Australian Government
Future Fund

futurefund
Australia's Sovereign Wealth Fund

20
Years of Investing

Annual Report 2025–26

20

20 Years of Investing

Our role as Australia's sovereign wealth fund has evolved significantly over 20 years. We have grown from one fund and $60 billion to seven funds and $356 billion. With a broader remit in a volatile and complex environment, we continue to build a resilient portfolio and deliver value for Australians both today and tomorrow.

2006

March

The *Future Fund Act 2006* receives Royal Assent.

April

The Future Fund is established to strengthen the long-term financial position of the Commonwealth of Australia.

The inaugural Board of Guardians is appointed.

May

The first Investment Mandate is issued.

November

The Future Fund is officially launched by Treasurer the Hon Peter Costello AC.

2007

May

Northern Trust is appointed as the Future Fund's global custodian.

July

The Higher Education Endowment Fund is established to support Australia's universities and higher education sector.

2008

January

Nation-building funds are established, including the:

- Building Australia Fund
- Education Investment Fund
- Health and Hospitals Fund.

2008–09

The Future Fund successfully withstands the Global Financial Crisis, reinforcing the value of diversification and long-term investing.

2012

The Future Fund exceeds $80 billion in assets.

2014

June

Funds under management exceed $100 billion.

July

The DisabilityCare Australia Fund is established to help fund the National Disability Insurance Scheme (NDIS).

2015

August

The Medical Research Future Fund is established to support medical research and medical innovation and improve the health and wellbeing of Australians.

2016

The Future Fund marks its 10-year anniversary.

2017

May

The Australian Government announces that Future Fund drawdowns will be deferred until at least 2026–27.

July

A new Investment Mandate reduces the target return from 4.5% to 5.5% above the CPI to 4.0% to 5.0% above the CPI, reflecting the Future Fund's growing scale and maturity.

2018

The Future Fund surpasses $150 billion.

2019

February

The Aboriginal and Torres Strait Islander Land and Sea Future Fund is established to support payments to the Indigenous Land and Sea Corporation.

September

The Future Drought Fund is established to support drought resilience initiatives across regional Australia.

December

The Emergency Response Fund is established with a transfer of $3.9 billion from the Education Investment Fund.

2020

March

The COVID-19 pandemic arrives in Australia.

The Agency rapidly transitions to working from home.

Investment teams commenced a comprehensive review of portfolio positioning amid unprecedented market volatility.

2021

May

The Future Fund marks its 15-year anniversary.

June

The Future Fund reaches $197 billion, more than tripling the original Government contributions.

December

The Future Fund exceeds $200 billion in assets.

2023

March

The Emergency Response Fund is renamed the Disaster Ready Fund.

November

The Housing Australia Future Fund is established to support social and affordable housing outcomes.

2024

November

The Australian Government announces a revised Future Fund Investment Mandate.

Drawdowns from the Future Fund are deferred until at least 2032–33.

Assets under management exceed $300 billion across the Future Fund and six other special purpose, public asset funds.

2025

The Medical Research Future Fund marks its 10-year anniversary.

2026

The Future Fund marks 20 years since its establishment.

Table of contents

Letter of transmittal		**7**
Report from the Chair		**8**
Report from the Chief Executive Officer		**12**
1	**Organisation overview**	**14**
2	**Governance and accountability**	**26**
3	**How we invest**	**44**
4	**Investment performance**	**60**
	Future Fund	65
	Medical Research Future Fund	75
	Aboriginal and Torres Strait Islander Land and Sea Future Fund	80
	Future Drought Fund	84
	Disaster Ready Fund	88
	Housing Australia Future Fund	92
	DisabilityCare Australia Fund	96
5	**Our people and culture**	**98**
6	**Financial statements**	**122**
7	**Other mandatory reporting**	**182**
8	**References and index**	**194**

© Future Fund Board of Guardians

ISSN: 2205-8044 (print)
ISSN: 22058052 (online)

Creative Commons Attribution 4.0 Australia

With the exception of the Coat of Arms, this publication is licensed under a Creative Commons Attribution 4.0 International Licence (*creativecommons.org/licenses/by/4.0*).

The Commonwealth's preference is that you attribute this publication (and any material sourced from it) using the following wording: *Future Fund Annual Report 2025–26.* Licensed from the Commonwealth of Australia under a Creative Commons Attribution 4.0 International Licence. The Commonwealth of Australia does not necessarily endorse the content of this publication.

An electronic version of this report is available at *www.futurefund.gov.au/about-us/publications*

An HTML version of this report is available on the Transparency Portal at *www.transparency.gov.au*

Data in this report may not sum due to rounding. Investment performance data in the main sections of this report may not correspond directly with data in the financial statements due to differences in classification.

Investment performance data presented in the main sections of the report includes the investments and notional values of derivatives held by both the Future Fund and Future Fund Investment Companies. The Statement of Financial Position in the financial statements presents the investments and net market value of derivatives held directly by the Future Fund and the Future Fund Investment Companies as one aggregated number. As an aid to readers, this report includes a glossary of abbreviations, and an alphabetical index.

Material as supplied

Provided you have not modified or transformed the material in any way (including, for example, by changing the text; calculating percentage changes; graphing or charting data; or deriving new statistics from published statistics), the Future Fund prefers the following attribution: Source: the Future Fund.

Feedback

If you have questions about any aspect of this report, please contact the Future Fund via *contact@futurefund.gov.au* or (03) 8656 6400.

About this report

This report describes the governance, operations and performance of the Future Fund Board of Guardians and the Future Fund Management Agency over the 2025–26 financial year ended 30 June. Additional information, including periodic investment and operational updates, policies and plans, is available at *www.futurefund.gov.au*

Acknowledgement of Country

The Future Fund acknowledges the Traditional Custodians of the lands and waters on which we live and work. We pay respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples as we work to create meaningful change for reconciliation.

Letter of transmittal

29 September 2026

Dear Minister

I am pleased to present the Annual Report of the Future Fund Board of Guardians (Board) and the Future Fund Management Agency (Agency) for the 2025–26 financial year.

The Report was prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 81 of the *Future Fund Act 2006* and includes the required disclosures in relation to the Future Fund, the Medical Research Future Fund, the Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund, the Disaster Ready Fund, the Housing Australia Future Fund, and the DisabilityCare Australia Fund.

The Report includes the Board and Agency's audited financial statements as required by section 34(i) of the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.

As Accountable Authority of the Agency, I certify that:

- Fraud and corruption risk assessments and control plans have been prepared by the Agency.
- Appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the Agency are in place.
- All reasonable measures have been taken to deal appropriately with fraud and corruption relating to the Agency.

Yours sincerely

The Hon Greg Combet AO

Chair of the Future Fund Board of Guardians
Accountable Authority of the Future Fund Management Agency

Report from the Chair

In a year marked by economic uncertainty, geopolitical conflict and rapid technological change, the importance of resilient institutions focused on the long term has never been clearer.



The Hon Greg Combet AO

The current global environment is being shaped by a dramatic departure from the international relationships that have defined the post-WW2 era.

The ongoing uncertainty, plus persistent inflation, geopolitical conflict and escalating debt levels created pressure on households, businesses and investors. At the same time, the astonishing scale of investment in AI, energy demand and capital investment drove economic growth and led to strong equity markets.

Against this background, and consistently for the past 20 years, the Future Fund has maintained a long-term focus. This has enhanced Australia's prosperity and resilience in a rapidly changing world by building public wealth for future generations.

The results this past financial year speak for themselves: the Future Fund delivered a 14.8% return against the mandate target of 8.0%, with the Fund now standing at $289.7 billion. The 10-year return of 9.0% per annum exceeds the target of 7.1% per annum.

To place these numbers in a different context, the 2025–26 Fund growth of $37.4 billion far outstrips interest payments of $25.2 billion on Australian Government debt for the year. Or, as an alternative comparator of the Fund's $37.4 billion growth, the total of medical benefits paid in the year was $35.1 billion.

An enduring sovereign wealth fund

The decision by the Australian Government in 2024 to defer drawdowns until at least 2032–33 has supported the continued growth of the Future Fund.

By 2032–33, the Future Fund is expected to grow to $380 billion, covering its initial purpose of meeting unfunded superannuation liabilities as well as enabling the Fund to evolve as an enduring sovereign wealth fund benefiting all Australians.

In addition to the Future Fund, our work in building wealth for six other public asset funds ensures that vital services and community support continues. Collectively valued at $66.3 billion, these six other funds provide funding for important initiatives such as building disaster and drought resilience, and funding the NDIS and Indigenous Land and Sea Corporation.

The Future Fund helps maintain Australia's AAA credit rating, while the other funds provide critical financial support for these other important initiatives and assist the Budget.

Delivering for Australia

We welcome the Government's ongoing support for the Fund's independence and commercial investment mandate. This approach allows us to invest with conviction while contributing to Australia's future prosperity, including by investing in National Priorities.

Infrastructure, housing and the energy transition remain significant long-term investment opportunities. Over recent years, we have increased our focus on these areas, recognising both their investment potential and their importance to Australia's future economic resilience. Since the change in our investment mandate in late-2024, we have committed approximately $3.5 billion to these National Priority areas.

This year, the Future Fund also became a signatory to the United Nations-supported Principles for Responsible Investment (PRI), an important milestone in the evolution of our responsible investment approach. The PRI is a global network of investors committed to better understanding how environmental, social and governance (ESG) issues affect long-term investment outcomes. A central feature of PRI membership is mandatory annual reporting using the PRI Reporting Framework. Our reporting against this framework will commence from the 2026–27 financial year.

Significantly, we will also publish our first Commonwealth Climate Disclosure, providing greater transparency on climate-related risks, opportunities and governance arrangements across the portfolio.

Board Appointments

During the year, we welcomed Fiona Trafford-Walker to the Board of Guardians. Fiona brings more than three decades of experience advising institutional investors and will be a valuable addition to the Board. She replaced Patricia Cross AM, who completed her term in May. I thank Patricia for her significant contribution to the Future Fund over the past five years.

The Government also announced the appointment of Adam Tindall, who then joined the Board following the completion of Dr Deborah Ralston's term in September 2026. Adam's extensive global experience across investment management, real assets and corporate governance will further strengthen the Board's expertise. I also thank Deborah for her contribution and commitment to the Future Fund.

These highly qualified appointees will aid the Future Fund in continuing its strong record of returns for the Australian people, and we look forward to working with them.

CEO departure

After financial year end, the Chief Executive Officer, Raphael Arndt, informed the Future Fund Board of Guardians of his decision to leave the organisation at the end of 2026.

As CEO, Raphael has overseen a period of significant growth and transformation at the Future Fund. He led the organisation's response to a rapidly evolving global investment landscape, driving advancements in data, technology and investment capabilities that strengthened the Fund's resilience and enhanced its ability to capture opportunities in complex global markets.

Raphael has ensured that a collaborative and positive culture that supports the joined-up whole-of-portfolio investing approach has been central to his period as CEO. He has been an outstanding leader of the Future Fund during his tenure as CEO and for many years prior to that in a range of other roles. Australia is better off for his contribution to the Future Fund. He leaves the Fund well positioned to continue strong investment performance in the future.



Dr Raphael Arndt joined the Future Fund in early 2008 as Head of Infrastructure, where he established the Fund's infrastructure and timberland investment programs. He was appointed Chief Investment Officer in 2014 and became Chief Executive Officer in 2020.

As the Future Fund's longest-serving CEO, Raphael led the organisation through a period of significant growth and transformation. Under his leadership, the Future Fund delivered two strategic plans, strengthening its investment, technology and data capabilities, as well as further developing its high-performing culture. During this period, funds under management grew substantially, adding more than $128 billion in investment returns, while continuing to strengthen Australia's long-term financial position.

Raphael's contribution over almost two decades has helped shape the Future Fund into a globally recognised investment institution. His leadership, commitment to long-term thinking, and focus on organisational excellence have positioned the Agency strongly for the future and ensured it continues to deliver lasting benefits for future generations of Australians.

Acknowledgements

I have now served as Chair of the Future Fund Board for over two years, participating during a period of significant achievement, including what is now the organisation's 20th year of operation. The experience thus far enables me to attest that the Board of Guardians is advised and supported by a first-class team.

On behalf of the Board, I want to thank Raphael for his contribution not only this year, but across nearly 20 years at the Future Fund. I extend that thanks to the Agency's Senior Leadership Team and all staff for their commitment and professionalism. Their expertise, discipline and long-term focus continue to deliver strong outcomes for Australians in an increasingly complex world.



The Hon Greg Combet AO

Chair
Future Fund Board of Guardians

Initially established with a single purpose to cover superannuation liabilities over a defined time horizon, the organisation has evolved into one of the world's leading sovereign investors and a trusted steward of public capital.

Report from the Chief Executive Officer

As the Future Fund marks its 20th year, we continue to evolve in response to a world that is becoming more complex, fragmented and fast-changing.



Dr Raphael Arndt

In 2025–26, we delivered strong investment outcomes, advanced our thinking on major themes such as portfolio resilience and artificial intelligence, and continued to build the organisational capabilities needed for the future. While uncertainty remains a defining feature of the global landscape, our long-term investment approach positions us well to navigate the challenges and opportunities ahead.

The Future Fund was established in 2006 as a single fund with a specific purpose and a finite life. Two decades later, we now manage seven public asset funds valued at $356 billion, helping to build a stronger future for Australia.

The world in which we invest has changed profoundly over that period.

Technological advances, shifting demographics, climate change, economic shocks and growing geopolitical fragmentation have reshaped societies, markets and investment opportunities. From the Global Financial Crisis and the COVID-19 pandemic to the emergence of artificial intelligence, the pace and scale of change have been significant.

As the environment has evolved, so too has the Future Fund.

Beyond delivering strong long-term investment returns, we now manage a broader range of national funds supporting medical research, drought resilience, Indigenous land and sea rights, disability services and future generations.

As we mark the Future Fund's 20-year anniversary, we have continued to adapt our investment approach to meet the demands of an increasingly complex and uncertain world.

Our portfolio

This year's economic landscape was shaped by persistent inflation, heightened geopolitical tensions, trade fragmentation and continued investment in artificial intelligence. Geopolitical developments had a more direct impact on markets, particularly across trade, technology, energy and defence, reinforcing the need for diversified and resilient portfolios.

These conditions were broadly consistent with the themes outlined in our geopolitics position paper, including the emergence of a more fragmented and multipolar global order. In response, we continued to strengthen portfolio resilience through active management, an allocation to commodities and increased exposure to inflation-hedged real assets.

These measures contributed to a strong result, with the Fund returning 14.8% for the year; one of the strongest in the history of the Future Fund. Over 10 years, the Fund delivered 9.0% per annum. Strong contributions from alternatives, equities, venture capital and infrastructure demonstrate the value of a diversified portfolio and the effectiveness of our long-term investment approach.

Our year

This year we published two position papers examining Portfolio Resilience. The first, released in November 2025, explored how we build resilience in an uncertain world, using inflation as a case study. The second focused on the implications of artificial intelligence for investors and portfolios.

Like all our position papers, they are intended to challenge thinking, encourage debate and contribute to broader industry discussion. I am pleased that both generated strong engagement.

As part of our work, we engage regularly with international partners and stakeholders to contribute our insights, discuss investment opportunities and connect investors from around the world. This year we took part in key Australian government initiatives, including the US superannuation sector summit and an investor mission to Indonesia.

In a similar vein, we participated in leading international forums, providing opportunities to exchange perspectives on governance, investment strategy, organisational capability and the evolving role of long-term institutional investors. These connections strengthen our investment capability and support better decision-making in a rapidly changing world.

The rapid emergence of AI has become one of the most significant technological developments of our time. In response, we focused on three areas: investing in AI-related opportunities, integrating AI into our operations, and building AI capability across our workforce. We also established an Agency-wide AI Council to help guide our approach and ensure we are well positioned to respond to the opportunities and challenges ahead.

Following recent investments in organisational growth and capability, our focus is now on realising those benefits while maintaining disciplined management of costs and resources.

Our people

This year we announced the appointment of Richard Brandweiner as our new Chief Investment Officer. Richard brings extensive global investment and leadership experience and joins at an important point in our evolution as we develop our next business strategy and continue to build organisational capability for the future.

In June, we welcomed 14 winter interns who brought fresh perspectives, enthusiasm and talent to teams across the Agency. Now in its third year, the internship program continues to be an important part of developing future investment and corporate talent. Reflecting the success of the program, we were delighted to confirm the appointment of two former interns as analysts in our Investment Team.

More broadly, across the organisation, 17 employees were promoted or advanced into new roles, strengthening our capability and building the next generation of leaders.

Announcing my departure

After nearly 20 years of service at the Future Fund, I have informed the Board of Guardians of my decision to leave the Agency at the end of the year.

Having served as CEO for the past six years, delivered two strategic plans and overseen a period of strong investment performance, I believe this is the right time to hand over to a successor and begin the next chapter of my professional life.

It has been an honour to lead this organisation. I am immensely proud of what we have achieved together and grateful for the dedication, professionalism and expertise of our people. I will leave knowing the Agency is supported by a strong Board, a highly capable leadership team and exceptionally talented staff.

The Future Fund is an important Australian institution, and I am confident it will continue to play a vital role for decades to come. All Australians are better off as a result.

Acknowledgements

I would like to thank the Future Fund Board of Guardians for their leadership and guidance throughout the year.

I would also like to thank our people and external partners for their commitment and contribution. The Future Fund's success over the past 20 years has been built not only on strong investment performance, but also on a culture that values inclusion, curiosity, constructive collaboration and continuous learning.

Our investment model remains strong, our thinking is clear, and the actions we have taken position us well for the future. While the world remains uncertain and increasingly complex, maintaining resilience, adaptability and a long-term perspective will continue to be critical to the success of our funds and in turn, the nation.



Dr Raphael Arndt

Chief Executive Officer
Future Fund Management Agency

Organisation overview

**The Future Fund is Australia's sovereign wealth fund.
We invest for the benefit of future generations of Australians.**



Every dollar that we make is a dollar that adds to Australia's wealth and contributes to its future.

Established in 2006, the Future Fund is the Commonwealth Government's largest financial asset, helping to strengthen the Federal Government's balance sheet and bolster Australia's long-term financial position.

The Future Fund Board of Guardians is responsible for investing the assets of the funds, supported by the Future Fund Management Agency.

We invest independently from the Australian Government and balance the risk and return aspects of each fund's investment mandate to maximise returns over the long term.

Our focus on diversification, portfolio resilience and disciplined decision-making has enabled us to navigate periods of market volatility and uncertainty while continuing to deliver strong long-term outcomes.

Twenty years of the Future Fund

In May 2026, we marked 20 years of investing.

From the outset, the Agency was built around a clear investment philosophy: investment decisions would be made in the context of the total portfolio, rather than individual asset classes.

As a newly created organisation, we had the rare opportunity to start with a blank sheet of paper and define not only how we would invest, but who we wanted to be. This 'One team, One Purpose' approach also shaped the organisation's culture and remuneration framework, aligning performance with overall portfolio outcomes rather than individual asset classes.

Over the past two decades, the Future Fund has navigated significant shifts in the global economy while maintaining a disciplined long-term investment approach. From an initial endowment of $60.5 billion, it has grown into Australia's largest financial asset and today manages more than $350 billion on behalf of the Australian Government.

Our remit has also expanded significantly. We began with a single fund and purpose and have now grown to being responsible for managing seven public asset funds: the Future Fund, Medical Research Future Fund, Aboriginal and Torres Strait Islander Land and Sea Future Fund, Future Drought Fund, Disaster Ready Fund, Housing Australia Future Fund and DisabilityCare Australia Fund.

Together, these funds support important initiatives which benefit all Australians today while also preserving wealth for future generations.

Our success has been underpinned by disciplined decision-making, diversification and a willingness to evolve. As markets have become more complex and interconnected, we have continually refined our investment model while remaining focused on achieving our long-term objectives. The ability to challenge conventional thinking, embrace innovation and adapt to changing conditions are central to our performance.

Our portfolio has evolved significantly since inception. In 2006–07, it was largely concentrated in cash and the Government's transferred holding in Telstra.

Over time, it expanded beyond listed markets to include private equity, credit, property, infrastructure and alternative assets, creating a more diversified and resilient portfolio. The Global Financial Crisis (GFC) accelerated this evolution, reinforcing the benefits of a genuinely multi-asset approach.

Our impact can also be seen through investments in Australian assets, including ports, airports, renewable energy, forestry and road infrastructure. In accordance with our investment mandates, we have regard to national priorities such as housing, infrastructure and the energy transition while maintaining a globally diversified portfolio.

Just as importantly, our achievements reflect the strength of our people. Since the organisation's earliest days, a culture of collaboration, curiosity and shared purpose has been a defining strength, enabling us to navigate complexity and deliver long-term outcomes on behalf of Australians.

Our structure

Our organisation consists of two main entities – the Future Fund Board of Guardians (Board) and the Future Fund Management Agency (Agency).

The Agency's Senior Leadership Team (SLT) and staff support the Board.

The Board

The Board is comprised of individuals selected for their substantial expertise and professional credibility in investing or managing financial assets and/or in corporate governance.

The Board's Members are appointed by the Government and are called 'Guardians', as part of their function is to safeguard the independence of the Future Fund.

The Board is responsible for deciding how to invest the assets of each fund, in line with the legislation and the investment mandates issued by the Government. It receives recommendations and advice from the Agency and reviews, approves and oversees the investment strategy.

The Agency

The Agency is comprised of investment professionals who are responsible for making recommendations to the Board on the most appropriate investment strategy for each fund, and for the implementation of these strategies.

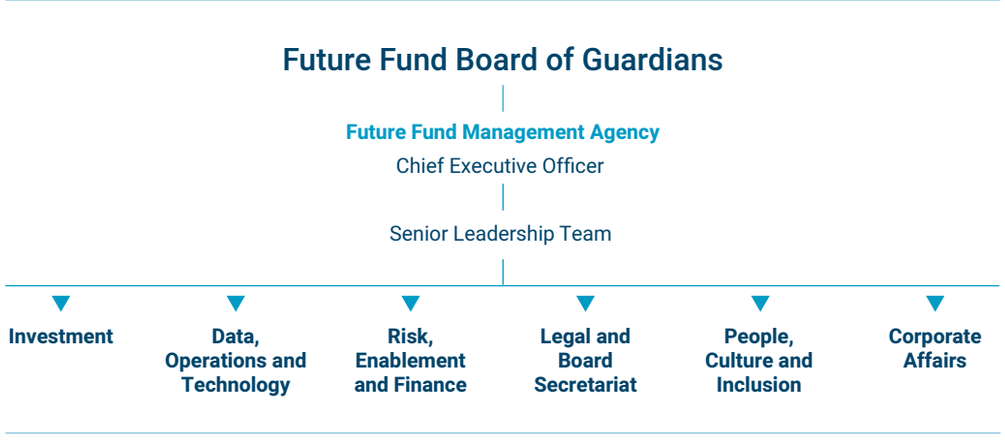
They are enabled by a team of business professionals with diverse skills including finance, data and technology, investment operations, legal, and corporate services.

The Agency manages all administrative and operational functions associated with the management of the funds.

During the year, the Agency implemented changes to its organisational structure to support the delivery of its strategic priorities and ongoing operational effectiveness. The revised structure reflects the separation of the former Investment and Business Operations function into dedicated business units and the establishment of standalone Legal, and Risk Enablement and Finance functions. These changes strengthen organisational capability and accountability across investment management, operations, technology, risk, finance, legal services and corporate support functions.

As at 30 June 2026, the Agency was structured into six business units under the leadership of the CEO:

- Investment
- Data, Operations and Technology
- Risk, Enablement and Finance
- Legal and Board Secretariat
- People, Culture and Inclusion
- Corporate Affairs.



For further information on our structure please refer to the Governance and accountability section of this report.

Our funds

Each fund we manage has an investment mandate that is determined by the Australian Government under legislation.

Our responsibility is to invest the funds in accordance with their investment mandates.

- **Future Fund**
- **Medical Research Future Fund**
- **Aboriginal and Torres Strait Islander Land and Sea Future Fund**
- **Future Drought Fund**
- **Disaster Ready Fund**
- **Housing Australia Future Fund**
- **DisabilityCare Australia Fund**

Future Fund

The Future Fund was established in 2006 to strengthen the long-term financial position of the Commonwealth of Australia, with contributions of $60.5 billion from a combination of budget surpluses, proceeds from the sale of the Government's holding of Telstra, and the transfer of remaining Telstra shares.

The Investment Mandate for the Future Fund is to achieve an average annual return of at least the Consumer Price Index (CPI) + 4.0% to 5.0% per annum over the long term, with an acceptable but not excessive level of risk.

The organisation has added over $229.2 billion to the value of the Future Fund since inception, more than tripling the original contribution from the Government, and reaching $289.7 billion in value at 30 June 2026.

This was achieved without further contributions from the Government.

Withdrawals from the Future Fund, when they are made, will help the Government meet its obligations through consolidated revenue (including defined benefit pensions), and thereby ease the pressure on government finances.

Medical Research Future Fund

The Medical Research Future Fund (MRFF) is an ongoing funding source established in August 2015 to improve the health and wellbeing of Australians by providing grants of financial assistance to support medical research and medical innovation.

It was established with the transfer of $1.0 billion from the Health and Hospitals Fund in 2015, which was then closed, and a further $19.0 billion in capital contributions from the Government between 2015 and 2020.

The MRFF's Investment Mandate is to achieve at least the Reserve Bank of Australia cash rate target of + 1.5% to 2.0% per annum, net of investment fees, over a rolling 10-year term.

Payments from the Medical Research Future Fund for projects and initiatives are determined by the Government in accordance with the *Medical Research Future Fund Act 2015*.

At 30 June 2026, the MRFF was valued at $26.3 billion.

Aboriginal and Torres Strait Islander Land and Sea Future Fund

The Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILS Fund) was established in February 2019 to enhance the Commonwealth's ability to make payments to the Indigenous Land and Sea Corporation (ILSC).

The ILSC's purpose is to assist Aboriginal and Torres Strait Islander peoples to acquire and manage land, water and water-related rights to attain economic, environmental, social or cultural benefits.

The ATSILS Fund was established with a capital contribution of $2.0 billion, transferred from the Aboriginal and Torres Strait Islander Land Account.

The ATSILS Fund's Investment Mandate requires the Board to target an average return, net of costs, of at least the CPI + 2.0% to 3.0% per annum over the long term, while taking an acceptable but not excessive level of risk.

Payments from the ATSILS Fund are determined by the Australian Government and managed in line with the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*.

At 30 June 2026, the ATSILS Fund was valued at $2.7 billion.

Future Drought Fund

The Future Drought Fund (FDF) was established in September 2019 to provide secure, continuous funding to support initiatives that enhance the drought resilience of Australian farms and communities.

The FDF was established with a capital contribution of $4.0 billion, transferred from the Building Australia Fund, which was closed on 1 September 2019.

The FDF's Investment Mandate requires the Board to target an average return, net of costs, of at least the CPI + 2.0% to 3.0% per annum over the long term, while taking an acceptable but not excessive level of risk.

The Commonwealth Government will make $100 million available each year from the FDF to support Australian farmers and communities to prepare for and become more resilient to the effects of future drought.

Payments from the FDF are determined by the Government and managed in line with the *Future Drought Fund Act 2019*.

At 30 June 2026, the FDF was valued at $5.8 billion.

Disaster Ready Fund

The Disaster Ready Fund (DRF) was initially established as the Emergency Response Fund (ERF) upon commencement of the *Emergency Response Fund Act 2019* (ERF Act) on 12 December 2019.

On 1 March 2023, the ERF was renamed the DRF upon commencement of the *Emergency Response Fund Amendment (Disaster Ready Fund) Act 2022* (DRF Amendment Act).

The DRF Amendment Act renamed the ERF Act the *Disaster Ready Fund Act 2019* and allows up to $200 million per annum to be drawn from the DRF to fund natural disaster resilience and risk reduction from 2023–24 onwards.

The DRF's Investment Mandate requires the Board to target an average return, net of costs, of at least the CPI + 2.0% to 3.0% per annum over the long term, while taking an acceptable but not excessive level of risk.

At 30 June 2026, the DRF was valued at $5.3 billion.

Housing Australia Future Fund

The Housing Australia Future Fund (HAFF) was established in November 2023 with the purpose of enhancing the Commonwealth's ability to make grants in relation to acute housing needs, social housing or affordable housing.

The HAFF was established with a capital contribution of $10 billion.

The HAFF's Investment Mandate requires the Board to target an average return, net of costs, of at least the CPI + 2.0% to 3.0% per annum over the long term while taking an acceptable but not excessive level of risk.

Funding generated by the HAFF supports the building of affordable social homes with a focus on women and children fleeing domestic violence, older women on low incomes at risk of homelessness, and frontline workers.

It also supports the repair, maintenance and improvement of housing in remote Indigenous communities; transitional housing options for victims of domestic violence; and housing for veterans experiencing or at risk of homelessness.

Payments from the HAFF are managed in line with the *Housing Australia Future Fund Act 2023*.

At 30 June 2026, the HAFF was valued at $11.7 billion.

DisabilityCare Australia Fund

The DisabilityCare Australia Fund (DCAF) was established in July 2014 to help fund the National Disability Insurance Scheme (NDIS), which supports a better life for Australians with significant and permanent disability, as well as their families and carers.

The DCAF's Investment Mandate sets a benchmark return of the Australian three-month bank bill swap rate + 0.3% per annum, calculated on a rolling 12-month basis. The Board must invest to minimise the probability of capital loss over a 12-month horizon.

Payments from the DCAF are determined by the Australian Government and managed in accordance with the *DisabilityCare Australia Fund Act 2013*.

At 30 June 2026, the DCAF was valued at $14.5 billion.

Future Fund Investment Mandate

The Future Fund's initial Investment Mandate was issued to the Board by the responsible Ministers in May 2006. It required the Fund to achieve an average annual return of the CPI + 4.5% to 5.5% per annum over the long term, with an acceptable but not excessive level of risk.

From 1 June 2017, a new Investment Mandate came into effect reducing the long-term benchmark return target to the CPI + 4.0% to 5.0% per annum, reflecting the changed investment environment.

In November 2024, the Australian Government announced it would defer drawdowns from the Future Fund until at least 2032–33 and issued a revised Investment Mandate and Statement of Expectations, incorporating reference to three national priorities the Board should have regard to when making investment decisions.

The three national priorities are:

- Supporting an energy transition as part of the net zero transformation of the Australian economy
- Increasing the supply of residential housing in Australia
- Delivering improved infrastructure located in Australia.

These areas align with our investment strategy and are in keeping with the stated purpose of the Future Fund to invest for the benefit of future generations of Australians.

These priorities are considered as part of our investment decision-making, alongside our legislated objective to deliver strong, risk-adjusted returns over the long term.

The Board assesses each investment opportunity on the basis of its risk and return characteristics and ability to maximise portfolio returns with acceptable risk. If there are no investment opportunities in the national priority areas with appropriate risk-adjusted returns that complement the Future Fund's portfolio, the Board will not invest.

The revised Statement of Expectations provides guidance on operationalising the Investment Mandate and will ensure the Future Fund has best practice approaches when it comes to governance, transparency and accountability.

In responding to the Government's expectations, the Board confirmed that its paramount objective, consistent with the Investment Mandate and the *Future Fund Act 2006*, remains the return of at least CPI + 4.0% to 5.0% per annum over the long term with acceptable risk.

The Board of Guardians remains independent of the Government and retains its long-standing duty to maximise returns and all investment decisions will continue to be commercially based upon appropriate risk-adjusted returns.

Our purpose

Our purpose is clear: to invest for the benefit of future generations of Australians.

Everything we do is aligned with our purpose. It provides a focus for our people, their efforts, and our strategic and operational resourcing and priorities.

Our values

Our values are embedded in the way we behave and interact with others:

- We **focus on what matters**. Everything we do is focused on achieving our purpose; we aren't side-tracked by distractions.
- We always **do the right thing** by our country, our organisation and our team.
- We **work together** to achieve the best outcome every time and ultimately to achieve our purpose.

Organisational beliefs

The Board also holds two organisational beliefs that outline its expectations as to how the Agency should be run:

- The organisation should continuously evolve and adapt to support the investment mission and achieve investment performance in line with the legislation and mandates.
- To effectively deliver a joined-up, whole-of-portfolio approach, the organisation must be culture-driven, and the culture must be inclusive in order to support collaboration and our values: focus on what matters; do the right thing; and work together.

Our culture

Part of what makes us successful at the Future Fund is our unique culture.

We believe that in order to continue our success, we need to further enhance our culture as we continue to grow and evolve, while remaining mindful of keeping our core ideology institutionalised and widely enacted.

We have a set of expectations and language that encapsulates our culture and ways of working. It is called the Future Fund Way.

The Future Fund Way is underpinned by two foundational principles:

1. One team, One purpose
2. Investment performance is our focus

There are also five keys to our culture that collectively define and describe how we unlock our full potential:

1. Collaborate
2. Facilitate
3. Innovate
4. Deliberate
5. Inclusion

These keys are well known by our people and enacted through how we work and interact with each other.

Our business strategy

Over the past year the investment environment in which we operate remained characterised by heightened uncertainty and volatility. Structural shifts across the global economy, geopolitical tensions, technological disruption and evolving policy settings continued to reshape markets, creating both challenges and opportunities for long-term investors.

The 2025–26 financial year marked the second year of the Agency's three-year business strategy. Building on the achievements of 2024–25, we continued to strengthen the organisation's capability, adaptability and resilience in response to an increasingly complex and rapidly changing investment landscape.

The year marked the first full calendar year under the Australian Government's revised Investment Mandate. In response, we further enhanced organisational capability and directed capital towards investments that support both our long-term investment objectives and broader economic outcomes.

The Government's decision to defer drawdowns from the Future Fund until at least 2032–33 provided greater certainty regarding the Fund's long-term role, reinforcing our position as an enduring national institution, strengthening Australia's balance sheet and supporting the management of the Commonwealth's unfunded superannuation liabilities. The increased certainty enabled continued investment in the capability, systems and people required to fulfil our purpose of investing for the benefit of future generations of Australians.

During the year, we further embedded the national priorities into our investment processes, advanced our responsible investment approach and strengthened collaboration and knowledge sharing with other government specialist investment vehicles.

Four focus areas

The business strategy encompasses activity that is grouped into four focus areas:

1

Invest our way

Get even better at being a joined-up, whole-of-portfolio investor.

2

Innovate and evolve

Build on the organisational foundations we have created to scale our business efficiently in a way that supports investment performance.

3

Supercharge our culture

Obtain the benefits of our collaborative Futureminded culture to create great work in a great place to work.

4

Contribute our insights

Offer our ideas more broadly to develop a strong network of support and to test our ideas.

Some of the major activities completed under each of these focus areas for the year are:

Focus area	Activity
Invest our way	– Enhanced investment decision-making through stronger governance, cross-team research collaboration and a more joined-up whole-of-portfolio investment approach – Established the Agency's Responsible Investment Stewardship Model – Became a signatory to the Principles for Responsible Investment and a member of the Australian Sustainable Finance Institute – Delivered the 2024–25 Commonwealth Climate Disclosure
Innovate and evolve	– Uplifted the investment technology and data delivery model to strengthen governance, transparency, ownership and prioritisation – Strengthened line two risk management capability – Delivered Cyber and Information Security Programs to ensure the ongoing protection of the Agency's information and systems – Enhanced project portfolio reporting by standardising reports and providing change impact analysis – Delivered an AI and Emerging Technology Program to support responsible and strategic adoption of AI – Established strong foundations for knowledge sharing, information governance and AI-enabled ways of working
Supercharge our culture	– Evolved and matured talent development processes – Enhanced leadership effectiveness through clearer goals, strengthened onboarding, and consistent performance and behavioural expectations across the Agency – Established a cohesive, Agency-wide approach to inclusion including completion of the first full year of the Inclusion Council – Implemented the Agency's Indigenous Strategy and progressed planning for a Reconciliation Action Plan – Implemented the Workforce Sourcing Model
Contribute our insights	– Developed insights and networks to support government priorities and policy thinking – Expanded and enhanced government stakeholder connections and relationships – Marked the Agency's 20-year anniversary

2024–27 Business strategy overview

Purpose

Investing for the benefit of future generations of Australians

Values

- Focus on what matters
- Do the right thing
- Work together

The Future Fund Way

Investment performance is our focus

One team, One purpose

- Collaborate
- Facilitate
- Innovate
- Deliberate

Inclusion

Our Focus Areas

1. Invest our way
2. Innovate and evolve
3. Supercharge our culture
4. Contribute our insights

Governance and accountability

The statutory governance arrangements for the funds we manage are set out primarily in the *Future Fund Act 2006*, the *Medical Research Future Fund Act 2015*, the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*, the *Future Drought Fund Act 2019*, the *Disaster Ready Fund Act 2019*, the *Housing Australia Future Fund Act 2023* and the *DisabilityCare Australia Fund Act 2013*.

This core legislation sets out the roles and responsibilities of the Australian Government, the Board and the Agency. In addition, the *Public Governance, Performance and Accountability Act 2013* applies to the Agency, and (to a limited extent) the Board, and together with Commonwealth Rules, instruments and guidelines establishes arrangements for delegations and authorities, spending, and the accounting treatment of costs, liabilities, income and expenses.

The core legislation provides the Government, through the responsible Ministers (the Treasurer and the Minister for Finance), with oversight of the funds, subject to the arrangements that establish the independence of the Board.

The Government's role includes the appointment of Board Members and the Board Chair, and the issuing of Investment Mandate Directions to the Board for each of the funds.

The legal framework retains beneficial ownership of the assets of each fund in the Commonwealth. It also states the purpose of each fund and sets out the arrangements for contributions to, and withdrawals from, the various funds.

The Board is responsible for investing the assets of the funds in accordance with the legislation and investment mandates. To assist it in this role, the Board receives recommendations and advice from the Agency, which is also responsible for implementing the Board's investment decisions.

Underpinned by legislation, the Board invests independently from the Government. This independence is emphasised in a number of ways, including:

- The expenses of the Agency and the funds are met from the assets of the funds themselves, rather than from annual appropriations through Parliament.
- The Board must be consulted on draft Investment Mandate Directions (new or amended) for a fund, which must be consistent with the requirements of the relevant fund legislation. Any submissions the Board makes on a draft investment mandate must be tabled in Parliament.
- The investment mandates for each of the funds outline the risk and return requirements and timeframe for investment activity, while the legislation imposes very few limitations on the Board around asset allocation, selection of markets and portfolio design.
- Board Members must be drawn from outside of the Government and must meet the requirements of having substantial expertise and professional credibility in investing or managing financial assets and/or in corporate governance.

The Board is not involved in advising the Government on macroeconomic management or policy formation and implementation and is focused solely on the pursuit of its investment objectives in a commercial manner.

Accountability

The legislation provides accountability arrangements for the organisation, including the tabling in Parliament of an annual report and audited financial statements.

We publish quarterly portfolio updates to provide details of the asset allocation and performance of our funds. Twice a year we publish detailed reports on the Board's investment holdings on our website.

Other public updates are provided in the form of published speeches and comments to the media, position papers, an annual Corporate Plan and a Year in Review. We are required to keep the responsible Ministers informed of the operations of the organisation and provide data to the Department of Finance for the purpose of producing its financial statements and other reports.

The Minister for Finance may also, by written notice, require us to prepare reports or provide information on specified matters relating to the performance of our functions.

Statements of Expectations and Statements of Intent have also been exchanged between the responsible Ministers and our organisation. These documents further delineate the responsibilities and communication arrangements between the parties.

A revised Statement of Expectations was issued in November 2024 that aimed to provide guidance on operationalising the Investment Mandate and to ensure the Future Fund has best practice approaches when it comes to governance, transparency and accountability.

In response, the Board issued a Statement of Intent that provided a framework for how the organisation will meet the Government's expectations as set out in the Statement of Expectations. These can both be found on our website.

We routinely appear before public estimates hearings of the Senate Committee on Finance and Public Administration to provide updates and answer questions about our operations and the performance of the funds.

In 2025–26, we appeared at hearings in December 2025, and February and May 2026. These public hearings are based upon the outcome and output structure detailed in the Portfolio Budget Statements.

Global benchmarks

In 2025–26, our commitment to strong governance, transparency and responsible investment was recognised in two leading international benchmarks.

Our governance and stewardship practices were recognised in the 2026 Global SWF Governance, Sustainability and Resilience (GSR) Scoreboard, a leading assessment of sovereign investors and state-owned investment organisations. We achieved a perfect score of 25 out of 25, including full marks across governance, sustainability and resilience. This result reflects the strength of our governance framework, investment stewardship and organisational resilience.

We also achieved a score of 74 out of 100 in the 2025 CEM Global Pension Transparency Benchmark (GPTB), placing us 27th among 75 funds across 15 countries. The GPTB assesses the transparency and quality of public disclosures across areas including costs, governance, performance and responsible investment.

The Future Fund is a founding member of the International Forum of Sovereign Wealth Funds (IFSWF) and fully implements the Santiago Principles. The Principles promote good governance, accountability and prudent investment practices, while encouraging greater understanding of sovereign wealth fund activities and fostering open dialogue across the global investment community.

Future Fund Board of Guardians

At 30 June 2026, the Future Fund Board was comprised of a Chair and six Guardians.

The Chair and other Members of the Board are appointed by the responsible Ministers in accordance with legislation and are selected for their expertise in investing in financial assets, managing investments and/or corporate governance.

Board Members are appointed on a part-time basis for a term of up to five years and are eligible to be reappointed.

Ms Fiona Trafford-Walker commenced a five-year term on 12 May 2026, succeeding Mrs Patricia Cross AM upon the completion of her term. Mr Adam Tindall will join the Board in September 2026, succeeding Dr Deborah Ralston at the conclusion of her five-year term.

The Chair of the Board and the Accountable Authority for the Agency in 2025–26 was The Hon Greg Combet AO.

The Hon Greg Combet AO (Chair)



Mr Combet was appointed from 1 June 2024 for a five-year term.

Mr Combet brings extensive experience across the Australian economy, Parliament and government, as well as superannuation, investment, defence, climate and industrial relations. He served as a Cabinet Minister across portfolios including Climate Change, Industry and Innovation, and Defence Personnel, Science and Materiel. Prior to entering Parliament, he led the Australian Council of Trade Unions.

He has held significant advisory roles, including as Chair of the Australian Net Zero Economy Agency and as a member of the National COVID-19 Coordination Commission.

His previous board roles include Chair of IFM Investors, Deputy Chair of AustralianSuper and Director of ME Bank.

Mr Combet was awarded a Member of the Order of Australia in 2006 for service to industrial relations and was promoted to Officer of the Order of Australia in 2024.

Mr Combet holds a Bachelor of Engineering (Mining), a Bachelor of Economics and a Diploma in Labour Relations and the Law. He has also been awarded honorary doctorates from the University of New South Wales, the University of South Australia and the University of Newcastle.

Mr James Craig



Mr Craig was appointed from 3 April 2025 for a five-year term.

Mr Craig is a highly accomplished business leader with a wealth of investment and commercial experience in a range of financial services and other sectors, spending more than 20 years at Macquarie Bank which included leading its European business.

Previously, he has held a number of board roles including Chair of the Investment Committee at AustralianSuper, and directorships with Australian United Investment Company, Cell Care Australia, Lifestyle Communities and Trinity College at the University of Melbourne.

Mr Craig holds a Bachelor of Economics and Bachelor of Laws from the University of Adelaide, and a Master of Laws from the University of Melbourne.

Mr Craig is currently an Executive Director at River Capital.

Dr Deborah Ralston



Dr Ralston was appointed from 15 September 2021 for a five-year term.

Dr Ralston brings broad experience across financial services, public policy, innovation and retirement income, together with extensive non-executive director experience across private and public sector boards.

She has held senior roles in Australian universities, most recently as Executive Director of the Australian Centre for Financial Studies and as Pro Vice-Chancellor of Business, Law and Information Sciences at the University of Canberra, as well as contributing extensively to government policy and advisory work through appointments to the Federal Government's Retirement Income Review Panel, the Comprehensive Income Products for Retirement Framework Advisory Committee, and as inaugural Chair of ASIC's Digital Finance Advisory Board.

Dr Ralston's previous board roles include Mortgage Choice, Heritage Bank, U Ethical Funds Management, New England University Foundation, Kaplan Higher Education, the SMSF Association, and SuperEd.

She holds degrees in economics, a PhD in finance, and is a Fellow of the Australian Institute of Company Directors and CPA Australia.

Her current appointments include membership of the Reserve Bank of Australia's Payments System Board, Non-Executive Director of the Digital Finance Cooperative Research Centre, Chair of the Household Capital Advisory Board, and member of the Conexus Institute. Deborah is also a Professorial Fellow with the Monash University Business School, where she is a member of the Advisory Board of the Mercer CFA Institute Global Pension Index.

Ms Mary Reemst AM



Ms Reemst was appointed from 6 October 2023 for a five-year term. She served as Acting Chair between 4 February and 31 May 2024.

Ms Reemst has more than 30 years' experience in banking and finance, with expertise across investment banking, credit and financial markets, spending over two decades with Macquarie Group, including as Chief Executive Officer of Macquarie Bank from 2014 to 2021, and as Global Head of Credit. She was also a member of the Macquarie Group Executive Committee and the Macquarie Bank Limited Board. Earlier in her career, she held senior roles at Bankers Trust Australia.

Ms Reemst also has significant board experience, with previous roles including the Australian Bankers' Association, the Australian Financial Markets Association, Integral Energy and the Financial Markets Foundation for Children.

In recognition of her contribution to the banking sector and community organisations, Ms Reemst was made a Member of the Order of Australia in January 2026.

Ms Reemst holds a Bachelor of Arts from Macquarie University and a Postgraduate Diploma of Financial Management (Accountancy) from the University of New England.

She currently serves as a Board Director of the Asylum Seekers Centre and Atmos Renewables, Deputy Chair of the Sisters of Charity Foundation, Chair of The Hunger Project Australia, and is a member of the Clean Energy Finance Corporation's Rewiring the Nation Investment Advisory Committee.

Ms Fiona Trafford-Walker



Ms Trafford-Walker was appointed from 12 May 2026 for a five-year term.

Ms Trafford-Walker is a non-executive director and investment professional with more than three decades of experience across institutional investment, governance and capital markets. She spent 25 years at Frontier Advisors, serving as Managing Director and later Director of Consulting, where she oversaw the provision of advice to clients with over $310 billion in assets, before leaving the firm in December 2019 to take on various non-executive roles.

Ms Trafford-Walker was recognised in the 2016 AFR and Westpac 100 Women of Influence Awards, was named inaugural Woman of the Year in the Money Management Women in Financial Services Awards in 2013 and was included in the top 10 global Knowledge Broker awards in 2013, 2014, 2015, 2016 and 2019.

She holds a Bachelor of Economics, a Master of Finance and is a Fellow of the Australian Institute of Company Directors.

Ms Trafford-Walker currently serves on the boards of Perpetual Limited and FleetPartners. She is also a member of the IFM Real Estate Investment Committee and a Strategic Advisor to the ART Investment Committee.

Ms Rosemary Vilgan



Ms Vilgan was appointed from 4 February 2024 for a five-year term.

Ms Vilgan has a strong background in investment and a broad range of experience in executive and non-executive roles both domestically and internationally and was previously the CEO of QSuper Group – one of the world's largest pension funds.

Ms Vilgan was previously a member of the Financial Sector Advisory Council – an advisory board to the Australian Federal Treasurer – and Chair of the Safety, Rehabilitation and Compensation Commission.

She has board experience across a diverse range of organisations including New Zealand's sovereign wealth fund, the Australian Council of Superannuation Investors, and the Rotman International Centre for Pension Management, University of Toronto. Ms Vilgan was also Chair of the Association of Superannuation Funds of Australia, and Chair of the Commonwealth Bank Officers Superannuation Corporation.

In 2013, Ms Vilgan was named Telstra Australian Businesswoman of the Year. She was also the Queensland and Australian winner of Telstra's Community and Government Awards and the Queensland winner of Telstra's Award for Innovation.

Ms Vilgan holds a Bachelor of Business from Queensland University of Technology and a Diploma of Superannuation Management from Macquarie University. Ms Vilgan was awarded an honorary doctorate for her services as a Council Member and Deputy Chancellor of Queensland University of Technology.

She is currently the Chair of the Vincent Fairfax Family Foundation, and a member of the Queensland Treasury Corporation Capital Markets Board.

Guardians who concluded their terms in 2025–26

Ms Nicola Wakefield Evans AM



Ms Wakefield Evans was appointed from 1 March 2024 for a five-year term.

Ms Wakefield Evans is a highly experienced non-executive director, senior executive and corporate finance lawyer with more than 40 years' experience, two decades of which were as a partner at Mallesons, where she held senior leadership roles including Managing Partner International in Hong Kong and Managing Partner, Practice in Sydney.

Her current advisory roles include the Takeovers Panel, ASIC's Advisory Group on Corporate Governance and as a member of the ASX Corporate Governance Advisory Group.

In 2009, Ms Wakefield Evans was selected as a member of Advance Asia 50 and in 2011 as a member of Advance Global 50. In 2012, she was included in the Australian Financial Review and Westpac Group's inaugural list of 'Australia's 100 Women of Influence'. In 2023, Ms Wakefield Evans was awarded with an Order of Australia for significant service to business, the law and diversity. In 2026, she was named Director of Excellence in The Australian Financial Review BOSS Director Awards.

Ms Wakefield Evans holds a Bachelor of Jurisprudence and a Bachelor of Laws from the University of New South Wales.

She is currently a Non-Executive Director of the Clean Energy Finance Corporation, Sonic Healthcare Ltd, the UNSW Foundation, the Goodes O'Loughlin (GO) Foundation and the Cruising Yacht Club of Australia and also chairs MetLife Australia.

Mrs Patricia Cross AM



Mrs Cross was appointed from 11 May 2021 for a five-year term which concluded on 10 May 2026.

Mrs Cross has expertise in capital markets, risk management, corporate governance, treasury and international affairs, with extensive international experience. She began her career in the US public service, subsequently holding a number of senior leadership positions with Chase, BNP and National Australia Bank (NAB), where she also served on NAB's Executive Committee.

She has held honorary government positions, including as a founding member of the Financial Sector Advisory Council and as a member of the Panel of Experts to the Australian Financial Centre Forum. She is also an Ambassador for the Australian Indigenous Education Foundation.

Until 30 June 2021, Mrs Cross was Chair of the Commonwealth Superannuation Corporation. She has served as a Non-Executive Director with Macquarie Group, NAB, Qantas, Wesfarmers and Aviva plc. She was also a founding director of the Grattan Institute and a long-serving director of the Murdoch Children's Research Institute.

Mrs Cross was the founding Chair of the 30% Club in Australia and was awarded a Centenary Medal for services to the financial services industry and a lifetime fellowship of the Australian Institute of Company Directors. In 2023, she was awarded an Order of Australia for services to business and corporate governance.

Mrs Cross is an honours graduate of Georgetown University's Walsh School of Foreign Service, and is currently Chair of OFX Group Ltd, a Non-Executive Director of Transurban Ltd, and Chair of National Golf Holdings.

Board committees

There are two Board committees that meet periodically through the year – the Audit and Risk Committee and the People, Remuneration and Culture Committee.

The Board has approved Ms Mary Reemst AM as the nominated contact Board Member for escalation by the Board Chair, any other Board Member or the Agency of any future conflict issue concerning the Board Chair (noting that any conflict issues concerning Ms Reemst AM would be referred to the Board Chair).

Board committee memberships in 2025–26

Board/Committee	Members
Future Fund Board of Guardians Responsible for the investment of the public asset funds in accordance with the relevant legislation and Directions.	– The Hon Greg Combet AO (Chair) – Mr James Craig – Mrs Patricia Cross AM[1] – Dr Deborah Ralston – Ms Mary Reemst AM – Ms Fiona Trafford-Walker[2] – Ms Rosemary Vilgan – Ms Nicola Wakefield Evans AM
Audit and Risk Committee Focuses on risk oversight and management, and system of internal controls, internal and external audit, and the appropriate identification and management of all risks. The Audit and Risk Committee Charter is available on the website at: *www.futurefund.gov.au/en/About-us/access-to-information/audit-and-risk-committee-charter*	– Mr James Craig – Mrs Patricia Cross AM[1] – Dr Deborah Ralston – Ms Mary Reemst AM (appointed Chair from 3 April 2025) – Ms Fiona Trafford-Walker[2] – Ms Rosemary Vilgan – Ms Nicola Wakefield Evans AM
People, Remuneration and Culture Committee Focuses on remuneration and appointment matters for staff and appointments to boards of investee companies.	– The Hon Greg Combet AO (Chair) – Mr James Craig – Mrs Patricia Cross AM[1] – Dr Deborah Ralston – Ms Mary Reemst AM – Ms Fiona Trafford-Walker[2] – Ms Rosemary Vilgan – Ms Nicola Wakefield Evans AM

Note(s):

1. Mrs Patricia Cross AM concluded her term on the Board and committees on 10 May 2026.
2. Ms Fiona Trafford-Walker was appointed to the Board on 12 May 2026; she was appointed to the Audit and Risk Committee and the People, Remuneration and Culture Committee from 27 May 2026.

Board and Board committee meetings attendance 2025–26

Member	Future Fund Board of Guardians		Audit and Risk Committee		People, Remuneration and Culture Committee	
	Meetings held and eligible to attend as a member	Attended	Meetings held and eligible to attend as a member	Attended	Meetings held and eligible to attend as a member	Attended
Hon Greg Combet AO	8	8	0	6[1]	4	4
Mr Jim Craig	8	8	6	6	4	4
Mrs Patricia Cross AM[2]	8	8	6	6	4	4
Dr Deborah Ralston	8	8	6	6	4	4
Ms Mary Reemst AM	8	8	6	6	4	4
Ms Rosemary Vilgan	8	8	6	6	4	4
Ms Fiona Trafford-Walker[3]	1	1	0	1	0	1
Ms Nicola Wakefield-Evans AM	8	8	6	6	4	4

Note(s):

1. The Hon Greg Combet AO attended meetings as an observer.
2. Mrs Patricia Cross AM concluded her term on the Board and committees on 10 May 2026.
3. Ms Fiona Trafford-Walker was appointed to the Board on 12 May 2026; she was appointed to the Audit and Risk Committee and the People, Remuneration and Culture Committee from 27 May 2026.

Information on Board remuneration can be found under the Remuneration of key management personnel section of this report.

Board Members receive no additional fees for membership of the Audit and Risk Committee or other Board committees.

Board Members can attend meetings of committees of which they are not a member.

Future Fund Management Agency

Employed under the *Public Service Act 1999*, the Agency comprises professionals from a range of sectors including finance, investment, legal and corporate services, who are responsible for making recommendations to the Board on the most appropriate investment strategy for each fund and for the implementation of these strategies, as well as providing administrative and organisational support.

The Chair of the Board is the Accountable Authority for the Agency, although operational management was delegated to the CEO.

Agency organisational structure

At 30 June 2026 the Agency was structured into six business units under the leadership of the CEO.

The six business units are:

1. **Investment**, led by Interim Chief Investment Officer, Mr Hugh Murray
2. **Data, Operations and Technology**, led by Chief Operating Officer, Mr Gordon McKellar
3. **Risk, Enablement and Finance**, led by Chief Financial Officer and Chief Risk Officer, Ms Nancy Collins
4. **Legal and Board Secretariat**, led by General Counsel, Ms Gillian Denison
5. **People, Culture and Inclusion**, led by Chief People, Culture and Inclusion Officer, Ms Simone Hartley-Keane
6. **Corporate Affairs**, led by Chief Corporate Affairs Officer, Mr Will Hetherton.

Senior Leadership Team

The Senior Leadership Team (SLT) is collectively responsible for leading the Agency. This includes setting strategy, prioritising activities to deliver on the Agency's purpose and acting as custodians and role models of the Agency's culture.

SLT at 30 June 2026

Name	Title
Dr Raphael Arndt	Chief Executive Officer
Ms Nancy Collins	Chief Financial Officer and Chief Risk Officer
Ms Gillian Denison	General Counsel
Ms Simone Hartley-Keane	Chief People, Culture and Inclusion Officer
Mr Will Hetherton	Chief Corporate Affairs Officer
Mr Gordon McKellar	Chief Operating Officer
Ms Genevieve Murray	Managing Director of Responsible Investment and Listed Equities
Mr Hugh Murray[1]	Interim Chief Investment Officer

Note(s):

1. Mr Hugh Murray was appointed Interim Chief Investment Officer from 15 September 2025 to 30 June 2026, with Richard Brandweiner commencing his appointment at Chief Investment Officer from 1 July 2026.



Dr Raphael Arndt
Chief Executive Officer

Dr Raphael Arndt commenced as the Chief Executive Officer of the Future Fund on 1 July 2020.

He served as the Chief Investment Officer of the Future Fund from 2014 to 2020 and was previously the Future Fund's Head of Infrastructure and Timberland, where he was responsible for establishing both the Infrastructure and Timberland investment programs.

Dr Arndt started his career as an engineer working with Ove Arup & Partners in Melbourne and London. He holds Engineering and Commerce degrees and a PhD from the University of Melbourne, which focused on risk allocation in Public Private Partnerships.



Ms Nancy Collins
Chief Financial Officer and Chief Risk Officer

Ms Collins commenced her role as Chief Financial Officer and Chief Risk Officer of the Future Fund in July 2025. Prior to the Future Fund, she was the Chief Operating Officer at Swinburne University of Technology.

Ms Collins is an accomplished senior executive with extensive experience across strategy, finance, operations and risk in the education, manufacturing and professional services sectors. Ms Collins is a certified Chartered Accountant, a Graduate of the Australian Institute of Company Directors, and a Fairley Fellow.

She holds an Executive Master of Business Administration from Melbourne Business School – University of Melbourne, a Postgraduate Diploma in Financial Planning from Financial Services Institute of Australasia, and Bachelor of Business (Accounting) from La Trobe University.



Ms Gillian Denison
General Counsel

Ms Denison commenced as General Counsel of the Future Fund in July 2025. She joined the organisation in 2013 as Director of Legal before becoming Head of Legal in 2020.

Ms Denison began her career as a corporate lawyer, with particular expertise in private equity, working at law firms in both Australia and the United Kingdom.

She is also a Board Member of Perth Airport. Ms Denison holds a Bachelor of Laws and a Bachelor of Commerce from the University of Western Australia.



Ms Simone Hartley-Keane
Chief People, Culture and Inclusion Officer

Ms Hartley-Keane joined the Future Fund in May 2025 as the Chief People, Culture and Inclusion Officer.

Prior to joining the Future Fund, Ms Hartley-Keane held the role of Chief People and Culture Officer at Maurice Blackburn Lawyers.

Her broader career spans executive HR roles at Asciano, GE Capital and Country Road Group.

Ms Hartley-Keane holds qualifications from the University of Melbourne and RMIT, including a Master of Business.



Mr Will Hetherton
Chief Corporate Affairs Officer

Mr Hetherton joined the Future Fund in 2007. He was appointed as Chief Corporate Affairs Officer in February 2025.

Before joining the Future Fund, Mr Hetherton spent five years in the corporate affairs team at National Australia Bank, including roles in Australia and the United Kingdom. Previously he worked in corporate affairs consulting.

He serves on the boards of the International Forum of Sovereign Wealth Funds (IFSWF) and the Investor Leadership Network.

Mr Hetherton holds a degree in philosophy, politics and economics from New College, Oxford and a postgraduate Certificate in Applied Finance from Kaplan Professional. He is a Visiting Fellow at the University of Oxford.



Mr Gordon McKellar
Chief Operating Officer

Mr McKellar joined the Future Fund in 2007 to establish the operational capabilities required to enable the investment program.

He was appointed Chief Operating Officer in 2012. In March 2021, his role was expanded to include Technology, Finance and Organisational Enablement, creating the Agency's Investment and Business Operations group. In 2025, he assumed responsibility for the newly established Data Operations and Technology (DOT) Group, bringing together the Investment Data Management, Technology and Investment Operations business units. Mr McKellar has over 30 years of experience in funds management and asset servicing.

He was previously Head of Operations at BNP Paribas in Sydney and, prior to this, held several operational and client management roles with Deutsche Bank and Bankers Trust in New York, Sydney and the United Kingdom.



Ms Genevieve Murray
Managing Director of Responsible Investment and Listed Equities

Ms Murray is the Managing Director of Responsible Investment and Listed Equities, joining the Future Fund in November 2020. She is also the Head of our Sydney office which houses over 40 staff members.

Prior to joining the Future Fund, Ms Murray was the Head of Australian Equities at AMP Capital. Preceding this, she spent two decades at Macquarie Group within the investment management and wealth management divisions.

Ms Murray has a Bachelor of Commerce from Bond University and is a CFA charter holder.



Mr Hugh Murray
Deputy Chief Investment Officer and Interim Chief Investment Officer

Mr Murray joined the team at the Future Fund in 2011 and was made Deputy Chief Investment Officer in 2023 with a primary focus on Portfolio Design. He was appointed Interim Chief Investment Officer on 15 September 2025, continuing in the role until 30 June 2026.

Previously, he was employed as the Head of Asia-Pacific Equity Derivative Trading at Nomura. Prior to that, Mr Murray worked with both Lehman Brothers and Goldman Sachs.

He holds a Bachelor of Engineering and a Master of Business Administration from the University of Melbourne.

Appointments



Mr Richard Brandweiner
Chief Investment Officer

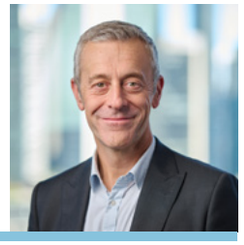
Mr Brandweiner joined the Future Fund as Chief Investment Officer from 1 July 2026, bringing more than three decades of experience across the investment management industry, including leading major investment teams and organisations.

Richard was previously Chief Executive Officer of Pendal Group Australia and prior to that, was Chief Investment Officer at First State Super.

His extensive experience also includes senior investment roles with Perpetual and a range of non-executive positions. He is currently a Governor of the CFA Institute.

Richard holds a Bachelor of Economics from the University of NSW and is a CFA Charterholder.

Staff who concluded their time on the SLT in 2025–26



Mr Ben Samild
Chief Investment Officer

Mr Samild was appointed CIO of the Future Fund in August 2023, having previously served as Deputy CIO, Portfolio Construction.

He joined the Future Fund in October 2013 as Director, Alternatives, following a 10-year career in the hedge fund industry and four years as Head of Investment Strategy at LUCRF Super.

Mr Samild resigned as CIO effective 24 September 2025.

Investment Committee

The Agency's Investment Committee, which meets at least twice per month, provides decision-making and review in respect of the Future Fund's total portfolio construction, and brings forward investment recommendations to the Board for review and approval.

The committee also oversees the management of the portfolio within the delegations agreed upon by the Board.

Investment Committee at 30 June 2026



Mr Hugh Murray
Interim Chief Investment Officer



Dr Raphael Arndt
Chief Executive Officer



Ms Carol Lee
Managing Director, Portfolio Risk



Ms Genevieve Murray
Managing Director, Responsible Investment and Listed Equities



Mr Sam Killmier
Managing Director, Portfolio Design



Mr Paul Banks
Acting Managing Director, Portfolio Design



Mr James Waldron
Executive Director, Credit



Mr Kelvin Mak-Lui
Executive Director, Private Equity

At the start of the reporting period, voting members were Ben Samild (Chair), Hugh Murray, Raphael Arndt, Genevieve Murray, Carol Lee, Tammi Fisher (Managing Director – Real Assets) and David Bluff (Managing Director – Real Assets). Sam Killmier resumed his role as a voting member on 14 October 2025 following a period of leave.

Following Ben Samild's resignation in September 2025, Hugh Murray was appointed Chair, presiding over his first meeting on 25 September 2025. Paul Banks joined the committee as a voting member on 14 October 2025.

David Bluff and Tammi Fisher stepped down from the Investment Committee on 18 March 2026 following their resignations from the Agency. Kelvin Mak-Lui and James Waldron were appointed interim voting members on 2 April 2026 to support continuity of governance and decision-making.

Strategic Commissioning Framework

The APS Strategic Commissioning Framework is part of the Government's commitment to reduce outsourcing and strengthen the capability of the APS.

In 2025–26, the Agency took steps to bring core work in-house in line with the APS Strategic Commissioning Framework.

Our 2025–26 target was to bring $485,939 (GST excl.) of core work in-house within the Accounting and Finance and ICT and Digital Solutions APS job families.

This target was achieved, with an actual reduction of $505,066 (GST excl.) in relevant supplier expenditure.

Risk management

The Board is responsible for the investment decisions of the Future Fund and is accountable to the Government for the performance of the Fund.

The Board's primary role is to set the strategic direction of the investment activities of the Future Fund consistent with its approved Investment Mandate. This is accomplished through setting the return targets and risk appetite levels to manage investment risk. In addition, the Accountable Authority has a specific duty under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to establish and maintain appropriate systems relating to risk and internal control for the Agency.

The Board has responsibility for the oversight and management of portfolio risks, setting parameters within which the investment program should operate, including risk measurement and reporting to enable effective management of portfolio risks.

The Audit and Risk Committee has been established by the Board and the Accountable Authority in compliance with the PGPA Act and Rules made under that Act. The committee provides assurance and assistance to the Board and the Accountable Authority in respect of the organisation's risk oversight and management, and system of internal controls.

Together, the Board and the Accountable Authority have overall responsibility for risk management and oversight for the organisation. This includes setting the risk appetite for each risk identified in the organisation's Risk Register within which management should operate and considering whether residual risk exposures for risks are in line with the Board's risk appetite.

The organisation has a strong focus on risk culture and the sound management of risk, recognising that good risk management underpins our objectives and forms an integral part of an effective governance framework and organisational culture.

The Agency operates two key management committees which are directly involved in the oversight of risk management, as documented in their respective charters. They are the:

- Investment Committee
- Senior Leadership Team Risk Committee.

The Investment Committee's overarching purpose is to collectively construct and manage our portfolios to achieve our investment mandates as delegated by the Board.

The Senior Leadership Team Risk Committee exists to assist the Board, the Audit and Risk Committee, and the Chief Executive Officer in the effective management of the organisation's portfolio, operational and external risks and compliance obligations.

Risk is considered within our organisation across two broad categories: portfolio risks, and enterprise risks including portfolio management, operational and external risks.

1. **Portfolio risks**
   Portfolio risks are risks associated with the exercise of investment judgement and portfolio exposures.

   We are in the business of taking investment risk where we are appropriately rewarded.

   We seek to expose our funds to acceptable, but not excessive risk within the Board's risk appetite, and we manage and mitigate unrewarded risks.

   In targeting each benchmark return, the Board determines an 'acceptable, but not excessive level of risk'.

   We take these risks intentionally to deliver our purpose and strategy, and we expect to be compensated for this risk taking.

   We seek to optimise rather than minimise portfolio risk in line with our risk appetite.

2. **Enterprise risks including portfolio management, operational and external risks**
   Operational risks are those that arise in our day-to-day operations that we are not compensated for.

   We seek to take all reasonable measures to minimise operational risks without imposing excessive costs or constraints on our strategy, decision-making or operations given the asymmetric downside potential.

   Emerging and external risks are unpredictable, uncontrollable risks stemming from external forces.

   We have limited ability to control these risks, so our focus is on identifying and preparing for these risks to manage their possible impacts.

Portfolio risk

We view portfolio risks in accordance with the following categories:

1. **Macro risk**
   The risk of macroeconomic variables changing outside of general market expectations, impacting the portfolio and its ability to achieve its objectives.
2. **Market risk**
   The risks of exposure to all investment markets, including equity risk, credit risk, currency risk, interest rate risk and the risk of price movements in supply-constrained resources, such as commodities and land.
3. **Active risk**
   The risk arising from the specific idiosyncratic risk of individual investments, or groups of related investments or strategies (including dynamic asset allocation).
4. **Pathway drawdown risk**
   The occurrence of poor medium-term return outcomes when considering the 'quality of the journey' over the medium-term.
5. **Liquidity risk**
   The potential inability to meet near-term cash flow obligations.

   Actual or potential future cash flow requirements to finance withdrawals from a fund also need to be managed.
6. **Inflexibility risk**
   Potential loss of control over the composition of the portfolio and insufficient ability to adjust the portfolio to take advantage of opportunities.

7. **Investment manager risk**
   The risk that some external investment managers may deliver performance which is materially lower than expectations.
8. **Counterparty risk**
   The risk that a counterparty fails to deliver on their contractual obligations, resulting in a loss to the Fund.
9. **Peer group risk**
   The risk of being different in some way to peer funds. In practice, the most likely set of comparison funds is the Australian superannuation fund industry.

   The Board believes it should focus on the objectives for the Fund as set out in the Investment Mandate, and as such does not seek to manage peer group risk directly.
10. **Sequencing risk**
    The risk that an unfavourable sequence of returns interacts with fund disbursements.

    This risk arises when assets are sold at market lows to fund distributions, crystallising losses.
11. **Responsible Investment risk**
    The risk that an individual investment is exposed to adverse return outcomes arising from ESG and climate considerations.
12. **Climate change risk**
    The risk that systemic physical and transition climate risks materially affect financial markets and long-term total portfolio returns, or that acute climate-related shocks disrupt shorter-term total portfolio returns.

Risk management

The organisation has adopted the 'Three Lines of Defence' model for risk management. This model is built around three elements as follows:

1. **The first line of defence is the business.**
   The business 'owns' each risk and must ensure that there are controls in place to appropriately manage the risk within the Board's risk appetite.

   The business is responsible for identifying, analysing, managing, monitoring and reporting risks.
2. **The second line of defence is the independent Risk Team, led by the Chief Risk Officer.**
   The Risk Team designs the organisation's Risk Management Framework and associated policies and procedures to promote effective and consistent risk management across the organisation.

   The Risk Team assists and supports the organisation in the development of risk management policies, systems and controls, and oversees their implementation and ongoing application.

   It provides independent review and challenges of the first line of defence's risk management activities and monitors risks, reporting periodically to senior management and the Audit and Risk Committee.

   The Risk Team also supports the business to identify and assess the risks, to provide guidance on the design of mitigating controls and to test certain controls.
3. **The third line of defence is an outsourced independent internal audit function.**
   The function provides independent assurance that the risk management framework is appropriate and is operating effectively (including through independent control testing) and reports directly to the Audit and Risk Committee and the Board.

Risk culture

Risk culture is a key component of the broader organisational culture.

The organisation's risk management function assists in promoting a positive risk culture by:

- Setting the tone and expectations about risk culture, translating risk appetite into everyday decisions and trade-offs, reinforcing that managing risk is everyone's responsibility
- Strengthening risk conversations for key Agency and Board committees
- Steering the organisation towards appropriate responses to incidents, including any appropriate training or adjustment to controls
- Developing and implementing a framework that facilitates clarity of individual roles, responsibilities and accountabilities.

Internal audit

Deloitte provides internal audit services, reporting to the Audit and Risk Committee and the Board directly, and has full access to staff and information when conducting its reviews.

The Audit and Risk Committee receives internal audit reports and monitors agreed management actions in respect of these reports.

During the year, the Committee meets separately with the internal auditors in the absence of management.

External audit

The Australian National Audit Office undertakes the external audit of the organisation, engaging a professional accounting firm (EY) to assist in this process.

The Audit and Risk Committee and Board receive external audit reports and monitor management action in respect of these reports.

During the year, the Committee and Board meet separately with the external auditors in the absence of management.

Fraud and corruption control

The organisation takes all reasonable measures to prevent, detect and respond to fraud and corruption relating to the organisation.

The organisation is committed to maintaining a strong fraud and corruption control framework which is designed to protect the assets, integrity and reputation of the organisation and the Australian Government.

Fraud and corruption controls are embedded into the Agency's internal control framework, with key controls such as the existence of a whistle-blower hotline, a comprehensive policy suite, segregation of duties, approval hierarchies, dual signatories and third-party due diligence forming part of the mitigation strategies.

The Agency implements staff training programs aimed at enabling staff to understand what constitutes fraudulent and corrupt activity; what their obligations and duties are in identifying and reporting on possible fraud and corruption; and how to access the Agency's multi-channel internal and external fraud and corruption reporting mechanisms.

The Agency has also implemented mechanisms to enable members of the public, officials, contractors, consultants and third-party service providers to confidentially and, where appropriate, anonymously report suspected fraud and corruption.

Cyber security

The organisation is committed to providing a secure technology environment to safeguard the assets of the Commonwealth.

We are vigilant in the management of cyber risk and any threat that could potentially impact our systems and processes.

A defence-in-depth cyber security strategy is in place to help identify, manage, monitor and respond to cyber security risk. The strategy is implemented via the delivery of the Information and Cyber Risk Program, which is regularly reported to our internal risk governance committees.

As part of this, we implement the Australian Cyber Security Centre's (ACSC's) Essential Eight mitigation strategies to prevent a cyber intrusion, and we regularly engage with the ACSC.

We apply the Australian Government's Protective Security Policy Framework to achieve our protective security outcomes, which includes the Technology and Information Security domains.

How we invest

Our investment approach is based on one team working together for the benefit of the portfolio as a whole. Together with our world-class external investment managers, our team collectively channels their best ideas, irrespective of asset class, across the total portfolio to achieve the long-term investment objective of each fund.

3

We invest across public and private markets in the categories shown in the following table.

We develop an investment strategy for each of our seven funds that is consistent with their respective investment mandates and our whole-of-portfolio approach to portfolio construction.

We construct highly diversified portfolios that are as resilient as possible to a range of plausible scenarios, given our long-term secular outlook.

The DisabilityCare Australia Fund has a shorter-term investment horizon than the other six funds. It is invested in a combination of short and medium-term debt instruments.

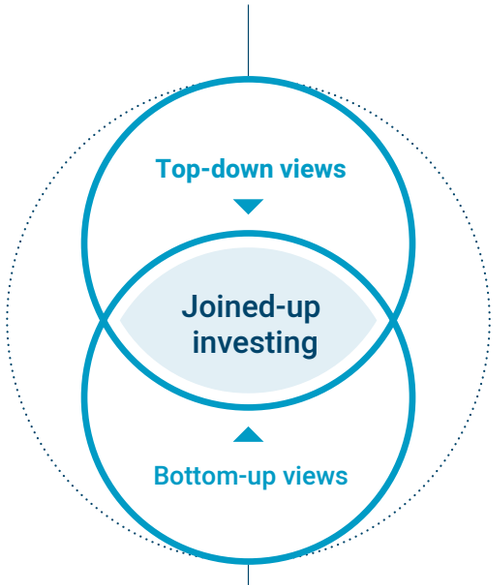
Investment categories

Category	Sectors covered
Alternatives	A variety of 'hedge-fund' type strategies including skill-based absolute return strategies and other risk premia, providing diversity of return streams
Cash	Treasury bills, bank bills and deposits
Credit	Primarily through non-government fixed-interest securities extending to mortgages, high-yield credit and corporate loans
Overlays	Exposures to developed and emerging market currency, domestic and global interest rates, portfolio protection strategies and other return-enhancing and/or risk mitigation strategies
Listed Equities	Australian equities, global developed market equities and global emerging market equities
Private Equity	Venture capital, growth capital and buyout
Tangible Assets	Property, infrastructure and timberland gained through public and private markets

Joined-up whole-of-portfolio approach

Every investment decision we make is considered in the context of the whole portfolio, bringing together top-down and bottom-up perspectives. We call this being *joined-up*.

What's happening in the world?
Geopolitical developments, economic conditions, policy settings and financial markets, and how they may affect the portfolio.

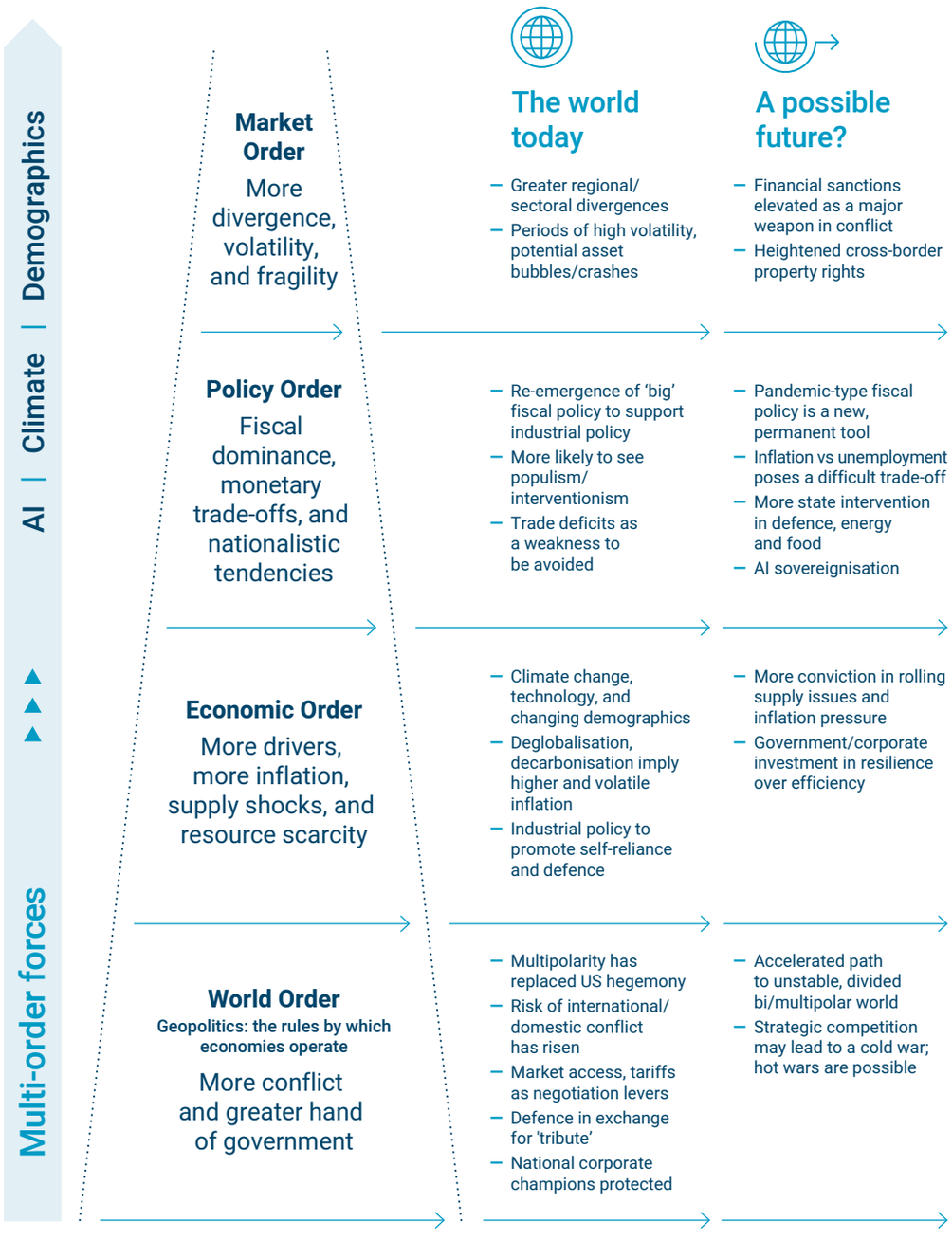


What are the expected benefits of this investment opportunity?
Potential returns, risks, and the role of the asset in the portfolio.

In 2021, we introduced the framework called the New Investment Order – a range of events and paradigm shifts that are now impacting global economies, financial markets and investment portfolios.

In assessing the top-down question 'What is happening in the world?' and how developments may impact the portfolio, we use this framework to help guide our analysis. This analysis captures a deep understanding of geopolitics, macro-economics, policy directions and financial markets, as well as developments across major forces such as AI and climate.

New Investment Order



Bottom-up analysis focuses on the question 'What are the expected benefits of this specific investment opportunity?' and explores their potential returns, associated risks and the potential broader role it may play within the portfolio, including the provision of diversification or portfolio resilience benefits.

Our investment professionals combine these perspectives to develop a more complete view of opportunities and risks. They consider how broader market and economic conditions shape the investment landscape while evaluating the potential risks and rewards of specific assets and investments.

This joined-up approach encourages collaboration, robust debate and the sharing of expertise across the Investment Team.

Rather than setting fixed strategic asset allocations and requiring each investment sector team to fill them, we compare opportunities across the entire portfolio to determine where capital can be deployed most effectively.

By continually challenging and informing one another, these perspectives help us make better-informed investment decisions.

This is the cornerstone of our investment philosophy and a key comparative advantage that improves the prospect of achieving our long-term investment objectives.

As a result, every investment is assessed not only on its own merits, but also on how it contributes to each fund's respective investment mandate.

Dynamic investment process

Prospective risks and returns for different types of investment opportunities are always changing.

We manage the funds dynamically to extract the best possible return, adjusted for the level of risk we are taking.

Our approach is not based on fixed strategic asset allocations or reference portfolios. Instead, we continually assess where capital is best deployed across the whole portfolio, taking account of each fund's investment mandate, the prevailing investment environment, market valuations and the potential contribution of each opportunity to long-term portfolio outcomes.

We look to take risk when we believe the expected reward is attractive, and to be more cautious when the expected reward for taking risk is low. We also seek to allow for flexibility, so that the portfolio can respond to changing conditions and be positioned to take advantage of opportunities as they arise.

The key elements of our investment process are:

1. **Establishing foundations**
   Our core investment beliefs inform our interpretation of each fund's investment mandate and help us determine the types and levels of risk we are prepared to take for each of them.

   Given a competitive and challenging investment landscape, we also identify our comparative advantages to compare opportunities across asset classes.

2. **Analysis of the investment environment**
   We develop a deep understanding of the investment environment we are operating in at any time. This includes long-term economic, social, demographic, geopolitical, technological and financial themes that may affect the portfolio.

   We regularly analyse a range of plausible future scenarios over multiple time horizons. This helps us understand how the portfolio may behave as conditions change, identify potential vulnerabilities and opportunities, and assess where additional resilience or flexibility may be required to ensure it is robust to a range of conditions and scenarios.

   We also consider material structural themes, including disruption, climate, AI, changing demographics, public policy and shifts in market structure. These themes can create both risks and opportunities, and may affect different investments, sectors and asset classes in different ways.

3. **Risk management**
Our investment policy framework enables us to manage the risk of our funds at what we consider to be acceptable but not excessive levels.

Given our assessment of the environment, and consistent with our investment policy framework, we choose appropriate risk settings for each fund in alignment with its investment mandate.

Risk is considered across multiple dimensions, including the risk of not achieving long-term real returns, the pathway of returns through time, liquidity needs and the flexibility to adjust the portfolio as conditions change. This broader view of risk helps us build portfolios that are not only diversified, but also resilient to a range of possible outcomes.

We seek to understand how different exposures may behave in both positive and adverse environments. This includes stress-testing the portfolio, assessing market pricing relative to our expectations, and considering whether new or existing exposures improve the overall balance of the portfolio.

4. **Portfolio planning and investment selection**
Once we have decided on appropriate portfolio-level risk settings for a given fund, we plan how we expect to allocate that risk and then implement this plan through underlying investment activity.

Our approach to portfolio planning and investment selection is necessarily dynamic. Our assessment of the investment environment, market valuations and the expected relationships between different investments all vary through time.

Investment opportunities are therefore assessed not only on their own merits, but also on how they contribute to the total portfolio. This includes their expected return, associated risks, liquidity characteristics, resilience benefits, flexibility, and potential role in helping the portfolio respond to material structural change.

By bringing together top-down analysis, bottom-up investment insight and disciplined risk management, we seek to build portfolios that are well balanced, resilient and positioned to capture attractive opportunities over the long term.

Investment Committee

The Agency's Investment Committee generally meets twice every month.

The Committee provides decision-making and review in respect of our whole-of-portfolio investment approach, and oversight of the management of the portfolio within the delegation agreed upon by the Board.

Relevant proposals approved by the Investment Committee are also presented as recommendations to the Board for review and approval.

The Investment Committee is supported by the Manager Review Committee and the Asset Review Committee. Both committees are comprised of senior representatives from across the Agency and have delegated authority from the Investment Committee to assess manager and asset due diligence, including performance and alignment with our investment objectives.

The committees consider recommendations in relation to the selection, monitoring and divestment of investment in manager mandates and investment in specific assets, with a focus on detailed due diligence as well as consideration of fees, terms, tax, legal and transaction structures.

For a list of Investment Committee members, please see the Governance and accountability section.



Investment beliefs

Essential to our investment process are our core beliefs.

They shape the way we interpret each fund's investment mandate and how we reach investment decisions.

We believe that:

- Strong governance is essential to our success
- We have a number of comparative advantages that, if properly utilised, will help us achieve our investment mandates
- Our 'One team, One purpose' culture leads to better decisions and investment outcomes
- A joined-up total portfolio approach will improve our long-term performance
- Inefficiencies in markets create opportunities for us to add value through active management
- Risk is multi-faceted and robust risk management enhances our ability to achieve our investment mandates
- Our primary focus is on the value we add, net of all costs, but we seek to use our scale and market standing to optimise cost efficiency in investment management and in running the organisation
- Integrating environment, social and governance considerations, including climate change, as a Responsible Investor enhances long-term returns and our reputation

Comparative advantages

Our comparative advantages describe who we are and how we operate. They provide us with a competitive edge and help us to achieve our investment mandates.

Our principal comparative advantages are:

- **We are a long-term investor.** Our long investment horizon allows us to look through short-term volatility and be patient, taking positions that we expect will pay off over the long term. We can also buy and hold private or otherwise illiquid investments offering additional returns.
- **Our reputation.** Our reputation is one of our most valuable assets, resting on our sovereign status and enhanced through time by our conduct and results. It facilitates access to other sovereign institutions and the most highly regarded peers and investment organisations globally, as well as attracting qualified and experienced staff.
- **Our access to high-calibre external partners.** Our scale, sovereign status and reputation help us to access and leverage the skill and expertise of best-in-class external partners and fund managers around the world.
- **We focus on total portfolio outcomes.** We embrace a total portfolio approach that allows us to remain focused on what matters at the whole-of-portfolio level, while collaborating to effectively integrate top-down and bottom-up investment ideas.
- **We have a single client and a single purpose.** Our single purpose is to invest for the benefit of future generations of Australians. They are represented by our single client – the Australian Government. This clarity of purpose enhances our focus on our investment objectives and unites us in our quest to achieve them.

Partnering with investment managers

We partner with investment managers around the world who execute investment strategies on our behalf. Our internal Investment Team works closely with these managers to seek out the best investment opportunities, in alignment with our investment objectives.

A list of our external investment managers at 30 June 2026 is available at Appendix A.

Our preference is for fewer and more meaningful relationships with quality external managers. We select managers for their ability to generate robust and repeatable superior returns, their willingness to genuinely collaborate and share knowledge, and for the breadth of their collective coverage.

Our focus on cultural and strategic alignment and building quality relationships has significantly improved the quality of investment opportunities available to us and has helped render our dynamic investment process more efficient and effective.

Using investment managers also aligns with our intention to enable our own investment professionals to stay focused on key investment decisions, rather than being drawn into day-to-day asset management.

Our investment manager selection process is designed to deliver high-calibre partnerships, and to ensure that portfolio construction does not lead to excessive concentration of risk in any one investment manager.

Experienced Agency investment professionals are responsible for undertaking rigorous investment manager and asset due diligence. They apply a structured framework to assess each manager or asset and bring forward a recommendation to the Manager Review Committee or Asset Review Committee as appropriate.

We conduct regular reviews of external managers throughout the life of their relationships with us.

Due diligence incorporates assessment against agreed evaluation criteria and includes desktop research, third-party research, onsite visits where possible and interviews with key investment decision-makers.

We also undertake detailed operational due diligence and use external advisers to undertake specialist due diligence to supplement our internal due diligence work as required.

Collaborative initiatives

Collaboration with like-minded investors and industry participants helps deepen our knowledge, broaden perspectives and strengthen our investment capability.

Engagement with these networks enables us to share insights, challenge our thinking and build trusted relationships with peers, policymakers and market participants. By contributing to initiatives that promote better understanding and practice across the investment sector, we enhance our reputation as a respected long-term investor and strengthen our ability to deliver on our purpose.

In 2025–26, we actively participated in and collaborated with a range of organisations, including:

- 20-20 Investment Association
- Australian Investment Council
- Australian Sustainable Finance Institute (ASFI)
- Australian Securities and Investments Commission's (ASIC's) Corporate Governance Council
- FCLTGlobal
- International Forum of Sovereign Wealth Funds (IFSWF)
- International Corporate Governance Network (ICGN)
- International Sustainability Standards Board (ISSB)
- Investor Leadership Network (ILN)
- Pacific Pension and Investment Institute
- Principles for Responsible Investment (PRI)
- Standards Board for Alternative Investments
- The 30% Club
- Thinking Ahead Institute
- Wellington Climate Leadership Coalition (WCLC).

Internal management

With our increased focus on domestic real asset exposures, the Board sought and received approval from the Government to undertake Australian infrastructure and property sector transactions without an external investment manager.

In many situations, including in infrastructure, we already employ a hybrid model of investing: using an external manager while having governance rights that entitle us to Board seats.

We continue to recognise the benefits that our external manager partnerships provide, both through their insights and expertise, enabling us to remain focused on managing the overall portfolio.

However, the capacity to make transactions will increase our flexibility and also reinforces our focus on value-for-money to then manage those investments internally. It is a further example of how we continue to evolve the way we invest.

Managing currency

As Australia's sovereign wealth fund, we are always actively seeking out quality domestic investment opportunities that align with our investment strategy and fund investment mandates.

Our base currency is the Australian dollar. The return objectives for the Future Fund and all but one of our other long-term funds are tied to Australian inflation.

In managing currency risk, we conceptually consider offshore investments on a fully hedged basis and then separately evaluate to what extent we wish to hold an exposure to foreign currencies, with our diversified, whole-of-portfolio approach in mind.

We explicitly manage the size and nature of our foreign currency exposures, rather than allowing them to be shaped by the underlying investments.

We hold foreign currency exposure for a variety of reasons. For example, we believe it can enhance portfolio diversification through access to defensive currencies that provide returns and liquidity in times of market stress and can protect purchasing power when the Australian dollar is weaker.

Currency exposure for our long-term funds in 2025–26 is discussed in the Investment performance section of this report.

In the case of the DisabilityCare Australia Fund, given its higher domestic weighting and the conservative nature of its investment programs, we fully hedge all foreign currency exposures back to the Australian dollar.

Managing tax arrangements

When implementing our investment strategies, we invest through various jurisdictions and investment vehicles for a range of commercial, legal and tax reasons.

In Australia, the Board and the Board's wholly owned Australian incorporated subsidiaries are exempt from paying income tax. This is because our funds – and so our earnings – are owned by the Australian Government.

Internationally, we also benefit from sovereign immunity for tax purposes on many of our investments.

Nonetheless, properly structuring our investments can be essential to maintaining our rights and entitlements, including the benefit of sovereign immunity for tax purposes in certain jurisdictions. Failure to manage these matters can have a material impact on performance and would be inconsistent with our mandated objective to maximise risk-adjusted returns while not diminishing the Government's reputation in financial markets.

We will invest through arrangements and structures that are well tested by other public investment institutions and funds, in terms of compliance with applicable laws and regulations.

We do not invest in schemes that contravene the OECD's key principles of transparency and information exchange for tax purposes.

In making investments, we assess whether the jurisdictions through which we invest are regarded by the OECD as having substantially implemented the internationally agreed tax transparency standard.

Responsible investment

As a large global asset owner with a long-term perspective, we have long recognised the importance of environmental, social and governance (ESG) and climate issues, and have integrated these considerations into elements of our investment process since inception.

In February 2025, the Board expanded its investment beliefs to include a Responsible Investment Belief: *Integrating ESG considerations, including climate change, as a Responsible Investor enhances long-term returns and our reputation.*

Our Responsible Investment Policy articulates what responsible investment means to us and the key elements of our approach. It is consistent with our obligations under the *Future Fund Act 2006*, our investment mandates and our investment strategy.

By deepening our understanding of ESG and climate-related risks and opportunities, we aim to enhance long-term financial returns, safeguard our reputation and maintain portfolio resilience.

Building out our approach in 2025–26

In 2024–25, we commenced a multi-year plan to progressively evolve our investment governance and processes to align with the Board's Responsible Investment Belief and the Responsible Investment Policy. In 2025–26, implementation of this plan continued, with a focus on strengthening governance, embedding responsible investment considerations into investment processes, and building the capability required to support continued implementation through to 2027.

Key achievements during the year included:

- Board approval of Responsible Investment Management Principles, Responsible Investment and Climate Risk Appetites, and a new Stewardship Model
- Development of a Responsible Investment Manager Ratings Framework and due diligence standard, with assessments integrated into Manager Review Committee papers
- Commencement of work to embed responsible investment and climate considerations into asset class team strategies
- Development of Governance, Strategy and Risk management processes focused on the investment portfolio
- Becoming a signatory to the Principles for Responsible Investment and a member of the Australian Sustainable Finance Institute
- Establishment of a responsible investment capacity-building plan to support the Investment Team in building responsible investment capability.

Several areas of work will continue into 2026–27, including baselining of responsible investment integration practices of our managers, further uplift of due diligence processes, buildout of private markets' ESG and climate datasets, and continued implementation of Stewardship Model uplifts.

Risks, opportunities and priorities

A key element of our responsible investment approach is building our understanding of the short, medium and long-term implications of ESG and climate-related factors on investment returns and our reputation.

We focus on the ESG and climate-related risks and opportunities that we have determined are most material to our portfolio.

Risks and opportunities

We implement risk management frameworks and processes to assess, understand, monitor and manage material ESG and climate-related risks and opportunities across the investment lifecycle.

These are implemented using the principle of materiality through investment due diligence, monitoring and stewardship activities.

Our responsible investment risks and opportunities include, but are not limited to:

- Corporate governance
- Diversity, equity, inclusion and belonging
- Climate change transition and physical risk
- Environmental compliance
- Human rights
- Indigenous rights
- Labour rights, including modern slavery
- Health and safety
- Cyber security and privacy
- Artificial intelligence.

Responsible Investment priorities

In addition to the risks and opportunities listed in this section, we also identify responsible investment priorities to build our understanding of factors which are considered systemic in nature, represent material exposure across the portfolio, could affect long-term returns, and are priorities for our key stakeholders.

Our current priority focus areas are:

- Climate change
- Responsible technology
- Nature and biodiversity.

These responsible investment priorities are being progressively integrated into:

- **Investment research:** so that we understand the implications of these systemic factors on the investment landscape and opportunity set.
- **Stewardship activities:** so that we progressively build our understanding of the implications that these systemic issues have on investments within our portfolio.
- **Industry collaboration:** so that we can deepen and share our knowledge, gain diverse insights and perspectives and advance best practice.

Our approach

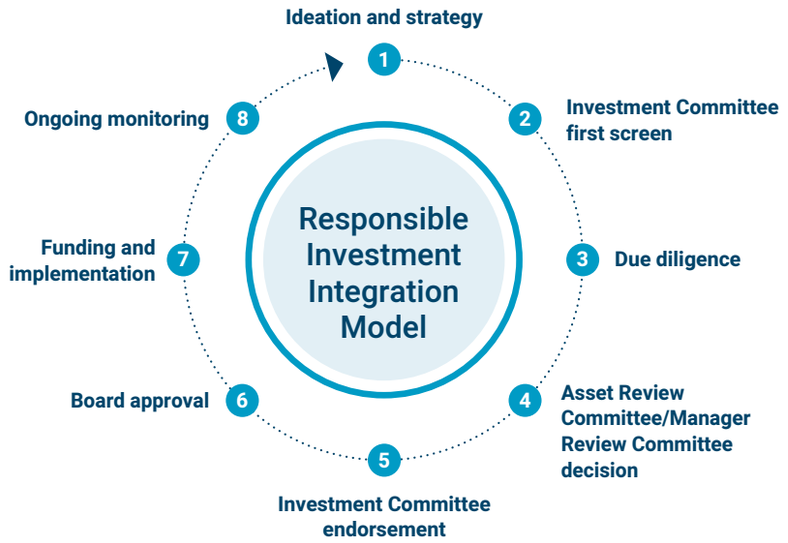
There are four pillars to our approach:

- Integration
- Stewardship
- Exclusions
- Collaboration.

Integration

We seek to integrate ESG and climate change risks and opportunities into our investment analysis and decision-making to drive financial returns and long-term value. Our Responsible Investment Integration Model is shown on the next page.

Responsible Investment Integration Model



1 Ideation and strategy

ESG and climate change considerations are increasingly being incorporated into whole-of-portfolio secular scenarios, capital market assumptions, regional frameworks, investment research and bottom-up strategies. This information is also increasingly being integrated into the strategy papers that the Investment Team presents to the Board.

2 Investment Committee first screen

The Responsible Investment team collaborates with Asset teams to identify potential ESG and climate-related risks and opportunity exposures, assess applicability of the exclusions policy, undertake a preliminary assessment of modern slavery risk exposures, and to provide guidance on priority areas for further due diligence.

3 Due diligence

The Responsible Investment Team works with asset teams to assess investment manager governance and the extent to which material ESG and climate-related risks and opportunities are integrated into their investment processes. This assessment is supported by a new responsible investment rating embedded within the Investment Manager Ratings Framework.

4 Asset Review Committee/Manager Review Committee decision

Investment Manager responsible investment ratings and relevant ESG and climate change context presented within the body of investment papers is considered by Asset Review Committee or Manager Review Committee alongside investment analysis to support discussion and informed decision-making on new investment opportunities.

5 Investment Committee endorsement

The Investment Committee is responsible for considering whether material responsible investment considerations have been appropriately assessed and reflected in the investment case, including alignment with the Board's Responsible Investment Belief, Policy and risk appetites.

6 Board approval

For investments requiring Board approval, material ESG and climate change considerations are increasingly being included in Board papers to support the oversight of risks, opportunities, and Responsible Investment Belief and Policy alignment.

7 Funding and implementation

Our responsible investment clauses for investment agreements were reviewed during the year in collaboration with the Legal Team and an updated clause library was developed. Responsible Investment, Legal and Asset teams collaborate to incorporate provisions where deemed appropriate to strengthen risk management, monitoring and reporting, and support alignment with the Responsible Investment Belief and Policy.

8 Ongoing monitoring

The Responsible Investment Team is progressively enhancing portfolio and asset class monitoring of ESG and climate change risks and opportunities. Investment manager responsible investment ratings, alongside asset class materiality assessments, are increasingly being used to inform monitoring priorities and to support continuous improvement in responsible investment practices.

Stewardship

Stewardship is a key element of being a responsible investor. Our objective is to deliver effective and outcome-focused stewardship that protects investment value and is aligned to our priorities.

By actively engaging with companies and encouraging them to uphold high standards of governance, we can work to enhance the long-term performance and resilience of our investments. This approach not only helps to mitigate risks but also capitalises on opportunities, ultimately contributing to more stable and sustainable financial markets.

Our Corporate Governance Principles, available on our website, align with our investment mandates and are applied throughout our investment stewardship activities.

Activity in 2025–26

In 2025–26, the Board approved a new Stewardship Model, comprising three key elements: governance and strategy, responsible ownership, and monitoring and reporting.

The model was developed as part of our multi-year program to uplift responsible investment capability and strengthen the connection between stewardship activity, investment priorities and reporting.

Implementation will continue over coming years and will include enhanced public stewardship disclosures.

Responsible Investment Stewardship Model

We will focus on what matters most, aligned to our mandate and priorities, guided by clear process and accountability



We will monitor activities and outcomes, leveraging technology to deliver responsive insights, and we will communicate our actions and progress

We will act, engage and vote with intent, we will make our expectations clear, and we will respond in line with our escalation processes

Engagement

Active engagement with boards and management teams is a key component of our investment stewardship program. Through engagement, we seek to understand and influence how investee companies manage material governance, ESG and climate-related risks and opportunities, supporting long-term performance, resilience and value protection.

Our engagement activities are primarily focused on companies in our ASX-listed equities portfolio, and we tailor our meetings to the specific context of each organisation.

Internationally, engagement is delegated to our investment managers, and we review their processes and engagement outcomes through our regular manager monitoring processes.

Activity in 2025–26

During 2025–26, we directly engaged with 60 ASX companies across 81 meetings.

Issues discussed varied depending on what was material to each company. Issues discussed across the program included, but were not limited to, board composition, management quality, remuneration, regulatory compliance, workplace culture, diversity and inclusion, modern slavery, Indigenous engagement and cultural heritage, responsible technology, and climate change.

Voting

We exercise voting rights in publicly listed companies because active ownership supports good governance practices and long-term investment outcomes.

Approximately 80% of the total value of our Australian listed holdings are voted in-house by our Responsible Investment team.

Our Australian proxy voting decisions are guided by the Board's Corporate Governance Principles and informed by recommendations from investment managers and proxy advisers. Where a resolution conflicts with our principles or does not align with our investment interests, we may vote against the company's board recommendation.

The remaining Australian holdings are generally exercised by external investment managers.

Likewise, internationally, voting decisions are generally exercised by external investment managers, with oversight through our manager monitoring processes.

Activity in 2025–26

Australia

During 2025–26, we exercised in aggregate our voting rights in publicly listed Australian companies, participating in 252 Australian shareholder meetings and voting against board recommendations in 12.2% of all resolutions.

A detailed report on Australian proxy voting and engagement activity undertaken during 2025–26 including trends and highlights, is available on our website.

International

In aggregate, during 2025–26 we participated in 2,861 international shareholder meetings and voted against company boards' recommendations in 19.7% of all international resolutions.

Large Australian infrastructure assets

Where we hold interests in large Australian infrastructure assets, voting and governance rights are managed by the relevant internal investment teams. Where eligible, we may also appoint directors or participate on advisory boards to support oversight of unlisted investments.

Exclusions

The Board's responsible investment exclusions centre on the economic activities that are banned through the treaties and conventions ratified by the Australian Government.

Our treaty and convention-based exclusions approach was first implemented in 2009 and is regularly reviewed.

Our exclusions philosophy and guidelines are summarised as follows:

- **Policy approach:** Our exclusions are focused on economic activity categories, not on how an investee company conducts its business.
- **Definitions:** Exclusion categories are defined by the economic activities that are banned by the treaties and conventions that have been ratified by the Government. The basis for tobacco exclusions was defined through a separate Board decision.
- **Supply chain:** To be excluded, the investee company's products, services or activities must play a critical role in the banned economic activity.
- **Asset classes:** Responsible investment exclusions apply to directly held equity and debt positions that form part of our investment portfolio.
- **Involvement:** Clear evidence from expert data providers is required of an investee company's involvement in a banned controversial weapons activity for it to be excluded.

Where serious breaches of ESG standards are identified, the Board prefers engagement over exclusion, working with the company either directly or indirectly through our investment managers to improve performance. However, the Board retains the option to exclude investments in cases of particularly severe or sustained misconduct, especially where the investee company is unwilling or unable to change its practices.

The list of companies excluded from our portfolio under our Responsible Investment Policy is available on our website.

The current coverage and scope of our investment exclusions is presented in the following table.

Coverage and scope of investment exclusions

Economic activity	Basis for exclusion	Criteria
Controversial weapons		
Cluster Munitions	2008 Convention on Cluster Munitions	Develop or produce
Anti-Personnel Mines	1997 Convention on the Prohibition of Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction	Develop or produce
Nuclear Weapons	1968 Treaty on the Non-Proliferation of Nuclear Weapons 1985 South Pacific Nuclear Free Zone Treaty	Develop or produce weapons or supporting technology in non-nuclear states Operate peaceful nuclear technologies in states not party to the NPT[1] or IAEA[2] safeguards
Chemical Weapons	1993 Convention on the Prohibition of the Development, Stockpiling and Use of Chemical Weapons and on their Destruction and Annexes	Develop or produce
Biological Weapons	1972 Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction	Develop or produce
Tobacco		
Primary Tobacco Production	Undisputed health consequences, including serious illness and increased risk of death, and that the consumption of tobacco is not safe in any quantity	Produce

Note(s):

* 1968 Treaty on the Non-Proliferation of Nuclear Weapons

** International Atomic Energy Agency

Collaboration

Collaborating with like-minded investors and other relevant industry participants is a highly efficient means of deepening knowledge, gaining diverse insights and perspectives, and advancing best practice.

We actively participate in a range of domestic and global industry initiatives and work with various advisory bodies and multi-stakeholder groups to drive improvements in responsible investment understanding and practice.

This collaborative activity is complemented by ongoing informal engagement with leading domestic and international asset owners and fund managers.

Activity in 2025–26

In 2025–26, we reviewed our responsible investment collaboration initiatives to ensure they remain aligned with our priorities and support practical implementation of our responsible investment approach.

As part of this, we became a signatory to the Principles for Responsible Investment, the world's leading global network of investors committed to understanding how ESG and climate issues affect long-term investment outcomes. Membership provides access to global guidance, training opportunities and collaboration with peers facing similar long-term investment challenges.

During the year, we also became a member of the Australian Sustainable Finance Institute, which will give us access to valuable stakeholder insights regarding Australia's low carbon economic transformation and sustainable finance developments.

Modern slavery

The Future Fund has obligations under the *Modern Slavery Act 2018* (the Act). The primary aim of the Act is to support transparent progress in tackling inherent modern slavery risks across economies, both domestically and internationally.

Modern slavery considerations are embedded within our Responsible Investment Policy.

Our investment frameworks and approach provide guidance for the identification and management of material ESG risks, including modern slavery, across the investment portfolio. This involves investment due diligence activities, engaging with investment managers and direct Australian investee companies, and ongoing portfolio monitoring and oversight.

More detailed information on our approach is integrated into the Commonwealth Government's Modern Slavery Statement, which covers all Commonwealth Government procurement and investment activities. The Commonwealth Statement is published at the end of each calendar year.

Climate risks, opportunities and disclosure

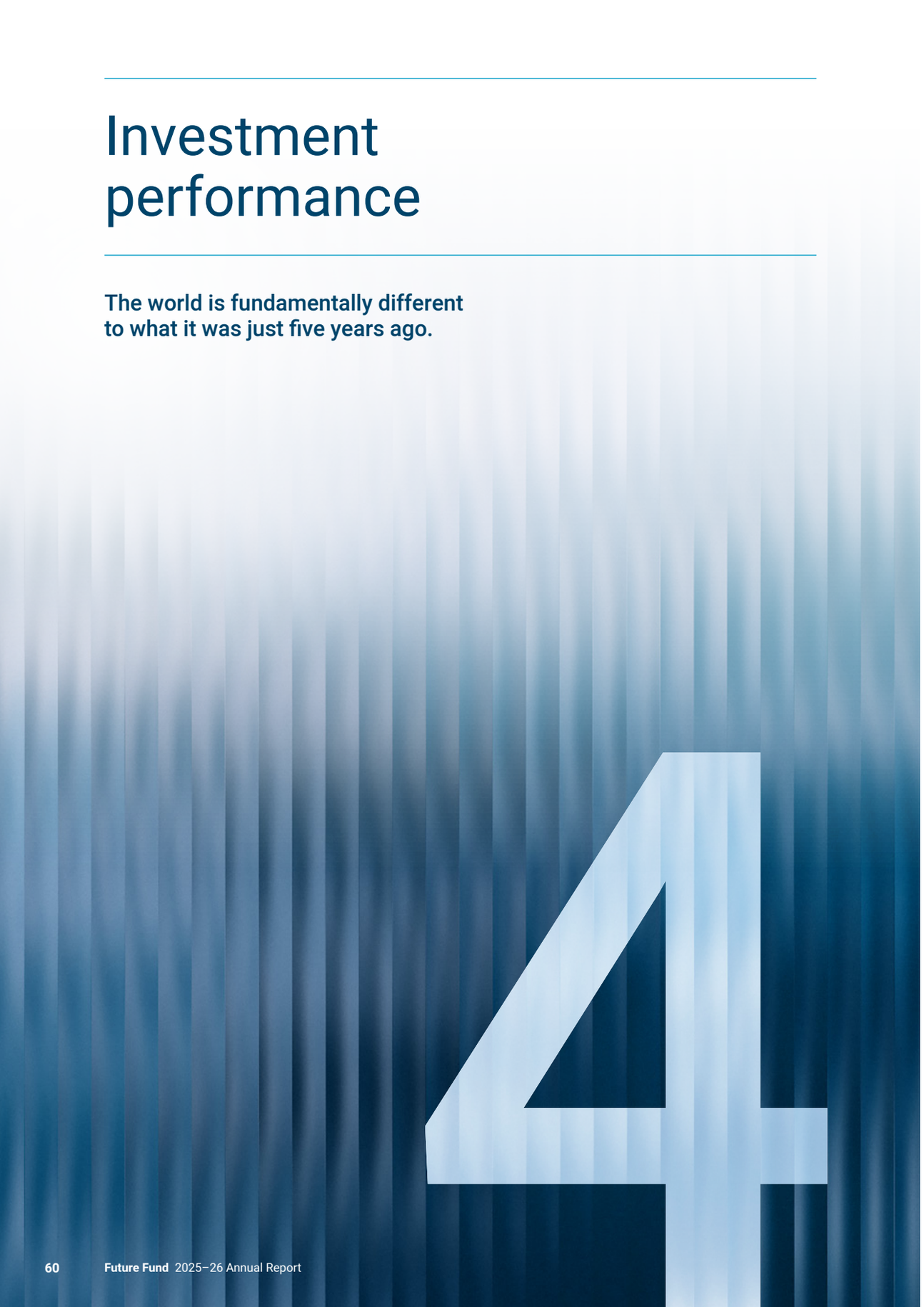
Climate change is one of our responsible investment priorities and is considered through an integrated and investment-led approach.

During 2025–26, we strengthened our approach to climate-related risks and opportunities through the development of frameworks, portfolio climate scenario analysis, and climate-related disclosures focused on the investment portfolio.

Our *2025–26 Climate Statement*, prepared under the Commonwealth Climate Disclosure initiative, provides further information on how climate-related risks and opportunities are identified, managed and overseen within the investment program.

Investment performance

The world is fundamentally different to what it was just five years ago.



Investment environment in 2025–26

The past year brought further global fragmentation, an oil shock driven by conflict in the Middle East, persistent inflation and rapid investment in and expansion of artificial intelligence.

The Middle East conflict is just one of five significant negative supply shocks this decade, with the other four being the implications from the COVID-19 pandemic, the Russian-Ukraine war and the more recent changes to US tariffs and US immigration policies.

The shifting sands of geopolitics continues to make for fertile ground for an array of further shocks. These forces reward portfolios built to be resilient, diversified and flexible.

Portfolio Resilience and the New Investment Order

Our position paper, *Portfolio Resilience: Part One*, models how we are building a portfolio able to meet its objectives across a wide range of possible scenarios. These scenarios reflect the work we began in 2021, with *A New Investment Order*, which identified paradigm shifts across the world, economic, policy and market orders. Many of the risks we identified then, are rapidly materialising now.

Across 2025–26, the global system fragmented further towards an unbalanced, multipolar world, with elements consistent with some of the more adverse secular scenarios we model. We continue to believe that forward-looking returns will be harder to earn in this environment, and the right response is to keep building portfolio resilience.

Geopolitics shapes investor outcomes

Geopolitics, which we define more broadly than conflict, remained a key force shaping investor outcomes, as set out in our position paper from 2024, *Geopolitics: The Bedrock of the New Investment Order*.

Conflict in the Middle East and the closure of the Strait of Hormuz showed how regional powers can constrain global outcomes by controlling critical choke points and resources, with direct consequences for, among other things, energy prices and inflation. We expect these developments will accelerate the resilience-building efforts that were already underway, as countries reprioritise unilateral security, critical commodity supply and domestic industrial capacity, particularly for strategically sensitive sectors.

The episode also demonstrated how control of a choke point can provide significant leverage and how difficult it can be to reverse, potentially making other countries more willing to exploit similar positions of their own.

In response to this more contested geopolitical backdrop, defence spending rose across the world alongside renewed debate over the role of long-standing security alliances. In many parts of the world, populist and right-leaning politics gained ground beyond their traditional bases.

These developments affirm our view that geopolitics is a long-term, structural force rather than a transitory one.

Policy and macroeconomic settings

Policy and macroeconomic settings shifted further in line with geopolitical change. Globally, energy, critical minerals and supply chains are increasingly viewed through a national security lens, raising the importance of access, proximity and control. Economic policy continued to move from efficiency towards resilience, with re-industrialisation, combined with a preference to direct capital flows domestically, gathering pace across the United States, Europe, Japan and Asia.

United States policy also became more interventionist at the margin and remained a source of market volatility through tariffs, trade negotiation and regulatory uncertainty.

Fiscal settings remain broadly expansionary, and global public finances face structural challenges. Governments are increasingly trading off the provision of an effective social safety net against higher debt and interest costs, in some cases exacerbating political instability. Worldwide gross public debt is projected to reach 100% of gross domestic product by 2029, reflecting increasing expenditures around national interests including bolstering infrastructure and defence.

Parts of the world saw persistent inflation keep pressure on interest rates, while in the United States, falling inflation slowed. This divergence adds to market volatility but also creates opportunity for skilled active management.

Persistent above-target inflation continues to challenge policy-makers, particularly in the presence of continuing energy shocks, and ongoing trade and supply chain disruptions. Increased volatility and frequency of supply shocks translate to further inflationary pressures building in the pipeline, especially when taking into account significant AI capital expenditure being undertaken globally.

Rising deficits, re-industrialisation, defence spending and the energy transition together point to elevated sovereign debt and upward pressure on bond yields. Because bond yields sit at the core of market pricing, we are monitoring this structural force closely.

Artificial intelligence

AI continued its acceleration as a force in innovation, adoption and disruption. It remained central to strategic competition between the United States and China, with the United States focused on cutting-edge compute and China on scale. And it is increasingly a force multiplier across economic activity and defence.

The constraints now in focus are physical and social: energy, water and compute; the effects of data centres on local communities; and a governance and regulatory response that is moving more slowly than deployment. Because AI shapes the outlook for growth, inflation and productivity, it is central to our long-term investment strategy and asset allocation, even as its ultimate path remains uncertain.

Global alliances and a multipolar world

The architecture of global alliances continued to shift. The United States is increasingly oriented towards its own hemisphere, raising questions about its longer-term strategic role in the Indo-Pacific and, in turn, about the regional balance between major powers. In Europe, attention has centred on security and the durability of long-standing alliances.

For a long-term investor, this architecture matters, with a more multipolar, less predictable world requiring a deeper assessment of what this now means for trade and capital flows, and where risk sits in our investment portfolio.

Global economic backdrop

Risk markets were broadly supportive across the year, though sentiment shifted sharply in the March quarter as inflation concerns, stemming from the closure of the Strait of Hormuz and the risk of a stagflationary environment, unsettled markets. Our positioning helped protect the portfolio during that period, with the value of the Future Fund rising across the financial year.

Traditional diversification alone is no longer enough in a fragmented and volatile world. As we explored in *Portfolio Resilience: Part One*, a resilient portfolio is stress-tested, rebalanced and designed to adapt. The transition to a new order is not linear; for a resilient, long-term portfolio, the twists and turns of this transition continue to present opportunity.

Portfolio activity in 2025–26

The global investment environment continues to be complex. We have responded with a clear focus on portfolio resilience.

In November 2025, we released our first position paper on *Portfolio Resilience*, outlining a collection of exposures designed to achieve target returns across a wide range of future scenarios. The paper reflects our views emerging from the New Investment Order, namely the increasing risk of more frequent and intense shocks across global economies, and social and environmental systems.

By rethinking our approach to portfolio construction and how to better achieve our mandate, this focus on portfolio resilience ensures our investment portfolio stays aligned with our long-term investment goals.

As a result, portfolio activity has centred on two focal points:

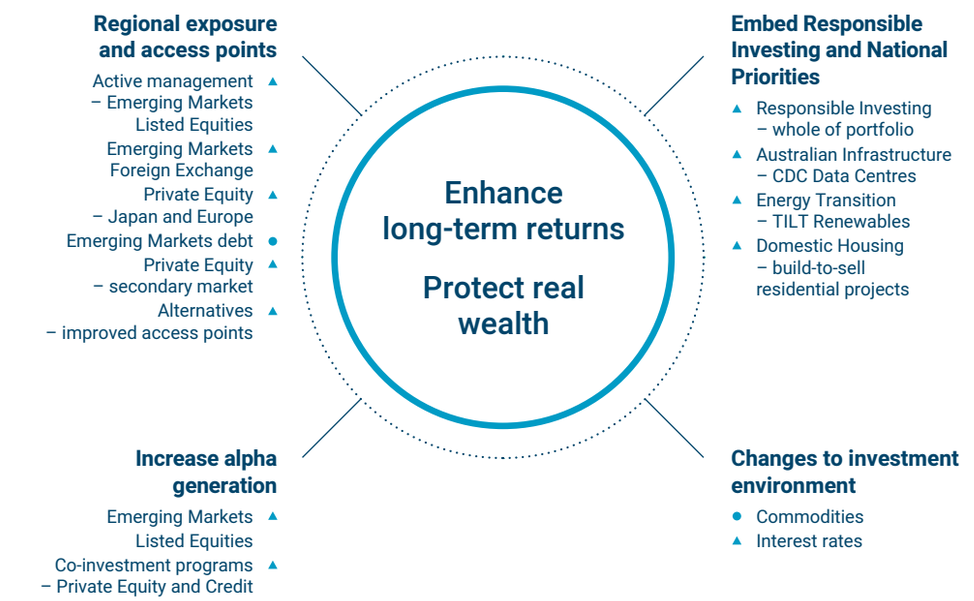
- Enhancing long-term returns
- Protecting real wealth through building a resilient portfolio.

This effort has meant we made around $50 billion of change across the portfolio for the 2025–26 financial year alone, with changes totalling close to $340 billion since May 2021.

The following diagram updates our portfolio construction evolution and process.

The Future Fund's evolved portfolio construction process in 2025–26

▲ Increased ● Remained the same



Focusing on the highlighted zones in the diagram above:

- We worked across the portfolio to **embed responsible investing and climate** into our investment approach. Examples include Alternatives and Listed Equities where we worked on practical and proportionate approaches to better integrate responsible-investment considerations into complex investment strategies, strengthening the management of climate, governance and reputational risks for the total portfolio.

  We further implemented **national priorities into the portfolio build**, through Australian infrastructure, national energy transition and the supply of domestic housing – noting our statutory responsibility to maximise returns and independently make commercial decisions.

In the context of Australian infrastructure, we provided additional capital to CDC Data Centres across the financial year to fund construction of its growing digital infrastructure pipeline.

Focusing on Australian infrastructure and national energy transition, we increased our ownership of Tilt Renewables. New wind farm projects now under construction in South Australia and Western Australia have taken Tilt's pipeline of generating capacity in operation under construction to 2.3 GW.

Finally, with regard to the supply of domestic housing, we established a new mandate with an experienced manager focused on residential development financing in Australia. This mandate supports the construction phase of residential projects while delivering against our portfolio objectives.

- As discussed in the 2024–25 Year in Review, we refreshed and integrated our long-term top-down scenarios to reflect the institutional and policy changes anticipated in the New Investment Order, allowing us to better prepare our portfolio and investment process for possible future paths. A key focus for us across the 2025–26 year has therefore been to **better understand changes in the long-term investment environment** and make changes to the portfolio accordingly.

  These portfolio changes, across major liquid asset classes – listed equities, interest rates currency and commodities – totalled around $26 billion across the 2025–26 financial year and reflected a more fractious and volatile investment environment.

  An example of such volatility surrounded the conflict in and around Iran, with our commodity exposure capturing a meaningful degree of downside protection for the entire portfolio.

  We continue to rely less on global interest rate exposure as a source of whole-of-portfolio diversification, instead leaning more into alternatives, commodities and currency as this source. That said, with heightened volatility experienced across interest rate markets in 2025–26, we used this period as an opportunity to make changes to our rates positioning to reflect moves in valuations. This activity resulted in a small increase in our holdings of interest rate exposure across the financial year.
- We continue our focus on **alpha generation** (active management) to enhance long-term returns. Increasing sources of alpha generation across the portfolio has been an ongoing theme of our portfolio activity since devising the New Investment Order in May 2021 and this approach reflects our ongoing belief that active management will be better rewarded in an environment where geopolitical risk, and higher to more volatile inflation and interest rates, make market/beta returns less certain. A key example of this is the implementation of an active mandate in emerging market equities during 2025–26.

  We expanded our Private Equity co-investment program by establishing dedicated co-investment vehicles with core manager relationships, increasing co-investment flow and improving implementation efficiency. We also undertook a gradual expansion of our co-investment activity in Credit, with a focus on private credit opportunities.
- Finally, we have continued to review **regional exposures and best access points** given identified long-term geopolitical drivers, in parallel with our ongoing preference for domestic infrastructure assets.

  Regarding regional exposures, during the financial year we implemented an active emerging market Listed Equities strategy reflecting a persistence of inefficiencies across emerging markets that can be better harvested through investor skill rather than through passive market risk.

  We concluded a review of our emerging market debt strategy, resulting in a shift in exposures between our existing managers in this strategy, as well as increasing our overall level of emerging market foreign exchange.

  We established new private equity manager relationships in Japan and European markets, as well as a strategic shift into new manager relationships in European high-yield and private credit.

  On seeking out best access points, we conducted a whole-of portfolio review of our Alternatives strategy, concluding with a decision to concentrate capital with our highest conviction managers, as well as rebalance away from strategies that were either being well-covered elsewhere across the portfolio or where the forward-looking contribution to the portfolio had declined. Under Alternatives, we also continued to build out our capacity to act as a provider of capital during periods of market stress, partnering with vehicles designed to step into dislocations.

  In addition, we also utilised the Private Equity secondary market, given its increasing importance and source of liquidity, by participating in several secondary transactions as either seller or buyer.

Future Fund

Twenty years of investing the Future Fund

The Future Fund began investing when the first initial seed capital of $18 billion from the Federal Government was transferred on 5 May 2006. A further eight contributions from budget surpluses and proceeds of the T3 Telstra sale over the next two years led to a total contribution of $60.5 billion to set up the nation's sovereign wealth fund.

The cash contributions were invested with the Reserve Bank of Australia (RBA) pending the development of the investment strategy and organisational infrastructure. We set a target of beginning the investment program by the end of June 2007.

At 30 June 2007, the Fund had established, in addition to its holding in Telstra, an exposure to Australian equities of $1.85 billion and to international equities of $2.0 billion. The remaining assets remained invested with the RBA.

As we began our investment program, we decided that commencing with listed equities was the most efficient way of adding exposure to global economic activity. This approach continued in the early part of the 2007–08 year with the steady transfer of cash to broad equity markets.

Simultaneously, we began the process of recruiting the Internal Investment Team in order to build the capacity to introduce diversity into the initially narrow portfolio mix of cash and listed equities. The beginning of the 2007–08 year also saw some major liquidity events impacting global financial markets – events that heralded the GFC.

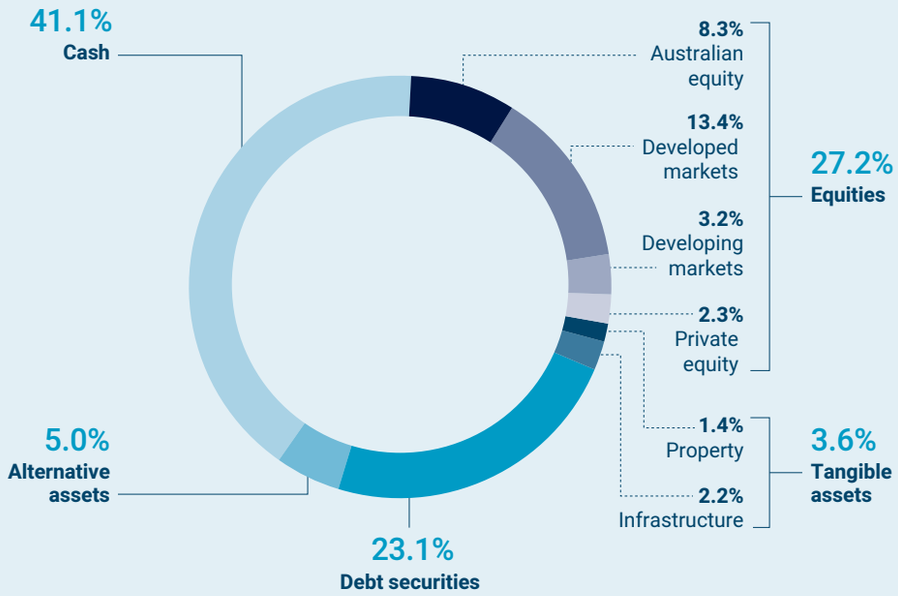
As these events broadened and deepened, it became increasingly apparent that risk would be repriced across listed and unlisted assets. As a result, we responded in three ways:

- First, amid uncertainty about equity markets, we materially slowed the build-up of listed equity exposure in late 2007. Allocations resumed in the final months of the financial year, reaching 28.9% of the portfolio by 30 June 2008.
- Second, we saw that private equity, property and infrastructure had become highly dependent on easy credit and would likely face future capital constraints. We therefore prioritised building the internal skills needed to enter these markets. While year-end allocations remained modest due to recruitment lead times and slow price adjustment, we believed strong opportunities were emerging for a long-term investor.
- Third, we focused on debt markets, where sudden liquidity pressures created attractive terms across short-term, high-quality bank bills and more opportunistic debt investments.

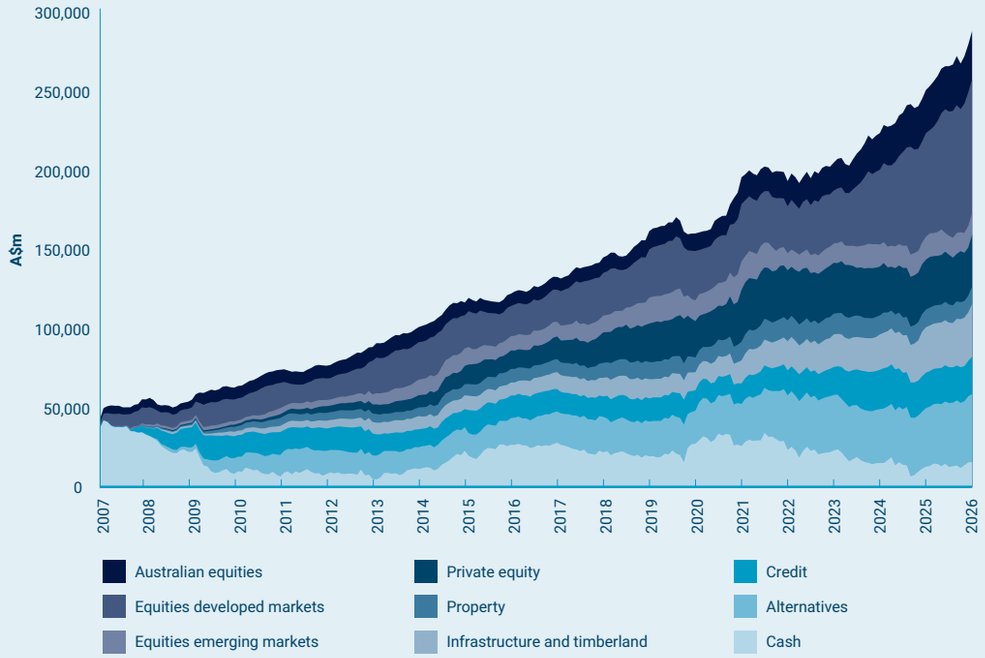
As the GFC unfolded in the 2008-09 year, we maintained our cautious stance until opportunities began to emerge rapidly. We allocated $6.0 billion to broad credit across a small group of managers with an open mandate to invest. Further investments soon followed, and from 1 July 2008 to 30 June 2009 – the second year of the investment program – we built out a diversified and effective portfolio.

Initially our investing was split across five main asset classes – equities, tangible assets, debt securities, alternative assets and cash.

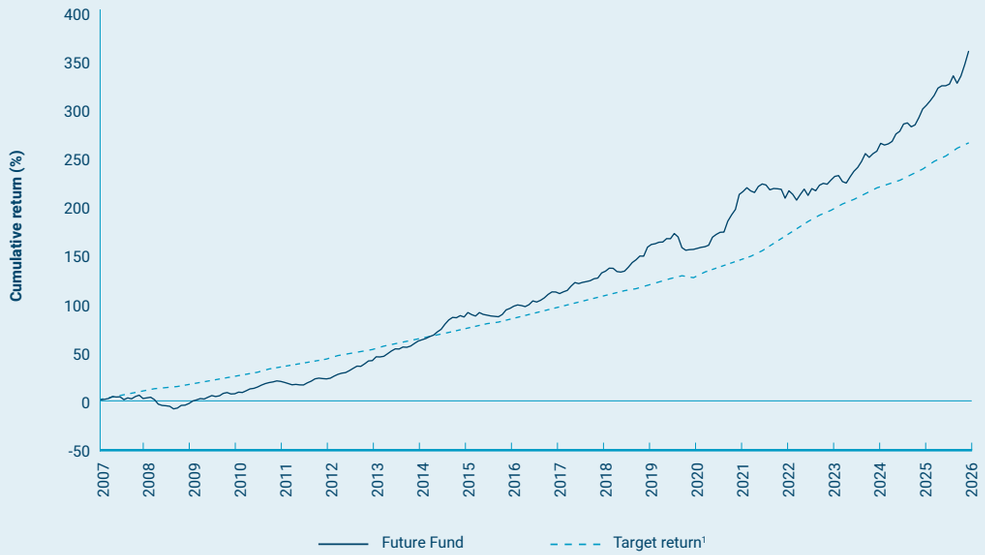
Asset allocation at 30 June 2009 (excluding Telstra)



Portfolio evolution over time



Future Fund cumulative performance



Note(s):

1. The Investment Mandate sets a benchmark target return of at least CPI + 4.5% to 5.5% pa to 30 June 2017 and the CPI + 4% to 5% pa thereafter.

Interpreting the Investment Mandate

The Future Fund's initial Investment Mandate was issued to the Board by the responsible Ministers in May 2006. It required the Fund to achieve an average annual return of the CPI + 4.5% to 5.5% per annum over the long term, with an acceptable but not excessive level of risk.

A new Investment Mandate came into effect from 1 July 2017, which reduced the long-term benchmark return target to the CPI + 4.0% to 5.0% per annum, reflecting the changed investment environment.

On 19 November 2024, the responsible Ministers issued a revised Future Fund Investment Mandate Direction 2024.

There was no change to the benchmark target return, but there was the requirement that the Board have regard to three national priorities in performing its investment functions.

The three national priorities are:

- Supporting an energy transition as part of the net zero transformation of the Australian economy
- Increasing the supply of residential housing in Australia
- Delivering improved infrastructure located in Australia.

The Future Fund Board must continue to make investments consistent with its legal obligation to maximise returns over the long term, while taking an acceptable but not excessive level of risk.

Additionally, the announcement was made that drawdowns from the Future Fund would be deferred until at least 2032–33. The deferral of withdrawals ensures that the Future Fund can continue to strengthen the Australian Government's long-term financial position and make sustainable contributions to the Budget.

In balancing the risk and return aspects of the Future Fund's Investment Mandate, our primary objectives are to:

- Maximise the value of the Fund over the long term, which we define as rolling 10-year periods
- Minimise the risk of significant capital losses along the way, with a particular focus on expected downside outcomes over rolling three-year periods.

There is a natural tension between these two objectives, and we have established investment frameworks that guide how we resolve trade-offs such as these.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy for investments of the Future Fund.

While we publicly report and discuss the performance of the Future Fund at a high level each quarter, outcomes over these short periods of time are not appropriate indicators of the likelihood of achieving the outcomes set out in the Investment Mandate over the long term.

We explicitly reject the concept of 'peer risk' (the risk of underperforming other institutional investors over the short term) as being inconsistent with the mission and long-term mandate of the Fund. However, we appreciate that comparisons between the Fund's return and the returns of other funds with similar objectives, both locally and globally, are valid over the longer term.

The Future Fund's Investment Mandate is available via our website.

Risk positioning

Based on its interpretation of the Investment Mandate, the Board has an appetite for material levels of risk in the Future Fund. Nonetheless, in accordance with our investment process, we aim to build a portfolio with some degree of resilience to the investment environment.

We seek genuine diversification that achieves greater balance in portfolio construction, while allocating risk in a flexible and dynamic manner.

Our outlook on the global economy and markets is explored in more detail in our Investment environment report at the start of this section.

Measuring risk

One of the primary metrics we use to understand and manage the broad market risk exposure of the Future Fund is Equivalent Equity Exposure (EEE).

EEE estimates the amount of market exposure we have when looking through the whole portfolio and is used as a common language when comparing asset class risk.

The EEE range within which we are expected to operate most of the time was reviewed and uplifted in 2024–25 to 60–70, in line with an increase in structural risk appetite for EEE. This change was made by the Board to increase the likelihood of achieving its Investment Mandate's benchmark return target over the long term.

The Board believes that a EEE of 65 corresponds to a structural risk level for the Future Fund that is consistent with an acceptable probability of achieving its Investment Mandate over the long term, while also not exposing the Fund to excessive levels of risk.

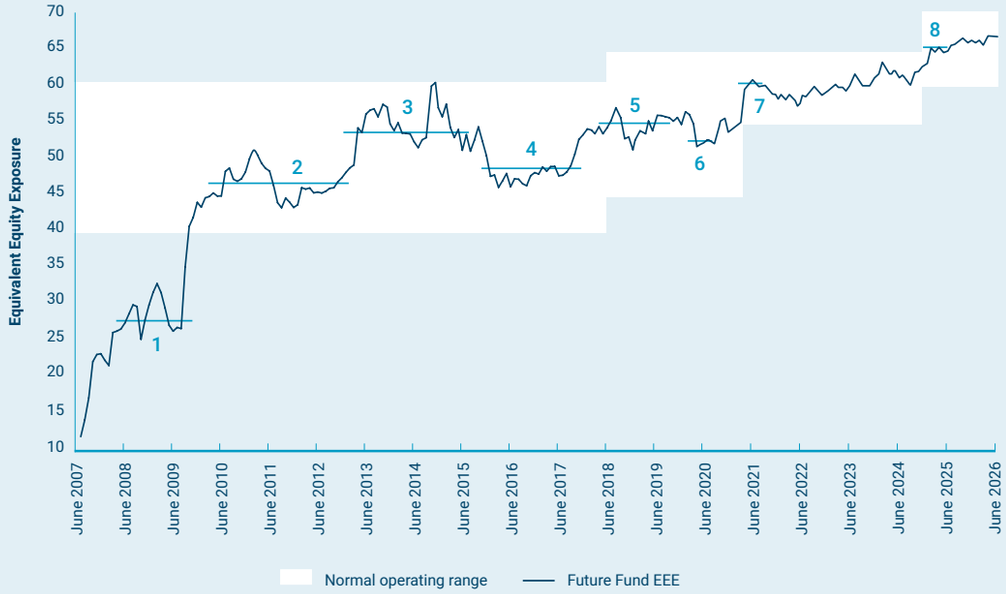
At 30 June 2026, the EEE stood at 65.4.

The following diagram demonstrates how the EEE of the Future Fund has changed over time. We are currently in the eighth distinct risk-taking regime for the portfolio since establishment.

The eight risk-taking regimes since inception are:

1. The build of the Future Fund portfolio was suspended in late 2007 due to concerns over financial stability and the sustainability of high asset prices, and a very low-risk profile was maintained into the GFC.
2. Portfolio risk exposure was increased as extraordinary and globally coordinated economic policies were implemented to fight the GFC.
3. Risk levels were raised further as the European crisis subsided and the President of the European Central Bank committed to 'do whatever it takes' to underwrite the integrity of the euro.
4. As expected, returns declined (given strong market performance supported by low interest rates), portfolio risk was gradually reduced to moderately below normal levels.
5. Risk levels were increased towards more normal levels, reflecting the emergence of strong economic growth and corporate earnings, and central banks signalling an extension of accommodative monetary policies, together with the decision to increase the Future Fund's structural risk appetite.
6. Risk levels were reduced to moderately below neutral, reflecting the elevated risk environment resulting from the COVID-19 pandemic and subsequent policy response.
7. The structural risk level was adjusted during 2020–21 and we narrowed the range around which we expect to manage the portfolio.
8. The structural risk level was increased in 2024–25 to increase the probability of achieving the Investment Mandate's return target in the long-term. The decision was implemented progressively throughout the year.

Future Fund Equivalent Equity Exposure (EEE) since inception



Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio, rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 39% of the total Future Fund. We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 8% of the Future Fund to emerging market currencies at 30 June 2026.

We expect a diversified exposure to emerging market currencies to deliver a modest excess return through some combination of gradual real effective exchange rate appreciation and/or positive real interest rate differentials, relative to the Australian dollar.

Given that we expect its performance to be uncorrelated with broad market risk over the long term, we consider our basket of emerging market currencies to be an attractive risk-adjusted exposure at portfolio level.

Performance

At 30 June 2026, the Future Fund achieved an annual return of 14.8% per annum and a 10-year return of 9.0% per annum, exceeding its target of 7.1% per annum.

The Future Fund stood at $289.7 billion at 30 June 2026, with investment returns adding over $229.2 billion to the original seed capital from the Australian Government.

Investment returns to 30 June 2026 are shown in the following table, together with the target benchmark returns set by the Investment Mandate.

Given that the Future Fund's Investment Mandate requires us to take acceptable but not excessive risk, when assessing our overall performance, we look closely at the level of risk taken within the portfolio.

Capturing risk in a single number is problematic due to our investment approach, but the following table shows the level of realised volatility in the portfolio. While imperfect, this measure of risk is the standard and perhaps best-understood industry measure.

Alongside the level of realised volatility, we also report the Sharpe ratio, a measure of the risk-adjusted return.

On a 10-year basis, the Future Fund's return of 9.0% per annum measures well when compared to the portfolio's realised volatility across this time and through a Sharpe ratio of 1.5, meaning the Future Fund is providing a good excess return relative to risk.

Future Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (May 2006)	8.3	7.0	4.6	1.1
10 years	9.0	7.1	4.8	1.5
Seven years	8.6	7.6	5.2	1.2
Five years	8.0	8.4	4.7	1.1
Three years	12.0	7.3	4.2	1.9
2025–26 financial year	14.8	8.0	4.3	2.6

Note(s):

1. From 1 July 2017 the Fund's Investment Mandate target return was reduced from CPI + 4.5% to 5.5% pa to CPI + 4.0% to 5.0% pa over the long term, with an acceptable but not excessive level of risk.
2. Industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Portfolio exposures

Asset allocation at 30 June 2026

Asset class	$m	% of Fund
Australian equities	30,428	10.5
Global equities		
Developed markets	84,380	29.1
Emerging markets	13,282	4.6
Private equity	35,139	12.1
Property	10,887	3.8
Infrastructure and timberland	33,283	11.5
Credit	23,558	8.1
Alternatives	43,070	14.9
Cash	15,716	5.4
Total	**289,744**	**100.0**

Asset class exposures at 30 June 2026

Listed equities

Sector	Exposure (%)
Energy	3
Materials	9
Industrials	11
Consumer discretionary	8
Consumer staples	5
Healthcare	8
Real estate	1
Financials	22
Information technology	25
Communication services	6
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	34
Multi-strategy	8
Venture and growth	56
Secondaries	1

Property

Sector	Exposure (%)
Industrial	26
Residential	30
Diversified	15
Retail	13
Office	6
Healthcare	3
Hospitality	5
Seniors living	3

Infrastructure and timberland

Sector	Exposure (%)
Airports	20
Electricity, oil and gas	32
Communications	26
Transport	11
Timberland	6
Water and waste	4

Credit

Strategy	Exposure (%)
Private debt	44
Investment-grade corporate	1
Sub-investment-grade corporate	31
Mortgage-backed securities	3
Other securitised	6
Emerging markets debt	11
Cash and other	3

Alternatives

Strategy	Exposure (%)
Diversifying	13
High beta	6
Low beta – directional	5
Low beta – relative value	74
Reinsurance	2

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure and timberland (%)	Credit (%)	Alternatives (%)
Australia	24	5	7	58	4	3
United States of America	40	65	52	26	49	67
Europe (ex-UK)	11	10	23	7	21	11
United Kingdom	3	5	10	4	10	6
Japan	9	0	3	0	0	2
Developed (other)	4	4	2	3	1	4
Emerging	10	10	4	1	14	6

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	24
United States of America	42
Europe (ex-UK)	11
United Kingdom	5
Japan	7
Developed (other)	4
Emerging	8

Future Fund costs

Cost management

Our use of external investment managers, together with our commitment to a broadly diversified portfolio and breadth of investment classes, means that over time our costs may generally be higher than those investors with less complex portfolios, or who manage investments internally.

The commitment to genuine diversification is an important facet of our investment strategy and was beneficial to the Future Fund's overall performance, delivering strong returns net of costs while reducing volatility.

We are therefore more willing to pay higher fees where significant value is added over broad market exposure (such as private equity), or for exposures that are truly diversifying (such as alternatives).

We continue to closely monitor costs in the asset classes in which we invest, reviewing the expected returns and costs of implementing the investment strategy on an ongoing basis.

In negotiating terms, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

Every decision we make in relation to the portfolio is considered having regard to the returns and risks, net of all costs. Equally, all returns we report are always net of all costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the Future Fund as reported in the audited financial statements.

The Future Fund's direct costs over the last three years are featured in the next table. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Changes in costs over the years reflect changes in the size of the Future Fund, investment activity undertaken during the year, and the accrual and payment of performance fees.

Look-through costs

Investment management and performance fee costs incurred indirectly through investment vehicles are reported as look-through costs.

The look-through costs are identified by making additional enquiries of managers of non-consolidated investment vehicles to estimate the underlying management and performance fees of these entities.

In providing this additional information, we seek to provide a full and complete indication of direct investment management and performance fee costs.

We note that these additional cost disclosures are based on unaudited estimates and derived using a variety of methodologies, particularly regarding performance fees that may become payable.

We employ a range of performance fee arrangements, which incorporate the use of high-water marks and claw-back provisions, to ensure as far as possible that performance fees reflect genuine outperformance over time.

It is important to note that most accrued performance fees are only paid on realisation of an investment, and therefore it is possible that not all accrued fees will ultimately be paid.

The additional look-through costs over the last three years are shown below.

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$715.98 million	$628.31 million	$656.72 million
Direct cost ratio	0.335%	0.265%	0.245%

Summary of look-through costs

	2023–24	2024–25	2025–26
Look-through costs	1.03%	1.17%	1.40%

Direct costs for the Future Fund in 2025–26 increased due to higher management, transaction and operational costs associated with the growth in the size of the Fund.

Increased indirect costs, or look-through costs, reflect the growth and stronger performance of the Fund for the year, resulting in an increase in management and performance fees.

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$361,688,000	$400,235,000	$480,504,000
Board remuneration and allowances	$944,000	$1,119,000	$1,131,000
Agency remuneration and allowances	$88,049,000	$100,157,000	$126,860,000
Consultants and advisers to the Board and Agency	$20,955,896	$26,621,696	$21,069,000
Agency and portfolio operations	$145,378,104	$147,065,304	$139,757,000

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Medical Research Future Fund

Interpreting the Investment Mandate

The Medical Research Future Fund (MRFF) was established in August 2015 with an initial contribution of $1.0 billion from the Health and Hospitals Fund and subsequent capital contributions totalling $19 billion between 2015 and 2020.

The Medical Research Future Fund Investment Mandate Direction 2015 requires the Board to adopt a benchmark return of the average return of at least the Reserve Bank of Australia cash rate target + 1.5% to 2.0% per annum, net of investment fees, over a rolling 10-year term.

In targeting this benchmark return, the Board must determine an acceptable but not excessive level of risk for the MRFF, measured in terms such as the probability of losses in a particular year.

In determining the level of risk, the Board must take into account the principle that the nominal value of the credits to the MRFF be preserved over the long term and the need to moderate the volatility of the maximum annual distribution.

In managing the MRFF's risk and return requirements and our role in declaring maximum annual distribution amounts, we try to:

- Ensure a high probability of achieving the minimum benchmark return over rolling 10-year periods
- Control the risk of losses, with a particular focus on expected downside outcomes over rolling three-year periods, so as to help preserve the nominal value of contributions over the long term
- Determine a combined level of investment risk, and an approach to distributions that facilitates relative predictability in distributions.

At times, there may be a conflict between these competing objectives because of the so-called 'endowment trilemma', whereby:

- Higher expected returns and distributions tend to increase the risk of losses
- For a given distribution policy, increased investment risk increases the volatility of distributions
- Adjusting the distribution policy for a given investment strategy can either decrease the volatility of distributions or the risk that capital is impaired over time, but not at the same time.

We have established investment frameworks that guide how we resolve these trade-offs.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy.

The MRFF's Investment Mandate is available via our website.

Risk positioning

Based on its interpretation of the Investment Mandate, the Board has on average, a moderate appetite for risk in the Medical Research Future Fund.

In accordance with our investment process, we also aim to build a portfolio with a relatively high degree of resilience to the investment environment.

We seek genuine diversification that achieves balance in portfolio construction while allocating risk in a flexible and dynamic manner.

One of the primary metrics we use to understand and manage the broad market risk exposure of the Medical Research Future Fund is EEE. This estimates the 'look-through' sensitivity of the portfolio to price movements in global equity markets.

Our expected EEE range for the Medical Research Future Fund is 29 to 37.

At 30 June 2026, the EEE stood at 33, which is the middle of the range.

Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 14% of the total MRFF. We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 4.5% of the MRFF to emerging market currencies at 30 June 2026.

We expect a diversified exposure to emerging market currencies to deliver a modest excess return through some combination of gradual (but incremental) real effective exchange rate appreciation, and/or positive real interest rate differentials relative to the Australian dollar.

Performance

Investment returns at 30 June 2026 are shown below, together with the target benchmark returns set by the Investment Mandate.

At 30 June 2026, the Medical Research Future Fund was valued at $26.3 billion.

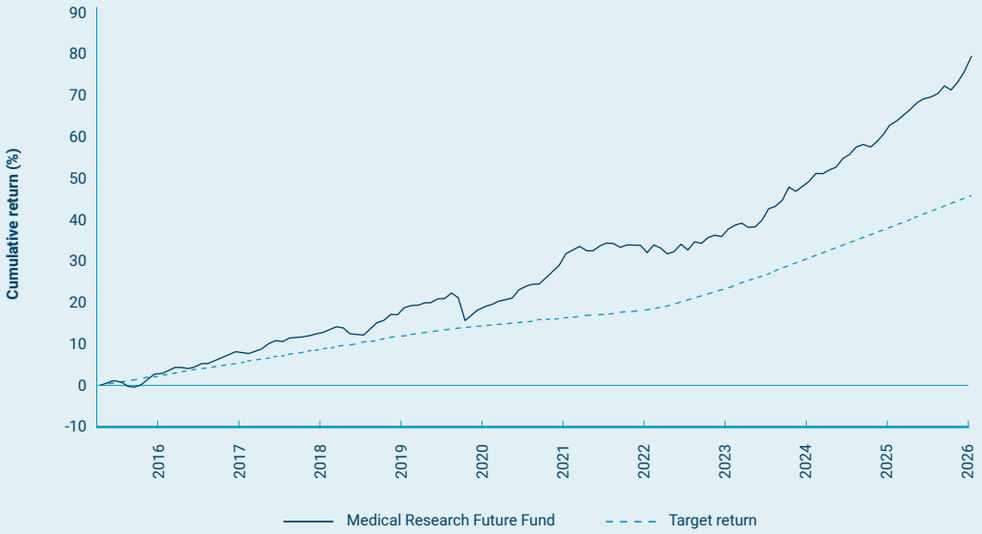
Medical Research Future Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (22 September 2015)	5.6	3.6	2.8	1.2
10 years	5.7	3.6	2.9	1.3
Seven years	6.1	3.8	3.2	1.2
Five years	6.3	4.6	2.7	1.2
Three years	9.2	5.7	2.4	2.1
2025–26 financial year	10.1	5.4	2.2	2.9

Note(s):

1. RBA cash rate plus 1.5% to 2.0% pa over the long term, with an acceptable but not excessive level of risk.
2. Industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Medical Research Future Fund cumulative performance



Portfolio exposures

Asset allocation at 30 June 2026

Asset class	$m	% of Fund
Australian equities	1,268	4.8
Global equities		
Developed markets	3,238	12.3
Emerging markets	518	2.0
Private equity	1,202	4.6
Property	637	2.4
Infrastructure	1,492	5.7
Credit	3,851	14.7
Alternatives	3,894	14.8
Cash	10,189	38.8
Total	**26,288**	**100.0**

Asset class exposures at 30 June 2026

Listed equities

Sector	Exposure (%)
Energy	4
Materials	9
Industrials	11
Consumer discretionary	9
Consumer staples	4
Healthcare	7
Real estate	0
Financials	21
Information technology	26
Communication services	7
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	47
Multi-strategy	3
Venture and growth	48
Secondaries	2

Property

Sector	Exposure (%)
Industrial	42
Residential	23
Diversified	13
Retail	5
Office	7
Healthcare	3
Hospitality	4
Seniors living	2

Infrastructure

Sector	Exposure (%)
Communications	51
Electricity, oil and gas	29
Airports	7
Transport	7
Water and waste	6

Credit

Strategy	Exposure (%)
Private debt	26
Investment-grade corporate	14
Sub-investment-grade corporate	20
Mortgage-backed securities	13
Other securitised	11
Emerging markets debt	9
Cash and other	6

Alternatives

Strategy	Exposure (%)
Diversifying	9
High beta	5
Low beta – directional	6
Low beta – relative value	78
Reinsurance	2

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure (%)	Credit (%)	Alternatives (%)
Australia	24	8	8	50	7	3
United States of America	46	64	43	28	59	65
Europe (ex-UK)	8	12	25	12	19	9
United Kingdom	2	7	12	4	4	6
Japan	8	2	4	1	0	3
Developed (other)	3	3	2	3	1	4
Emerging	10	4	6	2	10	9

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	44
United States of America	35
Europe (ex-UK)	7
United Kingdom	3
Japan	3
Developed (other)	3
Emerging	5

MRFF costs

Cost management

Our use of external investment managers, together with our commitment to a broadly diversified portfolio and breadth of investment classes, means that over time, our costs may generally be higher than those investors with less complex portfolios, or who manage investments internally.

The commitment to genuine diversification is an important facet of our investment strategy and was beneficial to the MRFF's overall performance in delivering strong returns, net of costs, while reducing volatility.

We are therefore more willing to pay higher fees where significant value is added over broad market exposure (such as private equity), or for exposures that are truly diversifying (such as hedge funds).

We continue to closely monitor costs in the asset classes in which we invest, reviewing the expected returns and costs of implementing the investment strategy on an ongoing basis.

In negotiating terms, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector and that provide for strong alignment between managers and our organisation.

Every decision we make in relation to the portfolio is considered having regard to the returns and risks, net of all costs. Equally, all returns we report are always net of all costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the MRFF.

The Fund's direct costs over the last three years are shown in the next table.

This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Changes in costs over the years reflect changes in the size of the MRFF, investment activity undertaken during the year, and the accrual and payment of performance fees.

Look-through costs

Investment management and performance fee costs incurred indirectly through investment vehicles are reported as look-through costs.

The look-through costs are identified by making additional enquiries of managers of non-consolidated investment vehicles to estimate the underlying management and performance fees of these entities.

In providing this additional information, we seek to provide a full and complete indication of investment management and performance fee costs.

We note that these additional cost disclosures are based on unaudited estimates and derived using a variety of methodologies, particularly regarding performance fees that may become payable.

We employ a range of performance fee arrangements, which incorporate the use of high-water marks and claw-back provisions, to ensure as far as possible that performance fees reflect genuine outperformance over time.

It is important to note that most accrued performance fees are only paid on realisation of an investment, and therefore it is possible that not all accrued fees will ultimately be paid.

Look-through costs for the MRFF are calculated as a percentage of the net assets of the co-mingled investment arrangement in which the MRFF participates. This co-mingled arrangement is described in the Statement of Investment Policies, available on our website.

The additional look-through costs over the last three years are shown in the tables below.

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$67.4 million	$66.1 million	$61.8 million
Direct cost ratio	0.301%	0.278%	0.244%

Summary of look-through costs

	2023–24	2024–25	2025–26
Look-through costs	0.94%	1.06%	1.38%

Note(s):

Comparative data for previous years has been restated to ensure consistency with the current methodology to calculate look-through costs.

Direct costs for the MRFF in 2025–26 decreased due to a reduction in the deferred tax expense, offset by an increase in management, transaction and operational costs due to growth in the size of the Fund.

Increased indirect costs, or look-through costs, reflect the growth and stronger performance of the Fund for the year, resulting in an increase in management and performance fees.

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$54,054,443	$59,164,483	$74,173,238
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$7,308,508	$7,736,369	$8,210,088

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Aboriginal and Torres Strait Islander Land and Sea Future Fund

Interpreting the Investment Mandate

The Aboriginal and Torres Strait Islander Land and Sea Future Fund (ATSILS Fund) was established in February 2019 with a capital contribution of $2.0 billion, transferred from the Aboriginal and Torres Strait Islander Land Account.

Following its establishment, the ATSILS Fund was in an initial transition phase from 1 February to 30 September 2019 while the Board developed a long-term investment strategy, which was achieved through a co-mingled arrangement with the MRFF. This co-mingled arrangement is described in the Statement of Investment Policies available on our website.

Measurement of the performance against the Investment Mandate commenced on 1 October 2019.

The Aboriginal and Torres Strait Islander Land and Sea Future Fund Investment Mandate Direction 2019 requires the Future Fund Board to adopt a benchmark return of the CPI + 2.0% to 3.0% per annum, net of investment fees over the long term.

In determining an acceptable but not excessive level of risk for the ATSILS Fund, the Board notes that in the Investment Mandate the Government acknowledges that targeting the long-term benchmark return implies accepting the risk of capital losses, in adverse markets, that may be 15% to 20% of the portfolio over a three-year period.

The Board has interpreted this statement as including the effect of the annual payments.

The Investment Mandate also notes that the Board must have regard to its obligations under section 17 of the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018* to take all reasonable steps to ensure that the balance of the ATSILS Fund's Special Account is sufficient to cover debits of amounts as set up under the Act.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy.

The ATSILS Fund's Investment Mandate is available via our website.

Risk positioning

Our expected EEE range for the ATSILS Fund is 38 to 48.

At 30 June 2026, the EEE stood at 44, which is the middle of the range.

In accordance with our investment process, we aim to build a portfolio with a relatively high degree of resilience to the investment environment.

We seek genuine diversification that achieves balance in portfolio construction while allocating risk in a flexible and dynamic manner.

Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 18% of the total ATSILS Fund.

We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 6% of the ATSILS Fund to emerging market currencies at 30 June 2026.

We expect a diversified exposure to emerging market currencies to deliver a modest excess return through some combination of gradual real effective exchange rate appreciation and/or positive real interest rate differentials, relative to the Australian dollar.

Given that we expect its performance to be uncorrelated with broad market risk over the long term, we consider our basket of emerging market currencies to be an attractive risk-adjusted exposure at the portfolio level.

Performance

Measurement of performance against the Investment Mandate commenced on 1 October 2019.

At 30 June 2026, the ATSILS Fund was valued at $2.7 billion.

ATSILS Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (1 October 2019)	7.0	5.7	4.2	1.1
Five years	7.1	6.4	3.5	1.2
Three years	10.5	5.3	3.1	2.1
2025–26 financial year	11.9	6.0	2.8	2.8

Note(s):

1. CPI + 2.0% to 3.0% pa over the long term, with acceptable but not excessive level of risk.
2. Industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Portfolio exposures

Asset allocation at 30 June 2026[1]

Asset class	$m	% of Fund
Australian equities	163	6.1
Global equities		
Developed markets	451	17.0
Emerging markets	67	2.5
Private equity	155	5.8
Property	82	3.1
Infrastructure	192	7.2
Credit	416	15.7
Alternatives	501	18.9
Cash	626	23.6
Total	**2,652**	**100.0**

Note(s):

1. Exposures on a look-through basis.

Asset class exposures at 30 June 2026[1]

Listed equities

Sector	Exposure (%)
Energy	4
Materials	9
Industrials	11
Consumer discretionary	9
Consumer staples	4
Healthcare	7
Real estate	0
Financials	21
Information technology	26
Communication services	7
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	47
Multi-strategy	3
Venture and growth	48
Secondaries	2

Property

Sector	Exposure (%)
Industrial	42
Residential	23
Diversified	13
Retail	5
Office	7
Healthcare	3
Hospitality	4
Seniors living	2

Infrastructure

Sector	Exposure (%)
Communications	51
Electricity, oil and gas	29
Airports	7
Transport	7
Water and waste	6

Credit

Strategy	Exposure (%)
Private debt	26
Investment-grade corporate	14
Sub-investment-grade corporate	20
Mortgage-backed securities	13
Other securitised	11
Emerging markets debt	9
Cash and other	6

Alternatives

Strategy	Exposure (%)
Diversifying	9
High beta	5
Low beta – directional	6
Low beta – relative value	78
Reinsurance	2

Note(s):

1. Exposures on a look-through basis.

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure (%)	Credit (%)	Alternatives (%)
Australia	24	8	8	50	7	3
United States of America	46	64	43	28	59	65
Europe (ex-UK)	8	12	25	12	19	9
United Kingdom	2	7	12	4	4	6
Japan	8	2	4	1	0	3
Developed (other)	3	3	2	3	1	4
Emerging	10	4	6	2	10	9

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	25
United States of America	47
Europe (ex-UK)	11
United Kingdom	4
Japan	3
Developed (other)	3
Emerging	7

ATSILS Fund costs

Cost management

We closely monitor costs in the asset classes in which we invest and review the expected returns and costs of implementing the investment strategy on an ongoing basis.

In negotiating fee arrangements, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

All returns reported are net of costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the ATSILS Fund.

The Fund's direct costs over the last three years are shown in the following table. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$0.8 million	$0.9 million	$1.0 million
Direct cost ratio	0.037%	0.036%	0.040%

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$204,141	$141,051	$335,382
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$649,721	$697,912	$748,822

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Future Drought Fund

Interpreting the Investment Mandate

The Future Drought Fund (FDF) was established in September 2019 with a capital contribution of $4.0 billion, transferred from the Building Australia Fund.

Following its establishment, the FDF was in an initial transition phase from 1 September 2019 to 31 March 2020 while the Board developed a long-term investment strategy, which was achieved through a co-mingled arrangement with the MRFF. This co-mingled arrangement is described in the Statement of Investment Policies available on our website.

Measurement of the performance against the Investment Mandate commenced on 1 April 2020.

The Future Drought Fund Investment Mandate Direction 2019 requires the Future Fund Board to adopt a benchmark return of the CPI + 2.0% to 3.0% per annum, net of investment fees over the long term.

In determining an acceptable but not excessive level of risk for the FDF, the Board notes that in the Investment Mandate the Government acknowledges that targeting the long-term benchmark return implies accepting the risk of capital losses, in adverse markets, that may be 15% to 20% of the portfolio over a three-year period.

In constructing the portfolio, the Investment Mandate notes that the Board must have regard to its obligations under section 18 of the *Future Drought Fund Act 2019* to take all reasonable steps to ensure that the balance of the Future Drought Fund Special Account is sufficient to cover debits of amounts for the purposes specified in the Act.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy.

The FDF's Investment Mandate is available via our website.

Risk positioning

The Board manages the structural risk exposure of the Future Drought Fund such that there is a relatively high probability of exceeding the benchmark return on a prospective basis over the long term (noting the high level of uncertainty associated with any return forecast).

Our expected EEE range for the Future Drought Fund is 38 to 48.

At 30 June 2026, the EEE stood at 43, which is the middle of the range.

In accordance with our investment process, we aim to build a portfolio with a relatively high degree of resilience to the investment environment.

We seek genuine diversification that achieves balance in portfolio construction, while allocating risk in a flexible and dynamic manner.

Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio, rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 18% of the total Future Drought Fund.

We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 6% of the Future Drought Fund to emerging market currencies at 30 June 2026.

We expect a diversified exposure to emerging market currencies to deliver a modest excess return through some combination of gradual real effective exchange rate appreciation and/or positive real interest rate differentials relative to the Australian dollar.

Given that we expect its performance to be uncorrelated with broad market risk over the long term, we consider our basket of emerging market currencies to be an attractive risk-adjusted exposure at portfolio level.

Performance

Measurement of performance against the Investment Mandate commenced on 1 April 2020.

At 30 June 2026, the Future Drought Fund was valued at $5.8 billion.

Future Drought Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (1 April 2020)	8.5	5.8	3.4	1.8
Five years	7.1	6.4	3.5	1.2
Three years	10.5	5.3	3.1	2.1
2025–26 financial year	11.9	6.0	2.8	2.8

Note(s):

1. The Investment Mandate for the Future Drought Fund is CPI + 2.0% to 3.0% pa over the long term, with an acceptable but not excessive level of risk.
2. Industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Portfolio exposures

Asset allocation at 30 June 2026[1]

Asset class	$m	% of Fund
Australian equities	361	6.2
Global equities		
Developed markets	985	16.8
Emerging markets	147	2.5
Private equity	342	5.8
Property	181	3.1
Infrastructure	424	7.3
Credit	920	15.7
Alternatives	1,107	18.9
Cash	1,379	23.6
Total	**5,846**	**100.0**

Note(s):

1. Exposures on a look-through basis.

Asset class exposures at 30 June 2026[1]

Listed equities

Sector	Exposure (%)
Energy	4
Materials	9
Industrials	11
Consumer discretionary	9
Consumer staples	4
Healthcare	7
Real estate	0
Financials	21
Information technology	26
Communication services	7
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	47
Multi-strategy	3
Venture and growth	48
Secondaries	2

Property

Sector	Exposure (%)
Industrial	42
Residential	23
Diversified	13
Retail	5
Office	7
Healthcare	3
Hospitality	4
Seniors living	2

Infrastructure

Sector	Exposure (%)
Communications	51
Electricity, oil and gas	29
Airports	7
Transport	7
Water and waste	6

Credit

Strategy	Exposure (%)
Private debt	26
Investment-grade corporate	14
Sub-investment-grade corporate	20
Mortgage-backed securities	13
Other securitised	11
Emerging markets debt	9
Cash and other	6

Alternatives

Strategy	Exposure (%)
Diversifying	9
High beta	5
Low beta – directional	6
Low beta – relative value	78
Reinsurance	2

Note(s):

1. Exposures on a look-through basis.

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure (%)	Credit (%)	Alternatives (%)
Australia	24	8	8	50	7	3
United States of America	46	64	43	28	59	65
Europe (ex-UK)	8	12	25	12	19	9
United Kingdom	2	7	12	4	4	6
Japan	8	2	4	1	0	3
Developed (other)	3	3	2	3	1	4
Emerging	10	4	6	2	10	9

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	25
United States of America	48
Europe (ex-UK)	11
United Kingdom	4
Japan	3
Developed (other)	3
Emerging	7

FDF costs

Cost management

We closely monitor costs in the asset classes in which we invest and review the expected returns and costs of implementing the investment strategy on an ongoing basis.

When negotiating fee arrangements, we focus on securing arrangements that offer value-for-money for skill and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

All returns reported are net of costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the Future Drought Fund.

The FDF's direct costs over the last three years are shown in the following table. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$1.7 million	$1.8 million	$2.0 million
Direct cost ratio	0.036%	0.035%	0.036%

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$334,006	$265,382	$547,462
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$1,412,293	$1,523,358	$1,650,525

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Disaster Ready Fund

Interpreting the Investment Mandate

The Disaster Ready Fund (DRF) was initially established as the Emergency Response Fund (ERF) upon commencement of the *Emergency Response Fund Act 2019* (ERF Act) in December 2019.

The DRF was initially established with a capital contribution of $4.0 billion, transferred from the Education Investment Fund (EIF). The EIF was a successor to the Higher Education Endowment Fund.

On 1 March 2023, the ERF was renamed as the DRF upon commencement of the *Emergency Response Fund Amendment (Disaster Ready Fund) Act 2022* (DRF Amendment Act). The DRF Amendment Act renamed the ERF Act as the *Disaster Ready Fund Act 2019* (DRF Act) and allowed up to $200 million per annum to be drawn from the DRF to fund natural disaster resilience and risk reduction from 2023–24 onwards.

Following its establishment, the DRF was in an initial transition phase from 12 December 2019 to 31 March 2020 while the Board developed a long-term investment strategy, which was achieved through a co-mingled arrangement with the MRFF. This co-mingled arrangement is described in the Statement of Investment Policies available on our website.

Measurement of performance against the Investment Mandate commenced on 1 April 2020.

The Disaster Ready Fund Investment Mandate Direction 2023 requires the Board to adopt a benchmark return of the CPI + 2.0% to 3.0% per annum, net of investment fees over the long term.

In determining an acceptable but not excessive level of risk for the DRF, the Board notes that in the Investment Mandate the Government acknowledges that targeting the long-term benchmark return implies accepting the risk of capital losses, in adverse markets, that may be 15% to 20% of the portfolio over a three-year period.

In constructing the portfolio, the Investment Mandate notes that the Board must have regard to its obligations under section 17 of the *Disaster Ready Fund Act 2019* to take all reasonable steps to ensure that the balance of the Disaster Ready Fund Special Account is sufficient to cover debits of amounts for the purposes specified in the Act.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy.

The DRF's Investment Mandate is available via our website.

Risk positioning

The Board manages the structural risk exposure of the Disaster Ready Fund such that there is a relatively high probability of exceeding the benchmark return on a prospective basis over the long term (noting the high level of uncertainty associated with any return forecast).

Our expected EEE range for the Disaster Ready Fund is 38 to 48.

At 30 June 2026, the EEE stood at 43, which is the middle of the range.

In accordance with our investment process, we aim to build a portfolio with a relatively high degree of resilience to the investment environment.

We seek genuine diversification that achieves greater balance in portfolio construction, while allocating risk in a flexible and dynamic manner.

Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 18% of the total Disaster Ready Fund.

We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 6% of the DRF to emerging market currencies at 30 June 2026.

Performance

Measurement of performance against the Investment Mandate commenced on 1 April 2020.

At 30 June 2026, the Disaster Ready Fund was valued at $5.3 billion.

Disaster Ready Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (1 April 2020)	8.5	5.8	3.4	1.8
Five years	7.1	6.4	3.5	1.2
Three years	10.5	5.3	3.1	2.1
2025–26 financial year	11.9	6.0	2.8	2.8

Note(s):

1. The Investment Mandate for the Disaster Ready Fund is CPI + 2.0% to 3.0% pa over the long term, with an acceptable but not excessive level of risk.
2. Industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Portfolio exposures

Asset allocation at 30 June 2026[1]

Asset class	$m	% of Fund
Australian equities	325	6.1
Global equities		
Developed markets	899	17.0
Emerging markets	133	2.5
Private equity	308	5.8
Property	163	3.1
Infrastructure	382	7.2
Credit	829	15.6
Alternatives	998	18.8
Cash	1,262	23.8
Total	**5,300**	**100.0**

Note(s):

1. Exposures on a look-through basis.

Asset class exposures at 30 June 2026[1]

Listed equities

Sector	Exposure (%)
Energy	4
Materials	9
Industrials	11
Consumer discretionary	9
Consumer staples	4
Healthcare	7
Real estate	0
Financials	21
Information technology	26
Communication services	7
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	47
Multi-strategy	3
Venture and growth	48
Secondaries	2

Property

Sector	Exposure (%)
Industrial	42
Residential	23
Diversified	13
Retail	5
Office	7
Healthcare	3
Hospitality	4
Seniors living	2

Infrastructure

Sector	Exposure (%)
Communications	51
Electricity, oil and gas	29
Airports	7
Transport	7
Water and waste	6

Credit

Strategy	Exposure (%)
Private debt	26
Investment-grade corporate	14
Sub-investment-grade corporate	20
Mortgage-backed securities	13
Other securitised	11
Emerging markets debt	9
Cash and other	6

Alternatives

Strategy	Exposure (%)
Diversifying	9
High beta	5
Low beta – directional	6
Low beta – relative value	78
Reinsurance	2

Note(s):

1. Exposures on a look-through basis.

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure (%)	Credit (%)	Alternatives (%)
Australia	24	8	8	50	7	3
United States of America	46	64	43	28	59	65
Europe (ex-UK)	8	12	25	12	19	9
United Kingdom	2	7	12	4	4	6
Japan	8	2	4	1	0	3
Developed (other)	3	3	2	3	1	4
Emerging	10	4	6	2	10	9

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	25
United States of America	47
Europe (ex-UK)	11
United Kingdom	4
Japan	3
Developed (other)	3
Emerging	7

DRF costs

Cost management

We closely monitor costs in the asset classes in which we invest and review the expected returns and costs of implementing the investment strategy on an ongoing basis.

When negotiating fee arrangements, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

All returns reported are net of costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the Disaster Ready Fund.

The DRF's direct costs over the last three years are shown in the following table. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$1.7 million	$1.8 million	$1.9 million
Direct cost ratio	0.039%	0.038%	0.037%

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$713,996	$368,722	$663,541
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$1,348,727	$1,419,958	$1,505,160

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Housing Australia Future Fund

Interpreting the Investment Mandate

The Housing Australia Future Fund (HAFF) was established with a capital contribution of $10 billion in November 2023.

The HAFF was in an initial transition phase from 1 November 2023 to 30 June 2024 while the Board developed a long-term investment strategy, which was achieved through a co-mingled arrangement with the MRFF. This co-mingled arrangement is described in the Statement of Investment Policies available on our website.

Measurement of the performance against the Investment Mandate commenced on 1 July 2024.

The Housing Australia Future Fund Investment Mandate Direction 2023 requires the Board to adopt a benchmark return of the CPI + 2.0% to 3.0% annum, net of investment fees over the long term.

In determining an acceptable but not excessive level of risk for the HAFF, the Board notes that in the Investment Mandate the Government acknowledges that targeting the long-term benchmark return implies accepting the risk of capital losses, in adverse markets, that may be 15% to 20% of the portfolio over a three-year period.

In constructing the portfolio, the Investment Mandate notes that the Board must have regard to its obligations under section 15 of the *Housing Australia Future Fund Act 2023* to take all reasonable steps to ensure that the balance of the Housing Australia Future Fund Special Account is sufficient to cover debits of amounts for the purposes specified in the Act.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Board must have regard to international best practice for institutional investment in determining its approach to corporate governance principles, including in relation to its voting policy.

The HAFF's Investment Mandate is available via our website.

Risk positioning

The Board manages the structural risk exposure of the HAFF such that there is a relatively high probability of exceeding the benchmark return on a prospective basis over the long term (noting the high level of uncertainty associated with any return forecast).

The risk exposure of the HAFF increased through the year as the Board's investment strategy was implemented.

Our expected EEE range for the HAFF is 38 to 48.

At 30 June 2026, the EEE stood at 44, which is the middle of the range.

In accordance with our investment process, we aim to build a portfolio with a relatively high degree of resilience to the investment environment.

We seek genuine diversification that achieves greater balance in portfolio construction, while allocating risk in a flexible and dynamic manner.

Currency

We explicitly manage the size and composition of the foreign currency exposures in the portfolio rather than allowing them to be shaped by our underlying investments.

At 30 June 2026, we held an exposure to foreign developed market currencies equivalent to 18% of the total HAFF.

We expect our basket of developed market currencies to diversify the portfolio against broad market risk and generate liquidity in adverse conditions.

We also held an exposure of 6% of the HAFF to emerging market currencies at 30 June 2026.

We expect a diversified exposure to emerging market currencies to deliver a modest excess return through some combination of gradual real effective exchange rate appreciation and/or positive real interest rate differentials relative to the Australian dollar.

Given that we expect its performance to be uncorrelated with broad market risk over the long term, we consider our basket of emerging market currencies to be an attractive risk-adjusted exposure at portfolio level.

Performance

Measurement of performance against the Investment Mandate commenced on 1 July 2024.

At 30 June 2026, the Housing Australia Future Fund was valued at $11.7 billion.

Housing Australia Future Fund returns, target benchmarks and levels of risk at 30 June 2026

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)	Sharpe ratio[3]
Since inception (1 November 2023)	9.6	4.9	2.5	3.2
2025–26 financial year	11.6	6.0	2.9	2.7

Note(s):

1. CPI + 2.0% to 3.0% per annum over the long term, with acceptable but not excessive level of risk. It should be noted that, given the Fund's recent establishment, a long-term assessment of performance cannot yet be made.
2. Volatility is an industry measure showing the level of realised volatility in the portfolio.
3. Sharpe ratio is a measure of the risk-adjusted return.

Portfolio exposures

Asset allocation at 30 June 2026[1]

Asset class	$m	% of Fund
Australian equities	746	6.4
Global equities		
Developed markets	1,876	16.0
Emerging markets	305	2.6
Private equity	707	6.0
Property	375	3.2
Infrastructure	878	7.5
Credit	1,904	16.3
Alternatives	2,291	19.6
Cash	2,609	22.3
Total	**11,691**	**100.0**

Note(s):

1. Exposures on a look-through basis.

Asset class exposures at 30 June 2026[1]

Listed equities

Sector	Exposure (%)
Energy	4
Materials	9
Industrials	11
Consumer discretionary	9
Consumer staples	4
Healthcare	7
Real estate	0
Financials	21
Information technology	26
Communication services	7
Utilities	2

Private equity

Strategy	Exposure (%)
Buyout	47
Multi-strategy	3
Venture and growth	48
Secondaries	2

Property

Sector	Exposure (%)
Industrial	42
Residential	23
Diversified	13
Retail	5
Office	7
Healthcare	3
Hospitality	4
Seniors living	2

Infrastructure

Sector	Exposure (%)
Communications	51
Electricity, oil and gas	29
Airports	7
Transport	7
Water and waste	6

Credit

Strategy	Exposure (%)
Private debt	26
Investment-grade corporate	14
Sub-investment-grade corporate	20
Mortgage-backed securities	13
Other securitised	11
Emerging markets debt	9
Cash and other	6

Alternatives

Strategy	Exposure (%)
Diversifying	9
High beta	5
Low beta – directional	6
Low beta – relative value	78
Reinsurance	2

Note(s):

1. Exposures on a look-through basis.

Asset class exposures by geography at 30 June 2026

Region	Listed equities (%)	Private equity (%)	Property (%)	Infrastructure (%)	Credit (%)	Alternatives (%)
Australia	24	8	8	50	7	3
United States of America	46	64	43	28	59	65
Europe (ex-UK)	8	12	25	12	19	9
United Kingdom	2	7	12	4	4	6
Japan	8	2	4	1	0	3
Developed (other)	3	3	2	3	1	4
Emerging	10	4	6	2	10	9

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	22
United States of America	49
Europe (ex-UK)	11
United Kingdom	4
Japan	3
Developed (other)	3
Emerging	8

HAFF costs

Cost management

We closely monitor costs in the asset classes in which we invest and review the expected returns and costs of implementing the investment strategy on an ongoing basis.

When negotiating fee arrangements, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

All returns reported are net of costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the HAFF.

The HAFF's direct costs over the last three years are shown in the following table. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$2.1 million	$21.5 million	$23.6 million
Direct cost ratio	0.031%	0.199%	0.206%

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$978,450	$695,623	$18,802,238
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$518,526	$2,965,345	$3,412,987

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

The increase in costs reflects the transition of the HAFF from implementation to an operational investment portfolio.

DisabilityCare Australia Fund

Interpreting the Investment Mandate

The DisabilityCare Australia Fund (DCAF) was established in July 2014 with a capital contribution of $19.2 billion.

The DisabilityCare Australia Fund Investment Mandate Direction 2014 requires the Board to:

- Adopt a benchmark return on the DCAF of the Australian three-month bank bill swap rate + 0.3% per annum, calculated on a rolling 12-month net-of-fee basis
- Invest in such a way as to minimise the probability of capital losses over a 12-month horizon.

As the Board pursues the Investment Mandate, it is also required to conduct itself in a manner that:

- Minimises the potential to effect any abnormal change in the volatility or efficient operation of Australian financial markets
- Is unlikely to cause any diminution of the Australian Government's reputation in Australian and international financial markets.

The Investment Mandate also specifies that the responsible Ministers may review the Directions, in consultation with the Board, including after any request by the Board in the context of any material changes to either the prevailing investment conditions or the cash flow position of the DCAF.

The DCAF's Investment Mandate is available via our website.

Risk positioning

We are required to invest the assets of the DCAF in such a way as to pursue the benchmark return, while minimising the probability of capital losses over a 12-month horizon.

We continue to focus on maintaining additional liquidity to help manage transaction costs and the timing of cash flows as they are confirmed.

Performance

In 2025–26, the DCAF generated an annual investment return of 4.4% per annum, against its benchmark target return of 4.2%.

The value of the DCAF was $14.5 billion at 30 June 2026.

The DCAF has a low-risk Investment Mandate and is invested in cash, bank deposits and high-rated corporate and securitised credit.

Looking forward, we remain confident the DCAF's strategy is prudent and appropriate for the Investment Mandate.

Over time we expect the current positioning of the DCAF will deliver higher returns and be well placed to meet its Investment Mandate, despite modestly higher volatility and lower liquidity.

Portfolio exposures

Asset class exposures at 30 June 2026

Credit

Strategy	Exposure (%)
Private debt	0
Investment-grade corporate	17
Sub-investment-grade corporate	0
Mortgage-backed securities	15
Other securitised	4
Emerging markets debt	0
Cash and other	64

Physical investments by geography at 30 June 2026

Region	Total exposure (%)
Australia	76
United States of America	12
Europe (ex-UK)	6
United Kingdom	3
Japan	1
Developed (other)	2
Emerging	0

DisabilityCare Australia Fund costs

Cost management

We closely monitor costs in the asset classes in which we invest, reviewing the expected returns and costs of implementing the investment strategy on an ongoing basis.

When negotiating fee arrangements, we focus on securing arrangements that offer value-for-money for the skills and resources that are applied, that are competitive relative to other managers in the sector, and that provide for strong alignment between managers and our organisation.

All returns reported are net of costs.

Direct costs

Direct costs reflect all directly incurred costs associated with the management of the DCAF.

The DCAF's direct costs over the last three years are shown below. This includes the direct cost ratio (direct costs divided by the average net assets for the financial year).

Changes in costs over the years reflect changes in the size of the DCAF and the investment activity undertaken during the year.

Summary of direct costs and direct cost ratio

	2023–24	2024–25	2025–26
Direct costs	$18.7 million	$19.2 million	$17.5 million
Direct cost ratio	0.110%	0.099%	0.099%

Cost disclosures under section 81 of the *Future Fund Act 2006*

Under its statutory arrangements, the Board also reports costs in accordance with section 81 of the *Future Fund Act 2006*.

Purpose	Amount debited 2023–24	Amount debited 2024–25	Amount debited 2025–26
Contracts with investment managers	$17,462,362	$15,047,940	$20,924,041
Board remuneration and allowances	–	–	–
Agency remuneration and allowances	–	–	–
Consultants and advisers to the Board and Agency	–	–	–
Agency and portfolio operations	$1,274,157	$1,466,994	$1,408,750

Note(s):

All costs reported under section 81 of the *Future Fund Act 2006* are reported on a cash basis, whereas the direct costs in the above table include accruals.

Our people and culture

The Future Fund is a purpose-driven organisation: we invest for the benefit of future generations of Australians. This purpose guides our decisions and directs our strategies and resources. This purpose is often why our people join us, why they choose to stay and why they perform at their best.



Working at the Future Fund

The value our work adds to the funds we manage continues to strengthen the Australian Government's long-term financial position. It supports medical research, assists Indigenous Australians, supports drought resilience and communities impacted by natural disaster, provides funding for social and affordable housing, and helps fund Australia's National Disability Insurance Scheme.

Our people are driven to do their best work, support their colleagues and contribute to the future success of both our organisation and the country.

Our organisation is committed to:

- An inclusive workplace that embraces individual differences
- A workplace free from discriminatory behaviours and business practices
- Equitable frameworks and policies, processes and practices that protect against potential unconscious bias
- Building a sense of psychological safety within our teams
- Responsiveness to the needs identified by our people as we engage on inclusion
- Equal employment and promotion opportunities based on capability and performance
- Awareness of the different needs of employees
- Attracting and retaining a diverse range of talented people.

The Future Fund Way

Since our inception, a collection of simple, fundamentally important notions has underpinned our culture and formed the basis of the Future Fund Way.

- We engage with one another respectfully.
- Each role in the organisation is equally as important as all others.
- The investment performance of the Future Fund is a common and singular goal for the whole organisation.
- Everyone works together collaboratively to achieve that goal.

The Future Fund Way builds on this cultural ideology and is underpinned by two foundational principles, which help ensure that we are all heading in the same direction.

The first principle is **One team, One purpose**.

This phrase pervades everything we do.

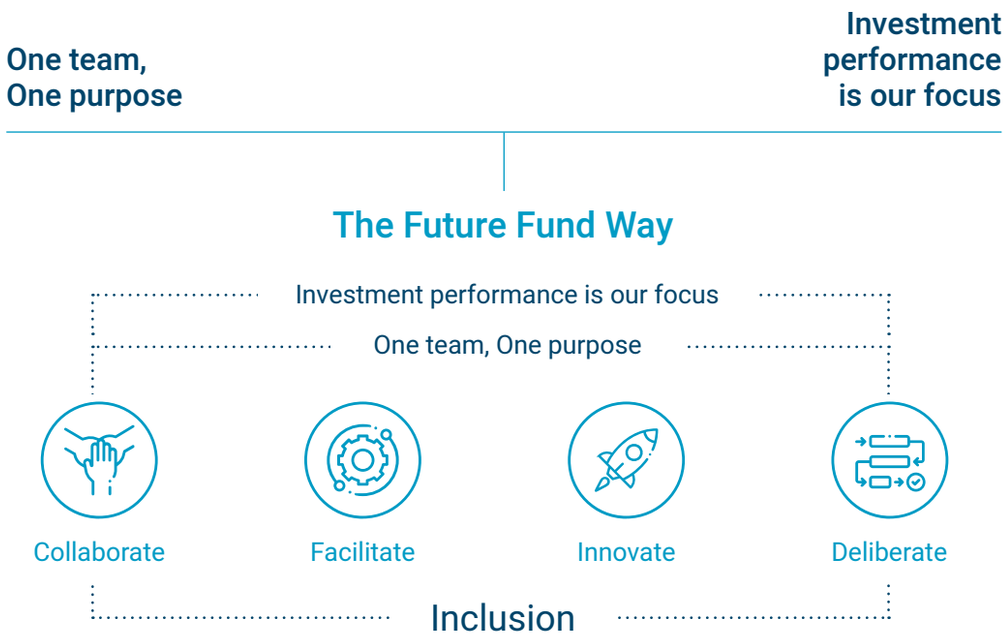
It helps hone our resources and concentrates our activity on what is most valuable overall.

It means our goals are aligned across teams, we work hard to avoid silos, and we never pull in different directions or work against one another.

The second principle is **Investment performance is our focus**.

This simple phrase is our north star.

It is the lens through which we make our strategic, investment and operational deliberations and decisions, and it directs our collective focus and attention towards achieving our legislated mandates and our purpose.



There are also five keys to our culture that collectively define and describe how we unlock our full potential. Four actions are supported by a fifth key that underpins how we behave and interact with one another:

1. **Collaborate**
   We work together, across teams, to get things done.

   We share our knowledge and skills.

   We cannot operate to our full potential – individually or collectively – without the perspective and input from our colleagues.

2. **Facilitate**
   We help our colleagues achieve success; their success is our success.

   We are encouraged to offer help proactively and to be open to receiving help.

3. **Innovate**
   We try new things, take risks where appropriate and question when necessary.

   We are never satisfied with the status quo.

   We are prepared to do things differently.

   We are comfortable with failure and celebrate it as a learning opportunity.

4. **Deliberate**
   We invest on behalf of all Australians.

   We welcome scrutiny and conduct ourselves in a manner that is befitting of the responsibility bestowed on us.

   We make decisions with this responsibility in mind so we can present them with confidence. To deliberate means that once we have made a decision, we pause to consider whether we have factored in every reasonable angle, consequence, risk and option.

These actions are supported by a fifth key:

5. **Inclusion**
   We know that being truly inclusive as an organisation can give us a competitive edge.

   Our people are part of a culture where everyone feels welcome to speak up and to contribute – a culture that values and benefits from a diverse range of perspectives and insights that will help shape our organisation and drive superior performance over the long term.

   Inclusion creates a sense of belonging and purpose, and it enhances innovation and productivity.

Investing in our people and culture

This year we focused on maturing our organisational capability to support our purpose and ambitions. In an uncertain and volatile investment environment, and with a broader remit than at any point in our 20-year history, the strength of our people and our culture are central to building a resilient organisation.

The high calibre of our workforce is testament to a well-defined employee value proposition and a positive, engaging work environment. We are intentional about cultivating a collaborative, high-performing culture in support of our joined-up, whole-of-portfolio approach to investing.

Our learning and development initiative, the Future Fund Academy, alongside a range of leadership programs and secondment opportunities ensure a sustained focus on how we invest in our people's personal and professional development journeys.

Our people are empowered to control their own development, including detailed professional development planning, coaching and access to best-in-class external learning content.

The Future Fund Academy

Through the Academy, we continue to invest in the development of our people through a suite of learning programs focused on onboarding new employees, strengthening leadership capability and building core professional skills.

The Academy also reinforces the way we invest by building understanding of the Future Fund's investment philosophy, decision-making approach and collaborative culture, helping employees contribute more effectively to organisational and investment outcomes.

In 2025–26, the Academy delivered 37 professional development and learning programs. These included:

- 23 new-starter orientation sessions
- Eight leadership and investment programs designed to build capability across people leadership, emerging talent, our investment framework and responsible investment
- Six core skills programs including Asking Better Questions, Giving and Receiving Feedback, Coaching, and Facilitating Meetings.

Professional growth opportunities

We create opportunities for professional growth through exposure to good leaders, best practices, and opportunities to challenge ourselves.

We offer a range of opportunities for our people to expand skillsets beyond direct roles, including:

- **The Growth Fund** – A dedicated pool of funding supporting our people to define development goals and access necessary external development opportunities.
- **External development opportunities** – High-performing employees are offered access to selected learning and development opportunities delivered by our investment managers. These programs enhance technical capability and provide valuable exposure to industry expertise strengthening professional networks and bring leading market insights and best-practice investment approaches into the Agency.
- **Internal mobility assignments** – We provide employees with opportunities to broaden their experience and accelerate development through temporary acting assignments and secondments within the Agency. These experiences help employees build new skills, strengthen leadership capability and apply their expertise in different contexts, while supporting the Agency's ongoing capability needs.

Secondment program

Throughout 2025–26, the Agency facilitated 10 internal secondments, each carefully aligned to individual aspirations and organisational requirements.

Secondments foster cross-team collaboration, build networks and bring fresh perspectives into the Agency.

Examples of secondments in action this year were:

- A senior associate from Dynamic Asset Allocation spent six months working with the Credit Team analysing investment opportunities, underwriting co-investments and conducting manager due diligence across public and private credit.
- An advisor from People, Culture and Inclusion completed a nine-month secondment within Risk supporting Compliance operations. Following the successful assignment, the employee accepted a permanent (senior associate) position within the team (highlighting the career development opportunities enabled through internal mobility).

Winter Internship Program

Our Winter Internship Program is in its third year. The program is a four-week internship for undergraduate students, bridging the gap between academia and real-world practice.

Sixteen interns participated across our Future Investors and Corporate Functions streams, as well as the newly established Future of Technology Program. Throughout the program, interns worked alongside their managers on projects that delivered tangible outcomes for their teams while developing practical skills and industry knowledge.

Participants also benefited from direct exposure to senior leaders, including the Chief Executive Officer and Chair of the Board of Guardians, as well as networking opportunities and workshops designed to strengthen business communication and presentation skills.

The program continues to deliver value beyond the internship period, with two participants from the previous year's cohort securing permanent roles at the Agency during 2025–26, helping to build our pipeline of future talent.

Two further intern placements this year were made through our partnership with the Aurora Education Foundation, an Indigenous organisation that supports Aboriginal and Torres Strait Islander students to realise their full education and employment potential. Their internship program supports the development of practical skills, real-world career experience and building professional networks at organisations working to support Aboriginal and Torres Strait Islander communities.

Talent acquisition

The labour market remains highly competitive in the financial services sector.

In the face of an uncertain, complex investment and geopolitical environment, it is more important than ever that we hire the right investment professionals and enabling functions staff for our purpose-driven organisation.

The Employee Value Proposition is increasingly recognised within the labour market as a point of difference, and we continued to embed it in our people processes.

Employee headcount remained broadly stable during the year, with 368 employees at 30 June 2026 (375 at 30 June 2025).

Following a period of growth, the Agency's focus has shifted towards embedding and scaling existing capability through improved ways of working, technology enablement and targeted capability development to support long-term investment performance.

Flexible working

We recognise that flexible working is a key part of attracting, developing and retaining high-quality people in a competitive market. We continue to optimise our flexible working policy and model.

Our hybrid work policy sees staff working from the office for a minimum of three days per week. This enables a balance, where possible, between the needs of the organisation and individuals.

Our people leaders are supported in managing teams that work flexibly, and in understanding the health and safety implications of remote working.

Staff have access to formal flexible work arrangements, including carer's leave and the ability to purchase additional leave.

APS Census

The Employee Census is the APS's annual workforce survey. It provides our people the opportunity to share their views on a range of topics that impact our organisation and the way we work.

Our highlights report from the 2025 Census demonstrated a score of 82% on the Employee Engagement Index, placing the Agency eighth out of 107 organisations across the APS on the Engagement Score.

The Census provides valuable insights into work-related issues and themes at the Future Fund. These insights are then converted into an action plan which is housed on our website.

Our inclusion culture

We seek to foster an inclusive workplace where our people feel valued, respected and able to contribute their best work.

We believe diverse perspectives, experiences and ways of thinking support stronger collaboration, more effective decision-making and better organisational outcomes.

Our approach is supported by a range of initiatives, including:

- Encouraging a broad range of perspectives and constructive challenge to support thoughtful decision-making and innovation
- Creating an environment where people feel supported to contribute, develop and perform at their best
- Supporting leaders to build inclusive leadership capabilities and foster a positive team culture
- Maintaining relationships with organisations that support diversity, equity, inclusion and belonging.

A 12-member Inclusion Council, chaired by our CEO, offers ongoing thought leadership that integrates inclusion into Agency structures, processes and systems.

Affinity Networks

Affinity Networks are voluntary forums for our people to collaborate on matters that align with a shared identity, purpose or common interest.

The Agency has Affinity Networks focused on:

- Gender diversity (Gender Affinity Network)
- LGBTQIA+ community (Beacon)
- Mental health and wellbeing (Thrive)
- Employees with caring responsibilities (Carer's Support Network).

The Networks offer opportunities for our people to contribute to our inclusive culture, be a voice for staff from underrepresented groups, and to share individual lived experiences as they relate to our collective inclusion journey.

Workplace, health and safety

We are dedicated to providing a safe and healthy workplace for all staff and visitors to our offices – a foundation that enables our teams to perform at their best and supports the delivery of our long-term investment mandates.

Staff wellbeing safeguards are well established at the outset of employment. All new staff participate in health, safety, and wellbeing training as part of their induction, with an annual refresher training provided to all employees.

Again this year, we have comprehensively reviewed our WHS practices and risk assessments to ensure we are implementing contemporary practices and maintaining a workplace that is psychologically and physiologically safe for the Agency's people.

Psychological safety

Psychological safety is a key aspect of employee wellbeing. To support this, we completed a psychological safety risk assessment in alignment with our Risk Management Plan and in accordance with our obligations under the *Work Health and Safety Act 2011*.

We continue to be committed to creating an environment where staff feel confident to speak up, share ideas and raise concerns without fear of judgement or reprisal.

By embedding psychological safety in our culture, we foster curiosity, innovation, accountability, continuous learning and open dialogue across the organisation.

To further strengthen this commitment, we delivered tailored training to all staff, people leaders and the Senior Leadership Team.

These bespoke programs ensure that everyone understands their role in sustaining a safe, inclusive and supportive workplace with psychological safety at its core.

Mental wellbeing

The Agency prioritises the mental health and wellbeing of all employees, recognising the inherent complexity and unique demands with managing and supporting significant investment mandates.

We provide a dedicated Employee Assistance Program, and a wellbeing portal that offers resources and programs to help staff build practical skills for managing stress and maintaining mental health.

We recognise that leadership plays a critical role in promoting a positive workplace culture.

Throughout the year, we engaged with leaders across the Agency to reinforce the importance of psychological health and encourage open conversations about mental health. This included ongoing communications and targeted sessions that helped create an environment where support is visible, accessible and actively championed at all levels.

We also maintain a register of trained mental health 'first aiders'.

Conduct and complaints

The Agency is committed to maintaining a safe, respectful and inclusive workplace and to managing complaints in a fair, timely and procedurally sound manner.

Complaints may relate to allegations of misconduct, inappropriate workplace behaviour or potential breaches of Agency policies or the Australian Public Service (APS) Code of Conduct.

The Agency's Complaints Management Policy and Conduct Integrity Unit (CIU) provide clear pathways for staff to raise concerns and ensure complaints are managed according to their seriousness and complexity.

The CIU serves as a confidential channel for reporting concerns, oversees more serious or complex matters, and promotes consistency across the Agency's complaints management framework.

Where investigations substantiate breaches of Agency policy or the APS Code of Conduct, recommendations may be made to the relevant decision-maker for appropriate disciplinary or remedial action.

The framework also helps identify opportunities to strengthen organisational policies, processes and workplace culture.

Our workforce

Employee headcount remained broadly stable during the year, with 368 employees at 30 June 2026 (375 at 30 June 2025). This includes 16 winter interns who were with the organisation from 29 June until 24 July 2026.

We welcomed 43 new permanent staff during 2025–26: 19 replacements for existing roles and 24 new roles.

We made 17 internal promotions (including advancements) and 10 internal secondments.

Headcount by business area at 30 June 2026

Investment	115
Investment and Business Operations	190
Other	63
Total	**368**

Note(s):

Other includes CEO Office; People, Culture and Inclusion; Legal and Board Secretariat; Risk, Enablement and Finance; and Corporate Affairs.

Absenteeism rate (%) over time

2023–24	2.1
2024–25	2.1
2025–26	2.4

Turnover rate (%) over time

2023–24	9.6
2024–25	5.8
2025–26	16.6

Note(s):

This year the Agency moved to reporting turnover for ongoing roles only. This methodology provides a more accurate representation of workforce turnover and underlying retention trends.

Management of human resources: reporting under the *Public Governance Performance and Accountability Act 2013* (PGPA Act)

All ongoing employees – current report period (2025–26)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	12	0	12	18	1	19	0	0	0	0	0	0	0	0	0	31
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	154	2	156	128	19	147	0	0	0	2	0	2	0	0	0	305
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**166**	**2**	**168**	**146**	**20**	**166**	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**0**	**336**

All non-ongoing employees – current report period (2025–26)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	17	0	18	12	1	13	0	0	0	0	0	0	0	0	0	31
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**18**	**1**	**19**	**12**	**1**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**32**

All ongoing employees – previous report period (2024–25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	11	0	11	16	2	18	0	0	0	0	0	0	0	0	0	29
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	158	2	160	140	18	158	0	0	0	2	0	2	0	0	0	320
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**169**	**2**	**171**	**156**	**20**	**176**	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**0**	**349**

All non-ongoing employees – previous report period (2024–25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	3	1	4	2	0	2	0	0	0	0	0	0	0	0	0	6
QLD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIC	9	0	9	11	0	11	0	0	0	0	0	0	0	0	0	20
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**12**	**1**	**13**	**13**	**0**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26**

Australian Public Service Act ongoing employees – current report period (2025–26)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
SES 2	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	25	2	27	22	0	22	0	0	0	0	0	0	0	0	0	49
EL 1	27	0	27	18	4	18	0	0	0	0	0	0	0	0	0	49
APS 6	69	0	69	45	7	52	0	0	0	1	0	1	0	0	0	122
APS 5	37	0	37	37	2	39	0	0	0	1	0	1	0	0	0	77
APS 4	6	0	6	24	7	31	0	0	0	0	0	0	0	0	0	37
APS 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**166**	**2**	**168**	**146**	**20**	**166**	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**0**	**336**

Australian Public Service Act non-ongoing employees – current report period (2025–26)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
EL 1	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	2
APS 6	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3
APS 5	2	0	2	2	0	2	0	0	0	0	0	0	0	0	0	4
APS 4	1	0	1	3	0	3	0	0	0	0	0	0	0	0	0	4
APS 3	10	0	10	6	1	7	0	0	0	0	0	0	0	0	0	17
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**18**	**1**	**19**	**12**	**1**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**32**

Australian Public Service Act ongoing employees – previous report period (2024–25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
SES 2	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	28	1	29	20	0	20	0	0	0	0	0	0	0	0	0	49
EL 1	29	1	30	19	6	25	0	0	0	0	0	0	0	0	0	55
APS 6	65	0	65	49	5	54	0	0	0	1	0	1	0	0	0	120
APS 5	38	0	38	37	2	39	0	0	0	1	0	1	0	0	0	78
APS 4	6	0	6	31	7	38	0	0	0	0	0	0	0	0	0	44
APS 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**169**	**2**	**171**	**156**	**20**	**176**	**0**	**0**	**0**	**2**	**0**	**2**	**0**	**0**	**0**	**349**

Australian Public Service Act non-ongoing employees – previous report period (2024–25)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EL 1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1
APS 6	2	0	2	1	0	1	0	0	0	0	0	0	0	0	0	3
APS 5	3	0	3	0	0	0	0	0	0	0	0	0	0	0	0	3
APS 4	1	0	1	4	0	4	0	0	0	0	0	0	0	0	0	5
APS 3	6	0	6	8	0	8	0	0	0	0	0	0	0	0	0	14
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**12**	**1**	**13**	**13**	**0**	**13**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26**

Australian Public Service Act employees by full-time and part-time status – current report period (2025–26)

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	1	0	1	0	0	0	1
SES 1	0	0	0	0	0	0	0
EL 2	47	2	49	2	0	2	51
EL 1	45	4	49	1	1	2	51
APS 6	115	7	122	3	0	3	125
APS 5	75	2	77	4	0	4	81
APS 4	30	7	37	4	0	4	41
APS 3	0	0	0	16	1	7	17
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	**314**	**22**	**336**	**30**	**2**	**32**	**368**

Australian Public Service Act employees by full-time and part-time status – previous report period (2024–25)

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	1	0	1	0	0	0	1
SES 2	2	0	2	0	0	0	2
SES 1	0	0	0	0	0	0	0
EL 2	48	1	49	0	0	0	49
EL 1	48	7	55	0	1	1	56
APS 6	115	5	120	3	0	3	123
APS 5	76	2	78	3	0	3	81
APS 4	37	7	44	5	0	5	49
APS 3	0	0	0	14	0	14	14
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Total	**327**	**22**	**349**	**25**	**1**	**26**	**375**

Australian Public Service Act Employment type by location – current report period (2025–26)

	Ongoing	Non-ongoing	Total
NSW	31	1	32
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	305	31	336
WA	0	0	0
ACT	0	0	0
NT	0	0	0
External territories	0	0	0
Overseas	0	0	0
Total	**336**	**32**	**368**

Australian Public Service Act employment type by location – previous report period (2024–25)

	Ongoing	Non-ongoing	Total
NSW	29	6	35
QLD	0	0	0
SA	0	0	0
TAS	0	0	0
VIC	320	20	340
WA	0	0	0
ACT	0	0	0
NT	0	0	0
External territories	0	0	0
Overseas	0	0	0
Total	**349**	**26**	**375**

Australian Public Service Act Indigenous employment – current reporting period (2025–26)

	Total
Ongoing	0
Non-ongoing	0
Total	**0**

Australian Public Service Act Indigenous employment – previous reporting period (2024–25)

	Total
Ongoing	0
Non-ongoing	1
Total	**1**

Australian Public Service Act employment arrangements – current report period (2025–26)

	SES	Non-SES	Total
Individual employment contract	2	366	368
Total	**2**	**366**	**368**

Remuneration report

Remuneration strategy

Remuneration for all Agency staff, including members of the Agency's SLT, is consistent with the Public Sector Workplace Relations Policy 2026 (the Workplace Relations Policy) and relevant determinations of the APS Commissioner.

All employees, including Senior Executive Service (SES) and non-SES, operate on individual employment contracts underpinned by many of the APS wide common conditions.

While Agency remuneration arrangements are determined by the Chair, as Head and Accountable Authority of the Agency, consultation with the Board on Agency staff remuneration and reward is facilitated through the Board's People, Remuneration and Culture Committee.

Fixed pay

All Agency staff members are paid fixed pay, inclusive of superannuation, commensurate with their role, classification, skills and experience. Fixed pay is set with reference to the investment and professional talent markets from which the Agency sources skilled employees.

Fixed pay for non-SES staff is referenced to salary scales that were agreed upon with the Australian Public Service Commission in 2020 and indexed each year since.

In 2025–26, fixed pay salary scales were increased by 3.4% in March 2026 in accordance with the Workplace Relations Policy and on-foot APS sector-wide bargaining agreements. Fixed pay scales were also increased by 0.5% in July 2025 to take account of the last of the Superannuation Guarantee increases.

The CEO's fixed pay increased in the 2025–26 financial year in line with the APS increase applied to all other Agency staff.

Annual variable pay

In addition to fixed pay, ongoing staff can earn a variable pay component, which is based on both personal performance (individual performance component) and investment performance (fund performance component).

The mix of variable pay based on individual performance and investment performance depends on the individual's role, with investment performance a higher component of variable pay for investment staff.

All staff have some exposure to investment performance in their variable pay arrangements, which serves to focus and align all employees on the singular pursuit of the Board's mandated investment objectives.

Each element of annual variable pay is explained in the following table.

Annual variable pay components

Component	Basis	Details
Individual performance component	Variable pay based on individual performance	Variable pay based on individual performance reflects achievement of key performance indicators (goals) set for each employee, and the extent to which each employees meets the Agency's values, risk and conduct expectations. Each individual's goals align to the organisation's business plan priorities.
Fund performance component	Variable pay based on fund performance	Variable pay based on fund performance reflects the performance of the Composite Index[1] over rolling three-year periods and is determined once performance results are audited and confirmed. Composite Index performance is calculated as an average of the returns earned on relevant funds across the three years, relative to the CPI. In times of sustained high CPI over multiple years, a Secondary Metric may be enacted, calculated as an average of the returns earned on relevant funds across the three years, relative to a Reference Portfolio. Fund performance component outcomes are capped at 20% of maximum potential if the Secondary Metric is enacted.

Note(s):

1. The Composite Index currently reflects a ratio of 90% Future Fund returns and 10% other funds managed by the Agency, represented by the Medical Research Future Fund Return Pool.

Under the Agency's Deferred Earnings Plan, staff can elect to defer receipt of some or all of their variable pay in a given financial year and have this treated as a notional investment in the Composite Index. In doing so, a minimum deferral term of two years is applied, with further 1-year deferrals optional thereafter.

Following the remuneration strategy review conducted in the 2024–25 financial year, several changes were applied to the annual variable pay plan for the first time in the 2025–26 financial year.

The key changes and enhancements that were approved by the People, Remuneration and Culture Committee and enacted through Agency policies included:

- Expanding returns-based performance metrics from measuring just the Future Fund to measuring a Composite Index made up of all the relevant funds that the Agency manages
- Minor changes to Performance and Values rating labels to reflect the increasing sophistication with which we assess individual and organisational performance, and adherence to values
- Inclusion of a secondary Reference Portfolio metric in the annual variable pay component that will be assessed in periods where CPI, outside of the Agency's control, remains high over the performance period.
- Further enhancing rigour and accountability in goal and key performance indicator setting and end-of-year assessment and calibration processes.

Long-term variable pay

The Agency applies a long-term variable pay component for a small number of senior investment leaders as the cohort most able to influence the performance of the Future Fund and whose roles require them to take the longest view of the Fund's investment strategies and performance.

Senior enabling functions leaders may also be considered for inclusion in the long-term variable pay component on a targeted critical role retention basis, and as approved by the People, Remuneration and Culture Committee.

The purpose of the long-term variable pay component is to:

- Align a portion of senior leader pay with the long-term outperformance of the Composite Index, newly applied from the 2025–26 financial year onwards
- Ensure that there are appropriate mechanisms in the Agency's remuneration framework to apply remuneration adjustments (including to zero), in the event of misconduct
- Defer a portion of senior leader remuneration over the longer term, in line with other similar financial services organisations.

The long-term variable pay component is in addition to the annual variable pay component and is measured over rolling four-year performance periods (five-year periods prior to the 2025–26 financial year).

The award is provided in cash, which is only payable at the conclusion of each performance period subject to the following performance conditions being met:

Gateway conditions before performance conditions are assessed

1. Composite Index positive absolute return (adjusted for any contributions by or distributions to the Commonwealth) over the performance period.
2. An individual performance rating equivalent to 'exceeding' in the year prior to vesting. For awards made in and from the 2025–26 financial year onwards, this gate will include a requirement to also be meeting the Agency's values expectations.

Performance conditions to determine vesting of long-term variable pay

1. Composite Index outperformance against a reference portfolio to measure the success of the investment strategy (Future Fund only for awards made prior to the 2025–26 financial year).
2. Composite Index performance against a CPI hurdle referenced to the Investment Mandate (assessment against an external SuperRatings Index for awards made prior to the 2025–26 financial year).

Each of the hurdles above is weighted at 50% of the total performance assessment.

Subject to the gateway and performance conditions being met, 50% of the award is paid after results are audited and approved and 50% is deferred and paid one year later at the conclusion of the fifth year (sixth year for awards made prior to the 2025–26 financial year).

This allows further opportunity for any remuneration adjustments to be applied in the event of misconduct.

Awards for the 2025–26 financial year long-term variable pay plan have a notional target value of between $150,000 and $300,000, depending on the role.

This can scale up on vest depending on performance condition achievement (and subject to gateway conditions being met), and is capped at an appropriate level, deferring any balance to future years when the cap is not exceeded.

Variable pay outcomes

Individual plan component

The individual performance component of our variable pay structure is designed to recognise and reward the individual performance outcomes and achievements of goals set for each employee, as well as the extent to which they meet and model the Agency's values. The Agency runs rigorous end-of-year processes to calibrate individual performance and ensure equitable outcomes across the Agency, in line with expectations of the Government.

Agency staff delivered well against the business plan, supporting the organisation's operational and investment priorities and the appropriate risk management and positioning of the portfolio to generate the exceptional fund returns over the 2025–26 year. Average individual performance outcomes remained broadly in line with those of 2024–25.

Fund plan component

The construct of the fund performance component of the Agency's annual variable pay is based on a three-year rolling average of the Composite Index's performance relative to the CPI.

The 2025–26 Composite Index performance outcome incorporates this year's return of 14.6%, (against the CPI of 4.0%) and the previous two years of 12.1% (against the CPI of 2.1%) in 2024–25 and 9.2% (against the CPI of 3.8%) in 2023–24. Results for financial years 2023–24 and 2024–25 have been restated for the purposes of the new Composite Index calculation methodology and are not material in the determination of the outcome.

The three-year rolling average Composite Index performance of 11.9% per annum significantly exceeded the three-year rolling average CPI of 3.3% per annum, and the fund performance component paid in full.

Over $229 billion has been added to the value of the Future Fund since its inception in 2006, with $37.4 billion added in the past year alone. It now stands at $289.7 billion. The total value of investments managed by the Board of Guardians across the seven funds at the end of the financial year stands at $356 billion.

Overall outcomes

Total performance-related payments this year of $32.9 million reflect the strong investment performance evidenced by the Composite Index outcomes, as well as the strong performance of the Agency as a whole in achieving this outcome.

Details of annual variable pay outcomes are listed in the Variable pay by classification level in 2025–26 table.

No payments are eligible to be made under the Long-Term Variable Plan until 2027–28 at the earliest, and any payments will be subject to assessment against performance hurdles.

Remuneration of key management personnel in 2025–26

Key management personnel (KMP) are those who have authority and responsibility for planning, directing and controlling the activities of the Board and Agency directly and indirectly throughout the year. KMP represents Members of the Board and members of the Agency's SLT (the executive KMP).

The Board and the Agency are established by the *Future Fund Act 2006*. In accordance with the Act, responsible Ministers appoint Members of the Board.

The Act prescribes that fees payable to Board Members are determined by the Commonwealth Remuneration Tribunal (the Tribunal).

The Tribunal's Determination 2025, taking effect from 1 July 2025, sets the annual fee payable to the Chair at $243,140 and the fee for other Members at $121,590.

Board Members receive no additional fees for membership of the Audit and Risk Committee or the People, Remuneration and Culture Committee.

The official travel entitlement for Board Members was set at Tier 1.

Board Members are not eligible for performance-related payments.

Remuneration mix for Agency Executive KMP

As is the case for all staff, remuneration for Agency Executive KMP as defined in the previous section, includes both fixed and variable pay on the same terms as other staff, including a fund performance component and individual performance component.

Executives with greater influence over the investment portfolio have a larger proportion of their variable pay linked to investment performance than those in enabling functions roles, who have variable pay more closely tied to the delivery of initiatives and objectives that support the implementation of the Agency's business strategy.

The following table summarises the composition of variable-related pay for each member of the executive KMP Group.

Annual variable pay composition for Agency Executive KMP

Name	Maximum variable pay as a % of fixed remuneration	% of variable pay tied to investment performance (fund component)	% of variable pay tied to personal performance (individual component)
Dr Raphael Arndt	120	50	50
Ms Nancy Collins	75	25	75
Ms Gillian Denison	75	25	75
Ms Simone Hartley-Keane	75	25	75
Mr Will Hetherton	75	25	75
Mr Gordon McKellar	75	25	75
Mr Hugh Murray	120	50	50
Mr Ben Samild[1]	–	–	–

Note(s):

1. Mr Ben Samild ceased his employment on 24 September 2025 and was not eligible to receive annual variable pay in relation to performance year 2025–26.

Actual remuneration received by Agency Executive KMP in 2025–26

The remuneration outcomes table below is a voluntary, non-statutory disclosure that provides a summary of the cash remuneration received by Executive KMP in the 2025–26 financial year. Remuneration outcomes for Executive KMP reflect the combination of fixed pay and variable pay as outlined on the previous page/s, and includes any increases determined through APS or Agency processes.

Name	Position title	Fixed remuneration paid in year[1] $	Annual variable pay paid in year[2] $	Long-term variable pay vested and paid in year[3] $	Total cash remuneration paid in year $
Dr Raphael Arndt	Chief Executive Officer	838,359	927,719	Nil	1,766,078
Ms Nancy Collins[4]	Chief Financial Officer and Chief Risk Officer	651,464	Nil	–	651,464
Ms Gillian Denison[5]	General Counsel	485,544	158,270	–	643,814
Ms Simone Hartley-Keane[6]	Chief People, Culture and Inclusion Officer	513,555	Nil	–	513,555
Mr Will Hetherton	Chief Corporate Affairs Officer	592,138	371,026	–	963,164
Mr Gordon McKellar	Chief Operating Officer	721,243	482,858	–	1,204,101
Mr Hugh Murray[7]	Deputy Chief Investment Officer and Interim Chief Investment Officer	761,048	624,901	Nil	1,385,949
Mr Ben Samild[8]	Former Chief Investment Officer	207,548	Nil	Nil	207,548

Note(s):

1. Fixed Remuneration is comprised of base salary, superannuation and any relevant allowances. This excludes other short-term employee benefits such as leave accruals and reportable fringe benefits.
2. Where applicable, annual variable pay payments are made in October of each year, and as such, the amount paid in year is attributable to the outcome of the prior performance year. The amount detailed is the cash received in year and excludes any amounts voluntarily deferred, the values of which were included in the FY2024–25 statutory remuneration table, under 'Other long-term benefits.'
3. The cash value of the long-term variable pay received in year for eligible participants. The first grant of the long-term variable pay is due to be tested at the conclusion of FY2026–27, with any individual values first disclosed in this table in the 2027–28 Annual Report.
4. Ms Nancy Collins was appointed as Chief Financial Officer and Chief Risk Officer on 15 July 2025 and was therefore ineligible for annual variable pay in FY2024–25.
5. Ms Gillian Denison was appointed as General Counsel on 2 July 2025, as such annual variable pay detailed is representative of performance and opportunity applicable to her previous role, prior to service as Executive KMP.
6. Ms Simone Hartley-Keane was appointed as Chief People, Culture & Inclusion Officer on 19 May 2025, and was therefore ineligible for annual variable pay in FY2024–25.
7. Mr Hugh Murray served as Acting Interim Chief Investment Officer from 15 September 2025 to 30 June 2026. The Fixed Remuneration value for Mr Murray includes the Higher Duties Allowance received in relation to this period. Mr Murray's Annual variable pay excludes a value of $156,226 which was voluntarily deferred under the Agency's deferred earnings plan in the prior performance year.
8. Mr Ben Samild ceased his employment on 24 September 2025. Mr Samild's statutory termination benefits are detailed in the statutory tables in this report.

KMP statutory remuneration for 2025–26

The following statutory table details the statutory accounting expense of all remuneration-related items for KMP, in respect of the 2025–26 financial year. Detailed are the payments and benefits of KMP, for the period they were KMP during the 2025–26 financial year. This table differs from the remuneration outcomes table on the prior page, which shows the actual remuneration received in the 2025–26 financial year.

Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary $	Variable pay $	Other benefits and allowances $	Superannuation contributions $	Long service leave $	Other long-term benefits[1] $		
Dr Raphael Arndt	Chief Executive Officer	825,783	985,763	0	30,000	28,815	-58,810	0	1,811,551
Ms Nancy Collins[2]	Chief Financial Officer and Chief Risk Officer	682,714	450,077	0	30,000	15,576	0	0	1,178,367
Ms Gillian Denison[3]	General Counsel	472,908	325,785	23,780	30,000	30,870	0	0	883,343
Ms Simone Hartley-Keane	Chief People, Culture and Inclusion Officer	503,733	358,261	0	30,000	12,245	0	0	904,239
Mr Will Hetherton	Chief Corporate Affairs Officer	547,403	329,158	0	30,000	18,540	0	0	925,101
Mr Gordon McKellar	Chief Operating Officer	724,040	502,854	0	38,500	23,427	0	0	1,288,821
Mr Hugh Murray[4]	Deputy Chief Investment Officer and Interim Chief Investment Officer	755,844	920,582	0	38,500	22,791	531,461	0	2,269,178
Mr Ben Samild[5]	Chief Investment Officer	142,363	0	0	8,077	24,314	0	401,507	576,261
Mr Greg Combet AO	Chair	243,140	0	2,396	29,177	0	0	0	274,713
Mr James Craig	Board Member	121,590	0	35	14,591	0	0	0	136,216
Mrs Patricia Cross AM[6]	Board Member	104,754	0	35	16,132	0	0	0	120,921
Dr Deborah Ralston	Board Member	121,590	0	369	18,725	0	0	0	140,684
Ms Mary Reemst AM	Board Member	121,590	0	262	14,591	0	0	0	136,443
Ms Fiona Trafford-Walker[7]	Board Member	16,837	0	0	2,019	0	0	0	18,856
Ms Rosemary Vilgan	Board Member	121,590	0	369	18,725	0	0	0	140,684
Ms Nicola Wakefield Evans AM	Board Member	121,590	0	298	14,591	0	0	0	136,479

Note(s):

1. Included in this figure is the accrued accounting value of any deferred annual variable pay and/or long-term variable pay and does not represent actual cash remuneration received.
2. Ms Nancy Collins was appointed as Chief Financial Officer and Chief Risk Officer on 15 July 2025.
3. Ms Gillian Denison was appointed as General Counsel on 2 July 2025. Ms Denison's 'Other benefits and allowances' relate to reportable fringe benefits.
4. Mr Hugh Murray served as Interim Chief Investment Officer from 15 September 2025 to 30 June 2026.
5. Mr Ben Samild ceased his employment on 24 September 2025. 'Termination benefits' relate to contractual and statutory employment entitlements.
6. Mrs Patricia Cross AM concluded her term on the Board and committees on 10 May 2026.
7. Ms Fiona Trafford-Walker was appointed to the Board on 12 May 2026.

Remuneration outcomes for other highly paid staff in 2025–26

The following statutory table details the statutory accounting expense of all remuneration-related items for other highly paid staff, in respect of the 2025–26 financial year.

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary $	Average variable pay $	Average other benefits and allowances $	Average superannuation contributions $	Average long service leave	Average other long-term benefits[1]	Average termination benefits[2] $	Average total remuneration $
$265,000–$270,000	6	190,652	42,166	3,252	25,791	5,156	0	0	267,017
$270,001–$295,000	24	200,627	29,358	1,827	26,953	5,929	9,433	8,135	282,260
$295,001–$320,000	23	230,001	33,916	0	28,921	7,184	7,051	0	307,073
$320,001–$345,000	24	240,844	27,995	0	29,086	5,774	16,126	9,127	328,953
$345,001–$370,000	8	249,723	46,468	3,795	29,948	8,014	14,244	7,561	359,753
$370,001–$395,000	13	253,368	70,088	1,502	30,113	8,437	7,604	12,101	383,213
$395,001–$420,000	18	293,152	54,891	1,635	30,282	2,538	22,391	0	404,889
$420,001–$445,000	6	277,402	52,644	0	29,727	8,327	47,658	13,207	428,964
$445,001–$470,000	8	338,733	75,441	2,332	29,280	7,879	-4,901	5,087	453,851
$470,001–$495,000	9	290,816	75,061	9,489	30,000	8,582	52,923	15,587	482,458
$495,001–$520,000	4	303,765	142,924	0	30,000	10,264	0	21,355	508,308
$545,001–$570,000	3	275,356	104,101	10,942	28,801	11,012	11,168	111,186	552,566
$570,001–$595,000	3	308,203	158,477	0	38,058	8,852	72,081	0	585,670
$595,001–$620,000	3	367,732	149,681	0	32,833	11,107	47,345	0	608,698
$620,001–$645,000	3	335,201	232,249	10,916	32,833	18,879	0	0	630,079
$645,001–$670,000	2	360,623	262,821	0	30,000	12,376	0	0	665,819
$670,001–$695,000	5	395,688	174,704	10,185	30,000	14,343	54,688	0	679,608
$695,001–$720,000	3	446,262	151,182	0	32,833	15,024	59,845	0	705,146
$720,001–$745,000	4	369,808	233,030	7,988	30,000	11,625	79,700	0	732,151
$745,001–$770,000	3	390,348	208,659	0	30,000	10,561	116,076	0	755,644
$770,001–$795,000	2	428,244	316,454	0	30,000	11,070	0	0	785,768
$795,001–$820,000	1	397,977	329,483	21,324	38,500	10,066	0	0	797,350
$820,001–$845,000	1	377,868	415,047	0	30,000	11,638	0	0	834,553
$845,001–$870,000	2	486,291	269,992	16,348	34,250	13,874	46,017	0	866,771
$870,001–$895,000	1	415,498	363,959	0	75,563	19,720	0	0	874,740
$895,001–$920,000	1	500,671	354,087	0	30,000	13,523	0	0	898,281
$970,001–$995,000	1	485,833	454,091	0	30,000	17,825	0	0	987,749
$1,020,001–$1,045,000	1	489,599	412,675	5,015	30,000	16,001	72,824	0	1,026,114
$1,045,001–$1,070,000	3	508,639	166,480	6,121	32,833	20,649	324,096	0	1,058,819
$1,070,001–$1,095,000	1	514,782	520,492	0	30,000	13,716	0	0	1,078,991
$1,095,001–$1,120,000	1	549,878	520,492	0	30,000	14,228	0	0	1,114,598
$1,120,001–$1,145,000	1	559,634	534,881	0	30,000	16,346	0	0	1,140,861
$1,170,001–$1,195,000	1	386,241	381,729	0	30,000	49,964	0	325,926	1,173,860
$1,295,001–$1,320,000	1	605,144	186,304	0	30,000	14,543	468,703	0	1,304,694
$1,345,001–$1,370,000	1	349,354	481,002	28,227	30,000	19,851	439,367	0	1,347,801
$1,545,001–$1,570,000	1	518,457	0	0	30,000	18,727	983,185	0	1,550,369
$1,570,001–$1,595,000	1	622,054	779,960	0	30,000	18,765	122,712	0	1,573,491
$2,020,001–$2,045,000	1	699,859	843,638	0	38,500	18,292	439,367	0	2,039,656

Note(s):

1. Included in this figure is the accrued accounting value of any deferred annual variable pay and/or long-term variable pay and does not represent actual cash remuneration received.
2. Figures in this column relate to contractual and statutory employment entitlements paid upon termination of employment.

Remuneration of all staff in 2025–26

While the Agency operates on individual employment contracts rather than an enterprise agreement, we adjust our practices to meet the requirements of the Workplace Relations Policy and associated directions for fixed pay, which includes superannuation.

The Workplace Relations Policy was introduced in 2023 and remains in force.

Other non-salary benefits include annual flu vaccinations, ergonomic assessments and furniture, contributions to relevant professional memberships and salary sacrifice arrangements.

Salary ranges by classification level 2025–26

	Minimum salary $	Maximum salary $
SES 3	861,754	861,754
SES 2	741,370	773,365
SES 1	0	0
EL 2	347,262	729,854
EL 1	272,326	476,385
APS 6	188,562	325,563
APS 5	141,535	271,659
APS 4	90,167	178,322
APS 3	75,737	84,156
APS 2	0	0
APS 1	0	0
Other	0	0
Minimum/Maximum range	**75,737**	**861,754**

Note(s): The Future Fund Management Agency operates a Level of Work (LoW) classification system that ranges from LoW 1 to 7. In line with reporting requirements under the PGPA Act, remuneration information is reported in accordance with the Australian Public Service (APS) classification system. Actual salaries for each LoW fall within the available APS ranges shown above. Salaries are inclusive of superannuation.

Variable pay

Ongoing staff have the opportunity to earn a variable pay component in addition to fixed pay, as outlined earlier in this report. The values earned in respect of the 2025–26 performance year are shown in the table below, noting that their payment will occur early in 2026–27.

The payments detailed in the table below include pro rata variable pay for staff who were not employed for the full 12-month cycle but were eligible for payment. Long-term variable pay is not included in this table as no payments are eligible to be made under the long-term variable plan until 2027–28 at the earliest.

Variable pay by classification level in 2025–26

	Number of employees receiving performance pay	Aggregated (sum total) of all payments made $	Average of all payments made $	Minimum payment made to employees $	Maximum payment made to employees $
SES 3	1	985,763	985,763	985,763	985,763
SES 2	1	502,854	502,854	502,854	502,854
SES 1	0	0	0	0	0
EL 2	51	16,518,491	323,892	53,705	920,582
EL 1	52	6,213,821	119,497	17,193	318,629
APS 6	119	6,337,897	53,260	8,097	172,876
APS 5	75	2,012,799	26,837	0	76,768
APS 4	34	376,788	11,082	0	28,991
APS 3	0	0	0	0	0
APS 2	0	0	0	0	0
APS 1	0	0	0	0	0
Other	0	0	0	0	0
Total	**333**	**32,948,413**	**98,945**	**0**	**985,763**

Financial statements

For the financial year ended 30 June 2026

Independent Auditor's Report	**123**
Statement by the Chair of the Board of Guardians and Chief Financial Officer	**127**
Statement of comprehensive income	**128**
Statement of financial position	**129**
Statement of cash flows	**130**
Statement of changes in equity	**131**
Schedule of commitments	**132**
Notes to and forming part of the financial statements	**133**

These financial statements consist of the Future Fund Management Agency and the Board of Guardians.

Auditor-General for Australia

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Future Fund Management Agency and Board of Guardians (together, the Entity) for the year ended 30 June 2026:

(a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2026 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2026 and for the year then ended:

- Statement by the Chair of the Future Fund Board of Guardians and Chief Financial Officer of the Future Fund Management Agency;
- Statement of comprehensive income;
- Statement of financial position;
- Statement of cash flows;
- Statement of changes in equity;
- Schedule of commitments; and
- Notes to and forming part of the financial statements, comprising a summary of material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matter	How the audit addressed the matter
Valuation of collective investment vehicles held at fair value through profit or loss *Refer to Note 16.7 'Fair Value Hierarchy (Collective Investment Vehicles)'* As at 30 June 2026, collective investment vehicles (as defined in Note 7.3 *'Collective investment vehicles'*) totalled $131.8 billion. Collective investment vehicles comprise holdings of a diverse range of asset categories including private equity funds, hedge funds, debt funds, infrastructure funds, property funds and timberland assets. Valuation techniques are varied depending on the particular asset category and holding. All investments are held in custody by the Entity's appointed custodian. I consider the valuation of collective investment vehicles to be a key audit matter due to the size of the investments and the inherent subjectivity, significant judgements and estimates required where market data is not available to determine the fair value of these investments. In addition, disclosures that support the users' understanding of the valuation of collective investment vehicles are complex.	To assess the controls over the valuation of all collective investment vehicles, I: • inspected the custodian's independent auditor's assurance report in respect of the design, implementation and operating effectiveness of relevant controls over the valuation of investments by the custodian; • assessed the qualifications, competence and objectivity of the custodian's independent auditor; and • tested the design, implementation and operating effectiveness of a selection of the controls in place at the Entity to assess the valuation of collective investment vehicles whether they be performed by the custodian, the collective investment vehicle manager, a valuation expert or management. I assessed, on a sample basis, the valuation of indirectly held single infrastructure and timberland investments as at 30 June 2026. To do so I: • evaluated the qualifications, competence and objectivity of the valuation expert used by management; and • tested the valuation models used including the reasonableness of key assumptions regarding growth rates, discount rates and multiples applied to earnings within the models by performing a cross-check between management's valuation and the valuation applied by comparable companies, including considering the underlying assumptions. To assess the valuation of all other collective investment vehicles as at 30 June 2026, on a sample basis, I: • agreed the fair value to the capital account statements received from the underlying investment manager; • obtained audited financial statements of each underlying collective investment vehicle as at 30 June 2026, where available, and agreed the audited net asset value to the capital account statement; • performed an assessment of the audited financial statements of the collective investment vehicles which included: ○ considering the regulatory framework under which the financial statements were prepared and the accounting policies adopted; ○ evaluating the qualifications, competence and objectivity of the audit firm performing the audit and the opinion provided; and • where 30 June 2026 audited financial statements were unavailable, investigated significant movements from the date of the most recent audited financial statements and obtained additional evidence to support these movements; and • I assessed the accuracy and completeness of the related disclosures in Note 16.7 *'Fair value hierarchy'* to the financial statements to support the users' understanding of collective investment vehicles.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2026 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair of the Future Fund Board of Guardians is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Chair of the Future Fund Board of Guardians is also responsible for such internal control as the Chair of the Future Fund Board of Guardians determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair of the Future Fund Board of Guardians is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair of the Future Fund Board of Guardians is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Dr Caralee McLiesh PSM
Auditor-General for Australia

Canberra

29 September 2026

Statement by the Chair of the Future Fund Board of Guardians and Chief Financial Officer of the Future Fund Management Agency

In our opinion, the attached financial statements of the Future Fund Management Agency and the Board of Guardians in respect of the Future Fund (together the "**Fund**") for the year ended 30 June 2026 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* ("**PGPA Act**"), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

In preparing the financial statements, the Fund has applied an exemption from sections 6, 8 and 9 of the Financial Reporting Rules which has been provided by the Minister for Finance, allowing the Fund to present a financial report in a format that complies with the 'investment entity' requirements under Australian Accounting Standards. The effect of this exemption is that the Fund will present its financial report as a single entity.

Hon G Combet AO

Chair of the Board of Guardians
29 September 2026

N Collins

Chief Financial Officer
29 September 2026

Statement of comprehensive income
for the financial year ended 30 June 2026

	Notes	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Income			
Dividends and franking credits	**3**	**2,785,245**	2,671,954
Distributions	**3**	**1,297,801**	816,736
Interest income from financial assets not at fair value through profit or loss		**294,954**	513,602
Net gains on financial instruments at fair value through profit or loss	**3**	**34,277,773**	24,095,197
Net foreign currency losses	**3**	**(625,945)**	(89,997)
Other income		**16,225**	15,288
Total income		**38,046,053**	28,022,780
Expenses			
Investment management fees and advisory fees		**182,457**	169,079
Investment manager performance fees		**21,467**	45,591
Custody fees		**24,738**	24,062
Brokerage, duties and other statutory charges		**70,024**	33,034
Other investment portfolio expenses		**14,333**	7,949
Agency employees' remuneration	**4**	**138,360**	122,204
Other expenses	**4,5**	**151,097**	154,209
Total expenses		**602,476**	556,128
Operating result for the year before tax		**37,443,577**	27,466,652
Income tax expense	**6**	**54,243**	72,181
Operating result for the year		**37,389,334**	27,394,471
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year		**37,389,334**	27,394,471

Note(s):
The above statement should be read in conjunction with the accompanying notes.

Statement of financial position
at 30 June 2026

	Notes	At 30 June 2026 $'000	At 30 June 2025 $'000
Assets			
Financial assets			
Cash and cash equivalents	**13**	**8,061,979**	9,864,727
Receivables	**8**	**1,283,881**	799,314
Investments	**7**	**284,388,860**	245,020,278
Other financial assets		**19,818**	20,309
Total financial assets		**293,754,538**	255,704,628
Non-financial assets			
Right-of-use assets		**20,387**	25,316
Plant and equipment		**14,382**	12,562
Total non-financial assets		**34,769**	37,878
Total assets		**293,789,307**	255,742,506
Liabilities			
Financial liabilities			
Investments	**7**	**3,696,655**	2,987,886
Payables	**9**	**402,588**	375,686
Lease liability		**28,525**	34,699
Total financial liabilities		**4,127,768**	3,398,271
Non-financial liabilities			
Employee provisions	**10**	**79,478**	68,421
Total non-financial liabilities		**79,478**	68,421
Tax liabilities			
Deferred tax liabilities		**4,648**	87,735
Total tax liabilities		**4,648**	87,735
Total liabilities		**4,211,894**	3,554,427
Net assets		**289,577,413**	252,188,079
Equity and amount attributable to the Government			
Contributions by Government	**11**	**60,536,831**	60,536,831
Retained earnings		**229,040,582**	191,651,248
Total equity and amount attributable to the Government		**289,577,413**	252,188,079

Note(s):
The above statement should be read in conjunction with the accompanying notes.

Statement of cash flows
for the financial year ended 30 June 2026

	Notes	Year ended 30 June 2026 $'000	Year ended 30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**185,743,996**	137,036,591
Purchase of financial instruments at fair value through profit or loss		**(190,478,055)**	(141,258,468)
Interest received		**305,803**	507,294
Dividends received		**2,424,072**	2,327,955
Distributions received		**1,264,299**	776,604
Franking credit refunds received		**314,700**	436,533
Realised foreign exchange losses		**(711,577)**	(44,186)
GST refund received		**14,184**	7,986
Other income received		**16,227**	14,941
Investment management fees and advisory fees paid		**(187,495)**	(151,362)
Investment manager performance fees paid		**(38,382)**	(62,250)
Custody fees paid		**(33,660)**	(15,748)
Brokerage, duties and other statutory charges paid		**(67,619)**	(33,029)
Taxes paid		**(137,329)**	(111,529)
Interest paid on right of use asset leases		**(156)**	(186)
Other expenses paid		**(304,680)**	(285,434)
Net cash used in operating activities	**13**	**(1,875,672)**	(854,288)
Cash flows from investing activities			
Sublease asset principal repayments received		**–**	877
Purchase of plant and equipment		**(3,200)**	(518)
Net cash (used in)/provided by investing activities		**(3,200)**	359
Cash flows from financing activities			
Lease liability principal payments		**(6,173)**	(5,913)
Net cash used in financing activities		**(6,173)**	(5,913)
Net decrease in cash held		**(1,885,045)**	(859,842)
Cash at the beginning of the reporting period		**9,864,727**	10,768,488
Effects of exchange rate changes on the balance of cash held in foreign currencies		**82,297**	(43,919)
Cash at the end of the reporting period	**13**	**8,061,979**	9,864,727

Note(s):

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the financial year ended 30 June 2026

	Year ended 30 June 2026		
	Contributed equity $'000	Retained earnings $'000	Total equity $'000
Opening balance	**60,536,831**	**191,651,248**	**252,188,079**
Net operating result	**–**	**37,389,334**	**37,389,334**
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**–**	**37,389,334**	**37,389,334**
Contributions made by Government	**–**	**–**	**–**
Closing balance	**60,536,831**	**229,040,582**	**289,577,413**

	Year ended 30 June 2025		
	Contributed equity $'000	Retained earnings $'000	Total equity $'000
Opening balance	60,536,831	164,256,777	224,793,608
Net operating result	–	27,394,471	27,394,471
Other comprehensive income	–	–	–
Total comprehensive income	–	27,394,471	27,394,471
Contributions made by Government	–	–	–
Closing balance	60,536,831	191,651,248	252,188,079

Note(s):

The above statement should be read in conjunction with the accompanying notes.

Schedule of commitments
at 30 June 2026

	Notes	30 June 2026 $'000	30 June 2025 $'000
By type			
Capital commitments			
Collective investment vehicles	**7.3**	**34,359,774**	27,771,531
Total capital commitments		**34,359,774**	27,771,531
Other commitments			
Other commitments[1]		**89,631**	59,345
Total other commitments		**89,631**	59,345
By maturity			
Capital commitments			
One year or less		**34,359,774**	27,771,531
Total capital commitments by maturity		**34,359,774**	27,771,531
Other commitments			
One year or less		**68,639**	48,384
From two to five years		**20,992**	10,961
Total other commitments by maturity		**89,631**	59,345

Note(s):

1. Other commitments relate to contractual obligations for the provision of services for the Fund.

Commitments are GST inclusive.

The above schedule should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements
for the financial year ended 30 June 2026

Note	Description	Page
1	Objectives of the Future Fund and the responsibilities of the Agency and the Board	134
2	Material accounting policies	135
3	Dividends, distributions and net gains/(losses)	142
4	Expenses	143
5	Remuneration of Auditors	143
6	Income tax expense	144
7	Investments	145
8	Receivables	152
9	Payables	153
10	Provisions	153
11	Contributions by Government	153
12	Unconsolidated subsidiaries and interests in unconsolidated structured entities	154
13	Cash flow reconciliation	155
14	Contingent liabilities and assets	155
15	Related party transactions	156
16	Financial instruments and financial risk management	158
17	Events occurring after reporting date	175
18	Special accounts	176
19	Reporting of outcomes	178
20	Current and non-current assets and liabilities disclosure	179
21	Budgetary reports	180
22	Lease maturity analysis	181

Note 1: Objectives of the Future Fund and the responsibilities of the Agency and the Board

The *Future Fund Act 2006* (as amended) (“**Act**”) commenced on 3 April 2006 and established the Future Fund Special Account (the Fund Account), the Future Fund Board of Guardians (“**Board**”) and the Future Fund Management Agency (“**Agency**”), collectively referred to as the Future Fund (“**Fund**”). The main object of this Act is to strengthen the Commonwealth’s long-term financial position by establishing the Future Fund.

The Future Fund will provide an asset to cover Commonwealth liabilities including unfunded superannuation liabilities that will become payable during a period when an ageing population is likely to place significant pressure on the Commonwealth’s finances.

Future Fund Management Agency

The Agency is a statutory agency for the purposes of the *Public Service Act 1999* (“**Public Service Act**”) and is prescribed for the purposes of the *Public Governance, Performance and Accountability Act 2013* (“**PGPA Act**”). The Agency is responsible for implementing the investment decisions made by the Board.

The Agency is responsible for the operational activities associated with the investment of funds in the Fund Account. This includes the provision of advice to the Board on the investment of the portfolio and managing the Board’s contracts with investment managers, advisers and other service providers.

The Agency also supports the Board in the investment of the assets of the DisabilityCare Australia Fund (“**DCAF**”) as set out in the *DisabilityCare Australia Fund Act 2013*, the Medical Research Future Fund (“**MRFF**”) as set out in the *Medical Research Future Fund Act 2015*, the Aboriginal and Torres Strait Islander Land and Sea Future Fund (“**ATSILSFF**”) as set out in the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*, the Future Drought Fund (“**FDF**”) as set out in the *Future Drought Fund Act 2019*, the Disaster Ready Fund (“**DRF**”) as set out in the *Disaster Ready Fund Act 2019* and the Housing Australia Future Fund (“**HAFF**”) as set out in the *Housing Australia Future Fund Act 2023*.

Future Fund Board of Guardians

The Board is a body corporate with perpetual succession and has a separate legal identity to the Commonwealth.

The roles and responsibilities of the Board are set out in the Act. The Board is collectively responsible for the investment decisions of the Fund and for the safekeeping and performance of the assets of the Fund. As such, the Board’s primary role is to provide strategic direction to the investment activities of the Fund including the development and implementation of an investment strategy that adheres to the Investment Mandate.

The Board is also responsible for the investment of the assets of the DCAF, MRFF, ATSILSFF, FDF, DRF and HAFF. The assets and financial results of these funds do not form part of these financial statements.

Note 2: Material accounting policies

2.1 Basis of preparation of the financial statements

These financial statements comprise the Agency and the Board in respect of the Future Fund, collectively referred to as the Future Fund, prepared in accordance with Section 80 of the Act.

The financial statements are required by section 42 of the PGPA Act and are general purpose financial statements prepared on a going concern basis.

The financial statements have been prepared in accordance with:

- Financial Reporting Rules (“**FRR**”) (being the *Public Governance, Performance and Accountability Rule 2015*) for reporting periods ending on or after 1 July 2025; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“**AASB**”) that apply for the reporting period.

In preparing the financial statements, the Fund has applied an exemption from sections 6, 8 and 9 of the Financial Reporting Rules which has been provided by the Minister for Finance allowing the Fund to present a financial report in a format that complies with the investment entity requirements under Australian Accounting Standards. The effect of this exemption is that the Fund will present its financial report as a single entity.

These financial statements have been prepared on an accrual basis and are in accordance with the historic cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through the profit or loss account. Cost is based on the fair values of the consideration given in exchange for assets or the fair value of consideration or services received in exchange for the creation of a liability.

The Statement of financial position is presented on a liquidity basis as is common practice within the investment industry. Assets and liabilities are presented in decreasing order of liquidity and with no distinction between current and non-current. All balances are expected to be recovered or settled within 12 months except for:

- Investments in financial assets and liabilities. These investments are held for the longer term consistent with the Fund’s investment mandate;
- Right-of-use assets which are depreciated over the shorter of the lease term and the estimated useful lives of the assets;
- Plant and equipment which are depreciated over their useful lives; and
- Certain employee liabilities such as leave entitlements.

Commitments, which are not liabilities or assets under Australian Accounting Standards are not recognised in the Statement of financial position. They are reported as appropriate in the Schedule of commitments.

Significant Accounting Judgements and Estimates

In relation to collective investment vehicles, significant judgement is required in making assumptions and estimates which are inputs to the fair value of such investments. The Fund ensures that valuation principles applied are materially compliant with industry guidelines and are consistently applied and there has been no change in the application of these principles to 30 June 2026 valuations. Further details surrounding the judgements and estimates used to value these investments are disclosed in Notes 16.6 and 16.7.

Note 2: Material accounting policies | Continued

Consolidation exemption for investment entities

The Fund meets the definition of an "investment entity" under AASB 10 Consolidated Financial Statements and does not consolidate its subsidiaries as listed in Note 12. Instead, those subsidiaries are recognised as investments and are measured at fair value through profit or loss. The Fund's assessment of the investment entity definition is as follows:

An investment entity is defined as an entity that:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Fund meets these criteria as it is a sovereign wealth fund investing for the benefit of all Australians, generating returns through both capital appreciation and investment income. Furthermore, the performance of the investments made through subsidiaries are measured and evaluated on a fair value basis.

2.2 Statement of compliance

The financial report complies with Australian Accounting Standards as applicable to the Future Fund in accordance with the Financial Reporting Rules for the year ended 30 June 2026 made under the *Public Governance, Performance and Accountability Act 2013*.

Australian Accounting Standards require the Fund to disclose Australian Accounting Standards that have not yet been applied by the Fund, for standards that have been issued by the AASB but are not yet effective at the reporting date. The Fund must also disclose new standards and interpretations affecting amounts reported in the current period and those standards adopted with no effect on the financial statements in the current period.

Adoption of new accounting standards in the current reporting period

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2025 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Standards and amendments that will become effective in future reporting periods

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2026 reporting period and have not been early adopted by the Fund. None of these are expected to have a material effect on the financial statements of the Fund.

2.3 Financial assets and liabilities

All investments of the Fund are in financial assets or financial liabilities for the purposes of the Government Finance Statistics system in Australia as is required under section 16 of the Act. Should the Fund acquire non-financial assets, section 32 of the Act requires the Board to realise such assets as soon as practicable.

Further details on how the fair values of financial instruments are determined are disclosed in Notes 16.6 and 16.7.

2.3.1 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at bank with maturities less than three months. Deposits held with a bank that are not at call are classified as financial assets at fair value through profit and loss.

Cash does not include any amounts held in escrow accounts or margin accounts where its use is restricted. These are treated as investments.

2.3.2 Receivables

Receivables for goods and services, which have 30-day terms, are recognised at nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

2.3.3 Investments

All Investments are designated at fair value through profit or loss. Subsequent to initial recognition, all investments are measured at fair value with changes in their fair value recognised in the Statement of comprehensive income at each reporting date.

Investments are recognised and derecognised on trade dates where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Investments are initially measured at fair value.

Investments in collective investment vehicles are initially recorded at fair value on the date which consideration is provided to the contractual counterparty under the terms of the relevant subscription agreement. Any associated due diligence costs in relation to these investments are expensed when incurred.

The following methods are adopted by the Fund in determining the fair value of investments:

- Listed securities, exchange traded futures and options, and investments in listed managed investment schemes are recorded at the quoted market prices on relevant stock exchanges.
- Unlisted managed investment schemes and collective investment vehicles are re-measured by the Fund based on the estimated fair value of the net assets of each scheme or vehicle at the reporting date. Collective investment vehicles are entities that enable investors to pool their money and invest the pooled funds, rather than buying securities directly. Collective investment vehicles are used to invest in private equity funds, hedge funds, credit funds, infrastructure funds, timberland funds and property funds and are usually structured as interests in limited partnerships and limited liability companies.

  In determining the fair value of the net assets of unitised unlisted managed investment schemes and collective investment vehicles, reference is made to the underlying unit price provided by the Manager (where available), associated Manager or independent expert valuation reports and capital account statements and the most recent audited financial statements of each scheme or vehicle.

  Manager valuation reports are reviewed to ensure the underlying valuation principles are materially compliant with Australian Accounting Standards and applicable industry standards including International Private Equity and Venture Capital Valuation Guidelines as endorsed by the Australian Investment Council.
- Derivative instruments are used by the Fund in accordance with the Act to manage its exposure to foreign exchange risk, interest rate risk, equity market risk and credit risk and to gain indirect exposure to market risks. The Fund uses forward foreign exchange contracts, swaps, futures, forward contracts on mortgage-backed securities and exchange traded and over the counter options which are recorded at their fair value on the date the contract is entered into and are subsequently re-measured to their fair values at each reporting date. Further disclosure regarding the use of derivatives by the Fund is presented in Note 16.
- Asset backed securities, bank bills, negotiable certificates of deposit, corporate debt securities and government debt securities which are traded in active markets are valued at the quoted market prices. Securities for which no active market is observable are valued at current market rates using broker sourced market quotations and/or independent pricing services as at the reporting date.

The fair value of financial assets and financial liabilities that are not traded in an active market are determined using the most appropriate valuation techniques for each asset class. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's-length transactions, reference to other instruments that are substantially the same including those on traded markets, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of observable market inputs and relying as little as possible on entity-specific inputs. Note 16.6 has further information surrounding the determination of fair values for investments.

2.3.4 Future Fund Investment Companies

Some of the investments of the Future Fund Board of Guardians are held through wholly owned investment holding companies, Future Fund Investment Companies ("**FFICs**").

The FFICs are funded primarily via loan arrangements structured as an interest-free revolving credit facility between the Future Fund Board of Guardians and each respective FFIC. These loans are designated as financial assets and measured at fair value with changes in their fair value recognised in the Statement of comprehensive income each reporting date.

The outstanding balance of the loan assets is unsecured and is repayable in cash on demand. As the FFICs hold a substantial portion of the investments of the Fund, disclosures in the financial instruments and financial risk management notes (Note 16) include the underlying investments of the FFICs on a look-through basis as this provides users of the financial statements with more relevant information in relation to the investment portfolio. Note 16 states where this look-through has been applied. Additional disclosures regarding collective investment vehicles held in the FFICs have been included in Note 7.

2.4 Revenue

Dividends, franking credits and distribution income are recognised when the right to receive payment is established. Dividend income is recognised gross of foreign withholding tax with any related foreign withholding tax recorded as income tax expense.

Franking credits on investments in equity securities are recognised as income when the right to receive the refund of franking credits from the Australian Taxation Office has been established.

Interest revenue is recognised in the Statement of comprehensive income for all financial instruments that are not at fair value through profit or loss using the effective interest method as set out in *AASB 9 Financial Instruments*. Interest income on assets at fair value through profit or loss is included in the net gains/(losses) on financial instruments at fair value through profit or loss in the Statement of comprehensive income.

2.5 Other income

Services and resources received free of charge

Services and resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. During the financial year, audit services provided by the Australian National Audit Office ("ANAO") were received free of charge, totaling $169,000 (2025: $169,000).

Other income

Other income is measured at the fair value of consideration received or receivable.

2.6 Transactions with the Government as owner

2.6.1 Credits to the Fund Account

From time to time the responsible Ministers may determine that additional amounts are to be credited to the Fund Account. In addition, the responsible Ministers may transfer Commonwealth-owned financial assets to the Fund Account. As shown in Note 11 there were no contributions received during the year (2025: Nil).

2.6.2 Debits to the Fund Account

Amounts may be debited from the Fund Account in accordance with the purposes of the Fund Account as set out in the Act. Under the Act debits can be made to the extent of unfunded superannuation liabilities from whichever is the earlier of:

1. The time when the balance of the Fund is greater than or equal to the target asset level; or
2. 1 July 2020.

However, in November 2024, the Government announced a deferral of drawdowns from the Fund to at least 2032–33.

2.7 Employee entitlements

Liabilities for services rendered by employees are recognised at the end of the financial year to the extent that they have not been settled. The amount is calculated with regard to the rates expected to be paid on settlement of the liability.

2.7.1 Leave

The liability for employee entitlements includes provisions for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting.

The leave liabilities are calculated on the basis of eligible employees' remuneration at the end of the financial year, adjusted for expected increases in remuneration effective from 1 July 2026. Liabilities for short-term employee benefits (i.e. wages and salaries, annual leave, performance payments, expected to be settled within 12 months from the reporting date) are measured at their nominal amounts.

All other employee benefits are measured at the present value of the estimated future cash flows to be made in respect of all eligible employees at the end of the financial year. The employee based shorthand model developed by the Australian Government Actuary has been used in determining the present value of the long service leave liability.

2.7.2 Superannuation

Staff of the Fund are variously eligible to contribute to the Commonwealth Superannuation Scheme ("**CSS**"), Public Sector Superannuation Scheme ("**PSS**") or the Public Sector Superannuation Scheme ("**Accumulation Plan**"). Staff may join any other complying employee nominated schemes.

For any staff who are members of CSS (Defined Benefit) or PSS (Defined Benefit), the Fund makes employer contributions to the Australian Government at rates determined by the Government actuary. The liability for superannuation benefits payable to an employee upon termination is recognised in the financial statements of the Australian Government.

As CSS and PSS are multi-employer plans within the meaning of *AASB 119 Employee Benefits*, all contributions are recognised as expenses on the same basis as contributions made to defined contribution plans. A liability has been recognised at the end of the financial year for outstanding superannuation co-contributions payable in relation to the final payroll run of the financial year.

2.7.3 Performance Related Payments

All permanently employed staff at the Agency at the reporting date are eligible to receive an entitlement to a performance-related payment as approved by the Board. Employees who receive an entitlement may elect to have the entitlement converted to cash and paid to them. Alternatively, they may defer part or all of the payment for an initial two-year period and receive a commitment from the Agency to pay them a future amount which will be dependent on the performance of the Fund over this two-year period.

A liability has been recognised at the end of the financial year for outstanding performance-related payments payable in relation to previous and current financial years. For employees who have elected to receive part or all of the entitlement as cash, the cash component of the entitlement is recognised as a liability at its nominal value. For employees who have elected to defer part or all of their entitlement, the deferred portion of their entitlement is measured at the present value of the expected future entitlement at the conclusion of the initial two-year deferral period. For the purpose of this calculation, the Fund has assumed that the portfolio will return the minimum mandated return in making the estimate of the future value of the entitlement. This future value has then been discounted at an appropriate Australian Government bond rate to arrive at the present value of the liability. Actual investment returns are used to determine the present value of the entitlement for participation years where actual results are available.

2.8 Leases

Under *AASB 16 Leases* the Fund recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset for all leases except short-term and low-value leases.

The Fund recognises right-of-use assets at the commencement date of the lease (i.e. The date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset.

The Fund measures lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any incentives receivable and variable lease payments that depend on an index or a rate. In calculating the present value of lease payments, the Fund uses its incremental borrowing rate (Australian Government Bond rate) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

2.9 Financial Risk Management

Disclosures regarding the Fund's financial risks are presented in Note 16.

2.10 Taxation

The Fund has sovereign immunity from taxation in Australia and certain foreign jurisdictions. In some limited cases and in some limited countries, foreign taxes can be payable on certain classes of income and capital gains. Mostly these foreign taxes are withheld at source (income net of taxes is received by the Fund) under the withholding regimes of the relevant jurisdiction. These withholding taxes are generally a final tax, and no further amounts are payable. To the extent the Fund is entitled to a lower withholding amount than that deducted at source, the Fund makes a claim to the respective foreign revenue authority for the difference and these amounts are recorded as receivables on the Statement of financial position and in the Statement of comprehensive income as a reduction in income tax expense.

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. As the fund is tax exempt on earnings in Australia, there is no current Australian tax amount recognised in the financial statements relevant to profit or loss.

The Fund does incur foreign withholding taxes and capital gains taxes in some jurisdictions which are recorded as current taxes.

Foreign corporate taxes are incurred on certain foreign investments of the Fund. However, for those held via holding entities or within collective investment vehicles, the Fund applies the investment entity exemption and does not consolidate these investments. Those tax expenses are therefore not recorded in the financial statements. Corporate tax paid or payable on foreign investments results in a lower mark to market fair valuation of these investments and is included in the net gain or loss on financial instruments at fair value in the Statement of comprehensive income.

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the Statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

Foreign deferred corporate taxes are recognised on certain foreign investments of the Fund as per above, however for foreign investments held via holding entities or within collective investment vehicles, the Fund applies the investment entity exemption and does not consolidate these investments, therefore those deferred tax expenses are not recorded in the financial statements. Deferred taxes on foreign investments result in an adjusted mark to market fair valuation of these investments and are included in the net gain or loss on financial instruments at fair value in the Statement of comprehensive income.

Fringe Benefits Tax and Goods and Services Tax

The Fund is exempt from all forms of federal Australian taxation except for Fringe Benefits Tax ("**FBT**") and the Goods and Services Tax ("**GST**").

Revenues, expenses, assets and liabilities are recognised net of GST, except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- For receivables and payables (where GST is applicable).

Receipts and payments in the Statement of cash flows are recorded in gross terms (at their GST inclusive amounts).

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

2.11 Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). The functional currency of the Fund is Australian dollars. It is also the presentation currency.

Transactions and balances

All foreign currency transactions during the period are brought to account using the relevant exchange rate in effect at the date of the transaction. Foreign currency items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the Statement of comprehensive income in the period in which they arise. Translation differences on assets and liabilities at fair value are reported in the Statement of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit and loss.

2.12 Rounding of amounts

Amounts have been rounded to the nearest thousand dollars unless stated otherwise in accordance with the FRRs.

Note 3: Dividends, distributions and net gains/(losses)

	2026 $'000	2025 $'000
Dividend income and franking credits		
Dividend income – domestic equities and listed managed investment scheme distributions	**988,650**	919,198
Franking credits refunded or refundable under Section 30 of the *Future Fund Act 2006*	**340,906**	322,957
Dividend income – international equities	**1,455,689**	1,429,799
Total dividend and franking credit income	**2,785,245**	2,671,954
Distribution income		
Distributions – collective investment vehicles	**1,297,801**	816,736
Total distribution income	**1,297,801**	816,736

	2026 $'000	2025 $'000
Net gains on financial instruments at fair value through profit or loss		
Net gains on financial assets at fair value through profit or loss	**38,919,082**	25,405,428
Net losses on financial liabilities at fair value through profit or loss	**(4,641,309)**	(1,310,231)
Total net gains on financial instruments[1]	**34,277,773**	24,095,197
Total net losses arising on foreign currency	**(625,945)**	(89,997)

Note(s):

1. This total includes the foreign currency impact from translating financial assets and liabilities from their local currency amounts into Australian dollars.

Note 4: Expenses

	2026 $'000	2025 $'000
Agency employees' remuneration		
Wages and salaries	**125,834**	110,219
Superannuation	**8,797**	7,982
Leave and other entitlements payable	**3,729**	4,003
Total Agency employees' remuneration	**138,360**	122,204
Other expenses		
Information technology services	**55,367**	49,457
Professional and outsourced services	**21,822**	27,050
Investment research, advisory and market data services	**16,850**	19,081
Software and communication services	**20,328**	18,046
Data management services	**13,927**	16,276
Depreciation of right of use assets, plant and equipment	**8,190**	8,643
Facilities management and services	**5,080**	5,277
Travel costs	**4,132**	4,653
Human resources, learning and development	**2,831**	3,205
Board remuneration	**1,099**	1,093
Insurance	**676**	652
Internal audit fees	**526**	537
External audit fees	**269**	239
Total other expenses	**151,097**	154,209

Note 5: Remuneration of Auditors

Included in other operating expenses is the financial statement audit services provided to the Fund which totalled $169,000 (2025: $169,000) by the Australian National Audit Office ("**ANAO**") at no cost to the Fund. The fair value of all audit services provided by the ANAO, including the services provided free of charge and for the audits of the FFICs was:

	2026 $	2025 $
Auditing the financial statements – Future Fund and FFICs	269,000	239,000

Note(s):

No other services were provided by the ANAO.

The Fund's auditor is the ANAO who has contracted EY (2025: EY) to assist with the assignment.

Note 6: Income tax expense

As per Note 2.10, the Fund is exempt from federal Australian income taxation. Tax expense reflects foreign withholding tax on income and other capital gains or corporate taxes where imposed by certain countries. Accordingly, the Australian income tax rate for the Fund is 0% (2025: 0%).

	2026 $'000	2025 $'000
Income tax expense		
Current tax	**137,330**	111,641
Deferred tax	**(83,087)**	(39,460)
Total income tax expense	**54,243**	72,181
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**37,443,577**	27,466,652
Tax at the applicable Australian tax rate of 0% (2025: 0%)	**–**	–
Tax effect of items which are not deductible/(taxable) in calculating taxable income:		
Withholding tax	**69,722**	88,152
Other foreign corporate tax expense	**(15,479)**	(15,971)
Total income tax expense	**54,243**	72,181

Note 7: Investments

	2026 $'000	2025 $'000
Investment Summary		
Financial assets		
At fair value:		
Future Fund Investment Companies (FFICs)	**75,006,198**	68,756,540
Interest bearing securities	**30,912,621**	24,486,686
Listed equities and listed managed investment schemes	**106,967,626**	88,903,926
Collective investment vehicles	**64,941,119**	55,305,277
Derivatives	**6,452,086**	6,664,598
Restricted cash	**109,210**	903,251
Total financial asset investments	**284,388,860**	245,020,278
Financial liabilities		
At fair value:		
Derivatives	**(3,696,655)**	(2,987,886)
Total financial liability investments	**(3,696,655)**	(2,987,886)

The tables below provide more detailed information of the investments held at balance date.

The table below shows the FFICs balance split between loans and equity.

	2026 $'000	2025 $'000
FFICs		
At fair value:		
Loans provided to FFICs	**32,435,114**	33,684,320
Residual equity in FFICs[1]	**42,571,084**	35,072,220
Total FFICs[2]	**75,006,198**	68,756,540

Note(s):

1. The residual equity in the FFICs would be classified as Level 3 in accordance with Note 16.7. Movement in residual equity for FFIC's is due to changes in fair value and retained earnings.
2. Refer to Note 2.3.4 for more information regarding the FFICs and loan arrangements.

The table below shows the reconciliation of loans provided to FFICs.

	2026 $'000	2025 $'000
FFICs		
Beginning of the year	**33,684,320**	40,218,856
Loans advanced	**4,077,196**	2,320,248
Loan repayments received	**(5,326,402)**	(8,854,784)
End of year	**32,435,114**	33,684,320

Note 7: Investments | Continued

	2026 $'000	2025 $'000
Interest bearing securities		
At fair value:		
Bank bills – international	**–**	25,058
Negotiable certificates of deposit – domestic	**12,007,236**	6,507,730
Negotiable certificates of deposit – international	**–**	1,936
Corporate debt securities – domestic	**502**	–
Corporate debt securities – international	**2,671,488**	2,892,105
Mortgage backed securities – domestic	**26,606**	–
Mortgage backed securities – international	**275,297**	287,897
Asset backed securities – domestic	**1,864**	–
Asset backed securities – international	**1,476,741**	1,727,751
Corporate credit (bank loans) – international	**1,550,392**	1,974,057
Government debt securities – international[1]	**12,492,736**	10,650,613
Other interest-bearing securities – domestic	**79,661**	79,661
Other interest-bearing securities – international	**330,098**	339,878
Total interest bearing securities	**30,912,621**	24,486,686
Listed equities and listed managed investment schemes		
At fair value:		
Domestic listed equities and listed managed investment schemes	**29,873,799**	26,981,525
International listed equities and listed managed investment schemes	**77,093,827**	61,922,401
Total listed equities and listed managed investment schemes	**106,967,626**	88,903,926
Collective investment vehicles		
At fair value:		
Unlisted investments	**56,470,822**	48,447,183
Unlisted shares	**8,470,297**	6,858,094
Total collective investment vehicles[2]	**64,941,119**	55,305,277

Note(s):

1. Includes government debt securities valued at $1,390,453,000 which have been pledged as collateral and alternative use is restricted at 30 June 2026 ($1,135,248,000 for 30 June 2025).
2. Excludes collective investment vehicles held via the FFICs.

	2026 $'000	2025 $'000
Derivatives		
At fair value: – financial assets		
Total derivative financial assets	**6,452,086**	6,664,598
At fair value: – financial liabilities		
Total derivative financial liabilities	**(3,696,655)**	(2,987,886)
Total derivatives	**2,755,431**	3,676,712

The Fund enters into certain derivative transactions under International Swaps and Derivatives Association (ISDA) agreements with various counterparties, which include provisions for netting arrangements. The derivative financial asset and financial liability balances above are stated gross of any netting arrangements.

The gross and net positions of financial assets and liabilities that have been offset in the Statement of financial position are disclosed in the first three columns of the following table where a netting arrangement is in place. Under the terms of the ISDA agreements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. The fourth column in the tables below show the amounts which could be offset at the counterparty level. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Statement of financial position.

Financial assets	Effects of offsetting on the Statement of financial position			Related amounts not offset	
	Gross amounts of financial assets $'000	Gross amounts set off in the Statement of financial position $'000	Net amount of financial assets presented in the Statement of financial position $'000	Amounts subject to master netting arrangements $'000	Net amount $'000
2026					
Derivative financial instruments	**4,103,111**	**–**	**4,103,111**	**(2,089,193)**	**2,013,918**
Total	**4,103,111**	**–**	**4,103,111**	**(2,089,193)**	**2,013,918**
2025					
Derivative financial instruments	4,886,700	–	4,886,700	(2,525,015)	2,361,685
Total	4,886,700	–	4,886,700	(2,525,015)	2,361,685

Financial liabilities	Effects of offsetting on the Statement of financial position			Related amounts not offset	
	Gross amounts of financial liabilities $'000	Gross amounts set off in the Statement of financial position $'000	Net amount of financial liabilities presented in the Statement of financial position $'000	Amounts subject to master netting arrangements $'000	Net amount $'000
2026					
Derivative financial instruments	**2,089,193**	**–**	**2,089,193**	**(2,089,193)**	**–**
Total	**2,089,193**	**–**	**2,089,193**	**(2,089,193)**	**–**
2025					
Derivative financial instruments	2,525,015	–	2,525,015	(2,525,015)	–
Total	2,525,015	–	2,525,015	(2,525,015)	–

7.1 Restrictions on investments – cash and securities

Cash and securities provided and received as collateral

The Fund has entered into various derivative contracts which require the Fund to post or receive collateral with counterparties under certain circumstances based on minimum transfer limits. The Fund provides cash as collateral when legally required and counterparties also post collateral when legally required. Any cash provided as collateral remains a financial asset of the Fund, however, any alternate use of this cash is restricted as it is held by the counterparty. Any cash received by the Fund from counterparties is included in the net assets of the Fund. As at 30 June 2026, the Fund has $184,100,000 in cash which has been posted as collateral with counterparties, (2025: $830,200,000) and has received $2,054,603,270 in cash (2025: $2,535,579,902) and $110,469,745 in government debt securities (2025: $329,540,774) as collateral.

Cash provided as margin on futures accounts

The Fund has posted cash with a futures broker to cover exchange traded futures positions as required under clearing house rules. As at 30 June 2026, the Fund had posted $2,667,176,800 (2025: $2,482,533,853) in futures margins to cover open positions. This cash remains a financial asset of the Fund, however, any alternate use of this cash is restricted as collateral.

Cash and securities provided as margin on swap accounts

The Fund has posted cash and government debt securities with a central counterparty to cover exchange traded swap positions as required under clearing house rules. As at 30 June 2026, the Fund had posted $1,165,656,895 (2025: $1,184,309,047) in swap margins to cover open positions. This cash and these securities remain financial assets of the Fund, however any alternate use of this cash and these securities is restricted as collateral.

Cash prepayments for investments

The Fund prepays cash for applications into some Alternative investments in advance of the effective date for allocation of units as set out in the legal documents. Therefore, the cash remains a financial asset of the Fund, however, any alternate use of this cash is restricted as prepayments. As at 30 June 2026, the Fund had prepaid $133,834,849 (2025: $824,409,249).

7.2 Restrictions on investments – listed equities

The Fund has in place an automatic contractual lien over the Fund's listed equities with a counterparty when the Fund's exposure to that counterparty exceeds the base unsecured threshold. At 30 June 2026, no assets are subject to the lien (2025: no assets subject to the lien).

This agreement is instead of posting cash collateral and provides the Fund with greater efficiency in managing its liquidity.

7.3 Collective investment vehicles

Commitments made to collective investment vehicles as at 30 June 2026

As disclosed in the Schedule of commitments and in the following tables, the Fund, directly and via the FFICs has committed to provide capital to various collective investment vehicles. The total of these commitments at balance date is $34,360 million (2025: $27,772 million).
The Fund's commitment obligations, being capital calls, are set out in the various underlying subscription documents. While the actual timing of the capital calls to be made by the managers of these vehicles is uncertain, as it is dependent on the managers sourcing suitable investment opportunities, the Fund has included the commitments in the Schedule of commitments with a maturity of one year or less in accordance with the underlying legal documents. The Fund has appropriate liquidity planning in place to ensure a suitable allocation of resources will be available to cover these future commitments of capital.

Investment funds of the types the Fund invests in usually allow the fund's manager, general partner or other controlling entity to require repayment of distribution payments previously made to investors in order to cover certain fund liabilities (such as obligations to indemnify or to meet warranty claims on sold assets). The Fund negotiates where possible, for these 'giveback' obligations to be limited in both total amount (e.g. to between 10% to 25% of total distributions received) and liability period (e.g. for no longer than two years after the distributions are received). The Fund is not aware of any giveback obligations being triggered as at 30 June 2026 (or 30 June 2025).

30 June 2026 – directly held by the Fund

As at 30 June 2026, the Fund had made commitments to a number of collective investment vehicles. Capital commitments (local currency), the net cost of the current investments net of returns of capital (Australian dollars), the outstanding commitment (Australian dollars) and the fair value (Australian dollars) of the investments as at 30 June 2026 are shown in the table below.

Description of underlying strategy	Contractual capital committed as at 30 June 2026 Local Currency '000	Outstanding commitment as at 30 June 2026 AUD equivalent $'000	Net capital cost[1] as at 30 June 2026 AUD equivalent $'000	Fair value as at 30 June 2026 AUD equivalent $'000
Alternative strategies	**AUD $17,965,466**	**–**	**17,341,940**	**23,893,031**
Alternative strategies	**USD $1,885,453**	**307,449**	**1,419,484**	**4,383,344**
Credit	**AUD $6,789,182**	**1,388,210**	**4,769,796**	**5,377,780**
Credit	**EUR €4,618,673**	**4,944,148**	**4,411,766**	**4,413,302**
Credit	**USD $5,072,182**	**3,236,796**	**3,746,738**	**4,485,199**
Global Infrastructure	**AUD $4,253,044**	**700,000**	**3,563,178**	**8,552,204**
Global Infrastructure	**EUR €806,930**	**976,226**	**363,200**	**520,184**
Global Infrastructure	**USD $4,685,294**	**2,948,063**	**2,865,647**	**3,555,983**
Private Equity	**EUR €165,609**	**200,507**	**28,394**	**59,965**
Private Equity	**USD $3,038,433**	**2,526,367**	**1,674,232**	**2,221,250**
Property	**AUD $71,247**	**5,896**	**37,710**	**62,707**
Property	**EUR €2,272,452**	**2,199,683**	**1,518,724**	**1,598,266**
Property	**GBP £249,979**	**104,808**	**216,298**	**233,152**
Property	**USD $7,606,148**	**2,764,925**	**6,775,171**	**5,584,752**
Total		**22,303,078**	**48,732,278**	**64,941,119**

Note(s):

1. Net capital cost includes all capital contributed less capital returned at 30 June 2026.

Note 7: Investments | Continued

30 June 2026 – indirectly held via the FFICs

As at 30 June 2026, the Fund had made commitments to a number of collective investment vehicles via its FFICs. Capital commitments (local currency), the net cost of the current investments net of returns of capital (Australian dollars), the outstanding commitment (Australian dollars) and the fair value (Australian dollars) of the investments as at 30 June 2026 are shown in the table below.

Description of underlying strategy	Contractual capital committed as at 30 June 2026 Local Currency '000	Outstanding commitment as at 30 June 2026 AUD equivalent $'000	Net capital cost[1] as at 30 June 2026 AUD equivalent $'000	Fair value as at 30 June 2026 AUD equivalent $'000
Alternative strategies	**AUD $12,483,417**	**20,274**	**8,868,438**	**13,236,232**
Alternative strategies	**USD $2,317,933**	**185,647**	**1,378,791**	**1,960,925**
Credit	**EUR €213,076**	**–**	**382,857**	**353,523**
Credit	**USD $3,568,168**	**1,324,092**	**1,275,141**	**1,275,913**
Global Infrastructure	**AUD $6,796,229**	**204,246**	**6,178,800**	**10,417,860**
Global Infrastructure	**EUR €99,000**	**–**	**165,800**	**213,104**
Global Infrastructure	**GBP £268,563**	**262,075**	**56,627**	**51,870**
Global Infrastructure	**USD $1,104,827**	**211,719**	**508,442**	**289,224**
Listed Equities	**JPY ¥335,379,200**	**–**	**3,373,720**	**4,769,995**
Private Equity	**AUD $2,169,659**	**142,554**	**1,528,440**	**1,934,692**
Private Equity	**EUR €2,941,746**	**2,088,878**	**2,104,159**	**2,683,220**
Private Equity	**GBP £100,000**	**4**	**60,824**	**21,311**
Private Equity	**JPY ¥11,250,000**	**99,914**	**–**	**–**
Private Equity	**USD $18,940,751**	**5,333,718**	**15,975,013**	**28,132,582**
Property	**AUD $965,000**	**459,909**	**497,448**	**500,470**
Property	**EUR €771,040**	**100,543**	**428,005**	**668,413**
Property	**JPY ¥33,600,000**	**257,563**	**43,318**	**43,048**
Property	**USD $1,598,788**	**1,365,560**	**378,692**	**268,406**
Total		**12,056,696**	**43,204,515**	**66,820,788**

Note(s):

1. Net capital cost includes all capital contributed less capital returned at 30 June 2026.

30 June 2025 – directly held by the Fund

As at 30 June 2025, the Fund had made commitments to a number of collective investment vehicles. Capital commitments (local currency), the net cost of the current investments net of returns of capital (Australian dollars), the outstanding commitment (Australian dollars) and the fair value (Australian dollars) of the investments as at 30 June 2025 are shown in the table below.

Description of underlying strategy	Contractual capital committed as at 30 June 2025 Local Currency '000	Outstanding commitment as at 30 June 2025 AUD equivalent $'000	Net capital cost[1] as at 30 June 2025 AUD equivalent $'000	Fair value as at 30 June 2025 AUD equivalent $'000
Alternative strategies	AUD $16,190,255	–	15,210,635	18,777,609
Alternative strategies	USD $1,672,453	–	1,529,498	4,448,451
Credit	AUD $5,876,898	732,473	4,662,226	5,156,650
Credit	EUR €1,916,000	2,455,647	916,850	1,104,070
Credit	USD $5,314,234	4,218,148	3,926,866	5,863,790
Global Infrastructure	AUD $4,067,264	700,000	3,288,741	6,849,175
Global Infrastructure	EUR €381,930	395,476	269,940	414,528
Global Infrastructure	USD $3,511,974	1,622,564	2,809,452	3,833,724
Private Equity	EUR €224,109	322,412	175,243	73,890
Private Equity	USD $2,269,250	2,163,186	1,063,508	1,500,375
Property	AUD $30,500	–	8,790	17,885
Property	EUR €1,863,758	1,994,916	1,128,196	1,300,304
Property	GBP £200,029	99,133	169,541	159,605
Property	USD $7,087,929	2,368,361	6,362,187	5,805,221
Total		17,072,316	41,521,673	55,305,277

Note(s):

1. Net capital cost includes all capital contributed less capital returned at 30 June 2025.

Note 7: Investments | Continued

30 June 2025 – indirectly held via the FFICs

As at 30 June 2025, the Fund had made commitments to a number of collective investment vehicles via its FFICs. Capital commitments (local currency), the net cost of the current investments net of returns of capital (Australian dollars), the outstanding commitment (Australian dollars) and the fair value (Australian dollars) of the investments as at 30 June 2025 are shown in the table below.

Description of underlying strategy	Contractual capital committed as at 30 June 2025 Local Currency '000	Outstanding commitment as at 30 June 2025 AUD equivalent $'000	Net capital cost[1] as at 30 June 2025 AUD equivalent $'000	Fair value as at 30 June 2025 AUD equivalent $'000
Alternative strategies	AUD $13,500,395	55,888	8,970,665	12,060,372
Alternative strategies	USD $1,871,274	299,393	635,697	1,530,378
Credit	USD $5,467,407	2,348,932	1,439,918	2,025,244
Global Infrastructure	AUD $6,620,115	204,246	6,028,047	9,616,021
Global Infrastructure	EUR €99,000	–	165,800	222,191
Global Infrastructure	GBP £106,563	–	28,667	50,998
Global Infrastructure	USD $1,082,650	274,731	454,400	298,384
Listed Equities	JPY ¥250,533,500	–	2,500,560	3,012,424
Private Equity	AUD $1,901,208	217,007	1,253,763	1,415,774
Private Equity	EUR €2,259,746	1,225,113	1,964,932	2,708,926
Private Equity	GBP £308,848	484	428,680	306,428
Private Equity	USD $19,965,081	4,942,538	16,456,632	27,860,678
Property	AUD $565,000	124,291	440,709	422,359
Property	EUR €883,136	173,853	510,309	701,250
Property	JPY ¥33,600,000	354,947	–	–
Property	USD $902,608	477,792	330,037	261,761
Total		10,699,215	41,608,816	62,493,188

Note(s):

1. Net capital cost includes all capital contributed less capital returned at 30 June 2025.

Note 8: Receivables

	2026 $'000	2025 $'000
Receivables		
Franking credits refundable	**359,389**	340,584
Interest receivable	**14,355**	24,549
Dividends and distributions receivable	**460,976**	367,656
Unsettled sales[1]	**449,161**	66,525
Total Receivables	**1,283,881**	799,314

Note(s):

1. Represents amounts receivable under normal market settlement terms for the sale of investment securities. No amounts presented in the table above are considered to be past due or impaired.

Note 9: Payables

	2026 $'000	2025 $'000
Payables		
Unsettled purchases[1]	**293,061**	238,888
Other accrued expenses including management and performance fees payable	**109,527**	136,798
Total Payables	**402,588**	375,686

Note(s):

1. Represents amounts owing under normal market settlement terms for the purchase of investment securities.

Note 10: Provisions

	2026 $'000	2025 $'000
Employee provisions		
Annual leave	**7,288**	6,853
Long service leave	**11,654**	10,674
Other employee liabilities	**60,536**	50,894
Total Employee provisions	**79,478**	68,421

Note 11: Contributions by Government

	2026 $'000	2025 $'000
Opening balance	**60,536,831**	60,536,831
Contribution from Government – cash	**–**	–
Closing balance	**60,536,831**	60,536,831

Note(s):

Contributions are made under Schedule 1 of the Act.

Note 12: Unconsolidated subsidiaries and interests in unconsolidated structured entities

As an investment entity, the Fund does not consolidate any of the subsidiaries listed below.

The Fund also invests via non-controlled structured entities. As these are investments of the Fund they are at their fair value and any undrawn capital is shown as an outstanding commitment which equates to the Fund's maximum exposure to loss from its investment in these entities.

All entities (controlled or non-controlled) have some or all of the following characteristics:

- The requirement for the Fund (or a FFIC entity) to fund future commitments to the entity as called by the investment manager or general partner. These amounts are limited in terms of total value and callable only in accordance with the underlying legal arrangements. These amounts are disclosed in Note 7.3;
- The lack of control over the payment of dividends, distributions or the return of capital from the entity. These are controlled by the general partner or the investment manager in accordance with the legal arrangements entered into upon initial investment;
- Limitations on transfer or redemption of the interest in the entity. The Fund ensures that these are normal commercial arrangements for investments of this type, typically existing to protect and treat all investors in an equitable manner; and
- Limited recourse to the Fund (ordinarily capped at the commitment or invested capital value) for any claims or liabilities incurred by these entities.

Name of entity	Country of incorporation/ domicile	Equity holding 30 June 2026 %	Equity holding 30 June 2025 %
Future Fund Investment Company No.1 Pty Ltd^[1]	**Australia**	**100**	100
Future Fund Investment Company No.2 Pty Ltd^[1]	**Australia**	**100**	100
Future Fund Investment Company No.3 Pty Ltd^[1]	**Australia**	**100**	100
Co-Investment Fund (Parallel) LP[2]	United States	**–**	100
Future Fund Investment Company No.4 Pty Ltd^[1]	**Australia**	**100**	100
Future Fund Investment Company No.5 Pty Ltd^[1]	**Australia**	**100**	100
Elementum Tranquillus Fund Ltd[2]	Bermuda	**100**	100
Clocktower FF LP[2]	Cayman Islands	**100**	100
Future Fund Investment Company No.6 Pty Ltd (Dormant)[1]	**Australia**	**100**	100
FFH No.3 Trust[1]	**Australia**	**100**	100
The Freycinet Fund Discretionary Portfolio, Ltd[1]	**Cayman Islands**	**100**	100
Bain Capital Distressed and Special Situations 2016 (F) LP[1]	**United States**	**100**	100
Bain Capital Distressed and Special Situations 2016 (F-EU), LP[1]	**England**	**100**	100
OHA Highlands, L.P.[1]	**Scotland**	**100**	100
Queenscliff Trust[1]	**Australia**	**100**	100

Note(s):

^ Audited by the ANAO.

1. Held directly by the Future Fund.
2. Held indirectly by a FFIC.

Note 13: Cash flow reconciliation

	2026 $'000	2025 $'000
Reconciliation of operating result to net cash from operating activities:		
Operating result	**37,389,334**	27,394,471
Depreciation and amortisation	**8,190**	8,643
Purchase of investments	**(190,478,055)**	(141,258,468)
Proceeds from sale of investments	**185,743,996**	137,036,591
Net gain on revaluation of investments	**(34,256,761)**	(24,084,611)
Unrealised (gains)/losses on foreign currency	**(84,963)**	45,872
(Increase)/Decrease in accrued income	**(101,924)**	20,656
(Increase)/Decrease in other assets	**(11,714)**	3,679
Increase in employee provisions	**79,423**	22,130
Decrease in other payables	**(80,111)**	(3,790)
Decrease in deferred tax liability	**(83,087)**	(39,461)
Net cash used in operating activities	**(1,875,672)**	(854,288)

Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand and in banks net of any outstanding operating overdrafts. Cash at the end of the financial year is reconciled to the Statement of financial position as follows:

	2026 $'000	2025 $'000
Cash and cash equivalents	**8,061,979**	9,864,727

Note 14: Contingent liabilities and assets

The Fund is not aware of any significant quantifiable or unquantifiable contingent liabilities or assets as of the signing date that requires disclosure in the financial statements.

Note 15: Related party transactions

15.1 Parent entity

The ultimate controlling entity of the Fund is the Commonwealth of Australia.

15.2 Subsidiaries

Interests in subsidiaries are set out in Note 12.

15.3 Key management personnel

Key management personnel are defined as the Board, members of the Agency's Senior Leadership Team which includes the Chief Executive Officer, Chief Investment Officer, Chief Operating Officer, Chief Financial Officer & Chief Risk Officer, Chief People, Culture and Inclusion Officer, Chief Corporate Affairs Officer, General Counsel, Deputy Chief Investment Officer and the Commonwealth of Australia's Finance Minister and Treasurer. These persons are the only persons considered to have the capacity and responsibility for decision making that can have a material impact on the strategic direction and financial performance of the Fund.

Remuneration of the Finance Minister, Treasurer and Board members is independently determined by the Australian Government Remuneration Tribunal. No member of the Board or the statutory Accountable Authority receives any entitlement to performance related payments in undertaking their roles. The remuneration of the Finance Minister and Treasurer is not paid by the Fund and is therefore excluded from the compensation disclosed in Note 15.4.

15.4 Key management personnel compensation

	2026	2025
Short-term employee benefits	**9,527,493**	7,570,542
Post-employment benefits	**363,628**	362,722
Other long-term benefits	**649,229**	205,631
Termination benefits	**401,507**	163,217
Total Compensation	**10,941,857**	8,302,112

Note(s):

The total number of key management personnel that are included in the above table are 16 (2025: 16).

15.5 Transactions with related parties

	2026 $'000	2025 $'000
Subscriptions for capital and expenses[1]		
Subsidiaries	**1,763,595**	1,516,614
Dividend and distribution revenue[1]		
Subsidiaries	**462,803**	410,099
Purchase of investments		
Other Related Parties	**–**	346,026

Note(s):

1. FFBG subsidiaries excluding FFIC entities. FFIC transactions are reflected in FFIC loans (Note 7) and FFIC dividend income (Note 3).

15.6 Terms and conditions

Transactions relating to dividends, distributions and funding of capital and expenses with related parties were made in accordance with the individual legal agreements.

15.7 Transactions with government-related entities

Transactions with other Australian government-controlled entities for normal day-to-day business operations were provided under normal terms and conditions. This includes the payment of workers' compensation and insurance premiums and superannuation. They are not considered significant individually to warrant separate disclosure as related party transactions. See Note 3 for details regarding the franking credits refundable from the Australian Taxation Office.

Note 16: Financial instruments and financial risk management

16.1 Risk management framework

The Board is responsible for the investment decisions of the Fund and is accountable to the Government for the performance of the Fund. The Board's primary role is to set the strategic direction of the investment activities of the Fund consistent with its approved Investment Mandate. This is accomplished through setting the return targets and risk appetite levels to manage investment risk. In addition, the Accountable Authority has a specific duty under the *Public Governance, Performance and Accountability Act* (PGPA Act) 2013 to establish and maintain appropriate systems relating to risk and internal control for the Agency.

The Board takes specific responsibility for the oversight and management of portfolio risks, setting parameters within which the investment program should operate, including risk measurement and reporting to enable effective management of portfolio risks. The Audit and Risk Committee has been established by the Board and the Accountable Authority in compliance with the PGPA Act and Rules made under that Act. The Audit and Risk Committee provides assurance and assistance to the Board and the Accountable Authority in respect of the organisation's risk oversight and management and system of internal controls.

The organisation has adopted the three lines of defence model for risk management. The first line of defence is the business who owns each risk and must ensure that there are controls in place to appropriate manage risks within the risk appetite set by the Board. The second line of defence is the Risk Team. This team designs the organisation's Risk Management Framework and associated policies and procedures and oversees their implementation and ongoing application across the organisation. It provides independent review and challenge of the first line's risk management activities and monitors risks, reporting periodically to senior management and the Audit and Risk Committee. The Risk Team also supports the business to identify and assess the risks they own, provide guidance on the design of mitigating controls and test certain controls. The third line of defence is an outsourced independent internal audit function. This function provides independent assurance that the Risk Management Framework is appropriate and is operating effectively (including through independent control testing), with reporting directly to the Audit and Risk Committee and the Board.

16.2 Financial risk management objectives

The Investment Mandate set by the Government specifies a benchmark return for the Fund and requires that it take an acceptable but not excessive level of risk. The Board sets and reviews a target asset allocation designed to achieve this outcome. It encapsulates a level of risk that is expected to deliver the key return objectives (Mandate) while taking acceptable downside risk. Particular attention is paid to the worst 5% of possible outcomes under portfolio modelling over a three-year period (the 'Conditional Value at Risk' or "**CVaR**" of the Fund), as well as a measure of the amount of broad equity exposure in the portfolio (`Equivalent Equity Exposure') to ensure that medium-term risk in the portfolio is deemed acceptable whilst pursuing the long-term benchmark returns.

The portfolio construction process involves considering a range of factors and ensuring that there is adequate diversification so that a negative outcome in any one area does not unduly impact the overall Fund return. The factors considered include the outlook for: geopolitics and global economic growth; inflation; global real interest rates; changes in risk premia attached to various asset classes; movements in the value of currencies held; and changes in liquidity and credit conditions. Climate change and Artificial Intelligence considerations are also integrated into the outlook and impact multiple factors.

16.3 Market risk

Market risk is the risk of loss arising from movements in the prices of various assets flowing from changes in interest rates, exchange rates, equity prices and other prices and derivative contracts tied to these asset prices.

16.3.1 Interest rate risk

Interest rate exposure tables

The exposure to interest rates as at 30 June 2026 of the Fund and the FFICs are set out below.

Financial asset	Floating Interest Rate 2026 $'000	Fixed Interest Rate 2026 $'000	Non–interest Bearing 2026 $'000	Total[1] 2026 $'000
Cash and cash equivalents	**8,167,137**	**–**	**–**	**8,167,137**
Bank bills	**–**	**–**	**–**	**–**
Negotiable certificates of deposit	**–**	**12,007,236**	**–**	**12,007,236**
Corporate debt securities	**221,361**	**2,693,221**	**–**	**2,914,582**
Mortgage backed securities	**221,635**	**80,268**	**–**	**301,903**
Asset backed securities	**1,407,239**	**74,464**	**–**	**1,481,703**
Corporate credit (bank loans)	**1,811,002**	**–**	**–**	**1,811,002**
Government debt securities	**13,844**	**12,478,892**	**–**	**12,492,736**
Other interest-bearing securities	**419,931**	**184,454**	**–**	**604,385**
Other financial assets	**–**	**–**	**254,068,420**	**254,068,420**
Total financial assets	**12,262,149**	**27,518,535**	**254,068,420**	**293,849,104**

Notional value of derivative positions		
Swaps (notional amount) – pay	**(23,688,842)**	**(66,351,092)**
Swaps (notional amount) – receive	**66,351,092**	**23,688,842**

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes additional interest rate securities and cash and cash equivalents held by the FFICs.

As at 30 June 2026 the Fund's debt portfolio had an effective interest rate duration of 1.32 years (30 June 2025: 1.21 years).

Note 16: Financial instruments and financial risk management | Continued

The exposure to interest rates as at 30 June 2025 of the Fund and the FFICs are set out below.

Financial asset	Floating Interest Rate 2025 $'000	Fixed Interest Rate 2025 $'000	Non–interest Bearing 2025 $'000	Total[1] 2025 $'000
Cash and cash equivalents	10,172,397	–	–	10,172,397
Bank bills	–	25,058	–	25,058
Negotiable certificates of deposit	–	6,509,666	–	6,509,666
Corporate debt securities	245,513	2,748,693	–	2,994,206
Mortgage backed securities	179,122	108,775	–	287,897
Asset backed securities	1,648,006	79,745	–	1,727,751
Corporate credit (bank loans)	2,309,801	–	–	2,309,801
Government debt securities	13,286	10,637,327	–	10,650,613
Other interest-bearing securities	425,174	180,671	–	605,845
Other financial assets	–	–	220,486,330	220,486,330
Total financial assets	14,993,299	20,289,935	220,486,330	255,769,564
Notional value of derivative positions				
Swaps (notional amount) – pay[2]	(22,183,214)	(50,415,729)		
Swaps (notional amount) – receive[2]	50,415,729	22,183,214		

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes additional interest rate securities and cash and cash equivalents held by the FFICs.
2. The notional values of floating interest rate swaps reported for 2025 have been restated to exclude currency swaps as these instruments are primarily used for foreign currency risk management.
   The amount reported for Swaps (notional amount) – pay (Floating Interest Rate) has been restated from $(108,149,252,000) to $(22,183,214,000) and the amount reported for Swaps (notional amount) – receive (Floating Interest Rate) has been restated from $136,223,261,000 to $50,415,729,000.
   The notional values of currency swaps are disclosed in note 16.3.2 Foreign currency risk management.

Interest rate derivative contracts

The Fund had open positions in exchange traded interest rate and commodity futures contracts and interest rate and commodity swap agreements as at 30 June 2026. The Act governs the use of financial derivatives as detailed in Note 2.3.3.

Interest rate derivatives are used by the Fund's investment managers to manage the exposure to interest rates and to ensure it remains within approved limits. In addition, the Fund transacts in commodity derivatives to assist in managing inflation risk and to provide inflation hedging.

The Fund transacts in interest rate derivatives in the following forms:

- Bi-lateral over-the-counter contracts;
- Centrally cleared over-the-counter contracts; and
- Exchange traded derivatives.

The Fund's bi-lateral counterparties for interest rate and commodity swaps include major banking firms and their affiliates. The Fund diversifies its exposure by using multiple counterparties, by considering each counterparty's credit rating, and by executing such contracts pursuant to master netting agreements. All bi-lateral swap transactions which are not subject to mandatory central clearing are undertaken using ISDAs. Centrally cleared transactions are cash margined at least daily. The Fund's interest rate and commodity futures contracts are cash margined daily with the relevant futures clearing exchange. The notional value of the open positions and their fair value are set out below:

	Notional Value 2026 $'000	Fair Market Value 2026 $'000	Notional Value 2025 $'000	Fair Market Value 2025 $'000
Total interest rate and commodity derivatives	**157,108,277**	**2,070,151**	121,016,205	799,823

Note(s):

No interest rate or commodity derivatives are held by the FFICs.

Interest rate sensitivity analysis

The following table demonstrates the impact on the operating result of the Fund and the FFICs for a 99 basis point (2025: 132 basis point) change in bond yields with all other variables held constant. The level of basis point sensitivity is determined by the Department of Finance each year. It is assumed that the basis point change occurs as at the reporting date (30 June 2026 and 30 June 2025) and there are concurrent movements in interest rates and parallel shifts in the yield curves. A 99 basis point (2025: 132 basis point) movement would result in the following impact on the debt portfolios (including interest rate derivatives) contribution to the Fund and FFICs' operating result. The impact on the operating result and equity includes the increase/(decrease) in interest income on floating rate securities from the basis point change.

	30 June 2026 Impact on operating result $'000
+ 99 basis points	**(3,451,457)**
– 99 basis points	**3,746,670**

	30 June 2025 Impact on operating result $'000
+ 132 basis points	(3,530,029)
– 132 basis points	4,067,701

16.3.2 Foreign currency risk management

The Fund undertakes certain transactions denominated in foreign currencies and accordingly is exposed to the effects of exchange rate fluctuations. The Board sets a target exposure to foreign currency risk which is managed using forward foreign exchange contracts and other derivatives including commodity futures.

Foreign exchange contracts are used by the Fund's investment managers to manage the exposure to foreign exchange and to ensure it remains within Board approved tolerance. The Act governs the use of financial derivatives as detailed in Note 2.3.3. The Fund's counterparties for foreign exchange contracts include major banking firms and their affiliates. The Fund diversifies its exposure by using major banking firms, by considering each counterparty's credit rating, and by executing such contracts pursuant to master netting agreements. All transactions (other than spot trades) are undertaken using ISDAs.

The Fund and FFICs' exposure in Australian equivalents to foreign currency risk at the reporting date was as follows:

30 June 2026	USD AUD $'000	EUR AUD $'000	JPY AUD $'000	Other[1] AUD $'000	Total AUD $'000
Cash and cash equivalents	**3,444,833**	**796,383**	**98,784**	**627,821**	**4,967,821**
Listed equities and listed managed investment schemes	**46,183,933**	**9,259,187**	**5,631,925**	**23,131,356**	**84,206,400**
Interest bearing securities	**9,560,644**	**1,240,564**	**7,133,768**	**1,386,387**	**19,321,363**
Collective investment vehicles	**52,157,579**	**10,509,978**	**4,813,043**	**306,332**	**67,786,932**
Other investments	**1,042,677**	**96,906**	**55,300**	**(8,406)**	**1,186,477**
Receivables	**185,015**	**84,527**	**5,023**	**429,765**	**704,331**
Payables	**(204,050)**	**(98,869)**	**–**	**(21,619)**	**(324,538)**
Total physical exposure	**112,370,630**	**21,888,675**	**17,737,843**	**25,851,637**	**177,848,786**
Derivatives					
– buy foreign currency derivatives	**82,982,675**	**4,375,891**	**2,456,894**	**33,482,362**	**123,297,822**
– sell foreign currency derivatives	**(117,921,099)**	**(9,430,769)**	**(4,488,517)**	**(34,757,322)**	**(166,597,707)**
Total derivative exposure	**(34,938,425)**	**(5,054,878)**	**(2,031,623)**	**(1,274,960)**	**(43,299,886)**
Total net exposure	**77,432,205**	**16,833,797**	**15,706,220**	**24,576,677**	**134,548,900**

Note(s):

1. Other includes AUD equivalent exposures to other currencies which, when considered individually, are immaterial and an exposure to gold included in the Commodity futures derivative exposure balance.

The Fund and FFICs' exposure in Australian equivalents to foreign currency risk at 30 June 2025 was as follows:

30 June 2025	USD AUD $'000	EUR AUD $'000	JPY AUD $'000	Other[1] AUD $'000	Total AUD $'000
Cash and cash equivalents	6,004,772	898,682	88,307	284,341	7,276,102
Listed equities and listed managed investment schemes	39,416,756	6,277,169	2,488,491	18,436,507	66,618,923
Interest bearing securities	9,649,371	786,259	6,097,091	1,820,829	18,353,550
Collective investment vehicles	53,424,984	6,528,182	3,012,424	517,031	63,482,621
Other investments	1,039,493	196,279	505,271	57,959	1,799,002
Receivables	92,702	65,520	5,559	123,383	287,164
Payables	(194,082)	(21,360)	(1,946)	(3,283)	(220,671)
Total physical exposure	109,433,996	14,730,731	12,195,197	21,236,767	157,596,691
Derivatives					
– buy foreign currency derivatives	56,396,565	10,174,359	7,866,538	44,871,196	119,308,658
– sell foreign currency derivatives	(95,922,200)	(8,181,251)	(4,402,610)	(42,125,868)	(150,631,929)
Total derivative exposure	(39,525,635)	1,993,108	3,463,928	2,745,328	(31,323,271)
Total net exposure	69,908,361	16,723,839	15,659,125	23,982,095	126,273,420

Note(s):

1. Other includes AUD equivalent exposures to other currencies which, when considered individually, are immaterial and an exposure to gold included in the Commodity futures derivative exposure balance.

Foreign currency sensitivity analysis

The following table demonstrates the impact on the Fund and the FFICs' operating result of 9.06% (2025: 8.06%) movement in exchange rates relative to the Australian dollar at 30 June 2026, with all other variables held constant. The level of basis point sensitivity is determined by the Department of Finance each year. If the foreign currency rises against the Australian dollar there will be a positive impact on the operating result (excluding derivatives). It is assumed that the relevant change occurs as at the reporting date and the results presented are shown after taking into account the implementation of the Board's foreign currency exposure policy (that is, the sensitivity is calculated on the net exposure presented on the two previous tables).

	30 June 2026 Impact on operating result $'000
+ 9.06% movement	**17,587,829**
– 9.06% movement	**(14,483,881)**

	30 June 2025 Impact on operating result $'000
+ 8.06% movement	13,139,375
– 8.06% movement	(10,995,571)

16.3.3 Equity price risk

Public markets equity price risk

The Fund and the FFICs are exposed to equity price risks arising from public market equity investments. The equity price risk is the risk that the value of our equity portfolio will decrease as a result of changes in the levels of equity indices and the price of individual stocks. The Fund and FFICs hold all of its equities at fair value through profit or loss.

The Fund and FFICs' exposure to public market equity price risk at the reporting date was as follows:

	2026 $'000	2025 $'000
Domestic listed equities and listed managed investment schemes	**30,079,252**	27,083,896
International listed equities and listed managed investment schemes	**84,206,400**	66,618,923
Total equity price risk exposure[1]	**114,285,652**	93,702,819

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes additional public market equities held by the FFICs.

Equity derivative contracts

The Fund had open positions in exchange traded equity futures contracts, exchange traded and over the counter warrants, and over the counter equity option contracts and equity swap contracts as at 30 June 2026. The Act governs the use of financial derivatives as detailed in Note 2.3.3. Equity futures, options and warrants are used to manage market exposures to equity price risk and to ensure that asset allocations remain within approved limits. The Fund's counterparties for over the counter equity options include major banking firms and their affiliates. The Fund diversifies its exposure by using multiple counterparties, by considering each counterparty's credit rating, and by executing such contracts pursuant to master netting agreements. All over the counter transactions are undertaken using ISDAs. The Fund's equity futures contracts are cash margined daily with the relevant futures clearing exchange. The notional value of the open contracts is translated at the relevant exchange rate at reporting date and is set out below with the fair value of the contracts:

	Notional Value 2026 $'000	Fair Market Value 2026 $'000	Notional Value 2025 $'000	Fair Market Value 2025 $'000
Total equity derivatives	**29,913,385**	**1,811,353**	23,683,031[2]	1,429,034

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes additional equity derivatives held by the FFICs.
2. The notional value reported for 2025 has been restated from $82,736,619,000 to $23,683,031,000 due to a misstatement identified during the year ended 30 June 2026. This was because an incorrect forex rate was applied when translating the notional value. This error did not affect the fair value measurements, net assets or the Fund's financial performance.

Equity price sensitivity analysis

The analysis below demonstrates the impact on the Fund's operating result of the following movements:

- +/– 20% on Australian equities
- +/– 15% on International equities

The sensitivity analysis has been performed to assess the direct risk of holding equity instruments and associated derivatives. The analysis is undertaken on the base currency values of the underlying exposures. Currency risk sensitivity is considered separately in the currency sensitivity table presented in Note 16.3.2. The percentage change for each sub-class noted in the table below is measured with reference to each underlying security's forward-looking beta, which is a measure of how the underlying security price would change relative to an absolute increase or decrease in the market portfolio which has a beta of 1 and the impact of equity.

	2026 Impact on operating result $'000	2025 Impact on operating result $'000
20% increase in Australian equities	**8,629,523**	7,807,159
15% increase in International equities	**21,034,331**	19,309,230
Total	**29,663,854**	27,116,389
20% decrease in Australian equities	**(8,631,527)**	(7,798,475)
15% decrease in International equities	**(20,892,829)**	(19,482,687)
Total	**(29,524,356)**	(27,281,162)

16.3.4 Other price risk (collective investment vehicles)

The Fund is exposed to other price risks arising from its investments in collective investment vehicles. The Fund mitigates this risk through diversification of its investments.

As noted in Note 16.6, in the absence of active markets for a particular investment, judgement is required in determining fair value which introduces an increased element of uncertainty in the determination of that fair value. Collective investment vehicle pricing requires this judgement to be exercised in determining appropriate market reference transactions, pricing or earnings multiples, cash flow estimates and market discount rates.

Similarly, when estimating the potential sensitivity of the inputs into the fair values, there is judgement required as to how to determine what a reasonable change in underlying inputs might be in the next financial period. The use of proxy information to assist in determining these sensitivities is detailed below.

Private real estate proxy

A proxy index of publicly traded real estate investment trusts ("**REITs**") has been created that is appropriate for the geographical exposure of the portfolio.

Private equity proxy

A proxy after consideration of the investment strategy and geographical exposure of each private equity investment has been created. For example, a venture capital strategy is proxied using micro cap equities in the appropriate geography.

Infrastructure proxy

An appropriate index of publicly traded infrastructure companies in the relevant geographies and sectors is used as a proxy.

Alternative strategy funds

An appropriate market index of public traded assets or similar alternative strategy funds is used as a proxy.

Other price risk sensitivity analysis

The sensitivity analysis for other price risk using the proxies noted above is incorporated within the interest rate sensitivity analysis and equity risk sensitivity analysis presented earlier in Notes 16.3.1 and 16.3.3.

16.4 Liquidity risk management

Liquidity risk is the vulnerability of portfolio cash-flow management to compromise or failure. In particular, it is the risk that insufficient at-call liquidity is available to meet the Fund's liabilities and obligations as they fall due.

The Fund devotes considerable resources to liquidity risk management and the Liquidity Risk Management Policy is one of the main investment policies that support the investment process and help to ensure that the Fund takes 'acceptable but not excessive' levels of risk in achieving the Mandate.

The implementation of the Liquidity Risk Management Policy relies upon the following primary internal controls:

- A daily liquidity stress test that is designed to ensure that the Fund hold enough at-call liquidity to meet short-term obligations at all times. If the level of at-call liquidity in the Fund is insufficient to pass this test, it must be replenished;
- A portfolio projection model that forecasts the prospective build of the Fund, based on cash flow projections in a range of different market conditions;
- A contingency plan that is designed to expedite access to alternative forms of at-call liquidity should access to traditional sources be constrained.

The following tables summarise the maturity profile of the Fund and FFICs' financial liabilities, net and gross settled derivative financial liability instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The tables have been drawn up based on the contractual discounted cash flows. As the majority of payments occur within one year, the difference between discounted and undiscounted cashflows is immaterial.

As at 30 June 2026:

	Less than 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total contractual cashflows $'000	Carrying amount (assets)/ liabilities $'000
2026					
Non-derivatives					
Unsettled purchases	**334,439**	**–**	**–**	**334,439**	**334,439**
Other payables	**160,770**	**22,081**	**–**	**182,851**	**182,851**
Total non-derivatives	**495,209**	**22,081**	**–**	**517,290**	**517,290[1]**
Derivatives					
Net settled	**1,363,828**	**–**	**–**	**1,363,828**	**1,363,828**
Gross settled					
– (inflow)	**(20,796,354)**	**–**	**–**	**(20,796,354)**	**(20,796,354)**
– outflow	**23,129,186**	**–**	**–**	**23,129,186**	**23,129,186**
Total derivatives	**3,696,660**	**–**	**–**	**3,696,660**	**3,696,660[1]**

Note(s):

1. Total balances do not agree with the investment balance reported in Note 7 and the payables balances reported in Note 9 as the FFICs are included in this disclosure.

The Fund may be required to provide cash as collateral to counterparties under legal agreements when derivatives are in a net liability position. Refer to Note 7 for details on cash provided as collateral.

As at 30 June 2025:

	Less than 1 year $'000	1 to 5 years $'000	> 5 years $'000	Total contractual cashflows $'000	Carrying amount (assets)/ liabilities $'000
2025					
Non-derivatives					
Unsettled purchases	239,713	–	–	239,713	239,713
Other payables	192,326	27,087	1,438	220,851	220,851
Total non-derivatives	432,039	27,087	1,438	460,564	460,564[1]
Derivatives					
Net settled	794,086	–	–	794,086	794,086
Gross settled					
– (inflow)	(33,034,709)	(10,989)	–	(33,045,698)	(33,045,698)
– outflow	35,227,887	11,611	–	35,239,498	35,239,498
Total derivatives	2,987,264	622	–	2,987,886	2,987,886[1]

Note(s):

1. Total balances do not agree with the investment balance reported in Note 7 and the payables balances reported in Note 9 as the FFICs are included in this disclosure.

16.5 Credit risk

Credit risk is the risk of loss that arises from a counterparty failing to meet their contractual commitments in full and on time, or from losses arising from the change in value of a traded financial instrument as a result of changes in credit risk on that instrument.

The Board sets limits on the credit ratings of debt investments. These limits are reflected in the underlying investment mandates and are monitored by the Agency with compliance reported to the Board.

The Fund's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of financial position.

As at 30 June 2026, the Fund had an exposure of 5.08% (2025: 2.58%) of its net assets to interest bearing securities issued by domestic banks and cash deposits held with banks.

Exposures are measured at the fair value of the underlying securities which is equivalent to their carrying value in the Statement of financial position. Any associated income which is outstanding has been included within the numbers presented. None of these accrued income amounts are past due.

Credit risk derivatives

The Fund's managers use credit default swaps to modify exposure to credit risk. The Act governs the use of financial derivatives as detailed in Note 2.3.3.

The Fund transacts in credit default swaps in the following forms:

- Bi-lateral over-the-counter contracts; and
- Centrally cleared over-the-counter contracts.

The Fund's bi-lateral counterparties for credit default swaps include major banking firms and their affiliates. The Fund diversifies its exposure by using multiple counterparties, by considering each counterparty's credit rating, and, where contracts are not subject to mandatory clearing arrangements, by executing such contracts pursuant to master netting agreements. All transactions which are not centrally cleared are undertaken using ISDAs approved by the Fund. Centrally cleared transactions are cash margined at least daily. Managers are required to fully cash back all sold credit protection positions. Outstanding positions are marked to market and collateralisation of out of the money positions is required by each counterparty or the central clearing exchange.

The notional value of the open credit default swap positions, the impact on increasing or reducing credit exposures and their fair value are set out below:

	Notional Value 2026 $'000	Fair Market Value 2026 $'000	Notional Value 2025 $'000	Fair Market Value 2025 $'000
Buy Credit Protection	**205,650**	**(12,117)**	–	–
Sell Credit Protection	**660**	**123**	242,149	12,746
Total		**(11,994)**		12,746

Note(s):

No credit risk derivative contracts are held by the FFICs.

Credit exposure by credit rating

The following table provides information regarding the credit risk exposures of the debt instruments held by the Fund and the FFICs according to the credit ratings of the underlying debt instruments.

	2026 $'000	2025 $'000
Long-term rated securities		
AAA	**406,805**	394,128
AA	**75,567**	85,329
A	**174,729**	201,739
BBB	**526,689**	738,235
Below Investment grade/not rated[1]	**5,979,141**	6,538,801
Short-term rated securities		
A-1+/A-1/A-2	**28,433,965**	24,435,787
Other		
US Government Guaranteed	**4,183,788**	2,889,215
Total debt securities and cash	**39,780,684**	35,283,234
Other non-debt financial assets	**254,068,420**	220,486,331
Total financial assets[2]	**293,849,104**	255,769,565

Note(s):

1. The Fund and FFICs have a number of mandates with managers specialising in managing distressed debt and corporate loans portfolios.
2. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes cash and financial assets held by the FFICs.

Credit risk associated with receivables is considered minimal. The main receivables balance is in relation to franking credits which are claimable from the Australian Taxation Office annually in July each year.

There are no overdue contractual receipts due from counterparties as at 30 June 2026 (2025: nil).

16.6 Fair values of financial assets and liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of comprehensive income.

16.6.1 Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deductions for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2. For the majority of its public market investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

16.6.2 Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques employed by the managers the Board has engaged or by the Fund directly. These include the use of recent transactions to the extent these are available and are not distressed transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models, the use of independent valuation experts or any other valuation technique that provides an estimate of prices that could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on best estimates and the discount rate used is a market rate at the balance date applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at balance date. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the balance date taking into account current market conditions (for example, volatility and appropriate yield curves).

The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying industry standard option pricing models.

16.7 Fair value hierarchy

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The following tables provide an analysis of financial instruments held at year end that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable market data are classified within Level 2. These include both investment grade and non-investment grade interest bearing securities and over the counter derivatives.

The Fund must appoint investment managers to invest the majority of assets of the Fund under the Act. A significant proportion of these investments are made via pooled investment vehicles which in turn invest in a variety of underlying investments. Such pooled investments are classified as Level 3 investments in these financial statements. The diverse nature of the investments they make on the Fund's behalf means it is not possible to provide additional information in these financial statements regarding how inputs into the valuation of Level 3 investments might change nor the resultant impact on the Statement of comprehensive income that such changes to valuation inputs might trigger.

The Fund ensures that valuation techniques used by managers are consistent with the Fund's accounting policy.

As noted in Note 16.3.4 for collective investments, the Fund has used proxy investment exposures to provide sensitivity information surrounding the possible impact on the income of the Fund should equity or interest rate markets move up or down by a specified amount.

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the beginning of the reporting period. The Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole).

Note 16: Financial instruments and financial risk management | Continued

The tables below provide information on the fair value hierarchy for the Fund and FFICs as at 30 June 2026.

Recurring fair value measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total[1] $'000
Financial assets at fair value through profit or loss:				
Interest bearing securities	**8,010**	**30,698,186**	**907,351**	**31,613,547**
Listed equities and listed managed investment schemes	**114,044,412**	**29,141**	**212,099**	**114,285,652**
Collective investment vehicles	**–**	**–**	**131,761,907**	**131,761,907**
Derivatives	**–**	**6,421,553**	**30,535**	**6,452,088**
Restricted Cash	**109,210**	**–**	**–**	**109,210**
Total	**114,161,632**	**37,148,880**	**132,911,892**	**284,222,404**
Financial liabilities at fair value through profit or loss:				
Derivatives	**–**	**3,688,900**	**7,760**	**3,696,660**
Total	**–**	**3,688,900**	**7,760**	**3,696,660**

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes the investment related assets and liabilities held by the FFICs. The difference between the table above and Note 7 is financial asset investments of $(156,720,000) and financial liability investments of $5,000.

The following table presents the transfers between levels for the year ended 30 June 2026:

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Transfers between Levels 1 and 2	**6,109**	**(6,109)**	**–**
Transfers between Levels 1 and 3	**9,742**	**–**	**(9,742)**
Transfers between Levels 2 and 3	**–**	**121,977**	**(121,977)**

The following table presents the movement in Level 3 instruments for the year ended 30 June 2026 by class of financial instrument.

	Interest bearing securities $'000	Equities and listed managed investment schemes $'000	Collective investment vehicles $'000	Derivatives $'000	Total $'000
Financial assets at fair value through profit or loss:					
Opening balance	**1,177,667**	**170,438**	**117,798,465**	**–**	**119,146,570**
Purchases	**87,287**	**53,436**	**22,446,631**	**20,350**	**22,607,704**
Sales	**(184,106)**	**(21,994)**	**(16,256,434)**	**–**	**(16,462,534)**
Transfers into Level 3	**36**	**5,145**	**–**	**–**	**5,181**
Gains and (losses) recognised in the Statement of comprehensive income	**(51,520)**	**19,961**	**7,773,245**	**10,185**	**7,751,871**
Transfers out of Level 3	**(122,013)**	**(14,887)**	**–**	**–**	**(136,900)**
Closing balance	**907,351**	**212,099**	**131,761,907**	**30,535**	**132,911,892**

	Interest bearing securities $'000	Equities and listed managed investment schemes $'000	Collective investment vehicles $'000	Derivatives $'000	Total $'000
Financial liabilities at fair value through profit or loss:					
Opening balance	**–**	**–**	**–**	**–**	**–**
Purchases	**–**	**–**	**–**	**–**	**–**
Sales	**–**	**–**	**–**	**5,355**	**5,355**
Transfers into Level 3	**–**	**–**	**–**	**–**	**–**
Gains and (losses) recognised in the Statement of comprehensive income	**–**	**–**	**–**	**2,405**	**2,405**
Transfers out of Level 3	**–**	**–**	**–**	**–**	**–**
Closing balance	**–**	**–**	**–**	**7,760**	**7,760**

The Fund must invest the majority of the assets of the Fund via investment managers. Listed below are the valuation techniques and significant unobservable inputs for the investments classified in Level 2 and Level 3. Due to the diverse nature of the Fund's investments it is not possible to list the ranges of the inputs.

As at 30 June 2026:

Recurring fair value measurements	Fair Value $'000	Valuation Technique	Unobservable Inputs
Financial assets at fair value through profit or loss:			
Interest bearing securities	**31,605,537**	Discounted cash flow	Discount Rate
		Market Approach	Earnings Multiple
		Broker Quotations	N/A
		Independent Pricing Services	N/A
		Recovery Rate	Illiquidity Discount
Equities and listed managed investment schemes	**241,240**	Discounted cash flow	Discount Rate
		Independent Pricing Services	N/A
		Recent Transaction	N/A
		Recovery Value	Recovery Rate
Collective investment vehicles	**131,756,588**	Market Approach	Earnings Multiple
			Net Asset Value
	5,319	Discounted cash flow	Discount Rate
Derivatives	**6,452,088**	Independent Pricing Services	N/A
		Broker Quotations	N/A
Total	**170,060,772**		
Financial liabilities at fair value through profit or loss:			
Derivatives	**3,696,660**	Independent Pricing Services	N/A
		Broker Quotations	N/A
Total	**166,364,112**		

Note 16: Financial instruments and financial risk management | Continued

The tables below provide information on the fair value hierarchy for the Fund and FFICs as at 30 June 2025.

Recurring fair value measurements	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total[1] $'000
Financial assets at fair value through profit or loss:				
Interest bearing securities	–	23,933,170	1,177,667	25,110,837
Listed equities and listed managed investment schemes	93,520,697	11,684	170,438	93,702,819
Collective investment vehicles	–	–	117,798,465	117,798,465
Derivatives	20	6,664,594	–	6,664,614
Restricted Cash	1,351,402	–	–	1,351,402
Total	94,872,119	30,609,448	119,146,570	244,628,137
Financial liabilities at fair value through profit or loss:				
Derivatives	895	2,986,991	–	2,987,886
Total	895	2,986,991	–	2,987,886

Note(s):

1. Total balances will not agree with the investment balances reported in Note 7 as this disclosure includes the investment related assets and liabilities held by the FFICs and excludes the Future Fund's investments in the FFICs. The difference between the table above and Note 7 is financial asset investments of $(392,141,000).

The following table presents the transfers between levels for the year ended 30 June 2025:

	Level 1 $'000	Level 2 $'000	Level 3 $'000
Transfers between Levels 1 and 2	(20,085)	20,085	–
Transfers between Levels 1 and 3	8,251	–	(8,251)
Transfers between Levels 2 and 3	–	(141,692)	141,692

The following table presents the movement in Level 3 instruments for the year ended 30 June 2025 by class of financial instrument.

	Interest bearing securities $'000	Equities and listed managed investment schemes $'000	Collective investment vehicles $'000	Total $'000
Financial assets at fair value through profit or loss:				
Opening balance	936,977	188,610	105,274,613	106,400,200
Purchases	274,697	209,006	20,953,767	21,437,470
Sales	(197,193)	(225,030)	(14,095,731)	(14,517,954)
Transfers into Level 3	141,707	2,072	–	143,779
Gains and (losses) recognised in the Statement of comprehensive income	21,494	6,103	5,665,816	5,693,413
Transfers out of Level 3	(15)	(10,323)	–	(10,338)
Closing balance	1,177,667	170,438	117,798,465	119,146,570

Note(s):

There were no Level 3 financial liabilities.

The Fund must invest the majority of the assets of the Fund via investment managers. Listed below are the valuation techniques and significant unobservable inputs for the investments classified in Level 2 and Level 3. Due to the diverse nature of the Fund's investments it is not possible to list the ranges of the inputs.

As at 30 June 2025:

Recurring fair value measurements	Fair Value $'000	Valuation Technique	Unobservable Inputs
Financial assets at fair value through profit or loss:			
Interest bearing securities	25,110,837	Discounted cash flow	Discount Rate
		Market Approach	Earnings Multiple
		Broker Quotations	N/A
		Independent Pricing Services	N/A
		Recovery Rate	Illiquidity Discount
Equities and listed managed investment schemes	182,122	Discounted cash flow	Discount Rate
		Independent Pricing Services	N/A
		Recent Transaction	N/A
		Recovery Value	Recovery Rate
Collective investment vehicles	117,791,902	Market Approach	Earnings Multiple
			Net Asset Value
	6,563	Discounted cash flow	Discount Rate
Derivatives	6,664,594	Independent Pricing Services	N/A
		Broker Quotations	N/A
Total	149,756,018		
Financial liabilities at fair value through profit or loss:			
Derivatives	2,986,991	Independent Pricing Services	N/A
		Broker Quotations	N/A
Total	146,769,027		

Note 17: Events occurring after reporting date

There have been no significant events occurring after reporting date that would materially affect these financial statements.

Note 18: Special Accounts

18.1 Special Accounts: Future Fund Special Account

Legal Authority – *Future Fund Act 2006*, section 12.

Appropriation authority – section 80 of the PGPA Act.

Purpose – establishment and ongoing operation of the Fund.

Disclosures below are on a cash basis and consolidate departmental and administered items.

Future Fund Special Account	Period from 1 July 2025 to 30 June 2026 $'000	Period from 1 July 2024 to 30 June 2025 $'000
Balance carried from previous period	–	–
Bank interest amounts credited	–	–
Appropriations for reporting period	–	–
Other Receipts:		
GST credits	**14,184**	7,986
Amounts transferred from investment account[1]	**764,510**	657,468
Amounts credited to the special account	–	–
Total credits	**778,694**	665,454
Available for payments	**778,694**	665,454
Payments made:		
Investments debited from the Special Account (FFA s17)		
Payments made		
– Remuneration of Agency staff	**126,860**	100,157
– Remuneration of Board members	**1,131**	1,119
– Suppliers	**176,689**	183,643
– Investment expenses	**464,485**	373,918
– Purchase of capital equipment	**3,200**	518
– Lease liability principal and interest payments	**6,329**	6,099
Total debits	**778,694**	665,454
Balance carried forward to next year[2]	**–**	–

Note(s):

1. The operations of the Fund are funded via the investment revenue generated.
2. Excluding investments balances, see Note 18.2.

18.2 Special Accounts: Investment of Public Money

Disclosures below are on a cash basis.

Future Fund Special Account: Investment of Public Money under section 17 of the *Future Fund Act 2006* (as amended)	Period from 1 July 2025 to 30 June 2026 $'000	Period from 1 July 2024 to 30 June 2025 $'000
Opening balance	**179,339,571**	169,154,060
Investments made on transfer of funds from the Special Account		
Realised investments reinvested	**205,219,691**	144,998,539
Interest earned reinvested	**3,715,814**	1,386,421
Dividends received reinvested	**3,688,371**	3,104,559
Franking credits received reinvested	**314,700**	436,533
Foreign currency realised reinvested	**(711,577)**	(44,186)
Amounts transferred to operations[1]	**(764,510)**	(657,468)
Investments realised	**(189,095,290)**	(139,038,887)
Closing balance	**201,706,770**	179,339,571

Note(s):

1. The operations of the Fund are funded via the investment revenue generated.

Note 19: Reporting of outcomes

19.1 Net cost of outcome delivery

Outcome 1: Strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their Investment Mandates.

The Fund's net contribution to outcome 1 is $37,389,334,000 (2025: $27,394,471,000) as disclosed in the Statement of comprehensive income.

19.2 Net cost of outcome delivery – Programs

The Agency has two programs: the management of the investment of the Future Fund and the management of the investment of the Australian Government Investment Funds. These investments are held for and on behalf of the Commonwealth of Australia.

Program 1.1 Management of the investment of the Future Fund.

The Agency supports the Board in investing to accumulate assets for the purpose of offsetting the unfunded superannuation liabilities of the Commonwealth which will fall due on future generations. The net cost of this output delivery is $656,719,000 (2025: $628,309,000) as presented in the Statement of comprehensive income.

Program 1.2 Management of the investment of the Australian Government Investment Funds.

The role of the Agency was extended to include supporting the Board in the investment of the assets by the *DisabilityCare Australia Fund Act 2013*, the *Medical Research Future Fund Act 2015*, the *Aboriginal and Torres Strait Islander Land and Sea Future Fund Act 2018*, the *Future Drought Fund Act 2019*, the *Disaster Ready Fund Act 2019* and the *Housing Australia Future Fund Act 2023* to support the Board in the investment of the assets of the DCAF, MRFF, ATSILSFF, FDF, DRF and HAFF. The Agency charges a monthly fee to each fund to reimburse the Agency for shared costs paid by the Agency, as agreed with the Department of Finance. During the year the Agency charged the funds a combined amount of $15,616,583 (2025: $14,791,221) which is included in other income in the Statement of comprehensive income and the amount owing to the Agency at 30 June 2026 was $4,075,907 (2025: $3,855,989). Direct costs to the DCAF, MRFF, ATSILSFF, FDF, DRF and HAFF, such as investment management and custody fees, were charged directly to each fund's Special Account and are not reported as part of these financial statements.

Note 20: Current and non-current assets and liabilities disclosure

AASB 101 requires that for each asset and liability line item, the amount expected to be recovered or settled beyond 12 months is disclosed as set out in the table below:

	As at 30 June 2026 <12 months $'000	As at 30 June 2026 >12 months $'000	As at 30 June 2025 <12 months $'000	As at 30 June 2025 >12 months $'000
Assets				
Financial assets				
Cash and cash equivalent	**8,061,979**	**–**	9,864,727	–
Receivables	**1,283,881**	**–**	799,314	–
Investments	**66,901,853**	**217,487,007**	45,669,389	199,350,889
Other financial assets	**19,818**	**–**	20,309	–
Non-financial assets				
Right of use assets	**–**	**20,387**	–	25,316
Plant and equipment	**–**	**14,382**	–	12,562
Total assets	**76,267,531**	**217,521,776**	56,353,739	199,388,767
Liabilities				
Financial liabilities				
Investments	**3,696,655**	**–**	2,987,886	–
Payables	**402,588**	**–**	375,686	–
Lease liability	**6,272**	**22,253**	6,174	28,525
Non-financial liabilities				
Employee provisions	**62,460**	**17,018**	53,658	14,763
Tax liabilities				
Deferred tax liabilities	**–**	**4,648**	–	87,735
Total liabilities	**4,167,975**	**43,919**	3,423,404	131,023

Note 21: Budgetary reports

The following tables provide a comparison of the original budget as presented in the 2025–26 Portfolio Budget Statements ("**PBS**") to the 2025–26 final outcome as presented in accordance with Australian Accounting Standards for the entity. The budget is not audited.

The 2025–26 budget was based on the assumption that the mandated return is achieved for each forward estimates year. CPI is estimated in these budget numbers. In that context, the budget construct, including related investment costs, was based on the estimated mandated return therefore the actual results will always deviate from these assumed returns.

Due to the volatile nature of investment markets, it is difficult to accurately predict the financial outcomes of the Fund. Further, as PBS financial information is presented in a concise format which differs to the level of information presented in this financial report, the tables below compare actual and budgeted information for the Statement of comprehensive income and Statement of financial position.

Statement of comprehensive income	Year ended 30 June 2026 $'000	PBS – Administered 30 June 2026 $'000	PBS – Departmental 30 June 2026 $'000	Variance 30 June 2026 $'000
Total income	**38,046,053**	**17,421,276**	**224,851**	**20,399,926**
Total expenses including income tax	**656,719**	**717,574**	**224,851**	**(285,706)**[1]
Operating result for the year	**37,389,334**	**16,703,702**	**–**	**20,685,632**

Note(s):

1. Total expenses were lower than budgeted mainly due to the total budgeted expense estimate based on the consolidation of subsidiaries under accounting standards which is required for budget preparation. As the Fund applies the investment entity standard, expenses incurred in subsidiaries are not included in the financial statements as separate expenses but are included in the change in fair value of the investment entities in which the expenses are incurred.

Statement of financial position	As at 30 June 2026 $'000	PBS – Administered 30 June 2026 $'000	PBS – Departmental 30 June 2026 $'000	Variance 30 June 2026 $'000
Total assets	**293,789,307**	**265,189,907**	**102,168**	**28,497,232**
Total liabilities	**4,211,894**	**2,699,987**	**102,168**	**1,409,739**
Total equity and amount attributable to the government	**289,577,413**	**262,489,920**	**–**	**27,087,493**

Note 22: Lease Maturity Analysis

The undiscounted maturity analysis of lease liabilities at 30 June 2026 is as follows:

	2026 $'000	2025 $'000
Less than one year	**6,569**	6,329
One to five years	**22,253**	27,383
More than five years	**–**	1,439
Total undiscounted cash flows	**28,822**	35,151

Other mandatory reporting

2025–26 annual performance statement

Introductory statement

As required by the *Future Fund Act 2006* (the Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), this annual performance statement relates to the Future Fund Management Agency (Agency) and the Future Fund Board of Guardians (Board) as if they were a single Commonwealth entity (collectively referred to as the 'organisation').

As the Accountable Authority of the organisation for this purpose, I present the annual performance statement of the organisation, as required under paragraph 39(1)(a) of the PGPA Act.

In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the organisation, and complies with subsection 39(2) of the PGPA Act.

The Hon Greg Combet AO

Accountable Authority,
Future Fund Management Agency
Chair, Future Fund Board of Guardians

29 September 2026

Purpose

The Agency is responsible for investing for the benefit of future generations of Australians.

Established in 2006 as Australia's sovereign wealth fund, its main objective is to strengthen the Commonwealth's long-term financial position.

The Board has responsibility for investing the assets of seven special purpose public asset funds including: the Future Fund; the Medical Research Future Fund; the Aboriginal and Torres Strait Islander Land and Sea Future Fund; the Future Drought Fund; the Disaster Ready Fund; the Housing Australia Future Fund and the DisabilityCare Australia Fund.

Each fund is established by legislation, and the risk and return objectives for each of the funds are set by Investment Mandate Directions issued by the Treasurer and Minister for Finance to the Board.

The Agency supports the Board with investing funds for which the Board is responsible, in line with the Investment Mandate Direction for each fund.

The Portfolio Budget Statements identify the outcome as: strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their investment mandates (Outcome 1).

Results

As an investment institution, the achievement of the risk and return objectives set by the Government for each special purpose public fund is the key measure of performance.

These expectations are set out in the Investment Mandate Directions issued by the responsible Ministers.

The 2025–26 performance criteria is outlined in the 2025–26 Portfolio Budget Statements (Outcome 1, Program 1.1) and the 2025–26 Corporate Plan (section 4, Performance).

Performance against purpose

Performance criterion one – management of the investment of the Future Fund

Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate target return over the long term (interpreted as rolling 10-year periods), with acceptable but not excessive risk.

The target return set out in the Investment Mandate is an average of at least the CPI + 4.0% to 5.0% per annum over the long term.

Criterion source

The 2025–26 performance criteria outlined in the 2025–26 Portfolio Budget Statements (Outcome 1, Program 1.1) and the 2025–26 Corporate Plan (section 4, Performance).

Results against performance criterion

Performance against the Future Fund Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception	8.3	7.0
10 years	9.0	7.1
Seven years	8.6	7.6
Five years	8.0	8.4
Three years	12.0	7.3
2025–26 financial year	14.8	8.0

Note(s):

1. From 1 July 2017 the Fund's Investment Mandate target return was reduced from CPI + 4.5% to 5.5% pa to CPI + 4.0% to 5.0% pa over the long term, with an acceptable but not excessive level of risk.

Performance criterion two – management of the investment of the Australian Government's investment funds

Provide assistance and advice to the Board in pursuit of achieving the Investment Mandate Direction target returns as follows:

- For the Medical Research Future Fund, an average return of at least the Reserve Bank of Australia cash rate target + 1.5% to 2.0% per annum, net of investment fees, over a rolling 10-year term, with acceptable but not excessive risk
- For the Aboriginal and Torres Strait Islander Land and Sea Future Fund, the Future Drought Fund, the Disaster Ready Fund and the Housing Australia Future Fund, an average return over the long term of at least the CPI + 2.0% to 3.0% per annum, net of costs, with an acceptable but not excessive level of risk, including having regard to the plausible capital loss from investment returns over the forward three-year period
- For the DisabilityCare Australia Fund, the Australian three-month bank bill swap rate + 0.3% per annum calculated on a rolling 12-month basis. The Investment Mandate requires that investments minimise the probability of capital loss over a 12-month horizon.

Criterion source

The 2025–26 performance criteria outlined in the 2025–26 Portfolio Budget Statements (Outcome 1, Program 1.2) and the 2025–26 Corporate Plan (section 4, Performance).

Results against performance criterion

Medical Research Future Fund

Performance against the MRFF Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception (22 September 2015)	5.6	3.6
10 years	5.7	3.6
Seven years	6.1	3.8
Five years	6.3	4.6
Three years	9.2	5.7
2025–26 financial year	10.1	5.4

Note(s):

1. RBA cash rate plus 1.5% to 2.0% pa over the long term, with an acceptable but not excessive level of risk.

Aboriginal and Torres Strait Islander Land and Sea Future Fund

Performance against the ATSILS Fund Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception (1 October 2019)	7.0	5.7
Five years	7.1	6.4
Three years	10.5	5.3
2025–26 financial year	11.9	6.0

Note(s):

1. CPI + 2.0% to 3.0% pa over the long term, with acceptable but not excessive level of risk.

Future Drought Fund

Performance against the FDF Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception (1 April 2020)	8.5	5.8
Five years	7.1	6.4
Three years	10.5	5.3
2025–26 financial year	11.9	6.0

Note(s):

1. CPI + 2.0% to 3.0% pa over the long term, with an acceptable but not excessive level of risk.

Disaster Ready Fund

Performance against the DRF Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception (1 April 2020)	8.5	5.8
Five years	7.1	6.4
Three years	10.5	5.3
2025–26 financial year	11.9	6.0

Note(s):

1. CPI + 2.0% to 3.0% pa over the long term, with an acceptable but not excessive level of risk.

Housing Australia Future Fund

Performance against the HAFF Investment Mandate Direction is set out in the table below.

Period to 30 June 2026	Return (% pa)	Target return[1] (% pa)
From inception (1 November 2023)	9.6	4.9
2025–26 financial year	11.6	6.0

Note(s):

1. CPI +2.0% to 3.0% pa over the long term, with an acceptable but not excessive level of risk.

DisabilityCare Australia Fund

In line with its Investment Mandate, the DCAF is invested in long-term deposits and cash. For the 2025–26 financial year, the Fund delivered a return of 4.4% per annum against a benchmark target of 4.2% per annum.

Analysis of performance against purpose

The stated purpose of the Future Fund is to invest for the benefit of future generations of Australians.

The Fund performed well against the organisation's stated purpose in 2025–26.

During the year, our portfolio resilience framework continued to guide portfolio construction and investment decision-making. This approach reflects our view that the global investment environment has entered a new era characterised by greater geopolitical fragmentation, more frequent and intense shocks, and greater uncertainty across economies, markets and social systems.

In November 2025, we released *Portfolio Resilience: Part One*, a position paper outlining how we seek to achieve our return objectives across a wide range of future scenarios while protecting the Fund's real wealth over the long term.

Against this backdrop, we continued to reposition the portfolio to enhance long-term returns and strengthen resilience, making approximately $50 billion of changes during the year and almost $340 billion since May 2021.

Portfolio activity focused on adapting to the changing investment environment, increasing sources of alpha generation, embedding responsible investment and climate considerations, and incorporating national priorities into portfolio construction where they align with our statutory objective of maximising returns through independent commercial investment decisions.

This included investments in Australian digital infrastructure, renewable energy and housing, alongside changes to regional exposures, active strategies and portfolio diversification settings.

As the investment environment continues to evolve, our focus remains on building a resilient portfolio capable of delivering strong long-term returns and protecting the nation's savings for future generations of Australians.

The annual return for the Future Fund in 2025–26 was 14.8% per annum against a target of 8.0% per annum. The 10-year return was 9.0% per annum against an Investment Mandate target of 7.1% per annum.

Investment returns of $37.4 billion in the past financial year grew the Future Fund to $289.7 billion. Since its establishment in 2006, investment returns have added almost $229.2 billion in value.

The other six public asset funds, which are also invested in by the Board, are performing well.

The Investment Mandate Directions for the Medical Research Future Fund, ATSILS Fund, Future Drought Fund, Disaster Ready Fund and Housing Australia Future Fund set long-term risk and return objectives. Performance should be considered against these long-term objectives.

The Medical Research Future Fund delivered an annual return of 10.1% per annum return against a target return of 5.4% per annum. Its 10-year return was 5.7% per annum against an Investment Mandate target of 3.6% per annum. It is now valued at $26.3 billion.

The ATSILS Fund delivered an annual return of 11.9% per annum against its target return of 6.0% per annum. Since its inception in 2019, it has returned 7.0% per annum against a target return of 5.7% per annum. It is now valued at $2.7 billion.

The Future Drought Fund delivered an annual return of 11.9% per annum against a target return of 6.0% per annum. Since its inception in 2020, it has returned 8.5% per annum against a target return of 5.8% per annum. It is now valued at $5.8 billion.

The Disaster Ready Fund delivered an annual return of 11.9% per annum against a target return of 6.0% per annum. Since its inception in 2020, it has returned 8.5% per annum against a target return of 5.8% per annum. It is now valued at $5.3 billion.

The Housing Australia Future Fund delivered an annual return of 11.6% per annum against a target return of 6.0% per annum. Since inception in 2023 it has returned 9.6% per annum against a target return of 4.9% per annum. It is now valued at $11.7 billion.

The DisabilityCare Australia Fund delivered an annual return of 4.4% per annum against the target return of 4.2% per annum. It is now valued at $14.5 billion.

Total funds managed across all seven funds now stands at $356 billion.

The Agency is well positioned to respond to market conditions as we remain focused on our purpose of investing for the benefit of future generations of Australians.

Resource statement

All costs for investment activity and the operations of the Board and Agency are met from the assets of the funds rather than from the annual appropriations through Parliament.

The Board monitors the annual operating budget of the Agency to ensure the use of resources is appropriate and consistent with the organisation's objectives.

Nonetheless, the Agency is required to publish information in line with the outcome and output statement used by government departments and agencies.

The Future Fund was established in 2006 to strengthen the Australian Government's long-term financial position.

The outcome for the Agency is: strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their investment mandates.

Future Fund Management Agency resource statement

	Current available appropriation (a) $'000	Payments made (b) $'000	Balance remaining (a)-(b) $'000
Administered			
Special accounts	$778,694	$778,694	–
Total special accounts receipts	$778,694	$778,694	–
Total resourcing and payments for Future Fund Management Agency	**$778,694**	**$778,694**	**–**

Expenses for Outcome 1, 2025–26

Outcome 1: Strengthen the Commonwealth's financial position for the benefit of the Australian people, by managing the investment activities of the Future Fund and certain other Australian Government investment funds in line with their investment mandates.	**Budget* 2025–26 (a) $'000**	**Actual expenses 2025–26 (b) $'000**	**Variation 2025–26 (a)-(b) $'000**
Program 1.1: Management of the Investment of the Future Fund			
Departmental expenses			
Special accounts			
Future Fund Special Account	209,582	192,232	17,350
Total for program 1.1	**209,582**	**192,232**	**17,350**
Program 1.2: Management of the Investment of the Australian Government Investments Fund			
Departmental expenses			
Special accounts			
Future Fund Special Account	14,857	15,616	(759)
Total for program 1.2	**14,857**	**15,616**	**(759)**
Outcome 1 Totals by appropriation type			
Departmental expenses			
Special accounts	224,439	207,848	16,591
Total expenses for Outcome 1	**224,439**	**207,848**	**16,591**

Average staffing level

	2024–25	**2025–26**
Average staffing level (number)	350	349

Note(s):
* Full-year budget, including any subsequent adjustments made in the 2025–26 Portfolio Additional Estimates.

Procurement

The procurement of goods and services by the Agency is consistent with the Commonwealth Procurement Rules and is based on the principles of value-for-money; open and effective competition; ethics and fair dealing; accountability and reporting; national competitiveness; industry development; and support for other Australian Government policies.

These principles have been incorporated into the appropriate internal policies and are supported by procurement governance arrangements that promote probity, transparency, accountability and appropriate management of conflicts of interest throughout procurement processes.

The purchase of investment management, investment advisory, master custody, and safekeeping services for the purposes of managing and investing the assets of public asset funds are excluded from the mandatory provisions of the Commonwealth Procurement Rules.

The Agency engages consultancy services in a variety of areas where specialist expertise is not available within the Agency, or where an independent assessment is desirable. This is consistent with the Agency's outsourced business model.

Consultancy services selection processes may include open tender, selective tender, direct sourcing, or the use of a panel, in alignment with Commonwealth Procurement Rules.

Expenditure on reportable consultancy contracts 2025–26

During 2025–26, seven new consultancy contracts were entered into, involving a total actual expenditure of $1,433,383.

In addition, four ongoing consultancy contracts were active during 2025–26, involving a total actual expenditure of $892,172.

Annual reports contain information about actual expenditure on reportable consultancy contracts.

Information on the value of reportable consultancy contracts is available on the AusTender website.

Expenditure on reportable consultancy contracts 2025–2026

	Number	**Expenditure $'000 (GST inc.) $**
New contracts entered into during the reporting period	7	1,433
Ongoing contracts entered into during a previous reporting period	4	892
Total	**11**	**2,325**

Organisations receiving a share of reportable consultancy contract expenditure in 2025–26

Organisation	**Organisation ABN**	**Expenditure $'000 (GST inc.) $**
Deloitte Touche Tohmatsu	74 490 121 060	565
The Boston Consulting Group	70 007 347 131	388
Nous Group Pty Ltd	66 086 210 344	294
Enterprise Knowledge LLC[1]	N/A	280
Slalom Australia	71 635 861 004	176

Note(s):
1. Enterprise Knowledge LLC does not have an ABN as it is an international company.

Expenditure on reportable non-consultancy contracts

During 2025–26, 89 new non-consultancy contracts were entered into, involving a total actual expenditure of $12,780,567.

In addition, there were 193 ongoing non-consultancy contracts that were entered into during the previous reporting period, involving a total actual expenditure of $67,887,787.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts.

Information on the value of reportable non-consultancy contracts is available on the AusTender website.

Expenditure on reportable non-consultancy contracts 2025–26

	Number	Expenditure $'000 (GST inc.) $
New contracts entered into during the reporting period	89	12,780
Ongoing contracts entered into during a previous reporting period	193	67,887
Total	**282**	**80,667**

Organisations receiving a share of reportable non-consultancy contract expenditure 2025–26

Organisation	Organisation ABN	Expenditure $'000 (GST inc.) $
Data#3 Limited	31 010 545 267	10,394
Avec Global Pty Ltd	55 166 166 285	6,971
Knight Frank Pty Ltd	17 004 973 684	6,340
Accenture Australia Pty Limited	49 096 776 895	4,757
ValueFlow IT Pty	15 157 821 880	3,176

The Agency supports small business participation in the Commonwealth Government procurement market.

Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website.

The Agency recognises the importance of ensuring that small businesses are paid on time. The results of the survey of Australian Government payments to small businesses are available on the Treasury's website.

The Agency's support for small businesses includes using the Commonwealth Contracting Suite for procurements under $200,000 in accordance with applicable Department of Finance resource management guidance.

Freedom of information

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS).

This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 Statement in an annual report.

Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. Information regarding the Future Fund's IPS Plan is available at *www.futurefund.gov.au/About-us/access-to-information/information-publication-scheme*

Advertising and market research

No campaign advertising was undertaken.

Grant programs

The organisation does not administer any grant programs.

Disability reporting mechanism

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life.

The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia.

It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy.

A range of reports on the progress of the Strategy's actions and outcome areas will be published and available at *www.disabilitygateway.gov.au/ads*

Disability reporting is included in the Australian Public Service Commission's State of the Service reports and the Australian Public Service Statistical Bulletin. These reports are available at *www.apsc.gov.au*

Ecologically sustainable development and environmental performance

The Future Fund reports its obligations under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) annually.

This section covers both the Future Fund Management Agency and the Future Fund Board of Guardians. It also addresses relevant matters associated with the Board's wholly owned investment subsidiaries, whose broader climate-related and other environmental risks and opportunities are considered as part of the Board's consolidated investment portfolio.

Environmental performance of our operations

Our direct environmental impacts arise primarily through office accommodation, energy use, procurement and waste.

Our Melbourne office, located at 447 Collins Street, was designed to achieve a 5.5 Star NABERS Energy Base Building rating, a 6.0 Green Star rating, and was Melbourne's first WELL Platinum-rated office building when it was completed in 2020. It is also carbon neutral, certified by Climate Active.

The building participates in the Melbourne Renewable Energy Project and is powered by 100% renewable electricity, and for the second consecutive year, we have retained a 5 Star NABERS rating for our tenancy. The Melbourne office is also the registered office of the Board and each of the Board's wholly owned investment subsidiaries (noting that none of these have employees).

Our Sydney office, located at 100 Market Street, has a 5.5 Star NABERS Energy Base Building rating. As in our Melbourne office, the building incorporates energy-efficient air conditioning and lighting systems. It also includes a co-generation plant that uses waste heat from electricity generation to supply hot water, and cooling energy from absorption chillers to provide chilled water.

In both offices, we maintain waste separation and recycling arrangements. These include organic waste collection, paper and packaging recycling, coffee cup recycling in the Melbourne office, coffee-ground composting, and e-waste and battery collection.

We report our operational greenhouse gas emissions and progress towards the Australian Public Service Net Zero 2030 target in our 2025–26 Climate Statement, prepared under the Commonwealth Climate Disclosure initiative. Further information on planned emissions reduction measures is available in the Agency's Emissions Reduction Plan.

Environmental-related effects on our operations are considered through business continuity and operational resilience planning. The most relevant environmental matters relate to climate, and impact our people, workplaces, and critical systems required to maintain business continuity, as discussed further in our 2025–26 Climate Statement.

Environmental considerations in our investment activities

The Board's relevant environmental performance is principally associated with its investment functions and is considered on a consolidated basis across the investment portfolios it manages, including investments held through its relevant wholly owned subsidiaries.

We have long recognised the importance of ESG and climate issues, and have integrated these considerations into elements of our investment process since inception.

Environmental matters are considered in line with the Board's Responsible Investment Policy, which guides how we integrate ESG risks and opportunities, including climate change, into our investment processes and decision-making. The Policy includes several responsible investment priority focus areas for deeper work in our program, including climate change, nature and biodiversity. These priorities are woven into our investment research, stewardship activities and industry collaboration. Our responsible investment approach is discussed further in the How we invest section of this report.

Climate and other material environmental matters may affect the Agency's operations and the Board's investment activities. For the investment portfolio, these effects may be realised through changes in economies, markets, sectors and individual investments, with potential implications for asset values, investment returns and portfolio resilience.

Our 2025–26 Climate Statement was prepared under the Commonwealth Climate Disclosure initiative. It covers the Agency, Board, investment funds and relevant wholly owned investment subsidiaries on a consolidated basis, and is available on our website *www.futurefund.gov.au*

Review and improvement

The Agency reviews its environmental performance through operational emissions reporting, implementation of our Emissions Reduction Plan, monitoring of office environmental performance, and established business planning and reporting processes. Findings from these processes are used to identify opportunities to improve the effectiveness of environmental measures and inform future actions.

The Board and Agency review investment-related climate and environmental matters through established governance, investment and risk management processes.

References and index



Appendix A

Investment managers at 30 June 2026

Asset class	Manager
Equities	
Australian equities	– Macquarie Investment Management – Maple-Brown Abbott Limited – UBS Securities Australia
Developed market equities	– Effissimo Capital Management – Insight Investment Management – Legal & General – State Street Investment Management – UBS Securities Australia – Wellington Investment Management
Emerging market equities	– Insight Investment Management – Robeco Institutional Asset Management – UBS Securities Australia – Northcape Capital
Private Equity	
Buyout	– Advent International Corporation – American Industrial Partners – Apax Partners – Archer Capital – Bain Capital – Charterhouse Capital Partners – CVC Capital Partners – GI Partners – Hellman & Friedman – HG Capital – Motive Partners – Oakley Capital – Parthenon Capital – Quadrant Private Equity – RCP Advisors – Seidler Equity Partners – Siris Capital – Trustar Capital (previously Citic Capital) – The Growth Fund – Vitruvian Investment Partners

Asset class	Manager
Venture and growth	– Adams Street Partners – Bessemer Venture Partners – Blackbird Ventures – CDH Investments – Clocktower Technology Ventures – Columbia Capital – FountainVest Partners – Hillhouse Capital – HongShan – Horsley Bridge Partners – Lightspeed Venture Partners – New Enterprise Associates – Playground Global – PSG Equity – Quilvest – Sequoia Capital – Tract Capital Management – Xiang He Capital
Special opportunities	– Adams Street Partners – Goldman Sachs Asset Management – Oaktree Capital Management – TowerBrook Capital Partners
Property	
Unlisted	– Altarea Cogedim – Berkshire Property Advisors – Blackstone Real Estate – Brookfield Asset Management – Columbia Pacific Advisors – Goldman Sachs Asset Management – Greystar Equity Partners – Harbert Management Corporation – Hillwood Investment Properties – ICAMAP Advisory – Logistics Property Company – Macquarie Asset Management Real Estate – Morgan Stanley Real Estate Investing – Pacific Alliance Group – PEET Limited – Starlight Investments – Corval
Listed	– Legal & General
Infrastructure and Timberland	
Unlisted	– Campbell Global – DWS – EQT Partners – Energy Capital Partners – Global Infrastructure Partners – Goldman Sachs Asset Management – I Squared Capital – Morrison Global – Lotus Infrastructure Partners – Morgan Stanley Infrastructure Partners – Oaktree Capital Management – OMERS Infrastructure – QIC Global Infrastructure
Listed	– Atlas Infrastructure – DWS – Legal & General
Credit	
High-grade debt	– First Sentier Investors – Goldman Sachs Asset Management – Macquarie Investment Management – M&G Investment Management Limited – PIMCO Australia
High-yield debt	– Ares Management – Bain Capital Credit – Oak Hill Advisors – Oaktree Capital Management
Private debt	– Ares Management – Bain Capital Credit – BlackRock Alternative Advisors – Blackstone Credit and Insurance – Hayfin Asset Management – Kohlberg Kravis Roberts & Co – M&G Investment Management Limited – PAG Holdings Limited – Westbourne Credit Management Limited
Emerging markets debt	– BlackRock Investment Management – Lazard Asset Management – Oaktree Capital Management
Distressed and event driven	– Bain Capital Credit – BlackRock Alternative Advisors – Centerbridge Partners L.P – FitzWalter Capital Partners – Oak Hill Advisors – Oaktree Capital Management – Silver Point Capital

Asset class	Manager
Alternatives	
Low beta – relative value	– Atom Investors L.P. – BlackRock Alternative Advisors – Blackstone Multi-Asset Investing – Citadel Advisors – D.E. Shaw & Co., L.P. – Dymon Asia Capital – JJJ Capital – MAN Solutions – Quantix Commodities – Qube Research and Technologies – Schonfeld Strategic Advisors – Squarepoint Capital – Wellington Investment Management
Low beta – directional	– Bridgewater Associates, Inc – Citadel Advisors – Clocktower Group L.P.
Insurance-linked securities	– Elementum Advisors – Hiscox Re Insurance Linked Strategies Ltd
Diversifying	– Ionic Capital Management – MAN AHL – Squarepoint Capital
High beta	– D.E. Shaw & Co., L.P. – Ionic Capital Management – Man Solutions
Overlays	
Overlay strategies	– Ashmore Investment Management Limited – Insight Investment Management (Global) – Legal & General – Macquarie Investment Management – PIMCO Australia – State Street Investment Management – UBS Securities Australia Limited
Commodities	– CoreCommodity Management – PIMCO Australia – Quantix Commodities
Cash	
Cash	– First Sentier Investors – Macquarie Investment Management – PIMCO Australia

Appendix B

List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities' annual reports as an aid of access.

PGPA Rule reference	Part of report	Description	Requirement
17AD(g)	**Letter of transmittal**		
17AI	P7	A copy of the letter of transmittal signed and dated by Accountable Authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
17AD(h)	**Aids to access**		
17AJ(a)	P6	Table of contents (print only).	Mandatory
17AJ(b)	P207–210	Alphabetical index (print only).	Mandatory
17AJ(c)	P205	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	P199–204	List of requirements.	Mandatory
17AJ(e)	P6	Details of contact officer.	Mandatory
17AJ(f)	P6	Entity's website address.	Mandatory
17AJ(g)	P6	Electronic address of report.	Mandatory
17AD(a)	**Review by Accountable Authority**		
17AD(a)	P8–9	A review by the Accountable Authority of the entity.	Mandatory
17AD(b)	**Overview of the entity**		
17AE(1)(a)(i)	P14–25	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	P16	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	P14–25, P183–187	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	P21–25	A description of the purposes of the entity as included in Corporate Plan.	Mandatory
17AE(1)(aa)(i)	P28	Name of the Accountable Authority or each member of the Accountable Authority.	Mandatory
17AE(1)(aa)(ii)	P28	Position title of the Accountable Authority or each member of the Accountable Authority.	Mandatory
17AE(1)(aa)(iii)	P28	Period as the Accountable Authority or member of the Accountable Authority within the reporting period.	Mandatory
17AE(1)(b)	N/A	An outline of the structure of the portfolio of the entity.	Portfolio departments, mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AD(c)	**Report on the performance of the entity**		
	Annual performance statements		
17AD(c)(i); 16F	P183–187	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
17AD(c)(ii)	**Report on financial performance**		
17AF(1)(a)	P122–181	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	P188	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	N/A	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory
17AD(d)	**Management and accountability**		
	Corporate governance		
17AG(2)(a)	P43	Information on compliance with section 10 (Fraud and corruption systems).	Mandatory
17AG(2)(b)(i)	P7	A certification by Accountable Authority that fraud and corruption risk assessments have been conducted and fraud and corruption control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	P7	A certification by Accountable Authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud and corruption that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	P7	A certification by Accountable Authority that all reasonable measures have been taken to deal appropriately with fraud and corruption relating to the entity.	Mandatory
17AG(2)(c)	P26–33	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
17AG(2)(d)–(e)	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance.	If applicable, mandatory
	Audit Committee		
17AG(2A)(a)	P33	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory
17AG(2A)(b)	P33	The name of each member of the entity's audit committee.	Mandatory
17AG(2A)(c)	P29–32	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory
17AG(2A)(d)	P34	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory
17AG(2A)(e)	P115	The remuneration of each member of the entity's audit committee.	Mandatory

PGPA Rule reference	Part of report	Description	Requirement
	External scrutiny		
17AG(3)	P26–28	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	N/A	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory
17AG(3)(b)	N/A	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory
17AG(3)(c)	N/A	Information on any capability reviews on the entity that were released during the period.	If applicable, mandatory
	Management of human resources		
17AG(4)(a)	P98–104	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	P104–110	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location.	Mandatory
17AG(4)(b)	P105–110	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: – Statistics on staffing classification level – Statistics on full-time employees – Statistics on part-time employees – Statistics on gender – Statistics on staff location – Statistics on employees who identify as Indigenous.	Mandatory
17AG(4)(c)	P98–104	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory
17AG(4)(c)(i)	P110	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	P120	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	P120	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	P121	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory
17AG(4)(d)(ii)	P121	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory
17AG(4)(d)(iii)	P121	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory
17AG(4)(d)(iv)	P121	Information on aggregate amount of performance payments.	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
	Assets management		
17AG(5)	N/A	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory
	Purchasing		
17AG(6)	P189	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory
	Reportable consultancy contracts		
17AG(7)(a)	P189	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7)(b)	P189	A statement that *"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]"*.	Mandatory
17AG(7)(c)	P189	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	P189	A statement that *"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website"*.	Mandatory
	Reportable non-consultancy contracts		
17AG(7A)(a)	P190	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory
17AG(7A)(b)	P190	A statement that *"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website*".	Mandatory
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**		
17AGA	P179–180	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory
	Australian National Audit Office access clauses		
17AG(8)	N/A	If an entity entered into a contract with a value of more than $100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory
	Exempt contracts		
17AG(9)	N/A	If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory
	Small business		
17AG(10)(a)	P190	A statement that *"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website"*.	Mandatory
17AG(10)(b)	P190	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	P190	If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that *"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website"*.	If applicable, mandatory
	Financial statements		
17AD(e)	P122–181	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
	Executive remuneration		
17AD(da)	P111–121	Information about executive remuneration in accordance with Subdivision C of Division 3A of Parts 2–3 of the Rule.	Mandatory
17AD(f)	**Other mandatory information**		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website"*.	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
17AH(1)(a)(ii)	P191	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, mandatory
17AH(1)(b)	N/A	A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]".*	If applicable, mandatory
17AH(1)(c)	P191	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	P191	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of the FOI Act can be found.	Mandatory
17AH(1)(e)	N/A	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)	P60–97	Information required by other legislation.	Mandatory

Appendix C

Glossary of abbreviations and acronyms

ACSC	Australian Cyber Security Centre
AI	Artificial Intelligence
AM	Member of the Order of Australia
AO	Officer of the Order of Australia
APS	Australian Public Service
ASFI	Australian Sustainable Finance Institute
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange
ATSILS Fund	Aboriginal and Torres Strait Islander Land and Sea Future Fund
CEO	Chief Executive Officer
CFA	Chartered Financial Analyst
CIO	Chief Investment Officer
CPA	Certified Practising Accountant
CPI	Consumer Price Index
CRO	Chief Risk Officer
DCAF	DisabilityCare Australia Fund
DRF	Disaster Ready Fund
DRF Act	*Disaster Ready Fund Act 2019*
DRF Amendment Act	*Emergency Response Fund Amendment (Disaster Ready Fund) Act 2022*
EEE	Equivalent Equity Exposure
ERF	Emergency Response Fund
ERF Act	*Emergency Response Fund Act 2019*
EIF	Education Investment Fund
ESG	Environmental, social and governance
FDF	Future Drought Fund
FFMA	Future Fund Management Agency
FOI Act	*Freedom of Information Act 1982*
HAFF	Housing Australia Future Fund
GFC	Global Financial Crisis
GST	Goods and Services Tax

IFSWF	International Forum of Sovereign Wealth Funds
ILSC	Indigenous Land and Sea Corporation
IPS	Information Publication Scheme
KMP	Key management personnel
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer, intersex, asexual
MRFF	Medical Research Future Fund
NABERS	National Australian Built Environment Rating System
NDIS	National Disability Insurance Scheme
OECD	Organisation for Economic Co-operation and Development
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PA	Per annum
RBA	Reserve Bank of Australia
SES	Senior Executive Service
SLT	Senior Leadership Team
SMEs	Small and Medium Enterprises
WHS	Workplace, health and safety

Index

A

Aboriginal and Torres Strait Islander Land and Sea Future Fund 15, 18, 80–83, 134, 178, 183, 184

Accountability 26–28, 33–34, 40

Active management 12, 49, 62, 63, 64

Arndt, Raphael (CEO) 10, 11, 12, 13, 35, 36, 39, 114, 115, 116

Artificial intelligence 12, 13, 53, 61, 62, 158

Audit and Risk Committee 33, 34, 40, 42, 43, 113, 158

B

Board committees 33, 34, 43

Brandweiner, Richard (Chief Investment Officer) 13, 35, 38

Business strategy 13, 22–25

C

Climate change 12, 42, 46, 49, 52, 53, 54, 55, 57, 59, 158, 193

Combet AO, Greg (Chair) 8, 28, 29, 33, 34, 117

Commonwealth Climate Disclosure 9, 24, 59, 192, 193

Corporate governance 9, 16, 26–43, 53, 56, 57, 69, 75, 80, 84, 88, 92

Craig, James (Guardian) 29, 33, 117

Cross AM, Patricia (Guardian) 9, 29, 32, 33, 34, 117

Cyber security 43, 53

Currency management 51

D

DisabilityCare Australia Fund 15, 20, 45, 52, 96–97, 134, 178, 183, 184, 185, 187

Disaster Ready Fund 15, 19, 88–91,134, 178, 183, 184, 185, 186, 187

E

ESG (environmental, social and governance) 9, 42, 52, 53, 54, 55, 57, 58, 59, 193

F

Future Drought Fund 15, 19, 84–87, 134, 178, 183, 184, 185, 186

Future Fund 17, 65–74, 134, 178, 183, 184, 185, 186

Future Fund Board of Guardians 9, 10, 11, 13, 15, 16, 21, 28–34

Future Fund Management Agency 15, 16, 35, 134, 183, 187, 192

G

Governance 9, 13, 21, 26–43

Global benchmarks 28

H

Housing Australia Future Fund 15, 20, 92–95, 134, 178, 183, 184, 185, 186, 187

I

Inclusion 22, 24, 25, 53, 57, 99, 100, 102, 103

Investment beliefs 47, 49, 52, 55

Investment categories 45

Investment Committee 39, 40, 49, 55

Investment exclusions 54, 55, 58

Investment managers 50, 195–198

Investment mandates 21, 68–71

J

Joined-up whole-of-portfolio 10, 24, 45–47

M

Medical Research Future Fund 15,18, 75–79, 134, 178, 183, 184, 185, 186

Modern slavery 53, 55, 57, 59

N

National priorities 9, 15, 21, 23, 63, 68, 186

New Investment Order 61, 62, 64, 143, 144

O

Organisational culture 40, 43, 49, 98–104

P

Performance 13, 15, 22, 23, 24, 25, 27, 49, 56, 57, 60–97, 184–188

Portfolio construction 45, 50, 63, 158, 186

Procurement 189–190

R

Ralston, Deborah (Guardian) 9, 28, 30, 33, 117

Reemst AM, Mary (Guardian) 30, 33, 34, 117

Remuneration 111–121

Responsible investment 9, 23, 24, 28, 42, 52–59, 101, 186, 193

Risk management 24, 40–42

S

Santiago Principles 28

Senior Leadership Team 16, 35–38, 40, 103, 156

Strategic Commissioning Framework 40

Stewardship 24, 28, 53, 54, 56, 193

T

Trafford-Walker, Fiona (Guardian) 9, 29, 31, 33, 34, 117

Twenty years of Future Fund 11, 12, 15, 65

V

Vilgan, Rosemary (Guardian) 31, 33, 34, 117

W

Wakefield Evans AM, Nicola (Guardian) 32, 33, 117

Workplace health and safety 102, 103–104

Workforce 104–110




futurefund
Australia's Sovereign Wealth Fund
www.futurefund.gov.au