



**FUTURE GENERATION**  
GLOBAL INVESTMENT COMPANY

# Investment update

As at 30 November 2018

## Snapshot

Pre-tax net tangible assets

**\$1.28**

Gross assets

**\$505.2m**

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	\$505.2m
Market cap	\$503.5m
Share price	\$1.285
NTA before tax	\$128
Shares on issue	391,791,594
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

Kiera Grant

Sarah Morgan

#### Investment Committee

Sean Webster, Chair

Chris Donohoe

Aman Ramrakha

Geoff Wilson AO

Lukasz de Pourbaix

Gary Brader

#### Company Secretary

Kate Thorley

Mark Licciardo

## Investment portfolio

In November, the investment portfolio decreased 2.1% in what was another volatile month for global equity markets. The MSCI AC World Index (AUD) fell 1.7% for the month. Since inception, the investment portfolio has increased 8.0% per annum. FGG's performance has been achieved with less volatility as measured by standard deviation, 8.5% versus the market's 9.6%.

The spread between the broad equities strategies is currently 37.6% long equities, 28.1% absolute bias and 34.3% cash.

## Performance

Performance at 30 November 2018	Fin YTD	1 yr	Since inception % p.a. (Sep-15)
FGG Investment Portfolio*	7.9%	5.9%	8.0%
MSCI AC World Index (AUD)	4.3%	2.6%	8.2%
<b>Outperformance</b>	<b>+3.6%</b>	<b>+3.3%</b>	<b>-0.2%</b>

## Net tangible assets (NTA) figures

NTA before tax	128.47c
NTA after tax and before tax on unrealised gains	128.28c
NTA after tax	125.11c

## Shareholder Presentations

Thank you to all who attended our Future Generation Investment Forum and Shareholder Presentations during November. At the Investment Forum, our FGX and FGG fund managers presented their top stock picks. You can find the link to the recording [here](#). The event was covered in the [Australian Financial Review](#), in Livewire by [Alex Cowie](#) and as a [Livewire Exclusive](#), and [The Motley Fool](#).

Thank you also for all who presented, in particular those who were part of the Investment Forum panel: Peter Cooper from [Cooper Investors](#), Jack Lowenstein from [Morphic Asset Management](#), and Geoff Wilson AO, FGX and FGG Founder and Director.

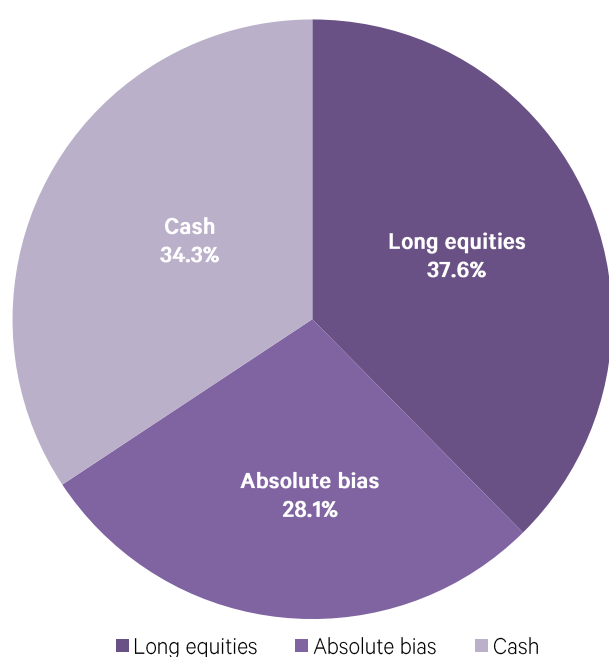
We greatly enjoyed the opportunity to meet many of you during our semi-annual Shareholder Presentations. It was fantastic to see record-breaking numbers across Australia, with more than 2,500 shareholders and interested investors in attendance, and over 1,500 watching the Sydney livestream. If you were unable to make it, you can access the [recording](#).

## Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Antipodes Partners	Antipodes Global Fund	Absolute bias	8.2%
Magellan Asset Management	Magellan Global Fund	Long equities	8.1%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	7.8%
VGI Partners	VGI Partners Funds	Absolute bias	6.4%
Marsico Capital Management	Marsico Global Fund	Long equities	6.2%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	4.9%
Caledonia	Caledonia Fund	Long equities	4.7%
Morphic Asset Management	Global/Ethical Funds (split out below)		4.1%
	Morphic Global Opportunities Fund	Absolute bias	3.2%
	Morphic Ethical Equities Fund	Absolute bias	0.9%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	3.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	3.4%
Munro Partners	Munro Global Growth Fund	Absolute bias	3.1%
Avenir Capital	Avenir Global Fund	Absolute bias	2.7%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	2.5%
	Cash and Term Deposits	Cash	34.3%

FGG fully redeemed its holding in the Neuberger Berman Systematic Global Equities Trust on 30 November 2018. FGG deployed existing capital to a new investment in the Morpheic Ethical Equities Fund during the month. As at 30 November 2018, the investment portfolio is made up of 13 fund managers with investments in 14 funds.

## 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.

### 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\*

#### About Marsico Capital

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 November 2018, MCM managed approximately US \$3.15 billion in assets within six investment strategies.

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

#### Our investment style

Tom Marsico, MCM's founder, Chief Executive Officer, and Chief Investment Officer, has managed large-cap equities since 1979, and has a public investment track record dating to 1988. MCM's investment approach emphasise the selection of high-quality global growth companies with compelling potential for long-term capital appreciation. This high-conviction approach is expressed through concentrated portfolios. 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. MCM'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

The fund is positioned for the long-term compounding of assets, however the last 45 days have been tough for growth assets in general and specifically for some of the sectors the fund is exposed to. Marsico is expecting continued volatility through the first half of 2019 as global growth broadly decelerates and likewise the valuation for different asset classes recalibrates. Going forward, Marsico continues to have confidence in the positions in the portfolio, particularly with the significant reset in these assets over the last 45 days. Looking ahead Marsico is keenly interested in the development of monetary policy and trade discussions as these will shape the market environment for 2019 and will dictate potential portfolio decisions.

The basic tenets of Marsico's strategy remain the same. That is, 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.

Marsico continues 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 Fund remains skewed toward positively disruptive, secular, "platform" growth stories, particularly in the Information Technology sector.

#### CC Marsico Global Fund Performance

	1	2 yrs	Since
Performance at	yr	% p.a.	inception
30 November 2018			% p.a.
			(Dec-15)
CC Marsico Global Fund*	8.8%	21.6%	11.8%
MSCI All Country World Index Net AUD	2.9%	11.8%	9.3%
<b>Outperformance</b>	<b>+5.9%</b>	<b>+9.8%</b>	<b>+2.5%</b>

\*Investment performance is net of all costs and fees.

## Charity in focus: headspace



### About headspace

headspace is the National Youth Mental Health Foundation providing early intervention mental health services to 12-25 year olds. headspace has 107 centres across Australia in metropolitan, regional and remote areas, as well as online and phone support services through eheadspace. headspace can help young people with mental health, physical health (including sexual health) alcohol and other drug services, and work and study support.

### headspace and FGG

FGG partnered with headspace in 2016 to contribute much needed funding for the development and implementation of a National Aboriginal and Torres Strait Islander Traineeship Program, offering training and employment of Aboriginal and Torres Strait Islander mental health workers.

All trainees are employed at nominated headspace centres across Australia in an Aboriginal youth community engagement capacity, as they study for a Certificate IV in Mental Health.

The program increases the availability and scope of mental health and wellbeing support services for Aboriginal and Torres Strait Islander young people aged 12-25 years across Australia, and importantly, in remote communities. Critically, FGG's funding contributes to the development of a long term sustainable Aboriginal and Torres Strait Islander workforce, and enhances cultural awareness and effectiveness for delivery of headspace services for Aboriginal and Torres Strait Islander young people in remote Australia.

In 2017, the funds supported two trainees and one coordinator in headspace Darwin. Both trainees have now been offered full time employment after completing their traineeship. In 2018, the program was expanded to a further two headspace centres. The most recent FGG funding helped to support the engagement of two trainees and one coordinator in Darwin, one trainee in Townsville and one trainee in Broome.

For more information, visit [headspace.org.au](https://headspace.org.au)

### Q&A with Jason Trethowan, CEO

#### What is your driving motivation?

As the CEO of headspace, there are many factors that drive me every day to continue working towards a mentally healthier generation for our young people, however, I gain inspiration and motivation from the young people themselves above all else. I am driven by a fair go for people, especially when support is needed most. Given that 75% of mental health challenges emerge before the age of 24, having a dedicated youth mental health offering like headspace gives every young Australian the opportunity for a fair go when they need us. That in itself is incredibly motivating so at headspace we absolutely aim high. I am personally motivated to do everything possible with our national headspace network to provide a safe, welcoming service which listens and understands what the needs of young people are.

#### What is the impact of FGG's support?

Having the support of FGG has allowed us to implement a National Aboriginal and Torres Strait Islander Traineeship Program offering training and employment to Aboriginal and Torres Strait Islander young people. These roles have focused predominantly on youth and community engagement, increasing access to mental health services and programs and increasing the mental health literacy of Aboriginal and Torres Strait Islander young people. This initiative has helped to build the cultural capacity of the headspace centres and ensure that Aboriginal and Torres Strait Islander young people access culturally relevant, high quality mental health care.

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## Charities



## Service providers

