



THANK YOU FOR JOINING



THE WEBINAR WILL BEGIN
SHORTLY

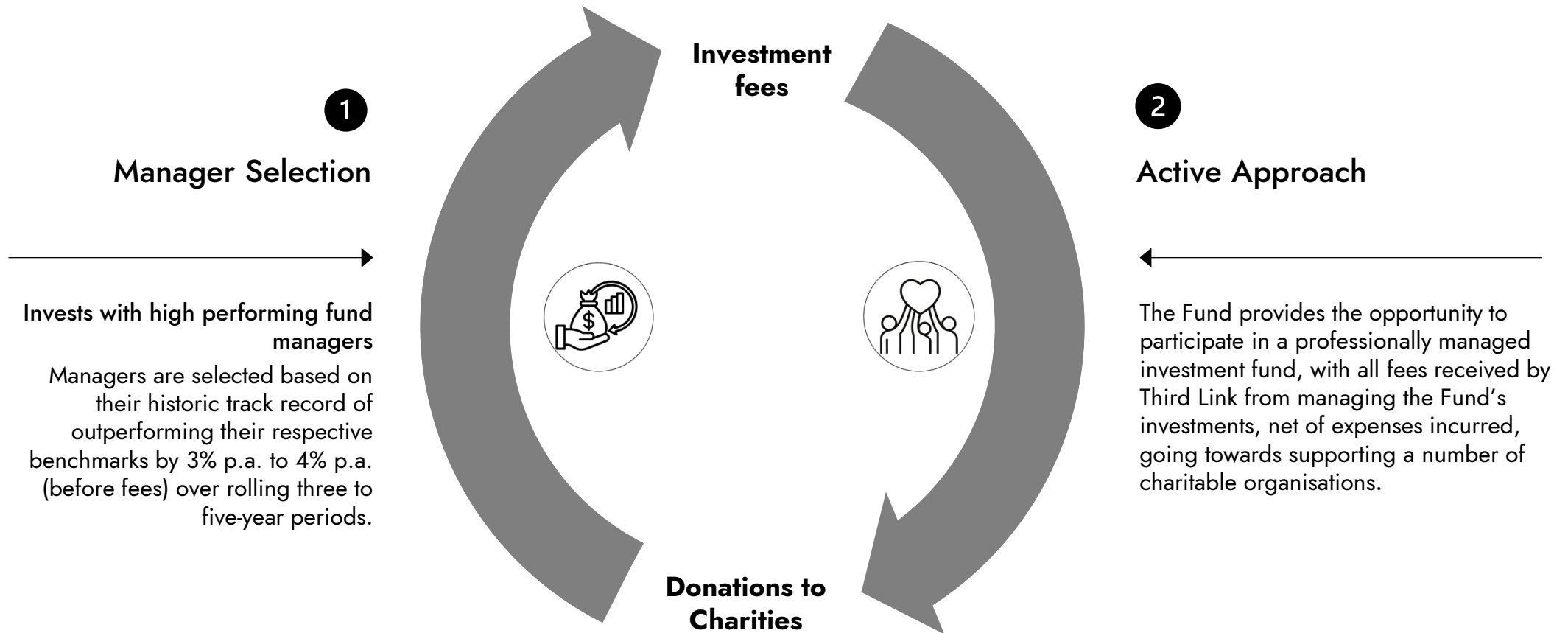


Disclaimer

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Investment Philosophy



Underlying Managers

1851 | CAPITAL

 **Auscap**
Asset Management

 **Australian Eagle**
Asset Management

 **COOPER**
INVESTORS

 **DNR Capital**

E C P


eiger capital

 **ELEY GRIFFITHS**
GROUP

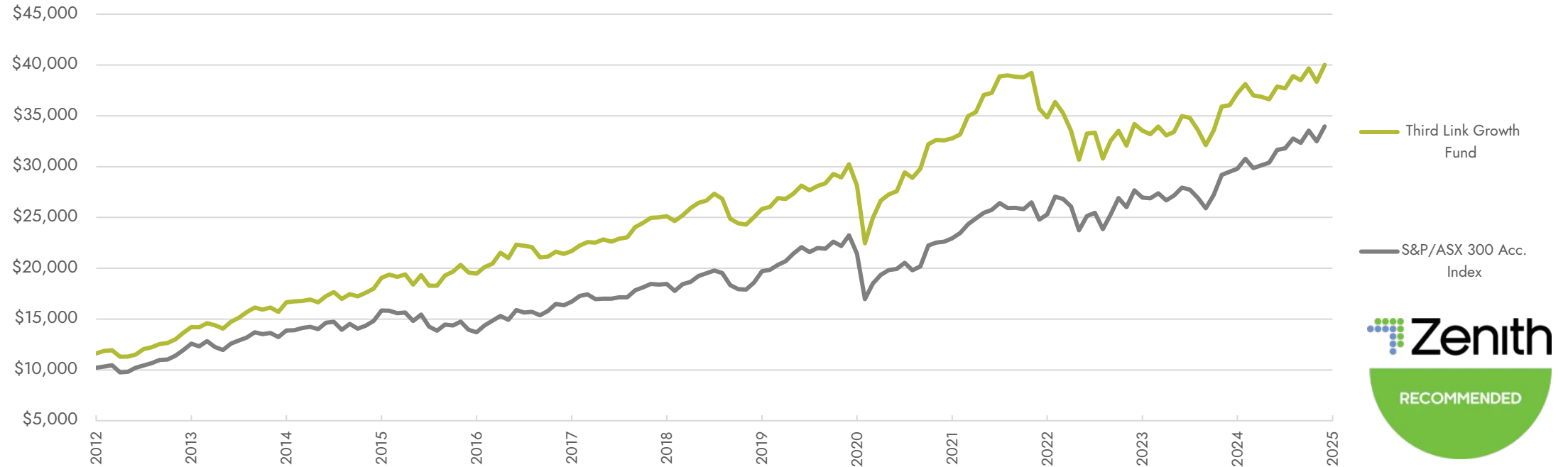
 **Greencape**
CAPITAL


L1 CAPITAL

LENNOX 
CAPITAL PARTNERS

 **PENGANA**
CAPITAL GROUP

Fund Performance to 31 January 2025



Performance (Net)	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE FEBRUARY 2012 ³
Third Link Growth Fund	+3.94%	+5.65%	+11.04%	+3.87% pa	+5.77% pa	+8.32% pa	+10.26% pa
S&P / ASX 300 Accumulation Index ¹	+4.98%	+7.28%	+15.09%	+11.07% pa	+7.88% pa	+8.65% pa	+9.85% pa

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.

1 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.

2 The Fund was registered on 12 March 2008, commenced operations on 18 April 2008, and commenced investing on 1 June 2008 as a multi-sector growth fund. In February 2012 the Fund's investment strategy changed from multi-sector growth to Australian equities.

Community Impact

The Fund offers professional investment management, with all fees (net of expenses) directed towards supporting a number of charitable organisations.

Provided the Fund operates at a reasonable size, the aim is that this contribution will equate to more than 1% per annum of the Fund's value. This would mean if you invest \$50,000 in the Fund you will effectively be contributing at least \$500 per annum to charity.

This 1% is not an additional expense to the normal fees and expenses of managing the Fund and does not dilute investment returns.

Your fees make a difference.

\$426k

donated in the quarter ended 31 Dec 24

29

charities in total

\$22.6m

donated since inception

BackTrack

campbell page



DISMANTLE

fya



Go Gentle Australia



ncccg
NATIONAL CENTRE FOR CHILDHOOD GRIEF

GRATTAN
Institute

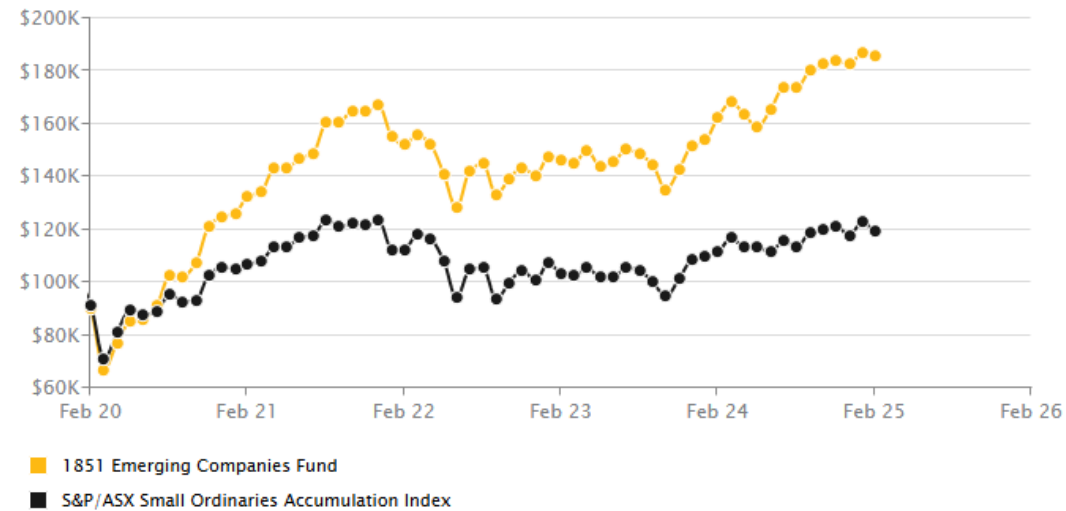
THE ETHICS CENTRE

As at 28 February 2025	1 m	6 m	1 yr (p.a.)	3 yrs (p.a.)	5 yrs (p.a.)	Since Inception (p.a.) [*]	Since Inception (Total) [*]
1851 Emerging Companies Fund [^]	-0.6%	7.0%	14.4%	6.9%	15.6%	13.0%	85.9%
S&P/ASX Small Ordinaries Accumulation Index	-2.8%	5.7%	7.3%	2.1%	5.6%	3.6%	19.7%
OUTPERFORMANCE	2.2%	1.3%	7.1%	4.8%	10.0%	9.4%	66.2%

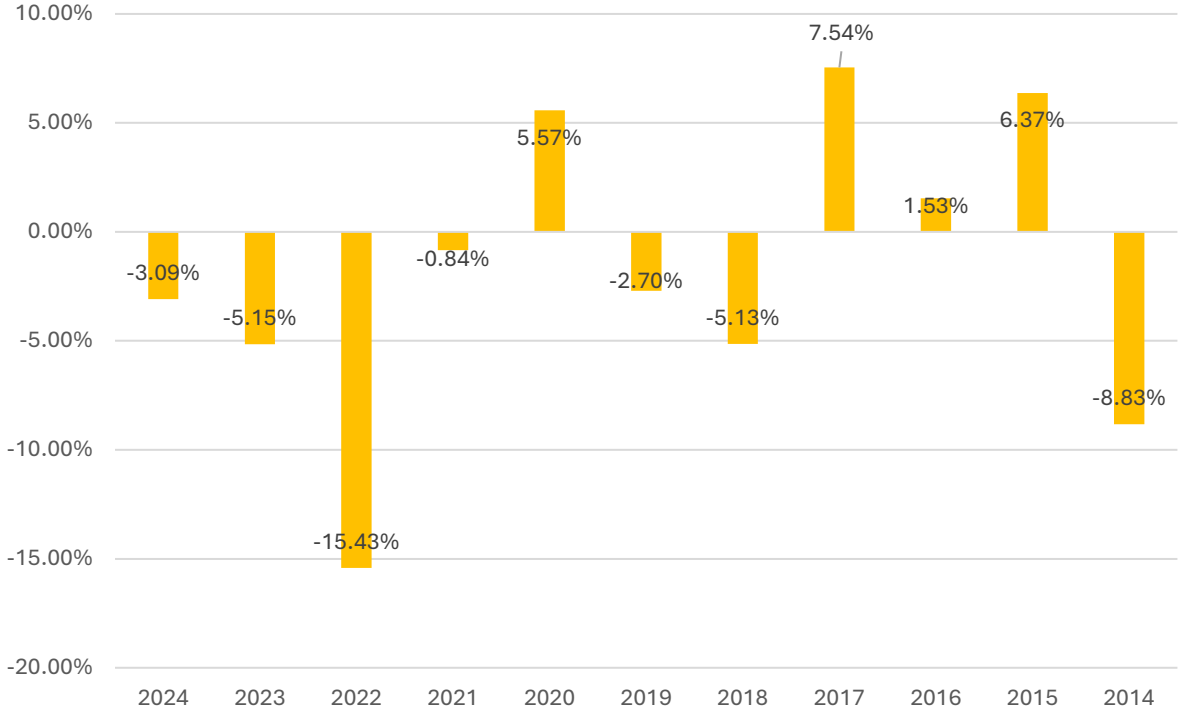
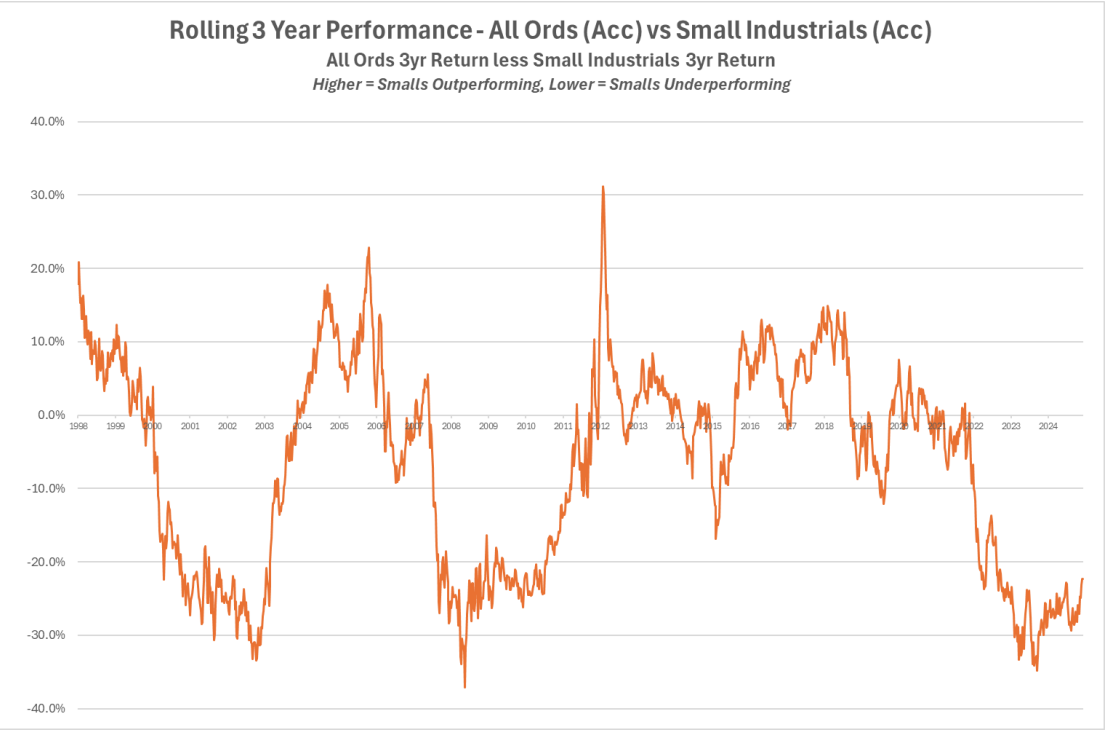
[^] Performance is reported **AFTER all fees and expenses**. Past performance is not a reliable indicator of future returns.

^{*} 1 February 2020

| NET RETURN ON \$100K SINCE INCEPTION

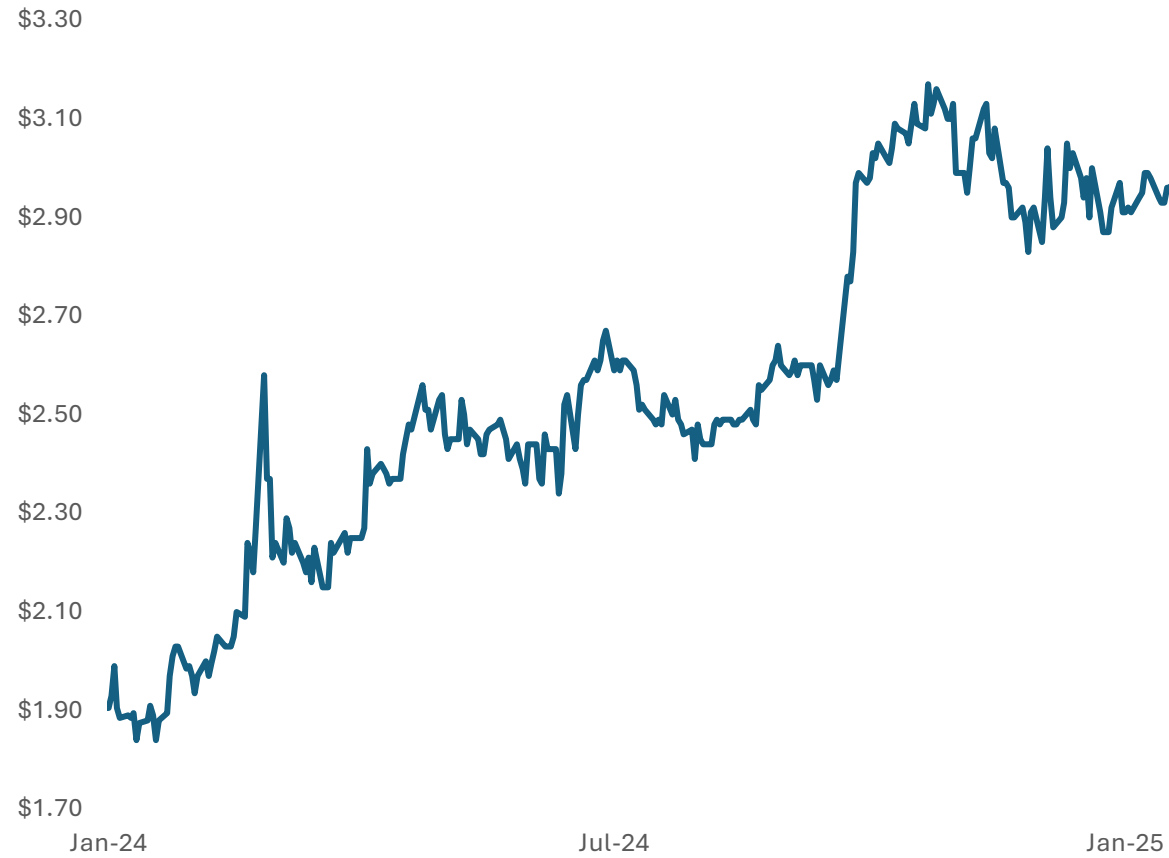


SMALL CAP UNDERPERFORMANCE



Source: Evans & Partners and IRESS

INTEGRAL DIAGNOSTICS (IDX)



Source: IRESS

Auscap Ex-20 Fund

Net Returns (post fees and expenses)*

31 January 2025	1 mth	6 mth	1 yr	FYTD	Inception p.a. ¹
Auscap Ex-20 Australian Equities Fund	5.8%	7.7%	16.8%	13.7%	23.7%
S&P/ASX 300 Ex S&P/ASX 20 Index	5.2%	9.2%	17.0%	13.4%	21.3%
Outperformance	+0.6%	-1.5%	-0.2%	+0.3%	+2.4%

1. Inception is December 2023

*Post all fees and expenses, and assuming the reinvestment of all distributions. Numbers may not add due to rounding. Past performance is not a reliable indicator of future performance.

Quality

Value

Conviction

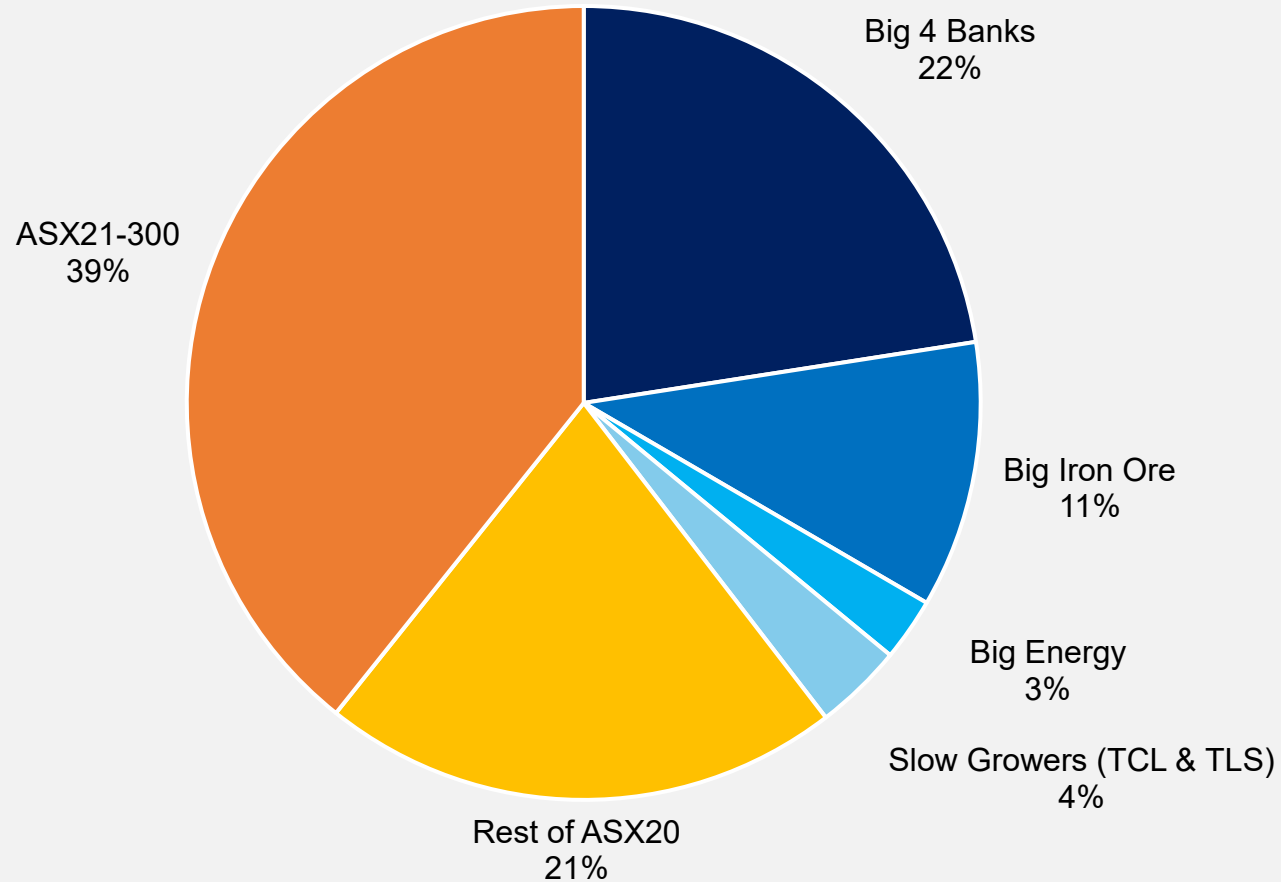
Australian Equities



The Australian Indices Are Concentrated In Large Caps

One third of the ASX 300 is composed of large caps with little earnings growth

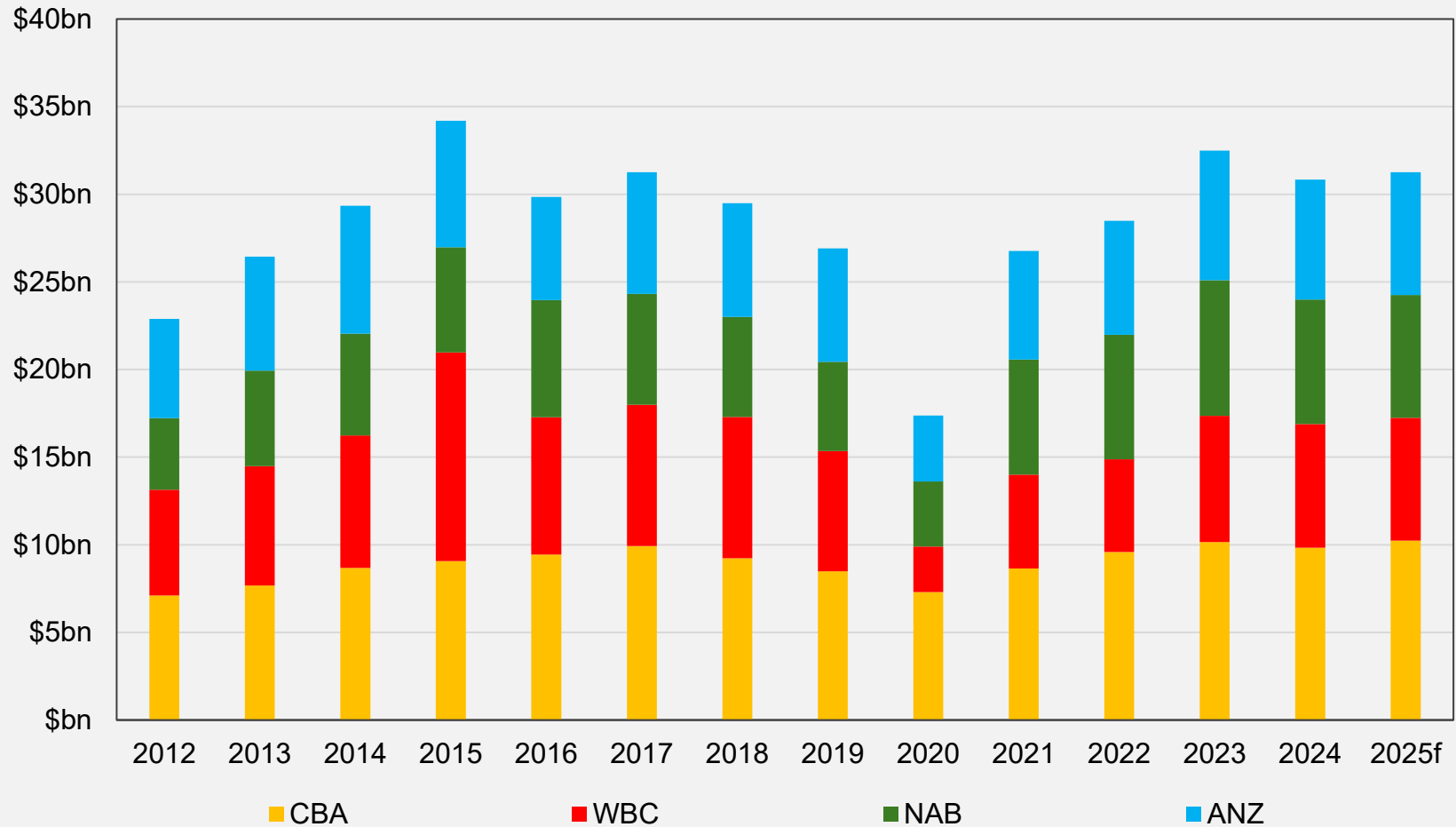
ASX 300 Composition



Australian Retail Banks

Have failed to collectively grow earnings for over a decade

Combined Big 4 Bank Net Profit After Tax



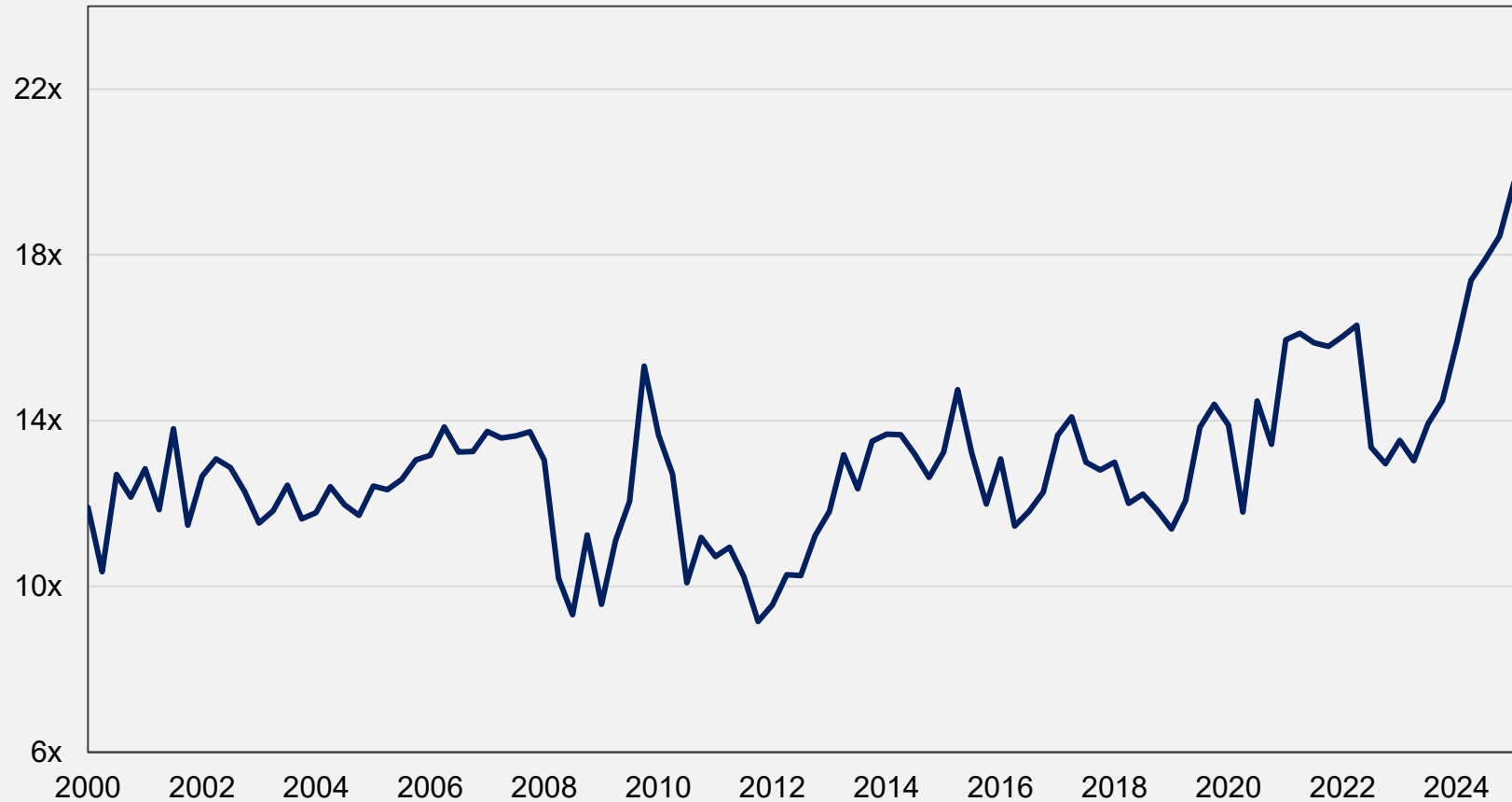
Source: Auscap, FactSet



Australian Retail Banks

Yet they are collectively trading on the highest ever multiple of earnings

Big 4 Bank Weighted Forward P/E ratio



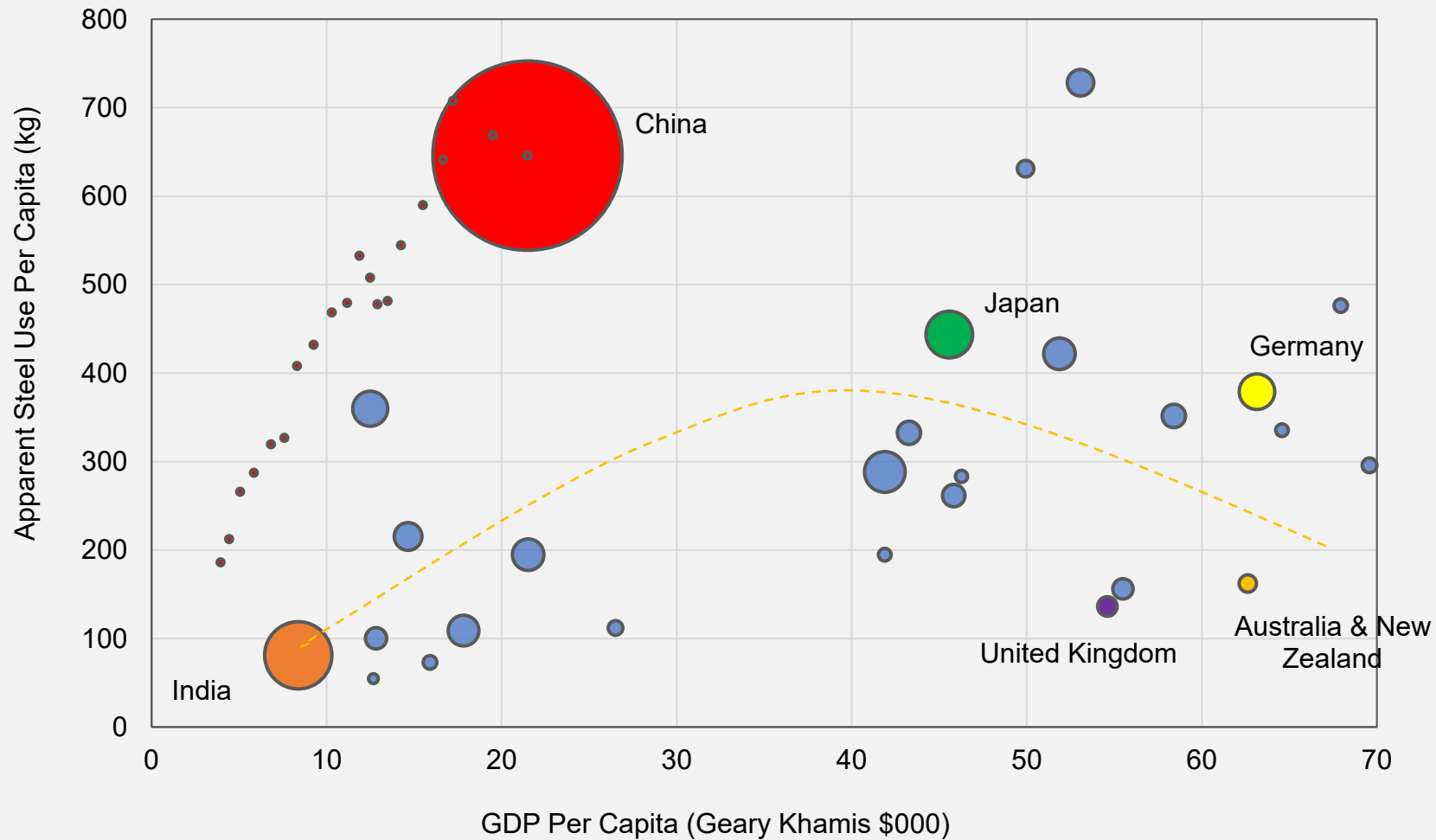
Source: Auscap, FactSet



China's Steel Use Appears To Have Peaked In 2020

This weakens the earnings outlook for Australia's iron ore producers

Steel Use vs Income Per Capita



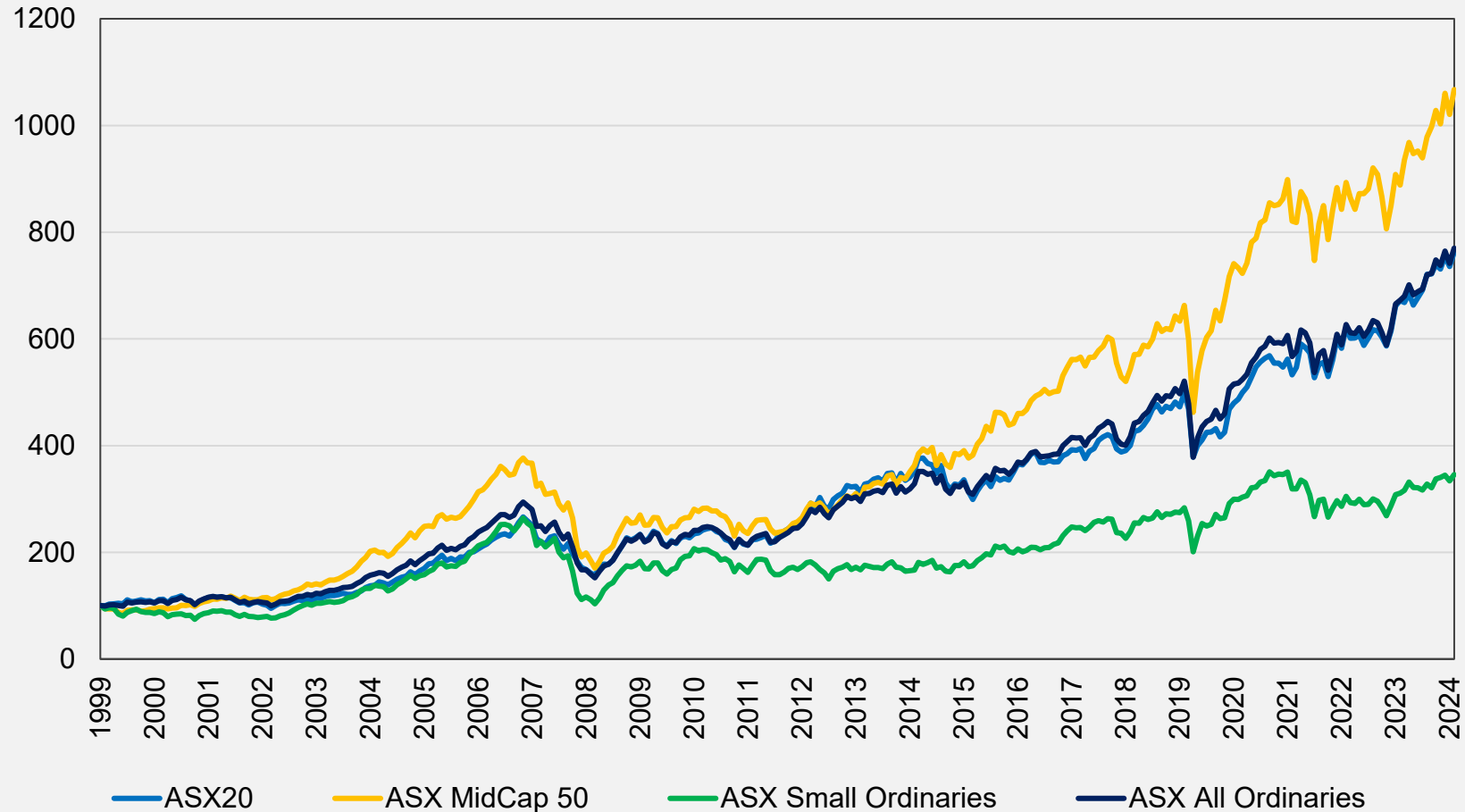
Value
Quality
Quality
Conviction
Australian Equities
Quality
Value
Conviction
Australian Equities



Australian Mid Caps Are An Opportunity

Mid-Caps have outperformed other indices over most time horizons

Long Term ASX Index Performance (rebased to 100)



Why Have Mid Caps Outperformed?

Mid-Caps have outperformed due to **stronger earnings growth**

	ASX All Ordinaries	ASX 20	ASX Mid-Cap 50	ASX Small Ords
FY14-24 Annualised Dividend Yield (A)	4.1%	4.8%	3.2%	3.0%
FY14-24 Annualised EPS growth (B)	3.2%	1.7%	7.5%	0.9%
Implied Annualised Total Return (A+B)	7.3%	6.5%	10.7%	3.9%
Actual Annualised Total Return	8.3%	7.6%	11.1%	6.4%

Quality

Value

Conviction

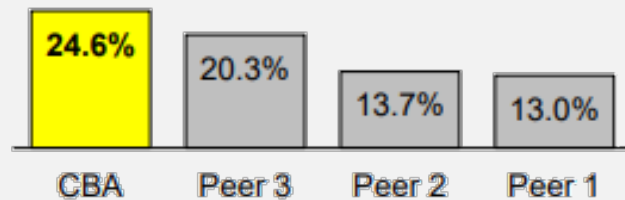
Australian Equities



The big four banks are collectively losing market share

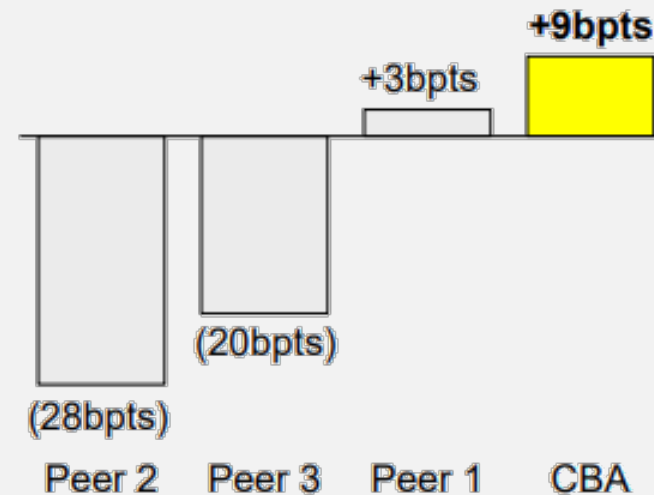
Macquarie now has a 5.6% share in the mortgage market

Home lending share²

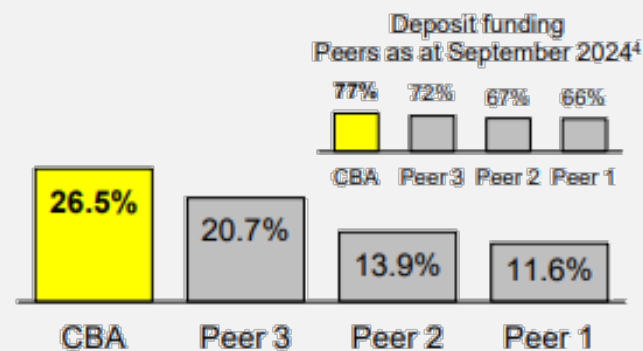


Change in home loan market share

Four largest banks^{2,3}
Sep 24 vs Mar 24



Household deposits share³



Quality

Value

Conviction

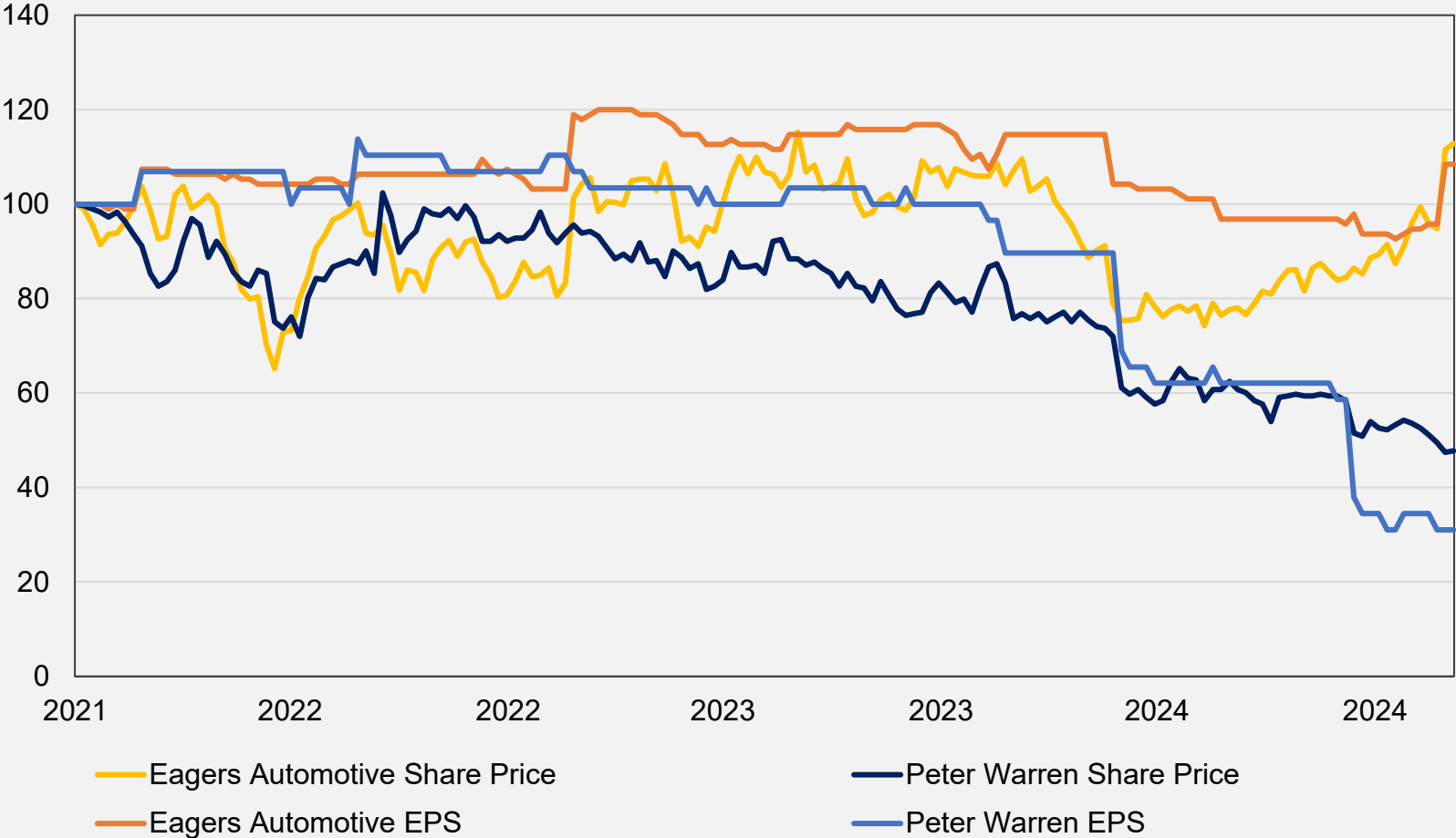
Australian Equities



Eagers Automotive

Eagers Automotive's earnings have proved more resilient than peers

Australian Automotive Share Prices and 1 Year Forward EPS (rebased to 100)



Quality
Value
Conviction
Australian Equities



Nick Scali

Nick Scali's earnings have proved relatively resilient (including Fabb investment)

Homewares and Furniture Share Prices and 1 Year Forward EPS (rebased to 100)



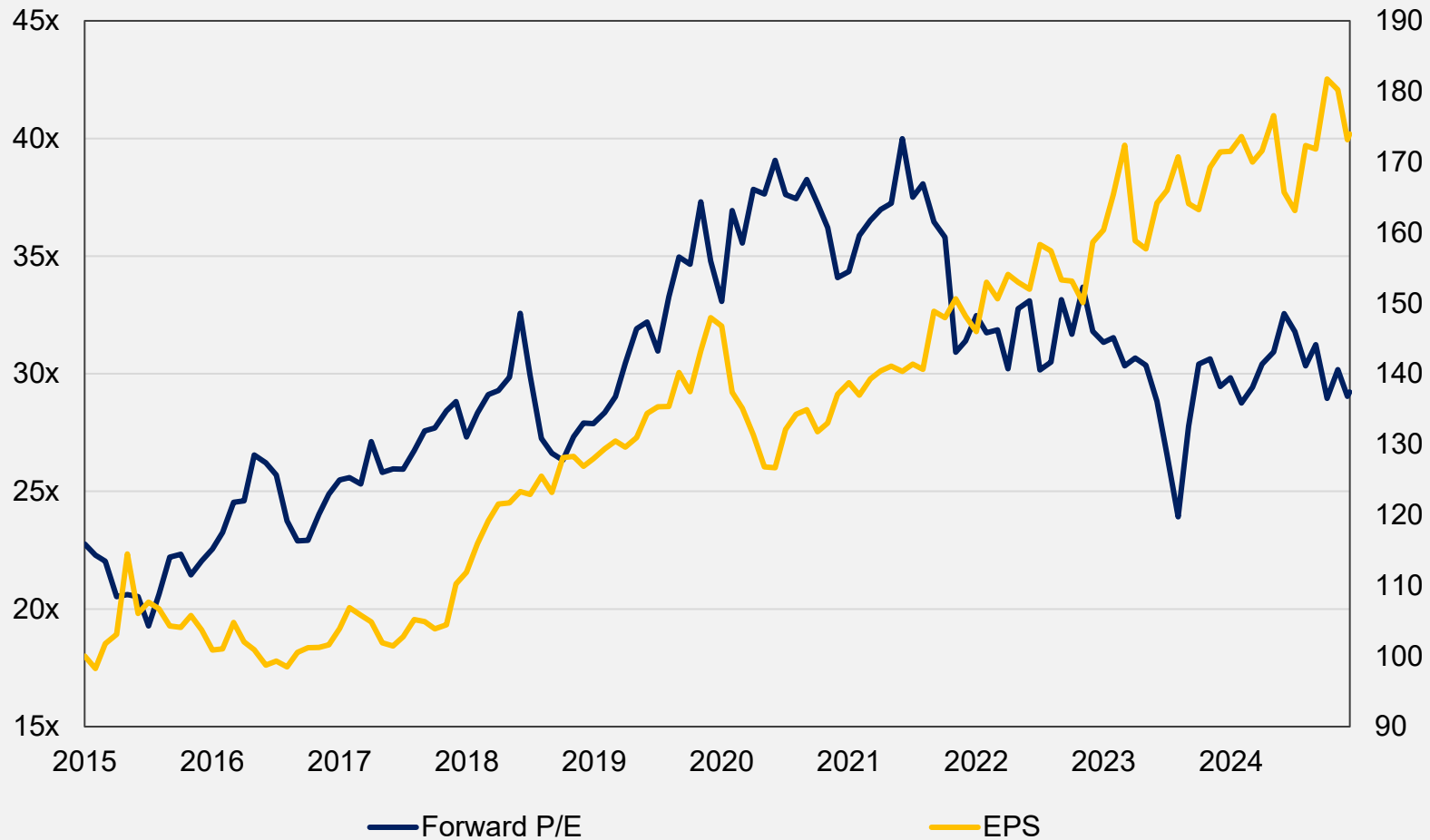
- Quality
- Value
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- Australian Equities



Australian Healthcare Stocks

Many healthcare stocks have been poor performers over recent years, despite delivering resilient earnings growth

ASX 200 Healthcare P/E Ratio (LHS) and Forward EPS (RHS)



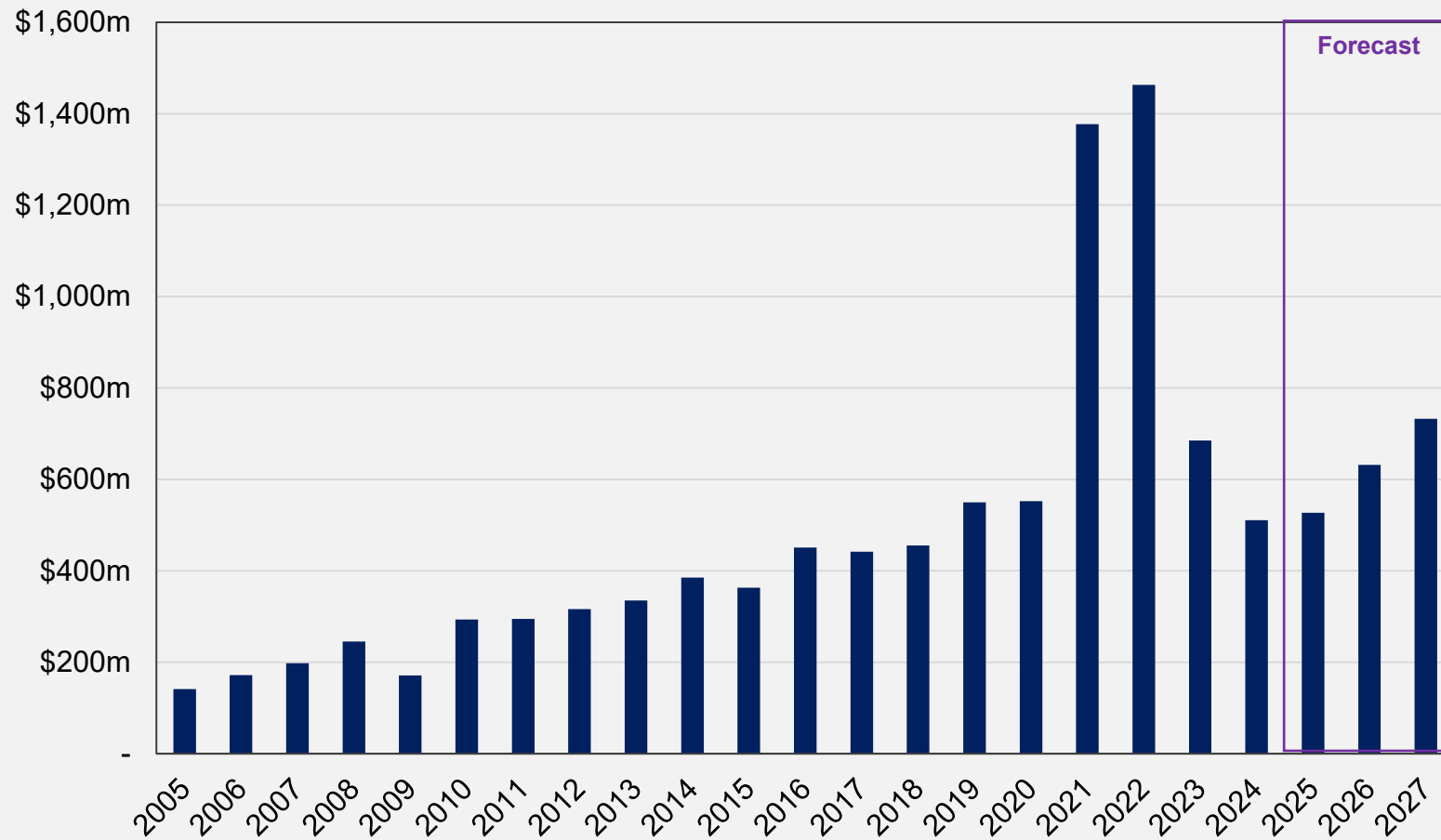
- Quality
- Value
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Sonic Healthcare

Strong earnings growth is anticipated going forward

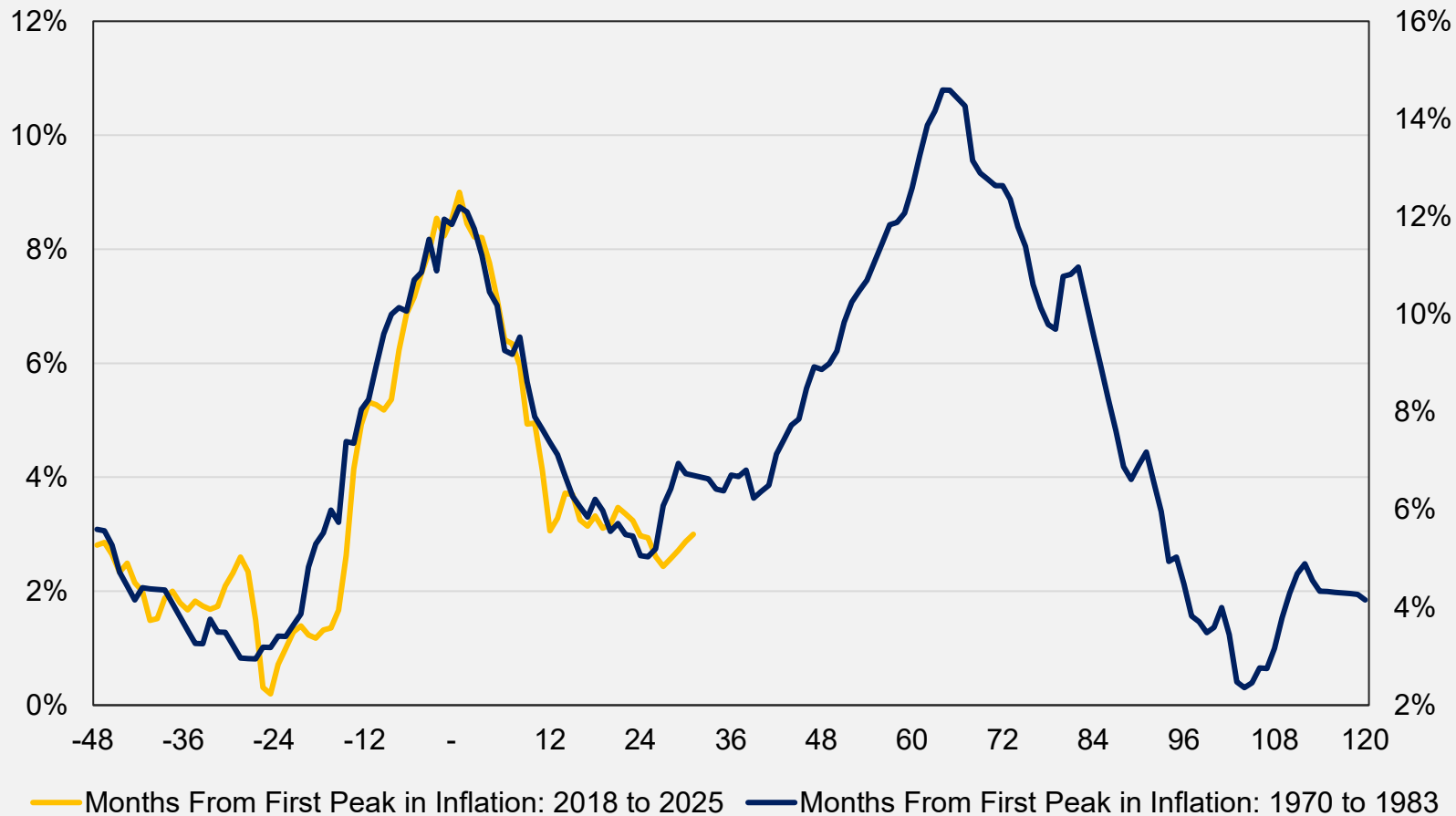
Sonic Healthcare Net Profit (\$m)



Inflation

There is historical precedent for inflation to come in two waves

US Inflation: 1970s vs Today



— Months From First Peak in Inflation: 2018 to 2025 — Months From First Peak in Inflation: 1970 to 1983

Source: Auscap, Bloomberg





Q & A



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FOR JOINING**

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or email nina@thirdlink.com.au