



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Investment update

As at 31 May 2019

Snapshot

Pre-tax net tangible assets

\$1.36

Gross assets

\$536.2m

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	\$536.2m
Market cap	\$525.0m
Share price	\$1.34
NTA before tax	\$1.36
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

Joint Company Secretaries

Elizabeth McGregor

Kate Thorley

Mark Licciardo

Investment portfolio

In May, the investment portfolio outperformed the MSCI AC World Index (AUD) by 2.2%. The Index fell 4.3% for the month, while the investment portfolio decreased 2.1%.

Since inception, the investment portfolio has increased 8.9% per annum. FGG's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.5% versus the market's 10.2%.

The spread between the broad equities strategies is currently 53.1% long equities, 34.6% absolute bias and 12.3% cash.

Performance

Performance at 31 May 2019	6 mths	1 yr	Since inception % p.a. (Sep-15)
FGG Investment Portfolio	7.0%	6.7%	8.8%
MSCI AC World Index (AUD)	6.7%	7.7%	9.0%
Outperformance	+0.3%	-1.0%	-0.2%

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

Net tangible assets (NTA) figures

NTA before tax	135.71c*
NTA after tax and before tax on unrealised gains	136.43c
NTA after tax	130.90c

*The NTA before tax figure includes the receipt of a \$2.1 million (0.54 cents per share) tax refund during the month.

Thank you for joining us at our May 2019 Shareholder Presentations

During May we travelled around Australia for our semi-annual Shareholder Presentations. It was great to connect with almost 3,500 of you across Australia. We started in Launceston, followed by Melbourne, Adelaide, Perth, Canberra, Brisbane and finished in Sydney. If you were unable to attend the presentations you can watch the [recording](#).

We look forward to seeing you again at our next Shareholder Presentations in November on the following dates:

Toowoomba: Thursday, 14 November 2019

Gold Coast: Friday, 15 November 2019

Canberra: Monday, 18 November 2019

Sydney: Tuesday, 19 November 2019

Brisbane: Thursday, 21 November 2019

Hobart: Monday, 25 November 2019

Perth: Tuesday, 26 November 2019

Adelaide: Wednesday, 27 November 2019

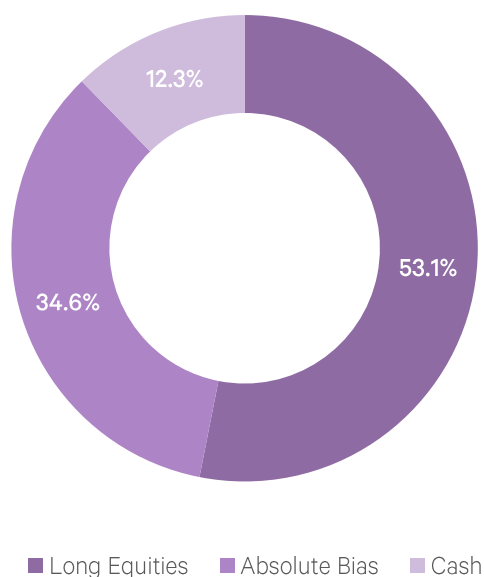
Melbourne: Thursday, 28 November 2019

Thank you to all who attended the Future Generation Investment Forum, where eight FGX and FGG fund managers presented their highest conviction stock picks. The Australian Financial Review's Chanticleer columnist Tony Boyd also interviewed Hamish Douglass, Magellan's chairman and chief investment officer. Over 1,000 people attended the event – you can watch the Investment Forum recording [here](#).

Fund manager allocations

Fund manager	Investment	Strategy	% of portfolio
Magellan Asset Management	Magellan Global Fund	Long equities	11.6%
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	Long equities	10.8%
Antipodes Partners	Antipodes Global Fund	Absolute bias	9.9%
Marsico Capital Management	Marsico Global Fund	Long equities	7.8%
Nikko Asset Management Australia	Nikko AM Global Share Fund	Long equities	7.2%
Caledonia	Caledonia Fund	Long equities	7.2%
VGI Partners	VGI Partners Funds	Absolute bias	6.6%
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)		4.5%
	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	4.4%
Avenir Capital	Avenir Global Fund	Absolute bias	3.6%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	Long equities	3.5%
	Cash and Term Deposits	Cash	12.3%

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: Avenir Capital



About Avenir Capital

Avenir Capital (Avenir) is a global public equity investment firm that follows a high conviction, research-driven investment process underpinned by a background in private equity to deliver strong absolute returns to our clients. Avenir believes that public investment markets can be inefficient and present compelling investment opportunities.

Avenir seeks superior through-cycle risk-adjusted returns by conducting deep fundamental business analysis into investment candidates and seeking to purchase high quality businesses at prices materially below what we estimate to be their intrinsic value. We apply a concentrated, high conviction strategy as we believe that a carefully selected portfolio of high quality, attractively priced businesses reduces risk and maximises potential upside.

For more information, visit avenircapital.com.au

Our investment style

Unique to our investment style is a disciplined investment process that applies private equity principles to public equity markets. The fund's investment philosophy is made up of four interrelated components: a high conviction style, value discipline, an owner's mentality and a long-term focus. These components are fundamental to our investment approach and reflect our team members' private equity mindset and background.

High conviction – We run a concentrated portfolio which allows our best ideas to drive performance. Our turnover is relatively low as we exercise discipline and patience in identifying and selecting investments.

Value discipline – We follow a classic value-investing philosophy seeking superior long-term performance through the purchase of a company's securities when they are selling at prices below our estimate of their intrinsic value. An investment becomes more attractive as the difference between price and value, or the margin of safety increases. We will generally commit larger amounts of a client's assets to companies determined to have lower price-to-value ratios and decrease capital committed to companies determined to have higher price-to-value ratios.

Owner's mentality – We approach investing from an owner's perspective as though we are buying a whole business. In doing so, we tune out short-term noise and focus on long-term intrinsic value. Through our rigorous private equity based research process, we identify companies we believe have sustainable competitive advantages allowing them to earn superior cash returns on capital and generate strong free cash flow. We seek to invest in businesses that are run by ethical, capable, shareholder-oriented management teams that have strong operational track records and understand the importance of capital allocation.

Long-term focus – We invest with a three to five-year investment horizon. In doing so, we push against an increasingly short-term focused market. We believe that, given time, the underlying value of a well-chosen business will always prevail over short-term mispricing that may occur in a company's securities. With this mindset we embrace volatility as an opportunity.

We look for companies where the return can be expected to compound through both growth in the intrinsic value of the companies in which we invest, and by purchasing this compounding growth at a substantial discount to our assessed intrinsic value.

Avenir Global Fund Performance

	1 yr	3 yrs % p.a.	Since inception % p.a. (Aug-11)
Performance at 30 April 2019			
Avenir Global Fund*	15.7%	17.5%	16.1%
MSCI AC World Net Divs AUD	12.7%	14.4%	8.5%
Outperformance	+3.0%	+3.1%	+7.6%

*Investment performance returns are reported gross and are calculated before fees have been deducted, assuming reinvestment of distributions.

Charity in focus: Beyond Blue



About Beyond Blue

Beyond Blue is a national not-for-profit mental health organisation that provides information, support services and innovative tools that help people achieve their best possible mental health.

Beyond Blue and FGG

FGG's latest investment of \$313,325 has supported two important projects to improve mental health outcomes for young people in Australia.

FGG funding has ensured the continued provision of the Healthy Families website, an evidence-based resource with plain language information for parents and caregivers to support mental health and wellbeing for their children. Since launching, healthyfamilies.org.au, has helped over one million parents and carers to support the mental health and wellbeing of an estimated 2.1 million children and young people in Australia. More than 100,000 new mums and dads have completed the online checklists, taking proactive steps to better understand and manage their mental health and that of their children.

The support and funding from FGG has also enabled Beyond Blue to improve early intervention pathways for young people accessing the Beyond Blue Support Service, through technical enhancements and provision of Beyond Blue's webchat service. Almost half of all webchat users are aged between 15 and 25.

Rebuilding the current webchat service in January 2019 has improved the quality of the Support Service, by providing an easier and more efficient real-time chat function that is optimised for mobile devices. Since launching the new site, the number of help seekers satisfied with the webchat service has increased significantly and there has been a rise in positive feedback received.

Both of these projects are helping to support the development of healthy, happy and mentally resilient young people, and this would not be possible without the vision and generosity of FGG and its shareholders.

For more information, visit beyondblue.org.au



Q&A with Nadine Bartholomeusz-Raymond, General Manager Education and Families at Beyond Blue

What is your driving motivation in your current role?

Half of all lifelong mental health problems begin before the age of 14. I'm responsible for leading work in early intervention and prevention of mental health challenges in families, encompassing life at home, school and in the broader community. An example of this work is the 'Building resilience in children aged 0-12: A practice guide' which was published last year with support from FGG. I want people in Australia to live their most mentally healthy lives from day one.

What is the most challenging aspect of your role?

We are harnessing the power of technology through the Be You online portal in order to overcome geographical barriers to care. Be You (beyou.edu.au) provides educators with knowledge, resources and strategies for helping children and young people achieve their best possible mental health. In my job I'm always looking to do things better and more efficiently to serve our community.

What is the impact of FGG's support?

Beyond Blue's services take time, planning and research before they can be implemented and start making a real difference to people's lives. This difference can only be realised with the backing of our valued partners. In addition to our resilience research and practice guide, this partnership allows Beyond Blue to make vital tools available, such as our resources and mental health checklists for new parents. These tools are there for people to use today, but the benefits will help grow Australia's most mentally healthy generation yet.

Charities



Service providers

