

Dear Fellow Shareholder,

In August, Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG) announced their half year results, fully franked dividends and a combined 2019 social investment of \$9.5 million to be made in October this year.

Future Generation Australia announced an increased interim fully franked dividend of 2.4 cents per share and a record \$4.6 million investment in charities focused on children and youth at risk.

Future Generation Global announced an increased fully franked dividend of 1.5 cents per share, representing a 50.0% increase on the prior year. Future Generation Global will invest a record \$4.9 million in charities focused on youth mental health.

Both fully franked dividends will be paid on 25 October 2019 and will trade ex-dividend on 11 October 2019.

During August, the Future Generation Australia investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 1.6% as the Index fell 2.2%. The Future Generation Global investment portfolio decreased 0.3% for the month, while the MSCI AC World Index (AUD) fell 0.1%.

Since inception, Future Generation Australia's investment portfolio has increased 9.4% per annum and Future Generation Global's investment portfolio has increased 9.7% per annum. This performance has been achieved with less volatility than their respective indices, as measured by standard deviation. The spread between the broad equities strategies is currently 45.3% long equities, 31.4% absolute bias, 12.4% market neutral and 10.9% cash for Future Generation Australia and 53.7% long equities, 34.5% absolute bias and 11.8% cash for Future Generation Global.

Future Generation Australia and Future Generation Global are currently trading at attractive discounts to net tangible assets (NTA) of 10.8%* and 7.5%** respectively. I believe these discounts will close as the solid track records of risk adjusted performance continue and the fully franked dividends increase over time.

Join us on **Tuesday 17 September at 4:00pm** (Sydney time) for our semi-annual Investor Conference Call. Founder and Director Geoff Wilson AO and I will discuss the recent half year results and provide an update on the Future Generation companies. We will be joined by Future Generation Australia pro bono fund manager LHC Capital director Marcus Hughes and Future Generation Global pro bono fund manager Ellerston Capital co-portfolio manager Bill Pridham. Dial-in details are below:

Australia dial-in number: 1300 254 410

International dial-in number: +61 3 8687 0634

Access code: 3013976

Registrations are now live for our Future Generation Shareholder Presentations! We will be travelling to nine cities around the country in November to meet with our shareholders. Reserve your tickets [here](#). We look forward to seeing you there! We will also be hosting the Future Generation Investment Forum in Melbourne on Thursday 28 November, where eight of our leading Australian and global fund managers present their top stock picks. Register now for the Investment Forum [here](#).

Kind regards,

Louise Walsh
Chief Executive Officer



*Based on 12 September 2019 share price of \$1.12 per share.
**Based on 12 September 2019 share price of \$1.32 per share.

\$30.6m

SOCIAL
INVESTMENT
TO 2019



\$4.6m

Future
Generation
Australia 2019

\$4.9m

Future
Generation
Global 2019

**2019 total social
investment**

\$9.5m

**2019 annualised
management fees,
performance fees
and services forgone**

\$12.8m

**Total fees
forgone since
inception to 2019**

\$54.0m

Investment portfolio performance

Net tangible assets before tax	Gross assets	Performance (pa since Sept 2014)
125.59c	\$504.4m	9.4%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation*	Volatility**
125.18c	\$439.0m	7.5% S&P/ASX All Ordinaries Accumulation Index: 11.0%
Net tangible assets after tax	2019 annualised fully franked interim dividend	Fully franked dividend yield
123.07c	4.8c	4.3%

*Based on the 30 August 2019 share price of \$1.105 per share and 397,295,489 shares on issue.

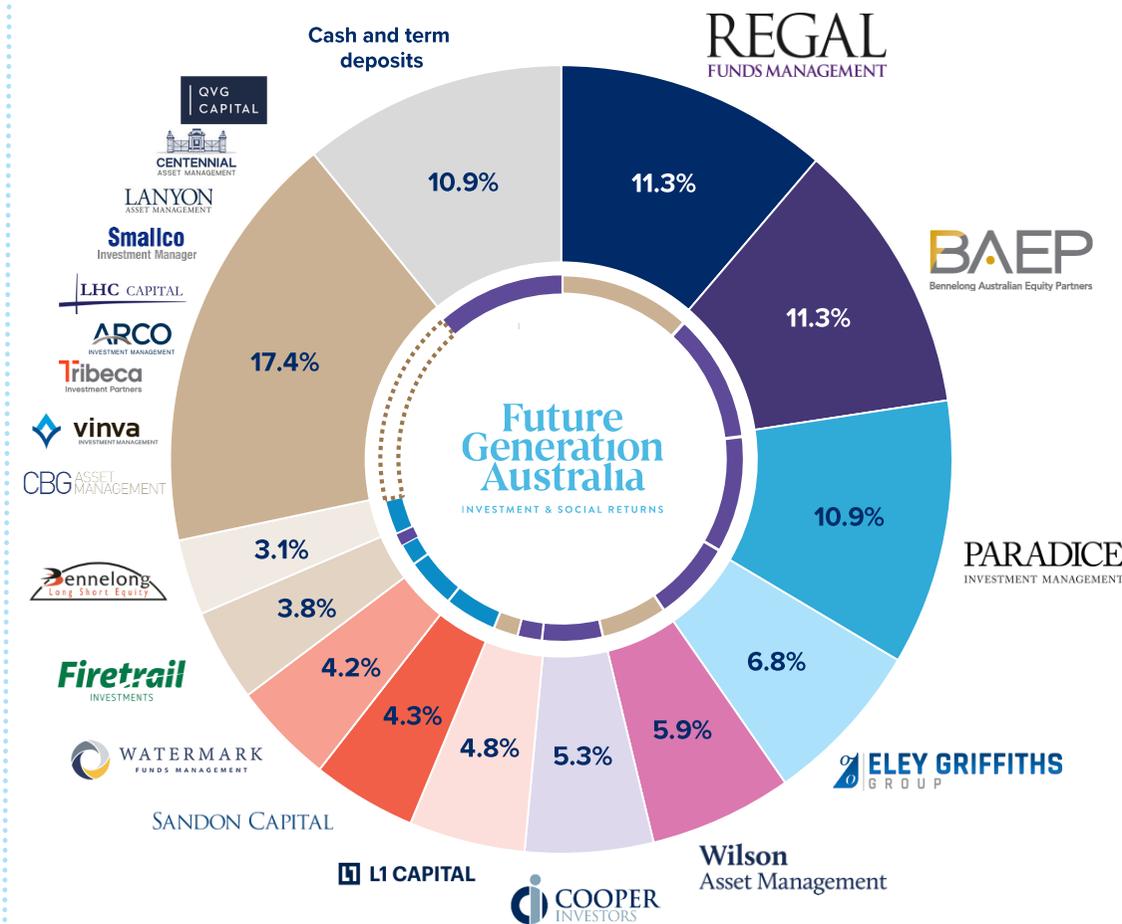
**Volatility is measured by standard deviation.

Performance at 31 August 2019	6 mths	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	7.9%	16.4%	3.2%	8.7%	9.4%
S&P/ASX All Ordinaries Accumulation Index	9.3%	20.6%	8.6%	11.1%	8.1%

Investment performance and index returns are before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



17.4% fund manager breakdown

CBG Asset Management	2.5%	Centennial Asset Management	1.6%
LHC Capital	2.5%	Smallco Investment Manager	1.5%
Vinva Investment Management	2.5%	QVG Capital	1.2%
Tribeca Investment Partners	2.4%	Lanyon Asset Management	0.9%
ARCO Investment Management	2.3%		

Long equities	45.3%
Absolute bias	31.4%
Market neutral	12.4%
Cash	10.9%

Investment portfolio performance

Net tangible assets before tax	Gross assets	Performance (pa since Sept 2015)
142.74c	\$565.1m	9.7%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [*]
142.49c	\$509.3m	8.4% MSCI AC World Index (AUD): 10.2%
Net tangible assets after tax	2019 fully franked dividend	ESG aware [^] (of the portfolio)
135.86c	1.5c	98.0%

[#]Based on the 30 August 2019 share price of \$1.30 per share and 391,791,594 shares on issue.

^{*}Volatility is measured by standard deviation.

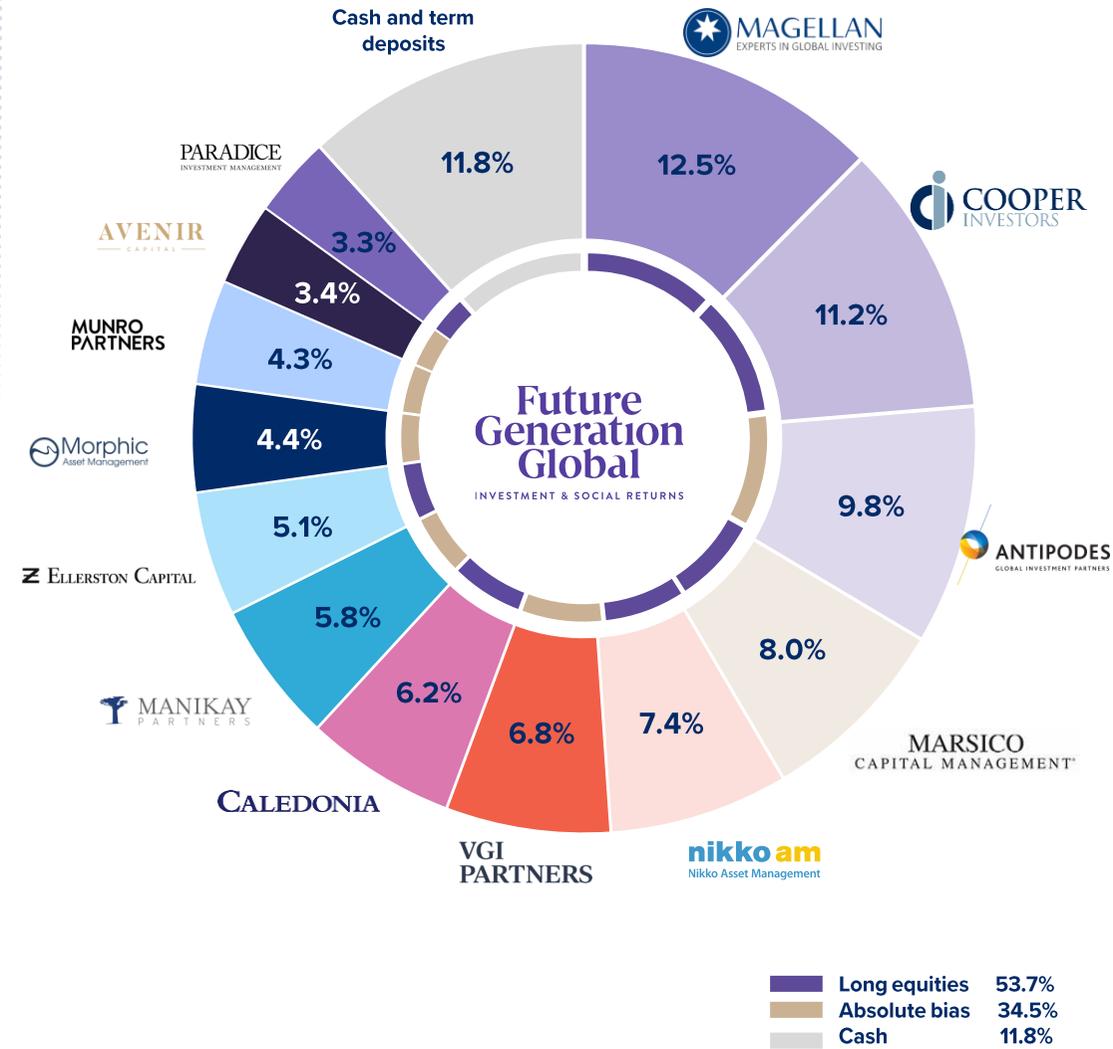
[^]Based on the 2018 Annual Report.

Performance at 31 August 2019	6 mths	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	7.3%	14.5%	5.1%	12.7%	9.7%
MSCI AC World Index (AUD)	8.4%	19.1%	6.5%	13.3%	10.4%

Investment performance and index returns are before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



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

Future Generation Australia fund managers:



Future Generation Global fund managers:



Fund manager in focus:



About us

Nikko Asset Management Australia offers investors the benefits of extensive global resources combined with the local expertise and longstanding experience of our Sydney-based investment teams, with a history dating back to 1989. Nikko Asset Management Australia is owned by Tokyo-based Nikko Asset Management Company Limited, one of Asia's largest asset managers.

Our investment style

The Global Equity strategy is a concentrated, high conviction portfolio comprised of 40 to 50 stocks. The Global Equity strategy seeks to achieve long term capital appreciation by investing in 'Future Quality' companies with sustainable growth characteristics at attractive valuations which will lead to outperformance over the full market cycle. It is a fundamental, bottom-up research strategy, where we examine sector and country allocations as a function of stock selection.

Our market outlook

Despite the strength of equity markets this year, we continue to find reasonably valued businesses. We are currently looking at companies that have made themselves indispensable to their customers, and who typically offer mission-critical equipment and services to their customers. The recent addition of Woodward Inc. (NASDAQ: WWD) is a great example of this. WWD's efficient core systems and mechanical engine components have led to long-standing relationships with all of the dominant players in the field, including Boeing, Airbus, Caterpillar and GE.

Nikko AM Global Share Fund performance

Performance at 31 August 2019	1 yr	3 yrs %pa	10 yrs %pa	Since inception %pa (Nov-95)
Nikko AM Global Share Fund	11.7%	18.4%	14.1%	8.2%
MSCI All Countries World Index	7.0%	13.2%	11.6%	6.8%
Outperformance	+4.7%	+5.2%	+2.5%	+1.4%

Investment portfolio performance is before all fees and taxes.

Why we support Future Generation

Nikko AM strongly believes that considering environmental, social and governance (ESG) factors is inherent to long-term corporate value creation, and contributes to the realisation of our company's sustainable growth. Supporting Future Generation aligns with our core company values and support of the UN's Sustainable Development Goals. We believe that giving back to society is a key function of a fiduciary and we are honoured to playing a part in ensuring a bright future for the next generation.

Top five stocks in alphabetical order



For more information, visit nikkoam.com.au

Charity in focus:



**Future
Generation
Global**

About Orygen

Orygen is leading the revolution in youth mental health. Established in 2002, Orygen is widely regarded as one of the world's leading research organisations focusing on mental ill-health in young people. Orygen has driven a shift in services and treatments to focus on early intervention.

Orygen and Future Generation Global

Funding from Future Generation Global supports a number of initiatives at Orygen such as the publication of a world-first review of youth-specific interventions that analyses where gaps exist in current services, and provides a roadmap for future research, policy and investment.

For a third year, Future Generation Global also helped fund a community forum with average attendance of more than 100 community members including staff and students from 19 different schools across North-West Melbourne.

The support also went towards the development of #chatsafe, which are guidelines for young people on how to talk safely online about suicide. The guidelines were co-designed by young people and suicide prevention experts and include information on where young people can access support in their local area. The #chatsafe guidelines have been downloaded over 15,000 times.

Future Generation Global's initial investment allowed Orygen to improve clinical care for those presenting to Emergency Departments (ED) North-West Melbourne with self-harm injuries, by monitoring triage data and supporting ED staff through the provision of regular best-practice training.

Q&A with the Associate Professor Rosemary Purcell, Director of Research & Translation at Orygen



What is your driving motivation in your current role?

I'm driven by two over-arching goals. The first is to help our researchers to conduct world-first studies to better understand why some young people develop mental health problems and to devise the best approaches to prevent or treat these problems. The second, and more challenging goal, is to translate the evidence in such a way that it can be used by a range of people or services to improve the outcomes for young people with mental ill-health and their families.

What is the most challenging aspect of your role?

Orygen's research program is large, ambitious and very comprehensive. We want to make a difference at the individual client and family level, as well as to mental health services and service systems. Our research encompasses different types of studies (e.g. treatment trials, epidemiology, neuroscience) for a range of mental health problems affecting young people, such as depression and anxiety, psychosis, substance use, self-harm and suicide. Obtaining the funding that's required to sustain, let alone grow, is the most challenging aspect of my role.

What does it mean to have the support of Future Generation?

Future Generation Global's support is invaluable on a number of levels. The financial support is enabling us to conduct major suicide prevention research, which is critical given that suicide is the leading cause of death in young Australians. Through Future Generation Global, we also benefit from 'people support', such as having access to advice and mentorship from leaders such as Louise Walsh. Knowing that Future Generation Global is focusing on youth mental health gives our organisation great confidence that other leaders understand the value of investing in early intervention.

For more information, visit orygen.org.au

Our designated charities



And thank you to our pro bono service providers

