

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 2019 the portfolio was invested as shown in the table opposite.

Over the last six months the changes to the portfolio, excluding movements in our cash investments, were the Fund made an initial and additional investments in the Ethical Partners Australian Share Fund and paid a distribution of income to investors in respect of the six months ended 30 June 2019.

As at the end of September

2019 the Fund stands at \$176.99m in size (\$165.83m at the end of June 2019). During the last 6 months we received \$387k in new applications and processed redemptions totalling \$3.37m.

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

AUSTRALIAN EQUITIES

General:

| | | |
|---|-------|-------|
| Frank Macindoe (Koda Capital) IMA | 21.2% | |
| Bennelong Ex-20 Australian Equities Fund | 10.5% | |
| Cooper Investors Australian Equities Fund | 8.7% | |
| Ethical Partners Australian Share Fund | 2.9% | |
| EGP Concentrated Value Fund | 2.4% | |
| Greencape Wholsale High Conviction Fund | 4.2% | |
| Lazard Select Australian Equity Fund | 6.1% | |
| L1 Capital Australian Equities Fund | 4.2% | |
| Montgomery Private Fund | 5.0% | |
| Paradice Mid Cap Fund | 7.6% | 72.7% |

Small Caps:

| | | |
|--|------|-------|
| Aberdeen Australian Small Companies Fund | 5.8% | |
| Lennox Australian Small Companies Fund | 5.9% | |
| Ophir High Conviction Fund | 6.1% | |
| Pengana Emerging Companies Fund | 3.8% | 21.6% |
| | | 94.3% |

CASH & CASH EQUIVALENTS

| | | |
|---|------|------|
| Colonial First State Wholesale Premium Cash Enhanced Fund | 3.8% | |
| Custody Account & Other | 2.0% | |
| | | 5.7% |

| | | |
|--------------|--|---------------|
| 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.

Third Link - YSP summary

The Foundation for Young Australians (FYA) is a national organisation dedicated to all young people in Australia. We believe young people are ambitious, creative and capable of solving the world's greatest challenges. Through a range of initiatives co-designed with young people and backed by research and evaluation, FYA aims to develop the skills, networks and ideas of young Australians so they can create a better future.

For 10 years, Young Social Pioneers (YSP) has been FYA's cornerstone initiative supporting young people leading responses to the most pressing social and environmental challenges of our time. Due to factors such as race, physical ability, education, sexuality, gender, financial standing, and mental wellbeing, many still do not have the freedoms and dignities a lot of us take for granted. Since 2009, YSP has supported over 300 young people aged

18-29, in developing the mindset, resources, skills and methods needed to address these complex issues through enterprise.

The program comprises the workshops and activities, mentoring, in-kind business support, co-working spaces, funding and access to networks. Combined, this provides young social entrepreneurs with the backing they need to respond to the issues they care about in ways that reflect their

experiences and communities.

“FYA's Young Social Pioneers program catalysed my initiative to move from just an idea to reality. The program gave me courage to kickstart the workshops that we run, and insight into how I can make the most social impact. Most of all, it gave me access to a supportive community that I can continue to turn to as U-Learn grows and evolves.” - Mehak, YSP 2018/9.

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 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 +8.3% after fees compared to the S&P/ASX 300 Accumulation Index of +10.8% 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-

| | Three Months | Six Months | One Year | Two Years (pa) | Three Years (pa) | Five Years (pa) | Since February 2012 (pa) ² |
|---|--------------|------------|----------|----------------|------------------|-----------------|---------------------------------------|
| Third Link Growth Fund | +2.7% | +8.3% | +5.1% | +10.7% | +8.50% | +10.7% | +12.8% |
| S&P/ASX 300 Accumulation Index ¹ | +2.6% | +10.8% | +12.6% | +13.3% | +11.9% | +9.5% | +10.8% |
| Fund performance relative to benchmark | +0.1% | -2.5% | -7.5% | -2.6% | -3.4% | +1.2% | +2.0% |

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.

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.

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Third Link, focused on long-term partnerships that support young people across Australia to thrive, has provided YSP with funding of \$110,000 per year from 2019 to 2022. This funding directly supports education-focused YSP participants, projects and initiatives.

These exceptional young leaders aim to impact the education system to ensure it meets the needs of a rapidly changing world. YSP participants work to ensure those that are most vulnerable in our society are not left behind and seek to improve learning outcomes for young people across the country.



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:

- ▶ **\$11.1 million to date.**
- ▶ **\$1.1m in the six months to 30 September 2019**



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 22 October 2018 accompanying the Fund Product Disclosure Statement (PDS) dated 22 October 2018. 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.