

FGG delivers strong performance and fully franked dividend

Total comprehensive income*	Record operating profit before tax*	Annualised savings on management fees, performance fees & services foregone	2018 investment in youth mental health
\$25.7m	\$15.0m	\$5.4m	\$3.6m

*Results are for the six-month period ended 30 June 2018.

Future Generation Global Investment Company Limited (ASX: FGG) today announces a record pre-tax profit of \$15.0 million and an after-tax profit of \$11.1 million for the six-month period ended 30 June 2018. Total comprehensive income for the period was \$25.7 million, reflective of the strong investment portfolio performance. The Board is pleased to announce a fully franked dividend of 1.0 cents per share to shareholders, payable on 26 October 2018.

During the period, the investment portfolio delivered strong performance, increasing 10.3% and outperforming the MSCI AC World Index (AUD) by 5.1%. Since inception, the investment portfolio has increased 10.0% per annum. This investment portfolio performance has been delivered with less volatility than the market as measured by its standard deviation, 8.2% versus 9.2%. FGG is well positioned to continue to provide risk-adjusted global equity exposure to Australian shareholders and provide capital growth through the market cycles over the medium-to-long-term.

The net result after tax and net unrealised gains on investments for the period was \$25.7 million, representing a 140.5% increase on the prior comparative period (June 2017: \$10.7 million), reflecting the strong investment portfolio performance, increased distributions received over the period and the growth in assets of the Company.

"The Company is delivering on its objective of providing an attractive investment to shareholders and significant funding to Australian charities focused on children and youth mental health," FGG Chairman Ms Belinda Hutchinson AM said.

"The Company delivered an excellent investment return of 10.3% outperforming the market by 5.1% and delivered total comprehensive income of \$25.7 million to shareholders. This was driven by the strong performance of our fund managers. We are pleased to announce a fully franked dividend of 1.0 cents per share," Ms Hutchinson said.

"FGG will deliver its third annual investment to charities focused on children and youth mental health, to be paid in October 2018. The amount will be \$3.6 million, bringing the total charitable investment since inception to \$9.1 million.

"I would like to thank our fund managers and leading service providers for their pro bono contributions which allows this valuable investment to happen and in turn enables our eight charities to make a significant and measurable difference in changing the lives of young Australians affected by mental illness," she said.

FGG Chief Executive Officer Louise Walsh said the value of the management and performance fees forgone by the fund managers for the period totalled \$2.4 million and the value of the leading service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$0.3 million.

"The Company receives significant pro bono support from its fund managers, Board, Audit and Risk Committee, Investment Committee members and service providers. Currently, we estimate the value of this pro bono support at approximately \$5.4 million per annum. At 1.4% of the assets of the Company, these savings to shareholders significantly exceed the annual donation to charities," she said.

Dividends

The Company provides shareholders with diverse exposure to global equities and as such its returns are predominately delivered through capital growth. The Board is committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. Today the Company announces a fully franked dividend of 1.0 cents per share, to be paid on 26 October 2018.

Share Purchase Plan and Placement

The Board of Directors today announced a Share Purchase Plan (SPP) and Placement. The SPP offers existing shareholders* the opportunity to acquire up to \$15,000 of new fully paid ordinary shares in FGG without incurring brokerage or other charges. The SPP will be offered at the fixed price of \$1.34, being the net tangible assets (NTA) at 31 July 2018 less the fully franked dividend announced today. The Board currently intends to offer existing FGG professional and sophisticated investors** the ability to participate in a Placement at \$1.34 per share, the same fixed price as the SPP. The Placement is currently expected to occur in the first week of October 2018.

Investment portfolio

The FGG investment portfolio has been structured to provide diversification between three broad equity strategies: long equities, absolute bias, quantitative strategies, with the remainder held in cash. As at 30 June 2018, the portfolio was 50.3% long equities, 35.4% absolute bias, 3.6% quantitative strategies and 10.7% cash.

The investment portfolio is comprised of 14 global fund managers with investments in 14 unlisted unit trusts. As at 30 June 2018, the global fund managers were Antipodes Partners, Cooper Investors, Magellan Asset Management, Caledonia, Marsico Capital Management, VGI Partners, Nikko Asset Management Australia, Munro Partners, Manikay Partners, Ellerston Capital, Morpheic Asset Management, Neuberger Berman Australia, Paradise Investment Management and Avenir Capital.

During the period, the Company fully redeemed its position in the Ironbridge Global Focus Fund and deployed a portion of the redeemed funds to a new investment in the Munro Global Growth Fund.

*Shareholders on the FGG register as at 7:00 pm (AEST) on Monday, 27 August 2018 with a registered address in Australia or New Zealand.

**These terms are defined in the Corporations Act and refer to individuals with net assets greater than \$2.5 million, or those who earn gross income of \$250,000, or a Superannuation Fund with net assets of at least \$10 million.

Investment portfolio continued

Long equities

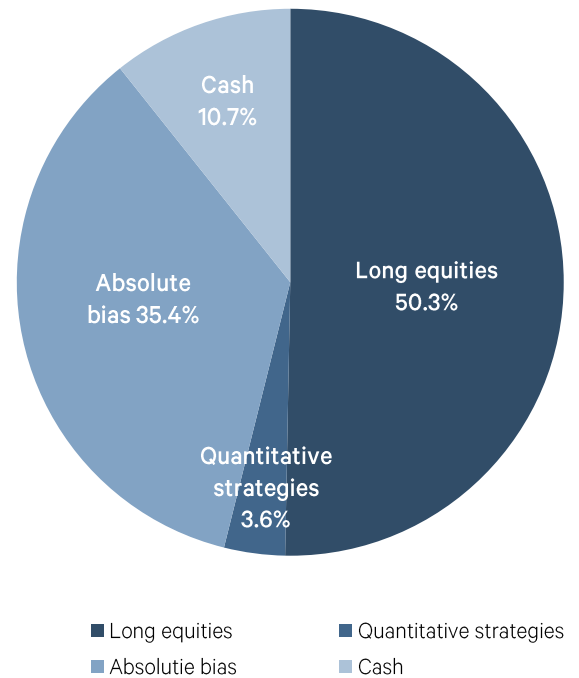
Investing in a portfolio of equities based on the expectation the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

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.

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.



Fund manager	Investment	Strategy	% of portfolio
Antipodes Partners	Antipodes Global Fund	Absolute bias	10.0%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	9.9%
Magellan Asset Management	Magellan Global Fund	Long equities	9.7%
Caledonia	Caledonia Fund	Long equities	8.8%
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	6.1%
Munro Partners	Munro Global Growth Fund	Absolute bias	6.0%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	4.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.5%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.2%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.6%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.2%
Avenir Capital	Avenir Global Fund	Absolute bias	3.0%
	Cash and Term Deposits	Cash	10.7%

Fund managers



Investment in Australia's future generation

FGG's objectives are to provide shareholders with an attractive investment and Australian charities focused on youth mental health with a source of funding. The fund managers do not charge management or performance fees, allowing the Company to donate 1% of assets to the supported charities each year. FGG has partnered with eight designated charities that provide a significant benefit to young Australians in the area of youth mental health.

Charities



Service providers



Future Generation Global Investment Company provides:



Shareholders

with exposure to the best global fund managers without paying management or performance fees.



Charities

primarily focused on 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.

For more information visit www.futuregeninvest.com.au or contact:

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