

Third Link Growth Fund

ARSN 130 165 552

Annual report - 30 June 2009

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Directors' report

The directors of Treasury Group Investment Services Limited, the Responsible Entity of Third Link Growth Fund, present their report together with the financial report of Third Link Growth Fund ("the Scheme") for the year ended 30 June 2009.

Responsible entity

The Responsible Entity of Third Link Growth Fund is Treasury Group Investment Services Limited (ABN 38 099 932 920). The Responsible Entity's registered office is:

Treasury Group Investment Services Limited
Level 5
50 Margaret Street
Sydney NSW 2000.

Principal activities

During the year, the Scheme continued to invest in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The Scheme did not have any employees during the year.

There were no significant changes in the nature of the Scheme's activities during the year.

Directors

The following persons held office as directors of Treasury Group Investment Services Limited during the year or since the end of the year and up to the date of this report:

Christine Feldmanis
Conor Byrne
Peter Kennedy

Review and results of operations

The performance of the Scheme, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2009 \$'000	30 June 2008 \$'000
Net operating profit/(loss)	(2,643)	47
<i>Distributions</i>		
Distribution paid and payable (\$'000)	939	129
Distribution (cents per unit)	3.46	0.63

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Scheme that occurred during the financial year under review.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Scheme in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment markets in which the Scheme invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Treasury Group Investment Services Limited or the auditors of the Scheme. So long as the officers of Treasury Group Investment Services Limited act in accordance with the Scheme's Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Scheme property during the year are disclosed in note 8 of the financial report.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the year.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 8 of the financial report.

Interests in the Scheme

The movement in units on issue in the Scheme during the year is disclosed in note 4 of the financial report.

The value of the Scheme's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in note 2 of the financial report.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of the kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

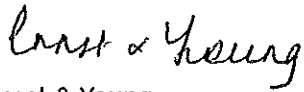
A handwritten signature in cursive script, appearing to read 'Feldmanis', with a horizontal line underneath the name.

Christine Feldmanis
Director

Sydney
23 September 2009

Auditor's Independence Declaration to the Directors of Treasury Group Investment Services Limited, as Responsible Entity for Third Link Growth Fund

In relation to our audit of the financial report of Third Link Growth Fund for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Rita Da Silva
Partner
23 September 2009

Third Link Growth Fund
Income statement
For the year ended 30 June 2009

Income statement

	Notes	Year ended	
		30 June 2009 \$'000	30 June 2008 \$'000
Investment income			
Interest income	3	79	130
Dividend/distribution income		1,050	68
Changes in fair value of investments held for trading		(3,549)	(98)
Other operating income		<u>93</u>	<u>-</u>
Total net investment income/(loss)		<u>(2,327)</u>	<u>100</u>
Expenses			
Responsible entity's fees	8	295	44
Transaction costs		<u>21</u>	<u>9</u>
Total operating expenses		<u>316</u>	<u>53</u>
Operating profit/(loss)		<u>(2,643)</u>	<u>47</u>
Finance costs attributable to unitholders			
Distributions to unitholders	5	(939)	(129)
Change in net assets attributable to unitholders	4	<u>3,582</u>	<u>82</u>
Profit/(loss) for the year		<u>-</u>	<u>-</u>

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet

		As at	
	Notes	30 June 2009 \$'000	30 June 2008 \$'000
Assets			
Cash and cash equivalents	6	434	99
Due from brokers - receivable for securities sold		27	-
Dividends/distributions receivable		421	68
Interest receivable		1	24
Investments in financial assets held for trading	7	22,584	19,970
Other receivables		8	3
Total assets		<u>23,475</u>	<u>20,164</u>
Liabilities			
Distributions payable	5	545	129
Due to brokers - payable for securities purchased		15	17
Other payables		31	45
Total liabilities (excluding net assets attributable to unitholders)		<u>591</u>	<u>191</u>
Net assets attributable to unitholders - liability	4	<u>22,884</u>	<u>19,973</u>

The above balance sheet should be read in conjunction with the accompanying notes.

Third Link Growth Fund
Statement of changes in net assets attributable to unitholders
For the year ended 30 June 2009

Statement of changes in net assets attributable to unitholders

	Year ended	
	30 June 2009 \$'000	30 June 2008 \$'000
Net assets attributable to unitholders at the beginning of the financial year	19,973	-
Operating profit/(loss) for the year	(2,643)	47
Distributions to unitholders	(939)	(129)
Application for units	7,668	20,055
Redemption of units	<u>(1,175)</u>	<u>-</u>
Net assets attributable to unitholders at the end of the financial year	<u>22,884</u>	<u>19,973</u>

The above statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

Cash flow statement

	Notes	Year ended	
		30 June 2009 \$'000	30 June 2008 \$'000
<i>Cash flows from operating activities</i>			
Proceeds from sale of investments held for trading		25,466	200
Purchase of investments held for trading		(31,659)	(20,250)
Transaction costs		(21)	(9)
Dividends/distributions received		697	-
Interest received		103	105
Other income received		93	-
Responsible Entity's fees paid		(310)	(2)
Payment of other expenses		(4)	-
Net cash outflow from operating activities	10(a)	<u>(5,635)</u>	<u>(19,956)</u>
<i>Cash flows from financing activities</i>			
Proceeds from applications by unitholders		7,420	20,055
Payments for redemptions by unitholders		(1,175)	-
Distributions paid		(275)	-
Net cash inflow from financing activities		<u>5,970</u>	<u>20,055</u>
Net increase in cash and cash equivalents		335	99
Cash and cash equivalents at the beginning of the year		<u>99</u>	<u>-</u>
Cash and cash equivalents at the end of the year	10(b),6	<u>434</u>	<u>99</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

1 General information

This financial report covers Third Link Growth Fund ("the Scheme") as an individual entity, which is an Australian Scheme. The Scheme was constituted on 12 March 2008. The Scheme will terminate on 11 March 2088 unless terminated earlier in accordance with the provisions of the Scheme's Constitution.

The Responsible Entity of the Scheme is Treasury Group Investment Services Limited (the "Responsible Entity"), which is incorporated and domiciled in Australia. The Responsible Entity's registered office is Level 5, 50 Margaret Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors on 23 September 2009. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Accounting Interpretations, *Corporations Act 2001* in Australia and the Scheme's Constitution.

The financial report is prepared on a historical cost basis except for investments in financial assets, which have been measured at fair value.

The financial report is presented in Australian dollars.

Compliance with International Financial Reporting Standards

The financial report of the Scheme also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Investments in Financial Assets

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, i.e. the date that the Scheme commits to purchase or sell the assets.

Held for trading

All investments are initially recognised at fair value, being the fair value of the consideration paid excluding transaction costs. After initial recognition, the financial assets held for trading are revalued to fair value at each reporting date.

For investments that are actively traded in organised financial markets, fair value is determined by reference to exchange quoted market bid prices at the close of business on the balance sheet date.

For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flows analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum. The fair value of units in a managed investment scheme is determined by reference to published bid prices at the close of business on the balance sheet date being the redemption prices as established by the underlying Scheme's Responsible Entity.

Changes in fair value of investments held for trading are recognised in the income statement. Investments of the Scheme which are considered to be held for trading are equity securities, units in managed investment schemes, derivatives and some interest bearing securities which have been acquired principally for the purpose of selling in the near term.

2 Summary of significant accounting policies (continued)

(b) Investments in Financial Assets (continued)

Financial liabilities

The Scheme's financial liabilities are categorised as financial instruments held for trading. These include investments in listed and unlisted equities, listed and unlisted trusts, convertible notes and derivative financial instruments including forward contracts and options. The Scheme does not designate any derivatives as hedge in a hedging relationship.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Scheme at any time for cash equal to a proportionate share of the Scheme's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance sheet date if the unitholders exercise their right to put the units back to the Scheme.

Because the Scheme's redemption unit price is based on different valuation principles to that in financial reporting, a valuation difference exists which has been treated as a separate component of net assets attributable to unitholders.

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings on the balance sheet.

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments including cash management trusts, and bank overdrafts.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Scheme's main income generating activity.

(e) Investment income

Interest income is recognised in the income statement for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Scheme estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

2 Summary of significant accounting policies (continued)

(e) Investment income (continued)

Trust distributions are recognised on an entitlements basis.

(f) Expenses

All expenses, including Responsible Entity's fees and reimbursable expenses, are recognised in the income statement on an accruals basis.

(g) Income tax

Under current legislation, the Scheme is not subject to income tax provided the taxable income of the Scheme is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Scheme).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Scheme currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the income statement.

(h) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the income statement as finance costs attributable to unitholders.

(i) Changes in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the income statement as finance costs.

(j) Unit price

The unit price is based on unit price accounting outlined in the Scheme's Constitution and product disclosure statement.

(k) Foreign currency translation

i) Functional and presentation currency

Items included in the Scheme's financial report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

2 Summary of significant accounting policies (continued)

(k) Foreign currency translation (continued)

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(l) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2(e) above. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

Payables includes liabilities and accrued expenses owing by the Scheme which are unpaid as at balance date.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at reporting date are included in payables.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the balance sheet when unitholders are presently entitled to the distributable income under the Scheme's Constitution.

(n) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme by third parties such as custodial services and investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees, custodial fees and other expenses have been recognised in the income statement net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the cash flow statement on a gross basis.

(p) Use of estimates

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Scheme's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2 Summary of significant accounting policies (continued)

(q) New accounting standards and interpretations

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2009.

AASB Amendment / Standard	Title	Nature of change to accounting policy	Application date of standard	Application date for the Scheme
2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038]	No change to accounting policy.	1 January 2009	1 January 2009
2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	No change to accounting policy.	1 January 2009	1 January 2009
2007-8	Amendments to Australian Accounting Standards arising from AASB 123 [AASB1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	No change to accounting policy.	1 January 2009	1 January 2009
2008-1	Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	No change to accounting policy.	1 January 2009	1 January 2009
2008-2	Amendments to Australian Accounting Standards - Puttable Financial Instrument and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]	No change to accounting policy.	1 January 2009	1 January 2009
2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]	No change to accounting policy.	1 July 2009	1 July 2009

If these accounting standards had been adopted, we do not believe that there would have been a material impact to either the income statement for the year to 30 June 2009 or the balance sheet as at 30 June 2009.

2 Summary of significant accounting policies (continued)

(q) New accounting standards and interpretations (continued)

The following amendments are not applicable to the Scheme and therefore have no impact.

AASB Amendment	Title
2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]
AASB 1004	Contributions
AASB 1049	Whole of Government and General Government Sector Financial Reporting
AASB 1050	Administered Items
AASB 1051	Land Under Roads
AASB 1052	Disaggregated Disclosures

(r) Rounding of amounts

The Scheme is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

3 Interest income

	Year ended					
	30 June 2009		30 June 2008			
	Average balance \$'000	Interest \$'000	Average rate %	Average balance \$'000	Interest \$'000	Average rate %
Cash and deposits	429	41	9.60	8,710	128	1.47
Fixed interest securities	<u>1,000</u>	<u>38</u>	<u>3.75</u>	<u>993</u>	<u>2</u>	<u>0.18</u>
		<u>79</u>			<u>130</u>	

4 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	As at			
	30 June 2009 No. '000	30 June 2008 No. '000	30 June 2009 \$'000	30 June 2008 \$'000
Opening balance	20,055	-	19,973	-
Applications	8,870	20,555	7,420	20,055
Redemptions	(1,458)	-	(1,175)	-
Units issued upon reinvestment of distributions	299	-	248	-
Change in net assets attributable to unitholders	-	-	(3,582)	(82)
Closing balance	<u>27,766</u>	<u>20,555</u>	<u>22,884</u>	<u>19,973</u>

As stipulated within the Scheme Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right to the underlying assets of the Scheme. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Scheme.

Capital risk management

The Scheme considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

(a) Unrealised capital gains

At the reporting date, the Scheme had net unrealised taxable capital losses of \$2,149,491 (2008: \$90,295).

(b) Realised capital losses

At the reporting date, the Scheme had realised capital losses of \$1,414,316 (2008: \$nil) available to offset against future assessable capital gains.

5 Distributions to unitholders

The distributions for the year were as follows:

	Year ended			
	30 June 2009 \$'000	30 June 2009 CPU	30 June 2008 \$'000	30 June 2008 CPU
Distributions				
Distributions paid - December	394	1.50	129	0.63
Distributions payable - June	<u>545</u>	<u>1.96</u>	-	-
	<u>939</u>		<u>129</u>	

6 Cash and cash equivalents

	As at	
	30 June 2009 \$'000	30 June 2008 \$'000
Cash at bank	434	99

7 Investments in financial assets held for trading

	As at	
	30 June 2009 Fair value \$'000	30 June 2008 Fair value \$'000
Held for trading		
Listed equities	2,557	3,188
Unlisted unit trusts	17,825	13,150
Fixed interest securities	-	995
Listed unit trusts	1,694	1,137
Unlisted equities	508	1,500
Total held for trading	22,584	19,970

8 Related party transactions

Responsible entity

The Responsible Entity of Third Link Growth Fund is Treasury Group Investment Services Limited, whose immediate and ultimate holding company is Treasury Group Limited.

Key management personnel

(a) Directors

Key management personnel includes persons who were directors of Treasury Group Investment Services Limited at any time during the financial year as follows:

Christine Feldmanis
Conor Byrne
Peter Kennedy

(b) Other key management personnel

In addition to the directors noted above, Treasury Group Investment Services Limited, the Responsible Entity of the Scheme is considered to be key management personnel with the authority for the strategic direction and management of the Scheme.

Key management personnel compensation

No amount is paid by the Scheme directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Scheme to the Directors as key management personnel.

Compensation is paid to the Responsible Entity in the form of fees as discussed below.

8 Related party transactions (continued)

Key management personnel loan disclosures

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Scheme

From time to time directors of the Responsible Entity, or their director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors and are trivial in nature.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving director's interests subsisting at year end.

Investments

The Scheme held investments in the following schemes which are also managed by Treasury Group Investment Services Limited or its related parties:

	Fair value of investment		Interest held		Distributions received/receivable		Units acquired during the year		Units disposed during the year	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	%	%	\$	\$	No.	No.	No.	No.
Orion Australian Share Fund	1,431,631	-	0.55	-	58,072	-	1,347,798	-	-	-

Responsible Entity's fees and other transactions

For the year ended 30 June 2009, in accordance with the Scheme's Constitution, the Responsible Entity received a total fee of 1.40% (inclusive of GST, net of RITC available to the Scheme) per annum (2008: 1.40%).

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Scheme and the Responsible Entity were as follows:

	As at	
	30 June 2009	30 June 2008
	\$	\$
Fees earned by the Responsible Entity for the management of investments	295,110	43,892
Responsible Entity fee rebate received & receivable directly by the Scheme	80,691	-
Fees payable to the Responsible Entity as at reporting date	29,888	44,739

8 Related party transactions (continued)

Related party unitholdings

Parties related to the Scheme (including Treasury Group Investment Services Limited, its related parties and other schemes managed by Treasury Group Investment Services Limited), held units in the Scheme as follows:

2009

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Scheme (\$)
Treasury Group Investment Services Limited	-	118	-	118	-	2
Total	-	118		118	-	2

Key management personnel unitholdings

The key management personnel of Treasury Group Investment Services Limited held units in the Scheme as follows:

2009

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Scheme (\$)
Invia Custodian Pty Ltd ATF Macindoe Super Fund	100,000	102,547	0.37	2,547	-	2,012
Total	100,000	102,547		2,547	-	2,012

2008

Invia Custodian Pty Ltd ATF Macindoe Super Fund	-	100,000	0.49	100,000	-	626
Total	-	100,000		100,000	-	626

9 Financial risk management

(a) Strategy in using financial instruments

The allocation of assets between the various types of financial instruments is determined by the Scheme's investment manager as identified in the Scheme's product disclosure statement who manages the Scheme's assets to achieve the Scheme's investment objectives. The monitoring of asset allocations and the composition of the assets is also monitored by the Scheme's investment manager on at least a monthly basis. The custody of assets is outsourced to RBC Dexia Investment Services Trust.

Financial instruments of the Scheme comprise of investments in financial assets for the purpose of generating a return on the investment made by the unitholders, in addition to derivatives (used from time to time), cash and cash equivalents, net assets attributable to unitholders, and other financial instruments such as trade debtors and creditors, which arise directly from its operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Scheme's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies and processes for measuring and managing risk.

The Responsible Entity has overall responsibility for the establishment and oversight of the Scheme's financial risk management framework.

The Responsible Entity oversees how management monitors compliance with the Scheme's financial risk management policies and procedures. The Responsible Entity also ensures the continued adequacy of the financial risk management framework.

Information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate, including the fund manager, compliance manager, other key management and ultimately the directors of the Responsible Entity.

(b) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Scheme's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Scheme is exposed, particularly in equity assets, to market risks. The Scheme may utilise derivatives, but derivatives are not currently used. The Scheme invests in securities traded on domestic markets, market risk is a risk to which exposure is unavoidable. The risk is mitigated through diversification of the portfolio that is captured by investments in various industries.

(i) Currency risk

The Scheme is not exposed to any foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not considered to be significant to the Scheme and is limited to its cash holdings.

Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

As the Scheme's exposure to interest rate risk is not significant, interest rate risk sensitivities have not been performed.

9 Financial risk management (continued)

(b) Market Risk (continued)

(iii) Other market price risk

Other market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Scheme's investments are carried at fair value with fair value changes recognised in the income statement, all changes in market conditions will directly affect net investment income.

Risk management techniques are used in the selection of investments. Securities/investments are only purchased that meet investment criteria.

Sensitivity analysis

The sensitivity analysis is based on the volatility of change in the S&P/ASX200 over the last 10 years.

The Responsible Entity has used the S&P/ASX 200 Index as a best indicator of performance over a 10 year period, as it is recognised as a benchmark in Australia. Index constituents are drawn from eligible companies listed on the Australian Stock Exchange. This index is designed to address investment managers' needs to benchmark against a portfolio characterised by sufficient size and liquidity. This index can be used as the basis for index products and trading tools such as mutual funds, Exchange-Traded Funds (ETFs) and other index derivatives. S&P/ASX 200 is a component of the Australian indices that could be used as building blocks for portfolio construction.

An increase of 13% at the reporting date of the underlying investments' prices would have decreased operating loss from operating activities by \$2,935,858 (2008: increased operating profit by \$2,596,145). This analysis assumes that all other variables remain constant.

A decrease of 11% at the reporting date of the underlying investments' prices would have increased loss from operating activities by \$2,484,187 (2008: decreased operating profit by \$2,196,738). This analysis assumes that all other variables remain constant.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Scheme. The Scheme's investment manager has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

With respect to credit risk arising from the financial assets of the Scheme, other than derivatives, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed on the balance sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Scheme holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

Credit risk is not considered to be a major risk to the Scheme as any cash held by the Scheme is invested with financial institutions that have very strong credit ratings. The balance of investments is held in listed securities.

9 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The risk is controlled through the Scheme's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition the Scheme maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Scheme comprise of trade and other payables, distributions payable, and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

Net assets attributable to unitholders are entirely payable on demand.

(e) Fair value estimation

All financial assets and financial liabilities included in the balance sheet are carried at fair value.

10 Reconciliation of profit/(loss) to net cash outflow from operating activities

	Year ended	
	30 June	30 June
	2009	2008
	\$'000	\$'000
(a) Reconciliation of profit/(loss) to net cash outflow from operating activities		
Operating profit/(loss) for the year	(2,643)	47
Proceeds from sale of investments held for trading	25,466	200
Purchase of investments held from trading	(31,659)	(20,250)
Changes in the fair value of assets held for trading	3,549	98
Net change in dividends/distributions receivable	(353)	(68)
Net change in interest receivable	24	(24)
Net change in other receivables	(5)	(4)
Net change in payables and other liabilities	(14)	45
Net cash outflow from operating activities	(5,635)	(19,956)
(b) Components of cash and cash equivalents		
Cash as at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:		
Cash and cash equivalents	<u>434</u>	<u>99</u>

11 Auditor's remuneration

The service provided on this Scheme is on a pro-bono basis. The auditor of the Scheme is Ernst & Young.

12 Segment information

The Scheme is organised into one main segment which operates solely in the business of investment management within Australia.

13 Events occurring after the balance sheet date

No significant events have occurred since balance date which would impact on the financial position of the Scheme disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Scheme for the year ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2009 and 30 June 2008.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial report and notes set out on pages 6 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Christine Feldmanis
Director

Sydney
23 September 2009

Independent auditor's report to the unitholders of Third Link Growth Fund

We have audited the accompanying financial report of Third Link Growth Fund (the "Scheme"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in net assets attributable to unitholders and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Treasury Group Investment Services Limited as Responsible Entity of the Scheme are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Scheme's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

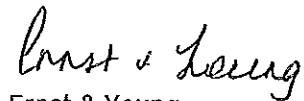
Independence

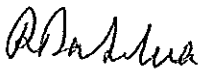
In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

Auditor's Opinion

In our opinion:

1. the financial report of Third Link Growth Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Third Link Growth Fund at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.


Ernst & Young



Rita Da Silva
Partner
Sydney
23 September 2009