

30 September 2015

QUARTERLY ACTIVITIES REPORT

OVERVIEW

The September quarter was particularly busy for First Growth Funds. Management reviewed several opportunities with a view to increasing shareholder value and during a fairly volatile period in Australian Markets managed to increase the overall value of cash and assets considerably from the previous quarter.

Public-Democracy Pty Limited

On 6th October 2015, FGF announced it had entered into a binding term sheet to acquire 100 % of Public-Democracy Pty Ltd (PD) which the Company believes will add value to existing shareholders. The majority of the business and future revenue will be predominately USA focused in the short term.

PD has developed a platform which allows an advanced method of communication and engagement for political, social, cultural and commercial communities. Public Democracy is currently finalising prototypes of both its platform and applications for mobile and installed devices, with first release due January 2016.

The company is currently progressing with its Due Diligence and will provide further updates regarding the transaction in due course. Public-democracy.com

INVESTMENTS

Bluefish

As announced on 24th July, the Company was instructed by its Secured Creditor to accept a recent share buy-back offer. Subsequently all cash consideration received in the offer has since been paid to the Secured Creditor who holds a Security Interest over the Bluefish holding and further reducing total liability held.

On the 27th July the Company successfully completed the share buy-back for consideration of \$98,786. The Company now retains approximately a 22% shareholding in Bluefish.

Other Investments

At the end of the quarter the Company held approximately \$872,000 in cash and \$678,000 equity holdings amounting to total cash and equities of approximately **\$1,550,000**. This represents an increase of approximately \$220,000 since the previous quarter.

FGF Management continued to identify and participate in selected IPO's and placements during the quarter and will continue seeking further participation in future capital raisings should they meet the Company's investment strategy.

CAPITAL STRUCTURE

As at the date of this report, the following table represents the total equity instruments on issue in First Growth Funds Ltd

Equity Category	Details	Number on Issue
Listed Ordinary Shares	ASX : FGF	446,441,901
Options	ASX : FGFO Strike Price of \$0.008 Expiry 17 Feb 2016	173,565,531
	ASX : FGFOA Strike Price of \$0.002 Expiry 17 Feb 2018	272,866,800

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

FIRST GROWTH FUNDS LIMITED

ABN

34 006 648 835

Quarter ended ("current quarter")

30 September 2015

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	260	260
1.2	Payments for (a) staff costs (b) advertising and marketing (c) research and development (d) leased assets (e) other working capital	(32)	(32)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid	100	100
1.6	Income taxes paid		
1.7	Other (provide details if material)	(92)	(92)
	Net operating cash flows	236	236

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)		
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments	(99)	(99)
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (provide details if material)		
Net investing cash flows	(99)	(99)
1.14 Total operating and investing cash flows	137	137
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (share issue costs)		
Net financing cash flows		
Net increase (decrease) in cash held	137	137
1.21 Cash at beginning of quarter/year to date	755	755
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	892	892

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	32
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	
	Payment for Directors Fees and Consulting costs	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	
3.2	Credit standby arrangements	

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	392	255
4.2	Deposits at call	500	500
4.3	Bank overdraft		
4.4	Other (unsettled equity transactions)		
Total: cash at end of quarter (item 1.23)		892	755

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 27 October 2015
(Director/Company secretary)

Print name: Frances Notman

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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