

Dear Fellow Shareholder,

On 11 October 2019, both Future Generation Australia and Future Generation Global commenced trading ex-dividend. A company's share price tends to fall after this date by an amount equal to the dividend and sometimes by more than the dividend due to the perceived value of the franking credits. Both fully franked dividends will be paid on 25 October 2019 and the last election date for the dividend reinvestment plans is 16 October 2019.

During September, the Future Generation Australia investment portfolio increased 1.6% as the S&P/ASX All Ordinaries Accumulation Index rose 2.1%. The Future Generation Global investment portfolio declined 0.1% for the month, while the MSCI AC World Index (AUD) increased 1.8%.

Since inception, Future Generation Australia's investment portfolio has increased 9.6% per annum and Future Generation Global's investment portfolio has increased 9.4% 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 45.6% long equities, 31.5% absolute bias, 9.9% market neutral and 13.0% cash for Future Generation Australia, and 53.3% long equities, 34.9% 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 11.0%* and 10.5%** respectively. I have been calling the shareholder registers of both companies recently to answer any questions and discuss the positive outlook.

The Future Generation Investment Forum will be held in Melbourne on Thursday 28 November 2019, where an exciting line-up of our Australian and global fund managers will present their high-conviction investment ideas. Register now for the Investment Forum [here](#).

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!

Kind regards,
Louise Walsh
Chief Executive Officer



*Based on 11 October 2019 share price of \$1.135 per share.
**Based on 11 October 2019 share price of \$1.275 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

The below NTA figures are before the fully franked interim dividend of 2.4 cents per share due to be paid on 25 October 2019. The shares traded ex-dividend on 11 October 2019.

Net tangible assets before tax	Gross assets	Performance (pa since Sept 2014)
127.49c	\$512.4m	9.6%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation*	Volatility**
127.22c	\$452.9m	7.4% S&P/ASX All Ordinaries Accumulation Index: 10.9%
Net tangible assets after tax	2019 annualised fully franked interim dividend	Fully franked dividend yield
124.40c	4.8c	4.2%

*Based on the 30 September 2019 share price of \$1.14 per share and 397,295,489 shares on issue.

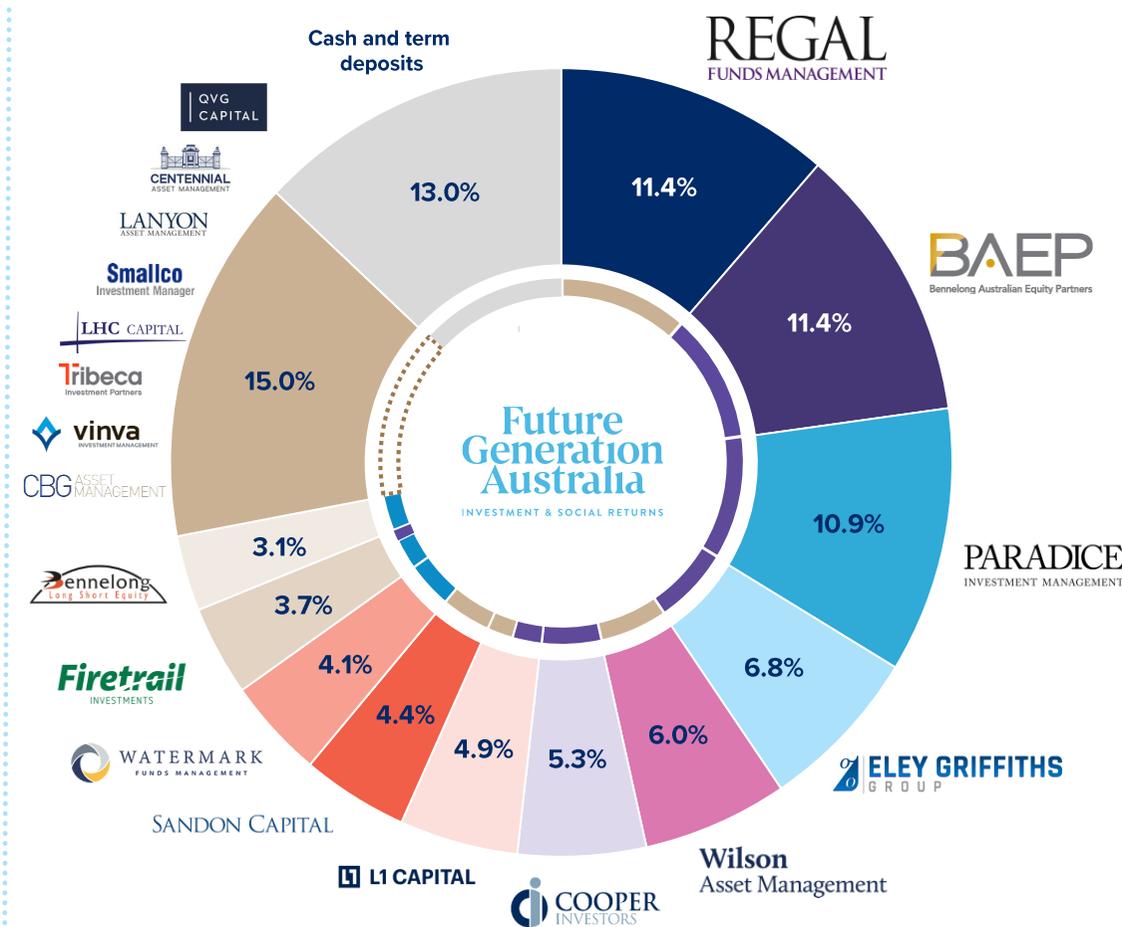
**Volatility is measured by standard deviation.

Performance at 30 September 2019	6 mths	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	9.4%	18.2%	5.2%	9.1%	9.6%
S&P/ASX All Ordinaries Accumulation Index	10.9%	23.1%	12.1%	11.7%	8.5%

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

Fund manager allocations

0% management fees
0% performance fees



15.0% fund manager breakdown

CBG Asset Management	2.6%	Centennial Asset Management	1.5%	Long equities	45.6%
Vinva Investment Management	2.5%	Smallco Investment Manager	1.5%	Absolute bias	31.5%
LHC Capital	2.3%	QVG Capital	1.3%	Market neutral	9.9%
Tribeca Investment Partners	2.3%	Lanyon Asset Management	1.0%	Cash	13.0%

During the month, Future Generation Australia redeemed its holding in the ARCO Investment Management Absolute Trust. The proceeds from the redemption are included in the cash and term deposits balance at the end of the month.

Investment portfolio performance

The below NTA figures are before the fully franked 2019 dividend of 1.5 cents per share due to be paid on 25 October 2019. The shares traded ex-dividend on 11 October 2019.

Net tangible assets before tax	Gross assets	Performance (pa since Sept 2015)
142.41c	\$564.3m	9.4%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation[#]	Volatility[*]
141.92c	\$509.3m	8.4% MSCI AC World Index (AUD): 10.1%
Net tangible assets after tax	2019 fully franked dividend	ESG aware[^] (of the portfolio)
135.38c	1.5c	98.0%

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

^{*}Volatility is measured by standard deviation.

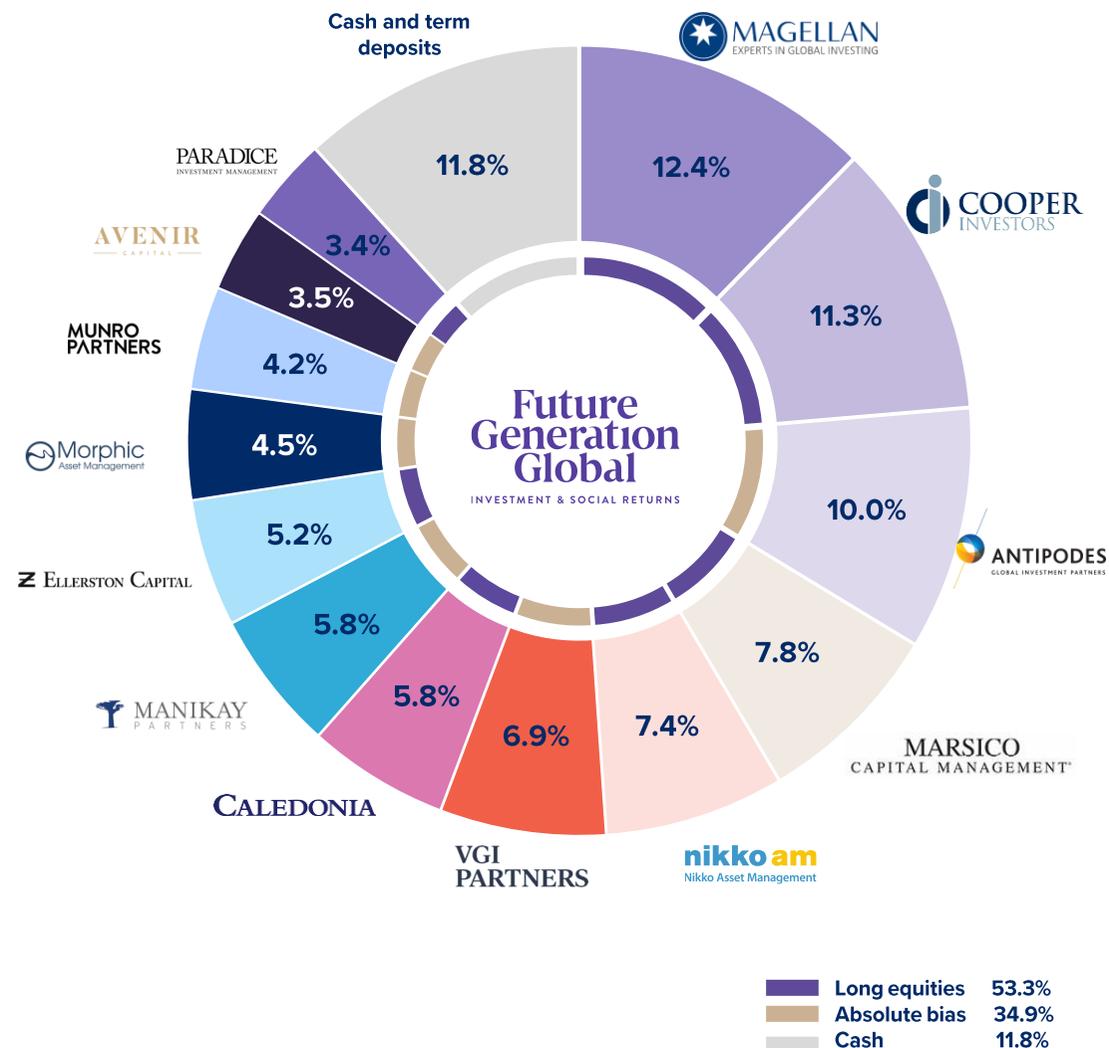
[^]Based on the 2018 Annual Report.

Performance at 30 September 2019	6 mths	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	7.3%	14.3%	5.5%	13.0%	9.4%
MSCI AC World Index (AUD)	8.9%	21.3%	8.7%	14.5%	10.6%

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:

VGI PARTNERS

About us

VGI Partners is a high-conviction global fund manager, with a 16-person investment team based in Sydney, New York and Tokyo. Since inception in 2008, VGI Partners has run a single global strategy, with our AUD Master Fund tracking at a compound annual net return of +15.2% since launch. We are currently establishing a second investment strategy that applies the VGI Partners' investment philosophy to Asian equities. The Asian strategy will be accessible solely through a new Australian Securities Exchange (ASX) listed investment company which is scheduled to list on the ASX in November 2019. Across both the global and Asian strategies, VGI Partners focuses on businesses that we understand and where we believe we possess insights not appreciated by the broader market.

Our investment style

VGI Partners believes that a long-term investment horizon provides a competitive advantage in an investment world which is increasingly focused on the short term. We place a great deal of importance on assessing downside risk and attempt to know as much about our portfolio companies as possible and believe this will enable us to prevent permanent loss of capital. We also aim to selectively short companies that we have identified to be structurally weak and vulnerable to material price declines. We aim to produce superior long-term compound growth by seeking out and investing in the best businesses in the world and aim to invest in a relatively small number of high-quality stocks (with about 10 to 15 core positions in the global strategy at any time). VGI Partners believes that diversification preserves wealth, while concentration builds wealth.

What does a great company look like?

A great company has a simple and easy to understand business model. Never invest in an idea you can't explain in relatively simple terms. It is dominant in its industry with a sustainable competitive advantage and has been through periods of recession and emerged stronger. The company should have superior returns on capital achieved through high margins and relatively low capital reinvestment requirements, therefore able to pass on the benefits to shareholders in the form of share buybacks and dividends. A great company also generates significant cash flow and has a strong balance sheet with sensible gearing levels. The management of the company should have a proven track record of outstanding performance and display honesty, intelligence and integrity.

VGI Partners Master Fund performance

Performance at 30 September 2019	1 yr	3 yrs %pa	5 yrs %pa
VGI Partners Master Fund	9.3%	14.3%	16.6%

Investment portfolio performance is shown after all applicable fees.

Why we support Future Generation Global

VGI Partners is proud to be a founding fund manager for Future Generation Global. We are delighted that Future Generation Global is providing an income stream for high-impact charities working to better the lives of young Australians affected by mental illness.

For more information, visit vgipartners.com

Charity in focus:



About Youth Off The Streets

Youth Off The Streets is a non-denominational community organisation supporting disadvantaged young people who may be homeless, drug dependent and/or recovering from abuse.

Youth Off The Streets supports these young people as they work to turn their lives around and participate in a high school education and full or part time employment.

Youth Off The Streets and Future Generation Australia

Funding from Future Generation Australia supports the Youth Off The Streets Aboriginal Cultural Connections program, which is designed to teach traditional Aboriginal practices in a modern setting to help young people become active contributors to family, community and society. The program also delivers mentoring to Aboriginal youth, individually and in small groups, to provide much needed support to those at risk.

In the past 12 months, the program has engaged with over 250 disadvantaged youths in South West and Western Sydney, introducing them to Aboriginal culture through the delivery of Aboriginal arts workshops, young men's groups and music workshops.

Q&A with the Aboriginal Cultural Advisor, Tyson Birtles



What is your driving motivation in your current role?

As a Cultural Advisor at Youth Off The Streets, my driving motivation is to be able to share culture with Aboriginal young people that are at risk of harm. That really motivates me as someone who was given a journey through Aboriginal nature law myself, I want to make the experience as authentic as possible for young people.

Many young people do not understand that engaging in Aboriginal culture can be therapeutic and good for the spirit. Through trauma informed care, the Cultural Connections Program focuses on the therapeutic benefits of connecting with culture and the land.

What is the most challenging aspect of your role?

The most challenging part of my role is trying to get the broader Australian community to embrace the Aboriginal culture. It is all about trying to find those connections and similarities between people and different cultures so that they can feel connected and know that deep down we are all the same.

We want non-Indigenous people to understand that they are invited to partake in our culture. For example, when facilitating smoking ceremonies at events I always explain that it is a ceremony for everyone to enjoy and to have the opportunity to connect to the land.

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

Funding from Future Generation Australia is integral to support the Cultural Connections program. Without them we would not be able to fund the resources necessary to make the program successful. Whether it is having the resources myself as cultural advisor to facilitate these programs or whether it's funding to allow external cultural facilitators to come in and share culture with our young people, it is all crucial.

For more information, visit youthoffthestreets.com.au

Our designated charities



Our pro bono service providers

