

Investment Update & Net Tangible Assets Report

As at 30 April 2016



FUTURE GENERATION
INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

The following NTA figures are after the 2.0 cents per share fully franked interim dividend paid on 29 April 2016.

NTA before tax	113.14c
NTA after tax and before tax on unrealised gains	113.38c*
NTA after tax	113.06c*

*These figures are after the payment of \$369k (0.16 cents per share) in tax during the month. The above figures are not diluted for 140,028,543 options on issue with an exercise price of \$1.10. During the month of April, 20,889,611 options were exercised. This had a diluting effect of 0.5 cents per share.

Portfolio

In the financial year to date, the investment portfolio has outperformed the S&P/ASX All Ordinaries Accumulation Index by 8.3% and in the 12 months to 30 April 2016 by 10.3%. This long-term outperformance has been achieved with lower volatility than that of the market, 8.0% against the Index's 14.0%. The investment portfolio increased 0.8% during April while the S&P/ASX All Ordinaries Accumulation Index increased 3.2%. The spread between the three broad equity strategies is currently 42.5% long equities, 20.9% absolute bias, 14.5% market neutral and 22.1% cash.

Fund manager	Investment	Strategy	% of assets
Paradise Investment	Large/Mid Cap Funds (split out below)		8.9%
	Paradise Australian Equities Mid Cap Fund	Long equities	4.9%
	Paradise Large Cap Fund	Long equities	4.0%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	8.6%
Regal Funds Management	Regal Australian Long Short Equity Fund	Long equities	8.4%
Wilson Asset Management (International)	Wilson Asset Management Equity Fund	Absolute bias	7.1%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	6.8%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.8%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	6.1%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	4.4%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market neutral	4.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	3.5%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long equities	3.1%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	2.8%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	2.5%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.3%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.4%
Qato Capital	Qato Capital Market Neutral L/S Fund	Market neutral	0.9%
	Cash and Term Deposits	Cash	22.1%

Future Generation Investment Company Limited

ASX Code	FGX
Established	Sept 2014
Gross assets	\$257.6m
Market cap	\$254.2m
Share price	\$1.125
Net assets per share (before tax)	\$1.131
Shares on issue	225,992,352
Options on issue	140,028,543
Management fees	0.0%
Performance fees	0.0%
Annual donation (% of NTA)	1.0%

Investment objectives

- Provide a stream of fully franked dividends
- Achieve capital growth
- Preserve shareholder capital

Company overview

Future Generation Investment Company Limited gives investors the opportunity to gain unprecedented access to a group of prominent Australian fund managers in a single investment vehicle and also support Australian children's charities, with a focus on children at risk.

Chairman

Jonathan Trollip

Founder and Director

Geoff Wilson

Directors

Paul Jensen
Gabriel Radzysinski
Kate Thorley
David Leeton
Scott Malcolm
David Paradise

Investment Committee

Geoff Wilson, Gabriel Radzysinski and Matthew Kidman

Chief Executive Officer

Louise Walsh

Company Secretary

Mark Licciardo

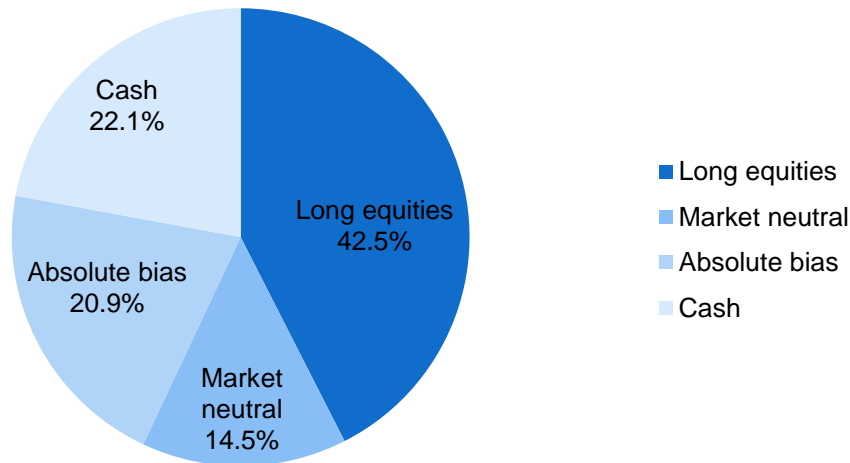
Corporate Affairs

James McNamara

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Investment strategy allocation (% of assets)



Bonus Option Issue

The options issued on the 8 September 2014 as a result of the capital raising via the prospectus dated 7 July 2014, are exercisable at \$1.10 and can be exercised at anytime on or before the 16 September 2016.

As at 30 April, 41,612,161 options had been exercised for a total consideration of \$45,773,377, with a remaining balance of outstanding options being 140,028,543.

Fund Managers



Charities



Service Providers



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Fund manager in focus: Regal Funds Management

About Regal Funds Management

Regal Funds Management is a specialist long/short equities manager, managing close to \$1.5billion in funds under management and has offices in Sydney and Singapore. The business has been running since 2004 and has an investment team of 15 people utilising a number of investment strategies which can be predominately classified into a fundamental, research-driven model and a quantitative model.

REGAL
FUNDS MANAGEMENT

Our Investment style

The Regal Australian Long Short Equity Fund utilises a fundamental investment strategy that aims to outperform the S&P/ASX 300 Accumulation Index net of fees over a rolling five year basis. Regal invests using a disciplined stock selection process, which incorporates key insights from different styles of investing and will invest where there is conviction from more than one source. The Fund has a capacity to short–sell companies and this allows Regal to profit from a share price fall. Regal’s philosophy to short-selling is to have a longer term focus, looking for weak business models and overvalued companies.

Our market outlook

Notwithstanding the bounce in March, the outlook for the Australian equity market continues to deteriorate, with the banks experiencing rising bad debts and other large companies continuing to struggle to grow profits. The Fund continues to have a bias to small and mid cap companies that are experiencing growth. In the mining sector, small shorts to oversupplied commodities such as iron ore and coal remain, and longs are in undersupplied commodities such as graphite and lithium.

For further information about Regal Funds Management, please visit: www.regalfm.com

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Designated charity in focus: Australian Indigenous Education Foundation



About The Australian Indigenous Education Foundation

The Australian Indigenous Education Foundation (AIEF) provides scholarships that enable Indigenous children to attend leading Australian schools and universities, as well as mentoring and pathways support to ensure students make a successful transition from school to careers.

AIEF has consistently achieved Year 12 completion and career transition rates above 90%, making it the most successful program in the country.

AIEF and FGX

The 2015 FGX donation contributed to the AIEF Scholarship Fund, which supported over 500 school and tertiary scholarship students in 2015.

Existing funds are committed to support current scholarship students, so future donations from FGX will allow AIEF to create more opportunities for Indigenous students.

Q&A with Andrew Penfold AM, Executive Director

1. What is your motivation?

ABS figures show there is no gap between Indigenous and non-Indigenous Australians who are well educated and students who complete Year 12 completion are more likely to go on to further study and successful careers.



The evidence is unambiguous, yet the year 12 completion gap remains wide, at 25%. This is unacceptable and it's what motivates me and everyone at AIEF in all that we do.

2. What is the biggest challenge?

The most challenging aspect of my role is the fact that AIEF is forced to say no to Indigenous students who want to pursue their education on an AIEF Scholarship, as existing funding is committed to support current scholarship students.

Our challenge is to raise more funding so we can ensure that none of these students and families are denied the opportunity.

3. What does it mean to AIEF to have the support of FGX?

AIEF is very grateful for the support of FGX and its shareholders. With the support of FGX, AIEF can empower more Indigenous children to build a brighter future for themselves and for the nation.

For further information, visit: <http://www.aief.com.au/>