

Investment Update

Investment portfolio performance

In July, the Future Generation Australia (ASX: FGX) investment portfolio increased 1.8%* and the Future Generation Global (ASX: FGG) investment portfolio increased 1.3%*. The S&P/ASX All Ordinaries Accumulation Index rose 1.1% and the MSCI AC World Index (AUD) increased 2.8% during the month.

Since inception, the FGX investment portfolio has increased 11.0%* per annum and the FGG investment portfolio has increased 11.8%* per annum. The investment portfolios' performance has been achieved with less volatility than their indexes, as measured by standard deviation.

Market update

During July, progress on vaccination rates continued and the Reserve Bank of Australia (RBA) announced that it will begin tapering its weekly asset purchase program from \$5 billion to \$4 billion from September to November this year, a steady move away from emergency settings. The Delta variant continues to spread, impacting Australia through recurrent lockdowns which is expected to shrink the Australian economy in the September quarter.

In the US, a solid earnings season and equity market highs reminded investors of the market's forward looking bias. The S&P 500 Index finished July up 2.3%, its sixth consecutive monthly gain in a row while China's continuing regulatory crackdown on big technology companies prompted a sell-off in Chinese

equities. Despite a record increase, the transitory nature of inflation continued and the US Federal Reserve maintained its dovish tone at its policy setting meeting, though the central bank said progress is being made towards its goal of maximum employment and price stability.

Vote on our annual social investment

Voting on Future Generation's annual social investment is now open. Shareholders on the register at Friday 30 July 2021 are invited to allocate their portion of the 2021 donation to our charity partners. Voting will close on Tuesday 31 August 2021 at 5:00pm (Sydney time). To find out more about the impact of our partners' work with young people, you can view the booklets below.

- [Future Generation Australia: Your Social Investment](#)
- [Future Generation Global: Your Social Investment](#)

Butterfly Foundation opens Australian-first care facility

In July, Future Generation Australia charity partner Butterfly Foundation opened Wandí Nerida, an Australian-first care facility set to transform the way that eating disorders are treated. The model of care, created by Butterfly Foundation, provides an opportunity for more intensive psychological support, making recovery a reality for individuals affected by an eating disorder. In case you missed it, you can read more about Wandí Nerida [here](#).

*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also 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

\$17.0m

Total fees forgone since inception to 2020

\$73.5m

Investment portfolio performance

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2014)
148.66c	\$602.4m	11.0%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [^]
146.04c	\$569.8m	11.4% S&P/ASX All Ordinaries Accumulation Index: 14.3%
Net tangible assets after tax	2020 fully franked full year dividend	Dividends paid since inception (per share)
138.02c	5.2c	27.3c

[#]Based on the 30 July 2021 share price of \$1.42 per share and 401,255,746 shares on issue.

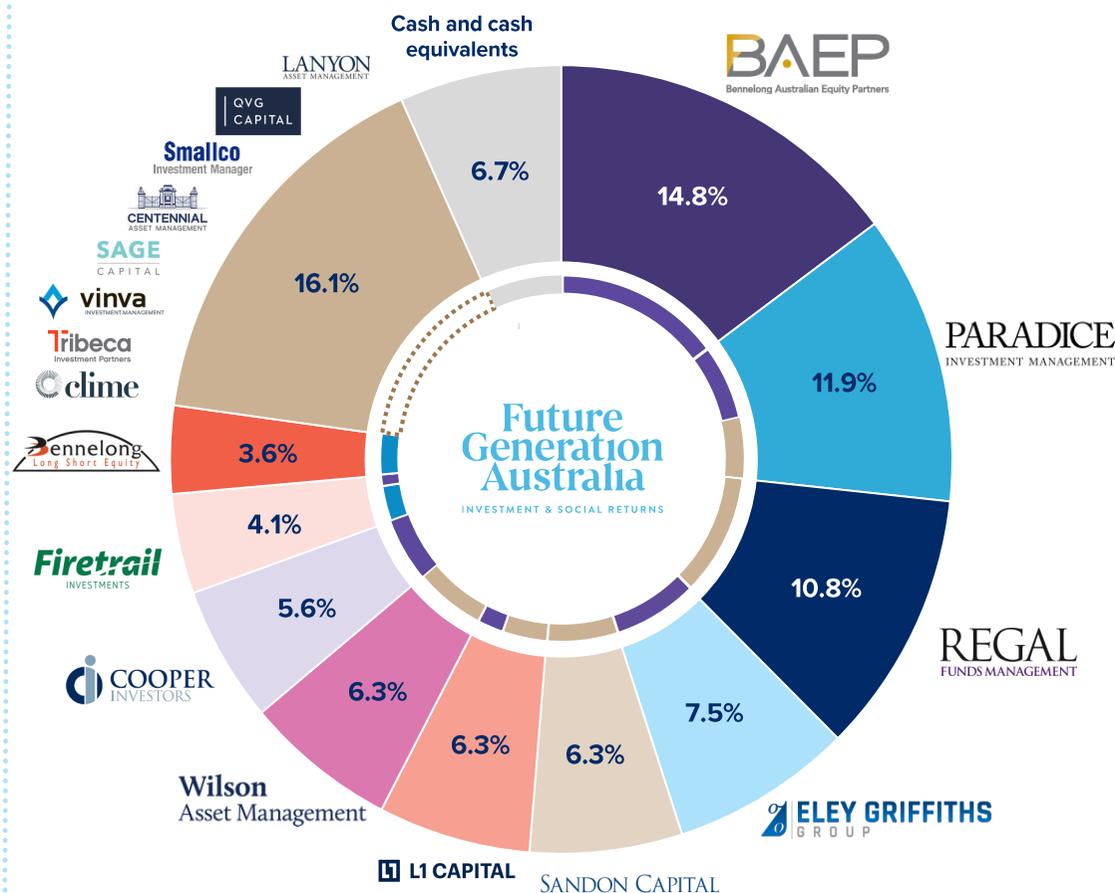
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 31 July 2021	Since inception						
	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	%pa (Sept-14)
Future Generation Australia	1.8%	13.4%	14.9%	32.4%	11.1%	11.0%	11.0%
S&P/ASX All Ordinaries Accumulation Index	1.1%	13.4%	13.8%	30.4%	10.2%	10.4%	8.8%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



16.1% fund manager breakdown

Clime Asset Management	2.7%	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%

Long equities	46.1%
Absolute bias	40.5%
Market neutral	6.7%
Cash	6.7%

Investment portfolio performance

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2015)
178.77c	\$709.5m	11.8%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [*]
176.64c	\$620.9m	8.8% MSCI AC World Index (AUD): 10.4%
Net tangible assets after tax	2020 fully franked dividend	ESG aware [^] (of the portfolio)
162.56c	2.0c	98.8%

[#]Based on the 30 July 2021 share price of \$1.58 per share and 392,947,106 shares on issue.

^{*}Volatility is measured by standard deviation.

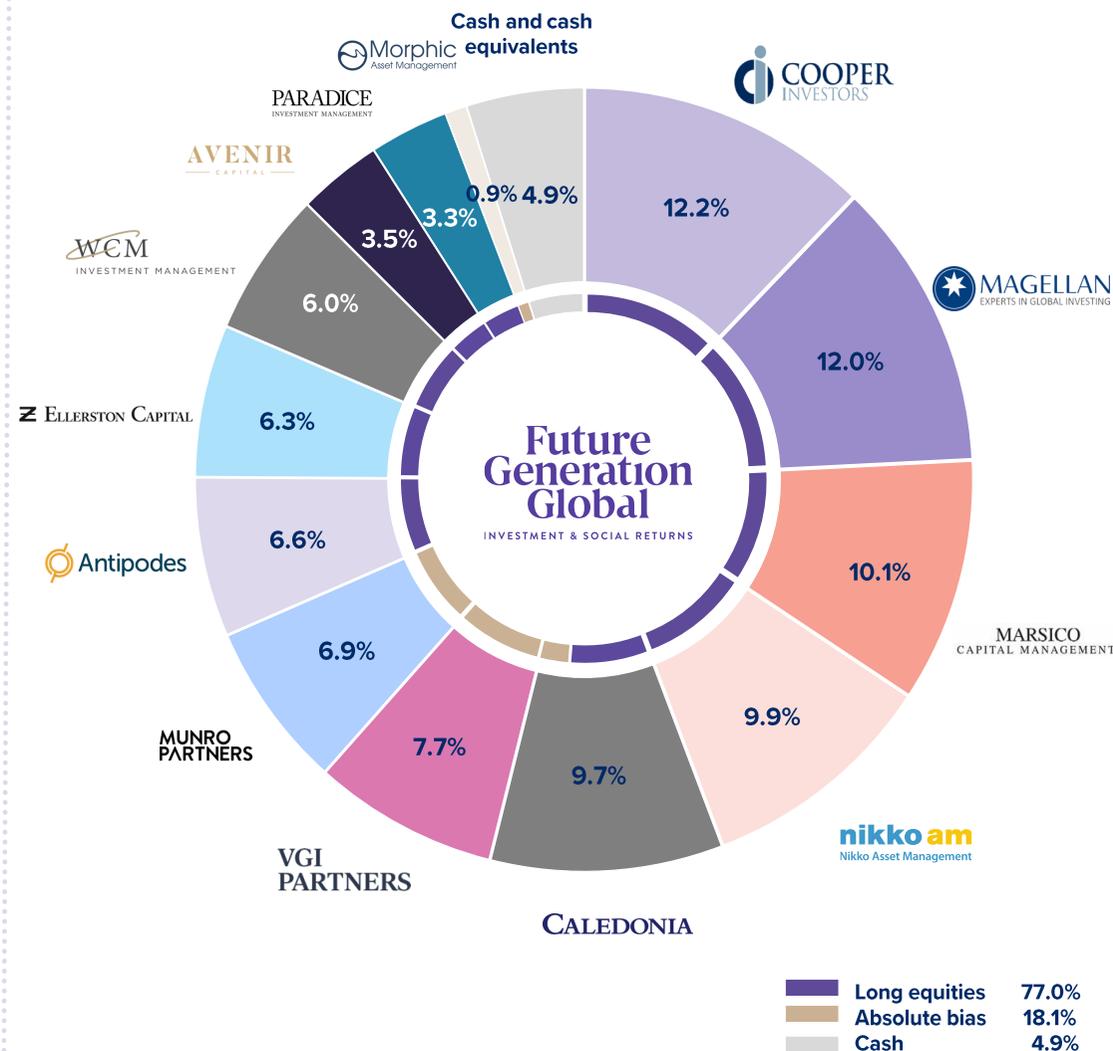
[^]Based on the 2020 Annual Report.

Investment portfolio performance at 31 July 2021	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	1.3%	11.0%	11.1%	23.4%	13.3%	14.3%	11.8%
MSCI AC World Index (AUD)	2.8%	18.2%	18.5%	29.6%	14.2%	14.6%	12.3%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



Long equities 77.0%
Absolute bias 18.1%
Cash 4.9%

Fund manager in focus:



About Cooper Investors

Cooper Investors is a specialist equities fund manager with approximately \$13 billion of funds under management. Cooper Investors commenced operations in 2001 and manages money for a range of clients including large pension and superannuation funds, religious institutions, Australian state government agencies, school endowments, charities, high net worth families and retail clients. Cooper Investors is 100% owned by its employees.

“At Cooper Investors, we invest on behalf of over four million Australians from all walks of life and all manner of employment and industry. This includes trustees and beneficiaries of superannuation funds, government agencies, family offices, churches, charities and foundations. The sole reason we exist is to invest wisely for them all,” said founder Peter Cooper.

Cooper Investors

Investment style and philosophy

Cooper Investors’ ‘values-first’ philosophy is built on five values which influence its investment decision-making and drives how it operates its business. These values are critical in guiding Cooper Investors’ thinking through challenging times, and play an important part in Cooper Investors being able to differentiate between genuine and questionable investments.

The Cooper Investors team are long-term observational investors with a philosophy based on three key tenants it calls VOF. This stands for Value latency, Operating industry and strategic trends and Focused management behaviour. Cooper Investors allocates capital to companies and industries with a specific value proposition that are performing well or in an early phase of turnaround. As observational investors, Cooper Investors accepts the future is uncertain and the past may repeat in unusual and unpredictable ways.

However, being focused and present in the moment, Cooper Investors seeks to identify value latency derived from the net worth of a company’s existing cash flow and net assets, or future value that is latent with a company or industry due to growth opportunities and competitive advantage.

Why we support Future Generation

Philanthropy or the act of contribution is a core value at Cooper Investors. The company takes a ‘portfolio’ approach to philanthropy, seeking value, good operating trends and outstanding leadership to align with the Cooper Investors way of investing. One of the ways Cooper Investors does this is by providing the skill, time and investment talents of the team on a pro bono basis to organisations like Future Generation.

Cooper Investors forgoes fees to support Future Generation’s not-for-profit partners to in turn support at risk young people in achieving good mental health and wellbeing outcomes. The company sees the Future Generation model as a terrific addition to the growing Australian philanthropic sector.

	1 yr	3 yrs %pa	Since inception %pa (Sep-08)
Performance at 30 June 2021			
Cooper Investors Global Equities Fund (Unhedged)	27.8%	16.1%	11.7%
MSCI AC World Index Net (AUD)	27.7%	14.0%	9.4%
Outperformance	+0.1%	+2.1%	+2.3%

Investment performance returns are before expenses, fees and taxes.

For more information, visit cooperinvestors.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:



Orygen

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.

“In suicide prevention research, you have to look beyond the data and into the complexities of people’s life experiences to understand the social, economic, political and systemic factors which impact upon a person’s wellbeing. Our work embeds preventative strategies into research, so that we’re able to offer support and solutions at the same time as we’re responding to the problems and gathering data.”

Read a Q&A with Michelle Lamblin, Project Manager - Suicide Prevention Research Unit [here](https://www.orygen.org.au).

For more information, visit [orygen.org.au](https://www.orygen.org.au)

Our designated charities



Our pro bono service providers



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

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	14.8%
	Mid Cap/Equity Alpha Plus 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	10.8%
	Small/Emerging Companies Funds (split out below)		7.5%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.1%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.4%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.3%
	Long Short/Australian Equities Funds (split out below)		6.3%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	4.0%
	L1 Capital Australian Equities Fund	Long equities	2.3%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.3%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.6%
	Absolute Return/High Conviction Funds (split out below)		4.1%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.1%
	Firetrail High Conviction Fund	Long equities	1.0%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.6%
Clime Asset Management	Clime Australian Equities Fund	Long equities	2.7%
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 cash equivalents		6.7%

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

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	12.2%
Magellan Asset Management	Magellan Global Fund	Long equities	12.0%
Marsico Capital Management	Marsico Global Fund	Long equities	10.1%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	9.9%
	Co-invest Fund/Global Fund (split out below)		9.7%
Caledonia	Caledonia Co-invest Fund	Long equities	7.1%
	Caledonia Global Fund	Absolute bias	2.6%
VGI Partners	VGI Partners Funds	Absolute bias	7.7%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.9%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	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	6.0%
Avenir Capital	Avenir Global Fund	Long equities	3.5%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.3%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.9%
	Cash and cash equivalents		4.9%