

Dear Fellow Shareholder,

On Thursday 12 March, Founder and Director Geoff Wilson AO and I provided updates on the Future Generation companies and discussed the heightened market volatility and full year results in our Investor Conference Call. On the call, we were also joined by Firetrail Investments Deputy Managing Director and Portfolio Manager Blake Henricks and Cooper Investors Portfolio Manager Chris Dixon. You can listen to the [recording](#) and view the slides used during the presentation if you were unable to dial-in on the day.

During February, both Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG) outperformed^{*} their benchmarks, by 1.9% and 3.8% respectively, continuing their track record of downside protection in periods of equity market volatility.

Last month I had the pleasure of presenting at [ASX CEO Connect](#), an event bringing listed investment companies and investors together, organised by the Australian Stock Exchange (ASX). Following the event I was [interviewed](#) by nabtrade to discuss Future Generation's investment and social returns.

Future Generation Australia announced its [full year results](#) and [annual report](#) in February. Future Generation Australia announced 20.7%^{*} investment portfolio performance in 2019 and \$4.6 million invested in high-impact charities focused on children and youth at risk. The Board of Directors also announced a fully franked final dividend of 2.6 cents per share, bringing the 2019 fully franked full year dividend to 5.0 cents per share, an 8.7% increase on the prior year.

Future Generation Global also announced its [full year results](#) and [annual report](#). Future Generation Global announced 20.5%^{*} investment portfolio performance in 2019, \$7.8 million in savings from fees foregone by fund managers, service providers, directors and committee members and \$4.9 million invested in high-impact youth mental health focused charities.

^{*}Investment performance and Index returns are before expenses, fees and taxes.

Both companies achieved their goals of delivering investment and social returns, long-term capital growth and preserving shareholder capital.

Since inception, Future Generation Australia's investment portfolio has increased 8.6% per annum and Future Generation Global's investment portfolio has increased 10.5% per annum. This performance has been achieved with less volatility than their respective indices, as measured by standard deviation.

May 2020 Shareholder Presentation and Investment Forum update

Considering the risks posed by the spread of COVID-19, we will conduct our May 2020 Shareholder Presentation and Investment Forum in video form rather than conduct a nationwide roadshow. The health and wellbeing of our shareholders and our team are our greatest priorities, and this decision will ensure the safety of our shareholders.

The Future Generation Australia and Future Generation Global Annual General Meetings will be held at the same date and time and we will share more information on these in the coming weeks. In the meantime, please call us on (02) 9247 9202 or email us at info@futuregeninvest.com.au if you have any questions.

Kind regards,



Louise Walsh
Chief Executive Officer



\$30.6m

SOCIAL
INVESTMENT
TO 2019



\$4.6m

Future
Generation
Australia 2019

\$4.9m

Future
Generation
Global 2019

2019 total social
investment

\$9.5m

2019 management
fees, performance
fees and services
forgone

\$15.3m

Total fees
forgone since
inception to 2019

\$56.5m

Investment portfolio performance

Net tangible assets before tax*	Gross assets	Investment portfolio performance (pa since Sept 2014)
123.15c	\$493.9m	8.6%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [^]
123.45c	\$428.1m	7.9%
		S&P/ASX All Ordinaries Accumulation Index: 11.4%
Net tangible assets after tax	2019 fully franked full year dividend	Fully franked dividend yield
121.42c	5.0c	4.7%

*The NTA before tax figure is after the payment of \$184k in tax during the month (0.05 cents per share).

[#]Based on the 28 February 2020 share price of \$1.075 per share and 398,238,435 shares on issue.

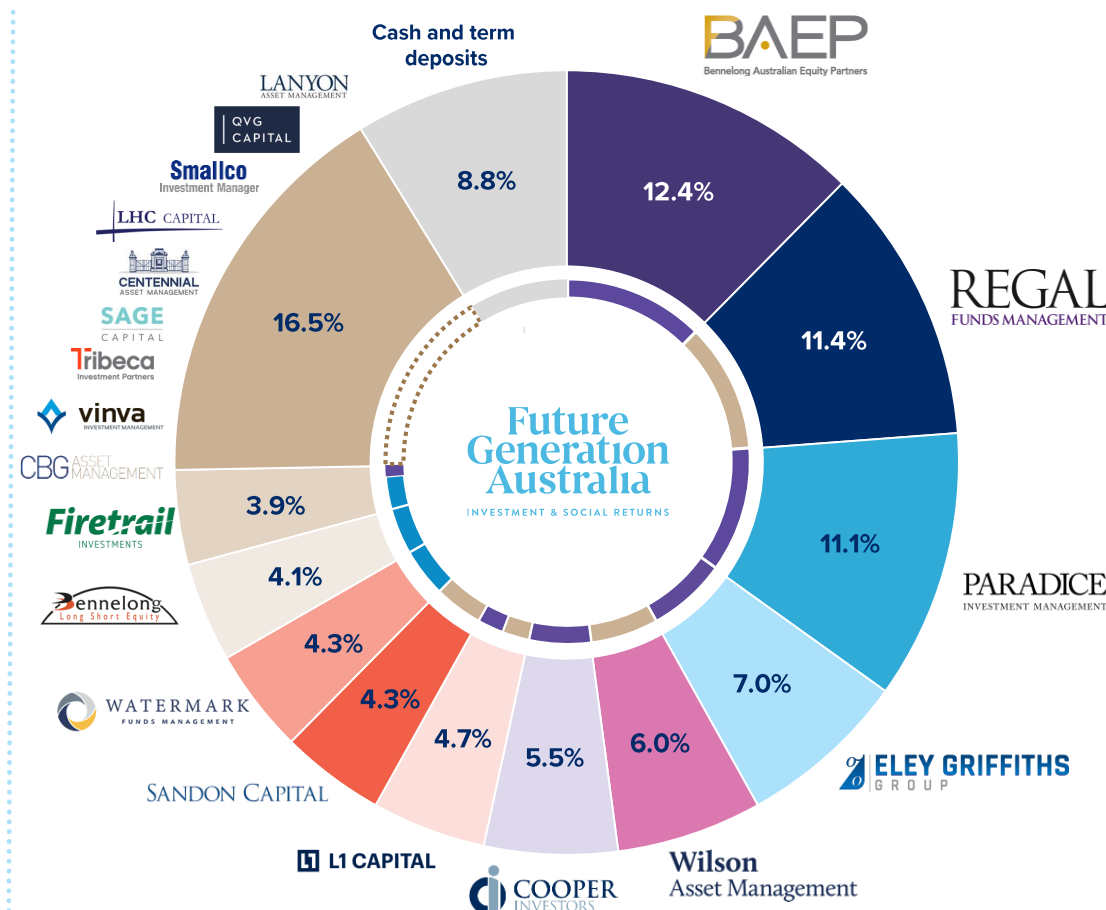
[^]Volatility is measured by standard deviation.

Investment portfolio performance at 29 February 2020	6 mths	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia	0.7%	8.7%	8.6%	8.4%	8.6%
S&P/ASX All Ordinaries Accumulation Index	(1.0%)	8.2%	8.5%	6.4%	7.2%

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

Fund manager allocations

0% management fees
0% performance fees



16.5% fund manager breakdown

CBG Asset Management	2.6%	LHC Capital	1.6%	Long equities	47.1%
Vinva Investment Management	2.5%	Smallco Investment Manager	1.5%	Absolute bias	32.8%
Tribeca Investment Partners	2.4%	QVG Capital	1.2%	Market neutral	11.3%
Sage Capital	2.0%	Lanyon Asset Management	1.0%	Cash	8.8%
Centennial Asset Management	1.7%				

Investment portfolio performance

Net tangible assets before tax	Gross assets	Performance (pa since Sept 2015)
151.40c	\$598.1m	10.5%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [*]
151.82c	\$459.2m	8.5% MSCI AC World Index (AUD): 10.2%
Net tangible assets after tax	2019 fully franked dividend	ESG aware [^] (of the portfolio)
141.97c	1.5c	98.8%

[#]Based on the 28 February 2020 share price of \$1.17 per share and 392,455,012 shares on issue.

^{*}Volatility is measured by standard deviation.

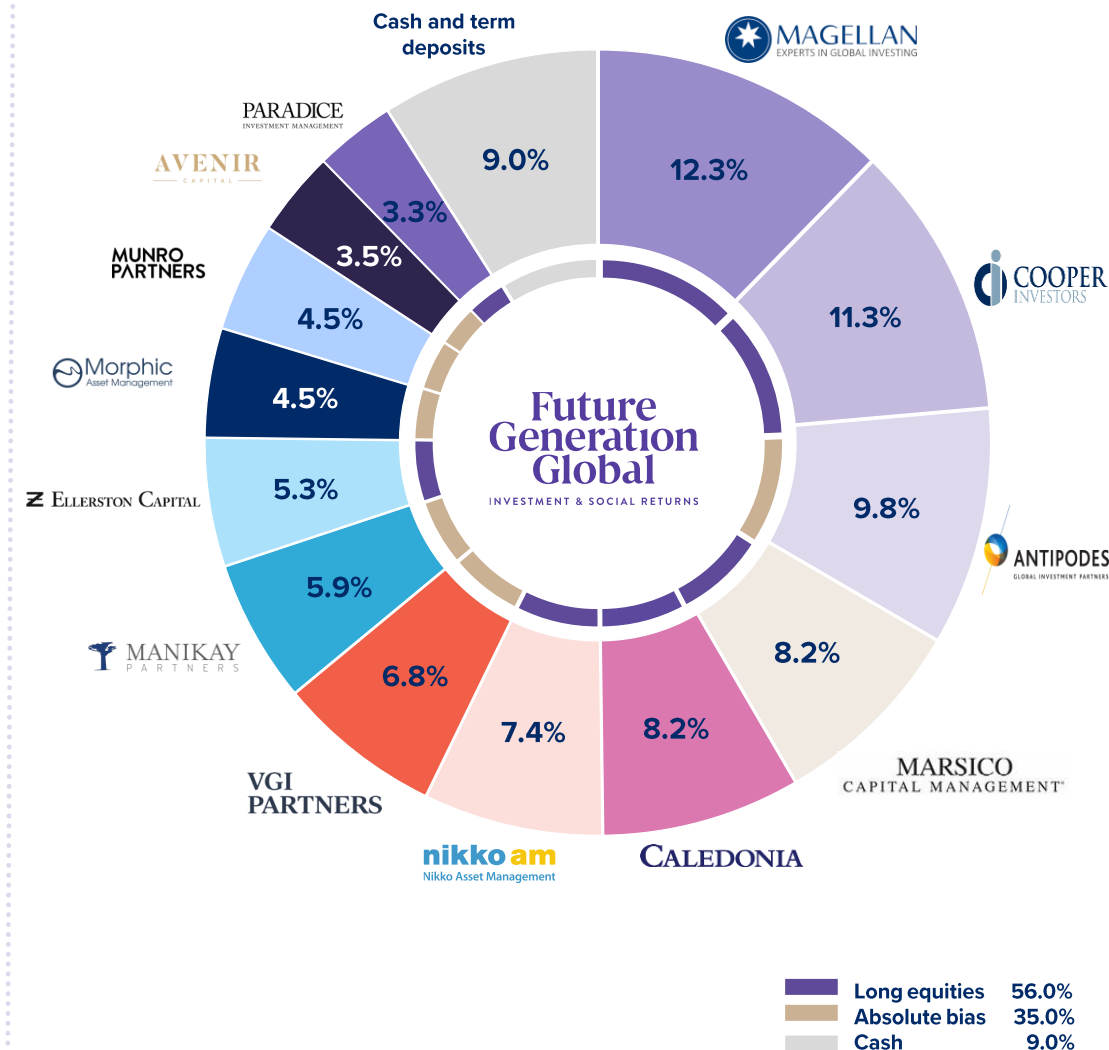
[^]Based on the 2019 Annual Report.

Investment portfolio performance at 29 February 2020	6 mths	1 yr	3 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	8.5%	16.4%	14.9%	10.5%
MSCI AC World Index (AUD)	4.8%	13.6%	13.1%	10.3%

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

Fund manager allocations

0% management fees
0% performance fees



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

Future Generation Australia fund managers:



Future Generation Global fund managers:



Fund manager in focus:



About us

Bennelong Long Short Equity Management is a boutique asset manager that was established in 2002. We are focussed on one investment strategy – market neutral.

Our investment style

The fund's objective is to achieve consistent positive returns regardless of market conditions. We are fundamental, long-term investors and create a diversified portfolio of larger (predominantly ASX 100) Australian listed equities by pairing a long and a short within the same industry or sector. This portfolio structure produces a low volatility return which enables us to apply leverage to enhance returns.

Our fundamental analysis revolves around companies and their prospects. We constrain exposure to market and macro risk, and the fund is skewed to stock-specific risk.

Our market outlook

The fund returned 29.4% over the last 12 months outperforming the RBA cash rate by 28.4% and outperforming the S&P/ASX 200 Accumulation Index by 20.8%. In February 2020, the fund increased 1.0%, while the RBA cash rate returned 0.1% and the S&P/ASX 200 Accumulation Index fell 7.7%. The portfolio carries close to zero net exposure to equity markets as our long and short portfolios are almost equal in size. As a result, the direction of the market has little influence on returns, demonstrated by the lack of correlation of returns with equities and other asset classes. The driver of our returns comes entirely from the relative performance of the long versus short companies in each of our pair positions.

Over the 2019 calendar year and through the February 2020 reporting season, we experienced a favourable balance of positive company results and announcements for our long portfolio, and negative for our short portfolio. Since the start of 2019, the long portfolio financial results have progressively improved relative to the short portfolio, and this positive fundamental performance has driven progressively improving portfolio returns.

Bennelong Long Short Equity Fund performance

Performance at 29 February 2020	1 mth	6 mths	1 yr	5 yrs %pa	Since inception %pa (Feb-02)
Bennelong Long Short Equity Fund*	1.0%	24.0%	29.4%	12.3%	15.9%
RBA Cash Rate	0.1%	0.4%	1.0%	1.6%	3.8%
Outperformance	0.9%	23.6%	28.4%	10.7%	12.1%
S&P/ASX 200 Accumulation Index	(7.7%)	(0.6%)	8.6%	6.2%	8.2%
Outperformance	8.7%	24.6%	20.8%	6.1%	7.7%

*Investment portfolio performance is net of fees and expenses.

For more information, visit bennelongfunds.com



About The Mirabel Foundation

Mirabel supports children who have been orphaned or abandoned due to parental drug use and who are now being raised by extended family (kinship care), generally grandparents. Most Mirabel children have experienced extreme loss and trauma and have a higher risk of self-harm or drug use during adolescence. Mirabel's programs work to restore a sense of hope and belonging while providing children with opportunities to reach their full potential as young adults.

Mirabel Foundation and Future Generation

Future Generation's investment in Mirabel funds a wide range of services including initial assessments, crisis intervention, therapeutic groups and critical educational support for children in need. Thanks to Future Generation, this support and intervention is offered throughout childhood and adolescence as part of our Toddler to Teen Program, responding to the changing needs of Mirabel children and families. This program has worked to change the lives of vulnerable young people who are now leading positive lives in the community.

Q&A with Manager of Staff and Program Development, David Clohesy



What is your driving motivation in your current role?

At Mirabel we endeavour to achieve two things in everything we do; to break the destructive cycle of addiction with Mirabel families and to give Mirabel children the childhood they deserve. This drives what we do as an organisation and drives me as an individual when I work with children, families and the staff at Mirabel. I am motivated by playing a part in reducing the stigma of parental drug use and creating a sense of belonging and hope for the children we work with.

What is the most challenging aspect of your role?

Parental drug use and children living in kinship care are common issues. The impact on individuals, families and the community is enormous. The challenge is to be responsible and develop programs and staff that are able to work with and meet the needs of Mirabel children and families. Many of the children we work with have experienced very significant neglect and abuse and while being exposed to these experiences is a challenge, it also drives the work we do.

What does it mean to have the support of Future Generation?

The support from Future Generation has made it possible for Mirabel to continue our mission and never turn a child away who is in need. The funding we receive supports programs that make a direct and significant difference to the lives of Mirabel children, enabling us to provide children with childhood they deserve and also work towards breaking the destructive cycle of addiction. The generosity of Future Generation is extraordinary and to receive consistent funding year-in-year-out is amazing.

For more information, visit mirabelfoundation.org.au

Our designated charities



SANE AUSTRALIA



Our pro bono service providers

Wilson
Asset Management



PWN.



Lonsec



**Fund manager
allocation and
investments at
market value as
at 29 February
2020**

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	12.4%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	11.4%
	Mid/Large Cap Funds (split out below)		11.1%
Paradise Investment Management	Paradise Mid Cap Fund – B Class	Long equities	6.1%
	Paradise Large Cap Fund	Long equities	5.0%
	Small/Emerging Companies Funds (split out below)		7.0%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5.9%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.1%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.0%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.5%
	Long Short/Australian Equities Funds (split out below)		4.7%
L1 Capital	L1 Capital Long Short Fund – Retail Class	Absolute bias	2.4%
	L1 Capital Australian Equities Fund	Long equities	2.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.3%
Watermark Funds Management	Watermark Market Neutral Trust	Market neutral	4.3%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	4.1%
	Absolute Return/High Conviction Funds (split out below)		3.9%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	2.9%
	Firetrail High Conviction Fund	Long equities	1.0%
CBG Asset Management	CBG Asset Australian Equities Fund	Long equities	2.6%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.5%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.4%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	1.7%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	1.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.5%
QVG Capital	QVG Opportunities Fund	Long equities	1.2%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.0%
	Cash and term deposits		8.8%

**Fund manager
allocation and
investments at
market value as
at 29 February
2020**

Fund manager	Investment	Strategy	% of Gross assets
Magellan Asset Management	Magellan Global Fund	Long equities	12.3%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.3%
Antipodes Partners	Antipodes Global Fund	Absolute bias	9.8%
Marsico Capital Management	Marsico Global Fund	Long equities	8.2%
Caledonia	Caledonia Fund	Long equities	8.2%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	7.4%
VGI Partners	VGI Partners Funds	Absolute bias	6.8%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.9%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.3%
	Global/Ethical Strategies (split out below):		4.5%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	3.6%
	Morphic Ethical Equities Fund Limited	Absolute bias	0.9%
Munro Partners	Munro Global Growth Fund	Absolute bias	4.5%
Avenir Capital	Avenir Global Fund	Absolute bias	3.5%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.3%
	Cash and term deposits		9.0%