



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

# Investment update

As at 30 April 2018

## Snapshot

Pre-tax net tangible assets

**\$1.29**

Gross assets

**\$384.9m**

Management fees

**0%**

Performance fees

**0%**

[futuregeninvest.com.au](http://futuregeninvest.com.au)  
ABN 52 606 110 838

## Future Generation Global Investment Company Limited

ASX code	FGG
Date of listing	Sep 2015
Gross assets	\$384.9m
Market cap	\$382.0m
Share price	\$1.29
NTA before tax	\$1.29
Shares on issue	296,112,380
Management fees	0.0%
Performance fees	0.0%
Annual donation (% of NTA)	1.0%
Fully franked dividend (FY2017)	1.0c

### Investment objectives

- Achieve capital growth
- Preserve shareholder capital
- Provide a stream of fully franked dividends

### 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** focused on youth mental health with a 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 AO

#### Chief Executive Officer

Louise Walsh

#### Directors

Frank Casarotti

Karen Penrose

Kiera Grant

Sarah Morgan

#### Investment Committee

Sean Webster, Chair

Chris Donohoe

Aman Ramrakha

Geoff Wilson AO

Lukasz de Pourbaix

#### Company Secretary

Kate Thorley and Mark Licciardo

## Investment portfolio

In April, the FGG investment portfolio increased 2.0%. The MSCI AC World Index (AUD) rose by 2.8% for the month. Since inception, FGG's investment portfolio continues to deliver sound performance with lower volatility than the benchmark.

The spread between the three broad equities strategies is currently 58.8% long equities, 31.0% absolute bias, 3.7% quantitative strategies and 6.5% cash.

## Net tangible assets (NTA) figures

NTA before tax	128.98c*
NTA after tax and before tax on unrealised gains	129.68c
NTA after tax	124.16c

\*The NTA before tax figure is after the payment of \$887k (0.30 cents per share) in tax during the month. After tax NTA figures have been calculated at a corporate tax rate of 27.5%.

## Shareholder Presentations

This month we are travelling across the country to meet with investors about the Future Generation companies. As part of the presentation you will hear from FGG and FGX Founder CEO Louise Walsh and a selection of fund managers and designated charities. Lunch will be served before the presentations. [Reserve your place today.](#)

Location	Time	Day	Date
Sydney Presentation	12.30 – 1.30pm	Tuesday	15 May
Sydney Investment Forum	1.30 – 3.00pm	Tuesday	15 May
Sydney AGM	3.30 – 4.00pm	Tuesday	15 May
Brisbane	12.30 – 1.30pm	Wednesday	16 May
Toowoomba	12.30 – 1.30pm	Thursday	17 May
Perth	12.30 – 1.30pm	Monday	21 May
Adelaide	12.30 – 1.30pm	Tuesday	22 May
Melbourne	12.30 – 1.30pm	Thursday	24 May

## Your all-access pass to the best Australian and global fund managers' investment ideas

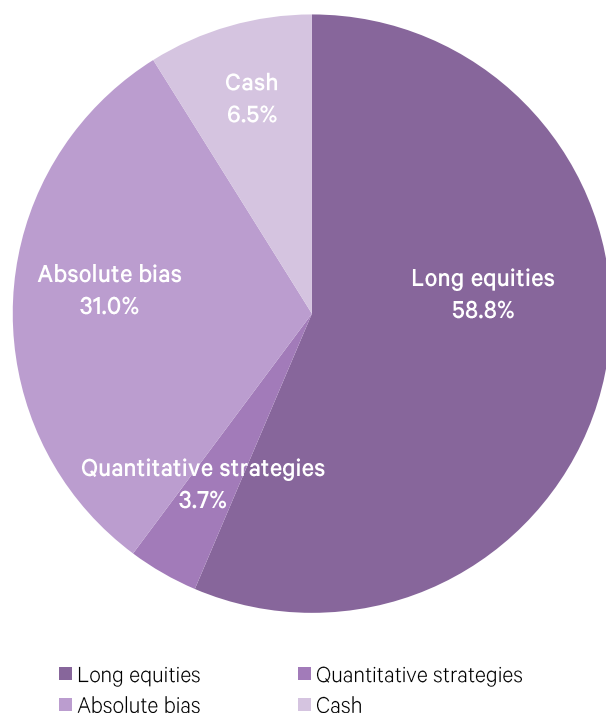
Tickets are almost sold out for the Future Generation Investment Forum **tomorrow** from 1.30pm – 3.00pm at the Westin Sydney. Attending the Forum will give you an all-access pass to receive exclusive, high-conviction investment ideas from the best Australian and global fund managers. [View the line up of speakers and register to attend now.](#)

If you are unable to attend the Investment Forum in Sydney, Livewire will be providing access to the Future Generation Investment Forum via a live web stream. The live stream will start at 1:30pm **tomorrow**. Click here to view the [full agenda and access to the live stream](#).

## Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Antipodes Partners	Antipodes Global Fund	Absolute bias	11.1%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.0%
Magellan Asset Management	Magellan Global Fund	Long equities	9.5%
Ironbridge Capital Management	Ironbridge Global Focus Fund	Long equities	8.7%
Caledonia	Caledonia Fund	Long equities	8.1%
Marsico Capital Management	Marsico Global Fund	Long equities	8.1%
VGI Partners	VGI Partners Funds	Absolute bias	7.6%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.2%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	4.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.6%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.4%
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 Global Fund	Absolute bias	3.3%
	Cash and Term Deposits	Cash	6.5%

## Investment strategy allocation



### Long equities

Investing in a portfolio of equities based on the expectation that 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.

### 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.

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## Pro bono fund managers



## Fund manager in focus: Marsico Capital Management

### MARSICO CAPITAL MANAGEMENT™

Founded by Thomas F. Marsico in 1997, Marsico Capital Management, LLC (MCM™) is a Denver, Colorado-based, SEC-registered, investment management firm that manages assets for mutual funds, corporate retirement plans, endowments, foundations, family offices, and other clients. As of 30 April 2018, MCM managed approximately US \$3.15 billion in assets within seven investment strategies.

For more information, visit  
[marisconfunds.com](http://marisconfunds.com)

#### Our investment philosophy

Marsico Capital Management's investment approach emphasises the selection of high-quality global growth companies with compelling potential for long-term capital appreciation. We search for growth globally by evaluating companies in industries around the world to uncover attractive investment opportunities, as well as to understand the competitive landscape on a world-wide basis. Marsico Capital Management's investment style and process has been consistent since the founding of the firm and has been employed in a variety of market conditions.

#### Our market outlook

Markets were more volatile in February and March due to macroeconomic and geopolitical events, such as negotiations over trade policy with China. Going forward, headlines around "trade war" anxieties may continue to cause fears of faltering growth. That said, US tariff proposals appear in part to be posturing to pressure other countries to cut their own tariffs. In the absence of trade wars escalating, the powerful stimulus of the newly enacted tax cuts seems likely to deliver stronger US economic activity. While trade outcomes are unclear at this point, one possible outcome is that the US might pull back threatened tariffs in exchange for Chinese President Xi agreeing to work down the US trade deficit and focus on intellectual property theft reduction. Markets would respond positively, President Trump would have a great talking point (as would President Xi at home) and in the end there would likely be little economic impact.

From a high-level view, as part of a return to normal conditions after a particularly sanguine investing climate in 2017, we expect continued volatility in the markets as we transition to a more normalised interest rate environment, geopolitical events continue to dominate the headlines, and trade policy remains to be determined.

The basic tenets of our strategy remain the same. That is, we have a skew towards attractively valued, secular growth companies that are growing at rates well in excess of the broader market, with a focus on positive disruption of their industries.

As we have stated in the past, we continue to believe that long term factors such as population demographics, an abundant supply of key commodities including energy, and technological developments that enhance productivity, will shape the investment landscape. Therefore, the portfolio remains skewed toward positively disruptive, secular, "platform" growth stories, particularly in the information technology sector.

		1 yr	Since inception % p.a (Dec-15)
Performance as at 30 April 2018	FYTD		
CC Marsico Global Fund (before fees)	28.1%	32.3%	16.0%
MSCI AC World Net Divs AUD	13.0%	13.1%	11.4%
<b>Outperformance</b>	<b>+15.1%</b>	<b>+19.2%</b>	<b>+4.6%</b>

## Charity in focus: ReachOut



### About ReachOut

ReachOut is Australia's leading online mental health organisation for young people and their parents. Their practical support, tools and tips help young people get through anything from everyday issues to tough times – and the information they offer parents makes it easier for parents to help their teenagers too.

### ReachOut and FGG

Life throws young people all sorts of challenges every day, and it's even truer for young people in regional, rural and remote Australia. With FGG's support, our research revealed the unique pressures for these young people: finances, future jobs, and having to move away from a community they love.

"There's not a lot of work here. You can go and apply for as many jobs as you like but if you don't know the right person or you're not networked enough then you've probably got no hope of getting a job."

Additionally, regional, rural and remote young people have limited services available to them and, where there are services, the wait times are long – even at the best of times: "Following a suicide, we had to put a hold on referrals for a week because we were just absolutely inundated. Our intake team just really couldn't keep on top of it"- Clinician, Darwin, NT.

Thanks to FGG's incredible support, we've been able to provide help in areas where there are few alternatives, by creating new, dedicated resources about the biggest pressures in these young people's lives, including:

- A new content hub focusing on money and jobs
- 12 new multimedia content pieces, including personal stories, and how-to videos
- Tailored campaigns connecting nearly 190,000 young people from regional, rural and remote Australia with help information and support.

In June 2018, we will release our joint report with Mission Australia, 'Lifting the Weight', to shed light on the unique issues faced by these young people and the need for increased support services in regional, rural and remote areas.

For more information, visit [reachout.com](https://reachout.com)

### Q&A with CEO Jono Nicholas

#### What impact does the FGG funding have on your organisation?

Funding from FGG allows us to reach and support more than 100,000 young people who need help but aren't getting it. FGG's funding is unique because it's a substantial commitment over a long period. This allows us to develop a truly long-term focus on improving young people's mental health in rural Australia and it means we can work in partnership with local organisations and communities to achieve a long-term goal.

#### What is the biggest challenge for the organisation?

Our biggest challenge is reaching young people earlier – before mental health challenges worsen – at the right time, in the right way. We already help 1.58 million people a year through ReachOut. With greater awareness and funding to connect young people with ReachOut, we can reach our goal to help a million extra Australians in the year 2020.

#### What's a burning issue in the area you operate in?

Australia needs a world-class mental health system. To do this, our sector needs good funding from the government and organisations like FGG. With this kind of support around young Australians we can change lives for future generations, where suicide will no longer be the leading cause of death.

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## Charities



## Service providers

