

## FGG announces full year results

Total comprehensive income	Total shareholder return	Savings on management fees, performance fees & services foregone	2017 investment in youth mental health
<b>\$29.1m</b>	<b>19.4%</b>	<b>\$4.3m</b>	<b>\$3.0m</b>

Future Generation Global Investment Company Limited (ASX: FGG) today announces a pre-tax profit of \$3.4 million and an after-tax profit of \$3.0 million for the year ended 31 December 2017. Total comprehensive income for the year was \$29.1 million, which was reflective of the sound investment portfolio performance of 13.4%.

FGG Chairman Ms Belinda Hutchinson AM said the Company had delivered on its objective of providing an attractive investment to shareholders and significant funding to Australian charities focused on youth mental health.

“We were pleased to deliver shareholders a solid 19.4% total shareholder return and charities a \$3.0 million investment during the year,” Ms Hutchinson said.

“In October 2017 we invested a further \$3.0 million in the programs that FGG is supporting and we are on track to deliver our third annual investment of approximately \$3.5 million, to be paid in October 2018. This would bring the total charitable investment since inception to \$8.9 million.

“We are deeply engaged in the programs that are supported by FGG and it has been an honour to be involved and see first-hand what our shareholders’ investment in the mental health of young Australians is achieving,” she said.

The investment portfolio increased 13.4% during the 12-month period, while the MSCI AC World Index (AUD) rose by 14.5%. The volatility of the FGG investment portfolio has delivered sound performance since inception with less volatility than the market.

Early in the year, the investment portfolio was restructured by the Investment Committee, reducing the direct geographical exposure of some of the fund managers. In September 2017, the Board was pleased to introduce Caledonia, a leading independent global investment manager to the portfolio. The Company deployed existing cash within the investment portfolio with the new investment in Caledonia.

“FGG is well positioned to continue to provide risk-adjusted global equity exposure to Australian shareholders. Given the highly diversified nature of the investment portfolio, we expect the Company will prove a sound investment, particularly during periods of heightened volatility. We expect returns will primarily be delivered in the form of capital growth through market cycles over the medium-to-long term,” Ms Hutchinson said.

FGG Chief Executive Officer Louise Walsh said the value of the management and performance fees forgone by the fund managers for the period totalled \$3.6 million and the value of the leading service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$0.7 million.

“The Company receives significant pro bono support from its fund managers, Board, Investment Committee members and service providers. Currently, we estimate the value of this pro bono support at approximately \$4.3 million per annum. At 1.2% of the assets of the Company, these savings to shareholders exceed the annual donation to charities,” she said.

## Dividends

The Company provides shareholders with diverse exposure to global equities and as such its returns are predominately delivered through capital growth. The Board is committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. In August 2017, the Board announced a fully franked dividend of 1.0 cents per share. The dividend was paid in October 2017.

No further dividend has been declared by the Board during, or since the end of the period. At this stage, the Board will consider a dividend payment following the June 2018 half year result, dependent on released profits from the fund managers over the next six months.

## Investment portfolio

The FGG investment portfolio has been structured to provide diversification between three broad equity strategies and cash.

The investment portfolio is comprised of 14 global fund managers with investments in 15 unlisted unit trusts. The global fund managers were Magellan Asset Management, Ironbridge Capital Management, Cooper Investors, Antipodes Partners, VGI Partners, Marsico Capital Management, Nikko Asset Management Australia, Manikay Partners, Ellerston Capital, Morpnic Asset Management, Neuberger Berman Australia, Paradise Investment Management, Avenir Capital and Caledonia.

As at 31 December 2017, the portfolio was 57.7% long equities, 31.3% absolute bias, 3.9% quantitative strategies and 7.1% cash.

### Long equities

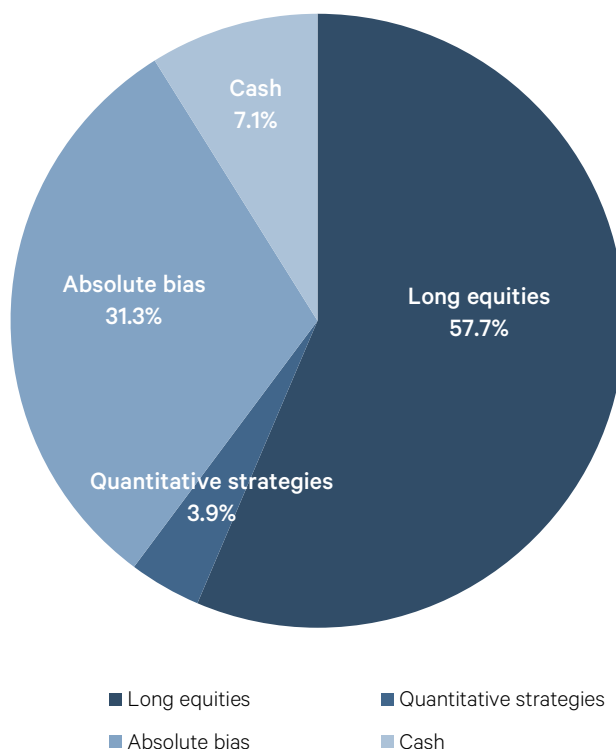
Investing in a portfolio of equities based on the expectation the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

### Absolute bias

An investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques (including but not limited to short selling and leveraging) to profit from rising and falling markets, providing portfolio protection in the event an equity market experiences a significant fall.

### Quantitative strategies

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.



## ASX announcement & media release

Fund manager	Investment	Strategy	% of portfolio
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	<b>10.2%</b>
Magellan Asset Management	Magellan Global Fund	Long equities	<b>9.9%</b>
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	<b>8.8%</b>
Antipodes Partners	Antipodes Global Fund	Absolute bias	<b>8.3%</b>
Marsico Capital Management	Marsico Global Fund	Long equities	<b>7.6%</b>
VGI Partners	VGI Partners Funds	Absolute bias	<b>7.4%</b>
Caledonia	Caledonia Fund	Long equities	<b>6.9%</b>
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	<b>5.9%</b>
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	<b>4.9%</b>
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	<b>4.8%</b>
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	<b>4.4%</b>
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	<b>3.9%</b>
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	<b>3.6%</b>
Avenir Capital	Avenir Value Fund	Absolute bias	<b>3.5%</b>
Antipodes Partners	Antipodes Asia Fund	Absolute bias	<b>2.8%</b>
	Cash and Term Deposits	Cash	<b>7.1%</b>

## Fund managers



## Investment in Australia's future generation

The objectives of the Company are to provide shareholders with an attractive investment and Australian charities focused on youth mental health with a source of funding. The fund managers do not charge management or performance fees, allowing the Company to donate 1% of assets to the supported charities each year. FGG has partnered with eight designated charities that provide a significant benefit to young Australians in the area of youth mental health. These charities are: *beyondblue*, Black Dog Institute, Brain and Mind Centre, Butterfly Foundation for Eating Disorders, headspace, Orygen – the National Centre of Excellence in Youth Mental Health, ReachOut Australia and SANE Australia. FGG shareholders decide annually on a pro-rata basis the amount donated to each charity.

## Charities



## Service providers



## Future Generation Global Investment Company provides:



### Shareholders

with exposure to leading global fund managers without paying management or performance fees.



### Charities

primarily focused on youth mental health with a consistent and growing stream of annual donations.



### Fund managers

with a unique opportunity to make a positive difference to Australia's future generations.

For more information visit [www.futuregeninvest.com.au](http://www.futuregeninvest.com.au) or contact:

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