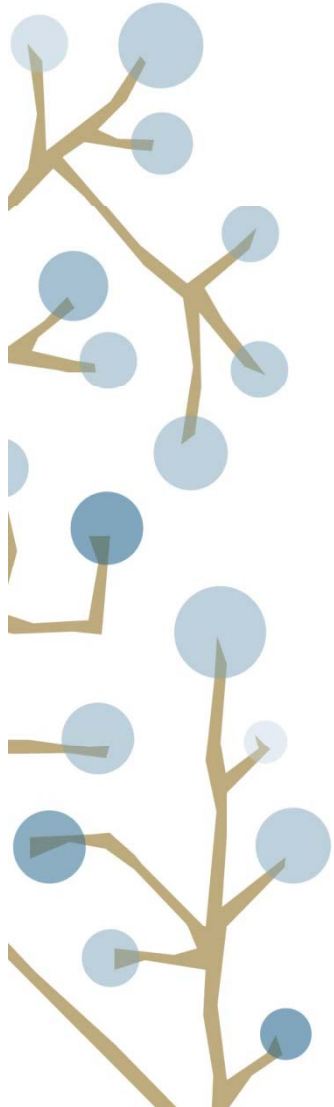


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Future Fund

Briefing

5 February 2013

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Agenda

Introduction

Mark Burgess
Managing Director

Investment Approach and Process

David Neal
Chief Investment Officer

Property

Barry Brakey
Head of Property

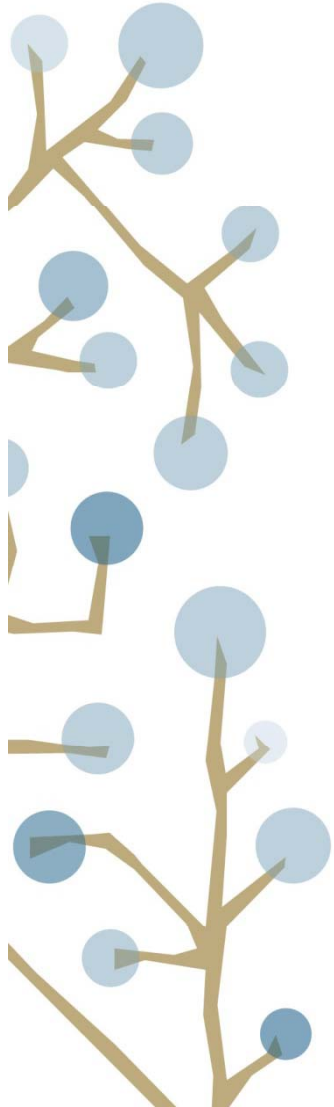
Portfolio Update and Investment Environment

David Neal
Chief Investment Officer

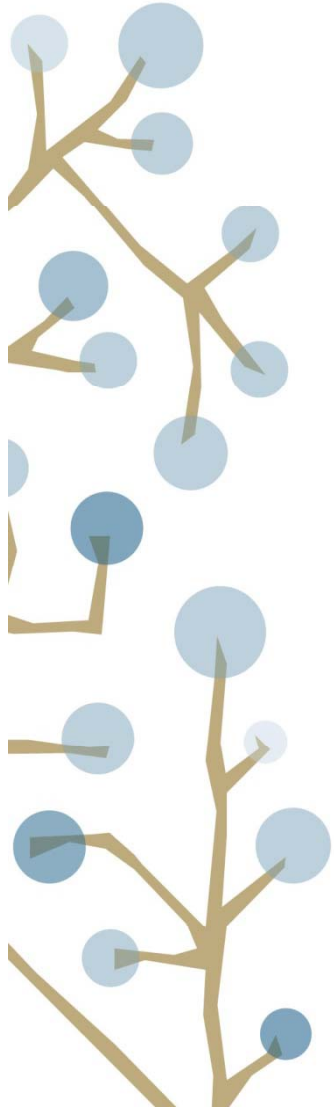
Conclusion

Mark Burgess
Managing Director

Q&A



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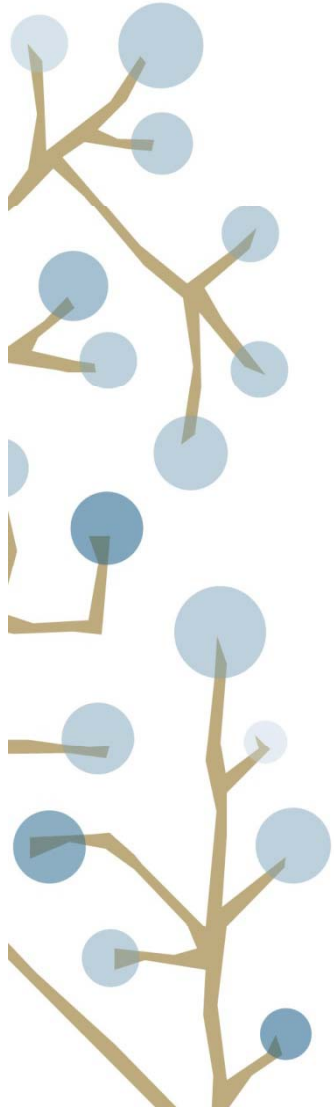
Overview

- Second briefing as part of keeping stakeholders informed on our strategies and progress
- Fund now stands at \$82.4 billion
- Returns:
 - Three years 7.9%pa
 - Five years 5.3% pa
 - Calendar year 12.8%pa
- High quality, motivated team
- Disciplined investment processes and thoughtful governance

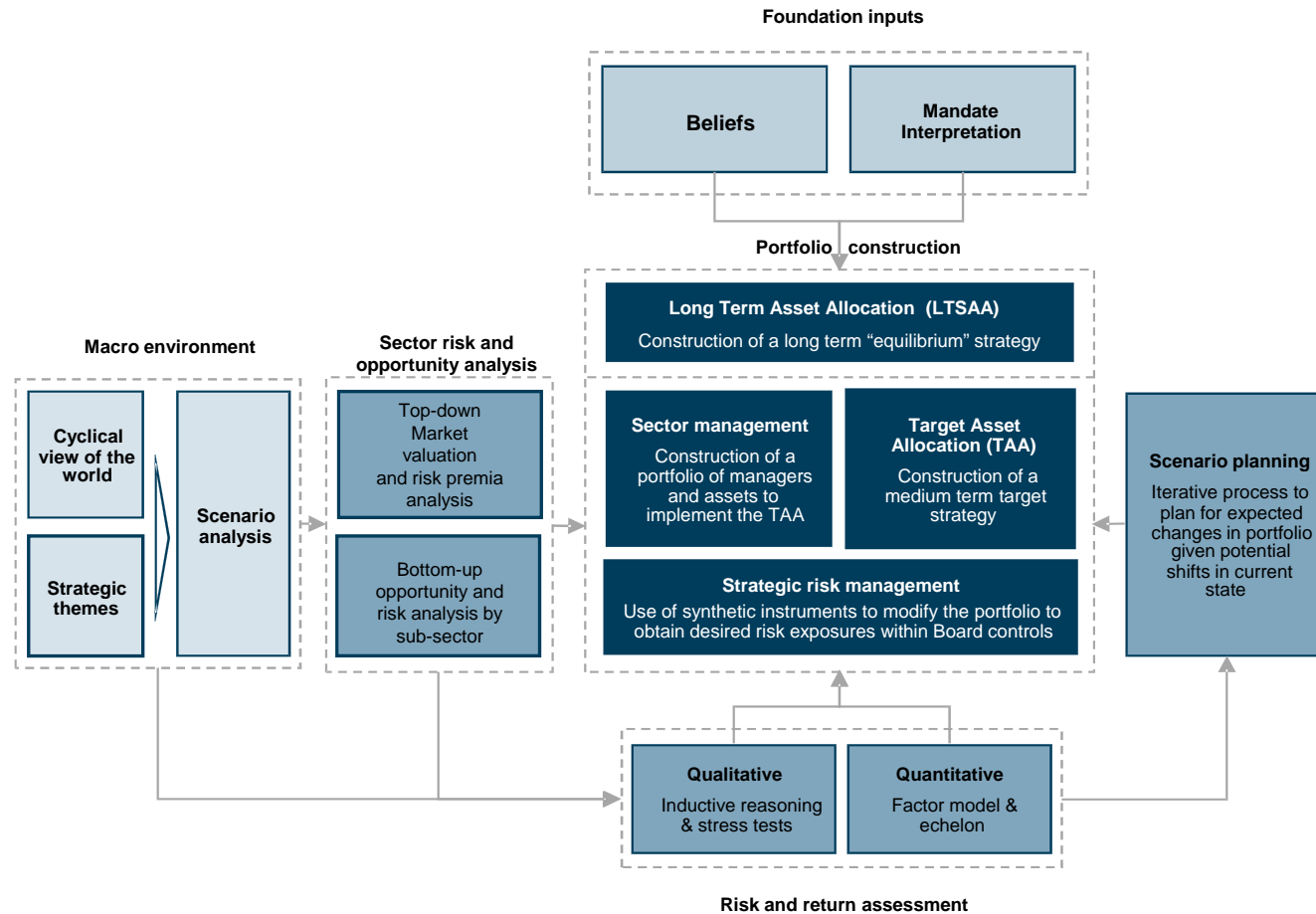
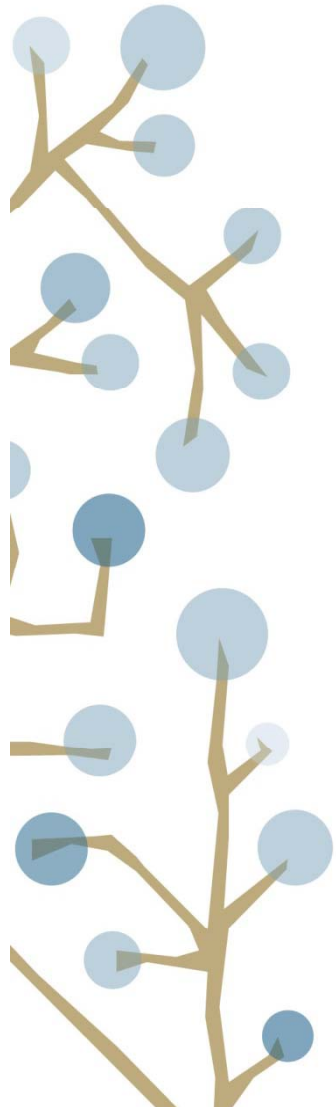
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Core Investment Principles

1. Our portfolio management is focused on the specific objectives of the Fund:
 - Maximise return, subject to acceptable but not excessive risk;
 - Investment Mandate benchmarks the Fund against at least CPI +4.5 - 5.5% per annum; and
 - Assessed over the long term, which we define as 10 years.
2. We construct a diversified portfolio that is, as far as possible, robust to an uncertain future
3. We believe prospective returns and risks change through time, and therefore manage the portfolio dynamically
4. We act as a single team, running an integrated process, managing a single, total portfolio
5. We seek a relatively small number of relatively large relationships
6. We manage for a net of costs return

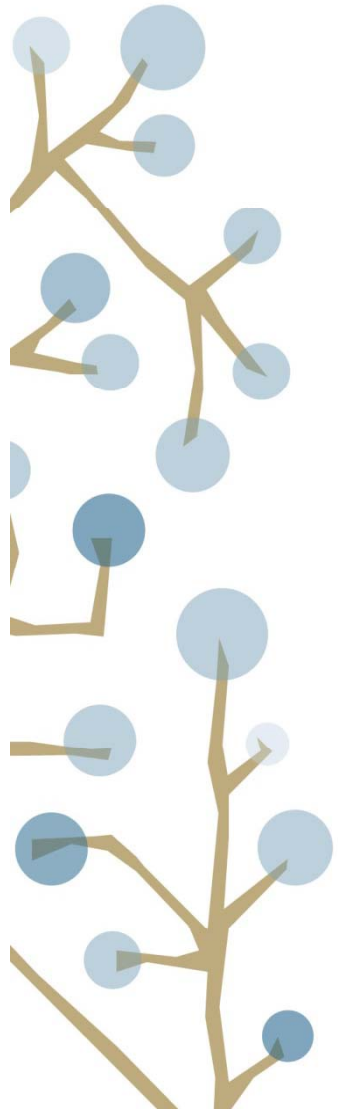


The Investment Strategy Process

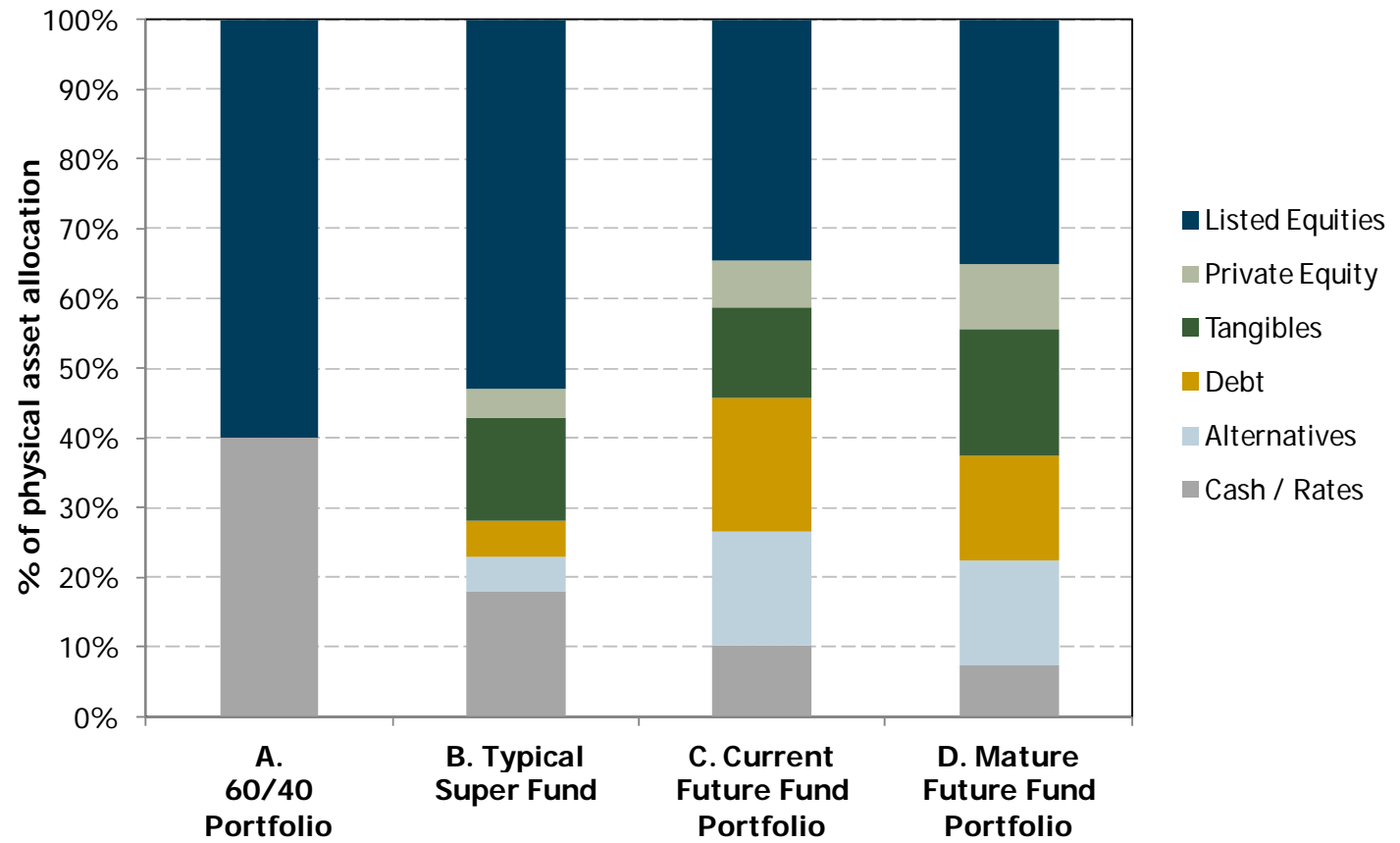


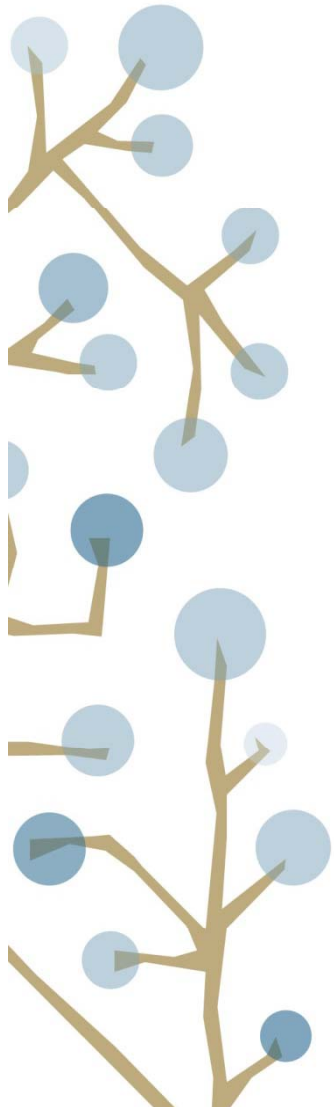
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Asset allocation



Physical asset allocation





Property

Our Approach

- We are attracted to the long term stable cash flows with an inflation linkage
- We target market sectors and geographies that we believe will outperform over the long term
- We seek the optimum entry point (listed, direct, equity or debt)
- We identify aligned, experienced and disciplined managers to access the target opportunities

Market Environment

- Globally, competition for prime real estate providing stabilised income is strong - we remain selective
- Less so for properties with near term vacancy, require some form of value add activity or are held in sub optimal or poorly capitalised corporate structures
- Debt capital remains scarce for this style of investment
- Bank deleveraging is still providing opportunity, particularly the stressed UK/European and US (to a lesser extent) markets

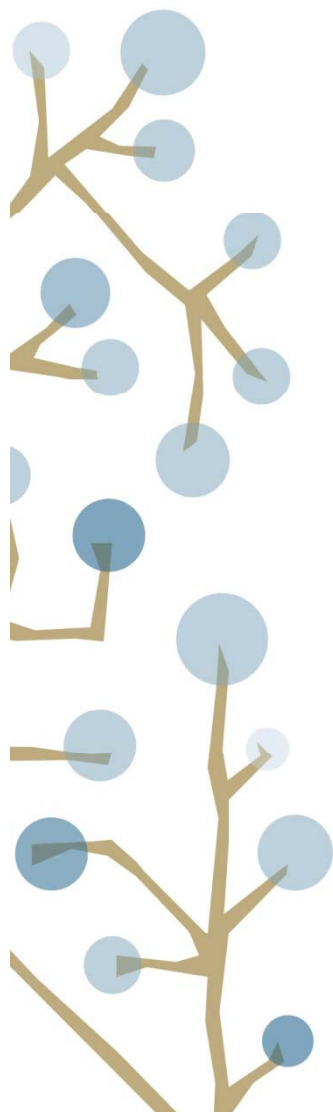
Our Portfolio

- Total exposure \$5.4bn as at 31 December 12 (6.6% of the Fund)
- 13 managers across 22 portfolios
- Australia comprises over \$2 billion of our total portfolio
- Recent performance has benefited from our exposure to listed REIT's and the demand for prime property
- Circa 31% of our property portfolio is invested in 'Value' strategies, and this remains a key priority for us

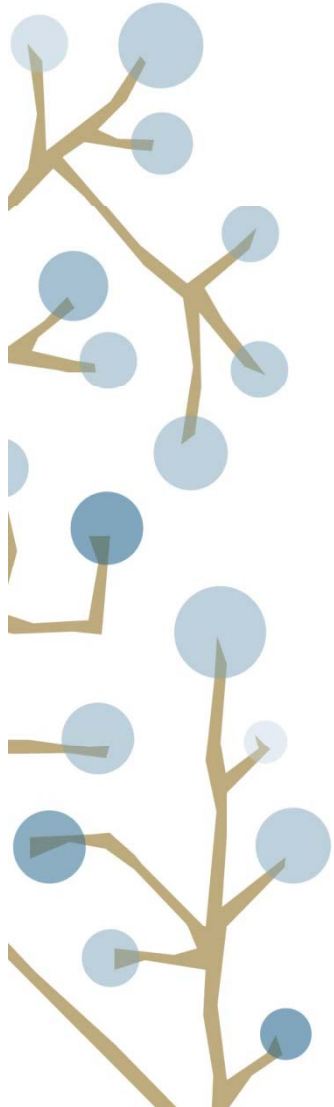
Portfolio at 31 December 2012

- Calendar year 12.8%pa
- 3 years 7.9%pa
- 5 years 5.3%pa
- Since 5 May 2006 5.4% pa

| Asset class | At 31 December 2011 | | At 31 December 2012 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | A\$ million | Percentage of Fund | A\$ million | Percentage of Fund |
| Australian equities | 7,898 | 10.8 | 9,156 | 11.1 |
| Global equities | | | | |
| Developed markets | 11,486 | 15.7 | 14,907 | 18.1 |
| Emerging markets | 3,719 | 5.1 | 4,356 | 5.3 |
| Private equity | 3,897 | 5.3 | 5,609 | 6.8 |
| Property | 4,383 | 6.0 | 5,419 | 6.6 |
| Infrastructure & Timberland | 4,135 | 5.7 | 5,293 | 6.4 |
| Debt securities | 12,990 | 17.8 | 15,732 | 19.1 |
| Alternative assets | 14,451 | 19.8 | 13,399 | 16.3 |
| Cash | 10,111 | 13.8 | 8,519 | 10.3 |
| Total | 73,070 | 100 | 82,390 | 100 |



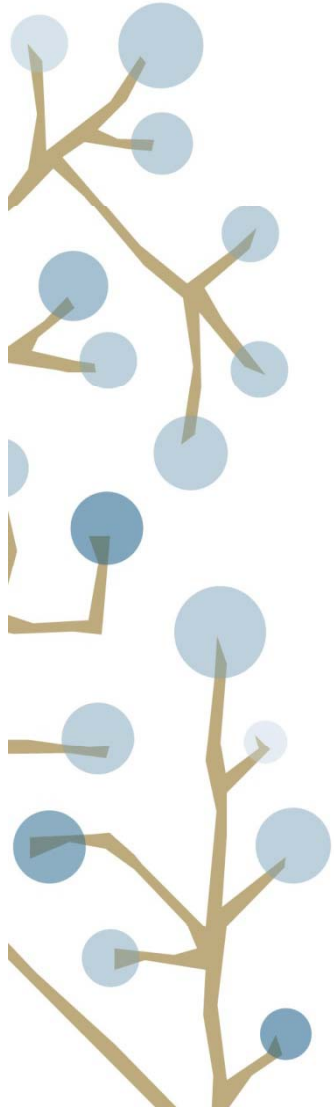
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Outlook

- Broad strategic context is defined by:
 - Powerful disinflationary deleveraging forces across many developed economies;
 - Large scale unconventional policy actions to counteract these forces; and
 - Secular growth story intact for many emerging markets, albeit not without risks.
- Markets are pricing in a slower growth environment, so expected returns are reasonable
- There remain many unresolved fragilities however, and so the distribution of prospective returns is wider than usual

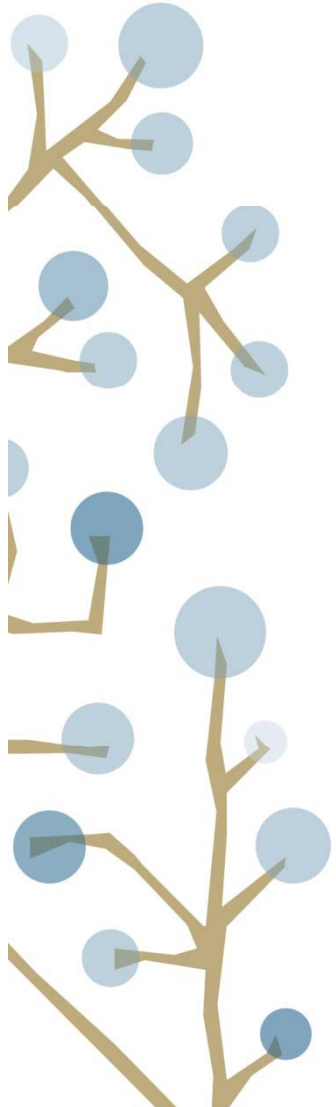
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Conclusion

- We believe it's important to build understanding of our investment process and long-term perspective and provide insight into our team and approach
- Today's briefing is part of our commitment to providing regular updates on the Fund
- The next briefing will be undertaken in conjunction with our full year results in September/October

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Future Fund

Briefing