

Investment Update & Net Tangible Assets Report

As at 30 November 2016



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	107.11c
NTA after tax and before tax on unrealised gains	107.21c
NTA after tax	107.76c

The above figures are not diluted for 272,476,314 options on issue with an exercise price of \$1.10.

Portfolio

In November, the investment portfolio increased 2.7% while the MSCI World Index (AUD) rose 3.7%. The spread between the three broad equities strategies is currently 55.8% long equities, 32.6% absolute bias, 6.1% quantitative strategies and 5.5% cash.

Fund manager	Investment	Strategy	% of assets
Magellan Asset Management	Magellan Global Fund	Long equities	10.1%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	9.6%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	8.6%
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.5%
VGI Partners	VGI Partners Funds	Absolute bias	8.0%
Marsico Capital Management	Marsico Global Fund	Long equities	7.0%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.0%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.4%
Ellerston Capital	Ellerston Global Investments Wholesale Fund	Long equities	4.9%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.5%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.9%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.6%
Cooper Investors	Cooper Investors Asian Tiger Fund	Long equities	3.3%
Antipodes Partners	Antipodes Asia Fund	Absolute bias	2.8%
Tribeca Investment Partners	Tribeca Global Total Return Fund	Quantitative strategies	2.2%
Avenir Capital	Avenir Value Fund	Absolute bias	1.8%
Hunter Hall Investment Management	Hunter Hall Global Equities Trust	Long equities	1.5%
Eastspring Investments (Singapore)	Eastspring Investments Asian Dynamic Fund	Absolute bias	1.4%
Insync Funds Management	InSync Global Titans Fund	Long equities	1.4%
	Cash and Term Deposits	Cash	5.5%

Future Generation Global Investment Company Limited

ASX code	FGG
Established	Sept 2015
Gross assets	\$298.1m
Market cap	\$291.0m
Share price	\$1.05
Net assets per share (before tax)	\$1.07
Shares on issue	277,164,069
Options on issue	272,476,314
Fully franked final FY16 dividend	1.0c
Management fees	0.0%
Performance fees	0.0%
Annual donation (% of NTA)	1.0%

Investment objectives

- Provide a stream of fully franked dividends
- Achieve capital growth
- Preserve shareholder capital

Company overview

Future Generation Global Investment Company Limited (ASX: FGG) is Australia's first internationally focused listed investment company (LIC) with the dual objectives of providing shareholders with diversified exposure to selected global fund managers and changing the lives of young Australians affected by mental illness.

Chairman

Belinda Hutchinson

Founder and Director

Geoff Wilson

Chief Executive Officer

Louise Walsh

Directors

Frank Casarotti
Susan Cato
Sarah Morgan
Karen Penrose

Investment Committee

Amanda Gillespie, Aman Ramrakha, Sean Webster, Chris Donohoe, Geoff Wilson

Company Secretaries

Kate Thorley/Mark Licciardo

Head of Corporate Affairs

James McNamara

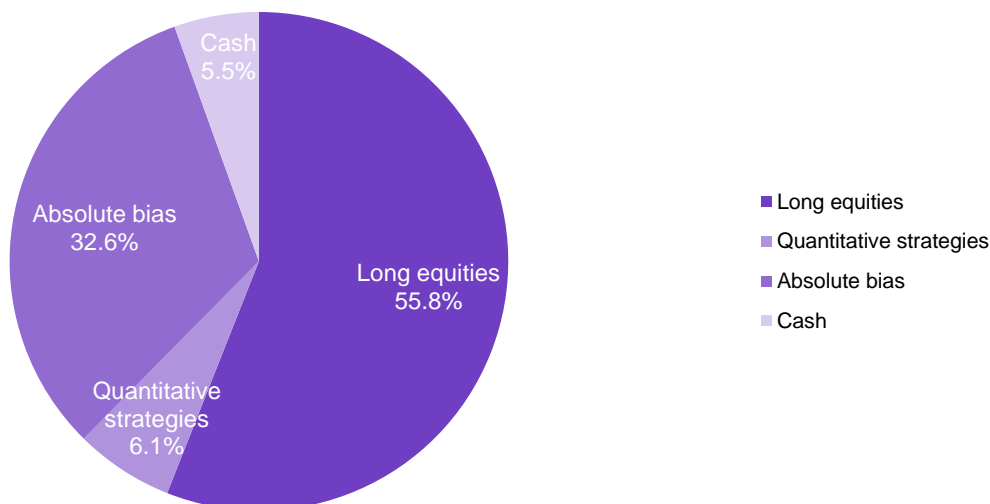
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Dividends

On 31 October 2016, the Company paid an inaugural fully franked final dividend of 1.0 cent per share. As the year end is now being changed to 31 December 2016, the next potential dividend will be for the period to 30 June 2017 dependent upon profits from the global equity fund managers for the prior 12 month period and will be an interim dividend.

Investment strategy allocation (% of assets)



Long equities – investing in a portfolio of equities based on the expectation the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange.

Quantitative strategy – a style of investment management where quantitative techniques are used to analyse markets in order to ascertain information about future price movements. These are generally rules-based and applied in a systematic manner. A quantitative strategy seeks to replicate a fundamental investor without human biases influencing investment decisions.

Absolute bias – an investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques to profit from rising and falling markets, providing portfolio protection in the event an equity market experiences a significant fall.

Fund Managers



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Charities



Service Providers



Fund manager in focus: VGI Partners



About VGI Partners

VGI Partners (VGI) is a high conviction global equity manager. VGI's Investment Team is based in Sydney and New York.

At VGI Partners we focus on businesses that we understand and where we believe we possess insights not appreciated by the market. VGI Partners believes that its long term investment horizon provides a competitive advantage in an investment world which is increasingly focused on the short term.

Our investment style

- Capital preservation – we place a great deal of importance on assessing downside risk. We attempt to know as much about our portfolio companies as we can and believe that this will enable us to prevent permanent loss of capital.
- Superior long term compound growth – we aim to produce superior long term compound growth over time by seeking out and investing in the best businesses in the world. VGI's AUD Master Fund is tracking at a compound annual net return of +15.1% since inception.
- Concentration – we aim to invest in a relatively small number of high quality stocks (with about 10 to 15 core positions at any one time). VGI believes that diversification preserves wealth, while concentration builds wealth.
- We aim to hold cash when we feel that no 'margin of safety' exists.
- We are often contrarian and strive to be fearful when others are greedy and greedy when others are fearful. To have better performance than the crowd, you must do things differently to the crowd.
- We aim to selectively short companies that we have identified to be structurally weak and believe are vulnerable to material price declines.

What does a great business look like?

- Simple and easy to understand business model. Never invest in any idea you can't explain in relatively simple terms.
- Dominant in its industry and has been through periods of recession and emerged stronger.
- Superior returns on capital achieved through high margins and relatively low capital reinvestment requirements. This allows the business to distribute cashflow to shareholders in the form of share buybacks and dividends.

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- Sustainable competitive advantage protecting the business from competition and allowing management to increase prices above inflation without losing market share – these traits are often found in businesses that are natural monopolies or oligopolies in their industry.
- Significant cashflow generation. Creates excess cash over and above the business' annual capital requirements.
- Strong balance sheet with sensible gearing levels.
- High quality management with a proven track record of outstanding performance. Management should display honesty, intelligence and integrity.

Performance to 30 November 2016

	1 month (%)	3 month (%)	6 month (%)	1 year (%)	Since inception	Compound Annual Return
VGI Partners Master Fund	3.9%	1.3%	-1.5%	4.2%	205.0%	15.1%

For more information visit www.vgipartners.com

Charity in focus: headspace

headspace is the National Youth Mental Health Foundation, providing early intervention mental health services to 12-25 year-olds.

headspace services cover four core areas: mental health, physical health (sexual health), work and study support and alcohol and other drug services. Services are confidential, youth-friendly and free or low cost. Young people and their families can access services face-to-face at one of the headspace centres across Australia, or via eheadspace – a national online and telephone counselling service.



Over the past 10 years, headspace has provided over 1.5 million services through centres, online and over the phone, helping over 270,000 young people across Australia, ensuring all young people have access to youth friendly mental health services, no matter where they live.

headspace and FGG

The donation received from FGG is supporting an innovative new project headspace will deliver in regional Australia.

The headspace Aboriginal and Torres Strait Islander Traineeship Program will encompass the development and implementation of a headspace National Aboriginal and Torres Strait Islander Traineeship Program offering training and employment of Aboriginal and Torres Strait Islander mental health workers. headspace will implement this program through offering training and employment to Aboriginal and Torres Strait Islander young people. These roles will focus predominantly on youth and community engagement, increasing access to mental health services and programs and increasing the mental health literacy of Aboriginal & Torres Strait Islander young people.



Q&A with headspace Interim Chief Executive Officer & Chief Financial Officer Matthew Posar

How do you measure success in relation to the FGG funding you are receiving?

This project aims to support the delivery of culturally appropriate services to Aboriginal and Torres Strait Islander young people in outer regional and remote areas, through providing better community engagement, increasing access for young Aboriginal and Torres Strait Islanders, and contributing to a more sustainable and culturally appropriate mental health workforce.

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In its first year, this project will provide two Aboriginal and or Torres Strait Islanders young people the opportunity to complete a headspace traineeship under the guidance of an Aboriginal and Torres Strait Islander Project Coordinator. The learnings from the pilot will inform the development of a cultural engagement framework for all headspace centres and guide the roll-out of future traineeships across other regional and remote areas of Australia.

We received a huge amount of interest from the headspace centre network to deliver the first round of traineeships. While the initial pilot can only be in one location we are excited by the level of interest we received and hope this becomes a recurrent initiative that can be expanded to other regional and remote headspace centres in future years.

What other support do you need besides funding that FGG investors could assist you with?

There are two main things that FGG investors could assist with – introductions and helping to build awareness and advocacy.

Introductions - As a charitable not-for-profit headspace is always looking for new introductions that enable us to connect with new partners or investors who want to help us deliver a world leading, youth friendly, mental health service to all young Australians. If your investors know of a corporate partner or investor who might be interested in supporting headspace please introduce us.

Awareness and Advocacy - I'd also encourage your investors to advocate for youth mental health and headspace within their circle of influence. Help raise awareness of the importance of youth mental health. Make people aware that one in four young people experience a mental health issue and less than 50% of them seek help. With suicide being the leading cause of death for young people 12 – 24, it is vital to keep expanding headspace services to meet the growing mental health needs of young people. Talk to the influential people you know. This could include CEOs, Board members, senior executives, community and business leaders. If you know politicians or Local MPs – ask them about what's happening with headspace? At the last election the Prime Minister promised an additional 10 headspace centres by 2019 and funding for the headspace Youth Early Psychosis Program. Make sure they are clear that the community expects a service like headspace to be available for young people. By building awareness of the extent of youth mental health issues in Australia we can grow the number of influential advocates who support headspace.

Where will your organisation be in five years time?

In five years' time we would love all young people aged 12 to 25 to be aware of headspace – to know that they can access our services no matter where they live in Australia. We would like to see more young people, in particularly, young men seeking help for mental health issues. In an ideal world, it would be fantastic if there was no longer a stigma attached to seeking help for mental health issues (after all, it should be the same as going to your local GP to get a sun spot checked!). In five years, there would be more headspace centres around the country and we would have inched closer to our goal of achieving 93% national coverage with a mix of centres in metro, regional and rural areas. We would also be servicing more young people and their families through our digital channels such as eheadspace (our online and telephone service) and our digital work and study program.

For more information on headspace, visit www.headspace.org.au