Investment Update &
Net Tangible Assets Report
As at 30 November 2015

Net Tangible Assets (NTA) figures

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>NTA before tax</td>
<td>116.45c</td>
<td></td>
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<tr>
<td>NTA after tax</td>
<td>116.20c*</td>
<td></td>
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<tr>
<td>NTA after tax on unrealised gains</td>
<td>115.43c*</td>
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The above figures are not diluted for 180,846,710 options on issue with an exercise price of $1.10.

Portfolio
The investment portfolio again outperformed the S&P/ASX All Ordinaries Accumulation Index in November, gaining 1.35% whilst the index fell 0.69%. November was the eighth month FGX outperformed the market when the index was negative. Since inception the portfolio has increased 12.11%, outperforming the index by 13.45%. FGX’s outstanding performance since inception has been delivered with significantly less volatility than the market, 8.1% against 14.4% in the period. The spread between the three broad equities strategies – long equities, absolute bias and market neutral – has also contributed to the outperformance and reduced volatility. The company is currently 50.0% long equities, 24.5% absolute bias, 17.2% market neutral and 8.3% cash.

### Fund manager
<table>
<thead>
<tr>
<th>Investment</th>
<th>Strategy</th>
<th>% of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regal Funds Management</td>
<td>Regal Australian Long Short Equity Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Paradigm Investment</td>
<td>Large/Mid Cap Funds (split out below)</td>
<td>Long equities</td>
</tr>
<tr>
<td></td>
<td>Paradigm Australian Equities MID Cap Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td></td>
<td>Paradigm Large Cap Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Bennelong Australian Equities Partners</td>
<td>Bennelong Australian Equities Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Wilson Asset Management</td>
<td>Wilson Asset Management Equity Fund</td>
<td>Absolute bias</td>
</tr>
<tr>
<td>Watermark Funds Management</td>
<td>Watermark Absolute Return Fund</td>
<td>Market neutral</td>
</tr>
<tr>
<td>Eley Griffiths Group</td>
<td>Eley Griffiths Group Small Companies Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Tribeca Investment Partners</td>
<td>Tribeca Alpha Plus Fund</td>
<td>Absolute bias</td>
</tr>
<tr>
<td>Cooper Investors</td>
<td>Cooper Investors Australian Equities Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Optimal Fund Management</td>
<td>Optimal Australia Absolute Trust</td>
<td>Market neutral</td>
</tr>
<tr>
<td>Sandon Capital</td>
<td>Sandon Capital Activist Fund</td>
<td>Absolute bias</td>
</tr>
<tr>
<td>Discovery Asset Management</td>
<td>Discovery Australian Small Companies Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>LHC Capital</td>
<td>LHC Capital Australia High Conviction Fund</td>
<td>Absolute bias</td>
</tr>
<tr>
<td>Bennelong Long Short Equity Management</td>
<td>Bennelong Long Short Equity Fund</td>
<td>Market neutral</td>
</tr>
<tr>
<td>Smalco Investment Manager</td>
<td>Smalco Broadcap Fund</td>
<td>Long equities</td>
</tr>
<tr>
<td>Lanyon Asset Management</td>
<td>Lanyon Australian Value Fund</td>
<td>Absolute bias</td>
</tr>
<tr>
<td>Qato Capital</td>
<td>Qato Capital Market Neutral L/S Fund</td>
<td>Market neutral</td>
</tr>
<tr>
<td>Cash and Term Deposits</td>
<td>Cash</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

Future Generation Investment Company Limited
ASX Code: FGX
Established: Sept 2014
Gross assets: $216.2m
Market cap: $207.0m
Share price: $1.12
Net assets per share (before tax): $1.16
Shares on issue: 184,860,946
Options on issue: 180,846,710
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 Radzynski
Kate Thorley
David Leeton
Scott Malcolm
David Paradise

Investment Committee
Geoff Wilson, Gabriel Radzynski and Matthew Kidman

Joint Company Secretaries
Sarah Maddox/Mark Liciardi

Corporate Affairs
James McNamara
Investment strategy allocation (% of assets)

- Long equities: 50.0%
- Market neutral: 17.2%
- Absolute bias: 24.5%
- Cash: 8.3%

Fund Managers

Charities

Service Providers
Fund manager in focus: Lanyon Asset Management

About Lanyon Asset Management

Lanyon Asset Management Pty Limited ("Lanyon") is a privately held, Australian-based equity fund manager established in 2009. Lanyon is the investment manager of the Lanyon Australian Value Fund (having reached capacity is now closed to further investment) and the Lanyon Global Value Fund. We will impose a limited cap on the total value of funds we will manage in order to protect investment performance and maintain consistency of approach.

We adhere to a long-term, absolute return oriented, value investing approach.

Lanyon utilises a disciplined value approach to equity investment, designed to meet our investors’ requirements for capital preservation, superior absolute returns, tax awareness and confidentiality.

Our clients include family offices, charitable and philanthropic organisations, SMSF’s, foundations and private investors.

Our investment style

Lanyon is a value-oriented investor, focused on the preservation of capital.

Through our fundamental, opportunistic, deep value investing approach we seek to be a responsible steward of client capital, safely growing the value of assets entrusted to us.

Our investment process is thorough, creative and flexible, not formulaic or rigid.

We concentrate our capital in our best ideas. When we are unable to find compelling investment opportunities, or when great opportunities are scarce, we choose to hold cash.

We always invest fully prepared for adverse scenarios to unfold. Avoiding and managing risk is an obsession for us; we apply sound judgment and common sense to our assessment of risk.

We look for a large margin of safety between price and underlying value. Our aim is to invest in securities trading at wide discounts to underlying value with downside often protected by tangible asset backing or strong free cash flow generation.

The investments in our portfolio tend to be more complex, less liquid, and less widely analysed companies. Often, but not always, our investments are in the small and mid-cap area of the market where such opportunities are more prevalent.

Investment candidates are typically out of favour or ignored and can be experiencing temporary duress. Investment opportunities often have strong catalysts for the realisation of underlying value.

When we find great bargains, we buy them. We do not speculate, we do not use derivatives. We are long-only investors.

Our market outlook

The Australian share market has declined by over 15% since its April 2015 high. A fall of this magnitude can often present attractive opportunities for investment in companies that have been sold down with the broader market. However, the market fall has largely been isolated in sectors experiencing the most significant earnings pressure; mining contractors, major mining companies, traditional media, the banking sector and more recently oil companies. We continue to feel many large capitalisation companies in these sectors remain extraordinarily overvalued, largely due to the continued unprecedented global stimulus experiment and inflated earnings expectations. We are currently finding selected value opportunities in smaller companies.
Designated charity in focus: Youth Focus

About Youth Focus

Youth Focus is an independent West Australian not-for-profit working to stop youth suicide. Youth Focus works with young people aged 12-25 to help them overcome issues associated with depression, anxiety, self-harm and suicidal thoughts through the provision of free, unlimited and professional face-to-face individual and family counselling and other mental health services.

The demand for our services continues to increase weekly, and with only a small percentage of our operating funding sourced from the Government, we rely heavily on the goodwill and support of the corporate and community sectors.

Each year, about 2,000 young people aged 12-25 will visit one of our eight offices or 46 school locations across Western Australia to get help. The average length of counselling engagement is about six months. We estimate that in 2014, about 15,000 people took part in our preventative and educational programs.

In the 2014-15 period our expert staff provided counselling to more than 300 families. Aside from our core services of youth and family counselling, our other services include workplace training, youth mental health training, peer support programs and mentoring programs.

Youth Focus and FGX

Funding from FGX is directly supporting the core business of Youth Focus – stopping youth suicide – with its contribution funding the work of a Youth Counsellor at Youth Focus’ main Burswood office in Perth for 12 months. Youth Focus counsellors work face-to-face with young people who are suffering from depression, anxiety, self-harm and/or thoughts of suicide. Youth Focus also works with their families. Counselling is free and unlimited for young people, and no GP diagnosis is required for young people to access the service.

Up to 50 young people and their families will be directly impacted by this support. Through this partnership Youth Focus is aiming to reinforce the values of FGX to its shareholders and to enhance the reputation of FGX within the business and broader communities.

Case study – Michael*

Michael* first reached out to Youth Focus in 2014. He presented as quiet, friendly and exhausted. He barely slept and didn’t attend school. He had been so depressed he’d been admitted to Bentley Adolescent Unit because he was suicidal, and had no hope he’d ever recover.

He couldn’t remember a time he hadn’t experienced anxiety so debilitating that he couldn’t think, breathe or act. He would have anxiety attacks several times each week, and he didn’t know how to make them stop. He felt scared, lost, angry and out of control.

Michael worked with his Youth Focus counsellor for more than a year. He learned ways to manage his emotions, and gained insight into what was driving his behaviours. He learned how to relax and how to communicate. He began attending school and stopped smoking marijuana. He started seeing the world differently, and believing he had a future to live for, and he planned his pathway to university.

Michael wants to be a Youth Worker, and use his experience to help other young people move more positively through life.

*Name has been changed to protect identity

For more information go to www.youthfocus.com.au/
Dividend growth
The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. The Company’s ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

On 23 October 2015, the Company paid a fully franked dividend of 2.0 cents per share.

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 each and can be exercised at anytime on or before 16 September 2016. These options trade on the ASX under the code FGXO.

As at 30 November, 793,994 options had been exercised for a total consideration of $873,397 with the remaining balance of outstanding options being 180,846,710.