

Investment Update & Net Tangible Assets Report

As at 31 July 2017



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	112.76c
NTA after tax and before tax on unrealised gains	113.58c
NTA after tax	112.43c

The above figures are not diluted for 269,325,380 options on issue with an exercise price of \$1.10. After tax NTA figures have been calculated at a corporate tax rate of 27.5%.

FGG Options

FGG optionholders can increase their shares at the exercise price of \$1.10, on par with the 14 August 2017 share price of \$1.10, without incurring brokerage fees. The options last traded at 0.1 cents. The options cease trading on 11 September 2017 and expire on 15 September 2017.

Portfolio

In July, the investment portfolio decreased 1.5% while the MSCI World Index (AUD) fell by 1.1%. The equity portion of the investment portfolio performed in line with the Index for the month. The appreciation of the AUD against the USD cash holding impacted the investment portfolio during the month.

The spread between the three broad equities strategies is currently 54.3% long equities, 32.5% absolute bias, 3.9% quantitative strategies and 9.3% cash.

Fund manager	Investment	Strategy	% of portfolio
Magellan Asset Management	Magellan Global Fund	Long equities	10.1%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	9.5%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	9.1%
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.7%
Marsico Capital Management	Marsico Global Fund	Long equities	7.7%
VGI Partners	VGI Partners Funds	Absolute bias	7.6%
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 Mid Small Cap Fund	Long equities	4.8%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.6%
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	3.6%
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	9.3%

Future Generation Global Investment Company Limited

ASX code	FGG
Established	Sept 2015
Gross assets	\$319.5m
Market cap	\$309.7m
Share price	\$1.105
Net assets per share (before tax)	\$1.128
Shares on issue	280,315,003
Options on issue	269,325,380
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
Geoff Wilson

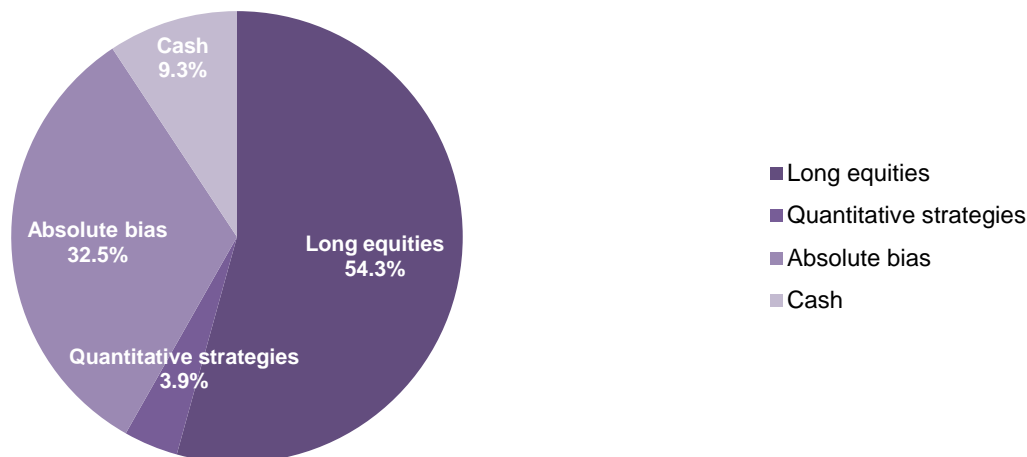
Company Secretaries

Kate Thorley and Mark Licciardo

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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: Antipodes Partners



About Antipodes Partners

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

Our investment style

Our approach seeks to take advantage of the market's tendency for irrational extrapolation around change, identify great businesses that are not valued as such, and build high conviction portfolios (30-60 holdings) with a capital preservation focus.

Our market outlook

Minsky's assertion that the longer things are stable, the more unstable they become echoes against the current backdrop of extended low cross-asset volatility, one which we believe has created a false sense of security as investors confuse today's low volatility environment with low risk.

Central bankers have somewhat cornered themselves. Increasingly, political and economic pressure to normalise interest rates or withdraw stimulus is likely to trigger volatility and widen credit spreads (our analysis suggests that U.S. high yield, or junk bond issuers are most vulnerable to this risk – see our research paper titled "The Global Corporate Debt Unwind"). Whilst the low-volatility regime may endure, investors have grown too comfortable with the central bank reaction function, extending the illusion of stability.

At Antipodes Partners, we do not attempt to predict or time regime change. While a poorly constructed building may eventually collapse, the cause, timing and degree is challenging to predict. As investors, we seek to identify where fragility exists and build a resilient portfolio with asymmetric payoffs at the stock, cluster and portfolio level, i.e. a safer building. At the core of our investment philosophy we seek in our long investments both attractively priced businesses (margin of safety) and investment resilience (characterised by multiple ways of winning), with the opposite logic applying to our shorts, i.e. no margin of safety and multiple ways of losing. Whilst the investment case will always be predicated on idiosyncratic stock factors such as competitive dynamics, product cycles, management and regulatory outcomes, we seek to amplify the investment case by taking advantage of style biases and macroeconomic risks and opportunities.

In summary, we're encouraged by the growing valuation dispersion within and across markets (region/sector/factor) as we think this is indicative of broadening pragmatic value opportunities, both long and short. Further, investment strategies which are seeking idiosyncratic alpha (rather than passive beta), are flexible and risk-aware should outperform in an environment where volatility awakens from temporary hibernation.

Performance as at 30 June 2017

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		1 Year	Since Inception*	Since Inception* p.a
Antipodes Global Fund	Portfolio	20.3%	29.1%	13.6%
MSCI AC World Net Index	Benchmark	15.3%	14.6%	7.0%
	Outperformance	5.0%	14.5%	6.6%

*From 1 July 2015, when the current strategy was adopted.

For more information, visit www.antipodespartners.com.

Charity in focus: headspace

headspace is the National Youth Mental Health Foundation, providing early intervention mental health services to 12-25 year-olds. headspace services cover four core areas: mental health, physical health (including sexual health), work and study support and alcohol and other drug services. Young people and their families can access services face-to-face at one of 99 headspace centres across the country at headspace.org.au, or for online or over-the-phone support contact eheadspace at ehheadspace.org.au.



headspace and FGG

Through FGG's funding, headspace has piloted an Aboriginal and Torres Strait Islander Traineeship Program. This program contributes to the development of a sustainable Aboriginal and Torres Strait Islander mental health and wellbeing workforce in regional and remote areas of Australia to ensure all young people can access culturally relevant, appropriate and effective mental health services.

This program has employed an Aboriginal Project Coordinator and two Youth Trainees in the Northern Territory, and is supported by headspace Darwin. The trainees are expected to graduate from their Certificate IV in Mental Health in late 2017 and future employment opportunities are already being explored and supported by the Project Coordinator and headspace Darwin.

Since January 2017, through a range of youth and community engagement activities, the trainees have assisted in supporting almost 300 Aboriginal and Torres Strait Islander young people, 170 family and community members and more than 50 professionals providing services to Aboriginal and Torres Strait Islander young people.

Q&A with Jason Trethowan, CEO

What impact will the FGG funding have on your organisation?

FGG funding will enable the continued rollout of the Aboriginal and Torres Strait Islander traineeship program by employing two new trainees in the Northern Territory, as well as the potential expansion of the program in either regional Queensland or Western Australia. We hope that FGG's funding support for this vital program will positively impact the engagement and reputation of headspace within rural Aboriginal communities. By raising awareness, increasing mental health literacy, and accessing mental health services, young people will be holistically supported which benefits them and their wider community network now, and into the future.



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What is the biggest challenge for the organisation?

Like much of the mental health sector, our challenge is the prioritisation of headspace resources. There are so many areas of youth mental health that warrant our attention and expertise but we can't be everywhere, all the time. It is important to constantly assess where we are focusing our efforts and if we are using the wealth of headspace knowledge and experience at an optimum level to achieve the best outcomes for the young people of Australia.

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

That's a tough question. For many in the mental health sector a key driver for what we do is the sobering statistic that suicide is the number one cause of death for young people in Australia. This is a statistic that the sector must reverse. Everything we do at headspace is dedicated to helping young Australians going through a tough time.

Whose work in the mental health space inspires you?

It really is the countless young people who come into headspace centres across the country, and who seek advice through headspace. The work that these young people do in taking that vital first step to seek help is a true inspiration. I am also in the extraordinarily fortunate position where I get to see so many of them grow and take on advocacy work representing headspace at a local, national and even international level.

For more information visit www.headspace.org.au.

Save the date for our November 2017 Shareholder Presentations

We look forward to seeing you at our next [Shareholder Presentations](#) in November.

Investor conference call

Shareholders have the opportunity to take part in an investor conference call. FGX and FGG Founder and Director Geoff Wilson and CEO Louise Walsh will be joined by FGX fund manager Matthew Kidman from Centennial Asset Management and FGG fund manager Rob Luciano from VGI Partners to provide their views on the market and top stock picks.

Date: Tuesday 5 September 2017

Time: 11.00am – 12.00pm (AEST)

To register, please visit futuregenerationinvestorcall.eventbrite.com.au.