

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 March 2019 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 that the Fund paid a distribution of income to investors in respect of the six months ended 31 December 2018.

As at the end of March 2019 the Fund stands at \$165.83m in size (\$155.46m at the end of December 2018). During

the last 6 months we received \$4.65m in new applications and processed redemptions totalling \$2.20m.

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 (Koda Capital) IMA	19.6%	
Bennelong Ex-20 Australian Equities Fund	10.3%	
Cooper Investors Australian Equities Fund	8.9%	
Ethical Partners Australian Share Fund	2.8%	
Greencape Wholsale High Conviction Fund	4.3%	
Lazard Select Australian Equity Fund	6.8%	
L1 Capital Australian Equities Fund	4.6%	
Montgomery Private Fund	5.1%	
Paradise Mid Cap Fund	8.1%	70.5%

Small Caps:

Aberdeen Australian Small Companies Fund	6.0%	
Lennox Australian Small Companies Fund	5.7%	
Ophir High Conviction Fund	6.6%	
Pengana Emerging Companies Fund	3.8%	22.1%

92.6%

CASH & CASH EQUIVALENTS

Colonial First State Wholesale Premium Cash Enhanced Fund	6.6%	
Custody Account & Other	0.8%	

7.4%

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 would be higher.

The Wingspan Project

The Wingspan Project was launched by Wayside Chapel in 2018 to take disadvantaged young people from at-risk to at-promise.

Wingspan provides training, education and employment pathways to young people between the ages of 17 and 25 who face barriers to employment. Wingspan is a holistic development program that provides work training alongside respectful and individualised support with one-to-one case

management. It also integrates social connection and community activities to facilitate a young person's sense of efficacy, autonomy and confidence.

The disadvantage faced by young people in the program can come from a range of factors including family breakdown, addiction, mental health issues and trauma. For a young person affected by these complex situations, it becomes increasingly difficult to access education. A lack

of education and support often makes it harder to find employment. It is fast and easy to get caught in a cycle that can feel impossible to escape. Young people are struggling in a flawed educational system and are facing the very real prospect of being stuck in a generational cycle of unemployment and poverty.

Wayside Chapel believes there is a better way.

Wingspan has been designed to provide a safe space in which

young people can identify and tackle the issues they face, while undertaking accredited training modules and work experience. Wingspan participants then have the opportunity to be employed in the Heart Café – Wayside's newest social enterprise project in Bondi Beach – in a 12-month traineeship, or other suitable work environments with follow up support from Wingspan case managers.

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 March 2019 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 -3.0% after fees compared to the S&P/ASX 300 Accumulation Index of +1.6% 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-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	Since Inception June 2008
Third Link Growth Fund	+7.1%	-3.0%	+5.5%	+8.2%	+9.0%	+9.2%	+12.5%	+9.2%
S&P/ASX 300 Accumulation Index ¹	+10.9%	+1.6%	+11.7%	+7.2%	+11.4%	+7.4%	+10.0%	+5.3%
Fund performance relative to benchmark	-3.8%	-4.6%	-6.2%	+1.0%	-2.4%	+1.8%	+2.5%	+3.9%

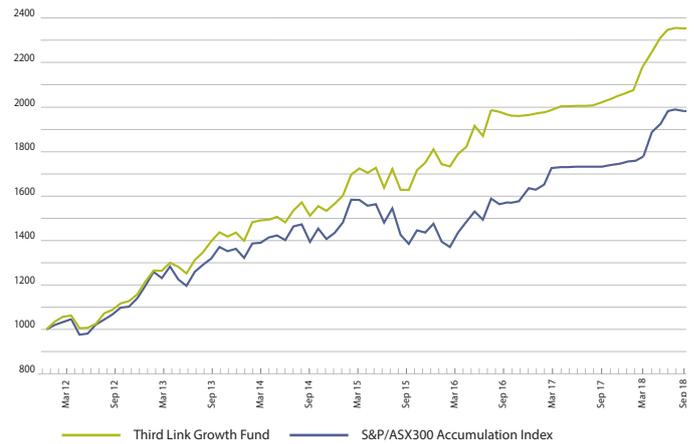
Returns are calculated after fees have been deducted and assuming reinvestment of distributions. Figures greater than one year are expressed as annual compound returns. No allowance is made for tax. The benefits of franking credits from dividends received have not been included.

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 February 2012 reflects the date when the Fund's investment strategy changed from multi sector growth to Australian equities.

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

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



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Third Link has funded the Wingspan Project with a \$180,000 investment over three years to conduct a research and evaluation project in partnership with the UTS Business School. UTS recently launched the

Managing Hybrid Enterprises guidebook featuring academic research alongside Wayside Chapel's practical experience of establishing the Heart Café and the Wingspan Project.



Charities we support

- ▶ Act for Kids
- ▶ batyr
- ▶ Children's Ground
- ▶ Dismantle
- ▶ Ganbina
- ▶ Foundation for Young Australians
- ▶ Mirabel Foundation
- ▶ National Centre for Childhood Grief
- ▶ Raise Foundation
- ▶ Social Ventures Australia
- ▶ The Song Room
- ▶ Wayside Chapel

Amount donated

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

- ▶ **\$10.9million to date.**
- ▶ **\$957k in the six months to 31 March 2019**





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