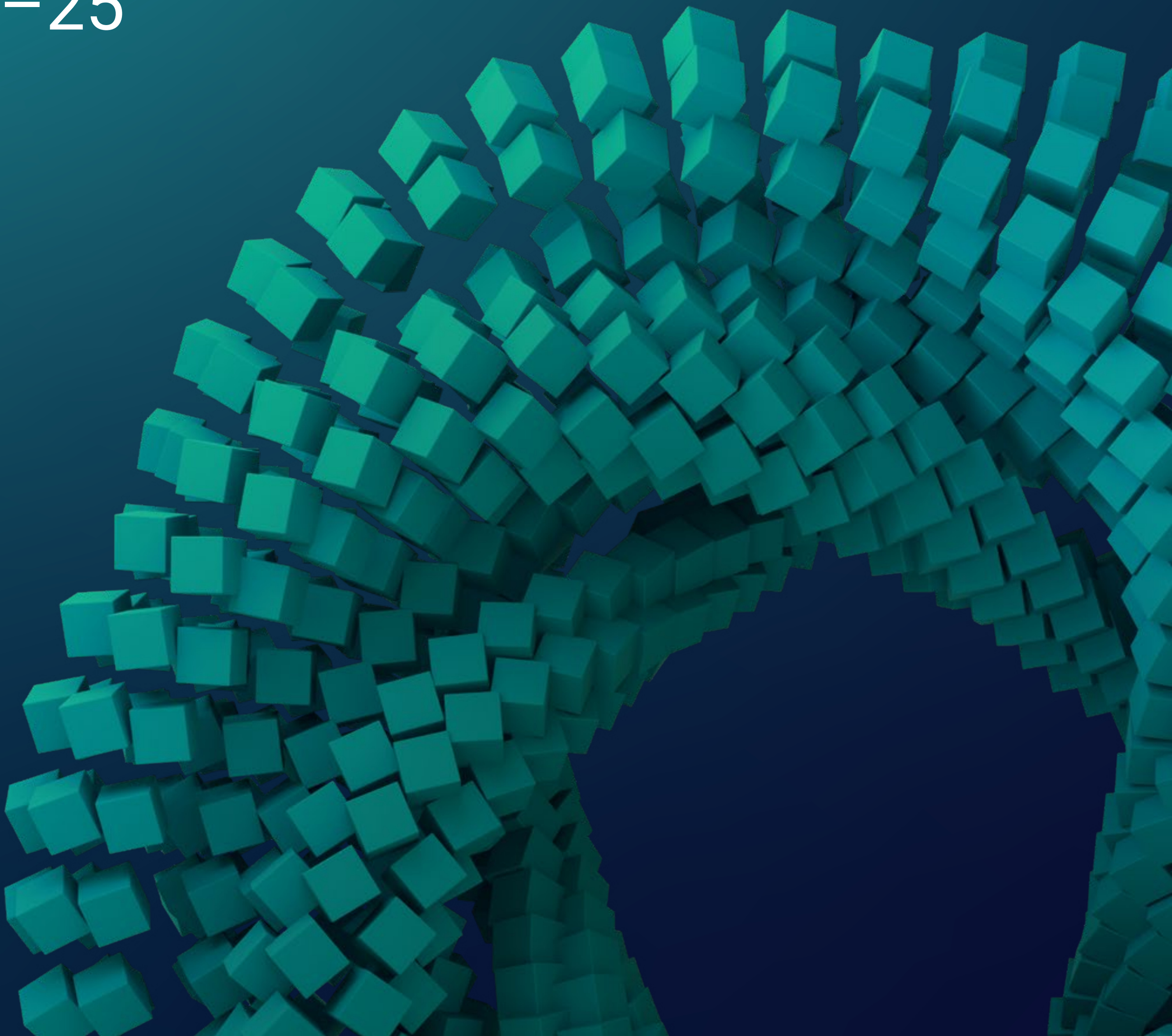
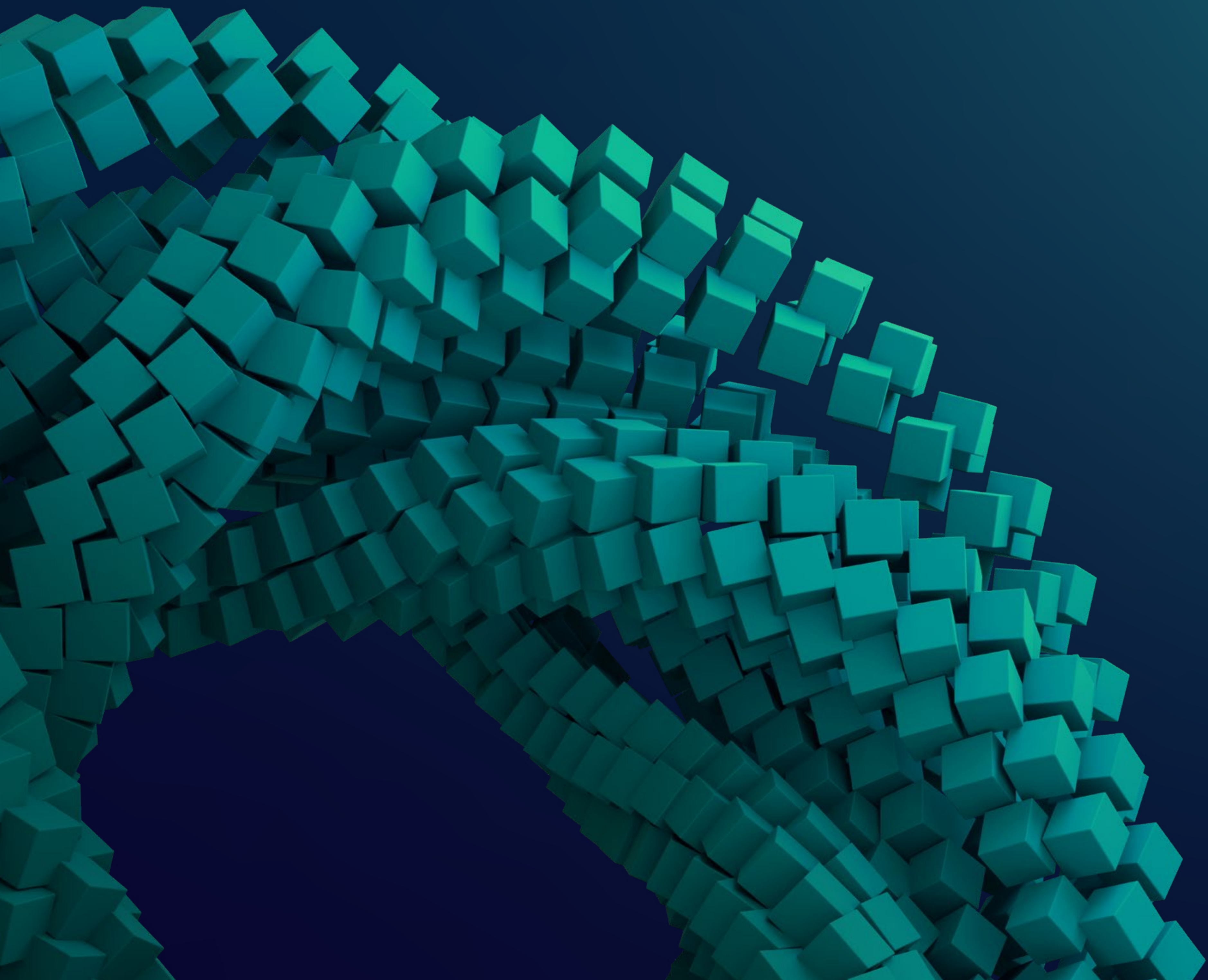
futurefund
Australia's Sovereign Wealth Fund

Year in Review 2024–25





> The 2024–25 year unfolded amid ongoing global turbulence and uncertainty, with a new US administration capturing international headlines, various armed conflicts occurring, globalisation retreating and a renewed pressure on climate consensus.

We responded to this volatile environment by repositioning the portfolio, investing in our people and strengthening areas of the organisation to embrace innovative ways of working.

Our joined-up, whole-of-portfolio approach to investing enables us to remain agile in a changing investment landscape, drawing on insights from our globally connected teams and external managers.

A key milestone for us arrived in November 2024, when the Australian Government announced it would postpone Future Fund drawdowns until at least 2032–33. This reaffirmed the Fund's status as an enduring national asset and, crucially, will enable us to invest with greater ambition, longer horizons and deeper alignment with national priorities.

A revised Investment Mandate was also issued in November and in line with it, we continued to grow our investments in significant Australian infrastructure assets including CDC and Transgrid.

This year we started evolving our responsible investment capabilities with an elevated focus on climate risks and opportunities. Foundational to this was a new Responsible Investment Belief and Policy that formally integrates environmental, social, and governance (ESG) and climate considerations across all investment decisions.

Over the year, we also made more than $90 billion in portfolio adjustments, with changes made in every asset class.

These actions have held us in good stead, with the Future Fund delivering a strong 12.2% annual return and adding $27.4 billion in value to Australia's financial future, and $191.8 billion since inception. This performance reflects not only the changes we made but also our robust governance and collaborative culture.

We welcomed a new Guardian to the Board, Mr James Craig, and farewelled Mr Michael Wachtel who completed his nine-year tenure as a Guardian in April. Three new Senior Leadership Team members were appointed and 28 staff were promoted or advanced.

Meanwhile, the Future Fund Academy continued supporting the development of our people, while investments in new technology including the introduction of the Agency's own proprietary AI digital collaboration tool, LUMi, enhanced how we access and use information to make more informed investment decisions.

We are proud of our achievements this year and remain steadfastly focused on our purpose: investing for the benefit of future generations of Australians.

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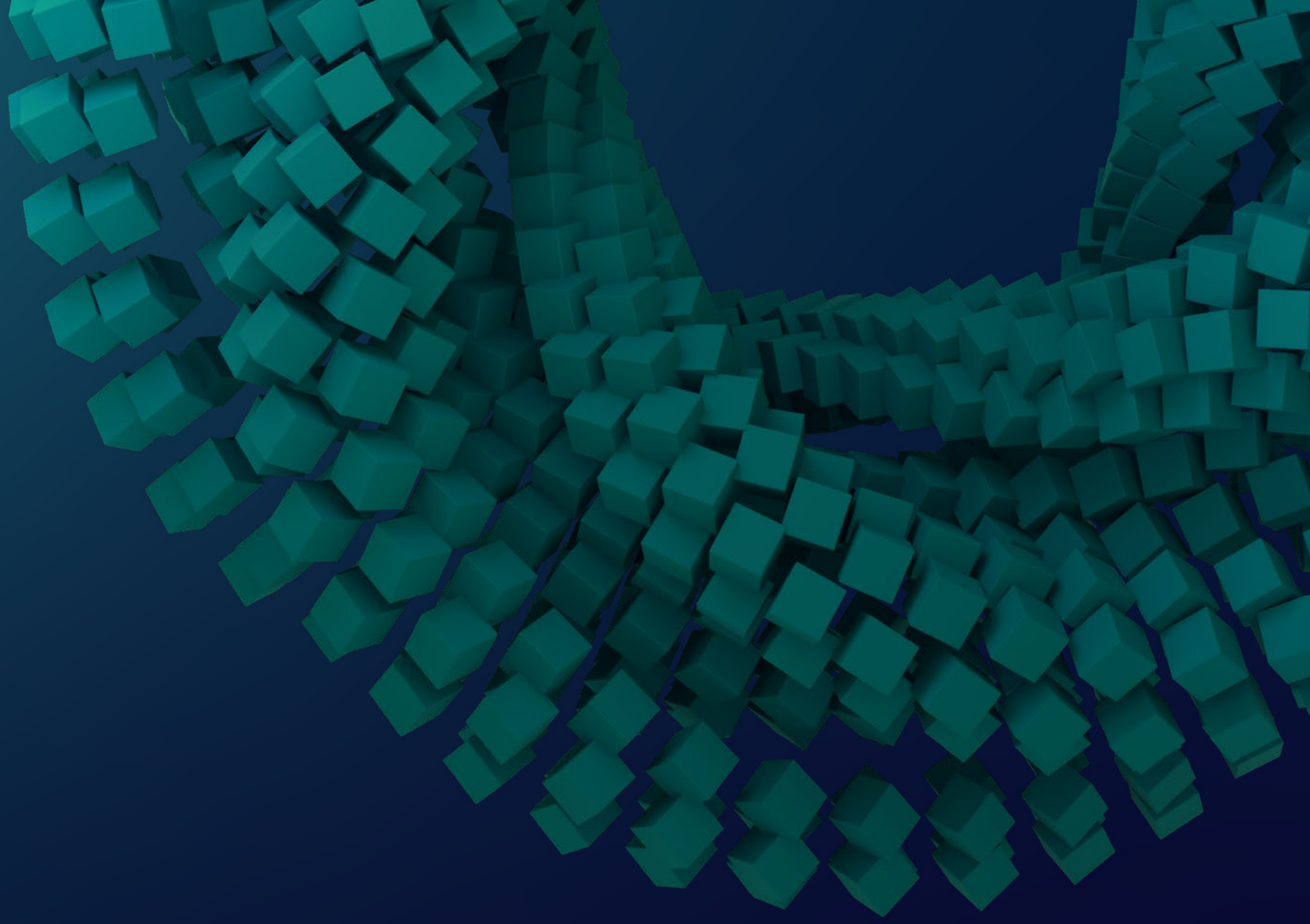
Acknowledgement of Country

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.

This publication reports the high-level performance figures of the funds we manage for 2024–25.

Further data regarding our individual asset class exposures and information about costs will be available in the 2024–25 Annual Report, published in October 2025.

Data in this publication is unaudited and subject to finalisation through normal end-of-year processes.



Report from the Chair

The past financial year has been significant for the Future Fund. Strong investment returns were achieved notwithstanding geopolitical complexity and market volatility, and the Government issued a new Investment Mandate and Statement of Expectations for the Fund.

The Hon Greg Combet AO

The Government also announced that it would defer drawdowns from the Future Fund until at least 2032–33, ensuring an enduring role for the Fund for the decades beyond. It will mean that the Future Fund can continue to strengthen the Australian Government's long-term financial position and make sustainable contributions to the Budget.

It is difficult to overstate the significance of the deferral of withdrawals both for the operation of the Fund and for the nation's finances. Without postponing the start of withdrawals, the Future Fund would need to operate to a shorter-term investment strategy and reposition the portfolio to focus on liquidity at the expense of long-term returns.

Over nearly two decades, the Future Fund has built a unique place in the Australian financial system. From an original endowment of $60.5 billion, it has grown to $252.3 billion.

It is the Australian Government's largest financial asset, grown from investment returns alone.

Based on current projections, the Future Fund should reach a value of $380 billion by 2032–33.

This means that the Fund will be well positioned to not only contribute earnings to the Government to cover the superannuation liabilities it was originally set up to fund over ensuing decades, but also continue as a sovereign fund that strengthens Australia's financial position.

Due to the Future Fund's strong long-term performance, various governments have allocated six additional funds to the Board to manage over the years, today collectively totalling $65.8 billion.

As a result, the Future Fund Board of Guardians now oversees the investment of more than $318.1 billion for the benefit of future generations of Australians.

While the Future Fund drawdowns will now not occur for at least another seven years, distributions from the six other funds are already taking place and support important policy initiatives.

In short, our investment activity is delivering benefit to Australians today and into the future.

A new Investment Mandate

The new Investment Mandate issued by the Treasurer and the Finance Minister asked the Board of Guardians to have regard to three national priorities when making investment decisions: the energy transition, the supply of residential housing and Australian infrastructure.

We welcome this guidance. There is no change to our statutory responsibility to maximise returns, independently make commercial decisions, seek appropriate risk-adjusted returns for individual investments, or change our approach to portfolio design. It remains entirely a matter for the Board to determine whether we invest in these priority areas and on what terms.

Investments in national priorities will need to substantially generate the same risk-adjusted rate of return and other attributes as similar types of investments which the Board might otherwise consider.

It is important to note that these areas require significant capital and a long-term view, and address pressing domestic economic needs. Importantly, they align with our investment strategy. This is in keeping with the stated purpose of the Fund to invest for the benefit of future generations of Australians.

This year the Board acquired a 9.995% stake in Transgrid, the nation's biggest electricity transmission business and one which will be key to delivering the transmission linkages for large-scale renewables and energy storage.

We also have a 40% holding in Tilt Renewables, one of the largest developers and operators of wind and solar generation and battery storage. The Fund is a half-owner of OneFortyOne, a major operator of sustainable forestry and timber milling, that supplies the housing construction industry.

We have $15.4 billion of direct holdings in local infrastructure assets such as Perth, Melbourne, Launceston and Sydney airports. Through the Fund's shareholding in CDC, we are supporting the operation of 14 highly secure data centres in Melbourne, Canberra, Sydney and Auckland and an ambitious investment program needed to meet the growth of AI applications. AI will be a vital contributor to productivity growth in business and government service delivery.

These national priority areas enhance our strategy, require substantial capital, support Australia's economic growth, and we expect they will reward the long-term capital that we are able to provide.

Responsible investment

This year we began to evolve the responsible investment capability of the Future Fund and elevated our focus on climate risks and opportunities.

While the organisation has long considered environmental, social and governance (ESG) risks, this year marked a significant milestone in the evolution of our investment approach, demonstrating our commitment to responsible investment.

The Board has adopted a new Responsible Investment Belief, anchored in the premise that integrating ESG and climate change considerations into our decision-making processes is essential for enhancing risk-adjusted long-term financial returns in an increasingly complex world. It also works to safeguard trust and reputation in the eyes of our stakeholders.

To bring this work to life for the portfolio, we are executing a plan over the next couple of years to ensure that our investment belief is embedded into our investment approach. I look forward to reporting on our progress in the year ahead.

Board appointments

This year we welcomed the appointment of Jim Craig as a Member of the Future Fund Board of Guardians for a five-year term. Jim is a highly accomplished Director with exceptional investment and commercial expertise.

I also extend my thanks to outgoing Board Member Michael Wachtel for his significant contributions to the Future Fund over the past nine years. Michael also made an invaluable contribution as Chair of the Audit and Risk Committee.

Acknowledgements

The past financial year represents my first 12 months as Chair of the Future Fund. I thank my colleagues on the Board of Guardians for their support and their contributions during extraordinary times of global change.

I particularly thank the Investment Team for the achievement of strong returns in a complex global market environment.

And I thank Raphael Arndt and the Senior Leadership Team for their leadership and dedication, and the staff of the Agency who consistently impress with their expertise and commitment to our purpose.

The Hon Greg Combet AO

Chair
Future Fund Board of Guardians

Report from the Chief Executive Officer

We live, work and invest in a complex environment with past certainties that are no longer reliable.

Dr Raphael Arndt

This year, economic challenges, ongoing and rapid technological change, and geopolitical and trade tensions have shaped financial markets and investor sentiment worldwide.

Uncertainty was a major factor for investors throughout the year. Nonetheless, we remain optimistic about long-term opportunities. We continue to evolve our organisation and invest to increase our portfolio's resilience.

The Australian Government's decision to defer the Future Fund's drawdowns and issue a revised Investment Mandate provides us with an opportunity to commit even more deeply to our long-term approach to investing.

That approach involves: observing and thinking deeply about the world, financial markets and changing systems and dynamics; drawing on an extraordinary worldwide network of peers and collaborators; working collaboratively to develop our perspectives and insights; and turning all this into decisions to protect and grow the funds, develop our organisation and meet our mandates.

Our portfolio

This year we made over $90 billion of changes across the portfolio in every asset class. The Board increased the level of structural equity risk we hold in the portfolio to improve real returns and to better balance the likelihood of achieving the Future Fund's challenging Investment Mandate with the risk of shorter-term volatility.

We continued focusing on investments that rely on active management rather than taking on passive market risk and sought to obtain portfolio diversification through currency, commodities and hedge fund strategies, consistent with our concern that historical correlations may no longer hold.

We also increased our exposure to foreign exchange, moving to a more diversified set of exposures and we increased our focus on fund liquidity.

All of this highlights our ongoing focus on portfolio resilience as the world becomes ever more uncertain.

Almost all of these changes paid off this year, leading to a strong annual result of 12.2%, adding $27.4 billion to the Fund for the year.

The 10-year return was 8.0% per annum, and over $190 billion in value has been added to the Fund since its inception in 2006.

The other six funds under management also performed well and now stand at $65.8 billion collectively.

Our year

We are intentional about cultivating a collaborative, high-performing culture that supports our joined-up, whole-of-portfolio approach to investing and this year we focused on the ways we work and the systems and processes we use.

A new Investment Team structure was introduced this year, which involved a number of internal promotions for our people. The Investment Team also launched the Good Decisions Program which reviewed our decision-making processes and has strengthened the Agency's ability to make timely and better-informed decisions.

We improved our technology and AI capabilities, training our people in external AI tools and introducing our own digital collaboration tool which synthesises large amounts of information to deliver actionable insights within a secure and protected environment.

The Board introduced two new organisational beliefs and added a new investment belief. We rolled out a new Responsible Investment Policy and corresponding roadmap and began to build out that team.

More broadly, we continued to engage with the industry, sharing our insights at over 60 events locally and abroad. In line with our existing strategy and the new Statement of Expectations, we also met with over 30 government stakeholders both locally and abroad to share our perspectives on the investment landscape.

The position paper we published in June 2024 on geopolitics has generated much debate and discussion in the investment community which has helped to inform the further development of our own thinking and contributed to the wider community debate.

Our people

This year we welcomed 81 new staff members and promoted or advanced 28 of our people internally – my congratulations to each of them.

There was also change at the senior level with Simone Hartley-Keane joining our organisation as Chief People, Culture and Inclusion Officer in May.

Shortly after year end, Cameron Price retired as General Counsel after 11 years in that position. We have all benefited from his wise counsel, strategic insight and intimate knowledge of our regulatory, legal and investment environment. He was replaced by Gillian Denison who was promoted from her role as Head of Legal to join the Senior Leadership Team.

Nancy Collins was also appointed as Chief Financial Officer and Chief Risk Officer in July. I look forward to working with Simone, Gill and Nancy more in the coming year.

The changes to our Senior Leadership Team ensure that we are well positioned to execute our strategy, achieve our mandates and deliver on our all-important purpose: to invest for the benefit of future generations of Australians.

Acknowledgements

I would like to thank the Future Fund Board of Guardians for their contribution this year.

Our Chair, the Hon Greg Combet AO, has brought a depth of expertise and thoughtful leadership that benefits our organisation, culture and long-term plans.

Our Board's skill and capabilities mean we are well positioned to perform against our purpose and deliver strong returns in uncertain conditions. The Board supported our continued growth and approved our 2025–27 strategy which comprises four areas that build on the foundations of our achievements over the past three years.

Key to our strong results and organisational success is our Senior Leadership Team, whose expertise adds immense value to our organisation.

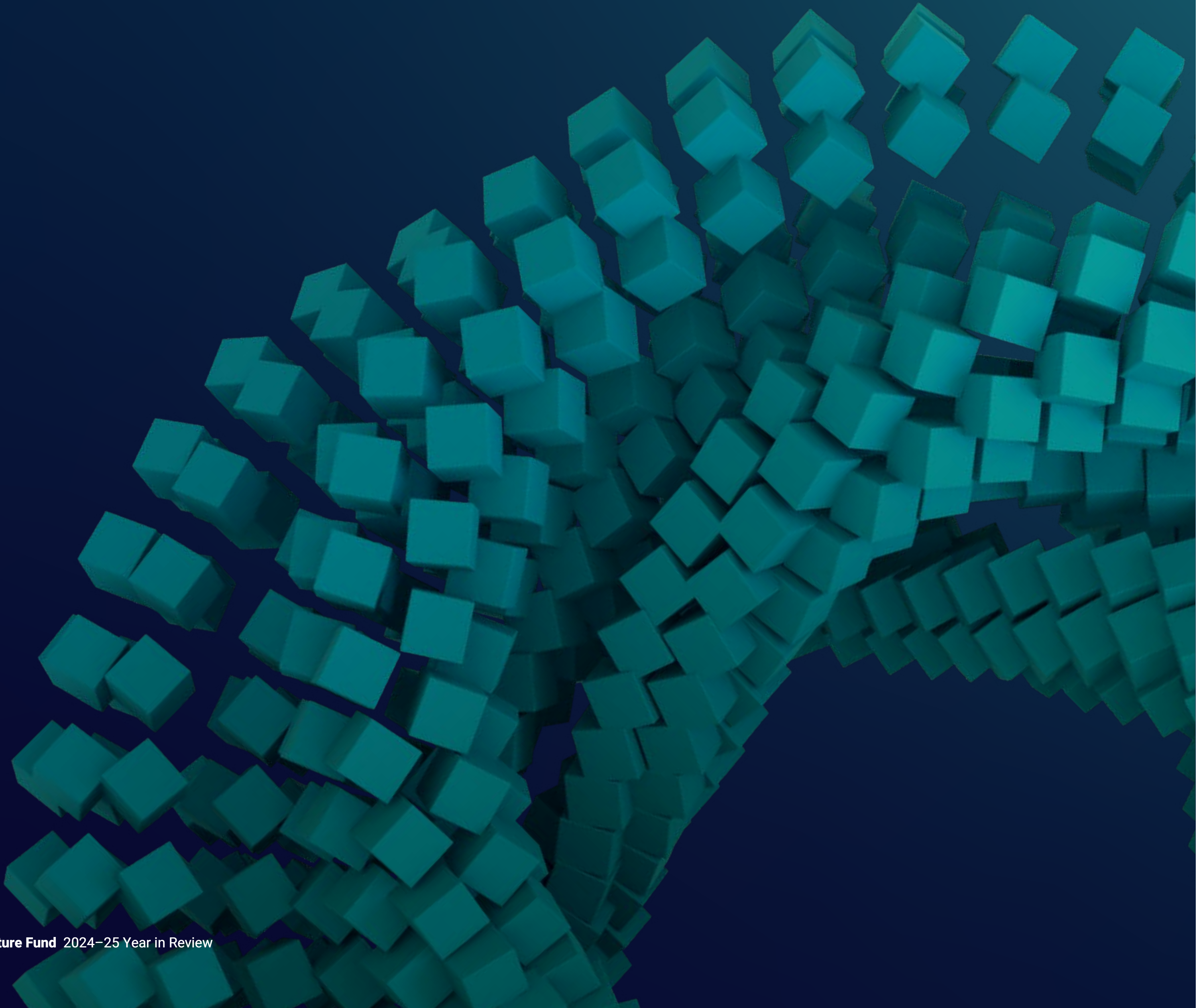
I would also like to thank all of our staff for another year marked by their dedication, intelligence and agility.

I am proud to lead this organisation. The uncompromising high-quality of our work continues to support us in generating funds that create positive and lasting impacts for all Australians.

Dr Raphael Arndt

Chief Executive Officer
Future Fund Management Agency

01 Annual performance



Investment environment in 2024–25

Investment success is far from certain. Extraordinary times are challenging the economic and global security assumptions that have been held for decades. The past year was marked by complex economic conditions, global political upheaval and transformative technological developments.

New Investment Order

The 'New Investment Order' thematics we first outlined in 2021 continue to disrupt international trade and commerce with significant implications for the secular investment environment.

Geopolitically, the world continued to fracture. Long-standing alliances were challenged, there were substantial armed conflicts, and globalisation is in retreat, in line with our 2023 position paper, *Geopolitics: The Bedrock of the New Investment Order*. The paper set out how we define and conceptualise geopolitics, why we think it is so important, and how we incorporate such uncertainties into our investment process.

The further entrenchment of a multi-polar world or one where there are more than two major powers, continues to shape policy, financial markets and monetary policy in different ways across countries and industries.

US election

The election of Donald Trump as US President last year added layers of volatility and unpredictability.

The America-first agenda and 'Liberation Day' tariff announcements ignited trade disputes worldwide, rocked financial markets and caused many investors to reevaluate confidence in their portfolios.

There has been a significant reshaping of the long-established framework of relationships and alliances that have underpinned politics, trade and investment, which is creating elevated levels of uncertainty for investors.

US dollar depreciation appears to be a Trump administration policy objective. The US dollar has fallen by approximately 10% in the last year against major currencies. Continuing depreciation may be significant for international capital flows and asset values.

Alongside these dynamics, there is a widening US budget deficit, and close scrutiny on the role and decisions of the US Federal Reserve and the outlook for US Treasury yields.

The US remains an incredibly dynamic economy with a strong diversity of exposures and continues to offer many desirable investment opportunities, albeit that changes in investor sentiment and pricing of risk may see a smaller share of capital flows to the US going forward.

We continue to monitor US tariff policy for its effects on the macroeconomic environment, policy environment and financial markets. The trends towards deglobalisation, greater geopolitical tensions, and multi-polarity in world power pre-date President Trump and can be expected to continue beyond the Trump era.

Artificial intelligence

The contest between China and the US continues, including the race to dominate in AI capability.

AI is a thematic with profound implications for markets, economies, businesses and people, and it has been a focal item for discussion and debate worldwide.

It is a structural force that will shape capital flows and spur divergence in returns by region, industry and company, with the potential to change market structures and the strategic alignment between countries.

The expectation that AI could drive a boost to productivity as significant as the introduction of the internet is tempered by ongoing debate about regulation and usage.

> **Regardless of this, AI adoption is accelerating much faster than many anticipated, in various ways in organisations across the globe.**

Global economic backdrop and conditions

We are also seeing transformative shifts in regional dynamics.

Europe has historically been constrained by fiscal targets, but we have seen a very different fiscal impulse coming from Europe, including significant shifts such as Germany shedding its fiscal shackles to increase defence spending. A common theme for financial markets this year has been whether we have seen the end of 'US Exceptionalism,' and many investors are questioning the 'right' level of US exposure as well as considering opportunities in Europe as a relatively more attractive investment destination for capital in the years ahead.

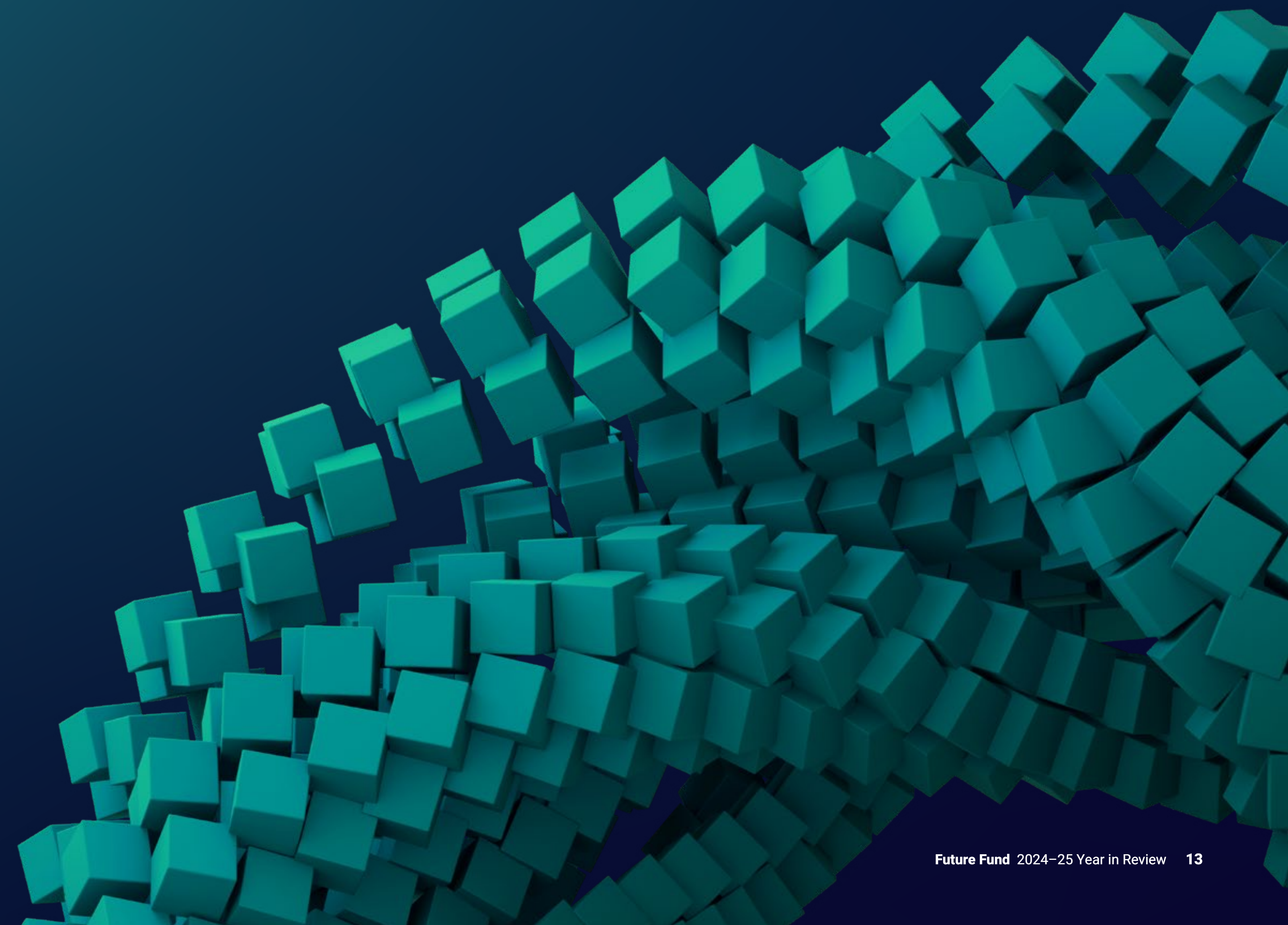
Any reduction in traditionally complex European regulatory constraints will only add to the relative appeal of risk assets in Europe.

Japan has a similar dynamic of opportunity. Reforms over time have turbo-charged the corporate environment in Japan and balance sheets are increasingly focused on delivering returns to shareholders, improving the appeal of Japan as a destination for capital. After decades of deflation, Japan is now wrestling with inflation as an issue and a return to sustainably positive interest rates will impact capital flows.

China continues to move slowly through a period of structural reform as policymakers attempt to avoid deflation and face a structural rather than cyclical decline in economic growth rates. With a potential deflationary backdrop and uncertainty on what levels of reform and policy support authorities will provide, we remain cautious on the relative attractiveness of Chinese assets.

Equity markets closed the year at new highs, and commodity markets also rose, necessitating some caution regarding correlation. We continue to hold commodities including gold as part of our initiatives to build a more resilient portfolio as some scenarios under the New Investment Order project them to perform well when geopolitical risk is heightened.

> The transition to a new world is not linear. The twists and turns create a volatile economic environment that also creates significant investor opportunities as new assumptions and clarity emerge.



Total funds under management

$318.1bn

At 30 June 2025

Medical Research Future Fund
$24.5bn

Aboriginal and Torres Strait Islander Land and Sea Future Fund
$2.4bn

Future Drought Fund
$5.3bn

Disaster Ready Fund
$4.9bn

DisabilityCare Australia Fund
$17.7bn

Housing Australia Future Fund
$10.9bn

Future Fund
$252.3bn

Investment performance

Future Fund

The Future Fund was established in April 2006 to strengthen the long-term financial position of the Commonwealth of Australia.

Investment mandate

CPI + 4.0%–5.0% per annum

To achieve an average annual return of at least the CPI + 4.0% to 5.0% per annum over the long term, with an acceptable but not excessive level of risk.

Investment performance

12.2%
pa return in 2024–25

6.1%
pa target return in 2024–25

8.0%
pa 10-year return

6.9%
pa target 10-year return

$252.3bn
value at 30 June 2025

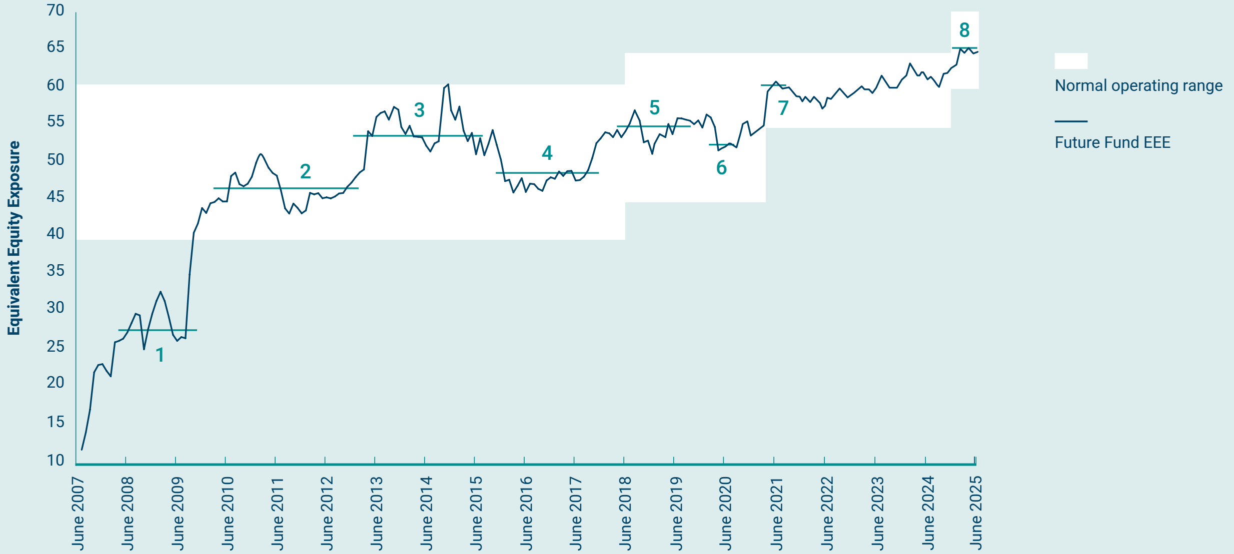
Future Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return[1] (% pa)	Volatility[2] (%)
From inception (May 2006)	7.9	6.9	4.6
10 years	8.0	6.9	4.8
Seven years	8.1	7.3	5.2
Five years	9.4	8.4	5.2
Three years	9.1	8.0	4.6
2024–25 financial year	12.2	6.1	3.7

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.

Future Fund Equivalent Equity Exposure (EEE) since inception



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.

The chart above 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:

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 Global Financial Crisis.
2. Portfolio risk exposure was increased as extraordinary and globally coordinated economic policies were implemented to fight the crisis.
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 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 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. Subsequently, EEE was managed reasonably close to neutral structural levels.
8. The structural risk level was raised in 2024–25 to increase the probability of achieving the Investment Mandate return target in the long term. The decision was implemented progressively throughout the year.

Risk positioning

The EEE range within which we are expected to operate most of the time was reviewed and uplifted in 2024–25 to 60 to 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.

At 30 June 2025, the EEE stood at 65 which is in the middle of the range.

Medical Research Future Fund

The Medical Research Future Fund was 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.

Investment mandate

RBA + 1.5%–2.0% per annum

To achieve 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.

Investment performance

9.0%
pa return in 2024–25

5.8%
pa target return in 2024–25

$24.5bn
value at 30 June 2025

Medical Research Future Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return (% pa)	Volatility[1] (%)
From inception (22 September 2015)	5.1	3.4	2.9
Seven years	5.4	3.5	3.2
Five years	6.5	3.9	2.7
Three years	7.3	5.4	2.8
2024–25 financial year	9.0	5.8	1.8

Note(s):
1. Industry measure showing the level of realised volatility in the portfolio.

Risk positioning

Our expected EEE range for the Medical Research Future Fund is 29 to 37.
At 30 June 2025, the EEE stood at 33, which is the middle of the range.

Aboriginal and Torres Strait Islander Land and Sea Future Fund

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

Investment mandate

CPI + 2.0%–3.0% per annum

To achieve an average annual return of at least the CPI + 2.0% to 3.0% per annum over the long term, with an acceptable but not excessive level of risk.

Investment performance

10.3%
pa return in 2024–25

4.1%
pa target return in 2024–25

$2.4bn
value at 30 June 2025

ATSILS Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return (% pa)	Volatility[1] (%)
From inception (1 October 2019)	6.2	5.6	4.3
Five years	7.5	6.4	3.5
Three years	8.1	6.0	3.5
2024–25 financial year	10.3	4.1	2.4

Note(s):
1. Industry measure showing the level of realised volatility in the portfolio.

Risk positioning

Our expected EEE range for the ATSILS Fund is 38 to 48.
At 30 June 2025, the EEE stood at 43, which is the middle of the range.

Future Drought Fund

The Future Drought Fund was established in September 2019 to support initiatives that enhance the drought resilience of Australian farms and communities.

Investment mandate

CPI + 2.0%–3.0% per annum

To achieve an average annual return of at least the CPI + 2.0% to 3.0% per annum over the long term, with an acceptable but not excessive level of risk.

Investment performance

10.3%

pa return in 2024–25

4.1%

pa target return in 2024–25

$5.3bn

value at 30 June 2025

Future Drought Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return (% pa)	Volatility[1] (%)
From inception (1 April 2020)	7.8	5.8	3.4
Five years	7.5	6.4	3.5
Three years	8.1	6.0	3.5
2024–25 financial year	10.3	4.1	2.4

Note(s):
1. Industry measure showing the level of realised volatility in the portfolio.

Risk positioning

Our expected EEE range for the Future Drought Fund is 38 to 48.
At 30 June 2025, the EEE stood at 43, which is the middle of the range.

Disaster Ready Fund

The Disaster Ready Fund was initially established as the Emergency Response Fund in 2019 then renamed on 1 March 2023. It is used to fund natural disaster resilience and risk reduction.

Investment mandate

CPI + 2.0%–3.0% per annum

To achieve an average annual return of at least the CPI + 2.0% to 3.0% per annum over the long term, with an acceptable but not excessive level of risk.

Investment performance

10.3%

pa return in 2024–25

4.1%

pa target return in 2024–25

$4.9bn

value at 30 June 2025

Disaster Ready Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return (% pa)	Volatility[1] (%)
From inception (1 April 2020)	7.8	5.8	3.4
Five years	7.5	6.4	3.5
Three years	8.1	6.0	3.5
2024–25 financial year	10.3	4.1	2.4

Note(s):
1. Industry measure showing the level of realised volatility in the portfolio.

Risk positioning

Our expected EEE range for the Disaster Ready Fund is 38 to 48.
At 30 June 2025, the EEE stood at 43, which is the middle of the range.

Housing Australia Future Fund

The Housing Australia Future Fund was established in November 2023 to enhance the Commonwealth's ability to make grants in relation to acute housing needs, social housing or affordable housing.

Investment mandate

CPI + 2.0%–3.0% per annum

To achieve an average annual return of at least the CPI + 2.0% to 3.0% per annum over the long term, with an acceptable but not excessive level of risk.

Investment performance

10.0%
pa return in 2024–25

4.1%
pa target return in 2024–25

$10.9bn
value at 30 June 2025

Housing Australia Future Fund returns, target benchmarks and volatility over time

Period to 30 June 2025	Return (% pa)	Target return (% pa)	Volatility[1] (%)
From inception (1 November 2023)	8.4	4.2	2.2
2024–25 financial year	10.0	4.1	2.4

Note(s):
1. Industry measure showing the level of realised volatility in the portfolio.

Risk positioning

Our expected EEE range for the Housing Australia Future Fund is 38 to 48. At 30 June 2025, the EEE stood at 43, which is the middle of the range.

DisabilityCare Australia Fund

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

Investment mandate

BBSW + 0.3% per annum

To achieve a benchmark return of the Australian three-month bank bill swap rate + 0.3% per annum, calculated on a rolling 12-month basis. Investments must minimise the probability of capital loss over a 12-month horizon.

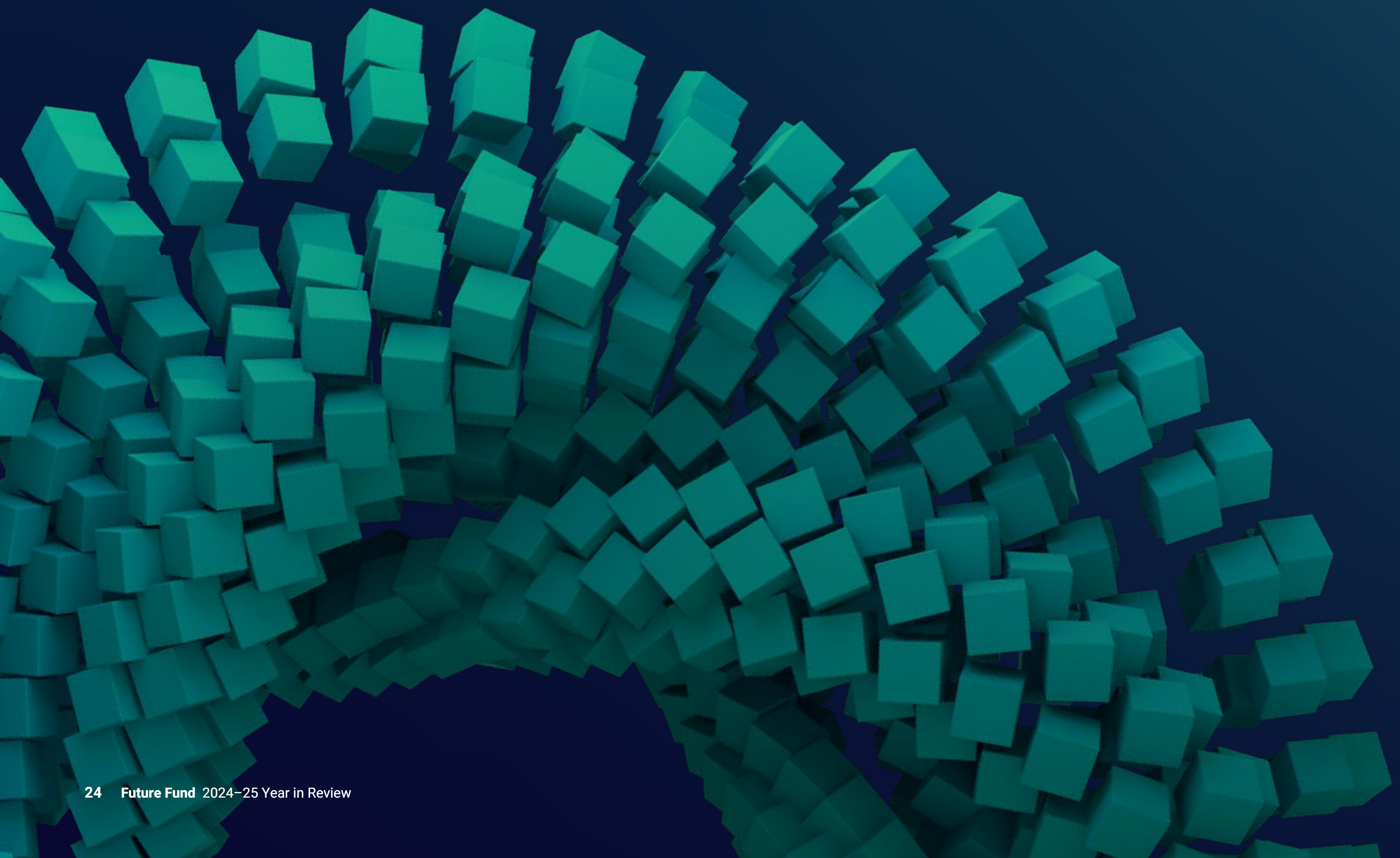
Investment performance

5.1%
pa return in 2024–25

4.7%
pa target return in 2024–25

$17.7bn
value at 30 June 2025

02 Annual highlights



In 2024–25

We onboarded
10
new investment managers

We made over
$90bn
in changes to the portfolio

We conducted
39
assessments of potential investments

We introduced
1
new Responsible Investment Belief

Investment returns increased the value of the Future Fund by
$27.4bn

Our people contributed their insights at
66
industry events

We built out our Sydney office to over
40
staff

We made significant investments into
3
national priority areas including in CDC and Transgrid

We welcomed
14
interns for a winter program

We facilitated
14
internal secondments across the organisation

We conducted
43
professional development and learning programs through the Future Fund Academy

Our people provided governance oversight on
7
investee company boards as Non-Executive Directors across the country

Portfolio activity in 2024–25

The world continues to evolve and change. In 2021 we released our first position paper – *A New Investment Order* – that set out several paradigm shifts surrounding four specific orders: world, economic, policy and markets.

These shifts – including inflation regimes, climate and energy transition, changing asset correlations and technology disruption – continue to evolve and impact global financial markets and investment portfolios, making the longer-term investment environment challenging for investors.

We continue to believe forward-looking returns will be difficult to earn and reappraising how we invest to achieve our Investment Mandate is an important focus. Details on why such a refresh is necessary with changing geopolitics underpinning the investment environment, and how we have responded to this investment challenge has been documented in our second and third position papers – *The Death of Traditional Portfolio Construction* and *Geopolitics: The Bedrock of the New Investment Order.*

This effort has meant we made over $90 billion of change across the portfolio for the 2024–25 financial year alone, and changes totalling close to $290 billion since May 2021.

As in previous years, portfolio activity was centred on two focal points:

- Enhancing long-term returns
- Protecting real wealth by building a resilient portfolio in response to possible scenarios presented by the New Investment Order.

The following diagram illustrates the evolution of our portfolio construction process over the past year.

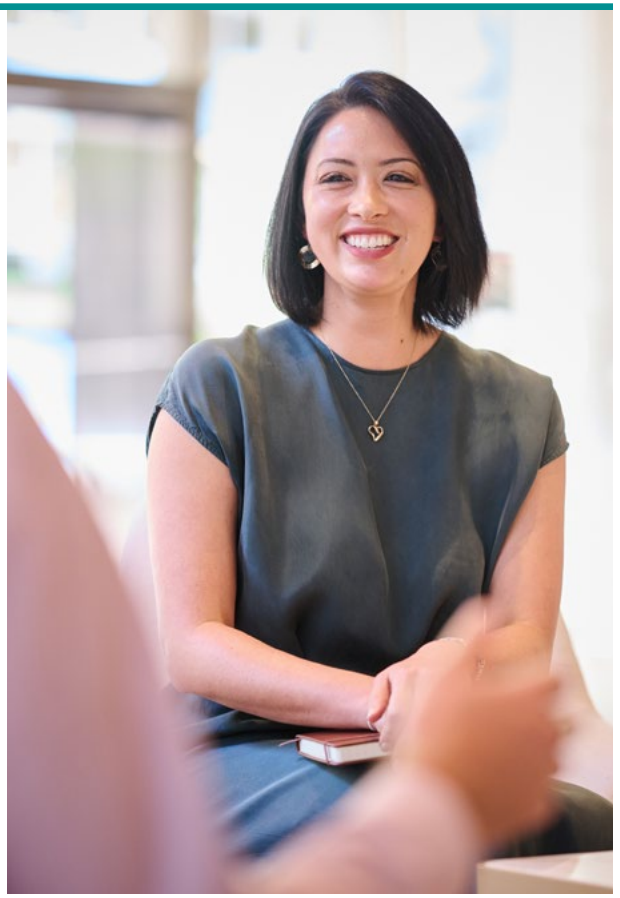
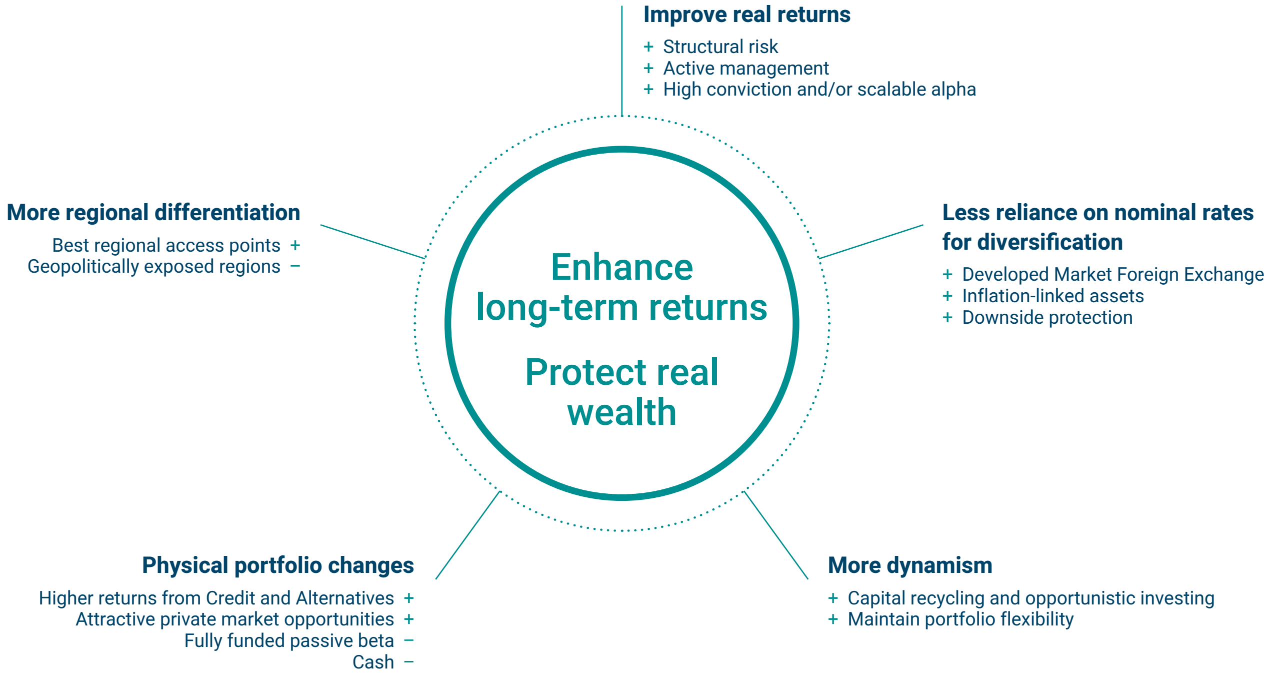


Diagram 1: The Future Fund's evolved portfolio construction process in 2024–25

Increase long-term returns, maintain alpha ambition and protect real wealth in adverse scenarios.



Focusing on the highlighted zones in the diagram above:

- We increased our level of structured risk across the financial year to **improve real returns** and to maximise the prospect of achieving the Investment Mandate. This reflects our outlook as we believe we will experience higher nominal growth across most scenarios we model, with cash flows from listed equities likely to benefit from the pass-through of inflation.

  Risks are however present, and we believe they will grow over the investment horizon. As a result, we need to maintain strong portfolio flexibility to allow us to adjust our portfolio over time.

This change was largely accomplished by increasing our exposure to listed equities and we continued to focus on making investments that rely on investor skill or active management, rather than taking on passive market risk.

This approach shows 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.

Examples of this change include further investment into actively managed opportunities in Japanese equities due to positive reforms to corporate practices and balance sheets, and further funding for Australian small caps equities that were initially funded in 2022–23.

We have prioritised work reviewing active opportunities in emerging market equities as part of a broader shift from passive management.

We have also provided capital to a new co-investment strategy and capability in listed tangible assets and continued to support our existing Private Equity co-investment strategy, focusing on early-stage venture opportunities, as well as technology exposures more generally across private equity to help capture opportunities across this megatrend.

- As noted in previous years, to reflect scenarios with structurally higher and more volatile inflation we have continued to **rely less on global interest rate exposure to provide us with diversification**.

  Instead, we seek to obtain portfolio diversification through currency, commodities and alternatives, consistent with ongoing concerns with correlations as detailed in our position paper on geopolitics. Reflecting this focus on diversification and our increase in structural risk across the portfolio, we made meaningful changes in rates and currency, with these adjustments totalling more than $40 billion across the 2024–25 financial year.

  Regarding currency, our focus on diversification led us to better identify the risks associated with US exceptionalism and US dollar concentration in our portfolio, allowing us to restructure our Developed Market Foreign Exchange basket. These changes contributed materially to our returns for the 2024–25 financial year.

  While we continue to view government rate exposure as less diversifying and less rewarded when compared to previous decades, we continue to hold our duration through assets like Infrastructure that also help us capture inflation. An example is the Future Fund's investment in Transgrid in May 2025, which operates and manages the high voltage electricity transmission network in New South Wales and the Australian Capital Territory.

  We also worked on additional levers that will provide us with appropriate downside protection under certain scenarios, ranging from alternative exposures through to active commodity exposures.

- As discussed in the *2023–24 Year In Review*, enhanced portfolio liquidity and flexibility occurred through the creation of our Treasury Management function. This has allowed us to act with **more dynamism** across the year, disposing of assets at the peak of their valuation cycles and recycling capital into opportunities that have presented. This involves investing capital in energy transition mandates in the US and Europe, providing capital to high-quality property managers to capture opportunities associated with the re-rating of property valuations and exploring the scale of multi-asset opportunity in the secondaries market.

  Additionally, we further increased the amount of developed market currency we hold in keeping with our increase in structural risk, reducing our foreign exchange hedging requirement that can be a drain on our portfolio liquidity and flexibility.

  We have also refreshed and integrated our top-down scenarios to reflect the institutional and policy changes anticipated in the New Investment Order, and as a result better prepare our portfolio and investment process for possible future paths. Being more prepared allows us to reflect more dynamism in our portfolio decision-making and activity.

- In the spirit of being opportunistic, we made substantial changes to our **physical portfolio** during 2024–25 – totalling close to $35 billion. These changes, while reflecting the pipeline of ongoing opportunities presented to us by our external partners and investment network, highlight our proactive approach in seeking to capture exposures across three megatrends – energy transition, AI and technology, and shifting balance sheets.

  While certain examples of changes to our physical portfolio have been previously discussed in this Year in Review, other examples include Credit (special situations, direct lending and private credit) and all other private market classes. A specific private market example is the Future Fund's further investment in CDC, with data centres expected to play an important and long-term role in an economy experiencing technological advancement.

  As mentioned previously, our increase in structural risk occurred primarily through an uplift in listed equities, with a focus on active management. This ongoing focus will lead to a reduction in passive market exposure in time. Our uplift in structural risk also led to a decline in cash in our portfolio, although our enhanced Treasury Management function has significantly improved our cash management capability across the portfolio.

- We have worked on improving **regional differentiation**, continuing to support our preference for domestic infrastructure assets, given their ability to hold value in a higher inflation environment and provide predictable cash flows.

  We have continued to increase our support for other regions (such as Japan and Europe) across all asset classes as identified longer-term geopolitical drivers like changing trade dynamics and increased strategic competition took hold. Equally, we became more cautious of other regions, like China, that we believe are more geopolitically challenged and are therefore more likely to have their longer-term growth models impacted.

Similar portfolio activity occurred for the Medical Research Future Fund, the ATSILS Fund, the Future Drought Fund, the Disaster Ready Fund and the Housing Australia Future Fund.

We continue to diversify those five funds and build exposures to high-conviction and capacity-constrained managers.

New mandate and national priorities

In November 2024, the Australian Government announced it would defer drawdowns from the Future Fund until at least 2032–33 and released an updated Future Fund Investment Mandate and Statement of Expectations.

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.

This was a welcome decision as it provides our organisation certainty to continue to build the portfolio and structure the Agency for a longer-term future.

By 2032–33, the Future Fund is expected to grow to $380 billion. That should enable not only all of the pension liabilities to be met over ensuing decades but also generate earnings that form the basis of an enduring sovereign wealth fund.

The revised Investment Mandate now incorporates reference to certain national priorities that the Board should have regard to when making investment decisions.

These national priorities are:

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

It is important to note that the Board assesses every investment opportunity based on 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 Fund portfolio, the Board will not invest.

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 the CPI + 4.0% to 5.0% per year over the long term with acceptable risk.

Where the Board to date has seen appropriate investment opportunities, it has already been investing in these areas, reflecting our thinking about changes in the world and the opportunities and risk this creates.

First year reflections from our Chair

In June, our Chair, Greg Combet, delivered an address on his first year leading Australia's sovereign wealth fund during an event held with the Committee for Economic Development of Australia.

During the speech Mr Combet highlighted the contributions the seven funds managed by the Board make to the country and the continuing evolution of the Future Fund to meet the challenges of delivering its return mandate in a rapidly changing environment.

> **"Many of the certainties and assumptions that have underpinned our approach to economic policy and global security for decades are under challenge."**

Above: Greg Combet delivering a speech for the Committee for Economic Development of Australia.

"In these circumstances it is vital for Australia to have institutions that embody our values, that are thoughtful in navigating this complex global environment, and that are focused on the long term. The Future Fund is all these things," said Mr Combet.

Mr Combet told the audience that a series of changes announced in the past year by both the Federal Government and the Future Fund itself would help in its mission of delivering long-term returns and would further the contribution of the Fund to the nation.

The changes included the deferral of withdrawals from the Future Fund, a new Investment Mandate announced by the Federal Government in November, the adoption by the Board of a Responsible Investment Belief (RI Belief) and related focus on risks and opportunities of climate change, and the newly acquired ability to manage and invest in Australian infrastructure and property assets without an external investment manager in certain circumstances.

Mr Combet said the Board's new RI Belief was an important addition to the beliefs that guide the Future Fund's investment activities. That belief will be embedded into the investment processes over the coming years, including working with our investment managers to consider ESG and climate factors.

You can read the full speech on our Future Fund website at: *http://www.futurefund.gov.au/news-room*

Responsible investment at the Future Fund

At the Future Fund we have always recognised the importance of ESG issues and have integrated these considerations into our investment thinking since inception.

As the world changes and evolves, however, so must we. This includes responding to some of the changes and opportunities detailed in our position papers, such as climate change and systemic shifts in the interaction of business, communities and regulators.

Throughout 2024–25, our Responsible Investment (RI) Team worked with the Board and Agency leadership on a strategic review of our approach to this area. This review led to the Board confirming our RI positioning, approving a new RI Belief, and developing a multi-year program of work to guide our progress through to 2027.

Our evolving RI approach is vital to deepening our understanding of the long-term, systemic factors occurring in the world that we identified in our New Investment Order Framework, and their influence on risk, return and portfolio resilience.

"The work that we are doing is grounded in the premise that understanding ESG and climate-related risks and opportunities across the investment lifecycle is fundamental to building and maintaining a resilient, future-ready portfolio," said Kirsten Simpson, Executive Director of Responsible Investment.

"Our responsible investment approach is focused on delivering long-term value to the Australian Government and future generations of Australians. It also helps safeguard our reputation and credibility as Australia's sovereign wealth fund," Kirsten said.

The new RI Belief was formalised by the Board of Guardians and is now one of eight core investment beliefs.

> **The Belief is: integrating ESG considerations, including climate change, as a Responsible Investor enhances long-term returns and our reputation.**

The addition of this Belief is a milestone reflective of the Fund's evolving approach to ESG issues and the Board's commitment to RI. To bring it to life, we are building out the RI Team and executing a multi-year plan which will guide the evolution of our investment governance and processes.

This year also marked another significant achievement with the introduction of our new RI Policy. This policy articulates what responsible investment means to us and what the Investment Team will focus on, and is built on four pillars:

1. **Integration** – we integrate ESG and climate change risks and opportunities into our investment analysis and decision-making to drive financial returns and long-term value.
2. **Stewardship** – 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.
3. **Exclusions** – the Board's exclusion approach aligns with activities banned by the treaties and conventions that the Australian Government has ratified.
4. **Collaboration** – working 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.

Our RI Policy also highlights the issues we will prioritise in our research, stewardship and collaboration activities which include climate change, nature and biodiversity, and responsible technology.

Our RI Belief and Policy are available on our website at: *www.futurefund.gov.au/en/investment/how-we-invest/responsible-investment*

Increasing our investments in Australian data centres

In collaboration with infrastructure investment firm Infratil, the Future Fund increased its shareholding in CDC, a leading data centre operator in Australia and New Zealand.

This strategic acquisition comes at a time of accelerating demand for cloud services, AI and digital transformation across the region.

CDC is the largest operator and developer of data centres in Australia and New Zealand, with a total capacity of 2.5 GW across operational, under-construction and planned sites. Its facilities are essential to sectors critical to national security and economic wellbeing including government, research and education, critical infrastructure, and hyperscale computing, particularly AI applications.

The transaction involved the purchase of some shares previously held by the Commonwealth Superannuation Corporation, resulting in the Future Fund increasing its stake in CDC to 34.55%. The acquisition reflects a continued commitment to infrastructure assets that support the evolving needs of the digital economy.

This move aligns with the Future Fund's view of the opportunities provided through the growth of data usage and the updated Investment Mandate. Infrastructure investments such as CDC offer attractive risk-adjusted returns and local currency exposure, helping to insulate the portfolio from global market volatility.

In December 2024, CDC shareholders, including the Future Fund, provided additional equity funding to support the company's multi-year development pipeline. This capital injection enables CDC to meet growing customer demand for secure, high-performance data centre campuses that meet the highest optimal technological standards.

Above: CDC's Eastern Creek campus in Sydney.

The Future Fund's increased investment in CDC underscores the Agency's confidence in the long-term growth of the data centre sector and aligns with its broader strategy of investing in quality Australian infrastructure.

Powering the energy transition with Transgrid

In May 2025, the Future Fund announced that it had acquired a 9.995% stake in Transgrid from Canadian pension fund OMERS, with the holding split between the Future Fund and the Medical Research Future Fund.

Transgrid operates and manages Australia's largest high voltage electricity transmission network, spanning New South Wales and the Australian Capital Territory. It is the largest electricity transmission network in Australia, providing the backbone of the National Electricity Market, and is a critical enabler of the decarbonisation of the Australian electricity sector through its investment in new transmission infrastructure.

This strategic investment aligns with the Future Fund's mandate to deliver strong, risk-adjusted returns while supporting national priorities such as the energy transition.

"Our investment in Transgrid is in line with our risk and return objectives and reflects our consideration of the opportunities of the energy transition," said Ben Samild, our Chief Investment Officer.

"The transition requires the commitment of patient, long-term investors and we believe our capital will be well rewarded by supporting Transgrid's growth. Large infrastructure assets such as Transgrid help the Future Fund achieve its Investment Mandate to deliver attractive risk-adjusted returns and protect the portfolio from higher inflation, interest rates and currency volatility."

OMERS will retain a 9.995% stake and manage the Future Fund's interest. The Future Fund will work closely with Transgrid, co-securityholders and stakeholders to support sustainable outcomes and contribute to Australia's evolving energy landscape.

Harnessing AI to unlock investment insights

For several years we have invested in the AI sector through our own initiatives and in partnership with external managers. Our teams have embraced generative AI as a productivity tool, while applying necessary restrictions to safeguard the information we handle.

Recognising the need for a secure, tailored solution, we committed resources to develop an in-house AI platform that draws from our proprietary information. This system synthesises extensive amounts of information to deliver actionable insights within a protected environment. The result is LUMi, a digital collaboration tool launched this year as a cornerstone of our ongoing, three-year Knowledge Management Project. It represents a significant step forward in our AI journey, enabling us to leverage our collective intelligence to produce insights and drive investment outcomes.

"LUMi has been designed as a digital collaborator, illuminating the vast troves of information spread across multiple Agency platforms. It unlocks insights that empower our people to make better investment decisions," said Megan Ford, Acting Executive Director of Investment Capability and Intelligence and co-lead of the Knowledge Management Project.

"AI will not make investment decisions on our behalf. Rather, it serves as an invaluable partner – helping our people make those decisions with greater insight and efficiency than ever before."

Purpose built for the Agency, LUMi understands our unique language, organisational context and investment methodology. This gives our people the flexibility to choose between proprietary AI or external tools (such as Microsoft CoPilot), depending on their specific needs.

"We are excited to continue harnessing the power of AI and tailoring it to the Agency's needs and use cases through LUMi. Equipping our people with the information they need in a timely and accessible manner is a comparative advantage in today's rapidly evolving investment environment," said Daniel Doyle, Head of Investment Data Management and co-lead of the Knowledge Management Project.

Diagram 2: LUMi our digital collaborator

Search and navigation

Enhance our capability to navigate and search investment information efficiently.

Collaboration and synthesis

Share investment information and transform it into actionable insights to improve decision-making.

Optimise our way of working

Streamline how we access and work with our data, so we can focus on higher-value work.

Investing in the future with our Winter Internship Program

In July, the Future Fund welcomed 14 interns to the organisation; 13 participants in the second iteration of our four-week Winter Internship Program and a separate placement through our partnership with the Aurora Foundation, an Indigenous organisation that supports Aboriginal and Torres Strait Islander students and graduates.

Above: Our 2025 winter interns.

Following the success of our inaugural internship program in 2024, the Agency expanded this year's intake to encompass both our Melbourne and Sydney offices as well as offering interns exposure to a broader range of teams and disciplines.

Interns joined investment and corporate functions and contributed to real-world projects under the guidance of leaders from Investment, Investment Data Management, Investment Technology, Enterprise Risk, Performance and Analytics, Change Management and Project Services.

Throughout the program, interns worked on initiatives spanning investment analysis, risk governance, property strategy and operational enhancements. Their contributions brought fresh perspectives, enthusiasm and a collaborative spirit that enriched their teams and the broader organisation.

A highlight of the program was the final presentations, where interns shared their achievements with peers and senior leaders. These sessions showcased the projects they contributed to, the work they supported and the insights they gained during their time at the Future Fund.

Growing careers, building leaders

At the Future Fund, we believe that professional growth happens when people are empowered to stretch themselves, lead and contribute meaningfully.

Whether through secondments, leadership programs or strategic appointments, we invest in our people so they can thrive and shape the future of the Agency.

Secondments are one way we support this growth. Since the start of 2024, the People, Culture and Inclusion Team facilitated 14 internal secondments across the Agency, each one a unique opportunity for high-performing staff to expand and develop in new ways. Additionally, one of our Investment Team members joined one of our UK investment managers on a three-month secondment, gaining invaluable exposure to a different organisational culture and fund manager's operations.

"Secondments are an effective way to develop skills in new contexts," said Kerstin Schneider, Human Resources Business Partner.

"We consistently observe participants returning with new insights and stronger networks, which benefit both their teams and the wider Agency."

But secondments are just one chapter in a broader story of development. As the Agency's newly appointed General Counsel, Gill Denison's journey is a standout example of what's possible when growth is intentional and supported.

Gill joined the Agency in 2013 as Director of Legal, after practising corporate law in London, Madrid and Melbourne.

"I spent most of my time at legal firm Freehills doing Future Fund work," she recalls.

"After a few years, I came on secondment and never left."

Over the next decade, Gill's career flourished. She became Head of Legal in 2020 and was appointed General Counsel in July 2025, joining the Senior Leadership Team. Along the way, she completed the Williamson Community Leadership Program and was appointed to the Board of Perth Airport, representing the Future Fund, in 2023.

Gill credits her growth to a clear development plan and exposure to diverse work.

"I knew the sorts of work I wanted to get exposure to and where my stretch opportunities were," she said.

> **"Having been exposed to a broad range of work and to a lot of the organisation, I had the confidence to step into the role."**

Her leadership philosophy is grounded in empathy, clarity and connection.

"We are a people business at the end of the day," she said.

"Leaders need to listen and use that information to create an environment where people can do their best work."

Gill's story reflects the Agency's commitment to growing careers. Her journey from secondment to senior leadership shows how development at the Future Fund is designed to unlock potential and build capability for the long term.

Our reconciliation journey

In 2024–25, the Future Fund entered the second year of its three-year Indigenous Strategy, which is underpinned by a clear vision: as an investment industry leader, the Future Fund will leverage our people and position to create meaningful change for reconciliation.

The strategy is built on three pillars:

1. **Promoting and celebrating culture.**
2. **Meaningful action.**
3. **Critical conversations.**

Guided by the Indigenous Strategy Working Group and an external Indigenous Advisor, the strategy integrates diverse perspectives into operations, investment decisions and workplace culture.

Key initiatives delivered this year included NAIDOC and Reconciliation Week events and celebrations, cultural competency training for non-executive directors who sit on boards of assets we invest in alongside other senior leaders, engagement of our first two work experience graduates through our partnership with the Aurora Foundation, an Indigenous organisation that supports Aboriginal and Torres Strait Islander students, and a review of how we integrate Indigenous considerations into our investment decision-making and stewardship activity.

Our role in managing the Aboriginal and Torres Strait Islander Land and Sea Future Fund provides our staff with a deep connection to the work we are doing through our Indigenous Strategy.

Fostering good decisions

This year the Agency launched a dedicated Good Decisions Program, designed to strengthen the Agency's capability in making informed, debiased and impactful investment decisions.

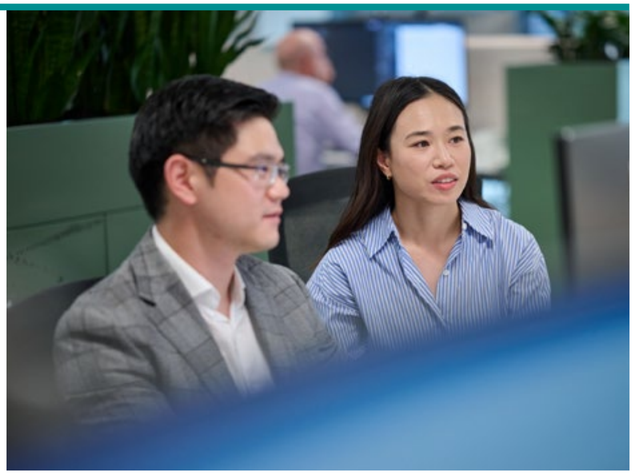
Spearheaded by Megan Ford, Acting Executive Director of Investment Capability and Intelligence, the program supports our broader goal of continuous improvement.

"Making high-quality decisions is at the heart of what we do. This guiding principle underpinned the launch of the Good Decisions Program, a strategic initiative by the Future Fund Academy aimed at enhancing decision hygiene and facilitation practices across the Agency," explained Megan.

The Good Decisions Program has fostered a collaborative culture around decision-making with a number of resources made available including a dedicated Lunch and Learn session on 'The Science of Decisions.'

> **"Everyone has a role in making or influencing decisions, and we all make decisions every day that impact the outcome of the Agency and our funds."**

The Good Decisions Program is more than a training initiative, it is a cultural shift. By embedding decision science into daily practice, the Agency is positioning itself to navigate complexity with confidence and clarity.



As a result of this program, we have changed some of our committee processes, structures and the way they operate so we are more focused and effective.

These enhancements include reducing committee sizes with limited observers to foster richer debate and higher-quality discussions, introducing conviction voting to reveal diverse views and improve feedback for the Investment Team, and leveraging technology to continuously capture insights and align governance efforts with impact.

Accommodation investments across the country

In December, we made significant investments in two new opportunities as part of the Future Fund's Unlisted Property portfolio: the RF Corval Manufactured Housing Estate (MHE) Fund and Greystar Purpose Built Student Accommodation (PBSA).

We partnered with RF Corval to create a portfolio of Land Lease Community (LLC) estates in Australia.

These communities provide affordable and attractive housing options for Australia's ageing population.

The RF Corval MHE Fund has now secured nine LLC assets, which will provide approximately 3,000 homes once fully developed. These communities are in New South Wales, Queensland and South Australia, and in areas that are popular with retirees.

The demand for quality retirement accommodation is expected to remain strong due to an ageing population, housing affordability issues and the trend of downsizing.

We also partnered with Greystar to acquire a national portfolio of seven Purpose Built Student Accommodation (PBSA) assets.

The portfolio includes seven assets with over 5,500 beds, located in Melbourne, Sydney, Canberra, Adelaide and Brisbane. Built between 2018 and 2024, these properties serve major universities in each location.

> "This investment builds on the popularity and strength of Australia's higher education sector, which has proven resilient to shocks like COVID-19."
>
> **Belinda Chain**
> Director, Unlisted Property

Despite some uncertainty around government-proposed enrolment caps to reduce international student numbers, PBSA beds are expected to remain in high demand due to limited supply.

The supply forecast for residential assets suggests a continued undersupply of housing throughout Australia, which is likely to persist beyond the hold period of both investments. Ongoing demand supports the long-term potential of these investments.

These investments by the Future Fund will provide stable, long-term returns in line with our investment strategy while helping to address critical housing needs.

Top left: Stratford Gardens in Tahmoor, NSW.

Top right: Tallowood in Medowie, NSW.

Bottom: Y Suites on Moore in Canberra, ACT.

Future Fund Board of Guardians update

The Board of Guardians is responsible for deciding how to invest the assets of each fund. They are appointed by the responsible Ministers, in accordance with legislation and selected for their expertise in investing in financial assets, managing investments and corporate governance.

This year we welcomed Mr James Craig to the Future Fund Board of Guardians 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 including more than 20 years with Macquarie Bank where he led their businesses in Europe from 2003 to 2008 and was Chair of Macquarie Capital (Melbourne) for six years.

Mr Craig joins the other five Guardians and Chair in safeguarding decisions that support the securement of Australia's financial future through long-term investment stewardship.

This year we also farewelled long-serving Guardian Mr Michael Wachtel.

Mr Wachtel was appointed to the Board on 3 April 2016 and during his nine-year tenure provided the organisation with much-valued guidance, experience and wisdom. He concluded his term on 2 April 2025.

Mr James Craig

Guardian

Mr Michael Wachtel

Guardian (served from 3 April 2016 to 2 April 2025)

New additions to the Senior Leadership Team

The Senior Leadership Team (SLT) guides the strategic direction and operational delivery of the Agency and is responsible for advising the Future Fund Board of Guardians on investment strategies and overseeing their implementation.

Above: From left to right are Gillian Denison, Will Hetherton, Ben Samild, Raphael Arndt, Simone Hartley-Keane, Gordon McKellar, Genevieve Murray, Hugh Murray and Nancy Collins.

This year Simone Hartley-Keane joined our SLT as Chief People, Culture and Inclusion Officer. Simone is a highly experienced human resources executive, joining us from Maurice Blackburn Lawyers, where she served as the Chief People & Culture Officer. Her broader career spans executive HR roles at Asciano, GE Capital and Country Road Group.

Just after the close of the financial year Gillian Denison became an SLT member after being promoted to General Counsel. Gillian joined the Future Fund in 2013 as Director of Legal before becoming Head of Legal in 2020. She 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.

Nancy Collins also joined the Agency and the SLT as Chief Financial Officer and Chief Risk Officer on 14 July 2025. A Chartered Accountant with an Executive MBA among other qualifications, Nancy is an accomplished senior executive with extensive experience across strategy, finance, operations and enterprise risk in the education, manufacturing and professional services sectors.

With the arrival of Simone and Nancy and the promotion of Gillian, our SLT now consists of eight members reporting to our CEO.

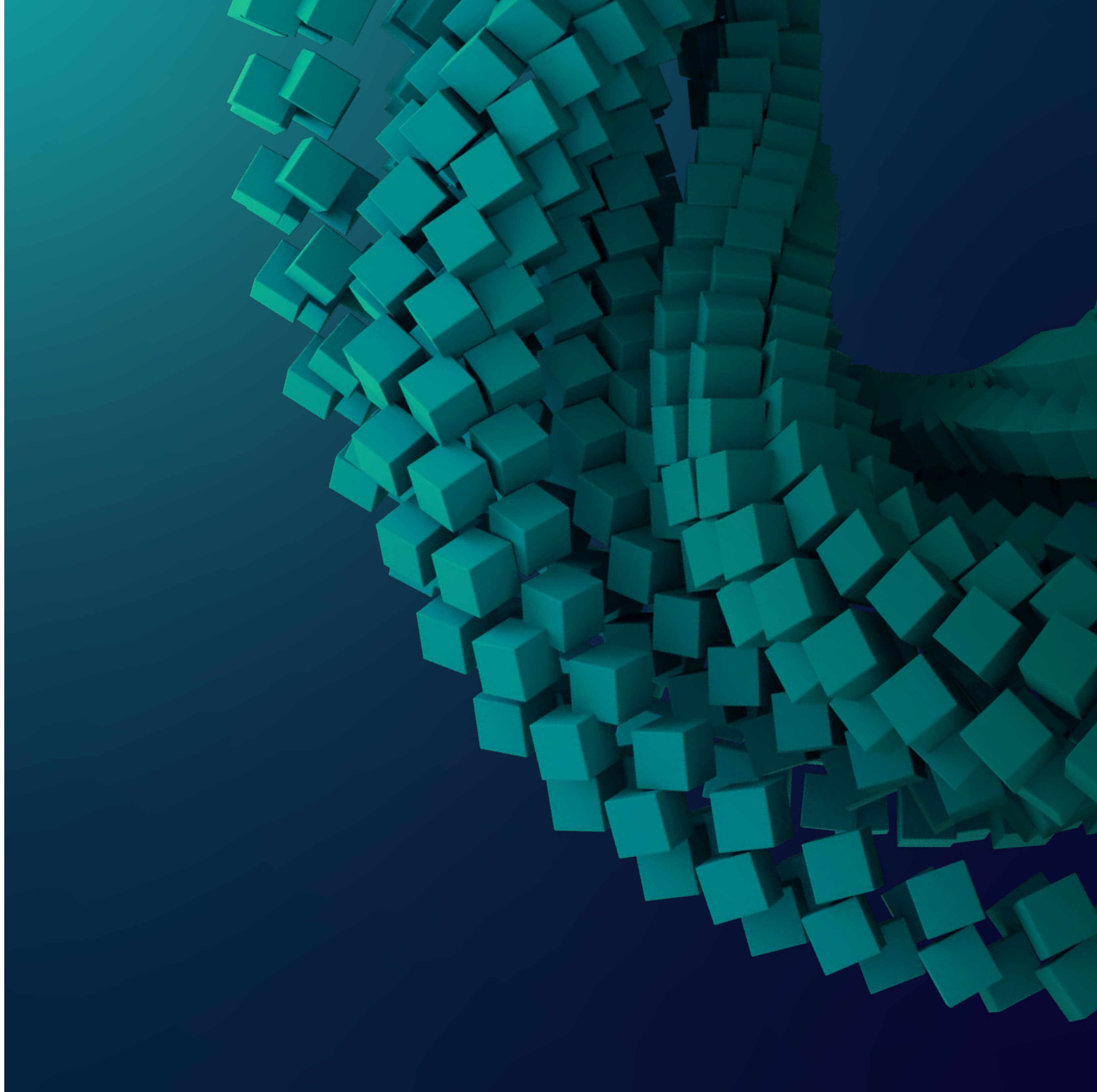
Promoting our people

We are intentional about cultivating a collaborative, high-performing culture where 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. This year 28 of our people were promoted or advanced internally into new roles across the Agency.

Above: 16 of our people who were promoted or advanced throughout the year.

Congratulations to:

1. Ruchika Khurana
2. Peter Moore
3. Ben Kakoschke
4. Dolly Li
5. Feliks Zemdegs
6. Phan Tran
7. Richard Mursell
8. Eddy Zhu
9. Hannah Cotching
10. Esther Yeong
11. Darryn Verey
12. Jennifer Dearn
13. Beau McCall
14. Sarah Nega
15. Chris Groves
16. Stephanie Temelli
17. Fiona Goring
18. David Baird
19. Jai Sartori
20. Sahil Arora
21. Amelia Watson
22. Jak Carty
23. Harje Ronngard
24. Sophie Trumble
25. Paul Crisp
26. Jackie Chin
27. Shikha Gupta
28. Wendy Hu



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