ASX announcement & media release

25 February 2021

Future Generation Global
INVESTMENT & SOCIAL RETURNS

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Future Generation Global reports significant outperformance and record increase in operating profit after tax

For the financial year ending 31 December 2020, the company reports:

- **131.0% increase in operating profit after tax**
- **19.4% total shareholder return**
- **14.3%* investment portfolio performance**
- **$5.7 million social investment in youth mental health focused charity partners**
- **$8.4 million in savings from fees forgone by fund managers, service providers, directors and committee members**

Future Generation Global (ASX: FGG) reported an operating profit before tax of $27.5 million for the 12 months to 31 December 2020, a 109.7% increase on the corresponding period, and a 131.0% increase in operating profit after tax to $19.8 million. The increase in operating profit is primarily due to the strong portfolio performance and the increased level of distribution income received from investments with the underlying fund managers during the period.

“In the 12 months to 31 December 2020, the investment portfolio increased 14.3%*, outperforming the MSCI AC World Index (AUD) by 8.2%*, while holding an average cash level of 10.7%. Since inception, the investment portfolio has increased 11.0%* per annum, outperforming the Index with less volatility,” Future Generation Global Chairman Belinda Hutchinson AC said.

The investment portfolio outperformance demonstrates the strength and diversification of the underlying fund managers and the portfolio’s strong defensive qualities during a volatile period for equity markets and the global economy. The investment portfolio delivered both income returns from the distributions received from the underlying fund managers and capital growth for shareholders during the period. Future Generation Global's investment portfolio outperformance has been achieved with less volatility as measured by standard deviation, 9.1% versus the Index’s 10.7%.

“In August, Future Generation Global declared a fully franked dividend of 2.0 cents per share to shareholders, a 33.3% increase on the prior year. Future Generation Global held an estimated profits reserve of 6.7 cents per share as at 31 December 2020, representing 3.4 years of dividend coverage. The Board will consider a further dividend payment following the June 2021 half year result, dependent on released profits from the underlying fund managers as at 30 June 2021. The Board is committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. Notably, Future Generation Global’s total shareholder return (TSR) in the 12 months to 31 December 2020 was 19.4%,” Ms Hutchinson AC said.

As at 31 December 2020, the investment portfolio was comprised of 13 fund managers with investments in 12 unlisted unit trusts and one direct listed investment company. The spread between the broad equities strategies as at 31 December 2020 was 72.2% long equities, 19.0% absolute bias and 8.8% cash.

“Our fund managers delivered shareholders $7.3 million in savings during the year through forgone management and performance fees. The value of the leading service providers, including the Board and Investment Committee working on a pro bono basis, totalled $1.1 million. These savings to shareholders exceeded the annual investment to charities during the year,” Ms Hutchinson AC said.

*Investment portfolio performance and Index returns are before expenses, fees and taxes.

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Through an investment in Future Generation Global, shareholders are provided with diversified exposure to selected global fund managers and the opportunity to change the lives of young Australians affected by mental ill-health.

Future Generation Chief Executive Officer Louise Walsh said she was pleased with the positive results as it means Future Generation Global can continue to be one of the largest funders of mental health in Australia.

"In 2020 Future Generation Global invested $5.7 million in youth mental health focused charity partners. We are pleased that the Company is on track to deliver its sixth annual investment of approximately $6.4 million in 2021, which will bring the total investment since inception to over $26 million," Ms Walsh said.

"In May 2020, Emily Fuller commenced in the newly created role of Social Impact Manager, bringing a wealth of experience spanning philanthropy, research, international development and communications. As Social Impact Manager, Emily oversees all charitable aspects related to Future Generation Global, including working closely with our charity partners to ensure that our shareholder's investment achieves an impactful social return," Ms Walsh said.

"Early in the year, Future Generation made a submission in response to the Productivity Commission's inquiry into mental health, providing six recommendations to the Australian government, mental health focused charities and private funders. We believe the final report by the Productivity Commission takes a significant step towards filling the gaps present in clinical care systems and we look forward to engaging in more discussions on how Future Generation can further advocate and support the roadmap towards a better mental health system," Ms Walsh said.

On Tuesday 16 March 2021 at 3.00pm – 4.00pm (Sydney time) Founder and Director Geoff Wilson AO and Louise Walsh will discuss results in detail during the Future Generation Investor Webinar. Geoff and Louise will be joined by Paradice Investment Management Portfolio Manager David Moberley and Marsico Capital Management Portfolio Manager Brandon Geisler.

Investment portfolio performance

As at 31 December 2020	1 yr	3 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	14.3%	13.6%	11.0%
MSCI AC World Index (AUD)	6.1%	10.6%	10.2%
Outperformance	**+8.2%**	**+3.0%**	**+0.8%**

Investment portfolio performance and Index returns are before expenses, fees and taxes.

Fund managers

MAGELLAN EXPERTS IN GLOBAL INVESTING · COOPER INVESTORS · Antipodes · ELLERSTON CAPITAL

nikko am Nikko Asset Management · PARADICE INVESTMENT MANAGEMENT · MUNRO PARTNERS · AVENIR CAPITAL · Morphic Asset Management

VGI PARTNERS · MARSICO CAPITAL MANAGEMENT · CALEDONIA · WCM INVESTMENT MANAGEMENT

Investing in Australia's future generation

The objectives of the Company are to provide shareholders with an attractive investment and Australian charities focused on youth mental health with a source of funding. The fund managers do not charge management or performance fees, allowing the Company to invest 1.0% of its average net assets to the supported charities each year. Future Generation Global has partnered with designated charities that provide a significant benefit to young Australians in the area of youth mental health: Black Dog Institute, Brain and Mind Centre, Butterfly Foundation for Eating Disorders, Kids Helpline, Orygen – the National Centre of Excellence in Youth Mental Health, ReachOut Australia, SANE Australia and Youth Focus. Future Generation Global shareholders decide annually on a pro-rata basis the amount invested to each charity. In 2020 Future Generation Global invested $5.7 million in charities focused on youth mental health, bringing the total charitable investment since inception to $19.7 million.

About Future Generation Global

Listed in 2015, Future Generation Global Investment Company Limited (ASX: FGG) provides:

Shareholders with exposure to leading global fund managers without paying management or performance fees.

Charities primarily focused on youth mental health with a stream of annual investments.

Fund managers with a unique opportunity to make a positive difference to Australia's future generations.

For more information visit www.futuregeninvest.com.au or contact:

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