

FGX announces full year results

Operating profit before tax	Full year fully franked dividend	Savings on management fees, performance fees & services foregone
\$31.5m	4.6cps	\$7.1m

Future Generation Investment Company Limited (ASX: FGX) announces an operating profit before tax of \$31.5 million (2017: \$27.2 million) and an operating profit after tax of \$23.2 million (2017: \$22.3 million) for the year ended 31 December 2018. The increase in operating profit for the period is due to the increase in the distribution income received from the investments with the underlying fund managers.

During the year, the Company completed its first Share Purchase Plan (SPP) and Placement which together raised \$52.1 million. The capital raised will increase FGX's annual investment in charities focused on children and youth at risk by an estimated \$521,000 per annum.

Chairman Jonathan Trollip said he was pleased with the Company's first SPP and Placement, especially with shareholders investing a further \$52.1 million in the Company during a volatile market.

"In these volatile times, this successful capital raising is an endorsement of FGX's pro bono fund managers, the highly diversified nature of the FGX investment portfolio and the structure of the portfolio of managers," Mr Trollip said.

The Board has also declared a fully franked final dividend of 2.3 cents per share, bringing the full year fully franked dividend to 4.6 cents per share, an increase of 4.5% on the previous year.

"The increased full year dividend supports the Company's goal of delivering on its investment objectives of providing an increasing stream of fully franked dividends to shareholders while protecting their capital and delivering capital growth," Mr Trollip said.

FGX Chief Executive Officer Louise Walsh said the dividend to shareholders was made possible by the generosity of FGX's fund managers and leading service providers, who provide significant pro bono support to the Company.

"We would like to thank again the fund managers and service providers for their outstanding and continued generosity. This generosity has allowed FGX to support its designated charities and other not-for-profit organisations."

"The value of the fund managers' foregone management and performance fees for the year ended 31 December 2018 totalled \$6.4 million and the estimated value of the leading service providers working for the Company on a pro bono basis totalled \$0.7 million."

FGX was able to deliver its fourth annual investment of \$4.3 million in October 2018 (2017: \$3.8 million) and is on track to deliver a fifth annual investment of approximately \$4.5 million for payment in October 2019, bringing the total since inception to over \$16 million.

"We are delighted that the investment in 2018 brings the total charitable donation since inception to \$12.0 million and we are on track to deliver over \$16 million since inception in 2019," Ms Walsh said.

2018 investment in Australian children and youth at risk focused charities

\$4.3m

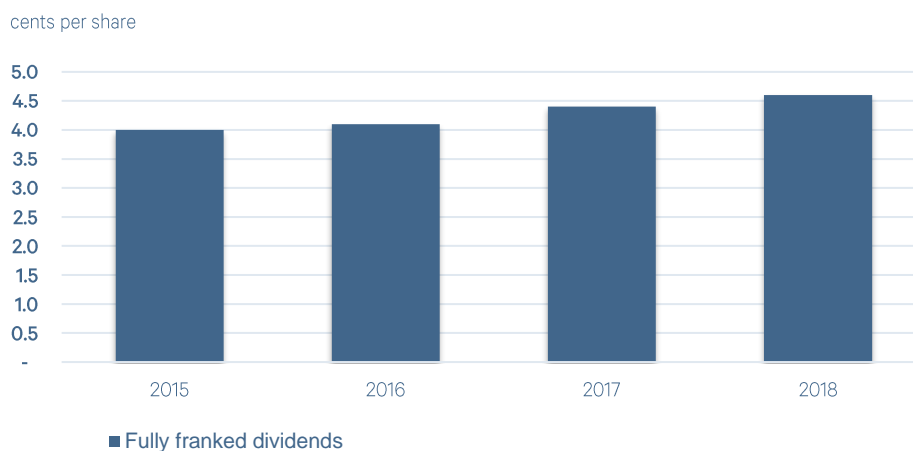
Increased fully franked final dividend

The Board is pleased to announce an increased fully franked final dividend of 2.3 cents per share, bringing the full year fully franked dividend to 4.6 cents per share, an increase of 4.5% on the previous year. The dividend will be paid on 26 April 2019 and will trade ex-dividend on 10 April 2019.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices.

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 for the final dividend. The last election date for the DRP and DDP will be 15 April 2019.

Fully franked dividends since inception



Investment portfolio

As at 31 December 2018, the spread between the three broad equities strategies was 42.0% long equities exposure, 33.0% absolute bias exposure, 14.1% market neutral exposure and 10.9% cash. The investment portfolio was made up of 20 fund managers with investments in 23 unlisted unit trusts as at the end of the year.

Long equities

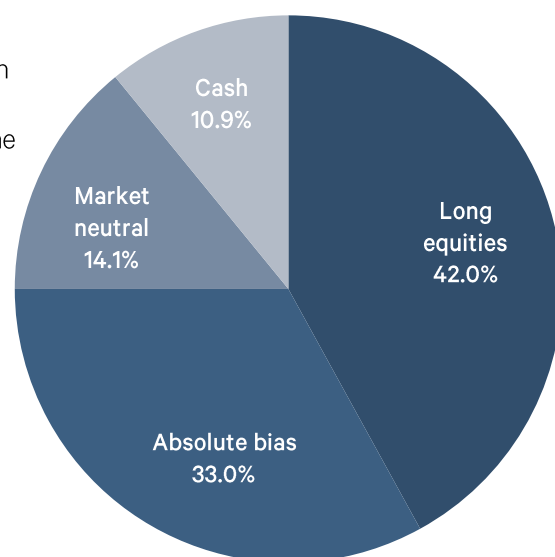
Investing in a portfolio of equities based on the expectation that the underlying equities will increase in value within a certain time horizon. Each equity represents an ownership claim in an underlying company which is generally listed on a public stock exchange. The long equities portion of the portfolio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

Absolute bias

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

Market neutral

An investment strategy that generally involves the simultaneous purchase and sale of equities, to generate returns that are not linked to the performance of underlying equity markets.



Fund manager summary and investments at market value as at 31 December 2018

Fund manager	Investment	Strategy	% of portfolio
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	10.8%
	Large/Mid Cap Funds (split out below)		10.4%
Paradise Investment	Paradise Australian Mid Cap Fund – B Class	Long equities	5.8%
	Paradise Australian Equities Fund	Long equities	4.6%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	9.4%
	Small/Emerging Companies Funds (split out below)		6.4%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	5.5%
	Eley Griffiths Group Emerging Companies Fund	Long equities	0.9%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	6.3%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	5.8%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	5.1%
	Long Short/Aus Equities Funds (split out below)		4.7%
L1 Capital	L1 Capital Long Short Fund – Retail Class	Absolute bias	2.5%
	L1 Capital Australian Equities Fund	Long equities	2.2%
Watermark Funds Management	Watermark Market Neutral Trust	Market neutral	4.7%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	4.4%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	3.5%
Firetrail Investments	Firetrail Absolute Return Fund	Market neutral	3.1%
ARCO Investment Management	ARCO Investment Management Absolute Trust	Market neutral	2.8%
CBG Asset Management	CBG Australian Equities Fund	Long equities	2.3%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	2.3%
LHC Capital	LHC Capital Australia High Conviction Fund	Absolute bias	1.9%
Centennial Asset Management	The Level 18 Fund	Absolute bias	1.7%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	1.5%
QVG Capital	QVG Opportunities Fund	Long equities	1.0%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	1.0%
	Cash and Term Deposits		10.9%

Fund managers



Service providers



Investing in Australia's future generation

The objectives of the Company are to provide shareholders with an attractive investment and to provide an ongoing source of funding for Australian charities with a focus on children and youth at risk. FGX has partnered with 14 designated charities that provide significant benefit to young Australians in the area of children and youth at risk. The total charitable investment since inception is now \$12.0 million.

Charities



Future Generation Investment Company provides:



Shareholders

with exposure to leading Australian fund managers without paying management or performance fees.



Charities

primarily focused on children and youth at risk with a consistent and growing stream of annual investments.



Fund managers

with a unique opportunity to make a positive difference to Australia's future generations.

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