

Dear Fellow Shareholder,

### Investment portfolio performance

- The Future Generation Australia (ASX: FGX) investment portfolio increased 3.6%, while the S&P/ASX All Ordinaries Accumulation Index increased 3.8% in July. The investment portfolio has increased 9.8%\* during the calendar year to date, outperforming the Index by 1.6%.
- The Future Generation Global (ASX: FGG) investment portfolio increased 3.0%, while the MSCI AC World Index (AUD) rose 3.8% in July. The investment portfolio has increased 15.0%\* during the calendar year to date.

### Register for the HY2024 Results Q&A Webinars

[Register](#) for the Future Generation Australia HY2024 Results Q&A Webinar 10:00am (Sydney time), Tuesday 3 September 2024. Geoff Wilson AO, Founder and Director of Future Generation, Sean Fenton from Sage Capital and I look forward to sharing the Future Generation Australia half-year results and answering your questions.

[Register](#) for the Future Generation Global HY2024 Results Q&A Webinar 2:00pm (Sydney time), Wednesday 4 September 2024. Geoff Wilson AO, Qiao Ma from Munro Partners and I will share the Future Generation Global half-year results and answer your questions.

### Future Generation Global Impact Report

We are delighted to share Future Generation Global's groundbreaking [Impact Report](#), which brings to life the human stories behind the young lives you are changing, as well as data on the progress our impact partners are making with your social investment.

The report reveals that our 14 Future Generation Global social impact partners had a remarkable 5.3 million participants in their programs and services in 2023, as they work to promote wellbeing and prevent the onset of mental ill-health in young Australians.

### Why Impact Matters - Webinar with Jennifer Westacott AO

Watch the Webinar [recording](#) with Jennifer Westacott AO, Future Generation Global Chair and two of our social impact partners Youth Opportunities and I CAN Network about the impact our social investment is having.

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

### 2fold: Take Stock podcast

In the latest episode of Future Generation's podcast, [Take Stock](#), Nikki Thomas from Magellan Financial Group shares her market outlook, expectations for the US reporting season and the potential impacts of the US election on investment landscapes. Nikki discusses the opportunities and challenges in China's evolving market and shares her investment process. Listen time: 25 minutes. Access the transcript [here](#).

During the month we also launched a podcast episode, [The future of warfare, with Dr Ian Langford](#). Ian is one of the Australian Defence Force's most respected and decorated leaders. Over three decades in the Army, Ian served in Afghanistan, Iraq, Israel and Syria, among other places. In this episode, Ian discusses his career in the Defence Force, key lessons he has learned being in conflict zones, military ethics and the future of warfare. Listen time: 42 minutes. Access the transcript [here](#).

### In the media

- Read Eric Johnston's coverage of Nikki Thomas's Take Stock episode [Magellan's Nikki Thomas: Could markets see a return of the 'Fed Put'?](#) in The Australian Business Review.
- Read Damon Kitney's article [David Gonski hails move by Future Generation Global to measure social impact](#) about our Impact Report in The Australian.

### Have your say – social investment voting

Voting will open 2 September until 29 September. We will share more information on how to allocate your social investment online shortly.

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,



CEO, Future Generation



**\$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

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

**\$17.6m**

**\$131.3m**

## Investment portfolio performance

Net tangible assets before tax	Assets	Profits reserve (per share)
<b>156.47c</b>	<b>\$629.7m</b>	<b>59.1c</b>
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Dividends paid since inception (per share)
<b>154.93c</b>	<b>\$525.6m</b>	<b>26.7c</b> Including the value of franking credits: 38.1c
Net tangible assets after tax	Volatility <sup>**</sup>	Grossed-up dividend yield <sup>^</sup>
<b>147.79c</b>	<b>9.9%</b> MSCI AC World Index (AUD): 10.7%	<b>7.9%</b> Fully franked dividend yield: 5.5% <sup>#</sup>

<sup>#</sup>Based on the 31 July 2024 share price of \$1.32 per share and the FY23 fully franked full year dividend of 7.2 cents per share. Future Generation Global has 398,161,484 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%.

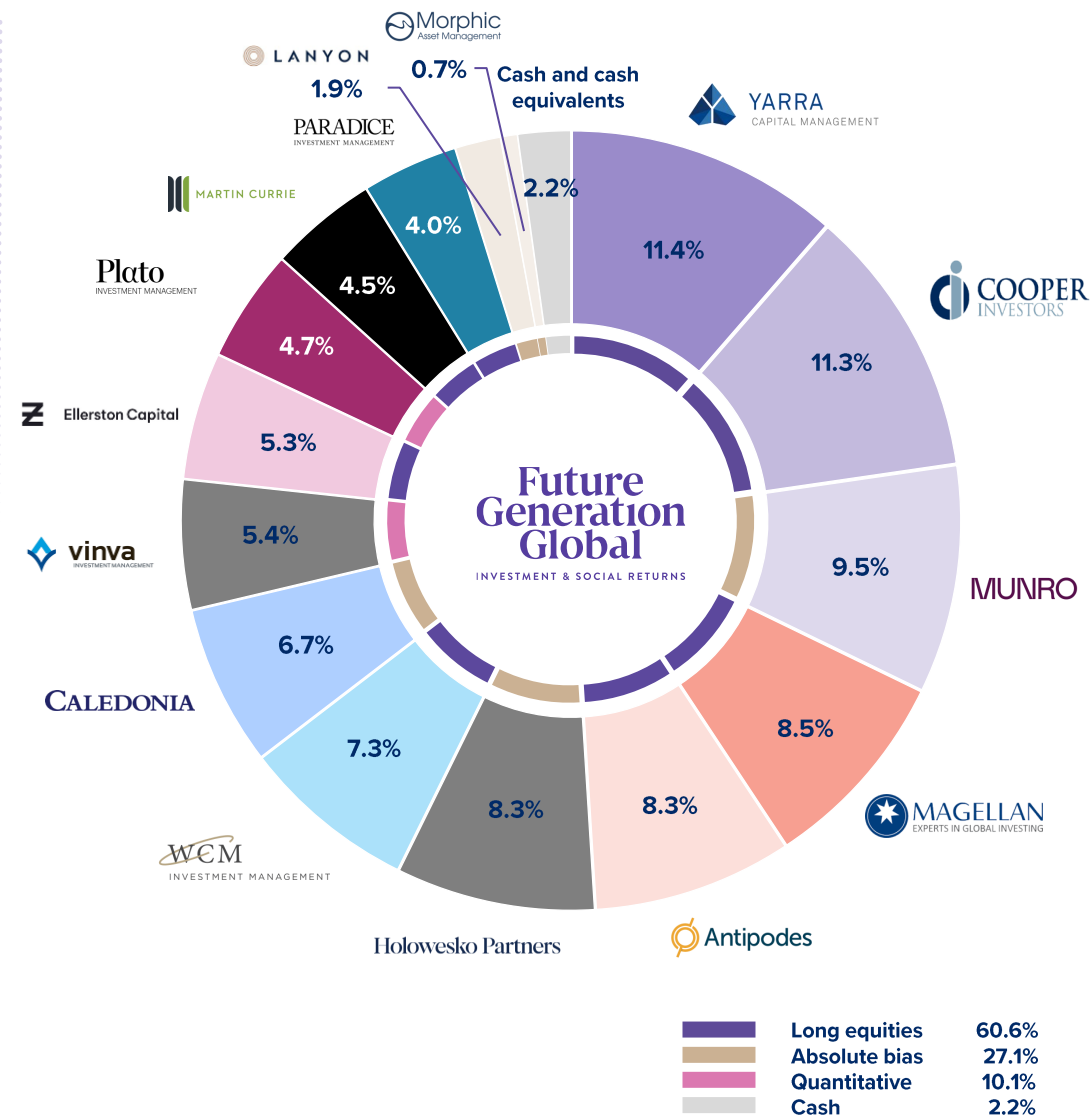
<sup>\*\*</sup>Volatility shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the investment portfolio. Volatility is measured by standard deviation, a statistical measurement.

Investment portfolio performance at 31 July 2024	Fin YTD	1 yr	3 yrs	5 yrs	7 yrs	Since inception
		yr	%pa	%pa	%pa	%pa (Sept-15)
Future Generation Global	15.0%	15.8%	3.6%	8.2%	10.3%	9.0%

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



## Investment portfolio performance

Net tangible assets before tax	Assets	Dividends paid since inception (per share)
<b>140.03c</b>	<b>\$577.7m</b>	<b>46.5c</b> Including the value of franking credits: 66.4c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Profits reserve (per share)
<b>136.98c</b>	<b>\$502.0m</b>	<b>35.1c</b>
Net tangible assets after tax	Volatility <sup>^</sup>	Grossed-up dividend yield <sup>*</sup>
<b>133.89c</b>	<b>11.7%</b> S&P/ASX All Ordinaries Accumulation Index: 14.2%	<b>7.7%</b> Fully franked dividend yield: 5.4% <sup>#</sup>

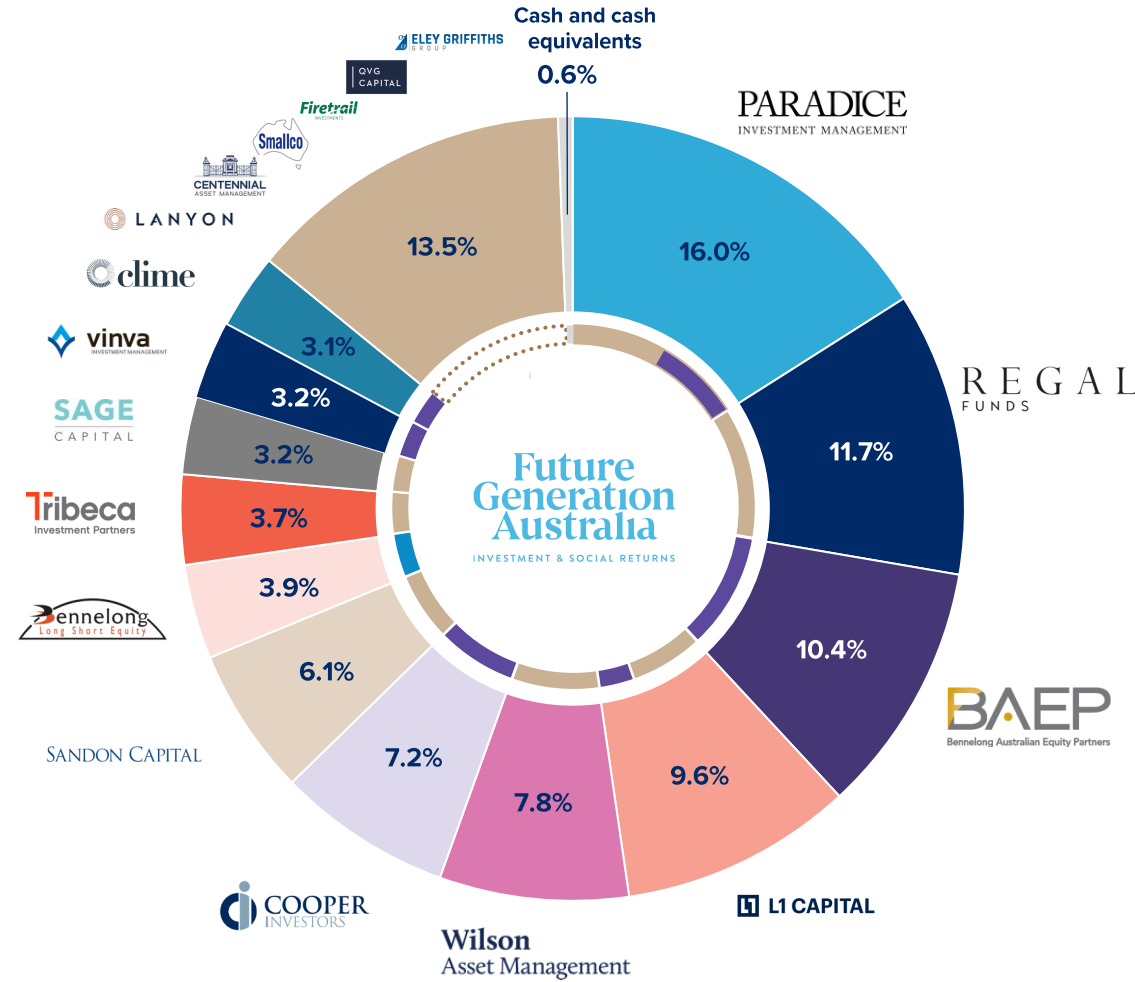
<sup>#</sup>Based on the 31 July 2024 share price of \$1.23 per share and the FY23 fully franked full year dividend of 6.7 cents per share. Future Generation Australia has 408,156,604 shares on issue.  
<sup>^</sup>Volatility shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the investment portfolio. Volatility is measured by standard deviation, a statistical measurement.  
<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 July 2024	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	9.8%	14.3%	5.8%	9.1%	9.8%	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



### 13.5% fund manager breakdown

Fund Manager	Allocation (%)	Category	Percentage
Lanyon	3.0%	Absolute bias	53.1%
Firetrail Investments	2.2%	Long equities	42.4%
Centennial Asset Management	2.9%	Market neutral	3.9%
Smallco Investment Manager	2.4%	Cash	0.6%
QVG Capital	1.7%		
Eley Griffiths Group	1.3%		

# Take Stock with Nikki Thomas



## Nikki Thomas, Portfolio Manager at Magellan Financial Group



**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.**

### Does the US election factor into your investment decisions?

Like everyone, we are fascinated by it. It occupies too much commentary in markets and conversations in corridors. I approach it by using this framework: “How should I think about the implications of a Democratic Presidency versus a Presidency led by Trump - and whether it could end up being a Republican sweep?”

If you go through the major issues that you need to think about - such as fiscal policy, monetary policy, trade, immigration policies and what would happen with government debt levels - I do not think they are massively far apart.

There are nuances that you need to think about when you think about companies and industries, but it is interesting, as opposed to dramatically game changing for markets. The one thing that has been interesting of late is that the market lent into a ‘Trump win’ trade after the debate. That created a lot of the short-term direction of share prices and noise in the market. Part of what we saw play out is people are worried that Trump will spend aggressively, and that will be bad for government debt levels. This means people are nervous about the long end of the curve staying high – that is 10-year bonds staying higher, which has meant some of the structural growth companies, like tech, have been pressured.

### Do you think China is investable?

China is important on the global stage. It is a big economy. It has incredible manufacturing capabilities that are built around a lot of the energy transition. If you think about where the biggest wind, solar, electric batteries, electric vehicle companies are, they are in China. So it is important that we keep watching China and keep understanding what is going on inside of China.

What has been interesting, is that a year ago, we sat down and said, China is a derating asset, and we just do not see it as a viable place for us to make the sort of returns that we look to make. In other words, ones that are reasonably risk protected. We do not want to just throw risk around on the hope of making a great return.

We want to do it in great places with opportunity that has protections around capital for our investors. The derating in China happened much faster than I would have anticipated. But I think that is because fund managers around the world would rather own India than China. The economic risk is horrible. The political risk is horrible. You do not really have control of your money under the Communist Party.

It is fragmenting increasingly away from China. Europe and the US are trying to work out how they slow China down and almost hold them back with what is going on. So, we really find it a hard to think about how you would invest there with any confidence. But there are implications that come from what China does that are important on the global stage. There will be a lot of Chinese electric vehicles on Australia's roads in the next five years.

That does have implications for the world when you think about some of the things that they are creating really cheaply. That could be detrimental for companies that participate in those markets. Industries like car industries could be really challenged by what China are doing.

### How big of a game changer is Artificial Intelligence (AI)?

I would break AI down into two buckets; infrastructure, the enablers of it, and then the adopters, the people who are going to use AI inside their businesses.

If you think about the enablers, they're the picks and shovels of this revolution. So, it is the NVIDIA's (NASDAQ: NVDA), the Microsofts (NASDAQ: MSFT), the Amazons (NASDAQ: AMZN), it is all of the semiconductor companies. There are a swag of companies, that are all involved in building this infrastructure that will allow AI to happen. That is where the huge amounts of capital are being spent, and where all of the excitement is happening. We are absolutely invested in those. Microsoft and Amazon are our two largest positions.

The next bucket is where AI will be put to use. So this is things like Microsoft's Co-pilot. We will hopefully one day have a Co-pilot sitting next to us who will help us do things in our Excel and write our Word documents. I spoke to Salesforce the other day, and they were saying it is still experimental. People love the idea of trying this stuff. They are giving all these tools to their staff, and they are not cutting staff. They are just giving them stuff to play with to figure out.

So we are not yet at the point where the adopters are truly monetising any of it. It is just a big experiment. That is where the market has probably got a little bit over excited. The investment returns are not going to be really obvious to us, probably for three or five more years in that part of the market.

**Magellan Financial Group are a pro bono fund manager for Future Generation Global (ASX: FGG)**

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:

We were thrilled this week to launch [Future Generation Global's Impact Report 2023](#), which brings to life the human stories behind the young lives we are changing, as well as data on the progress of our 14 incredible not-for-profit partners are making with our social investment.

The report reveals that our partners had a remarkable 5.3 million participants in their programs and services in 2023, as they work to promote wellbeing and prevent the onset of mental ill-health in young Australians.

Hear from some of these partners about how Future Generation Global's rare style of funding - multi-year and untied - has enabled them to grow both their organisations and their impact.

Read first-hand accounts from young participants in their programs and services, who have grown in confidence, learned how to seek help and turned their lives around.

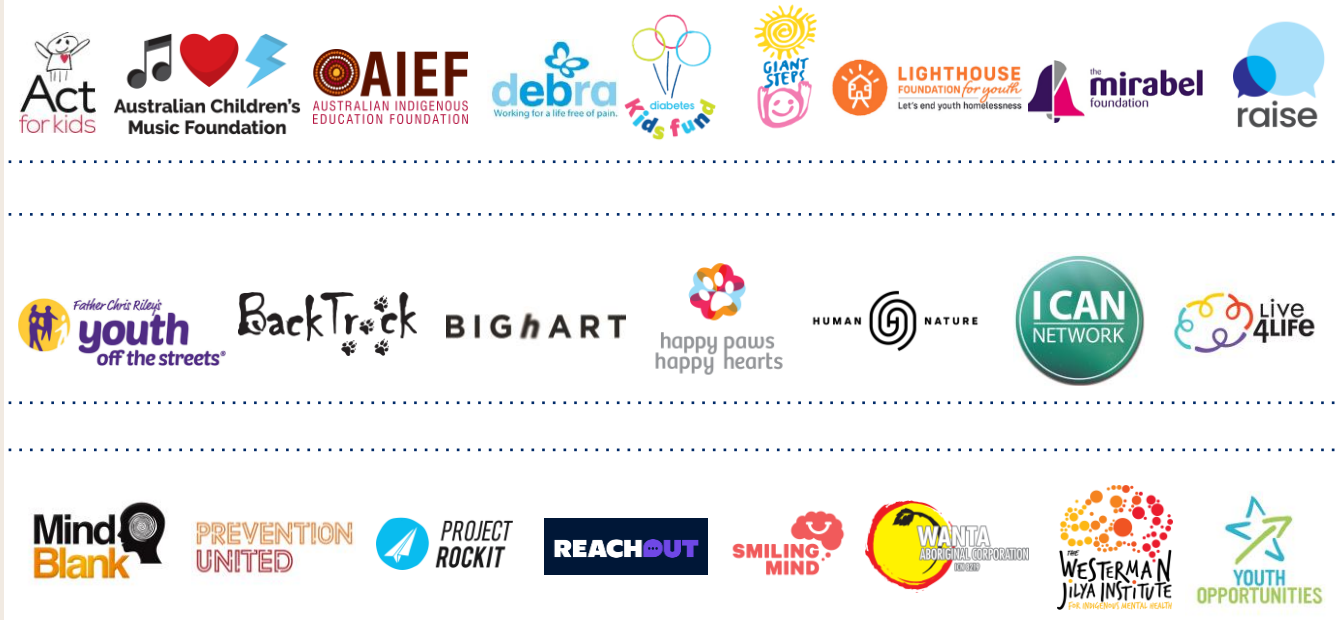
The Impact Report 2023 marks the first year that we have measured the progress being made by our 14 not-for-profit partners. Going forward, we will use this data to bolster our calls for greater investment in the critical area of preventing mental-ill health and promoting wellbeing in young Australians.

Our groundbreaking Impact Measurement Initiative, which was awarded the 2024 Philanthropy Australia Collaboration Award, has also been hailed by business and philanthropic leaders. To read what David Gonski, Michael Traill and David Paradise had to say about the initiative, [click here](#).

By participating in this important initiative, our 14 Future Generation Global non-profit partners are rising to the challenge of full accountability for their impact. We thank them for their commitment to youth mental wellbeing.

**For more information on our social impact partners 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 July 2024**

<b>Fund Manager</b>	<b>Investment</b>	<b>Strategy</b>	<b>% of Gross Assets</b>
Yarra Capital Management	Yarra Global Share Fund	Long equities	11.4%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.3%
Munro Partners	Munro Global Growth Fund	Absolute bias	9.5%
Magellan Asset Management	Magellan Global Fund	Long equities	8.5%
Antipodes Partners	Antipodes Global Fund – Long	Long equities	8.3%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	8.3%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	7.3%
Caledonia	Caledonia Global Fund	Absolute bias	6.7%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	5.4%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.3%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	4.7%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.5%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	4.0%
Lanyon	Lanyon Investment Fund	Absolute bias	1.9%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.7%
	Cash and cash equivalents		2.2%

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

Fund Manager	Investment	Strategy	% of Gross Assets
	<b>Equity Alpha Plus/Mid Cap Funds (split out below)</b>		<b>16.0%</b>
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	8.2%
	Paradice Australian Mid Cap Fund	Long equities	7.8%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	11.7%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.4%
	<b>Long Short/Catalyst Funds (split out below)</b>		<b>9.6%</b>
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.5%
	L1 Capital Catalyst Fund	Long equities	3.1%
	<b>Equity/Leaders Funds (split out below)</b>		<b>7.8%</b>
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	4.1%
	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	6.1%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.9%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	3.7%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.2%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.2%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.1%
Lanyon	Lanyon Investment Fund	Absolute bias	3.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.9%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.4%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.2%
QVG Capital	QVG Opportunities Fund	Long equities	1.7%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.3%
	Cash and cash equivalents		0.6%