

Dear Fellow Shareholder,

Investment portfolio performance

The Future Generation Australia (ASX: FGX) investment portfolio decreased 3.9%* for the month, in line with the S&P/ASX All Ordinaries Accumulation Index which also fell 3.9%. The Future Generation Global (ASX: FGG) investment portfolio decreased 1.8%* in October, while the MSCI AC World Index (AUD) fell 1.4%.

Since inception, the Future Generation Australia investment portfolio has increased 7.8%* per annum and the Future Generation Global investment portfolio has increased 7.2%* per annum. The investment portfolios' performance has been achieved with less volatility than their respective indexes, as measured by standard deviation.

Future Generation Summit

It was great to see so many shareholders and friends at the Future Generation Summit, where we heard from leading minds in investment, philanthropy and the community. The Summit featured an inspiring discussion with Future Generation Founder Geoff Wilson AO and entrepreneur, author and activist Dan Pallotta, as well as panels with philanthropists David Gonski AC and Michael Gonski, Jack Heath from Philanthropy Australia, Mark Holowesko from Holowesko Partners and Kate Bowditch from Australian Philanthropic Services. Thank you to our speakers for your valuable insights, and to Herbert Smith Freehills and our other supporters for hosting The Summit pro bono. We are pleased to share a [recording of the Summit](#) if you would like to watch the panel discussions and fill in a [short survey](#).

Future Generation podcast series

This month we released two new podcast episodes with Future Generation Global Portfolio Manager, Nikki Thomas, from Magellan Financial Group and Bernie Shakeshaft, Founder of BackTrack Youth Works, one of our Future Generation Global social impact partners.

In the newest [Take Stock episode](#), Nikki discusses recent trends emerging from reporting season, her market outlook and why she is optimistic about the US market. [Listen](#) to the episode and read more on her stock selection process in our podcast episode summary.

In the latest episode of [2fold: Investing for impact](#), we speak to Bernie, who candidly shares his story and how it led him to create BackTrack. The episode and transcript are available [here](#).

In the media

You can read about some of the ideas discussed at The Summit in *The Sydney Morning Herald* and *The Age*; [Peace dividend blow puts philanthropy in peril](#), [Why charities shouldn't be 'crucified' for acting like corporates](#), [More economic pain as rate rise looms, warn top fund managers](#) and [Israel-Hamas escalation could keep interest rates 'higher for longer.'](#)

Stock picks from some of Australia's biggest fund managers

Following The Summit and recent Regional Roadshows, several Future Generation pro bono fund managers shared their long-term high conviction investment ideas with the *Sydney Morning Herald* and *The Age*. Read why they are investing in companies such as Ferrari (BIT: RACE), Global Data Centre Group (ASX: GDC), and Netflix (NASDAQ: NFLX) in the article [here](#).

Thank you and best wishes,



Caroline Gurney
CEO, Future Generation

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



\$75.9m

SOCIAL
INVESTMENT
TO 2023



\$5.2m

Future
Generation
Australia
2023

\$5.4m

Future
Generation
Global
2023

2023 total social
investment

\$10.6m

2023 annualised
management fees,
performance fees and
service provider fees
forgone

\$17.6m

Total annualised
management fees,
performance fees and
service provider fees
forgone since
inception to 2023

\$131.3m

Investment portfolio performance

The below NTA figures are **after** the interim fully franked dividend of 3.35 cents per share paid on 27 October 2023. The shares traded ex-dividend on 12 October 2023.

Net tangible assets before tax cum dividend	Net tangible assets before tax ex dividend	Dividends paid since inception (per share)
123.60c	120.25c	43.15c
Net tangible assets after tax and before tax on unrealised gains	Gross assets	Profits reserve (per share)
120.45c	\$497.0m	26.8c
Net tangible assets after tax	Market capitalisation [#]	Annualised interim fully franked dividend yield [#]
119.43c	\$447.8m	6.1%
		Grossed-up dividend yield: 8.7% ^{^^}

[#]Based on the 31 October 2023 share price of \$1.10 per share and the FY23 annualised interim fully franked dividend of 6.7 cents per share. Future Generation Australia has 407,114,405 shares on issue. During the month, 1,050,156 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

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

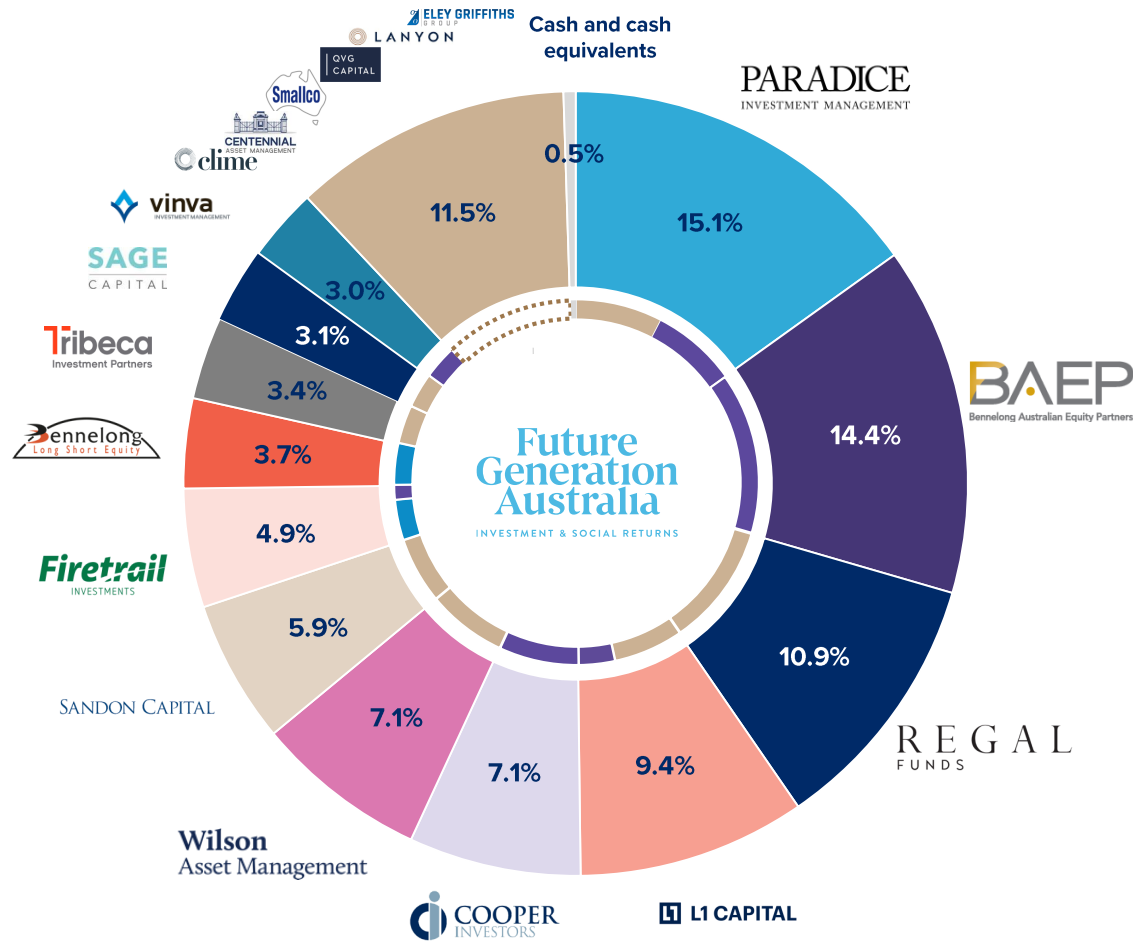
Investment portfolio performance at 31 October 2023	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)	Volatility [^]
Future Generation Australia	-3.9%	1.8%	1.9%	6.6%	7.3%	7.5%	7.8%	11.9%
S&P/ASX All Ordinaries Accumulation Index	-3.9%	0.0%	2.9%	8.6%	7.4%	7.9%	6.6%	14.4%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes. Future Generation Australia's financial year is from 1 January to 31 December.

[^]Volatility is measured by standard deviation

Fund manager allocations

0% management fees
0% performance fees



11.5% fund manager breakdown

Clime Investment Management	2.9%	QVG Capital	1.6%	Absolute bias	48.0%
Centennial Asset Management	2.6%	Lanyon	1.2%	Long equities	44.2%
Smallco Investment Manager	2.1%	Eley Griffiths Group	1.1%	Market neutral	7.3%
				Cash	0.5%

Investment portfolio performance

The below NTA figures are after the interim fully franked dividend of 3.6 cents per share paid on 20 October 2023. The shares traded ex-dividend on 5 October 2023.

Net tangible assets before tax cum dividend	Net tangible assets before tax ex dividend	Profits reserve (per share)
138.71c	135.11c	48.9c
Net tangible assets after tax and before tax on unrealised gains	Gross assets	Annualised interim fully franked dividend yield#
135.19c	\$544.5m	6.4% Grossed-up dividend yield: 9.1%^
Net tangible assets after tax	Market capitalisation#	ESG aware^^ (of the portfolio)
131.80c	\$445.0m	98.3%

#Based on the 31 October 2023 share price of \$112 per share and the FY23 annualised interim fully franked dividend of 7.2 cents per share. Future Generation Global has 397,277,724 shares on issue. During the month, 984,277 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

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

^^As reported in the 2022 Annual Report.

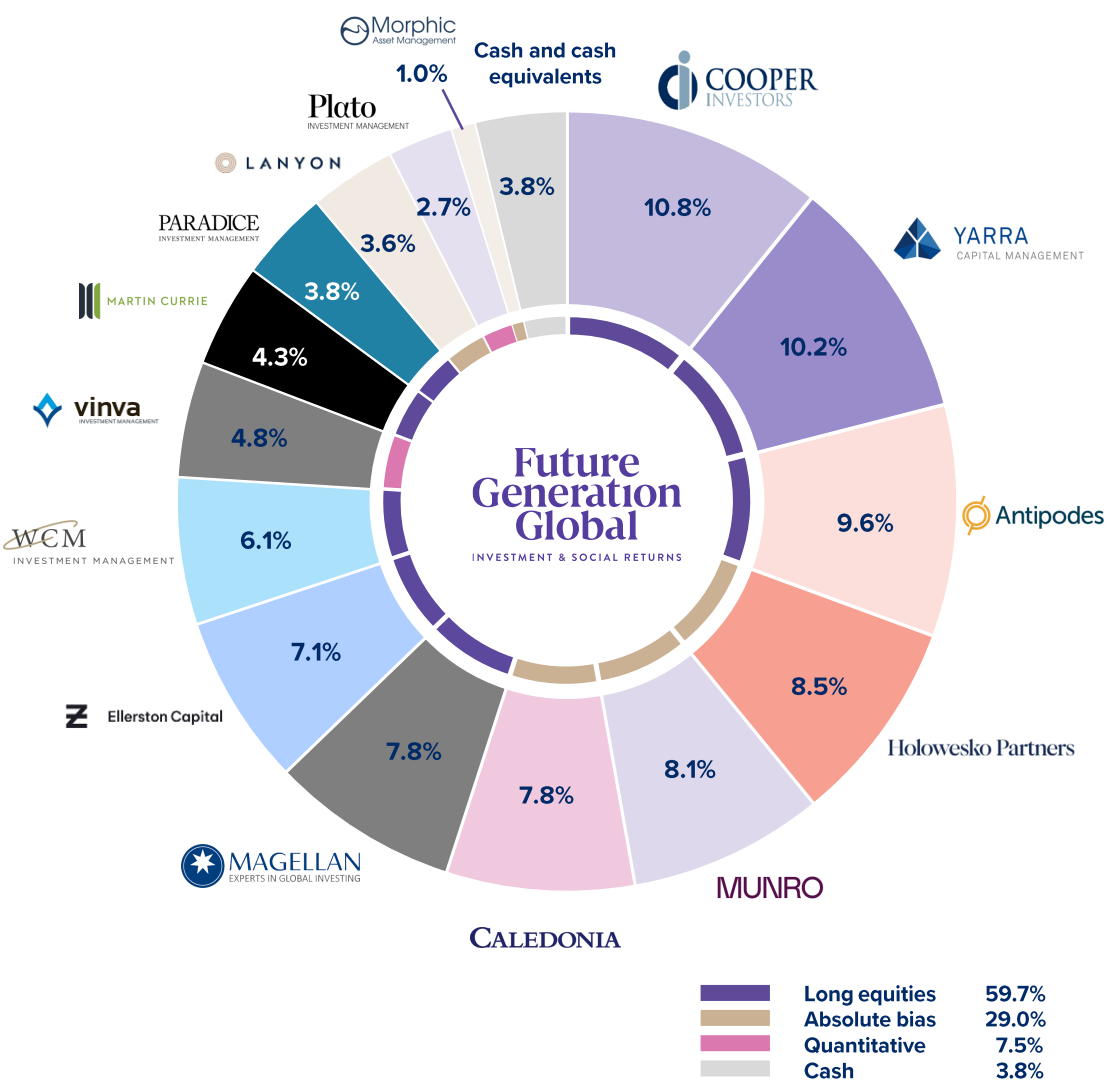
Investment portfolio performance at 31 October 2023	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)	Volatility
Future Generation Global	-1.8%	9.9%	9.1%	2.2%	6.1%	8.6%	7.2%	9.8%
MSCI AC World Index (AUD)	-1.4%	14.8%	11.5%	10.4%	9.9%	11.3%	9.5%	10.8%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes. Future Generation Global's financial year is from 1 January to 31 December.

^Volatility is measured by standard deviation.

Fund manager allocations

0% management fees
0% performance fees



Take Stock - Nikki Thomas

Nikki Thomas

Portfolio Manager at Magellan
Financial Group



We hope you enjoy this episode of Take Stock, a new podcast series by Future Generation. The episode is available [here](#), and below is a short edited summary.

What are you looking forward to next year? What's your market outlook?

We don't really think about the whole market and I can't tell you where the market's going to go overall. What we do is think about what the key parameters are and always look within the market to find where the best opportunities are, where we can make great returns for our investors, in a way that doesn't take too much risk.

We spend a lot of time inside the market looking at where the opportunities are, where things are changing. Trying to be live to the data at all times. The markets are probably going to continue to give us good and bad and we may continue to see volatility as we work through very significant global transitions.

What are the biggest trends that have emerged out of the recent reporting season?

We're at the tail end of reporting season, and the topics that continue to be front of mind include the shift around artificial intelligence (AI). AI remains front and centre and we're seeing some very strong results for enabling companies. The commercialisation of AI is still well in the future but we can see it coming.

The energy transition has been interesting to watch. What jumped out at me this reporting season is one of the things we've been saying, that there's going to be large amounts of money that will pursue the energy transition but there won't be good returns for everybody. This is becoming evident in some of the results we've seen. There has been quite a lot of significant write downs by companies involved in renewables and there will be difficulties as we go through this process.

We have seen similar things around electric vehicles as the competition heats up. A lot of the large original equipment manufacturers (OEMs) are finding it really difficult to compete in that electrical vehicle space where China has done so well.

Weakness in Europe and China has been evident. The question marks around how big of an impact interest rate increases will have on consumers around the world continues, and we're seeing different levels of pain across markets.



We are incredibly grateful that you are one of our pro bono fund managers. Why do you do it?

I genuinely care about the people on the other side, so I do this because I want people's hard earned savings to turn into a pot of gold.

I want to help people make money by investing. There are two sets of people I care about most in the investing process, one is the people that work at Magellan, I want to help the business grow. The other piece is the investors on the other side of that. The people who have trusted us with their savings. I absolutely want them to be justified in that trust and to give them a great outcome. That is why I go to work.

It is always great to be involved in a project like Future Generation too. What you achieve, and the ability for us to contribute Future Generation's outcomes has been really rewarding.

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

Future Generation Australia fund managers



Future Generation Global fund managers



Social impact partner in focus:



BackTrack Youth Works

Bernie Shakeshaft, Founder of BackTrack Youth Works

At BackTrack's annual general meeting on 13 November 2023, Chief Executive Officer Bernie Shakeshaft announced he would be handing over the reins to Marcus Watson, effective 1 December.

Bernie, who founded BackTrack in 2006, will remain integrally involved in the organisation. "This gives me the chance to get back to doing what I love best, which is working directly with the kids, and building for BackTrack's future," Bernie says. "Marcus is the right man for the job. The board and staff are confident he's got this."

All of us at Future Generation Global salute Bernie for his work at BackTrack to date and look forward to continuing our close collaboration with Marcus and Bernie as they do "whatever it takes for as long as it takes" to keep vulnerable kids alive, out of jail and chasing their dreams.

We wish Marcus and the BackTrack team all the best as they build on this incredible legacy.

Listen to our [2fold: investing for impact](#) episode with Bernie to learn more about BackTrack Youth Works and Bernie's inspiring story.

For more information visit <https://backtrack.org.au/>

Our social impact partners



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as at
31 October 2023**

Fund Manager	Investment	Strategy	% of Gross Assets
	Mid Cap/Equity Alpha Plus Funds (split out below)		15.1%
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	7.6%
	Paradice Australian Mid Cap Fund	Long equities	7.5%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	14.4%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.9%
	Long Short/Catalyst Funds (split out below)		9.4%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.2%
	L1 Capital Catalyst Fund	Long equities	3.2%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	7.1%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	7.1%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.9%
	Absolute Return/High Conviction Funds (split out below)		4.9%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.6%
	Firetrail High Conviction Fund	Long equities	1.3%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.7%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.4%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.1%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.0%
Clime Investment Management	Clime Australian Equities Fund	Long equities	2.9%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.1%
QVG Capital	QVG Opportunities Fund	Long equities	1.6%
Lanyon	Lanyon Australian Value Fund	Absolute bias	1.2%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.1%
	Cash and cash equivalents		0.5%

**Fund manager
allocation and
investments at
market value as at
31 October 2023**

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.8%
Yarra Capital Management	Yarra Global Share Fund	Long equities	10.2%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	9.6%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	8.5%
Munro Partners	Munro Global Growth Fund	Absolute bias	8.1%
Caledonia	Caledonia Global Fund	Absolute bias	7.8%
Magellan Asset Management	Magellan Global Fund	Long equities	7.8%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	7.1%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	6.1%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	4.8%
Martin Currie Investment Management	Martin Currie Global Long-term Unconstrained Fund	Long equities	4.3%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.8%
Lanyon	Lanyon Global Value Fund	Absolute bias	3.6%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	2.7%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and cash equivalents		3.8%