

Investment Manager

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Portfolio update

The objective of the Third Link Growth Fund ("the Fund") is to provide an investment in Australian listed shares. To achieve this, the Fund extensively invests in other managed investment funds run by professional third party investment managers.

As at the end of September 2016 the portfolio was invested as shown in the table opposite.

Over the last six months the only changes to the portfolio, excluding movements in our cash investments were:

- ▶ The Fund paid a distribution of income to investors in respect of the six months ended 30 June 2016;
- ▶ The Fund transferred its full investment in the Ophir Opportunities Fund to the Ophir High Conviction Fund; and
- ▶ The Fund made an initial investment in the Macquarie Australian Small Companies Fund.

As at the end of September 2016 the Fund stands at \$108.6m in size (\$93.1m at the end of March 2016). During the last six months we received \$15.3m in new applications and processed redemptions totalling \$2.5m.

A description of each of the fund managers we invest with, including their funds listed in the table opposite, can be found on our website at www.thirdlink.com.au (see the section "Fund Managers We Invest With").

Each of these managers rebates their management fees and performance fees which apply to the investment of the Fund in their respective fund, effectively meaning they are managing the assets of the Fund for free. It is through this extraordinary generosity, together with that of other service providers (all listed on the Fund website), that Third Link is able to make sizeable donations to the charitable sector without diluting the returns to investors from the Fund. ■

AUSTRALIAN EQUITIES
General:

Share portfolio managed by JBWere	18.1%	
Bennelong Ex-20 Australian Equities Fund	8.7%	
Cooper Investors Australian Equities Fund	9.3%	
Greencape Wholesale High Conviction Fund	4.2%	
Goldman Sachs Premier Australian Equities Fund	6.2%	
Lazard Select Australian Equity Fund	5.2%	
Montgomery [Private] Fund	6.5%	
Ophir High Conviction Fund	5.0%	
Paradise Mid Cap Fund	9.2%	72.4%

Small Caps:

Aberdeen Australian Small Companies Fund	6.8%	
Harness Asset Management Small Companies Value Fund	3.2%	
Macquarie Australian Small Companies Fund	4.4%	
Pengana Emerging Companies Fund	7.0%	21.4%

93.8%

CASH & CASH EQUIVALENTS

Colonial First State Cash Enhanced Fund	5.9%	
Custodial account & other	0.3%	

6.2%

TOTAL

100.0%

The figures shown against each Australian equities fund listed above are not made on a look through basis. As a result where any underlying fund holds cash or cash equivalents, the Fund's total investment in cash or cash equivalents may be higher.

Using song to improve educational outcomes

The Song Room is recognised as Australia's leading arts education provider, having delivered its face-to-face programs to over 1,500 disadvantaged schools and communities in every state and territory since 2005.

The Song Room works with children up to 16 years old, especially those facing disadvantages such as:

- ▶ Low socio-economic circumstances;
- ▶ Indigenous communities and geographical isolation;
- ▶ English as a second language (refugees/new arrivals);
- ▶ Learning, health and disability challenges; and

- ▶ Disengagement and juvenile crime.

The Song Room aims to bridge the education equity gap for all Australian children by facilitating learning through the arts, starting with the most vulnerable groups and reaching all communities that lack specialist music and arts education. The programs help the students grow in confidence and self-esteem, stay on task longer,

be more willing to have a go and feel more involved in learning and community.

The Song Room also helps to grow the resources and skills needed by schools and their teachers to ensure the continuation and sustainability of music and arts education beyond The Song Room programs.

An independent evaluation

Continued over

Fund performance

It is the aim of Third Link Growth Fund to outperform, after fees and over rolling five year periods, the S&P/ASX 300 Accumulation Index¹.

As at the end of September 2016, the Fund performance relative to the Fund benchmark was as shown in the table opposite.

Over the last 6 months the Fund produced a return of +9.9% after fees compared to the S&P/ASX 300 Accumulation Index of +9.4% over the same period.

The longer term performance of the Fund, as shown in the table opposite, continues to be very pleasing, with the Fund outperforming its benchmark over all time periods. This has been achieved because of solid long-term investment results by the fund managers utilised by the Fund, validating their continuing

Our active approach to adding value for investors is proving to be rewarding.

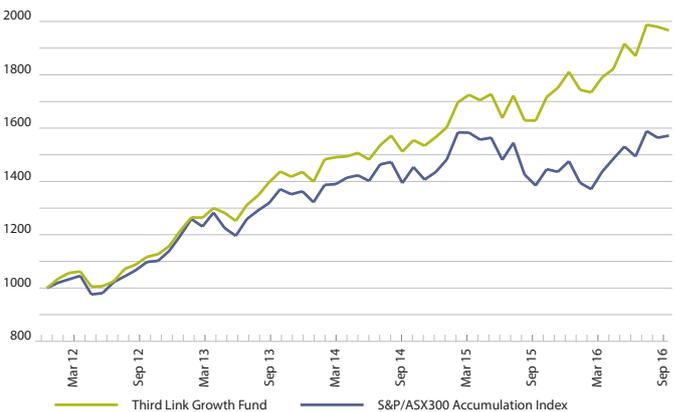
inclusion. This result also continues to demonstrate that our active approach to adding value for investors is proving to be rewarding. ■

- 1 The S&P/ASX 300 Accumulation Index covers the largest 300 shares listed on the Australian stock market. Being an accumulation index, it measures changes in both the value and income of the shares.
- 2 A comparison of the Fund return to the S&P/ASX 300 Accumulation for the 5 year period has not been included as until the end of January 2012 there was a different benchmark.

	three months	six months	one year	two years	three years	four years	five years
Third Link Growth Fund	+5.1%	+9.9%	+20.8%	+14.1% pa	+12.1% pa	+15.9% pa	+15.5% pa
S&P/ASX 300 Accumulation Index	+5.2%	+9.4%	+13.5%	+6.2% pa	+6.0% pa	+10.2% pa	+4.0% pa
Fund performance relative to benchmark	-0.1%	+0.5%	+7.3%	+7.9% pa	+6.1% pa	+5.7% pa	n/a ²

Returns are calculated after fees have been deducted and assuming reinvestment of distributions. Figures greater than one year are expressed as annual compound returns. No allowance is made for tax. The benefits of franking credits from dividends received have been ignored.

Third Link Growth Fund vs S&P/ASX300 Accumulation Index
Value of \$1,000 since February 2012



'The Song Room programs are driven by the need to address the enormous gaps in access to music and arts teachers in Australian schools, despite the strong evidence that creativity can bridge the gap in educational outcomes in disadvantaged communities.'

CAROLINE AEBERSOLD
CEO, THE SONG ROOM

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of their workshop programs demonstrated that, compared to control schools, participants had significantly improved education, social and personal outcomes, such as higher school attendance along with improved academic outcomes, lower levels of depression and anxiety, and improve self-esteem and school engagement.

The programs are delivered in four key settings:

- ▶ **School workshop program** – Improving school engagement

and wellbeing. A teaching artist is placed in participating schools for 1 day per week over 6–18 months using a range of art-forms and themes.

- ▶ **Early literacy program** – School readiness and parental engagement. Parents participate in sessions with their children at the school and in the community with Teaching Artists using storytelling and song.
- ▶ **Creative community events** – Connecting school, parents and community with events such as: art installations; school murals; production of CDs/DVDs; school exhibitions/performances.
- ▶ **ARTS:LIVE online digital portal** – national online arts education portal providing curriculum-aligned, digital arts education resources, for Foundation to Year 10. Free to all schools in Australia.

The programs are shown to significantly improve educational outcomes (such as attendance, academic grades, numeracy and literacy) as well as social and emotional wellbeing outcomes for the 15,000 children who participate in their programs each week. ■

Charities we support

- ▶ AIME – Australian Indigenous Mentoring Experience
- ▶ Batyr
- ▶ Beacon Foundation
- ▶ Children's Ground
- ▶ Foundation for Rural and Regional Renewal
- ▶ National Centre for Childhood Grief
- ▶ The Song Room
- ▶ Uplifting Australia

Amount donated

Third Link has donated the following amounts to our charitable partners:

- ▶ **\$5.1 million to date.**
- ▶ **\$630,000 in the six months to 30 September 2016.**

Important Information: This information has been issued by Third Link Investment Managers Pty Ltd (Third Link), ABN 31 128 965 702, AFSL 321311 as investment manager of the Third Link Growth Fund (the Fund). This information provided is general information only. It does not constitute financial, tax or legal advice or an offer or solicitation to subscribe for units in the Fund. This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, you should consider the appropriateness of the information based on your own objectives, financial situation or needs or consult a professional adviser. There can be no assurance that the Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in the Fund. All investments carry risks. Past fund performance is not indicative of future performance. Bennelong Funds Management Ltd (BFML), ABN 31 111 214 085, AFSL No. 296806 is the Responsible Entity for the Fund. Applications can only be made on the application form dated 24 June 2016 accompanying the Fund Product Disclosure Statement (PDS) dated 24 June 2016. Potential investors should consider the PDS and the Additional Information to the PDS (AIB) before deciding whether to invest, or continue to invest in the Fund. The PDS and AIB can be obtained from www.thirdlink.com.au or by contacting Third Link.



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CHRIS CUFFE

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