



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Investment update

As at 31 March 2019

Snapshot

Pre-tax net tangible assets

\$1.34

Gross assets

\$528.2m

Management fees

0%

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	\$528.2m
Market cap	\$536.8m
Share price	\$1.37
NTA before tax	\$1.34
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

Geoff R Wilson

Jonathan Nicholas

Kiera Grant

Sarah Morgan

Investment Committee

Sean Webster, Chair

Aman Ramrakha

Chris Donohoe

Gary Brader

Geoff Wilson AO

Lukasz de Pourbaix

Company Secretary

Kate Thorley

Mark Licciardo

Investment portfolio

In March, the FGG investment portfolio declined by 0.1%. The MSCI AC World Index (AUD) rose 1.3% for the month.

Since inception, the investment portfolio has increased 8.7% per annum. FGG's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.4% versus the market's 9.9%.

The spread between the broad equities' strategies is currently 52.6% long equities, 34.8% absolute bias and 12.6% cash.

Performance

Performance at 31 March 2019	6 mths	1 yr	Since inception % p.a. (Sep-15)
FGG Investment Portfolio*	-1.7%	8.6%	8.7%
MSCI AC World Index (AUD)	-0.2%	11.1%	9.5%
Outperformance	-1.5%	-2.5%	-0.8%

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

Net tangible assets (NTA) figures

NTA before tax	133.89c
NTA after tax and before tax on unrealised gains	134.26c
NTA after tax	129.35c

Future Generation Investment Forum in Sydney

Eight of Future Generation's fund managers will present their best stock picks at the Future Generation Investment Forum on Thursday, 23 May 2019. In addition, Hamish Douglass, Chairman and Chief Investment Officer of Magellan will be interviewed by Australian Financial Review's Chanticleer columnist Tony Boyd.

FGG shareholders can claim three free tickets valued at \$200 each.

Register now for our Shareholder Presentations

We will be travelling around Australia in May to catch up with our shareholders. You will have the chance to hear from our leading fund managers and our charities.

Register now!

Dates and venues:

Friday 10 May: Launceston, Peppers Silo Hotel

Tuesday 14 May: Melbourne, Sofitel on Collins

Wednesday 15 May: Adelaide, Adelaide Convention Centre

Thursday 16 May: Perth, Pan Pacific Perth

Monday 20 May: Canberra, Hotel Realm

Tuesday 21 May: Brisbane, Brisbane Convention & Exhibition Centre

Thursday 23 May: Sydney, The Westin

Annual General Meeting in Sydney

Thursday 23 May 2019

4.00pm-4.30pm

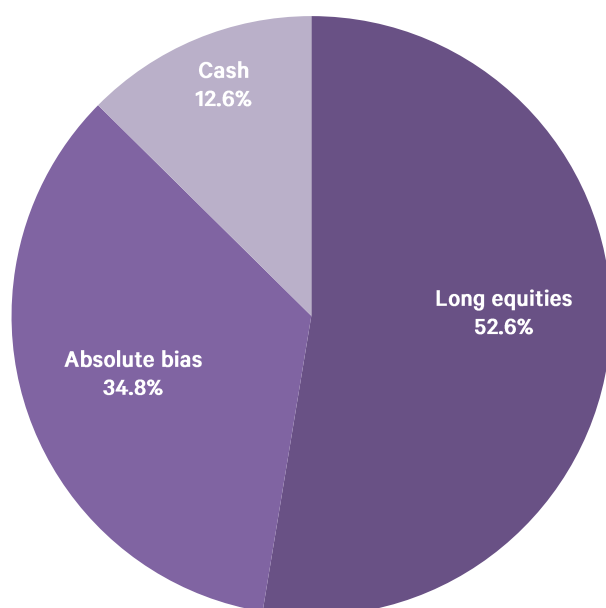
The Westin, 1 Martin Place

Sydney NSW 2000

Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Magellan Asset Management	Magellan Global Fund	Long equities	11.7%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.8%
Antipodes Partners	Antipodes Global Fund	Absolute bias	10.1%
Marsico Capital Management	Marsico Global Fund	Long equities	7.7%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	7.2%
Caledonia	Caledonia Fund	Long equities	6.8%
VGI Partners	VGI Partners Funds	Absolute bias	6.4%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.5%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	4.8%
Morphic Asset Management	Global/Ethical Strategies (split out below)		4.5%
	Morphic Global Opportunities Fund	Absolute bias	3.6%
	Morphic Ethical Equities Fund Limited	Absolute bias	0.9%
Munro Partners	Munro Global Growth Fund	Absolute bias	4.5%
Avenir Capital	Avenir Global Fund	Absolute bias	3.8%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.6%
	Cash and Term Deposits	Cash	12.6%

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.

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: Magellan Asset Management



About Magellan Asset Management

Magellan Asset Management Limited ('Magellan') was established in 2006 to generate attractive returns for clients by investing in global equities and global listed infrastructure while protecting their capital.

With more than \$79 billion in assets under management for our clients based around the world, our team of 30 highly qualified and multi-award winning investment professionals have developed a track record for creating and safeguarding wealth for our investors.

To help meet the needs of our clients, we recently developed sustainable strategies and pioneered a paperless way to invest in active global equities on the ASX. This is done via our global equities and global infrastructure active exchange-traded funds (Active ETFs).

Magellan is a wholly owned subsidiary of Magellan Financial Group Limited (ASX:MFG), which is one of the top 100 stocks by market capitalisation on the ASX.

For more information, visit magellangroup.com.au

Top 5 holdings as at 31 March 2019	Weight
Microsoft Corporation	6.8%
Alphabet Incorporated	6.6%
Facebook Incorporated	6.2%
Visa Incorporated	5.6%
Apple Incorporated	5.5%

Our investment style

Magellan seeks to invest in outstanding companies at attractive prices, while exercising a deep understanding of the macroeconomic environment to manage investment risk.

Magellan perceives outstanding companies to be those that are able to sustainably exploit a competitive advantage in order to continually earn returns on capital that are materially in excess of their cost of capital.

While Magellan is extremely focused on fundamental business value, it is not a typical 'value' investor. We invest in companies that have relatively high price-to-earnings and price-to-book multiples, provided that their businesses are outstanding and their shares are trading at an appropriate discount to their assessed intrinsic value.

Magellan focuses on risk-adjusted returns, rather than benchmark-related returns. As a result, Magellan's investment process is designed to generate an unconstrained, concentrated portfolio of high-quality companies with sufficient diversification to ensure that investors are not overly correlated to any single company, industry-specify or macroeconomic risk.

Our market outlook

Magellan remains cautious to the uncertain outlook for global growth. Two key sources of uncertainty are the China-US negotiations and US monetary policy.

The China-US negotiations are expected to result in a deal, which would be positive for global growth. However, there is a range of potential outcomes and a deal might not happen. Any disappointments would weigh on equity prices.

The Federal Reserve recently adopted a neutral stance on interest rates in response to the softer growth outlook. We see three scenarios, each having somewhat similar likelihoods but different implications for equities. The likelihood of a growth slowdown has increased, but its impact on equities is uncertain because it depends on the net impact of slower growth and lower interest rates. The likelihood of a wage-driven inflation spike has modestly declined, but this outcome remains negative for equities. Lastly, a return to trend-like growth would be positive for equities and its likelihood is broadly unchanged.

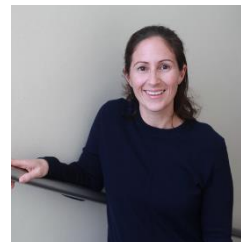
Notwithstanding the uncertainty surrounding stock markets, we are confident about the long-term outlook for the investments selected for our portfolios and the portfolios' risk profile. Many of the stocks in the portfolio benefit from being leading digital platforms, the shift to a cashless society, having a stronghold on the enterprise software market, or the dynamics of ageing populations.

Magellan Global Fund Performance

Performance at 31 March 2019	1 yr	3 yrs % p.a.	Since inception % p.a. (Jul-07)
Magellan Global Fund*	20.3%	14.6%	11.9%
MSCI World Net Total Return Index (AUD)	12.3%	13.7%	6.1%
Outperformance	+8.0%	+0.9%	+5.8%

*Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax, member fees and entry fees (if applicable).

Charity in focus: Black Dog Institute



Q&A with Dr Michelle Tye, lead researcher on the FGG funded Pathways to Safety project

About Black Dog Institute

The Black Dog Institute is a global leader in mental health research and one of only two medical research institutes in Australia to focus on mental health and suicide prevention. Black Dog quickly turns its research findings into clinical services, educational programs and e-health products that improve the lives of people with mental illness. Their aim is to reduce the severity and incidence of mental illness, reduce suicide rates, fight stigma, and empower everyone to look after their mental health.

Black Dog Institute and FGG

Black Dog Institute is grateful for the generous funding from FGG which supports three important research projects focusing on technology as a vehicle for youth suicide prevention.

RAFT is an SMS system to provide continuity of care for young people after a suicide attempt. Many people hospitalised following a suicide attempt receive no follow-up after discharge, despite this being a high-risk period. We hope that by sending helpful messages with links to online material, this can assist in reducing repeat self-harm and suicide attempts. The first feasibility study of the system showed strong engagement among participants and large reductions in suicidal thinking after six weeks. Recruitment has commenced for a second study, which will use a tailored version of the system to target comorbid alcohol issues and suicidality.

The second project is the Pathway to Safety program, which involves development and evaluation of an app to help young people manage suicidal thoughts. Development of the therapeutic content for the app is nearly complete. An online questionnaire will be conducted with young people who have a lived experience of suicidality to allow researchers to get their invaluable input on potential app features and ensure that it is engaging for the intended audience.

Also in development is Socialise, a smartphone technology to detect a young person's social withdrawal (a suicide risk factor). To date, we've conducted two feasibility studies and refined the technology further, to ensure acceptable rates of sensor data acquisition. We are now conducting a third study to confirm that behavioural markers accurately predict symptoms of poor mental health and suicidal risk.

For more information, visit blackdoginstitute.org.au

What is your driving motivation?

In Australia, suicide is the leading cause of death among young people aged 15 to 24, and it is estimated that for each death, there are up to 100 young people who will attempt suicide. With the right solutions, however, suicide is preventable. As such, as a Research Fellow at the Black Dog Institute, I am driven to develop and test early prevention solutions for children and youth which target early, modifiable risk factors for suicide such as suicidal thoughts. The programs aim to build self-regulation and coping skills to divert young people away from engaging in suicidal behaviour and ultimately aim to save lives.

What is the most challenging aspect of your role?

Young people are reluctant help seekers for suicidal thoughts or plans, often due to stigma, structural barriers (costs, travel), or not knowing where to get help. This makes it difficult to reach the two-thirds of vulnerable young people who are unlikely to ask for help. But smart devices present an opportunity to deliver engaging interventions on a large scale which address these barriers. As a leader in digital interventions, Black Dog is well positioned to develop an app that youth can use to help manage suicidal thinking. However, our major challenges are now to continue conducting research which establishes that digital solutions can be effective for young people and to develop programs they want to engage with.

What does it mean to have the support of FGG?

We are so deeply grateful for the generous support of FGG and all of its shareholders and fund managers. Suicide is a tragedy, particularly of a young person with their whole life ahead of them. FGG's approach to sustainable funding enables us to scope out and undertake substantial programs of research into suicide prevention which we hope will result in many more lives saved.

Charities



Service providers

