

## Fund heavyweights unite in power of good

**PHILANTHROPY:** It is meant to be the world of greed-loving Gordon Gekkos and Jordan Belforts, but could some of Australia's largest financial market players be joining corporate heavyweights in using their talents for the greater good?

The Australian Indigenous Education Foundation, which is trying to fund scholarships for thousands of young indigenous Australians, has been one of the first beneficiaries of the inaugural payout from the Future Generation Investment Company, a \$200 million fund listed on the Australian Securities Exchange last year.

The fund last week donated \$100,000 to AIEF, which will allow five additional scholarships to be granted each year, according to the foundation's chief executive, Andrew Penfold.

"One of the big challenges we have at the moment is that we have so much demand from students, schools and families for more scholarship places and we're unable to meet that with the existing financial resources we have," Mr Penfold said.

"One of the real challenges for any charity is the sustainability and certainty of long-term funding and one of the great things about this model is because all of the fund managers have agreed to work pro bono, it means they can donate 1 per cent of the net assets each year to charity."

Some of Australia's most recognisable fund management houses — including Eley Griffiths, Wilson Asset Management and Paradice — are providing their services free of charge and, while the payout this year is small, it is expected to grow significantly as the fund matures.

Set up by Geoff Wilson, chairman of Wilson Asset



**Andrew Penfold**

Management, the FGIC is now chaired by Jonathan Trollip, a former partner at law firm Herbert Smith Freehills.

"The idea struck a chord with fund managers, that corporate philanthropy is something we should all try to aspire to, and they were all very happy to be associated with a novel way of them contributing by means of their time, and helping children at risk," he said.

Mr Trollip said forgone performance fees were valued slightly higher than the 1 per cent the FGIC paid out to charities — which include Youth Off The Streets, the Lighthouse Foundation and many others — attracting investors and growing funds under management.

Mr Penfold said he had noticed a big increase in the level of corporate involvement with not-for-profit organisations, and he was hoping the relationship would be mutually beneficial.

"We try to be strategic about the corporates we work with and the partnerships we enter into so that we are helping each other meet our objectives," he said.

"Rather than just being a recipient of charitable money, we actually want to be seen to be working with those partners in a strategically beneficial relationship so we can help them through staff engagement, reputation and good corporate citizenry."

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