



## FGG TRANSITIONAL SIX-MONTH PERIOD RESULTS

### Highlights

- 7.8% increase in investment portfolio performance
- On track to donate over \$3 million to children and youth mental health charities
- Savings of \$0.88 million delivered from pro bono management, performance and services

Future Generation Global Investment Company Limited (ASX: FGG) today announced its transitional 2016 financial year results, breaking even for the six-month period to 31 December 2016, compared to a loss before tax of \$302,000 for the prior corresponding period from the date of listing in September to December 2015\*.

The majority of the Company's income is derived from annual distributions received from the fund managers in June each year. Last financial year, 96% of the underlying fund manager distributions were received in June. The Company anticipates a similar stream of distributions in June 2017, which will be reported in the half year result for the six-month period to 30 June 2017.

For the six months to 31 December 2016, the investment portfolio increased 7.8% while the MSCI World Index (AUD) rose by 10%. The volatility of the FGG investment portfolio, as measured by its standard deviation during the period was a conservative 6.5%, while the MSCI World Index was 8.4%.

FGG Chairman Belinda Hutchinson thanked the participating fund managers for their pro bono support.

"Due to the generosity of the fund managers, we have reinvested \$1.29 million in performance and management fees into the Company for the six months to 31 December 2016, a 61.2% increase from rebates of \$790,000 on the prior corresponding period.

"During what has been a challenging global investment environment, the performance of some of the fund managers was impacted by the renewed strength of the Australian dollar and the underperformance of Asian markets," Ms Hutchinson said.

"The Investment Committee will continue to review and adjust the investment portfolio and is currently moving asset allocations away from specific countries and regions towards the global fund managers," she said.

As at 31 December 2016, the Company had 17 managers invested in 19 funds, with the portfolio comprised of 55.8% long equities, 32.7% absolute bias, 6.1% quantitative strategies and 5.4% cash.

FGG Chief Executive Officer Louise Walsh said the Company was on track to invest over \$3 million to charities focused on children and youth mental health.

"We were very pleased in October 2016 to make the Company's inaugural donation of \$2.42 million, and we are currently on track to deliver a second annual donation in October 2017, equating to a total of at least \$5.43 million donated to charity since inception in September 2015," Ms Walsh said.

\*The Company's reporting period has changed with the financial year end moving from 30 June to 31 December 2016, effective from 1 July 2016.

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The value of fund managers' foregone management and performance fees has delivered savings of \$0.53 million and the value of the leading service providers working on a pro bono basis totals \$0.35 million.

## Dividends

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.

With the change of year end to 31 December, effective from 1 July 2016, the next potential dividend will be for the period to 30 June 2017, dependent upon profits and distributions from our fund managers for the prior 12-month period, and will now be an interim dividend.

## Options

The Company issued one attaching option to each share subscribed for in the Company's initial public offering. The options have an exercise price of \$1.10 per share and can be exercised at any time on or before 15 September 2017. FGG options (ASX: FGGO) closed at 0.9 cents on 24 February 2017.

## Investment portfolio

The FGG investment portfolio has been structured to provide a spread between three broad equity strategies: long equities, absolute bias, quantitative strategies and cash. The composition of the portfolio will vary over time in terms of strategies, funds and managers. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks. As at 31 December 2016, the portfolio comprised 55.8% long equities, 32.7% absolute bias, 6.1% quantitative strategies and 5.4% cash.

During the period, the Company invested its capital with the following global fund managers in the six months to 31 December 2016: Magellan Asset Management, Ironbridge Capital Management, Cooper Investors, Antipodes Partners, VGI Partners, Marsico Capital Management, Nikko Asset Management Australia, Manikay Partners, Ellerston Capital, Morphic Asset Management, Neuberger Berman Australia, Paradise Investment Management, Tribeca Investment Partners, Avenir Capital, Hunter Hall Investment Management, Insync Funds Management and Eastspring Investments (Singapore).

## Charitable objectives

The Company has partnered with eight designated charities that provide a significant benefit to young Australians in the area of children and 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 will decide annually on a pro-rata basis on the amount donated to each charity.

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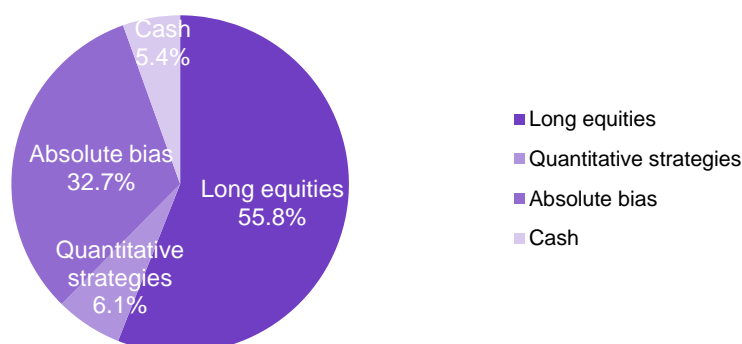


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## Asset allocation as at 31 December 2016

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	8.1%
Marsico Capital Management	Marsico Global Fund	Long equities	6.9%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.0%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.5%
Ellerston Capital	Ellerston Global Investments Wholesale Fund	Long equities	4.9%
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	3.2%
Antipodes Partners	Antipodes Asia Fund	Absolute bias	2.8%
Tribeca Investment Partners	Tribeca Global Total Return Fund	Quantitative strategies	2.1%
Avenir Capital	Avenir Value Fund	Absolute bias	1.8%
Hunter Hall Investment Management	Hunter Hall Global Equities Trust	Long equities	1.5%
Insync Funds Management	InSync Global Titans Fund	Long equities	1.4%
Eastspring Investments (Singapore)	Eastspring Investments Asian Dynamic Fund	Absolute bias	1.4%
	Cash and Term Deposits	Cash and outstanding interest and distributions receivable	5.4%

## Investment strategy allocation (% of assets as at 31 December 2016)



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## Fund managers



## Charities



## Service providers



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## About Future Generation Global Investment Company

Future Generation Global Investment Company (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. FGG offers investors the opportunity to gain unprecedented access to Australia's most prominent global fund managers – a number of whom are closed or not accessible to retail investors – through a single ASX-listed investment vehicle. The Company charges 0.0% management fees and 0.0% performance fees. Fund managers are managing the capital entirely pro bono so that 1.0% of net assets each year can be donated to Australian children's charities with a focus on those committed to young Australians affected by mental health issues.

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

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