

## FUTURE GENERATION INVESTMENT COMPANY (FGX) CHAIRMAN'S ADDRESS – ANNUAL GENERAL MEETING

**Delivered by Jonathan Trollip at the Annual General Meeting of shareholders held at The Westin at 1 Martin Place, Sydney on Tuesday, 15 May 2018.**

### Introduction and welcome

Good afternoon everyone and a warm welcome to the fifth Annual General Meeting of Future Generation Investment Company Limited (FGX). I am Jonathan Trollip, Chairman of the Board of Directors. I will be chairing the meeting today.

Seated here are your other Directors: Geoff Wilson, Kate Thorley and David Paradise together with Belinda Cleminson from Mertons representing Company Secretary Mark Licciardo and Louise Walsh, CEO of the Company. Directors David Leeton, Scott Malcolm and Gabriel Radzynski are apologies.

### Chairman's address

It is a pleasure to be here with you to share FGX's results for the year ended 31 December 2017, the latest dividend to shareholders and provide an update on the donations to our designated charities.

First, I would like to thank you, our shareholders, for your continued support of FGX and for being part of the Company's innovative approach to wealth creation which demonstrates that both shareholder and social returns can be achieved together.

To our fund managers, thank you for your outstanding generosity in managing FGX's capital entirely pro bono. The value of the fund managers' foregone management and performance fees for the 12 month period to 31 December 2017 totalled \$6.4 million. The value of the pro bono service providers, including the Board and Committee fees, totalled \$0.7 million. This represents a grand total of \$7.1 million in pro bono support for our charities and cost savings for our shareholders.

In 2017, the Company achieved a record operating profit before tax of \$27.2 million and a record operating profit after tax of \$22.3 million. Total comprehensive income, including unrealised gains on investments for the year was \$39.4 million representing the solid performance of the investment portfolio during the year.

The Company's record profit was driven by the solid performance of the investment portfolio during the year, which was achieved with significantly less volatility than the market.

In February 2018 FGX announced a fully franked final dividend of 2.2 cents per share, bringing the full year for 2017 fully franked dividend to 4.4 cents per share, a 4.9% increase on the previous year. The final dividend supports the Company's goal of delivering on its investment objectives of providing a stream of fully franked dividends to shareholders while protecting their capital and delivering capital growth.

We would like to thank our participating fund managers for continuing to deliver solid risk-adjusted returns for our shareholders. For the year ended 31 December 2017 the investment portfolio increased 14.3%, outperforming the S&P/ASX All Ordinaries Accumulation Index which rose 12.5%. Since inception the investment portfolio has

increased 10.6% per annum, outperforming the benchmark by 3.2%. The investment portfolio continued to outperform the benchmark in all negative months during the year, and in 93% of down months since inception in September 2014.

We were excited in October 2017 to deliver our third annual donation to charities with a focus on children and youth at risk, in an amount of \$3.8 million, a 67.5% increase from the previous year's donation of \$2.3 million. This was made possible by the generosity and support of our fund managers and leading service providers. We are currently on track to deliver, as our fourth annual donation, over \$4.1 million for payment in October 2018. We are delighted that this would bring the total charitable donations since inception to \$11.8 million.

The Board is focused on accountability and measurement in relation to our designated charities, and in that regard the designated charities report on their agreed outcomes at six monthly intervals.

We look forward to further updating you on the progress to date made by our designated charities when shareholders direct their fourth charitable donation in August this year. I also encourage you to visit our website, [www.futuregeninvest.com.au](http://www.futuregeninvest.com.au), where you can find all relevant information and join 20,000 regular subscribers to our investment and charitable news.

Thank you to all involved in FGX - fellow Directors, Committee members, fund managers, other service providers, our CEO and our shareholders - for your continued support of FGX.

## About Future Generation Investment Company Limited

The objectives of the Company are to provide shareholders with an attractive investment and to provide an ongoing source of funding for Australian charities, with a focus on children and youth at risk. FGX has partnered with 14 designated charities that provide significant benefit to young Australians in the area of children and youth at risk. These charities are: Act For Kids, Australian Children's Music Foundation, Australian Indigenous Education Foundation, DEBRA Australia, Diabetes Kids Fund, Giant Steps, Kids Helpline, Lighthouse Foundation, Mirabel Foundation, Raise Foundation, United Way Australia, Variety, Youth Focus and Youth Off The Streets.

## Future Generation Investment Company provides:



### Shareholders

with exposure to leading global fund managers without paying management or performance fees.



### Charities

primarily focused on youth mental health with a consistent and growing stream of annual donations.



### Fund managers

with a unique opportunity to make a positive difference to Australia's future generations.

For more information visit [www.futuregeninvest.com.au](http://www.futuregeninvest.com.au) or contact:

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