

Investment Update & Net Tangible Assets Report

As at 31 March 2015



FUTURE GENERATION
INVESTMENT COMPANY

Net Tangible Assets (NTA) figures

NTA before tax	114.40c
NTA after tax and before tax on unrealised gains	114.66c
NTA after tax	113.26c

The above figures are not diluted for 181,624,204 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 March, the portfolio again performed strongly increasing 1.4%, while the S&P/ASX All Ords Accumulation Index was flat and the S&P/ASX Small Ords Accumulation Index declined 1.9%.

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 50.8% long equities, 19.1% market neutral, 15.8% absolute bias and 14.3% cash.

Fund manager	Investment	Strategy	% of assets
Paradice Investment Management	Large/Mid Cap Funds (split below)		10.9%
	Paradice Australian Equities Mid Cap Fund	Long equities	5.6%
	Paradice 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	10.2%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	7.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	7.6%
Bennelong Long Short Equity Management	Bennelong Alpha 200 Fund	Market neutral	7.4%
Watermark Funds Management	Watermark Absolute Return Fund	Market neutral	7.0%
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	4.0%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long equities	3.7%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	2.6%
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	14.3%

Future Generation Investment Company Limited

ASX Code	FGX
Established	Sept 2014
Total assets	\$210.3m
Market cap	\$204.1m
Share price	\$1.11
Net assets per share (before tax)	\$1.14
Shares on issue	183,847,387
Options on issue	181,624,204
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

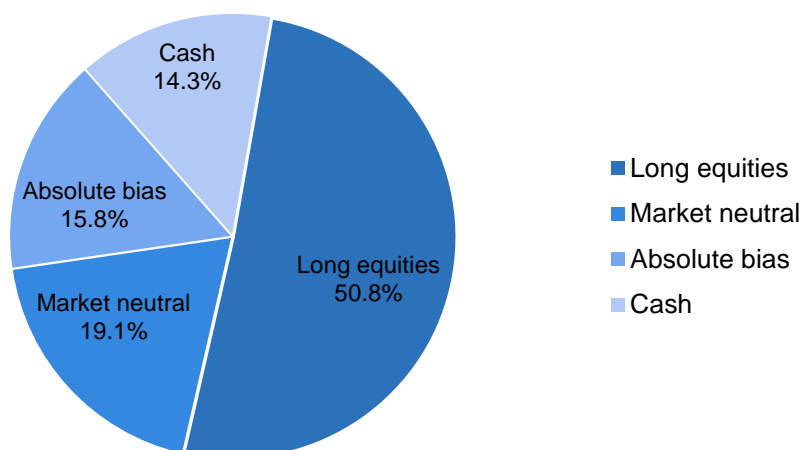
Company Secretaries
Sarah Maddox/Mark Licciardo

Corporate Affairs
James McNamara

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Investment strategy allocation (% of assets)



Fund manager in focus: LHC Capital



About us

LHC Capital is an absolute return focused hedge fund established in 2012 by Stephen Aboud and Marcus Hughes, based in Sydney. LHC manages its investments through a single vehicle, The Australia High Conviction Fund, available to both onshore and offshore family offices and high net worth individuals on a referral basis. Since inception the Fund has compounded at 23.6% per annum. Directors of LHC are personally invested in the Fund. LHC currently manages over \$170 million and is targeting closing to new investors at \$250 million.

Our investment style

The two guiding principles that underpin LHC's investment style are conviction investing and capital preservation. LHC believes that there are very few truly outstanding investment opportunities available at any one time, and LHC seeks to identify and concentrate its capital into these opportunities. To identify and evaluate these opportunities, LHC utilises a heavily research driven approach to understanding companies and the industry structures in which they operate, with a view to forecasting cash generation on a three to five year view. LHC sees more opportunity to exploit market inefficiencies at the small and mid cap end of the market and on a longer rather than shorter term investment horizon basis. Where valuation makes sense, LHC will seek to be long structural winners and short structural losers.

Our market outlook

Much is written by many market commentators on the state of the market and the many factors that may drive it higher or lower. LHC does not have any sustainable advantage in being able to call markets better than others, and so we choose not to play this game. Rather, LHC believes it does have sustainable advantage in being able to better forecast the future cash earnings of a business, and seek to own those businesses that can grow their cash flows in any market environment, and short sell those who will suffer from declining cash flows.

For further information about LHC, please go to: www.lhccapital.com

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Designated charity in focus: Youth Off the Streets



Future Generation Investment and Youth Off The Streets

Youth Off The Streets is a non-denominational community organisation working for young people who are homeless, drug dependent, and recovering from abuse. We support these young people turn their lives around and overcome immense personal traumas many of us can't imagine – such as neglect and physical and psychological abuse. We offer a full continuum of care through our 35+ services.

We are delighted to be supported by FGX, its shareholders and partners. FGX funding will help us achieve our mission: helping disconnected young people discover greatness within, by engaging, supporting and providing opportunities to encourage and facilitate positive life choices.

Your funding will enable us to support many more young people, just like Daniel*

Daniel ran away from home at 14, after years of watching his father beating his mother. At six years of age, Daniel found her unconscious and thought she was dead. He spent over a year living on the streets, until we found him through our [Street Walk](#) program. At that stage he was drinking a bottle of bourbon a day.

We housed him in our crisis accommodation service, and enrolled him in one of our four high schools. He entered our drug and alcohol rehabilitation program and accessed our psychological support services. After achieving his HSC at our school, Daniel went on to TAFE to study aged care nursing. Daniel now lives independently after completing a Bachelor of Nursing at university with the help of our Scholarships program.

As shareholders of FGX, you are enabling us to continue to help young people like Daniel discover their greatness and break the cycle of poverty and abuse. Our work can only be achieved through community support and FGX is a unique example of how shareholders can make an impact in the support of our services.

If you would like further information on Youth Off The Streets or want to make a direct donation, please visit www.youthoffthestreets.com.au.

Youth Off The Streets' Lipstick Lunch

This year, Youth Off The Streets is proud to launch its inaugural Lipstick Lunch event, to help raise funds for our services, as well as offering a unique networking opportunity to attendees. To find out more click [here](#).

*name has been changed to protect privacy



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Board appointments

FGX recently announced the appointment of four highly experienced directors to its Board. Paradise Asset Management founder David Paradise, Victor Smorgon Group CFO David Leeton, Greenstone Partners' founder Scott Malcolm, and Wilson Asset Management CEO Kate Thorley joined the Board as non-executive directors effective Monday 13 April 2014. Shareholders will vote on the appointments at an EGM to be held 11.30am Tuesday 19 May 2015.

Upcoming investor presentations

Date	City	Location	Time
Tuesday 19 May 2015	Sydney	Wesley Conference Centre Wesley Theatre 220 Pitt Street	EGM for Appointment of Directors 11.30am – 11.45am Presentation 11.45am – 12.45pm
Wednesday 20 May 2015	Adelaide	The Playford 120 North Terrace	11.30am – 12.30pm
Friday 22 May 2015	Brisbane	Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Streets South Bank	11.30am – 12.30pm
Tuesday 26 May 2015	Melbourne	Rydges Hotel 186 Exhibition St	11.30am – 12.30pm
Thursday 28 May 2015	Canberra	Belconnen Premier Hotel 110 Benjamin Way Belconnen	11.30am – 12.30pm
Thursday 4 June 2015	Perth	Rydges Hotel 815 Hay Street	11.30am – 12.30pm

If you wish to attend one of our investor presentations, please RSVP by email to info@wamfunds.com.au or call Mary-Ann on (02) 9258 4998.