



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Investment update

As at 30 September 2018

Snapshot

Pre-tax net tangible assets

\$1.39

Management fees

0%

Gross assets

\$416.6m

Performance fees

0%

futuregeninvest.com.au
ABN 52 606 110 838

Future Generation Global Investment Company Limited

ASX code	FGG
Date of listing	Sep 2015
Gross assets	\$416.6m
Market cap	\$410.1m
Share price	\$1.385
NTA before tax	\$1.39
Shares on issue	296,112,380
Management fees	0.0%
Performance fees	0.0%
Annual donation (% of NTA)	1.0%
Fully franked dividend (FY2018)	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

Gavin Mork

Company Secretary

Kate Thorley

Mark Licciardo

Key dividend dates

Ex dividend date	8 October 2018
Record date	9 October 2018
Last election date for DRP	11 October 2018
Payment date	26 October 2018

Investment portfolio

Since inception, the investment portfolio has increased 10.8% per annum. FGG's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.0% versus the market's 9.1%. The spread between the three broad equities strategies is currently 50.9% long equities, 34.8% absolute bias, 3.7% quantitative strategies and 10.6% cash.

Performance

Performance at 30 September 2018	Fin YTD	1 yr	Since inception %pa (Sep-15)
FGG Investment Portfolio*	15.4%	21.7%	10.8%
MSCI AC World Index (AUD)	12.1%	19.0%	11.3%
Outperformance	+3.3%	+2.7%	-0.5%

*Investment performance and Index returns are before expenses, fees and taxes.

Net tangible assets (NTA) figures

The following NTA figures are before the 1.0 cents per share fully franked dividend due to be paid on 26 October 2018. The shares traded ex dividend on Monday, 8 October 2018.

NTA before tax	139.12c*
NTA after tax and before tax on unrealised gains	138.63c
NTA after tax	131.10c

*The after tax NTA figures above have been calculated at a corporate tax rate of 30%.

Share Purchase Plan and Placement

The FGG Share Purchase Plan (SPP) closed on Friday, 5 October 2018. All valid applications will be allocated in full and not scaled back.

Due to the strong demand from investors, the Board of Directors has called an extraordinary general meeting (EGM) on 12 October 2018 to seek shareholders' support to raise up to an additional 75 million shares through the Placement*. The Placement is being made at an issue price of \$1.34, the same price at which shares were offered to shareholders under the SPP. The Placement is occurring on 12 and 15 October 2018 and the results of the SPP and Placement will be announced on Tuesday, 16 October 2018.

Shareholders who have questions about the Placement are encouraged to contact FGG's Chief Executive Officer, Louise Walsh on +61 419 416 618 or Hamish Nairn at Taylor Collison Limited on +61 8 8217 3908 or consult their stockbroker or financial advisor.

*The Placement is open to existing FGG professional and sophisticated investors. These terms are defined in the Corporations Act and refer to individuals with net assets greater than \$25 million, or those who earn gross income of \$250,000, or a Superannuation Fund with net assets of at least \$10 million.

Shareholder presentations

In November, we will be travelling across the country to meet with shareholders to provide an update on the Future Generation companies, including presentations from a selection of our fund managers and designated charities.

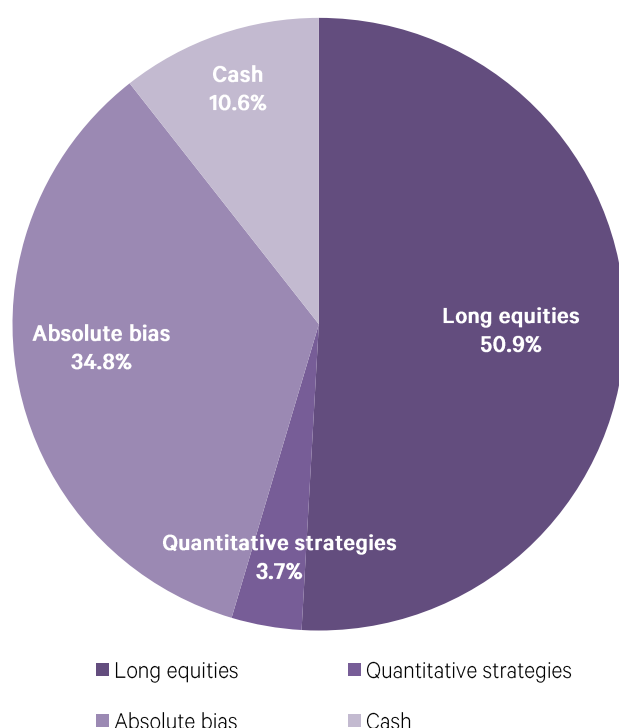
Presentations will run from 12.15pm - 1.15pm in each city, followed by lunch. Reserve your place **now**.

The Future Generation Investment Forum will be held from 1.45pm - 3.15pm on Thursday, 29 November at the Melbourne Convention & Exhibition Centre.

Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Antipodes Partners	Antipodes Global Fund	Absolute bias	10.5%
Magellan Asset Management	Magellan Global Fund	Long equities	10.3%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.2%
Marsico Capital Management	Marsico Global Fund	Long equities	8.5%
VGI Partners	VGI Partners Funds	Absolute bias	8.0%
Caledonia	Caledonia Fund	Long equities	7.8%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	6.2%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.6%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	4.6%
Morphic Asset Management	Morphic Global Opportunities Fund	Absolute bias	4.2%
Munro Partners	Munro Global Growth Fund	Absolute bias	4.1%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	Quantitative strategies	3.7%
Avenir Capital	Avenir Global Fund	Absolute bias	3.4%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.3%
	Cash and Term Deposits	Cash	10.6%

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.

Pro bono fund managers



Fund manager in focus: Avenir Capital



About Avenir Capital

Avenir Capital is a global public equity investment firm that follows a high conviction, research-driven investment process underpinned by a background in private equity to deliver strong absolute returns to clients. Avenir believes that public investment markets are often inefficient and present compelling investment opportunities.

Avenir seeks superior risk-adjusted returns across business and market cycles by conducting deep fundamental business analysis into investment candidates and seeking to purchase high quality businesses selling at prices materially below what is estimated to be their intrinsic value. Avenir apply a concentrated, high conviction strategy as they believe that a carefully selected portfolio of high quality, attractively priced businesses reduces risk and maximises potential upside.

For more information visit
www.avenircapital.com.au

Top 5 holdings as at 30 September 2018	Weight
Nexstar Media Group, Inc.	9.4%
Charter Communications, Inc.	8.4%
Spirit Airlines, Inc.	7.2%
Motorcar Parts of America, Inc.	7.2%
HCA Healthcare, Inc.	6.9%

Our investment style

Unique to our investment style is a disciplined investment process that applies private equity principles to public equity markets. The Fund's investment philosophy is made up of four interrelated components: a high conviction style, an owner's mentality, investing with a margin of safety and having a long-term focus. These components are fundamental to our approach to investing and reflect the private equity background and mindset of the team members.

High Conviction – Avenir runs a concentrated portfolio which allows our best ideas to drive performance. Our turnover is relatively low as we exercise discipline and patience in identifying and selecting investments.

Owner's Mentality – Avenir approaches investing from an owner's perspective as though we are buying a whole business. In doing so, we tune out short-term noise and focus on long-term intrinsic value. Through our rigorous private equity style research process, Avenir identifies companies believed to have sustainable competitive advantages allowing them to produce free cash flow and earn superior cash returns on capital. Avenir seeks to invest in businesses that are run by ethical, capable, shareholder-oriented management teams that are good operators and understand the importance of capital allocation.

Margin of Safety – Avenir follows a classic value investing philosophy seeking superior long-term performance through the purchase of a company's securities when they are selling at prices below our estimate of the intrinsic value of the company's securities. An investment becomes more attractive as the difference between price and value, or the margin of safety, increases. Avenir will generally commit larger amounts of a client's assets to companies determined to have lower price to value ratios and decrease capital committed to companies determined to have higher price to value ratios.

Long Term Focus – Avenir invests with a three to five-year investment horizon. In doing so, we push against an increasingly short-term focused market. We believe that, given time, the underlying value of a well-chosen business will always prevail over short-term mispricing that may occur in a company's securities. With this mindset we embrace volatility as an opportunity.

We look for companies where the return can be expected to compound through both growth in the intrinsic value of the companies in which we invest, and by purchasing this compounding growth at a substantial discount to our assessed intrinsic value.

Performance

Performance at 30 September 2018	3 mths	1 yr	3 yrs %pa	Since inception %pa (Aug-11)
Avenir Global Fund*	7.1%	19.5%	14.9%	16.8%
MSCI All Country World Net Index (AUD)	6.5%	19.0%	12.3%	15.2%
Outperformance	+0.6%	+0.5%	+2.6%	+1.6%

*Fund returns are post fees, pre-tax using redemption prices and assume reinvestment of distributions.

Charity in focus: *Beyondblue*



About *Beyondblue*

Beyondblue is a national, not-for-profit mental health organisation that provides information, support services and innovative tools that help people achieve their best possible mental health. By working with communities and partnering with Primary Health Networks across the country, we provide evidence-based programs and services that help people manage mental health conditions, such as anxiety and depression, and prevent suicide.

Beyondblue and FGG

FGG's contribution of \$285,815 in 2017 enabled *Beyondblue* to undertake two significant projects that can enrich and improve mental health outcomes for children, as well as supporting parents and child care workers.

FGG funding ensured continued promotion of *Beyondblue*'s Healthy Families website, which provides evidence-based information and mental health and wellbeing advice for men, women, parents and grandparents. The website reaches more than 500,000 people, with over 55,000 mental health checklists completed and a return visit rate of 88% among parents and caregivers.

FGG funding also enabled *Beyondblue* to develop a Children's Resilience practice guide to support educators and child care professionals in their work. For parents and caregivers, *Beyondblue* developed tips and advice that focus on building resilience in children at home; helping children cope with the ups and downs of life and bounce back from challenges. The practice guide and tips were developed using *Beyondblue* research and are available, free of charge, on the *Beyondblue* website. The guide has been downloaded more than 15,000 times since January – far exceeding the three year target of 5,000. It is in the hands of professionals right now, changing the way they instil resilience in the children and families they work with.

Research shows that half of all lifelong mental health problems begin before the age of 14, so it is vital that good mental health practice begins as early as possible, during childhood. Both of these projects are helping to raise healthy, happy and mentally resilient children who will hopefully become mentally healthy adults.

For more information, visit www.beyondblue.org.au



Q&A with Susan Anderson, Deputy CEO *Beyondblue*

What is your driving motivation?

The Australian Bureau of Statistics recently revealed the Australian suicide rate was at a 10 year high, with 3,128 people taking their own lives in 2017. This highlights the necessity of our work and why we need to work even harder. I am an advocate for early intervention mental health support, making sure people get the help they need before they reach crisis point.

What is the most challenging aspect of your role?

I believe we have a responsibility to really listen to people, understand their needs and then develop solutions that don't just look good on paper, but provide real mental health support on the ground, when people need them. It's a challenging task that takes time and much effort, but nothing beats the feeling of getting it right and knowing that our services are making a real difference to people's lives.

What is the Impact of FGG's support?

Innovation is central to *Beyondblue*'s work to make it more appealing for people to seek mental health support. We can only design, research and incubate new programs and services with the help of our generous supporters. FGG is a crucial partner, and we are grateful to have its support. This partnership enables us to make available vital tools, such as the Children's Resilience practice guide, for the community. These tools are there for people to use today, but their benefits will be seen in the generations to come. Without FGG's support we simply couldn't provide these essentials services for families across Australia.

Charities



Service providers

