# ASX Announcement/ Media Release

FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

## FGG ANNOUNCES FY2016 RESULTS

### Highlights

- Inaugural donation of $2.42m to children and youth mental health charities
- Savings of $3.21m delivered from pro bono management, performance and services
- Pre-tax profit of $6.07m
- 1.0 cent per share inaugural fully franked dividend

Future Generation Global Investment Company Limited (ASX: FGG) today announced its full year results, with a pre-tax profit of $6.07 million and an after tax profit of $4.48 million. The Appendix 4E and preliminary financial report for the 10 months of operations to 30 June 2016 have been lodged.

As at 30 June 2016, the investment portfolio was fully invested in 21 funds with 17 fund managers investing in global equities.

The performance of some of FGG's global equity fund managers was impacted by the renewed strength of the Australian dollar and the underperformance of Asian markets during the 2016 financial year. As a result, FGG's investment portfolio decreased 2.8% over the 10 months since inception, while the MSCI AC World Index (AUD) fell 1.6%.

"While FGG's fund managers faced a challenging global investment environment, they were able to outperform the benchmark in four of the six months when the market fell," Chairman Belinda Hutchinson said.

"It is encouraging that the investment portfolio grew by 2.2% in the first month of 2017 financial year.

"In a challenging period when the distributed after tax realised profit from the global mangers equated to 1.6 cents, the Board has declared a 1.0 cent per share fully franked inaugural dividend payable on 31 October 2016. At this stage we do not anticipate an interim dividend being paid and estimate that the next potential dividend will be a 2017 final dividend dependant on the distributed profits from the global fund managers over the 2017 financial year," she said.

"The Board of Directors is delighted that in its first year FGG is able to donate $2.42 million to charity where our focus is on children and youth mental health. I would like to thank our fund managers and leading service providers for working pro bono to enable this donation to happen," she said.

The value of fund managers' foregone management and performance fees totals $2,592,562 and the value of the leading service providers working on a pro bono basis totals $619,512.

FGG Chief Executive Officer Louise Walsh thanked shareholders for being part of Australia's first philanthropic wealth creation vehicle focused on youth mental health.

"We would like to thank our shareholders for being part of FGG's innovative approach to long-term wealth creation with its objective of both shareholder and social returns being achieved," Ms Walsh said.

## Dividends

The Board has declared an inaugural fully franked final dividend of 1.0 cent per share. The dividend reinvestment plan (DRP) and dividend donation plan (DDP) are available to shareholders for the final dividend.

| | |
|---|---|
| **Ex dividend date** | 18 October 2016 |
| **Record date** | 19 October 2016 |
| **Last election date for the DRP & DDP** | 21 October 2016 |
| **Final dividend payment date** | 31 October 2016 |

The Board does not anticipate an interim dividend being paid and estimates that the next potential dividend will be a 2017 final dividend dependant on the distributed profits from the global fund managers over the 2017 financial year. The Board will seek to pay fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices.

## Options

The Company issued one attaching option to each share subscribed for in the Company's initial public offering. The options have an exercise price of $1.10 per share and can be exercised at any time on or before 15 September 2017. As at 30 June 2016, 1,702,218 shares had been allotted from the exercise of options.

## Investment portfolio

The FGG investment portfolio has been structured to provide a spread between three broad equity strategies: long equities, absolute bias, quantitative strategies; and cash. The composition of the portfolio will vary over time in terms of strategies, funds and managers. The long equities portion of the portfolio includes exposure to large cap, mid cap and small cap stocks. As at 30 June 2016, the portfolio was 54.2% long equities, 30.3% absolute bias, 6.2% quantitative strategies and 9.3% cash.

FGG was initially invested with 18 managers in 22 funds. During the 2016 financial year, the Company's investment in the CC Global Access SPC – Marsico Global Segregated Portfolio was partially redeemed and converted into an equal value holding with the CC Marsico Global Fund. At the end of the period, the investment portfolio was made up of 17 managers with investments in 21 funds, following the full redemption from the Optimal Japan Absolute Long Fund in June. All allocations to the other fund managers stayed constant over the period.

The fund managers who have generously forgone their management and performance fees are: Ironbridge Capital Management, Magellan Asset Management, Cooper Investors, Antipodes Partners, VGI Partners, Marsico Capital Management, Nikko Asset Management Australia, Manikay Partners, Ellerston Capital, Morphic Asset Management, Neuberger Berman Australia, Paradice Investment Management, Optimal Japan,Tribeca Investment Partners, Avenir Capital, Insync Funds Management, Hunter Hall Investment Management and Eastspring Investments (Singapore).

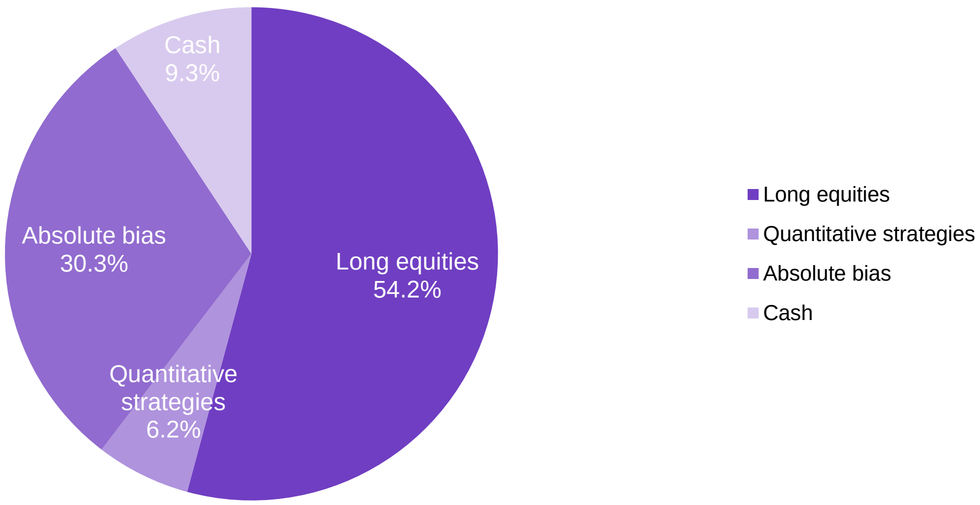
## Charitable objectives

The Company has initially partnered with eight designated charities that provide a significant benefit to young Australians in the area of children and youth mental health. These charities are: *beyondblue*, Black Dog Institute, Brain and Mind Centre, Butterfly Foundation for Eating Disorders, headspace, Orygen – the National Centre of Excellence in Youth Mental Health, ReachOut Australia and SANE Australia. FGG shareholders will decide annually on a pro-rata basis on the amount donated to each charity.

## Asset allocation as at 30 June 2016

| Fund manager | Strategy | % of Assets as at 30 June 2016 |
|---|---|---|
| Ironbridge Capital Management | Long equities | 9.7% |
| Magellan Asset Management | Long equities | 9.0% |
| Cooper Investors | Long equities | 8.5% |
| Antipodes Partners | Absolute bias | 7.9% |
| VGI Partners | Absolute bias | 7.7% |
| Marsico Capital Management | Long equities | 7.0% |
| Nikko Asset Management Australia | Long equities | 5.8% |
| Manikay Partners | Absolute bias | 5.1% |
| Ellerston Capital | Long equities | 4.9% |
| Morphic Asset Management | Absolute bias | 4.2% |
| Neuberger Berman Australia | Quantitative strategies | 3.7% |
| Paradice Investment Management | Long equities | 3.3% |
| Cooper Investors | Long equities | 3.1% |
| Antipodes Partners | Absolute bias | 2.6% |
| Tribeca Investment Partners | Quantitative strategies | 2.5% |
| Avenir Capital | Absolute bias | 1.5% |
| Insync Funds Management | Long equities | 1.5% |
| Hunter Hall Investment Management | Long equities | 1.4% |
| Eastspring Investments (Singapore) | Absolute bias | 1.3% |
| Cash, income receivable and outstanding settlements | | 9.3% |

## Investment strategy allocation (% of assets as at 30 June 2016)



## Fund Managers

MFG MAGELLAN ASSET MANAGEMENT LIMITED
COOPER INVESTORS
nikko am Nikko Asset Management
IronBridge Capital Management, L.P.
MARSICO CAPITAL MANAGEMENT
PARADICE INVESTMENT MANAGEMENT
eastspring investments
ANTIPODES GLOBAL INVESTMENT PARTNERS
HUNTER HALL Global Managed Funds
insync fund managers
AC AVENIR CAPITAL
Morphic Asset Management
VGI PARTNERS
ELLERSTON CAPITAL
MANIKAY PARTNERS
NEUBERGER BERMAN
Tribeca Investment Partners

## Charities

beyondblue
Black Dog Institute
THE UNIVERSITY OF SYDNEY Brain and Mind Centre
Butterfly Foundation for Eating Disorders
headspace
Orygen The National Centre of Excellence in Youth Mental Health
REACH OUT.COM
sane AUSTRALIA

## Service Providers

WILSON ASSET MANAGEMENT
WHITE OUTSOURCING
PITCHER PARTNERS
BoardRoom Smart Business Solutions
WATSON MANGIONI
slidemaster professional presentation design
Lonsec
IIR Conferences an informa business
livewire
mertons corporate governance specialists
MATRIX SOLUTIONS
PWN.
seed PARTNERSHIPS
Bloomberg
Steadfast STRENGTH WHEN YOU NEED IT
JLT
webb henderson Legal and Regulatory Advisors
complispace make it work

## About Future Generation Global Investment Company

Future Generation Global Investment Company (ASX: FGG) is Australia's first internationally focused listed investment company (LIC) with the dual objectives of providing shareholders with diversified exposure to selected global fund managers and changing the lives of young Australians affected by mental illness. FGG offers investors the opportunity to gain unprecedented access to Australia's most prominent global fund managers – a number of whom are closed or not accessible to retail investors – through a single ASX-listed investment vehicle. The Company charges 0.0% management fees and 0.0% performance fees. Fund managers are managing the capital entirely pro-bono so that 1.0% of net assets each year can be donated to Australian charities committed to young Australians affected by mental health issues.

For more information visit **www.futuregeninvest.com.au**
***"Together, we are investing in Australia's future generation"***

### For further information, please contact:

**Belinda Hutchinson**
Chairman
+61 2 9247 6755
info@futuregenivest.com.au

**Louise Walsh**
Chief Executive Officer
+61 419 416 618
louise@futuregeninvest.com.au

**James McNamara**
Head of Corporate Affairs
+61 416 734 080
james@wamfunds.com.au