

Options Prospectus

**One-for-one Bonus Issue of up to 401,255,746 Options
to acquire fully paid ordinary Shares exercisable
at \$1.48 per Option on or before 28 April 2023**

Important Information

This Prospectus contains important information for you as a shareholder and requires your immediate attention. It should be read in its entirety. If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

No application monies are payable for the grant of Options.

Important notice

This document (**Prospectus**) is dated 3 September 2021 and was lodged with the Australian Securities & Investments Commission (ASIC) on that date. None of ASIC, the Australian Securities Exchange (ASX) or their respective officers take responsibility for the contents of this Prospectus.

Future Generation Investment Company Limited (**Future Generation Australia** or the **Company**) is a disclosing entity for the purpose of the *Corporations Act 2001 (Cth)*. The content of this Prospectus has been determined on the basis that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Summary of important dates

Lodgement of Prospectus and Electronic prospectus available to Shareholders	Friday 3 September 2021
Shares trade ex-bonus Option entitlement	Thursday 30 September 2021
Options commence trading on a deferred settlement basis	Thursday 30 September 2021
Record date to determine entitlements under the Bonus Issue	Friday 1 October 2021
Intended date for Bonus Issue and entry of Options on the register	Monday 4 October 2021
Despatch of Option Exercise Form	Tuesday 5 October 2021
Trading in Options commences on ASX	Tuesday 5 October 2021
Options expire	Friday 28 April 2023 5:00pm (Sydney time)

The above dates are subject to change and are indicative only. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules.

For any enquiries concerning the Bonus Issue, you can contact Future Generation Australia on (02) 9247 9202 or email info@futuregeninvest.com.au.

Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, the Bonus Issue is being made pursuant to an intermediary authorisation in accordance with Section 911A(2)(b) of the Corporations Act. Wilson Asset Management (International) Pty Limited (AFSL 247 333) will manage the Bonus Issue on behalf of the Company at no cost to the Company.

Corporate directory

Directors of Future Generation Australia	Jonathan Trollip (Chair) Caroline Gurney Stephanie Lai David Leeton David Paradice AO Gabriel Radzyski Kate Thorley Geoff Wilson AO
Investment Committee of Future Generation Australia	Geoff Wilson AO (Chair) John Coombe Matthew Kidman Gabriel Radzyski David Smythe Bruce Tomlinson
Acting Chief Executive Officer	Kate Thorley
Registered Office	Level 26, Governor Phillip Tower 1 Farrer Place Sydney NSW 2000 T: (02) 9247 9202 F: (02) 9247 6855
Solicitors	Mills Oakley Level 7, 151 Clarence Street Sydney NSW 2000 T: (02) 8289 5800 F: (02) 9247 1315
Auditors of the Company	Pitcher Partners Level 16, Tower 2, 201 Sussex Street Sydney NSW 2000 T: (02) 9221 2099 F: (02) 9223 1762
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 T: (02) 1300 737 760 F: (02) 9279 0664
Joint Company Secretaries	Jesse Hamilton Mark Licciardo
Australian Securities Exchange	Future Generation Investment Company Ordinary Shares (FGX) Future Generation Investment Company Options \$1.48 expiry 28 April 2023 (FGXOA)

Contents

Overview of the Company	1
About the Bonus Issue	4
Risk factors	5
Terms of the Bonus Issue	6
Financial position of the Company	8
Use of proceeds and effect of the Bonus Issue	11
Overview of the Company	13
Future Generation Australia and its Directors	14
Additional Information	17
Definitions and interpretation	22

Future Generation Australia (FGX)

Dear Shareholder,

The Future Generation Australia Board of Directors is pleased to present a one-for-one Bonus Issue of Options to all Shareholders of the Company, at no additional cost.

Each Future Generation Australia Option provides option holders with the right, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. The Options can be exercised anytime, up until 28 April 2023. Shares issued on Options exercised on or before 17 November 2021 and held at the dividend record date of 22 November 2021 will receive the fully franked interim dividend of 3.0 cents per share, which represents an annualised fully franked dividend yield of 4.1% and a grossed-up dividend yield of 5.8%¹ on the exercise price of \$1.48 per Option.

Approaching the seventh anniversary of Future Generation Australia's listing on the ASX, I am pleased that we have delivered Shareholders diversified exposure to Australian equities, solid investment portfolio performance and increased fully franked dividends since inception.

I am excited by the opportunity to significantly grow the Company's assets to the benefit of all Shareholders and to enhance the Company's ability to support young Australians at risk. With the generous support of our prominent Australian equity fund managers, service providers and our valued Shareholders, our charitable social investment since inception has now reached \$26.8 million.

Advantages of increasing the Company's capital base

The Board believes that the Bonus Issue is an equitable and effective way to grow the Company's assets. As the Company's size increases, on-market liquidity for the Shares is also expected to increase, making it easier for Shareholders to buy and sell the Company's Shares. By increasing the size of the Company, this will increase the Company's relevance in the market, improve the prospect of broker and research coverage and increase interest from financial planners.

The Company invests its capital with prominent Australian equity 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 prominent Australian equity fund managers, as well as the pro bono support of various services providers, allows the Company to donate 1.0% of its average monthly net assets each year to Australian charities with a focus on children and youth at risk.

As the size of the Company's assets increase, so does the Company's social investment and impact. The Company continues to monitor outcomes and work closely with our charity partners to deliver on its social impact objectives.

Advantages of the Bonus Issue for Shareholders

- The Options will trade on the ASX and may trade above or below their intrinsic value;
- Shareholders can sell their Options on-market or buy additional Options; and
- By exercising Options, Shareholders can increase their holding in the Company without incurring any brokerage fees and at a fixed price.

Company highlights

Listed in September 2014, the Company provides investors with exposure to a highly diversified portfolio managed by prominent Australian equity fund managers. Future Generation Australia's investment objectives are to deliver investors a stream of fully franked dividends, provide long-term capital growth and preserve capital.

The Future Generation Australia investment portfolio increased 12.8%¹ in the six months to 30 June 2021, outperforming the S&P/ASX All Ordinaries Accumulation Index. The S&P/ASX All Ordinaries Accumulation Index increased 12.6% for the period. Since inception, the investment portfolio has increased 10.8%¹ per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 2.0% per annum.

The investment portfolio's outperformance has been achieved with less volatility as measured by standard deviation, 11.5% versus the Index's 14.4%.

¹Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Performance at 30 June 2021	6 mths	1 yr	3 yrs % pa	5 yrs % pa	Since inception % pa (Sept-14)
Future Generation Australia	12.8%	33.6%	10.7%	11.6%	10.8%
S&P/ASX All Ordinaries Accumulation Index	12.6%	30.2%	10.3%	11.5%	8.8%
Outperformance	+0.2%	+3.4%	+0.4%	+0.1%	+2.0%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Dividends

On 26 August 2021, the Board announced a fully franked interim dividend of 3.0 cents per share. The interim dividend represents an annualised fully franked dividend yield of 4.1% and a grossed-up dividend yield of 5.8%, based on the exercise price of \$1.48 per Option. Shares issued on Options exercised on or before 17 November 2021 and held at the dividend record date of 22 November 2021 will receive the fully franked interim dividend of 3.0 cents per share. The fully franked interim dividend will be paid on 26 November 2021 and the shares will trade ex-dividend on 19 November 2021.

The Company's profits reserve is currently 27.12 cents per share, representing 4.5 years' dividend coverage[#] based on the annualised fully franked interim dividend announced on 26 August 2021, and forms part of the net tangible assets (NTA) of the Company. The Company aims to pay dividends on a six-monthly basis, provided the Company has sufficient profits reserve and franking credits, and it is within prudent business practices. This is an investment objective of the Company rather than a forecast. The Company may not be successful in meeting this objective.

Cents per share



Use of the additional capital

No capital will be raised from the Bonus Issue of the Options. If 401,255,746 Options are issued and those Options are fully exercised, the Company will raise approximately \$593.9 million.

The proceeds of the additional capital raised from the exercise of Options will be invested in accordance with the Company's disciplined investment process and under the guidance of the Investment Committee, which is responsible for selecting fund managers, managing the Company's investment portfolio and redeeming investments. The investment objectives are to deliver investors a stream of fully franked dividends, achieve long-term capital growth and preserve capital.

The Future Generation Australia investment portfolio has been structured to provide diversification between three broad equity strategies: long equities, absolute bias and market neutral, with the remainder held in cash. As at 30 June 2021, the portfolio was 46.6% long equities, 39.8% absolute bias, 6.8% market neutral and 6.8% cash. At the date of this Prospectus, the investment portfolio is made up of 18 fund managers with investments in 22 unlisted unit trusts. See Section 7.1 to 7.2 for further details.

[#]Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

^{*}The dividend coverage and profits reserve figures are based on the current issued capital of the Company and before the exercise of any Options issued by the Company under this Prospectus.

Prospectus and the Bonus Issue

The Board recommends you read this Prospectus carefully and in its entirety before making a decision to deal in Shares and Options. If you have any questions about the Prospectus, please contact your professional adviser. This Prospectus provides details of the Bonus Issue and an overview of the business and activities of the Company. Each Option entitles Shareholders the opportunity, but not the obligation, to subscribe for one additional Future Generation Australia Share at the exercise price of \$1.48 per Option at any time on or before 5:00pm (Sydney time) on 28 April 2023.

The Board is focused on growing the Company and creating shareholder value and believes the Bonus Issue of Options will promote growth of the Company's assets and provide further opportunity for the Investment Committee to identify and invest in prominent Australian equity fund managers, increase its relevance in the market and enhance the Company's social investment outcomes. Shareholders who elect to exercise their Options prior to the expiry date (28 April 2023), will gain further benefits as the owners of the Company by increasing their claim to any future income and capital growth without incurring any brokerage fees.

On behalf of the Board of Directors, I thank you for your continued support.

Yours sincerely,



Jonathan Trollip

Chair

Future Generation Investment Company Limited

1. Overview of the Company

Question	Answer	More information
What is the business model of the Company?	<p>The Company aims to provide Shareholders with exposure to prominent Australian equity fund managers without paying management or performance fees, while also investing in charities focused on supporting young Australians at risk.</p> <p>The Investment Committee is appointed by the Board to manage the Company's investments in accordance with the permitted investments and the Company's investment objectives. The Investment Committee is responsible for selecting fund managers, managing the Company's investment portfolio and redeeming investments.</p> <p>The Company's investment objectives are to deliver investors a stream of fully franked dividends, achieve long-term capital growth and preserve capital. The Company's dual objectives are to provide Shareholders with access to a diversified investment portfolio managed by prominent Australian equity fund managers without paying management or performance fees, while also investing in charities focused on supporting young Australians at risk.</p> <p>The Company's ability to pay fully franked dividends is subject to the Company having sufficient profits reserves and franking credits available and it being within prudent business practices to do so.</p> <p>The above is not intended to be a forecast; it is merely an investment objective of the Company. The Company may not be successful in meeting this objective.</p>	Section 7
What are the key risks associated with the business model and the Bonus Issue?	<p>The Company's investment activities are subject to a variety of risks. The key risks identified by the Company are:</p> <p>(a) Market risk: Share markets tend to move in cycles, and individual security prices may fluctuate and underperform other asset classes over extended periods of time. The value of the underlying investments in unlisted unit trusts managed by prominent Australian equity fund managers may rise or fall depending on a range of factors beyond the control of the Company. Although the Investment Committee will seek to manage market risk on behalf of the Company, unexpected market conditions could have a negative impact on the value of the investment portfolio or the return of the Company's investments. Shareholders in the Company are exposed to this risk both through their holding in Shares as well as through the Company's underlying investment portfolio.</p> <p>(b) Investment strategy risk: The success and profitability of the Company will, in part, depend upon the Company's ability to invest with prominent Australian equity fund managers that produce positive performance results and forgo their management and performance fees. If the underlying prominent Australian equity fund managers fail to perform, the Company's profitability and investment portfolio performance will be impacted. There are risks inherent in the Investment Strategy that the Investment Committee will employ for the Company.</p> <p>There is a risk that suitable prominent Australian equity fund managers who have been identified by the Investment Committee, including the Company's current prominent Australian equity fund managers, may not have the capacity to invest the funds raised by the Bonus Issue, which would affect the future performance of the Company.</p> <p>(c) Economic risk: The Company's portfolio will be exposed to economic risks that may have a negative impact on the value of the investment portfolio or the return of the Company's investments.</p> <p>The value of the investment portfolio may be impacted by numerous economic factors. The factors include changes in economic conditions (e.g. changes in interest rates or economic growth), legislative and political environment, as well as changes in investor sentiment.</p> <p>In addition, exogenous shocks, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis) can, and sometimes do, add to equity market volatility as well as impact directly on the Company or securities within the Company's portfolio. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's portfolio or appreciation of the price of the Company's Securities.</p>	Shareholders should read these risks together with the other risks described in Section 3

A more detailed list and explanation of risks associated with an investment in the Company are set out in Section 3.

What is the key financial information about the financial position, performance and prospects?	<p>The Company listed on the ASX on 8 September 2014.</p> <p>As at 31 July 2021, the Company's NTA value before tax was \$1.49 per Share. The NTA after tax as at 31 July 2021 was \$1.38 per Share.</p> <p>The net assets of the Company as at 30 June 2021 amounted to \$547.6 million.</p> <p>The investment portfolio increased 12.8% in the six months to 30 June 2021, outperforming the S&P/ASX All Ordinaries Accumulation Index by 0.2%, while holding an average cash level of 8.0% during the period.</p> <p>Since inception in September 2014, Future Generation Australia has paid 27.3 cents per share in fully franked dividends to Shareholders.</p> <p>Under the ASX Listing Rules, the Company must disclose its NTA per Share within 14 days of each month end. Within 2 months of 30 June, the Company must disclose to the ASX and lodge with ASIC its half year financial report and within 3 months of 31 December, the Company must disclose to the ASX and lodge with ASIC its annual financial report.</p>	Section 5
Who are the Directors of the Company?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none">• Jonathan Trollip• Caroline Gurney• Stephanie Lai• David Leeton• David Paradise AO• Gabriel Radzyminski• Kate Thorley• Geoff Wilson AO <p>See Section 8.2 for further details regarding the background of the Directors.</p>	Section 8
Who has an interest?	<p>All Directors have agreed to waive their Directors' fees on an on-going basis, and all Directors hold Shares in the Company except for Caroline Gurney.</p> <p>Geoff Wilson AO 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.</p> <p>Wilson Asset Management (International) Pty Limited also provides some company secretarial services, financial reporting, investor relations and marketing for the Company at no cost. Wilson Asset Management (International) Pty Limited is an entity associated with Geoff Wilson AO.</p> <p>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.</p> <p>David Paradise AO is a Director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund, Paradise Large Cap Fund and the Paradise Long Short Australian Equities Fund. Paradise 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.</p>	Section 8
What is the Bonus Issue?	<p>The Bonus Issue is an issue of Options exercisable at \$1.48 per Option.</p> <p>Shareholders in the Company will receive one bonus Option for every one Share in the Company that they hold at 7:00pm (Sydney time) on the Record Date.</p> <p>The Options are exercisable at any time from their date of Bonus Issue until 5:00pm (Sydney time) on 28 April 2023.</p> <p>Options entitle holders to purchase additional Shares in the Company at the exercise price of \$1.48 per Option at any time until they expire on 28 April 2023.</p> <p>A maximum of 401,255,746 Options will be issued under this Prospectus.</p>	Section 9

How will the proceeds be used? The Bonus Issue is an issue of Options and therefore no funds will be raised until the Options are exercised. Section 6 and 7

Options can be exercised at any time after Bonus Issue until expiry on 28 April 2023. The money raised on exercise of the Options will be used by the Company for further investments consistent with the Company's investment strategy. See Section 7.1 to 7.2 for details.

What will be the pro-forma capital structure? The pro-forma capital structure of the Company as at the date of this Prospectus, and assuming completion of the Bonus Issue, is set out below: Section 6

Shares on issue	401,255,746
Options on issue*	401,255,746
Fully diluted capital¹	802,511,492

*Assumes 100% of shares are held by Eligible Shareholders on the Record Date.

The above table is a summary only. This Prospectus should be read in full before making any decisions to deal in Shares or Options.

2. About the Bonus Issue

Question

Answer

Who is the issuer of the Options and this Prospectus?	The issuer is Future Generation Investment Company Limited (ACN 063 935 553). The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, the Bonus Issue is being made pursuant to an intermediary authorisation in accordance with Section 911A(2)(b) of the Corporations Act. Wilson Asset Management (International) Pty Limited (AFSL 247 333) will manage the Bonus Issue on behalf of the Company at no cost to the Company.
What is the purpose of the Bonus Issue?	<p>The Company is seeking to raise funds for the purpose of:</p> <ul style="list-style-type: none">• increasing the size and relevance of the Company;• increasing the Company's social investment and impact; and• satisfying investor demand for additional Company's Shares, without paying brokerage fees. <p>Shareholders will benefit from the Bonus Issue by receiving one bonus Option for each Share that they hold at 7:00pm (Sydney time) on the Record Date, which they can choose to exercise at their discretion until the expiry date. The Options will be listed on the ASX, providing the opportunity for Shareholders to sell or purchase additional Options. No funds will be raised from the Bonus Issue of the Options. Only on exercise of the Options will additional funds be available to the Company. See Section 6.1 for details.</p>
What do Shareholders need to do to receive their Options?	<p>Shareholders do not need to do anything to receive their Options under the Bonus Issue.</p> <p>The Bonus Issue is an issue of Options whereby Shareholders will receive one Option for every one Share held by them at 7:00pm (Sydney time) on the Record Date. You will receive an Option Exercise Form from Boardroom Pty Limited. This Prospectus will be made available in electronic form on the following website www.futuregeninvest.com.au. A paper copy of this Prospectus will be made available free of charge by contacting the Company by telephone on (02) 9247 9202 or by email info@futuregeninvest.com.au.</p>
How many Options will be issued?	The number of Options that will be issued will equal the number of Shares held by Eligible Shareholders at 7:00pm on the Record Date. The maximum number of Options which may be issued is approximately 401,255,746. This maximum number assumes 100% of the Company's issued Share capital is held by Eligible Shareholders.
Who is an Eligible Shareholder?	Eligible Shareholders are registered holders of Shares as at 7:00pm on the Record Date with a registered address in Australia or such other place determined by the Company in which it would be lawful to make the Bonus Issue. Directors and their associates that are Eligible Shareholders will participate in the Bonus Issue.
How do Shareholders exercise their Options?	If you would like to exercise your Options, you can do so by completing the Option Exercise Form, paying \$1.48 per Option to the Company by BPAY or cheque and returning the forms to Boardroom Pty Limited or the Company.
Can Shareholders exercise part of their Option holding?	Yes, Option holders should indicate on the Option Exercise Form the number of Options they wish to exercise and remit the appropriate amount of money for that number of Options.
Is there a cooling-off period?	There is no cooling-off period.

For further information or if you have any questions relating to the Bonus Issue, please contact Future Generation Australia on (02) 9247 9202 or email info@futuregeninvest.com.au. If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.

3. Risk factors

3.1 Risk factors

Intending investors should be aware that dealing in and exercising Options involves various risks. There are general risks associated with owning Securities in publicly listed companies. The price of Securities can go down as well as up due to factors outside the control of the Company. Some of these factors include economic and political stability, natural disasters, performance of the domestic and global share markets, interest rates, taxation and labour relations environments.

The operating results and profitability of the Company are sensitive to a number of factors. The following matters, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects:

- (a) The success and profitability of the Company in part depends upon the ability of the Investment Committee to identify and invest the Company's capital in unlisted unit trusts managed by prominent Australian equity fund managers that produce positive performance results and agree to forgo all management and performance fees;
- (b) The Company is exposed to the risk that the Investment Committee may make a poor decision regarding asset allocation, the Company is unable to identify prominent Australian equity fund managers that agree to forgo all management and performance fees and/or the investment performance of one or more of the underlying funds within the investment portfolio is poor. Any one of these factors may result in the Investment Committee being unable to achieve their stated aims and investment objectives;
- (c) In addition, there is a risk that one or more prominent Australian equity fund managers of an underlying unlisted unit trust within the investment portfolio withdraws investment capacity, notifies the Company that it can no longer forgo performance and management fees or ceases to manage a particular underlying fund;
- (d) There is a risk that the Investment Committee may not be able to identify suitable prominent Australian equity fund managers, direct investments and/or invest funds raised by the Company in a timely fashion or at all, which would affect the future performance of the Company;
- (e) There is a risk that suitable prominent Australian equity fund managers who have been identified by the Investment Committee, including the Company's current prominent Australian equity fund managers, may not have the capacity to invest the funds raised by the Bonus Issue, which would affect the future performance of the Company;
- (f) The performance of the Company is reliant on the success of the Company's investment strategy. There is no guarantee that any aspect of such a strategy will be successful;
- (g) The Company has a broad investment mandate with respect to the allocation of funds among the underlying unlisted unit trusts managed by the prominent Australian equity fund managers and the underlying investments that may be included in the investment portfolio. Further, the Investment Committee may select new prominent Australian equity fund managers or rebalance the investment portfolio from time to time. In addition, the prominent Australian equity fund managers may withdraw their investment capacity at any time. Accordingly, it may be difficult for investors to assess the risk associated with the type of underlying investments that may be made by the Company;
- (h) The future earnings of the Company and the value of the investments of the Company may be affected by the general economic climate, commodity prices, currency movements, changing government policy and other factors beyond the control of the Company. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's investments;
- (i) Variations in legislation and government policies could materially affect operating results;
- (j) All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Company holds investments. Any variation in the taxation laws of Australia could materially affect the operating results;
- (k) Any variation in short and long-term interest rates or a variation in commodity prices could materially affect the operating results through their effect on the price of a security and the cost of borrowing in the underlying investments in the unlisted unit trusts within the investment portfolio;
- (l) The Australian Accounting Standards to which the Company adheres to are set by the Australian Accounting Standards Board ("AASB") and are consequently outside the control of the Company and the

Directors. Changes in accounting standards issued by the AASB or changes to the commonly held views on the application of those standards could materially affect the financial performance and position reported in the Company's financial statements;

- (m) Shareholders may suffer dilution when the Company issues more Shares, as a result of the exercise of Options or otherwise, and any such equity raisings may dilute the interests of Shareholders if the Shareholders are unable to, or chose not to, exercise their Options or participate in the raise. In addition, the profits reserves and franking account balances of the Company may be diluted;
- (n) There is a risk that Shares will fall in value over short or extended periods of time. There is also a risk that the Options will fall in value over short or extended periods of time, or that the value of Shares falls below the Option exercise price. Historically, shares have outperformed other traditional asset classes over the long-term. Share markets tend to move in cycles, and individual share prices may fluctuate and underperform other asset classes over extended periods of times. Shareholders in the Company are exposed to this risk both through their holding in Shares and Options in the Company as well as through the Company's portfolio;
- (o) Trading in the Company's Shares may not be liquid and there can be no guarantee that an active market for the Shares will continue. There may be relatively few potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This could result in Shareholders receiving a market price for their Shares that are less than the price that they paid;
- (p) The Company's portfolio may be less diversified than other listed investment companies; and
- (q) Shareholders are reminded that any investment in the Company should be regarded as a long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur.

4. Terms of the Bonus Issue

4.1 The Bonus Issue

The Bonus Issue is a one-for-one issue of Options, each Option being exercisable into one additional Future Generation Australia Share at an exercise price of \$1.48 per Option.

No funds will be raised by the grant of the Options. If the maximum number of Options are issued under this Prospectus and are subsequently exercised, the Options issued would raise approximately \$593,858,504.

The Bonus Issue is made to all Shareholders registered at 7:00pm (Sydney time) on the Record Date being Friday 1 October 2021.

The maximum number of Options which may be issued is approximately 401,255,746. The number of Options which you have been issued is shown on the Option Exercise Form. You do not need to take any action to receive the Options.

If you would like to exercise your Options you can do so by returning a completed Option Exercise Form to the share registrar or the Company and by paying \$1.48 per Option to the Company by BPAY or cheque.

4.2 Rights attaching to Options

On exercise, the Options will be converted to fully paid ordinary Shares in the Company. Detailed provisions relating to the rights attaching to Options and Shares are set out in the Company's Constitution and the Corporations Act. A copy of the Constitution can be inspected during office hours at the registered office of the Company.

See Section 9.3 for a summary of the rights attaching to the Options and Section 9.4 for the rights attaching to the Shares.

4.3 ASX quotation of the Options

Within seven days after the date of this Prospectus, application will be made to the ASX for the Options to be quoted on the ASX.

If the ASX does not give permission for quotation of the Options within three months after the date of this Prospectus (or a later date permitted by ASIC), none of the Options will be issued and if any have been issued, the Bonus Issue will be void, unless ASIC grants an exemption permitting the Bonus Issue.

It is expected that quotation of the Options will initially be on a deferred settlement basis.

4.4 Bonus Issue and allotment of Options

No Options or other securities will be issued on the basis of this Prospectus later than the expiry date of this Prospectus being the date 13 months after the date of this Prospectus.

It is expected Options will be issued on 4 October 2021. It is anticipated that Option Exercise Forms in relation to the Options will be despatched on 5 October 2021.

It is the responsibility of Shareholders to determine their allocation prior to trading in Options. Shareholders who sell any Options before they receive their Option Exercise Form will do so at their own risk.

4.5 Overseas Shareholders

The Options are not offered in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer.

The Company may form the view that it is unreasonable to make the Bonus Issue to overseas Shareholders in jurisdictions (Excluded Holders) having regard to:

- (a) the number of Excluded Holders within the relevant jurisdiction;
- (b) the number and value of Shares held by those Excluded Holders; and
- (c) the cost of complying with overseas legal requirements within the relevant jurisdiction.

The Bonus Issue is not being extended, and does not qualify for distribution or sale, and the Options may not be issued to a Shareholder with a registered address outside Australia and any other jurisdiction in which it is not lawful to make the offers of Options in accordance with this Prospectus.

Where the Prospectus has been despatched to persons domiciled in a country other than Australia, and where that country's securities code or legislation prohibits or restricts in any way the making of the Bonus Issue, the Prospectus is provided for information purposes only.

4.6 Taxation

Shareholders are urged to consider the possible tax consequences of exercising or selling their Options by consulting a professional tax adviser. The potential tax effects relating to the Bonus Issue will vary between Shareholders.

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of being granted Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of all Shareholders.

The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Bonus Issue. Shareholders should consult their own professional tax adviser in connection with the taxation implications of the Bonus Issue.

Before deciding to exercise your Options, you should consider whether the Shares to be issued and allotted on exercise of the Options are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, financial adviser, accountant, lawyer or other professional adviser immediately.

5. Financial position of the Company

5.1 Net tangible assets per Share

The NTA per Share as reported by the Company to the ASX in accordance with Listing Rule 4.12 for the 2 months before the date of this Prospectus is set out below:

	31 July 2021	30 June 2021
NTA before tax	148.66 cents	146.07 cents
NTA after tax and before tax on unrealised gains	146.04 cents	146.09 cents
NTA after tax	138.02 cents	136.21 cents

5.2 Overview of operations and results

In the six-months to 30 June 2021, Future Generation Australia achieved an operating profit before tax of \$64.8 million (2020 restated loss: \$38.3 million before tax) and an operating profit after tax of \$47.3 million (2020 restated loss: \$24.9 million after tax). The Future Generation Australia investment portfolio increased 12.8%* in the six months to 30 June 2021, outperforming the S&P/ASX All Ordinaries Accumulation Index by 0.2%*, while holding an average cash level of 8.0% during the period.

On 26 August 2021, the Board of Directors declared a fully franked interim dividend of 3.0 cents per share, which represents a 15.4% increase on the FY2020 fully franked interim dividend. Future Generation Australia has been able to deliver an increase in the fully franked interim dividend through the investment portfolio's outperformance in the financial year to date and the increased profits reserve available.

The Company's profits reserve is currently 27.12 cents per share, representing 4.5 years' dividend coverage# based on the annualised fully franked interim dividend announced on 26 August 2021, and forms part of the NTA of the Company. The increase in the fully franked interim dividend is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

#The dividend coverage and profits reserve figures are based on the current issued capital of the Company and before the exercise of any Options issued by the Company under this Prospectus.

5.3 Performance at 30 June 2021

The table below sets out the Company's performance for various periods ending 30 June 2021. The performance data excludes all expenses, fees and taxes, and is used as a guide to show how the Company's portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index which is also calculated before tax and expenses.

Performance at 30 June 2021	6 mths	1 yr	3 yrs % pa	5 yrs % pa	Since inception % pa (Sept-14)
Future Generation Australia investment portfolio	12.8%	33.6%	10.7%	11.6%	10.8%
S&P/ASX All Ordinaries Accumulation Index	12.6%	30.2%	10.3%	11.5%	8.8%
Outperformance	+0.2%	+3.4%	+0.4%	+0.1%	+2.0%

Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

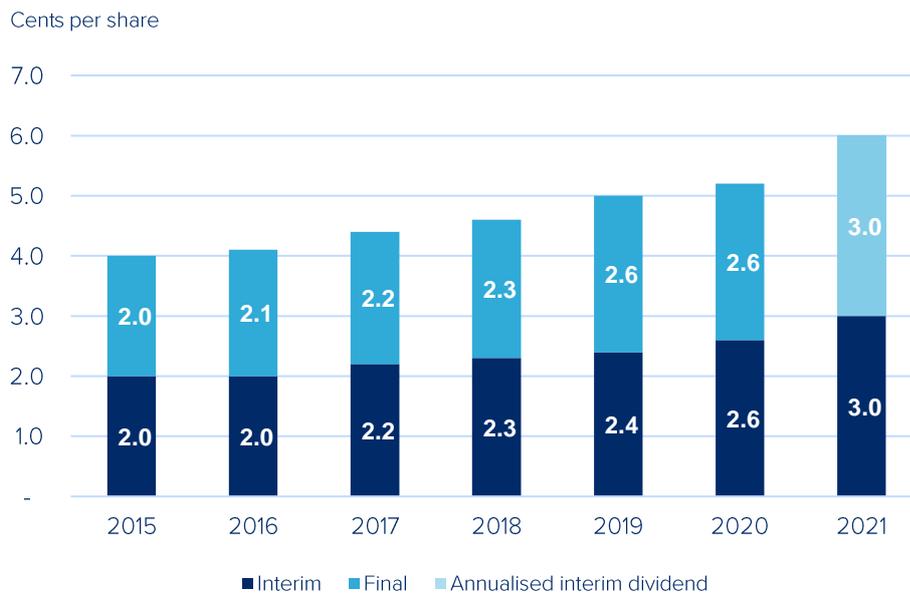
The performance table for the relevant periods has been calculated on the basis of the following assumptions:

1. The performance of the S&P/ASX All Ordinaries Accumulation Index is based on trading data prepared by the ASX. The ASX has not consented to the use of this data in this Prospectus.
2. The above table is not intended to be an indication of future performance of any asset class, index or the portfolio.
3. The Company's performance for each of the periods set out above reflect the annualised percentage changes in the value of the Company's portfolio. The Company's performance has been calculated:
 - (a) by reference to the last sale price on the respective securities exchange for each investment on the last trading day of each month and the amount of cash maintained by the Company as at that date;
 - (b) on a monthly basis, compounded and then annualised over the relevant period;
 - (c) by including on an accruals basis of dividends, interest and other distributions;
 - (d) before the payment of all expenses and fees;
 - (e) without taking into account any value derived through imputation credits;
 - (f) before income tax expenses. The Company considers that the presentation of performance before income tax expense allows the Company's performance to be compared to the S&P/ASX All Ordinaries Accumulation Index;
4. The Company's performance has been presented as a percentage in order to compare it with the S&P/ASX All Ordinaries Accumulation Index.

Past performance of the Company or any other entities managed by the Investment Committee is not indicative of the future performance of the Company.

5.4 Fully franked dividends since inception

The table below sets out the Company's dividends declared in respect of each financial year since listing on the ASX through to 30 June 2021.



5.5 Fund manager allocation and investments at market value as at 31 July 2021

As disclosed in the 31 July 2021 Investment Update and NTA, the Company's gross assets were \$602.4 million. The portfolio was 46.1% long equities, 40.5% absolute bias, 6.7% market neutral and 6.7% cash. At the date of this Prospectus, the investment portfolio is made up of 18 fund managers with investments in 22 unlisted unit trusts.

The Board of Directors value the Company's investments in unlisted unit trusts using the unit prices derived from the unaudited net asset backing of the unlisted unit trusts managed by prominent Australian equity fund managers at the end of the period. The unlisted unit trusts are subject to an annual audit. The table does not reflect the current portfolio of investments as at the date of this Prospectus as the underlying value of the investment portfolio has moved in accordance with the performance of the unlisted unit trusts managed by prominent Australian equity fund managers.

Fund Manager	Investment	Strategy	\$ Value	% of Gross Assets
Bennelong Australian Equities Partners	Bennelong Australian Equities Fund	Long equities	89,324,193	14.8%
	<i>Mid Cap/Equity Alpha Plus Funds (split out below)</i>		71,620,987	11.9%
Paradice Investment Management	Paradice Australian Mid Cap Fund	Long equities	39,820,055	6.6%
	Paradice Equity Alpha Plus Fund	Absolute bias	31,800,932	5.3%
Regal Funds Management	Regal Australian Long Short Equity Fund	Absolute bias	64,860,068	10.8%
	<i>Small/Emerging Companies Funds (split out below)</i>		45,104,842	7.5%
Eley Griffiths Group	Eley Griffiths Group Small Companies Fund	Long equities	36,917,359	6.1%
	Eley Griffiths Group Emerging Companies Fund	Long equities	8,187,483	1.4%
Wilson Asset Management	Wilson Asset Management Equity Fund	Absolute bias	37,826,953	6.3%
Sandon Capital	Sandon Capital Activist Fund	Absolute bias	37,718,475	6.3%
L1 Capital	<i>Long Short/Australian Equities Funds (split out below)</i>		37,381,911	6.3%
	L1 Capital Long Short Fund	Absolute bias	23,709,634	4.0%
	L1 Capital Australian Equities Fund	Long equities	13,672,277	2.3%
Cooper Investors	Cooper Investors Australian Equities Fund	Long equities	33,361,778	5.5%
Firetrail Investments	<i>Absolute Return/High Conviction Funds (split out below)</i>		24,854,380	4.1%
	Firetrail Absolute Return Fund	Market neutral	18,655,192	3.1%
	Firetrail High Conviction Fund	Long equities	6,199,188	1.0%
Bennelong Long Short Equity Management	Bennelong Long Short Equity Fund	Market neutral	21,464,205	3.6%
Clime Asset Management	Clime Australian Equities Fund	Long equities	16,094,495	2.7%
Tribeca Investment Partners	Tribeca Alpha Plus Fund	Absolute bias	15,787,513	2.6%
Vinva Investment Management	Vinva Australian Equities Fund	Long equities	15,039,244	2.5%
Sage Capital	Sage Capital Equity Plus Fund	Absolute bias	13,355,082	2.2%
Centennial Asset Management	The Level 18 Fund	Absolute bias	12,136,328	2.0%
Smallco Investment Manager	Smallco Broadcap Fund	Long equities	10,415,906	1.7%
QVG Capital	QVG Opportunities Fund	Long equities	8,619,918	1.4%
Lanyon Asset Management	Lanyon Australian Value Fund	Absolute bias	6,252,940	1.0%
	Cash and term deposits		40,414,300	6.7%
	Distributions, interest and rebates receivable		719,117	0.1%
	Gross Assets		602,352,635	

6. Use of proceeds and effect of the Bonus Issue

6.1 Use of funds and effect of the Bonus Issue

No funds will be raised by the Bonus Issue of the Options.

The Directors intend to apply the proceeds raised on the exercise of the Options for further investment consistent with the investment objectives and investment process set out in Section 7.

If the maximum number of Options are issued and subsequently exercised by the expiry date, the effect on the Company would be as follows (based on the number of Shares on Bonus Issue as at the date of this Prospectus):

1. The current number of Shares on issue would increase by 401,255,746 Shares to approximately 802,511,492 Shares; and
2. The cash reserves of the Company would increase by approximately \$593,858,504. These cash reserves would be utilised in pursuing the investment objectives of the Company.

The Directors and the Investment Committee do not guarantee that any Options will be exercised or that those funds will be raised. If the Options are exercised and the funds are raised, then the Company will have further capital to invest.

The pro-forma capital structure of the Company as at the date of this Prospectus, and assuming completion of the Bonus Issue, is set out below:

Shares on issue	401,255,746
Options on issue*	401,255,746
Fully diluted capital*	802,511,492

*Assumes 100% of shares are held by Eligible Shareholders on the Record Date.

Unaudited pro-forma Statement of Financial Position

The unaudited pro-forma statement of financial position of the Company as at 30 June 2021 is set out below as disclosed in the Interim Report for the Company released through the ASX on 30 August 2021, adjusted for completion of the Bonus Issue and exercise of all the Options.

It is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus nor at the conclusion of the Bonus Issue. In particular, it does not reflect actual expenditure of funds since 30 June 2021.

References to 'pro-forma' information are non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). Non-IFRS financial information has not been subject to audit or review.

Unaudited pro-forma Statement of Financial Position

(Adjusted for Bonus Issue
and exercise of Options)

	\$'000	\$'000
Current assets		
Cash and cash equivalents	40,378	633,897
Trade and other receivables	32,622	32,622
Other current assets	21	21
Total current assets	73,021	666,540
Non-current assets		
Financial assets at fair value through profit or loss	518,586	518,586
Deferred tax assets	2,052	2,052
Total non-current assets	520,638	520,638
Total assets	593,659	1,187,178
Current liabilities		
Trade and other payables	78	78
Charity investment accrual	5,306	5,306
Current tax liabilities	9,593	9,593
Total current liabilities	14,977	14,977
Non-current liabilities		
Deferred tax liabilities	31,099	31,099
Total non-current liabilities	31,099	31,099
Total liabilities	46,076	46,076
Net assets	547,583	1,141,102
Equity		
Issued capital	442,542	1,036,061
Profits reserve	108,822	108,822
Accumulated losses	(3,781)	(3,781)
Total equity	547,583	1,141,102

1. The column headed “Actual 30 June 2021” is a summary Statement of Financial Position of the Company based on the reviewed Statement of Financial Position of the Company as at 30 June 2021;
2. The column headed “Pro-forma 30 June 2021” is an unaudited pro-forma Statement of Financial Position adjusted to as if completion of the Bonus Issue had taken place on 30 June 2021 based on the following assumptions:
 - (a) The maximum number of Options offered under this Prospectus (being 401,255,746 Options) are issued and exercised, and 401,255,746 Shares were issued on 30 June 2021;
 - (b) Bonus Issue expenses of \$339,000, includes ASX listing fees of \$313,626, were paid on 30 June 2021;
 - (c) The interim dividend of \$12,037,672 in respect of the half-year ended 30 June 2021 has been declared but not paid;
3. All amounts are \$A unless otherwise stated.

6.2 Statement of comprehensive income

There will be no immediate effect on the Company’s statement of comprehensive income as a result of the Bonus Issue of Options pursuant this Prospectus. The investment of any funds raised from the exercise of Options will ultimately impact the Company’s statement of comprehensive income as a result of the performance of the investment. This is not an amount which is presently able to be quantified by the Investment Committee or the Directors.

7. Overview of the Company

7.1 Investment and social impact objectives

The Company’s investment objectives are to deliver investors a stream of fully franked dividends, provide long-term capital growth and preserve capital.

The Company’s ability to pay fully franked dividends is subject to the Company having sufficient profits reserve and franking credits available and it is within prudent business practices to do so.

The above is not intended to be a forecast, it is merely an investment objective of the Company. The Company may not be successful in meeting this objective.

The Company invests its capital with prominent Australian equity 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 prominent Australian equity fund managers, as well as the pro bono support of various services providers allows the Company to donate 1.0% of its average monthly net assets each year to Australian charities with a focus on children and youth at risk.

As the size of the Company’s assets increase, so does the Company’s social investment and impact. The Company continues to monitor outcomes and work closely with our charity partners to deliver on its social impact objectives.

7.2 Investment process

The Company provides investors with exposure to a highly diversified portfolio managed by prominent Australian equity fund managers. The Investment Committee is responsible for selecting and reviewing the performance of fund managers to ensure the Company’s investment strategy is being adhered to. The Investment Committee comprises Geoff Wilson AO (Chair), John Coombe, Matthew Kidman, Gabriel Radzysinski, David Smythe and Bruce Tomlinson.

The Future Generation Australia investment portfolio is constructed in order to provide investors with reduced volatility and downside protection. It is highly diversified in terms of managers and investment strategies, with the aim of providing Shareholders with solid risk-adjusted returns through market cycles. Absolute return and market neutral strategies seek to earn a positive return, over time, regardless of market conditions. We aim to balance the strategies that contain the most systematic equity market risk (long equity), with strategies with lower correlation to equities (absolute bias and market neutral). This enables the portfolio to be diversified and provide some protection when equity markets fall.

The Company’s investment process is further detailed in Section 2 of the original Prospectus dated 7 July 2014, available on the Company’s website (www.futuregeninvest.com.au).

7.3 Permitted investments

The Company may invest its capital by purchasing units in some or all of the unlisted managed funds managed by selected fund managers. The Company is permitted to invest with fund managers who invest in any asset classes and can utilise any investment style or strategy. The Company may also invest in:

- Australian and international Securities (both listed and unlisted);
- derivatives; and
- Cash or near term Cash securities.

7.4 Dividend policy

The Board is committed to paying a stream of fully franked dividends to Shareholders, provided the Company has sufficient profits reserve and franking credits, and it is within prudent business practices. In August, the Board of Directors declared a fully franked interim dividend of 3.0 cents per share, which represents a 15.4% increase on the FY2020 fully franked interim dividend.

The Company's profits reserve as at 30 June 2021 is 27.12 cents per share, representing 4.5 years' dividend coverage[#] based on the annualised fully franked interim dividend announced on 26 August 2021, and forms part of the NTA of the Company. Since inception in September 2014, Future Generation Australia has paid 27.3 cents per share in fully franked dividends to Shareholders.

The Company's ability to generate franking credits is dependent primarily upon the payment of tax on profits, as well as the receipt of franked dividends. This is not intended to be a forecast, it is merely an objective of the Company. The Company may not be successful in meeting this objective in the future.

[#]The dividend coverage and profits reserve figures are based on the current issued capital of the Company and before the exercise of any Options issued by the Company under this Prospectus.

8. Future Generation Australia and its Directors

8.1 Interests of Directors in the Company

The Company's Directors and their associates hold the following Relevant Interests in the Company:

Directors	Ordinary Shares
Jonathan Trollip	194,529
Caroline Gurney	-
Stephanie Lai	42,555
David Leeton	309,364
David Paradise AO	1,000,000
Gabriel Radzynski	45,411
Kate Thorley	137,454
Geoff Wilson AO	8,168,060

Directors and their associates who are Eligible Shareholders will participate in the Bonus Issue.

8.2 Background of the Directors

Jonathan Trollip

Jonathan Trollip has over 30 years' legal and commercial global experience and is currently a professional non-executive director. Previously, Jonathan was a principal of Sydney based finance group Meridian International Capital Limited and before that a partner of Herbert Smith Freehills (previously Freehills) which 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 (AICD) and has been admitted to practice as a solicitor in England and Australia. Jonathan Trollip has been Chair of the Company since October 2013.

Jonathan Trollip is Chairman of Antipodes Global Investment Company Limited, Global Value Fund Limited, Plato Income Maximiser Limited and Spheria Emerging Companies Limited, a non-executive director of Kore Potash PLC

and Propel Funeral Partners Limited and holds a number of private company directorships in the commercial and not-for-profit sectors. Jonathan Trollip resigned as a director of Spicers Limited in July 2019.

Caroline Gurney

Caroline Gurney is currently Managing Director and Head of Marketing & Corporate Communications, Australasia and Deputy Chief Communication Officer, Asia Pacific at UBS. She is a member of the UBS Management Committee and a Director of the UBS Australia Foundation. Prior to joining UBS in 2002, Caroline was Vice President, Director of Corporate Affairs, Asia Pacific for Citibank N.A. In addition to roles in Australia, Caroline has worked in Singapore, Hong Kong and London. Caroline is currently a member of the Ascham School Council and the Centennial Park & Moore Park Foundation. She is also a director of Our Watch, a charity focused on preventing violence against women and children, and an ambassador for the Australian Indigenous Education Foundation. Caroline Gurney has been a Director of the Company since March 2019. Caroline will be commencing in the role of CEO of Future Generation in September 2021.

Stephanie Lai

Stephanie has over 20 years' experience as a Chartered Accountant and is a former partner of Deloitte and KPMG. Stephanie has significant experience providing due diligence and advisory services, including forecast reviews, to listed entities, sovereign wealth funds, wealth managers and private equity. Stephanie has advised on numerous transactions (acquisitions/divestments, debt/equity raisings and IPOs), across a range of industries (infrastructure, property, banking, insurance, wealth management, retail and transport) and markets (Australia, UK, Europe, Asia and the US).

Stephanie is currently a non-executive director and Chair of the Audit Committee of Superloop Limited and a non-executive director and Chair of the Audit, Risk and Compliance Committee of the HomeCo Daily Needs REIT. Stephanie was previously a non-executive director and Chair of the Audit and Risk Committee of SHINE for Kids (a not-for-profit) between 2013 and 2017 and also founded an online retail business, which she grew and successfully divested in 2016. Stephanie has a Bachelor of Business from the University of Technology, Sydney, and is a Graduate member of the Institute of Chartered Accountants Australia and the Australian Institute of Company Directors (AICD). Stephanie Lai has been a Director of the Company since March 2019.

David Leeton

David Leeton is a senior executive of the Victor Smorgon Group (VSG). Over the past 22 years David has been actively involved in all facets of the Groups' investments and philanthropy interests. David is a co-founder of Victor Smorgon Partners, a co-investment business branch of VSG and the manager of direct family investments. David was formerly the CFO for the Victor Smorgon group for over 15 years and was 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. David Leeton has been a Director of the Company since April 2015.

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

David Paradise AO

David Paradise founded Paradise Investment Management in 1999. Paradise 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 50 people and with approximately \$16.7 billion funds under management.

David sits on the investment committee of the GO Foundation, which provides scholarships to Indigenous students. He is currently the Chairman of the Taronga Foundation. He supports a number of charities across a number of fields including humanitarian, the arts, environmental and education. In 2017, he was awarded an AO for distinguished service to the community through philanthropic contributions and charitable support and to business and commerce in the field of investment management. David Paradise has been a Director of the Company since April 2015.

Gabriel Radzynski

Gabriel Radzynski is Managing Director of Sandon Capital Pty Limited, a firm specialising in activist investing. Sandon Capital Pty Limited is the investment manager of two wholesale managed investment schemes and a listed investment company. Gabriel has been involved in the financial services sector for more than 20 years. Gabriel Radzynski has been a Director of the Company since October 2013. Gabriel Radzynski serves as Chairman of Sandon Capital Investments Limited and Reverse Corp Limited.

Kate Thorley

Kate Thorley has over 16 years' experience in the funds management industry and more than 22 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited and WAM Strategic Value Limited. Kate is a Director and the Acting Chief Executive Officer of Future Generation Investment Company 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 CA. She is a Graduate member of the AICD (GAICD). Kate Thorley has been a Director of the Company since April 2015.

Geoff Wilson AO

Geoff Wilson has over 41 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD). Geoff Wilson has been a Director of the Company since July 2014.

Geoff Wilson is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), WAM Strategic Value Limited (appointed March 2021) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014) and Future Generation Global Investment Company Limited (appointed May 2015) and a Director of WAM Alternative Assets Limited (appointed September 2020), Global Value Fund Limited (appointed April 2014), Century Australia Investments Pty Limited (appointed September 2014), Incubator Capital Limited (appointed February 2000), Hearts and Minds Investments Limited (appointed September 2018), Wealth Defender Equities Pty Limited (appointed October 2018), Wollongong 2022 Limited (appointed March 2019), Concentrated Leaders Fund Pty Limited (appointed March 2021), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Children's Music Foundation, and he is a Member of the Second Bite NSW Advisory Committee. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited. Geoff Wilson resigned as a director of 8IP Emerging Companies Limited in September 2020 and Australian Leaders Fund Limited in March 2021.

8.3 No other interests

Except as set out in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are, or were respectively, interests of a Director, a proposed Director of the Company or a promoter of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Issue. Further, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce the Director to become or to qualify him/her as a Director or otherwise, for services rendered by the Director in connection with the promotion or formation of the Company.

8.4 Directors' remuneration

The Chair and the Directors have agreed to waive their Directors' fees on an ongoing basis. For the period ended 30 June 2021, no Directors' fees were paid by the Company.

8.5 Related party disclosures

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

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 Paradise AO is a Director of Paradise Investment Management Pty Limited which is the Trustee of the unregistered managed investment schemes Paradise Australian Mid Cap Fund, Paradise Large Cap Fund and the Paradise Long Short Australian Equities Fund. Paradise 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.

8.6 Deed of indemnity

The Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of the Company. The Company has also agreed to maintain in favour of each Director a directors' and officers' policy of insurance for the period that they are Directors and for seven years after they cease to act as Directors.

9. Additional information

9.1 Pro-forma capital structure

As at the date of this Prospectus, the Company had 401,255,746 Shares on issue. On completion of the Bonus Issue, the maximum number of Options on issue will be 401,255,746 Options. If 401,255,746 Options are issued and subsequently exercised, the number of Shares on issue would increase to 802,511,492 Shares.

9.2 Legal proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings which have had or may have a significant effect on the financial position on the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

9.3 Rights attaching to the Options

The terms and conditions of the Options are as follows:

Register

The Company will maintain a register of holders of Options in accordance with Section 168(1)(b) of the Corporations Act.

Transfer/transmission

An Option may be transferred or transmitted in any manner approved by the ASX.

Exercise

On exercise, the Company will issue a Share for each Option exercised. An Option may be exercised by delivery to the Company of a duly completed Option Exercise Form, signed by the registered holder of the Option, together with payment to the Company of \$1.48 per Option being exercised.

An Option may be exercised on any business day from issue to 5:00pm (Sydney time) on 28 April 2023 (inclusive), but not thereafter. A notice of exercise of Options is only effective when the Company has received the full amount of the exercise price in cash or cleared funds.

Dividend entitlement

Options do not carry any dividend entitlement. Shares issued on exercise of Options rank equally with other issued Shares of the Company on and from issue.

Participating rights

For determining entitlements to the Bonus Issue, option holders may only participate in new issue of Securities to holders of Shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date. The Company must give at least four business days' notice to option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If between the date of issue and the date of exercise of an Option, the Company makes one or more rights issues (being a pro-rata issue of ordinary shares in the capital of the Company that is not a bonus issue), the exercise price of Options on issue will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

NE is the new exercise price of the Option;

OE is the old exercise price of the Option;

E is the number of underlying Shares into which one Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) during the five trading days ending on the day before the ex rights date or ex entitlements date (excluding special crossings and overnight sales);

S is the subscription price for Shares under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares in the capital of the Company, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

Reconstructions and alteration of capital

Any adjustment to the number of outstanding Options and the exercise price under a re-organisation of the Company's share capital must be made in accordance with the ASX Listing Rules.

ASX Listing

The Company must make application for quotation of Shares issued on exercise of the Options on the ASX in accordance with the Listing Rules. Shares issued will rank equally with other issued Shares of the Company.

9.4 Rights attaching to the Shares

The following information is a summary of the terms of issue of Shares as contained in the Company's Constitution. Shareholders have the right to acquire a copy of the Company Constitution, free of charge, from the Company until the expiry of this Prospectus.

Each Share confers on its holder:

- the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (one vote per shareholder) and on a poll (one vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- the right to receive dividends, according to the amount paid up on the Share;
- the right to receive, in kind, the whole or any part of the Company's property in a winding up, subject to priority given to holders of Shares that have not been classified by ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by special resolution; and
- subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders at a general meeting by special resolution.

9.5 Investor considerations

Before deciding to exercise your Options, you should consider whether the Shares to be issued and allotted on exercise of the Options are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, accountant, solicitor or other professional adviser immediately.

The potential tax effects relating to the Bonus Issue will vary between Shareholders. Shareholders are urged to consider the possible tax consequences of participating in the Bonus Issue by consulting a professional tax adviser.

9.6 Continuous disclosure and documents available for inspection

The Company is a disclosing entity for the purposes of Section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Company to:

- prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a Directors' statement and report and an audit or review report;

- immediately once available for release to the market and in any event within 14 days after the end of each month, notify the ASX the net tangible assets of its quoted securities as at the end of that month; and
- immediately notify the ASX of any information concerning the Company of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in the Company, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to the Company may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to the Company may be obtained from the ASX website (www.asx.com.au).

This Prospectus is issued pursuant to Section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with more limited disclosure than would be required in a full-form prospectus, when the Company has been a listed disclosing entity for a period of at least 12 months.

9.7 Other Documents

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy in relation to this Prospectus:

- the annual financial report of the Company for the year ended 31 December 2020 being the most recent annual report lodged with ASIC before the lodgement of this Prospectus;
- the half-year financial report for the period ending 30 June 2021, being the half-year lodged with ASIC by the Company after the lodgement of the 2020 annual report, but before the lodgement of this Prospectus with ASIC; and
- any other document or financial statement lodged by the Company with ASIC or the ASX under the continuous disclosure reporting requirements in the period after lodgement of the 31 December 2020 annual financial report referred to above to the date of lodgement of this Prospectus with ASIC being:

Date	Announcement	Date	Announcement
30/08/2021	Appendix 4D and Financial Report	19/04/2021	Update - Dividend/Distribution - FGX
26/08/2021	Record profit, 15.4% increase in FF interim dividend	14/04/2021	March 2021 Investment Update
26/08/2021	Dividend/Distribution - FGX	16/03/2021	Future Generation Investor Webinar
13/08/2021	July 2021 Investment Update	16/03/2021	Appointment Co Sec Jesse Hamilton
14/07/2021	June 2021 Investment Update	12/03/2021	February 2021 Investment Update
17/06/2021	Results of 2021 Annual General Meeting	25/02/2021	FGX FY20 outperformance drives increased FF dividend
17/06/2021	FGX AGM - Chairman's Address	25/02/2021	Appendix 4E and Annual Report
16/06/2021	Future Generation Update, appointment of CEO	25/02/2021	Dividend/Distribution - FGX
11/06/2021	May 2021 Investment Update	25/02/2021	Appendix 4G
17/05/2021	Notice of Annual General Meeting/Proxy and Question Form	25/02/2021	Corporate Governance Statement
14/05/2021	April 2021 Investment Update	19/02/2021	Future Generation Investor Webinar
27/04/2021	Change of Director's Interest Notice - G Radzyminski	12/02/2021	January 2021 Investment Update
27/04/2021	Change of Director's Interest Notice - K Thorley	22/01/2021	Management Update
27/04/2021	Change of Director's Interest Notice - G Wilson	14/01/2021	December 2020 Investment Update
27/04/2021	Appendix 2A - DRP		

9.8 Expenses of the Bonus Issue

Expenses of the Bonus Issue including ASIC and ASX fees, printing costs and legal costs are estimated to be approximately \$339,000 with the majority of this being attributable to ASX listing fees of \$313,626. The Company has not incurred any legal fees in relation to the Bonus Issue as those fees were agreed to be waived.

9.9 Minimum subscription

There is no minimum subscription for the Bonus Issue.

9.10 ASIC Instruments

The Bonus Issue is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act 2001 to the extent that the section prohibits the Company from issuing Options during the exposure period following lodgement of this Prospectus. This Bonus Issue is also made under ASIC Corporations (Application Form Requirements) Instrument 2017/241, which exempts the Company from complying with section 723(1) of the Corporations Act to the extent that section only permits a Bonus Issue of Options in response to an application form included in or accompanied by a disclosure document.

9.11 Disclaimer

No person is authorised by the Company to give any information or make any representation in connection with the Bonus Issue that is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Bonus Issue. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

9.12 Forward-looking statements

Certain statements in this Prospectus are about the future and are forward looking in nature. Generally, you can identify forward-looking statements by terms such as "may", "will", "should", "could", "would", "aim", "assumes", "intends", "objectives", "positioned", "targets", "expects", "plans", "anticipates", "believes", "estimates", "projects", "predicts", "potential" and other similar expressions that are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions.

These forward-looking statements are not guarantees of future performance. You should be aware that there are a number of risks (both known and unknown), uncertainties, assumptions and other important factors, some of which are beyond the control of the Company that could cause the actual conduct, results, performance or achievements of the Company to be materially different from those expressed or implied by such statements or that could cause future conduct or results to be materially different from the historical conduct or results. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in section 3. Deviations as to future conduct, results, performance and achievements are both normal and to be expected.

None of the Company, the Investment Committee, their respective directors, officers and advisers, or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Prospectus will occur. Investors are cautioned about relying on forward-looking statements included in this Prospectus.

The forward-looking statements in this Prospectus reflect views held as at the date of this Prospectus, unless otherwise specified. Subject to the Corporations Act, the Listing Rules and any other applicable laws or regulations, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in reports filed from time to time with the ASX after the date of this Prospectus.

9.13 Electronic Prospectus

This Prospectus will be made available in electronic form on the following website www.futuregeninvest.com.au. Any other information on the website does not form part of this Prospectus.

The Bonus Issue constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus in electronic form within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you are unsure about the completeness of this Prospectus received electronically, or a print out of it, you should contact the Company. A paper copy of this Prospectus will be made available free of charge by contacting the Company by telephone on (02) 9247 9202 or by email at info@futuregeninvest.com.au.

9.14 Privacy

The Company will collect, hold, use and disclose personal information provided by investors to allow it to process your Option Exercise Form, service your needs as a holder of securities in the Company, provide facilities and services that you request, and carry out appropriate administration of your investment. This means that the Company will need to collect your personal information (for example, your name, address and details of your investment in the Company).

Under the Corporations Act some of the information must be included in the Company's registers, which will be accessible by the public.

The Company will only use and disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Company and its registry may not be able to process your Option Exercise Form. The Company may also share your personal information with service providers of the Company or others who provide services on the Company's behalf, some of which may be located outside of Australia.

For more details on how the Company collects, stores, uses and discloses your information, please read the Company's Privacy Policy located at www.futuregeninvest.com.au/privacy-policy. Alternatively, you can contact the Company by telephone on (02) 9247 9202 or by email at info@futuregeninvest.com.au and the Company will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Option Exercise Form, or providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and the Company's Privacy Policy.

The Company's Privacy Policy also contains information about how you can access and seek correction of your personal information, complain about a breach by the Company of the Australian privacy laws and how the Company will deal with your complaint.

9.15 Other information

There is no information relating to the Bonus Issue that, because of its confidential or prejudicial nature, has not been notified to the ASX which investors or their professional advisers would reasonably require and reasonably expect to make an informed assessment of the effect on the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Options.

9.16 Consents and responsibility statements

Pitcher Partners has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as auditor of the Company in the form and context in which it is named.

Boardroom Pty Limited has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as share registrar of the Company in the form and context in which it is named.

None of Pitcher Partners or Boardroom Pty Limited:

- has authorised or caused the issue of the Prospectus;
- has made, or purported to have made, any statement in this Prospectus, except this section; and
- assumes responsibility for any part of this Prospectus except for statements in this section.

Each of the above parties has only been involved in the preparation of that part of the Prospectus where they are named. Except to the extent indicated above, none of the above parties has authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Mills Oakley has given, and before lodgement of this Prospectus has not withdrawn, its consent to be named in this Prospectus as legal adviser of the Company for the Bonus Issue in the form and context in which it is named. Mills Oakley has not:

- authorised or caused the issue of the Prospectus;
- made, or purported to have made, any statement in this Prospectus, except this section; or
- assumes responsibility for any part of this Prospectus except for statements in this section.

Except to the extent indicated above, Mills Oakley has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

9.17 Consent to lodgement

Each Director of the Company has given, and not withdrawn, his or her consent to the lodgement of this Prospectus with ASIC.

10. Definitions and interpretation

10.1 Defined Terms

In this Prospectus:

AFSL means Australian Financial Services Licence.

ASIC means the Australian Securities & Investments Commission.

Associate has the same meaning as in the Corporations Act.

ASX or **Australian Securities Exchange** means the ASX Limited or the securities exchange operated by ASX Limited.

Bonus Issue means the issue of approximately 401,255,746 Options offered to Shareholders under this Prospectus.

Company means Future Generation Investment Company Limited (ACN 063 935 553).

Company Constitution means the constitution of the Company.

Directors or **Board** means the directors of the Company.

Eligible Shareholders means registered holders of Shares as at 7:00pm on the Record Date with a registered address in Australia or such other place determined by the Company in which it would be lawful to make the Bonus Issue. Directors and their associates that are Eligible Shareholders will participate in the Bonus Issue.

Investment Committee means the committee appointed by the Board to manage the Company's investments in accordance with the permitted investments and the Company's investment objectives. The Investment Committee currently comprises Geoff Wilson AO (Chair), John Coombe, Matthew Kidman, Gabriel Radzynski, David Smythe and Bruce Tomlinson.

Investment portfolio or **portfolio** means the portfolio of investments of the Company.

Listing Rules means the listing rules of the ASX.

NTA or **Net Tangible Assets** means the value of an entity's total assets and less the value of the liabilities, in respect of ASX listed entities, calculated and published in accordance with the Listing Rules.

Option means an option to acquire a Share with an exercise price of \$1.48 per Option to be granted pursuant to this Prospectus.

Option Exercise Form means the personalised option exercise form and holding statement that will be sent to Eligible Shareholders shortly after the date of this Prospectus showing the number of Options issued to each Eligible Shareholder under this Prospectus.

Prospectus means this prospectus as modified or varied by any supplementary document issued by the Company and lodged with ASIC from time to time.

Record Date means Friday, 1 October 2021.

Related Body Corporate has the meaning given to that term under Section 50 of the Corporations Act.

Relevant Interest has the meaning set out in the Corporations Act.

Securities means securities as defined in Section 92 of the Corporations Act.

Share means a fully paid ordinary share in the Company.

Shareholder means a registered holder of a Share.

Share Registrar means Boardroom Pty Limited.

10.2 Interpretation

In this Prospectus the following rules of interpretation apply unless the context otherwise requires:

- Words and phrases not specifically defined in this Prospectus have the same meaning that is given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- The singular includes the plural and vice versa;
- A reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
- A reference to any gender includes both genders;
- A reference to clause, section, annexure or paragraph is to a clause, section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
- A reference to “dollars” or “\$” is to Australian currency;
- In this document, headings are for ease of reference only and do not affect its interpretation; and
- Except where specifically defined in the Prospectus, terms defined in the Corporations Act have the same meaning in this Prospectus.

10.3 Governing Law

This Prospectus is governed by the laws of New South Wales.

10.4 Approval

This Prospectus has been approved by unanimous resolution of the Directors of the Company.

Dated: 3 September 2021



Jonathan Trollip
Chair
Future Generation Investment Company Limited