

Appendix 4D

Half Year Report

for the half year ended 30 June 2020

Results for announcement to the market

All comparisons for the half year ended 30 June 2019
(unless specified for 31 December 2019)

Future Generation Global
Investment Company Limited
ABN 52 606 110 838

	UP/DOWN	% MVMT	\$'000
Revenue from operating activities	up	34.7%	20,598
Profit from ordinary activities before tax	up	41.1%	17,532
Net profit from ordinary activities after tax	up	59.1%	12,317
Total comprehensive profit/(loss) for the period	down	102.1%	(888)

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
June 2020 dividend cents per share	2.0	2.0	30%
June 2019 dividend cents per share	1.5	1.5	30%

Dividend dates

Ex-dividend date	12 October 2020
Record date	13 October 2020
Last election date for DRP	15 October 2020
Payment date	23 October 2020

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked dividend of 2.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the VWAP (volume weighted average market price) of shares sold on the ASX (on an ex-dividend basis) four trading days from the ex-dividend date, inclusive of the ex-dividend date. The DRP will operate without a discount for the June 2020 dividend.

Net Tangible Assets (NTA)	30 JUN 2020	31 DEC 2019
NTA (after tax) per share	\$1.39	\$1.39

Future Generation Global
Investment Company Limited

Financial Report

For the half year
ended 30 June 2020

ABN: 52 606 110 838



**Future
Generation
Global**

INVESTMENT & SOCIAL RETURNS

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 ill health.

Chairman

Belinda Hutchinson AC

Directors

Frank Casarotti
Kiera Grant
Sarah Morgan
Jonathan Nicholas
Geoff R Wilson
Geoff Wilson AO

Joint Company Secretaries

Mark Licciardo
Kate Thorley

Investment Committee

Kiera Grant (Chair)
Sean Webster
Gary Bradar
John Coombe
Lukasz de Pourbaix
Aman Ramrakha
Geoff Wilson AO

Chief Executive Officer

Louise Walsh

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001

T: (02) 9247 9202

F: (02) 9247 6855

E: info@futuregeninvest.com.au

W: futuregeninvest.com.au

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, dividends (including participation in the Dividend Reinvestment Plan and Dividend Donation Plan) and related matters, please contact the share registry.

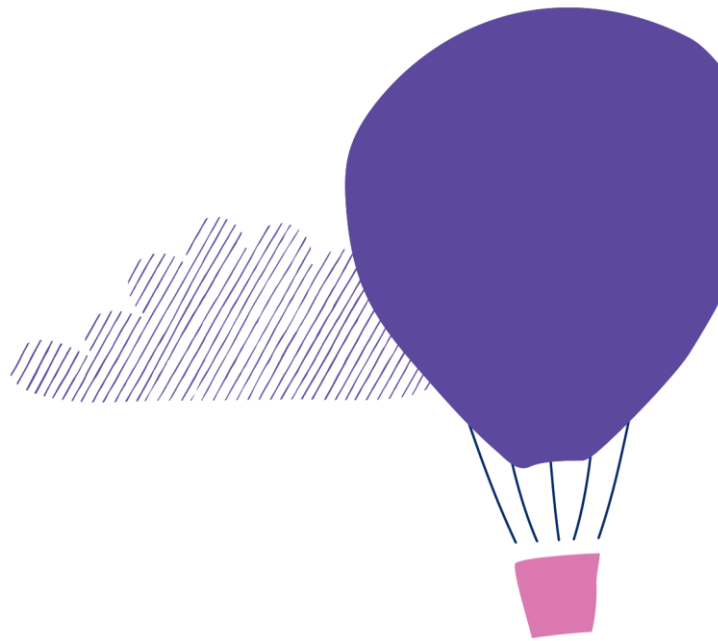
Virtual Investment Forum October 2020



Due to the coronavirus, our Investment Forum will be hosted online

futuregeninvest.com.au/virtualforum

Virtual
Investment
Forum



Contents

Directors' Report to Shareholders	1
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	14
Independent Auditor's Review Report	15

Director's Report to Shareholders

For the half year ended 30 June 2020

The Directors present their report together with the financial report of Future Generation Global Investment Company Limited (Future Generation Global or the Company) for the half year ended 30 June 2020.

Directors

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

- Belinda Hutchinson AC, Chairman
- Frank Casarotti, Non-Executive Director
- Kiera Grant, Non-Executive Director
- Sarah Morgan, Non-Executive Director
- Jonathan Nicholas, Non-Executive Director
- Geoff R Wilson, Non-Executive Director
- Geoff Wilson AO, Non-Executive Director

Principal activity

The principal activity of the Company is investing in global equity fund managers while also investing in charities focused on improving 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, Committee members and service providers means an amount equal to 1.0% of the Company's average monthly net assets for the relevant financial year can be provided as a source of funding for Australian youth mental health charities. There was no change in the nature of the activity of the Company during the half year and no change is likely in the future.

Operating and financial review

The six months to 30 June 2020 saw the coronavirus pandemic dominating global equity markets, with the world adjusting to extensive containment measures implemented to combat the spread of the coronavirus. In hope of aiding the recovery across global markets, unprecedented responses from central banks and governments were seen around the world. The pandemic lockdowns have solidified the notion of tech companies as a necessity with people turning to internet, social media and streaming applications. As a result tech stocks in the S&P 500 Index have rallied nearly 16% this year and are predicted to continue to outperform over the next 12 to 18 months.

After March's dramatic sell-off, global equities staged their best quarterly performance since June 2009. In the US, the S&P 500 Index posted the biggest quarterly gain since the final quarter of 1998 as state authorities across the country began relaxing restrictions and the US Federal Reserve continued to provide stimulus support. From April, actions were undertaken globally to slowly ease lockdown restrictions and re-open economies. We remain cautious about the overall equity market outlook during this time of uncertainty and continue to work diligently with the Investment Committee to closely monitor the investment portfolio performance and the performance of the underlying fund managers.

For the six month period ended 30 June 2020, the Company delivered an operating profit before tax of \$17.5 million (June 2019: \$12.4 million) and an operating profit after tax of \$12.3 million (2019: \$7.7 million). The Company's operating profit for the period reflects the increased level of distribution income received of \$18.2 million (2019: \$12.0 million) from the investments with the underlying fund managers during the period. The volatility in global equity markets led to a higher turnover of the underlying fund manager investment portfolios, resulting in increased realised gains which were subsequently distributed by the fund managers to the Company. The total comprehensive loss for the period was \$0.9 million (June 2019: total comprehensive income of \$41.4 million). The value of the portfolio increased \$1.7 million in the six month period ended 30 June 2020, including the distribution income received, as the investment portfolio increased 0.3%*. In the six months to 30 June 2019, the value of the portfolio increased \$63.4 million as the investment portfolio rose 12.5%*.

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

Director's Report to Shareholders

For the half year ended 30 June 2020

Operating and financial review (continued)

The operating profit and other comprehensive income for the period includes the distribution income received from underlying fund managers, in addition to the unrealised gains and losses arising as a result of the changes in the fair value of the investments held with the underlying fund managers. The level of distribution income received and the movement in the fair value of the investments can add to or reduce operating profit and other comprehensive income in each period respectively. Due to this treatment under the Accounting Standards, this can cause large variations in reported operating profit and other comprehensive income between periods.

The operating profit and other comprehensive income is important to understand with context to the overall performance of equity markets in any given period. Given the potential variability, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return (TSR).

In the six months to 30 June 2020, the investment portfolio achieved 4.7%* outperformance against the MSCI AC World Index (AUD). The investment portfolio increased 0.3%* while the MSCI AC World Index (AUD) fell 4.4% during this highly volatile period for global equity markets. Since inception, the investment portfolio has increased 9.2%* per annum, outperforming the Index. This investment portfolio outperformance has been achieved with less volatility as measured by standard deviation, 9.3% versus the market's 10.8%.

Future Generation Global's pre-tax NTA decreased 0.2% for the six months to 30 June 2020. The significant item of difference between the investment portfolio performance of 0.3%* and the net tangible asset performance was the charitable investment accrual of 0.5% (1.0 % per annum). Corporate tax payments and Company related expenses had a negligible impact on the value of the assets during the period. At 30 June 2020, corporate tax payable by the Company is \$5.9 million as a result of the distribution income received in the period. When paid, the franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

The NTA before tax as at 30 June 2020 was \$1.47 per share (December 2019: \$1.47). The NTA after tax was \$1.39 per share (December 2019: \$1.39).

TSR is a measure that shows the tangible return to shareholders, being the change in the share price together with dividends, assuming the dividends are reinvested during the period. The TSR for Future Generation Global for the six month period to 30 June 2020 was impacted by the volatility in global equity markets and the increase in the share price discount to NTA. As at 30 June 2020, the share price discount to NTA was 22.0% (December 2019: 13.4%), with TSR of -10.2% for the period. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

At the date of this report the investment portfolio is made up of 12 fund managers with investments in 12 unlisted unit trusts and one direct listed investment company. During the period, Future Generation Global exited its holding in the Manikay Partners Global Opportunistic USD Fund following the liquidation of the fund and subsequent return of capital to shareholders.

The Future Generation Global investment portfolio has been structured to provide diversification between two broad equity strategies: long equities and absolute bias, with the remainder held in cash. As at 30 June 2020, the portfolio was 59.5% long equities, 29.1% absolute bias and 11.4% cash.

The Company will pay its fifth annual charitable investment in October 2020. The investment of \$5.7 million will be made in charities focused on youth mental health, bringing the total investment since inception to \$19.7 million.

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

Director's Report to Shareholders

For the half year ended 30 June 2020

Fund managers and service providers

Through their investment in Future Generation Global, shareholders have unprecedented access to leading global equity fund managers and make a significant contribution to youth mental health in Australia. This is made possible by the fund managers forgoing management and performance fees. Most service providers, Directors, the Audit and Risk Committee 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 \$3.4 million (June 2019: \$2.8 million) and the value of the service providers, including the Board and Investment Committee working on a pro bono basis, totalled \$0.5 million (June 2019: \$0.4 million). Currently we estimate the value of this pro bono support to be approximately \$7.8 million per annum, and at 1.4% of the net assets of the Company, these savings to shareholders exceed the annual investment in charities.

Charity update

Since the coronavirus pandemic began, our charity partners have demonstrated resilience and adaptability to continue and increase their support for young people across Australia. Partners with community-facing roles are experiencing surges in demand and increased levels of distress from young people and their carers with a number of partners having received additional funds from Government agencies to support with coronavirus-specific responses. Many of our charity partners have rapidly transitioned to online delivery via video conferencing, webinars and digital events. Training, counselling, case work and group events are now being delivered remotely. Our partners are using this opportunity to expand their offering to more young people in rural, regional, remote and interstate locations, that would not previously have been out of reach.

Support for our charity partners is crucial during this period of uncertainty as further job losses and economic downturn are set to disproportionately affect young people, and existing vulnerabilities and disadvantages are expected to compound in the months and years to come. The work of our charity partners is now more important than ever and we commend their commitment as they navigate these uncertain times.

After balance sheet date events

Since the end of the period, the Company has declared a fully franked dividend of 2.0 cents per share to be paid on 23 October 2020.

No other matters or circumstances have 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.

Rounding of amounts

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded 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* in relation to the review for the half year is set out on page 4 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors.



Belinda Hutchinson AC

Chairman

Dated in Sydney this 27th day of August 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditor's Independence Declaration

**To the Directors of Future Generation Global Investment Company Limited
ABN 52 606 110 838**

In relation to the independent auditor's review of Future Generation Global Investment Company Limited for the half-year ended 30 June 2020, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S S WALLACE
Partner

PITCHER PARTNERS
Sydney

27 August 2020

Statement of Comprehensive Income

For the half year ended 30 June 2020

	NOTE	JUNE 2020 \$'000	JUNE 2019 \$'000
Investment income from operating activities			
Distributions received		18,217	12,016
Investment management and performance fee rebates	2	2,903	2,331
Net foreign exchange (losses)/gains		(717)	105
Interest income		183	834
Other income		12	11
		20,598	15,297
Expenses			
ASX listing fees		-	-
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
Audit fees		-	-
Charity investment accrual	3	(2,878)	(2,630)
Share registry transaction costs		(31)	(36)
Executive remuneration		(77)	(55)
Other expenses		(47)	(103)
ASIC industry funding levy		(25)	(35)
ASX CHESS fees		(5)	(4)
Tax fees		(3)	(5)
		(3,066)	(2,868)
Profit before income tax		17,532	12,429
Income tax expense	8	(5,215)	(4,688)
Profit after income tax for the period attributable to members		12,317	7,741
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised and realised (losses)/gains on investments taken to equity, net of tax		(13,205)	33,658
Other comprehensive (loss)/income for the period, net of tax		(13,205)	33,658
Total comprehensive (loss)/income for the period		(888)	41,399
Basic and diluted earnings per share		3.14 cents	1.98 cents

The accompanying notes form part of these half year financial statements.

Statement of Financial Position

As at 30 June 2020

	NOTE	JUNE 2020 \$'000	DECEMBER 2019 \$'000
Assets			
Current assets			
Cash and cash equivalents		65,996	51,863
Trade and other receivables		15,028	1,135
Current tax assets		-	348
Other current assets		-	12
Total current assets		81,024	53,358
Non-current assets			
Financial assets at fair value through other comprehensive income	7	501,239	527,728
Intangible assets		2	4
Deferred tax assets		1,996	1,960
Total non-current assets		503,237	529,692
Total assets		584,261	583,050
Liabilities			
Current liabilities			
Trade and other payables		110	134
Charity investment accrual	3	5,725	2,847
Current tax liabilities		5,856	-
Total current liabilities		11,691	2,981
Non-current liabilities			
Deferred tax liabilities		27,775	34,386
Total non-current liabilities		27,775	34,386
Total liabilities		39,466	37,367
Net assets		544,795	545,683
Equity			
Issued capital	5(a)	450,147	450,147
Investment reserves	6(a)	68,043	81,248
Profits reserve	6(a)	26,715	14,398
Accumulated losses		(110)	(110)
Total equity		544,795	545,683

The accompanying notes form part of these half year financial statements.

Statement of Changes in Equity

For the half year ended 30 June 2020

	NOTE	ISSUED CAPITAL \$'000	INVESTMENT RESERVES \$'000	PROFITS RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 January 2019		449,303	23,784	11,603	-	484,690
Net profit for the period		-	-	-	7,741	7,741
Transfer to profits reserve	6(a)	-	-	7,741	(7,741)	-
Other comprehensive income, net of tax		-	33,658	-	-	33,658
Balance at 30 June 2019		449,303	57,442	19,344	-	526,089
Balance at 1 January 2020		450,147	81,248	14,398	(110)	545,683
Net profit for the period		-	-	-	12,317	12,317
Transfer to profits reserve	6(a)	-	-	12,317	(12,317)	-
Other comprehensive income, net of tax		-	(13,205)	-	-	(13,205)
Balance at 30 June 2020		450,147	68,043	26,715	(110)	544,795

The accompanying notes form part of these half year financial statements.

Statement of Cash Flows

For the half year ended 30 June 2020

	JUNE 2020 \$'000	JUNE 2019 \$'000
Cash flows from operating activities		
Distribution income received	-	46
Interest received	183	834
Income tax paid	-	(4,027)
Payments for other expenses	(200)	(187)
Net GST received from ATO	3	114
Net cash used in operating activities	(14)	(3,220)
Cash flows from investing activities		
Proceeds from sale of financial assets	26,114	-
Payments for financial assets	(11,250)	(104,600)
Net cash provided by/(used in) investing activities	14,864	(104,600)
Net increase/(decrease) in cash and cash equivalents	14,850	(107,820)
Cash and cash equivalents at the beginning of the period	51,863	173,261
Effects of exchange rate changes on cash and cash equivalents	(717)	105
Cash and cash equivalents at the end of the period	65,996	65,546
Non-cash investing and financing activities		
Distributions and rebate income reinvested	7,009	5,632

The accompanying notes form part of these half year financial statements.

Notes to the Financial Statements

For the half year ended 30 June 2020

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of Future Generation Global Investment Company Limited (Future Generation Global or the Company).

The half year financial report was authorised for issue on 27 August 2020 by the Board of Directors.

Basis of preparation

These interim financial statements for the half year reporting period ended 30 June 2020 are general purpose financial statements and have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements of the Company also comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Financial Report for the year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, unless otherwise stated.

There are no new and revised accounting requirements significantly affecting the half year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 31 December 2019 Annual Financial Report.

2. Investment income from ordinary activities

As at 30 June 2020, the investment portfolio was made up of 12 global fund managers with investments in 12 unlisted unit trusts and one direct listed investment company.

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 and Caledonia Fund.

The aggregated amount of management and performance fees forgone by the unit trusts with a zero fee unit class for the six months ended 30 June 2020 was \$0.5 million (June 2019: \$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 \$2.9 million for the six months ended 30 June 2020 (June 2019: \$2.3 million).

The estimated amount of the other pro bono services provided to the Company for the six months ended 30 June 2020, including the Board and Investment Committee working on a pro bono basis, totalled \$0.5 million (June 2019: \$0.4 million).

Notes to the Financial Statements

For the half year ended 30 June 2020

3. Charity investment

The Company invests a percentage of its assets in Australian charities supporting youth mental health under the terms outlined in the Prospectus dated 9 July 2015. The investment is accrued monthly and is equal to 1.0% of the Company's average monthly net tangible assets. All investments are made to charities with deductible gift recipient (DGR) status. The investment represents a tax deduction for the Company.

For the six months ended 30 June 2020, the amount recognised in the Statement of Comprehensive Income was \$2.9 million (June 2019: \$2.6 million).

As at 30 June 2020, the 12 month accrued commitment is \$5.7 million (June 2019: \$4.9 million). The Company will pay its fifth annual investment in October 2020. The charitable investment of \$5.7 million will be made in Australian charities focused on youth mental health, bringing the total investment since inception to \$19.7 million. The specific allocation to each charity will be determined by shareholder votes and directions, with the Board distributing undirected monies between the designated charities.

4. Dividends

Dividends not recognised during the period

	JUNE 2020 \$'000	JUNE 2019 \$'000
Since the end of the half year, the Directors have declared a fully franked dividend of 2.0 cents per share payable on 23 October 2020 (June 2019: 1.5 cents per share fully franked)	7,849	5,877

5. Issued capital

a) Paid-up capital

	JUNE 2020 \$'000	DECEMBER 2019 \$'000
392,455,012 ordinary shares fully paid (December 2019: 392,455,012)	450,147	450,147

b) Movements in ordinary share capital

	JUNE 2020 \$'000	DECEMBER 2019 \$'000
Balance at the beginning of the period	450,147	449,303
663,418 shares issued on 25 October 2019 under a Dividend Reinvestment Plan	-	847
Cost of raising capital (net of tax)	-	(3)
At reporting date	450,147	450,147

Notes to the Financial Statements

For the half year ended 30 June 2020

6. Reserves and accumulated losses

a) Reserves

	JUNE 2020 \$'000	DECEMBER 2019 \$'000
Reserves		
Investment portfolio revaluation reserve	64,807	80,378
Investment portfolio realised gains reserve	3,236	870
Profits reserve	26,715	14,398

The profits reserve is made up of amounts transferred from current period profits which are preserved for future dividend payments. The investment portfolio revaluation reserve is used to record increments and decrements on the revaluation of the equity investments at fair value through other comprehensive income, net of potential tax. Gains or losses arising from the disposal of financial assets are recorded in the investment portfolio realised gains reserve and are designated on revenue or capital account for taxation purposes respectively.

MOVEMENTS:

	JUNE 2020 \$'000	DECEMBER 2019 \$'000
Investment portfolio revaluation reserve		
Opening balance	80,378	22,914
Unrealised (losses)/gains on investments	(22,244)	82,091
Income tax benefit/(expense) on unrealised losses/gains on investments	6,673	(24,627)
At reporting date	64,807	80,378

Investment portfolio realised gains reserve

Opening balance	870	1,257
Realised gains/(losses) on investments	3,380	(553)
Income tax (expense)/benefit on realised gains/losses on investments	(1,014)	166
At reporting date	3,236	870

Profits reserve

Opening balance	14,398	11,603
Transfer from retained earnings	12,317	8,672
Dividends paid	-	(5,877)
At reporting date	26,715	14,398

Notes to the Financial Statements

For the half year ended 30 June 2020

6. Reserves and accumulated losses (continued)

b) Accumulated losses

	JUNE 2020 \$'000	DECEMBER 2019 \$'000
Opening balance	(110)	-
Net profit for the period	12,317	8,562
Transfer to profits reserve	(12,317)	(8,672)
At reporting date	(110)	(110)

7. Fair value measurements

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

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 (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

I) RECOGNISED FAIR VALUE MEASUREMENTS

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2020 on a recurring basis:

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
At 30 June 2020				
Financial assets at FVTOCI	4,703	496,536	-	501,239
At 31 December 2019				
Financial assets at FVTOCI	5,237	522,491	-	527,728

There were no transfers between levels for recurring fair value measurements during the period (December 2019: nil). 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.

Notes to the Financial Statements

For the half year ended 30 June 2020

7. Fair value measurements (continued)

III) VALUATION TECHNIQUES USED TO DETERMINE FAIR VALUES

Recurring fair value measurements

Included within Level 1 of the hierarchy is the Company's direct investment in a listed investment company. The fair value of the investment is based on the closing quoted last price at the end of the reporting period.

The fair value of financial instruments that are not traded in an active market are 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. The unlisted unit trusts are subject to an annual audit.

8. Income tax

The effective tax rate of the Company for the period was 29.7% (2019: 37.7%). The decrease in the effective tax rate from the prior period is as a result of an under accrual for the income tax provision in 2018 being included in the 2019 reporting period, resulting from the timing of the trust distribution composition received from the underlying fund managers.

9. Segment information

The Company is engaged in investing activities including cash, term deposits and investments in underlying funds managed by prominent global equity fund managers. It has no reportable business or geographical segment.

10. Contingencies

There were no contingent liabilities for the Company as at 30 June 2020 (December 2019: nil).

11. Commitments

The Company invests a percentage of its assets in Australian charities with a focus on youth mental health, under the terms outlined in the Prospectus dated 9 July 2015. The investment is accrued monthly and is expected to be equal to 1.0% per annum of the Company's average monthly net tangible assets. As at 30 June 2020, the 12 month accrued commitment is \$5.7 million (December 2019: \$2.8 million).

The Company will make its fifth annual investment in October 2020. The charitable investment of \$5.7 million will be made in charities focused on youth mental health, bringing the total investment since inception to \$19.7 million. The specific allocation to each charity will be determined by shareholder votes and directions, with the Board distributing undirected monies between the designated charities.

12. Events occurring after the reporting period

Since the end of the half year, the Board declared a fully franked dividend of 2.0 cents per share to be paid on 23 October 2020.

No other matters or circumstances have 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.

Directors' Declaration

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

1. The half year financial report, as set out in pages 5 to 13, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, 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 30 June 2020 and of its performance for the half year ended on that date.
2. 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.

Signed in accordance with a resolution of the Board of Directors.



Belinda Hutchinson AC
Chairman

Dated in Sydney this 27th day of August 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Independent Auditor's Review Report
to the Members of Future Generation Global Investment Company Limited
ABN 52 606 110 838**

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Future Generation Global Investment Company Limited ("the Company"), which comprises the statement of financial position as at 30 June 2020, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Future Generation Global Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half year financial report.

A review of the half year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

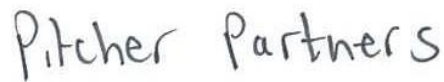
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Future Generation Global Investment Company Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



S S Wallace
Partner

27 August 2020



Pitcher Partners
Sydney

We are proud to support



With the assistance of our service providers



With thanks to the following Fund Managers



For personal use only

futuregeninvest.com.au

T +61 2 9247 9202

info@futuregeninvest.com.au

Level 26, Governor Phillip Tower

1 Farrer Place, Sydney NSW 2000 Australia