

Dear Fellow Shareholder,

Investment portfolio performance

In September, the Future Generation Australia (ASX: FGX) investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 1.1%. The investment portfolio decreased 0.5%* for the month whilst the Index fell 1.6%. The Future Generation Global (ASX: FGG) investment portfolio decreased 3.4%* for the month, while the MSCI AC World Index (AUD) fell 2.8%.

Since inception, the FGX investment portfolio has increased 11.4%* per annum and the FGG investment portfolio has increased 11.4%* per annum. The investment portfolios' performance has been achieved with less volatility than their indexes, as measured by standard deviation.

Future Generation Australia Bonus Issue of Options

Future Generation Australia shareholders received a [Bonus Issue of Options](#) on 4 October 2021, trading under ASX: FGXO.

Each Future Generation Australia Option provides shareholders with the right, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. The Options can be exercised anytime, up until 28 April 2023.

Shares issued on Options exercised on or before 17 November 2021 and held at the dividend record date of 22 November 2021 will receive the fully franked interim dividend of 3.0 cents per share, which represents an annualised fully franked dividend yield of 4.1% and a grossed-up dividend yield of 5.8%^a on the exercise price of \$1.48 per Option.

Investor Update and Q&A webinar

In case you missed it, we encourage you to access the [recording](#) of Future Generation's Investor Update and Q&A webinar with Geoff Wilson AO.

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

^aGrossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

A message from your new CEO

I am three weeks into my new role and it has been incredibly stimulating. From talking to shareholders, listening to the Investment Committees' discussions regarding the portfolios as well as acknowledging our fantastic fund managers, who are so integral to the success of Future Generation.

As we begin to announce the donations to the various charities that we are supporting, I am very aware of the significance of your support, during this time of uncertainty and change.

My thanks to Future Generation Founder and Director Geoff Wilson AO and Director and former Acting CEO Kate Thorley for the exciting opportunity to grow the Future Generation companies.

I would also like to thank all who joined us on our Investor Update and Q&A webinar and our guest fund managers Ben Griffiths from Eley Griffiths and Ryan Quinn from WCM Investment Management. We hope you enjoyed the discussions.

As the lockdown ends, I look forward meeting you all in person, together with my fellow Chairs, Directors and fund managers.

In the meantime, please let us know what we can do better by completing a short [survey](#). If you have any questions, please call (02) 9247 9202 or email info@futuregeninvest.com.au.

Best wishes,



Caroline Gurney
Chief Executive Officer

[Start the survey](#)



\$52.9m

SOCIAL
INVESTMENT
TO 2021



\$5.3m

Future
Generation
Australia 2021

\$6.4m

Future
Generation
Global 2021

2021 total social
investment

\$11.7m

2021 annualised
management fees,
performance fees and
services forgone

\$21.8m

Total annualised
fees forgone since
inception to 2021

\$95.4m

Investment portfolio performance

The below NTA figures are **before** the fully franked interim dividend of 3.0 cents per share due to be paid on 26 November 2021. The shares will trade ex-dividend on 19 November 2021.

Net tangible assets before tax	Gross assets	Profits reserve (per share)
153.40c	\$622.4m	33.5c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Dividends paid since inception (per share)
151.96c	\$583.8m	27.3c
Net tangible assets after tax	Volatility [^]	2021 fully franked annualised interim dividend
142.24c	11.4% S&P/ASX All Ordinaries Accumulation Index: 14.2%	6.0c

[#]Based on the 30 September 2021 share price of \$1.455 per share and 401,255,746 shares on issue.

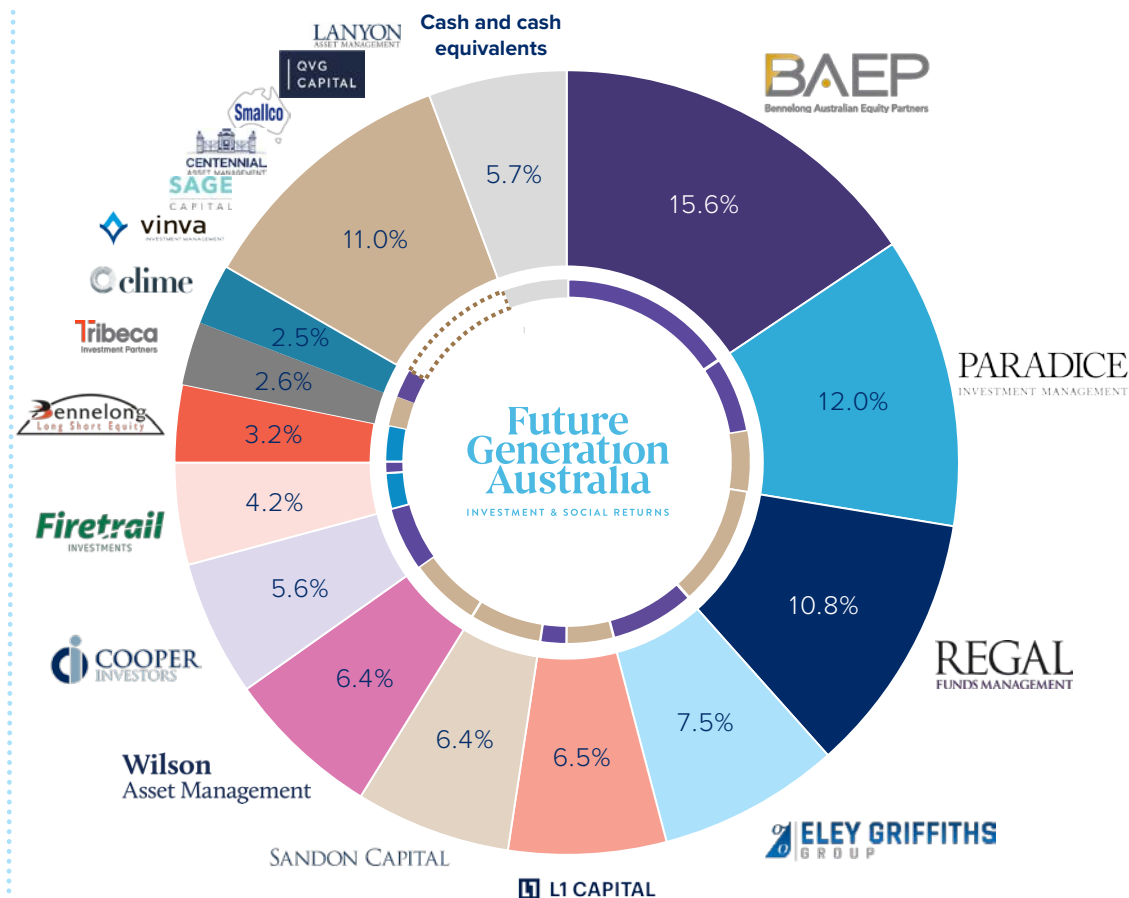
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 30 September 2021	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	-0.5%	14.8%	19.7%	31.4%	12.3%	11.8%	11.4%
S&P/ASX All Ordinaries Accumulation Index	-1.6%	10.9%	14.9%	31.5%	10.4%	10.8%	8.8%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



Investment portfolio performance

The below NTA figures are **before** the fully franked dividend of 3.0 cents per share due to be paid on 22 October 2021. The shares traded ex-dividend on 11 October 2021.

Net tangible assets before tax	Gross assets	Profits reserve (per share)
177.46c	\$705.5m	51.4c
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation[#]	June 2021 fully franked dividend
174.65c	\$622.8m	3.0c
Net tangible assets after tax	Volatility[*]	ESG aware[^] (of the portfolio)
161.65c	8.9% MSCI AC World Index (AUD): 10.4%	98.8%

[#]Based on the 30 September 2021 share price of \$1.585 per share and 392,947,106 shares on issue.

^{*}Volatility is measured by standard deviation.

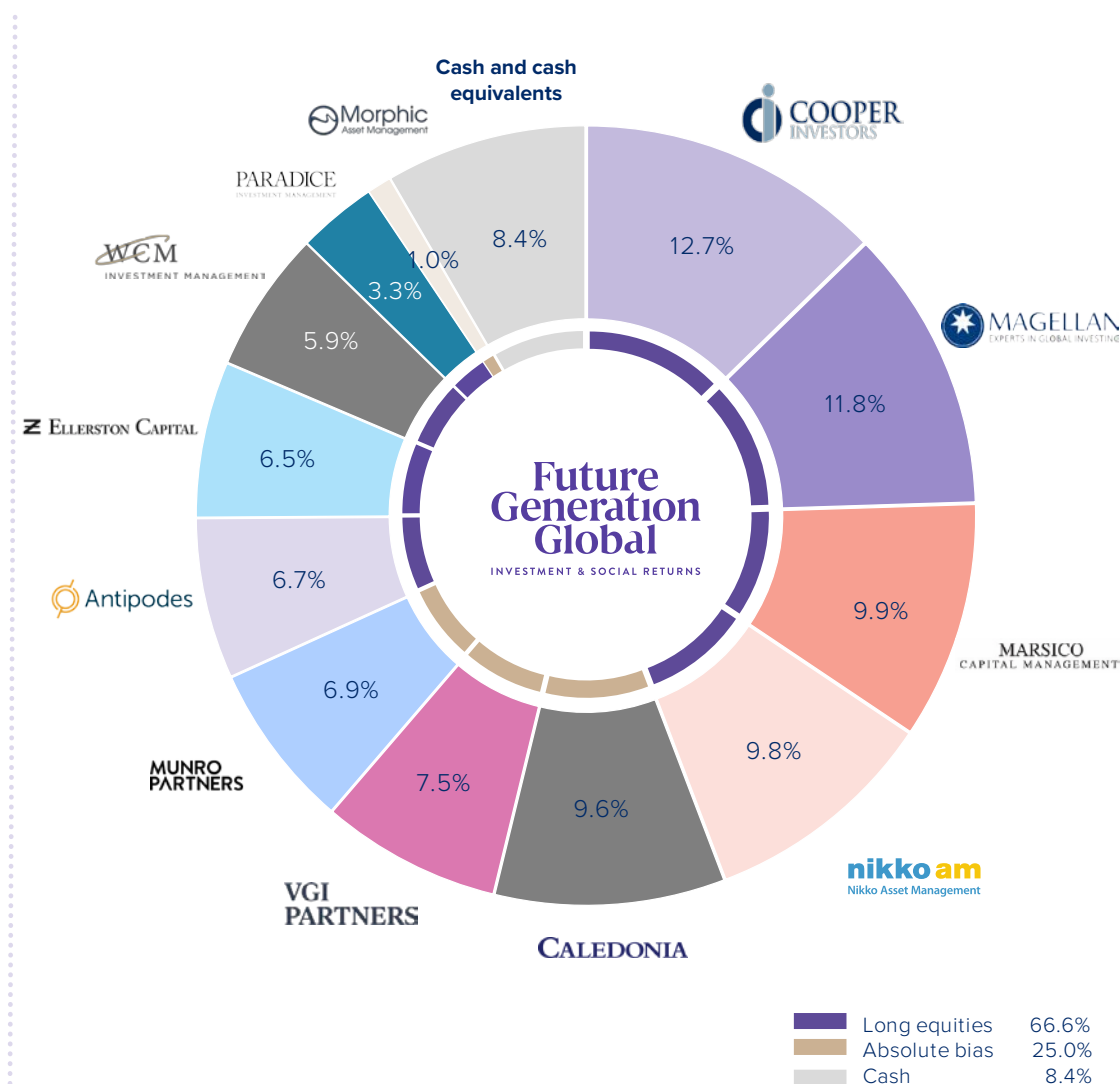
[^]Based on the 2020 Annual Report.

Investment portfolio performance at 30 September 2021	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	-3.4%	6.8%	10.5%	17.2%	12.0%	13.9%	11.4%
MSCI AC World Index (AUD)	-2.8%	12.2%	18.5%	26.7%	12.7%	14.6%	12.0%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Fund manager allocations

0% management fees
0% performance fees



Fund manager in focus:



YARRA
CAPITAL MANAGEMENT

About Nikko Asset Management

Nikko Asset Management (Nikko AM) is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income and Multi-Asset strategies.

Yarra Capital Management acquired Nikko Asset Management's Australian business on 12 April 2021. As part of that acquisition, Yarra Capital Management assumed responsibility for the distribution of Nikko AM's global suite of products in the Australian market, including the Global Share Fund.

About Yarra Capital Management

Yarra Capital Management is a leading independent, active Australian fund manager, with \$22 billion of assets under management. Founded in 2017, the Firm's offering includes its fundamental Australian equities product set, consisting of long-only, concentrated strategies, and fixed income capabilities which provide clients with access to core fixed income, credit, and multi-asset solutions. The Firm is also part owner of Tyndall AM, an award-winning Australian investment manager specialising in Australian value equities and provides access to a range of international equity products through its partnership with the Nikko Asset Management Group. The Yarra Capital Management Group serves the Australian institutional and retail markets, and its Australian investment products are accessed from various international markets, including Japan and New Zealand.

Nikko Asset Management Global Share Fund

Nikko AM Global Share Fund

The Nikko AM Global Share Fund is designed for investors looking for investment opportunities either not available or not well represented in Australia, and which are expected to provide long-term capital growth.

Investment style

The Nikko AM Edinburgh-based investment team's strategy is based on the Future Quality philosophy. They create alpha by seeking Future Quality companies with sustainably high or improving returns on investment over the long-term.

The team identifies Future Quality by assessing a business across four key pillars - Quality of Franchise, Management, Balance Sheet, and Future Valuation. This framework gives them a complete picture of the potential for investment. They also believe that environmental, social and governance (ESG) considerations are integral to Future Quality - good companies make good investments.

The team's process for identifying long-term winners starts with robust idea generation that is validated by bottom-up fundamental research. They work within a flat team structure which means all portfolio ideas are peer challenged, with each portfolio manager sharing both analyst responsibilities and ownership of investment outcomes. Ideas are then ranked using their proprietary stock-ranking tool.

This process of actively challenging investment ideas limits cognitive biases that can lead to inferior returns. This comprehensive process generates a portfolio tilt towards growth and quality, with a total carbon footprint well below the MSCI All Countries World Index.

Nikko Asset Management & Yarra Capital Management are proud to be supporters of Future Generation.

Nikko AM Global Share Fund

	1 mth	3 mths	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	15 yrs %pa	Since inception (Nov-95) %pa
Performance at 31 August 2021								
Nikko AM Global Share Fund	3.6%	11.9%	32.8%	18.5%	19.3%	18.7%	10.2%	9.1%
MSCI ACWI Index	3.1%	10.8%	30.2%	13.9%	14.9%	16.4%	8.0%	7.6%
Outperformance	+0.5%	+1.1%	+2.6%	+4.6%	+4.4%	+2.3%	+2.2%	+1.5%

The returns shown are after fees and before tax, using redemption prices and assuming reinvestment of distributions. Outperformance is the difference between the Fund's net return and its benchmark. Past performance is not a reliable indicator of future performance.

For more information, visit www.yarracm.com/global-equities/nikko-am-global-share-fund/

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

Future Generation Australia fund managers



Future Generation Global fund managers



Charity in focus:



ReachOut

ReachOut is the most accessed online mental health service for young people and their parents in Australia. Practical support, tools and tips help young people to navigate everyday issues and tough challenges.

“ReachOut’s recent [research report](#) found that the pandemic has impacted the lives of many rural young people when it comes to things like work, study, and being social. Many reported feeling lonely and isolated, increasingly worried about the future, having missed important milestones, and have experienced disruptions to their education and work.”

Read a Q&A with Bianca Kahl, Research and Evaluation Manager at ReachOut [here](#).

For more information, visit au.reachout.com

Our designated charities



Our pro bono service providers



Fund manager allocation and investments at market value as at 30 September 2021

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	15.6%
	Mid Cap/Equity Alpha Plus Funds (split out below)		12.0%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	6.7%
	Paradice Equity Alpha Plus Fund	Absolute bias	5.3%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.8%
	Small/Emerging Companies Funds (split out below)		7.5%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.1%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.4%
	Long Short/Australian Equities Funds (split out below)		6.5%
L1 Capital	L1 Capital Long Short Fund	Absolute bias	4.2%
	L1 Capital Australian Equities Fund	Long equities	2.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	6.4%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.4%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.6%
	Absolute Return/High Conviction Funds (split out below)		4.2%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.2%
	Firetrail High Conviction Fund	Long equities	1.0%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.2%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.6%
Clime Asset Management	Clime Australian Equities Fund	Long equities	2.5%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.4%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.2%
Centennial Asset Management	The Level 18 Fund	Absolute bias	2.1%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.8%
QVG Capital	QVG Opportunities Fund	Long equities	1.5%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.0%
	Cash and cash equivalents		5.7%

Future Generation Global

INVESTMENT & SOCIAL RETURNS

Fund manager allocation and investments at market value as at 30 September 2021

Fund Manager	Investment	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	12.7%
Magellan Asset Management	Magellan Global Fund	Long equities	11.8%
Marsico Capital Management	Marsico Global Fund	Long equities	9.9%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	9.8%
Caledonia	Caledonia Global Fund	Absolute bias	9.6%
VGI Partners	VGI Partners Funds	Absolute bias	7.5%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.9%
Antipodes Partners	Antipodes Global Fund - Long	Long equities	6.7%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	6.5%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	5.9%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	3.3%
Morphic Asset Management	Morphic Ethical Equities Fund Limited	Absolute bias	1.0%
	Cash and cash equivalents		8.4%