

Appendix 4E

Annual Report

for the year ended 31 December 2022

Results for announcement to the market

All comparisons to the year ended 31 December 2021

Future Generation
Investment Company Limited
ABN 97 063 935 553

	UP/DOWN	% MVMT	\$'000
Revenue from ordinary activities	down	153.6%	(62,244)
Loss from ordinary activities before tax	down	162.4%	(68,458)
Net loss from ordinary activities after tax	down	154.9%	(43,886)

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2022 final dividend cents per share	3.25	3.25	30%
2022 interim dividend cents per share	3.25	3.25	30%

Dividend dates

Ex-dividend date	12 April 2023
Record date	13 April 2023
Last election date for DRP	17 April 2023
Payment date	24 April 2023

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked final dividend of 3.25 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the VWAP (volume weighted average market price) of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date, inclusive of the ex-dividend date. The DRP will operate without a discount for the 2022 fully franked final dividend.

Net Tangible Assets (NTA)*	31 DEC 2022	31 DEC 2021
NTA (before tax) per share	\$1.27	\$1.52
NTA (after tax) per share	\$1.24	\$1.41

*After the payment of 6.25 cents per share in fully franked dividends to shareholders in FY2022 (FY2021: 5.6 cents per share).

Future Generation Australia

INVESTMENT & SOCIAL RETURNS

Annual Report

The word 'Annual' is in a light blue sans-serif font. To its right are five short, curved orange lines radiating upwards and to the right. The word 'Report' is in a larger, light blue sans-serif font. To its left is a vertical column of five small orange dots.

FOR THE YEAR ENDED 31 DECEMBER 2022

Future Generation Investment Company Limited

ABN: 97 063 935 553

Future Generation Investment Company Limited

The Company's primary investment objectives are to provide shareholders with a stream of fully franked dividends, achieve long-term capital growth and preserve shareholder capital.

Chair

Mike Baird AO

Directors

Stephanie Lai
David Leeton
David Paradise AO
Gabriel Radzysinski
Kate Thorley
Geoff Wilson AO

Joint Company Secretaries

Jesse Hamilton
Mark Licciardo

Investment Committee

Geoff Wilson AO (Chair)
John Coombe
Matthew Kidman
Gabriel Radzysinski
David Smythe
Bruce Tomlinson
Martyn McCathie

Chief Executive Officer

Caroline Gurney

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower,
1 Farrer Place, Sydney NSW 2000

Contact Details

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Sydney NSW 2001

T: (02) 9247 9202
F: (02) 9247 6855
E: info@futuregeninvest.com.au
W: futuregeninvest.com.au

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

T: (02) 9290 9600
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan and Dividend Donation Plan) and related matters, please contact the share registry.

Australian Securities Exchange

Future Generation Investment
Company Ordinary Shares (FGX)

Future Generation Investment
Company Options (FGXO)

expiring 28 April 2023,
exercise price \$1.48 per option

**Future
Generation
Australia**
INVESTMENT & SOCIAL RETURNS

Future Generation Shareholder Presentations in April and May 2023
Hear from Future Generation CEO Caroline Gurney and some of our pro bono fund managers and social impact partners.

Further details will be provided closer to the date.

Annual General Meeting and Shareholder Presentation

Join Future Generation Australia's hybrid AGM on 26 April 2023.

Further details will be provided closer to the date.

Deadline for Director nominations, including the deadline for signed consent is 5:00pm (AEST) on 3 March 2023.



Key Highlights FY2022

Increase in fully franked full-year dividend

+8.3%

FY2022 fully franked dividend yield

5.6%

2022 savings on management fees, performance fees & services forgone

\$7.9m

2022 investment in our social impact partners with a focus on children and youth at risk

\$5.9m

Summary of FY2022 results

Since inception, the investment portfolio has increased 8.4% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum. The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 12.1% versus the S&P/ASX All Ordinaries Accumulation Index's 14.7%.

The 2022 financial year was a challenging period for equity markets. The Company reported an operating loss before tax of \$68.5 million for the year ended 31 December 2022 (2021 operating profit before tax: \$109.7 million) and an operating loss after tax of \$43.9 million (2021 operating profit after tax: \$79.9 million). The after tax figure was boosted by a \$24.6 million income tax benefit, delivered through the tax benefit on the operating loss for the period and the franking credits received on franked distribution income from the investments with the underlying pro bono fund managers.

The operating loss for the period is reflective of the investment portfolio performance of the underlying pro bono fund managers during the year. For the year ended 31 December 2022 the investment portfolio decreased 10.3%, while the S&P/ASX All Ordinaries Accumulation Index decreased 3.0%.

The Board declared a fully franked final dividend of 3.25 cents per share, bringing the fully franked full-year dividend to 6.5 cents per share, an increase of 8.3% on the previous year. The fully franked dividend has been achieved through the performance of the investment portfolio since inception and the profits reserves accumulated over time. This is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

Since inception, after including the payment of the fully franked final dividend payable on 24 April 2023, the Company will have paid 39.8 cents per share in fully franked dividends to shareholders. The fully franked full-year dividend provides shareholders with a fully franked dividend yield of 5.6%[†] and a grossed-up dividend yield of 8.0%[‡].

As at 31 December 2022, the Company had 25.7 cents per share available in its profits reserve. Pleasingly, in January 2023, the investment portfolio increased 5.5%, bringing the profits reserve to 30.5 cents per share. The profits reserve available as at 31 January 2023 represents 4.7 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 3.25 cents per share.

Snapshot as at 31 December 2022

ASX code	FGX
Listing date	Sept 2014
Gross assets	\$516.0m
Market capitalisation	\$469.9m
Share price	\$1.16
Shares on issue	405,053,153
FGXO price	\$0.001
Options on issue	400,206,463
Net tangible assets (pre-tax)	\$1.27
Net tangible assets (post-tax)	\$1.24
Management fees	0.0%
Performance fees	0.0%
Annual social investment (% of net assets)	1.0%
FY2022 Fully franked full-year dividend	6.5 cents
FY2022 Fully franked dividend yield [†]	5.6%
FY2022 Fully franked grossed up dividend yield [‡]	8.0%

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

[‡]Based on the 31 December 2022 closing share price of \$1.16 per share.

[‡]Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.



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Chair & Chief Executive Officer's Letter

"It is pleasing to be able to deliver an increasing stream of fully franked dividends for our shareholders. I would like to thank our pro bono fund managers, service providers and our loyal shareholders for supporting our social impact partners as they improve the lives of young Australians."

Mike Baird AO

Chair



"The 8.3% increase in the fully franked full-year dividend during a challenging time for equity markets has been made possible by the listed investment company structure of the Company and profits reserve available. I would like to thank our pro bono fund managers and service providers for their continued support."

Caroline Gurney

Chief Executive Officer



Dear Fellow Shareholders

The 2022 financial year was a challenging period for equity markets. Over the past 12 months, small, mid and micro-cap companies have underperformed large-cap companies both in Australia and globally. Investors sought the perceived safe haven of large-cap companies and their liquidity, as fears around geopolitical tensions, inflation and a potential recession increased. The Future Generation Investment Company Limited (Future Generation Australia or the Company) Investment Committee has selected leading Australian fund managers that have a proven ability to outperform the market and their peers over the long term. This has resulted in the investment portfolio having a larger weighting towards small, mid and micro-cap companies with an underweight to large-cap companies. The S&P/ASX All Ordinaries Accumulation Index decreased 3.0% during the year and the S&P/ASX Small Ordinaries Accumulation Index decreased 18.4%, while the Future Generation Australia investment portfolio decreased 10.3%[^]. Refer to the Investment Committee Report on pages 12 to 16 for further details.

Since inception, the investment portfolio has increased 8.4%[^] per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 2.8% per annum. The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 12.1% versus the S&P/ASX All Ordinaries Accumulation Index's 14.7% and the S&P/ASX Small Ordinaries Accumulation Index's 17.9%.

The Company reported an operating loss before tax of \$68.5 million (2021 operating profit before tax: \$109.7 million) and an operating loss after tax of \$43.9 million (2021 operating profit after tax: \$79.9 million). The operating loss for the period is reflective of the investment portfolio performance of the underlying pro bono fund managers during the year.

The Board declared a fully franked final dividend of 3.25 cents per share, bringing the fully franked full-year dividend to 6.5 cents per share, an increase of 8.3% on the prior year. Since inception in 2014, after including the payment of the fully franked final dividend payable on 24 April 2023, the Company will have paid 39.8 cents per share in fully franked dividends to shareholders. The fully franked full-year dividend provides shareholders with a fully franked dividend yield of 5.6%^{*} and a grossed-up dividend yield of 8.0%^{**}. The Company had a profits reserve of 25.7 cents per share as at 31 December 2022. Pleasingly, in January 2023, the investment portfolio increased 5.5%, bringing the profits reserve to 30.5 cents per share. The profits reserve available as at 31 January 2023 represents 4.7 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 3.25 cents per share payable on 24 April 2023.

The listed investment company (LIC) structure provides a permanent and stable closed-end pool of capital. The Investment Committee managing capital on behalf of the LIC can therefore make rational investment decisions based on the investment strategy and objective of the Company, undisturbed by fund inflows and outflows (investors' capital allocations and redemptions). Investors in LICs may also benefit from fully franked dividends paid over time.

The increase in the fully franked full-year dividend was made possible by the LIC structure of Future Generation Australia and the profits reserves available, consistent with the Company's objective of paying a stream of fully franked dividends to shareholders.

In November 2022, we delivered our eighth annual investment of \$5.9 million in our social impact partners with a focus on children and youth at risk. This was made possible by the incredible generosity and support of our leading pro bono fund managers and service providers.

During what has been an extremely challenging period for equity markets, on behalf of the Board, we would like to thank you for your continued support of Future Generation Australia and for being part of the Company's innovative approach to create both investment and social returns.

Increase in fully franked
full-year dividend

+8.3%

FY2022 fully franked
dividend yield

5.6%^{*}

FY2022 fully franked
grossed-up dividend
yield

8.0%^{}**

[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

^{*}Based on the 31 December 2022 closing share price of \$1.16 per share.

^{**}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

Chair & Chief Executive Officer's Letter

Company performance

There are three measures that we believe are key to the evaluation of a listed investment company's (LIC) performance: investment portfolio performance, net tangible asset growth and total shareholder return.

1. Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees and taxes. The S&P/ASX All Ordinaries Accumulation Index and S&P/ASX Small Ordinaries Accumulation Index are also measured before expenses, fees and taxes.

For the year ended 31 December 2022, the investment portfolio decreased 10.3%, while the S&P/ASX All Ordinaries Accumulation Index decreased 3.0% and the S&P/ASX Small Ordinaries Accumulation Index decreased 18.4%. Since inception, the investment portfolio has increased 8.4% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 2.8% per annum. The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 12.1% versus the S&P/ASX All Ordinaries Accumulation Index's 14.7% and the S&P/ASX Small Ordinaries Accumulation Index's 17.9%.

	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)	Volatility since inception (% standard deviation)
Performance at 31 December 2022						
Future Generation Australia Investment Portfolio	-10.3%	6.4%	7.0%	7.9%	8.4%	12.1%
S&P/ASX All Ordinaries Accumulation Index	-3.0%	5.8%	7.2%	8.6%	7.3%	14.7%
Outperformance	-7.3%	+0.6%	-0.2%	-0.7%	+1.1%	
S&P/ASX Small Ordinaries Accumulation Index	-18.4%	1.4%	2.9%	6.6%	5.6%	17.9%
Outperformance	+8.1%	+5.0%	+4.1%	+1.3%	+2.8%	

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

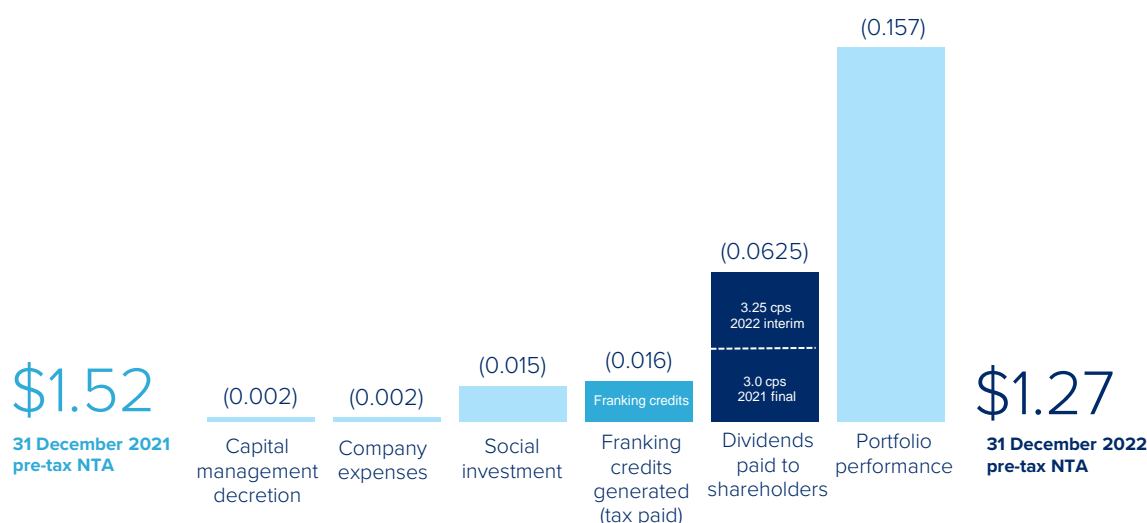
2. Net tangible asset growth

NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax, social investment, and other company related expenses). The NTA represents the realisable value of the Company and is provided to shareholders and announced to the ASX each month.

Future Generation Australia's pre-tax NTA decreased 12.8% for the 12 months to 31 December 2022, including the 6.25 cents per share of fully franked dividends paid to shareholders during the year. This decrease is after corporate tax paid of 1.6 cents per share, or 1.3%, during the year. Corporate tax payments made throughout the period and the social investment of 1.0% were the major items of difference between the investment portfolio performance decrease of 10.3% and the NTA performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of assets during the year were the company related expenses of 0.1% and capital management decrction of 0.1%.

Chair & Chief Executive Officer's Letter

Future Generation Australia pre-tax NTA performance



3. Total shareholder return (TSR)

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends. This measure shows the tangible return to shareholders, being the change in the share price together with dividends paid, assuming their reinvestment.

TSR for the year was impacted by the decline in the investment portfolio performance during a highly volatile period for equity markets, compounded by the slight increase in the share price discount to NTA at the end of the year. As at 31 December 2022, the share price discount to NTA was 8.4% (2021: discount of 7.6%), with TSR decreasing 13.2% for the period. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Investment objectives

The Company's primary investment objectives are to provide shareholders with a stream of fully franked dividends, achieve long-term capital growth and preserve shareholder capital. The Company provides shareholders with diversified exposure to Australian equities. As at 31 December 2022, the investment portfolio was comprised of 18 fund managers with investments in 21 unlisted unit trusts. The spread between the broad equities strategies as at 31 December 2022 was 48.5% absolute bias, 42.3% long equities, 6.7% market neutral and 2.5% in cash and cash equivalents.

Chair & Chief Executive Officer's Letter

Dividends

The Board declared a fully franked final dividend of 3.25 cents per share, bringing the fully franked full-year dividend to 6.5 cents per share, an 8.3% increase on the prior year. The dividend will be paid on 24 April 2023 and the Company will trade ex-dividend on 12 April 2023. The Board is committed to providing a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves, franking credits and it is within prudent business practices. The fully franked full-year dividend provides shareholders with a fully franked dividend yield of 5.6%^{*} and a grossed-up dividend yield of 8.0%^{**}.

Since inception in 2014, after the fully franked final dividend payable on 24 April 2023, the Company will have paid 39.8 cents per share in fully franked dividends to shareholders. At the end of the year, the Company's profits reserve was 25.7 cents per share and forms part of the NTA. Pleasingly, in January 2023, the investment portfolio increased 5.5%, bringing the profits reserve to 30.5 cents per share. The profits reserve available as at 31 January 2023 represents 4.7 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 3.25 cents per share payable on 24 April 2023.

Increase in fully
franked full-year
dividend

+8.3%

Fully franked dividend
yield

5.6%^{*}

Grossed-up dividend yield: 8.0%^{**}

Profits reserve as at
31 December 2022

25.7c[^]

Dividend coverage

4.0 years[^]

Dividend dates

Ex-dividend date	12 April 2023
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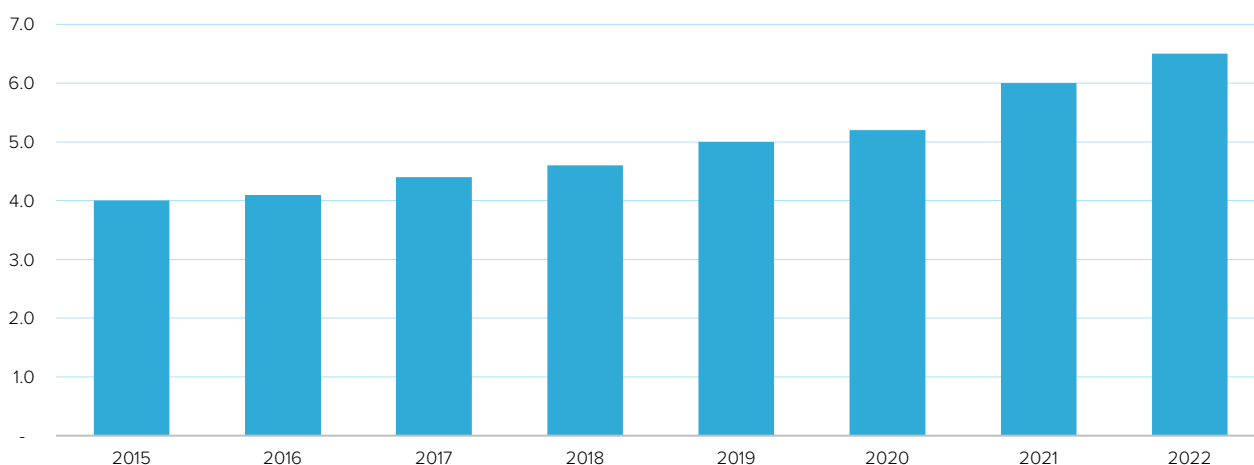
Dividend record date (7:00pm Sydney time)	13 April 2023
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Last election date for DRP	17 April 2023
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Fully franked final dividend payment date	24 April 2023
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Fully franked dividends since inception

Cents per share



^{*}Based on the 31 December 2022 closing share price of \$1.16 per share.

^{**}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

[^]Profits reserve and dividend coverage are before the payment of the fully franked final dividend of 3.25 cents per share payable on 24 April 2023.

Chair & Chief Executive Officer's Letter

Options

On 3 September 2021, the Board of Directors announced a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost. Each Future Generation Australia Option provides holders with the opportunity, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. The Options expire on Friday 28 April 2023 and are currently trading on the ASX under the code FGXO.

As at 31 December 2022, a total of 791,183 options have been exercised for a total consideration of \$1,170,951, with the remaining balance of outstanding options at 31 December 2022 being 400,206,463. As at the date of this report, the remaining balance of outstanding options is 400,206,393.

The Company's share price as at 27 February 2023 was \$1.15 per share. The exercise price is \$1.48 per option and, as such, the options are substantially out of the money; as at the date of this report any optionholder wishing to acquire the Company's shares could purchase issued shares on market at a lower price than the option exercise price.

Social investment objectives

The objectives of the Company are to provide shareholders with access to a diversified investment portfolio, managed by 18 leading Australian fund managers, without paying management or performance fees, while supporting our Australian children and youth at risk social impact partners and other not-for-profit organisations. All participating fund managers forgo management and performance fees and Directors, the Investment Committee and most service providers are working on a pro bono basis, allowing the Company to provide its social impact partners with an annual investment equal to 1.0% of the Company's average net assets per annum. In November 2022, the Company made its eighth annual investment of \$5.9 million in our social impact partners and programs aimed at supporting children and youth at risk. As at 31 December 2022, the Company was on track to deliver its ninth annual investment of approximately \$5.3 million in October 2023, bringing the total investment in our social impact partners since inception to more than \$37.9 million.

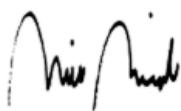
Fund managers and service providers

We would like to thank our leading fund managers and service providers for their outstanding and continued generosity. This generosity has allowed the Company to support its designated social impact partners and other Australian not-for-profit organisations. The value of the fund managers' forgone management and performance fees for the year ended 31 December 2022 totalled \$6.4 million and the estimated value of the service providers working for the Company on a pro bono basis, totalled \$1.5 million. These savings of approximately \$7.9 million, or around 1.6% of the net assets of the Company, exceed the annual investment to our social impact partners.

Our inaugural Chair

We would like to thank our inaugural Chair Jonathan Trollip for his outstanding dedication to Future Generation Australia and his services as Chair of the Company since its inception in 2014 to July 2022. His continued support and dedication to improving the lives of Australian children and youth at risk will endure long after his retirement.

Thank you to our Board and Committee Members for their service, and thank you to shareholders for your continued support.



Mike Baird AO

Chair



Caroline Gurney

Chief Executive Officer

Dated this 28th day of February 2023

Chair & Chief Executive Officer's Letter

PARADICE
INVESTMENT MANAGEMENT

REGAL
FUNDS

BAEP

L1 CAPITAL

COOPER
INVESTORS

Wilson
Asset Management

SANDON CAPITAL

Firetrail
INVESTMENTS

Bennelong
Long Short Equity

Tribeca
Investment Partners

vinva
INVESTMENT MANAGEMENT

SAGE
CAPITAL

clime

CENTENNIAL
ASSET MANAGEMENT

Smallco

QVG
CAPITAL

LANYON
ASSET MANAGEMENT

ELEY GRIFFITHS
GROUP

“We thank our generous fund managers for helping us provide shareholders with an attractive investment and for providing a source of funding for our Australian children and youth at risk social impact partners and other not-for-profit organisations.”

With thanks to the following service providers

MO MILLS
OAKLEY

LINK Fund
Solutions

ACCLIME

Zenith
INVESTMENT PARTNERS

BoardRoom

Wilson
Asset Management

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

MONT
UNIVERSITY

Lonsec

SS&C | EZE

livewire

LOCKTON

CommSec

ausbiz

JANA
DEPTH WITH DIFFERENCE

Investment Committee Report

The Future Generation Australia investment portfolio provides investors with exposure to a diversified portfolio of Australian equities managed by leading Australian fund managers that have a proven ability to outperform the market and their peers over the long-term. The Investment Committee is responsible for selecting and reviewing fund managers on behalf of shareholders. The Investment Committee comprises Geoff Wilson AO (Chair), John Coombe, Matthew Kidman, Gabriel Radzynski, David Smythe, Bruce Tomlinson and Martyn McCathie. We would like to welcome Martyn McCathie who was appointed to the Investment Committee on 23 February 2022.

The Future Generation Australia investment portfolio is constructed with the aim to provide shareholders with reduced volatility, capital preservation during market downturns and achieve capital growth over the medium-to-long term. The investment portfolio is highly diversified in terms of managers and investment strategies, providing shareholders with sound risk-adjusted returns through all market cycles. The Future Generation Australia investment portfolio provides shareholders with exposure to three broad investment strategies: long equities, absolute bias and market neutral. Absolute bias and market neutral strategies seek to earn a positive return, over time, regardless of market conditions. We aim to balance the strategies that contain the most systematic equity market risk (long equity), with strategies with lower correlation to equities (absolute bias and market neutral). This enables the portfolio to be diversified and aims to provide some protection when equity markets fall.

[^]As at 30 September 2022.

The Investment Committee has selected 18 fund managers with investments in 21 unlisted unit trusts. A number of the underlying funds are closed to new investors or not accessible to retail investors which provides a unique opportunity for shareholders of the Company.

As at 31 December 2022, the investment portfolio provided investors with 48.5% exposure to absolute bias strategies, 42.3% exposure to long equity strategies, 6.7% exposure to market neutral strategies and 2.5% in cash and cash equivalents.

Investment portfolio performance

The Future Generation Australia Investment Committee has selected leading Australian fund managers that have a proven ability to outperform the market and their peers over the long term. This has resulted in the investment portfolio having a larger weighting towards small, mid and micro-cap companies with an underweight to large-cap companies. The largest 20 companies in Australia make up just 28.5%[^] of the Future Generation Australia investment portfolio, compared with 55.7%[^] of the S&P/ASX All Ordinaries Index. Similarly, the top 200 companies in Australia make up just 62.8%[^] of the Future Generation Australia investment portfolio, compared to 93.9%[^] of the S&P/ASX All Ordinaries Index.

Investment strategy allocation – as at 31 December 2022

Long equities

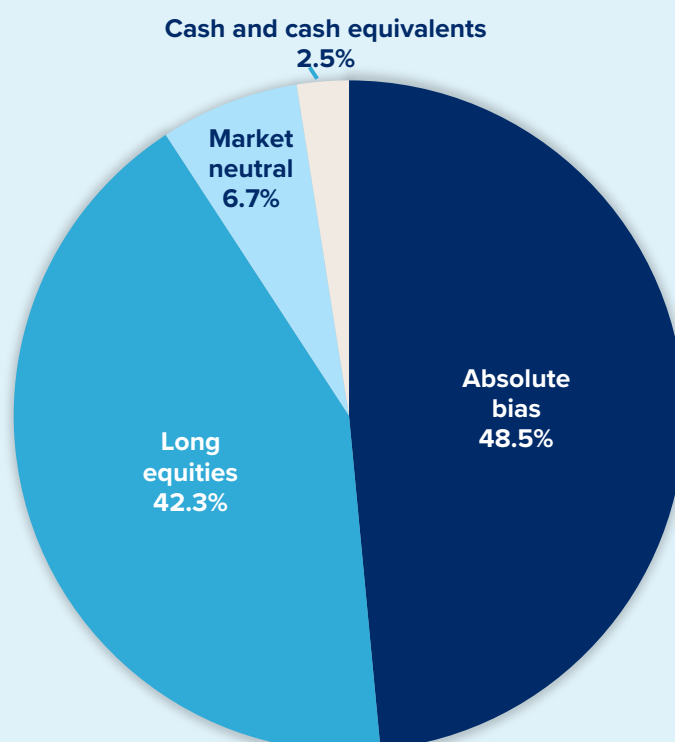
Investing in a portfolio of equities based on the expectation that the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap, small-cap and micro-cap stocks.

Absolute bias

An investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques (including but not limited to short selling and leveraging) to profit from rising and falling markets, providing portfolio protection in the event an equity market experiences a significant fall.

Market neutral

An investment strategy that generally involves the simultaneous purchase and sale of equities and the use of leverage, to generate returns that are not linked to the performance of underlying equity markets.



Investment Committee Report

Investment portfolio performance (continued)

Over the past 12 months, small, mid and micro-cap companies have underperformed large-cap companies both in Australia and globally. Investors sought the perceived safe haven of large-cap companies and their liquidity, as fears around geopolitical tensions, inflation and a potential recession increased. In the 12 months to 31 December 2022, the S&P/ASX All Ordinaries Accumulation Index decreased 3.0%, while the S&P/ASX Small Ordinaries Accumulation Index decreased 18.4%. With Future Generation Australia's underlying exposure to Australian small, mid and micro-cap companies, the Company's investment portfolio performance was impacted by the underperformance of small-to-mid-cap companies compared to their large-cap peers during the year. The investment portfolio fell by 10.3%^{*} in the 12 months to 31 December 2022.

Since inception, the investment portfolio has increased 8.4%^{*} per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 2.8% per annum. The investment portfolio's outperformance since inception has been achieved with less volatility as measured by standard deviation, 12.1% versus the S&P/ASX All Ordinaries Accumulation Index's 14.7% and the S&P/ASX Small Ordinaries Accumulation Index's 17.9%.

During the year, the Company's exposure to absolute bias and market neutral investment strategies and cash and cash equivalents provided downside protection when compared to the allocation to long equities strategies within the investment portfolio. During the 12-month period, the S&P/ASX All Ordinaries Accumulation Index returned negative performance for six months (January, April, May, June, September and December) with the Future Generation Australia investment portfolio outperforming in four out of the six drawdowns. Since inception, the Future Generation Australia investment portfolio has provided shareholders with an upside capture ratio of 81% and a downside capture ratio of 66%, demonstrating the defensive characteristics and diversified nature of the investment portfolio.

The Investment Committee continues to believe that the investment portfolio will continue to deliver long term growth, with lower volatility than the S&P/ASX All Ordinaries Accumulation Index.

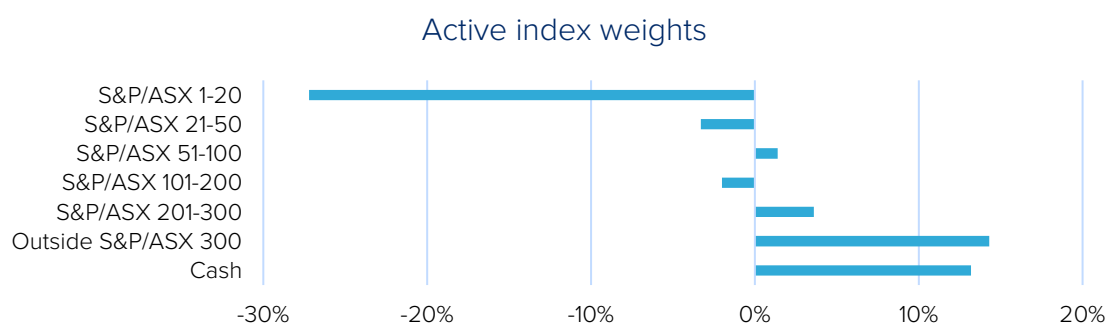
Investment portfolio analysis

Future Generation Australia provides investors with a uniquely active portfolio when compared to other multi-manager funds. As at 30 September 2022, the active share of the Future Generation Australia investment portfolio was 62.0%, providing shareholders with returns that are less correlated than the S&P/ASX All Ordinaries Index, as the underlying managers investment portfolios overlap the Index by less than 40%.

The active share is a measure of how different our investment portfolio is to the S&P/ASX All Ordinaries Index. The active share of the investment portfolio active positions is calculated by reference to the aggregate of the over or under to the Index weight for every company in the portfolio.

The Investment Committee provides an analysis on the Future Generation Australia underlying manager's investment portfolio's as at 30 September 2022.

The investment portfolio's exposure compared to the S&P/ASX All Ordinaries Index by size of investee company is presented below.



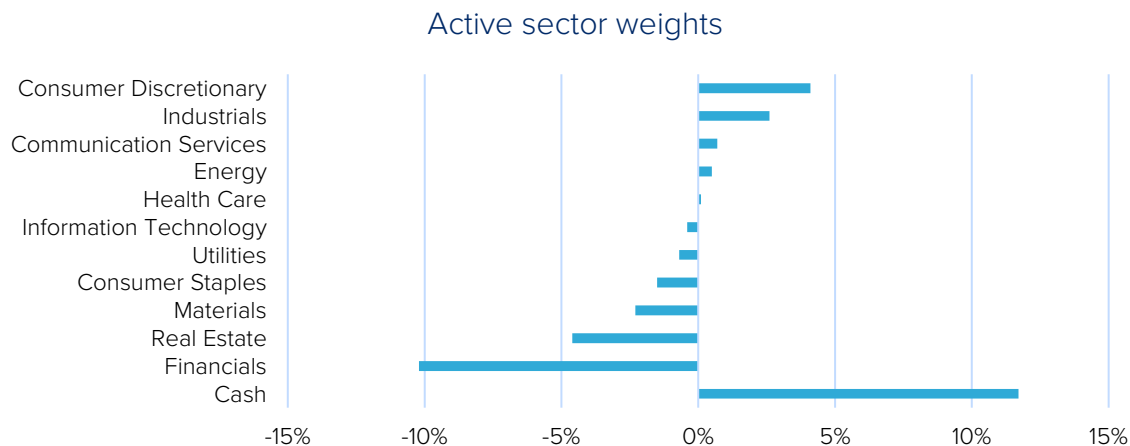
The investment portfolio has a 28.5%[^] exposure to the 20 largest companies in Australia compared to 55.7%[^] in the S&P/ASX All Ordinaries Index.

^{*}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.
[^]As at 30 September 2022.

Investment Committee Report

Investment portfolio analysis (continued)

The investment portfolio's exposure compared to the S&P/ASX All Ordinaries Index by sector is presented below.



The investment portfolio was comprised of approximately 480 underlying securities. The top 10 portfolio holdings and the active weight compared to the S&P/ASX All Ordinaries Index is presented below.

Stock	Portfolio Weight	Index Weight	Active Weight
CSL Limited	5.6%	6.2%	-0.6%
BHP Group Limited	4.9%	8.8%	-3.9%
National Australia Bank Limited	2.3%	4.2%	-1.9%
Santos Limited	2.3%	1.1%	+1.2%
Commonwealth Bank of Australia	2.1%	7.0%	-4.9%
QBE Insurance Group Limited	1.9%	0.8%	+1.1%
James Hardie Industries PLC	1.9%	0.6%	+1.3%
ResMed Inc	1.9%	0.6%	+1.3%
Qantas Airways Limited	1.9%	0.4%	+1.5%
IDP Education Limited	1.6%	0.3%	+1.3%

The Future Generation Australia investment portfolio provides shareholders with a 4.3%^ active weight to Consumer Discretionary with an 11.9%^ underweight to Financials.

The Future Generation Australia underlying fund managers investment portfolios' analysis, referenced in the Investment Committee report, has been prepared by Jana, an independent asset consultancy firm, on a pro-bono basis.

^As at 30 September 2022.

Investment Committee Report

Fund manager allocation and investments at market value as at 31 December 2022

Fund Manager	Investment	Strategy	\$ Value	% of Gross Assets
Paradice Investment Management	<i>Mid Cap/Equity Alpha Plus Funds (split out below)</i>		75,787,367	14.7%
	Paradice Australian Mid Cap Fund	Long equities	38,299,258	7.4%
	Paradice Equity Alpha Plus Fund	Absolute bias	37,488,109	7.3%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	70,186,837	13.6%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	69,054,218	13.4%
L1 Capital	<i>Long Short/Catalyst Funds (split out below)</i>		44,765,255	8.6%
	L1 Capital Long Short Fund	Absolute bias	29,563,577	5.7%
	L1 Capital Catalyst Fund	Long equities	15,201,678	2.9%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	35,050,227	6.8%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	33,319,879	6.5%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	27,751,278	5.4%
Firetrail Investments	<i>Absolute Return/High Conviction Funds (split out below)</i>		23,351,100	4.5%
	Firetrail Absolute Return Fund	Market neutral	17,103,206	3.3%
	Firetrail High Conviction Fund	Long equities	6,247,894	1.2%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	17,392,126	3.4%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	17,229,774	3.3%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	15,048,836	2.9%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	15,007,506	2.9%
Clime Investment Management	Clime Australian Equities Fund	Long equities	14,887,930	2.9%
Centennial Asset Management	The Level 18 Fund	Absolute bias	12,453,971	2.4%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	9,893,974	1.9%
QVG Capital	QVG Opportunities Fund	Long equities	7,761,488	1.5%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	6,035,440	1.2%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5,514,204	1.1%
	Cash and cash equivalents		12,692,433	2.5%
	Distributions, interest and rebates receivable		2,776,353	0.5%
	Gross Assets		515,960,196	



Geoff Wilson AO

Chair of the Investment Committee and Director

Dated this 28th day of February 2023

Investment Committee Report

Appendix A – Glossary

Active Weight	Measures the difference in allocation of an individual security or portfolio segment between the portfolio and the S&P/ASX All Ordinaries Index.
Capture Ratio	Measures the performance of an investment during upward and downward market trends with respect to the S&P/ASX All Ordinaries Accumulation Index.
Portfolio/Benchmark Drawdown	Refers to a decline in performance during a specific period. The S&P/ASX All Ordinaries Accumulation Index returned negative performance for six months in 2022 (January, April, May, June, September and December) with the Future Generation Australia investment portfolio outperforming in 4 out of the 6 drawdowns.
Portfolio/Benchmark Volatility	Shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the investment portfolio. The volatility (or risk) for the portfolio since inception of 12.1% is below the S&P/ASX All Ordinaries Accumulation Index's 14.7% and the S&P/ASX Small Ordinaries Accumulation Index's 17.9%.
Correlation	The correlation coefficient is a measure that determines the degree to which two variables' movements are associated. In this case, it measures the degree of association between movements in the Future Generation Australia investment portfolio and the S&P/ASX All Ordinaries Index.



Future Generation Australia is proud to support our social impact partners, who work tirelessly to improve the lives of Australian children and youth at risk.

Excitingly, many of our partners returned to face-to-face operations after two years of pandemic-related shifts to online work. However improved digital capacities from the pandemic remained critical, as our partners strive to meet continued high demand from young people in need of support.

Many partners found 2022 even more challenging than the previous few pandemic years, as sustained high demand continues while recruitment and fundraising in the current economic conditions are particularly difficult. Despite this, our partners' resolve to support young Australians in need only grows and many are successfully pursuing significant growth strategies in the coming year, in line with community need.

The outstanding generosity of our fund managers, as well as the pro bono support of our service providers, allows the Company to make an annual investment of 1.0% of its average monthly net assets in our social impact partners and other Australian not-for-profit organisations.

During September 2022, shareholders had the opportunity to allocate their portion of the annual social investment. We were delighted by the enthusiastic response this year and would like to thank you all for your involvement in the process. The specific allocation to each social impact partner, as shown in the table below, was determined by shareholders' votes and directions, with the Board distributing the undirected monies. The Company made its eighth annual social investment of \$5.9 million in November 2022, bringing the total investment since inception to more than \$32.6 million.

2022 and 2021 social investment:

Social Impact Partner	2022 Investment	2021 Investment
Act for Kids	\$377,618	\$349,894
Australian Children's Music Foundation	\$435,124	\$379,903
Australian Indigenous Education Foundation	\$504,013	\$402,287
DEBRA Australia	\$348,556	\$333,673
Diabetes Kids Fund	\$351,011	\$340,475
Giant Steps	\$480,394	\$421,804
Lighthouse Foundation	\$575,509	\$450,948
Mirabel Foundation	\$408,713	\$388,873
Raise Foundation	\$399,621	\$373,737
Youth Off The Streets	\$457,621	\$387,492
Directed to other children and youth related not-for-profits*	\$309,086	\$384,113
Directed to other Australian not-for-profits*	\$1,213,188	\$1,093,246
Total social investment allocation	\$5,860,454	\$5,306,445

*Directed by shareholders with 1 million or more shares. These shareholders have the ability to direct their allocation to any not-for-profit organisation of their choosing, provided the organisation has deductible gift recipient (DGR) status.

Social Impact Report

Information on the work our social impact partners undertook in the year ended 31 December 2022 with monies from their allocation of the annual investment in 2022 (paid in November 2022) is detailed below.



actforkids.com.au

Act for Kids provides vulnerable children with the support they deserve to stay safe, heal from trauma and lead happy lives.

Act for Kids – helping kids heal from trauma

Investment: \$377,618

With Future Generation Australia's support, Act for Kids delivered integrated therapy services to almost 600 children and young people in New South Wales, South Australia and Queensland in 2022. Integrated therapy is a coordinated assessment and treatment process, which aims to address all of a child's trauma and developmental needs over time.

This year, Act for Kids returned to face-to-face work after a hybrid format and use of telehealth during the pandemic. Act for Kids has continued to see high demand for its services, with significant numbers of children and young people suffering ongoing impacts from the pandemic. Meanwhile, many families are experiencing high levels of violence, mental health issues and financial stress, all of which negatively impact children. Act for Kids currently has 160 children waiting for its Integrated Therapy Services.

A new intensive program designed for children in Out of Home Care – Integrated Support Services – was established. It enables Act for Kids to leverage government funding to support the increasing number of children in extreme need who require an individualised package of care.

Australian Children's Music Foundation – changing lives through music

Investment: \$435,124

Future Generation Australia's support enabled the Australian Children's Music Foundation (ACMF) to provide weekly music lessons to more than 1,700 students in 16 primary and high schools in Taree, Sydney, Melbourne, regional Victoria and the Goldfields-Esperance region of Western Australia.

ACMF's musical activities had cross-over benefits to literacy and numeracy. In many locations, classroom teachers were trained by ACMF staff to deliver music education, ensuring ongoing benefits to students. Concerts were held at schools and in local communities throughout the year, with students' sharing their musical passion and skills with their families, friends and communities.

Future Generation Australia also supported ACMF's National Songwriting Competition, which saw 1,500 entries, the largest number of entries in the history of the competition in 2022. The competition is free to enter for all school-aged children in Australia and is designed to encourage creativity on a large scale, complementing ACMF's targeted work in communities of need.



acmf.com.au

Australian Children's Music Foundation provides free, long-term music programs and instruments to children in need to inspire their creativity, nurture self-esteem and improve educational and behavioural outcomes.

Social Impact Report



aief.com.au

Australian Indigenous Education Foundation provides scholarship funding for Indigenous students to attend boarding schools, as well as career support to help them transition to further study or employment.

Australian Indigenous Education Foundation – empowering Indigenous youth through education

Investment: \$504,013

Future Generation Australia’s funding contributed to around 400 Indigenous scholarship students undertaking secondary and tertiary studies at 27 boarding schools and universities across Australia.

Since inception in 2008, Australian Indigenous Education Foundation (AIEF) has maintained annual retention and Year 12 completion rates above 90 per cent. Most Alumni have successfully transitioned into further study or employment, with more than 90 per cent productively engaged after graduation.

Excitingly, face-to-face mentoring sessions and school visits recommenced this year after a two-year hiatus. An in-person Class of 2022 Graduation was held to celebrate the Year 12 students of 2022, as well as the Classes of 2021 and 2020, whose graduations were held online during pandemic lockdowns.

Community demand for AIEF Scholarships continues to exceed their funding capacity.

DEBRA Australia – supporting EB patients and their families

Investment: \$348,556

Over the past three years, DEBRA has seen a 100 per cent increase in the number of children and adults with Epidermolysis Bullosa (EB) it supports. Future Generation Australia’s funding has helped DEBRA to meet this growing demand.

In 2022, DEBRA provided specialised EB nursing care for 250 people at major hospitals in Sydney and Melbourne. Of those, 65 were new patients, including 12 new babies born with EB. All families were supported with hospital care, home aids and regular contact.

The year saw a 33 per cent increase in families accessing DEBRA’s psychological services and a 14 per cent increase in families accessing podiatry services.

Debra’s efforts to ensure better care for EB patients through mainstream health systems has led to Royal Melbourne Hospital increasing the hours of the EB specialist nurse, more families receiving support from the National Disability Insurance Scheme, and expansion of the National EB Dressing Scheme. A new genetics subcommittee has been established to support families with genetic testing.



debra.org.au

DEBRA Australia improves the lives of children and adults living with a rare skin blistering disease called Epidermolysis Bullosa (EB), by providing support services, medical supplies, aids, equipment and research.

Social Impact Report



diabetesnsw.com.au

Diabetes Kids Fund runs events and programs, where children living with type 1 diabetes (and their families) can learn how to confidently manage their diabetes and form connections for mutual support.

Diabetes Kids Fund – creating confidence and connection for children with diabetes

Investment: \$351,011

Future Generation Australia’s investment supports DiaBuddies activities. DiaBuddies Days help children living with type 1 diabetes, as well as their parents and carers, feel connected, confident and part of a community.

In 2022, ten DiaBuddies Days were delivered in regional and metropolitan centres in NSW, ACT and QLD. Two mega-DiaBuddies days were held at Sydney’s Luna Park and Brisbane’s Area 51 Play Centre, each attended by up to 200 guests. 87 per cent of respondents agreed that the event improved their child’s confidence in managing diabetes.

11 fun and interactive online DiaBuddies sessions were delivered to 376 attendees. These engaged kids and educated parents on meal planning, mental health and technology. 83 per cent of respondents found the online session helped them feel more connected to a supportive community.

This year, the Nurturing Parents and Carer’s Program was launched to improve the mental wellbeing of parents and carers of children with type 1 diabetes. The Program offers 500 individual counselling sessions for up to 150 parents and there are currently 110 parents receiving professional counselling.

Giant Steps – educating students with autism

Investment: \$480,394

With Future Generation Australia’s support, in 2022 Giant Steps invested in upgrading classrooms to provide best practice settings for students with autism.

Classroom improvements have enabled an environment tailored to the needs of the Giant Steps students and have had a positive impact on students and teachers alike.

Giant Steps continues to see increasing demand for its rich and meaningful education for autistic children and adults, as well as more children being diagnosed with autism at a younger age. Giant Steps will commence an Early Years Program in 2023 to support young children and their families as they navigate the crucial early years and prepare for the transition to school.

The Autism Training Hub continues to grow and enjoy high uptake from families and professionals in the autism community, who are keen to learn Giant Steps’ strategies to support individuals with autism.



giantsteps.net.au

Giant Steps’ specialists work together to develop high-quality education and support for hundreds of students with Autism Spectrum Disorder and complex needs.

Social Impact Report



LIGHTHOUSE
FOUNDATION *for youth*
Let's end youth homelessness

lighthousefoundation.org.au

For the past thirty years, the Lighthouse Foundation has provided a stable home and round-the-clock therapeutic care to more than 1,000 young people, children and babies impacted by long-term neglect, abuse and homelessness.

Lighthouse Foundation – providing a place where homeless kids belong

Investment: \$575,509

In 2022, Future Generation Australia contributed to Lighthouse's specialist support for 64 children and young people at risk of homelessness – more than any previous year. This is an almost 40 per cent increase since 2016.

The launch of Lighthouse's ambitious three-year strategy at the end of 2021 - with the goal to double impact each year to 2025 - saw the growth of existing programs, the introduction of two new programs, and two new Lighthouse homes opened, bringing the total to 11.

21 young people transitioned out of Lighthouse homes to independent living. Lighthouse continues to support all graduates for as long as they need through a tailored care program that includes employment support, practical goods for their homes, community events and therapeutic case management.

This addresses a well-known need of young people recovering from trauma: safe, healthy, reliable and ongoing social connections. It also builds their capacity to live independently, reducing the risk that they will re-enter homelessness.

The Mirabel Foundation – breaking the cycle of addiction

Investment: \$408,713

This year, Future Generation Australia helped Mirabel support more than 1,800 children who have been orphaned or abandoned due to their parents' drug use.

In 2022, more than 1,000 families received crisis support, a 35 per cent increase on 2021. 318 children received educational support, with 73 per cent experiencing improvement in their academic performance.

Mirabel successfully implemented new case management software, which has resulted in improved efficiencies for the program delivery team and greater capacity to track and report on the impact of Mirabel programs.

96 per cent of children transitioning out of Mirabel reported an ongoing positive relationship with their carer and 89 per cent are engaged in education or employment.

In 2022, a committee of young adults, who were previously Mirabel children, was established to provide feedback on their time with Mirabel, aimed at continuous improvement. While early days, Mirabel has found this feedback invaluable and it has already resulted in the introduction of Mirabel camps, in partnership with Outward Bound and BackTrack Youth Works.



mirabelfoundation.org.au

Mirabel's mission is to break the destructive cycle of addiction and disadvantage. Mirabel achieves this through support programs for more than 1,800 children who have been orphaned or abandoned due to their parents' drug use.

Social Impact Report



raise.org.au

Currently based in 180 high schools across Australia, Raise Foundation provides young people with a caring, independent mentor who shows up each week, just to listen to them.

Raise Foundation – building resilience through mentoring

Investment: \$399,621

Future Generation Australia's funding has supported Raise Foundation to provide trained mentors for more than 10,950 vulnerable young people since inception in 2008.

In 2022, Raise delivered a total of 180 mentoring programs across six Australian states. This is 33 more than in 2021 and includes new programs in the ACT. School satisfaction with the program was 100 per cent for the sixth consecutive year and Raise received applications for their mentoring program from 87 new schools for 2023 – a record for the organisation.

Raise's mentoring enabled young people to achieve statistically significant increases in their resilience, hope, help seeking and school engagement.

Raise had a record number of 940 experienced mentors returning to the program, a great achievement in the current climate that is seeing a widespread decline in volunteering.

Youth Off The Streets – defining young people by their potential, not their circumstances

Investment: \$457,621

This year, Future Generation Australia's investment continued to support Youth Off the Street's Aboriginal Cultural Connections program, which was expanded into Western NSW in line with community needs.

With the support of Future Generation Australia, the Cultural Services team worked with 678 Aboriginal and Torres Strait Islander young people in Sydney and Western NSW.

Youth Off The Streets delivered a 12-week structured wellbeing program, aimed at helping young people to develop coping skills, maintain motivation to change their substance use, and gain a strong and healthy cultural identity. This program is continued with aftercare support of up to 12 months if needed. 50 per cent of young people reported a decrease in suicidal ideation at the conclusion of the program.

Additionally, more than 500 Aboriginal youth and community members participated in mental health and wellbeing workshops in Dubbo, Goolagong, Geurie, Wellington, Walgett, Bourke and Brewarrina. The Youth Off The Streets Cultural Services team will lead community forums, educating and recruiting local Aboriginal Elders and service providers to work in the Dubbo Youth Koori Court, to commence in 2023.



youthoffthestreets.com.au

Since being founded by Father Chris Riley in 1991, Youth Off The Streets has grown to deliver a wide range of support services for young people in need.

Directors' Report to Shareholders

For the year ended 31 December 2022

The Directors present their report together with the financial report of Future Generation Investment Company Limited (Future Generation Australia or the Company) for the year ended 31 December 2022.

Principal Activity

The principal activity of the Company is to invest in funds managed by a number of leading Australian equity fund managers with a focus on long equities, absolute bias and market neutral investment strategies while also contributing to Australian children and youth at risk social impact partners and other not-for-profit organisations. The Company invests its capital with fund managers who have agreed to provide their services for 0.0% management fees and 0.0% performance fees. The pro bono support of these fund managers, as well as the pro bono support of various service providers, allows the Company to invest 1.0% of its average monthly net assets each year in our social impact partners with a focus on Australian youth at risk and other not-for-profit organisations.

There was no change in the nature of the activity of the Company during the year or is likely in the future.

Operating and Financial Review

The 2022 financial year was a challenging period for equity markets. The investment portfolio decreased by 10.3%¹, while the S&P/ASX All Ordinaries Accumulation Index decreased 3.0% and the S&P/ASX Small Ordinaries Accumulation Index decreased 18.4% during the 12-month period to 31 December 2022. Since inception, the investment portfolio has increased 8.4%¹ per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 2.8% per annum. The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 12.1% versus the S&P/ASX All Ordinaries Accumulation Index's 14.7% and the S&P/ASX Small Ordinaries Accumulation Index's 17.9%.

The pre-tax NTA for each share as at 31 December 2022 was \$1.27 (2021: \$1.52). The post-tax NTA was \$1.24 per share (2021: \$1.41). These figures are after the 6.25 cents per share in fully franked dividends paid to shareholders during the year.

The Company reported an operating loss before tax of \$68.5 million for the year ended 31 December 2022 (2021: operating profit before tax: \$109.7 million) and an operating loss after tax of \$43.9 million (2021 operating profit after tax: \$79.9 million). The after tax figure was predominantly boosted by a \$24.6 million income tax benefit, delivered through the tax benefit on the operating loss for the period and the franking credits received on franked distribution income from the investments with the underlying pro bono fund managers. The operating loss for the period is reflective of the investment portfolio performance of the underlying pro bono fund managers during the year.

The operating loss for the year includes the distribution income received from underlying fund managers, in addition to the unrealised gains and losses arising as a result of the changes in the market value of the investments held with the underlying fund managers. The level of distribution income received and the movement in the market value of the investments can add to or reduce operating profit or loss in each period respectively. This treatment under the Accounting Standards can cause large variations in reported operating profits or losses between periods.

The operating profit or loss for each financial year is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given year. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in NTA and fully franked dividends, together with total shareholder return.

Further information on the financial performance of the Company is contained in the Chair and Chief Executive Officer's Letter on pages 6 to 11 of this report and in the Investment Committee Report on pages 12 to 16 of this report.

Financial position

The net asset value of the Company as at 31 December 2022 was \$503.8 million (2021: \$570.3 million).

Further information on the financial position of the Company is contained in the Chair and Chief Executive Officer's Letter on pages 6 to 11 of this report.

¹Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

Directors' Report to Shareholders

For the year ended 31 December 2022

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 31 December 2022.

Dividends

Dividends paid or declared are as follows:

\$'000

Fully franked 2022 interim dividend of 3.25 cents per share paid on 28 October 2022	13,127
Fully franked 2021 final dividend of 3.0 cents per share paid on 29 April 2022	12,088

Since the end of the year, the Company declared a fully franked final dividend of 3.25 cents per share to be paid on 24 April 2023. Since inception, after the fully franked final dividend payable, the Company will have paid 39.8 cents per share in fully franked dividends to shareholders.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Mike Baird AO	Chair and Non-Executive Director (appointed 31 July 2022)
Stephanie Lai	Non-Executive Director
David Leeton	Non-Executive Director
David Paradise AO	Non-Executive Director
Gabriel Radzynski	Non-Executive Director
Kate Thorley	Non-Executive Director
Geoff Wilson AO	Non-Executive Director
Jonathan Trollip	Chair and Non-Executive Director (resigned 31 July 2022)

Information on Directors

Mike Baird (Chair and Non-Executive Director)

Experience and expertise

Mike Baird is the Chief Executive Officer of HammondCare, an independent Christian charity providing health, palliative care, dementia and aged care services. Mike has over 30 years' experience in banking and financial services, was former NSW Treasurer and served as the 44th Premier of NSW. Mike is passionate about family, sport and looking after the community's most vulnerable. Mike currently sits on the Board of Cricket Australia. He is also an ambassador for Bear Cottage and Southern Youth Family Services.

Mike Baird has been Chair of the Company since July 2022.

Other current directorships

Mike Baird is a director of Cricket Australia.

Former directorships in the last 3 years

Mike Baird resigned as a director of International College Management Studies in July 2020, Cricket NSW in January 2021, Surfing Australia in December 2022 and Australian Business Growth Fund in December 2022.

Special responsibilities

Chair of the Board.

Interests in shares of the Company

Mike Baird has no interest in shares of the Company.

Interests in contracts

Mike Baird has no interests in contracts of the Company.

Directors' Report to Shareholders

For the year ended 31 December 2022

Stephanie Lai (Non-Executive Director)

Experience and expertise

Stephanie has over 20 years' experience as a Chartered Accountant and is a former partner of Deloitte and KPMG. Stephanie has significant experience providing due diligence and advisory services, including forecast reviews, to listed entities, sovereign wealth funds, wealth managers and private equity. Stephanie has advised on numerous transactions (acquisitions/divestments, debt/equity raisings and IPOs), across a range of industries (infrastructure, property, banking, insurance, wealth management, retail and transport) and markets (Australia, UK, Europe, Asia and the US).

Stephanie is currently a non-executive director and Chair of the Audit Committee of Superloop Limited and Chair of the Audit and Risk Committee of HomeCo Daily Needs REIT and HealthCo Healthcare and Wellness REIT. Stephanie was previously a non-executive director and Chair of the Audit and Risk Committee of SHINE for Kids (a not-for-profit) between 2013 and 2017 and also founded an online retail business, which she grew and successfully divested in 2016. Stephanie has a Bachelor of Business from the University of Technology, Sydney, and is a member of the Institute of Chartered Accountants Australia and a Graduate member of the Australian Institute of Company Directors (AICD).

Stephanie Lai has been a Director of the Company since March 2019.

Other current directorships

Stephanie Lai is currently a director of Superloop Limited, HomeCo Daily Needs REIT and HealthCo Healthcare and Wellness REIT.

Former directorships in the last 3 years

Stephanie Lai has not resigned as a director from any listed companies within the last three years.

Special responsibilities

Chair of the Audit and Risk Committee.

Interests in shares of the Company

Details of Stephanie Lai's interests in shares of the Company are included later in this report.

Interests in contracts

Stephanie Lai has no interests in contracts of the Company.

David Leeton (Non-Executive Director)

Experience and expertise

David Leeton is a senior executive of the Victor Smorgon Group (VSG). Over the past 22 years David has been actively involved in all facets of the Groups' investments and philanthropy interests. David is a co-founder of Victor Smorgon Partners, a co-investment business branch of VSG and the manager of direct family investments. David was formerly the CFO for the Victor Smorgon group for over 15 years and was responsible for the financial reporting, financing and treasury for the group. David holds a Bachelor of Business (Banking & Finance), a Graduate Diploma in Accounting and is a fully qualified CPA.

David Leeton has been a Director of the Company since April 2015.

Other current directorships

David Leeton is a Trustee of the Victor Smorgon Charitable Fund, a director of the Victor Smorgon Scholarship Fund Pty Limited and Lighthouse Foundation.

Former directorships in the last 3 years

David Leeton has not resigned as a director from any listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Directors' Report to Shareholders

For the year ended 31 December 2022

David Leeton (Non-Executive Director) (continued)

Interests in shares of the Company

Details of David Leeton's interests in shares of the Company are included later in this report.

Interests in contracts

David Leeton has no interests in contracts of the Company.

David Paradise AO (Non-Executive Director)

Experience and expertise

David Paradise founded Paradise Investment Management in 1999. Paradise Investment Management invests in equities around the world with offices in Australia and the USA. It is a privately owned company with a team of 50 people and with approximately \$16.7 billion funds under management.

David sits on the investment committee of the GO Foundation, which provides scholarships to Indigenous students. He is currently the Chair of the Taronga Foundation. He supports a number of charities across a number of fields including humanitarian, the arts, environmental, and education. In 2017 he was awarded an AO for distinguished service to the community through philanthropic contributions and charitable support and to business and commerce in the field of investment management.

David Paradise has been a Director of the Company since April 2015.

Other current directorships

None with listed entities.

Former directorships in the last 3 years

David Paradise has not resigned as a director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Details of David Paradise's interests in shares of the Company are included later in this report.

Interests in contracts

Details of David Paradise's interests in contracts of the Company are included later in this report.

Gabriel Radzynski (Non-Executive Director)

Experience and expertise

Gabriel Radzynski is Managing Director of Sandon Capital Pty Limited, a firm specialising in activist investing. Sandon Capital Pty Limited is the investment manager of two wholesale managed investment schemes and a listed investment company. Gabriel has been involved in the financial services sector for more than 20 years.

Gabriel Radzynski has been a Director of the Company since October 2013.

Other current directorships

Gabriel Radzynski serves as Chair of Sandon Capital Investments Limited.

Former directorships in the last 3 years

Gabriel Radzynski has not resigned as a director from any listed companies within the last three years.

Special responsibilities

Member of the Investment Committee.

Directors' Report to Shareholders

For the year ended 31 December 2022

Gabriel Radzynski (Non-Executive Director) (continued)

Interests in shares of the Company

Details of Gabriel Radzynski's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Gabriel Radzynski's interests in contracts of the Company are included later in this report.

Kate Thorley (Non-Executive Director)

Experience and expertise

Kate Thorley has over 17 years' experience in the funds management industry and more than 23 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, director of WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Strategic Value Limited, WAM Research Limited, WAM Active Limited, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (GAICD).

Kate Thorley has been a Director of the Company since April 2015.

Other current directorships

Kate Thorley is a director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), WAM Leaders Limited (appointed March 2016), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Future Generation Global Investment Company Limited (appointed March 2021) and WAM Strategic Value Limited (appointed March 2021).

Former directorships in the last 3 years

Kate Thorley has not resigned as a director from any listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

Interests in contracts

Kate Thorley has no interests in contracts of the Company.

Geoff Wilson AO (Founder and Non-Executive Director)

Experience and expertise

Geoff Wilson has over 42 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed investment companies to deliver both investment and social returns, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson has been a Director of the Company since July 2014.

Other current directorships

Geoff is Chair of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a director of Future Generation Global Investment Company Limited (appointed May 2015). Geoff is a director of Global Value Fund Limited (appointed April 2014), Hearts and Minds Investments Limited (appointed September 2018), WAM

Directors' Report to Shareholders

For the year ended 31 December 2022

Geoff Wilson AO (Founder and Non-Executive Director) (continued)

Other current directorships (continued)

Alternative Assets Limited (appointed September 2020), Incubator Capital Limited (appointed February 2000), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Stockbrokers Foundation and the Australian Children's Music Foundation. Geoff is a member of the Second Bite NSW Advisory Committee. He is also founder and director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in the last 3 years

Geoff Wilson resigned as a director of 8IP Emerging Companies Limited in September 2020, Australian Leaders Fund Limited in March 2021 and Wollongong 2022 Limited in December 2022.

Special responsibilities

Chair of the Investment Committee.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report

Chief Executive Officer

Caroline Gurney

Caroline is Chief Executive Officer of Future Generation Australia and has more than 25 years' experience in the financial services sector focused on marketing, corporate affairs and corporate social responsibility. Caroline has held senior roles at UBS and Citibank and has worked in London, across Asia-Pacific and Australia during her career. She is a member of Ascham School Council and the Centennial Park and Moore Park Foundation, an ambassador for the Australian Indigenous Education Foundation (AIEF), a director of Our Watch, an organisation focused on preventing violence against women and children and set up and was a director of the UBS Australia Foundation. Caroline has also previously served as a director of Future Generation Australia and as a Council Member of Chief Executive Women, and is currently an active member.

Joint Company Secretaries

Jesse Hamilton

Jesse is a Chartered Accountant with more than 14 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. He is Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia and Future Generation Global. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Jesse Hamilton was appointed Company Secretary of Future Generation Australia in March 2021.

Mark Licciardo

Mark Licciardo is the founder of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division. He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies. During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX 100 companies Transurban Group and Australian Foundation Investment Company Limited. Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

Directors' Report to Shareholders

For the year ended 31 December 2022

Members of the Investment Committee

The experience and qualifications of the members of the Investment Committee during the financial period and up to the date of this report are set out below:

Geoff Wilson AO (Chair)

Geoff Wilson is also a Director. Please refer to page 27 to 28 of the Directors' Report for details of Geoff's experience and qualifications.

John Coombe

John Coombe is a Principal Consultant and a Director at investment consulting firm JANA and has worked at the firm since 1988. Prior to joining JANA, John's experience included 10 years at the State Electricity Commission of Victoria (SECV), where he worked in the superannuation, treasury and accounting areas. John holds a Diploma of Business Studies from Footscray Institute of Technology and is a qualified accountant.

Matthew Kidman

Matthew Kidman is Principal and Portfolio Manager of Centennial Asset Management Pty Limited. Matthew previously worked as a Portfolio Manager at Wilson Asset Management (International) Pty Limited between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between the years 1994 and 1998. In 1997, he was made Business Editor of the paper and was charged with the responsibility of company coverage. He has degrees in Law and Economics and a Graduate Diploma in Applied Finance.

Gabriel Radzyminski

Gabriel Radzyminski is also a Director. Please refer to page 26 to 27 of the Directors' Report for details of Gabriel's experience and qualifications.

David Smythe

David Smythe is a Managing Partner and joint founder of Zenith Investment Partners, the research business he established in November 2002. David has been in the investment industry for over 25 years and is heavily involved in all aspects of the Zenith business, including managing research, model portfolio construction and participation in client investment committee meetings.

Bruce Tomlinson

Bruce Tomlinson is Head of Alternative Strategies at Sunsuper in Sydney, a position he has held since October 2007. He was also a Portfolio Manager of Australian Equities at Sunsuper from 2011 to 2014. Prior to this, Bruce was a Statutory Fund Manager at AMP Capital Investors from August 1999.

Martyn McCathie (appointed 24 February 2022)

Martyn has worked with the Investment Committee (IC) for both Future Generation Australia and Future Generation Global since inception, before formally joining the IC in 2022. Martyn has more than 20 years' experience within financial services, both domestic and overseas and is currently an Investment Specialist at Wilson Asset Management. Prior to joining Wilson Asset Management in 2015, he held several senior operational and compliance roles at a number boutique fund managers and large custodians.

Remuneration Report (Audited)

The responsibility of the Company's remuneration policy rests with the Board. Given the size of the Company, its charitable nature, the fact that the Company does not have any employees (following the resignation of Louise Walsh as Chief Executive Officer in April 2021) and has no intention to remunerate its Directors, no remuneration committee has been formed by the Company.

a) Remuneration of Directors and Other Key Management Personnel

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2022, no Directors' fees were paid by the Company (2021: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Australia and has been providing financial and operational support since the inception of Future Generation Australia in 2014. The Company has a service agreement with Wilson Asset Management regarding the financial and operating support

Directors' Report to Shareholders

For the year ended 31 December 2022

a) Remuneration of Directors and Other Key Management Personnel (continued)

provided (as announced on 16 June 2021). Under the service agreement, the Company is charged in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer (Caroline Gurney) and the Social Impact Manager (Emily Fuller). The costs incurred under the service agreement is \$385,000 per annum inclusive of GST. For the year ended 31 December 2022, a fee of \$385,000 inclusive of GST was incurred as well as a GST adjustment of \$14,240 for the year ended 31 December 2021 (2021: \$194,610 net of reduced input tax credits). Caroline Gurney is remunerated for her services as Chief Executive Officer of the Company by Wilson Asset Management (2021: the Company paid LW Consulting Pty Limited, an entity associated with Louise Walsh, a total of \$35,686 (excluding GST) for services provided to April 2021. This payment is exclusive of \$10,000 (excluding GST) in performance based remuneration paid during the period to Louise's resignation in April 2021). The Social Impact Manager is remunerated by Wilson Asset Management (2021: the Company paid Emily Fuller, as Social Impact Manager, \$13,200 for services provided to April 2021).

The following table reflects the Company's performance and Executive remuneration over five years:

	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019	31 Dec 2018
Operating (loss)/profit after tax (\$'000)	(43,886)	79,879	33,464	63,348	(13,953)
Dividends paid (cents per share)	6.25	5.6	5.2	4.7	4.5
Share price (\$)	1.16	1.405	1.250	1.165	1.175
NTA after tax (\$ per share)	1.24	1.41	1.27	1.24	1.13
Total Directors' remuneration (\$'000)	-	-	-	-	-
Total Executive remuneration (\$'000)*	-	46	120	120	100
Shareholders equity (\$'000)	503,798	570,264	509,530	494,626	447,769

*Executive remuneration includes remuneration paid to Louise Walsh for her services as Chief Executive Officer of Future Generation Australia until her resignation in April 2021. Caroline Gurney is remunerated for her services as Chief Executive Officer of the Company by Wilson Asset Management. The Company is charged for costs incurred under the service agreement with Wilson Asset Management in accordance with the service agreement between the entities, which was announced on the ASX on 16 June 2021. For further information on the service agreement, please refer to section (b) of the remuneration report below.

b) Director and Other Key Management Personnel Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions and at market rates, except as noted below.

Geoff Wilson AO is the Chairman and director of Wilson Asset Management, Investment Manager of Wilson Asset Management Equity Fund. Wilson Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Wilson Asset Management also provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has a service agreement with Wilson Asset Management regarding the financial and operating support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer and the Social Impact Manager. The costs incurred under the service agreement is \$385,000 per annum inclusive of GST. For the year ended 31 December 2022, a fee of \$385,000 inclusive of GST was incurred as well as a GST adjustment of \$14,240 for the year ended 31 December 2021 (2021: \$194,610 net of reduced input tax credits).

Wilson Asset Management looks forward to continuing its support for the Company and the service agreement between Wilson Asset Management and the Company reflects the enduring relationship between the parties.

Gabriel Radzynski is Managing Director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

David Paradise AO is a Director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund. Paradise Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Directors' Report to Shareholders

For the year ended 31 December 2022

c) Equity Instruments Disclosures of Directors, Other Key Management Personnel and Related Parties

At the date of this report, the Company's Directors, other key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors and Key Management	Balance at 31 December 2021	Acquisitions/ on appointment	Disposals	Balance at 31 December 2022
Mike Baird AO*	-	-	-	-
Stephanie Lai	42,555	61,777	-	104,332
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	46,381	2,386	-	48,767
Kate Thorley	140,349	20,788	-	161,137
Geoff Wilson AO	9,043,784	760,739	-	9,804,523
Caroline Gurney	16,000	23,809	-	39,809

Options held Directors and Key Management	Balance at 31 December 2021	Acquisitions/ on appointment	Options exercised	Balance at 31 December 2022
Mike Baird AO*	-	-	-	-
Stephanie Lai	42,555	-	-	42,555
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	45,411	-	-	45,411
Kate Thorley	137,454	-	-	137,454
Geoff Wilson AO	8,869,260	-	-	8,869,260
Caroline Gurney	16,000	-	-	16,000

*Mike Baird AO commenced the role of Chair and Director of the Company on 31 July 2022.

There have been no changes in shareholdings and option holdings disclosed above between 31 December 2022 and the date of this report.

Jonathan Trollip resigned as Chair and Director of Future Generation Australia on 31 July 2022. On resignation, Jonathan Trollip held 194,529 shares and 194,529 options in the Company and did not purchase or dispose of any ordinary shares or options during the period from 1 January 2022 to 31 July 2022.

Directors, other key management personnel and director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the financial year end, been granted options over unissued shares or interests in shares of the Company as part of their remuneration. For further details, please refer to Note 20 of the financial statements.

- END OF REMUNERATION REPORT -

Directors' Report to Shareholders

For the year ended 31 December 2022

Directors' Meetings

Director	No. eligible to attend	Attended
Mike Baird AO (Chair)*	2	2
Stephanie Lai	4	4
David Leeton	4	4
David Paradise AO	4	4
Gabriel Radzynski	4	4
Kate Thorley	4	4
Geoff Wilson AO	4	4
Jonathan Trollip*	2	2

*Jonathan Trollip resigned as Chair and Director of the Company on 31 July 2022. Mike Baird AO commenced the role of Chair and Director of the Company on 31 July 2022.

Audit and Risk Committee Meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2022 Corporate Governance Statement available on the Company's website at futuregeninvest.com.au.

Director	No. eligible to attend	Attended
Stephanie Lai (Chair)	4	4
David Leeton	4	4
Kate Thorley	4	4

Investment Committee Meetings

Investment Committee Member	No. eligible to attend	Attended
Geoff Wilson AO (Chair)	4	4
John Coombe	4	4
Matthew Kidman	4	4
Gabriel Radzynski	4	4
David Smythe	4	4
Bruce Tomlinson	4	4
Martyn McCathie	4	4

Options

On 3 September 2021, the Board of Directors announced a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost. Each Future Generation Australia Option provides holders with the opportunity, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. The Options expire on Friday 28 April 2023 and are currently trading on the ASX under the code FGXO.

During the financial year, 38,122 options have been exercised for a total consideration of \$56,421. As at 31 December 2022, a total of 791,183 options have been exercised for a total consideration of \$1,170,951, with the remaining balance of outstanding options at 31 December 2022 being 400,206,463. As at the date of this report, the remaining balance of outstanding options is 400,206,393.

Directors' Report to Shareholders

For the year ended 31 December 2022

After Balance Date Events

Since the end of the year, the Company declared a fully franked final dividend of 3.25 cents per share to be paid on 24 April 2023.

No other matters or circumstances have arisen since the end of the year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

Future Developments

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing market conditions. In addition, a range of non-controllable external factors including, but not limited to, economic growth rates, interest rates, exchange rates and macro-economic conditions may impact the overall performance of the Company's investments and equity markets.

As such, we do not believe it is possible or appropriate to predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental Regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or a State or Territory.

Indemnification and Insurance of Officers or Auditors

During the year, the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Officer or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who, is or has been, an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

During the year, Pitcher Partners, the Company's auditor, did not perform any other non-assurance services in addition to their statutory duties for the Company. Related entities of Pitcher Partners perform taxation services for the Company on a partial pro bono basis. Details of the amounts paid to the auditors and their related parties are disclosed in Note 7 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 7 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditory independence in accordance with the APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

Directors' Report to Shareholders

For the year ended 31 December 2022

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise indicated.

Corporate Governance Statement

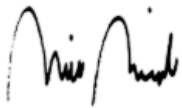
The Company's Corporate Governance Statement for the year ended to 31 December 2022 is provided on the Company's website at futuregeninvest.com.au.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 35 of this Financial Report.

This report is made in accordance with a resolution of directors pursuant to Section 298(2)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.



Mike Baird AO

Chair

Dated this 28th day of February 2023

Pitcher Partners Sydney Partnership

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Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration
To the Directors of Future Generation Investment Company Limited
ABN 97 063 935 553

In relation to the independent audit of Future Generation Investment Company Limited for the year ended 31 December 2022 to the best of my knowledge and belief there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S S Wallace
Partner

Pitcher Partners
Sydney

28 February 2023

Statement of Comprehensive Income

For the year ended 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Investment income from ordinary activities			
Net realised and unrealised (losses)/gains on financial investments		(110,951)	68,386
Distribution income received		42,988	36,516
Investment management and performance fee rebates	3	5,534	11,161
Interest income		185	103
		(62,244)	116,166
Expenses			
ASX listing fees		-	-
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
Social investment accrual	5	(5,403)	(5,867)
Service agreement costs	20(a)	(399)	(195)
Share registry transaction costs		(55)	(48)
Executive remuneration	20(a)	-	(50)
Other expenses		(249)	(215)
Audit fees	7	(62)	(47)
ASX CHESS fees		(31)	(43)
ASIC industry funding levy		(12)	(19)
Tax fees	7	(3)	(8)
(Loss)/profit before income tax		(68,458)	109,674
Income tax benefit/(expense)	4(a)	24,572	(29,795)
(Loss)/profit after income tax for the year attributable to members		(43,886)	79,879
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year		(43,886)	79,879
Basic and diluted (loss)/earnings per share			
	16	(10.87 cents)	19.91 cents

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	13	12,692	16,484
Trade and other receivables	8	2,780	2,430
Financial assets at fair value through profit or loss	9	500,491	596,886
Other current assets		50	50
Total current assets		516,013	615,850
Non-current assets			
Deferred tax assets	4(b)	898	1,096
Total non-current assets		898	1,096
Total assets		516,911	616,946
Liabilities			
Current liabilities			
Trade and other payables	10	439	276
Social investment accrual	5	2,629	3,087
Current tax liabilities	4(c)	1,512	1,618
Total current liabilities		4,580	4,981
Non-current liabilities			
Deferred tax liabilities	4(d)	8,533	41,701
Total non-current liabilities		8,533	41,701
Total liabilities		13,113	46,682
Net assets		503,798	570,264
Equity			
Issued capital	11	447,337	444,702
Profits reserve	12(a)	104,128	129,343
Accumulated losses	12(b)	(47,667)	(3,781)
Total equity		503,798	570,264

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2022

	NOTE	ISSUED CAPITAL \$'000	PROFITS RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2021		441,378	71,933	(3,781)	509,530
Net profit for the year		-	-	79,879	79,879
Transfer to profits reserve	12(a)	-	79,879	(79,879)	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	11(b)	2,440	-	-	2,440
Shares issued via exercise of options	11(b)	1,115	-	-	1,115
Dividends paid	6(a)	-	(22,469)	-	(22,469)
Cost of raising capital	11(b)	(231)	-	-	(231)
Balance at 31 December 2021		444,702	129,343	(3,781)	570,264
Net loss for the year		-	-	(43,886)	(43,886)
Transfer to profits reserve	12(a)	-	-	-	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	11(b)	2,578	-	-	2,578
Shares issued via exercise of options	11(b)	57	-	-	57
Dividends paid	6(a)	-	(25,215)	-	(25,215)
Balance at 31 December 2022		447,337	104,128	(47,667)	503,798

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Proceeds from sale of financial assets		48,782	8,404
Payments for purchase of financial assets		(15,389)	-
Interest income received		185	135
Rebate income received		185	245
Social investment		(5,860)	(5,306)
Income tax paid		(8,504)	(7,922)
Payments for other expenses		(611)	(481)
Net cash provided by/(used in) operating activities	14	18,788	(4,925)
Cash flows from financing activities			
Dividends paid to the Company's shareholders, (net of Dividend Reinvestment Plan)		(22,637)	(20,029)
Shares issued via exercise of options		57	1,115
Cost of raising capital (gross of tax)		-	(328)
Net cash (used in) financing activities		(22,580)	(19,242)
Net decrease in cash and cash equivalents		(3,792)	(24,167)
Cash and cash equivalents at the beginning of the year		16,484	40,651
Cash and cash equivalents at the end of the year	13	12,692	16,484
Non-cash operating and financing activities			
Distributions and rebate income reinvested	15	48,337	47,432
Shares issued via Dividend Reinvestment Plan	15	2,578	2,440

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022

1. General information

Future Generation Investment Company Limited (Future Generation Australia or the Company) is a listed public company, incorporated and domiciled in Australia. The registered office is Level 26, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000. The financial statements of the Company are for the year ended 31 December 2022.

The financial report was authorised for issue on 28 February 2023 by the Board of Directors.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a) Basis of preparation

These general purpose financial statements for the year ended 31 December 2022 have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(i) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

Except for cash flow information, these financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss or through other comprehensive income.

(iii) New standards and interpretations not yet adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. There was no material impact to the financial statements.

(b) Revenue recognition

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

(ii) Trust distributions

Trust distributions are recognised as revenue in the Statement of Comprehensive Income when the right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues in the Statement of Comprehensive Income using the effective rate method which, for floating rate assets, is the rate inherent in the instrument.

(iv) Management and performance fee rebate income

Investment management and performance fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis and is based on the investment being held with the fund calculated on a monthly basis.

Notes to the Financial Statements

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

(c) Income tax

The charge of current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Impairment of assets

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses in the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 31 December 2022, there are no expected credit losses recognised (31 December 2021: nil).

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within six months or less.

(f) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are stated at their amortised cost.

(g) Investments and other financial assets

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Classification and measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs related to financial instruments are expensed to the Statement of Comprehensive Income immediately.

Subsequent changes in fair value for financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income.

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the statement of comprehensive income in the period in which they arise.

Notes to the Financial Statements

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

(g) Investments and other financial assets (continued)

Determination of Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company's accounting policy on fair value is disclosed in Note 18.

The Company values the investments in unlisted trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts.

(h) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at their amortised cost.

(i) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the proceeds from the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

(j) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(k) Dividends

Dividends are recognised when declared during the financial year.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(m) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise indicated.

(n) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(o) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. There are no estimates or judgements that have a material impact on the Company's financial results for the year ended 31 December 2022.

(p) Comparatives

Where necessary, comparative information has been reclassified to be consistent with the current reporting period.

Notes to the Financial Statements

For the year ended 31 December 2022

2. Summary of significant accounting policies (continued)

(q) New standards and interpretations not yet adopted

There are no new standards or interpretations not yet adopted this financial period that would have a material impact for the Company.

3. Investment income from ordinary activities

As at 31 December 2022, the investment portfolio was invested with 18 fund managers in 21 unlisted unit trusts.

Where available, the Company has invested in unit classes that have zero management and performance fees. The unit trusts with a zero fee unit class are the Bennelong Long Short Australian Equity Fund, The Level 18 Fund, Vinva Australian Equities Fund, L1 Capital Australian Equities Fund, QVG Opportunities Fund, Firetrail Absolute Return Fund and Firetrail High Conviction Fund. During the year ended 31 December 2022, the Company redeemed its holdings from in L1 Capital Australian Equities Fund.

The aggregated amount of management and performance fees forgone by the unit trusts with a zero fee unit class for the year ended 31 December 2022 was \$0.9 million (2021: \$1.8 million).

The remaining investments are made in unit trusts with fund managers that normally charge management and performance fees. These fund managers have rebated the fees charged. The aggregate amount of management and performance fees rebated to the Company was \$5.5 million for the year ended 31 December 2022 (2021: \$11.2 million). Management and performance fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis.

The estimated value of the other pro bono services provided to the Company for the year, including the Board and Investment Committee working on a pro bono basis, totalled \$1.5 million (2021: \$1.3 million).

4. Income tax

(a) Income tax (benefit)/expense

The prima facie tax on (loss)/profit before income tax is reconciled to the income tax (benefit)/expense as follows:

	2022 \$'000	2021 \$'000
Prima facie tax on (loss)/profit before income tax at 30% (2021: 30%)	(20,537)	32,902
Imputation credit gross up	1,619	912
Franking credits on distribution income received	(5,396)	(3,039)
Foreign tax credit gross up	61	21
Foreign tax credits on distribution income received	(204)	(70)
(Over)/under provision in prior year	(115)	29
Change in tax classification of investments	-	(960)
Income tax (benefit)/expense	(24,572)	29,795
Effective tax (benefit)/rate	(35.9%)	27.2%

The effective tax rate reflects the benefit to the Company of franking credits received from trust distribution income during the year, in addition to the tax benefit on the Company's operating loss for the period at the corporate tax rate of 30%. The decrease in the effective tax rate from the comparative year is reflective of the loss before income tax in comparison to the profit before income tax in the prior period, compounded by the higher proportion of franked distribution income received from the investments with the underlying pro bono fund managers, in comparison to the operating result for the year.

Total income tax (benefit)/expense results in a:

	2022 \$'000	2021 \$'000
Current tax liability	8,398	10,057
Deferred tax liability	(33,168)	19,476
Deferred tax asset	198	262
Total income tax (benefit)/expense	(24,572)	29,795

Notes to the Financial Statements

For the year ended 31 December 2022

4. Income tax (continued)

(b) Deferred tax assets

	2022 \$'000	2021 \$'000
Capitalised share issue costs	101	162
Provisions	797	934
At reporting date	898	1,096

Movement in deferred tax assets:

	2022 \$'000	2021 \$'000
Balance at the beginning of the period	1,096	1,261
Charged to the statement of comprehensive income	(198)	(262)
Capitalised share issue costs	-	97
At reporting date	898	1,096

(c) Current tax liabilities

Movement in current tax liabilities:

	2022 \$'000	2021 \$'000
Balance at the beginning of the period	1,618	(517)
Current year income tax on operating (loss)/profit	8,398	10,057
Income tax paid	(8,504)	(7,922)
At reporting date	1,512	1,618

(d) Deferred tax liabilities

	2022 \$'000	2021 \$'000
Income provisions	15	15
Fair value adjustments	8,518	41,686
At reporting date	8,533	41,701

Movement in deferred tax liabilities:

	2022 \$'000	2021 \$'000
Balance at the beginning of the period	41,701	22,225
(Credited)/charged to the statement of comprehensive income	(33,168)	19,476
At reporting date	8,533	41,701

5. Social investment

In line with its stated objectives, the Company invests a percentage of its net assets to support its social impact partners who focus on children and youth at risk, as well as other not-for-profit organisations. The social investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. All social investments are made to organisations with deductible gift recipient (DGR) status. The social investment represents a tax deduction for the Company. The annual investment by the Company in supporting Australian children and youth at risk social impact partners is detailed further in the Social Impact Report on page 17 of this report.

Notes to the Financial Statements

For the year ended 31 December 2022

5. Social investment (continued)

For the 12 months ended 31 December 2022, the amount recognised in the Statement of Comprehensive Income was \$5.4 million (2021: \$5.9 million).

The Company paid its eighth annual social investment of \$5.9 million in November 2022. The specific allocation to each social impact partner was determined by shareholder votes and directions, with the Board distributing the undirected monies between the designated social impact partners.

As at 31 December 2022, the six-month accrued commitment is \$2.6 million (2021: \$3.1 million).

6. Dividends

a) Ordinary dividends paid during the year

	2022 \$'000	2021 \$'000
2021 Final dividend: 3.0 cents per share fully franked paid 29 April 2022 (2020 Final dividend: 2.6 cents per share fully franked paid 26 April 2021)	12,088	10,409
2022 Interim dividend: 3.25 cents per share fully franked paid 28 October 2022 (2021 Interim dividend: 3.0 cents per share fully franked paid 26 November 2021)	13,127	12,060
	25,215	22,469

b) Dividends not recognised at year end

	2022 \$'000	2021 \$'000
In addition to the above dividends, since the end of the year, the Board has declared a 3.25 cents per share fully franked final dividend which has not been recognised as a liability at the end of the financial year (2021 Final dividend: 3.0 cents per share)	13,164	12,088

c) Dividend franking account

	2022 \$'000	2021 \$'000
Opening balance of franking account	7,255	5,704
Franking credits on distributions received	5,267	3,258
Tax paid during the year	8,504	7,922
Franking credits on dividends paid	(10,806)	(9,629)
Closing balance of franking account	10,220	7,255
Adjusted for franking credits arising from: - Estimated income tax payable	1,512	1,618
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 6(b)	(5,642)	(5,181)
Adjusted franking account balance	6,090	3,692

The Company's ability to continue to pay franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked distributions received from the fund managers and the payment of tax on profits.

The balance of the franking account does not include the tax to be paid on unrealised investment gains currently recognised as a deferred tax liability of \$8.5 million (2021: \$41.7 million).

Notes to the Financial Statements

For the year ended 31 December 2022

7. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2022 \$'000	2021 \$'000
Audit and review of the financial report	62	47
Other assurance services:		
Taxation services	3	8
Total remuneration for audit and other assurance services	65	55

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and reviews the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

8. Trade and other receivables

	2022 \$'000	2021 \$'000
Distribution income receivable	1,473	155
Rebate income receivable	1,304	2,232
GST receivable	3	43
Total trade and other receivables	2,780	2,430

Risk exposure

The maximum exposure to credit risk in relation to trade and other receivables at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

9. Financial assets at fair value through profit or loss

	2022 \$'000	2021 \$'000
Financial assets at fair value through profit or loss	500,491	596,886

A fund manager allocation and investments at market value breakdown is included in the Investment Committee Report on page 15.

10. Trade and other payables

	2022 \$'000	2021 \$'000
Trade and other payables	439	276

Other payables are settled within the terms of payment offered. No interest is applicable on these accounts.

11. Issued capital

(a) Paid-up capital

	2022 \$'000	2021 \$'000
405,053,153 ordinary shares fully paid (2021: 402,917,212)	447,337	444,702

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

Notes to the Financial Statements

For the year ended 31 December 2022

11. Issued capital (continued)

(b) Movements in ordinary share capital

	2022 \$'000	2021 \$'000
Balance at the beginning of the period	444,702	441,378
402,917,212 ordinary fully paid (2020: 400,343,988)		
38,122 ordinary shares issued from the exercise of options at \$1.48 per option	57	-
912,549 shares issued on 29 April 2022 under a Dividend Reinvestment Plan	1,220	-
1,185,270 shares issued on 28 October 2022 under a Dividend Reinvestment Plan	1,358	-
753,061 ordinary shares issued from the exercise of options at \$1.48 per option	-	1,115
911,758 shares issued on 26 April 2021 under a Dividend Reinvestment Plan	-	1,165
908,405 shares issued on 26 November 2021 under a Dividend Reinvestment Plan	-	1,275
Cost of raising capital (net of tax)	-	(231)
At reporting date	447,337	444,702

(c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders and share and option issues. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to control the capital of the Company since the prior reporting period. The Company is not subject to any externally imposed capital requirements.

(d) Options

On 3 September 2021, the Board of Directors announced a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost. Each Future Generation Australia Option provides holders with the opportunity, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. The Options expire on Friday 28 April 2023 and are currently trading on the ASX under the code FGXO.

As at 31 December 2022, a total of 791,183 options has been exercised for a total consideration of \$1,170,951 and 400,206,463 options remain unexercised (2021: \$1,114,530 and 400,244,585 options) and can be exercised at any time on or before 28 April 2023.

12. Reserves

(a) Profits reserve

	2022 \$'000	2021 \$'000
Profits reserve	104,128	129,343

The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments.

Movements:

	2022 \$'000	2021 \$'000
Profits reserve		
Opening balance	129,343	71,933
Transfer of profits during the year	-	79,879
Final dividend paid (refer to Note 6(a))	(12,088)	(10,409)
Interim dividend paid (refer to Note 6(a))	(13,127)	(12,060)
At reporting date	104,128	129,343

Notes to the Financial Statements

For the year ended 31 December 2022

12. Reserves (continued)

(b) Accumulated losses

	2022 \$'000	2021 \$'000
Opening balance	(3,781)	(3,781)
Net (loss)/profit for the year	(43,886)	79,879
Transfer to profits reserve	-	(79,879)
At reporting date	(47,667)	(3,781)

13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2022 \$'000	2021 \$'000
Cash at call	12,692	16,484
At reporting date	12,692	16,484

The weighted average interest rate for cash as at 31 December 2022 is 3.27% (2021: 0.27%). Cash at call is with major Australian banks and their 100% owned banking subsidiaries that have Standard & Poor's A-1+ rating. There were no term deposits held at the end of the year (2021: nil).

Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

14. Reconciliation of profit after income tax to net cash used in operating activities

	2022 \$'000	2021 \$'000
(Loss)/profit after tax for the year	(43,886)	79,879
Fair value gains /(losses) and movements in financial assets	96,005	(107,414)
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	40	(5)
Increase in other current assets	-	(3)
Decrease in current tax assets	-	517
Decrease in deferred tax assets	198	259
(Decrease)/increase in trade and other payables and accruals	(295)	748
(Decrease)/increase in current tax liabilities	(106)	1,618
(Decrease)/increase in deferred tax liabilities	(33,168)	19,476
Net cash provided by/(used in) operating activities	18,788	(4,925)

15. Non-cash operating and financing activities

	2022 \$'000	2021 \$'000
Distribution income reinvested	42,988	36,516
Rebate income reinvested	5,349	10,916
Shares issued via Dividend Reinvestment Plan	2,578	2,440
Total non-cash operating and financing activities	50,915	49,872

Notes to the Financial Statements

For the year ended 31 December 2022

16. Earnings per share

	2022 \$'000	2021 \$'000
(Loss)/profit after income tax used in the calculation of basic and diluted earnings per share.	(43,886)	79,879

(a) Basic and diluted (loss)/earnings per share

	2022 cents per share	2021 cents per share
Basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company.	(10.87)	19.91

(b) Weighted average number of shares used as denominator

	Number '000	Number '000
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share.	403,773	401,164

The Company currently has outstanding options which have the potential to convert to ordinary shares. As the average share price from 1 January 2022 to 31 December 2022 is less than the option exercise price, they are currently not dilutive in amount and therefore have not been considered for the diluted earnings per share calculation.

17. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

EXPOSURE

The Company is not directly exposed to currency risk as all its investments are quoted in Australian dollars.

(ii) Price risk

EXPOSURE

The Company is exposed to price risk on investments in unlisted unit trusts. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit and loss.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across a number of leading Australian equity fund managers with a focus on absolute bias, long equities and market neutral strategies.

SENSITIVITY

The following table illustrates the effect on the Company's equity from possible changes in the fair value of financial assets that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30%:

Impact on profit and loss	2022 \$'000	2021 \$'000
Change in variable +/- 5% (2021: +/- 5%)	17,517	20,891
Change in variable +/- 10% (2021: +/- 10%)	35,034	41,782

Notes to the Financial Statements

For the year ended 31 December 2022

17. Financial risk management (continued)

(ii) Cash flow and fair value interest rate risk

EXPOSURE

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values.

	Interest bearing \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2022			
Financial Assets			
Cash and cash equivalents	12,692	-	12,692
Trade and other receivables	-	2,780	2,780
Financial assets held at fair value through profit or loss	-	500,491	500,491
Total financial assets	12,692	503,271	515,963
Financial Liabilities			
Trade and other payables	-	439	439
Total financial liabilities	-	439	439
Net exposure	12,692	502,832	515,524

	Interest bearing \$'000	Non-interest bearing \$'000	Total \$'000
31 December 2021			
Financial Assets			
Cash and cash equivalents	16,484	-	16,484
Trade and other receivables	-	2,430	2,430
Financial assets held at fair value through profit or loss	-	596,886	596,886
Total financial assets	16,484	599,316	615,800
Financial Liabilities			
Trade and other payables	-	276	276
Total financial liabilities	-	276	276
Net exposure	16,484	599,040	615,524

SENSITIVITY

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

At 31 December 2022, if interest rates had increased by 100 basis points (bps) or decreased by 100 bps from the rates at the end of the period, with all other variables held constant, post-tax profit for the year would have been \$88,800 higher/\$88,800 lower (2021 changes of 100bps: \$115,500 higher/\$115,500 lower), mainly as a result of higher/lower interest income from cash and cash equivalents.

Notes to the Financial Statements

For the year ended 31 December 2022

17. Financial risk management (continued)

(b) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

Credit risk is managed as noted in Note 13 with respect to cash and cash equivalents and Note 8 for trade and other receivables. None of these assets are over-due or considered to be impaired.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board and Investment Committee monitor the cash-flow requirements in relation to the investment portfolio taking into account upcoming dividends, tax payments, operating cash flows and investing activity.

The Company's inward cash flows depend upon the level of distribution and interest revenue received and the funds received from capital raising initiatives from time to time. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are investments in underlying fund managers, dividends paid to shareholders and the annual investment in Australian social impact partners with a focus on children and youth at risk, the level of these outflows are managed by the Board and Investment Committee.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's cash is held at call which mitigates liquidity risk.

Maturities of financial liabilities

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 month \$'000	1-12 months \$'000	Total contractual undiscounted cash flows \$'000
2022			
Non-derivatives			
Trade and other payables	-	439	439
Total non-derivatives	-	439	439
	Less than 1 month \$'000	1-12 months \$'000	Total contractual undiscounted cash flows \$'000
2021			
Non-derivatives			
Trade and other payables	-	276	276
Total non-derivatives	-	276	276

Notes to the Financial Statements

For the year ended 31 December 2022

18. Fair value measurements

The Company measures and recognises its financial assets at fair value through profit or loss (FVTPL) on a recurring basis.

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

LEVEL 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

LEVEL 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

LEVEL 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

There were no transfers between levels for recurring fair value measurements during the year.

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2022.

31 December 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL	-	500,491	-	500,491

31 December 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at FVTPL	-	596,886	-	596,886

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

(iii) Valuation techniques used to determine fair values

RECURRING FAIR VALUE MEASUREMENTS

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Board of Directors value the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net asset backing of the unlisted unit trusts at the end of the period.

19. Segment information

The Company is engaged in investing activities including cash, term deposits and investments in underlying funds managed by prominent Australian equity fund managers. It has no reportable business or geographical segment.

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the year ended 31 December 2022 are:

Mike Baird AO	Chair and Non-Executive Director (appointed 31 July 2022)
Stephanie Lai	Non-Executive Director
David Leeton	Non-Executive Director
David Paradise AO	Non-Executive Director
Gabriel Radzynski	Non-Executive Director
Kate Thorley	Non-Executive Director
Geoff Wilson AO	Non-Executive Director
Jonathan Trollop	Chair and Non-Executive Director (resigned 31 July 2022)

Notes to the Financial Statements

For the year ended 31 December 2022

20. Key management personnel compensation (continued)

a) Remuneration of Directors and Other Key Management Personnel

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2022, no Directors' fees were paid by the Company (2021: nil).

Wilson Asset Management (International) Pty Limited (Wilson Asset Management) is the lead supporter of Future Generation Australia and has been providing financial and operational support since the inception of Future Generation Australia in 2014. The Company has a service agreement with Wilson Asset Management regarding the financial and operating support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer (Caroline Gurney) and the Social Impact Manager (Emily Fuller). The costs incurred under the service agreement is \$385,000 per annum inclusive of GST. For the year ended 31 December 2022, a fee of \$385,000 inclusive of GST was incurred as well as a GST adjustment of \$14,240 for the year ended 31 December 2021 (2021: \$194,610 net of reduced input tax credits).

Caroline Gurney is remunerated for her services as Chief Executive Officer of the Company by Wilson Asset Management (2021: the Company paid LW Consulting Pty Limited, an entity associated with Louise Walsh, a total of \$35,686 (excluding GST) for services provided to April 2021. This payment is exclusive of \$10,000 (excluding GST) in performance based remuneration paid during the period to Louise's resignation in April 2021). The Social Impact Manager is remunerated by Wilson Asset Management (2021: the Company paid Emily Fuller, as Social Impact Manager, \$13,200 for services provided to April 2021).

b) Share and option holdings

As at 31 December 2022, the Company's Directors and key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors and Key Management	Balance at 31 December 2021	Acquisitions/ on appointment	Disposals	Balance at 31 December 2022
Mike Baird AO*	-	-	-	-
Stephanie Lai	42,555	61,777	-	104,332
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	46,381	2,386	-	48,767
Kate Thorley	140,349	20,788	-	161,137
Geoff Wilson AO	9,043,784	760,739	-	9,804,523
Caroline Gurney	16,000	23,809	-	39,809

Options held Directors and Key Management	Balance at 31 December 2021	Acquisitions/ on appointment	Options exercised	Balance at 31 December 2022
Mike Baird AO*	-	-	-	-
Stephanie Lai	42,555	-	-	42,555
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	45,411	-	-	45,411
Kate Thorley	137,454	-	-	137,454
Geoff Wilson AO	8,869,260	-	-	8,869,260
Caroline Gurney	16,000	-	-	16,000

*Mike Baird AO commenced the role of Chair and Director of the Company on 31 July 2022.

Notes to the Financial Statements

For the year ended 31 December 2022

20. Key management personnel compensation (continued)

b) Share and option holdings (continued)

Jonathan Trollip resigned as Chair and Director of Future Generation Australia on 31 July 2022. On resignation, Jonathan Trollip held 194,529 shares and 194,529 options in the Company and did not purchase or dispose of any ordinary shares or options during the period from 1 January 2022 to 31 July 2022.

As at 31 December 2021, the Company's Directors and key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors and Key Management	Balance at 31 December 2020	Acquisitions	Disposals/ balance on retirement	Balance at 31 December 2021
Jonathan Trollip	194,529	-	-	194,529
Stephanie Lai	42,555	-	-	42,555
David Leeton	309,364	-	-	309,364
David Paradise AO	1,000,000	-	-	1,000,000
Gabriel Radzynski	44,505	1,876	-	46,381
Kate Thorley	134,751	5,598	-	140,349
Geoff Wilson AO	8,706,302	337,482	-	9,043,784
Caroline Gurney*	-	16,000	-	16,000
Louise Walsh*	16,046	-	(16,046)	-

Options held Directors and Key Management	Balance at 31 December 2020	Bonus issue allotment/acquisitions	Options exercised	Balance at 31 December 2021
Jonathan Trollip	-	194,529	-	194,529
Stephanie Lai	-	42,555	-	42,555
David Leeton	-	309,364	-	309,364
David Paradise AO	-	1,000,000	-	1,000,000
Gabriel Radzynski	-	45,411	-	45,411
Kate Thorley	-	137,454	-	137,454
Geoff Wilson AO	-	8,869,260	-	8,869,260
Caroline Gurney*	-	16,000	-	16,000

*Caroline Gurney resigned as a Director of the Company on 27 September 2021 as she commenced the role of CEO of Future Generation Australia. Louise Walsh stepped down as the CEO of Future Generation Australia on 16 April 2021.

Directors, other key management personnel and their related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year ended 31 December 2022, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. Related party transactions

All transactions with related entities were made on normal commercial terms and conditions and at market rates, except as noted below.

Geoff Wilson AO is the Chairman and director of Wilson Asset Management, Investment Manager of Wilson Asset Management Equity Fund. Wilson Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Wilson Asset Management also provides some company secretarial services, financial reporting, investor relations and marketing for the Company. The Company has a service agreement with Wilson Asset Management regarding the financial and operating support provided (as announced on 16 June 2021). Under the service agreement, the Company is charged in relation to the financial and operational support provided to the Company, including the provision of services from the Chief Executive Officer and the Social Impact Manager. The costs incurred under the service agreement is \$385,000 per annum inclusive of GST. For the year ended 31 December 2022, a fee of \$385,000 inclusive of GST was incurred as well as a GST

Notes to the Financial Statements

For the year ended 31 December 2022

21. Related party transactions (continued)

adjustment of \$14,240 for the year ended 31 December 2021 (2021: \$194,610 net of reduced input tax credits).

Wilson Asset Management looks forward to continuing its support for the Company and the service agreement between Wilson Asset Management and the Company reflects the enduring relationship between the parties.

Gabriel Radzynski is Managing Director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

David Paradise AO is a Director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund and the Paradise Equity Alpha Plus Fund. Paradise Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

22. Contingencies

The Company had no contingent liabilities at 31 December 2022 (2021: nil).

23. Commitments

The Company invests a percentage of its net assets each year to support its social impact partners who focus on children and youth at risk, as well as other not-for-profit organisations, under the terms outlined in the Prospectus dated 7 July 2014. The social investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. As at 31 December 2022, the accrued commitment is \$2.6 million (2021: \$3.1 million). For further information, refer to Note 5.

24. Events occurring after the reporting period

Since the end of the year, the Company declared a fully franked final dividend of 3.25 cents per share to be paid on 24 April 2023.

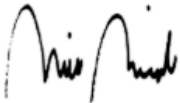
No other matters or circumstances have arisen since year end which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of Future Generation Investment Company Limited declare that:

1. The financial report as set out in pages 36 to 55 and the additional disclosures included in the Directors' Report designated as 'Remuneration Report', as set out on pages 29 to 31 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
2. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the persons and organisations who perform the Chief Executive Officer and Chief Financial Officer functions respectively, for the purposes of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.



Mike Baird AO

Chair

Dated this 28th day of February 2023

Pitcher Partners Sydney Partnership

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**Independent Auditor's Report
To the Members of Future Generation Investment Company Limited
ABN 97 063 935 553**

Report on the Audit of the Financial Report**Opinion**

We have audited the financial report of Future Generation Investment Company Limited ("the Company"), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Future Generation Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

- i. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- ii. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Matter
Existence and Valuation of Financial Assets Refer to Note 9: Financial assets at fair value through profit or loss	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and Profits. The quantum of investments held inherently makes financial assets a key audit matter, in addition however, there may be judgements involved in determining the fair value of investments.</p> <p>The Company's investments are considered to be non-complex in nature with fair value based on readily observable inputs. Consequently, these are classified as "Level 2" investments under Australian Accounting Standards (i.e., where key inputs to the valuation are based on observable inputs).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of and evaluating the investment management processes and controls; ▪ Reviewing and evaluating the independent audit report on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Administrator; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness for the periods to which the audit report relates to and obtaining a bridging letter and confirmation; ▪ Agreeing the investment holdings to investment holding statements from fund managers or trustees of the investee entities; ▪ Assessing the valuation of investments by agreeing the units held and the exit price at reporting date to the reported unit pricing from investment holding statements and comparing the value of investments to the valuation report of the Administrator; ▪ For a sample of investments held at balance date, obtaining their latest audited accounts, and performing procedures including: <ul style="list-style-type: none"> ○ Recalculating the net asset value and comparing it to the reported unit price; ○ Considering the appropriateness of accounting policies; and ○ Confirming that the audit opinion of the funds were unmodified; ▪ Evaluating the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included at pages 29 to 31 of the Directors' Report for the year ended 31 December 2022. In our opinion, the Remuneration Report of Future Generation Investment Company Limited, for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S S Wallace

Partner

28 February 2023



Pitcher Partners

Sydney

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 January 2023)

There are currently no substantial shareholders.

On-market buy back (as at 31 January 2023)

There is no current on-market buy back.

Distribution of shareholders (as at 31 January 2023)

Category	Number of shareholders	Percentage of issued capital held	Number of option holders	Percentage of options held
1 - 1,000	1,148	0.1%	1,101	0.1%
1,001 - 5,000	1,409	1.0%	1,341	1.0%
5,001 - 10,000	1,210	2.4%	1,104	2.2%
10,001 - 100,000	4,251	35.7%	3,786	31.6%
100,001 and over	549	60.8%	497	65.1%
	8,567	100.0%	7,829	100.0%

The number of shareholdings held in less than marketable parcels is 552.

Twenty largest shareholders – Ordinary shares (as at 31 January 2023)

Name	Number of ordinary shares held	Percentage of issued capital held
HSBC Custody Nominees (Australia) Limited	47,275,944	11.7%
Netwealth Investments Limited	14,023,557	3.5%
Entities associated with Mr Geoff Wilson AO	9,804,523	2.4%
The Ian Potter Foundation Limited	9,338,836	2.3%
Snow Foundation Limited	7,731,000	1.9%
Clurname Pty Limited	6,261,890	1.5%
BNP Paribas Nominees Pty Limited	2,927,959	0.7%
Mr C B Millett & Ms J M Donnellan	2,737,224	0.7%
J P Morgan Nominees Australia Pty Limited	2,239,063	0.6%
Ms R Webster & Mr J Webster	2,086,189	0.5%
Charanda Nominee Company Pty Limited	2,000,000	0.5%
Melbourne Business School Limited	2,000,000	0.5%
Ruapehu Holdings Pty Limited	1,831,817	0.5%
Steve Anthony & Co Pty Limited	1,503,065	0.4%
Jontra Holdings Pty Limited	1,503,065	0.4%
Mr K J Cairns & Mrs C V Cairns	1,500,000	0.4%
Planet Red Pty Limited	1,450,000	0.4%
Mr P M Edwards & Mr D G Leeton	1,285,000	0.3%
Victor Smorgon Institute At Epworth Pty Limited	1,279,192	0.3%
Giant Steps Sydney Endowment Fund Pty Limited	1,265,456	0.3%
	120,043,780	29.8%

ASX Additional Information

Twenty largest option holders – Options (as at 31 January 2023)

Name	Number of options held	Percentage of options held
HSBC Custody Nominees (Australia) Limited	54,498,316	13.6%
Netwealth Investments Limited	11,149,755	2.6%
Entities associated with Mr Geoff Wilson AO	8,869,260	2.2%
Snow Foundation Limited	6,566,800	1.6%
The Ian Potter Foundation Limited	6,400,000	1.6%
Clurname Pty Limited	5,830,948	1.5%
Mr T E Fisher & Ms S M Hickey	4,720,266	1.2%
Smart Alpha Investments Pty Limited	3,000,000	0.7%
Perpetual Corporate Trust Limited	3,000,000	0.7%
Mr C B Millett & Ms J M Donnellan	2,737,224	0.7%
BNP Paribas Nominees Pty Limited	2,642,284	0.7%
Mr P M Alderson	2,500,000	0.6%
Graham Port Phillip Pty Limited	2,400,000	0.6%
Miss N Wang	2,300,000	0.6%
Melbourne Business School Limited	2,000,000	0.5%
Florence Family Superfund Pty Limited	2,000,000	0.5%
Mrs A K Lim	1,900,004	0.5%
Ruapehu Holdings Pty Limited	1,831,817	0.5%
Mr D Lim & Mrs A K Lim	1,670,711	0.4%
Mr L Kukulj	1,600,000	0.4%
	127,617,385	31.7%

Securities exchange listing

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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