Investment update
As at 30 April 2019
Investment portfolio

In April, the FGX investment portfolio increased 3.0%, outperforming the S&P/ASX All Ordinaries Accumulation Index which rose 2.5% for the month. Since inception, the investment portfolio has increased 9.1% per annum, outperforming the benchmark by 1.7%. The investment portfolio’s outperformance has been achieved with less volatility as measured by standard deviation, 7.6% versus the Index’s 11.1%.

The spread between the three broad equities’ strategies is 44.5% long equities, 34.7% absolute bias, 12.7% market neutral and 8.1% cash.

Performance

<table>
<thead>
<tr>
<th>Performance at 30 April 2019</th>
<th>1 yr</th>
<th>3 yrs</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGX Investment Portfolio†</td>
<td>4.8%</td>
<td>9.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>S&amp;P/ASX All Ordinaries Accumulation Index</td>
<td>10.2%</td>
<td>11.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Outperformance</td>
<td>-5.4%</td>
<td>-1.3%</td>
<td>+1.7%</td>
</tr>
</tbody>
</table>

†Investment performance and index returns are before expenses, fees and taxes.

Net tangible asset (NTA) figures

The final fully franked dividend of 2.3 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, FGX has paid 17.1 cents per share in fully franked dividends to shareholders.

<table>
<thead>
<tr>
<th>NTA before tax cum dividend</th>
<th>123.00c†</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTA before tax ex dividend</td>
<td>120.70c†</td>
</tr>
<tr>
<td>NTA after tax and before tax on unrealised gains</td>
<td>120.86c</td>
</tr>
<tr>
<td>NTA after tax</td>
<td>122.67c</td>
</tr>
</tbody>
</table>

†The NTA before tax figure is after the payment of $0.06 (0.006 cents per share) in tax during the month. During the month, 946,964 shares were issued under the Dividend Reinvestment Plan (DRP) for the fully franked final dividend.

Future Generation Investment Forum in Sydney

Eight of Future Generation’s domestic and global fund managers will present their best stock picks at the Future Generation Investment Forum on Thursday, 23 May 2019. In addition, Hamish Douglass, Chairman and Chief Investment Officer of Magellan will be interviewed by Australian Financial Review's Chanticleer columnist Tony Boyd.

FGX shareholders can claim three free tickets valued at $200 each.

May 2019 Shareholder Presentations

Together with some of our leading fund managers and charities, we are currently travelling throughout Australia to meet with our shareholders Register now to attend.

Dates and venues:
Wednesday 15 May: Adelaide, Adelaide Convention Centre
Thursday 16 May: Perth, Pan Pacific Perth
Monday 20 May: Canberra, Hotel Realm
Tuesday 21 May: Brisbane, Brisbane Convention & Exhibition Centre
Thursday 23 May: Sydney, The Westin

Future Generation Investment Company Limited
ASX code FGX
Date of listing Sept 2014
Gross assets $483.4m
Market cap $464.9m
Share price $1.17
NTA before tax $1.21
Shares on issue 397,295,489
Management fees 0.0%
Performance fees 0.0%
Annual donation (% of NTA) 1.0%
Full year fully franked dividends (FY2018) 46c
Fully franked dividend yield 3.9%

Investment objectives

- Provide an increasing stream of fully franked dividends
- Achieve capital growth
- Preserve shareholder capital

Company overview

Future Generation Investment Company Limited (ASX: FGX) provides:
Shareholders with exposure to the best Australian fund managers without paying management or performance fees.
Charities focused on children and youth at risk with a stream of annual donations.
Fund managers with a unique opportunity to make a positive difference to Australia’s future generations.

Chairman
Jonathan Trollip
Founder and Director
Geoff Wilson AO
Chief Executive Officer
Louise Walsh
Directors
Caroline Gurney
David Leeton
David Paradice AO
Gabriel Radzyminski
Kate Thorley
Scott Malcolm
Stephanie Lai
Investment Committee
Geoff Wilson AO, Chair
Bruce Tomlinson
David Smythe
Gabriel Radzyminski
Matthew Kidman
Company Secretary
Mark Liciardi
Annual General Meeting, Sydney
Thursday, 23 May 2019
3:30pm-4:00pm
The Westin, 1 Martin Place
Sydney

Investment update
As at 30 April 2019
futuregeninvest.com.au
T +61 2 9247 9202
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**Fund manager allocations**

<table>
<thead>
<tr>
<th>Fund manager</th>
<th>Investment</th>
<th>Strategy</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bennelong Australian Equities Partners</td>
<td>Bennelong Australian Equities Fund</td>
<td>Long equities</td>
<td>11.3%</td>
</tr>
<tr>
<td></td>
<td>Large/Mid Cap Funds (split out below)</td>
<td></td>
<td>11.0%</td>
</tr>
<tr>
<td>Paradice Investment</td>
<td>Paradice Australian Mid Cap Fund – B Class</td>
<td>Long equities</td>
<td>6.0%</td>
</tr>
<tr>
<td></td>
<td>Paradice Australian Equities Fund</td>
<td>Long equities</td>
<td>5.0%</td>
</tr>
<tr>
<td>Regal Funds Management</td>
<td>Regal Australian Long Short Equity Fund</td>
<td>Absolute bias</td>
<td>10.7%</td>
</tr>
<tr>
<td>Eley Griffiths Group</td>
<td>Eley Griffiths Group Small Companies Fund</td>
<td>Long equities</td>
<td>5.9%</td>
</tr>
<tr>
<td></td>
<td>Eley Griffiths Group Emerging Companies Fund</td>
<td>Long equities</td>
<td>1.0%</td>
</tr>
<tr>
<td>Tribeca Investment Partners</td>
<td>Tribeca Alpha Plus Fund</td>
<td>Absolute bias</td>
<td>6.7%</td>
</tr>
<tr>
<td>Wilson Asset Management</td>
<td>Wilson Asset Management Equity Fund</td>
<td>Absolute bias</td>
<td>5.9%</td>
</tr>
<tr>
<td>Cooper Investors</td>
<td>Cooper Investors Australian Equities Fund</td>
<td>Long equities</td>
<td>5.2%</td>
</tr>
<tr>
<td></td>
<td>Long Short/Aus Equities Funds (split out below)</td>
<td></td>
<td>4.9%</td>
</tr>
<tr>
<td>L1 Capital</td>
<td>L1 Capital Long Short Fund – Retail Class</td>
<td>Absolute bias</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>L1 Capital Australian Equities Fund</td>
<td>Long equities</td>
<td>2.3%</td>
</tr>
<tr>
<td>Sandon Capital</td>
<td>Sandon Capital Activist Fund</td>
<td>Absolute bias</td>
<td>4.4%</td>
</tr>
<tr>
<td>Watermark Funds Management</td>
<td>Watermark Market Neutral Trust</td>
<td>Market neutral</td>
<td>4.2%</td>
</tr>
<tr>
<td>Bennelong Long Short Equity Management</td>
<td>Bennelong Long Short Equity Fund</td>
<td>Market neutral</td>
<td>3.1%</td>
</tr>
<tr>
<td>Firetrail Investments</td>
<td>Firetrail Absolute Return Fund</td>
<td>Market neutral</td>
<td>2.9%</td>
</tr>
<tr>
<td>CBG Asset Management</td>
<td>CBG Australian Equities Fund</td>
<td>Long equities</td>
<td>2.6%</td>
</tr>
<tr>
<td>ARCO Investment Management</td>
<td>ARCO Investment Management Absolute Trust</td>
<td>Market neutral</td>
<td>2.5%</td>
</tr>
<tr>
<td>Vina Investment Management</td>
<td>Vina Australian Equities Fund</td>
<td>Long equities</td>
<td>2.4%</td>
</tr>
<tr>
<td>LHC Capital</td>
<td>LHC Capital Australia High Conviction Fund</td>
<td>Absolute bias</td>
<td>1.9%</td>
</tr>
<tr>
<td>Centennial Asset Management</td>
<td>The Level 18 Fund</td>
<td>Absolute bias</td>
<td>1.6%</td>
</tr>
<tr>
<td>Smallco Investment Manager</td>
<td>Smallco Broadcap Fund</td>
<td>Long equities</td>
<td>1.6%</td>
</tr>
<tr>
<td>QVG Capital</td>
<td>QVG Opportunities Fund</td>
<td>Long equities</td>
<td>1.2%</td>
</tr>
<tr>
<td>Lanyon Asset Management</td>
<td>Lanyon Australian Value Fund</td>
<td>Absolute bias</td>
<td>0.9%</td>
</tr>
<tr>
<td></td>
<td>Cash and Term Deposits</td>
<td></td>
<td>8.1%</td>
</tr>
</tbody>
</table>

**Investment strategy allocation**

Investing in a portfolio of equities based on the expectation that the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company, which is generally listed on a public stock exchange. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap stocks.

**Long equities**

**Absolute bias**

An investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques (including but not limited to short selling and leveraging) to profit from rising and falling markets, providing portfolio protection in the event an equity market experiences a significant fall.

**Market neutral**

An investment strategy that generally involves the simultaneous purchase and sale of equities to generate returns that are not linked to the performance of underlying equity markets.
Pro bono fund managers
Fully franked dividends

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practices. Since inception, FGX has paid 17.1 cents per share in fully franked dividends to shareholders.

Fully franked dividends since inception

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends (cents per share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4.0</td>
</tr>
<tr>
<td>2016</td>
<td>4.5</td>
</tr>
<tr>
<td>2017</td>
<td>4.0</td>
</tr>
<tr>
<td>2018</td>
<td>5.0</td>
</tr>
</tbody>
</table>

- Fully franked dividends
Fund manager in focus: QVG Capital

About QVG Capital
QVG Capital is a boutique investment management company managing funds on behalf of high net worth individuals and institutions (wholesale investors). QVG was established in June 2017 by Tony Waters and Chris Prunty and is wholly owned by its principals. Prior to founding QVG, Tony and Chris were the Portfolio Managers of the Ausbil Micro Cap Fund from its inception in February 2010 until their departure in April 2017. Over this period the Ausbil Micro Cap Fund returned 26.4% per annum after fees.

QVG manages a long-only small companies fund – the QVG Opportunities Fund, and recently launched an all-cap absolute return fund – the QVG Long Short Fund. The QVG Opportunities Fund is a ‘best ideas’ fund focusing on smaller companies, defined as those outside the S&P/ASX 100 Index. The QVG Opportunities fund is currently closed, while the QVG Long Short Fund is open to new investors.

For more information, visit qvgcapital.com.au

Investment style
QVG stands for Quality, Value and Growth. As such QVG is neither a growth nor value manager but can own stocks with either characteristics so long as we believe they have bright prospects, capable management, lowly geared balance sheets and decent returns on capital. We are fundamentally-oriented stock-pickers. This means we focus on the operations of the business and its financial performance to determine the attractiveness or otherwise of the companies’ shares. We tend to hold a relatively concentrated portfolio of companies outside the S&P/ASX 100 Index which can lead to some short-term volatility, however over the long term investors have been well compensated for the bumps along the journey.

Our market outlook
Our expertise tends to be sharper around the assessment and valuation of individual companies and stocks, we are not good macroeconomic forecasters or market timers. Having said this, we find it hard to get too bearish on markets when interest rates are as low as they are. Our observation is that markets will be very sensitive to changes in interest rate expectations and that there could be periodic sell-offs as we saw in the December quarter of 2018.

QVG Opportunities Fund Performance

<table>
<thead>
<tr>
<th>Performance at 30 April 2019</th>
<th>1 month</th>
<th>1 yr</th>
<th>Since inception (Sep-17)</th>
</tr>
</thead>
<tbody>
<tr>
<td>QVG Opportunities Fund¹</td>
<td>5.7%</td>
<td>24.8%</td>
<td>36.4%</td>
</tr>
<tr>
<td>S&amp;P/ASX Small Ordinaries Accumulation Index</td>
<td>4.1%</td>
<td>7.2%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Outperformance</td>
<td>+1.6%</td>
<td>+17.6%</td>
<td>+23.0%</td>
</tr>
</tbody>
</table>

¹Investment performance and index returns are before expenses, fees and taxes.

Top 5 holdings as at 30 April 2019
- Afterpay Touch Group Limited
- Aurelia Metals Limited
- City Chic Collective Limited
- Jumbo Interactive Limited
- Service Stream Limited
Charity in focus: Act for Kids

About Act for Kids

Act for Kids is an Australian charity providing free therapy and support services to children and families who have experienced or are at risk of child abuse or neglect. Act for Kids operates under three pillars of service – prevention, treatment and education. In the past financial year we worked with over 40,000 children. We understand that there is no quick fix, and we work with our clients for as long as it takes for them to overcome the trauma they have suffered.

Act for Kids and FGX

Since 2015, FGX has generously invested in Act for Kids to help us treat child abuse and neglect. We have used your generous donations to increase our therapy service and national reach supporting vulnerable children and families in Melbourne, Western Sydney, Adelaide and Ipswich. The support provided by FGX has made a life changing impact on 334 families.

Children who have been traumatised experience developmental impairments that can be permanently disabling. Act for Kids offers these children and their families integrated therapy. This model of therapy has been developed by Act for Kids. Integrated therapy refers to a coordinated assessment and intervention process which addresses all of a child’s developmental needs. Our integrated therapy teams include psychologists, occupational therapists and speech language pathologists.

Therapists work together to assess a child’s needs and create a coordinated, multidisciplinary treatment plan whereby issues are addressed over time. We essentially envelope our clients in vital therapy services to assist them in recovering from trauma and give them the opportunity to have a safe and happy childhood. Moving forward, Act for Kids will focus on growing integrated therapy services across Australia.

For more information visit actforkids.com.au

Q&A with Dr Neil Carrington, CEO

What is your driving motivation in your current role?

The vision of Act for Kids is keeping our children safe. I feel privileged to work with incredible people who support vulnerable children and their families. We strive every day to see just one more child and help just one more family.

Act for Kids has just been awarded Gold for Employer of Choice by Human Resources Director magazine. We have also been recognised as a top performer in the Leadership, Work-life Balance, and Health and Wellbeing categories.

What is the most challenging aspect of your role?

The most challenging aspect of my role is the sheer scale of the issue. Last year in Australia, there were over 49,000 cases of child abuse or neglect – that is one child abused or neglected every 11 minutes. While Act for Kids helped over 40,000 people, which in itself is a 17 per cent increase on the prior year, there are many more waiting for our help and sadly all of our centres have a waitlist.

What is the impact of FGX’s support?

Without the support of FGX, we would not be able to support as many vulnerable families each year. FGX enables us to help more children. FGX’s generous support increases the sustainability of our service and ensures that we are able to reduce the waiting lists across our centres.
Charities

Service providers