Future Generation Investment Company Limited
ABN 97 063 935 553

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE TRANSITIONAL PERIOD FOR THE SIX MONTHS TO 31 DECEMBER 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons for the 12 month period 1 July to 30 June 2016

	up/down	% mvmt	$'000
Revenue from ordinary activities	down	76%	4,902
Profit from ordinary activities before tax attributable to members	down	85%	2,742
Net profit from ordinary activities after tax attributable to members	down	86%	2,014

Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
FY2016 Final dividend cents per share	2.0c	2.0c	30%
2016 Final dividend cents per share	2.1c	2.1c	30%

Final Dividend Dates	
Ex-dividend date	6 April 2017
Record date	7 April 2017
Last election date for the DRP and DDP	11 April 2017
Payment date	21 April 2017

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked final dividend of 2.1 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price (calculated as the VWAP (volume weighted average price) of shares sold on the ASX (on an ex-dividend basis) three trading days from the ex-dividend date inclusive of the ex-dividend date).

Change in Financial Year End

In October 2016, the Board of Future Investment Company Limited ('FGX') decided to change the financial year end from 30 June to 31 December to better align the reporting periods to the underlying fund manager distributions.

This report covers a transitional six month period from 1 July to 31 December 2016. Annual reports thereafter will be prepared for a 12 month period from 1 January to 31 December each subsequent year. It is important to note that by legislation, FGX is required to provide comparative financial data. As such, in this report we are comparing a six month transitional period to a full 12 month prior period. This is a meaningless comparison but the Company is required to do so. The profit for the transitional period is not indicative of the expected performance over the next 12 month period.

Net Tangible Assets ('NTA')	31 Dec 16	30 Jun 16
NTA (per share) after tax	$1.14	$1.15

This report is based on the financial report which has been audited.
All the documents comprise the information required by Listing Rule 4.3A

FUTURE GENERATION
INVESTMENT COMPANY

FINANCIAL REPORT FOR THE TRANSITIONAL PERIOD FOR THE SIX MONTHS TO 31 DECEMBER 2016

Investing in Australia's future generation.

ABN: 97 063 935 553

Future Generation Investment Company Limited

The principal activity of the Company is to invest in funds managed by a number of prominent Australian equity fund managers while also contributing to Australian children and youth at risk charities.

Chairman

Jonathan Trollip

Directors

Geoff Wilson
David Leeton
David Paradice
Gabriel Radzyminski
Kate Thorley
Scott Malcolm

Company Secretary

Mark Licciardo

Investment Committee

Geoff Wilson (Chairman)
Bruce Tomlinson
David Smythe
Gabriel Radzyminski
Matthew Kidman

Chief Executive Officer

Louise Walsh

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 11, 139 Macquarie Street
Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001
T: (02) 9247 9202
E: info@futuregeninvest.com.au
W: www.futuregeninvest.com.au

Australian Securities Exchange

Future Generation Investment Company
Ordinary Shares (FGX)

Share Registrar

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan and dividend donation plan) and related matters, please contact the share registrar.

Key Highlights Transitional Six Month Period to 31 December 2016

ACCRUED DONATION TO CHARITIES
(For the 6 month transitional period)
$1.85 million

FINAL FULLY FRANKED DIVIDEND
2.1 cps

GROSS ASSETS
$400.0 million

% OPTIONS EXERCISED
(Expired 16 September 2016)
89.9%

Summary of 2016 Transitional Results

In October 2016, the Board of Future Generation Investment Company (FGX or the Company) changed the financial year end from 30 June to 31 December to better align the reporting periods to the underlying fund manager distributions. This report covers a transitional six month period from 1 July 2016 to 31 December 2016. Annual reports thereafter will be prepared for a 12 month period from 1 January to 31 December each subsequent year.

Snapshot as at 31 December 2016	
ASX code	FGX
Listing date	Sept 2014
Market capitalisation	$407.9m
Share price	$1.17
Shares on issue	348,655,173
Net Tangible Assets (pre tax)	$1.14
Net Tangible Assets (post tax)	$1.14
Gross assets	$400.0m
Final fully franked dividend	2.1 cents

FGX reported an operating profit before tax of $2.74 million for the transitional period for the six months to 31 December 2016 (1 July 2015 to 30 June 2016: $17.75 million) and an operating profit after tax of $2.01 million (1 July 2015 to 30 June 2016: $14.62 million). By legislation FGX is required to provide comparative financial data but this is for the previous full 12 month reporting period from 1 July 2015 to 30 June 2016. It is also important to note that the majority of distribution income is received from the underlying fund managers in June each year. The profit for the transitional period is not indicative of the expected performance over the next 12 month period.

For the six months to 31 December 2016 the investment portfolio increased 4.9%. During the period the S&P/ASX All Ordinaries Accumulation Index increased 9.9%, the S&P/ASX Small Ordinaries Accumulation Index grew 5.7% and the UBS Bank Bill Index rose 0.9%. FGX continued to outperform the benchmark in all negative months during the transitional period and in 92% of down months since inception in September 2014. During the period, the $133 million raised through the exercise of FGX options increased the investment portfolio's cash levels relative to its historical holdings.

The Board declared a fully franked final dividend for 2016 of 2.1 cents per share. For the full year ending 31 December 2016, 4.1 cents per share fully franked dividends have been declared.

Contents

Chairman & Chief Executive Officer's Letter

Dear Shareholders,

We would firstly like to thank you for your continued support of Future Generation Investment Company Limited (FGX or the Company) during the transitional six month period to 31 December 2016.

In October 2016, the Board of FGX decided to change the financial year end from 30 June to 31 December to better align the reporting periods to the underlying fund manager distributions. This report covers a transitional six month period from 1 July to 31 December 2016. Annual reports thereafter will be prepared for a 12 month period from 1 January to 31 December each subsequent year.The comparative data in this report is for the previous 12 month reporting period from 1 July 2015 to 30 June 2016. As such, in this report we are comparing a six month transitional period to a full 12 month prior period. This is a meaningless comparison but the Company is required to do so. The profit for the transitional period is not indicative of the expected performance over the next 12 month period.

We are pleased to share FGX's solid financial results, latest dividend to shareholders, options exercised in September 2016 and an update on the donations to our designated charities.

We would like to thank our participating fund managers. For the six months to 31 December 2016 the investment portfolio increased 4.9%. During the period the S&P/ASX All Ordinaries Accumulation Index increased 9.9%, the S&P/ASX Small Ordinaries Accumulation Index grew 5.7% and the UBS Bank Bill Index rose 0.9%. FGX continued to outperform the benchmark in all negative months during the transitional period and in 92% of down months since inception in September 2014. During the period, the $133 million raised through the exercise of FGX options increased the investment portfolio's cash levels relative to its historical holdings.

The portfolio delivered a solid risk-adjusted return for the six months to 31 December 2016, achieving a pre-tax profit of $2.74 million (1 July 2015 to 30 June 2016: $17.75 million) and an after tax profit of $2.01 million (1 July 2015 to 30 June 2016: $14.62 million). By legislation FGX is required to provide comparative financial data but this is for the previous full 12 month reporting period from 1 July 2015 to 30 June 2016. It is also important to note that the majority of distribution income is received from the underlying fund managers in June each year.

The Board is pleased to announce a fully franked final dividend of 2.1 cents per share, bringing the full year fully franked dividend to 4.1 cents per share. The final dividend supports the Company's goal of delivering on its investment objectives of providing a stream of fully franked dividends to shareholders while protecting their capital and delivering capital growth.

We were pleased to raise a total of $179,963,955 during the term of the option issue to 16 September 2016. A total of 163,603,595 options (89.9%) were exercised with the remaining options expiring.

We were excited in October 2016 to make the second annual donation of $2.29 million to charities with a focus on children and youth at risk, a 39.6% increase from the previous year's donation of $1.64 million. This was made possible by the generosity and support of our fund managers and leading service providers. We are currently on track to deliver a third annual donation of $3.82 million for payment in October 2017.

Finally, we would like to thank you for being part of FGX's innovative approach to wealth creation that proves both shareholder and social returns can be achieved together.

Fund managers and service providers

We would like to thank the fund managers and service providers for their outstanding generosity. This generosity has allowed the significant donation to our designated charities. For the six months of this transitional report, the estimated value of the fund managers' foregone management and performance fees totals $2.46 million and the estimated value of the pro bono service providers, including the Board and Investment Committee, totals $0.31 million.

The Company has provided shareholders with a diversified portfolio of investments. The Company invests its capital with the following Australian equity fund managers: Paradice Investment Management, Regal Funds Management, Wilson Asset Management, Watermark Funds Management, Bennelong Australian Equities Partners, Eley Griffiths Group, Cooper Investors, Tribeca Investment Partners, Sandon Capital, Bennelong

Chairman & Chief Executive Officer’s LetterOptions

Long Short Equity Management, Optimal Fund Management Australia, L1 Capital, CBG Asset Management, Discovery Asset Management, LHC Capital, Centennial Asset Management, Smallco Investment Manager,

Lanyon Asset Management and Qato Capital. We were pleased to have L1 Capital join as one of our fund managers during the period.

Dividends

The Board was pleased to announce a fully franked final dividend of 2.1 cents per share. The dividend will be paid on 21 April 2017 and FGX will trade ex dividend on 6 April 2017.

The Board is committed to providing a stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves, franking credits and it is within prudent business practices. Shareholders are able to participate in the Dividend Reinvestment Plan (DRP) and/or the Dividend Donation Plan (DDP). The DRP will operate at a 2.5% discount to the price three trading days from the ex-dividend date inclusive of the ex-dividend date for the final dividend. The price is calculated as the volume-weighted average price (VWAP) of shares sold on the ASX on an ex-dividend basis. The last election date for the DRP and the DDP will be 11 April 2017.

Charitable objectives

The Company provides shareholders with unprecedented access to prominent Australian fund managers without paying management or performance fees. All participating fund managers have agreed to forgo management and performance fees and the Board, the Investment Committee and most service providers are working on a pro-bono basis. This allows the Company to donate an amount equal to 1.0% of its average monthly net tangible assets to Australian children and youth at risk charities each financial year.

The objectives of the Company are to provide shareholders with an attractive investment and provide a source of funding for Australian charities, with a focus on children and youth at risk.

The Company has initially partnered with 14 designated charities that provide a significant benefit to Australia’s children and youth at risk. These charities are: Act For Kids, Australian Children’s Music Foundation, Australian Indigenous Education Foundation, DEBRA Australia, Diabetes Kids Fund, Giant Steps, Kids Helpline, Lighthouse Foundation, Mirabel Foundation, Raise Foundation, United Way Australia, Variety, Youth Focus and Youth Off The Streets.

Charitable donation

In October 2016, the Company made its second charitable donation of $2.29 million for the 12 month priod from 1 July to 30 June 2016. Of this, $2 million was allocated to the 14 FGX designated charities with the remaining $0.29 million donated to other charities with an Australian deductible gift recipients (DGR) status as nominated by shareholders holding 1 million or more shares.

As at 31 December 2016, the Company is on track to deliver a third annual donation of $3.82 million for payment in October 2017.This equates to a total of $7.76 million donated to charity since inception.

Investment portfolio

Since the capital raising funds were received in early September 2014, FGX has invested in 20 individual funds managed by 19 Australian equity fund managers. The allocation to the managers has been structured to provide a spread between three broad equity strategies: long equities, absolute bias and market neutral, with the balance in cash. The composition of the portfolio will vary over time in terms of strategies, funds and managers. The long equities portion of the portfolio includes exposure to large-cap, mid-cap and small-cap companies. As at 31 December 2016, the portfolio was 42.7% long equities, 22.2% absolute bias, 16.3% market neutral and 18.8% cash.

Thank you for your continued support.

Jonathan Trollip, Chairman
Dated 27 February 2017

Louise Walsh, Chief Executive Officer
Dated 27 February 2017

Investment Committee Report

The Investment Committee is primarily responsible for selecting fund managers, making and redeeming investments and generally managing the Company's portfolio. FGX's Investment Committee comprises: Geoff Wilson (Chairman), Matthew Kidman, Gabriel Radzyminski, Bruce Tomlinson and David Smythe.

For the six months to 31 December 2016 the investment portfolio increased 4.9%. During the period the S&P/ASX All Ordinaries Accumulation Index increased 9.9%, the S&P/ASX Small Ordinaries Accumulation Index grew 5.7% and the UBS Bank Bill Index rose 0.9%. FGX continued to outperform the benchmark in all negative months during the transitional period and in 92% of down months since inception in September 2014. During the period, the $133 million raised through the exercise of FGX options increased the investment portfolio's cash levels relative to its historical holdings.

The investment philosophy is built on the establishment and maintenance of a diversified portfolio of investments. By having a number of different fund managers, the Company has access to a range of investment styles and strategies. The Company believes that the diversification of the portfolio is important in managing and mitigating risk.

Three broad investment strategies have been employed: long equities, absolute bias and market neutral. As at 31 December 2016, FGX was 42.7% long equities exposure, 22.2% absolute bias exposure,16.3% market neutral exposure and 18.8% cash.

In September, October and November 2016, additional investments were made in the following funds: Bennelong Australian Equities Fund, The Level 18 Fund, Wilson Asset Management Equity Fund, Watermark Absolute Return Fund, Sandon Capital Activist Fund, CBG Asset Australian Equities Fund, L1 Capital Long Short Fund, Paradice Australian Equities Mid Cap Fund, Paradice Large Cap Fund, Regal Australian Long Short Equity Fund and Cooper Investors Australian Equities Fund.

The Investment Committee is in the final stages of deploying the additional capital raised through the exercise of options.

Investment strategy allocation (% of assets)

Long equities

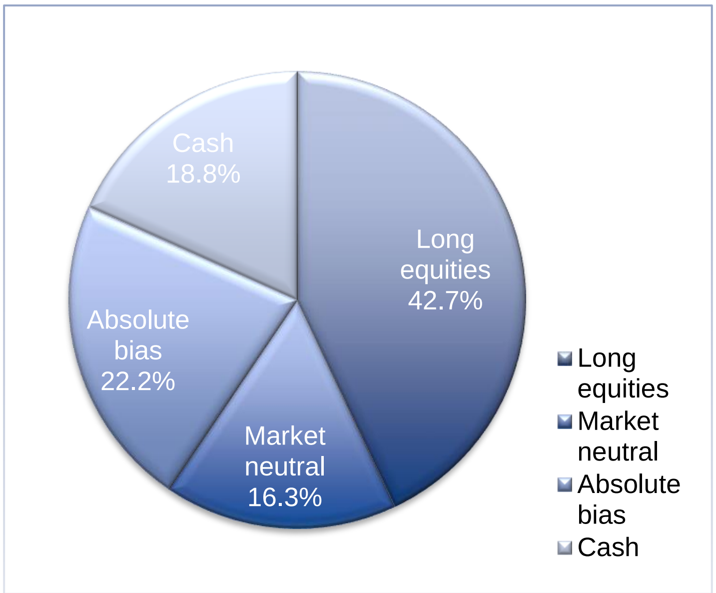
Investing in a portfolio of equities based on the expectation that the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange.

Absolute bias

An investment strategy that seeks to generate returns, irrespective of the performance of traditional asset classes. These strategies use innovative investment techniques 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.



Geoff Wilson
Chairman of the Investment Committee and Director
Dated 27 February 2017

Investment Committee Report

Fund Manager	Investment	Strategy	$ Value	% of Gross Assets
Paradice Investment	Large/Mid Cap Funds (split out below)		42,624,821	10.7%
	Paradice Australian Equities Mid Cap Fund	Long Equities	23,538,919	5.9%
	Paradice Large Cap Fund	Long Equities	19,085,902	4.9%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	36,590,107	9.1%
Wilson Asset Management (International)	Wilson Asset Management Equity Fund	Absolute bias	34,227,026	8.6%
Watermark Funds Management	Watermark Absolute Return Fund	Market Neutral	29,719,791	7.4%
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long Equities	26,484,930	6.6%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long Equities	21,281,628	5.3%
Cooper Investors	Cooper Investors Australian Equities Fund	Long Equities	19,726,861	4.9%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	19,168,084	4.8%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	17,061,069	4.3%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market Neutral	11,693,439	2.9%
Optimal Fund Management Australia	Optimal Australia Absolute Trust	Market Neutral	11,528,598	2.9%
L1 Capital	L1 Capital Long Short Fund – Retail Class	Absolute bias	10,032,269	2.5%
CBG Asset Management	CBG Asset Australian Equities Fund	Long Equities	9,488,305	2.4%
Discovery Asset Management	Discovery Australian Small Companies Fund	Long Equities	8,465,120	2.1%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	7,168,160	1.8%
Centennial Asset Management	The Level 18 Fund	Absolute bias	6,543,608	1.6%
Smallco Investment Manager	Smallco Broadcap Fund	Long Equities	6,352,641	1.6%
Lanyon Asset Management	Lanyon Australian Value Fund	Long Equities	4,255,246	1.1%
Qato Capital	Qato Capital Market Neutral Long Short Fund	Market Neutral	2,560,541	0.6%
			324,972,244	
	Cash and Term Deposits	Cash	72,907,039	18.3%
	Dividends, Interest and Rebates receivable		2,161,445	0.5%
	Gross Assets		**400,040,728**	

Charity Report

We are proud to support our 14 designated charities that work tirelessly to improve the lives of Australian children and youth at risk. The outstanding generosity of the fund managers, as well as the pro bono support of our service providers, allows the Company to make an annual donation of 1.0% of its average monthly net tangible assets to these charities each financial year.

During August 2016, shareholders voted their charitable allocation and we were thrilled by the response. Thank you all for your active engagement in the allocation process.

The specific allocation to each charity was determined by your votes and directions, with the Board distributing the undirected monies on a pro-rata basis between the designated charities.

The FY2016 allocations to each charity are:

Designated Charity	FY16 Donation	FY15 Donation
Act for Kids	$122,524	$89,768
Australian Children's Music Foundation	$119,230	$87,456
Australian Indigenous Education Foundation	$138,967	$104,372
DEBRA Australia	$126,422	$82,283
Diabetes Kids Fund	$114,060	$76,560
Giant Steps	$163,979	$118,717
Kids Helpline	$120,897	$94,764
Lighthouse Foundation	$215,081	$172,923
Mirabel Foundation	$120,261	$96,259
Raise Foundation	$116,352	$88,570
United Way	$112,221	$84,662
Variety	$115,566	$80,160
Youth Focus	$115,951	$88,131
Youth Off The Streets	$136,455	$90,322
Directed* Australian charities	$164,997	$163,262
Directed* children and youth at risk charities	$288,431	$125,806
TOTAL CHARITABLE ALLOCATION	**$2,291,394**	**$1,644,015**

*Directed by shareholders with 1 million or more shares

Charity Report

Designated charities received their allocation of the FGX second donation of $2.29 million in October 2016. Information on the projects the designated charities undertook for the six months to 31 December 2016 are detailed below:

Act for Kids is a charity that provides a range of free, targeted services to children and families to prevent and treat abuse and neglect. In the 2015-2016 financial year, it delivered services to over 21,500 individuals, 19,800 of whom were children.

FGX provided funding of $122,524 in October 2016 to support the services of a speech pathologist and psychologist in Adelaide and a psychologist and speech pathologist in Ipswich. The demand for specialist therapy services for children in both these regions has continued to grow and outstrip our capacity to meet the need. In Adelaide, the team are currently working with 42 children and 36 parents/carers and have a waitlist of 15 children. In Ipswich, the team are working with 83 children and 3 parents/carers and have a waitlist of 35 children. As a result of the demonstrated need for services in these regions, Act for Kids has used the increased funding from FGX to increase the provision of services in both regions.

Website: www.actforkids.com.au

The Australian Children's Music Foundation (ACMF) provides free, long term music programs and instruments to disadvantaged children across Australia to inspire creativity and imagination and to nurture self-esteem and confidence. Programs are delivered in disadvantaged schools, juvenile justice centers and children's hospitals. Specialist music teachers deliver the lessons, the majority in primary schools.

FGX funding of $119,230 is directed to Taree Group Schools on the mid north coast of NSW and the Sunshine Group Schools in West Melbourne. Seven specialist music teachers are employed to deliver the program over both regions.1,705 children are participating in the ACMF programs with music lessons and free musical instruments.

Website: www.acmf.com.au

Australian Indigenous Education Foundation (AIEF) provides scholarships that enable Indigenous students to attend leading Australian schools and universities. It also provides mentoring and career support to ensure students make a successful transition from school to further studies or employment and productive and fulfilling careers.

AIEF currently supports more than 500 secondary and tertiary scholars and a network of over 400 scholarship graduates. Students supported by AIEF Scholarships achieve a 93% retention and Year 12 completion rate, and 93% of graduates are engaged in career pathways such as university study and full-time employment. The average cost of an AIEF Scholarship is $20,000 per student per annum, with scholarships offered at 32 partner schools and at universities nationwide. FGX funding of $138,967 for 2016-2017 created scholarship opportunities for seven young Indigenous Australians, empowering them to build a brighter future for themselves and for the nation.

Website: www.aief.com.au

Charity Report

DEBRA Australia supports children and teenagers and their families living with Epidermolysis Bullosa (EB). EB is one of the worst diseases you have never heard of, causing the skin to blister and peel at the slightest touch. Children must be bandaged every day with dressings to protect and medicate their wounds. Many secondary complications can occur, with cancer often cutting short precious lives. Dressing change regimes can take up to three hours per session. There are an estimated 1,000 Australians living with this rare disease.

FGX funding of $126,422 from July – December 2016 has provided specialised EB nurses to meet family needs in States which do not have government funded EB nurses. Specifically, paediatric nurses are employed in Brisbane and Melbourne and FGX funding also enabled further training for two nurses in Adelaide. These nurses coordinate care for EB patients via EB Clinics and home visits, liaising with specialists as required and making sure necessary clinical tests are conducted regularly. In home EB nurses are also being funded in three states to carry out grueling dressing changes to further support families.

Website: www.debra.org.au

Diabetes Kids Fund provides services for children living with non-preventable type 1 diabetes. Managing this dangerous condition requires daily insulin injections and round-the-clock blood glucose monitoring. There are 11,183 children aged 18 and under with type 1 diabetes in Australia. Each year, there are almost 1,000 diabetes-related hospitalisations for children aged 0-14 in NSW alone. FGX contributed $76,560 for 2015-2016, supporting DiaBuddies Days – family events featuring fun activities, educational insights, and social networking. Locations included: Dubbo, Brookvale, Homebush, Illawarra, Cessnock, Albury, Campbelltown, Port Macquarie, Canberra, and Government House, Sydney. 1,238 people have benefited from this initiative since its inception.

FGX contributed $114,060 for 2016-2017, providing Schools Training Workshops, which educate teachers to effectively manage children with type 1 diabetes. Locations include: Glebe, Westmead, Newcastle, and Canberra. To date, there have been over 100 attendees, from 54 schools. Feedback has been overwhelmingly positive.

This funding also provides a Back to School health kit to every newly-diagnosed child within our jurisdiction. Kits contain critical information and resources for the management of type 1 diabetes at school. There are approximately 400 new diagnoses annually.

Website: http://diabetesnsw.com.au/your-community/diabetes-kids-fund/

Charity Report

Giant Steps was established in 1995 for children and young people with autism. Giant Steps operates an early intervention program, a school-aged program, a college for young adults with autism as well as outreach and training programs. It operates in Sydney and Melbourne and does not charge fees. The cost per student at Giant Steps Sydney is $90,000 per annum. There are currently 93 students with autism at the Sydney school.

FGX funding of $163,979 in 2016-2017 contributed to improving communication for 93 individuals with autism who are often nonverbal. This project has focused on decreasing the frustration that many students with autism experience when they are unable to successfully communicate by increasing the appropriateness of their communication using multi-modal means such as picture or object exchange, gesture, speech, written text and/or text/picture to speech output devices (such as an iPad). Strategies to support students to utilise these more appropriate means of communication have been implemented within each students educational program, and continue to evolve and change based on the learning profile of the student at any particular point in time. Students' progress towards their communication goals has been occurring at different rates, as would be expected given the unique learning profile of each student, and has been measured according to their individual Goal Attainment Scale.

Website: www.giantsteps.net.au

Kids Helpline is Australia's only free 24 hour, seven day per week phone and online counselling service for young people aged five to 25 years. Counsellors respond to more than 200,000 contacts per year via phone, webchat or email. Kids Helpline receives more than 750,000 visitors to its website each year.

The FGX funding of $94,764 for 2015-2016 was used for a national awareness campaign including a collaboration with Pandora Internet Radio. The campaign was held over Christmas school holidays in December 2015 and January 2016 and the Easter and July 2016 school holidays. The objective was to drive initial engagement to develop trust with the Kids Helpline brand and contacts with the service.

The FGX funding of $120,897 for 2016-2017 will fund KHL Circles. KHL Circles is a purpose built, counsellor moderated mental health and emotional wellbeing social network that is safe, free and private for young people and encourages peer to peer support. In addition to peer support KHL Circles delivers expert group counselling support by professional Kids Helpline counsellors 24/7. The partnership between Kids Helpline and the University of Sydney will produce new knowledge on the delivery of e-mental health services that are replicable by other mental health organisations globally.

We know when we present KHL service and information into the hands of young people they reach out for help and support. This is where lives are changed and saved.

Website: www.kidshelpline.com.au

Charity Report

Lighthouse Foundation aims to end youth homelessness. It operates 10 homes in Victoria to support homeless people aged 15-22 from backgrounds of long-term neglect and abuse. Three of the homes support young mothers with babies. Each home has two live-in carers who provide 24/7 support. A specialist clinical team support the carers with intensive training and supervision.

Lighthouse also provides a clinic for long-term counselling, a case management service for education and employment, an outreach program and an Institute, which is a training and consultancy business. FGX's funding of $215,081 for 2016-2017 is being used to deliver Lighthouse's Therapeutic Family Model of Care for 50 young homeless people in Victoria. Lighthouse staff have trauma-informed care training and provide long-term 24/7 residential care, which is distinct from other homelessness organisations which focus on providing food and emergency shelter.

Specific results in the past six months include these outcomes: Three of the young people have built new, safe relationships with extended family members and these young people have transitioned from the residential program to live with these relatives. Four others have also moved into shared private rental properties, and one has found a place in student housing at university. Eight new homeless young people have entered the residential care program.

Lighthouse returns $12 of social value for every dollar invested in it. The cost to society ranges from $350,000 to $1.1 million per person over a lifetime if the cycle is not broken.

Website: www.lighthousefoundation.org.au

The Mirabel Foundation assists children in Victoria and NSW who have been orphaned or abandoned due to their parents' drug use and who are now in the care of extended family. Mirabel currently supports more than 1,500 children aged 0-17 years, with nine new children referred weekly.

Funding from FGX has allowed Mirabel to cater for the increasing number of children requiring support. Mirabel's multifaceted and personal approach to service delivery has been at the core of its success over the past 17 years. This success was highlighted in a recent independent evaluation, which found that Mirabel's support helps to keep kinship families together and that a significant 45% of all children experienced substantial life changing outcomes as a result of Mirabel's intervention.

FGX funding of $120,261 has provided 270 disadvantaged children and families with a comprehensive needs assessment, intensive crisis support, therapeutic children's groups and educational support.

Therapeutic Children's Groups were also extended to include Young Teens Groups for children graduating from the children's groups. These have been a great success and helped fill an important gap for young people commencing secondary school.

Website: www.mirabelfoundation.org.au

Charity Report

Raise Foundation impacts the wellbeing of young people at risk of disengaging from high school in Australia by providing best practice mentoring programs. Raise was founded in 2008 in Sydney, and is now extended across NSW, Victoria, and Queensland.

Over the past eight years, Raise has trained more than 1,700 volunteers to be professional mentors and matched more than 2,400 young people with mentors for face-to-face mentoring, typically for an hour each week. In 2016, Raise mentoring programs supported 729 young people across 63 mentoring programs. In 2017 Raise will train an additional 700 volunteer mentors and retain over 300 experienced mentors, to benefit 1,000 mentoring matches annually.

Young people in Australia are struggling. Only 32% of young Australians will visit a School Counsellor for help, but having one confiding relationship with a trusted adult is one of the single best predictors of psychological health and wellbeing for young people who face adversity. This is why Raise exists.

With the FGX funding of $116,352 in 2016, Raise Foundation's Ismo program (In School Mentoring Opportunity) has been supported across 55 high schools in NSW, Victoria and Queensland. It costs $15,000 to run an Ismo program in a high school, so the FGX investment has funded eight new high schools in 2016. Each Ismo program has 15 mentees, so FGX has enabled accredited mentors to support 120 young people who were at risk of disengaging. Raise Foundation's goal is to reach all 1,300 public schools across Australia every year.

Website: www.raise.org.au

United Way Australia (UWA's) vision is that every Australian community thrives, with a focus on education, employment, housing and health. With one in five Australian children starting school developmentally vulnerable, UWA understand the importance of improving early childhood outcomes for children from zero to eight years old. To facilitate this, UWA develops cross-sectoral collaborations to improve early childhood outcomes and school-to-work transitions.

FGX's continued support of $112,221 in 2016 has seen 300 children aged 0-5 years in Acacia Ridge (QLD), Doveton (VIC), Mount Druitt (NSW) and children living in Out of Home Care in Victoria, access our early literacy initiative. This initiative provides free monthly age appropriate book deliveries, resources to support parent/carer behavioural change as well as community mobilisation activities.

Feedback from parents, carers and community members has been overwhelmingly positive, with one parent stating *"Spike loves reading, if you put the books out he points to them and wants the book. With the conversational reading we've learnt it's not as important to read the book word for word as it is to interact more with the child."*

Website: www.unitedway.com.au

Charity Report

Variety - the Children's Charity of Australia believes every child deserves a fair go. Variety provides essential equipment and programs to Australian children who are sick, disadvantaged or living with a disability.

Variety also grants annual scholarships to applicants who have a talent or passion in the fields of sport, academics or the arts. These scholarships help families pay for coaching and tuition fees, transport and equipment so no child has to miss out.

FGX's 2016-2017 support to Variety is $115,566. This generosity will assist 34 children through the 2017 National Scholarships Program. Regional expansion was a key focus: to this end, in NSW, 56% of scholarships were awarded to children in the Hunter/Newcastle and Northern NSW region.

Expected outcomes for children include increased feelings of personal value and empowerment to develop in their chosen area, reduced financial stress on the family and new social connections reducing isolation and improving self-esteem.

Website: www.variety.org.au

Youth Focus works to prevent youth suicide in Western Australia. It provides a range of free, unlimited early intervention mental health services to 12 – 25 year olds and their families.

Each year, Youth Focus cares for more than 2,000 young people who are struggling with depression, anxiety, self-harm and thoughts of suicide.

Every week in Western Australia, at least one young person is lost to suicide. In October 2016, Youth Focus receiving FGX funding of $115,951 which continues to be utilised to fund a Youth Focus counsellor based at its Burswood office in Perth. The counsellor provides intensive, life-changing face-to-face counselling from the office and at a number of metropolitan schools. More than 30 young people have been directly supported by this funding.

Website: www.youthfocus.com.au

Youth Off The Streets is a non-denominational organisation working for young people who may be facing challenges of homelessness, drug dependence, and/or recovering from abuse. We recognise that in terms of disadvantage, there is no group in Australia facing more challenges than the Aboriginal population. There are Indigenous communities in this country who are living with health and life expectancy outcomes similar to those experienced in developing countries. The most recent FGX donation of $136,455 has enabled us to expand Aboriginal services programs throughout NSW and provide support for 360 young people in the six month period. Since the commencement of the partnership, our Youth Off The Streets Aboriginal services has helped over 560 disadvantaged young people through the Cultural Connections program.

Website: www.youthoffthestreets.com.au

Directors' Report to Shareholders

For the transitional period for the six months to 31 December 2016

The Directors present their report together with the financial report of Future Generation Investment Company Limited (FGX or the Company) for the transitional period for the six months to 31 December 2016.

Principal Activity

The principal activity of the Company is to invest in funds managed by a number of prominent Australian equity fund managers with a focus on long-only, long/short and alternative investment strategies while also contributing to Australian children and youth at risk charities.

The Company invests its capital with fund managers who have agreed to provide their services for 0.0% management fees and 0.0% performance fees. The pro bono support of these fund managers, as well as the pro bono support of various service providers allows the company to donate 1.0% of its average monthly net tangible assets each year to Australian charities with a focus on children and youth at risk.

Significant Changes in State of Affairs

In October 2016, the Board of FGX decided to change the financial year end from 30 June to 31 December to better align the reporting periods to the underlying fund manager distributions. This report covers a transitional six month period from 1 July to 31 December 2016. Annual reports thereafter will be prepared for a 12 month period from 1 January to 31 December each subsequent year.

It is important to note that by legislation, FGX is required to provide comparative financial data. The comparative data in this report is for the previous 12 month reporting period from 1 July 2015 to 30 June 2016. As such, in this report we are comparing a six month transitional period to a full 12 month prior period.

There were no other significant changes in the state of affairs of the Company during the transitional period for the six months to 31 December 2016.

Operating and Financial Review

For the six months to 31 December 2016 the investment portfolio increased 4.9%. During the period the S&P/ASX All Ordinaries Accumulation Index increased 9.9%, the S&P/ASX Small Ordinaries Accumulation Index grew 5.7% and the UBS Bank Bill Index rose 0.9%. FGX continued to outperform the benchmark in all negative months during the transitional period and in 92% of down months since inception in September 2014. During the period, the $133 million raised through the exercise of FGX options increased the investment portfolio's cash levels relative to its historical holdings.

The portfolio delivered a solid risk-adjusted return for the six months to 31 December 2016, achieving a pre-tax profit of $2.74 million (1 July 2015 to 30 June 2016: $17.75 million) and an after tax profit of $2.01 million (1 July 2015 to 30 June 2016: $14.62 million). By legislation FGX is required to provide comparative financial data but this is for the previous full 12 month reporting period from 1 July 2015 to 30 June 2016. It is also important to note that the majority of distribution income is received from the underlying fund managers in June each year. The profit for the transitional period is not indicative of the expected performance over the next 12 month period.

The Net Tangible Asset ("NTA") after tax for each share as at 31 December 2016 amounted to $1.14 per share (June 2016: $1.15 cents). The NTA before tax was $1.14 per share (June 2016: $1.16 cents). The transitional six month period figures are before the payment of 2.1 cents in fully franked dividends to shareholders scheduled for a payment date of 21 April 2017 and after the payment of 2.0 cents in fully franked dividends to shareholders on 21 October 2016.

Dividends

Since the transitional period end, the Board have declared a fully franked final dividend for 2016 of 2.1 cents per share. For the full year ending 31 December 2016, 4.1 cents per share fully franked dividends have been declared. The last dividend payment of 2.0 cents per share was paid on 21 October 2016 in the amount of $6,956,126. The Dividend Reinvestment Plan (DRP) was in operation for this dividend payment at a 2.5% discount. 848,865 ordinary shares were issued under the DRP totalling $950,627. The net dividend paid in cash was $5,936,625. A payment of $68,874 was directed to charity as elected by shareholders participating in the Dividend Donation Plan (DDP).

Options

On 9 September 2014, the Company allotted 181,818,182 options to acquire ordinary shares in the capital of the Company. During the transitional period 120,272,266 options were exercised for a total of $132,299,493.

On 16 September 2016, the FGX options expired. A total of 163,603,595 options (89.9%) were exercised and new ordinary shares were allotted for a total consideration of $179,963,955.

Directors

The following persons were Directors of the Company during the transitional period for the six months up to 31 December 2016:

Jonathon Trollip	(Chairman)
Gabriel Radzyminski	(Non-Executive Director)
Paul Jensen	(Non-Executive Director) (Resigned 22 February 2017)
Geoff Wilson	(Non-Executive Director)
David Leeton	(Non-Executive Director)
David Paradice	(Non-Executive Director)
Scott Malcolm	(Non-Executive Director)
Kate Thorley	(Non-Executive Director)

Information on Directors

Jonathan Trollip (Chairman)

Experience and expertise

Jonathan Trollip has over 30 years legal and commercial experience in the international financial market. Jonathan is currently a principal and Director of Sydney based structured finance group Meridian International Capital Limited with whom he has been for the past 23 years. Prior to that, Jonathan was a Partner with Herbert Smith Freehills (previously Freehills) whom he joined after qualifying and working as a lawyer in London. Jonathan has post graduate degrees in Economics and Law, is a Fellow of the Australian Institute of Company Directors, has been admitted to practice as a solicitor in England and Australia and holds a NSW current solicitor's practicing certificate.

Other current directorships

Jonathan Trollip is Chairman of Antipodes Global Investment Company Limited and Global Value Fund Limited, a non-executive director of Kore Potash Limited and holds a number of private company directorships in the commercial and not-for-profit sectors.

Former directorships in the last 3 years

Jonathan Trollip has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Board.

Interests in shares of the Company

Details of Jonathan Trollip's interests in shares of the Company are included later in this report.

Interests in contracts

Jonathan Trollip has no interests in contracts of the Company.

Gabriel Radzyminski (Non-Executive Director)

Experience and expertise

Gabriel Radzyminski has been involved in the financial services sector for almost 20 years. He is Managing Director of Sandon Capital Pty Limited, a funds management and advisory firm specialising in activist investing. Sandon Capital Pty Limited is the investment manager of two wholesale managed investment schemes and a listed investment company.

Other current directorships

Gabriel Radzyminski serves as Chairman of Sandon Capital Investments Limited, an executive Director of Mercantile Investment Company Limited and a non-executive Director of ASK Funding Limited.

Former directorships in the last 3 years

Gabriel Radzyminski was a Director of Onthehouse Holdings Limited and Chesser Resources Limited.

Special responsibilities

Member of the Investment Committee.

Interests in shares of the Company

Details of Gabriel Radzyminski's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Gabriel Radzyminski's interests in contracts of the Company are included later in this report.

Paul Jensen (Non-Executive Director) (Resigned as Non-Executive Director on 22 February 2017)

Experience and expertise

Paul Jensen is a Fellow of the Australian Institute of Company Directors and holds a Bachelor degree in Accounting and Commercial Law. Paul is a professional non-executive director and business adviser. Paul has over 25 years of international experience in finance, investment management and banking, with specific expertise in strategy formation, governance and financial performance. He has held senior executive positions in New Zealand, United Kingdom and Australia.

Other current directorships

Paul Jensen is a Director of Sandon Capital Investments Limited and Chairman of Hunter Hall Global Value Limited and not-for-profit Watarrka Foundation Limited.

Former directorships in the last 3 years

Paul Jensen is a former Director of WAM Capital Limited, Murchison Metals Limited, RHG Limited and Direct Money Marketplace Pty Limited.

Special responsibilities

Chairman of the Audit and Risk Committee.

Interests in shares of the Company

Details of Paul Jensen's interests in shares of the Company are included later in this report.

Interests in contracts

Paul Jensen has no interests in contracts of the Company.

Directors' Report to Shareholders

For the transitional period for the six months to 31 December 2016

Geoff Wilson (Founder and Non-Executive Director)

Experience and expertise

Geoff Wilson has over 36 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia.

Other current directorships

Geoff Wilson is Chairman of WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Leaders Limited and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Global Investment Company Limited and a Director of Australian Leaders Fund Limited, Clime Capital Limited, Global Value Fund Limited, Century Australia Investments Limited, Incubator Capital Limited, Sporting Chance Cancer Foundation, the Australian Fund Managers Foundation, Odyssey House McGrath Foundation, Australian Children's Music Foundation and he is a Member of the Second Bite NSW Advisory Committee. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in the last 3 years

Geoff Wilson has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Investment Committee.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

David Leeton (Non-Executive Director)

Experience and expertise

David Leeton is the Chief Financial Officer of the Victor Smorgon Group. David chairs the Victor Smorgon Groups' investment board and is actively involved in all facets of the Groups' investments and philanthropy interests. David is directly responsible for the financial reporting, financing and treasury for the group. David holds a Bachelor of Business (Banking & Finance), a Graduate Diploma in Accounting and is a fully qualified CPA.

Other current directorships

David Leeton is a Trustee of the Victor Smorgon Charitable Fund, a director of the Victor Smorgon Scholarship Fund Pty Limited and Lighthouse Foundation.

Former directorships in the last 3 years

None with listed entities.

Special responsibilities

None.

Interests in shares of the Company

Details of David Leeton's interests in shares of the Company are included later in this report.

Interests in contracts

David Leeton has no interests in contracts of the Company.

David Paradice (Non-Executive Director)

Experience and expertise

David Paradice founded Paradice Investment Management in 1999. Paradice Investment Management invests in equities around the world with offices in Australia and the USA. It is a privately owned company with a team of 32 people, including 14 investment specialists, with approximately $12 billion funds under management. Paradice Investment Management manages four funds: Small Cap Australian Equities Fund, Mid Cap Australian Equities Fund, Large Cap Australian Equities Fund and Global Small Mid Cap Fund.

David holds a Bachelor of Commerce from the University of Sydney, a Diploma of Companies Directors from the Australian Institute of Companies Directors, a Diploma of Finance and Investment from the Securities of Australasia and a Professional Year from the Institute of Chartered Accountants Australia. He is a member of the Australian Institute of Company Directors, the Financial Securities Institute of Australasia and the Institute of Chartered Accountants Australia.

Other current directorships

None with listed entities.

Former directorships in the last 3 years

David Paradice has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

None.

Interests in shares of the Company

Details of David Paradice’s interests in shares of the Company are included later in this report.

Interests in contracts

Details of David Paradice’s interests in contracts of the Company are included later in this report.

Scott Malcolm (Non-Executive Director)

Experience and expertise

Scott Malcolm has over 25 years experience in investment banking and corporate finance in Australia and the USA. He is Executive Chairman of the Sydney based corporate advisory firm, Greenstone Partners which he founded in 2003. Prior to Greenstone Partners, Scott was a Director in Credit Suisse’s investment banking department in Sydney. Scott has a Bachelor of Commerce (Hons) from Victoria University of Wellington, New Zealand and a Master of Business Administration from the William E Simon Graduate School of Business, Rochester, New York, USA.

Other current directorships

None with listed entities.

Former directorships in the last 3 years

Scott Malcolm was a non executive Director of Guinness Peat Group plc from February 2012 to February 2015.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Scott Malcolm’s interests in shares of the Company are included later in this report.

Interests in contracts

Scott Malcolm has no interests in contracts of the Company.

Kate Thorley (Non-Executive Director)

Experience and expertise

Kate Thorley has over 10 years experience in the funds management industry and more than 15 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited. Kate is a Director of WAM Active Limited, WAM Research Limited, WAM Leaders Limited , WAM Capital Limited and is a non-executive Director of Sandon Capital Opportunities Pty Limited. Kate is the Company Secretary of WAM Capital Limited and Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CPA. She is a member of the Australian Institute of Company Directors and the Financial Services Institute of Australia.

Other current directorships

Kate Thorley is a Director of WAM Research Limited, WAM Active Limited, WAM Leaders Limited and WAM Capital Limited.

Former directorships in the last 3 years

Kate Thorley has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Kate Thorley's interests in contracts of the Company are included later in this report.

Information on Chief Executive Officer:

Louise Walsh

Experience and expertise

Louise is a senior executive with a strong mix of experience in the not-for-profit, government and private sectors. A former solicitor at Allens, she has spent most of her career in sport, arts and culture and the philanthropic sectors and has been a forerunner in growing philanthropy in Australia over the last 15 years.

Prior to joining the Company, Louise was the CEO of Philanthropy Australia, the peak body for philanthropy in Australia. She has extensive experience in private giving and philanthropy. Louise holds a Bachelor of Economics and Bachelor of Law from the University of Sydney. Louise is also CEO of Future Generation Global Investment Company Limited.

Information on Company Secretary:

Mark Licciardo

Experience and expertise

Mark Licciardo is the founder and Managing Director of Mertons Corporate Services Pty Ltd. As a former company secretary of ASX 50 companies, Transurban Group and Australian Foundation Investment Company Limited, his expertise includes working with boards of directors in the areas of corporate governance, business management, administration, consulting and company secretarial matters. Mark is also the former Chairman of the Governance Institute of Australia Victoria division and Melbourne Fringe Festival and a current non-executive Director of a number of public and private companies. Mark holds a Bachelor of Business Degree (Accounting) from Victoria University and a Graduate Diploma in Company Secretarial Practice, is a Fellow of the Governance Institute of Australia and a Graduate Member of the Australian Institute of Company Directors.

Directors' Report to Shareholders

For the transitional period for the six months to 31 December 2016

Members of the Investment Committee:

The experience and qualifications of the members of the Investment Committee at the end of the transitional period for the six months to 31 December 2016 are set out below:

Geoff Wilson (Chairman)

Geoff Wilson is also a Director. Please refer to page 15 of the Directors' Report for details of Geoff's experience and qualifications.

Gabriel Radzyminski

Gabriel Radzyminski is also a Director. Please refer to page 14 of the Directors' Report for details of Gabriel's experience and qualifications.

Matthew Kidman

In 2015, Matthew Kidman became Principal and Portfolio Manager of Centennial Asset Management Pty Limited. Previously, Matthew worked as a Portfolio Manager at Wilson Asset Management (International) Pty Limited for 13 years between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between the years 1994 and 1998. In 1997 Matthew was made Business Editor of the paper and was charged with the responsibility of company coverage. Matthew has degrees in Law and Economics and a Graduate Diploma in Applied Finance.

Bruce Tomlinson

Bruce Tomlinson is currently Portfolio Manager of Hedge Funds at Sunsuper in Sydney, a position he has held since October 2007. Previously Bruce was the Portfolio Manager, Australian Equities at Sunsuper from 2011 to 2014. Prior to this Bruce was a Statutory Fund Manager at AMP Capital Investors from August 1999.

David Smythe

David Smythe is a Managing Partner and joint founder of Zenith Investment Partners, the research business he established in November 2002. David has been in the investment industry for over 21 years and is heavily involved in all aspects of the Zenith business, including managing research, model portfolio construction and participation in client investment committee meetings.

Remuneration Report

The responsibility of the Company's remuneration policy rests with the Board.

a) Remuneration of Directors and Other Key Management Personnel

The Chairman and the Directors have agreed to waive their Directors' fees.

For the transitional period ended 31 December 2016 and going forward, no Directors' fees will be paid.

The Company remunerates LW Consulting Pty Limited, an entity associated with Louise Walsh, $100,000 (plus GST) per annum for providing her services as Chief Executive Officer.

During the year the Company paid LW Consulting Pty Limited a total of $50,000 (plus GST) for services provided from 1 July to 31 December 2016.

b) Director and Other Key Management Personnel Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions and at market rates, except as noted below.

Geoff Wilson is a Director of Wilson Asset Management (International) Pty Limited, Investment Manager of Wilson Asset Management Equity Fund. Wilson Asset Management (International) Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Wilson Asset Management (International) Pty Limited provides some company secretarial services, financial reporting, investor relations and marketing for the Company at no cost to the Company. Wilson Asset Management (International) Pty Limited is an entity associated with Geoff Wilson and Kate Thorley.

Gabriel Radzyminski is Managing Director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

David Paradice is a Director of Paradice Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradice Australian Equities Mid Cap Fund and Paradice Large Cap Fund. Paradice Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Matthew Kidman is a Director of Centennial Asset Management, Investment Manager of The Level 18 Fund. Centennial Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Matthew Kidman is a member of the Investment Committee.

c) Equity Instruments Disclosures of Directors, Other Key Management Personnel and Related Parties

At the date of this report, the Company's Directors, other key management personnel and their related parties held the following interests in the Company:

Directors and Key Management Personnel	Ordinary Shares
Jonathan Trollip	181,818
Geoff Wilson	7,230,566
Gabriel Radzyminski	37,744
David Paradice	1,000,000
David Leeton	309,364
Scott Malcolm	1,831,817
Kate Thorley	86,561
Louise Walsh	-

Directors, other key management personnel and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

For further details, please refer to Note 20 of the financial statements.

- END OF REMUNERATION REPORT -

Directors' Report to Shareholders

For the transitional period for the six months to 31 December 2016`

Directors' Meetings

Director	No. eligible to attend	Attended
Jonathan Trollip	4	4
Geoff Wilson	4	3
Gabriel Radzyminski	4	4
Paul Jensen	4	3
David Paradice	4	0
David Leeton	4	4
Scott Malcolm	4	4
Kate Thorley	4	4

Audit and Risk Committee Meetings

The main responsibilities of the Audit & Risk Committee are set out in the Corporate Governance Statement on pages 60 to 61 of the Annual Report.

Director	No. eligible to attend	Attended
Paul Jensen	2	2
Kate Thorley	2	2
Scott Malcolm	2	2

After Balance Date Events

Since year end the Company declared a final dividend of 2.1 cents per share fully franked to be paid on 21 April 2017.

On 22 February 2017, the Company announced the resignation of Paul Jensen as a Non-Executive Director. Mr Jensen was a Non-Executive Director of the Company since October 2013.

No other matters or circumstances have arisen since the end of the transitional period which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

Future Developments

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing market conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental Issues

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or a State or Territory.

Indemnification and Insurance of Officers or Auditors

During the transitional period for the six months to 31 December 2016 the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Officer or Secretary to the extent

Directors' Report to Shareholders

For the transitional period for the six months to 31 December 2016`

permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the transitional period for the six months to 31 December 2016, for any person who, is or has been, an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the transitional period for the six months to 31 December 2016.

Non-Audit Services

During the transitional period for the six months to 31 December 2016, Pitcher Partners, the Company's auditor, did not perform any other non-assurance services in addition to their statutory duties for the Company. Related entities of Pitcher Partners perform taxation services for the Company on a partial pro bono basis. Details of the amounts paid to the auditors and their related parties are disclosed in Note 7 to the financial statements.

The Board of Directors, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 7 did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit & Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditory independence in accordance with the APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 22 of this Annual Report.

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors Report have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors pursuant to section 298(2)(a) of the Corporations Act 2001.

Jonathan Trollip
Chairman
Dated 27 February 2017

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FUTURE GENERATION INVESTMENT COMPANY LIMITED
ABN 97 063 935 553

In relation to the independent audit for the transitional period ended 31 December 2016, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act* 2001; and

(ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Future Generation Investment Company Limited during the period.

S M WHIDDETT
Partner

PITCHER PARTNERS
Sydney

27 February 2017

Statement of Comprehensive Income

For the transitional period for the six months to 31 December 2016

	Notes	6 months to 31 December 2016	12 months to 30 June 2016
		$'000	$'000
Investment income from ordinary activities			
Interest income		888	735
Distributions received		1,816	15,376
Investment management and performance fee rebates	3	2,198	4,245
		4,902	**20,356**
Expenses			
ASX Listing fees		-	-
Share registry maintenance costs		-	-
Directors' fees		-	-
Accounting fees		-	-
Charity donation accrual	5	(1,845)	(2,291)
Share registry transaction costs		(155)	(157)
Executive remuneration	20(a)	(55)	(28)
Other expenses		(54)	(71)
Audit fees		(29)	(36)
CHESS fees		(18)	(20)
Amortisation expense		(2)	(4)
Tax fees		(2)	(3)
		(2,160)	**(2,610)**
Profit before income tax		**2,742**	**17,746**
Income tax expense	4(a)	(728)	(3,122)
Net profit for the transitional six month period		**2,014**	**14,624**

Other comprehensive income			
Items that will not be classified to profit or loss			
Net unrealised gains on investments taken to equity, net of tax		5,522	4,711
Other comprehensive income for the transitional six month period, net of tax		**5,522**	**4,711**
Total comprehensive income for the transitional six month period		**7,536**	**19,335**

Earnings per share for profit attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings per share	16	**0.66**	**7.45**
Diluted earnings per share	16	**0.66**	**7.35**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Notes	31 December 2016	30 June 2016
		$'000	$'000
ASSETS			
Current Assets			
Cash and cash equivalents	13	72,907	25,565
Trade and other receivables	8	2,171	12,380
Other current assets		22	8
Total current assets		**75,100**	**37,953**
Non-current assets			
Financial assets at fair value through other comprehensive income	9	324,972	228,451
Deferred tax assets	4(b)	1,219	2,305
Intangible assets		5	7
Total non-current assets		**326,196**	**230,763**
Total assets		**401,296**	**268,716**
LIABILITIES			
Current liabilities			
Trade and other payables	10	52	44
Charity donation accrual	5	1,845	2,291
Current tax liabilities	4(c)	378	2,783
Total current liabilities		**2,275**	**5,118**
Non-current liabilities			
Deferred tax liabilities	4(d)	1,649	56
Total non-current liabilities		**1,649**	**56**
Total liabilities		**3,924**	**5,174**
Net assets		**397,372**	**263,542**
EQUITY			
Issued capital	11(a)	381,286	248,036
Reserves	12(a)	19,867	19,287
Accumulated losses	12(b)	(3,781)	(3,781)
Total equity		**397,372**	**263,542**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the transitional period for the six months to 31 December 2016

	Notes	Issued capital	Reserves	Accumulated losses	Total equity
		$'000	$'000	$'000	$'000
Balance at 1 July 2015		200,248	4,376	-	204,624
Net profit for the year		-	-	14,624	14,624
Other comprehensive loss, net of tax		-	4,711	-	4,711
Transactions with owners:					
Contributions of equity, net of transaction costs and tax		47,788	-	-	47,788
Dividends paid	6(a)	-	(8,205)	-	(8,205)
Transfer of security-based payment reserve		-	3,781	(3,781)	-
Transfer to profits reserve	12(a)	-	14,624	(14,624)	-
Balance at 30 June 2016		**248,036**	**19,287**	**(3,781)**	**263,542**
Net profit for the year		-	-	2,014	2,014
Other comprehensive income, net of tax		-	5,522	-	5,522
Transactions with owners:					
Contributions of equity, net of transaction costs and tax		133,250	-	-	133,250
Dividends paid	6(a)	-	(6,956)	-	(6,956)
Transfer to profits reserve	12(a)	-	2,014	(2,014)	-
Balance at 31 December 2016		**381,286**	**19,867**	**(3,781)**	**397,372**

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the transitional period for the six months to 31 December 2016

	Notes	6 months to 31 December 2016	12 months to 30 June 2016
		$'000	$'000
Cash flows from operating activities			
Interest received		674	766
Rebate income		672	375
Income taxes paid		(2,863)	(3,622)
Payments for charitable donation and other expenses		(2,535)	(1,938)
Net cash used in operating activities	14	**(4,052)**	**(4,419)**
Cash flows from investing activities			
Payments for financial assets		(74,901)	(32,925)
Net cash used in investing activities		**(74,901)**	**(32,925)**
Cash flows from financing activities			
Proceeds from issue of shares and options exercised		132,299	47,230
Dividends paid to the Company's shareholders (Net of DRP and DDP)		(6,004)	(7,614)
Share issue and buy-back transaction costs		-	(47)
Net cash provided by financing activities		**126,295**	**39,569**
Net increase in cash and cash equivalents		47,342	2,225
Cash and cash equivalents at the beginning of the year		25,565	23,340
Cash and cash equivalents at the end of the year	13	**72,907**	**25,565**
Non-cash investing and financing activities	15	**14,640**	**17,155**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

1. General information

Future Generation Investment Company Limited (FGX or the Company) is a listed public company, incorporated and domiciled in Australia. The registered office is Level 11, 139 Macquarie Street, Sydney NSW 2000. The financial statements of the Company are for the transitional period for the six months to31 December 2016.

The Company is primarily involved in investing in funds managed by a number of prominent Australian equity fund managers with a focus on long-only, long/short and alternative investment strategies with the aim to make a financial contribution to charities supporting children and youth at risk.

The Company invests its capital with fund managers who have agreed to provide their services for 0.0% management fees and 0.0% performance fees. The pro bono support of these fund managers, as well as the various service providers, allows the Company to donate 1.0% of the average monthly net tangible assets each year to Australian charities with a focus on children and youth at risk.

The financial statements were authorised for issue by the Directors on 27 February 2017.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for FGX.

(a) Basis of preparation

These general purpose financial statements for the transitional period for the six months to 31 December 2016 have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

(i) Compliance with IFRS

The financial statements of FGX also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss or through other comprehensive income.

(iii) Change in financial year end

In October 2016, the Board of FGX decided to change the financial year end from 30 June to 31 December to better align the reporting periods to the underlying fund manager distributions.As a result, the current reporting period is a transitional period consisting of a six month period, 1 July 2016 to 31 December 2016, whilst the previous corresponding period is from 28 May 2015 to 30 June 2016. For the 2017 year the Company will report half year results to 30 June 2017 and its annual result to 31 December 2017. As such, in this report we are comparing a six month transitional period to a full 12 month prior period. This is a meaningless comparison but the Company is required to do so. The profit for the transitional period is not indicative of the expected performance over the next 12 month period.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

2. Summary of significant accounting policies (continued)

(iv) New standards and interpretations not yet adopted

AASB 9 Financial Instruments

The Company adopted AASB 9 Financial Instruments standard which applies to annual reporting periods beginning from 1 January 2018 for the reporting period.

Investments in equity instruments, which were previously classified as available for sale financial assets, are now classified as equity instruments revalued through other comprehensive income. They continue to be valued at fair value with changes in value being recognised in the investment portfolio revaluation reserve.

Under AASB 9 there is no recycling of the realised gains and losses to the income statement as was previously required under AASB 139. There is also no requirement to test investments for impairment so there is no transfer of unrealised impairment losses from the investment portfolio revalution reserve to the income statement.

There are no other new standards or interpretations applicable that would have a material impact for the Company.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

(ii) Trust distributions

Trust distributions are recognised as revenue when the right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues in profit or loss based on nominated interest rates available on the bank accounts held.

(iv) Other income

Investment management and performance fee rebates are recognised in the Statement of Comprehensive Income on an accruals basis.

2. Summary of significant accounting policies (continued)

(c) Income tax

The Company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(d) Impairment of assets

Assets excluding investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The amount of the impairment loss, if any, is recognised in the Statement of Comprehensive Income within other expenses.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within three months or less.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

2. Summary of significant accounting policies (continued)

(f) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are stated at their amortised cost.

(g) Investments and other financial assets

Classification

(i) Financial assets at fair value through other comprehensive income

The Company has designated long-term investments as "fair value through other comprehensive income". All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value for financial assets at fair value through other comprehensive income are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an instrument held at fair value through other comprehensive income is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio revaluation reserve to the investment portfolio realised gains/losses reserve.

Determination of Fair Value

AASB 13 Fair Value Measurement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company's accounting policy on fair value is disclosed in Note 18.

The Board of Directors values the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts.

(h) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at their amortised cost.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

2. Summary of significant accounting policies (continued)

(i) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(j) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

(k) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(l) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares on issue for the transitional period for the six months to 31 December 2016.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

2. Summary of significant accounting policies (continued)

(n) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

(o) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial Reports) Instrument 2016/191, the amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar.

(p) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(q) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Deferred tax asset

Deferred tax asset has been recognised on unused losses on the basis that the Company will generate future taxable profits to utilise the tax losses.

(r) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

3. Investment income from ordinary activities

The Company has invested in 20 unlisted unit trusts and where available, has invested in unit classes that have zero management and performance fees. The Company has invested in four unit trusts with a zero fee unit class.

The remaining investments are in unit classes that charge management and performance fees. These fund managers have rebated the fees charged. The aggregate management and performance fees rebated to the Company were $2.19 million for the transitional period for the six months to 31 December 2016 (1 July 2015 to 30 June 2016: $4.24 million).

The total management and performance fees foregone by the unit trusts with a zero fee unit class for the transitional period for the six months to 31 December 2016 amounted to $0.26 million.The estimated value of the other pro bono services provided to the Company for the transitional period for the six months was $0.31 million (1 July 2015 to 30 June 2016: $0.63 million).

4. Income tax

(a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expenses as follows:

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Prima facie tax on profit before income tax at 30% (2015: 30%)	823	5,324
Franking credits on distributions received	-	(2,151)
Imputation credit gross up	-	645
Other non-assessable income	-	(107)
(Over)/under provision in prior year	(95)	(589)
At reporting date	**728**	**3,122**

Total income tax expense results in a:

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Current tax liability	554	3,584
Deferred tax liability	1	(97)
Deferred tax asset	135	45
Over provision in prior year	38	(410)
	728	**3,122**
The applicable weighted average effective tax rates are as follows:	26.55%	17.59%

The effective tax rate reflects the benefit to the Company of franking credits received from trust distribution income during the year.

(b) Deferred tax assets

	31 December 2016	30 June 2016
	$'000	$'000
Net unrealised losses on revaluation of investment portfolio	-	818
Recapitalisation and capital raising costs	609	735
Provisions	610	752
At reporting date	**1,219**	**2,305**

4. Income tax (continued)

Movement in deferred tax assets

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Balance at the beginning of the period	2,305	4,417
Charged to profit or loss	(135)	(45)
Charged to other comprehensive income	(819)	(2,080)
Charged to equity	(132)	13
At reporting date	**1,219**	**2,305**

(c) Current tax liabilities

Movement in current tax liabilities

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Balance at the beginning of the period	2,783	3,231
Current year income tax expense on operating profit	554	5,735
Imputation credits	-	(2,151)
Over provision in prior year	(100)	(410)
Income tax paid	(2,859)	(3,622)
At reporting date	**378**	**2,783**

(d) Deferred tax liabilities

	31 December 2016	30 June 2016
	$'000	$'000
Timing differences on trust income accrued	57	56
Net unrealised gains on revaluation of investment portfolio	1,592	
At reporting date	**1,649**	**56**

Movement in deferred tax liabilities

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Balance at the beginning of the period	56	153
Charged to the profit or loss	1	(97)
Charged to other comprehensive income	1,592	-
At reporting date	**1,649**	**56**

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

5. Charity donation accrual

The Company has a commitment to accrue and pay a charity donation to support Australian charities with a focus on children and youth at risk. The charity donation commitment is calculated and accrued monthly and paid annually in arrears and is based on 1.0% of the Company's average monthly net tangible assets. All donations are made to charities with Deductible Gift Recipient (DGR) status. The donation is a tax deduction for FGX.

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Charity donation accrual	1,845	2,291

6. Dividends

a) Ordinary dividends paid during the year

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Final dividend FY2016: 2.0 cents per share fully franked at 30% paid 21 October 2016 (Final dividend FY2015: 2.0 cents per share fully franked paid 23 October 2015)	6,956	3,692
Interim dividend FY2016: 2.0 cents per share fully franked at 30% paid 29 April 2016	-	4,513
	6,956	**8,205**

b) Dividends not recognised at year end

	31 December 2016	30 June 2016
	$'000	$'000
In addition to the above dividends, since the end of the year, the Board has declared a 2.1 cent per share fully franked dividend which has not been recognised as a liability at the end of the transitional period for the six months to 31 December 2016. This is based on the shares on issue as at 31 December 2016	7,322	4,551

c) Dividend franking account

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Opening balance of franking account	3,881	1,680
Franking credits on dividends received	-	2,089
Tax paid during the year	2,859	3,627
Franking credits on dividends paid	(2,981)	(3,515)
Closing balance of franking account as at 31 December 2016	**3,759**	**3,881**
Subsequent to the transitional period end, the franking account would be reduced by the proposed dividend disclosed in Note 6 (b)	(3,138)	833
Adjusted franking account balance	**621**	**4,714**

The Company's ability to continue to pay franked dividends is dependant upon the receipt of franked distributions received from the fund managers and the payment of tax.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

7. Remuneration of auditors

During the transitional period the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

Audit and other assurance services	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Auditing and reviewing the financial report	29	36
Other assurance services		
Taxation services	2	3
Total remuneration for audit and other assurance services	**31**	**39**

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and review the proposed fee.

8. Trade and other receivables

	31 December 2016	30 June 2016
	$'000	$'000
Distributions receivable	939	10,816
Interest receivable	259	45
GST receivable	10	9
Manager fee rebate income receivable	963	1,510
	2,171	**12,380**

Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

9. Financial assets at fair value through other comprehensive income

	31 December 2016	30 June 2016
	$'000	$'000
Financial assets at fair value through other comprehensive income	324,972	228,451

The market value of the investments as at 31 December 2016 is detailed on page 4 of this report.

10. Trade and other payables

	31 December 2016	30 June 2016
	$'000	$'000
Other payables	52	44

Trade and other payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

11. Issued capital

(a) Paid-up capital

	31 December 2016	30 June 2016
	$'000	$'000
348,655,173 ordinary shares fully paid (2016: 227,534,045)	381,286	248,036

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(b) Movements in ordinary share capital

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Balance at 1 July 2016	248,036	200,248
120,272,266 ordinary shares issued from the exercise of options	132,299	-
848,865 ordinary shares issued on 21 October 2016 under a Dividend Reinvestment Plan	951	-
42,937,337 ordinary shares issued from the exercise of options	-	47,230
236,065 ordinary shares issued on 23 October 2015 under a Dividend Reinvestment Plan	-	252
313,239 ordinary shares issued on 29 April 2016 under a Dividend Reinvestment Plan	-	339
Cost of raising capital, net of tax	-	(33)
At reporting date	**381,286**	**248,036**

(c) Movements in options

	6 months to 31 December 2016
	'000
Balance at 1 July 2016	138,487
Options exercised	(120,272)
Options lapsed	(18,215)
At reporting date	**0**

(d) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholder, share and option issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to control the capital of the Company since the prior reporting period. The Company is not subject to any externally imposed capital requirements.

(e) Options

The Company raised a total of $179,963,955 through the exercise of options issued as a result of the capital raising via the prospectus dated 7 July 2014. These options expired on 16 September 2016 with 163,603,595 (89.9%) options exercised.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

12. Reserves and accumulated losses

(a) Reserves

	31 December 2016	30 June 2016
	$'000	$'000
Investment portfolio revaluation reserve	3,470	(2,052)
Investment portfolio realised losses reserve	(3)	(3)
Profits reserve	16,400	21,342
	19,867	**19,287**

Movements:	6 months to 31 December 2016	12 months to 30 June 2016
Investment portfolio revaluation reserve	$'000	$'000
Opening balance	(2,052)	(6,763)
Net unrealised – net of tax	5,522	4,711
At reporting date	**3,470**	**(2,052)**
Investment portfolio realised gains/(losses) reserve	$'000	$'000
Opening balance	(3)	(3)
At reporting date	**(3)**	**(3)**
Profits reserve	$'000	$'000
Opening balance	21,342	14,923
Transfer from retained earnings	2,014	14,624
Final dividend paid (refer Note 6a)	(6,956)	(3,692)
Interim dividend paid (refer Note 6a)	-	(4,513)
At reporting date	**16,400**	**21,342**

(b) Accumulated losses

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Opening balance	(3,781)	-
Net profit for the year	2,014	14,624
Transfer to profits reserve	(2,014)	(14,624)
Transfer of security-based payment reserve	-	(3,781)
At reporting date	**(3,781)**	**(3,781)**

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	31 December 2016	30 June 2016
	$'000	$'000
Cash at bank	28,725	8,222
Term deposits	44,182	17,343
	72,907	**25,565**

(i) Classification as cash equivalents

Term deposits have a maturity of three months or less.

(ii) Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of cash and cash equivalents mentioned above.

The term deposits are invested with National Australian Bank ("NAB") which has a Standard & Poor's A-1+ rating.

14. Cash flow information

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Profit for the year	2,014	14,624
Amortisation of intangible assets	2	3
Management fee rebate income reinvested	(2,073)	(3,214)
Distributions reinvested	(11,616)	(13,350)
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	10,209	(2,647)
(Increase) in current tax assets	(2,783)	(3,231)
(Increase) in other current assets	(14)	(3)
(Increase)/decrease in deferred tax assets	(1,323)	45
(Decrease)/increase in trade and other payables	(439)	668
Increase/(decrease) in deferred tax liabilities	1,593	(97)
Increase in current tax liabilities	378	2,783
Net cash used in operating activities	**(4,052)**	**(4,419)**

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

15. Non-cash investing and financing activities

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Distributions reinvested	11,616	13,350
Management fee rebate income reinvested	2,073	3,214
Shares issued via dividend reinvestment plan	951	591
	14,640	**17,155**

16. Earnings per share

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Profit after income tax used in the calculation of basic and diluted earnings per share.	2,014	14,624

(a) Basic earnings per share

	Cents	Cents
Basic earnings per share attributable to the ordinary equity holders of the Company.	0.66	7.45

(b) Diluted earnings per share

	Cents	Cents
Diluted earnings per share attributable to the ordinary equity holders of the Company.	0.66	7.35

(c) Weighted average number of shares used as denominator

	Number ‘000	Number '000
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share.	304,738	196,376

There are no outstanding securities on issue that are potentially dilutive in nature.

17. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure

The Company is not directly exposed to currency risk as all its investments are quoted in Australian Dollars.

(ii) Price risk

Exposure

The Company is exposed to price risk on investments in unlisted unit trusts. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through other comprehensive income.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across a number of prominent Australian equity fund managers with a focus on long-only, long/short and alternative investment strategies.

Sensitivity

The following table illustrates the effect on the Company's equity from possible changes in the fair value of financial assets that were reasonably possible based on the risk the Company was exposed to at reporting date, assuming a flat tax rate of 30 per cent:

	6 months to 31 December 2016	12 months to 30 June 2016
	$'000	$'000
Change in variable +/- 5% (June 2016: +/- 5%)	11,374	7,996
Change in variable +/- 10% (June 2016: +/- 10%)	22,748	15,992

(iii) Cash flow and fair value interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

17. Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

31 December 2016

	Interest bearing	Non-interesting bearing	Total
Financial Assets	$'000	$'000	$'000
Cash and cash equivalents	72,907	-	72,907
Trade and other receivables	-	2,171	2,171
Financial assets held at fair value through other comprehensive income	-	324,972	324,972
	72,907	**327,143**	**400,050**

	Interest bearing	Non-interesting bearing	Total
Financial Liabilities	$'000	$'000	$'000
Trade and other payables	-	(52)	(52)
Charity donation accrual	-	(1,845)	(1,845)
Current tax liabilities	-	(378)	(378)
	-	**(2,275)**	**(2,275)**

Net exposure	**72,907**	**324,868**	**397,775**

30 June 2016

	Interest bearing	Non-interesting bearing	Total
Financial Assets	$'000	$'000	$'000
Cash and cash equivalents	25,565	-	25,565
Trade and other receivables	-	12,380	12,380
Financial assets held at fair value through other comprehensive income	-	228,451	228,451
	25,565	**240,831**	**266,396**

	Interest bearing	Non-interesting bearing	Total
Financial Liabilities	$'000	$'000	$'000
Trade and other payables	-	(44)	(44)
Charity donation accrual	-	(2,291)	(2,291)
Current tax liabilities	-	(2,783)	(2,783)
	-	**(5,118)**	**(5,118)**

Net exposure	**25,565**	**235,713**	**261,278**

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

17. Financial risk management (continued)

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

At 31 December 2016, if interest rates had increased by 100 basis points (bps) or decreased by 100 bps from the year end rates with all other variables held constant, post-tax profit for the year would have been $510,300 higher/$510,300 lower (2016 changes of 100bps: $179,200 lower/$179,200 higher), mainly as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

Credit risk is managed as noted in Note 13 with respect to cash and cash equivalents and Note 8 for trade and other receivables. None of these assets are over-due or considered to be impaired.

(c) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Board and Investment Committee monitor the cash-flow requirements in relation to the investing account taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are additional investment applications and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Committee.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. The Company has a significant amount of term deposits which mitigates the liquidity risk.

Maturities of financial liabilities

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities at year end date.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

17. Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

At December 2016	Less than 1 month	1-12 months	Total contractual undiscounted cash flows
Non-derivatives	$'000	$'000	$'000
Trade and other payables	52	-	52
Charity donation accrual	-	1,845	1,845
Current tax liabilities	-	378	378
Total non-derivatives	**52**	**2,223**	**2,275**

At June 2016	Less than 1 month	1-12 months	Total contractual undiscounted cash flows
Non-derivatives	$'000	$'000	$'000
Trade and other payables	44	-	44
Charity donation accrual	-	2,291	2,291
Current tax liabilities	-	2,783	2,783
Total non-derivatives	**44**	**5,074**	**5,118**

18. Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

Financial assets at fair value through other comprehensive income (FVTOCI)

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

18. Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2016.

Recurring fair value measurements

At 31 December 2016	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI	$'000	$'000	$'000	$'000
Unlisted unit trusts	-	324,972	-	324,972
Total financial assets	**-**	**324,972**	**-**	**324,972**

At 30 June 2016	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI	$'000	$'000	$'000	$'000
Unlisted unit trusts	-	228,451	-	228,451
Total financial assets	**-**	**228,451**	**-**	**228,451**

There were no transfers between levels for recurring fair value measurements during the year.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

(iii) Valuation techniques used to determine fair values

Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Board of Directors value the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net assets of the unlisted unit trusts.

19. Segment information

The Company engages in investing activities, including cash, term deposits and investments in unlisted unit trusts. It has no reportable business or geographic segments.

Notes to the Financial Statements

For the transitional period for the six months to 31 December 2016

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the transitional period for the six months to 31 December 2016 are:

Jonathon Trollip	(Chairman)	
Gabriel Radzyminski	(Non-Executive Director)	
Paul Jensen	(Non-Executive Director)	(Resigned 22 February 2017)
Geoff Wilson	(Non-Executive Director)	
David Paradice	(Non-Executive Director)	
David Leeton	(Non-Executive Director)	
Scott Malcolm	(Non-Executive Director)	
Kate Thorley	(Non-Executive Director)	
Louise Walsh	(Chief Executive Officer)	

a) Remuneration

The Chairman and the Directors have agreed to waive their Directors' fees.

For the transitional period 2016 and going forward, no Directors' fees will be paid.

The Company remunerates LW Consulting Pty Limited, an entity associated with Louise Walsh, $100,000 (plus GST) per annum for providing her services as a Chief Executive Officer.

During the transitional period to 31 December the Company paid LW Consulting Pty Limited a total of $50,000 (plus GST) for services provided from 1 July to 31 December 2016.

b) Share holdings

As at 31 December 2016, the Company's Directors and key management personnel and their related parties held the following interests in the Company:

31 December 2016

Ordinary Shares held

Directors and Key Management	Balance at 30 June 2016	Acquisitions	Disposals	Balance at 31 December 2016
Jonathan Trollip	181,818	-	-	181,818
Geoff Wilson	4,621,292	2,609,274	-	7,230,566
Gabriel Radzyminski	23,582	14,162	-	37,744
Paul Jensen	46,309	23,960	-	70,269
David Paradice	1,000,000	-	-	1,000,000
David Leeton	309,364	-	-	309,364
Scott Malcolm	922,727	909,090	-	1,831,817
Kate Thorley	85,043	1,518	-	86,561
Louise Walsh	-	-	-	-

20. Key management personnel compensation (continued)

b) Share holdings (continued)

30 June 2016

Ordinary Shares held

Directors	Balance at 30 June 2015	Acquisitions	Disposals	Balance at 30 June 2016
Jonathan Trollip	181,818	-	-	181,818
Geoff Wilson	4,170,000	451,292	-	4,621,292
Gabriel Radzyminski	22,727	855	-	23,582
Paul Jensen	22,727	23,582	-	46,309
David Paradice	1,000,000	-	-	1,000,000
David Leeton	546,364	-	(237,000)	309,364
Scott Malcolm	922,727	-	-	922,727
Kate Thorley	80,000	5,043	-	85,043
Louise Walsh	-	-	-	-

31 December 2016

Options held

Directors	Balance at 30 June 2016	Acquisitions	Options Exercised/Lapsed	Balance at 31 December 2016
Jonathan Trollip	181,818	-	(181,818)	-
Geoff Wilson	2,542,109	-	(2,542,109)	-
Gabriel Radzyminski	22,727	-	(22,727)	-
Paul Jensen	22,727	-	(22,727)	-
David Paradice	1,000,000	-	(1,000,000)	-
David Leeton	556,364	-	(556,364)	-
Scott Malcolm	909,090	-	(909,090)	-
Kate Thorley	-	-	-	-
Louise Walsh	-	-	-	-

30 June 2016

Options held

Directors	Balance at 30 June 2015	Acquisitions	Options Exercised	Balance at 30 June 2016
Jonathan Trollip	181,818	-	-	181,818
Geoff Wilson	2,542,109	-	-	2,542,109
Gabriel Radzyminski	22,727	-	-	22,727
Paul Jensen	22,727	-	-	22,727
David Paradice	1,000,000	-	-	1,000,000
David Leeton	636,364	-	(80,000)	556,364
Scott Malcolm	909,090	-	-	909,090
Kate Thorley	-	2,000	(2,000)	-
Louise Walsh	-	-	-	-

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the transitional period for the six months to 31 December 2016, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. Related party transactions

All transactions with related entities were made on normal commercial terms and conditions and at market rates, except as noted below.

Geoff Wilson is a Director of Wilson Asset Management (International) Pty Limited, Investment Manager of Wilson Asset Management Equity Fund. Wilson Asset Management (International) Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Wilson Asset Management (International) Pty Limited provides some company secretarial services, financial reporting, investor relations and marketing for the Company at no cost to the Company. Wilson Asset Management (International) Pty Limited is an entity associated with Geoff Wilson and Kate Thorley.

Gabriel Radzyminski is Managing Director of Sandon Capital Pty Limited, Investment Manager of Sandon Capital Activist Fund. Sandon Capital Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

David Paradice is a Director of Paradice Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradice Australian Equities Mid Cap Fund and Paradice Large Cap Fund. Paradice Investment Management Pty Limited is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company.

Matthew Kidman is a Director of Centennial Asset Management, Investment Manager of The Level 18 Fund. Centennial Asset Management is a fund manager for the Company and has agreed to forgo all management and performance fees on the funds managed on behalf of the Company. Matthew Kidman is a member of the Investment Committee.

22. Contingencies

The Company had no contingent liabilities at 31 December 2016 (June 2016: nil).

23. Commitments

The Company has committed to accrue and pay a charity donation to support Australian charities with a focus on children and youth at risk. The charity donation commitment is calculated and accrued monthly and paid annually in arrears and is based on 1.0% of the Company's average monthly net tangible assets. The transitional period for the six months to 31 December 2016 commitment was $1,845,043 (1 July 2015 to 30 June 2016: $2,291,392).

24. Events occurring after the reporting period

Since year end the Company declared a final dividend of 2.1 cents per share fully franked to be paid on 21 April 2017.

On 22 February 2017, the Company announced the resignation of Paul Jensen as a Non-Executive Director. Mr Jensen was a Non-Executive Director of the Company since October 2013.

No other matters or circumstances have arisen since the end of the transitional period which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

Director's Declaration

The Directors of Future Generation Investment Company Limited declare that:

1) The financial report as set out in pages 23 to 48 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 18 to19 are in accordance with the *Corporations Act 2001*, including:

   a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) giving a true and fair view of the financial position of the Company as at 31 December 2016 and of its performance, as represented by the results of the operations and the cashflows, for the transitional period for the six months to 31 December 2016; and

2) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the persons and organisations who perform the Chief Executive Officer and Chief Financial Officer functions respectively, for the purposes of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Jonathan Trollip
Chairman

Dated 27 February 2017

Independent Auditor's Report
to the Members of Future Generation Investment Company Limited
A.B.N. 97 063 935 553

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Future Generation Investment Company Limited (the Company), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the transitional period (for the six months to 31 December 2016), notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In our opinion

a) the financial report of Future Generation Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the transitional period ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have communicated the key audit matters to the Audit Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the matter***
Existence, Valuation, and Classification of Financial Assets ***Refer to Note 9: Financial Assets, and Note 18: Fair Value Measurements***	
We focused our audit effort on the valuation and existence of the Company's financial instruments as they are its largest assets and represent the most significant driver of the Company's revenue and profits. In addition to their size, ie $324,972,000 (approximately 81% of total assets) there are inherent judgements involved in determining the fair value of financial instruments. As the inputs available are not observable within an active market, ie investments are in unlisted Managed Investment Funds that do not have an independent quoted market and are deemed to be level 2 on the fair value hierarchy (AASB 13). There is a risk that investments recorded might not be owned by the Company, and may be valued incorrectly. We therefore identified valuation and ownership of unquoted investments as a significant risk requiring special audit consideration.	Our procedures included, amongst others: ▪ We reviewed the report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation), for the period 1 July 2016 to 31 December 2016 for the Administrator; ▪ We agreed the investment holdings to investment holding statements from fund managers or trustees of the investee entities; ▪ For a sample of purchases for the period, we agreed the units purchased, and the price, to purchase agreements or investment holding statements from the fund managers or trustees of the investee entities; ▪ We assessed the valuation by agreeing the units held and the exit price as at 31 December 2016 to reported unit pricing from investment holding statements and compared the value of investments to the valuation report of the Company; ▪ For a sample of investments held at balance date, we obtained their latest audited accounts and performed procedures including: - Recalculated NAV and compared to reported unit price; - Considered the appropriateness of accounting policies; - Confirmed that the audit opinion is unmodified; ▪ We evaluated the appropriateness of the accounting treatment of revaluations of financial instruments for current/deferred tax and unrealised gains or losses; ▪ We assessed the adequacy of disclosures in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the transitional period ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of Future Generation Investment Company Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 19 of the directors' report for the transitional period ended 31 December 2016. In our opinion, the Remuneration Report of Future Generation Investment Company Limited for the transition period ended 31 December 2016, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Future Generation Investment Company Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

Pitcher Partners

S Whiddett

S M Whiddett
Partner

Dated in Sydney this 27th day of February 2017.

Corporate Governance Statement

The Board of Directors of Future Generation Investment Company Limited (the Company) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company, on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the Company's compliance with the third edition of the ASX Corporate Governance Council's Principles and Recommendations.

Principle 1 – lay solid foundations for management and oversight

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.1	A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Complies	The Company has a Board and a Chief Executive Officer. The Company's Board Policy sets out the specific responsibilities of the Board and the Investment Committee Charter provides details of responsibilities delegated to the Investment Committee. The role of the Board is to monitor and set the Company's strategic direction. The Board is also responsible for the overall corporate governance of the Company as well as risk management and reporting. The Investment Committee will be responsible for selecting fund managers with whom the Company will invest capital from time to time as well as any direct investments made by the Company from time to time and will generally manage the Company's portfolio. The CEO will execute strategic direction and oversee the donations program for the Company, assist the Investment Committee and the Board as required with their responsibilities and ensure effective shareholder communication is maintained.
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance. This will necessarily include undertaking background and other checks before appointing a person or putting them forward to security holders as a candidate for election as a director, as well as providing all material information relevant to a decision for election as a director. The qualifications, experience and special responsibilities of the Board members are set out in the Director's Report.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The terms of appointment have been recorded in a letter of appointment and are in accordance with the Company's constitution, the Corporations Act and ASX Listing Rules.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The Board has appointed an experienced Company Secretary who is directly accountable to the Board.
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Does not Comply	As the Company has one full time employee and given the size of the Board, a diversity policy has not been established. The Board's composition is reviewed on an annual basis. In the event a vacancy arises, the Board will consider diversity in its nomination process. Currently there is one woman on the Board and Louise Walsh was appointed as Chief Executive Officer on 8 March 2016. The Company is not a relevant employer under the Workplace Gender Equality Act.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
1.6	A listed entity should: a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	The performance of directors will be assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board shall: • review its Corporate Governance Charter annually; and • perform an evaluation of the Board's performance at intervals considered appropriate. The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Corporate Governance Charter. While a performance evaluation was not undertaken during the reporting period, the Board has undertaken to complete a review of its performance with the assistance of Mertons Corporate Services since year end.
1.7	A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Will Comply	The Company appointed Louise Walsh as Chief Executive Officer on 8 March 2016. The CEO's performance will be evaluated on an annual basis with the first evaluation to be completed by 30 June 2017. The business of the Company is managed by the Board in accordance with the Board Policy which is contained in the Company's Corporate Governance Charter and is disclosed on the website.

Corporate Governance Statement

Principle 2 – Structure the board to add value

	Corporate Governance Council Recommendation	Compliance	Disclosure
2.1	The board of a listed entity should: a) have a nomination committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of the committee, the members of the committee; and 3. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: OR b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Complies	The Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise with consideration to the optimal mix of skills and diversity.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complies	The Company supports the appointment of Directors who bring a wide range of business, professional skills and experience. The Company circulated a formal skills matrix during the year to evaluate the Directors skills in the following areas: Leading and Managing, Governance, Strategy, Finance and Audit, Risk Management, Investment Management, Communications and Issues Management and Community Engagement and Not for Profit Experience. The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings is included in the Director's Report.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Complies	The Board is comprised of eight members, all of whom are considered independent and complies with the best practice recommendation that Boards contain a majority of independent non-executive Directors. The names and the length of service of each Director is included in the Director's Report.
2.4	A majority of the board of a listed entity should be independent directors.	Complies	The Board is comprised of eight members of which all eight are independent and therefore complies with the best practice recommendation that Boards contain a majority of independent non-executive Directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies	Jonathan Trollip as Chairman of the Board is considered independent. Louise Walsh is employed as the CEO of the Company.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	Due to the relatively uncomplicated nature of the Company's operations, its size, and the fact that directors are chosen for their specialist knowledge of their sector the Board induction process is of an informal nature. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors.

Corporate Governance Statement

Principle 3 – Act ethically and responsibly

	Corporate Governance Council Recommendation	Compliance	Disclosure
3.1	A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Complies	The Company has adopted a formal Code of Conduct. This is incorporated into the Company's Corporate Governance Charter. The Company requires all its directors to comply with the standards of behaviour and business ethics in accordance with the law and the code of conduct. These include acting honestly and with integrity and fairness in all dealings. The Company has made its Corporate Governance Charter publicly available on the website.

Principle 4 – Safeguard integrity in corporate reporting

4.1	The board of a listed entity should: a) have an audit committee which: 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board; and disclose: 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and b) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members; **OR** c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Complies	The Board has established an Audit & Risk Committee which plays a key role in assisting the Board of Directors with its responsibilities relating to accounting, developing internal control systems, reporting practices, risk management and ensuring the independence of the Company auditor. Members of the Committee are: Paul Jensen – independent (Chair) Kate Thorley –independent Scott Malcolm – independent Details of the Directors' qualifications and their membership and attendance at Audit and Risk Committee meetings are set out in the Director's Report. The Audit and Risk Committee Charter is included in the Company's Corporate Governance Charter and is available on the website.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The Company's external accountants furnish written confirmation to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Complies	The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the Auditor's Report.

Principle 5 – Make timely and balanced disclosure

5.1	A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Complies	The Company has adopted a Continuous Disclosure Policy designed to promote transparency and investor confidence and ensure that all interested parties have an equal opportunity to obtain information which is issued by the Company. The Company's Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter which is available on the website.

Corporate Governance Statement

Principle 6 – Respect the rights of security holders

	Corporate Governance Council Recommendation	Compliance	Disclosure
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Company's website has a dedicated news section and endeavours to publish on the website all important company information and relevant announcements made to the market.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	The Company is committed to: • ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, six-monthly shareholder update presentations, ASX releases, general meetings and the Company's website; • complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act; and • encouraging shareholder participation at general meetings.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	The Board encourages full participation of shareholders at the Company's Annual General Meetings and any other general meetings to ensure a high level of accountability and identification with the Company's strategy. The external auditor will also be invited to attend the Annual General Meeting of shareholders and will be available to answer any questions concerning the conduct, preparation and content of the auditor's report.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	The Company's registrar, Boardroom Pty Ltd, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at https://www.clientonline.com.au

Corporate Governance Statement

Principle 7 – Recognise and manage risk

	Corporate Governance Council Recommendation	Compliance	Disclosure
7.1	The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, and disclose the charter of the committee; the members of the committee; and 3. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR 4. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Complies	The Board of the Company takes a proactive approach to the Company's risk management and internal compliance and control system. The Audit and Risk Committee is responsible for ensuring that risks and mitigation of these risks are identified on a timely basis and that the Company's objectives and activities are aligned with the risks and opportunities identified. Details of the Directors' qualifications and their membership and attendance at Audit and Risk Committee meetings are set out in the Director's Report.
7.2	The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The Audit and Risk Committee will review the adequacy and effectiveness of the Company risk management framework by gaining assurances that major risks have been identified and are appropriately managed. The Audit and Risk Committee also oversees market risk protocols and ensures the Investment Committee complies with the asset allocation restrictions.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
7.3	A listed entity should disclose: if it has an internal audit function, how the function is structured and what role it performs; OR if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its risk management and internal control processes.	Complies	The Company does not have an internal audit function. An Audit and Risk Committee has been established and reviews the internal control processes as necessary. The Board works closely with all of its service providers to identify and manage operational, financial and compliance risks.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	At the end of each annual reporting period, the Company will provide a disclosure on whether it has any material exposure to economic, environmental and social sustainability risks and if it does, how it intends to mange those risks.

Principle 8 – Remunerate fairly and responsibly

8.1	The board of a listed entity should: (a) have a remuneration committee which: 1. has at least three members, a majority of whom are independent directors; and 2. is chaired by an independent director, 3. and disclose: 4. the charter of the committee; 5. the members of the committee; and 6. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Complies	The Company has a Board of Directors and a Chief Executive Officer. The Company does not have a need for a remuneration committee. The details of the remuneration paid to the Chief Executive Officer is included in the Remuneration Report. The Directors provide their services on a pro-bono basis.

Corporate Governance Statement

	Corporate Governance Council Recommendation	Compliance	Disclosure
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	The Company has only one paid senior executive. The remuneration of the Chief Executive Officer is considered by the Board. Given the charitable nature of the Company the Directors have foregone the receipt of fees.
8.3	A listed entity which has an equity-based remuneration scheme should: a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it.	Not applicable.	The Company does not have an equity based remuneration scheme.

The Company's corporate governance practices were in place for the transitional period ended 31 December 2016 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website: www.futuregeninvest.com.au

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 January 2017)

There are currently no substantial shareholders of Future Generation Investment Company Limited.

Distribution of shareholders (as at 31 January 2017)

	Number of shareholders ordinary shares	%
1 – 1,000	642	10.0
1,001 – 10,000	1,505	23.5
10,001 – 100,000	3,722	58.0
100,001 – 1,000,000	505	7.8
1,000,000 and over	42	0.7
	6,416	**100.0**

The number of shareholdings held in less than marketable parcels is 521.

Twenty largest shareholders – Ordinary shares (as at 31 January 2017)

Name	Number of ordinary shares held	Percentage of issued capital held
HSBC Custody Nominees	20,834,973	6.0
The Minderoo Foundation Pty Limited	11,335,910	3.3
Pineross Pty Limited	9,090,910	2.6
S L Nominees Pty Limited	9,090,910	2.6
Entities associated with Mr Geoff Wilson	7,230,566	2.1
Clurname Pty Limited	4,834,829	1.4
Halcycon Pty Limited	3,000,000	0.9
Charanda Nominee Company Pty Limited	3,000,000	0.9
Jetosea Pty Limited	2,976,317	0.9
Jochr Pty Limited	2,895,295	0.8
NCOBF Pty Limited	2,718,180	0.8
Netwealth Investments Limited <Wrap Services A/C>	2,040,323	0.6
Netwealth Investments Limited <Super Services A/C>	2,026,255	0.6
Bond Street Custodians Limited <Grant 2 – D00740 A/C>	2,000,000	0.6
Bond Street Custodians Limited <Grant 2 – D06183 A/C>	2,000,000	0.6
Mr Gary Ronald Poole and Mrs Leigh Margaret Poole	1,900,000	0.5
Ruapehu Holdings Pty Limited	1,831,817	0.5
Victor Smorgon Institute at Epworth Pty Limited	1,545,456	0.4
Victor Smorgon Charitable Fund	1,545,454	0.4
Steve Anthony & Co Pty Limited	1,406,471	0.4
	93,303,667	**26.9**

Securities exchange listing

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

We are proud to support

With the assistance of our service providers

With thanks to the following Fund Managers

Paradice Investment Management

Cooper Investors

Regal Funds Management

Tribeca Investment Partners

BAEP

Watermark Funds Management

Eley Griffiths Group

Wilson Asset Management

Optimal Fund Management Australia

Sandon Capital

Discovery Asset Management

LHC Capital

CBG Asset Management

Bennelong Long Short Equity

Smallco Investment Manager

Centennial Asset Management

Lanyon Asset Management

QATO Capital

L1 Capital

Level 11, 139 Macquarie Street, Sydney NSW 2000
P: 02 9247 9202 F: 02 9247 6855 E: info@futuregeninvest.com.au
www.futuregeninvest.com.au