

Dear Fellow Shareholder,

**Investment portfolio performance**

In March, the Future Generation Australia (ASX: FGX) investment portfolio increased 1.2%\* and the Future Generation Global (ASX: FGG) investment portfolio increased 0.8%\*. The S&P/ASX All Ordinaries Accumulation Index rose 1.8% and the MSCI AC World Index (AUD) increased 4.1% during the month.

Since inception, the FGX investment portfolio has increased 9.9%\* per annum and the FGG investment portfolio has increased 11.1%\* per annum, outperforming their respective benchmarks. The investment portfolios' outperformance has been achieved with less volatility than their indexes, as measured by standard deviation.

**Future Generation Australia fully franked dividend**

On 25 February 2021, the Future Generation Australia Board of Directors announced a fully franked final dividend of 2.6 cents per share, bringing the fully franked full year dividend to 5.2 cents per share, an increase of 4.0% on the previous year. The dividend will be paid on 26 April 2021 and Future Generation Australia shares traded ex-dividend today, 14 April 2021.

Future Generation Australia shareholders are eligible to participate in the Dividend Reinvestment Plan (DRP) and the Dividend Donation Plan (DDP). The last election date for the DRP and the DDP will be on 19 April 2021.

**Future Generation Investment Insights**

In April, we launched *Future Generation Investment Insights*, a weekly collection of the latest investment ideas and market updates from our pro bono fund manager partners. [Subscribe](#) to receive weekly insights from leading Australian and global fund managers.

**Management update**

After almost six years, I will be stepping down as Chief Executive Officer (CEO) of Future Generation Australia and Future Generation Global on 16 April 2021. I would like to thank our shareholders for their continued support and our pro bono fund managers for their outstanding performance and generosity. I would also like to thank both Boards of Directors, led by Belinda Hutchinson AC and Jonathan Trollip, and the committee members, for their support. I would like to extend my gratitude to Founder and Director Geoff Wilson AO for the opportunity, and the entire Wilson Asset Management team for their work for both companies.

Future Generation Australia and Future Generation Global Director and Wilson Asset Management CEO Kate Thorley will assume the role of Acting CEO until a permanent CEO is appointed. As a shareholder, I look forward to the next phase in the growth of the companies.

Best wishes,



Louise Walsh  
Chief Executive Officer



\*Investment portfolio performance and Index returns are before expenses, fees and taxes.

**\$41.2m**

SOCIAL  
INVESTMENT  
TO 2020



**\$4.8m**

Future  
Generation  
Australia 2020

**\$5.7m**

Future  
Generation  
Global 2020

**2020 total social  
investment**

**\$10.5m**

**2020 management  
fees, performance  
fees and services  
forgone**

**Total fees  
forgone since  
inception to 2020**

**\$17.0m**

**\$73.5m**

## Investment portfolio performance

The below NTA figures are before the fully franked final dividend of 2.6 cents per share due to be paid on 26 April 2021. The shares traded ex-dividend today, 14 April 2021.

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2014)
<b>137.67c*</b>	<b>\$555.0m</b>	<b>9.9%</b>
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation#	Volatility^
<b>138.27c</b>	<b>\$516.4m</b>	<b>11.6%</b>
		S&P/ASX All Ordinaries Accumulation Index: 14.6%
Net tangible assets after tax	2020 fully franked full year dividend	Dividends paid since inception (per share)
<b>131.13c</b>	<b>5.2c</b>	<b>24.7c</b>

\*The NTA before tax figure is after the payment of \$101k (0.03 cents per share) in tax during the month.

#Based on the 31 March 2021 share price of \$1.29 per share and 400,343,988 shares on issue.

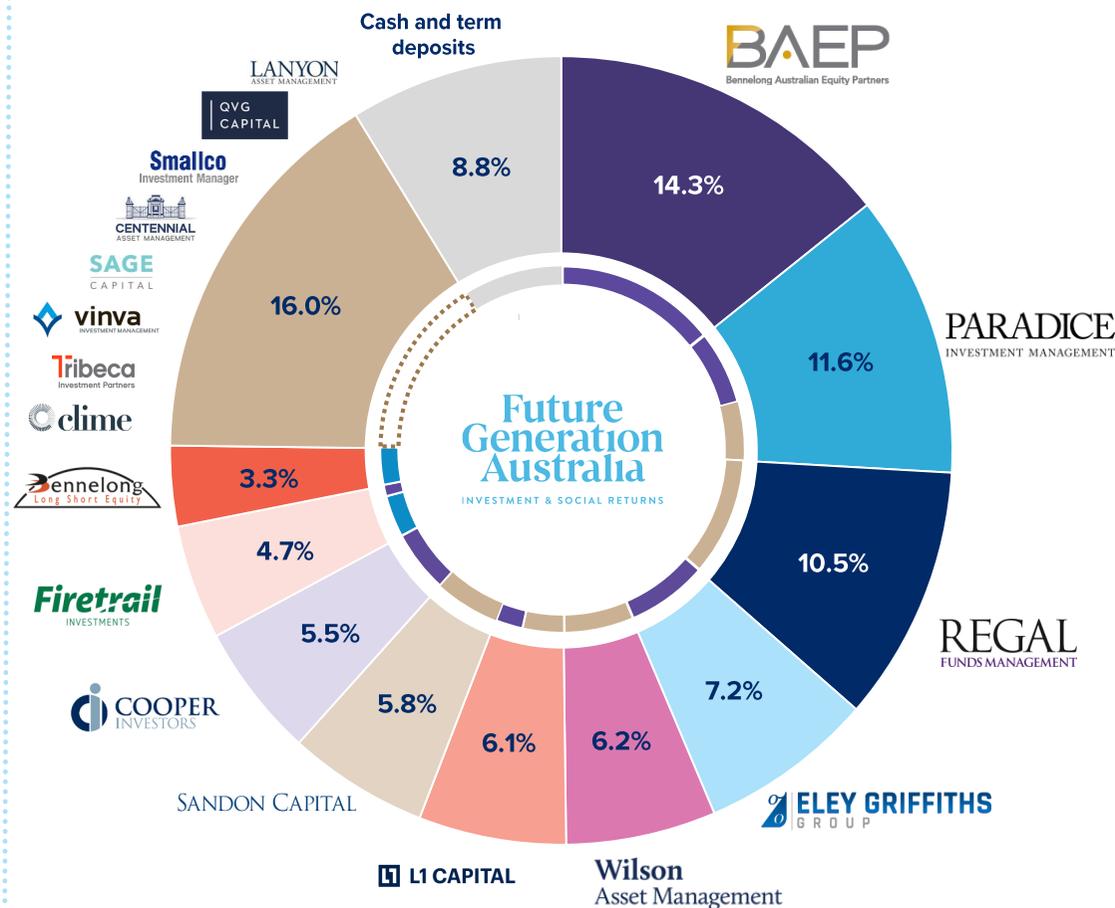
^Volatility is measured by standard deviation.

Investment portfolio performance at 31 March 2021	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	1.2%	4.3%	14.5%	44.9%	10.2%	10.6%	9.9%
S&P/ASX All Ordinaries Accumulation Index	1.8%	3.6%	18.6%	41.1%	10.1%	10.6%	7.7%

Investment performance and Index returns are before expenses, fees and taxes

## Fund manager allocations

0% management fees  
0% performance fees



### 16.0% fund manager breakdown

Clime Asset Management	2.6%	Centennial Asset Management	2.0%
Tribeca Investment Partners	2.6%	Smallco Investment Manager	1.7%
Vinva Investment Management	2.5%	QVG Capital	1.4%
Sage Capital	2.2%	Lanyon Asset Management	1.0%

Legend:  
■ Long equities 45.1%  
■ Absolute bias 39.1%  
■ Market neutral 7.0%  
■ Cash 8.8%

## Investment portfolio performance

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2015)
<b>166.94c*</b>	<b>\$660.7m</b>	<b>11.1%</b>
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation#	Volatility*
<b>167.13c</b>	<b>\$589.4m</b>	<b>8.9%</b> MSCI AC World Index (AUD): 10.5%
Net tangible assets after tax	2020 fully franked dividend	ESG aware^ (of the portfolio)
<b>154.27c</b>	<b>2.0c</b>	<b>98.8%</b>

\*The NTA before tax figure is after the payment of \$2.11m (0.54 cents per share) in tax during the month.

#Based on the 31 March 2021 share price of \$1.50 per share and 392,947,106 shares on issue.

\*Volatility is measured by standard deviation.

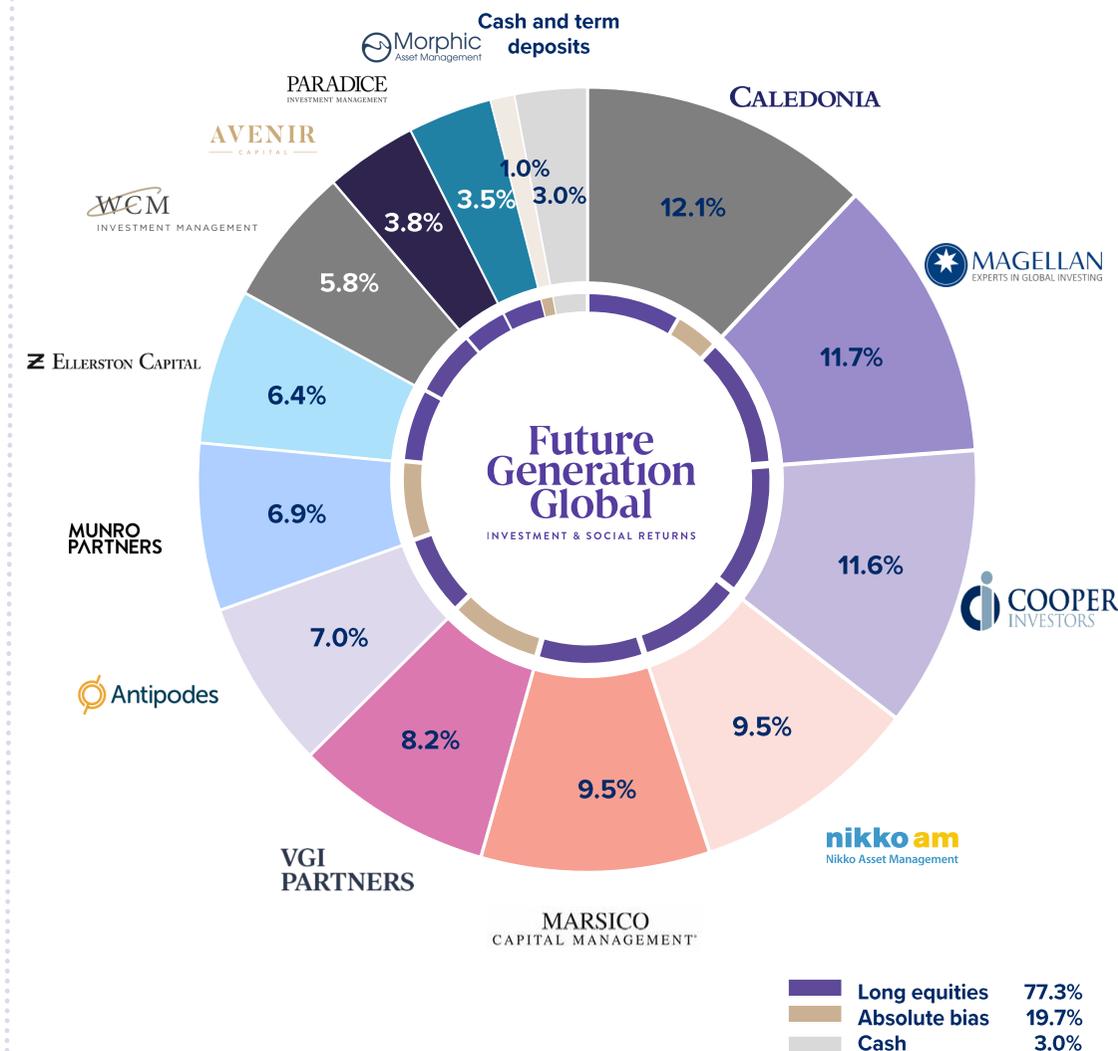
^Based on the 2020 Annual Report.

Investment portfolio performance at 31 March 2021	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	0.8%	3.5%	9.7%	24.9%	13.2%	13.8%	11.1%
MSCI AC World Index (AUD)	4.1%	5.6%	12.9%	23.9%	12.4%	13.4%	10.8%

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

## Fund manager allocations

0% management fees  
0% performance fees



During the month, Future Generation Global made an additional investment in the WCM Quality Global Growth Fund.

## Fund manager in focus:

SANDON CAPITAL

**Future  
Generation  
Australia**

### Investment style

Sandon Capital is a value investor, employing activist techniques to unlock and enhance the value of the investments it makes. Sandon Capital views activism as a critical and often missing tool of value investing. It is the process of investing in undervalued companies using the traditional 'value' investing criteria and seeking to enact change that unlocks the value inherent in the company for all shareholders.

Rather than trying to passively predict future events, Sandon Capital seeks to play an active role in determining a company's future. Sandon Capital does so by proposing changes in the areas of corporate governance, capital management, strategic and operational issues, management arrangements and other related activities. Its approach to activist investing is about ensuring companies operate in the best financial interests of the shareholder.

The objective of Sandon Capital's investment strategy is to deliver positive absolute returns for its investors. Sandon Capital aims to achieve this objective by investing in opportunities that it considers are trading below their intrinsic value that offer the potential for active engagement to alter the status quo and improve or extract value.

## Sandon Capital Activist Fund

### About Sandon Capital

Sandon Capital was established in 2008 and is a deep-value fundamental investment manager that uses activism as a tool to preserve or enhance the value of its investments. Sandon Capital is the investment manager of Sandon Capital Activist Fund (SCAF), Sandon Capital Master Fund (a Cayman Islands vehicle for offshore investors) and Sandon Capital Investments Limited, an ASX listed investment company (ASX: SNC).

### Market outlook

Sandon Capital is a bottom-up stock picker and does not spend a lot of time forecasting the direction of the economy or the stock market. Nevertheless, Sandon Capital is conscious of the external environment it is operating in.

The coronavirus appears to have become the new normal. Vaccines are making an impact in the UK and the US, while other countries should benefit from increased vaccinations as time goes by. Recovery, like all other natural occurrences, may not be linear (as financial markets seem to believe) and risks remain.

Sandon Capital is nevertheless optimistic about economic prospects for Australia (and the UK and US). Government stimulus remains a significant force for growth in many sectors, though Sandon Capital believes it may take some time for all sectors recovery to appear. Inflation risks also bear thinking about, as once inflation becomes apparent and is the consensus view, the damage has usually already begun.

Writing back in March 2020, Sandon Capital noted its portfolios were heavily exposed to what it described as the industrial economy, which Sandon Capital expected would benefit from any government stimulus measures. Much of what the fund manager expected has come to fruition. The patience and confidence of Sandon Capital's investors has been well rewarded.

Many of the companies Sandon Capital invested in have come through as stronger and better companies than before the pandemic. The market turmoil also gave the fund manager opportunities to accumulate new positions that it expects will underpin future returns.

### Sandon Capital Activist Fund

Investment portfolio performance at 31 March 2021	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Sept-09)
Sandon Capital Activist Fund	88.8%	15.2%	13.2%	12.6%	12.8%
S&P/ASX 200 Accumulation Index	37.5%	9.7%	10.2%	8.0%	8.2%
<b>Outperformance</b>	<b>+51.3%</b>	<b>+5.5%</b>	<b>+3.0%</b>	<b>+4.6%</b>	<b>+4.6%</b>

Investment performance is calculated net of all fees and expenses, assuming reinvestment of distributions and using unit mid-price.

For more information, visit [www.sandoncapital.com.au](http://www.sandoncapital.com.au)

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

## Future Generation Australia fund managers



## Future Generation Global fund managers



Charity in focus:



**About Butterfly Foundation**

Butterfly Foundation's mission is to bring about change to the culture, policy and practice in the prevention, treatment and support of those affected by eating disorders and body image issues.

Read a Q&A with Clinical Director of Butterfly Foundation, Dr Ranjani Utpala [here](#).

**Butterfly Foundation and Future Generation**

Future Generation Global's investment has supported the Youth Program and Virtual Youth Program, providing evidence-based, effective early intervention for young people aged between 18 and 25 years with disordered eating and eating disorders.

For more information, visit [butterfly.org.au](http://butterfly.org.au)

**Our designated charities**



**Our pro bono service providers**



**Fund manager  
allocation and  
investments at  
market value as  
at 31 March 2021**

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	14.3%
	<b>Mid Cap/Long Short Equities Funds (split out below)</b>		<b>11.6%</b>
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	6.5%
	Paradice Long Short Australian Equities Fund	Absolute bias	5.1%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.5%
	<b>Small/Emerging Companies Funds (split out below)</b>		<b>7.2%</b>
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5.9%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.3%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.2%
	<b>Long Short/Australian Equities Funds (split out below)</b>		<b>6.1%</b>
L1 Capital	L1 Capital Long Short Fund	Absolute bias	3.7%
	L1 Capital Australian Equities Fund	Long equities	2.4%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.8%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.5%
	<b>Absolute Return/High Conviction Funds (split out below)</b>		<b>4.7%</b>
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.7%
	Firetrail High Conviction Fund	Long equities	1.0%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.3%
Clime Asset Management	Clime Australian Equities Fund	Long equities	2.6%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.6%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.5%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.2%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.0%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.7%
QVG Capital	QVG Opportunities Fund	Long equities	1.4%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.0%
	Cash and term deposits		8.8%

**Fund manager  
allocation and  
investments at  
market value as  
at 31 March 2021**

<b>Fund Manager</b>	<b>Investment</b>	<b>Strategy</b>	<b>% of Gross Assets</b>
	Co-invest Fund/Global Fund (split out below)		12.1%
Caledonia	Caledonia Co-invest Fund	Long equities	8.4%
	Caledonia Global Fund	Absolute bias	3.7%
Magellan Asset Management	Magellan Global Fund	Long equities	11.7%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.6%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	9.5%
Marsico Capital Management	Marsico Global Fund	Long equities	9.5%
VGI Partners	VGI Partners Funds	Absolute bias	8.2%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	7.0%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.9%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	6.4%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	5.8%
Avenir Capital	Avenir Global Fund	Long equities	3.8%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.5%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and term deposits		3.0%