

Investment Update & Net Tangible Assets Report

As at 30 June 2017



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	114.66c
NTA after tax and before tax on unrealised gains	115.42c
NTA after tax	113.59c

The above figures are not diluted for 271,822,494 options on issue with an exercise price of \$1.10.

After tax NTA figures have been calculated at a corporate tax rate of 30%. The Company is currently assessing whether it is eligible for the reduced corporate tax rate of 27.5% for the 2017 financial year in accordance with the Governments Enterprise Tax Plan Bill which became effective on 19 May 2017.

FGG Options

FGG optionholders can increase their shares at the exercise price of \$1.10, against the 13 July 2017 price of \$1.105, without incurring brokerage fees. The options last traded at 0.6 cents. The options cease trading on 11 September 2017 and expire on 15 September 2017.

Portfolio

In June, the FGG investment portfolio outperformed the MSCI World Index (AUD) by 0.5%. The MSCI World Index (AUD) decreased by 2.7% in the month. FGG's investment portfolio continues to deliver outperformance with lower volatility than the benchmark. Since inception, the investment portfolio has recorded standard deviation of 8.9% against the market's 10.2%.

The spread between the three broad equities strategies is currently 54.6% long equities, 32.9% absolute bias, 3.9% quantitative strategies and 8.6% cash.

Fund manager	Investment	Strategy	% of portfolio
Magellan Asset Management	Magellan Global Fund	Long equities	10.3%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	9.7%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	9.2%
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.7%
VGI Partners	VGI Partners Funds	Absolute bias	7.9%
Marsico Capital Management	Marsico Global Fund	Long equities	7.5%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.0%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.2%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.8%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.5%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.9%
Paradise Investment Management	Paradise Global Small Mid Cap Fund Unhedged	Long equities	3.7%
Avenir Capital	Avenir Value Fund	Absolute bias	3.6%
Cooper Investors	Cooper Investors Asian Tiger Fund	Long equities	3.4%
Antipodes Partners	Antipodes Asia Fund	Absolute bias	2.9%
	Cash and Term Deposits	Cash	8.7%

Future Generation Global Investment Company Limited

ASX code	FGG
Established	Sept 2015
Gross assets	\$321.6m
Market cap	\$300.0m
Share price	\$1.08
Net assets per share (before tax)	\$1.15
Shares on issue	277,817,889
Options on issue	271,822,494
Fully franked final FY16 dividend	1.0c
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.

Chairman

Belinda Hutchinson

Founder and Director

Geoff Wilson

Chief Executive Officer

Louise Walsh

Directors

Frank Casarotti
Karen Penrose
Susan Cato
Sarah Morgan

Investment Committee

Chris Donohoe, Amanda Gillespie, Aman Ramrakha, Sean Webster and Geoff Wilson

Company Secretaries

Kate Thorley and Mark Licciardo

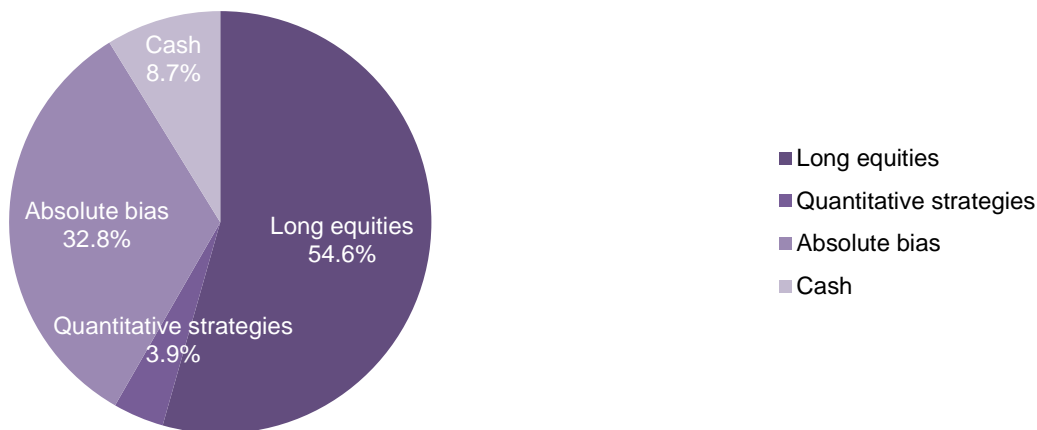
Head of Corporate Affairs

James McNamara

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Investment strategy allocation (% of assets)



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.

Quantitative strategy – 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.

Fund Managers



Charities



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Service Providers

 Wilson
Asset Management

 **LINK** Fund
Solutions

 PITCHER PARTNERS

 **BoardRoom**
Smart Business Solutions

 **Steadfast**
STRENGTH WHEN YOU NEED IT

 **Bloomberg**

 **mertons**
corporate governance specialists

 **CommSec**



 **live wire**

 **PWN.**

 **complispace**
make it work

 **JLT**

 **Lonsec**

 **KARDOS-SCANLAN**
CORPORATE LAWYERS

Fund manager in focus: Cooper Investors



About Cooper Investors

Cooper Investors Pty Limited (CI) is a specialist equity fund manager with funds under management of approximately \$12 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. Employees are encouraged to invest in the CI trusts.

Our investment style

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. In the last financial year, the investment team participated in over 1,000 one-on-one company or industry meetings.

Our market outlook

One of our core beliefs is that the best insights come from people at the coal face and we have recently undertaken trips to North America, Europe and Japan. Following this we recently initiated a position in Baxter International, a leading supplier of medical products to hospitals and renal clinics.

In mid-2015 Baxter spun-off its biopharmaceutical business – this business had historically generated most of the company's operating profit and so the medical products assets received less management attention. Shortly after the spin-off, Baxter appointed Joe Almedia as CEO following a successful stint as CEO of another medical devices company, Covidien.

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When we are looking for low-risk turnarounds we are attracted to spin-off transactions like these where a refreshed management team can execute against a clearly articulated pathway to value.

Almedia and his management team have made significant progress to date with operating profit margins moving from single digits to mid-teens and we see a pathway for margins to expand well above these levels. Further, there is opportunity for improved R&D practices to drive faster revenue growth. Finally, Baxter's balance sheet is net cash (a rarity in this market) which we believe management will allocate prudently into value creating acquisitions. We see material free cash flow growth potential over a multi-year period which is being underappreciated by the market.

		QTR	1 YR	3 YR	5 YR	Since inception 2008 (p.a)
CI Global Equities Fund Unhedged Gross Returns	Portfolio	7.78%	16.87%	15.65%	18.76%	9.76%
MSCI AC World Net Divs (AUD)	Benchmark	3.70%	15.31%	12.32%	17.14%	7.34%
	Value Added	4.08%	1.56%	3.33%	1.62%	2.42%

For more information, visit <http://www.cooperinvestors.com/>.

Charity in focus: Brain and Mind Centre

The Brain and Mind Centre (BMC) develops novel clinical assessment, monitoring and treatment programs for young people with emerging anxiety and depressive disorders.

In partnership with local providers (Sydney Local Health District, Uspace at St Vincent's Private Hospital Sydney), national (Orygen, headspace, Black Dog Institute, QIMR Berghofer Medical Research Institute) and international (Centre for Genetic Epidemiology, National Institute of Mental Health) leaders in youth mental health, and online technologies (ReachOut.com Australia, Young and Well Cooperative Research Centre), BMC is focused on developing optimal and real-time assessment and tracking strategies for young people who experience the onset of anxiety and depression in adolescence and early adult life.



Brain and Mind Centre's Brain and Mind-Youth Platform and FGG

The provision of highly-personalised clinical assessment and longitudinal tracking over 12 months can dramatically improve the health outcomes of young people with anxiety and depression, and the BMC's Youth Program has been working to develop tools to support that.

These tools use new and emerging technologies to detail psychological, cognitive, social and medical characteristics and plan individualised and more effective long-term interventions. This package of tools (or etools) is referred to as the Brain and Mind-Youth Platform and is currently supported by FGG funding.

To date, FGG funding has supported the installation of the Brain and Mind-Youth Platform at five headspace sites in NSW (Ashfield, Bondi Junction, Camperdown, Hurstville and Miranda). These etools assess, report and guide real-time results and recommendations regarding mental health and wellbeing and include the development of a 'share plan' with a health professional. To date, almost 500 'share plans' have been created.

Future funding will contribute to the expansion of the project to include other headspace sites in NSW and interstate, and over the course of the project, will link together clustered networks of youth primary mental health care services to achieve system reform. It will enable an estimated 20,000 young people over five years to access the Brain and Mind-Youth Platform.

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Q&A with Professor Ian Hickie

What impact will the FGG funding have on your organisation?

For the Brain and Mind Centre's Youth Program, FGG funding is a very significant investment, both in terms of its size and continuity. This investment allows us to plan in advance and consequently achieve capability as well as sustainability, that would not otherwise be available.

What is the biggest challenge for the organisation?

The biggest challenge for the Brain and Mind Centre's Youth Program is to have flexible funding to use in an innovative way. Many other funding opportunities are rigid, inflexible and primarily focused on activity rather than outcomes. Instead, FGG funding is focused on outcomes rather than activity, which allows the tools we are developing to have benefits far beyond current recipients – and into the broader youth mental health sector.

What's a burning issue for youth mental health in Australia?

One burning issue for youth mental health in Australia is access to quality care. We don't need more awareness raising, but rather high-quality services to be available broadly – across both the geographical and socio-economic divides. New and emerging technologies currently offer the very real opportunity to bridge these gaps.

Whose work in the mental health space inspires you?

It's really the young people and families we work with – the users of mental health care whose lives are turned around by effective care.

For more information visit <http://sydney.edu.au/brain-mind/>.

