



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

# Investment update

As at 31 March 2018

## Snapshot

Pre-tax net tangible assets

**\$1.27**

Gross assets

**\$378.5m**

Management fees

**0%**

Performance fees

**0%**

futuregeninvest.com.au  
ABN 52 606 110 838

## Future Generation Global Investment Company Limited

ASX code	FGG
Date of listing	Sep 2015
Gross assets	\$378.5m
Market cap	\$364.2m
Share price	\$1.23
NTA before tax	\$1.27
Shares on issue	296,112,380
Management fees	0.0%
Performance fees	0.0%
Annual donation (% of NTA)	1.0%
Fully franked dividend (FY2017)	1.0c

### Investment objectives

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

### Company overview

Future Generation Global Investment Company (ASX: FGG) provides:

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

**Charities** focused on youth mental health with a stream of annual donations.

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

#### Chairman

Belinda Hutchinson AM

#### Founder and Director

Geoff Wilson AO

#### Chief Executive Officer

Louise Walsh

#### Directors

Frank Casarotti

Karen Penrose

Kiera Grant

Sarah Morgan

#### Investment Committee

Sean Webster, Chair

Chris Donohoe

Aman Ramrakha

Geoff Wilson AO

Lukasz de Pourbaix

#### Company Secretary

Kate Thorley and Mark Licciardo

## Investment portfolio

In March, the investment portfolio outperformed the MSCI AC World Index (AUD) by 1.5%. The investment portfolio increased 0.7% while the Index fell 0.8%. Since inception, FGG's investment portfolio continues to deliver sound performance with lower volatility than the benchmark.

The spread between the three broad equities strategies is currently 58.5% long equities, 31.0% absolute bias, 3.7% quantitative strategies and 6.8% cash.

## Net tangible assets (NTA) figures

NTA before tax	126.91c
NTA after tax and before tax on unrealised gains	127.34c
NTA after tax	122.45c

After tax NTA figures have been calculated at a corporate tax rate of 27.5%.

## Shareholder Presentations

Next month, we will be travelling across the country to meet with investors about the Future Generation companies. As part of the presentation you will hear from FGG and FGX Founder and Director Geoff Wilson, CEO Louise Walsh, and a selection of fund managers and designated charities. Lunch will be served before the presentations. [Reserve your place today.](#)

Location	Time	Day	Date
Launceston	1.00 – 2.00pm	Friday	11 May
Canberra	12.30 – 1.30pm	Monday	14 May
Sydney Presentation	12.30 – 1.30pm	Tuesday	15 May
Sydney Investment Forum	1.30 – 3.00pm	Tuesday	15 May
Sydney AGM	3.30 – 4.00pm	Tuesday	15 May
Brisbane	12.30 – 1.30pm	Wednesday	16 May
Toowoomba	12.30 – 1.30pm	Thursday	17 May
Perth	12.30 – 1.30pm	Monday	21 May
Adelaide	12.30 – 1.30pm	Tuesday	22 May
Melbourne	12.30 – 1.30pm	Thursday	24 May

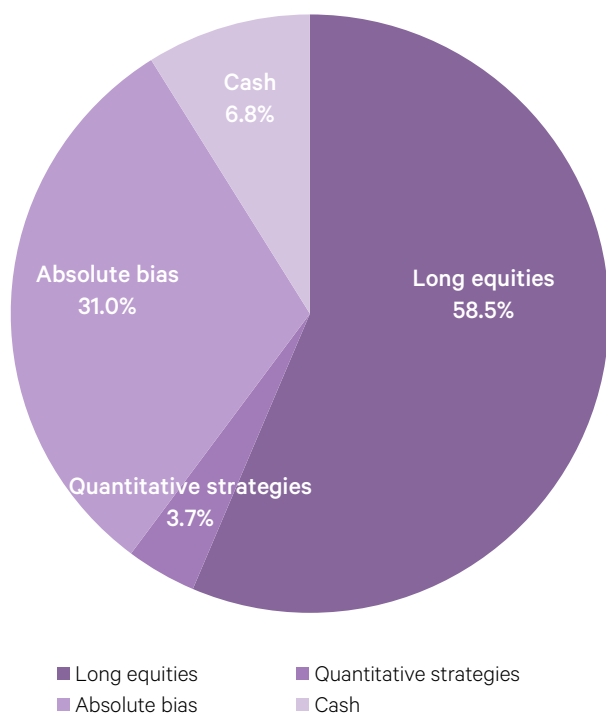
## Speed dating for investors: Top stock picks from the best Australian and global fund managers

We invite you to hear leading global and domestic fund managers' exclusive investment ideas at the next Future Generation Investment Forum in Sydney on 15 May from 1.30pm to 3.00pm. Shareholders in FGG and FGX receive three free tickets valued at \$200 each. [Register today.](#) If you are unable to make it to Sydney, we will be livestreaming and recording the Forum, details will be shared closer to the date.

## Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Antipodes Partners	Antipodes Global Fund	Absolute bias	11.0%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.2%
Magellan Asset Management	Magellan Global Fund	Long equities	9.6%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	8.6%
Caledonia	Caledonia Fund	Long equities	8.1%
Marsico Capital Management	Marsico Global Fund	Long equities	7.8%
VGI Partners	VGI Partners Funds	Absolute bias	7.6%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.0%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	4.7%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.6%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.4%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.7%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.6%
Avenir Capital	Avenir Global Fund	Absolute bias	3.3%
	Cash and Term Deposits	Cash	6.8%

## Investment strategy allocation



### Long equities

Investing in a portfolio of equities based on the expectation that 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.

### 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.

### 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.

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Pro bono fund managers



## Fund manager in focus: Cooper Investors



Cooper Investors Pty Limited ("CI") is a specialist equity fund manager with funds under management of approximately \$13 billion. We commenced operations in 2001 and have an investment team totalling 18 people across Australian and global research supported by a stewardship team of 21 people. We have over 10 years' experience developing our global equities capabilities. CI is 100% owned by its employees.

CI manages six pooled wholesale trusts (the CI Australian Equities Fund, the CI Pensions Fund, the CI Asian Tiger Fund, the CI Brunswick Fund, the CI Global Equities Fund and the CI Global Equities Fund (Unhedged)) along with a number of individual mandates which invest in either Australian equities, international securities or a mixture of both. All employees are encouraged to invest in the CI trusts.

For more information, visit [www.cooperinvestors.com](http://www.cooperinvestors.com)

### Our investment philosophy

CI is a long-term observational investor. CI prefers to allocate capital to companies and industries with a specific value proposition that are performing well or in an early phase of turnaround (observation of operating, industry and strategic trends) with focused management (value-based leadership).

CI uses VoF as a discipline to process complex qualitative and quantitative information on stocks and industries. VoF stands for:

1. Value latency;
2. Operating, industry and strategic trends; and
3. Focused industry and management behaviour.

The CI investment team undertake an intensive program of industry and company visits gaining insights and knowledge of stocks, industries and themes. Typically, the investment team will participate in over 1,000 one-on-one company or industry meetings a year.

### Our market outlook

We are stock pickers at heart and believe the best insights come from meeting people running great businesses rather than focussing on daily headlines or macro predictions. Recent meetings with the management of many fund holdings in the US and Europe indicated an encouraging environment for growth and investment across both regions.

We are finding a rich opportunity set in the mid-cap and smaller large cap area of the market (65% of the fund is invested in companies with a market capitalisation of US\$35 billion or below) which seems increasingly neglected in an investment environment driven by large index funds and ETF flows. A recent example is Aalberts Industries, a diversified industrial company focussed on profitable niches such as piping connection systems, surface treatment and flow control. The business is undergoing a period of refocusing its business by exiting weaker products, raising prices in its strongest niches and implementing operational improvement programs. Aalberts exhibits many of the cultural attributes consistent with the other best industrial companies we follow and we are particularly attracted to the drive and dynamism displayed by CEO Wim Pelsma.

Today there is line of sight to a faster growing, higher margin business with improved balance sheet capacity to deploy in a fragmented industry. Based in Utrecht in the Netherlands with a market cap of US\$5 billion, Aalberts is a good example of business that is a little under the radar for most, yet for us exhibits highly attractive value latencies with a strong overall VoF proposition.

	3	1	Since inception
	mths	yr	% p.a (Sept-08)
<b>Performance as at 31 March 2018</b>			
Cooper Investors Global Equities Fund (Unhedged)	4.0%	20.2%	10.2%
MSCI AC World Net Divs AUD	1.0%	14.2%	7.8%
<b>Outperformance</b>	<b>+3.0%</b>	<b>+6.0%</b>	<b>+2.4%</b>

## Charity in focus: headspace



### About headspace

**headspace** is the National Youth Mental Health Foundation providing early intervention mental health and wellbeing services to 12-25-year olds, their families and friends. Our work covers four core areas: mental health, physical health, alcohol and other drugs and work and study support. There are 101 headspace centres across metro, regional and remote areas of Australia. To help young people who are not near a headspace centre they can access the online and phone support service eheadspace.

### headspace and FGG

Since 2016, FGG has generously contributed \$502,340 to support the headspace Aboriginal and Torres Strait Islander Mental Health Traineeship Program. headspace has used the funding to employ an Aboriginal Project Coordinator and offer two Aboriginal young people the opportunity to undertake a Certificate IV in Mental Health. These young people are supported by headspace Darwin through a traineeship that offers employment and other professional development opportunities, enabling youth and community engagement activities across Darwin and surrounding regional and remote Aboriginal communities.

When the program commenced, headspace envisaged an opportunity for two young Aboriginal people to participate in formal training and gain on-the-job experience. In reality, it has been so much more than that. Experiences like this can be life changing for Aboriginal young people living in rural and remote communities.

FGG funding has allowed headspace to extend the program in 2018, with headspace Darwin supporting another two trainees. headspace centres in Broome and Townsville will support and guide one trainee each as well.

The traineeship program provides an opportunity for the local community to 'grow our own' specialist Aboriginal mental health workforce; it's a sustainable way of attempting to provide a holistic, relevant and appropriate service in our region.

For more information, visit [www.headspace.org.au](http://www.headspace.org.au)

### Q&A with CEO Jason Trethowan

#### What is your driving motivation in your current role?

I am motivated to know that we are building a strong, connected network of headspace centres that can support young Australians who are going through a tough time, no matter where they live. This may be through one of our growing number of centres across the country or online at eheadspace.

#### What is the biggest challenge for the organisation?

There are at-risk groups in our communities across the country whom we need to engage with to support their mental health issues. There is also a growing demand for services nationwide that we need to meet and ensure no young person falls through the cracks.

#### What does it mean to have the support of FGG?

We are so thankful for FGG funding that provides vital support to educational, professional development and community engagement opportunities for Aboriginal and Torres Strait Islander young people. headspace wants to ensure that these young people are supported to grow, learn and share their experiences to their local communities.

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## Charities



## Service providers

