

ASX announcement & media release

29 August 2019

Future Generation Global announces half year results, increased fully franked dividend and record social investment

Investment portfolio performance	Annualised savings on management fees, performance fees and services forgone	Record investment in high-impact charities focused on youth mental health	Increased fully franked dividend
+12.5%	\$6.4m	\$4.9m	1.5cps

Future Generation Global (ASX: FGG) announced a net result after tax and net unrealised gains on investments of \$41.4 million for six months to 30 June 2019, an increased fully franked dividend of 1.5 cents per share and a record \$4.9 million investment in charities focused on youth mental health to be made in October 2019. The fully franked dividend represents a 50.0% increase on the prior year.

“Future Generation Global continued to deliver solid investment portfolio performance of 12.5% over the past six months to 30 June 2019 and 9.6% per annum since inception with less volatility than the MSCI AC World Index (AUD) as measured by standard deviation. This performance has delivered on the Company’s investment objective of providing capital growth to shareholders and allowed the Board of Directors to declare an increased fully franked dividend,” Chairman Belinda Hutchinson AM said.

“On behalf of Future Generation Global’s shareholders and charities, we thank each of our pro bono fund managers for enabling the Company to deliver both investment and social returns. We are delighted to announce this year’s increased fully franked dividend of 1.5 cents per share and a record investment in the future of young Australians of \$4.9 million, bringing the total investment since inception to \$14.0 million,” Ms Hutchinson said.

The Company reported an operating profit before tax of \$12.4 million and an operating profit after tax of \$7.7 million for the period ended 30 June 2019. The net result after tax and net unrealised gains on investments for the period was \$41.4 million, representing a 61.2% increase on the prior comparative period. The increase is reflective of the portfolio performance and the growth in assets over the period.

Chief Executive Officer Louise Walsh said the value of the management and performance fees forgone by the fund managers for the period totalled \$2.8 million and the value of the service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$0.4 million.

“The Company receives significant pro bono support from its fund managers, Board, Investment Committee members and service providers. We estimate the current value of this pro bono support at approximately \$6.4 million per annum. At 1.2% of the net assets of the Company, these savings to shareholders exceed the annual investment in charities,” Ms Walsh said.

Increased fully franked dividend

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 a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserve and franking credits and it is within prudent business practices.

The Board is pleased to announce a fully franked dividend of 1.5 cents per share, a 50.0% increase on the prior year. The dividend will be paid on 25 October 2019 and will trade ex-dividend on 11 October 2019. Shareholders are able to participate in the Dividend Reinvestment Plan (DRP) and the Dividend Donation Plan (DDP). The last election date for the DRP and the DDP will be 16 October 2019.

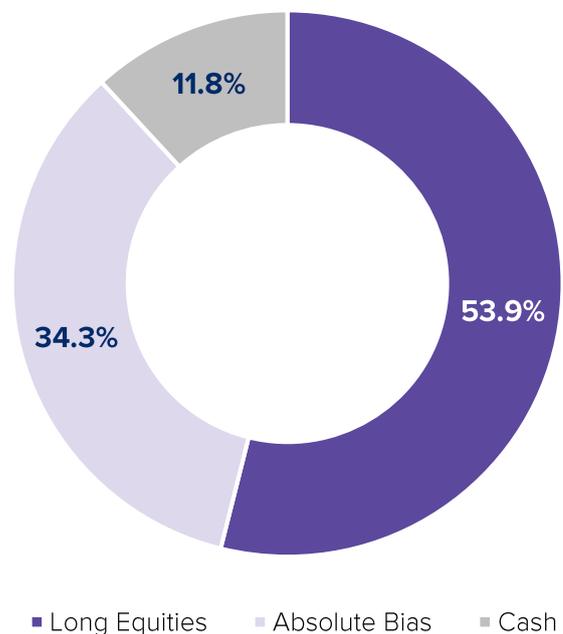
Investment strategy allocation

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 securities exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap companies.

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.



As at 30 June 2019 the portfolio was 53.9% long equities exposure, 34.3% absolute bias and 11.8% cash. The investment portfolio is made up of 13 global fund managers with investments in 13 global unlisted unit trusts and one listed investment company.

Fund managers



Investing in Australia's future generation

The objectives of the Company 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 1.0% of its average net assets to the supported charities each year. Future Generation Global has partnered with designated charities that provide a significant benefit to young Australians in the area of youth mental health: Beyond Blue, Black Dog Institute, Brain and Mind Centre, Butterfly Foundation for Eating Disorders, headspace, Kids Helpline, Orygen – the National Centre of Excellence in Youth Mental Health, ReachOut Australia, SANE Australia and Youth Focus. Future Generation Global shareholders decide annually on a pro-rata basis the amount donated to each charity. This year Future Generation Global will invest \$4.9 million in charities focused on youth mental health, bringing the total charitable investment since inception to \$14.0 million.

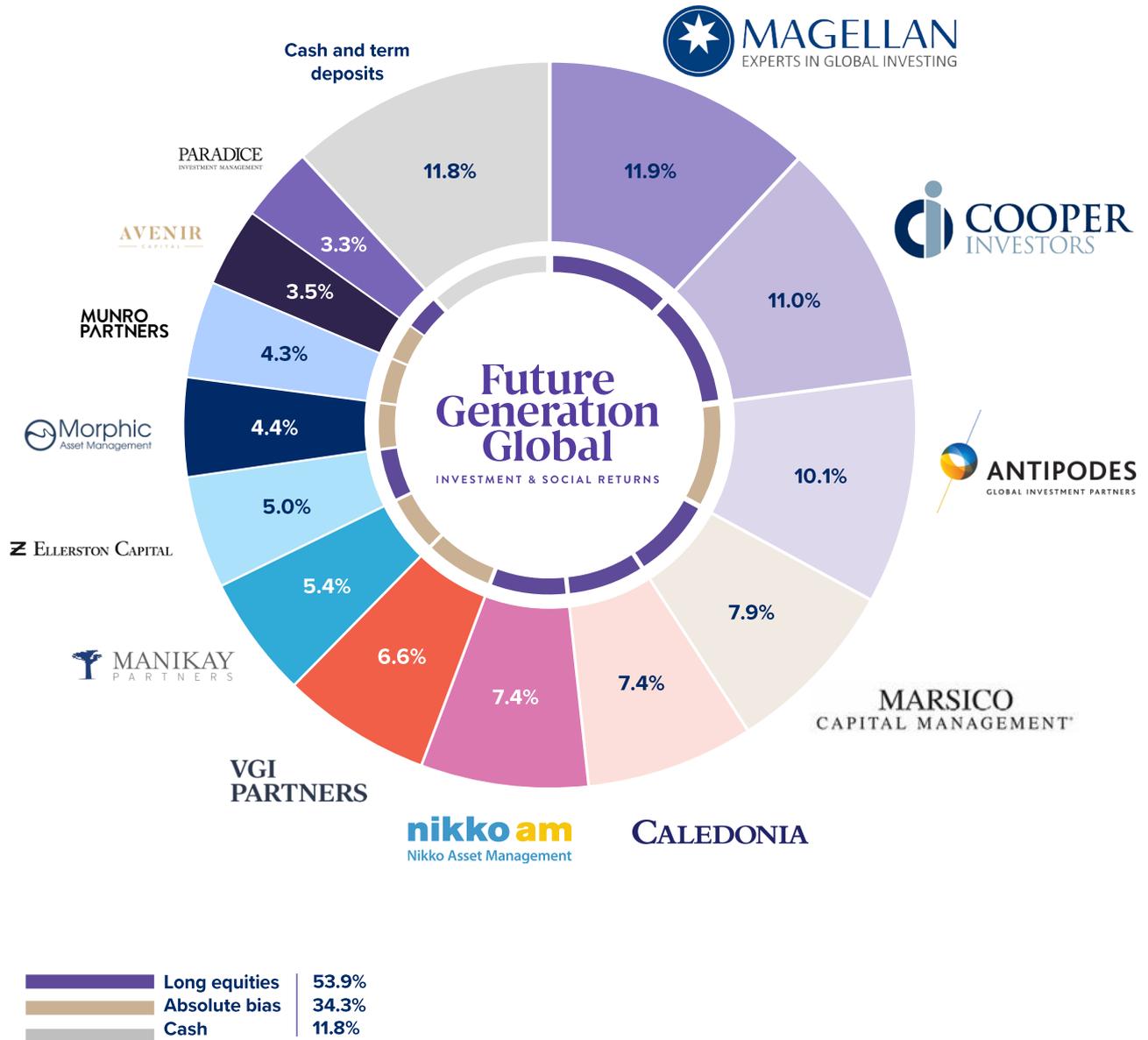
Charites



Service providers



Asset allocation as at 30 June 2019



About Future Generation Global

Listed in 2015, Future Generation Global Investment Company Limited (ASX: FGG) provides:

Shareholders

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



Charities

primarily focused on youth mental health with a stream of annual investments.



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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