

Dear Fellow Shareholder,

Outperformance

Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG) outperformed their indexes by 2.2% and 1.0% during September. The FGX investment portfolio decreased 1.2%* during the month, while the S&P/ASX All Ordinaries Accumulation Index fell 3.4% and the FGG investment portfolio increased 1.3%*, while the MSCI AC World Index (AUD) fell 0.3%.

For the financial year to date, the FGX investment portfolio has outperformed the S&P/ASX All Ordinaries Accumulation Index by 9.7%* and the FGG investment portfolio has outperformed the MSCI AC World Index (AUD) by 8.5%*.

Since inception, FGX's investment portfolio has increased 8.4%* per annum and FGG's investment portfolio has increased 10.3%* per annum, outperforming their respective benchmarks. This investment portfolio outperformance has been achieved with less volatility than their indexes, as measured by standard deviation.

Fully franked dividend dates

On 12 October 2020, Future Generation Global commenced trading ex-dividend and the fully franked dividend will be paid on 23 October 2020. The last election date for the dividend reinvestment plan is 15 October 2020. Future Generation Australia will trade ex-dividend on 19 October 2020 and the fully franked interim dividend will be paid on 30 October 2020. The last election date for the dividend reinvestment plan is 22 October 2020. A company's share price tends to fall after the dividend ex date by an amount equal to the dividend and sometimes by more than the dividend due to the perceived value of the franking credits.

Virtual Investment Forum

We are delighted to launch the second Future Generation Virtual Investment Forum **tomorrow, Thursday 15 October at 4.00pm Sydney time**, beginning with a live discussion between FGG Chairman Belinda Hutchinson AC and former Macquarie Group Chief Executive Officer Nicholas Moore.

As part of the Forum, watch an in-depth conversation between Future Generation Founder and Director Geoff Wilson AO, Eley Griffiths Managing Director and Senior Portfolio Manager Ben Griffiths and Antipodes Founder, Chief Investment Officer and Lead Portfolio Manager Jacob Mitchell, moderated by the Australian Financial Review's James Thomson.

The panel was covered by the [Australian Financial Review](#).

You will also have access to the best investment ideas in Australia and globally, from our Future Generation Australia and Future Generation Global fund managers. You can [register](#) to access the forum. I hope you can join us.

Conversations with Future Generation podcast

This week I spoke with Armina Rosenberg for episode seven of *Conversations with Future Generation*. Armina is the Global Equities Portfolio Manager for Grok Ventures, the family office established by Atlassian co-founder Mike Cannon-Brookes.

I look forward to sharing our conversation in the coming weeks.

Conversations with Future Generation is available on [Spotify](#), [Apple Podcast](#), [Google Podcast](#) and [Podbean](#).

In the media

During the month I spoke with Tom Piotrowski for the CommSec [Executive Series](#), discussing FY20 performance, our annual charitable investments and the opportunity for CommSec customers to purchase shares in FGX and FGG without paying brokerage fees.

Stay safe,



Louise Walsh
Chief Executive Officer



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

\$41.2m

SOCIAL
INVESTMENT
TO 2020



\$4.8m

Future
Generation
Australia 2020

\$5.7m

Future
Generation
Global 2020

2020 total social
investment

\$10.5m

2020 annualised
management fees,
performance fees
and services forgone

\$13.1m

Total annualised
fees forgone
since inception to
2020

\$69.6m

The below NTA figures are **before** the fully franked interim dividend of 2.6 cents per share due to be paid on 30 October 2020. The shares will trade ex-dividend on 19 October 2020.

Based on the 30 September 2020 share price of \$1.12 per share and the annualised fully franked interim dividend of 5.2 cents per share. Future Generation Australia has 399,421,517 shares on issue.
*Volatility is measured by standard deviation.

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

0% management fees
0% performance fees



CBG Asset Management	2.5%	LHC Capital	1.6%	Long equities	43.1%
Tribeca Investment Partners	2.4%	Smallco Investment Manager	1.6%	Absolute bias	37.6%
Vinva Investment Management	2.4%	QVG Capital	1.3%	Market neutral	8.2%
Sage Capital	2.0%	Lanyon Asset Management	1.0%	Cash	11.1%
Centennial Asset Management	1.8%				

During the month, Future Generation Australia exited its holding in the Watermark Market Neutral Trust.

Investment portfolio performance

The below NTA figures are before the fully franked dividend of 2.0 cents per share due to be paid on 23 October 2020. The shares commenced trading ex-dividend on 12 October 2020.

Net tangible assets before tax	Gross assets	Investment portfolio performance (pa since Sept 2015)
157.45c	\$625.2m	10.3%
Net tangible assets after tax and before tax on unrealised gains	Market capitalisation [#]	Volatility [*]
156.44c	\$514.1m	9.2% MSCI AC World Index (AUD): 10.6%
Net tangible assets after tax	2020 fully franked dividend	ESG aware [^] (of the portfolio)
146.22c	2.0c	98.8%

[#]Based on the 30 September 2020 share price of \$1.31 per share and 392,455,012 shares on issue.

^{*}Volatility is measured by standard deviation.

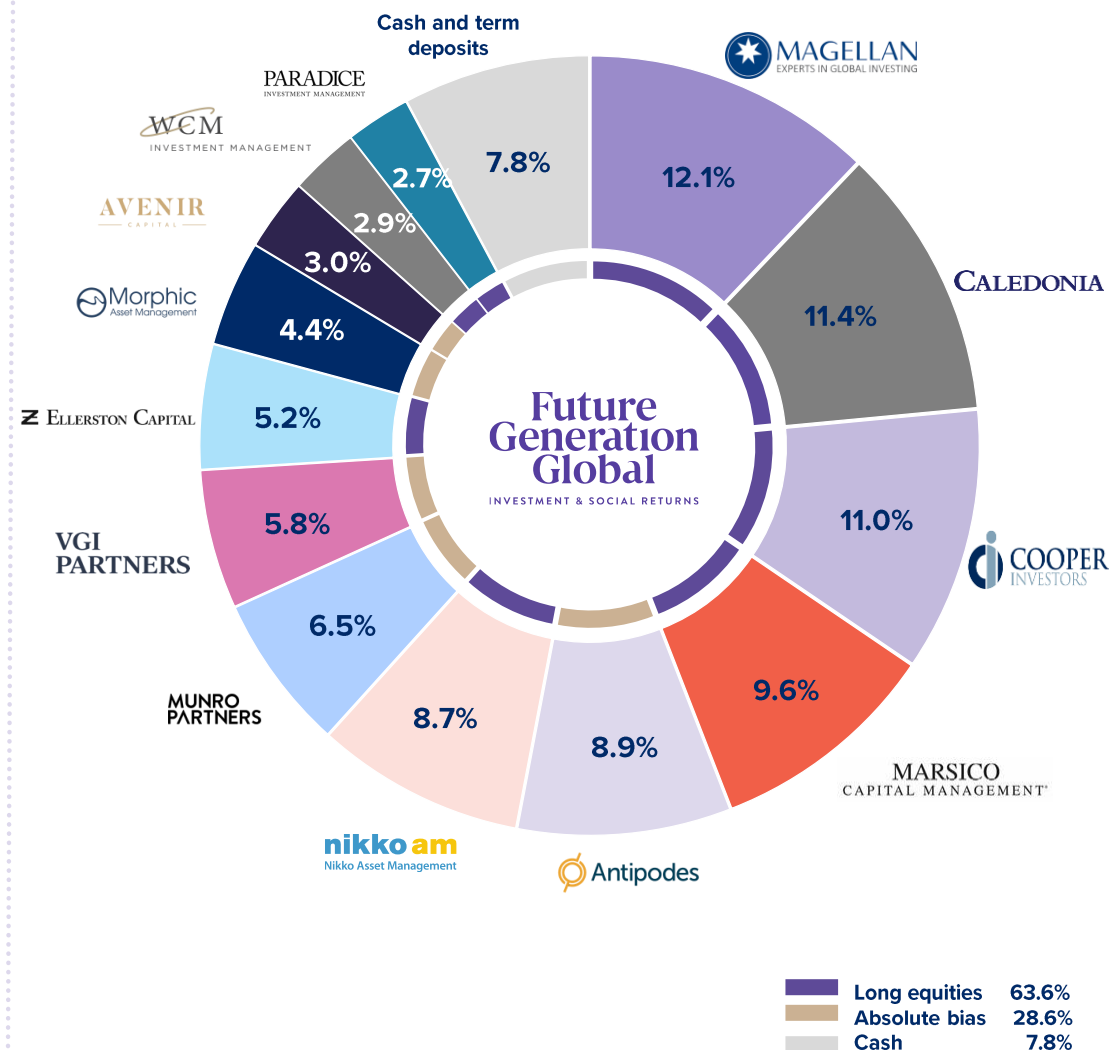
[^]Based on the 2019 Annual Report.

Investment portfolio performance at 30 September 2020	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Sept-15)
Future Generation Global	1.3%	13.8%	7.8%	13.6%	13.4%	10.3%
MSCI AC World Index (AUD)	-0.3%	9.7%	-0.7%	3.9%	10.4%	9.3%

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

Fund manager allocations

0% management fees
0% performance fees



During the month, Future Generation Global made an investment in the WCM Quality Global Growth Fund.

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

Eley Griffiths Group (EGG) was established in 2003 as an independent investment manager that specialises in ASX-listed small and emerging companies. The group manages a number of wholesale investment mandates as well as two highly rated retail funds - the Eley Griffiths Group Small Companies Fund and the Eley Griffiths Group Emerging Companies Fund.

Our investment style

The EGG investment philosophy embraces a disciplined investment process and a belief that portfolios are built from bottom-up stock selection influenced by top-down considerations.

The backbone to EGG's philosophy is its SCoPE investment process that combines a price-for-growth valuation metric with a formal assessment of management and industry structure. This process generates buy and sell signals, subject to certain risk constraints, and is central to our portfolio management execution.

Our market outlook

Global stock markets continue to climb the famed wall of worry, aided by torrents of excess liquidity, dovish central banks and accommodative western governments.

The global economy has moved to a recovery phase, commencing in China and spreading outward as consumers normalise in a coronavirus world and businesses begin to invest again. In the short term, passage of the US stimulus bill and the US presidential election may weigh on sentiment.

Stock market valuations are full but not excessive and prevailing equity risk premiums continue to reinforce the case for enlarged equity allocations versus that of bonds and fixed interest. Investors should note the significance of a long term support line for the S&P/ASX 200 originating in late 1992, tested in March 2009 (the Global Financial Crisis) and again in March 2020. Price action from the March re-test is unequivocally bullish.

High conviction holding

The Reject Shop Limited (ASX: TRS) sits at the early stages of a planned multi-year turnaround. New management armed with a reset balance sheet, strong brand and an operating model awaiting refinement. We have identified several levers where value for shareholders should be unlocked.

Eley Griffiths Group Emerging Companies Fund

Performance at 30 September 2020	6 mths	1 yr	2 yrs %pa	3 yrs %pa	Since inception %pa (Mar-17)
EGG Emerging Companies Fund*	49.4%	11.9%	12.7%	18.7%	20.5%
S&P/ASX Small Ordinaries Accumulation Index	30.9%	-3.3%	0.2%	6.5%	7.4%
Outperformance	+18.5%	+15.2%	+12.5%	+12.2%	+13.1%

*Investment portfolio performance is net of all fees.

For more information, visit eleygriffithsgroup.com

Charity in focus:



About ReachOut

ReachOut is an online mental health organisation for young people and their parents. ReachOut provides practical support, tools and tips to help young people get through anything from everyday issues to tough times. ReachOut also provides information to parents, making it easier for them to help and support their teenagers. ReachOut is accessed by 132,000 people in Australia every month which equates to more than 1.58 million people each year.

ReachOut and Future Generation

The support of Future Generation Global has assisted with a strategy to increase engagement with young people living in regional, rural and remote Australia. ReachOut has developed and promoted engaging content that responds to rural young people's mental health needs and preferences, based on insights from comprehensive research and web analytics data. The reach into these communities has grown by 160% over four years.

ReachOut has been advocating for the needs of rural young people and to support them to navigate the recent crises of drought, bushfires and the coronavirus. Recent research shows that 85% of young people experienced a sense of relief in the short term as a result of using ReachOut.

Q&A with Ashley de Silva, CEO, ReachOut



What do you enjoy most about your role?

Hearing stories of strength and recovery from people who access ReachOut's services is incredibly motivating. Whether it's a parent who has found a new way of working with their teenager during a tough time or a young person who has found hope when they felt hopeless. There is a huge wisdom and empathy that shines through from young people with lived experience of mental health challenges and I feel very lucky to work with them.

What is the most challenging aspect of your role?

Ensuring the voices and realities of young people are truly recognised in Australia's mental health system is an ongoing challenge. For instance, it is not widely known that 70% of young people with a mental health issue are not seeking support from traditional services. Research shows the top three places young people will turn to are friends, family and the internet. Despite this, the majority of services and investments are geared toward having young people speak to experts – even when so many young people are not yet ready or able to. This entrenched mindset is a challenge because it means opportunities to help young people who are not accessing traditional support continue to be missed.

How has ReachOut pivoted its support for young people facing mental health challenges during the coronavirus crisis?

Being a digital service that moves quickly to respond to emerging issues like bushfires and drought, ReachOut moved rapidly to implement a comprehensive program across our information, peer support and coaching offerings during the coronavirus crisis. The increase in demand was immediate, ReachOut saw a 48% increase in the first five weeks of lockdown and has seen a sustained year-on-year increase of 34% through to October. This equates to an additional 455,000 contacts (compared to last year) since March. New content collections were rapidly produced and distributed – one that focused on coping with stress and anxiety, the other focused on study stress in the coronavirus learning environment. With a 50% spike in people accessing support for loneliness and isolation from ReachOut, additional resources were also put in place to help manage the increased demand and levels of distress in the peer support communities.

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

The support is vital, not only because investment in youth mental health is sorely needed, but also because Future Generation's model enables charity partners to think outside of a 12-month mindset. Multi-year funding at this quantum is a true enabler of change because it acknowledges the complexities of mental health service provision, which are not all a 'quick fix'. This support makes it possible to design services with the bigger picture in mind and to focus on parts of the system that lack sufficient government investment, such as digital.

For more information, visit reachout.com

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 30 September 2020

Fund Manager	Investment	Strategy	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	13.4%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	10.9%
	Mid Cap/Long Short Equities Funds (split out below)		10.7%
Paradice Investment Management	Paradice Mid Cap Fund – B Class	Long equities	6.3%
	Paradice Long Short Australian Equities Fund	Absolute bias	4.4%
	Small/Emerging Companies Funds (split out below)		7.3%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.0%
	Eley Griffiths Group Emerging Companies Fund	Long equities	1.3%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	6.1%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.2%
	Long Short/Australian Equities Funds (split out below)		4.9%
L1 Capital	L1 Capital Long Short Fund – Retail Class	Absolute bias	2.7%
	L1 Capital Australian Equities Fund	Long equities	2.2%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	4.7%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.7%
	Absolute Return/High Conviction Funds (split out below)		4.4%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.5%
	Firetrail High Conviction Fund	Long equities	0.9%
CBG Asset Management	CBG Asset Australian Equities Fund	Long equities	2.5%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	2.4%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.4%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	2.0%
Centennial Asset Management	The Level 18 Fund	Absolute bias	1.8%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	1.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.6%
QVG Capital	QVG Opportunities Fund	Long equities	1.3%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.0%
	Cash and term deposits		11.1%

Fund manager allocation and investments at market value as at 30 September 2020

Fund manager	Investment	Strategy	% of Gross assets
Magellan Asset Management	Magellan Global Fund	Long equities	12.1%
Caledonia	Caledonia Fund	Long equities	11.4%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	11.0%
Marsico Capital Management	Marsico Global Fund	Long equities	9.6%
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.9%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	8.7%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.5%
VGI Partners	VGI Partners Funds	Absolute bias	5.8%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.2%
	Global/Ethical Strategies (split out below):		4.4%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	3.6%
	Morphic Ethical Equities Fund Limited	Absolute bias	0.8%
Avenir Capital	Avenir Global Fund	Absolute bias	3.0%
WCM Investment Management	WCM Quality Global Growth Fund (Hedged)	Long equities	2.9%
Paradice Investment Management	Paradice Global Small Mid Cap Fund (Unhedged)	Long equities	2.7%
	Cash and term deposits		7.8%