

Appendix 4D

Half Year Report

for the half year ended 30 June 2023

Results for announcement to the market

All comparisons for the half year ended 30 June 2022
(unless specified for 31 December 2022)

Future Generation
Australia Limited
ABN 97 063 935 553

	UP/DOWN	% MVMT	\$'000
Revenue from operating activities	up	128.7%	28,039
Profit from ordinary activities before tax	up	124.8%	25,037
Net profit from ordinary activities after tax	up	130.7%	20,833

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2023 interim dividend cents per share	3.35	3.35	30%
2022 final dividend cents per share	3.25	3.25	30%

Dividend dates

Ex-dividend date	12 October 2023
Record date	13 October 2023
Last election date for DRP	17 October 2023
Payment date	27 October 2023

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the recommended interim fully franked dividend of 3.35 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 volume weighted average market price (VWAP) 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 2023 interim dividend.

Net Tangible Assets (NTA)*	30 JUN 2023	31 DEC 2022
NTA (before tax) per share	\$1.29	\$1.27
NTA (after tax) per share	\$1.25	\$1.24

*After the FY2022 final fully franked dividend of 3.25 cents per share paid to shareholders during the six-month period to 30 June 2023.

Future Generation Australia Limited

Financial Report

For the half year
ended 30 June 2023

ABN: 97 063 935 553



**Future
Generation
Australia**

INVESTMENT & SOCIAL RETURNS

Future Generation Australia 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 Paradice AO
Gabriel Radzyninski
Kate Thorley
Geoff Wilson AO

Joint Company Secretaries

Jesse Hamilton
Mark Licciardo

Investment Committee

Geoff Wilson AO (Chair)
John Coombe
Matthew Kidman
Gabriel Radzyninski
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

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E: info@futuregeninvest.com.au
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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 Australia
Ordinary Shares (FGX)





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Directors' Report to Shareholders

For the half year ended 30 June 2023

The Directors present their report together with the financial report of Future Generation Australia Limited (Future Generation Australia or the Company), formerly known as Future Generation Investment Company Limited, for the half year ended 30 June 2023.

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
- 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

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-only, long/short and alternative 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 period or is likely in the future.

Operating and financial review

For the six-month period ended 30 June 2023, the Company reported an operating profit before tax of \$25.0 million (HY2022: operating loss before tax of \$100.9 million) and an operating profit after tax of \$20.8 million (HY2022: operating loss after tax of \$67.9 million). The operating profit is reflective of the solid performance of the investment portfolio over the six-month period. The investment portfolio increased 5.2%*, outperforming the S&P/ASX All Ordinaries Accumulation Index which rose 4.7% and the S&P/ASX Small Ordinaries Accumulation Index which increased 1.3%, in the six months to 30 June 2023.

Future Generation Australia's Investment Committee is responsible for selecting and monitoring the mix of fund managers and investment styles, with the objective of providing shareholders with a diversified investment portfolio, outperformance through market cycles, reduced volatility and downside protection. The investment portfolio continues to provide shareholders with diversity through exposure to traditional long equities strategies complimented with exposure to absolute bias and market neutral strategies. On a look-through basis the investment portfolio has a larger weighting towards small, mid and micro-cap companies with an underweight to large-cap companies. Since September 2021, small, mid and micro-cap companies have underperformed large-cap companies both in Australia and globally with the S&P/ASX Small Ordinaries Accumulation Index underperforming the S&P/ASX All Ordinaries Accumulation Index by 19.7%. The Investment Committee has maintained its exposure to small, mid and micro-cap companies and the investment portfolio is well positioned to benefit on the expected resurgence of small-cap companies. We are pleased to have outperformed the S&P/ASX All Ordinaries Accumulation Index by 0.5% and the S&P/ASX Small Ordinaries Accumulation Index by 3.9% in the six months to 30 June 2023.

*Investment 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 half year ended 30 June 2023

Operating and financial review (continued)

The Board declared an increased interim fully franked dividend of 3.35 cents per share to be paid on 27 October 2023. The FY2023 interim fully franked dividend represents an annualised fully franked dividend yield of 6.0% and a grossed-up dividend yield of 8.6%, on the 30 June 2023 share price of \$1.12 per share and an annualised fully franked dividend yield of 5.2% and a grossed-up dividend yield of 7.4%, on the 30 June 2023 net assets of \$1.29 per share. Since inception, Future Generation Australia has paid 39.8 cents per share in fully franked dividends to shareholders. The Company held a profits reserve of 26.9 cents per share as at 31 July 2023, representing 4.0 years of dividend coverage for shareholders, after the payment of the interim fully franked dividend of 3.35 cents per share. 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 operating profit for the period 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 in each period respectively. This treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

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

Since inception, the investment portfolio has increased 8.5%* 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 3.0% per annum. The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 11.9% versus the S&P/ASX All Ordinaries Accumulation Index's 14.5% and the S&P/ASX Small Ordinaries Accumulation Index's 17.6%.

Future Generation Australia's NTA before tax increased 4.1% for the six months to 30 June 2023, including the 3.25 cents per share FY2022 final fully franked dividend paid to shareholders during the period. This increase is after the social investment accrual of 0.5% (1.0% per annum) and corporate tax payments of 0.6 cents per share or 0.5% during the period. The social investment accrual and corporate tax payments were the major item of difference between the investment portfolio performance of 5.2%*. The other item contributing to the change in the value of the assets during the year was other company related expenses of 0.1%.

The NTA before tax as at 30 June 2023 was \$1.29 per share (December 2022: \$1.27). The NTA after tax was \$1.25 per share (December 2022: \$1.24). These figures are after the 3.25 cents per share FY2022 final fully franked dividend paid to shareholders during the period.

TSR is a measure that shows the tangible return to shareholders, being the change in the share price together with dividends paid, assuming the dividends are reinvested during the period. The TSR for Future Generation Australia was -0.6% for the six months to 30 June 2023 and was impacted by the increase in the share price discount to NTA, partially offset by the investment portfolio performance of 5.2%. As at 30 June 2023, the share price discount was 13.0% (December 2022: discount of 8.4%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

The Future Generation Australia investment portfolio has been structured to provide diversification between three broad equity strategies: long equities, absolute bias and market neutral, with the remainder held in cash.

*Investment 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 half year ended 30 June 2023

Operating and financial review (continued)

As at 30 June 2023, the portfolio was 46.7% absolute bias, 43.4% long equities, 6.9% market neutral and 3.0% cash.

During the six months to 30 June 2023, the Company partially redeemed its holdings in Regal Australian Equities Long Short Fund rebalancing the weighting in the portfolio from 13.7% at 31 December 2022 to 10.7% at 30 June 2023.

At the date of this report, the investment portfolio is made up of 18 fund managers with investments in 21 unlisted unit trusts.

The Company will deliver its ninth annual social investment by the end of the year. The investment of \$5.2 million will be made to our social impact partners and other not-for-profit organisations, bringing the total investment since inception to \$37.9 million.

Fund managers and service providers

Through their investment in Future Generation Australia, shareholders have unprecedented access to leading Australian fund managers and make a significant contribution towards a brighter future for children and youth at risk in Australia. This is made possible by the fund managers forgoing management and performance fees. Most service providers, Directors, the Audit and Risk Committee and the Investment Committee also work on a pro bono basis.

We would like to thank the fund managers and service providers for their outstanding and continued generosity throughout the period. 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 half year period ended 30 June 2023 totalled \$3.9 million (HY2022: \$3.2 million) and the estimated value of the service providers working for the Company on a pro bono basis totalled \$0.8 million (HY2022: \$0.7 million). Currently we estimate the value of this pro bono support to be approximately \$9.3 million per annum, and at 1.8% of the net assets of the Company, these savings to shareholders exceed the annual investment to our social impact partners.

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. The Company raised \$1.2 million during the term of the option issue from a total of 795,238 options that were exercised, with the remaining options expiring on 28 April 2023.

Social impact update

Future Generation Australia's social impact partners continue to deliver critical support to Australian children and youth at risk across a range of services. While the scope of work undertaken by our partners is wide ranging, they continue to focus on key areas that have proven positive and lasting impacts on young people, their families and communities. These areas include: improving social and emotional wellbeing; breaking the cycle of disadvantage; improving physical health; enhancing educational engagement and achievement; and developing new skills.

Future Generation Australia's support has helped our partners continue to grow and innovate against a challenging backdrop. Rising interest rates, inflation and cost of living pressures are seeing increasing numbers of young Australians in need. We acknowledge the crucial role our not-for-profit partners play in such times when needs are greatest and economic conditions see donations and volunteer numbers dwindling.

In May 2023, the Future Generation Companies lodged a submission to the Productivity Commission's Review of Philanthropy 2023, which is designed to boost charitable donations and meet the Australian Government's goal of doubling philanthropic giving by 2030. Future Generation believes this is a timely and achievable goal. By coupling the nation's greatest intergenerational transfer of wealth with a policy environment geared towards encouraging giving, we can and should lift Australian giving to be in line with our peer nations. This would be a

Directors' Report to Shareholders

For the half year ended 30 June 2023

Social impact update (continued)

transformational opportunity to channel billions of additional dollars to Australian charities who are crucial to the social fabric of our communities, to the delivery of essential human services and who we increasingly look to, to address the social and environmental challenges of our time.

Change of company name

At the Annual General Meeting held in April 2023, a resolution was passed to change the legal name of Future Generation Investment Company Limited to Future Generation Australia Limited. The Company's legal name now aligns with the name that the Company is commonly referred to.

After balance sheet date events

Since the end of the period, the Company has declared an interim fully franked dividend of 3.35 cents per share to be paid on 27 October 2023.

No other matters or circumstances have occurred subsequent to period end that has significantly affected, 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.

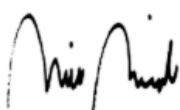
Rounding of amounts

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 dollar, or in certain cases, the nearest dollar, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 5 of the financial report.

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



Mike Baird AO

Chair

Dated this 28th day of August 2023

Pitcher Partners Sydney Partnership

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

In relation to the independent auditor's review of Future Generation Australia Limited
(Formerly Future Generation Investment Company Limited) for the half-year ended 30 June
2023, I declare that to the best of my knowledge and belief there have been:

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



S S Wallace
Partner

Pitcher Partners
Sydney

28 August 2023

Statement of Comprehensive Income

For the half year ended 30 June 2023

	NOTE	JUNE 2023 \$'000	JUNE 2022 \$'000
Investment income from operating activities			
Net realised and unrealised gains/(losses) on financial investments		4,469	(138,775)
Distributions received		19,970	38,655
Investment management and performance fee rebates	2	3,325	2,437
Interest income		275	16
		28,039	(97,667)
Expenses			
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
ASX listing fees		-	-
Social investment accrual	3	(2,610)	(2,774)
Service agreement costs		(121)	(209)
Other expenses		(173)	(151)
Audit fees		(37)	(44)
ASX CHESS fees		(33)	(9)
Share registry transaction costs		(19)	(33)
ASIC industry funding levy		(6)	(1)
Tax fees		(3)	(3)
		(3,002)	(3,224)
Profit/(loss) before income tax		25,037	(100,891)
Income tax (expense)/benefit		(4,204)	32,956
Profit/(loss) after income tax for the period attributable to members		20,833	(67,935)
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Other comprehensive income for the period, net of tax		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		20,833	(67,935)
Basic and diluted earnings/(loss) per share		5.13 cents	(16.85 cents)

The accompanying notes form part of these half year financial statements.

Statement of Financial Position

As at 30 June 2023

	NOTE	JUNE 2023 \$'000	DECEMBER 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		15,655	12,692
Trade and other receivables		18,747	2,780
Financial assets at fair value through profit or loss	7	494,476	500,491
Other current assets		22	50
Total current assets		528,900	516,013
Non-current assets			
Deferred tax assets		1,654	898
Total non-current assets		1,654	898
Total assets		530,554	516,911
Liabilities			
Current liabilities			
Trade and other payables		302	439
Social investment accrual	3	5,239	2,629
Current tax liabilities		2,277	1,512
Total current liabilities		7,818	4,580
Non-current liabilities			
Deferred tax liabilities		10,127	8,533
Total non-current liabilities		10,127	8,533
Total liabilities		17,945	13,113
Net assets		512,609	503,798
Equity			
Issued capital	5(a)	448,479	447,337
Profits reserve	6	111,797	104,128
Accumulated losses	6	(47,667)	(47,667)
Total equity		512,609	503,798

The accompanying notes form part of these half year financial statements.

Statement of Changes in Equity

For the half year ended 30 June 2023

	NOTE	ISSUED CAPITAL \$'000	PROFITS RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2022		444,702	129,343	(3,781)	570,264
Net loss for the period		-	-	(67,935)	(67,935)
Transfer to profits reserve		-	-	-	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	5(b)	1,220	-	-	1,220
Shares issued via Options		56	-	-	56
Dividends paid	4(a)	-	(12,088)	-	(12,088)
Balance at 30 June 2022		445,978	117,255	(71,716)	491,517
Balance at 1 January 2023		447,337	104,128	(47,667)	503,798
Net profit for the period		-	-	20,833	20,833
Transfer to profits reserve	6	-	20,833	(20,833)	-
Other comprehensive income, net of tax		-	-	-	-
Transactions with owners:					
Shares issued via Dividend Reinvestment Plan	5(b)	1,136	-	-	1,136
Shares issued via Options	5(b)	6	-	-	6
Dividends paid	4(a)	-	(13,164)	-	(13,164)
Balance at 30 June 2023		448,479	111,797	(47,667)	512,609

The accompanying notes form part of these half year financial statements.

Statement of Cash Flows

For the half year ended 30 June 2023

	JUNE 2023 \$'000	JUNE 2022 \$'000
Cash flows from operating activities		
Proceeds from sale of financial assets	17,500	15,389
Payments for purchase of investments	-	(15,389)
Dividend income received	63	-
Interest income received	275	16
Rebate income received	250	79
Income tax paid	(2,600)	(3,100)
Net GST received from ATO	4	30
Payments for other expenses	(507)	(399)
Net cash provided by/(used in) operating activities	14,985	(3,374)
Cash flows from financing activities		
Dividends paid to the Company's shareholders, (net of Dividend Reinvestment Plan)	(12,028)	(10,868)
Shares issued via exercise of options	6	56
Net cash used in financing activities	(12,022)	(10,812)
Net increase/(decrease) in cash and cash equivalents	2,963	(14,186)
Cash and cash equivalents at the beginning of the period	12,692	16,484
Cash and cash equivalents at the end of the period	15,655	2,298
Non-cash investing and financing activities		
Distributions and rebate income reinvested	22,981	41,013
Shares issued via Dividend Reinvestment Plan	1,136	1,220

The accompanying notes form part of these half year financial statements.

Notes to the Financial Statements

For the half year ended 30 June 2023

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of Future Generation Australia Limited (Future Generation Australia or the Company), formerly known as Future Generation Investment Company Limited.

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

Basis of preparation

These interim financial statements for the half year reporting period ended 30 June 2023 are general purpose financial statements and have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The interim financial statements of the Company also comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except for cash flows information, the interim financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

The accounting policies applied for the period are consistent with those in the most recent annual financial statements.

2. Investment income from ordinary activities

As at 30 June 2023, the investment portfolio was made up of 18 leading Australian equity fund managers with investments 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 Equity Fund, Vinva Australian Equities Fund, QVG Opportunities Fund, Firetrail Absolute Return Fund, Firetrail Australian High Conviction Fund and the Centennial Level 18 Fund.

The aggregated value of management and performance fees forgone by the unit trusts with a zero fee unit class for the six months ended 30 June 2023 was \$0.5 million (HY2022: \$0.7 million).

The remaining investments are made in unlisted unit trusts with fund managers that normally charge management and performance fees. These fund managers have rebated the fees charged. The aggregate value of management and performance fees rebated to the Company was \$3.3 million for the six months ended 30 June 2023 (HY2022: \$2.4 million).

The estimated value of the other pro bono services provided to the Company for the six months ended 30 June 2023, including the Board and Investment Committee working on a pro bono basis, totalled \$0.8 million (HY2022: \$0.7 million).

Notes to the Financial Statements

For the half year ended 30 June 2023

3. 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 investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. All investments are made to organisations with deductible gift recipient (DGR) status. The investment represents a tax deduction for the Company.

For the six months ended 30 June 2023, the amount recognised in the Statement of Comprehensive Income was \$2.6 million (HY2022: \$2.8 million).

As at 30 June 2023, the 12-month accrued commitment is \$5.2 million (June 2022: \$5.9 million). The Company will pay its ninth annual investment by the end of the year. The social investment of \$5.2 million will be made to our partners and other not-for-profit organisations, bringing the total investment since inception to \$37.9 million. The specific allocation to each organisation will be determined by shareholder votes and directions, with the Board distributing undirected monies between our social impact partners.

4. Dividends

a) Ordinary dividends paid during the period

	JUNE 2023 \$'000	JUNE 2022 \$'000
2023 Final dividend: 3.25 cents per share fully franked at 30% paid 24 April 2023 (2022 Final dividend: 3.0 cents per share fully franked at 30% paid 29 April 2022)	13,164	12,088

b) Dividends not recognised during the period

	JUNE 2023 \$'000	JUNE 2022 \$'000
Since the end of the half year, the Directors have declared an interim fully franked dividend of 3.35 cents per share payable on 27 October 2023 (2022 Interim dividend: 3.25 cents per share fully franked)	13,603	13,126

5. Issued capital

a) Paid-up capital

	JUNE 2023 \$'000	DECEMBER 2022 \$'000
406,064,249 ordinary shares fully paid (December 2022: 405,053,153)	448,479	447,337

Notes to the Financial Statements

For the half year ended 30 June 2023

5. Issued capital (continued)

b) Movements in ordinary share capital

	JUNE 2023 \$'000	DECEMBER 2022 \$'000
Balance at the beginning of the period	447,337	444,702
405,053,153 ordinary shares fully paid (December 2021: 402,917,212)		
4,055 ordinary shares issued from the exercise of options at \$1.48 per option	6	-
1,007,041 shares issued on 24 April 2023 under a Dividend Reinvestment Plan	1,136	-
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
At reporting date	448,479	447,337

c) 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. The Company raised \$1.2 million during the term of the option issue from a total of 795,238 options that were exercised, with the remaining options expiring on 28 April 2023.

6. Reserves and accumulated losses

	JUNE 2023 \$'000	DECEMBER 2022 \$'000
Profits reserve	111,797	104,128
Accumulated losses	(47,667)	(47,667)

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

MOVEMENTS:

	JUNE 2023 \$'000	DECEMBER 2022 \$'000
Profits reserve		
Opening balance	104,128	129,343
Transfer of profits during the period	20,833	-
Final dividend paid (refer Note 4(a))	(13,164)	(12,088)
Interim dividend paid	-	(13,127)
At reporting date	111,797	104,128

Notes to the Financial Statements

For the half year ended 30 June 2023

6. Reserves and accumulated losses (continued)

	JUNE 2023 \$'000	DECEMBER 2022 \$'000
Accumulated losses		
Opening balance	(47,667)	(3,781)
Net profit/(loss) for the period	20,833	(43,886)
Transfer to profits reserve	(20,833)	-
At reporting date	(47,667)	(47,667)

7. Fair value measurements

The Company measures and recognises financial assets at fair value through profit and loss on a recurring basis. The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

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 (as prices) or indirectly (derived from prices); and

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

I) RECOGNISED FAIR VALUE MEASUREMENTS

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2023 on a recurring basis:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
At 30 June 2023				
Financial assets at FVTPL	-	494,476	-	494,476
At 31 December 2022				
Financial assets at FVTPL	-	500,491	-	500,491

There were no transfers between levels for recurring fair value measurements during the period (December 2022: nil). The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

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.

Notes to the Financial Statements

For the half year ended 30 June 2023

7. Fair value measurements (continued)

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. The unlisted unit trusts are subject to an annual audit.

8. Segment information

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

9. Contingencies

There were no contingent liabilities for the Company at 30 June 2023 (December 2022: nil).

10. 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. The investment is accrued monthly and is equal to 1.0% per annum of the Company's average monthly net assets. As at 30 June 2023, the 12-month accrued commitment is \$5.2 million (December 2022: \$2.6 million).

The Company will pay its ninth annual investment by the end of the year. The social investment of \$5.2 million will be made to our partners and other not-for-profit organisations, bringing the total investment since inception to \$37.9 million. The specific allocation to each organisation will be determined by shareholder votes and directions, with the Board distributing undirected monies between our social impact partners.

11. Events occurring after the reporting period

Since the end of the period, the Company declared an interim fully franked dividend of 3.35 cents per share to be paid on 27 October 2023.

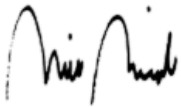
No other matters or circumstances have arisen since the end of the period which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of Future Generation Australia Limited declare that:

1. The half year financial report, as set out in pages 6 to 14, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2023 and of its performance for the half year ended on that date.
2. 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.

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



Mike Baird AO

Chair

Dated this 28th day of August 2023

Pitcher Partners Sydney Partnership

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

Report on the Half-Year Financial Report**Conclusion**

We have reviewed the half-year financial report of Future Generation Australia Limited (*Formerly Future Generation Investment Company Limited*) ("the Company") which comprises the statement of financial position as at 30 June 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Future Generation Australia Limited does not comply with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual 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 in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

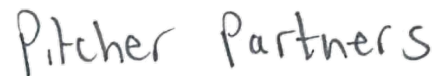
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S S Wallace
Partner

28 August 2023



Pitcher Partners
Sydney

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