

Investment Update & Net Tangible Assets Report

As at 30 June 2015



FUTURE GENERATION
INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	110.63c
NTA after tax and before tax on unrealised gains	110.19c
NTA after tax	110.73c

The above figures are not diluted for 181,424,187 options on issue with an exercise price of \$1.10

\$110m priority allocation in Future Generation Global IPO

Future Generation Investment Company Limited (FGX) shareholders with a registered address in Australia or New Zealand are entitled to a \$110m priority allocation in the Future Generation Global Investment Company Limited (FGG) initial public offering (FGG Offer).

FGG will be Australia's first internationally focused listed investment company with the dual objectives of providing shareholders with diversified exposure to selected global equities and improving the lives of young Australians affected by mental illness.

FGG will invest its capital with prominent global fund managers who have agreed to forgo their management and performance fees. Each year, 1.0% of FGG's NTA will be donated to selected Australian charities that operate in the mental health area. The FGG Board is aiming to raise up to \$550 million in the initial public offering (IPO).

Portfolio

The portfolio continues to outperform the market despite challenging economic conditions. In June the FGX portfolio declined 2.85%, however it again outperformed the S&P/ASX All Ordinaries Accumulation Index, which fell 5.40%. 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 company is currently 48.6% long equities, 23.4% absolute bias, 16.4% market neutral and 11.6% cash.

Fund manager	Investment	Strategy	% of assets
Paradice Investment Management	Large/Mid Cap Funds (split out below)		10.6%
	Paradice Australian Equities Mid Cap Fund	Long equities	5.4%
	Paradice Large Cap Fund	Long equities	5.1%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.1%
Regal Funds Management	Regal Australian Long Short Equity Fund	Long equities	9.8%
Wilson Asset Management (International)	Wilson Asset Management Equity Fund	Absolute bias	7.9%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	7.4%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	6.9%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	6.7%*
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.4%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market neutral	4.9%
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	3.0%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.4%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	2.6%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.6%
Qato Capital	Qato Capital Market Neutral L/S Fund	Market neutral	1.5%
	Cash and Term Deposits	Cash	11.6%

*Ex cash distribution

Future Generation Investment Company Limited

ASX Code	FGX
Established	Sept 2014
Total assets	\$205.3m
Market cap	\$208.0m
Share price	\$1.13
Net assets per share (before tax)	\$1.11
Shares on issue	184,047,404
Options on issue	181,424,187
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

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

Company Secretaries
Sarah Maddox/Mark Licciardo

Corporate Affairs
James McNamara

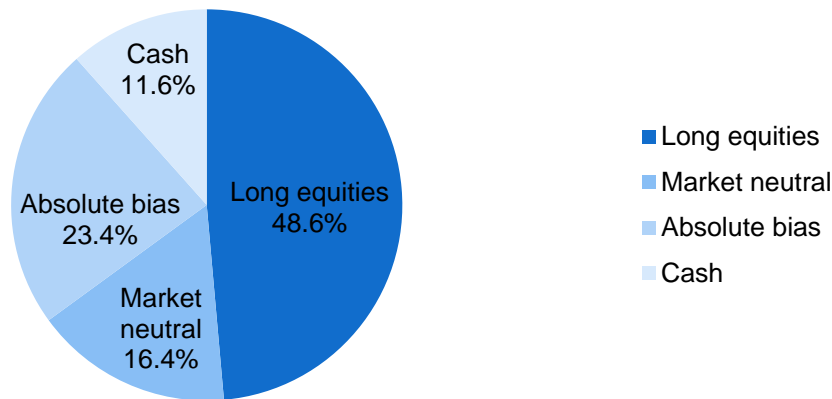
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Investment strategy allocation (% of assets)



Fund Managers



Charities



Service Providers



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Fund manager in focus: Cooper Investors



About Cooper Investors

Cooper Investors Pty Limited ("CI") is a specialist equity fund manager with funds under management of approximately \$10 billion. We commenced operations in 2001 and we manage money for a range of clients including large pension and superannuation funds, listed Australian companies, religious institutions, Australian State Government agencies, school endowments, charities and high net worth families. CI is 100% owned by its employees.

CI manages six pooled wholesale trusts (the CI Australian Equities Fund, the CI Pensions Fund, the CI Asian Tiger Fund, the CI Brunswick Fund, the CI Global Equities Fund and the CI Global Equities Fund (Unhedged)) and a number of individual mandates which invest in either Australian equities, international securities or a mixture of both. Employees are encouraged to invest in the CI trusts.

Our investment style

CI is a long-term observational investor. CI prefers to allocate capital to companies and industries with a specific value proposition that are performing well or in an early phase of turnaround (observation of operating, industry and strategic trends) with focused management (value based leadership).

CI uses VoF as a discipline to process complex qualitative and quantitative information on stocks and industries. VoF stands for:

1. Value Latency;
2. Operating, industry and strategic trends; and
3. Focused industry and management behaviour.

The VoF process provides a useful framework to:

- assess companies for their value latency, i.e. investments that provide upside due to their ability to generate more cash back than they outlay, taking into account cash flow, growth options, assets, risks and the cost of money.
- identify and observe operational, industry and strategic trends. We are interested in indicators, themes, milestones, catalysts, events and corporate actions that either precede an improved outlook for the company/industry or confirm underlying sustainable trends.
- appraise company management and industry behaviour. We are looking for focused leaders that demonstrate a clear focus, vision, authenticity, energy, passion and competency for the business/industry.

Our market outlook

Recently we have been thinking about the potential impact of rising interest rates in the U.S on equity markets here and across various sectors given the drive for yield has been a major theme over the last couple of years. In the banking sector (the biggest sector in the Australian stock market), we expect that capital requirement announcements will mean that earnings and dividends per share for the banks will likely be muted. If we were to see rising interest rates in a slower growth environment, we would likely see a more challenging backdrop in the Australian market place than in recent years.

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Designated charity in focus: Mirabel Foundation



About Mirabel Foundation

Mirabel's Toddler to Teen Program – Improving the Future for Mirabel Young People

The Mirabel Foundation was established in 1998 to assist children who have been orphaned or abandoned due to their parents' drug use and who are now in the care of extended family (kinship care), frequently grandparents. Mirabel provides a range of programs to minimise the negative effects of parental drug use on children and restore a sense of hope and belonging to their young lives, allowing them to reach their full potential as young adults. Mirabel's activities are all inspired by a vision that every child deserves a childhood and a mission to break the negative cycle of addiction and disadvantage.

A Growing Community Need

Due to the increase of drug use in our society, Mirabel is currently supporting 1500 children with nine new children referred weekly. Mirabel is thrilled to be supported by the Future Generation Investment Company and its shareholders and investment partners. This funding will provide critical resources to continue supporting this growing number of children and stay true to our commitment to 'never turn a child away'.

Program Overview

Mirabel's Toddler to Teen Program addresses the social, emotional and developmental needs of children aged 0-18 years through a diverse range of programs and educational opportunities. It caters for children from their earliest days when they are first referred to Mirabel right through until their independence. Long-term involvement is crucial, from helping them address the trauma of their earlier years to guiding them through the many challenges they may face during adolescence.



The following quotes are from Mirabel young people who are currently attending university with optimism and direction for their future.

I left my Mum, who was addicted to heroin, when I was 12 years old. For me, Mirabel is about belonging somewhere and having a support network. A place where all the people are in similar situations that you can talk to and relate to and they won't judge you for things that are out of your control. My sense of self would not be as strong as it is today without Mirabel. Ashlee (20).

I wanted to say thank you for everything that you have done for not only me but my grandparents, Ron and Mary. Without Mirabel, I am afraid that I may have continued on a destructive path. The groups, camps and outings gave me a lot to think about every time I got home. Whether it was about my situation and making the best of it or just knowing that you being there as a support net if I felt that I needed it. I know that without Mirabel I would not be anywhere near the person I am today and I also know my grandparents would be struggling immensely. Christina (18).

To learn more about Mirabel, please visit: www.mirabelfoundation.org.au