

Future Generation

DO WELL. DO GOOD.

June 2025 Investment Update

Dear Fellow Shareholder,

Both the Future Generation investment portfolios outperformed in June:

- The Future Generation Global (ASX: FGG) investment portfolio increased 2.3%*, outperforming the MSCI AC World Index (AUD) by 0.2%. This takes the 12-month investment portfolio performance to 20.8%*, outperforming the MSCI AC World Index (AUD) by 2.8% over the same period.
- The Future Generation Australia (ASX: FGX) investment portfolio increased 1.7%*, outperforming the S&P/ASX All Ordinaries Accumulation Index by 0.3% and taking the 12-month investment portfolio performance to 10.8%*.

Future Generation Global strong investment portfolio performance

Future Generation Global's investment portfolio has gained strong momentum in recent months, delivering a return of 20.8%* over the past 12 months and outperforming the MSCI AC World Index (AUD) by 2.8%. The Company delivered a strong total shareholder return (TSR) for the 12-month period to 30 June 2025 of 22.0%, or 24.7% when including the value of franking credits.

This outperformance has been achieved with lower risk** than the broader market, reinforcing the strength of our active investment approach and our focus on long-term, risk-adjusted returns.

Yarra Capital Management has been one of Future Generation Global's top-performing fund managers over the past 12 months, delivering strong investment portfolio performance despite ongoing global market volatility.

William Low, Head of Global Equities at Yarra Capital Management, will join us live from Edinburgh during the [Future Generation Global HY2025 Q&A Webinar](#) on Thursday, 17 July at 2:00pm (Sydney time). William will share his outlook on global equities and how he's navigating the current geopolitical landscape. Ahead of the webinar, we spoke with William to gain insights into his current thinking. You can read a preview on page 4.

For those wanting a deeper dive into his views, William has previously joined an episode of the 2fold podcast to explore whether investors are underestimating the long-term impact of artificial intelligence. Listen to the full episode [here](#).

Future Generation Australia investment update

In June, the S&P/ASX All Ordinaries Accumulation Index continued to outperform the S&P/ASX Small Ordinaries Accumulation Index. This is due in part to the momentum of Commonwealth Bank of Australia (ASX: CBA) shares which have risen to around 45% over the past 12 months, now making up 11% of the S&P/ASX All Ordinaries Accumulation Index.

Matthew Haupt, pro bono fund manager for Future Generation Australia and Lead Portfolio Manager at Wilson Asset Management, cautions that while momentum investing has been a dominant market trend, it may not be sustainable. Momentum investing refers to buying stocks that have recently performed well. Speaking with the [Australian Financial Review](#) he said that during periods of heightened uncertainty, momentum investing can become increasingly risky. This risk can be amplified by heightened company valuations and the concentration of the market in a few large cap stocks. To mitigate this risk for our shareholders Future Generation Australia's investment portfolio is highly diversified across fund managers, investment strategies and underlying stocks.

If you would like to speak to myself or the Future Generation team, please call us on (02) 9247 9202 or email info@futuregeninvest.com.au.



Caroline Gurney
CEO, Future Generation

*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.
**Risk is measured by volatility. 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.



\$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

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

\$20.8m

\$152.1m

Investment portfolio performance



*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.

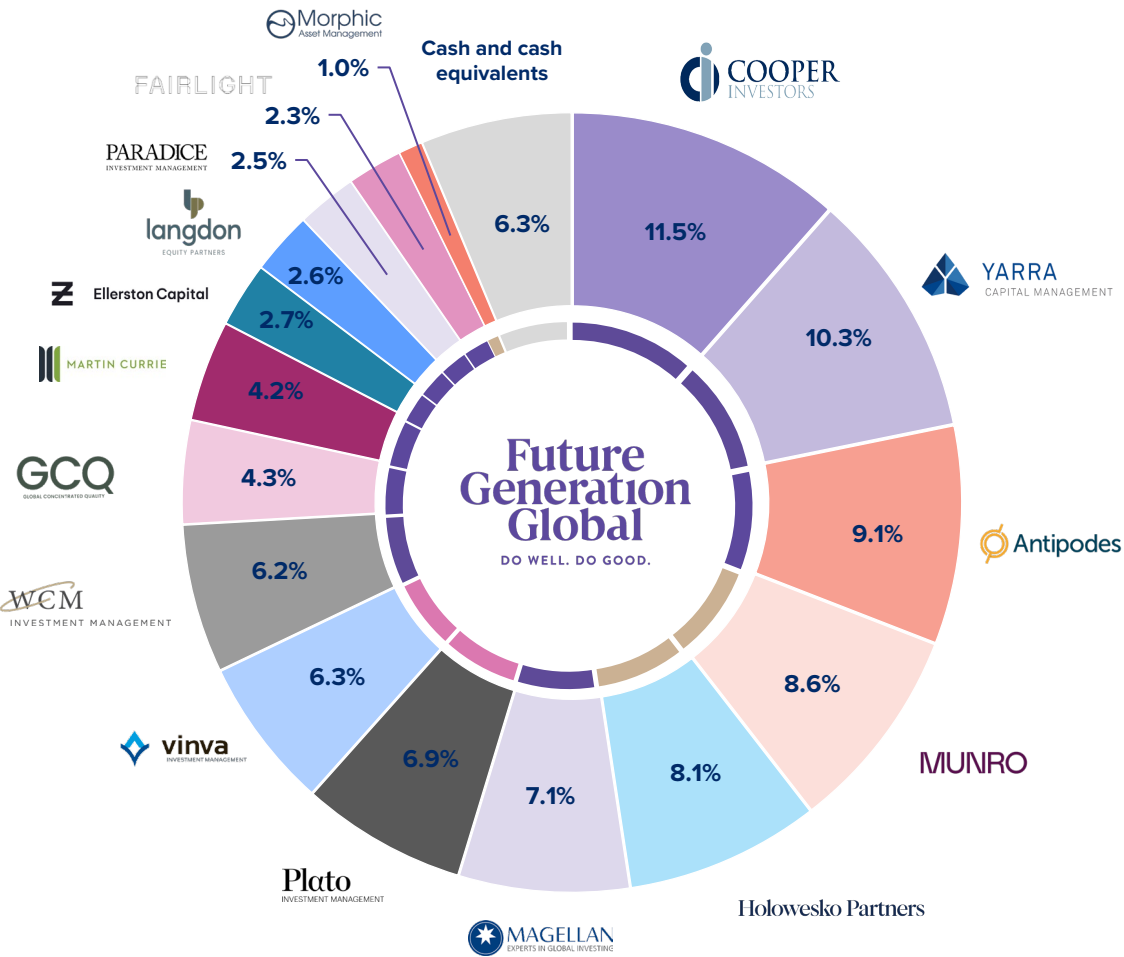
[^]Based on the 30 June 2025 share price and the FY24 fully franked full year dividend of 7.4 cents per share. Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 30 June 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	6.4%	20.8%	17.9%	10.5%	9.8%	9.9%

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



Long equities	62.8%
Absolute bias	17.7%
Quantitative	13.2%
Cash	6.3%

Investment portfolio performance

Net tangible assets before tax	Month-end share price (at 30 June 2025)	Grossed-up dividend yield [^]
138.61c	\$1.215	8.3% Fully franked dividend yield: 5.8% [^]
Net tangible assets after tax and before tax on unrealised gains	Assets	Dividends paid since inception (per share)
137.87c	\$574.5m	53.5c Including the value of franking credits: 76.4c
Net tangible assets after tax	Volatility*	Profits reserve (per share)
133.57c	11.6% S&P/ASX All Ordinaries Accumulation Index: 13.9%	37.9c

[^]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.

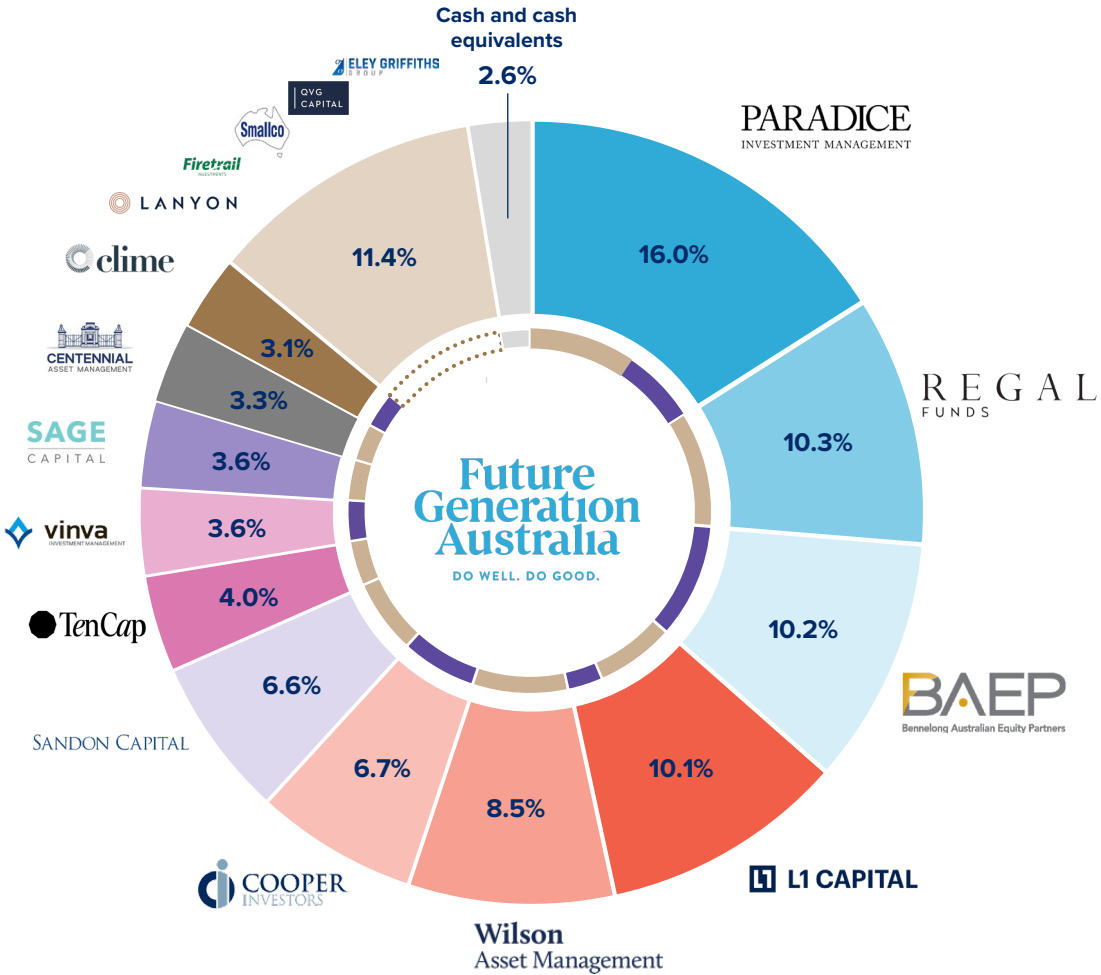
^{*}Based on the 30 June 2025 share price and the FY24 fully franked full year dividend of 7.0 cents per share. Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 30 June 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	4.0%	10.8%	12.4%	11.5%	8.3%	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



11.4% fund manager breakdown

Lanyon Asset Management	2.9%	QVG Capital	2.1%	Absolute bias	55.6%
Firetrail Investments	2.5%	Eley Griffiths Group	1.4%	Long equities	41.8%
Smallco Investment Manager	2.5%			Cash	2.6%

Meet the Manager

William Low



Yarra Capital Management has been one of Future Generation Global's top-performing fund managers over the past 12 months - delivering strong returns despite volatile and unpredictable global markets.

William Low, Head of Global Equities at Yarra Capital Management, will be joining us live from Edinburgh for the [Future Generation Global HY2025 Q&A Webinar](#) at 2pm on 17 July, where he'll share his outlook for global equities, stock ideas, and how he's navigating geopolitical uncertainty.

For those wanting a deeper dive into his views, William joined us on a previous episode of the 2fold podcast to explore whether investors are underestimating the long-term impact of artificial intelligence. Listen [here](#).



You have delivered impressive performance over the past 12 months. How have you managed to stay ahead in such a volatile market?

We have stayed ahead by keeping the portfolio well diversified and focusing on quality companies with clear company specific growth drivers rather than broad macroeconomic trends.

Valuation discipline is also one of our core pillars. This ensures we rebalance and take profits when we see excessive enthusiasm in parts of the market, like we did during the notable Artificial Intelligence (AI) rally in mid-2024.

We again viewed valuations closely as investors piled into the "US exceptionalism" narrative, which is the belief that the United States economy will continue to outperform the rest of the world.

How do you position a global portfolio when the market narrative seems to shift every few weeks?

Our investment process is not dictated by headlines. We follow a clear selection philosophy based on our four quality pillars and the path of returns on capital, which refers to how consistently a company can attain and sustain high profitability over time.

We take a disciplined approach to reviewing each holding using our unique ranking tool. If a market narrative does change the future quality of a company, we will act. Otherwise, we stay focused on the long-term drivers that truly matter.

Are we in an environment where company fundamentals are starting to matter again, or are macro headlines still driving the market?

The importance of company fundamentals has remained paramount, and for some companies little has changed despite the volatile headlines. Longer term equity returns remain mostly driven by the delivery of higher cashflows.

Over shorter periods valuation dispersions can matter more, but as we have seen with the US performance post-election, profit delivery remains the dominant driver.

What is one widely held market view today that you think is likely to be wrong?

The view that the United States (US) is in a valuation bubble. Simple valuations miss the fact that higher growth and strong economic profitability have supported US companies' outperformance. Until that changes, betting against the US is likely to be wrong.

Which long-term investment themes are you focusing on, despite rising short term volatility?

We maintain a well-diversified portfolio of currently 42 holdings. Where broader themes matter, we maintain a balanced exposure rather than overcommitting to a single idea. Today we have holdings with consistent exposure to key themes such as efficient healthcare delivery, increased investment in energy related infrastructure, growth in global travel and AI adoption.

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

Future Generation Australia fund managers

PARADICE
INVESTMENT MANAGEMENT

REGAL
FUNDS

BAEP
Bennelong Australian Equity Partners

L1 CAPITAL

Wilson
Asset Management

COOPER
INVESTORS

SANDON CAPITAL

TenCap

SAGE
CAPITAL

vinva
INVESTMENT MANAGEMENT

CENTENNIAL
ASSET MANAGEMENT

clime

LANYON

Smallco

Firetrail
INVESTMENTS

QVG
CAPITAL

ELEY GRIFFITHS
GROUP

Future Generation Global fund managers

COOPER
INVESTORS

YARRA
CAPITAL MANAGEMENT

Antipodes

Holowesko Partners

MUNRO

MAGELLAN
EXPERTS IN GLOBAL INVESTING

Plato
INVESTMENT MANAGEMENT

vinva
INVESTMENT MANAGEMENT

WCM
INVESTMENT MANAGEMENT

GCCQ
GLOBAL CONCENTRATED QUALITY

MARTIN CURRIE

Ellerston Capital

PARADICE
INVESTMENT MANAGEMENT

langdon
EQUITY PARTNERS

FAIRLIGHT

Morphic
Asset Management



Step by Step: How Structure, Support and Specialist Care Helped William* Find His Way

William's Story — from his parents' perspective

Before William started at Giant Steps, life was chaotic and heartbreaking. At 10, his autism-driven behaviours had escalated dangerously: self-harm, aggression, and property destruction dominated home and school. Despite attending supported schools, they couldn't manage him — we were constantly called to take him home. He'd lost all trust in adults, was heavily medicated and required frequent physical interventions.

Walking through Giant Steps' gates six years ago changed everything. No more calls to collect him — instead, the team came to our home to help us embed routines. There was no quick fix, but they offered what he needed: structure, consistency, and deep understanding. Predictable routines and visual cues slowly eased his anxiety and extreme behaviours.

During Covid, Giant Steps stayed open, becoming our lifeline. Their integrated mental health clinic connected school, medical, and home data so his care finally made sense — his medication list shrank and became targeted.

Progress remains fragile, but at 16, William now trusts adults, connects socially and enjoys his class. He's funny, playful and calm — a boy we never thought possible.

Giant Steps didn't just change William's life; they transformed our family's future, walking beside us through our darkest times.

Giant Steps, one of Future Generation Australia's social impact partners, provides leading autism education and support. Their transdisciplinary model combines teaching, therapy and clinical services, giving students stability and families hope for brighter futures.

**Names have been changed for confidentiality.*

Our social impact partners



Our pro bono service providers



**Fund manager
allocation and
investments at
market value as at
30 June 2025**

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.5%
Yarra Capital Management	Yarra Global Share Fund	Long equities	10.3%
Antipodes Partners	Antipodes Global Value Fund	Long equities	9.1%
Munro Partners	Munro Global Growth Fund	Absolute bias	8.6%
Holowesko Partners	Holowesko Global Fund Limited	Absolute bias	8.1%
Magellan Asset Management	Magellan Global Fund	Long equities	7.1%
Plato Investment Management	Plato Global Alpha Fund	Quantitative	6.9%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	6.3%
WCM Investment Management	WCM Quality Global Growth Managed Fund	Long equities	6.2%
GCQ Funds Management	GCQ Flagship Fund	Long equities	4.3%
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	2.7%
Langdon Equity Partners	Langdon Global Smaller Companies Fund	Long equities	2.6%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	2.5%
Fairlight Asset Management	Fairlight Global Small & Mid Cap (SMID) Fund	Long equities	2.3%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and cash equivalents		6.3%

Fund manager allocation and investments at market value as at 30 June 2025

Fund Manager	Investment	Strategy	% of Gross Assets
	Equity Alpha Plus/Mid Cap Funds (split out below)		16.0%
Paradice Investment Management	Paradice Equity Alpha Plus Fund	Absolute bias	9.4%
	Paradice Australian Mid Cap Fund	Long equities	6.6%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.3%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.2%
	Long Short/Catalyst Funds (split out below)		10.1%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	7.0%
	L1 Capital Catalyst Fund	Long equities	3.1%
	Equity/Leaders Funds (split out below)		8.5%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	4.7%
	Wilson Asset Management Leaders Fund	Absolute bias	3.8%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	6.7%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.6%
Ten Cap Investment Management	Ten Cap Alpha Plus Fund	Absolute bias	4.0%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	3.6%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	3.6%
Centennial Asset Management	The Level 18 Fund	Absolute bias	3.3%
Clime Investment Management	Clime All Cap Australian Equities Fund	Long equities	3.1%
Lanyon Asset Management	Lanyon Investment Fund	Absolute bias	2.9%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.5%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.5%
QVG Capital	QVG Opportunities Fund	Long equities	2.1%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.4%
	Cash and cash equivalents		2.6%