Future Generation Global Investment Company Limited

ABN 52 606 110 838

APPENDIX 4E
PRELIMINARY FINAL REPORT
for the period from 28 May 2015 (date of incorporation) to 30 June 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	$'000
Revenue from ordinary activities	9,448
Profit from ordinary activities before tax attributable to members	6,067
Net profit from ordinary activities after tax attributable to members	4,480

*The amount and percentage change up or down from the previous period are not disclosed as this is the first reporting period.

Dividend information	**Cents per share**	**Franked amount per share**	**Tax rate for franking**
2016 Final dividend cents per share	1.0	1.0	30%

Final dividend dates	
Ex-dividend date	18 October 2016
Record date	19 October 2016
Last election date for the DRP	21 October 2016
Payment date	31 October 2016

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked final dividend of 1.0 cent per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at no discount to the price (calculated as the VWAP (volume weighted average price) of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date inclusive of the ex-dividend date).

Net Tangible Assets ('NTA')	**30 June 2016**
Net tangible asset backing (after tax) per share	$1.06

**The NTA figure is not adjusted for the 272,969,948 options on issue with an exercise price of $1.10.*

This report is based on the Financial Report which is in the process of being audited. All documents comprise the information required by Listing Rule 4.3A.

FUTURE GENERATION GLOBAL INVESTMENT COMPANY LIMITED

ABN 52 606 110 838

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	For the period 28 May 2015 to 30 June 2016 $'000
Investment income from ordinary activities		
Interest income		245
Distributions received		6,858
Investment management and performance fee rebates	**6**	2,202
Other income		143
		9,448
Expenses		
ASX listing fees		-
Share registry maintenance costs		-
Charity donation accrual	**7**	(2,420)
Net foreign exchange losses		(826)
Share registry transaction costs		(54)
ASX chess fees		(36)
Other expenses		(36)
Insurance		(9)
		(3,381)
Profit before income tax		**6,067**
Income tax expense	**8(a)**	(1,587)
Profit after tax for the period		**4,480**
Other comprehensive loss		
Items that will not be reclassified to profit or loss		
Net unrealised losses on investments taken to equity, net of tax		(11,615)
Net realised losses on investments taken to equity, net of tax		(800)
Other comprehensive loss for the period, net of tax		**(12,415)**
Total comprehensive loss after tax for the period		**(7,935)**

Earnings per share for profit attributable to the ordinary equity holders of the Company:

Basic earnings per share	**23**	2.21 cents
Diluted earnings per share	**23**	2.18 cents

The accompanying notes form part of these financial statements.

FUTURE GENERATION GLOBAL INVESTMENT COMPANY LIMITED
ABN 52 606 110 838

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**9**	17,163
Trade and other receivables	**10**	6,198
Receivable for units redeemed		3,546
Other current assets		18
Total current assets		**26,925**
Non-current assets		
Financial assets at fair value through other comprehensive income	**11**	262,836
Deferred tax assets	**12**	7,266
Total non-current assets		**270,102**
Total assets		**297,027**
LIABILITIES		
Current liabilities		
Other payables	**13**	75
Charity donation accrual	**7**	2,420
Current tax liabilities		2,008
Total current liabilities		**4,503**
Non-current liabilities		
Deferred tax liabilities	**14**	1
Total non-current liabilities		**1**
Total liabilities		**4,504**
Net assets		**292,523**
EQUITY		
Issued capital	**15(c)**	300,458
Reserves	**16(a)**	(7,935)
Retained earnings	**16(b)**	-
Total equity		**292,523**

The accompanying notes form part of these financial statements.

FUTURE GENERATION GLOBAL INVESTMENT COMPANY LIMITED

ABN 52 606 110 838

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	Issued capital $'000	Investment reserves $'000	Profits reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 28 May 2015		**-**	**-**	**-**	**-**	**-**
Net profit for the period		-	-	-	4,480	4,480
Other comprehensive loss for the period						
Other comprehensive loss, net of tax		-	(12,415)	-	-	(12,415)
		-	(12,415)	-	4,480	(7,935)
Transactions with owners:						
Contributions of equity, net of transaction costs and tax	**15(a)**	300,458	-	-	-	300,458
Transfer of profits reserve	**16(a)**	-	-	4,480	(4,480)	-
		300,458	-	4,480	(4,480)	300,458
Balance at 30 June 2016		**300,458**	**(12,415)**	**4,480**	**-**	**292,523**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	For the period 28 May 2015 to 30 June 2016 $'000
Cash flows from operating activities		
Interest received		239
Broker fees refunded for charity donation		55
Rebate income received		15
Payments for other expenses		(137)
Net cash provided by operating activities	**21**	**172**
Cash flows from investing activities		
Payments for financial assets		(291,118)
Proceeds from sale of financial assets		10,000
Net cash used in investing activities		**(281,118)**
Cash flows from financing activities		
Shares issued via initial public offering		302,139
Shares issued via the exercise of options		1,873
Cost of raising capital (gross of tax)		(5,077)
Net cash provided by financing activities		**298,935**
Net increase in cash and cash equivalents		**17,989**
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate changes on cash and cash equivalents		(826)
Cash and cash equivalents at the end of the period	**9**	**17,163**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

1. General information

Future Generation Global Investment Company Limited (the ‘Company’) was incorporated in Australia on 28 May 2015.

The registered office of the Company is located at Level 11, 139 Macquarie Street, Sydney NSW 2000.

The financial report was authorised for issue on 31 August 2016 by the Board of Directors.

As this is the Company's first period of operations, there are no comparatives.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. The financial statements are for the entity Future Generation Global Investment Company Limited (the ‘Company’).

(a) Basis of preparation

These financial statements for the reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Company’s financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets for which the fair value basis of accounting has been applied.

(i) Adoption of new and revised accounting standards

Certain new and revised accounting standards and interpretations have been issued by the Australian Standards Board. The assessment of the Directors of the Company is that these new standards and interpretations will not have a material impact on the financial report of the Company.

2. Summary of significant accounting policies (continued)

(b) Revenue recognition

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the period they are incurred.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Trust distributions

Distributions are recognised as revenue when the right to receive payment is established.

(iv) Management and Performance Fee Rebate Income

Investment manager fee rebate is recognised in the Statement of Comprehensive Income on an accruals basis.

(c) Investments and other financial assets

Classification

(i) Financial assets at fair value through other comprehensive income

The Company has designated long-term investments in unlisted unit trusts as ‘fair value through other comprehensive income’. All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value for financial assets at fair value through other comprehensive income are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an instrument held at fair value through other comprehensive income is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio revaluation reserve to the investment portfolio realised gains/losses reserve.

Determination of Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

2. Summary of significant accounting policies (continued)

(c) Investments and other financial assets (continued)

The Company's accounting policy on fair value is disclosed in Note 2.

The Board of Directors values the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Future Generation Global Investment Company Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. Summary of significant accounting policies (continued)

(e) Income tax (continued)
Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Impairment of assets
Assets excluding investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The amount of the impairment loss, if any, is recognised in the Statement of Comprehensive Income within other expenses.

(g) Cash and cash equivalents
For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(h) Trade receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(i) Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(j) Issued capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(k) Profits reserve
A profits reserve has been created representing an amount allocated on a monthly basis from retained earnings that is preserved for future dividend payments.

2. Summary of significant accounting policies (continued)

(l) Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

(m) Earnings per share
(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Rounding of amounts
The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(p) Functional and presentation currency
The functional and presentation currency of the Company is Australian dollars.

3. Fair value measurements

The Company measures and recognises financial assets at fair value through other comprehensive income on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(i) Recognised fair value measurements
The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 30 June 2016 on a recurring basis.

At 30 June 2016	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**30 June 2016 $'000**
Unlisted unit trusts	-	262,836	-	262,836
	-	**262,836**	**-**	**262,836**

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values
For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

(b) Valuation techniques used to determine fair value

Recurring fair value measurements
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Board of Directors values the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Designation of investments as 'fair value through other comprehensive income'
The Company has designated its investments in unit trusts as 'fair value through other comprehensive income', which results in the fair value adjustments for the period being recognised directly in equity in the investment portfolio revaluation reserve, net of tax. Once an investment is sold, any cumulative gain or loss recognised attributable to that investment is transferred to the investment portfolio's realised gains/losses reserve.

5. Segment information

The Company has one reporting segment. The Company is engaged solely in investments in unlisted unit trusts and deriving income from cash and cash equivalents.

6. Investment income from ordinary activities

The Company has invested in 22 unlisted unit trusts and where available, has invested in unit classes that have zero management and performance fees during the period. The unit trusts with a zero fee unit class are the Avenir Value Fund, IronBridge Global Focus Fund, Neuberger Berman Systematic Global Equity Trust and Tribeca Global Total Return Fund.

The remaining investments are in unit classes that charge management and performance fees. These fund managers rebate the fees charged. The aggregate management and performance fees rebated to the Company during the financial period were $2.20 million.

The total management and performance fees forgone by the unit trusts with a zero fee unit class for the period amounted to $0.39 million.

7. Charity donation accrual

The Company intends to donate a percentage of the Company's assets to Australian charities supporting children and youth mental health. The donation is accrued monthly and is based on the Company's average monthly net tangible assets. The accrual commenced at the end of September 2015, being the month the Company was admitted to the official list of ASX Limited.

	30 June 2016
	$'000
Charity donation accrual	2,420

8. Income tax

(a) Income tax expense

	For the period 28 May 2015 to 30 June 2016 $'000
Current income tax expense	2,008
Deferred tax liability	1
Deferred tax benefit	(422)
	1,587

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	6,067
Tax at the Australian tax rate of 30%	1,820
Franking credits on trust income received	(38)
Imputation gross up on trust income	11
Foreign tax credits on trust income received	(295)
Foreign tax credits gross up on trust income	89
	1,587

The applicable weighted average effective tax rate is 26.16%.

The effective tax rate reflects the benefit to the Company of franking credits and withholding tax received on trust income.

With consideration of the Tax Transparency Code released in May 2016, the Company has voluntarily chosen to adopt Part A for disclosure in its financial report.

(c) Amounts recognised directly in equity

	For the period 28 May 2015 to 30 June 2016 $'000
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive loss but directly credited to equity:	
Deferred tax: cost of raising capital	1,523
Aggregate deferred tax arising in the reporting period and directly credited to other comprehensive loss	5,321

(d) Tax expense relating to items of other comprehensive income

Net unrealised losses on investments taken to equity	4,978
Net realised losses on investments taken to equity	343
	5,321

9. Current assets - Cash and cash equivalents

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	30 June 2016 **$'000**
Cash at call	17,163

The accounts are earning interest at fixed rates. Of the above cash amount, $13,278 million ($USD 9,887 million) is denominated in US Dollars.

Risk exposure
The maximum exposure to credit risk in relation to cash at the end of the reporting period is the carrying amount of cash at call.

Cash at call is with Australia and New Zealand Banking Group which is rated A-1+ by Standards & Poor's.

10. Current assets – Trade and other receivables

	30 June 2016 **$'000**
Distributions receivable	5,388
Interest receivable	6
GST receivable	2
Rebate income receivable	802
	6,198

Risk exposure
The maximum exposure to credit risk in relation to trade and other receivables at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

11. Non-current assets – Financial assets at fair value through other comprehensive income

	30 June 2016 **$'000**
Financial assets at fair value through other comprehensive income	262,836

During the period, the Company's investment in the CC Global Access SPC – Marsico Global Segregated Portfolio was partially redeemed and a subsequent application into the CC Marsico Global Fund was made. The fair value of the partial redemption was $10.00 million. In addition, a full redemption out of the Optimal Japan Absolute Long Fund was made during the period. The fair value of this full redemption amounted to $3.55 million. All allocations to the other fund managers remained constant over the period.

12. Non-current assets – Deferred tax assets

		30 June 2016 $'000
The balance comprises temporary differences attributable to:		
Net unrealised losses on financial assets at fair value through profit or loss		4,978
Net realised losses on investments		343
Capitalised costs of raising capital		1,218
Audit and tax fees		1
Charity fee accrued		726
		7,266
Movements:		
28/05/2015	Opening balance	-
	Credited:	
	- to other comprehensive income	5,321
	- to profit or loss	422
	- to equity	1,523
30/06/2016	Closing balance	**7,266**

13. Current liabilities – Other payables

	30 June 2016 $'000
Other payables	75

Other payables are unsecured and are usually paid within 30 days of recognition. The carry amounts of other payables are assumed to be the same as their fair values, due to their short-term nature.

14. Non-current liabilities – Deferred tax liabilities

		30 June 2016 $'000
Accrued income		1
		1
Movements:		
28/05/2015	Opening balance	-
	Credited:	
	- to profit or loss	1
30/06/2016	Closing balance	**1**

15. Issued capital

(a) Share capital

	30 June 2016 Number ‘000	30 June 2016 $’000
Ordinary shares	276,374	300,458

(b) Other equity

	30 June 2016 Number ’000
Options	272,970

(c) Movements in ordinary share capital

			30 June 2016 Number ‘000	30 June 2016 $’000
28/05/2015	Opening balance		-	-
	Issue of shares	**15(e)**	274,672	302,139
	Exercise of options – proceeds received	**15(f)**	1,702	1,873
	Cost of raising capital (net of tax)		-	(3,554)
30/06/2016	Closing balance		**276,374**	**300,458**

(d) Movements in options

		30 June 2016 Number ’000
28/05/2015	Opening balance	-
	Options issued	274,672
	Options exercised	(1,702)
30/06/2016	Closing balance	**272,970**

(e) Share issue

On 28 July 2015, the Company announced the lodgement of a Replacement Prospectus dated 9 July 2015 that sought to raise up to $550 million under its Initial Public Offer (‘IPO’). The Company raised $302.1 million pursuant to the offer by the issue of 274,672,166 ordinary fully paid shares at an issue price of $1.10 per share and 274,672,166 attaching options.

(f) Options

During the period, 274,672,166 options were issued under the Company’s IPO to acquire fully paid ordinary shares, exercisable at $1.10 per option. The options were allotted on 10 September 2015 and are currently trading on the ASX under the code FGGO.

As at 30 June 2016, 1,702,218 shares had been allotted from the exercise of options for a total consideration of $1,872,440. 272,969,948 options remain unexercised and can be exercised at any time on or before 15 September 2017.

15. Issued capital (continued)

(g) Capital management

The Board's policy is to maintain an appropriate level of liquidity in the Company's shares. To achieve this, the Board of Directors monitor the monthly net tangible asset results and investment performance. The Company may undertake capital management initiatives which may involve the issue of other shares and/or the buy-back of its shares. The Company is not subject to any externally imposed capital requirements.

16. Reserves and retained earnings

(a) Reserves

	30 June 2016 $'000
Investment reserves	
Investment portfolio revaluation reserve	(11,615)
Investment portfolio realised losses reserve	(800)
	(12,415)
Other reserves	
Profits reserve	4,480
	4,480
Total reserves	**(7,935)**
Movements:	
Investment portfolio revaluation reserve	
Net unrealised losses on investments	(16,593)
Income tax on net unrealised losses on investments	4,978
	(11,615)
Investment portfolio realised losses reserve	
Net realised losses on investments	(1,143)
Income tax on net realised losses on investments	343
	(800)
Total investment reserves	**(12,415)**
Profits reserve	
Transfer from retained earnings	4,480
	4,480
Total other reserves	**4,480**

Nature and purpose of reserves
For a description of the nature and purpose of the reserves, refer to Notes 2(c) and 2(k).

16. Reserves and retained earnings (continued)

(b) Retained earnings

Movements in retained earnings were as follows:

		30 June 2016 $'000
28/05/2015	Opening balance	-
	Net profit for the period	4,480
	Transfer to profits reserve	(4,480)
30/06/2016	Closing balance	**-**

17. Dividends

No dividends were declared or paid during the period.

(a) Dividends not recognised at the end of the reporting period

	30 June 2016 $'000
Since period end, the Directors' declared a 1.0 cent per share fully franked dividend which has not been recognised as a liability at the end of the financial period.	2,764

(b) Dividend franking account

	30 June 2016 $'000
Opening balance of franking account	-
Franking credits on dividends received	-
Closing balance of franking account	-
Adjustments for tax payable in respect of the period's profits, receipt of distributions and dividends declared	862
Adjusted franking account balance	**862**

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits from distributions after the end of the period and debits that will arise from the settlement of liabilities.

18. Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	30 June 2016 $'000
Audit and other assurance services	
Audit and review of financial statements – Pitcher Partners	36
Other services provided by a related practice of the auditor	
Taxation services – Pitcher Partners Sydney	3
	39

Steadfast Group Limited has agreed to pay for the audit and review of the Company's financial statements provided by Pitcher Partners.

19. Contingencies

The Company had no contingent liabilities at 30 June 2016.

20. Commitments

The Company intends to donate a percentage of the Company's assets to Australian charities supporting children and youth mental health. The donation is accrued monthly and is expected to be equal to 1% of the Company's average monthly net tangible assets for the pervious financial year. The accrual commenced at the end of September 2015, being the month the Company was admitted to the official list of ASX Limited.

21. Reconciliation of profit after income tax to net cash provided by operating activities

	30 June 2016 $'000
Profit for the period	4,480
Equalisation income reinvested	(143)
Rebate income reinvested	(1,385)
Distributions reinvested	(1,470)
Effects of foreign currency exchange rate changes on cash and cash equivalents	826
Change in operating assets and liabilities:	
Increase in trade and other receivables	(6,198)
Increase in other current assets	(18)
Increase in deferred tax assets	(424)
Increase in other trade and other payables	75
Increase in charity donation accrual	2,420
Increase in deferred tax liabilities	1
Increase in current tax liabilities	2,008
Net cash inflow from operating activities	**172**

22. Non-cash investing and financing activities

	30 June 2016 $'000
Distributions reinvested	1,470
Equalisation income reinvested	143
Rebate income reinvested	1,385
	2,998

23. Earnings per share

	30 June 2016 $'000
Profit after income tax used in the calculation of basic and diluted earnings per share	4,480
	Number '000
Weighted average number of ordinary shares outstanding during the period used in calculating basic earnings per share	203,025
Weighted average number of dilutive options outstanding	2,026
Weighted average number of ordinary and potential ordinary shares outstanding during the period used in calculating diluted earnings per share	205,051

23. Earnings per share (continued)

The weighted average number of shares used as the denominator in calculating basic and diluted earnings per share is based on the average number of shares from 28 May 2015, being the date of incorporation, to 30 June 2016. The basic earnings per share would have been 1.63 cents per share if calculated from 10 September 2015 as the Company only had one share on issue and no earnings up to this date.

The Company currently has outstanding options which have the potential to convert to ordinary shares. As the average share price from issue date 10 September 2015 to 30 June 2016 is in excess of the option exercise price they are currently dilutive in amount and therefore have been considered for the diluted earnings per share calculation.

24. Events occurring after the reporting period

Since year end the Directors declared a final dividend of 1.0 cent per share fully franked to be paid on 31 October 2016.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.