

### Dear Fellow Shareholder,

#### Investment portfolio performance

The Future Generation Australia (ASX: FGX) investment portfolio decreased 3.5%\* in February, outperforming the S&P/ASX All Ordinaries Accumulation Index. Over the last 12 months, Future Generation Australia delivered an investment portfolio performance of 10.2%\*, outperforming the Index, and a total shareholder return (TSR) of 19.5%. The Company's current grossed-up dividend yield is 8.3%\*\*.

The Future Generation Global (ASX: FGG) investment portfolio decreased 0.5%\* in February while the MSCI AC World Index (AUD) rose 0.2%. Over the last 12 months, Future Generation Global delivered an investment portfolio performance of 17.1%\* and a TSR of 26.4%. The Company's current grossed-up dividend yield is 7.4%\*.

#### February investment update

February 2025 saw weaker developed market equities and some signs of a rotation away from momentum and growth stocks. Some of the largest US technology stocks have retreated this year after a long period of outperformance.

In Australia, reporting season saw an increase in volatility with bigger share price reactions to results announcements than we have seen for many years. Less concentrated market performance and a step up in volatility is a favourable backdrop for our active fund managers as more opportunities present themselves to add to returns. This bodes well for the outlook for the suite of leading active fund managers that support the Future Generation companies.

#### Future Generation Global adds three new fund managers

As disclosed in the prior update we have added three new managers to the Future Generation Global portfolio, [Fairlight Asset Management](#), [GCQ Funds](#) and [Langdon Equity Partners](#). Complementing Future Generation's team of existing fund managers, they aim to optimise returns and income with lower volatility than the market.

In our latest episode of [Take Stock](#), John Coombe, Executive Director at JANA Investment Advisers and Investment Committee member of both Future Generation companies, discusses the recent changes to the Future Generation Global portfolio. John shares insights on Future Generation's fund-of-funds strategy, the fund manager selection process and how the Investment Committee handles global market volatility. He also addresses concerns about the recent market concentration in mega-cap US technology stocks and the performance of the Future Generation Global investment portfolio amid shifting market dynamics. Read a summary of the episode on page 4.

#### Media and marketing updates:

- We [announced](#) Future Generation Australia's full year results and investment portfolio outperformance in FY2024, which drove an increased fully franked full year dividend. Watch the [recording](#) of our **FY2024 Results Q&A Webinar** to learn more.
- We were pleased to [announce](#) Future Generation Global's full year results and investment portfolio increase of 26.7% in FY2024, marking two consecutive years of strong investment portfolio performance. This strong investment portfolio performance drove an increased fully franked full year dividend. Watch the [recording](#) of our **FY2024 Results Q&A Webinar** to learn more.
- To share our full year results, Dr. Philip Lowe, Chair of Future Generation Australia spoke with Amber Plum from *The Australian*. Read the full article [here](#).
- [Register](#) for our upcoming National Shareholder Presentations in April.

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



Caroline Gurney  
CEO, Future Generation



## \$87.2m

SOCIAL  
INVESTMENT  
TO 2024



## \$5.4m

Future  
Generation  
Australia  
2024

## \$5.9m

Future  
Generation  
Global  
2024

2024 total social  
investment

## \$11.3m

2024 savings on  
management fees,  
performance fees and  
service provider fees  
forgone

## \$20.8m

Total savings on  
management fees,  
performance fees and  
service provider  
fees forgone since  
inception to 2024

## \$152.1m

\*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.  
\*\*Grossed-up dividend yield is based on the FY24 fully franked full year dividend of 7.0 cents per share and 13 March 2025 share price of \$1.205 per share, includes the value of franking credits and is based on a tax rate of 30%.  
\*Grossed-up dividend yield is based on the FY24 fully franked full year dividend of 7.4 cents per share and 13 March 2025 share price of \$1.43 per share, includes the value of franking credits and is based on a tax rate of 30%.

Investment portfolio performance

Net tangible assets before tax	Assets	Profits reserve (per share)
172.42c	\$692.4m	69.8c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Dividends paid since inception (per share)
169.82c	\$592.5m	30.4c
		Including the value of franking credits: 43.4c
Net tangible assets after tax	Volatility <sup>**</sup>	Grossed-up dividend yield <sup>^</sup>
157.87c	9.8%	7.1%
	MSCI AC World Index (AUD): 10.5%	Fully franked dividend yield: 5.0% <sup>#</sup>

<sup>#</sup>Based on the 28 February 2025 share price of \$1.485 per share and the FY24 fully franked full year dividend of 7.4 cents per share. Future Generation Global has 398,982,760 shares on issue.

<sup>\*\*</sup>Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured by standard deviation, and can be thought of as an assessment of the risk in the investment portfolio. In most cases, the higher the volatility, the riskier the investment.

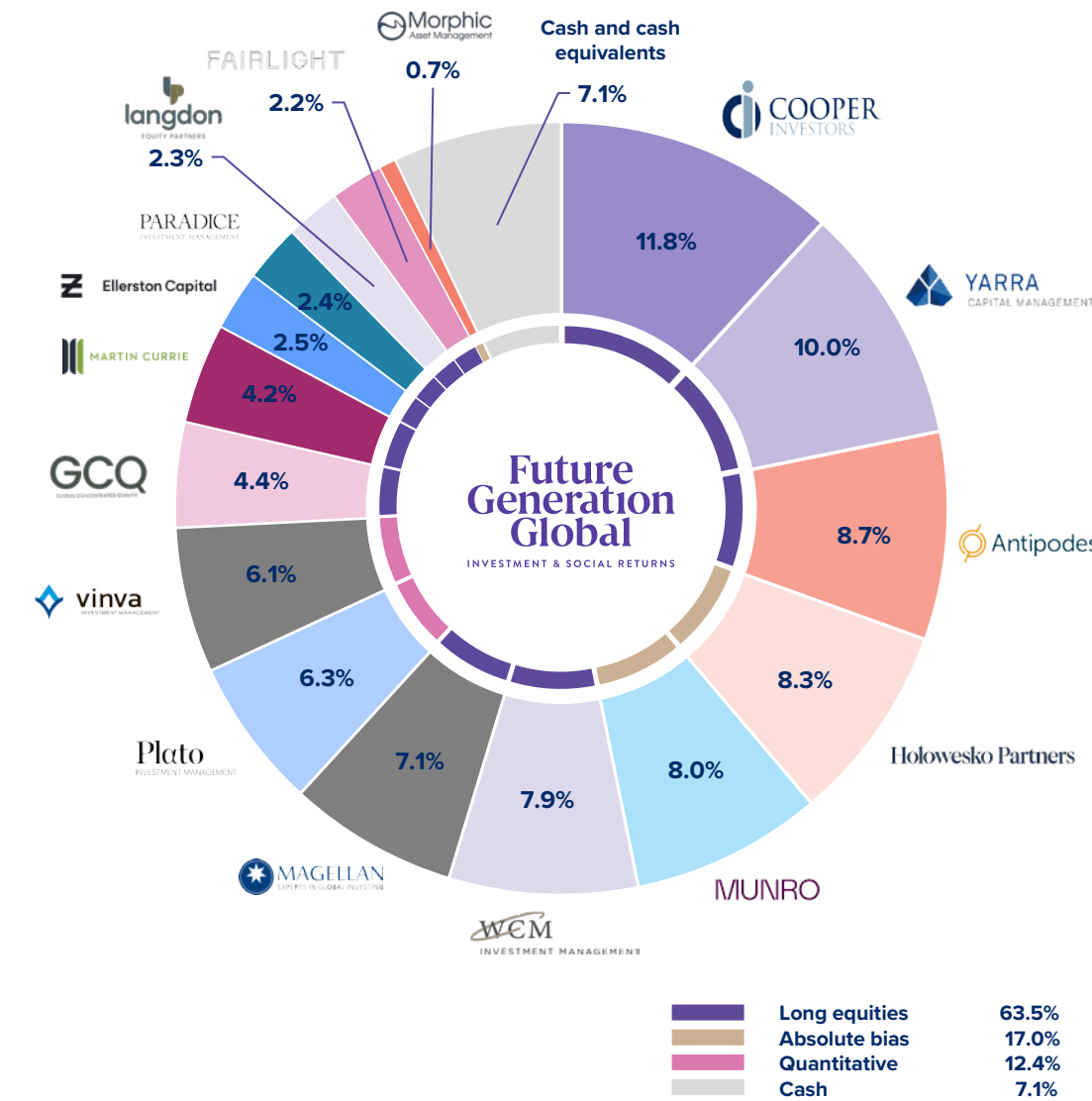
<sup>^</sup>Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 28 February 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	2.9%	17.1%	11.8%	9.2%	10.2%	9.8%

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)
140.04c	\$577.3m	50.0c Including the value of franking credits: 71.4c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation <sup>#</sup>	Profits reserve (per share)
136.90c	\$517.5m	41.5c
Net tangible assets after tax	Volatility <sup>**</sup>	Grossed-up dividend yield <sup>^</sup>
133.49c	11.6% S&P/ASX All Ordinaries Accumulation Index: 14.0%	7.9% Fully franked dividend yield: 5.5% <sup>#</sup>

<sup>#</sup>Based on the 28 February 2025 share price of \$1.265 per share and the FY24 fully franked full year dividend of 7.0 cents per share. Future Generation Australia has 409,116,676 shares on issue.

<sup>\*\*</sup>Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured by standard deviation, and can be thought of as an assessment of the risk in the investment portfolio. In most cases, the higher the volatility, the riskier the investment.

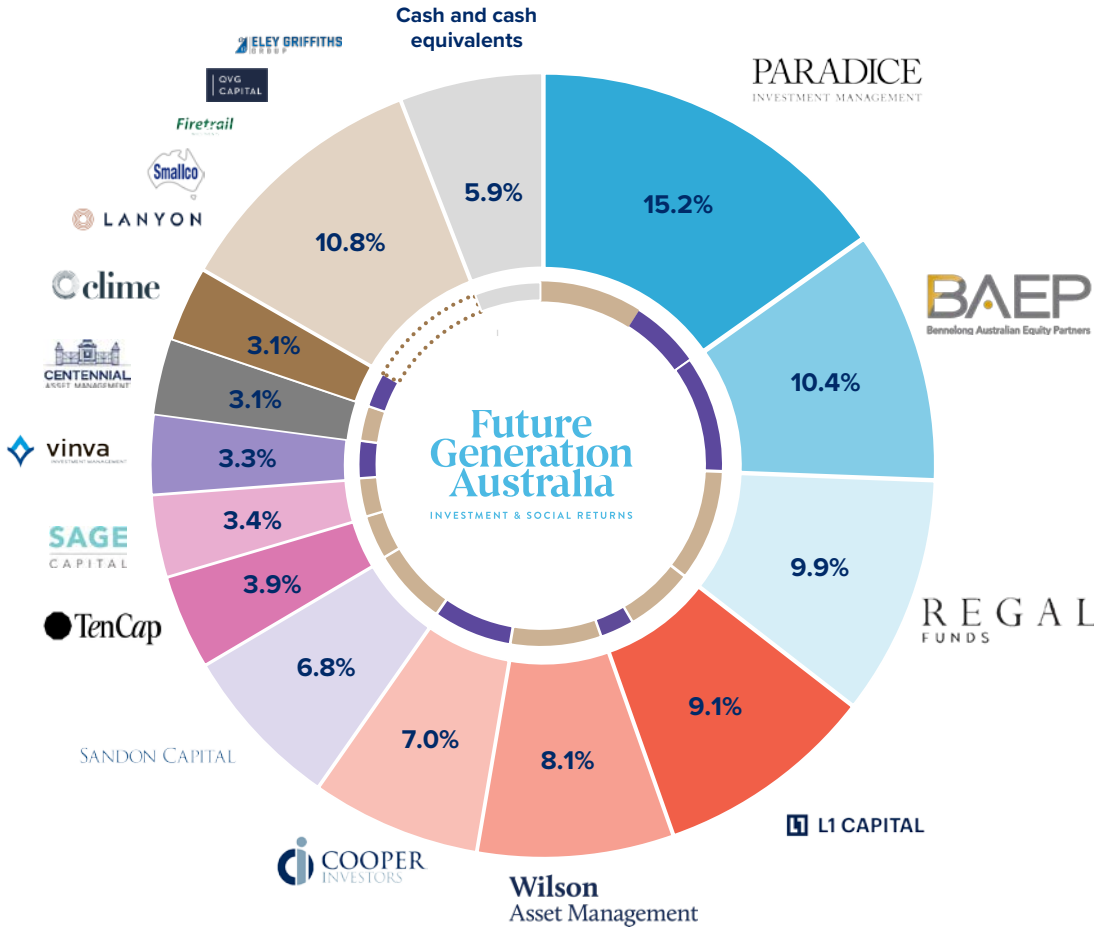
<sup>^</sup>Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 28 February 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	0.2%	10.2%	7.3%	9.7%	8.5%	9.2%

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



10.8% fund manager breakdown

Lanyon Asset Management	2.7%	QVG Capital	1.9%
Smallco Investment Manager	2.5%	Eley Griffiths Group	1.4%
Firetrail Investments	2.3%		

Absolute bias

Long equities

Cash

53.0%

41.1%

5.9%

# Take Stock - Future Generation Global investment update

## John Coombe

In our latest [Take Stock episode](#), we speak with John Coombe who is the Executive Director at JANA Investment Advisers, where he advises some of Australia's biggest superannuation and investment funds, managing hundreds of billions of dollars in capital.

John also serves on the Investment Committees for Future Generation Australia, Future Generation Global, and recently, Future Generation Women. We are incredibly fortunate to have John's expertise which he generously provides pro bono.

**Future Generation Global is a fund-of-funds model. What are you aiming to achieve with this strategy?**

We are aiming to outperform the MSCI World Index – which covers developed markets - over the medium term, after taking away the 1% fee that is donated to our not-for-profit partners.

**How do you go about constructing a portfolio to ensure the right mix of managers to meet this goal?**

LONSEC provides pro bono access to their systems, so we can put managers on and see how it affects our portfolio - whether we have too much risk in certain sectors or too much in value or growth. We use that data to build a portfolio that doesn't have excessive risk, but is positioned to outperform over the medium term.

**What other kinds of information do you rely on in terms of the Investment Committee?**

Let me give you the example of our latest changes to the FGG portfolio. We looked at our existing small-cap managers, and their performance hadn't been fantastic, which is typical for small-cap managers in the current environment. But when we looked deeper, we saw that two of them were very similar in style—both were value managers.

While we expect value and small caps to outperform long-term, it was hurting our short and medium term performance.

We gathered extensive information from a number of small-cap managers and conducted interviews. We decided to hire two new small-cap managers with a different style. We didn't increase our allocation to small caps but reallocated funds from the current managers to the new ones. The whole process took a couple of months, but that's how we approach it - idea generation, getting information, interviewing potential managers, and ensuring they meet the broad criteria we set.

**We have added three new managers to the portfolio. Could you tell us a bit about what they each bring to the portfolio?**

Langdon and Fairlight are the two new small-cap managers. Langdon is a Canadian firm with roots here in Australia. It is partly owned by Pinnacle, and the team used to work at Cambridge Global Asset Management. They run both a global and small-cap portfolio, with a growth focus.

Fairlight is a Sydney-based firm with a good track record. One of the Committee members knew them well and, after doing proper due diligence, we interviewed them and were impressed by their work.

We have known the portfolio manager of GCQ for quite some time. He used to be the deputy at a firm we had in our portfolio a couple of years ago. He set up GCQ four years ago, focusing on large-cap, concentrated growth. His performance has been strong, so we decided it was the right time to bring him back into the portfolio.

**There has been incredible volatility recently with geopolitical tensions, tariffs, and uncertainty surrounding Trump's policies. How do you manage these risks in portfolio construction?**

Fortunately, because we build a portfolio that should be robust in all market circumstances, we don't take large positions based solely on economics or geopolitics. We aim to ensure the portfolio is resilient enough to withstand things like Donald Trump and his frequent announcements.

But the risks are concerning in the long term. If his policies on illegal immigration go through, for example, it could hurt the US economy significantly.

We try to build a portfolio that's as resilient as possible, which is why we introduced the quants a couple of years ago. They help ensure broad coverage and prevent large sectoral or country biases in the portfolio.

**It is good to see the quant models positively contributing. You have expressed concerns about market concentration before. How do you see the portfolio performing in this environment over the next six months to a year?**

I hope we see a market rotation, which would be beneficial for the market overall. A concentrated market can create negative perceptions, and global fund managers are struggling with this. Many of them have been forced to underweight stocks like Microsoft, despite liking them, because of their large market share. This kind of concentration is challenging, but it could create opportunities for smaller stocks if the market rotates.

**Anything else you would like to add about the portfolio?**

I think the portfolio looks really attractive right now. With the addition of the new managers, it is in a good position. Some managers have struggled in the last six months, but we hope the market rotation will help them outperform. I am hopeful we will see strong performance as valuation concerns begin to matter more in the market.

Listen to the latest **2fold: Take Stock** podcast and read the full transcript [here](#).



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

Future Generation Australia fund managers













Future Generation Global fund managers















## Update on our Future Generation Australia Expressions of Interest (EOI) process

We received an incredible response to our call for partnerships, with more than 300 EOIs submitted by non-profits from every state and territory in Australia.

The work detailed in the applications is incredibly diverse, with every priority population group represented. We were delighted that a quarter of the EOIs came from organisations based in regional, rural, or remote locations, and almost 40 Aboriginal Community Controlled Organisations applied to partner with us.

It has been inspiring to read the EOIs and see the wide range of work being done to promote positive childhood experiences and support Australian children facing adversity. This response fills us with optimism and highlights the immense potential within these initiatives.

While the volume of applications is remarkable, it also speaks to the significant need for these services in our community.

At present, we are progressing discussions with around 50 applicant organisations and look forward to sharing more updates with our shareholders in the coming months.

## Our social impact partners



## Our pro bono service providers



**Fund manager  
allocation and  
investments at  
market value as at  
28 February 2025**

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.8%
Yarra Capital Management	Yarra Global Share Fund	Long equities	10.0%
Antipodes Partners	Antipodes Global Value Fund	Long equities	8.7%
Holowesko Partners	Holowesko Global Fund Limited - Class A	Absolute bias	8.3%
Munro Partners	Munro Global Growth Fund	Absolute bias	8.0%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	7.9%
Magellan Asset Management	Magellan Global Fund	Long equities	7.1%
Plato Investment Management	Plato Global Alpha Fund – Class Z	Quantitative	6.3%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	6.1%
GCQ Funds Management	GCQ Flagship Fund - A	Long equities	4.4%
Martin Currie Investment Management	Martin Currie Global Long-Term Unconstrained Fund	Long equities	4.2%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	2.5%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	2.4%
Langdon Equity Partners	Langdon Global Smaller Companies Fund - Class Z	Long equities	2.3%
Fairlight Asset Management	Fairlight Global Small & Mid Cap (SMID) Fund	Long equities	2.2%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.7%
	Cash and cash equivalents		7.1%

**Fund manager  
allocation and  
investments at  
market value as at  
28 February 2025**

Fund Manager	Investment	Strategy	% of Gross Assets
	<b>Equity Alpha Plus/Mid Cap Funds (split out below)</b>		<b>15.2%</b>
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	9.0%
	Paradice Australian Mid Cap Fund	Long equities	6.2%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.4%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	9.9%
	<b>Long Short/Catalyst Funds (split out below)</b>		<b>9.1%</b>
L1 Capital	L1 Capital Long Short Fund	Absolute bias	6.1%
	L1 Capital Catalyst Fund	Long equities	3.0%
	<b>Equity/Leaders Funds (split out below)</b>		<b>8.1%</b>
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	4.5%
	Wilson Asset Management Leaders Fund	Absolute bias	3.6%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	7.0%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.8%
Ten Cap Investment Management	Ten Cap Alpha Plus Fund	Absolute bias	3.9%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.4%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.3%
Centennial Asset Management	The Level 18 Fund	Absolute bias	3.1%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.1%
Lanyon	Lanyon Investment Fund	Absolute bias	2.7%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.5%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.3%
QVG Capital	QVG Opportunities Fund	Long equities	1.9%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.4%
	Cash and cash equivalents		5.9%