

# Investment Update & Net Tangible Assets Report

As at 31 December 2015



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

## Net Tangible Assets (NTA) figures

NTA before tax	106.27c
NTA after tax and before tax on unrealised gains	106.89c
NTA after tax	107.39c

\*The above figures are not diluted for 274,140,666 options on issue with an exercise price of \$1.10.

## Portfolio

The portfolio is now 100.0% invested with FGG's fund managers in the underlying funds. In December, FGG outperformed the MSCI World Index (AUD) by 1.1%. The index fell 2.6% while the investment portfolio declined 1.5%. The allocation to the managers has been structured to provide a spread between three broad equity strategies: long equities, absolute bias, quantitative strategies; and cash. The company is currently 53.7% long equities, 35.0% absolute bias, 6.5% quantitative strategies and 4.8% cash.

Fund manager	Investment	Strategy	% of assets
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	10.2%
Magellan Asset Management	Magellan Global Fund	Long equities	10.1%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	8.5%
Antipodes Partners	Antipodes Global Fund	Absolute bias	7.6%
VGI Partners	VGI Partners Funds	Absolute bias	7.5%
Marsico Capital Management	Marsico Global Fund	Long equities	7.5%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.1%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.1%
Ellerston Capital	Ellerston Global Investments Wholesale Fund	Absolute bias	5.0%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.5%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.9%
Cooper Investors	Cooper Investors Asian Tiger Fund	Long equities	3.4%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.4%
Antipodes Partners	Antipodes Asia Fund	Absolute bias	2.5%
Tribeca Investment Partners	Tribeca Global Total Return Fund	Quantitative strategies	2.6%
Optimal Fund Management	Optimal Japan Absolute Long Fund	Long equities	1.6%
Avenir Capital	Avenir Value Fund	Absolute bias	1.5%
Insync Funds Management	InSync Global Titans Fund	Long equities	1.5%
Hunter Hall Investment Management	Hunter Hall Global Equities Trust	Long equities	1.4%
Eastspring Investments (Singapore)	Eastspring Investments Asian Dynamic Fund	Absolute bias	1.3%
	Cash and Term Deposits	Cash	4.8%

\*Investment into the VGI Partners Funds were deployed over a four month period (Sept – Dec-15), the above reporting reflects the final investment.

## Future Generation Global Investment Company Limited

ASX Code	FGG
Established	Sept 2015
Gross assets	\$293.5m
Market cap	\$322.0m
Share price	\$1.17
Net assets per share (before tax)	\$1.06
Shares on issue	275,203,667
Options on issue	274,140,666
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.

## Experienced Board Chairman

Belinda Hutchinson

## Founder and Director

Geoff Wilson

## Directors

Susan Cato  
Karen Penrose  
Sarah Morgan  
Frank Casarotti

## Investment Committee

Amanda Gillespie, Aman Ramrakha, Sean Webster, Geoff Wilson

## Joint Chief Executive Officers

Louise Walsh  
Chris Donohoe

## Company Secretaries

Kate Thorley/Mark Licciardo

## Corporate Affairs

James McNamara

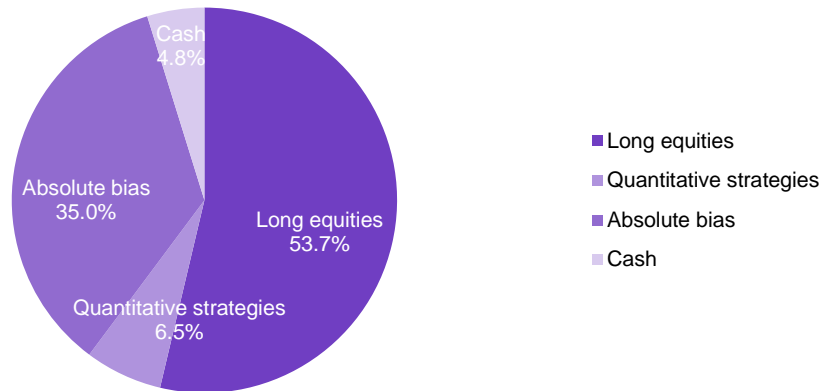
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## Investment strategy allocation (% of assets)



### Fund Managers



### Charities



### Service Providers



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## Fund manager in focus: Antipodes Partners

### About Antipodes Partners

Antipodes Partners Limited (Antipodes Partners) is a pragmatic value manager of global and Asian equities founded in 2015 by Jacob Mitchell, formerly Deputy Chief Investment Officer of Platinum Asset Management, together with a number of ex-Platinum colleagues and like-minded value investors.



We seek to take advantage of the market's tendency for irrational extrapolation around changes in the operating environment, identify great businesses that are not valued as such and build high conviction portfolios with a capital preservation focus.

Antipodes Partners is majority owned by its seasoned investment team with on average over 12 years of individual global investment experience and a significant shared history of successful investing. Our performance goals are reinforced by an owner-managed culture of long-term thinking, alignment with client outcomes and the outsourcing of non-investment functions to minority owner Pinnacle Investment Management to maximise our focus on investing..

### Our investment style

Antipodes means 'contrary', that is as stocks cycle in and out of favour, we will maintain an independent perspective.

We have a focused product offering that leverages our circle of competence:

- Longs
- Shorts
- Active currency management

Our eclectic approach that combines proprietary quantitative filters, qualitative experience and prioritises research and portfolio construction around three key principles:

- Margin of safety
- Multiple ways of winning
- Diversified sources of alpha

Our high conviction portfolios (typically 30-50 holdings) built for absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years) at below market levels of risk

### Our market outlook

The defining characteristics of the current cycle are the rapid build-up in Chinese corporate and local government affiliate debt, and the explosion of US non-investment grade ("high yield") debt.

Since 2008 Chinese debt has expanded from 170% to 250% of GDP, with much of this additional leverage underwritten by thinly capitalised, smaller banks. Ongoing evidence of slowing growth as credit led fixed asset investment nears its limits will result in greater urgency from the PBOC to ease policy and weaken the currency. China's corporate debt bubble unwind is imputing a significant tightening to the rest of the world via capital flow reversal and exported deflation.

The thirst for yield has pushed the US high yield cycle into uncharted territory with the stock of debt outstanding and the average leverage ratio expanding significantly beyond the previous 2007 peak. The beneficiaries of this cycle have been the issuers that have applied the funds to fast track corporate ambitions via buybacks and M&A. The recent widening of spreads, triggered by commodity market dislocation, is unlikely to remain siloed triggering greater scrutiny of these popular levered plays.

Against this backdrop we have sought protection from some of the more obvious excesses and remain generally exposed to inexpensive defensives and world leading global cyclicals and carry higher than normal cash levels.

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

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## Designated charity in focus: SANE Australia



### About SANE Australia

SANE Australia is a national organisation that helps Australians affected by mental illness lead better lives. One in five Australians experiences a mental health problem every year. And every one of these people has family, friends, colleagues or other people they know who are affected by their condition.

SANE is committed to working hand-in-hand with these Australians providing a range of support, education and training services which include suicide prevention, mental health awareness, peer support, stigma reduction and advocacy at a national level.

SANE's activities focus on three key areas:

**Support** – SANE Australia supports people affected by mental illness, their family and friends through the SANE Help Centre.

**Training** – SANE develops and provides innovative training programs for the community and professionals, to promote better understanding of mental illness and services for people affected.

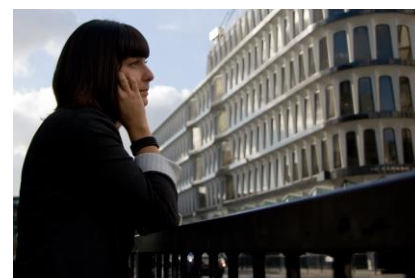
**Education** – SANE researches and develops resources to inform and educate the community about the impact of mental illness and promote a fulfilling life for everyone affected.

SANE's advocacy and campaigning work promotes better understanding amongst decision makers about the needs of people affected by mental illness.

### Case study

Mary called the SANE Helpline seeking support for her son who lives with Schizophrenia. The Helpline gave Mary information and referrals for local services available to her son.

During the call Mary explained her own complex story, which included her struggles with depression and the challenges her daughter faced due to Bipolar Disorder.



SANE's Helpline advisor listened to Mary's story and provided her with a list of services she could use to address these challenges. This included carer support programs, mental health services, and recommendations for improved physical health. At the end of the call Mary said: 'You are the only organisation so far that has been helpful, I'm so glad I called. You did not judge me'.

### SANE Australia and FGG

With the assistance of the FGG funds SANE Australia supports up to 50,000 young Australians – aged 18 to 30 (and their families, friends and carers) – affected by mental health problems through the Australia-wide, interactive, multi-channel, SANE Help Centre. Services provided by the Help Centre include the SANE Forums, SANE Chat, and the renowned SANE Helpline.

SANE Forums are an online peer-to-peer community for carers and people with lived experience. The Forums are moderated 24/7, providing support to people living with a mental illness or mental health issues, and to family, friends and carers. The service is provided by SANE Australia in partnership with mental health organisations around the country. It brings people living with mental illness together, regardless of their location, illness or service provider.

The SANE Helpline is a toll-free 1800 telephone service that provides information, guidance and referrals to people regarding mental health, mental illness and suicide. All Helpline Advisors are qualified counsellors or psychologists, ensuring expert advice and support are provided to all callers.

For more information about SANE Australia visit [www.sane.org](http://www.sane.org)