

Investment Update & Net Tangible Assets Report

As at 28 February 2015



FUTURE GENERATION
INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	112.95c
NTA after tax and before tax on unrealised gains	113.40c
NTA after tax	112.18c

The above figures are not diluted for 181,625,704 options on issue with an exercise price of \$1.10

Portfolio

The portfolio continues to perform well under the stewardship of the fund managers. In February, the portfolio increased 4.1%.

The allocation to the managers has been structured to provide a spread between three broad equity strategies: long equities, absolute bias, market neutral; and cash. The long equities portion of the portfolio includes exposure to large cap, mid cap and small cap stocks with an overweight position in mid and small cap stocks. The company is currently 50.9% long equities, 18.7% market neutral, 15.9% absolute bias and 14.5% cash.

Fund manager	Investment	Strategy	% of assets
Paradise Investment Management	Large/Mid Cap Funds (split below)		10.8%
	Paradise Australian Equities Mid Cap Fund	Long equities	5.5%
	Paradise Large Cap Fund	Long equities	5.3%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.6%
Regal Funds Management	Regal Australian Long Short Equity Fund	Long equities	10.4%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	7.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	7.4%
Bennelong Long Short Equity Management	Bennelong Alpha 200 Fund	Market neutral	7.3%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	6.8%
Cooper Investors	CI Australian Equities Fund	Long equities	5.4%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market neutral	4.6%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.1%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long equities	3.7%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	2.7%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.6%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.5%
	Cash and term deposits	Cash	14.5%

Future Generation Investment Company Limited

ASX Code	FGX
Established	Sept 2014
Total assets	\$207.9m
Market cap	\$205.9m
Share price	\$1.12
Net assets per share (before tax)	\$1.13
Shares on issue	183,845,887
Options on issue	181,625,704
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.

Experienced Board

Jonathan Trollip
Chairman

Geoff Wilson
Founder and Director

Paul Jensen
Director

Gabriel Radzynski
Director

Investment Committee

Geoff Wilson, Gabriel Radzynski and Matthew Kidman

Company Secretaries

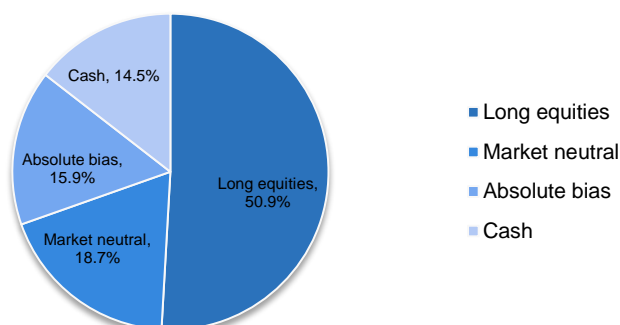
Kate Thorley
Mark Licciardo

Corporate Affairs
James McNamara

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Investment strategy allocation (% of assets)



Fund manager in focus: Regal Funds Management

About us

Regal Funds Management is a specialist long/short equities manager, managing over \$1.5 billion in Funds Under Management and has offices in both Sydney and Singapore. The business has been running since 2004 and has an investment team of 14 people. Regal offers a number of investment strategies which are predominately classified into a fundamental, research-driven model, and also offers strategies using a quantitative model.



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 on short-selling is to have a longer term focus, looking for weak business models and overvalued companies.

Our market outlook

The reduction of bond yields to record lows in Australia makes the stock market look good value in comparison. Interest rate cuts in the coming months and further weakness in the Australian dollar could be the catalysts to drive the market higher. We have the largest overweights in sectors like Healthcare and Financials where earnings will be least affected by a weak economy. Conversely the largest shorts are in Mining and Mining Services where we believe profit warnings and disappointments are very likely.

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

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Designated charity in focus: Australian Indigenous Education Foundation



What is Australian Indigenous Education Foundation?

The Australian Indigenous Education Foundation (AIEF) is a private sector-led, non-profit organisation focused on empowering Indigenous children to build a brighter future for themselves and for the nation.

AIEF provides scholarships, which enable Indigenous students to attend some of Australia's leading schools and universities, as well as mentoring and career support to ensure students make a successful transition from school to further studies or employment, productive careers and fulfilling lives.

AIEF is proud to be supported by the Future Generation Investment Company and its shareholders and investment partners. FGX funding will help us reach our goal of building a \$140 million fund that will open the doors to leading schools and universities for 7,000 Indigenous students. AIEF has supported 230 secondary and tertiary graduates to date and 93% of students supported by our scholarship program stay at school, complete Year 12 and make the transition into productive career pathways.

Meet Frank

Frank Lowah graduated Year 12 in 2010 and is a current AIEF Tertiary Scholarship Student. As a 16 year old in Cairns, Queensland, Frank looked forward to becoming a fisherman like a father. Now 22, Frank is working towards a career in diplomacy and politics after completing Year 12 at St Peters Lutheran College on an AIEF Scholarship.



During Year 12, Frank completed work experience in the Canberra office of his local MP through AIEF and developed an interest in the world of politics: "Talking to him [then Member for Leichhardt, Jim Turnour] and seeing how he operated to help the people of my local electorate and seeing how human he was really inspired me to think I could do this."

The experience led to job with then NSW Senator (and AIEF Ambassador) Mark Arbib's office, where he spent his gap year before commencing a Bachelor of International Studies at the University of Queensland in 2012.

As a busy third-year student, Frank is dedicated to supporting younger Indigenous students by hosting tours of Emmanuel College, and he said hosting a group of AIEF Scholarship Students at his college was an amazing experience.

"I wanted to show them that uni is not just about being stressed all the time," Frank said. "It's also about studying something you really enjoy. I couldn't imagine being here without AIEF so it was so good to give someone else the opportunity that was given to me."

If you would like further information on AIEF or want to make a direct donation, please visit www.aief.com.au

