18 August 2017

Dear fellow shareholder,

Future Generation Investment Company Limited – allocate your donation

Future Generation Investment Company Limited (ASX: FGX) will soon make its third annual donation to the 14 designated charities focused on children and youth at risk. This year, we are on track to donate $3.8 million.

As you know, FGX provides:

- Shareholders with exposure to the best Australian fund managers without paying management or performance fees;
- Charities with a consistent and growing stream of annual donations; and
- Fund managers with a unique opportunity to make a positive difference to Australia’s future generations.

Shareholders are invited to allocate a portion of the donation of 1% of net tangible assets*. Personalised voting forms have been posted or emailed to shareholders for whom we have contact details. If you have not received the voting form, please contact our share registry, Boardroom on (02) 9290 9600 to participate. Voting must be completed before 5.00pm on Thursday, 31 August 2017.

To assist you in making your decision, we have provided information on the charities, the impact of FGX’s donation last year and plans for each charity over the next 12 months.

If you have any questions, please call me on 0419 416 618 or Alexandra Hopper on (02) 9247 6755.

Thank you for your support of FGX.

Yours sincerely,

Louise Walsh
Chief Executive Officer

* The record date for shareholders to be eligible to allocate their portion of the donation was 31 July 2017.
## Impact on children and youth at risk

<table>
<thead>
<tr>
<th>Description</th>
<th>Number/Location</th>
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</thead>
<tbody>
<tr>
<td><strong>Scholarships for seven Indigenous students</strong></td>
<td>to attend leading Australian schools.</td>
</tr>
<tr>
<td><strong>Nine specialist music teachers</strong></td>
<td>employed for over 1,700 disadvantaged children in NSW and Victoria.</td>
</tr>
<tr>
<td><strong>Teacher training workshops</strong></td>
<td>educating school staff to effectively manage children with type 1 diabetes.</td>
</tr>
<tr>
<td><strong>Specialist disease nurses</strong></td>
<td>employed in Brisbane, Melbourne and Sydney where there is no government funding.</td>
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<tr>
<td><strong>Trauma-informed care training</strong></td>
<td>provided to 20 young homeless people suffering long-term neglect and abuse in Victoria.</td>
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<tr>
<td><strong>Therapy sessions</strong></td>
<td>for 70 neglected and abused children in Queensland and South Australia.</td>
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<tr>
<td><strong>Development of an individualised expressive communicative system</strong></td>
<td>for 85 students with severe autism in Sydney and Melbourne.</td>
</tr>
<tr>
<td><strong>Essential crisis support and counselling</strong></td>
<td>delivered to 253 children orphaned or abandoned due to parental drug use in NSW and Victoria.</td>
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<tr>
<td><strong>Development of a social network platform</strong></td>
<td>for youth mental health counselling benefiting 80 clients.</td>
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<tr>
<td><strong>Youth mentoring programs</strong></td>
<td>run in eight new high schools for young people at risk of disengagement.</td>
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<tr>
<td><strong>Book distribution program</strong></td>
<td>delivered to developmentally vulnerable children aged 0-5 years in NSW, Victoria and Queensland.</td>
</tr>
<tr>
<td><strong>Sports, arts and academic scholarships</strong></td>
<td>provided to 42 socio-economically marginalised children and youth with a disability.</td>
</tr>
<tr>
<td><strong>Intensive and ongoing face-to-face counselling</strong></td>
<td>for 61 young people experiencing mental health difficulties in WA.</td>
</tr>
<tr>
<td><strong>Cultural mentoring and support</strong></td>
<td>for 130 disadvantaged Aboriginal youth in NSW.</td>
</tr>
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</table>

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Designated Charities

Act for Kids provides a range of free targeted services to prevent and treat child abuse and neglect. It has delivered prevention, early intervention and therapy services across Australia to more than 21,698 Australians last year.  

actforkids.com.au

Impact: 1 July 2016 – 30 June 2017

FGX funding of $122,524 for the 12 months to 30 June 2017 has enabled Act for Kids to employ a psychologist and a speech pathologist in Adelaide to assist the practice leader in meeting increased demand for therapy services for abused and neglected children. During the period to date, the Adelaide team has worked with 23 children and their carers. Children demonstrated improved social and emotional wellbeing and parents have improved capacity to provide safe, nurturing environments for their family.

Funding has also assisted the Ipswich Integrated Therapy Service to continue to provide therapy to the South-West community in Brisbane, including the Lockyer Valley. During the period to date, the Ipswich team - comprising two psychologists (one provisionally registered), an occupational therapist and a speech pathologist - have worked with 47 clients and their cares. The children have improved developmental outcomes and social and emotional wellbeing.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will enable Act For Kids to continue to integrate therapy services in Adelaide and Ipswich. An estimated 110 children and young people aged 0-18 will benefit from the FGX funding in Adelaide. The Ipswich service experiences high demand, specifically for psychology services and currently has a waitlist of 36 clients across the three therapy disciplines. An estimated 160 children and young people aged 0-18 will benefit from the FGX funding in Ipswich. Plans are under way for Act for Kids to open a centre in Melbourne to reach more children.
Impact: 1 July 2016 – 30 June 2017

FGX funding of $119,230 for the 12 months to 30 June 2017 was directed to music programs in five schools in Taree on the mid-north coast of NSW and nine schools in West Melbourne. Nine specialist music teachers were employed part-time to deliver the program across both regions. In total, over 1,700 children participated in the ACMF programs with music lessons and free musical instruments.

The impact of the music programs in these areas to date has shown that between 40-50% of students demonstrate improved school attendance, with over 75% improving in self-confidence, self-esteem, creativity, interpersonal relationships, teamwork and peer acceptance. The programs also assist a notable improvement in numeracy and literacy, mainly due to an increase in engagement in other learning areas.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will enable ACMF to continue providing weekly music lessons in the Taree group of schools (with over 30% of students from an Indigenous background), and the Sunshine Group in West Melbourne (with over 40 nationalities represented in the various school communities).

The Brain and Mind Centre at the University of Sydney has begun an extensive research study to assist ACMF to evaluate the effectiveness of these programs in schools.
Australian Indigenous Education Foundation (AIEF) provides scholarships that enable Indigenous students to attend leading Australian schools and universities. It also provides mentoring and career support to ensure students make a successful transition from school to further studies or employment, productive careers and fulfilling lives.

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Impact: 1 July 2016 – 30 June 2017

FGX funding of $138,967 for the 12 months to 30 June 2017 enabled seven indigenous students to receive scholarships at leading Australian schools. AIEF currently supports more than 500 secondary and tertiary scholars and a network of over 400 alumni. The average cost of an AIEF scholarship is $20,000 per student per annum. Scholarships take place with 34 partner schools and colleges across Australia. Students supported by AIEF scholarships achieve a 94% retention and Year 12 completion rate, the highest rate of any federally funded program in Australia, and 94% of graduates are engaged in university study or full-time employment.

AIEF’s vision is to provide quality education and career opportunities to 7,000 Indigenous students.

Planned Impact: 1 July 2017 – 30 June 2018

FGX will continue to fund scholarships from 1 July 2017. In 2018, AIEF will celebrate 10 years and over 1,000 scholarships since its founding in 2008.

AIEF has grown to reach students from hundreds of communities in every state and territory of Australia but cannot keep up with demand for scholarships at current funding levels. It needs additional funding to ensure Indigenous students who want to pursue their education on an AIEF Scholarship are not denied the opportunity.
**Designated Charities**

**Impact: 1 July 2016 – 30 June 2017**

FGX funding of $126,422 for the 12 months to 30 June 2017 has enabled DEBRA Australia to provide specialised Epidermolysis Bullosa (EB) nurses for children and young people in several states where there is no government funding. A new transition EB nurse position was also implemented at the Royal Melbourne Hospital in June 2017 to support teenagers moving from paediatric to an adult setting. This is a very exciting advancement in the EB nurse program as it is the first position of this type in Australia.

The impact of FGX funding for the period has resulted in:

- 10 new babies gaining access to the EB support system
- 21 multidisciplinary EB clinics conducted for children’s families
- Over 130 outpatient clinics organised for children to attend on a regular basis for essential reviews and tests to be carried out
- Facilitation of over 700 contacts to families to support them when in need
- Over 1,400 contacts made with health professionals to help coordinate care for families.

**Planned Impact: 1 July 2017 – 30 June 2018**

For the 12 months to 30 June 2018, FGX funding will:

- Sustain the four part-time specialised EB nurse positions based in Brisbane, Sydney and Melbourne
- Upskill all EB nurses and associated health care nurses in Australia by enabling them to attend the DEBRA International Conference in New Zealand in November 2017.
Diabetes Kids Fund was established to provide crucial support services for children living with non-preventable type 1 diabetes, their families and carers. This life-threatening illness requires 24/7 monitoring and regular insulin injections. Annually, there is a 40% hospitalisation rate for children under 15 living with the condition. Diabetes Kids Fund works to change this alarming statistic through training, mentoring, resource-provision and community building.


**Impact: 1 July 2016 – 30 June 2017**

FGX funding of $114,060 for the 12 months to 30 June 2017 supported the Safe Kids Initiative, keeping children with type 1 diabetes healthy and complication-free when away from their parents. There were two components to the initiative during this period:

1. Teacher Training Workshops, educating school staff to effectively manage children with type 1 diabetes. This is the only training of its kind in NSW and ACT.

   Demand exceeded expectations, with 236 attendees representing 118 schools. 91% of attendees would recommend the training to a colleague.

2. The initiative is providing As1 Health Resource Kits to every newly-diagnosed child in NSW and ACT. This ensures that children and school staff have the information and tools to successfully navigate the traumatic diagnosis and post-diagnosis period.

**Planned Impact: 1 July 2017 – 30 June 2018**

FGX funding for the 12 months to 30 June 2018 will support the expanded Safe Kids Initiative. Further Teacher Training Workshops will run due to overwhelming demand. Provision of As1 Health Resource Kits will also continue. A third component of the initiative will commence: Carer Training Workshops, educating carers to effectively manage type 1 diabetes. There is high demand for this training, keeping children safe and healthy along with providing respite for parents.

The initiative will reach an estimated 1,600 children in this period, significantly reducing the rate of diabetes-related complications.
Established in 1995 for children and young people with autism, Giant Steps operates an early intervention program, a school-aged program, a college for young adults with autism as well as outreach and training programs. It operates in Sydney and Melbourne and does not charge fees. The cost per student at Giant Steps Sydney is $90,000 per annum. There are currently 93 students with autism at the Sydney school and 11 students at the Melbourne school.

**giantsteps.net.au**

**Impact: 1 July 2016 – 30 June 2017**

FGX funding of $163,979 for the 12 months to 30 June 2017 contributed to the development of an individualised expressive communication system for 85 students with autism. This helped students to communicate their needs and wants. The funding assisted with the alleviation of frustration that students with autism frequently experience when they are unable to communicate their message. All 85 students made improvements on their goal attainment scale. An additional speech therapist was employed to support the project.

**Planned Impact: 1 July 2017 – 30 June 2018**

FGX funding for the 12 months to 30 June 2018 will continue to support Giant Step’s Expressive Communication Systems for children with autism. Individuals with autism have complex communication needs and are often non-verbal. This project aims to decrease the frustrations many students with autism experience when they are unable to successfully communicate. Individualised strategies will be designed for all students in Sydney and the project will roll out in Melbourne in 2018. The number of students in Melbourne will increase from 11 to 20 by 2018.

Whilst all 85 students have made some progress, the ultimate goal is to have all students in Sydney and Melbourne communicate proficiently using their expressive communication system which will lead to a decrease in frustration and physical acting out behaviour. The goal is to have students become more independent and less dependent on parents, carers and staff.
Impact: 1 July 2016 – 30 June 2017

FGX funding of $120,897 for the 12 months to 30 June 2017 was invested into further development of the Kids Helpline Circles social network platform. The platform is based on young people’s feedback, with additional specialist online counsellor hours and content development for the sessions and research support from the University of Sydney. Kids Helpline has met its target to intake 80 clients into the Circles platform by June 2017.

Feedback from enrolled clients has been very positive. Comments like “I can talk to them without being judged for who and what I am” and “I feel as though I am not as alone” portray the high levels of trust and engagement in the group. This trust has already led to clients disclosing to the group risks not disclosed to their counsellors, allowing Kids Helpline to enact responses to protect those young people from physical and sexual abuse, and suicide.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will allow Kids Help Line to build upon its investment in the Circles platform development and training and is well placed to exceed its annual intake target of 150 clients.

The period will also see further improvements to the platform based on user feedback and development of additional program modules to increase the appeal and reach of the program. Evaluation of the program will also continue. During the period, Kids Help Line will reach the critical mass of data needed to assess its progress towards achieving improved case management of young people for suicide, self-harm and mental health concerns and increased trust and engagement of clients with service providers.
Lighthouse Foundation aims to end youth homelessness. It operates 10 homes in Victoria to support homeless people aged 15-22 from backgrounds of long-term neglect and abuse. Three of the homes support young mothers with babies. Each home has two live-in carers who provide 24/7 support. A specialist clinical team support the carers with intensive training and supervision.

Lighthouse also provides a clinic for long-term counselling, a case management service for education and employment, an outreach program and an Institute, which is a training and consultancy business.

Impact: 1 July 2016 – 30 June 2017

FGX’s funding of $215,081 for the 12 months to 30 June 2017 has been used to deliver Lighthouse’s Therapeutic Family Model of Care for homeless young people living in a supported environment with fulltime carers in five of its suburban family homes in Victoria. The Lighthouse carers experience tailored trauma-informed care training, equipping them to address the root causes of young people’s homelessness.

Specific results include:

- 12 young people have successfully re-engaged with their education, enabling them to consider a more positive future of full employment rather than a lifetime of welfare payments.
- Eight young people have transitioned from the residential program to the ongoing outreach program and sustainable independent living.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will support five Lighthouse homes in Victoria including Bonbeach, East Malvern, Springvale, Clayton and Kensington. Up to 20 young people will benefit with the average stay being 18 months in the program. Lighthouse expects to see a permanent end to homelessness for these young people. 80% of the young people supported by Lighthouse are never homeless again.

Lighthouse returns $12 of social value for every dollar invested in it. The cost to society ranges from $350,000 to $1.1 million per person over a lifetime, if the cycle of homelessness is not broken.
Mirabel believes that every child deserves a childhood. Mirabel is a children’s charity whose mission is to break the destructive cycle of addiction and disadvantage. Mirabel achieve this through the delivery of support programs for more than 1500 children who have been orphaned or abandoned due to their parents’ drug use. Mirabel's vision is that every child has a childhood filled with love, hope and belonging.

A recent Social Return on Investment study found that Mirabel’s intervention created $6.60 of social and economic value for every $1 invested.

mirabelfoundation.org.au

Impact: 1 July 2016 – 30 June 2017

FGX funding of $120,261 for the 12 months to 30 June 2017 contributed to improved outcomes for vulnerable children living in Victoria and NSW. This has included:

- Providing for the immediate needs of 253 new children who have been orphaned or abandoned due to their parents’ drug use
- Providing parenting support to 1,368 extended family carers faced with the responsibility of raising the children
- 1,334 telephone counselling sessions including crisis support for disadvantaged families
- 102 therapeutic groups for children where they practiced essential life skills and restored a sense of belonging
- Educational support and tutoring for 154 young people resulting in improved academic outcomes.

Planned Impact: 1 July 2017 – 30 June 2018

Funding from FGX for the 12 months to 30 June 2018 will enable the continuation of Mirabel’s successful Toddler to Teen Program. This multifaceted program will provide disadvantaged children and families with a comprehensive needs assessment, intensive crisis support, therapeutic children’s groups and educational support.

FGX support has made it possible for Mirabel to continue its mission and, despite a 20% increase in referrals, never turn a child away who is in need. Substance abuse continues to have negative consequences for the most vulnerable in the community and children remain the most frequently forgotten victims.
Impact: 1 July 2016 – 30 June 2017

FGX funding of $116,352 for the 12 months to 30 June 2017 was used to deliver mentoring programs to eight new high schools across Australia, resulting in 120 young people being matched with a Raise mentor for a year.

In 2016 Raise provided best practice mentoring to over 730 young people across 74 programs. Raise is delighted that the results of its 2016 evaluation survey demonstrated statistically significant improvement in areas of resilience, coping strategies, confidence, self-esteem, relationships, connections and their ability to set and achieve smart goals. Raise is also pleased to report that in the first-quarter of 2017, it reached its target of providing mentoring to 1,000 young people.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will continue to support Raise’s in-school mentoring programs, with 15 students in every program, Raise expects this will support more than 150 mentees who are at risk of disengaging.

Alongside Raise’s commitment to continuing the delivery of best practice mentoring to 1,000 young people per annum, over the next 12 months, it will be funding the development of a strategic plan and pilot program to deliver its in-school mentoring programs into every public secondary school across Australia. This is a bold ambition but highly achievable with the guidance of the Raise Patron’s Advisory Council and the support of partners like FGX.
United Way Australia (UWA) develops collaborations that improve early childhood outcomes and youth employment. UWA’s primary areas are education, employment, housing and health.

One in five Australian children will start school developmentally vulnerable. UWA understands the importance of improving early childhood outcomes for 0 to 8 year-old children and focuses on building skills and capacity to enable all children to start school ready and able to learn.

United Way Australia (UWA)

develops collaborations that improve early childhood outcomes and youth employment.

Impact: 1 July 2016 – 30 June 2017

FGX funding of $112,221 for the 12 months to 30 June 2017 has focused on United Way Australia’s (UWA’s) early childhood development initiative. Addressing critical issues related to early literacy and school readiness, this initiative focuses on book distribution to children 0-5 years, parent/carer resources to support them to become their child’s first teacher and community mobilisation activities. The program focuses on New South Wales, Victoria and Queensland.

During the year, the initiative had a great impact with its most recent survey of program participants reporting:

- 71% of children now ask to be read to at least once a day
- 80% of parents use books to help teach their children
- 84% of parents report this project has changed their reading habits for the better.

Planned Impact: 1 July 2017 – 30 June 2018

Funding from FGX for the 12 months to 30 June 2018 will continue to support UWA’s early childhood initiative impacting 300 children aged 0-5 across Australia.

During the next 12 months, UWA will continue to apply its learnings from the initiative, and focus and refine its approach to increase and enhance behaviour change of parents/carers and children. This will lead to greater impact for both, and increase levels of engagement with reading and early learning activities and school readiness.
Variety is dedicated to assisting Australian children who are sick, disadvantaged and living with disabilities. Variety provides essential equipment, programs and experiences to help disadvantaged children reach their full potential.

variety.org.au

Impact: 1 July 2016 – 30 June 2017

In October 2016, the FGX donation of $115,566 was distributed amongst Variety recipients in every state. The donation contributed to the 2017 national round of scholarships. These scholarships of up to $5,000 each support young people with an existing talent who are financially disadvantaged or have a disability.

FGX’s funding supported 42 children nationwide, ranging in age from six to 18 years. Scholarships were awarded for sporting, artistic and academic pursuits. Of all scholarship recipients, 52% were living in regional areas and 16% faced solely economic disadvantage. The remaining 84% were living with an intellectual or physical disability.

Planned Impact: 1 July 2017 – 30 June 2018

FGX funding for the 12 months to 30 June 2018 will allow the scholarships program to grow and enable Variety to increase capability on social outcomes measurement and reporting.

Progress is continuing for Variety’s regional expansion project. Of the 16 NSW scholarships recipients in the last 12 months, 62% of these children lived in the Hunter River, Mid North Coast or Far North Coast regions.

Funding from FGX has enabled more general funds to be made available to continue the development of the program in NSW and ACT. In NSW an additional scholarships round will occur during the next 12 months and an ACT specific round will also commence.
Youth Focus works to prevent youth suicide in Western Australia working from Geraldton to Albany. It provides a range of free, unlimited and early intervention and prevention services.

Youth Focus works with a number of leading Australian mental health organisations including the Black Dog Institute, Orygen and ReachOut.

Every week in Western Australia, one young person is lost to suicide and a further 20 attempts are made.

Youthfocus.com.au

**Impact: 1 July 2016 – 30 June 2017**

FGX funding of $115,951 for the 12 months to 30 June 2017 was utilised to fund a Youth Focus counsellor based at its Burswood office in Perth. Over the 12-month period, 61 young people and families received counselling support through this funded position. After three months of therapy at Youth Focus, clients demonstrated a consistent reduction in psychological distress, with 86.5% reporting enhanced levels of resiliency, giving them greater capacity to overcome difficulties and do well despite exposure to significant adversity in the future.

**Planned Impact: 1 July 2017 – 30 June 2018**

With FGX funding for the 12 months to 30 June 2018, Youth Focus is aiming to assist up to 80 families in Western Australia with a single session family therapy initiative, to meet the needs of young people and their families on first presentation to its mental health service. Single session family therapy is an effective tool in improving individual, interpersonal, social and overall well-being for young people presenting with mental health difficulties. With FGX funding, Youth Focus will employ a part-time family counsellor to implement this strategy with all clinicians across its state-wide service.
Established by Father Chris Riley in 1991, Youth Off The Streets (YOTS) works for young people who face challenges of homelessness, drug dependency, and recovering from abuse. The organisation aims to see young people leave their care drug free, with a high school education, living skills, and a full or part-time job.

The 35 YOTS services include Aboriginal programs, crisis accommodation, alcohol and other drug services, counselling, accredited high schools, community outreach, education and residential programs.

youthoffthestreets.com.au

Impact: 1 July 2016 – 30 June 2017

FGX funding of $136,455 for the 12 months to 30 June 2017 supported its Aboriginal Cultural Connections work with disadvantaged Aboriginal youth in NSW, providing mentoring, service referrals, legal support, individual advocacy, and participation in traditional cultural learning programs. The work has three elements:

- Intensive court support has assisted 24 young offenders, ensuring they do not fall back into cycles of recidivism. The NSW average for recidivism is 79% among juvenile offenders, however we have observed a 29% recidivism rate amongst the group to date.
- Cultural connection programs have connected 130 Aboriginal youth to their culture, instilling pride, and giving courage to perform in public. Workshops include the Banten Brothers Music Program, Stepping Stones dance, BroSpeak at Reiby Juvenile Justice Centre, arts programs and excursions.
- The delivery of three Community Days in which the local community is invited to participate in culturally significant events.

Planned Impact: 1 July 2017 – 30 June 2018

The programs and services will continue for the next 12 months with minor changes to the small group programs. The changes being made are based on assessment of outcomes and client feedback.

The court support program will be establishing long-term inter-agency partnerships, addressing entrenched social and cultural issues, and further encouraging desistance.

Youth Off The Streets is aiming to achieve cultural connections, cultural pride and identity increases of 60-70% among regular participants in the program within three years.