

Investment portfolio outperformance, increased fully franked interim dividend

+9.8%

Six-month total
shareholder return

5.7%[^]

Annualised fully franked
dividend yield

8.1%^{^^}

Grossed-up dividend yield

\$8.6m

Annualised pro bono
savings

\$5.4m

2024 social investment

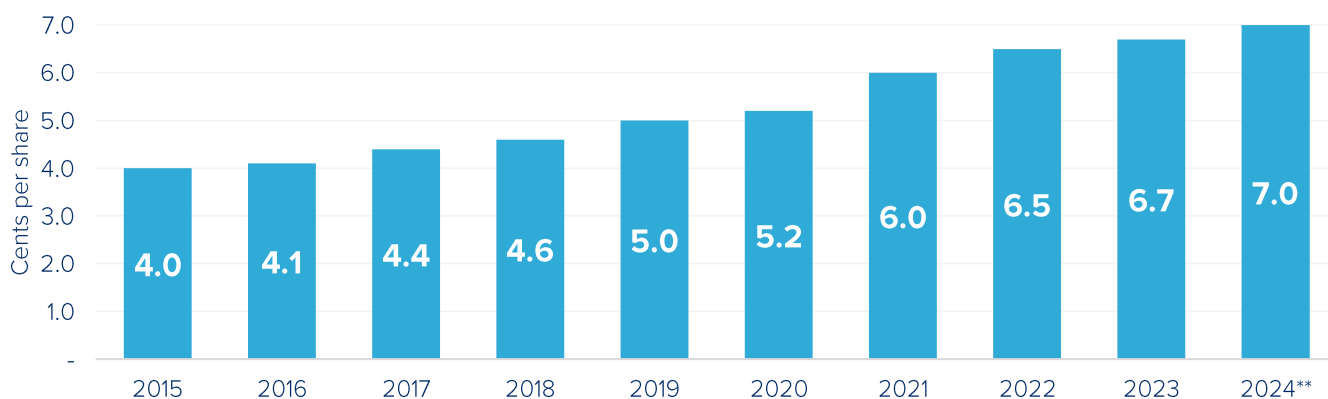
The Future Generation Australia Limited (ASX: FGX) investment portfolio outperformed again, increasing 6.0%* during the six-month period. This outperformance has been achieved by the Company's leading Australian fund managers, while taking less risk[#] than the market. The investment portfolio performance contributed to a 18.2% increase in the operating profit before tax of \$29.6 million and an operating profit after tax of \$23.3 million.

The Future Generation Australia Board of Directors declared an increased fully franked interim dividend of 3.5 cents per share. The FY2024 fully franked interim dividend provides an annualised fully franked dividend yield of 5.7%[^] and grossed-up dividend yield of 8.1%^{^^}, when including the value of franking credits.

For the six-month period, the total shareholder return was 9.8%, or 11.1% when including the value of franking credits. This was driven by the share price increase, together with the payment of the fully franked final dividend of 3.35 cents per share and the narrowing of the share price discount to net tangible assets (NTA). At the end of the period, the share price discount to NTA had narrowed to 12.8% from 17.1% at 31 December 2023. The Future Generation Australia management team are actively committed to returning the share price to NTA or a premium.

Dr. Philip Lowe, Chair of Future Generation Australia, said: "I was honoured to be appointed Chair of Future Generation Australia at the Annual General Meeting in May. Future Generation Australia brings together two things that I'm passionate about: finance and helping kids. Since inception and over the past six-months, the investment portfolio has generated better returns than the market, with less volatility[#]. On the other side of the equation, 1% of the Company's net assets go to leading charities every year to help kids in need. I have recently been purchasing shares in Future Generation Australia, as I see it as an opportunity to invest in a high-quality investment portfolio managed by Australia's leading fund managers."

Fully franked dividends since inception



**Annualised fully franked interim dividend

^{*}Based on the 29 August 2024 share price of \$1.23 per share and the annualised FY2024 fully franked interim 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 is before expenses, fees and taxes. The S&P/ASX All Ordinaries Accumulation Index rose 4.2% and the S&P/ASX Small Ordinaries Accumulation Index increased 2.8%.

[#]Risk is measured by volatility. Volatility shows the degree to which the returns of the portfolio move around their long-run average. It can be thought of as a measure of risk in the investment portfolio. Volatility is measured by standard deviation, a statistical measurement.

The Board's decision to increase the fully franked interim dividend was informed by the annualised grossed-up dividend yield of 7.4%^{^^} on pre-tax NTA and the objective to provide shareholders both capital growth (i.e. movement in the Company's share price) and income (i.e. through franked dividends paid to shareholders on a semi-annual basis) returns. To maintain the annualised grossed-up dividend yield of 7.4%^{^^}, the investment portfolio would need to increase more than 8.4% per annum to ensure that the NTA of the Company does not decline and shareholders receive a combination of capital and income returns.

The long-term investment portfolio performance, the listed investment company structure and the profits reserve available has enabled Future Generation Australia to pay shareholders a stream of fully franked dividends since inception.

The Company has paid 66.4 cents per share in fully franked dividends to shareholders, including the value of franking credits, since inception. At 31 July 2024, the Company had 5.0 years of dividend coverage, based on 35.1 cents per share in the profits reserve, before the payment of the fully franked interim dividend of 3.5 cents per share on 29 October 2024.

Since inception, the investment portfolio has increased 9.1%* per annum, outperforming both the S&P/ASX All Ordinaries Accumulation Index by 1.1% per annum and the S&P/ASX Small Ordinaries Accumulation Index by 3.2% per annum.

Future Generation Australia gives shareholders access to a diversified investment portfolio with exposure to 18 of Australia's leading fund managers that have a proven ability to outperform the market and their peers over the long term. This has resulted in a larger weighting towards small, mid and micro-cap companies and an underweight exposure to large-cap companies. The Investment Committee and our leading pro bono fund managers continue to believe that active management in the small, mid and micro-cap sectors will drive long-term outperformance for shareholders.

Caroline Gurney, CEO of Future Generation, said: "It is great to see that our leading pro bono fund managers have outperformed both the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index, delivering investment portfolio outperformance for shareholders. Their generosity and expertise have enabled us to increase the fully franked dividend for shareholders, while supporting the work our social impact partners do in helping children and youth at risk.

"I am in awe of our social impact partners and the critical work they are doing at a time when cost of living pressures, housing unaffordability and child maltreatment are putting an increasing number of young Australians at risk. I would also like to thank our shareholders for their commitment to doing good, while doing well. In speaking to many of them over the past six months, I have come to realise how highly they value the social investment, in addition to the financial returns Future Generation Australia provides."

This year, Future Generation Australia will deliver its 10th annual social investment of \$5.4 million to its social impact partners and other not-for-profit organisations, bringing the total social investment since inception to \$43.3 million.

Future Generation Australia estimates the value of the management and performance fees generously forgone by its pro bono fund managers, service providers, the Board and Investment Committee to be approximately \$8.6 million per annum, or around 1.6% of the net assets of the Company. These savings to shareholders far exceed the annual investment to our social impact partners of 1.0% of the Company's average net assets per annum.

**Join the
Future Generation
Australia HY2024 Results
Q&A Webinar**

**Tuesday, 3 September at
10:00am (Sydney time)**

**Future
Generation
Australia**

Register here



^{^^}Grossed-up dividend yield includes the value of franking credits and is based on a tax rate of 30.0%.

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

5.7%**

Annualised FY2024 fully franked interim dividend yield

8.1%^

Grossed-up dividend yield

66.4 cps

Fully franked dividends paid since inception, including the value of franking credits

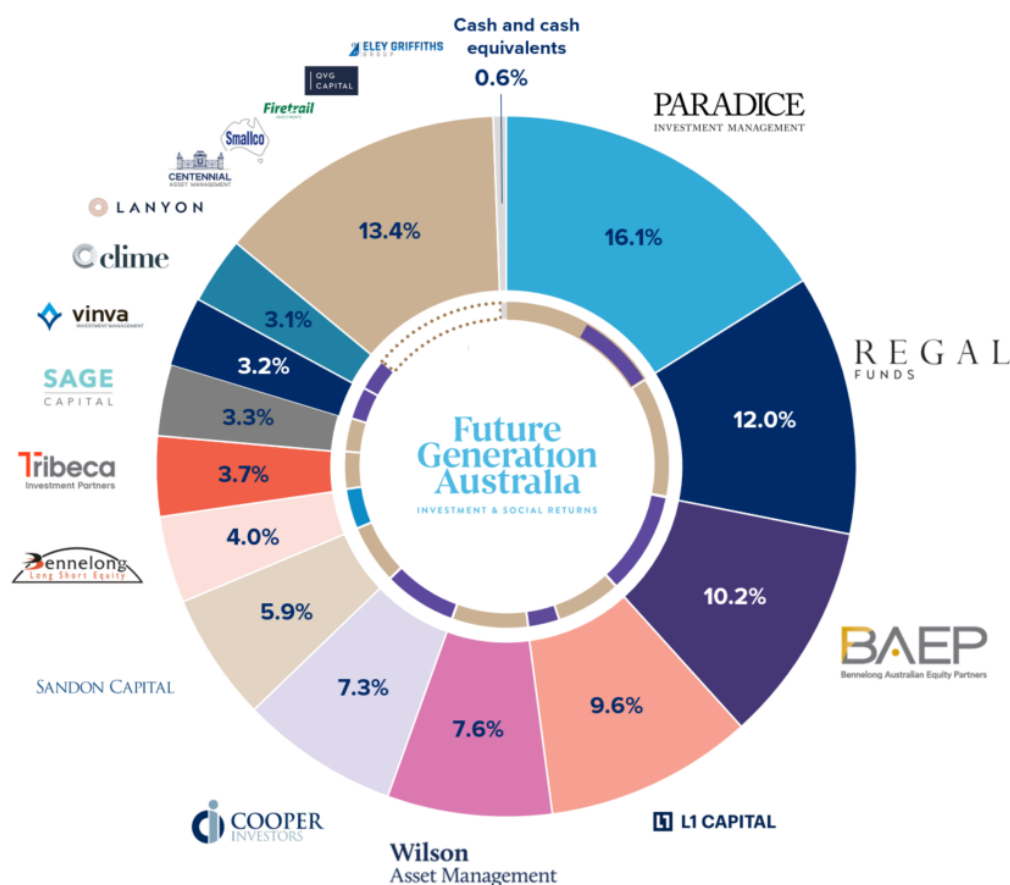
35.1 cps^

Profits reserve at 31 July 2024

Key dividend dates

Ex-dividend date	16 October 2024
Dividend record date (7:00pm Sydney time)	17 October 2024
Last election date for DRP	21 October 2024
Payment date	29 October 2024

Fund manager allocations at 30 June 2024



13.4% fund manager breakdown

Lanyon	3.0%
Centennial Asset Management	2.8%
Smallco Investment Manager	2.4%

Firetrail Investments	2.2%
QVG Capital	1.7%
Eley Griffiths Group	1.3%

Absolute bias	52.9%
Long equities	42.5%
Market neutral	4.0%
Cash	0.6%

Investment portfolio performance

Investment portfolio performance at 30 June 2024	6 mths	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since inception %pa (Sept-14)
Future Generation Australia*	6.0%	14.0%	5.2%	9.0%	9.2%	9.1%

*Investment portfolio performance is before expenses, fees and taxes.

**Based on the 29 August 2024 share price of \$1.23 per share and the annualised FY2024 fully franked interim 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%.

^Profits reserve is before the payment of the FY2024 fully franked interim dividend of 3.5 cents per share.

About Future Generation Australia

Listed in 2014, Future Generation Australia Limited (ASX: FGX)



Shareholders gain exposure to leading fund managers, without paying management or performance fees.



Social impact partners gain a reliable stream of annual income. Our social impact partners are focused on supporting children and youth at risk.



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

**Future
Generation
Australia
10 Years Listed**



All major platforms provide access to Future Generation Australia, including AMP North, BT Panorama, Colonial First State Wrap, Netwealth, Macquarie Wrap and Hub 24. Future Generation Australia receives coverage from the following independent research providers:



This announcement has been authorised by the Board of Future Generation Australia Limited.

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

Dr Philip Lowe

Chair

E. info@futuregeninvest.com.au

T. (02) 9247 9202

Caroline Gurney

Chief Executive Officer

T. (02) 9247 9202

M. 0403 279 605

Elly McNee

Senior Corporate Affairs Advisor

T. (02) 9258 4926

M. 0449 663 178

About Future Generation

The Future Generation companies, Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG), are Australia's first listed investment companies to provide investment and social returns.

Future Generation provides shareholders with exposure to leading Australian and global fund managers with the aim of delivering long-term capital growth, a stream of fully franked dividends and preserving shareholder capital. This group of leading fund managers manage more than \$1 billion in assets on a pro bono basis, waiving their management and performance fees, which allows the Future Generation companies to donate 1% of their average net tangible assets each year in our social impact partners and other not-for-profit organisations.

Shareholders are able to decide which social impact partners or other not-for-profit organisations will receive the investment, whether it's supporting children and youth at risk (FGX) or investing in the promotion of wellbeing and prevention of mental ill-health (FGG). The Future Generation companies are on track to deliver more than \$100 million by 2030. The social investment to 2024 is \$87.2 million.

futuregeninvest.com.au

ABN: 97 063 935 553

**Future
Generation**
INVESTMENT & SOCIAL RETURNS