

# Investment Update & Net Tangible Assets Report

As at 30 April 2016



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

## Net Tangible Assets (NTA) figures

NTA before tax	<b>102.64c</b>
NTA after tax and before tax on unrealised gains	<b>103.30c</b>
NTA after tax	<b>104.84c</b>

\*The above figures are not diluted for 272,999,848 options on issue with an exercise price of \$1.10.

## Portfolio

In April, the investment portfolio gained 1.5% while the MSCI World Index (AUD) increased 2.4%. Since inception, the investment portfolio has outperformed the Index in each of the five negative months. The spread between the three broad equities strategies is currently 57.0% long equities, 30.7% absolute bias, 6.4% quantitative strategies and 5.9% cash.

Fund manager	Investment	Strategy	% of assets
Magellan Asset Management	Magellan Global Fund	Long equities	<b>9.8%</b>
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	<b>9.8%</b>
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	<b>8.6%</b>
VGI Partners	VGI Partners Funds	Absolute bias	<b>7.9%</b>
Antipodes Partners	Antipodes Global Fund	Absolute bias	<b>7.9%</b>
Marsico Capital Management	Marsico Global Fund	Long equities	<b>7.0%</b>
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	<b>5.8%</b>
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	<b>5.0%</b>
Ellerston Capital	Ellerston Global Investments Wholesale Fund	Long equities	<b>5.0%</b>
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	<b>4.5%</b>
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	<b>3.8%</b>
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	<b>3.4%</b>
Cooper Investors	Cooper Investors Asian Tiger Fund	Long equities	<b>3.3%</b>
Tribeca Investment Partners	Tribeca Global Total Return Fund	Quantitative strategies	<b>2.6%</b>
Antipodes Partners	Antipodes Asia Fund	Absolute bias	<b>2.6%</b>
Avenir Capital	Avenir Value Fund	Absolute bias	<b>1.5%</b>
Insync Funds Management	InSync Global Titans Fund	Long equities	<b>1.5%</b>
Hunter Hall Investment Management	Hunter Hall Global Equities Trust	Long equities	<b>1.5%</b>
Eastspring Investments (Singapore)	Eastspring Investments Asian Dynamic Fund	Absolute bias	<b>1.3%</b>
Optimal Fund Management	Optimal Japan Absolute Long Fund	Long equities	<b>1.3%</b>
	Cash and Term Deposits	Cash	<b>5.9%</b>

## Future Generation Global Investment Company Limited

ASX Code	<b>FGG</b>
Established	<b>Sept 2015</b>
Gross assets	<b>\$285.6m</b>
Market cap	<b>\$306.7m</b>
Share price	<b>\$1.11</b>
Net assets per share (before tax)	<b>\$1.03</b>
Shares on issue	<b>276,344,485</b>
Options on issue	<b>272,999,848</b>
Management fees	<b>0.0%</b>
Performance fees	<b>0.0%</b>
Annual donation (% of NTA)	<b>1.0%</b>

## 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

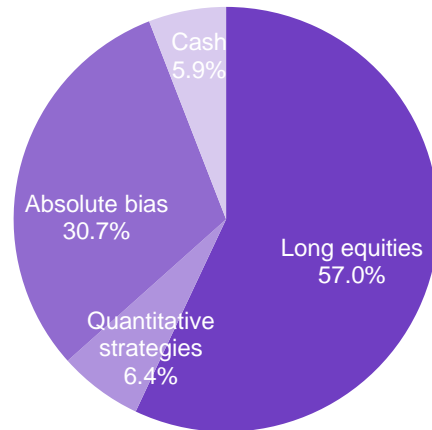
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## Investment strategy allocation (% of assets)



- Long equities
- Quantitative strategies
- Absolute bias
- Cash

## Fund Managers

## Charities

## Service Providers

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## Fund manager in focus: Manikay Partners

### About Manikay Partners LLC



**MANIKAY**  
P A R T N E R S

Manikay Partners is a partnership based investment management firm, founded by Shane Finemore in 2008. Today, Manikay has more than USD1.8bn under management, is headquartered in New York, with additional offices in London and Sydney, and has a senior team of 21 professionals.

Manikay currently manages two funds, the flagship Manikay Master Fund and the recently launched Manikay Merger Fund.

### Our investment style

Building on the expertise and success of its founding partners, Manikay adopts a unique opportunistic strategy for investment. As Managing Partner and CIO, Shane Finemore attests, there is not one way or strategy for making money. Essentially it is about redeploying capital to the best opportunities available and taking advantage of perceived market mis-pricings as and when they arise.

Manikay utilises three investment activities concurrently, combining them into one fund to generate maximum levels of return, namely:

- Trading
- Arbitrage
- Longer term investment.

The benefits of combining these complimentary activities are reflected in reduced volatility while at the same time, maximising the fund's alpha generation.

Supporting Manikay's Principals is a team of experienced market specialists, who focus on identifying potential opportunities, measuring risk in the areas of Arbitrage, Trading and Credit and helping to inform the overall investment decisions. Manikay is focused on the long term return for its investors. Its unique investment philosophy was developed to be opportunistic and initially was created for its founders who are keen to attract like-minded investors and share their ability to maximise returns with all their investors.

### Our market outlook

We remain cautious on asset prices generally, with continued quantitative easing by the world's central banks having driven investors into riskier assets over the last five years. While there are a number of countries with negative interest rates, we believe the United States will continue to exhibit modest growth and that interest rates will indeed rise over the next couple of years. We estimate the odds of a U.S. recession remains below 20%, far lower than the markets were pricing in during the recent January/February selloff.

Our underlying macro framework calls for a sideways to modestly up market in the U.S., and we will seek to take advantage of any dislocation in stock prices should sentiment become overly bullish or bearish. January and February saw us add some new long term investments to the portfolio.

The fund currently has a large exposure to the merger arbitrage activity. 2015 was a record year for mergers and acquisitions, and while 2016 will unlikely eclipse that, we believe companies remain in an acquisitive mode as interest rates remain low, organic growth is low and their elevated stock prices can be used as currency. Supply of new and large deals continues to outstrip demand, as many allocators and investment firms have exited the arbitrage space due to poor recent experiences. While the regulatory and political framework is as challenging as we have ever seen, we feel we are being rewarded for the added risk and we will continue to be involved in the announced event space as long as the opportunity persists.

For more information, visit <https://www.manikaypartners.com/>

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## Designated charity in focus: **headspace**

**headspace** is designed to make it as easy as possible for a young person and their family to get the help they need for problems affecting their wellbeing. Research shows that 75 per cent of mental health disorders emerge before the age of 25. By treating these issues early and providing a holistic model of support, the risk of them developing into more serious problems, including suicide, is greatly decreased.



Driving young people and their families to a single front door through **headspace** ensures they get the support they need, regardless of the mental health issue the young person faces. Since it was established in 2006, **headspace** has supported hundreds of thousands of young people and their families through direct clinical services and thousands more through health promotion and community awareness activities.

A national network of **headspace** centres operate across metropolitan, regional and rural areas of Australia. Each **headspace** centre delivers support to young people in four areas – mental health, physical health, (including sexual health), drug and alcohol and vocational support. **headspace** also provides an online counselling service - **eheadspace** and a postvention suicide support program, **headspace** School Support.

### Case Study – Jarrad

In year 6 Jarrad was school captain, socially and actively engaged, and looking forward to his high school years. However, on his first day of year 7 Jarrad experienced his first bout of severe anxiety. A mental health issue that he would continue to experience throughout his high school and early university years, Jarrad decided to share with **headspace** his experiences with anxiety so that other young people can hear about how they can get help with similar issues.

### headspace and FGG

Research shows that Aboriginal and Torres Strait Islander young people are more likely to have inter-related and complex set of presenting mental health, social and cultural issues than non-Indigenous young people.

With the support of Future Generation Global, **headspace** will implement a National Aboriginal and Torres Strait Islander Traineeship Program offering training and employment of Aboriginal and Torres Strait Islander mental health workers. This **headspace** Traineeship Program will offer up to ten (10) traineeships per annum for Aboriginal and Torres Strait Islander people in the Northern Territory, Queensland and Western Australia.

The program will:

- increase the availability and scope of mental health and wellbeing support services for Aboriginal and Torres Strait Islander young people aged 12-25 years across Australia and, most importantly, in remote communities
- enable the development of a long term sustainable Aboriginal and Torres Strait Islander workforce
- enhance cultural awareness and effectiveness for delivery of **headspace** services for Aboriginal and Torres Strait Islander young people in remote Australia.

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