

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 with professional third party investment managers.

As at the end of September 2017 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 2017;
- ▶ The Fund made initial investments in the L1 Capital Australian Equities Fund and the Lennox Australian Small Companies Fund;
- ▶ The Fund made additional investments in the Aberdeen Australia Small Companies Fund, Bennelong Ex-20 Australian Equities Fund, Cooper Investors, Greencape Wholesale High Conviction Fund, Lazard Select Australian

Equity Fund, Lennox Australian Small Companies Fund, Ophir High Conviction Fund, Paradise Mid Cap Fund;

- ▶ The Fund made a full redemption of the investment in the Yarra Premier Australian Equities Fund.

As at the end of September 2017 the Fund stands at \$149.6m in size (\$108.6m at the end of June 2017). During the last six months we received \$24.8m in new applications and processed redemptions totalling \$3.2m.

A description of each of the fund managers we invest with 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, 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:

Frank Macindoe (JBWere) IMA	15.8%	
Bennelong Ex-20 Australian Equities Fund	10.7%	
Cooper Investors Australian Equities Fund	9.7%	
Greencape Wholesale High Conviction Fund	4.7%	
Lazard Select Australian Equity Fund	7.6%	
L1 Capital Australian Equities Fund	5.1%	
Montgomery [Private] Fund	5.7%	
Paradise Mid Cap Fund	8.8%	68.1%

Small Caps:

Aberdeen Australian Small Companies Fund	6.3%	
Harness Asset Management Small Companies Value Fund	2.9%	
Lennox Australian Small Companies Fund	4.1%	
Ophir High Conviction Fund	5.3%	
Pengana Emerging Companies Fund	4.8%	23.4%

91.5%

CASH & CASH EQUIVALENTS

Colonial First State Wholesale Premium Cash Enhanced Fund	5.7%	
Custody Account & Other	2.8%	

8.5%

TOTAL 100.0%

The figures shown against each Australian equities fund listed above are not shown 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.

The Mirabel Foundation

The Mirabel Foundation was established in Victoria in 1998 and extended into New South Wales in 2003 to support children aged 0-17 who have been orphaned or abandoned due to their parents’ drug use. CEO Jane Rowe founded Mirabel after having witnessed in her work as a

drug and alcohol counsellor the devastating effects that drug use has on the children of drug users and the cycle of abuse that repeats itself through generations.

Mirabel fills a niche for children who face not only huge trauma and difficulties, but also stigma and shame due to the drug use of

their parents. It provides practical and emotional support as well as a safe space where affected children and their carers can connect with others who have had similar experiences.

This children’s charity has 19 years’ experience and currently supports over 1,500 children orphaned or abandoned due to their parents’ drug use, with

demand increasing by more than 20% each year. Mirabel does this through a multitude of programs targeting children who frequently have unique needs, and kinship families, primarily aging grandparents, who have given up their plans for retirement to provide a safe home. Such programs include:

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 2017 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 +3.6% after fees compared to the S&P/ASX 300 Accumulation Index of -0.7% over the same period.

The longer term performance of the Fund, as shown in the table opposite, continues to be very pleasing. This has been achieved because of solid long-

Our active approach to adding value for investors over the long term is proving to be rewarding.

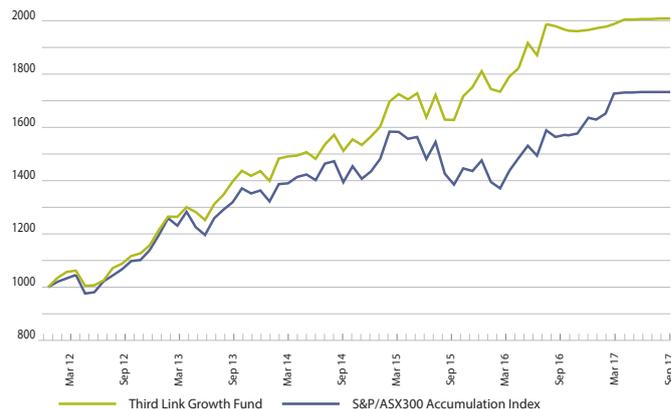
term investment results by the fund managers utilised by the Fund, validating their continuing inclusion. This result also continues to demonstrate that our active approach to adding value for investors over the long term is proving to be rewarding.

	three months	six months	one year	two years (pa)	three years (pa)	five years (pa)	since February 2012 (pa) ²
Third Link Growth Fund	+0.9%	+3.6%	+4.3%	+12.3%	+10.7%	+13.5%	+13.5%
S&P/ASX 300 Accumulation Index ¹	+0.8%	-0.7%	+9.1%	+11.3%	+7.1%	+10.0%	+10.0%
Fund performance relative to benchmark	+0.1%	-4.3%	-4.8%	+1.0%	+3.6%	+3.5%	+3.5%

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 not been included.

- The S&P/ASX 300 Accumulation Index covers the largest 300 shares listed on the Australian market. Being an accumulation index, it measures changes in both the value and income of the shares.
- February 2012 reflects the date when the Fund's investment strategy changed from multi sector growth to Australian equities.

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



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- ▶ Assessment and Crisis Support
- ▶ Kinship Carer Support Groups
- ▶ Mirabel House and Respite
- ▶ Family Camps and Events
- ▶ Advocacy and Awareness
- ▶ Education
- ▶ Recreation and Social Inclusion
- ▶ Therapeutic Groups
- ▶ Youth Support

These programs are designed to keep vulnerable young people in a nurturing family environment and out of the overcrowded foster and residential care system. All Mirabel's programs work at restoring a sense of belonging, confidence and hope to these children's lives whilst at the same time breaking the destructive cycle of addiction.

A recent Social Return on Investment study by Social Ventures Australia found that Mirabel's intervention creates \$6.60 of social and economic value for every \$1 invested.

Third Link has provided Mirabel with a one-off \$250,000 grant towards the purchase of a new building to house their growing staff and hold group sessions. Thanks to significant funder support, Mirabel was able to secure a building which is currently undergoing renovations in Melbourne's St Kilda. Additionally, Third Link is providing ongoing funding of \$100,000 per year for three years to support the expansion of Mirabel's work in the NSW Hunter region, where there is particularly high demand. ■

Charities we support

- ▶ AIME – Australian indigenous Mentoring Experience
- ▶ BackTrack
- ▶ batyr
- ▶ Children's Ground
- ▶ Dismantle
- ▶ Foundation for Rural and Regional Renewal
- ▶ The Mirabel Foundation
- ▶ National Centre for Childhood Grief
- ▶ Raise Foundation
- ▶ The Song Room
- ▶ Shine for Kids

Amount donated

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

- ▶ **\$6.9 million to date.**
- ▶ **\$1.1 million in the six months to 30 September 2017.**

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 39 111 214 085, AFSL No. 296806 is the Responsible Entity for the Fund. Applications can only be made on the application form dated 19 August 2017 accompanying the Fund Product Disclosure Statement (PDS) dated 19 August 2017. 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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