



FUTURE GENERATION
GLOBAL INVESTMENT COMPANY

Future Generation Global Investment Company Limited

ABN 52 606 110 838

APPENDIX 4E
PRELIMINARY FINAL REPORT
for the year ended 31 December 2017

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons are for the six month transitional period from 1 July 2016 to 31 December 2016

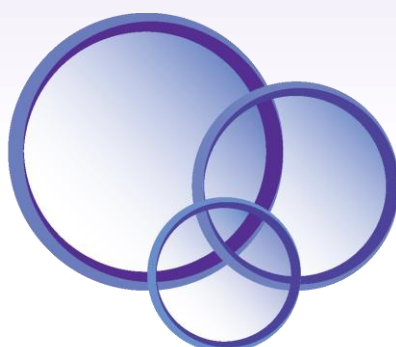
	up/down	% mvmt	\$'000
Revenue from ordinary activities	up	503%	8,393
Profit from ordinary activities before tax	up	114,300%	3,432
Net profit from ordinary activities after tax	up	152,250%	3,047
Total comprehensive income for the year	up	105%	29,123

Comparative Financial Information

In November 2016, the Company changed its financial year end from 30 June to 31 December. This report covers the twelve month period from 1 January 2017 to 31 December 2017. The comparative data in this report is for the six month transitional period 1 July 2016 to 31 December 2016. As a result, the prior period information and percentage movements are not directly comparable.

Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
June 2017 dividend cents per share	1.0	1.0	27.5%
June 2016 dividend cents per share	1.0	1.0	30%

Net Tangible Assets ('NTA')	31 December 2017	31 December 2016
NTA after tax per share	\$1.19	\$1.10



FUTURE GENERATION

GLOBAL INVESTMENT COMPANY

Annual Report

for the year ended 31 December 2017

Investing in Australia's future generation.

ABN: 52 606 110 838

Future Generation Global Investment Company Limited

The principal activity of the Company is to provide diversified exposure to global equities while also helping to improve the lives of young Australians affected by mental health issues.

Chairman

Belinda Hutchinson AM

Directors

Geoff Wilson AO
Frank Casarotti
Karen Penrose
Sarah Morgan
Sue Cato

Company Secretaries

Mark Licciardo
Kate Thorley

Investment Committee

Sean Webster (Chair)
Aman Ramrakha
Chris Donohoe
Geoff Wilson AO

Chief Executive Officer

Louise Walsh

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 11, 139 Macquarie Street
Sydney NSW 2000

Contact Details

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Sydney NSW 2001

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E: info@futuregeninvest.com.au

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Australian Securities Exchange

Future Generation Global Investment Company
Limited Ordinary Shares (FGG)

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

T: (02) 9290 9600

F: (02) 9279 0664

For enquiries relating to shareholdings, options, dividends (including participation in the dividend reinvestment plan and dividend donation plan) and related matters, please contact the share registry.

Investment Forum

Sydney

Tuesday 15 May 2018

1.30pm – 3.00pm

The Westin
1 Martin Place
Sydney NSW 2000

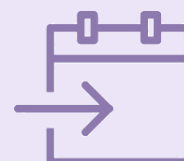
Annual General Meeting

Sydney

Tuesday 15 May 2018

3.30pm – 4.00pm

The Westin
1 Martin Place
Sydney NSW 2000



Future Generation Semi-annual Shareholder Presentations*

Launceston

Friday 11 May 2018

1.00pm – 2.00pm

Launceston Conference Centre
50 Glen Dhu Street
South Launceston TAS 7249

Canberra

Monday 14 May 2018

12.30pm – 1.30pm

National Convention Centre
31 Constitution Avenue
Canberra ACT 2601

Sydney

Tuesday 15 May 2018

12.30pm – 1.30pm

The Westin
1 Martin Place
Sydney NSW 2000

Brisbane

Wednesday 16 May 2018

12.30pm – 1.30pm

Brisbane Convention & Exhibition
Centre, Cnr Merivale & Glenelg
Street South Bank QLD 4101

Toowoomba

Thursday 17 May 2018

12.30pm – 1.30pm

Fitzy's
153 Margaret Street
Toowoomba City QLD 4350

Perth

Monday 21 May 2018

12.30pm – 1.30pm

Convention & Exhibition Centre
21 Mounts Bay Rd
Perth WA 6000

Adelaide

Tuesday 22 May 2018

12.30pm – 1.30pm

Convention Centre
North Terrace
Adelaide SA 5000

Melbourne

Thursday 24 May 2018

12.30pm – 1.30pm

Melbourne Convention & Exhibition
Centre, 1 Convention Centre Place
South Wharf VIC 3006

*Dates and venues are subject to change. Please visit www.futuregeninvest.com.au for the latest updates.

Key Highlights FY2017

TOTAL COMPREHENSIVE INCOME

\$29.1m

TOTAL SHAREHOLDER RETURN

19.4%

SAVINGS ON MANAGEMENT FEES,
PERFORMANCE FEES & SERVICES FOREGONE

\$4.3m

2017 INVESTMENT IN
YOUTH MENTAL HEALTH

\$3.0m

Summary of FY2017 results

The Company reported an operating profit before tax of \$3.4 million for the year ended 31 December 2017 (2016 transitional period: \$3k) and an operating profit after tax of \$3.0 million (2016 transitional period: \$2k). Total comprehensive income, including unrealised gains on investments was \$29.1 million for the year (2016 transitional period: \$14.2 million). The increase in operating profit and total comprehensive income on the corresponding period is due to the sound performance of the investment portfolio during the 12 months to 31 December 2017 and the change in the Company's reporting period in the previous financial year.

In November 2016, the Company announced a change in its financial year end from 30 June to 31 December to better align the reporting periods of the Company to the underlying fund manager distributions. This report covers the 12 month period from 1 January 2017 to 31 December 2017. The comparative data in this report is for the six month transitional period from 1 July 2016 to 31 December 2016.

For the year ended 31 December 2017, the investment portfolio increased 13.4% while the MSCI AC World Index (AUD) rose by 14.5%. Since inception, the Company's investment portfolio performance has been achieved with less volatility as measured by standard deviation, 8.9% versus the Index's 9.8%.

Total shareholder return (TSR) for the year was 19.4%. This measure shows the return to shareholders being the change in the share price together with dividends reinvested. The TSR was driven by the sound investment portfolio performance of 13.4% and the share price premium to net tangible assets (NTA) at the end of the reporting period, with this measure not valuing the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Snapshot as at 31 December 2017

ASX code	FGG
Listing date	September 2015
Market capitalisation	\$373.1m
Gross assets	\$362.7m
Share price	\$1.26
Net Tangible Assets (pre-tax)	\$1.22
Shares on issue	296,112,380
Fully franked dividend (June 2017)	1.0c
Management fees	0.0%
Performance fees	0.0%
Annual charity donation (% of NTA)	1.0%

Contents

Chairman and Chief Executive Officer's Letter	1
Investment Committee Report	3
Charity Report	9
Corporate Governance Statement	14
Directors' Report to Shareholders	23
Auditor's Independence Declaration	32
Statement of Comprehensive Income	33
Statement of Financial Position	34
Statement of Changes in Equity	35
Statement of Cash Flows	36
Notes to the Financial Statements	37
Directors' Declaration	59
Independent Auditor's Report	60
ASX Additional Information	64

Chairman & Chief Executive Officer's Letter

Dear Fellow Shareholders,

We would like to thank you for your support of Future Generation Global Investment Company Limited (FGG or the Company) during the year ended 31 December 2017.

As you know, the objectives of the Company are to provide shareholders with an attractive investment and to provide a source of funding for Australian charities with a focus on youth mental health.

So it was pleasing that in October last year the Company made its annual investment of \$3.0 million to improve youth mental health. Of this, \$2.3 million was allocated to the eight FGG designated charities with the remaining \$0.7 million contributed to other charities with Australian deductible gift recipient (DGR) status as nominated by shareholders holding 1 million or more shares.

As at 31 December 2017, the Company is on track to deliver its third annual investment of approximately \$3.5 million for payment in October 2018. This would bring the total charitable investment since inception to \$8.9 million.

We are deeply engaged in the projects that are funded by the Company and it has been an honour to be involved and see first-hand what your investment in the future of young Australians is achieving.

We have partnered with eight designated charities: *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.

Operating performance

In 2017, the Company achieved an operating profit before tax of \$3.4 million and an operating profit after tax of \$3.0 million. Total comprehensive income, including unrealised gains on investments for the year was \$29.1 million representing the sound performance of the investment portfolio during the year.

For the year ended 31 December 2017, the investment portfolio increased 13.4% while the MSCI AC World Index (AUD) rose by 14.5%. Since inception the volatility of the Company's investment portfolio, as measured by its standard deviation, was 8.9%, while the Index was 9.8%.

Over the year, the appreciation of the Australian dollar continued to weigh on the performance of the portfolio, with the equity portion of the investment portfolio performing largely in line with the Index for the year. Total shareholder return (TSR) for the year was 19.4%. This measure shows the return to shareholders being the change in the share price together with dividends reinvested. The TSR was driven by the investment portfolio performance during the year and the share price premium to net tangible assets (NTA) at the end of the reporting period, with this measure not valuing the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Early in the year, the investment portfolio was restructured by the Investment Committee, reducing the direct geographical exposure of some of the fund managers. Following the completion of the option issue in September 2017, we were pleased to welcome leading independent global investment manager Caledonia as a pro bono fund manager. The Company deployed existing cash within the investment portfolio with Caledonia.

Investment objectives and portfolio

The Company's primary investment objective continues to provide shareholders with long-term capital growth, by providing shareholders with diversified exposure to global equities. The Company's investment philosophy is based on the belief that the diversification of the portfolio is important in managing and mitigating risk and by having a number of different fund managers, the Company has access to a range of investment styles and strategies.

As at 31 December 2017, the investment portfolio was made up of 14 global fund managers with investments in 15 unlisted unit trusts. The global fund managers were Magellan Asset Management, Ironbridge Capital Management, Cooper Investors, Antipodes Partners, VGI Partners, Marsico Capital Management, Nikko Asset Management Australia, ManikayPartners, Ellerston Capital, Morphic Asset Management, Neuberger Berman Australia, Paradise Investment Management, Avenir Capital and Caledonia.

Our investment portfolio is 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

Chairman & Chief Executive Officer's Letter

Investment objectives and portfolio (continued)

managers. The long equities portion of the portfolio includes exposure to large cap, mid cap and small cap stocks. As at 31 December 2017, the portfolio was 57.7% long equities, 31.3% absolute bias, 3.9% quantitative strategies and 7.1% cash.

Dividends

The Company provides shareholders with a diverse exposure to global equities and as such its returns are predominately delivered through capital growth. The Board is committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. In August 2017, the Board announced a fully franked dividend of 1.0 cent per share. The dividend was paid in October 2017.

No further dividend has been declared by the Board during, or since the end of the year. At this stage, the Board will consider a dividend payment following the June half year result, dependent on released profits from the fund managers over the next six months.

Fund managers and service providers

Shareholders have unprecedented access to leading global equity fund managers and make a significant contribution to youth mental health. This is made possible by the fund managers agreeing to forgo management and performance fees. Most service providers, your Directors and the Investment Committee also work on a pro bono basis.

We would like to thank our fund managers and service providers for their outstanding and continued generosity throughout the period. The value of the management and performance fees forgone by the fund managers for the period totalled \$3.6 million and the value of the leading service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$0.7 million. These savings to shareholders exceed the annual donation to charities.

We would also like to thank all shareholders for being part of the Company's innovative approach to wealth creation which demonstrates that both shareholder and social returns can be achieved together.

Finally, thank you fellow Board and Committee Members for your continued support. We are very appreciative of the contribution of Amanda Gillespie, who has been the Chair of the Investment Committee since the Company's inception and resigned to take up a new executive role. We wish her every success and welcome Sean Webster, as the new Chair of the Committee.



Belinda Hutchinson AM
Chairman

Dated this 28th day of February 2018



Louise Walsh
Chief Executive Officer

Investment Committee Report

The Investment Committee of FGG is primarily responsible for selecting fund managers, managing the Company's investment portfolio and redeeming investments. The Company's Investment Committee consists of Sean Webster (Chairman), Aman Ramrakha, Chris Donohoe and Geoff Wilson, whose experience and qualifications are provided in the Director's Report.

For the year ended 31 December 2017, the investment portfolio increased 13.4% while the MSCI AC World Index (AUD) rose by 14.5%. Since inception, the Company's investment portfolio performance has been achieved with less volatility (or risk) as measured by standard deviation, 8.9% while the Index was 9.8%.

The FGG investment portfolio has been structured to provide a spread between three broad equity strategies: long equities, absolute bias and quantitative strategies, with a cash residual balance after investments are made. The composition of the portfolio will vary over time in terms of the allocation to each of the above strategies as well as allocating to various funds. The long equities portion of the portfolio is predominantly exposed to large cap and mid cap stocks with a very small allocation to small cap stocks. As at 31 December 2017, the portfolio was 57.7% long equities, 31.3% absolute bias, 3.9% quantitative strategies and 7.1% cash.

The investment philosophy is built on the principal that diversification across strategies combined with quality fund manager selection will deliver sound returns and reduce portfolio risk over time. As at 31 December 2017, the investment portfolio was made up of 14 global fund managers with investments in 15 unlisted unit trusts.

Early in the year, the investment portfolio was restructured by the Investment Committee, reducing the direct geographical exposure of some of the fund managers. The Company fully redeemed its position in Hunter Hall Global Equities Trust, Eastspring Investments Asian Dynamic Fund, Tribeca Global Return Fund and Insync Global Titans Fund. In September 2017, the Board was pleased to introduce Caledonia, a leading independent global investment manager to the portfolio. The Company deployed existing cash within the investment portfolio with the new investment in Caledonia.

The Investment Committee will continue to review and adjust the investment portfolio and will look to remove the last of the allocations away from Asian focused managers towards those managers with global investment mandates.

The Investment Committee notes that all managers have a belief that assessment of Environmental, Social and Corporate Governance (ESG) factors add value to investment returns and the large majority have an ESG Charter or Responsible Investment Policy in place.

Investment strategy allocation

LONG EQUITIES

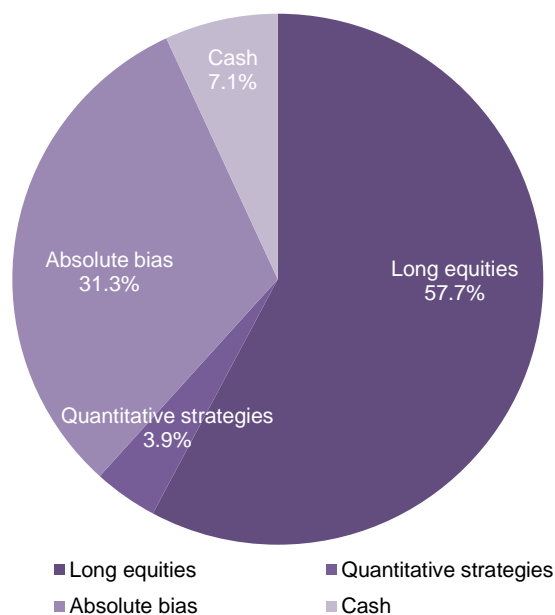
Investing in a portfolio of equities based on the expectation the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

QUANTITATIVE STRATEGY

A style of investment management where quantitative techniques are used to analyse markets in order to ascertain information about future price movements. These are generally rules-based and applied in a systematic manner. A quantitative strategy seeks to replicate a fundamental investor without human biases influencing investment decisions.

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.



Investment Committee Report

Fund manager summary and investments at market value as at 31 December 2017

Fund manager	Investment	\$ Value	Strategy	% of Gross Assets
Cooper Investors	Cooper Investors Global Equities Fund (Unhedged)	37,088,228	Long equities	10.2%
Magellan Asset Management	Magellan Global Fund	35,923,944	Long equities	9.9%
Ironbridge Capital Management	Ironbridge Global Focus Fund	32,078,328	Long equities	8.8%
Antipodes Partners	Antipodes Global Fund	29,956,636	Absolute bias	8.3%
Marsico Capital Management	Marsico Global Fund	27,268,507	Long equities	7.6%
VGI Partners	VGI Partners Funds	26,759,715	Absolute bias	7.4%
Caledonia	Caledonia Fund	25,122,217	Long equities	6.9%
Nikko Asset Management Australia	Nikko AM Global Share Fund	21,410,534	Long equities	5.9%
Manikay Partners	Manikay Global Opportunistic USD Fund	17,587,150	Absolute bias	4.9%
Ellerston Capital	Ellerston Global Mid Small Cap Fund	17,268,541	Long equities	4.8%
Morphic Asset Management	Morphic Global Opportunities Fund	16,013,130	Absolute bias	4.4%
Neuberger Berman Australia	Neuberger Berman Systematic Global Equities Trust	13,973,118	Quantitative strategies	3.9%
Paradice Investment Management	Paradice Global Small Mid Cap Fund Unhedged	13,018,116	Long equities	3.6%
Avenir Capital	Avenir Value Fund	12,828,437	Absolute bias	3.5%
Antipodes Partners	Antipodes Asia Fund	10,496,775	Absolute bias	2.8%
		336,793,376		
	Cash and term deposits	25,073,281		6.9%
	Distributions, interest, rebates receivable	832,619		0.2%
	Gross Assets	362,699,276		100%

Investment Committee Report

The following section summarises the performance, risk matrices and underlying holdings of the FGG investment portfolio at 30 September 2017 using data prepared by Lonsec and Style Research. The equivalent information, as at 31 December 2017, will be made available via our website at www.futuregeninvest.com.au once published by Lonsec and Style Research.

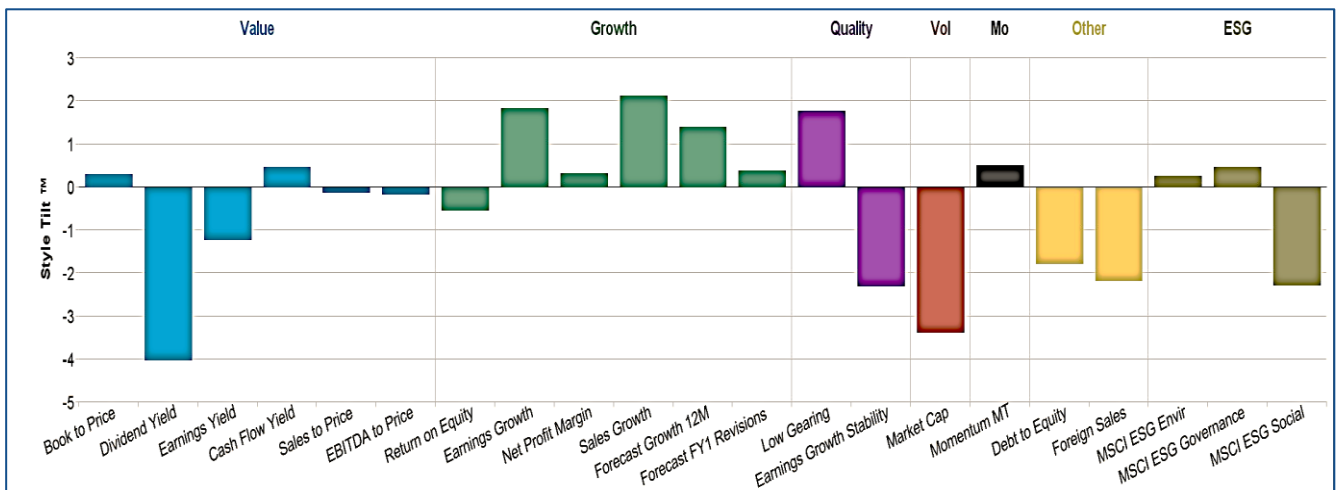
Holdings based analysis

This analysis is based on the stock holdings within the managers' respective portfolios*. Note that the intention of this analysis is to provide a point in time snap-shot of the portfolio structures and they do not reflect any future biases within the portfolios.

Style analysis

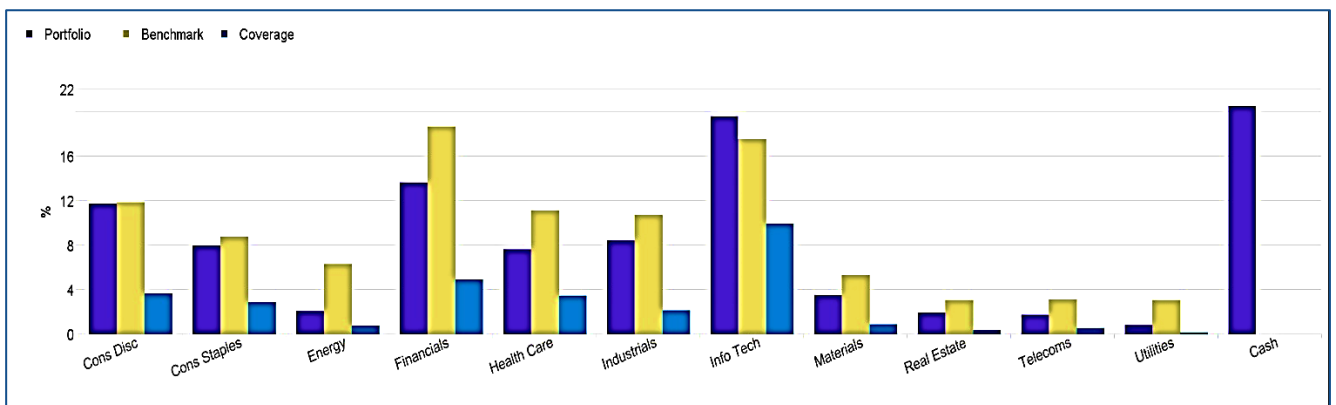
This chart shows the country and sector-adjusted style tilts exhibited by the blend of global equities managers for the FGG portfolio. The blue bars (far left-hand side) represent factors associated with a value-based investment style, while the green bars (second from left) represent factors associated with a growth-based investment style. The blend of global equities managers within the portfolio exhibited a slight growth style bias when compared to the MSCI AC World NR Index, a global equity investment benchmark.

Style Skyline (Country and Sector Adjusted)



This chart displays the sector weights of the blend of global equities managers for the FGG portfolio and the MSCI AC World NR Index. Coverage data reveals the diversification across the benchmark, for each sector and for the portfolio overall.

Sector Distribution



*The holdings based analysis includes over 93% of the investment portfolio.

Investment Committee Report

Risk attribution

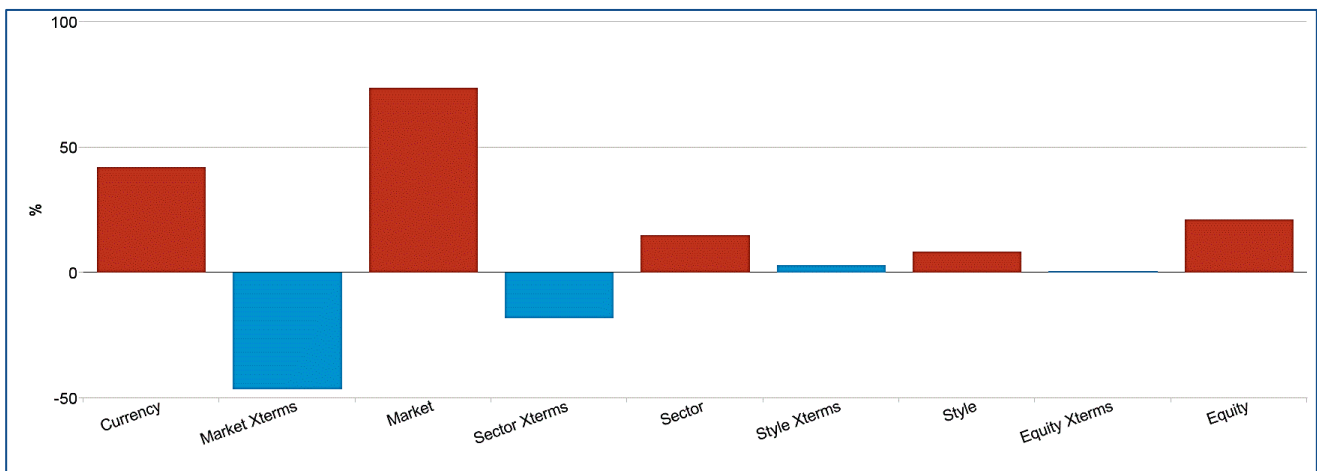
The following table and graph examine the various risk factors associated with the blend of global equities managers for the FGG portfolio. Risk attribution focuses on the estimation, analysis and decomposition of Tracking Error (and Tracking Variance) risk. The decomposition of the Tracking Variance identifies the principal sources of risk and further reveals risk compounding and risk offsets (via the Cross-Terms).

Risk Estimates*

Tracking Error	2.1%
Coverage	30.1%
Persistence Ratio	0.8
Portfolio Beta	0.85
Portfolio Volatility	8.7%
Benchmark Volatility	9.9%
Correlation (Port, BM)	0.9
Portfolio Actual Stocks	5,742
Benchmark Actual Stocks	2,485
Portfolio Effective Stocks	240.3
Benchmark Effective Stocks	420.2

*For a description of the key risk measures listed above, please refer to Appendix A on page 8.

Risk Attribution



The above table shows that 70% of the portfolio risk comes from market risk or the extent to which the portfolio exposures to different equity markets differs from the benchmark. The next biggest contributor risk is currency at 45% and this shows the extent to which currency exposure differs from the benchmark. The biggest factor reducing risk in the portfolio is the Market Xterms which is the degree to which returns between the portfolio's currencies and markets move in tandem. In this case these two factors do not move in tandem and therefore reduce overall risk.

Investment Committee Report

Regional allocations – as at 30 September 2017

Regional allocations (%)	FGG portfolio	MSCI AC World Index	Active position
Africa	0.4	0.7	-0.3
Americas	45.3	56.8	-11.5
Asia	8.1	8.4	-0.3
Europe	18.9	22.2	-3.3
Middle East	0.0	0.3	-0.3
Pacific	6.7	11.6	-4.9
Cash	20.6	0.0	20.6
Total	100	100	

Detailed portfolio holdings – as at 30 September 2017

Global equities – top 10 overweights

Name	Sector	Portfolio	Benchmark	Active
CME Group Incorporation	Financials	1.62	0.11	1.51
First Republic Bank	Financials	1.17	0.04	1.13
Mastercard Incorporated	Information Technology	1.40	0.31	1.09
Medibank Private Limited	Financials	0.93	0.01	0.92
Facebook Incorporation	Information Technology	1.78	0.93	0.85
Visa Incorporation	Information Technology	1.29	0.45	0.84
Equiniti Group PLC	Information Technology	0.65	0.00	0.65
Costco Wholesale Corporation	Consumer Staples	0.78	0.17	0.61
Interxion Holdings NV	Information Technology	0.60	0.00	0.60
Lloyds Banking Group PLC	Financials	0.75	0.15	0.60

Global equities – top 10 underweights

Name	Sector	Portfolio	Benchmark	Active
Exxon Mobil Corporation	Energy	0.07	0.80	-0.73
Johnson & Johnson	Health Care	0.09	0.81	-0.72
JP Morgan Chase & Company	Financials	0.11	0.78	-0.67
AT&T Incorporated	Telecommunication Services	0.04	0.56	-0.52
Apple Incorporated	Information Technology	1.35	1.85	-0.50
Chevron Corporation	Energy	0.02	0.51	-0.49
Proctor & Gamble Company	Consumer Staples	0.05	0.54	-0.49
Berkshire Hathaway Incorporated	Financials	0.05	0.53	-0.48
Pfizer Incorporated	Health Care	0.04	0.49	-0.45
Home Depot Incorporated	Consumer Discretionary	0.02	0.45	-0.43



Sean Webster

Chairman of the Investment Committee

Dated this 28th day of February 2018

Investment Committee Report

Appendix A – Risk estimates glossary

Tracking Error	Measures the degree to which the performance of the portfolio varies from that of the underlying benchmark, in this case the MSCI AC World Net Return Index. Tracking error shows an investment's consistency versus a benchmark over a given period of time. A lower tracking error means that the investment will deliver a return closer to the underlying benchmark. The FGG portfolio tracking error of 2.1%, as shown in the Risk Estimates table, is low.
Coverage	The coverage ratio is the market value of the securities that are in the portfolio as compared to the benchmark. The ratio of 30.1% above means that 30.1% of the value of portfolio overlaps shares in the MSCI AC World Index.
Persistence ratio	A practical indicator of the extent to which a forecast Tracking Error may be underestimated due to time-varying weights and trending in returns.
Portfolio beta	Shows the degree of sensitivity of the portfolio to a 1.0% change in the underlying Index. As shown in the table, the FGG portfolio beta is 0.85 and this means that if the Index rose 1.0% the portfolio would increase by 0.85% and likewise if the portfolio fell 1.0% it would fall 0.85%. The beta of 0.85 is well within what would be expected from a well-diversified portfolio.
Portfolio/Benchmark Volatility	Shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the portfolio. The volatility (or risk) for the portfolio of 8.7%, as shown in that table, is below the underlying Index, which is 9.9%.
Correlation	The correlation coefficient is a measure that determines the degree to which two variables' movements are associated. In this case it measures the degree of association between movements in the FGG portfolio and the underlying Index. A correlation of 0.9 is reasonably high and shows that the portfolio returns are reasonably highly correlated to movements in the underlying Index.
Portfolio/Benchmark Actual Stock	Indicates the number of stocks in the portfolio as well as the number of stocks in the benchmark.
Portfolio/Benchmark Effective Stock	Shows the number of stocks in terms of reducing the portfolio risk from holding a specific stock, it is a measure of how diversified a portfolio is. The 240 effective stocks count for the FGG portfolio is very high as any diversified holding of stocks above about 30 stocks indicates a good degree of diversification. No single stock holding can overly impact the portfolio.

Charity Report

We are proud to support our eight designated charities who are helping to improve the lives of young Australians who are affected by mental health issues. Our goal is to promote the mental health, wellbeing and resilience of young Australians from 0-25 years by supporting smarter service system development and investing in effective programs and services so that young Australians can have access to the information, services and support they need, when they need it, to maintain their mental health and lead an active and engaged life.

During August 2017, shareholders voted their charitable allocation and we were thrilled by the response. Thank you all for your active engagement in the allocation process.

The specific allocation to each charity was determined by your votes and directions, as shown in the table below, with the Board distributing the undirected monies on a pro-rata basis between the designated charities.

As at 31 December 2017, the Company is on track to deliver its third annual investment of approximately \$3.5 million for payment in October 2018.

Designated charities	FY17 Donation	FY16 Donation
<i>beyondblue</i>	\$285,815	\$231,579
Black Dog Institute	\$277,710	\$253,192
Brain and Mind Centre	\$263,524	\$237,181
Butterfly Foundation for Eating Disorders	\$333,132	\$291,381
headspace	\$267,340	\$235,259
Orygen - the National Centre of Excellence in Youth Mental Health	\$263,083	\$213,194
ReachOut Australia	\$332,136	\$236,881
SANE Australia	\$255,042	\$214,790
Directed to other Australian charities*	\$513,689	\$175,838
Directed to other youth related charities*	\$252,841	\$330,123
Total charitable allocation	\$3,044,312	\$2,419,418

*Directed by shareholders with 1 million or more shares. These shareholders have the ability to direct their donation voting allocation to any non profit organisation of their choosing, provided the organisation has Deductible Gift Recipient (DGR) status.

Charity Report

Information on the projects the designated charities undertook with monies from their allocation of the \$2.4m annual investment in 2016 and progress to date for the year ended 31 December 2017 is detailed below. The investment was paid in October 2016:



beyondblue is an independent, not-for-profit organisation working to protect everyone's mental health and improve the lives of individuals, families and communities affected by anxiety, depression and suicide. In 2017, *beyondblue* again ranked in the top 10 list of Australia's most reputable charities across all sectors (AMR Charity Reputation Index, 2017).

As a major partner, FGG is helping to fund *beyondblue*'s Healthy Families program. Their new research on children's resilience and the Healthy Families website is helping to support professionals, parents and other caregivers give children aged 0-12 a mentally healthy start in life.

In 2017, with the FGG investment of \$231,579 received in October 2016, *beyondblue* established a strong new evidence base on what works to build resilience in children. They published this evidence in a new practical guide to support professionals working with children aged 0-12 in education, health and community-based settings. It's known that half of all lifetime mental health issues emerge by the age of 14 and the research shows that increasing resilience among younger children could potentially prevent mental health issues during childhood and later in life. *beyondblue* will make this guide widely available to professionals in early 2018.

Parents and carers can find simple, practical tips on the Healthy Families website to support them to build resilience at home.

beyondblue's independent evaluation of the Healthy Families website shows that over half a million people visited the website in the opening year and visitors were highly satisfied with the content provided. 88 per cent said they would come back to the website for information and 87 per cent said they would recommend it to others.

With the generous support of FGG shareholders, *beyondblue* will continue to build on this important work in 2018 to support professionals, parents and carers to raise mentally healthy kids.

Website: beyondblue.org.au



Black Dog Institute is a leader in diagnosis, early intervention, prevention and treatment of mental illnesses, and at the forefront of suicide prevention. As a translational facility, research learnings are rapidly put into practice in clinical treatments, e-mental health tools, health professional training and community education.

With FGG directed funds of \$253,192 received in October 2016, Black Dog Institute has established the Centre for Research Excellence in Youth Suicide Prevention, aimed at reducing youth suicide using technological interventions.

In 2017, focus groups were undertaken to inform the design, development and testing of our mobile-based text messaging system which provides follow-up care for youth discharged from hospital following a suicide attempt – a key risk period for a repeat attempt. Black Dog are working with three hospitals (in NSW and Queensland) to recruit patients to now trial the system.

During 2017, Black Dog undertook a feasibility pilot in a NSW high school of its Socialise app. This app uses Bluetooth to detect a young person's withdrawal from social connectedness, which can indicate onset of depression or suicidal thoughts. Since establishing feasibility, Black Dog have further refined this technology. They are working with the University of NSW to trial the app with students, to evaluate the relationship between sensor data and mental health.

Black Dog looks forward to initiating its third project in 2018, to develop and evaluate an intervention to address suicidal thoughts.

Website: blackdoginstitute.org.au

Charity Report



The **Brain and Mind Centre** develops clinical, online and treatment programs for young people with emerging anxiety and depressive disorders. It partners with other FGG charities including Orygen, headspace, Black Dog Institute and ReachOut Australia.

Funding from FGG of \$237,181, received in October 2016, supported the installation of clinical assessment and longitudinal tracking tools initially at five sites in NSW (Camperdown, Darlinghurst, Campbelltown, Ashfield and the Central Coast), followed by other sites in NSW and then interstate.

The Centre will use new and emerging technologies to detail psychological, cognitive, social and medical characteristics and plan individualised intervention. The project links a network of stand-alone primary care clinics. It will enable an estimated 20,000 young people over five years to use these new systems. So far, data has been collected primarily from five headspace sites within the Central and Eastern Sydney Primary Health Network. This work is now being rapidly expanded to additional sites across Australia through which research is more specifically focusing on configuring the Youth Platform to younger people (aged 12 to 15 years), Aboriginal and/or Torres Strait Islander peoples as well as suicide prevention. Iterative preliminary data analyses suggest more efficient recognition of suicidal ideation, more effective treatment rates, increased participation in employment or education as well as a reduction in alcohol and/or other substance misuse.

Website: sydney.edu.au/bmri



The **Butterfly Foundation for Eating Disorders** is committed to ensuring that any Australian with an eating disorder can access affordable, evidence-based care irrespective of their postcode or economic status. In addition to its advocacy work to raise awareness about eating disorders, Butterfly provides education, community-based recovery support and treatment services. The FGG funding of \$291,381 received in October 2016 enabled Butterfly to establish the Butterfly Youth Intensive Outpatient Program. The hallmark of the program is its holistic approach and the involvement of families in supporting recovery and offers intensive early intervention in the form of group therapy for young people who are experiencing disordered eating, the early signs and symptoms or a diagnosis of an eating disorder.

Butterfly has partnered with headspace (Chatswood and Brookvale) to identify and refer potential clients. In the Program's first year, 16 young people (aged between 14 and 24 years of age) with early signs and symptoms of disordered eating or an eating disorder were enrolled in the 10 week program. The program has seen high client engagement and the therapists have worked with clients to reduce symptoms and behaviours and to develop their self-management skills. All clients have been assisted in their connections to community-based therapy post discharge from the program.

Website: thebutterflyfoundation.org.au



Initiated in 2006, **headspace** is the Australian Government's major investment in youth mental health for 12-25 year olds. There are currently 100 headspace centres across Australia working with more than 600 community organisations.

With FGG's funding of \$235,259 received in October 2016, headspace piloted an Aboriginal and Torres Strait Islander Mental Health Traineeship Program in the Northern Territory. This program successfully employed and mentored two young people as Youth Engagement Trainees. Through the support of headspace Darwin and a project coordinator, the trainees have developed and facilitated a range of youth and community engagement activities across Darwin and in surrounding rural Aboriginal Communities increasing the awareness of headspace programs and increasing the mental health literacy of Aboriginal and Torres Strait Islander young people. The trainees are expected to graduate from their Certificate IV in Mental Health in early 2018 and secure sustainable employment in the youth and wellbeing sector in the Northern Territory.

Website: headspace.org.au

Charity Report



Orygen – the National Centre of Excellence in Youth Mental Health was established in 2002. Orygen is widely regarded as one of the world’s leading research organisations focusing on mental ill-health in young people. Orygen’s work has driven a shift in services and treatments to focus on early intervention.

FGG funding of \$213,194, received in October 2016, has enabled Orygen to commence the development of a comprehensive place-based program of research across North and West Melbourne, which was officially launched in September 2017 with a community leaders forum, held ahead of World Suicide Prevention Day and hosted in partnership with the local community.

To date the work has had three key foci. The first has been on supporting young people who present for help for self-harm, by working with local Emergency Departments. Although many young people who engage in self-harm do not present to hospital Emergency Departments for help, those that do are often met with negative attitudes and receive inadequate treatment. They are also at increased risk of further self-harm and suicide. Orygen are conducting a series of consultations to examine the barriers to delivering the best treatment possible, from the perspective of both Emergency Department staff and young people who have attended an Emergency Department following self-harm or a suicide attempt. Orygen also now collects monthly data reports from four separate Emergency Departments to examine the number, demographics and characteristics of presentations for self-harm and suicide-related behaviour. Ultimately it is expected that this work will lead to the development of a range of interventions designed to improve clinical practice. The second project focuses upon carers of young people who self-harm. Caring for a young person who engages in self-harm can be confusing and overwhelming, and many parents struggle to understand this behaviour. Orygen are therefore developing a resource to support parents and carers, based on up-to-date evidence and the lived experience of others.

The third focus has been on capacity building of mental health professionals. In order to facilitate on-going support of at-risk young people, FGG funding has allowed Orygen to provide comprehensive, evidence-based training to headspace clinicians and other allied health professionals, on how to identify young people at risk of suicide, and on best practice in terms of formulating appropriate risk-assessments and safety planning strategies.

Website: orygen.org.au



ReachOut Australia is the leading e-mental health service for young people and their parents. Offering practical support, tools and tips help young people get through anything from everyday issues to tough times – there is also a service to help parents to help their teenagers too. ReachOut is accessed by 132,000 people in Australia every month - more than 1.58 million each year.

Year One funding from FGG of \$236,881, received in October 2016, allowed ReachOut’s research team to investigate the barriers and challenges that young people living in regional and rural areas face. This work included workshops with young people in their community and consultation with service professionals to understand their challenges too. These findings were then turned into recommendations for service improvements and innovations so that we better meet the needs and improve mental health outcomes of young people living in these areas. In the past six months, funding from FGG has seen a range of multimedia content scoped which responds to the challenges that young people in these areas face. Over the coming year, these content pieces will be developed with young people and distributed with a view to increase the number of young people at high risk of developing a mental health issue, accessing appropriate services. Alongside this, funds will be used to pilot a new program in a rural school, as well as run campaigns in targeted communities, building awareness of ReachOut.com to help support and improve the mental health outcomes of an additional 87,744 rural and regional Australians as well as improve the user experience of 96,000 young people currently using ReachOut in remote and rural areas.

Website: ReachOut.com/About

Charity Report

SANE AUSTRALIA

SANE Australia is a national mental health charity working to improve the wellbeing of all Australians affected by complex mental illness. Four strategic pillars – better support, stronger connections, less discrimination and longer lives - guide SANE's work in mental health awareness, online peer support and information, stigma reduction, specialist helpline support, research and advocacy.

FGG funding of \$214,790, received in October 2016, helped SANE actively target young adults aged 18 to 30 at risk of, or experiencing, complex mental illness (and their families and carers), promoting access to evidence-based services, resources, information and referral pathways to help reduce self-stigma and encourage help seeking behaviours. SANE's focus on this transitional age bracket reflects the unique set of psychological, physiological and social stressors for young people affected by complex mental health concerns, with the age of onset for Schizophrenia, Bipolar, Personality Disorders, Bulimia, and Binge Eating Disorder etc., more likely to occur in emerging adulthood.

During the first year of the initiative, 4.7 million Australians were reached through an integrated awareness campaign targeting 18-30 year olds, coinciding with 2017 Schizophrenia Awareness Week. Over 375,000 young adults accessed information on sane.org; while there was a 28% increase in young adults participating in the SANE Lived Experience program. A baseline of young adults with complex mental health concerns accessing the integrated SANE Help Centre service was established at 20% of total contacts each year, and almost 30% of visitors accessing information via SANE's website in the last year were young adults.

Website: sane.org

Corporate Governance Statement

The Board of Directors of Future Generation Global Investment Company Limited (FGG or the Company) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company, on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations.

Principle 1: Lay solid foundations for management and oversight

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.1	<p>A listed entity should disclose:</p> <ul style="list-style-type: none"> a) the respective roles and responsibilities of its Board and management; and b) those matters expressly reserved to the Board and those delegated to management. 	Complies	<p>The Company's Board Policy sets out the specific responsibilities of the Board and the Investment Committee Charter provides details of responsibilities delegated to the Investment Committee. The role of the Board is to monitor and set the Company's strategic direction and charitable purpose. The Board is also responsible for the overall corporate governance of the Company as well as risk management and reporting.</p> <p>The Investment Committee is responsible for selecting fund managers with whom the Company will invest capital from time to time as well as any direct investments made by the Company from time to time and will generally manage the Company's Portfolio.</p> <p>The Company's Board Policy and Investment Committee Charter are contained in the Company's Corporate Governance Charter which is available on the Company's website.</p>
1.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether to elect or re-elect a director. 	Complies	<p>The Company's Board Policy requires that when a vacancy arises on the Board, the Board takes into consideration (among other things); the skills and experience of any proposed Director, the relevance and appropriateness of these skills, a comparison of the expertise and experience of the proposed Director and members of the current Board and the results of any background checks undertaken. The Board will ensure that security holders are provided with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p> <p>The Company's Board Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The terms of appointment have been recorded in a letter of appointment and are in accordance with the Company's Constitution, the <i>Corporations Act 2001</i> and ASX Listing Rules.
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Complies	The Company Secretaries are directly accountable to the Board through the Chair.
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> i. the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	Complies	<p>The Company has a Diversity Policy designed to support its commitment to diversity. The Company's Diversity Policy requires the Board to develop measurable objectives and strategy to meet the objectives of the Company's Diversity Policy, including ensuring 50% female representation on the Board at all times. The Board currently has more than 50% female representation.</p> <p>The Company's Diversity Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.</p> <p>The Company is not a relevant employer under the Workplace Gender Equality Act.</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.6	<p>A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>The process for periodically evaluating the performance of the Board is set out in the Company's Corporate Governance Charter.</p> <p>The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Corporate Governance Charter. A copy of the Company's Corporate Governance Charter is available on the Company's website.</p> <p>The Board completed a review of its performance during the year.</p>
1.7	<p>A listed entity should:</p> <p>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>The Company has a Chief Executive Officer. The process for periodically evaluating the performance of the CEO is set out in the Company's Corporate Governance Charter. The performance of the CEO is evaluated on an annual basis.</p>

Principle 2: Structure the board to add value

	Corporate Governance Council Recommendation	Compliance	Disclosure
2.1	<p>The Board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <ol style="list-style-type: none"> i. has at least three members, a majority of whom are independent Directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b) if it does not have a nomination committee, disclose that fact and the</p>	Complies	<p>The Board will be responsible for the nomination of new Directors. The Company's Directors provide their services on a pro bono basis and it is intended to continue to operate in that manner.</p> <p>The Board identifies suitable candidates to fill vacancies as they arise with consideration to the optimal mix of skills and diversity. The Board's selection process is outlined in the Board Policy, which is contained in the Company's Corporate Governance Charter which is available from the Company's website.</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
	processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership	Complies	The qualifications, skills, experience and expertise relevant to each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings is included in this Directors Report.
2.3	A listed entity should disclose: <ol style="list-style-type: none"> the names of the Directors considered by the Board to be independent Directors; if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Corporate Governance Principles and Recommendations but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each director. 	Complies	<p>The Board is comprised of 6 members, 5 of whom are considered to be independent.</p> <ul style="list-style-type: none"> - Belinda Hutchinson AM (Chair) – Independent - Sue Cato – Independent - Karen Penrose - Independent - Sarah Morgan – Independent - Frank Casarotti – Independent - Geoff Wilson AO – Non-Independent <p>The Company has disclosed the interests of the current Directors and the appointment date of each Director in the Directors' report in the Annual Report.</p> <p>The length of service of each Director is included in the Director's Report in the Annual Report.</p>
2.4	A majority of the Board of a listed entity should be independent Directors.	Complies	The Board is comprised of 6 members, 5 of whom are considered to be independent. See section 2.3 above.
2.5	The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies	Belinda Hutchinson is the Chair of the Board and is independent. Louise Walsh is employed as the CEO of the Company.
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Complies	Under the Company's Board Policy the Company Secretary is responsible for arranging for a new Director to undertake an induction program, including ensuring that they gain an understanding of their rights, duties and responsibilities as a Director. The contents of the induction policy are outlined in the Company's Board policy, which is contained in the Company's Corporate

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
			Governance Charter which is available on the Company's website.

Principle 3: Act ethically and responsibly

	Corporate Governance Council Recommendation	Compliance	Disclosure
3.1	A listed entity should: <ol style="list-style-type: none"> a) have a code of conduct for its Directors, senior executives and employees; and b) disclose that code or a summary of it. 	Complies	The Company has adopted a formal Code of Conduct. This is incorporated into the Company's Corporate Governance Charter. The Company requires all its Directors and Executives to comply with the standards of behaviour and business ethics in accordance with the law and the code of conduct. These include acting honestly and with integrity and fairness in all dealings. The Company's Corporate Governance Charter is available on the Company's website.

Principle 4: Safeguard integrity in corporate reporting

	Corporate Governance Council Recommendation	Compliance	Disclosure
4.1	The Board of a listed entity should: <ol style="list-style-type: none"> (a) have an audit committee which: <ol style="list-style-type: none"> (i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent director, who is not the chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for 	Complies	<p>The Company has an Audit & Risk Committee to provide assistance to the Board in fulfilling its responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and the external audit function. The members of the Audit & Risk Committee are:</p> <ul style="list-style-type: none"> - Karen Penrose (Chair) – Independent - Belinda Hutchinson AM – Independent - Sarah Morgan – Independent - Geoff Wilson AO – Non-Independent <p>The Audit & Risk Committee Charter requires the Chair of the Audit & Risk Committee to be independent.</p> <p>Details of the Directors' qualifications and their membership and attendance at Audit & Risk Committee meetings are set out in the Directors' Report contained in the Annual Report.</p> <p>The Audit & Risk Committee Charter is included in the Company's Corporate Governance</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
	the appointment and removal of the external auditor and the rotation of the audit engagement partner.		Charter and is available on the Company's website.
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The CEO and the Company's external accountant furnishes written confirmation to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The external auditors are requested to attend each AGM and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the auditor's report.

Principle 5: Make timely and balanced disclosure

	Corporate Governance Council Recommendation	Compliance	Disclosure
5.1	A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Complies	<p>The Company has adopted a Continuous Disclosure Policy designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by the Company.</p> <p>The Company's Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.</p>

Principle 6: Respect the rights of security holders

	Corporate Governance Council Recommendation	Compliance	Disclosure
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's Corporate Governance Charter is available on the Company's website.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company is committed to: <ul style="list-style-type: none"> - ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, investor presentations, ASX releases, general meetings and the Company's website; - complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the <i>Corporations Act 2001</i>; and - encouraging shareholder participation at general meetings.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	The Board encourages full participation of shareholders at the Company's AGM and any other general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor is invited to attend each AGM and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	The Company's registry, Boardroom Pty Limited will provide the option for shareholders to receive and send communications electronically.

Principle 7: Recognise and manage risk

	Corporate Governance Council Recommendation	Compliance	Disclosure
7.1	The Board of a listed entity should: <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual</p>	Complies	The Company has an Audit & Risk Committee to provide assistance to the Board in fulfilling its responsibilities in relation to, among other things, the Company's risk management systems. The initial members of the Audit & Risk Committee are: <ul style="list-style-type: none"> - Karen Penrose (Chair) – Independent; - Belinda Hutchinson - Independent; - Sarah Morgan - Independent; and - Geoff Wilson AO – Non-Independent. <p>Three of the four initial members are independent. The Audit & Risk Committee</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
	<p>attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>		<p>Charter requires the Chair of the Audit & Risk Committee to be independent.</p> <p>Details of the Directors' qualifications and their membership and attendance at Audit & Risk Committee meetings are set out in the Directors' Report contained in the Annual Report.</p> <p>The Audit & Risk Committee Charter is included in the Company's Corporate Governance Charter and is available on its website.</p>
7.2	<p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complies	<p>The Audit & Risk Committee reviews the adequacy and effectiveness of the Company risk management framework by gaining assurances that major risks have been identified and are appropriately managed. The Audit & Risk Committee also oversees market risk protocols and ensures the Investment Committee complies with the asset allocation restrictions.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Complies	<p>As a listed investment company managing a single portfolio of investments with limited operational complexity, the Company does not believe it requires an internal audit function. The Board works closely with the fund managers and service providers from time to time to identify and manage operational, financial and compliance risks which could prevent the Company from achieving its objectives.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Complies	<p>A summary of risks including foreign exchange, interest rate, credit and liquidity are included in Note 17 of the Annual Report.</p>

Principle 8: Remunerate fairly and responsibly

	Corporate Governance Council Recommendation	Compliance	Disclosure
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p>	Complies	<p>The Company does not remunerate its Directors and has one employee being the Chief Executive Officer. The Company does not have a need for a remuneration committee. The Board as a whole considers the issue of remuneration. Given the charitable nature of the Company, the</p>

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
	<ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>Directors have foregone the receipt of Director fees.</p> <p>The details of the remuneration paid to the CEO is included in the Remuneration Report section of the Annual Report.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives	Complies	<p>The Company has only one paid senior executive. The remuneration of the Chief Executive Officer is considered by the Board.</p> <p>Given the charitable nature of the Company, the Directors have foregone the receipt of Director fees.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. 	Not applicable	The Company does not have an equity-based remuneration scheme.

Directors' Report To Shareholders

For the year ended 31 December 2017

The Directors present their report together with the financial report of Future Generation Global Investment Company Limited for the year ended 31 December 2017.

Principal activity

The principal activity of the Company is to provide diversified exposure to global equities while also helping to improve the lives of young Australians affected by mental health issues.

The Company invests its capital with fund managers who have agreed to provide their services for 0.0% management fees and 0.0% performance fees. The pro bono support of the fund managers, the Board of Directors and service providers means an amount equal to 1.0% of the Company's average monthly net tangible assets for the relevant financial year can be provided as a source of funding for Australian youth mental health charities.

There was no significant change in the nature of the activity of the Company during the year or is likely in the future.

Significant changes in state of affairs

In November 2016, the Company announced a change in its financial year end from 30 June to 31 December to better align the reporting periods of the Company to the underlying fund manager distributions. This report covers the year from 1 January 2017 to 31 December 2017. The comparative data in this report is for the transitional period from 1 July 2016 to 31 December 2016.

There were no other significant changes in the state of affairs of the Company during the year ended 31 December 2017.

Operating and financial review

For the year ended 31 December 2017, the operating profit before tax and unrealised gains on investments was \$3.4 million (2016 transitional period: \$3k). During the year, the investment portfolio delivered sound performance, increasing 13.4%. The MSCI AC World Index (AUD) rose by 14.5%. This portfolio performance was achieved with less volatility than the market. Since inception, the Company's investment portfolio performance has been delivered with less volatility as measured by its standard deviation, 8.9%, while the Index was 9.8%.

The net result after tax and net unrealised gains on investments for the year was a profit of \$29.1 million, representing a 105.1% increase on the prior comparative transitional period, primarily driven by the increase in value of the portfolio over the year. The Net Tangible Assets before tax for each share as at 31 December 2017 amounted to \$1.22 per share (2016: \$1.10). The Net Tangible Assets after tax was \$1.19 per share (2016: \$1.10).

The Company raised a total of \$22.9 million through the exercise of options which were issued via the prospectus dated 9 July 2015. The options expired on 15 September 2017.

Further information on the financial and investment portfolio performance of the Company is contained in the Chairman and Chief Executive Officer's Letter on pages 1 to 2 of this report.

Financial position

The net asset value of the Company as at 31 December 2017 was \$351.8 million (2016: \$304.8 million).

Further information on the financial position of the Company is contained in the Chairman and Chief Executive Officer's Letter on pages 1 to 2 of this report.

Corporate tax rate

On 19 May 2017, the Federal Government enacted laws reducing the corporate tax rate to 27.5% for companies with turnover below \$10 million in the income tax year ended 30 June 2017. The turnover of the Company for the 2017 income tax year is less than \$10 million and therefore, it is eligible for the reduced corporate tax rate of 27.5%. As the turnover of the Company for the 2017 income tax year is under the aggregate turnover threshold for the 2018 income tax year, the maximum franking rate applicable for dividends in the 2018 income year is 27.5%, in line with its reduced corporate tax rate. There has been no impact to the franked dividend paid by the Company in October 2016 (1.0 cent per share), as a result of the legislation change. The franked dividend paid in October 2017 was franked in line with the reduced corporate tax rate of 27.5% applicable at the time, under the current legislation.

Directors' Report To Shareholders

For the year ended 31 December 2017

Corporate tax rate (continued)

An amendment to limit the entities subject to the lower corporate tax rate has been introduced by the Federal Government. The Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Bill 2017 amends the law to limit the lower corporate tax rate to base rate entities with no more than 80% passive income. If these measures are passed, it is expected that the Company will no longer be eligible for the reduced corporate tax rate.

Dividends paid or recommended

Dividends paid or declared are as follows:

	\$
Fully franked June 2017 dividend of 1.0 cents per share paid on 27 October 2017	2,958,158

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

- Belinda Hutchinson AM, Chairman
- Karen Penrose, Non-Executive Director
- Sarah Morgan, Non-Executive Director
- Frank Casarotti, Non-Executive Director
- Geoff Wilson AO, Non-Executive Director
- Sue Cato, Non-Executive Director

Information on Directors

BELINDA HUTCHINSON AM (CHAIRMAN)

Experience and expertise

Belinda Hutchinson is the Chancellor of the University of Sydney. Her executive career includes her role as an Executive Director of Macquarie Group where she was the Head of Macquarie Equity Capital Markets. Prior to this Belinda was a Vice President of Citibank in project and corporate finance and was the Head of the Financial Institutions Group in Australia. Belinda commenced her career working for Andersen Consulting in Australia and the USA. Belinda is a Fellow of the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors (AICD).

Belinda Hutchinson has been Chairman of the Company since May 2015.

Other current directorships

Belinda Hutchinson is currently Chairman of Thales Australia Limited, a Director of AGL Energy (appointed December 2010) and Australian Philanthropic Services. Belinda is also a member of the St Vincent's Health Australia NSW Advisory Council.

Former directorships in the last 3 years

Belinda Hutchinson has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Board and member of the Audit & Risk Committee.

Interests in shares of the Company

Details of Belinda Hutchinson's interests in shares and options of the Company are included later in this report.

Interests in contracts

Belinda Hutchinson has no interests in contracts of the Company.

Directors' Report To Shareholders

For the year ended 31 December 2017

KAREN PENROSE (NON-EXECUTIVE DIRECTOR)

Experience and expertise

Karen Penrose has a strong background and experience in business, finance and investment banking in both the banking and corporate sectors. Her prior executive career includes 20 years with Commonwealth Bank of Australia and HSBC and, over the eight years to early 2014, Chief Financial Officer and Chief Operating Officer roles with two ASX listed companies. She is an active member of Chief Executive Women and participates as a mentor for Mentor Walks. She holds a B.Com (UNSW), CPA and FAICD.

Karen Penrose has been a Director of the Company since June 2015.

Other current directorships

Karen Penrose is also a Non-Executive Director of Vicinity Centres Limited (appointed June 2015), Spark Infrastructure Group (appointed October 2014), Bank of Queensland Limited (appointed November 2015) and AWE Limited (appointed August 2013).

Former directorships in the last 3 years

Karen Penrose was Deputy Chairman of Silver Chef Limited until February 2015 and is a former Director of Novion Limited.

Special responsibilities

Chair of the Audit & Risk Committee.

Interests in shares of the Company

Details of Karen Penrose's interests in shares and options of the Company are included later in this report.

Interests in contracts

Karen Penrose has no interests in contracts of the Company.

SARAH MORGAN (NON-EXECUTIVE DIRECTOR)

Experience and expertise

Sarah is an experienced corporate financial advisor. Her previous executive roles included 16 years with independent corporate advisory firm Grant Samuel. Sarah is a member of the Australian Institute of Company Directors (AICD) and Australasian Institute of Mining and Metallurgy (AusIMM).

Sarah Morgan has been a Director of the Company since June 2015.

Other current directorships

Sarah Morgan is currently a non-executive Director of Hansen Technologies Limited (appointed October 2014) and Adslot Limited (appointed January 2015) and is a non-executive Director of Hong Kong based Luxe City Guides.

Former directorships in the last 3 years

Sarah Morgan has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Member of the Audit & Risk Committee.

Interests in shares of the Company

Details of Sarah Morgan's interests in shares and options of the Company are included later in this report.

Interests in contracts

Sarah Morgan has no interests in contracts of the Company.

Directors' Report To Shareholders

For the year ended 31 December 2017

FRANK CASAROTTI (NON-EXECUTIVE DIRECTOR)

Experience and expertise

Frank Casarotti joined Magellan Financial Group in March 2007. Prior to Magellan, Frank held a senior distribution management role at Colonial First State (a wholly-owned subsidiary of Commonwealth Bank), one of Australia's largest and most successful investment and platform administration companies. Frank began his career at Australian Eagle Insurance Group in 1979, later joining Colonial First State (then known as First State Fund Managers) as its Queensland State Manager in 1992 and relocating to Sydney to take up the role of Head of Adviser Distribution in 2001. During his fourteen years with the Colonial Group, Frank was a significant contributor to the strategy that resulted in growth in funds under management and administration from \$800 million to over \$100 billion in 2007. His role at Colonial extended from the promotion of Colonial's asset management business capability to its entry into the platform market - with the extremely successful launch of FirstChoice in 2002.

Frank Casarotti has been a Director of the Company since May 2015.

Other current directorships

None.

Former directorships in the last 3 years

Frank Casarotti has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Details of Frank Casarotti's interests in shares and options of the Company are included later in this report.

Interests in contracts

Details of Frank Casarotti's interest in contracts of the Company are included later in this report.

GEOFF WILSON AO (NON-EXECUTIVE DIRECTOR)

Experience and expertise

Geoff Wilson has over 37 years' experience in the Australian and international securities industries. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australasia (FINSIA) and the Australian Institute of Company Directors (AICD). Geoff Wilson was awarded the Order of Australia in 2018 for distinguished service to the business and finance sectors, particularly in the field of asset management and investment, to professional financial bodies, and to the community as a supporter of charitable foundations.

Geoff Wilson has been a Director of the Company since May 2015.

Other current directorships

Geoff is Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014) and a Director of Australian Leaders Fund Limited (appointed October 2003), Clime Capital Limited (appointed November 2003), Global Value Fund Limited (appointed April 2014), Century Australia Investments Limited (appointed September 2014), Incubator Capital Limited (appointed February 2000), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Children's Music Foundation and he is a member of the Second Bite NSW Advisory Committee. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in the last 3 years

Geoff Wilson has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Member of the Audit & Risk and Investment Committee.

Directors' Report To Shareholders

For the year ended 31 December 2017

GEOFF WILSON AO (NON-EXECUTIVE DIRECTOR) (CONTINUED)

Interests in shares of the Company

Details of Geoff Wilson's interests in shares and options of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interest in contracts of the Company are included later in this report.

SUE CATO (NON-EXECUTIVE DIRECTOR)

Experience and expertise

Sue Cato has worked on business-critical issues and corporate activity for Australian and international corporations and entities for well over two decades. With a background in politics and having co-founded and then sold one of Australia's earliest corporate affairs companies to international interests, Sue established Cato Counsel in 2003. In 2017, Sue Cato and a partner created a new entity, Cato & Clegg. Cato & Clegg is a corporate communications company providing high-level strategic transaction support and public and corporate affairs advice. The firm is recognised as one of Australia's leading issues management providers having managed some of the largest issues confronting corporate Australia. Sue is a panellist on ABC TV's The Drum. She is also a commentator on business issues and current affairs for the national media.

Sue Cato has been a Director of the Company since June 2015.

Other current directorships

Sue Cato is a board member of Carriageworks and an advisory board member of Sydney Contemporary.

Former directorships in the last 3 years

Sue Cato has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Details of Sue Cato's interests in shares and options of the Company are included later in this report.

Interests in contracts

Sue Cato has no interests in contracts of the Company.

Company Secretaries

The following persons held the position of Company Secretary at the end of the financial period:

MARK LICCIARDO

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services. A former company secretary of Top 50 ASX listed companies Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, administration and company secretarial. Mark is a Fellow of the Australian Institute of Company Directors, the Institute of Company Secretaries and Administrators and the Governance Institute of Australia. Mark is also the current Chairman of the Academy of Design Australia Pty Ltd and a former Chairman of the Governance Institute of Australia Victoria division and Melbourne Fringe Festival and a current director of a number of public and private companies.

KATE THORLEY

Kate Thorley has over 13 years' experience in the funds management industry and more than 18 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Leaders Limited, WAM Microcap Limited and Future Generation Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified Chartered Accountant. She is a graduate of the Australian Institute of Company Directors.

Directors' Report To Shareholders

For the year ended 31 December 2017

Members of the Investment Committee

The experience and qualifications of the members of the Investment Committee at the end of the financial period, up to the date of this report are set out below:

AMANDA GILLESPIE (CHAIRMAN, RESIGNED 15 JANUARY 2018)

Amanda was appointed General Manager - Client Solutions and Strategy at Perpetual Investments, effective February 2018. Amanda has more than 20 years of investment experience having previously worked at Lonsec where she was group CEO for more than three years and played a role in building the firm's research and consulting capabilities.

Previously, Amanda held the position of Head of Investment Consulting at Lonsec from 2005 to 2011. Prior to joining Lonsec, Amanda spent six years at BT Funds Management where she was a Research Analyst within the International Equities team and also held an Analytical/Portfolio management role within the BT Tactical Asset Allocation team.

SEAN WEBSTER (CHAIRMAN, APPOINTED 20 FEBRUARY 2018)

Sean Webster is Senior Manager - Research and Investment Strategy in Advice-Research at AMP Financial Services. He has a strong research background that spans over 23 years bringing a wealth of investment research and management experience. Sean previously worked at Australian Fund Monitors, a boutique, research house specialising in absolute return funds. Before that he was at Pinnacle Financial Services Academy as a research writer.

Sean has also been Head of Investment Research at Byron Capital Private Investors and a senior analyst with Berkley Group (now Findex) and has experience as an investment manager with Centuria Capital, a multi-manager funds management business. Sean has a strong economics background and experience across all asset classes including equities, fixed interest, property, and alternatives and has a Master of Arts from Clark University, Massachusetts, USA, Bachelor of Commerce degree and is a Chartered Financial Analyst (CFA).

Following the resignation of Amanda Gillespie, Sean was acting Chairman of the Investment Committee from 15 January 2018 to his official appointment on 20 February 2018.

AMAN RAMRAKHA

Aman is an Executive Manager at the Commonwealth Bank of Australia. Aman is responsible for the research function within Wealth Management Advice Business which encompasses Commonwealth Financial Planning, Financial Wisdom and Count Financial.

Since 2007 Aman has been a member of the CBA Advice Business Investment Committee and is primarily responsible for the Investment Research function across the business. In a prior role, Aman was responsible for constructing investment portfolios for high net worth individuals. Aman has over 20 years financial services experience and has held technical, consulting and advisory roles at BT Financial Group, Colonial First State, KPMG and the Commonwealth Private Bank. Aman holds a Bachelor of Commerce, majoring in Economics and Finance, a Graduate Diploma in Applied Finance and Investments, Diploma of Financial Planning and is a Certified Investment Management Consultant.

CHRIS DONOHOE

Chris joined the Investment Committee in May 2016, after serving as the Co-CEO in the Company's inaugural year. Chris is the founder of Seed Partnerships Pty Limited. He has CEO experience in funds management and considerable experience in the initiation, capital raising and management of Listed Investment Companies.

Prior to forming Seed Partnerships Pty Limited, Chris was the CEO, Director and Compliance Committee Member at PM CAPITAL Limited. He was also the CEO and Director of the PM CAPITAL Global Opportunities Fund Limited and PM CAPITAL Asian Opportunities Fund Limited. Prior to a 14-year career in funds management, Chris gained several years' experience trading in the derivatives and bond markets. Chris is a Graduate of the Australian Institute of Company Directors. He holds a Masters of Business in Finance, majoring in Funds Management, from the University of Technology, Sydney.

GEOFF WILSON AO

Geoff Wilson is also a Director. Please refer to page 26 of the Directors' Report for details of Geoff's experience and qualifications.

Directors' Report To Shareholders

For the year ended 31 December 2017

Remuneration Report (Audited)

The responsibility of the Company's remuneration policy rests with the Board. Given the size of the Company, its charitable nature, the fact that the Company does not have any employees (other than the Chief Executive Officer) and has no intention to remunerate its Directors, no remuneration committee has been formed.

A) REMUNERATION OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2017, no Directors' fees were paid by the Company.

The Company remunerates LW Consulting Pty Limited, an entity associated with Louise Walsh, \$100,000 (plus GST) per annum for providing her services as Chief Executive Officer.

During the year ended 31 December 2017, the Company paid LW Consulting Pty Limited a total of \$100,000 (plus GST) for services provided (2016: \$50,000 (plus GST) for the six months ended 31 December 2016).

The term of the contract continues until June 2019 and will automatically be extended for successive periods of 12 months unless notice of termination is provided no less than 3 months before the due date for extension of the term.

B) DIRECTOR RELATED ENTITIES REMUNERATION

Except as noted below, all transactions with related entities were made on normal commercial terms and conditions and at market rates.

Frank Casarotti is General Manager - Distribution of Magellan Asset Management Limited which is the Responsible Entity of the Magellan Global Fund. Magellan Asset Management Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Notwithstanding Frank's interest in contracts with the Company, he is considered to be independent.

Wilson Asset Management (International) Pty Limited provides some company secretarial services, financial reporting, investor relations and marketing for the Company at no cost to the Company. Wilson Asset Management (International) Pty Limited is an entity associated with Geoff Wilson.

C) EQUITY INSTRUMENTS DISCLOSURES OF DIRECTORS, OTHER KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

As at the date of this report, the Company's Directors, other key management personnel and their related parties held the following interests in the Company:

Ordinary shares held	Balance at 31 December 2016	Acquisitions	Disposals	As at the date of this report
Belinda Hutchinson AM	909,000	301,000	-	1,210,000
Sue Cato	91,001	-	-	91,001
Karen Penrose	25,000	15,000	-	40,000
Sarah Morgan	90,909	-	-	90,909
Frank Casarotti	50,000	-	-	50,000
Geoff Wilson AO	3,770,917	1,289,083	-	5,060,000
Louise Walsh	100,929	891	70,000	31,820

Directors, other key management personnel and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial period, been granted options over unissued shares or interests in shares of the Company as part of their remuneration. For further details, please refer to Note 21 of the financial statements.

- END OF REMUNERATION REPORT -

Directors' Report To Shareholders

For the year ended 31 December 2017

DIRECTORS' MEETINGS

Director	No. eligible to attend	Attended
Belinda Hutchinson AM	4	4
Sue Cato	4	2
Karen Penrose	4	4
Sarah Morgan	4	4
Frank Casarotti	4	3
Geoff Wilson AO	4	2

AUDIT & RISK COMMITTEE MEETINGS

The main responsibilities of the Audit & Risk Committee are set out in the Corporate Governance Statement on page 18 of the Annual Report.

Director	No. eligible to attend	Attended
Belinda Hutchinson AM	4	4
Karen Penrose	4	4
Sarah Morgan	4	4
Geoff Wilson AO	4	1

INVESTMENT COMMITTEE MEETINGS

Investment Committee Member	No. eligible to attend	Attended
Amanda Gillespie	4	4
Aman Ramrakha	4	4
Sean Webster	4	4
Geoff Wilson AO	4	3
Chris Donohoe	4	3

AFTER BALANCE DATE EVENTS

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.

FUTURE DEVELOPMENTS

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

ENVIRONMENTAL REGULATION

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or a State or Territory.

Directors' Report To Shareholders

For the year ended 31 December 2017

INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the year, the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director, Officer or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year Pitcher Partners, the Company's auditor, did not perform any non-assurance services in addition to their statutory duties for the Company. Related entities of Pitcher Partners perform certain taxation services for the Company on a pro bono basis. Details of the amounts paid to the auditors are disclosed in Note 7 to the financial statements.

The Board of Directors, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 7 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit & Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditory independence in accordance with the APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the ASIC, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 32 of this Annual Report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Belinda Hutchinson AM
Chairman

Dated in Sydney this 28th day of February 2018

Auditor's Independence Declaration
To the Directors of Future Generation Global Investment Company Limited
A.B.N. 52 606 110 838

In relation to the independent audit for the year ended 31 December 2017, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Future Generation Global Investment Company Limited during the year.



S M Whiddett
Partner

Pitcher Partners
Sydney

28 February 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	31 December 2017	6 months to 31 December 2016
		\$'000	\$'000
Investment income from ordinary activities			
Distributions received		4,955	76
Investment management and performance fee rebates	3	2,750	1,288
Net realised gains on financial assets held at fair value through profit or loss		245	-
Interest income		228	28
Other income		215	-
		8,393	1,392
Expenses			
ASX listing fees		-	-
Share registry maintenance costs		-	-
Charity donation accrual	5	(3,292)	(1,496)
Net foreign exchange (losses)/gains		(1,323)	374
Share registry transaction costs		(89)	(117)
Executive remuneration	21	(110)	(55)
Other expenses		(117)	(78)
ASX CHESS fees		(26)	(9)
Audit fees	7	-	(6)
Tax fees		(4)	(2)
		(4,961)	(1,389)
Profit before income tax		3,432	3
Income tax expense	4	(385)	(1)
Profit after income tax attributable to members		3,047	2
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised and realised gains on investments taken to equity, net of tax		26,076	14,200
Other comprehensive income for the year, net of tax		26,076	14,200
Total comprehensive income for the year		29,123	14,202
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic and diluted earnings per share	16	1.05	0.00

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Notes	31 December 2017	31 December 2016
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	13	25,073	16,605
Trade and other receivables	8	837	675
Other current assets		204	8
Total current assets		26,114	17,288
Non-current assets			
Financial assets at fair value through other comprehensive income	9	336,793	289,991
Intangible assets		6	-
Deferred tax assets	4	2,404	2,286
Total non-current assets		339,203	292,277
Total assets		365,317	309,565
LIABILITIES			
Current liabilities			
Trade and other payables	10	87	134
Charity donation accrual	5	1,744	1,496
Current tax liabilities	4	357	2,008
Total current liabilities		2,188	3,638
Non-current liabilities			
Deferred tax liabilities	4	11,293	1,108
Total non-current liabilities		11,293	1,108
Total liabilities		13,481	4,746
Net assets		351,836	304,819
EQUITY			
Issued capital	11	322,172	301,320
Investment reserves	12	29,664	3,499
Retained earnings	12	-	-
Total equity		351,836	304,819

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2017

	Note	Issued capital	Investment reserves	Profits reserves	Retained earnings	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016		300,458	(12,415)	4,480	-	292,523
Net profit for the period		-	-	-	2	2
Other comprehensive income, net of tax		-	14,200	-	-	14,200
Transactions with owners:						
Contributions of equity, net of transaction costs and tax	11	862	-	-	-	862
Dividends paid	6	-	-	(2,768)	-	(2,768)
Transfer of profits reserve	12	-	-	2	(2)	-
Balance at 31 December 2016		301,320	1,785	1,714	-	304,819
Net profit for the period		-	-	-	3,047	3,047
Other comprehensive income, net of tax		-	26,076	-	-	26,076
Transactions with owners:						
Contributions of equity, net of transaction costs and tax	11	20,852	-	-	-	20,852
Dividends paid	6	-	-	(2,958)	-	(2,958)
Transfer of profits reserve	12	-	-	3,047	(3,047)	-
Balance at 31 December 2017		322,172	27,861	1,803	-	351,836

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2017

	Note	31 December 2017	6 months to 31 December 2016
		\$'000	\$'000
Cash flows from operating activities			
Payments for financial assets held at fair value through profit or loss		(3,250)	-
Proceeds from financial assets held at fair value through profit or loss		3,495	-
Interest received		228	34
Rebate income received		22	19
Income taxes paid		(1,770)	-
Charity payment		(3,044)	(2,419)
Payments for other expenses		(392)	(206)
Net cash used in operating activities	14	(4,711)	(2,572)
Cash flows from investing activities			
Payments for financial assets		(34,277)	-
Proceeds from sale of financial assets		30,892	3,546
Payments for purchase of intangible assets		(7)	-
Net cash (used in)/provided by investing activities		(3,392)	3,546
Cash flows from financing activities			
Shares issued via the exercise of options		20,516	543
Dividends paid to the Company's shareholders (net of DRP and DDP)		(2,622)	(2,449)
Net cash provided by/(used in) financing activities		17,894	(1,906)
Net increase/(decrease) in cash and cash equivalents		9,791	(932)
Cash and cash equivalents at the beginning of the period		16,605	17,163
Effects of exchange rate changes on cash and cash equivalents		(1,323)	374
Cash and cash equivalents at the end of the period	13	25,073	16,605
Non-cash investing and financing activities	15	7,876	7,188

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2017

1. General information

Future Generation Global Investment Company Limited (FGG or the Company) is a listed public company, incorporated and domiciled in Australia. The registered office is Level 11, 139 Macquarie Street, Sydney NSW 2000. The financial statements of the Company are for the year ended 31 December 2017.

The financial report was authorised for issue on 28 February 2018 by the Board of Directors.

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 Company.

(A) BASIS OF PREPARATION

These general purpose financial statements for the year ended 31 December 2017 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*. The Company is a for-profit entity for the purpose of preparing the financial statements.

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. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(i) Compliance with IFRS

The financial statements of the Company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss or through other comprehensive income.

(iii) Change in financial year end

In November 2016, the Company announced a change in its financial year end from 30 June to 31 December to better align the reporting periods of the Company to the underlying fund manager distributions. This report covers the year from 1 January 2017 to 31 December 2017. The comparative data in this report is for the transitional period from 1 July 2016 to 31 December 2016.

(iv) New standards and interpretations not yet mandatory or early adopted

There are no other new standards or interpretations applicable that would have a material impact for the Company.

(B) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable.

(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, in accordance with the policies described in Note 2(C).

(ii) Trust distributions

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

(iii) Interest income

Interest income is recognised as it accrues in the Statement of Comprehensive Income based on nominated interest rates available on the bank accounts held.

(iv) Management and performance fee rebate income

Fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

(C) INVESTMENTS AND OTHER FINANCIAL ASSETS

Classification

Recognition and derecognition

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.

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 for financial assets carried at fair value through other comprehensive income are included as part of the initial measurement.

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.

The Company's accounting policy on fair value is disclosed in Note 18.

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.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

(E) INCOME TAX

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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 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 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 financial statements. 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.

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

At each reporting date, the Company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of comprehensive income.

(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 non-derivative financial assets and are stated at their amortised cost.

(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.

Notes to the Financial Statements

For the year ended 31 December 2017

2. Summary of significant accounting policies (continued)

(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.

(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 shareholders 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 year.

(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 ASIC Corporations Instrument 2016/191 issued by the ASIC, 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, unless otherwise indicated.

Notes to the Financial Statements

For the year ended 31 December 2017

3. Investment income from ordinary activities

As at 31 December 2017, the investment portfolio was made up of 14 global fund managers with investments in 15 unlisted unit trusts.

Where available, the Company has invested in unit classes that have zero management and performance fees. 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 Manikay Global Opportunistic Fund.

The aggregated amount of management and performance fees foregone by the unit trusts with a zero fee unit class for the year ended 31 December 2017 was \$0.9 million (2016: \$0.5 million).

The remaining investments are made in unit trusts with global fund managers that normally charge management and performance fees. These fund managers have rebated the fees charged. The aggregate amount of management and performance fees rebated to the Company was \$2.7 million for the year ended 31 December 2017 (2016: \$1.3 million).

The estimated value of the other pro bono services provided to the Company for the year ended 31 December 2017 totalled \$0.7 million (2016: \$0.4 million).

4. Income tax

(A) INCOME TAX EXPENSE

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Prima facie tax on profit before income tax at 27.5% (2016: 30.0%):	944	1
Franking credits on distributions received	(16)	-
Imputation credit gross up	4	-
Foreign tax credits on distributions received	(344)	-
Foreign tax credits gross up on distributions	95	-
Other non-assessable income	(57)	-
Over provision in prior period	(432)	-
Effect of change in corporate tax rate	191	-
Income tax expense	385	1

Total income tax expense results in a:

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Current tax liability	120	-
Deferred tax liability	-	(1)
Deferred tax asset	265	2
Total income tax expense	385	1
The applicable weighted average effective tax rates are as follows:	11.2%	30.0%

The effective tax rate reflects the benefit to the Company of franking credits and withholding tax received on trust income. The reduction in the effective tax rate is attributable to the over provision for the 2016 income tax year, in addition to foreign income tax offsets received on trust distributions during the year.

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

Notes to the Financial Statements

For the year ended 31 December 2017

4. Income tax (continued)

(B) DEFERRED TAX ASSETS

	31 December 2017	31 December 2016
	\$'000	\$'000
Recapitalisation and capital raising costs	698	1,066
Provisions	480	457
Net realised losses on investments	726	342
Tax losses moved from deferred tax liabilities	500	421
At reporting date	2,404	2,286

Movement in deferred tax assets:

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Balance at the beginning of the period	2,286	7,266
Charged to profit or loss	(265)	(2)
Charged to other comprehensive income	383	(4,978)
At reporting date	2,404	2,286

(C) CURRENT TAX LIABILITIES

Movement in current tax liabilities:

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Balance at the beginning of the period	2,008	2,008
Current year income tax expense on operating period	119	1
Provisions	-	(1)
Income tax paid	(1,770)	-
At reporting date	357	2,008

Notes to the Financial Statements

For the year ended 31 December 2017

4. Income tax (continued)

(D) DEFERRED TAX LIABILITIES

	31 December 2017	31 December 2016
	\$'000	\$'000
Net unrealised gains on revaluation of investment portfolio	11,293	1,108
At reporting date	11,293	1,108

Movement in deferred tax liabilities:

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Balance at the beginning of the period	1,108	1
Charged to profit or loss	-	(1)
Charged to other comprehensive income	10,185	1,108
At reporting date	11,293	1,108

5. Charity donation

In line with the Company's stated objectives, the Company will donate a percentage of its assets to Australian charities supporting youth mental health. The donation is accrued monthly and is equal to 1.0% of the Company's average monthly net tangible assets. All donations are made to charities with Deductible Gift Recipient ("DGR") status. The donation represents a tax deduction for the Company. The annual investment by the Company in supporting youth mental health is detailed further in the Charity Report on page 9 of this report.

For the 12 months ended 31 December 2017, the amount recognised in the Statement of Comprehensive Income was \$3.3m (2016 transitional period: \$1.5m).

The Company paid its second annual investment of \$3.0 million in October 2017. The specific allocation to each charity was determined by shareholder votes and directions, with the Board distributing the undirected monies on a pro-rata basis between the designated charities.

As at 31 December 2017, the six month accrued commitment is \$1.7 million (2016: \$1.5 million).

6. Dividends

(A) ORDINARY DIVIDENDS PAID DURING THE YEAR

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
June 2017 dividend: 1.0 cents per share fully franked at 27.5% paid 27 October 2017 (June 2016: 1.0 cents per share fully franked)	2,958	2,768

Notes to the Financial Statements

For the year ended 31 December 2017

6. Dividends (continued)

(B) DIVIDEND FRANKING ACCOUNT

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Opening balance of franking account	(1,148)	-
Franking credits on distributions received	15	38
Tax paid during the year	1,770	-
Franking credits on dividends paid	(1,122)	(1,186)
Closing balance of franking account	(485)	(1,148)
Adjustments for tax payable in respect of the period's profits and receipt of distributions.	357	2,008
Adjusted franking account balance	(128)	860

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 year and debits that will arise from the settlement of liabilities.

7. Remuneration of auditors

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

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Audit and review of financial statements	35	31
<i>Other assurance services</i>		
Taxation services	4	2
Total remuneration for audit and other assurance services	39	33

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

8. Current assets – Trade and other receivables

	31 December 2017	31 December 2016
	\$'000	\$'000
Distributions receivable	273	66
GST receivable	4	9
Rebate income receivable	560	600
Total trade and other receivables	837	675

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.

Notes to the Financial Statements

For the year ended 31 December 2017

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

	31 December 2017	31 December 2016
	\$'000	\$'000
Financial assets at fair value through other comprehensive income	336,793	289,991

A fund manager summary is included in the Investment Committee Report on page 4.

10. Trade and other payables

	31 December 2017	31 December 2016
	\$'000	\$'000
Trade and other payables	87	134

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

11. Issued capital

(A) PAID-UP CAPITAL

	31 December 2017	31 December 2016
	\$'000	\$'000
296,112,380 ordinary shares fully paid (2016: 277,164,069)	322,172	301,320

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

Notes to the Financial Statements

For the year ended 31 December 2017

11. Issued capital (continued)

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Balance at the beginning of the period	301,320	300,458
18,651,718 ordinary shares issued from the exercise of options	20,516	-
296,593 ordinary shares issues on 27 October 2017 under a Dividend Reinvestment Plan	336	-
493,634 ordinary shares issued from the exercise of options	-	543
296,050 ordinary shares issues on 31 October 2016 under a Dividend Reinvestment Plan	-	319
Closing balance	322,172	301,320

(C) OPTIONS

For the year ended 31 December 2017, a total of 18,651,718 (2016: 493,634) shares were allotted from the exercise of options for a total consideration of \$20,516,890 (2016: \$542,997). The options expired on 15 September 2017.

(D) 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.

Notes to the Financial Statements

For the year ended 31 December 2017

12. Investment reserves and retained earnings

(A) INVESTMENT RESERVES

	31 December 2017	31 December 2016
Investment reserves	\$'000	\$'000
Investment portfolio revaluation reserve	29,774	2,585
Investment portfolio realised losses reserve	(1,913)	(800)
Profits reserve	1,803	1,714
Total reserves	29,664	3,499

Movements:

	31 December 2017	6 months to 31 December 2016
Investment portfolio revaluation reserve	\$'000	\$'000
Net unrealised gains on investments	41,067	3,693
Income tax on net unrealised gains on investments	(11,293)	(1,108)
At reporting date	29,774	2,585

	31 December 2017	6 months to 31 December 2016
Investment portfolio realised losses reserve	\$'000	\$'000
Net realised losses on investments	(2,639)	(1,143)
Income tax on net realised losses on investments	726	343
At reporting date	(1,913)	(800)

	31 December 2017	6 months to 31 December 2016
Profits reserve	\$'000	\$'000
Opening balance	1,714	4,480
Transfer from retained earnings	3,047	2
Dividends paid	(2,958)	(2,768)
At reporting date	1,803	1,714

Nature and purpose of reserves

For a description of the nature and purpose of the reserves, refer to Notes 2(C) and 2(K).

Notes to the Financial Statements

For the year ended 31 December 2017

12. Investment reserves and retained earnings (continued)

(B) RETAINED EARNINGS

Movements in retained earnings were as follows:

	31 December 2017	31 December 2016
	\$'000	\$'000
Opening balance	-	-
Net profit for the period	3,047	2
Transfer to profits reserve	(3,047)	(2)
At reporting date	-	-

13. 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:

	31 December 2017	31 December 2016
	\$'000	\$'000
Cash at call	25,073	16,605

The accounts are earning interest at fixed rates. Of the above cash amount \$19.5 million (\$USD 15.3 million) (2016: \$16.1 million (\$USD 11.7 million)) is denominated in US Dollars.

Risk exposure

The Company's exposure to interest rate risk is discussed in Note 17. 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 that have a Standard and Poor's short term rating of A-1+ and long term rating of AA-.

Notes to the Financial Statements

For the year ended 31 December 2017

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

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Profit after tax for the year	3,047	2
Equalisation income reinvested	(24)	-
Rebate income reinvested	(2,768)	(1,471)
Distributions reinvested	(4,748)	(5,398)
Amortisation of intangibles	1	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	1,323	(374)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(357)	5,523
Decrease in other current assets	-	10
Decrease in deferred tax assets	265	4,980
(Decrease)/increase in other trade and other payables	(47)	59
Increase/(decrease) in charity donation accrual	248	(924)
(Decrease) in deferred tax liabilities	-	(4,979)
(Decrease) in current tax liabilities	(1,651)	-
Net cash used in operating activities	(4,711)	(2,572)

15. Non-cash investing and financing activities

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Distributions reinvested	4,748	5,398
Rebate income reinvested	2,768	1,471
Shares issued via dividend reinvestment plan	336	319
Equalisation income reinvested	24	-
Total non-cash investing and financing activities	7,876	7,188

Notes to the Financial Statements

For the year ended 31 December 2017

16. Earnings per share

	31 December 2017	6 months to 31 December 2016
	\$'000	\$'000
Profit after income tax used in the calculation of basic and diluted earnings per share	3,047	2

(A) BASIC AND DILUTED EARNINGS PER SHARE

	Cents	Cents
Basic and diluted earnings per share attributable to the ordinary equity holders of the Company	1.05	0.00

(B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR

	Number	Number
	'000	'000
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	289,677	276,729

There are no outstanding securities that are potentially dilutive in nature for the Company.

17. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(A) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure

The Company holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, the Company monitors the exposure on all foreign currency denominated assets and liabilities.

The Company does not hedge against its foreign exchange exposure, and consequently, the impact of foreign exchange movements are directly reflected within other comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2017

17. Financial risk management (continued)

(A) MARKET RISK (CONTINUED)

(i) Foreign exchange risk (continued)

The Board and Investment Committee formulate views on the future direction of foreign exchange rates and the potential impact on the Company and these are factored into its asset allocation decisions. While the Company has direct exposure to foreign exchange rate changes on the price of non Australian dollar-denominated investments, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain funds in which the Company invests, even if those funds are denominated in Australian dollars. For that reason, the sensitivity analysis below may not necessarily indicate the total effect on the Company's equity of future movements in foreign exchange rates.

The table below summarises the Company's financial assets and liabilities, monetary and non-monetary, which are denominated in US dollars.

	31 December 2017	31 December 2016
	\$'000	\$'000
Cash and cash equivalents	19,514	16,124
Trade and other receivables	59	244
Financial assets at fair value through other comprehensive income	45,616	44,955
	65,189	61,323

Sensitivity

The following table illustrates the sensitivities of the Company's monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened and strengthened by 10% against the US dollar.

Impact on net profit/(loss)	31 December 2017		31 December 2016	
	-10%	+10%	-10%	+10%
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	(1,952)	1,952	(1,612)	1,612
Trade and other receivables	(5)	5	(24)	24
Receivable for units redeemed	-	-	-	-
	(1,957)	1,957	(1,636)	1,636

(ii) Price risk

Exposure

The Company is exposed to price risk on its investments in unlisted unit trusts. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through other comprehensive income.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across a number of prominent global equity fund managers with a focus on three broad strategies – long equities, absolute bias and quantitative strategies.

Notes to the Financial Statements

For the year ended 31 December 2017

17. Financial risk management (continued)

(A) MARKET RISK (CONTINUED)

(ii) Price risk (continued)

Sensitivity

The following table illustrates the effect on the Company's equity from possible changes in other market risk that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 27.5%:

Impact on other components of equity	31 December 2017	31 December 2016
MSCI AC World Index (AUD)	\$'000	\$'000
Change in variable +/-5%	12,209	10,150
Change in variable +/-10%	24,417	20,299

Other components of equity would increase/decrease as a result of gains/losses on financial assets at fair value through other comprehensive income.

(iii) Cash flow and fair value interest rate risk

Exposure

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

At 31 December 2017	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial Assets	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	25,073	-	-	25,073
Trade and other receivables	-	-	837	837
Financial assets at fair value through other comprehensive income	-	-	336,793	336,793
Total financial assets	25,073	-	337,630	362,703
Financial Liabilities	\$'000	\$'000	\$'000	\$'000
Trade and other payables	-	-	(87)	(87)
Total financial liabilities	-	-	(87)	(87)
Net exposure	25,073	-	337,543	362,616

Notes to the Financial Statements

For the year ended 31 December 2017

17. Financial risk management (continued)

(A) MARKET RISK (CONTINUED)

(iii) Cash flow and fair value interest rate risk (continued)

At 31 December 2016	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash and cash equivalents	16,605	-	-	16,605
Trade and other receivables	-	-	675	675
Financial assets at fair value through other comprehensive income	-	-	289,991	289,991
Total financial assets	16,605	-	290,666	307,271
Financial Liabilities	\$'000	\$'000	\$'000	\$'000
Trade and other payables	-	-	(134)	(134)
Total financial liabilities	-	-	(134)	(134)
Net exposure	16,605	-	290,532	307,137

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

At 31 December 2017, if interest rates had increased by 100 basis points (bps) or decreased by 100 bps from the period end rates with all other variables held constant, post-tax profit for the period would have been \$251,000 higher/\$251,000 lower (2016 changes of 100bps: \$116,000 higher/\$116,000 lower), mainly as a result of higher/lower interest income from cash and cash equivalents.

(B) CREDIT RISK

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

Credit risk is managed as noted in Note 13 with respect to cash and cash equivalents and Note 8 for trade and other receivables. None of these assets are overdue or considered to be impaired.

(C) LIQUIDITY RISK

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Board and Investment Committee monitors the Company's cash-flow requirements in relation to the investing account taking into account upcoming dividends, tax payments and investing activity.

Notes to the Financial Statements

For the year ended 31 December 2017

17. Financial risk management (continued)

(C) LIQUIDITY RISK (CONTINUED)

The Company's inward cash flows depend upon the level of distribution and interest revenue received and the exercise of options that may be on issue from time to time. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Committee.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company's cash is held at call which mitigates liquidity risk.

Maturities of financial liabilities

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at period end.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 December 2017	Less than 1 month	1-12 months	Between 1 - 5 years	Total contractual undiscounted cash flows
Non-derivatives	\$'000	\$'000	\$'000	\$'000
Trade and other payables	87	-	-	87
Total non-derivatives	87	-	-	87

31 December 2016	Less than 1 month	1-12 months	Between 1 - 5 years	Total contractual undiscounted cash flows
Non-derivatives	\$'000	\$'000	\$'000	\$'000
Trade and other payables	134	-	-	134
Total non-derivatives	134	-	-	134

18. 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)

Notes to the Financial Statements

For the year ended 31 December 2017

18. Fair value measurements (continued)

(A) FAIR VALUE HIERARCHY (CONTINUED)

(i) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2017 on a recurring basis.

At 31 December 2017	Level 1	Level 2	Level 3	31 December 2017
Financial assets at FVTOCI	\$'000	\$'000	\$'000	\$'000
Unlisted unit trusts	-	336,793	-	336,793
Total financial assets	-	336,793	-	336,793

At 31 December 2016	Level 1	Level 2	Level 3	31 December 2016
Financial assets at FVTOCI	\$'000	\$'000	\$'000	\$'000
Unlisted unit trusts	-	289,991	-	289,991
Total financial assets	-	289,991	-	289,991

There were no transfers between levels for recurring fair value measurements during the year. 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 value the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net asset backing of the unlisted unit trusts at the end of the period.

19. 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.

Deferred tax asset

Deferred tax asset has been recognised on unused losses on the basis that the Company will generate future taxable profits to utilise the tax losses.

Notes to the Financial Statements

For the year ended 31 December 2017

20. Segment information

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

21. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Belinda Hutchinson AM, Chairman
- Karen Penrose, Non-Executive Director
- Sarah Morgan, Non-Executive Director
- Frank Casarotti, Non-Executive Director
- Geoff Wilson AO, Non-Executive Director
- Sue Cato, Non-Executive Director
- Louise Walsh, Chief Executive Officer

(A) REMUNERATION

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the year ended 31 December 2017, no Directors' fees were paid by the Company.

The Company remunerates LW Consulting Pty Limited, an entity associated with Louise Walsh, \$100,000 (plus GST) per annum for providing her services as Chief Executive Officer.

During the year ended 31 December 2017, the Company paid LW Consulting Pty Limited a total of \$100,000 (plus GST) for services provided (2016: \$50,000 (plus GST)).

The term of the contract continues until June 2019 and will automatically be extended for successive periods of 12 months unless notice of termination is provided no less than 3 months before the due date for extension of the term.

(B) SHARE HOLDINGS

As at 31 December 2017, the Company's key management personnel and their related parties held the following interests in the Company:

31 December 2017

Ordinary shares held	Opening balance	Acquisitions	Disposals	Balance at 31 December 2017
Belinda Hutchinson AM	909,000	301,000	-	1,210,000
Sue Cato	91,001	-	-	91,001
Karen Penrose	25,000	15,000	-	40,000
Sarah Morgan	90,909	-	-	90,909
Frank Casarotti	50,000	-	-	50,000
Geoff Wilson AO	3,770,917	1,289,083	-	5,060,000
Louise Walsh	100,929	891	70,000	31,820

Notes to the Financial Statements

For the year ended 31 December 2017

21. Key management personnel compensation (continued)

(B) SHARE HOLDINGS (CONTINUED)

31 December 2017

Options held	Opening balance	Acquisitions	Exercised/ Lapsed	Balance at 31 December 2017
Belinda Hutchinson AM	909,000	-	909,000	-
Sue Cato	91,001	-	91,001	-
Karen Penrose	25,000	-	25,000	-
Sarah Morgan	90,909	-	90,909	-
Frank Casarotti	50,000	-	50,000	-
Geoff Wilson AO	3,010,000	215,315	3,225,315	-
Louise Walsh	100,000	-	100,000	-

31 December 2016

Ordinary shares held	Balance at 30 June 2016	Acquisitions	Disposals	Balance at 31 December 2016
Belinda Hutchinson AM	909,000	-	-	909,000
Sue Cato	91,001	-	-	91,001
Karen Penrose	25,000	-	-	25,000
Sarah Morgan	90,909	-	-	90,909
Frank Casarotti	50,000	-	-	50,000
Geoff Wilson AO	3,570,001	200,916	-	3,770,917
Louise Walsh	100,000	929	-	100,929

31 December 2016

Options held	Balance at 30 June 2016	Acquisitions	Disposals	Balance at 31 December 2016
Belinda Hutchinson AM	909,000	-	-	909,000
Sue Cato	91,001	-	-	91,001
Karen Penrose	25,000	-	-	25,000
Sarah Morgan	90,909	-	-	90,909
Frank Casarotti	50,000	-	-	50,000
Geoff Wilson AO	3,010,000	-	-	3,010,000
Louise Walsh	100,000	-	-	100,000

Notes to the Financial Statements

For the year ended 31 December 2017

21. Key management personnel compensation (continued)

Directors and key management personnel and their related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders.

The Directors and key management personnel have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

22. Related party transactions

All transactions with related entities were made on normal commercial terms and conditions and at market rates.

Frank Casarotti is General Manager - Distribution of Magellan Asset Management Limited which is the Responsible Entity of the Magellan Global Fund. Magellan Asset Management Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Notwithstanding Frank's interest in contracts with the Company, he is considered to be independent.

Wilson Asset Management (International) Pty Limited provides some company secretarial services, financial reporting, investor relations and marketing for the Company at no cost to the Company. Wilson Asset Management (International) Pty Limited is an entity associated with Geoff Wilson.

23. Contingencies

The Company had no contingent liabilities as at 31 December 2017 (2016: nil).

24. Commitments

The Company will contribute a percentage of its assets to Australian charities supporting youth mental health. The contribution is accrued monthly and is equal to 1.0% of the Company's average monthly net tangible assets. As at 31 December 2017, the six month accrued commitment is \$1.7 million (2016: \$1.5 million).

25. Events occurring after the reporting period

No other matter or circumstance has occurred subsequent to year 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.

Director's Declaration

The Directors of Future Generation Global Investment Company Limited declare that:

- 1) The financial report as set out in pages 33 to 58 and the additional disclosures included in the Directors' Report designated as 'Remuneration Report', as set out on page 29, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
- 2) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the persons and organisations who perform the Chief Executive Officer and Chief Financial Officer functions respectively, for the purposes of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.



Belinda Hutchinson AM

Chairman

Dated in Sydney this 28th day of February 2018

Independent Auditor's Report

To the Members of Future Generation Global Investment Company Limited

A.B.N. 52 606 110 838

REPORT ON THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of Future Generation Global Investment Company Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion the accompanying financial report of Future Generation Global Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have communicated the key audit matters to the Audit Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p><i>Existence, Valuation, and Classification of Financial Assets</i> <i>Refer to Note 9: Financial Assets at fair value through other comprehensive income, and Note 18: Fair Value Measurements</i></p>	
<p>We focused our audit effort on the valuation, existence and ownership of the Company's financial assets as they are its largest assets and represent the most significant driver of the Company's net tangible assets and results.</p> <p>The quantum of investments held inherently makes financial assets a key audit matter, in addition however, there may be judgements involved in determining the fair value of investments.</p> <p>In relation to financial assets, there is also a risk that these are not owned by the Company or do not exist.</p> <p>We therefore identified valuation, existence, and ownership of financial assets as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Reviewing the reports on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation), for the period 1 January 2017 to 30 June 2017, and 1 July 2017 to 31 December 2017 for the Administrator; ▪ Agreeing the investment holdings to investment holding statements from fund managers or trustees of the investee entities; ▪ Agreeing on a sample basis the units purchased, and the price, to purchase agreements or investment holding statements from the fund managers or trustees of the investee entities; ▪ Assessing the valuation by agreeing the units held and the exit price as at 31 December 2017 to reported unit pricing from investment holding statements and compared the value of investments to the valuation report of the Company; ▪ For a sample of investments held at balance date, obtaining their latest audited accounts and performing procedures including: <ul style="list-style-type: none"> - Recalculating the net asset value and comparing it to the reported unit price; - Considering the appropriateness of accounting policies; and - Confirming that the audit opinion is unmodified; ▪ Evaluating the appropriateness of the accounting treatment of revaluations of financial assets for current/deferred tax and realised/unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's financial report for the year ended 31 December 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of Future Generation Global Investment Company Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 29 of the Directors' Report for the year ended 31 December 2017. In our opinion, the Remuneration Report of Future Generation Global Investment Company Limited for the year ended 31 December 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of Future Generation Global Investment Company Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S M Whiddett
Partner



Pitcher Partners
Sydney

28 February 2018

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

SUBSTANTIAL SHAREHOLDERS (AS AT 31 JANUARY 2018)

QBE Insurance Group Limited is currently a substantial shareholder in Future Generation Global Investment Company Limited and held 7.8% voting power as at 31 January 2018.

DISTRIBUTION OF SHAREHOLDERS (AS AT 31 JANUARY 2018)

Category	Number of shareholders	
	Ordinary Shares	%
1 – 1,000	165	0.0
1,001 – 5,000	913	1.1
5,001 – 10,000	1,115	3.1
10,001 – 100,000	3,594	40.8
100,000 and over	370	55.0
	6,157	100.0

The number of shareholdings held in less than marketable parcels is 51.

TWENTY LARGEST SHAREHOLDERS – ORDINARY SHARES (AS AT 31 JANUARY 2018)

Name	Number of ordinary shares held	Percentage of issued capital held
Citicorp Nominees Pty Limited	22,392,349	7.6%
HSBC Custody Nominees (Australia) Limited	12,126,549	4.1%
Entities associated with Mr Geoff Wilson AO	5,050,000	1.7%
Balmoral Financial Investments Pty Limited	4,545,500	1.5%
HSBC Custody Nominees (Australia) Limited A/C 2	3,234,018	1.1%
Kordamentha Nominees Pty Limited	3,209,091	1.1%
Fendell Pty Limited	2,300,000	0.8%
Netwealth Investments Limited (Wrap Services A/C)	2,283,831	0.8%
Navigator Australia Limited (MLC Investment A/C)	2,236,348	0.8%
Snow Foundation Limited	2,052,000	0.7%
Evalane Pty Limited (The Hogan Super Fund A/C)	2,036,397	0.7%
Clurname Pty Limited	2,036,397	0.7%
The Smith Family	2,000,000	0.7%
Almavijo Pty Limited	2,000,000	0.7%
BNP Paribas Nominees Pty Limited Hub24 Custodial Serv Limited	1,874,277	0.6%
Spinifex (2007) Pty Limited	1,834,233	0.6%
Gumala Investments Pty Limited	1,818,000	0.6%
Netwealth Investments Limited (Super Services A/C)	1,771,432	0.6%
Bond Street Custodians Limited (Grant 2 – D06183 A/C)	1,500,000	0.5%
Coolah Holdings Pty Limited	1,363,637	0.5%
Kingwood Pty Limited	1,225,000	0.4%
	78,889,059	26.8%

SECURITIES EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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