

Investment Update & Net Tangible Assets Report

As at 31 October 2014



FUTURE GENERATION
INVESTMENT FUND

Net Tangible Assets (NTA) figures

NTA before tax	106.66c
NTA after tax and before tax on unrealised gains	107.36c
NTA after tax	107.79c

The above figures are not diluted for 181,645,704 options on issue with an exercise price of \$1.10

Investor presentation & AGM

We will be holding investor presentations in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney in November and December starting from next week. We look forward to seeing you there. Please bring along friends, family and any interested parties. For further details, see below.

Portfolio

The portfolio has been invested with 14 fund managers in 15 different funds. 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 48.8% long equities, 20.1% market neutral, 16.0% absolute bias and 15.1% cash.

Fund manager	Investment	Strategy	% of assets
Paradice Investment Management	Large/Mid Cap Funds (split below)		10.1%
	Paradice Large Cap Fund	Long equities	5.1%
	Paradice Australian Equities Mid Cap Fund	Long equities	5.0%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.1%
Regal Funds Management	Regal Australian Long Short Equity Fund	Long equities	9.9%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	7.7%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	7.5%
Bennelong Long Short Equity Management	Bennelong Alpha 200 Fund	Market neutral	7.5%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	7.3%
Cooper Investors	CI Australian Equities Fund	Long equities	5.1%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market neutral	5.1%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.2%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long equities	3.8%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	2.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	2.5%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.5%
	Cash and term deposits	Cash	15.1%

Future Generation Investment Fund Limited

ASX Code	FGX
Established	Sept 2014
Total assets	\$196.2m
Market cap	\$191.2m
Share price	\$1.04
Net assets per share (pre tax)	\$1.07
Shares on issue	183,625,887
Options on issue	181,645,704
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 Fund 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

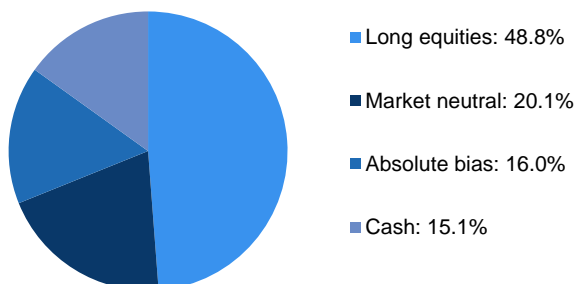
Corporate Affairs contact

Melanie Shaw

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Investment strategy allocation (% of assets)



Fund manager in focus: Paradise Investment Management

About us

Paradice Investment Management has been going for 15 years and manages over \$8 billion. It manages \$7 billion in Australian equities spread across three products: large cap, mid cap and small cap. It also manages \$1 billion in global small and mid size companies. This is managed by four people based out of America and 18 people in the Australian operation and head office.



The philosophy of the firm is to preserve capital and deliver excess risk-adjusted returns by investing in cheap companies managed well by good operators. We do not specialize in investment sectors but look for where the best value is in the Australian stock market.

Our outlook for the Australian market

The Australian growth outlook remains modest. So far, very low interest rates have mainly resulted in higher property prices rather than the desired broader improvement in economic activity. Consumer sentiment generally remains soft. Despite the lower AUD, there is little optimism that the non-resource economy is going to materially accelerate any time soon, post the peak of the commodity boom.

The Australian sharemarket traded on a price-to-earnings ratio (P/E) of 14.4x at the end of the quarter to 30 September 2014, with consensus expecting around 4% earnings growth next financial year. In the context of a low bond yield environment, the market's valuation looks reasonable. However, we feel already modest earnings growth is set to be downgraded, as lower commodity prices and underwhelming industrial earnings flow through.

Some of the stocks we have bought and why

Caltex (ASX: CTX): A strong performance in the retail market and the refinery shutdown is running to plan

Cochlear Limited (ASX: COH): New products are gaining traction and foreign exchange changes provide future potential.

Tabcorp Holdings Limited (ASX: TAH): Wagering growth is coming through and holding margin with the move to online and fixed odds.

For further information about Paradise Investment Management, please go to: www.paradice.com.au

Paradice Investment Management invests in all of the above-mentioned stocks.

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Designated charity in focus: Raise

Raise Foundation Overview

Raise Foundation is a registered Australian charity which provides mentoring programs for young people facing profound challenges including mental health, substance misuse, and sexual health issues. These are very real and worrying threats to the health of Australian youth. We improve the lives of young people in our community by providing school and community based mentoring programs and personal development workshops. We put into practise the idea that it takes a village to raise a child. We have provided accredited mentors for over 1,034 struggling young Australians since inception, and we have trained 707 volunteers from the community in our TAFE accredited mentor training program. This year alone, we are mentoring almost 300 struggling young Australians across Sydney, Melbourne and Brisbane.



Supporting Raise provides strong social returns...

We offer two main mentoring programs, one for boys and girls in high school called Ismo and one for young pregnant or parenting girls called Bump. Last year, Ismo mentees' academic achievement more than doubled after receiving mentoring with Raise and their school attendance increased by almost 50%. Bump mentees' coping strategies and confidence grew by almost 30%, as did their ability to identify and achieve smart goals. The ripple effect from Raise mentoring not only reaches our mentees, but also their families, workplaces and communities. Professional mentoring skills are of value across all facets of life.



...and addresses major youth concerns

- Suicide is the leading cause of death amongst 14-25 year olds in Australia
- 1 in 4 young Australians live with a mental illness
- 1 in 5 Australian kids will be victims of sexual abuse before they turn 18
- 23% of 12-17 year olds consume alcohol weekly
- Australia has the fourth highest rate of teenage pregnancy in the developed world
- Only 13% of males and 31% of females ages 16-24 will seek professional help



What direct impact can you make for your contribution?

Raise programs are conducted within a clearly defined budget. Many of our program costs are subsidised due to running them alongside existing Raise Foundation programs and by the generosity of our network of volunteer mentors. It costs Raise Foundation \$15,000 to conduct an Ismo program for up to 15 students for one year, and \$20,000 to conduct a Bump program for up to 20 young mums for one year. This demonstrates a cost as little as \$1,000 per mentee to participate in a Raise program for a whole year with a guarantee of improving relationships, advancing coping strategies, increasing confidence, teaching how to set and achieve smart goals, engaging with education and preparing for employment.

Demand for our services continues to grow, and we meet those requirements with strength. Raise is proud that we conduct our programs with a very small budget compared to other mentoring programs, and that we reach just as many vulnerable young people, often more. We maintain this level of control of our expenses to ensure value for the donated dollar for our investors. This, and the fact that we are professional, fresh and innovative in our approach, ensures that we are a viable option for funding, and a place of preference for volunteers.

Raise is very grateful and excited to be a part of the Future Generation Investment Fund.

More information is available at www.raise.org.au

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Investor presentation & AGM details

Date	City	Location	Time
19 November 2014	Perth	Rydges Perth Cnr King & Hay St	12.30pm – 1.30pm
28 November 2014	Sydney	Wesley Conference Centre Wesley Theatre 220 Pitt Street	1.00pm – 2.00pm
1 December 2014	Adelaide	National Wine Centre of Australia Cnr Botanic & Hackney Rd	12.30pm – 1.30pm
2 December 2014	Melbourne	Rydges Hotel 180 Exhibition St	12.30pm – 1.30pm
3 December 2014	Brisbane	Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Street South Bank	12.30pm – 1.30pm
4 December 2014	Canberra	Belconnen Premier Inn 110 Benjamin Way Belconnen	12.30pm – 1.30pm

If you wish to attend one of our investor presentations, please RSVP by email to info@futuregeninvest.com.au