

Dear Fellow Shareholder,

### Investment portfolio performance

- The FGX investment portfolio increased 3.7%\* in March, outperforming the S&P/ASX All Ordinaries Accumulation Index which rose 3.1%. The investment portfolio has increased 16.5% over the past 12 months.
- The FGG investment portfolio increased 1.7%\*, while the MSCI AC World Index (AUD) rose 2.7%. The investment portfolio has increased 21.4% over the past 12 months.

### Annual General Meetings (AGMs)

The Future Generation Australia and Future Generation Global AGMs will be held as hybrid meetings online and in-person on Tuesday 7 May 2024 at the Museum of Sydney. The Notice of Meetings for Future Generation Australia and Future Generation Global can be found [here](#) and [here](#).

### Thank you for attending our Shareholder Presentations

It was great to meet so many of you over the last fortnight at our Shareholder Presentations. If you were unable to attend, you can watch our Sydney Shareholder Presentation [here](#). The Future Generation panel starts at 2:10:25 and the In Conversation Panel with The Australian Financial Review (AFR) starts at 3:11:25.

### In Conversation Panel with The AFR

At our Sydney and Melbourne Shareholder Presentations, The AFR hosted panels with some of our pro bono fund managers, discussing markets, the economy and investment opportunities. In Sydney, Future Generation Australia Independent Director, Dr Philip Lowe joined the panel and answered shareholder questions. Read the media coverage of our Sydney event in [The Australian Financial Review](#), [The Australian](#), [The Sydney Morning Herald](#) and [Livewire](#).

### In the media

- Former RBA governor on his next challenge | [ABC News](#)
- Funds not just 'doing well' but 'doing good' | [ausbiz](#)
- Watch the earnings valuations on AI stocks and buy Ferrari: Zehrid Osmani | [The Australian](#)
- An investment that pays consistent dividends and changes the world | [Livewire](#)
- Positive Social Impact Investing | [ASX webcast](#)
- Rate cuts don't matter to these 'fallen angel' stock picks | [The Australian Financial Review](#)

I will be presenting at the ASX's CEO Connect virtual event on 23 April 2024. Register to watch the presentation [here](#).

### Reminder | Dividend dates

The Future Generation Australia and Future Generation Global shares will be trading ex-dividend on 9 May 2024 and 13 May 2024 respectively. The FY2023 final dividend dates are available [here](#). To be entitled to a dividend, shareholders must have purchased the shares before the ex-dividend date. If you purchase shares on or after that date, the previous owner of the shares is entitled to the dividend. Ex-dividend describes a company that's shares are trading without the value of the next dividend payment. The share price of a company tends to fall on the ex-dividend date, as the underlying NTA of a company decreases by the dividend amount, due to the physical cash of the dividend being paid out to shareholders.

As always, please call or email us if you have any questions on (02) 9247 9202 or [info@futuregeninvest.com.au](mailto:info@futuregeninvest.com.au).

Thank you,



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.

**\$75.8m**

SOCIAL  
INVESTMENT  
TO 2023



**\$5.2m**

Future  
Generation  
Australia  
2023

**\$5.4m**

Future  
Generation  
Global  
2023

**2023 total social  
investment**

**\$10.6m**

**2023 savings on  
management fees,  
performance fees and  
service provider fees  
forgone**

**\$17.6m**

**Total savings on  
management fees,  
performance fees  
and service  
provider fees  
forgone since  
inception to 2023**

**\$131.3m**

## Investment portfolio performance

The below NTA figures are before the fully franked final dividend of 3.35 cents per share due to be paid on 22 May 2024. The shares will trade ex-dividend on 9 May 2024.

Net tangible assets before tax	Gross assets	Dividends paid since inception (per share)
<b>141.63c</b>	<b>\$580.7m</b>	<b>43.15c</b> Including the value of franking credits: 61.6c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Profits reserve (per share)
<b>139.76c</b>	<b>\$490.6m</b>	<b>36.0c</b>
Net tangible assets after tax	Volatility <sup>^</sup>	Grossed-up dividend yield <sup>*</sup>
<b>134.73c</b>	<b>11.9%</b> S&P/ASX All Ordinaries Accumulation Index: 14.3%	<b>8.0%</b> Fully franked dividend yield: 5.6% <sup>#</sup>

<sup>#</sup>Based on the 28 March 2024 share price of \$1.205 per share and the FY23 fully franked full year dividend of 6.7 cents per share. Future Generation Australia has 407,114,405 shares on issue.

<sup>^</sup>Volatility is measured by standard deviation.

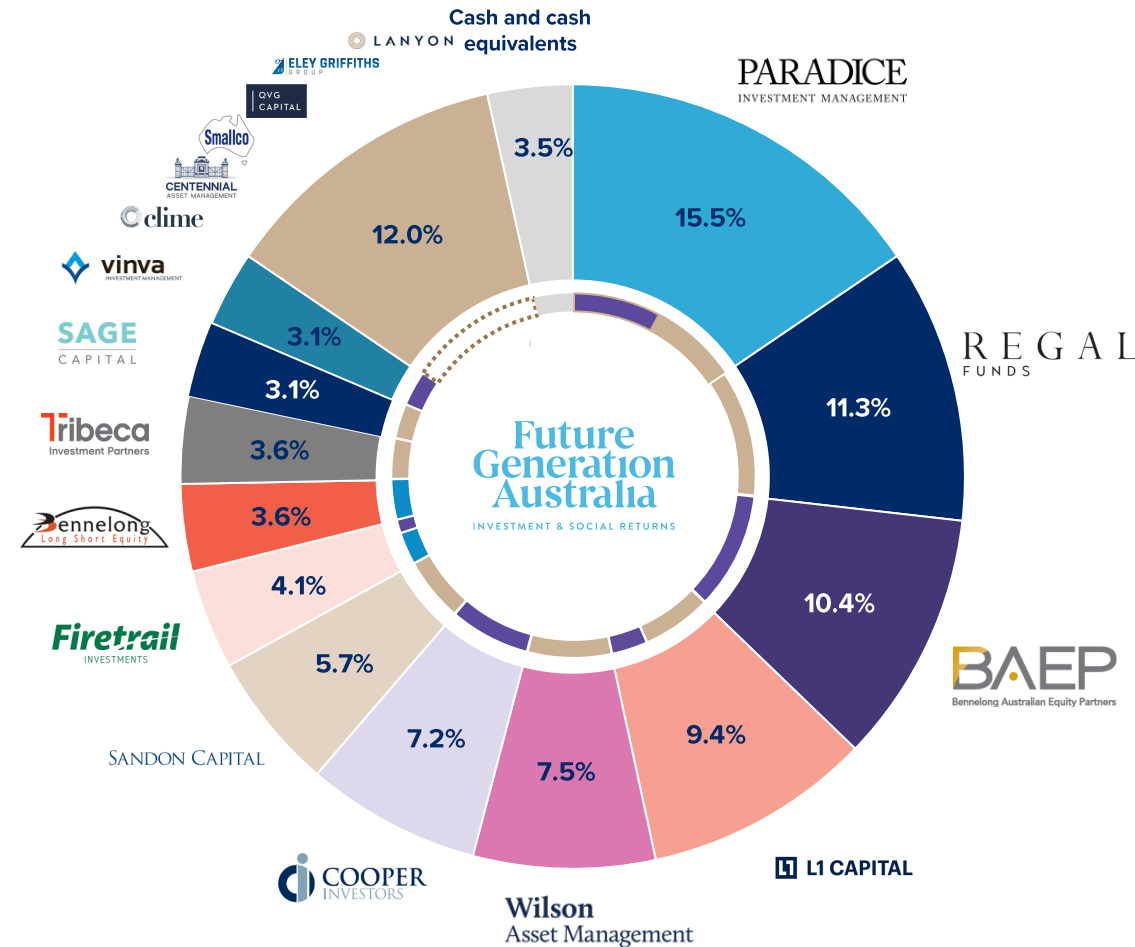
<sup>\*</sup>Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 31 March 2024	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	6.5%	16.5%	8.2%	10.2%	9.5%	9.4%

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

## Fund manager allocations

0% management fees  
0% performance fees



### 12.0% fund manager breakdown

Fund Manager	Allocation (%)	Category	Category Total (%)
Clime Investment Management	3.0%	Absolute bias	48.9%
Centennial Asset Management	2.6%	Long equities	41.1%
Smallco Investment Manager	2.3%	Market neutral	6.5%
QVG Capital	1.7%	Cash	3.5%
Eley Griffiths Group	1.2%		
Lanyon	1.2%		

## Investment portfolio performance

The below NTA figures are before the fully franked final dividend of 3.6 cents per share due to be paid on 24 May 2024. The shares will trade ex-dividend on 13 May 2024.

Net tangible assets before tax	Gross assets	Profits reserve (per share)
<b>161.20c</b>	<b>\$645.0m</b>	<b>61.8c</b>
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Dividends paid since inception (per share)
<b>159.34c</b>	<b>\$520.4m</b>	<b>23.1c</b> Including the value of franking credits: 33.0c
Net tangible assets after tax	Volatility <sup>**</sup>	Grossed-up dividend yield <sup>^</sup>
<b>150.39c</b>	<b>9.9%</b> MSCI AC World Index (AUD): 10.8%	<b>7.9%</b> Fully franked dividend yield: 5.5% <sup>#</sup>

<sup>#</sup>Based on the 28 March 2024 share price of \$1.31 per share and the FY23 fully franked full year dividend of 7.2 cents per share. Future Generation Global has 397,277,724 shares on issue.

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

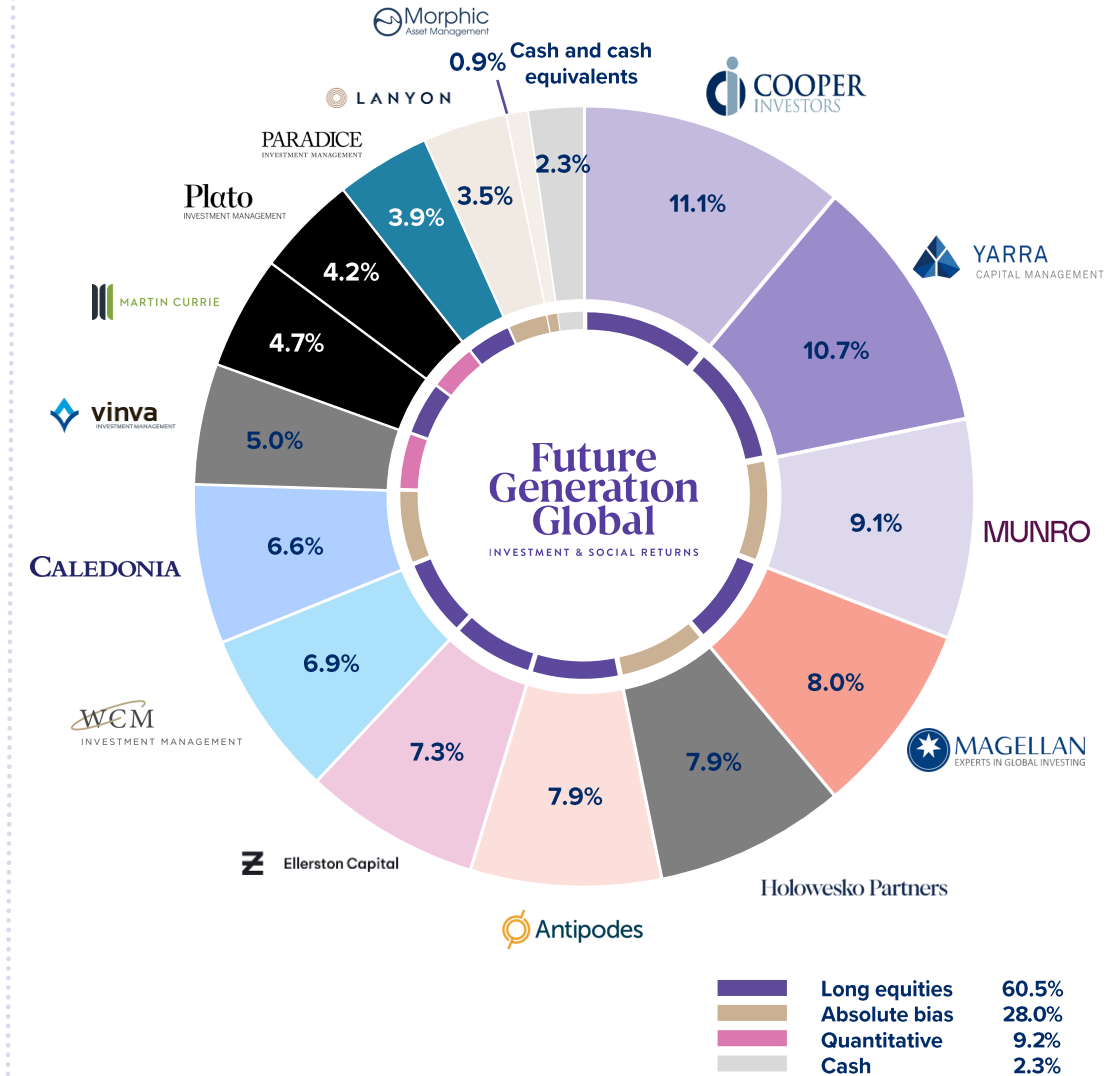
<sup>\*\*</sup>Volatility is measured by standard deviation.

Investment portfolio performance at 31 March 2024	Fin YTD	1 yr	3 yrs	5 yrs	7 yrs	Since inception
		%pa	%pa	%pa	%pa	%pa (Sept-15)
Future Generation Global	13.1%	21.4%	5.5%	9.4%	10.4%	9.1%

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

## Fund manager allocations

0% management fees  
0% performance fees



## Zehrid Osmani, Head of Global Long-Term Unconstrained team and Portfolio Manager at Martin Currie

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

### **Nvidia (NASDAQ: NVDA) is your biggest holding and was the star of U.S. reporting season with sales up 265 per cent. Can the stock run much further?**

It's a question many investors are wondering. When we look at a company like Nvidia, we assess the market potential, market growth and the shape of that growth. The growth we saw in 2023 for artificial intelligence (AI) is the tip of the iceberg. We believe there will be a further accelerated take-up from multiple strands. Firstly, the cloud providers such as Amazon, Microsoft and Google upgrading their infrastructure to make it 'AI-ready'. Then the corporate spend as companies realise that AI makes them more productive, more creative and ultimately more competitive. Lastly, there's sovereign AI - so AI deployed by governments - and that will be the next leg of growth.

Nvidia can grow its top line at over 20 per cent annualised, and its earnings at over 30 per cent across the next five years, and this is a company with a very high return on invested capital. We estimate over 100 per cent return on invested capital last year, and as a result, we can see the company still has a nice compounding characteristic, high growth, high return. Therefore, we're keeping it as the largest position in our strategy.

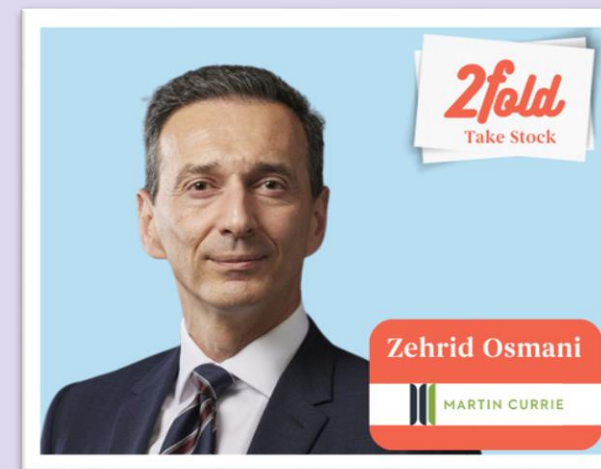
### **What is your global market outlook for the rest of the year and how are you positioning your portfolio in response?**

When we wrote our outlook for 2024, we mentioned a few things - inflation will be stickier and longer lasting; monetary policies will pivot towards cuts, but not until the second half; the UK and Europe will remain in stagflation and the US and China will be slowing down. So, you have a global cycle that is in slowdown. As a result, we believe that the corporate earnings will remain in recession as you're facing little or no growth across geographies.

Therefore, focusing on quality growth will be important. But in this environment, we like to focus on companies with resilient earnings because there's still risk of earnings downgrades. Secondly, companies with pricing power because of the higher inflation. Companies that have pricing power will be able to protect their margins more efficiently. Thirdly, companies with strong balance sheets, in case of economic slowdown. And fourth, companies with exposure to structural growth opportunities because of the lack of growth more broadly. Ultimately, the expectations of rates getting cut in the second half of the year should be supportive for equity markets and notably for the quality growth style.

### **What investors do you admire?**

In the contemporary investors, I like Bill Ackerman for his focused approach on turning around businesses that may be underperforming for cyclical rather than structural reasons and therefore, providing a good source of alpha. George Soros, who has shown an ability to really focus on a few parameters and then really put his conviction behind it. Fund managers closer to home like James Anderson - who was ex-Baillie Gifford - has done a good job of being early investor in Tesla and then exiting at a time when Tesla became a more mainstream investment and ahead of competitive intensities accelerating in the auto industry.



### **This year there's said to be more than 60 global elections. As a fund manager, what impact will this have on markets?**

Geopolitical risk is always something to bear in mind and elections provide an element of geopolitical risk, certainly post-election. We're specifically looking at the European and the US elections for our portfolio. In Europe, we believe there could be a momentum towards anti-European parties, and you could have a tougher reform agenda coming. Nothing overly concerning, but you could have, a move closer towards an anti-centralised EU approach. In the US at this stage, the polls tell us that Trump might be back in the White House. What this means for markets is possibly less unpredictable than the first time around as Trump is now a known entity. There might be changes in policies, but ultimately what we've seen previously is that Trump is focused on economic growth and that could be supportive to the economic momentum of the US and ultimately to the stock market.

**Martin Currie is a pro bono fund manager for Future Generation Global. This podcast was recorded on 12 March 2024 when Zehrid was visiting from Edinburgh.**

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 update:

Several of Future Generation’s social impact partners joined us at our recent Shareholder Presentations across Australia, sharing how and why their incredible organisations are supporting youth at risk and addressing the youth mental health crisis.

A special thanks to:

- Justine Cain, [Diabetes Australia](#)
- Jackie Hallan, [ReachOut](#)
- Dr Katrina Lines, [Act for Kids](#)
- Jane Rowe, [Mirabel](#)
- Scott Rankin and Patrick Churnside, [Big hART](#)
- Taicea Agnew, [Youth Opportunities](#)



Future Generation is delighted to be a finalist in the 2024 Australian Philanthropy Awards for their Collaboration Award and Innovation Award, recognising our work in the prevention of youth mental health issues.

This year Philanthropy Australia received a record number of nominations, so we are proud to receive this recognition. The award recipients will be announced on Tuesday 16 April in Sydney at the Awards Showcase event.

For more information, visit [www.Futuregeninvest.com.au](http://www.Futuregeninvest.com.au)

## Our social impact partners



## Our pro bono service providers



**Fund manager  
allocation and  
investments at  
market value as at  
31 March 2024**

Fund Manager	Investment	Strategy	% of Gross Assets
	<b>Mid Cap/Equity Alpha Plus Funds (split out below)</b>		<b>15.5%</b>
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	7.8%
	Paradice Equity Alpha Plus Fund	Absolute bias	7.7%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	11.3%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.4%
	<b>Long Short/Catalyst Funds (split out below)</b>		<b>9.4%</b>
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.2%
	L1 Capital Catalyst Fund	Long equities	3.2%
	<b>Equity/Leaders Funds (split out below)</b>		<b>7.5%</b>
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	3.8%
	Wilson Asset Management Leaders Fund	Absolute bias	3.7%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	7.2%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	5.7%
	<b>Absolute Return/High Conviction Funds (split out below)</b>		<b>4.1%</b>
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	2.9%
	Firetrail High Conviction Fund	Long equities	1.2%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.6%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.6%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.1%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.1%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.3%
QVG Capital	QVG Opportunities Fund	Long equities	1.7%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.2%
Lanyon	Lanyon Australian Value Fund	Absolute bias	1.2%
	Cash and cash equivalents		3.5%

**Fund manager  
allocation and  
investments at  
market value as at  
31 March 2024**

<b>Fund Manager</b>	<b>Investment</b>	<b>Strategy</b>	<b>% of Gross Assets</b>
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.1%
Yarra Capital Management	Yarra Global Share Fund	Long equities	10.7%
Munro Partners	Munro Global Growth Fund	Absolute bias	9.1%
Magellan Asset Management	Magellan Global Fund	Long equities	8.0%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	7.9%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	7.9%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	7.3%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	6.9%
Caledonia	Caledonia Global Fund	Absolute bias	6.6%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	5.0%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.7%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	4.2%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	3.9%
Lanyon	Lanyon Global Value Fund	Absolute bias	3.5%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.9%
	Cash and cash equivalents		2.3%