

Investment Update

Investment portfolio performance

In May, the Future Generation Australia (ASX: FGX) investment portfolio increased 1.6%* and the Future Generation Global (ASX: FGG) investment portfolio declined 0.9%*. The S&P/ASX All Ordinaries Accumulation Index rose 2.0% and the MSCI AC World Index (AUD) increased 1.2% during the month.

Since inception, the FGX investment portfolio has increased 10.6%* per annum and the FGG investment portfolio has increased 11.2%* per annum. The investment portfolios' performance has been achieved with less volatility than their indexes, as measured by standard deviation.

Market update

In Australia, the highly stimulatory Federal Budget was released with a firm focus on growing the economy and driving stronger jobs numbers. Sizable allocations were announced for aged care spending, childcare subsidies, the government's infrastructure program and tax concessions and support. The government also revised up its forecasts for the economy, with 4.25% GDP growth expected next financial year. Australia reported weaker-than-expected employment figures in May, in contrast to a higher-than-expected growth in wages which is a key watch point for the Reserve Bank of Australia (RBA). Inflation was also in focus and continues to captivate financial markets. The country oscillated between

reinstated restrictions in New South Wales and Victoria due to new coronavirus cases.

Globally, oil prices fell in May as the market focused on nuclear talks with Iran. Further evidence of monetary policy normalisation emerged in the release of the US Federal Reserve minutes, noting elevated "risk appetite" in capital markets. The commencement of tapering signals mirrored the economic data released during the month and a strong reporting season saw 87% of S&P 500 companies deliver positive earnings surprises. The US reached a milestone in its vaccination campaign, with more than half of the adult population now fully vaccinated.

Annual General Meetings

We look forward to providing you with an update at the upcoming Annual General Meetings for Future Generation Australia and Future Generation Global which will be held as hybrid meetings at the Museum of Sydney and via a webcast on Thursday, 17 June 2021. You can access more information in the [FGX](#) and [FGG](#) Notice Of Meetings.

*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

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2014)
143.28c	\$579.8m	10.6%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [^]
143.45c	\$533.7m	11.5%
		S&P/ASX All Ordinaries Accumulation Index: 14.5%
Net tangible assets after tax	2020 fully franked full year dividend	Dividends paid since inception (per share)
134.02c	5.2c	27.3c

[#]Based on the 31 May 2021 share price of \$1.33 per share and 401,255,746 shares on issue.

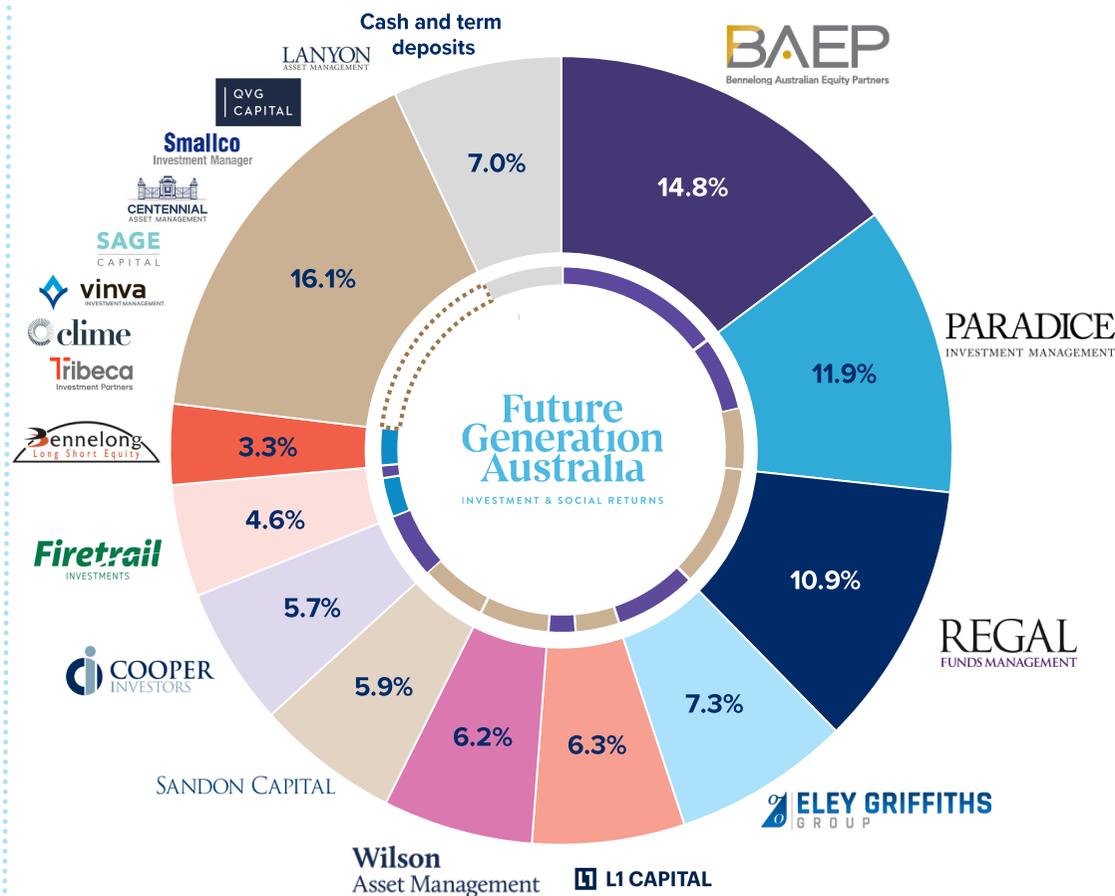
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 31 May 2021	Since inception						
	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	%pa (Sept-14)
Future Generation Australia	1.6%	10.6%	12.4%	32.8%	10.7%	10.9%	10.6%
S&P/ASX All Ordinaries Accumulation Index	2.0%	9.8%	11.7%	30.0%	10.4%	10.5%	8.5%

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

Fund manager allocations

0% management fees
0% performance fees



16.1% fund manager breakdown

Tribeca Investment Partners	2.7%	Centennial Asset Management	2.0%	Long equities	46.1%
Clime Asset Management	2.6%	Smallco Investment Manager	1.7%	Absolute bias	40.1%
Vinva Investment Management	2.5%	QVG Capital	1.4%	Market neutral	6.8%
Sage Capital	2.2%	Lanyon Asset Management	1.0%	Cash	7.0%

Investment portfolio performance

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2015)
170.09c	\$674.2m	11.2%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [*]
169.97c	\$597.3m	8.8% MSCI AC World Index (AUD): 10.4%
Net tangible assets after tax	2020 fully franked dividend	ESG aware [^] (of the portfolio)
156.48c	2.0c	98.8%

[#]Based on the 31 May 2021 share price of \$1.52 per share and 392,947,106 shares on issue.

^{*}Volatility is measured by standard deviation.

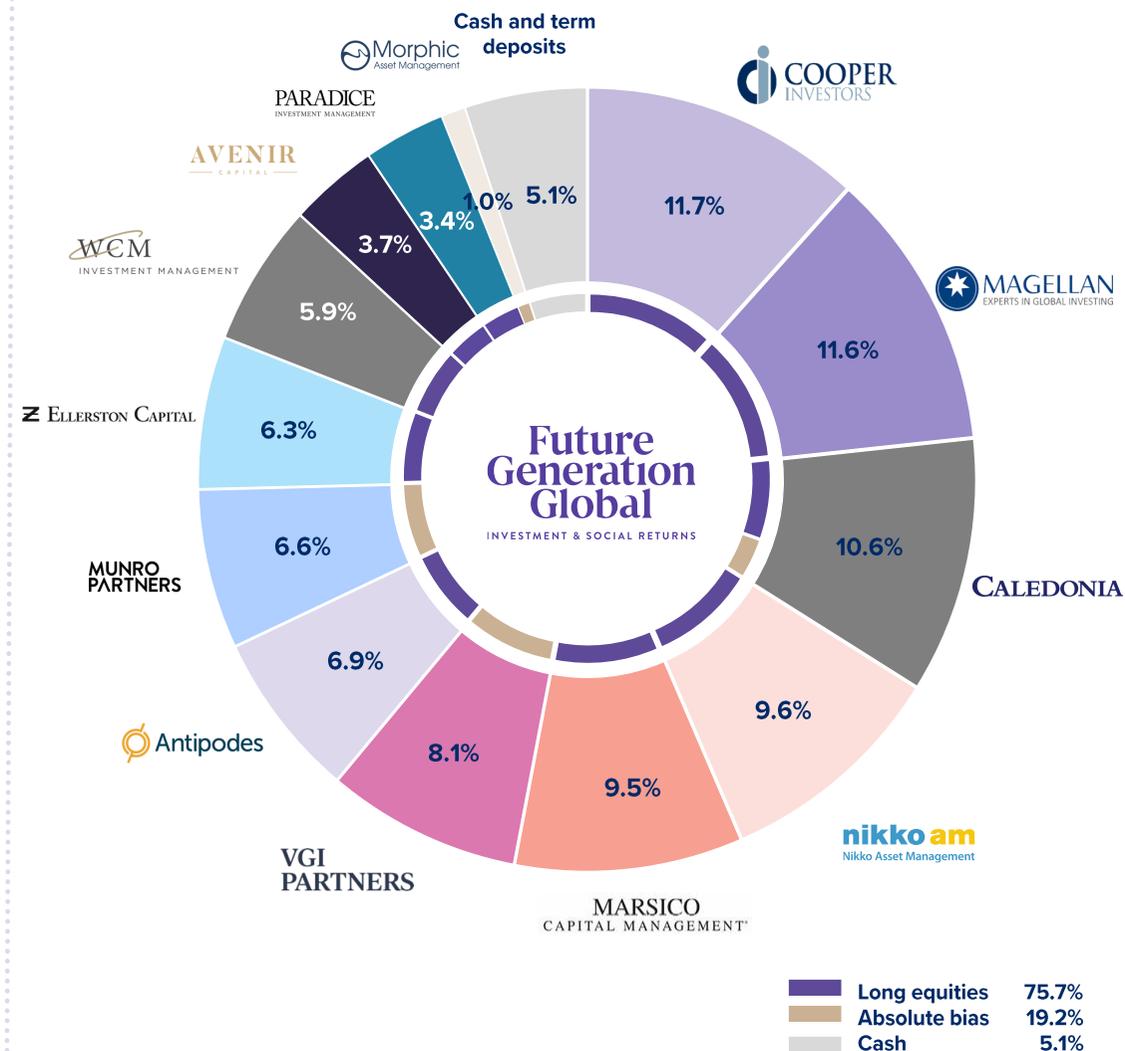
[^]Based on the 2020 Annual Report.

Investment portfolio performance at 31 May 2021	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	-0.9%	5.6%	6.9%	19.6%	12.7%	12.7%	11.2%
MSCI AC World Index (AUD)	1.2%	10.2%	10.3%	21.7%	13.0%	12.6%	11.3%

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

Fund manager allocations

0% management fees
0% performance fees



Fund manager in focus:

MARSICO
CAPITAL MANAGEMENT*

**Future
Generation
Global**

About Marsico Capital Management

Founded by Thomas F. Marsico in 1997, Marsico Capital Management, LLC (MCM) is a Denver, Colorado-based, SEC-registered, investment management firm that manages assets for mutual funds, corporate retirement plans, endowments, foundations, family offices, and other clients. As at 31 May 2021, MCM managed approximately USD 4.6 billion in assets within six investment strategies.

Why we support Future Generation

MCM is proud to partner with Future Generation Global to help support youth mental health. MCM lean on their expertise in investing in high-quality global growth companies with compelling potential for long-term capital appreciation to help deliver positive outcomes for youth through Future Generation Global's selected charity partners. Based in Denver, Colorado we are pleased to have been selected by the Future Generation Global Investment Committee to help local Australian charities continue their excellent work.

Top five holdings (in alphabetical order)

				
AMZN US	DIS US	FB US	MC FR	MSFT US

Marsico Global Fund

Investment style

Tom Marsico, MCM's founder, Chief Executive Officer, and Chief Investment Officer, has managed large-cap equities since 1979, and has a public investment track record dating back to 1988. MCM's investment approach emphasises the selection of high-quality global growth companies with compelling potential for long-term capital appreciation. This high-conviction approach is expressed through concentrated portfolios. MCM search for growth globally by evaluating companies in industries around the world to uncover attractive investment opportunities, as well as to understand the competitive landscape on a world-wide basis.

Market outlook

While many parts of the world economy seem likely to continue to lag the United States in both vaccination rates and economic momentum, many global stock markets are climbing and MCM expect positive economic trends to eventually emerge over the next 18 months in Europe, Asia and Latin America. These trends, in combination with continued fiscal and monetary support, appear likely to lead to a period of elongated growth which should support asset prices. On a portfolio level, MCM are positioning for these trends while remaining committed to the further development and build-out of the internet and the 'digitisation' of the economy.

Stock in focus: Taiwan Semiconductor Manufacturing Co (TSMC)

Taiwan Semiconductor Manufacturing Co Limited (TPE: 2330) is the global leader in the semiconductor foundry industry. Based in Taiwan, TSMC manufactures semiconductors for fabless chip designers, cloud service providers, auto makers, and any other companies that want to outsource the production of chips. TSMC offers the full range of chip manufacturing services including design, wafer processing, back-end assembly, packaging, and testing.

TSMC's market share is roughly 54% of the foundry industries' total revenues, but TSMC has a virtual monopoly in leading-edge chip production. Global Foundries ceased competing on leading-edge in 2018. Around the same time, Intel, which had node superiority for two decades since surpassing IBM, began to show increasing cracks in its manufacturing prowess. Intel continued to fall behind TSMC, and is now two or more years behind TSMC in technology. It will be increasingly more difficult for Intel to catch up because TSMC has gained unmatched scale benefits through production of processors for the 1.5-billion-unit global smartphone industry. Intel failed to see the potential of this industry 15 years ago, and focuses on the 275-million-unit PC industry and the 13-million-unit server industry.

	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Dec-15)
Performance at 31 May 2021				
Marsico Global Fund	19.2%	18.7%	19.9%	18.2%
MSCI AC World Index Net (AUD)	21.6%	13.0%	12.7%	12.1%
Outperformance	-2.4%	+5.7%	+7.2%	+6.1%

Investment performance returns are before expenses, fees and taxes.

For more information, visit marsicofunds.com

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 Brain and Mind Centre

The University of Sydney's Brain and Mind Centre is a network of researchers and clinicians who partner across borders and disciplines in pursuit of a common goal: to develop better treatments for conditions of the brain and mind and improve health outcomes now and for future generations.

Read a Q&A with Senior Research Fellow at Brain and Mind Centre, Haley LaMonica [here](#).

Brain and Mind Centre and Future Generation

Future Generation Global's investment contributes to the ongoing design, development and implementation of innovative online clinical assessment and longitudinal tracking tools for use in youth mental health and specifically funds the clinical, research and technology personnel required to lead this work.

For more information, visit sydney.edu.au/brain-mind

Our designated charities



Our pro bono service providers



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

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	14.8%
	Mid Cap/Long Short Equities Funds (split out below)		11.9%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	6.6%
	Paradice Equity Alpha Plus Fund	Absolute bias	5.3%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.9%
	Small/Emerging Companies Funds (split out below)		7.3%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5.9%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.4%
	Long Short/Australian Equities Funds (split out below)		6.3%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	3.9%
	L1 Capital Australian Equities Fund	Long equities	2.4%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.2%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.9%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.7%
	Absolute Return/High Conviction Funds (split out below)		4.6%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.5%
	Firetrail High Conviction Fund	Long equities	1.1%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.3%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.7%
Clime Asset Management	Clime Australian Equities Fund	Long equities	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		7.0%

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

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.7%
Magellan Asset Management	Magellan Global Fund	Long equities	11.6%
	Co-invest Fund/Global Fund (split out below)		10.6%
Caledonia	Caledonia Co-invest Fund	Long equities	7.1%
	Caledonia Global Fund	Absolute bias	3.5%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	9.6%
Marsico Capital Management	Marsico Global Fund	Long equities	9.5%
VGI Partners	VGI Partners Funds	Absolute bias	8.1%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	6.9%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	6.3%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	5.9%
Avenir Capital	Avenir Global Fund	Long equities	3.7%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.4%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and term deposits		5.1%