

Investment Update & Net Tangible Assets Report

As at 28 February 2017



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

| | |
|--|----------------|
| NTA before tax | 108.74c |
| NTA after tax and before tax on unrealised gains | 108.91c |
| NTA after tax | 108.90c |

The above figures are not diluted for 272,469,114 options on issue with an exercise price of \$1.10.

Portfolio

In February, the investment portfolio increased 0.9% while the MSCI World Index (AUD) rose 1.4%. The spread between the three broad equities strategies is currently 54.8% long equities, 32.4% absolute bias, 6.1% quantitative strategies and 6.7% cash. On 28 February 2017 we fully redeemed our position in Eastspring Investments Asian Dynamic Fund.

| Fund manager | Investment | Strategy | % of assets |
|----------------------------------|---|-------------------------|--------------|
| Magellan Asset Management | Magellan Global Fund | Long equities | 10.2% |
| Ironbridge Capital Management | Ironbridge Global Focus Fund | Long equities | 9.6% |
| Cooper Investors | Cooper Investors Global Equities Fund (Unhedged) | Long equities | 8.8% |
| Antipodes Partners | Antipodes Global Fund | Absolute bias | 8.5% |
| VGI Partners | VGI Partners Funds | Absolute bias | 8.1% |
| Marsico Capital Management | Marsico Global Fund | Long equities | 7.0% |
| Nikko Asset Management Australia | Nikko AM Global Share Fund | Long equities | 6.1% |
| Manikay Partners | Manikay Global Opportunistic USD Fund | Absolute bias | 5.4% |
| Ellerston Capital | Ellerston Global Investments Wholesale Fund | Long equities | 4.8% |
| Morphic Asset Management | Morphic Global Opportunities Fund | Absolute bias | 4.6% |
| Neuberger Berman Australia | Neuberger Berman Systematic Global Equities Trust | Quantitative strategies | 4.0% |
| 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 | 2.9% |
| Avenir Capital | Avenir Value Fund | Absolute bias | 2.9% |
| Tribeca Investment Partners | Tribeca Global Total Return Fund | Quantitative strategies | 2.1% |
| Insync Funds Management | InSync Global Titans Fund | Long equities | 1.4% |
| | Cash and Term Deposits | Cash | 6.7% |

Future Generation Global Investment Company Limited

| | |
|-----------------------------------|--------------------|
| ASX code | FGG |
| Established | Sept 2015 |
| Gross assets | \$303.4m |
| Market cap | \$286.9m |
| Share price | \$1.035 |
| Net assets per share (before tax) | \$1.09 |
| Shares on issue | 277,171,269 |
| Options on issue | 272,469,114 |
| 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
Karen Penrose
Susan Cato
Sarah Morgan

Investment Committee

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

Company Secretaries

Kate Thorley and Mark Licciardo

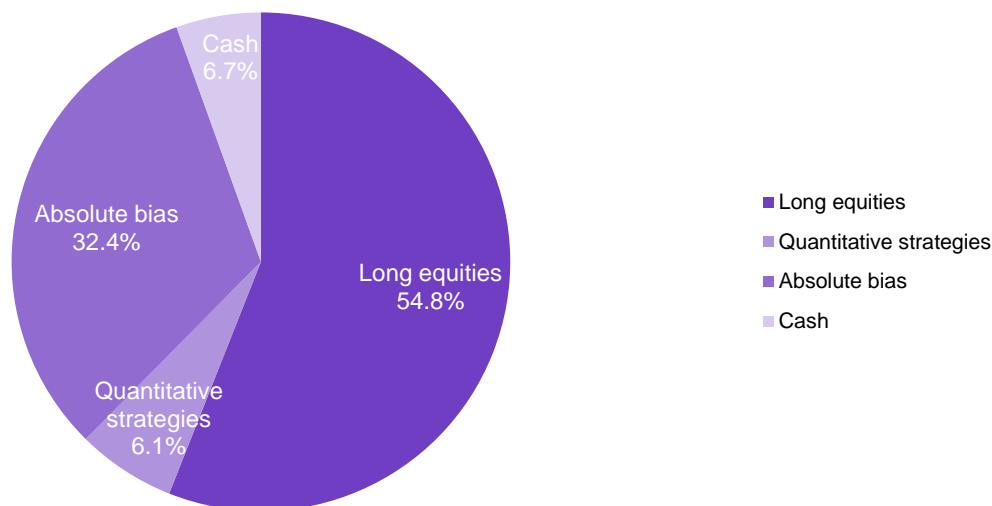
Head of Corporate Affairs

James McNamara

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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

Fund Managers



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Charities



Service Providers



Fund manager in focus: Magellan Asset Management



About Magellan Asset Management

Magellan Asset Management Limited (Magellan) is a Sydney-based investment management firm that manages more than A\$46 billion* in Global Equity and Listed Infrastructure strategies for institutional, intermediated and high-net-worth investors globally. The company was formed in 2006 by Hamish Douglass and Chris Mackay, two of Australia's leading investment professionals. Magellan operates a boutique business model, whereby approximately 75% of staff hold equity in the parent entity, Magellan Financial Group.

Our investment style

Magellan adopts a multi-disciplined approach to investing, incorporating intensive fundamental research, broad and detailed macroeconomic analysis and rigorous portfolio construction and risk management to preserve capital. Magellan's unique investment approach is founded on two principal objectives:

1. To achieve attractive risk-adjusted returns over the medium to long-term; and
2. To reduce the risk of permanent capital loss.

Magellan is an absolute return focused manager that appropriately structures portfolios to meet these objectives and adopts a benchmark agnostic approach. The manager's investment processes focus on identifying high quality companies that are trading below their assessed intrinsic value. Magellan's large team of analysts and portfolio managers focus their efforts on fundamental research with a long term focus and little regard for short term market movements.

Through its 10 years of managing money, the company has developed a strong track record in delivering attractive returns for its clients. Through this time, Magellan has been the recipient of multiple industry awards and is a highly rated fund manager of global equities and global listed infrastructure, both in Australia and overseas.

Our market outlook

We remain cautious about the outlook for equity markets over the next few years, given the environment of abnormally low interest rates, historically elevated price-earnings multiples, risks associated with the recapitalisation of the Italian banking system and the continued withdrawal of US monetary policy stimulus. Notwithstanding the current macroeconomic

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uncertainty, we retain confidence in the quality and long-term outlook for our investments and are comfortable with the Global Fund's overall risk profile and construction.

Consistent with the stance held over the past two years, we retain a large weight in cash to preserve capital and continue to apply a consistent approach to selecting high quality companies that are well positioned to deliver satisfactory returns over the long term. Many of these companies are structurally advantaged through their entrenched and scalable positions within segments such as consumer technology platforms, enterprise software, health care services or electronic payments platforms. These themes are prevalent in the Global Fund's major holdings* listed below:

| Company | Magellan-defined industry sector |
|-----------------|----------------------------------|
| Alphabet Inc. | Internet & eCommerce |
| Apple Inc. | Information Technology |
| CVS Health Corp | Health Care |
| eBay Inc. | Internet & eCommerce |
| Facebook Inc. | Information Technology |
| Lowe's Co Inc. | Consumer Discretionary |
| Microsoft Corp | Information Technology |
| Oracle Corp | Information Technology |
| Visa Inc. | Payments |

Net performance to 28 February 2017

| | 3 months | 1 year | 3 years (p.a) | 5 years (p.a) | 7 years (p.a) | Since inception (p.a) |
|----------------------|----------|--------|---------------|---------------|---------------|-----------------------|
| Magellan Global Fund | 2.9% | 6.3% | 10.6% | 18.9% | 15.3% | 10.8% |
| Index** | 3.6% | 12.7% | 10.7% | 17.1% | 11.8% | 4.6% |

* As at 28 February 2017

** MSCI World Net Total Return Index (A\$)

For more information, visit www.magellangroup.com.au

Charity in focus: Butterfly Foundation



Butterfly Foundation is Australia's peak national organisation for those affected by an eating disorder, including anorexia nervosa, bulimia nervosa, binge eating disorder and atypical presentations. Eating disorders are complex neuropsychiatric illnesses that result in significant physical and psychological impairment. They have the highest mortality rate of any mental illness and Deloitte Access Economics have assessed an annual socio-economic cost of over \$70B. Butterfly is committed to raising awareness at all levels of government and community about the prevalence and cost of eating disorders, and promoting evidence based affordable prevention and treatment for all who are affected.

The Butterfly Foundation and FGG Funds

FGG funds enable Butterfly to expand its current Intensive Outpatient Program (IOP) to include a stream dedicated for young people. Based on the work of Carolyn Costin from the US, the IOP will be an early intervention program for young people focusing on preventing hospitalisation and engaging the young person in sustainable recovery. The evidence based group therapy program will work with young people to harness their healthy behaviours to override and defeat the unhealthy eating disorders behaviours.

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Q&A with CEO, Christine Morgan

What impact will the FGG funding have on your organisation?

The funding that has been given to Butterfly through the FGG initiative will make an enormous difference to the organisation. Eating disorders, including anorexia nervosa, bulimia nervosa, binge eating disorder and atypical presentations, have the highest mortality rate of any psychiatric illness.

While affecting all age groups, they are most prevalent in children and adolescents. Deloitte Access Economics estimate that close to 1 million Australians had an eating disorder in 2015 but less than 25% were in treatment. In addition to the inherent resistance to seeking treatment that is characteristic of an eating disorder, there is a serious lack of treatment options in Australia. Therefore having access to this funding allows Butterfly to be able to implement an intensive treatment program for young people with eating disorders aged 16-25 years – a program that the community is in much need of.



What is the biggest challenge for the organisation?

While the organisation has made steady progress over the past five years in educating the community on the seriousness of eating disorders and the number of people it affects in Australia, there is still a critical need to continue this education process in order to ensure early help seeking. It is estimated that less than 25% of people with an eating disorder are currently accessing treatment and far too many people still regard eating disorders as a lifestyle choice. There is a great deal of misconception and misunderstanding around the illness and stigma has been identified as a key reason people do not seek help. So the ongoing challenge is around this education process to seek help, initially through Butterfly's National Helpline 1800 ED HOPE – 1800 33 4673.

What's a burning issue for youth mental health in Australia?

Unfortunately eating disorders have the highest mortality rate of any psychiatric illness and the death of one young person from eating disorders is one too many. An issue that Butterfly has identified as of great importance for youth mental health in Australia is access to appropriate and affordable treatment. Without access to the right type of service and treatment, young people experience a longer and more severe illness. Hence the overwhelming priority for people with eating disorders and their families for early, affordable access to safe treatment and recovery support within the community.

For more information on the Butterfly Foundation, visit www.thebutterflyfoundation.org.au