the year (April, October and December) with the Future Generation Australia investment portfolio outperforming in two out of the three monthly drawdowns. Since inception, the Future Generation Australia investment portfolio has outperformed in 77% of market drawdowns, providing shareholders with an upside capture ratio of 83% and a downside capture ratio of 68%, demonstrating the defensive characteristics and diversified nature of the investment portfolio.

The Investment Committee and our pro bono fund managers continue to believe that active management in the small, mid and micro-cap sector will derive long-term outperformance for shareholders and the investment portfolio will continue to deliver long term growth, with lower volatility than the S&P/ASX All Ordinaries Accumulation Index.

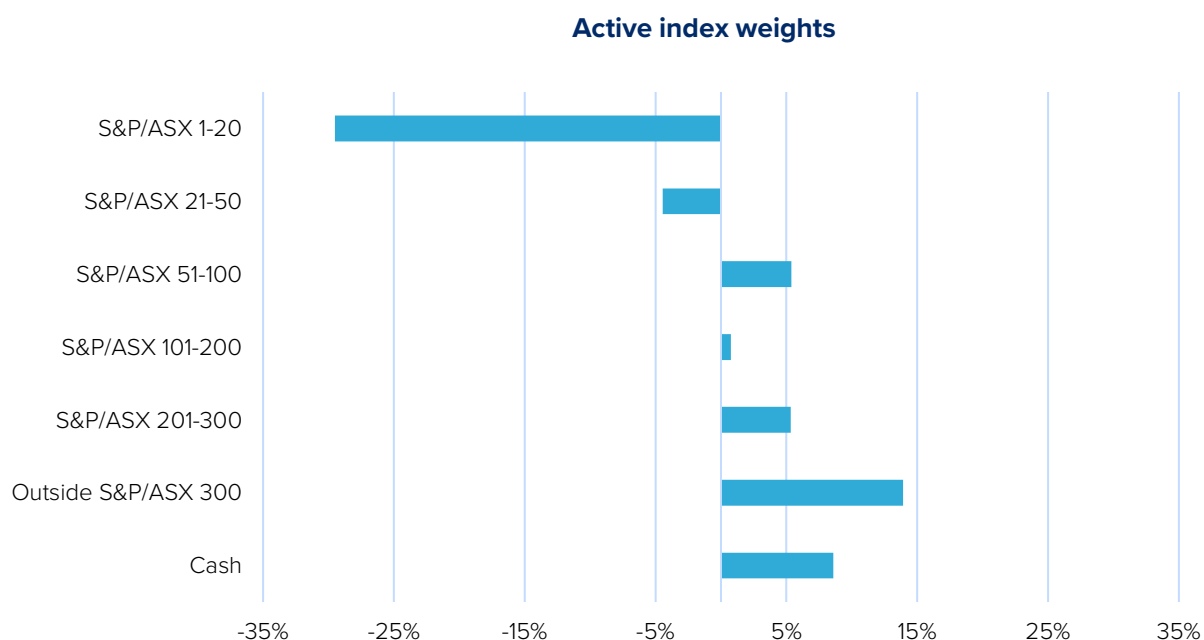
[^]As at 30 September 2024.

Investment portfolio analysis

Future Generation Australia provides investors with a uniquely active portfolio when compared to other multi-manager funds, with a very high active share. As the Future Generation Australia underlying managers investment portfolios as at 30 September 2024 overlaps the S&P/ASX All Ordinaries Index by less than 45%, the Future Generation Australia investment portfolio provides shareholders with returns that are less correlated than the Index.

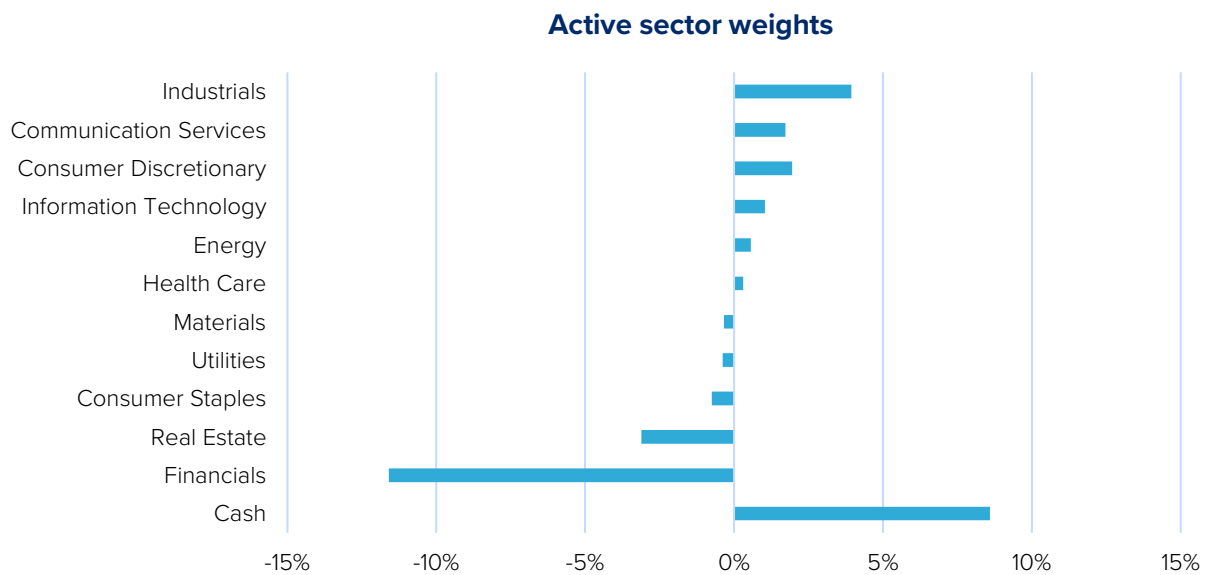
The Investment Committee provides an analysis on the Future Generation Australia underlying managers' investment portfolios as at 30 September 2024. The Future Generation Australia underlying fund managers' investment portfolios' analysis, referenced in the Investment Committee report, has been prepared by Jana, an independent asset consultancy firm, on a pro bono basis.

The investment portfolio's exposure compared to the S&P/ASX All Ordinaries Index by size of investee company is presented below.



The investment portfolio has a 26.5% exposure to the 20 largest companies in Australia compared to 56.1% in the S&P/ASX All Ordinaries Index.

The investment portfolio's exposure compared to the S&P/ASX All Ordinaries Index by sector is presented below:



The investment portfolio provides shareholders with a 3.9% active weight to Industrials and a 11.6% underweight to Financials.

As at 30 September 2024, the investment portfolio was comprised of approximately 404 individual underlying securities. The top 10 portfolio holdings and the active weight compared to the S&P/ASX All Ordinaries Index are presented below:

Company name	Portfolio Weight	Index Weight	Active Weight
CAR Group Limited	1.3%	0.5%	+0.8%
Santos Limited	1.5%	0.8%	+0.7%
Aristocrat Leisure Limited	1.5%	1.3%	+0.2%
Goodman Group	1.7%	2.5%	-0.8%
CSL Limited	3.8%	4.9%	-1.1%
Macquarie Group Limited	1.6%	3.2%	-1.6%
ANZ Group Holdings Limited	1.5%	3.3%	-1.8%
National Australia Bank Limited	1.5%	4.1%	-2.6%
BHP Group Limited	5.0%	8.3%	-3.3%
Commonwealth Bank of Australia	1.8%	8.1%	-6.3%

Portfolio construction

The Future Generation Australia investment portfolio provides investors with exposure to a diversified portfolio of Australian equities managed by leading Australian fund managers that have a proven ability to outperform the market and their peers over the long-term. The Investment Committee is responsible for selecting and reviewing fund managers on behalf of shareholders. The Investment Committee comprises Geoff Wilson AO (Chair), John Coombe, Matthew Kidman, Gabriel Radzynski, David Smythe, Bruce Tomlinson and Martyn McCathie. The Investment Committee's experience and qualifications are set out in the Directors' Report.

The Future Generation Australia investment portfolio is constructed with the aim of providing shareholders with reduced volatility compared to the market, capital preservation during market downturns and capital growth over the medium-to-long term. The investment portfolio is highly diversified in terms of managers and investment strategies, providing shareholders with sound risk-adjusted returns through various market cycles. The Company has the capacity to invest in other assets classes including international equities. The investment portfolio provides shareholders with exposure to two broad investment strategies: long equities and absolute bias. Absolute bias strategy seeks to earn a positive return over time, regardless of market conditions.

We aim 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, whilst providing some protection when equity markets fall.

The Investment Committee has selected 17 fund managers with investments in 20 unlisted unit trusts. A number of the underlying funds are closed to new investors or not accessible to retail investors, which provides a unique opportunity for shareholders of the Company.

As at 31 December 2024, the investment portfolio provided investors with 55.3% exposure to absolute bias strategies, 43.4% exposure to long equity strategies and 1.3% in cash and cash equivalents.

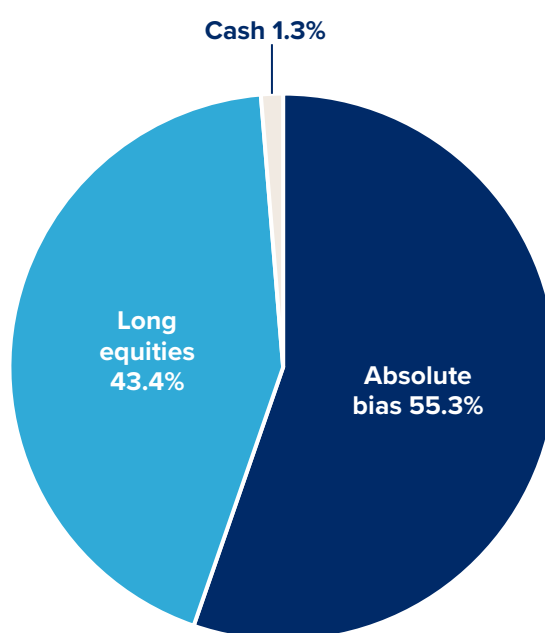
Investment strategy allocation – as at 31 December 2024

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.

Long equities

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



Fund manager allocation and investments at market value as at 31 December 2024

Fund Manager	Investment	Strategy	\$ Value	% of Gross Assets
	<i>Equity Alpha Plus/Mid Cap Funds (split out below)</i>		97,890,528	17.0%
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	50,520,030	8.8%
	Paradice Australian Mid Cap Fund	Long equities	47,370,498	8.2%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	70,820,432	12.3%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	61,559,801	10.7%
	<i>Long Short/Catalyst Funds (split out below)</i>		52,542,364	9.1%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	35,194,277	6.1%
	L1 Capital Catalyst Fund	Long equities	17,348,087	3.0%
	<i>Equity/Leaders Funds (split out below)</i>		46,782,454	8.1%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	25,477,004	4.4%
	Wilson Asset Management Leaders Fund	Absolute bias	21,305,450	3.7%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	40,340,134	7.0%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	37,629,245	6.5%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	22,192,991	3.9%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	19,297,442	3.3%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	19,206,087	3.3%
Centennial Asset Management	The Level 18 Fund	Absolute bias	17,868,901	3.1%
Clime Asset Management	Clime All Cap Australian Equities Fund	Long equities	17,765,753	3.1%
Lanyon	Lanyon Australian Value Fund	Absolute bias	16,675,785	2.9%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	14,407,392	2.5%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	13,131,963	2.3%
QVG Capital	QVG Opportunities Fund	Long equities	10,695,383	1.9%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	7,645,875	1.3%
	Cash and cash equivalents		7,592,566	1.3%
	Distributions and rebates receivable		2,329,982	0.4%
	Gross Assets		576,375,078	



Geoff Wilson AO

Chair of the Investment Committee and Director

Dated this 28th day of February 2025

Social Impact Report

Future Generation Australia is proud to commemorate its tenth year in 2024. Over this time we have invested \$43.3 million in our social impact partners and other non-profits whose work spans a broad range of activities in support of vulnerable children and young people. The impacts of their work are outstanding. Some young people have ended their homelessness or offending, many have made leaps in social and emotional wellbeing, school engagement and academic outcomes have improved, and cultural identity and connection strengthened.



Throughout 2024, we have been considering how to build on this impact through our next phase of social investment. The 2023 landmark Australian Child Maltreatment Study evidenced for the first time the high prevalence of childhood maltreatment nation-wide. It found more than a quarter of young people aged 16 - 24 years had experienced between 3 and 5 types of abuse in their childhood. This has compelled Future Generation Australia to refine its social impact strategy towards a greater focus on the area of childhood adversity in the coming years.

Adverse Childhood Experiences (ACEs) is a term used to describe very stressful events or circumstances that occur in childhood, including child maltreatment. 20 years of international research has shown a strong predictive relationship between the number of ACEs a child is exposed to, and the probability of physical health, mental health and social and behavioural problems occurring through life and being passed on to the next generation. When a child experiences multiple ACEs over time an excessive and long-lasting stress response is triggered. This leads to changes in the child's developing brain (and other systems), affecting the executive functioning that is critical to leading a functional and positive life.

Newer research has shown that positive experiences in childhood also shape brain development and health across the lifespan. Children, regardless of the adversity they face, can recover and flourish through supportive relationships and experiences. Positive Childhood Experiences (PCEs) - enabled by nurturing relationships - affect the nervous system of the developing child and help bolster a sense of worth and identity all through life. They can buffer against the effects of adversities, help children be resilient and even heal from toxic stress.

Studies have already shown a strong association between the prevalence of PCEs and success in education (school engagement, attendance and performance), in social and relational outcomes among children as well as increased positive relationships and reduced risk of depression or mental health issues in adults. Research to date has a common set of factors that predispose children to positive outcomes in the face of significant adversity:

- supportive adult-child relationships
- a sense of self-efficacy and perceived control
- adaptive skills and self-regulatory capacities
- connection to culture, hope and faith.

In line with this evidence base, in November, Future Generation Australia launched an Expression of Interest to establish partnerships with non-profits supporting children facing adversity to thrive through the development of healthy relationships, resilience and a positive sense of self. We received 329 applications from every state and territory and our due diligence and selection of social impact partners will be undertaken in the first half of 2025.

The generosity of our leading pro bono fund managers and service providers allows the company to make an annual investment of 1.0% of its average monthly net assets in our social impact partners and other Australian not-for-profit organisations. During September 2024, shareholders had the opportunity to allocate their portion of the annual social investment. The specific allocation to each of our current social impact partners, as shown in the table below, was determined by shareholders' votes and directions, with the Board distributing the undirected monies. The Company made its tenth annual social investment of \$5.4 million in November 2024, bringing the total investment since inception to \$43.3 million.

2024 and 2023 social investment

Social Impact Partner	2024 Investment	2023 Investment
Act for Kids	\$345,127	\$339,478
Australian Children's Music Foundation	\$400,516	\$393,961
Australian Indigenous Education Foundation	\$303,000	\$302,932
DEBRA Australia	\$315,000	\$313,352
Diabetes Kids Fund	\$315,000	\$315,559
Giant Steps	\$442,186	\$434,949
Lighthouse Foundation	\$529,735	\$521,066
Mirabel Foundation	\$376,206	\$370,049
Raise Foundation	\$367,837	\$361,817
Youth Off The Streets	\$421,224	\$414,330
Directed to other children and youth related not-for-profits*	\$288,606	\$433,529
Directed to other Australian not-for-profits*	\$1,170,474	\$1,038,251
Expression of Interest and Exchange Event**	\$150,000	-
Total social investment allocation	\$5,424,911	\$5,239,273

*Directed by shareholders with 1 million or more shares. These shareholders have the ability to direct their allocation to any not-for-profit organisation of their choosing, provided the organisation has deductible gift recipient (DGR) status.

**This allocation of funds supported the Future Generation Australia Expressions of Interest process and campaign for non-profit applications as well as the Future Generation Exchange Event, which brought together our social impact partners for an annual conference to share learnings and showcase the social impact our funding is having in the community.

Information on the work our social impact partners undertook in the year ended 31 December 2024 with monies from their allocation of the annual investment in 2023 (paid in November 2023) are detailed next.



Act for Kids – helping kids heal from trauma

Investment:

\$345,127

Act for Kids provides vulnerable children with the support they deserve to stay safe, heal from trauma and lead happy lives.

This year, Act for Kids delivered integrated therapy services to over 530 children and young people in Sydney, Melbourne and Adelaide – a 19% increase from 2023. Act for Kids utilises a multidisciplinary, holistic approach to address the significant and complex impacts of trauma on child development.

The trauma of child abuse and neglect can have significant, lifelong impacts on the development of children. Future Generation Australia's funding of Integrated Therapy Services is instrumental to providing therapeutic services to some of Australia's most vulnerable kids. Act for Kids has strong feedback and satisfaction ratings from clients with 92% of children reporting feeling better, safer and happier as a result of their engagement with Act for Kids.

Over 80% of Act for Kids' clients have directly experienced Domestic or Family Violence (DFV). In response, the organisation launched a new Safe Families pilot this year. It uses a comprehensive, whole-of-family approach to DFV, including early interventions for young children, parenting programs, and school-based trauma education. By addressing intergenerational issues at multiple touchpoints, Act for Kids can make a lasting impact on the healing and recovery of Australian families.



Australian Children's Music Foundation – changing lives through music

Investment:

\$400,516

Australian Children's Music Foundation provides free, long-term music programs and instruments to children in need to inspire their creativity, nurture self-esteem and improve educational and behavioural outcomes.

This year, the Australian Children's Music Foundation (ACMF), provided weekly music lessons for over 4,600 students across 59 venues – from Taree on the mid-north coast of NSW to greater Melbourne, to the Goldfields in Western Australian and the Tiwi Islands.

The Australian Curriculum relies on generalist primary educators to teach music, despite their limited training. This has led to the time dedicated to music learning at school falling to an all-time low.

ACMF also worked closely with the NSW Government Joint Select Committee on Arts and Music Education and Training, advocating to address this lack of musical education in Australian schools. With the recommendations due in March 2025, ACMF is hopeful to see policy measures introduced to ensure all Australian children have access to the well-documented and varied educational and behavioural benefits that learning music brings.

ACMF's National Songwriting Competition received 666 entries this year from aspiring young songwriters across the country.



Australian Indigenous Education Foundation – empowering Indigenous youth through education

Investment:

\$303,000

AIEF was established in 2008 and brings together the government and private sector to provide scholarship funding for Indigenous students to complete Year 12 or tertiary studies, along with career support to assist their transition to employment. AIEF has grown from one scholarship student in 2008 to supporting over 1,500 young Indigenous people from over 400 communities in every state and territory of Australia.

AIEF is currently supporting over 380 students on scholarships at school and university across Australia.

AIEF maintained high retention and graduation rates in 2024, with 94% of AIEF students either continuing at school or completing Year 12. More than 95% of AIEF Alumni are engaged in employment or further studies.

This year AIEF introduced a new 'Alumni Engagement' team to improve communication between AIEF, their Alumni network, and stakeholders to widen opportunities for Alumni.



DEBRA Australia – supporting EB patients and their families

Investment:

\$315,000

DEBRA Australia improves the lives of children and adults living with a rare skin blistering disease called Epidermolysis Bullosa (EB), by providing support services, medical supplies, aids, equipment and research.

In 2024, DEBRA provided EB nursing care for 275 people at major hospitals in Sydney and Melbourne. Of those, 13 were new patients, including 3 newborns. All families were supported with hospital care, home aids and regular contact and support.

In 2024, 92% of clients surveyed agreed that DEBRA has helped to improve their quality of life. 100% of health professionals agree that DEBRA improves knowledge sharing, increases health care capacity and knowledge of EB as well as access to treatment.

DEBRA hosted its largest Family Camp/EB Symposium to date with a 40% increase in attendance on the last one in 2022. Of this, 73% of attendees were 'extremely satisfied' and would attend a future event. DEBRA's Psychology program saw a 48% increase in participant numbers, demonstrating the importance of social and emotional support for families living with the daily pressures of EB.

After DEBRA funding the specialist EB nurse in Melbourne for the last 10 years, this year the Victorian Health Department has taken carriage of funding this role. Embedding improved care for EB patients in the mainstream health system is a huge advance.



Diabetes Kids Fund – creating confidence and connection for children with diabetes

Investment:

\$315,000

Diabetes Kids Fund runs events and programs, where children living with type 1 diabetes (and their families) can learn how to confidently manage their diabetes and form connections for mutual support.

DiaBuddies Days help children living with type 1 diabetes, as well as their parents and carers, feel connected, confident and part of a community. This year, 12 DiaBuddies Days were held in New South Wales, the Australian Capital Territory, Tasmania, and Queensland, with a total of 867 attendees.

Events included family picnics and BBQs with local Lions Clubs and health services. These events provided children with the opportunity to form peer connections, while parents and carers benefited from networking with each other and healthcare professionals - fostering community support and offering families a space to share the challenges of diabetes. 98.5% of DiaBuddies participants said they would recommend the event to a friend, and 78% learnt practical coping strategies.

In addition, five online DiaBuddies workshops were held, focusing on mental health education for both children and parents. These workshops provided tools to manage the emotional challenges of living with diabetes, enhancing resilience and coping strategies. Ten support videos were produced for the DiaBuddies Facebook support group, offering ongoing resources for families to manage stress and anxiety.

A key achievement in 2024 was the second iteration of the DiaBuddies Youth Leader Program, which empowers young people with diabetes to become mentors and role models to younger children. This initiative nurtures leadership skills while providing an opportunity for youth to give back to their community and saw 12 young people participate in 2024.



Giant Steps – educating students with autism

Investment:

\$442,186

Giant Steps' specialists work together to develop high-quality education and support for hundreds of students with Autism Spectrum Disorder and complex needs.

As demand for Giant Steps' services continues to grow, so does the need for highly qualified, well trained and experienced staff. This year, Giant Steps introduced a mentoring program to help young, newly trained teachers adapt to the demands of working with high needs students. Over 3,000 hours of internal training was delivered to Giant Steps staff.

Giant Steps' Training Hub delivered 1,450 training hours to other Allied Health professionals, parents, and teachers - from over 100 organisations, who now support over 6,000 individuals. This sees Giant Steps' best practice work benefit many more children with autism or complex needs than it can directly support.

A property was purchased in Elanora Heights in October to expand operations. The site will enable much needed overnight respite services, training facilities and outreach and early intervention programs. Giant Steps aims to provide 1,000 nights of respite in 2025 and, over time, significantly increase the number of children supported.



Lighthouse Foundation – providing a place where homeless kids belong

Investment:

\$529,735

For the past thirty years, the Lighthouse Foundation has provided a stable home and round-the-clock therapeutic care to more than 1,000 young people, children and babies impacted by long-term neglect, abuse and homelessness.

In 2024, Lighthouse supported 172 children and young people at risk of homelessness, a 31% increase on 2023. Cost of living pressures and economic downturn have seen increased risk of homelessness among highly vulnerable young people including young women.

This year Lighthouse had 90% occupancy across its homes and 23 of the 24 young people who left Lighthouse care transitioned successfully to independent living or reunited with family.

Lighthouse opened another Hub Home in Keysborough. This unique model supports groups of foster families caring for young people. Their East Malvern home was refurbished to become a transitional home, as was the Glen Iris home - increasing the supply of housing for young people leaving residential care.

A new house is coming on board in Caulfield to provide kinship placement support and foster care training (in partnership with Pathways) to ensure that Jewish children in out of home care can be cared for within the Jewish community.



The Mirabel Foundation – breaking the cycle of addiction

Investment:

\$376,206

Mirabel's mission is to break the destructive cycle of addiction and disadvantage. Mirabel achieves this through support programs for more than 1,800 children who have been orphaned or abandoned due to their parents' drug use.

Mirabel provided support services to 1,652 children in 2024. This included 322 new children, an 18% increase on 2023. On average six new children were referred to Mirabel every week throughout 2024.

Mirabel assisted these vulnerable children and teens through education programs, therapeutic groups and social inclusion initiatives that connect them with other children and families.

309 children benefitted from educational support, with a focus on specialist tutoring for children with additional needs. 98% of children attending educational groups are now attending school five days per week. For teens accessing individual support, Mirabel saw an average 15% improvement in participants mental health score and a 25% increase in confidence.

1,257 families were also supported, with 94% of carers reporting Mirabel's support helped to improve their situation.



Raise Foundation – building resilience through mentoring

Investment:

\$367,837

Raise Foundation provides young people in schools across Australia with a caring, independent mentor who shows up each week, just to listen to them.

Raise Foundation provided 2,546 vulnerable young people with a trained and trusted mentor in 2024, delivering 189 mentoring programs across every state and territory (except NT). To date, over 16,000 young Australians have received a Raise mentor, and over 10,000 volunteers have been trained as youth mentors.

An independent evaluation of Raise by the University of Melbourne found a \$4.37 return on avoided costs for every \$1 invested in Raise Foundation. It also found impact in all key outcome areas for Raise mentees compared to a control group. These outcome areas include resilience and hope for the future, school belonging and engagement and asking for help.

Raise retained 46% of its mentors from 2023 in 2024, a significant achievement against the general trend of declining volunteering. 97% of mentees enjoyed taking part in Raise's programs, and over 95% of schools have requested that these programs continue in 2025.

Raise Digital, a free online mentoring program has been built and is undergoing testing. This will make Raise mentoring available anywhere and anytime for young people most at risk, including those in regional, rural, and remote areas.



Youth Off The Streets – defining young people by their potential, not their circumstances

Investment:

\$421,224

Since being founded by Father Chris Riley in 1991, Youth Off The Streets has grown to deliver a wide range of support services for young people in need.

Youth Off The Streets (YOTS) First Nations Services work to provide educational support, justice system intervention, cultural empowerment and community connection to young Aboriginal people in need. In 2024, 334 Aboriginal children and young people in Sydney and Western NSW worked with YOTS caseworkers, a 30% increase from 2023. 45 Aboriginal students were enrolled in YOTS schools, and over 500 young people received personalised support sessions in Youth Justice Detention Centres.

80% of participants supported by YOTS experienced a decrease in depression symptoms, moving from high to moderate range and 100% of participants reported an increase in overall wellness (using the Westerman Aboriginal Symptom Checklist-Youth WASC-Y).

Various events and group sessions aimed at community cohesion and cultural empowerment were held in the Central West – including in public schools and in community. In response to community need, there was a focus on mental health.

In 2025, First Nations Services will expand to Redfern, Maitland, and Blacktown – and YOTS has been requested by the President of the Youth Koori Court to help establish in the Hunter region.

Directors' Report to Shareholders

For the year ended 31 December 2024

The Directors present their report together with the financial report of Future Generation Australia for the year ended 31 December 2024. The Company was formerly known as Future Generation Investment Company Limited.

Principal Activity

The principal activity of the Company is to invest in funds managed by a number of leading Australian equity fund managers with a focus on long equities, absolute bias and market neutral investment strategies while also contributing to Australian children and youth at risk social impact partners and other not-for-profit organisations. 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 these fund managers, as well as the pro bono support of various service providers, allows the Company to invest 1.0% of its average monthly net assets each year in our social impact partners with a focus on Australian youth at risk and other not-for-profit organisations.

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 investment portfolio increased 13.0%, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.6% and the S&P/ASX Small Ordinaries Accumulation Index by 4.6% during the 12-month period to 31 December 2024. Since inception, the investment portfolio has increased 9.3% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.0% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.2% per annum. The investment portfolio's outperformance since inception has been achieved with less volatility as measured by standard deviation, 11.6% versus the S&P/ASX All Ordinaries Accumulation Index's 14.0% and the S&P/ASX Small Ordinaries Accumulation Index's 17.0%.

The investment portfolio performance contributed to the operating profit before tax of \$62.8 million for the year ended 31 December 2024 (2023: \$59.3 million) and an operating profit after tax of \$47.9 million (2023: \$45.8 million).

The pre-tax NTA for each share as at 31 December 2024 was \$1.40 (2023: \$1.33). The post-tax NTA was \$1.34 per share (2023: \$1.29). These figures are after the 6.85 cents per share in fully franked dividends paid to shareholders during the year.

The operating profit for the year 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 or loss in each period respectively. This treatment under the Accounting Standards can cause large variations in reported operating profits or losses between periods.

Operating and Financial Review (cont'd)

The operating profit or loss for each financial year is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given period. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in 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 7 to 9 of this report and in the Investment Committee Report on pages 21 to 27 of this report.

Financial position

The net asset value of the Company as at 31 December 2024 was \$547.6 million (2023: \$525.2 million).

Further information on the financial position of the Company is contained in the Chair and Chief Executive Officer's Letter on pages 7 to 9 of this report.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 31 December 2024.

Dividends

Dividends paid or declared during the year are as follows:	\$'000
2023 fully franked final dividend of 3.35 cents per share paid on 22 May 2024	13,638
2024 fully franked interim dividend of 3.5 cents per share paid on 29 October 2024	14,287

Since the end of the year, the Board declared a fully franked final dividend of 3.5 cents per share to be paid on 21 May 2025. Since inception, the Company has paid 50.0 cents per share in fully franked dividends to shareholders and 71.4 cents per share when including the value of franking credits.

Directors

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

Dr Philip Lowe	Chair and Non-Executive Director (appointed 12 March 2024)
Mike Baird AO	Non-Executive Director
Stephanie Lai	Non-Executive Director
David Leeton	Non-Executive Director
David Paradise AO	Non-Executive Director
Gabriel Radzyminski	Non-Executive Director
Kate Thorley	Non-Executive Director
Geoff Wilson AO	Non-Executive Director

Information on Directors

Dr Philip Lowe (Chair and Non-Executive Director) (appointed 12 March 2024)

Experience and expertise

Dr Philip Lowe’s career at the Reserve Bank of Australia spanned more than 43 years, culminating in the role of Governor from 2016 to September 2023. He was Chair of the Reserve Bank Board and Payments System Board, and Chair of the Council of Financial Regulators. He also chaired the Committee on the Global Financial System of the Bank for International Settlements from 2018 to 2023. Dr Lowe holds a PhD from the Massachusetts Institute of Technology and a Bachelor of Commerce (Honours and University Medal) in Economics/Econometrics from the University of New South Wales. He has authored numerous papers, including on the linkages between monetary policy and financial stability. Dr Lowe is also a director of Barrenjoey and Anika Foundation.

Dr Philip Lowe has been Chair of the Company since March 2024.

Other current listed company directorships

Dr Philip Lowe has no other current listed company directorships.

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	Chair of the Board.	Details of Dr Philip Lowe’s interests in shares of the Company are included later in this report.	None.

Stephanie Lai (Non-Executive Director)

Experience and expertise

Stephanie has over 25 years’ experience, is a Chartered Accountant and a former Transaction Services partner of Deloitte and KPMG. Stephanie has significant experience providing due diligence and advisory services, including forecast reviews, to listed entities, sovereign wealth funds, wealth managers and private equity. Stephanie has advised on numerous transactions (acquisitions/divestments, debt/equity raisings and IPOs), across a range of industries (infrastructure, property, banking, insurance, wealth management, retail and transport) and markets (Australia, UK, Europe, Asia and the US).

Stephanie is currently a non-executive director and Chair of the Audit and Risk Committee of HomeCo Daily Needs REIT, HealthCo Healthcare and Wellness REIT, and DigiCo Infrastructure REIT. Stephanie has a Bachelor of Business from the University of Technology, Sydney, and is a member of the Institute of Chartered Accountants Australia and a Graduate member of the Australian Institute of Company Directors (AICD).

Stephanie Lai has been a Director of the Company since March 2019.

Information on Directors (cont'd)

Stephanie Lai (Non-Executive Director) (cont'd)

Other current listed company directorships

Stephanie Lai is currently a director of HomeCo Daily Needs REIT (appointed October 2020), HealthCo Healthcare and Wellness REIT (appointed June 2023) and DigiCo Infrastructure REIT (appointed November 2024).

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Stephanie Lai resigned as a director from Superloop Limited in March 2023 and Abacus Storage King in September 2024.	Chair of the Audit and Risk Committee.	Details of Stephanie Lai's interests in shares of the Company are included later in this report.	None.

Mike Baird AO (Non-Executive Director)

Experience and expertise

Mike Baird is the CEO of the Susan McKinnon Foundation, working to improve Australia's public administration, supporting effective political leadership, and strengthening the nation's democratic institutions. Prior to that he was CEO of HammondCare, an independent Christian charity providing health, palliative care, dementia, and aged care services. Mike has over 30 years' experience in banking and financial services (including senior roles at NAB, Deutsche Bank and HSBC), was former NSW Treasurer and served as the 44th Premier of NSW. Mike is passionate about family, sport and looking after community's most vulnerable. Mike is Chair of Cricket Australia and sits on the Board of Future Generation Australia and KPMG. He is an ambassador for Bear Cottage and Southern Youth Family Services. Mike holds a Bachelor of Arts (Economics) from University of Sydney.

Mike Baird has been a Director of the Company since July 2022 and was the Chair of the Company from July 2022 to March 2024.

Other current listed company directorships

Mike Baird has no other current listed company directorships.

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	None.	Details of Mike Baird's interests in shares of the Company are included later in this report.	None.

Information on Directors (cont'd)

David Leeton (Non-Executive Director)

Experience and expertise

David Leeton is a senior executive of the Victor Smorgon Group (VSG). Over the past 28 years, David has been actively involved in all facets of VSG's investments and philanthropy interests. David is a co-founder of Victor Smorgon Partners, a business branch of VSG that distributes co-investment opportunities. David was formerly the CFO for the VSG for over 20 years and was responsible for the financial reporting, equity investments, financing and treasury for the group. David holds a Bachelor of Business (Banking & Finance), a Graduate Diploma in Accounting and is a fully qualified CPA.

David Leeton has been a Director of the Company since April 2015.

Other current listed company directorships

David Leeton has no other current listed company directorships.

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	Member of the Audit and Risk Committee.	Details of David Leeton's interests in shares of the Company are included later in this report.	None.

David Paradise AO (Non-Executive Director)

Experience and expertise

David Paradise founded Paradise Investment Management in 1999. Paradise Investment Management has offices in Australia and the USA and invests in equities around the world with approximately \$17 billion funds under management.

David is the Chair of the Taronga Foundation and on the Board of the Sydney Theatre Company. He supports a number of charities across a number of fields including humanitarian, the arts, environmental, and education. In 2017 he was awarded an AO for distinguished service to the community through philanthropic contributions and charitable support, and to business and commerce in the field of investment management. David holds a Bachelor of Commerce from the University of Sydney, a Diploma of Companies Directors from the Australian Institute of Companies Directors, a Diploma of Finance and Investment from the Securities Institute of Australasia and has completed the professional qualifications for the Institute of Chartered Accountants Australia. He is a Fellow member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia and the Institute of Chartered Accountants Australia.

Paradise Investment is proud to have been a seed fund manager for Future Generation Australia, as well as a fund manager for both Future Generation Global and Future Generation Woman.

David Paradise has been a Director of the Company since April 2015.

Information on Directors (cont'd)

David Paradise AO (Non-Executive Director) (cont'd)

Other current listed company directorships

David Paradise has no other current listed company directorships.

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	None.	Details of David Paradise's interests in shares of the Company are included later in this report.	Details of David Paradise's interests in contracts of the Company are included later in this report.

Gabriel Radzyninski (Non-Executive Director)

Experience and expertise

Gabriel Radzyninski is Managing Director of Sandon Capital Pty Limited, an investment management firm specialising in activist investing. Sandon Capital Pty Limited is the investment manager of Sandon Capital Activist Fund and Sandon Capital Investments Limited. Gabriel has been involved in the financial services sector for more than 26 years. Gabriel has a Bachelor of Arts (Hons) and Master of Commerce from the University of New South Wales.

Gabriel Radzyninski has been a Director of the Company since October 2013.

Other current listed company directorships

Gabriel Radzyninski is Chair of Sandon Capital Investments Limited (appointed October 2013).

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	Member of the Investment Committee.	Details of Gabriel Radzyninski's interests in shares of the Company are included later in this report.	Details of Gabriel Radzyninski's interests in contracts of the Company are included later in this report.

Kate Thorley (Non-Executive Director)

Experience and expertise

Kate Thorley has over 20 years' experience in the funds management industry and more than 25 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, director of WAM Capital Limited, WAM Leaders Limited, WAM

Information on Directors (cont'd)

Kate Thorley (Non-Executive Director) (cont'd)

Experience and expertise (cont'd)

Global Limited, WAM Microcap Limited, WAM Strategic Value Limited, WAM Research Limited, WAM Active Limited and Future Generation Global Limited. 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 CA. She is a Graduate member of the AICD (GAICD).

Kate Thorley has been a Director of the Company since April 2015.

Other current listed company directorships

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

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	Member of the Audit and Risk Committee.	Details of Kate Thorley's interests in shares of the Company are included later in this report.	None.

Geoff Wilson AO (Founder and Non-Executive Director)

Experience and expertise

Geoff Wilson has more than 45 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 Australia Limited and Future Generation Global 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 July 2014.

Other current listed company directorships

Geoff is Chair 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) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a director of Future Generation Global Limited (appointed May 2015). Geoff is a director of Staude Capital Global Value Fund Limited (appointed April 2014), Hearts and Minds Investments Limited (appointed September 2018) and WAM Alternative Assets Limited (appointed September 2020).

Information on Directors (cont'd)

Geoff Wilson AO (Founder and Non-Executive Director) (cont'd)

Former directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
None.	Chair of the Investment Committee.	Details of Geoff Wilson's interests in shares of the Company are included later in this report.	Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

Chief Executive Officer

Caroline Gurney

Caroline Gurney is Chief Executive Officer of Future Generation Australia and has more than 27 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

Jesse Hamilton

Jesse Hamilton is a Chartered Accountant with more than 17 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. Jesse is currently a non-executive Director of the Listed Investment Companies & Trusts Association, 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 Limited and Future Generation Global Limited. 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 Hamilton was appointed Company Secretary of Future Generation Australia in March 2021.

Joint Company Secretaries (cont'd)

Mark Licciardo

Mark Licciardo, of Acclime Corporate Services, has extensive experience working with Boards of ASX listed companies in the areas of corporate governance, accounting and finance and company secretarial practice. His expertise is in developing and guiding effective governance and he is considered a leader in this sector. His 40-year corporate career has encompassed executive roles in banking and finance, funds management, investment and infrastructure development. Mark was the Managing Director and founder of Mertons Corporate Services which was acquired by Acclime in 2022 and is currently Partner and Managing Director of Acclime's Listed Services division and a Non-executive Director of various public and private companies.

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:

Geoff Wilson AO (Chair)

Geoff Wilson is also a Director. Please refer to pages 42 to 43 of the Directors' Report for details of Geoff's experience and qualifications.

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 included 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.

Matthew Kidman

Matthew Kidman is Principal and Portfolio Manager of Centennial Asset Management Pty Limited. Matthew previously worked as a Portfolio Manager at Wilson Asset Management (International) Pty Limited between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between the years 1994 and 1998. In 1997, he was made Business Editor of the paper and was charged with the responsibility of company coverage. He has degrees in Law and Economics and a Graduate Diploma in Applied Finance.

Gabriel Radzyninski

Gabriel Radzyninski is also a Director. Please refer to page 41 of the Directors' Report for details of Gabriel's experience and qualifications.

David Smythe

David Smythe is a Managing Partner and joint founder of Zenith Investment Partners, the research business he established in November 2002. David has been in the investment industry for over 25 years and is heavily involved in all aspects of the Zenith business, including managing research, model portfolio construction and participation in client investment committee meetings.

Bruce Tomlinson

Bruce Tomlinson is Head of Alternative Strategies at Sunsuper in Sydney, a position he has held since October 2007. He was also a Portfolio Manager of Australian Equities at Sunsuper from 2011 to 2014. Prior to this, Bruce was a Statutory Fund Manager at AMP Capital Investors from August 1999.

Members of the Investment Committee (cont'd)

Martyn McCathie

Martyn McCathie has worked with the Investment Committee (IC) for both Future Generation Australia and Future Generation Global since inception, before formally joining the IC in 2022. Martyn has more than 22 years' experience within financial services, both domestic and overseas and is currently an Investment Specialist at Wilson Asset Management. Prior to joining Wilson Asset Management in 2015, he held several senior operational and compliance roles at a number of boutique fund managers and large custodians.

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 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 2024, no Directors' fees were paid by the Company (2023: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Australia and has been providing financial and operational support since the inception of Future Generation Australia in 2014. The Company has 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 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 Director (Emily Fuller). The costs incurred under the service agreement are \$350,000 per annum (2023: \$296,014 due to being offset by a GST adjustment of \$53,986 from prior periods as the service agreement does not incur GST).

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

	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Operating profit/(loss) after tax (\$'000)	47,928	45,834	(43,886)	79,879	33,464
Dividends declared (cents per share)	7.0	6.7	6.5	6.0	5.2
Share price (\$ per share)	1.26	1.105	1.16	1.405	1.25
NTA before tax (\$ per share)	1.40	1.33	1.27	1.52	1.32
Total Directors' remuneration (\$'000)	-	-	-	-	-
Total Executive remuneration (\$'000)*	-	-	-	46	120
Shareholders equity (\$'000)	547,589	525,182	503,798	570,264	509,530

*Executive remuneration includes remuneration paid to Louise Walsh for her services as Chief Executive Officer of Future Generation Australia until her resignation in April 2021. Caroline Gurney is remunerated for her services as Chief Executive Officer of the Company by Wilson Asset Management. The Company is charged for costs incurred under the service agreement with 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, please refer to section (b) of the remuneration report below.

Remuneration Report (Audited) (cont'd)

b) Director and Other Key Management Personnel Related Entities Remuneration

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

Geoff Wilson AO is the Chair and director of Wilson Asset Management, Investment Manager of the Wilson Asset Management Equity Fund and Wilson Asset Management Leaders Fund. Wilson Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates received from the Wilson Asset Management Equity Fund are either received in cash or are reinvested. For the 2024 financial year, the Wilson Asset Management Equity Fund paid a distribution of \$3,952,679 and rebates of \$1,208,116, and the Wilson Asset Management Leaders Fund paid a distribution of \$678,268. Future Generation Australia's investment in the Wilson Asset Management Leaders Fund is in a zero fee unit class.

Wilson Asset Management also provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has 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 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 Director. The costs incurred under the service agreement are \$350,000 per annum (2023: \$296,014 due to being offset by a GST adjustment of \$53,986 from prior periods as the service agreement does not incur GST).

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.

Gabriel Radzyminski is managing director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates from the Sandon Capital Activist Fund are either received in cash or are reinvested. For the 2024 financial year, the Sandon Capital Activist Fund paid a distribution of \$2,720,753 and rebates of \$421,888.

David Paradise AO is a director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund. Paradise Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates received from the Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund are either received in cash or are reinvested. For the 2024 financial year, the Paradise Australian Mid Cap Fund paid/declared a distribution of \$936,989 and rebates of \$313,428 and the Paradise Equity Alpha Plus Fund paid/declared a distribution of \$1,583,161 and rebates of \$304,043.

Remuneration Report (Audited) (cont'd)

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

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 2023/ balance held on appointment	Acquisitions	Disposals	Balance at 31 December 2024
Dr Philip Lowe (appointed 12 March 2024)	-	51,399	-	51,399
Stephanie Lai	104,332	100,000	-	204,332
Mike Baird AO	-	12,500	-	12,500
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzyminski	51,675	2,988	-	54,663
Kate Thorley	187,738	8,894	-	196,632
Geoff Wilson AO	9,804,523	275,046	-	10,079,569
Caroline Gurney	39,809	847	-	40,656
	11,497,441	451,674	-	11,949,115

There have been no changes in shareholdings disclosed above between 31 December 2024 and the date of this report.

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 financial year end, 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 19 of the financial statements.

– END OF REMUNERATION REPORT –

Meetings

Directors' Meetings

Director	No. eligible to attend	Attended
Dr Philip Lowe (Chair) (appointed 12 March 2024)	4	4
Stephanie Lai	5	5
Mike Baird AO	5	4
David Leeton	5	5
David Paradise AO	5	5
Gabriel Radzyminski	5	4
Kate Thorley	5	5
Geoff Wilson AO	5	5

Audit and Risk Committee Meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2024 Corporate Governance Statement available on the Company's website at futuregeninvest.com.au.

Director	No. eligible to attend	Attended
Stephanie Lai (Chair)	4	4
David Leeton	4	4
Kate Thorley	4	4

Investment Committee Meetings

Investment Committee Member	No. eligible to attend	Attended
Geoff Wilson AO (Chair)	4	3
John Coombe	4	4
Matthew Kidman	4	4
Gabriel Radzyminski	4	4
Bruce Tomlinson	4	4
Martyn McCathie	4	3

Committee member David Smythe was on extended leave throughout 2024 and was excused from Investment Committee meetings during this time.

After Balance Date Events

Since the end of the year, the Board declared a fully franked final dividend of 3.5 cents per share to be paid on 21 May 2025.

No other matters or circumstances have arisen since the end of the year 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 years.

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 market conditions. In addition, a range of non-controllable external factors including, but not limited to, economic growth rates, interest rates, exchange rates and macro-economic conditions may 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 or 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.

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 Sydney, the Company's auditor, did not perform any other non-assurance services in addition to their statutory duties for the Company. Related entities of Pitcher Partners Sydney perform taxation services for the Company on a partial pro bono basis. Details of the amounts paid to the auditors and their related parties are disclosed in Note 6 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 period 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 6 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee 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 auditory 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 to 31 December 2024 is provided on the Company's 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 51 of this Financial 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.



Dr Philip Lowe

Chair

Dated this 28th day of February 2025

**Auditor's Independence Declaration
To the Directors of Future Generation Australia Limited
ABN 97 063 935 553**

In relation to the independent audit of Future Generation Australia Limited for the year ended 31 December 2024, to the best of my knowledge and belief there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Richard King**
Partner**Pitcher Partners**
Sydney

28 February 2025

Financial Report

For the year ended 31 December 2024

This financial report is for Future Generation Australia Limited (Future Generation Australia or the Company) for the year ended 31 December 2024. The Company was formerly known as Future Generation Investment Company Limited.

Future Generation Australia is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Future Generation Australia is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 28 February 2025 by the Board of Directors.

In addition to the relevant financial information, the notes to the financial statements include a description of the accounting policies applied, and where applicable, key judgements and estimates used by management in applying these policies.

Consolidated entity disclosure statement

Future Generation Australia is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001*, no further information is required to be disclosed in the consolidated entity disclosure statement.

Statement of Comprehensive Income

For the year ended 31 December 2024

	NOTE	2024 \$'000	2023 \$'000
Investment income from ordinary activities			
Net realised and unrealised gains on financial investments		20,234	36,058
Distribution income received		42,289	22,759
Investment management and performance fee rebates	2	6,125	5,797
Interest income		562	604
		69,210	65,218
Expenses provided on a pro bono basis			
ASX annual listing fees		-	-
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
Expenses			
Social investment accrual	4	(5,692)	(5,255)
Service agreement costs	19(a)	(350)	(296)
Share registry transaction and AGM costs		(35)	(60)
Other expenses		(200)	(183)
Audit fees	6	(58)	(53)
ASX CHESS and DRP listing fees		(32)	(58)
Disbursements, mailing and printing		(63)	(33)
ASIC industry funding levy		(18)	(9)
Tax fees	6	(3)	(3)
Profit before income tax		62,759	59,268
Income tax expense	3(a)	(14,831)	(13,434)
Profit after income tax for the year attributable to members		47,928	45,834
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		47,928	45,834
Basic and diluted earnings per share			
	15	11.75 cents	11.29 cents

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2024

	NOTE	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	12	7,593	181
Trade and other receivables	7	2,333	23,897
Financial assets at fair value through profit or loss	8	566,452	522,211
Other current assets		19	19
Total current assets		576,397	546,308
Non-current assets			
Deferred tax assets	3(b)	919	842
Total non-current assets		919	842
Total assets		577,316	547,150
Liabilities			
Current liabilities			
Trade and other payables	9	408	396
Social investment accrual	4	2,959	2,645
Current tax liabilities	3(c)	9,916	6,826
Total current liabilities		13,283	9,867
Non-current liabilities			
Deferred tax liabilities	3(d)	16,444	12,101
Total non-current liabilities		16,444	12,101
Total liabilities		29,727	21,968
Net assets		547,589	525,182
Equity			
Issued capital	10	452,058	449,654
Profits reserve	11(a)	155,108	123,195
Accumulated losses	11(b)	(59,577)	(47,667)
Total equity		547,589	525,182

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2024

	NOTE	ISSUED CAPITAL \$'000	PROFITS RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2023		447,337	104,128	(47,667)	503,798
Net profit for the year		-	-	45,834	45,834
Transfer to profits reserve		-	45,834	(45,834)	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	10(b)	2,311	-	-	2,311
Shares issued via exercise of options	10(b)	6	-	-	6
Dividends paid	5(a)	-	(26,767)	-	(26,767)
Balance at 31 December 2023		449,654	123,195	(47,667)	525,182
Net profit for the year		-	-	47,928	47,928
Transfer to profits reserve	11(a)	-	59,838	(59,838)	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	10(b)	2,404	-	-	2,404
Dividends paid	5(a)	-	(27,925)	-	(27,925)
Balance at 31 December 2024		452,058	155,108	(59,577)	547,589

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2024

	NOTE	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Proceeds from sale of financial assets		67,496	41,700
Payments for purchase of financial assets		(22,212)	(20,500)
Interest income received		562	604
Rebate income received		687	513
Distribution income received		-	64
Social investment		(5,378)	(5,239)
Income tax paid		(7,475)	(4,496)
Payments for other expenses		(756)	(717)
Net GST received from ATO		9	10
Net cash provided by operating activities	13	32,933	11,939
Cash flows from financing activities			
Dividends paid to the Company's shareholders (net of Dividend Reinvestment Plan)		(25,521)	(24,456)
Shares issued via exercise of options		-	6
Net cash used in financing activities		(25,521)	(24,450)
Net increase/(decrease) in cash and cash equivalents		7,412	(12,511)
Cash and cash equivalents at the beginning of the year		181	12,692
Cash and cash equivalents at the end of the year	12	7,593	181
Non-cash operating and financing activities			
Distributions and rebate income reinvested	14	47,727	27,979
Shares issued via Dividend Reinvestment Plan	14	2,404	2,311

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1. Basis of preparation

The financial statements are general purpose financial statements, which:

- have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and *the Corporations Act 2001*;
- have been prepared on a for-profit entity basis;
- comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- have been prepared on an accruals basis (except for cash flow information) and are based on historical costs, with the exception of certain financial assets which have been measured at fair value;
- are presented in Australian dollars with all amounts in the Financial Report rounded to the nearest thousand dollars, unless otherwise indicated, in accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191;
- adopt all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There was no material impact to the financial statements; and
- do not adopt any new standards or interpretations issued but not yet effective. The impact of these standards or interpretations has been assessed and the impact has been identified as not being material.

Material and other accounting policy information adopted in the preparation of these financial statements has been included with the relevant notes to the financial statements, and where applicable key judgements and estimates used by management in applying these policies.

2. Investment income from ordinary activities

As at 31 December 2024, the investment portfolio was invested with 17 fund managers in 20 unlisted unit trusts.

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 Level 18 Fund, Vinva Australian Equities Fund, QVG Opportunities Fund, Firetrail High Conviction Fund and the Wilson Asset Management Leaders Fund.

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 2024 was \$1.6 million (2023: \$1.1 million).

The remaining investments are made in unit trusts with fund managers that normally charge management and performance fees. These fund managers have rebated the fees charged. The aggregate amount of management and performance fees rebated to the Company was \$6.1 million for the year ended 31 December 2024 (2023: \$5.8 million). Management and performance fee rebates are recognised in the Statement of Comprehensive Income on an accrual basis.

The estimated value of the other pro bono services provided to the Company for the year, including the Board and Investment Committee working on a pro bono basis, totalled \$1.8 million (2023: \$1.7 million).

3. Income tax

Current income tax expense

The current income tax expense is based on profit for the year adjusted for non-assessable or disallowed items, as well as franking credits (or imputation credits) received on franked distributions from the underlying pro bono fund managers. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date (i.e. 30% corporate tax rate). Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority in the next 12 months.

Deferred tax assets and liabilities

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 (i.e. 30% corporate tax rate). 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 and liabilities relating to temporary differences on financial assets or liabilities 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.

3. Income tax (cont'd)

Deferred tax assets and liabilities (cont'd)

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.

(a) Income tax expense

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

	2024 \$'000	2023 \$'000
Prima facie tax on profit before income tax at 30% (2023: 30%)	18,828	17,780
Franking credits gross up	1,464	1,513
Franking credits offset	(4,879)	(5,045)
Foreign tax credits gross up	22	28
Foreign tax credits offset	(74)	(92)
Over provision in prior year	(530)	(750)
Income tax expense	14,831	13,434

Effective tax rate	2024	2023
The effective tax rate reflects the benefit to the Company from franking credits received on trust distribution income during the year. The increase in the effective tax rate from the comparative year is reflective of the lower proportion of franked distribution income received from the investments with the underlying pro bono fund managers, in comparison to the operating profit before tax for the year.	23.6%	22.7%

Total income tax expense results in a change to the following:

	2024 \$'000	2023 \$'000
Current tax liability	10,565	9,810
Deferred tax liability	4,343	3,568
Deferred tax asset	(77)	56
Total income tax expense	14,831	13,434

3. Income tax (cont'd)

(b) Deferred tax assets	2024 \$'000	2023 \$'000
Capitalised share issue costs	20	39
Social investment accrual and other accruals	899	803
At reporting date	919	842

<i>Movement in deferred tax assets:</i>	2024 \$'000	2023 \$'000
Balance at the beginning of the period	842	898
Credited/(charged) to the statement of comprehensive income	77	(56)
At reporting date	919	842

(c) Current tax liabilities	2024 \$'000	2023 \$'000
Balance at the beginning of the year	6,826	1,512
Current year income tax on operating profit	10,565	9,810
Income tax paid	(7,475)	(4,496)
At reporting date	9,916	6,826

(d) Deferred tax liabilities	2024 \$'000	2023 \$'000
Income provisions	15	15
Fair value adjustments	16,429	12,086
At reporting date	16,444	12,101

<i>Movement in deferred tax liabilities:</i>	2024 \$'000	2023 \$'000
Balance at the beginning of the year	12,101	8,533
Charged to the statement of comprehensive income	4,343	3,568
At reporting date	16,444	12,101

4. Social investment

In line with its stated objectives, the Company invests a percentage of its net assets to support its social impact partners who focus on children and youth at risk, as well as other not-for-profit organisations. The social investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. All social investments are made to organisations with deductible gift recipient (DGR) status. The social investment represents a tax deduction for the Company. The annual investment by the Company in supporting Australian children and youth at risk social impact partners is detailed further in the Social Impact Report on page 30 of this report.

For the 12 months ended 31 December 2024, the amount recognised in the Statement of Comprehensive Income was \$5.7 million (2023: \$5.3 million).

4. Social investment (cont'd)

The Company paid its tenth annual social investment of \$5.4 million in 2024. The specific allocation to each social impact partner was determined by shareholder votes and directions, with the Board distributing the undirected monies between the designated social impact partners. As at 31 December 2024, the six-month accrued commitment is \$3.0 million (2023: \$2.6 million).

5. Dividends

a) Ordinary dividends paid during the year	2024 \$'000	2023 \$'000
2023 Final dividend: 3.35 cents per share fully franked paid 22 May 2024 (2022 Final dividend: 3.25 cents per share fully franked paid 24 April 2023)	13,638	13,164
2024 Interim dividend: 3.5 cents per share fully franked paid 29 October 2024 (2023 Interim dividend: 3.35 cents per share fully franked paid 27 October 2023)	14,287	13,603
	27,925	26,767
b) Dividends not recognised at year end	2024 \$'000	2023 \$'000
In addition to the above dividends, since the end of the year, the Board has declared a 3.5 cents per share fully franked final dividend which has not been recognised as a liability at the end of the financial year (2023 Final dividend: 3.35 cents per share)	14,319	13,638
c) Dividend franking account	2024 \$'000	2023 \$'000
Balance at reporting date	8,262	9,095
Adjusted for franking credits arising from: - Estimated income tax payable	9,916	6,826
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 5(b)	(6,137)	(5,845)
Adjusted franking account balance	12,041	10,076

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 from the underlying pro bono fund managers and the payment of tax on realised 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 \$16.4 million, equivalent to a fully franked dividend of 9.4 cents per share when paid (2023: \$12.1 million).

6. 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:

	2024 \$'000	2023 \$'000
Audit and review of the financial report	58	53
<i>Other services provided by a related practice of the auditor:</i>		
Taxation services	3	3
Total remuneration for audit and other assurance services	61	56

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.

7. Trade and other receivables

Trade and other receivables are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment (where applicable).

As at reporting date, trade and other receivables primarily relates to the distribution and rebate income from the underlying fund managers where settlement has not occurred at the end of the reporting period. Receivables also include GST recoverable from the Australian Taxation Office due to claimable items on expenses incurred by the Company.

	2024 \$'000	2023 \$'000
Distribution income receivable	1,443	1,821
Rebate income receivable	887	1,573
GST receivable	3	3
Redemption proceeds receivable*	-	20,500
Total trade and other receivables	2,333	23,897

*The redemption proceeds receivable in 2023 relates to the Company's partial redemption from the Wilson Asset Management Equity Fund as at 31 December 2023 and was received on 4 January 2024. The Company partially redeemed its holdings from the Wilson Asset Management Equity Fund and reinvested the proceeds into the Wilson Asset Management Leaders Fund during 2024.

8. Financial assets at fair value through profit or loss

Initial recognition and measurement

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Trade date accounting is adopted for the purchase or sale of financial assets, which is equivalent to the date that the Company commits itself to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of Comprehensive Income immediately.

8. Financial assets at fair value through profit or loss (cont'd)

Classification and subsequent measurement

Subsequent changes in fair value for financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income. Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income in the period in which they arise and form part of the Company's net profit as a result. The Company values the investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts. Refer to Note 17 for further details of this valuation technique.

Financial risk management

Information regarding the Company's exposure to financial risk management is set out in Note 16.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

	2024 \$'000	2023 \$'000
Financial assets at fair value through profit or loss	566,452	522,211

Details of the fund manager allocation and investments at market value are included in the Investment Committee Report on page 27.

9. Trade and other payables

Trade and other payables are stated at amortised cost.

As at reporting date, trade and other payables primarily relates to sundry payables, which are settled within the terms of payment offered. No interest is applicable on these accounts.

	2024 \$'000	2023 \$'000
Trade and other payables	408	396

10. Issued capital

Ordinary shares are classified as equity. Incremental costs (i.e. share issue costs) directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds raised by the Company.

(a) Paid-up capital

	2024 \$'000	2023 \$'000
409,116,676 ordinary shares fully paid (December 2023: 407,114,405)	452,058	449,654

(b) Movements in ordinary share capital

	2024 \$'000	2023 \$'000
Balance at the beginning of the year		
407,114,405 ordinary fully paid (December 2022: 405,053,153)	449,654	447,337
1,042,199 shares issued on 22 May 2024 under a Dividend Reinvestment Plan	1,203	-
960,072 shares issued on 29 October 2024 under a Dividend Reinvestment Plan	1,201	-
4,055 ordinary shares issued from the exercise of options at \$1.48 per option	-	6
1,007,041 shares issued on 24 April 2023 under a Dividend Reinvestment Plan	-	1,136
1,050,156 shares issued on 27 October 2023 under a Dividend Reinvestment Plan	-	1,175
At reporting date	452,058	449,654

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.

(c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders and share and option issues. 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 control the capital of the Company since the prior reporting period. The Company is not subject to any externally imposed capital requirements.

11. Reserves

The profits reserve is made up of amounts transferred from current period and prior year earnings ('retained earnings') that are preserved for future dividend payments to shareholders. The profits reserve is made up of both realised and unrealised amounts from the performance of the investment portfolio in each period. The profits reserve represents the ability of the Company to frank future dividend payments for shareholders, subject to the availability of franking credits.

There can be situations where the franking account balance, including franking credits generated from the receipt of franked distributions from the underlying pro bono fund managers and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).

(a) Profits reserve

	2024 \$'000	2023 \$'000
Profits reserve	155,108	123,195

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

Movement in profits reserve:

	2024 \$'000	2023 \$'000
Profits reserve		
Opening balance	123,195	104,128
Transfer of profits during the year	59,838	45,834
Final dividend paid (refer to Note 5(a))	(13,638)	(13,164)
Interim dividend paid (refer to Note 5(a))	(14,287)	(13,603)
At reporting date	155,108	123,195

(b) Accumulated losses

	2024 \$'000	2023 \$'000
Opening balance	(47,667)	(47,667)
Net profit for the year	47,928	45,834
Transfer to profits reserve	(59,838)	(45,834)
At reporting date	(59,577)	(47,667)

12. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

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

	2024 \$'000	2023 \$'000
Cash at bank	7,593	181

The weighted average interest rate for cash as at 31 December 2024 is 4.52% (2023: 4.52%). There were no term deposits held at the end of the year (2023: nil).

13. Reconciliation of profit after income tax to net cash used in operating activities

	2024 \$'000	2023 \$'000
Profit after tax for the year	47,928	45,834
Fair value gains and movements in financial assets	(22,677)	(42,837)

Change in operating assets and liabilities:

Decrease in trade and other receivables and other assets	-	31
(Increase)/decrease in deferred tax assets	(77)	56
Increase/(decrease) in trade and other payables and accruals	326	(27)
Increase in current tax liabilities	3,090	5,314
Increase in deferred tax liabilities	4,343	3,568
Net cash provided by operating activities	32,933	11,939

14. Non-cash operating and financing activities

	2024 \$'000	2023 \$'000
Distribution income reinvested	42,289	22,695
Rebate income reinvested	5,438	5,284
Shares issued via Dividend Reinvestment Plan	2,404	2,311
Total non-cash operating and financing activities	50,131	30,290

15. Earnings per share

	2024 \$'000	2023 \$'000
Profit after income tax used in the calculation of basic and diluted earnings per share	47,928	45,834

15. Earnings per share (cont'd)

(a) Basic and diluted earnings per share

	2024 cents per share	2023 cents per share
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	11.75	11.29

(b) Weighted average number of shares used as denominator

	2024 Number '000	2023 Number '000
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	407,943	405,951

For the year ended 31 December 2024, there are no outstanding securities that are potentially dilutive in nature for the Company (2023: there are no outstanding securities that are potentially dilutive in nature for the Company).

16. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including interest rate risk and price 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 of future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

The Company is not directly exposed to currency risk as all its investments are quoted in Australian dollars.

(ii) Price risk

The Company is exposed to price risk on 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 leading Australian equity fund managers with a focus on absolute bias and long equities strategies.

Sensitivity

The following table illustrates the effect on the Company's equity from possible changes in the fair value of financial assets that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30%:

Impact on profit and loss	2024 \$'000	2023 \$'000
Change in variable +/- 5% (2023: +/- 5%)	19,826	18,277
Change in variable +/- 10% (2023: +/- 10%)	39,652	36,555

16. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk

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.

	Interest bearing \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2024			
Financial assets			
Cash and cash equivalents	7,593	-	7,593
Trade and other receivables	-	2,333	2,333
Financial assets held at fair value through profit or loss	-	566,452	566,452
Total financial assets	7,593	568,785	576,378
Financial liabilities			
Trade and other payables	-	408	408
Total financial liabilities	-	408	408
Net exposure	7,593	568,377	575,970
	Interest bearing \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2023			
Financial assets			
Cash and cash equivalents	181	-	181
Trade and other receivables	-	23,897	23,897
Financial assets held at fair value through profit or loss	-	522,211	522,211
Total financial assets	181	546,108	546,289
Financial liabilities			
Trade and other payables	-	396	396
Total financial liabilities	-	396	396
Net exposure	181	545,712	545,893

16. Financial risk management (cont'd)

(a) Market risk (cont'd)

(iii) Cash flow and fair value interest rate risk (cont'd)

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 2024, 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, profit or loss after tax for the year would have been \$53,200 higher/\$53,200 lower (2023 changes of 100bps: \$1,300 higher/\$1,300 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.

The maximum exposure to credit risk in relation to trade and other receivables and cash and cash equivalents at the end of the reporting period is the carrying amount as noted in Note 7 for trade and other receivables, and Note 12 for cash and cash equivalents. None of these assets are over-due or considered to be impaired.

Credit risk is not considered to be a major risk to the Company as the cash held by the Company or in its portfolios are invested with major Australian banks and their 100% owned 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 the end of the year.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board and Investment Committee monitor the cash-flow requirements in relation to the investment portfolio taking into account upcoming dividends, tax payments, operating cash flows and investing activity.

The Company's cash receipts 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 cash outflows accordingly. As the Company's major cash outflows are investments in underlying fund managers, dividends paid to shareholders and the annual investment in Australian social impact partners with a focus on children and youth at risk, the level of these outflows are managed by the Board and Investment Committee.

Prudent liquidity risk management implies maintaining sufficient cash and redeemable investments in unit trusts. The Company's cash is held at call which mitigates liquidity risk.

16. Financial risk management (cont'd)

(c) Liquidity risk (cont'd)

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 year end date.

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
2024			
Non-derivatives			
Trade and other payables	-	408	408
Total non-derivatives	-	408	408

	Less than 1 month \$'000	1-12 months \$'000	Total contractual undiscounted cash flows \$'000
2023			
Non-derivatives			
Trade and other payables	-	396	396
Total non-derivatives	-	396	396

17. 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: *Fair Value Measurement* 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

There were no transfers between levels for recurring fair value measurements during the year.

17. Fair value measurements (cont'd)

(i) Recognised fair value measurements (cont'd)

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2024.

31 December 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL	-	566,452	-	566,452

31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL	-	522,211	-	522,211

(ii) Disclosed fair values

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

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

(iii) Valuation techniques used to determine fair values

Recurring fair value measurements

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.

18. Segment information

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

19. 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 2024 are:

Dr Philip Lowe	Chair and Non-Executive Director (appointed 12 March 2024)
Stephanie Lai	Non-Executive Director
Mike Baird AO	Non-Executive Director
David Leeton	Non-Executive Director
David Paradise AO	Non-Executive Director
Gabriel Radzyminski	Non-Executive Director
Kate Thorley	Non-Executive Director
Geoff Wilson AO	Non-Executive Director
Caroline Gurney	Chief Executive Officer

19. Key management personnel compensation (cont'd)

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 2024, no Directors' fees were paid by the Company (2023: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Australia and has been providing financial and operational support since the inception of Future Generation Australia in 2014. The Company has 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 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 Director (Emily Fuller). The costs incurred under the service agreement are \$350,000 per annum (2023: \$296,014 due to being offset by a GST adjustment of \$53,986 from prior periods as the service agreement does not incur GST).

b) Shareholdings

As at 31 December 2024, the Company's Directors and 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 2023/ balance held on appointment	Acquisitions	Disposals	Balance at 31 December 2024
Dr Philip Lowe (appointed 12 March 2024)	-	51,399	-	51,399
Stephanie Lai	104,332	100,000	-	204,332
Mike Baird AO	-	12,500	-	12,500
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	51,675	2,988	-	54,663
Kate Thorley	187,738	8,894	-	196,632
Geoff Wilson AO	9,804,523	275,046	-	10,079,569
Caroline Gurney	39,809	847	-	40,656
	11,497,441	451,674	-	11,949,115

19. Key management personnel compensation (cont'd)

b) Shareholdings (cont'd)

As at 31 December 2023, the Company's Directors and 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 2022	Acquisitions	Disposals	Balance at 31 December 2023
Stephanie Lai	104,332	-	-	104,332
Mike Baird AO	-	-	-	-
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	48,767	2,908	-	51,675
Kate Thorley	161,137	26,601	-	187,738
Geoff Wilson AO	9,804,523	-	-	9,804,523
Caroline Gurney	39,809	-	-	39,809
	11,467,932	29,509	-	11,497,441

Options held Directors and Key Management	Balance at 31 December 2022	Acquisitions	Options lapsed	Balance at 31 December 2023
Stephanie Lai	42,555	-	(42,555)	-
Mike Baird AO	-	-	-	-
David Leeton	309,364	-	(309,364)	-
David Paradise AO	1,000,000	-	(1,000,000)	-
Gabriel Radzynski	45,411	-	(45,411)	-
Kate Thorley	137,454	-	(137,454)	-
Geoff Wilson AO	8,869,260	-	(8,869,260)	-
Caroline Gurney	16,000	-	(16,000)	-
	10,420,044	-	(10,420,044)	-

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 have not, during or since the end of the financial year ended 31 December 2024, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

20. 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 Chair and director of Wilson Asset Management, Investment Manager of the Wilson Asset Management Equity Fund and the Wilson Asset Management Leaders Fund. Wilson Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates received from the Wilson Asset Management Equity Fund are either received in cash or are reinvested. For the 2024 financial year, the Wilson Asset Management Equity Fund paid a distribution of \$3,952,679 and rebates of \$1,208,116, and the Wilson Asset Management Leaders Fund paid a distribution of \$678,268. Future Generation Australia's investment in the Wilson Asset Management Leaders Fund is in a zero fee unit class.

Wilson Asset Management also provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has 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 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 Director. The costs incurred under the service agreement is \$350,000 per annum (2023: \$296,014 due to being offset by a GST adjustment of \$53,986 from prior periods as the service agreement does not incur GST).

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.

Gabriel Radzyminski is managing director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates from the Sandon Capital Activist Fund are either received in cash or are reinvested. For the 2024 financial year, the Sandon Capital Activist Fund paid a distribution of \$2,720,753 and rebates of \$421,888.

David Paradise AO is a director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund. Paradise Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions and management and performance fee rebates received from the Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund are either received in cash or are reinvested. For the 2024 financial year, the Paradise Australian Mid Cap Fund paid/declared a distribution of \$936,989 and rebates of \$313,428 and the Paradise Equity Alpha Plus Fund paid/declared a distribution of \$1,583,161 and rebates of \$304,043.

Matthew Kidman is Principal and Portfolio Manager of Centennial Asset Management Pty Limited, Investment Manager of The Level 18 Fund. Centennial Asset Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Distributions from The Level 18 Fund are either received in cash or are reinvested. For the 2024 financial year, the Level 18 Fund paid a distribution of \$1,302,849. Future Generation Australia's investment in the Level 18 Fund is in a zero fee unit class.

21. Contingencies

The Company had no contingent liabilities at 31 December 2024 (2023: nil).

22. Commitments

The Company invests a percentage of its net assets each year to support its social impact partners who focus on children and youth at risk, as well as other not-for-profit organisations, under the terms outlined in the Prospectus dated 7 July 2014. The social investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. As at 31 December 2024, the accrued commitment is \$3.0 million (2023: \$2.6 million). For further information, refer to Note 4.

23. Events occurring after the reporting period

Since the end of the year, the Board declared a fully franked final dividend of 3.5 cents per share to be paid on 21 May 2025.

No other matters or circumstances have arisen since year end 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 Australia Limited declare that:

- 1) The financial statements as set out in pages 53 to 75 and the additional disclosures included in the Directors' Report designated as 'Remuneration Report', as set out on pages 45 to 47 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 1 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 2024 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date.
- 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 purposes of the *Corporations Act 2001*.
- 4) The consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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



Dr Philip Lowe
Chair

Dated this 28th day of February 2025

**Independent Auditor's Report
To the Members of Future Generation Australia Limited
ABN 97 063 935 553****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Future Generation Australia Limited ("the Company"), which comprises the statement of financial position as at 31 December 2024, 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 material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of Future Generation Australia 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 2024 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 in 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 period. 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.

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
Existence and Valuation of Financial Assets Refer to Note 8: Financial Assets at Fair Value through Profit or Loss	
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. 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. The Company's investments are considered to be non-complex in nature with fair value based on readily observable inputs. Consequently, these are classified as "Level 2" investments under Australian Accounting Standards (i.e., where key inputs to the valuation are based on observable inputs).	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the investment management processes and controls; ▪ Reviewing and evaluating the independent auditor's 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 auditor's report relates to and obtaining a bridging letter and confirmation; ▪ Agreeing a sample of investment holdings to investment holding statements from fund managers or trustees of the investee entities; ▪ Assessing valuation of investments, on a sample basis, 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: ○ Recalculating the net asset value and comparing it to the reported unit price; ○ Considering the appropriateness of accounting policies; and ○ Confirming that the audit opinions on 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 2024, but does not include the financial report and our auditor's report thereon.

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:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the Directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability 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.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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 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 45 to 47 of the Directors' Report for the year ended 31 December 2024. In our opinion, the Remuneration Report of Future Generation Australia Limited, for the year ended 31 December 2024, 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.



Richard King
Partner



Pitcher Partners
Sydney

28 February 2025

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 2025)

There are currently no substantial shareholders.

On-market buy back (as at 31 January 2025)

There is no current on-market buy back.

Distribution of shareholders (as at 31 January 2025)

Category	Number of shareholders	% of issued capital held
1 - 1,000	1,053	0.1%
1,001 - 5,000	1,162	0.8%
5,001 - 10,000	986	1.9%
10,001 - 100,000	3,893	33.2%
100,001 and over	558	64.0%
	7,652	100.0%

The number of shareholdings held in less than marketable parcels is 579.

Twenty largest shareholders – Ordinary shares (as at 31 January 2025)

Name	Number of ordinary shares held	% of issued capital held
HSBC Custody Nominees (Australia) Limited	38,226,370	9.3%
Netwealth Investments Limited	27,741,121	6.8%
Entities Associated With Geoff Wilson	10,079,569	2.5%
The Ian Potter Foundation Limited	9,660,000	2.4%
Mr NB Debenham & Mrs AC Debenham	9,419,239	2.3%
Clurname Pty Limited	7,018,835	1.7%
BNP Paribas Nominees Pty Limited	5,472,065	1.3%
MIFF Pty Limited	3,219,000	0.8%
Ms CB Millett & Ms JM Donnellan	2,737,224	0.7%
Ms R Wester & Mr J Webster	2,717,215	0.7%
Melbourne Business School Limited	2,000,000	0.5%
Giant Steps Sydney Endowment Fund Pty Limited	1,850,062	0.5%
Mr KJ Cairns & Mrs CV Cairns	1,750,000	0.4%
Callippic Capital Pty Limited	1,750,000	0.4%
Steve Anthony & Co Pty Limited	1,503,065	0.4%
Jontra Holdings Pty Limited	1,500,000	0.4%
Planet Red Pty Limited	1,285,000	0.3%
Mr P M Edwards & Mr D G Leeton	1,279,192	0.3%
Victor Smorgon Institute At Epworth Pty Limited	1,265,456	0.3%
Castrey Pty Limited	1,230,224	0.3%
	131,703,637	32.3%

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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Glossary

Term	Definition
Active weight	Measures the difference in allocation of an individual security or portfolio segment between the investment portfolio and the S&P/ASX All Ordinaries Index.
Benchmark	A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market.
Capture ratio	Measures the performance of an investment during upward and downward market trends with respect to the S&P/ASX All Ordinaries Accumulation Index.
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 Australia investment portfolio and the S&P/ASX All Ordinaries Index.
Dividend coverage	Dividend coverage represents the number of years the Company can maintain the current full year dividend payment paid semi-annually from the current level of profits reserve. <i>This is calculated as follows: Profits reserve ÷ annual dividend amount</i>
Dividend yield	The annual dividend amount expressed as a percentage of the share price at a certain point in time. <i>This is calculated as follows: Annual dividend amount per share ÷ share price</i>
Drawdown	Refers to a decline in performance during a period.
Franking credits	Franking credits (also known as imputation credits) are tax credits attached to franked dividends that companies distribute to their shareholders. These credits represent the tax the company has already paid on its profits, which helps to avoid double taxation of those profits once distributed to shareholders. Shareholders can use franking credits to offset their income tax liabilities.
Grossed-up dividend yield	Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is fully franked. <i>This is calculated as follows: Annual dividend yield % ÷ (1 – the corporate tax rate of 30.0%)</i>
Investment portfolio performance	Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees and taxes, to compare to the relevant benchmark which is before expenses, fees and taxes.
Listed investment company (LIC)	LICs are corporate entities in a 'company' structure providing a permanent and stable closed-end pool of capital, established for the purpose of investing in a portfolio of securities or investments on behalf of shareholders. LICs are listed on an exchange, which in Australia is primarily the Australian Securities Exchange (ASX). Each company on the ASX has a ASX code, also known as a 'ticker'.
Net tangible assets (NTA)	The aggregate of a company's assets (i.e. cash and investments) less its liabilities and current and deferred income tax. The NTA represents the value of the company and is announced on the ASX to shareholders each month.
NTA before tax	The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company (i.e. cash and investments) less any

Term	Definition
	associated liabilities excluding tax and is the most comparable figure for a LIC to an exchange traded fund (ETF) or managed fund.
NTA after tax	The NTA of a company, inclusive of current and deferred income tax assets or liabilities.
Profits reserve	The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments. The profits reserve forms part of the NTA of the company and is invested with the underlying pro bono fund managers. The profits reserve is an accounting entry only that quarantines the profits of the LIC for future dividend payments. We convert the profits reserve into dividend years coverage for ease of seeing how sustainable the current dividend amount is. The ability to frank a dividend is dependent on the availability of franking credits, which are generated from the receipt of franked distributions from the underlying pro bono fund managers and the payment of tax on realised profits. There can be situations where the franking account balance, including franking credits generated from the receipt of franked distributions from the underlying pro bono fund managers and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).
Share price premium or discount	LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA. <i>This is calculated as follows: $(\text{Share price} - \text{NTA before tax}) \div \text{NTA before tax}$</i>
S&P/ASX All Ordinaries Accumulation Index	The S&P/ASX All Ordinaries Accumulation Index tracks the 500 largest companies listed on the ASX according to their market capitalisation. This Index assumes that dividends are reinvested and measures both growth and dividend income.
S&P/ASX Small Ordinaries Accumulation Index	The S&P/ASX Small Ordinaries Accumulation Index is comprised of companies included the S&P/ASX 300 Index, but not on the S&P/ASX 100 Index. This Index assumes that dividends are reinvested and measures both growth and dividend income. The S&P/ASX Small Ordinaries Accumulation Index is used as a benchmark for small-cap Australian equity portfolios.
Three key measures of a LIC's performance	The three key measures crucial to the evaluation of a LIC's performance are: investment portfolio performance, NTA growth and total shareholder return.
Total shareholder return (TSR)	Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders. <i>This is calculated as follows:</i> <i>$(\text{Closing share price} - \text{starting share price} + \text{dividends paid} + \text{franking credits}) \div \text{starting share price}$</i> <i>Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.</i>
Volatility	Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured by standard deviation, and can be thought of as an assessment of the risk in the investment portfolio. In most cases, the higher the volatility, the riskier the investment.

