Future Generation

DO WELL. DO GOOD.

April 2025 Investment Update

Dear Fellow Shareholder,

Investment portfolio performance in April

- The Future Generation Global (ASX: FGG) investment portfolio decreased 0.3%* in April, outperforming the MSCI AC World Index (AUD) by 1.2%.
- The Future Generation Australia (ASX: FGX) investment portfolio increased 1.8%* in April, while the S&P/ASX All Ordinaries Accumulation Index increased 3.6%.

Fund managers insights

Markets experienced significant volatility in April, primarily driven by escalating trade tensions and concerns over their impact on inflation and economic growth. Early in the month, U.S. President Donald Trump's implementation of substantial tariffs and the subsequent response from China triggered a sharp decline in equity markets, with the S&P 500 briefly entering bear market territory. Despite a rebound later in the month, market risks remain elevated.

The Future Generation investment portfolios are constructed to offer diversification across a range of leading asset managers and investment strategies. This is key to their ability to deliver investment portfolio returns with lower volatility than the market^. Recent market gyrations provide opportunities for active fund managers, and several of our pro bono managers featured in *The Australian Financial Review* sharing their high conviction stocks ideas. These highlight the importance of active fund management to deliver long-term value for our shareholders:

- David Prescott from Lanyon Asset Management is backing Johns Lyng Group (ASX: JLG), seeing a big turnaround potential as the company looks to boost its profit to $70 million with plenty of room to grow in a market where it has less than 10% share.
- Jacob Mitchell from Antipodes Partners is investing in Siemens (XETRA: SIE), which he believes is perfectly positioned to benefit from global trends in automation, energy efficiency and infrastructure renewal, while trading at a 25% discount to its peers.
- Jun Bei Liu from Ten Cap Funds Management is backing the a2 Milk Company (ASX: A2M), which is showing impressive growth in a tough market. She's particularly excited about its solid balance sheet and potential for future deals or capital returns.
- Julia Weng from Paradice Investment Management invests in Newmont (NYSE: NEM), the world's largest gold producer, which she thinks has substantial upside, especially given the current macroeconomic environment and the company's ongoing production growth and share buybacks.
- Geoff Wilson AO, Founder and Director of the Future Generation companies and CIO of Wilson Asset Management sees value in EVT (ASX: EVT), a company with strong property assets such as Event Cinemas and Thredbo ski resort. He believes the planned asset sales will unlock value and improve investor returns.
- Nicholas Markiewicz from Ellerston Capital is bullish on AerCap (NYSE: AER), which stands to benefit from rising aircraft demand and supply chain disruptions, boosting both its book value and earnings.
- Gabriel Radzyminski from Sandon Capital is backing Magellan Financial Group (ASX: MFG), calling it undervalued with its core asset management business trading at a good price.
- Katie Hudson from Yarra Capital Management backs Auckland International Airport (ASX: AIA), seeing long-term growth potential thanks to its large land bank and the ongoing recovery in global travel. She believes it's a solid, defensive asset for the long run.

Updates

- The Future Generation Australia and Future Generation Global AGMs will be held as hybrid meetings online and in-person on Wednesday 21 May 2025 at the Museum of Sydney. The Notice of Meetings are available for Future Generation Australia and Future Generation Global.
- In celebration of Future Generation's 10-year anniversary, pro bono service provider ausbiz released a Meet the Manager series – a collection of exclusive interviews featuring some of the incredible fund managers who have supported us along the way.

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.

^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

$20.8m

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

$152.1m

Future Generation Global

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Investment portfolio performance

The below NTA figures are before the fully franked final dividend of 3.7 cents per share due to be paid on 23 May 2025. The shares traded ex-dividend on 12 May 2025.

Net tangible assets before tax	Month-end share price (at 30 April 2025)	Dividends paid since inception (per share)
165.56c	$1.41	30.4c Including the value of franking credits: 43.4c

Net tangible assets after tax and before tax on unrealised gains	Assets	Profits reserve (per share)
162.89c	$666.2m	69.8c

Net tangible assets after tax	Volatility*	Grossed-up dividend yield^
153.07c	9.8% MSCI AC World Index (AUD): 10.6%	7.4% Fully franked dividend yield: 5.2%^

*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.

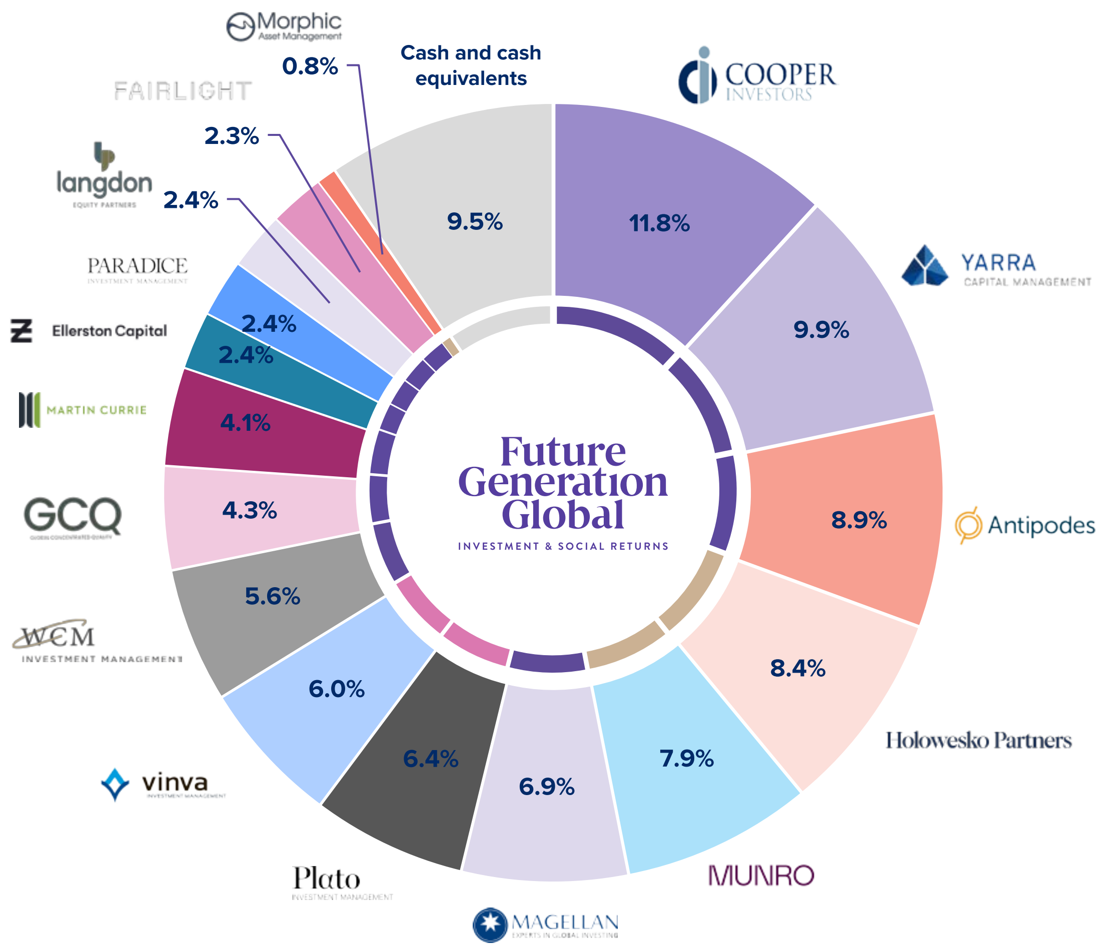
^Based on the 30 April 2025 share price and the FY24 fully franked full year dividend of 7.4 cents per share. Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

Investment portfolio performance at 30 April 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	-1.0%	14.9%	13.0%	9.6%	9.2%	9.2%

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	61.0%
Absolute bias	17.1%
Quantitative	12.4%
Cash	9.5%

Future Generation Australia
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Investment portfolio performance

The below NTA figures are before the fully franked final dividend of 3.5 cents per share due to be paid on 21 May 2025. The shares traded ex-dividend on 8 May 2025.

Net tangible assets before tax 136.91c	**Month-end share price (at 30 April 2025)** $1.25	**Dividends paid since inception (per share)** 50.0c Including the value of franking credits: 71.4c
Net tangible assets after tax and before tax on unrealised gains 133.96c	**Assets** $565.1m	**Profits reserve (per share)** 41.5c
Net tangible assets after tax 131.64c	**Volatility*** 11.6% S&P/ASX All Ordinaries Accumulation Index: 14.0%	**Grossed-up dividend yield^** 8.0% Fully franked dividend yield: 5.6%^

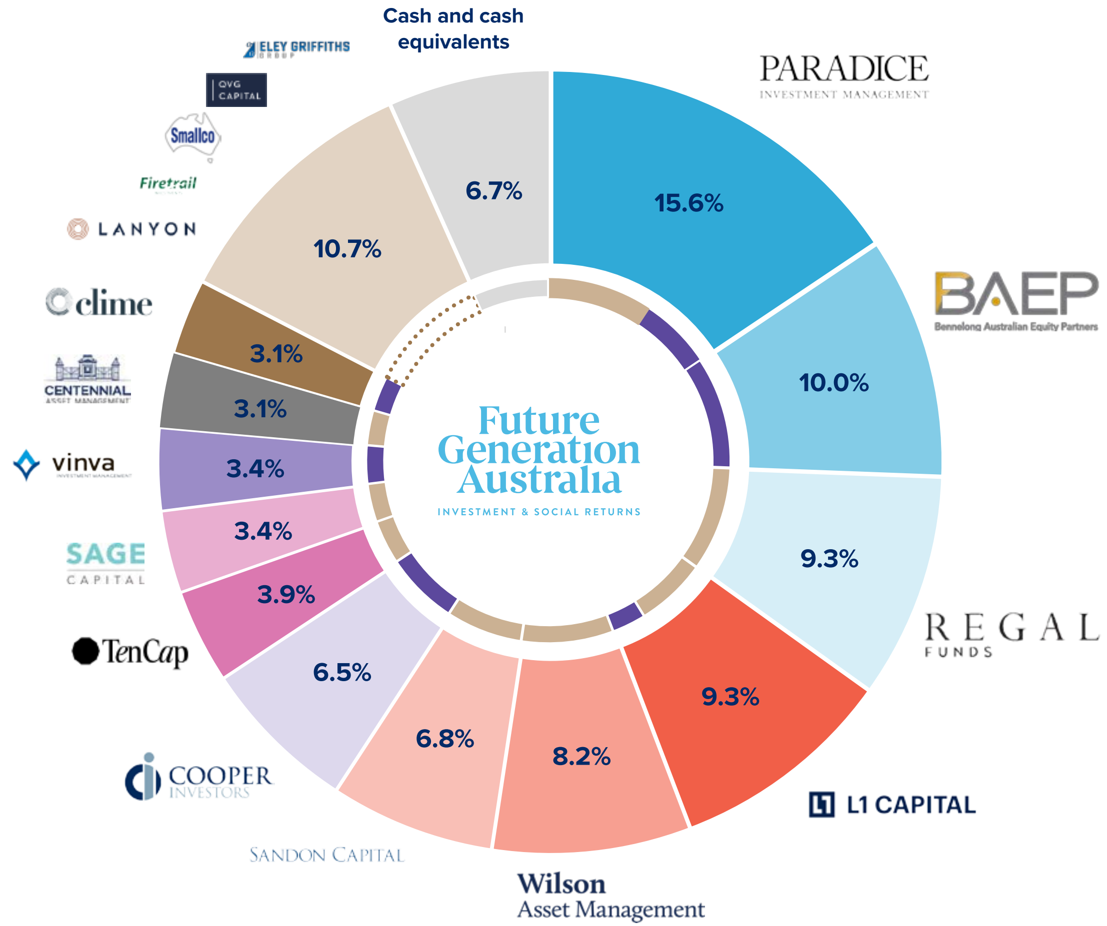
*Volatility is a statistical measure of the dispersion of returns for a given security or market index. Volatility is measured by standard deviation, and can be thought of as an assessment of the risk in the investment portfolio. In most cases, the higher the volatility, the riskier the investment.
^Based on the 30 April 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 April 2025	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	-1.9%	5.6%	5.3%	11.9%	8.1%	8.8%

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



10.7% fund manager breakdown

Lanyon Asset Management	2.9%	QVG Capital	1.8%
Firetrail Investments	2.3%	Eley Griffiths Group	1.4%
Smallco Investment Manager	2.3%		

Absolute bias	53.2%
Long equities	40.1%
Cash	6.7%

Meet the Manager

Matthew Kidman

Principal and Portfolio Manager, Centennial Asset Management and Investment Committee Member

CENTENNIAL
ASSET MANAGEMENT

After building up cash ahead of this year's market turbulence, Centennial Asset Management's Matthew Kidman is gradually returning to his natural hunting ground: ASX small-caps.

During the February reporting season, the ASX was hitting record highs, and most investors were celebrating - but you were increasing your cash allocation. That was a great move in hindsight, but why so cautious so early?

During most profit reporting periods we have taken some money out of the market because of stock volatility. This last February was possibly the worst volatility we have witnessed with wild swings, big moves on little news - and it reminded me of what happens when things start to break. So, we lifted our cash levels to about 30% by mid-February. Then things kept deteriorating, especially with the news coming out of the US, so we took that up to 50% before the tariffs landed in April.

Your fund's known for its flexibility - cash, large-caps, shorts if needed. How important is that edge in markets like this?

It's critical. We didn't set this fund up to run someone else's money - we started out just managing our own capital, and that mentality is still baked in. If conditions aren't right, we don't force it. That means going to cash or owning big, boring defensives like Telstra or Coles when needed. A lot of small-cap funds can't do that; they must stay fully invested. But if you can duck when the punches are flying, you live to fight another day. Flexibility is probably the most underrated edge in investing.

Now that things have settled a little, are you putting that cash back to work?

Slowly, yes. We've moved about 20% back into the market so far and we'll probably redeploy a good chunk of the rest over the next four weeks, barring any surprises. Macquarie Bank was one we picked up after it sold their North American and European public asset management unit. ALS is another one we like. We've started rotating out of large caps that helped us defend, and we're going back to what we know: small and mid-caps with strong balance sheets and sensible valuations. But it's not a case of just diving back in; we're foraging carefully.

Are there sectors or themes you expect to lean into as conditions change?

Rate-sensitive consumer names are creeping back onto our radar. If the RBA cuts rates four or five times this year – which I think they might - you'll want to be in the parts of the economy that benefit from that. Property developers Mirvac and Stockland are on our radar, as is furniture retailer Nick Scali. There have been a lot of strong performers in the retail sector over the years, and we have been lucky enough to own a few like Beacon Lighting and Universal Store. We're also keeping an eye on southeast Queensland plays like Wagners and Acrow, especially with the Olympics coming and infrastructure spending ramping up. The Queensland government seems to be taking the "expensive" path when it comes to building stadiums, so that's good for businesses in the supply chain.

You've been avoiding Victoria. Why's that?

Every company we speak to says the same thing: Victoria's dragging. There's low confidence, stretched public finances, and not a lot of momentum. That's not a place where you want to be allocating capital. For Australia to really kick on, Victoria needs to lift - but right now, it's lagging badly. So, we're sticking to the east coast more broadly, where we're seeing more resilience and opportunity.

How do you think about risk in an environment like this? Lots of people still fear a recession.

That fear is justified. If there's no deal between the US and its trading partners, and demand starts to really contract, then we're staring down the barrel of a proper recession. In that kind of environment, corporate earnings fall 25%–35%, and markets drop 30% or more. Personally, I'm hopeful that the Trump administrations will negotiate deals with America's major trading partners – as we saw with the UK last week – and that we'll avoid a significant global recession. But we're still in that in-between phase.

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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
- GCQ Global Concentrated Quality
- Martin Currie
- Ellerston Capital
- Paradice Investment Management
- Langdon Equity Partners
- Fairlight
- Morphic Asset Management

Raise Foundation and Google launch groundbreaking digital mentoring platform for young Australians

raise

Raise Foundation has entered a three-year partnership with Google to develop Raise Digital, a groundbreaking online mentoring platform.

The new initiative aims to connect vulnerable young Australians with trained mentors - breaking down financial and geographic barriers to vital mental health support.

The collaboration comes as mental health challenges continue to grow among young Australians, with more than a third experiencing a mental health disorder in the past year and more than a quarter (27%) admitting finances are a barrier to accessing psychology services.

Caroline Gurney, CEO of Future Generation, says: “We’re incredibly proud to support Raise and thrilled to see Google joining this mission. This partnership represents the kind of bold, collaborative action needed to prevent mental ill health and promote wellbeing for young Australians. Raise Digital will help ensure every young Australian has someone in their corner - no matter where they are.”

Raise Foundation, which has already supported more than 16,000 young people since 2008, says Raise Digital will provide life-changing mentorship to those who need it most.

Our social impact partners

Our pro bono service providers

Future Generation Global

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Fund manager allocation and investments at market value as at 30 April 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	9.9%
Antipodes Partners	Antipodes Global Value Fund	Long equities	8.9%
Holowesko Partners	Holowesko Global Fund Limited	Absolute bias	8.4%
Munro Partners	Munro Global Growth Fund	Absolute bias	7.9%
Magellan Asset Management	Magellan Global Fund	Long equities	6.9%
Plato Investment Management	Plato Global Alpha Fund	Quantitative	6.4%
Vinva Investment Management	Vinva International Equity Fund	Quantitative	6.0%
WCM Investment Management	WCM Quality Global Growth Managed Fund	Long equities	5.6%
GCQ Funds Management	GCQ Flagship Fund	Long equities	4.3%
Martin Currie Investment Management	Martin Currie Global Long-term Unconstrained Fund	Long equities	4.1%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	2.4%
Paradice Investment Management	Paradice Global Small Cap Fund	Long equities	2.4%
Langdon Equity Partners	Langdon Global Smaller Companies Fund	Long equities	2.4%
Fairlight Asset Management	Fairlight Global Small & Mid Cap (SMID) Fund	Long equities	2.3%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	0.8%
	Cash and cash equivalents		9.5%

Future Generation Australia

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

Fund Manager	Investment	Strategy	% of Gross Assets
Paradice Investment Management	**Equity Alpha Plus/Mid Cap Funds (split out below)**		**15.6%**
	Paradice Equity Alpha Plus Fund	Absolute bias	9.3%
	Paradice Australian Mid Cap Fund	Long equities	6.3%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.0%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	9.3%
L1 Capital	**Long Short/Catalyst Funds (split out below)**		**9.3%**
	L1 Capital Long Short Fund	Absolute bias	6.3%
	L1 Capital Catalyst Fund	Long equities	3.0%
Wilson Asset Management	**Equity/Leaders Funds (split out below)**		**8.2%**
	Wilson Asset Management Equity Fund	Absolute bias	4.5%
	Wilson Asset Management Leaders Fund	Absolute bias	3.7%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.8%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	6.5%
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	3.4%
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	2.9%
Firetrail Investments	Firetrail High Conviction Fund	Long equities	2.3%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.3%
QVG Capital	QVG Opportunities Fund	Long equities	1.8%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	1.4%
	Cash and cash equivalents		6.7%