



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Investment update

As at 30 April 2019

Snapshot

Pre-tax net tangible assets

\$1.38

Management fees

0%

Gross assets

\$545.5m

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	\$545.5m
Market cap	\$548.5m
Share price	\$140
NTA before tax	\$138
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 April, the FGG investment portfolio increased 4.0%. The MSCI AC World Index (AUD) rose 4.1% for the month.

Since inception, the investment portfolio has increased 9.6% per annum. FGG's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.5% versus the market's 10.0%.

The spread between the broad equities' strategies is currently 53.2% long equities, 35.2% absolute bias and 11.6% cash.

Performance

Performance at 30 April 2019	6 mths	1 yr	Since inception % p.a. (Sep-15)
FGG Investment Portfolio*	7.0%	10.8%	9.6%
MSCI AC World Index (AUD)	9.7%	12.5%	10.5%
Outperformance	-2.7%	-1.7%	-0.9%

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

Net tangible assets (NTA) figures

NTA before tax	138.19c*
NTA after tax and before tax on unrealised gains	139.48c
NTA after tax	133.01c

*The NTA before tax figure is after the payment of \$3.6 million (0.92 cents per share) in tax during the month.

Future Generation Investment Forum in Sydney

Eight of Future Generation's global and domestic 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.

May 2019 Shareholder Presentations

Together with some of our leading fund managers and charities, we are currently travelling throughout Australia to meet with our shareholders. [Register now](#) to attend.

Dates and venues:

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

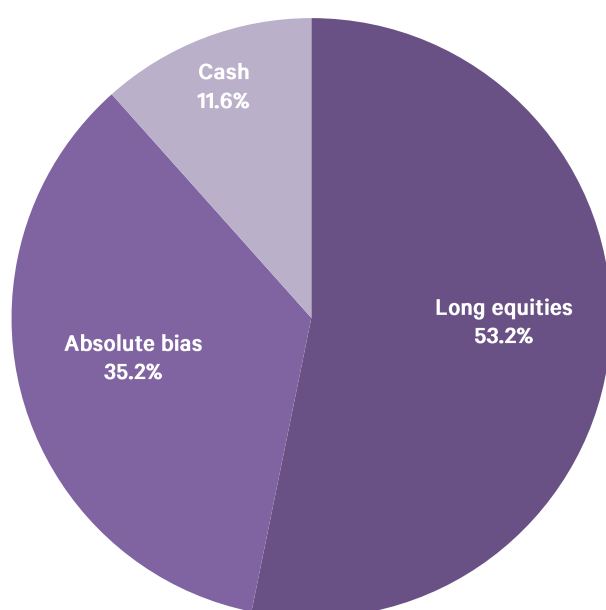
The Westin, 1 Martin Place

Sydney

Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Magellan Asset Management	Magellan Global Fund	Long equities	11.8%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.9%
Antipodes Partners	Antipodes Global Fund	Absolute bias	10.2%
Marsico Capital Management	Marsico Global Fund	Long equities	7.9%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	7.3%
Caledonia	Caledonia Fund	Long equities	6.7%
VGI Partners	VGI Partners Funds	Absolute bias	6.5%
Manikay Partners	Manikay Global Opportunistic USD Fund	Absolute bias	5.6%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	Long equities	5.0%
Morphic Asset Management	Global/Ethical Strategies (split out below)		4.6%
	Morphic Global Opportunities Fund	Absolute bias	3.7%
	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	11.6%

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



About Cooper Investors

Cooper Investors Pty Limited ("CI") is a specialist equities fund manager with funds under management of approximately \$13 billion. We commenced operations in 2001 and have an investment team totalling 21 people across Australian and global research supported by a stewardship team of 25 people. We have over 10 years' experience developing our global equities capabilities. CI is 100% owned by its employees.

CI manages six pooled investment trusts (the CI Australian Equities Fund, the CI Pensions Fund, the CI Asian Tiger Fund, the CI Brunswick Fund, the CI Global Equities Fund (Hedged) and the CI Global Equities Fund (Unhedged), along with a number of individual mandates which invest in either Australian equities, international securities or a mixture of both.

For more information, visit cooperinvestors.com

Our investment style

CI is a long-term observational investor. CI prefers to allocate capital to companies and industries with a specific value proposition that are performing well or in an early phase of turnaround (observation of operating, industry and strategic trends) with focused management (value-based leadership).

CI uses VoF as a discipline to process complex qualitative and quantitative information on stocks and industries. VoF stands for:

1. Value Latency;
2. Operating, industry and strategic trends; and
3. Focused industry and management behaviour.

The CI investment team undertake an intensive program of industry and company visits gaining insights and knowledge of stocks, industries and themes. Typically the investment team will participate in over 1,000 one-on-one company or industry meetings a year.

Our market outlook

We are stock-pickers at heart and believe the best insights come from meeting people running great businesses. Discussing trends and capital allocation with management at the coalface of industry can provide a deeper and more nuanced perspective than daily headlines or macro predictions. We have found that the power of insights, knowledge and relationships tend to compound through regular and repeat visits over many years and through the visitation programme of 10,000 company visits over more than 10 years we have assembled a watchlist of around 200 closely followed stocks in our global investment universe.

The market decline in the fourth quarter of 2018 led to compelling valuations at the beginning of the year and the Global fund initiated four new positions in high-quality watchlist stocks across the healthcare, technology, infrastructure and financial sectors.

Broadly the portfolio has seen a good start to 2019 with a strong earnings season: 26 of 40 stocks rose more than 15% in the first quarter with only three positions delivering a negative absolute return. Management teams reported decent margin expansion, increased dividends, de-leveraged balance sheets and share gains in key end markets. Consider Techtronic Industries Limited (Techtronic), a leading manufacturer of power tools for professional contractors. Despite concerns of the slowing US construction cycle and peers blaming everything from mortgage affordability, China trade tariffs, or the weather, Techtronic reported another exceptional year of double digit growth in its key Milwaukee brand driven by innovation and new product development. Dividends increased by 26% and the balance sheet is now net cash positive. It's a good example of how highly focused management behaviour leads to peer leading financial outcomes for shareholders - the stock has rebounded close to 70% from its October 2018 low.

Cooper Investors Global Equities Fund (Unhedged)

	1 yr	3 yrs % p.a.	Since inception % p.a. (Sep-08)
Performance at 30 April 2019			
Cooper Investors Global Equities Fund [*]	17.6%	16.4%	10.8%
MSCI AC World Net Divs AUD	12.7%	14.4%	8.5%
Outperformance	+4.9%	+2.0%	+2.3%

^{*}Investment performance returns are before expenses, fees and taxes.

Charity in focus: headspace



About headspace

headspace is the National Youth Mental Health Foundation providing early intervention mental health services to 12-to-25 year olds. headspace has 110 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-to-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 (NT). 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. FGG funding helped to support the engagement of two trainees and one coordinator in Darwin, one trainee in Townsville (QLD) and one trainee in Broome (WA).

For more information, visit headspace.org.au

Q&A with Julia Smith, Executive Director of headspace

What is your driving motivation in your current role?

Working as the Executive Director of headspace really allows me to oversee the organisations most important aspect, the wellbeing and mental health of our young people through the services we provide. In my role, I'm committed to working towards a generation of young people with better mental health - this is where my motivation comes from. According to our research, one in three young Australians are suffering from high or very high levels of psychological distress. Being able to provide all young Australian people the access to mental health services is incredibly powerful and is what drives me to aim high and provide a safe, welcoming service which listens and understands the needs of our young people.

What is the most challenging aspect of your role?

The greatest challenge is ensuring headspace service teams have the support they need to enable them to meet the needs of young people who need help. We know that one in four young Australian's will experience mental health issues, however many of them will not seek the help they need. Unfortunately, this is where the challenge lies. When it comes to suicide, we know it is complex and caused by a range of factors and is rarely the result of a single event or problem. Many people who commit suicide would have experienced mental health difficulties such as depression leading up to their death which is why we are constantly trying to break down the stigma of mental health and promote help-seeking to individuals and communities.

Charities



Service providers

