

Investment Update & Net Tangible Assets Report

As at 31 October 2017

Net Tangible Assets (NTA) figures

The below NTA figures are after the 1.0 cents per share fully franked dividend paid on 27 October 2017.

NTA before tax	120.90c [*]
NTA after tax and before tax on unrealised gains	121.59c
NTA after tax	118.05c

^{*}This figure is after the payment of \$97k (0.03 cents per share) in tax during the month.

After tax NTA figures have been calculated at a corporate tax rate of 27.5%.

During the month, 296,593 shares were issued under the Dividend Reinvestment Plan (DRP) for the June 2017 fully franked dividend.

Portfolio

In October, the investment portfolio delivered strong performance, increasing 4.4% in line with the MSCI AC World Index (AUD). FGG's investment portfolio continues to deliver sound performance with lower volatility than the benchmark.

The spread between the broad equity strategies is currently 57.8% long equities, 31.5% absolute bias, 3.7% quantitative strategies, 0.9% direct equities and 6.1% cash.

Future Generation Investment Forum

We'd love to see you at our upcoming Investment Forum in Melbourne on Thursday, 30 November 2017 in Melbourne where you will hear exclusive investment ideas from Future Generation's leading global and Australian fund managers.

Stock ideas shared at the inaugural Investment Forum in May 2017 have increased by an annualised average of 34.0%. [Reserve your place](#) now.

If you are unable to make it to Melbourne, register for the [livestream](#).

November 2017 Shareholder Presentations

We are looking forward to our upcoming shareholder presentations, which begin in Adelaide on 20 November 2017. [Reserve your place](#) to hear from FGG founder and Director Geoff Wilson, CEO Louise Walsh, and a selection of fund managers and designated charities.

Future Generation Global Investment Company Limited

ASX code	FGG
Established	Sept 2015
Gross assets	\$359.1m
Market cap	\$333.1m
Share price	\$1.125
Net assets per share (before tax)	\$1.209
Shares on issue	296,112,380
Fully franked dividend (June 2017)	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 (ASX: FGG) provides:

- Shareholders with exposure to leading global fund managers without paying management or performance fees
- Charities primarily focused on children and youth mental health with a consistent and growing stream of annual donations
- Fund managers with a unique opportunity to make a positive difference to Australia's future generations.

Chairman

Belinda Hutchinson AM

Founder and Director

Geoff Wilson

Chief Executive Officer

Louise Walsh

Directors

Frank Casarotti
Karen Penrose
Susan Cato
Sarah Morgan

Investment Committee

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

Company Secretaries

Kate Thorley and Mark Licciardo

Investment Update & Net Tangible Assets Report

As at 31 October 2017

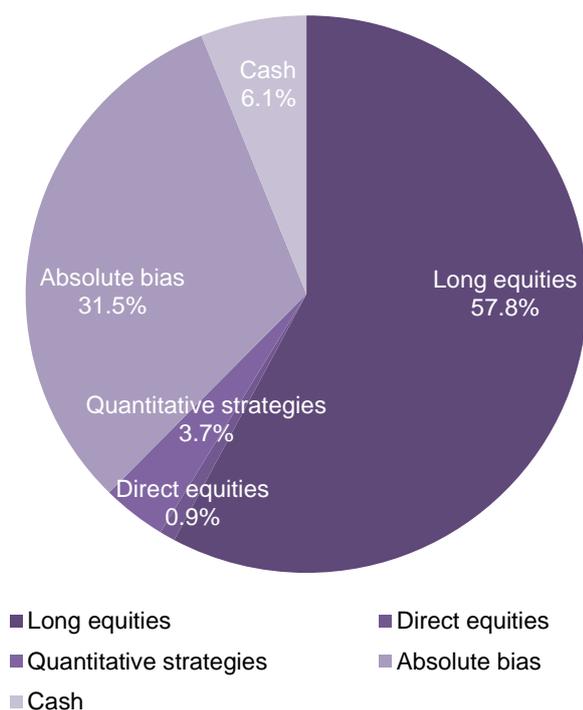


FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Asset allocation as at 31 October 2017

Fund manager	Investment	Strategy	% of portfolio
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.4%
Magellan Asset Management	Magellan Global Fund	Long equities	9.8%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	8.9%
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.2%
Marsico Capital Management	Marsico Global Fund	Long equities	7.7%
VGI Partners	VGI Partners Funds	Absolute bias	7.5%
Caledonia	Caledonia Fund	Long equities	6.8%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	5.9%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	4.9%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.7%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.5%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.7%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.6%
Avenir Capital	Avenir Value Fund	Absolute bias	3.5%
Antipodes Partners	Antipodes Asia Fund	Absolute bias	2.9%
	Direct Equity Exposure	Direct equities	0.9%
	Cash and Term Deposits	Cash	6.1%

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. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

Direct equities – investing in listed equities on a public stock exchange.

Quantitative strategies – 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.

Investment Update & Net Tangible Assets Report

As at 31 October 2017



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Fund managers



Charities



Service providers



Fund manager in focus: Morphic Asset Management



About Morphic Asset Management

Morphic Asset Management is a global equity investment manager based in Sydney. Morphic's area of specialty is long/short mid-cap stocks, which sets it apart from most other global funds offered in Australia. Jack Lowenstein and Chad Slater founded Morphic in 2012, after working together for many years at Hunter Hall Investment Management, one of Australia's original ethical fund managers, where they established an excellent track record.

Morphic offers investors an opportunity to invest in the fund (Morphic Global Opportunities Fund) that combines quality stock picking within a modern risk management framework. Morphic is a signatory of the Principles for Responsible Investment (PRI) and this year launched the Morphic Ethical Equities Fund (ASX: MEC), Australia's first long/short ethical fund.

Our investment philosophy

Morphic has formed a durable and adaptive approach involving a blend of investment strategies – all within a rigorous risk management framework. We believe that by adhering to bottom up value investing, fundamental research and combining it with price trends to decide when to enter, we can deliver better returns for investors with less risk.

Investment Update & Net Tangible Assets Report

As at 31 October 2017

Our market outlook

As we enter 2018, we believe Japan is the most promising of all regions globally. After decades of disappointment, the investment environment is finally starting to look positive. Following a number of microeconomic reforms, Japanese stocks are breaking from tradition and rising despite a flat Yen. The mix of a reviving economy, a low exchange rate and high domestic confidence following Shinzo Abe's spectacular election victory last month, is creating an openness to change. Abe's nationalistic drive to make Japan economically strong to deal with the perceived threat of China is also important.

Our view for the equity markets is 'onwards and upwards until Christmas'. It has been a good year already, but it is worth noting that for the last 30 years, on average, two-thirds of equity returns occur between 12 October and 31 December. Global trends in economic data are good and also broadly based rather than being just driven by China or the US. 'Animal spirits', as measured by consumer confidence, are at their highest in 17 years.

Perhaps the biggest thing to fear is the lack of fear itself. Often things go wrong when so little is priced in, but trying to predict an unknown event at an unknown point for an unknown outcome is tough. We prefer to adapt to new news quickly when it arrives.

Our latest performance report is available [here](#).

Performance as at 31 October 2017

	1 mth	6 mths	1 yr	3 yr	Since inception % p.a (Aug-12)
Morphic Global Opportunities Fund	5.1%	8.9%	22.6%	24.0%	17.9%

For more information visit www.morphicasset.com.

Charity in focus: Butterfly Foundation for eating disorders



Butterfly Foundation is Australia's national organisation for those affected by an eating disorder, including anorexia nervosa, bulimia nervosa, binge eating disorder and atypical presentations. Eating disorders are complex neuropsychiatric illnesses that result in significant physical and psychological impairment. They have the highest mortality rate of any mental illness. Butterfly's mission is to raise awareness about the reality of eating disorders and to support anyone affected by eating disorders and negative body image. We strive to be a catalyst for change and to value people for who they are, rather than what they look like.

Butterfly Foundation and FGG

FGG's investment has enabled Butterfly to expand its current Intensive Outpatient Program (IOP) to include a stream dedicated for young people. Based on the work of Carolyn Costin from the US, the IOP is an early intervention program for young people focuses on preventing hospitalisation and engages the young person into sustainable recovery. The evidence based group therapy program assists young people to harness their healthy behaviours to override and defeat the unhealthy eating disorders behaviours.

Specific achievements to date with the Outpatient Program for Young People, include the following:

- Establishment of the Youth Program; the early intervention stream of the Butterfly programs at Butterfly House, Crows Nest in Sydney
- Strong community partnership through referrals and financial support, with headspace Chatswood and Brookvale in Sydney
- In July, the Youth Program rolled out its first 10-week program for 2017
- The second intake to the program is currently in its sixth week with five young people in attendance. There has been a 100% attendance rate with a focus on binge eating disorder and bulimia.

Investment Update & Net Tangible Assets Report

As at 31 October 2017

Q & A with CEO, Christine Morgan

What impact is FGG funding having on your organisation?

The FGG funding has made an enormous difference to the organisation. Eating disorders, including anorexia nervosa, bulimia nervosa, binge eating disorder and atypical presentations, have the highest mortality rate of any psychiatric illness. While affecting all age groups, they are most prevalent in children and adolescents. It has been estimated that close to one million Australians had an eating disorder in 2015 but less than 25% were in treatment. In addition to this, there is a serious lack of treatment options in Australia available for families and individuals. Hence the waiting time for people to access appropriate treatment is enormous. Having access to this funding has allowed Butterfly to be able to implement an intensive treatment program for young people with eating disorders aged 16-25 years.



What is the biggest challenge for the organisation?

Butterfly Foundation has made steady progress over a number of years in raising awareness about the seriousness of eating disorders and the number of people it affects in Australia. However we still come up against misconception and misunderstanding across the community around the illness. The stigma that is attached to the illness stops people from accessing treatment and help, due to a feeling that it is not taken seriously. Hence only 25% of people with an eating disorder are in treatment.

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

An issue that Butterfly has identified as of great importance for youth mental health in Australia is access to appropriate and affordable treatment. Without access to the right type of service and treatment, young people experience a longer and more severe illness. The reality is that treatment options are limited, the number of clinicians working in the field is insufficient and community support services are either sporadic or nonexistent. Butterfly is working to change the system so that young people can access the treatment support they so desperately need.

Whose work in the mental health space inspires you?

In 2017, the support offered by the Butterfly Foundation to those affected by eating disorders has involved too many families where they have lost a loved one to an eating disorder. It is heartbreaking to hear the stories from families who have lost their loved one to the ravages of the illness or to suicide. Therefore the work that is being done by organisations with a focus on reducing the numbers of young people who have died by suicide is incredibly inspiring.

For more information on the Butterfly Foundation, visit www.thebutterflyfoundation.org.au/.