

Third Link Growth Fund

ARSN 130 165 552

**Annual report for the period 12 March 2008 -
30 June 2008**

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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 period ended 30 June 2008.

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 Level 5, 50 Margaret Street, Sydney, NSW 2000.

Principal activities

During the period, the Scheme continued to invest funds 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 period.

The Scheme was registered on 12 March 2008 and commenced operation on 18 April 2008, therefore there are no comparatives available as this is the first financial report to be prepared.

Directors

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

Conor Byrne
 Christine Feldmanis
 Peter Kennedy

Review and results of operations

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

	Period ended 30 June 2008 \$'000
Net operating profit	<u>47</u>
<i>Distributions</i>	
Distribution paid and payable (\$'000)	<u>129</u>
Distribution (cents per unit)	<u>0.63</u>

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 period under review.

Directors' report (cont'd)

Significant events after balance date

No matter or circumstance has arisen since 30 June 2008 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.

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 auditor 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 auditor of the Scheme is 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 period are disclosed in note 8 of the financial statements.

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

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

Interests in the Scheme

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

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 statements.

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. Amounts in the directors' report and financial have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' report (cont'd)

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.

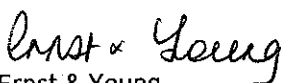



Christine Feldmanis
Director

Sydney
09 September 2008

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 period 12 March 2008 to 30 June 2008, 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
Sydney

Date: 29 September 2008

Third Link Growth Fund
Income statement
For the period ended 30 June 2008

Income statement

	Notes	Period ended 30 June 2008 \$'000
Investment income		
Interest income	3	130
Dividend/distribution income		68
Changes in fair value of investments held for trading		<u>(98)</u>
Total net investment income		<u>100</u>
Expenses		
Responsible entity's fees	8	44
Transaction costs		<u>9</u>
Total operating expenses		<u>53</u>
Net operating profit		<u>47</u>
Finance costs attributable to unitholders		
Distributions paid and payable to unitholders	5	<u>(129)</u>
Change in net assets attributable to unitholders		<u>(82)</u>

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

Balance sheet

	Notes	As at 30 June 2008 \$'000
Assets		
Cash and cash equivalents	6	99
Balances due from brokers		4
Dividends/distributions receivable		68
Interest receivable		23
Investments in financial assets held for trading	7	19,970
Total assets		20,164
Liabilities		
Distributions payable	5	129
Balances due to brokers		17
Other liabilities		45
Total liabilities (excluding net assets attributable to unitholders)		191
Net assets attributable to unitholders	4	19,973

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 period ended 30 June 2008

Statement of changes in net assets attributable to unitholders

	Period ended 30 June 2008 \$'000
Net assets attributable to unitholders at the beginning of the financial period	-
Net operating profit attributable to unitholders	47
Distributions to unitholders	(129)
Application for units	20,055
Redemption of units	-
Net assets attributable to unitholders at the end of the financial period	<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

	Period ended 30 June 2008 \$'000
Notes	
Cash flows from operating activities	
Proceeds from sale of investments	200
Payments for purchase of held for trading investments	(20,250)
Interest received	105
Responsible entity fees paid	(2)
Payment of other expenses	(9)
Net cash outflow from operating activities	10(a) <u>(19,956)</u>
Cash flows from financing activities	
Proceeds from applications by unitholders	<u>20,055</u>
Net cash inflow from financing activities	<u>20,055</u>
Net increase in cash and cash equivalents	99
Cash and cash equivalents at the beginning of the period	<u>-</u>
Cash and cash equivalents at the end of the period	10(b),6 <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 Registered Scheme. The Scheme was registered 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"). 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 September 2008. 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.

(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 and the *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 (IFRS).

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

(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 asset.

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 flow 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 managed investment schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Scheme's Responsible Entity.

Changes in a 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 (cont'd)

(b) Investments in financial assets (cont'd)

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. All derivatives in net receivable or payable position are shown gross and are reported as either derivative financial asset or derivative financial liability. The Scheme does not designate any derivatives as a hedge in a hedging relationship.

(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 unitholders exercised their right to put the units back to the Scheme.

Because the Scheme's redemption unit price is based on different valuation principals to that applied 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, high liquid investments with original maturities of three months or less 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 in current liabilities 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 and expenses are recognised in the income statement for all debt 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.

Trust distributions are recognised on an entitlements basis.

2 Summary of significant accounting policies (cont'd)

(e) Investment income (cont'd)

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlements basis as the Scheme is presently entitled to the distributable income of its invested trusts.

(f) Expenses

All expenses, including Responsible Entity's fees and reimbursable fees, 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 (ie 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 benefits 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 its distributable (taxable) income, and any other 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.

Unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to unitholders are not accessible or distributed until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised gains.

(i) Changes in net assets attributable to unitholders

Non distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments classified as held for trading, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments (including any adjustments for tax deferred income previously taken directly to net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax.

(j) Unit Price

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

2 Summary of significant accounting policies (cont'd)

(k) Foreign currency translation

i) Functional and presentation currency

Both the functional and presentation currency of the Scheme is Australian Dollar (\$).

ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the foreign currency at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report are recognised in profit and loss in the period in which they arise.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(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.

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from unitholders.

(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 audit fees, 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.

2 Summary of significant accounting policies (cont'd)

(p) 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.

(q) 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.

Fair value of derivatives

The Scheme may from time to time hold financial instruments that are not quoted in active markets, such as over-the-counter (OTC) derivatives. Fair values of such instruments are determined by 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 are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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 (cont'd)

(r) 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 2008.

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
2007-9	Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]	No change to accounting policy.	1 January 2008	1 January 2008
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 2008 or the Balance Sheet as at 30 June 2008.

2 Summary of significant accounting policies (cont'd)

(r) New accounting standards and interpretations (cont'd)

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

3 Interest income

	Average balance \$'000	Period ended 30 June 2008 Interest \$'000	Average rate %
Cash and cash equivalents	8,710	128	1.47
Interest bearing notes	<u>993</u>	<u>2</u>	<u>0.18</u>
		<u>130</u>	

4 Net assets attributable to unitholders

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

	As at 30 June 2008 No. '000	As at 30 June 2008 \$'000
Opening balance	-	-
Applications of units	20,055	20,055
Redemptions of units	-	-
Change in net assets attributable to unitholders	-	(82)
Closing balance	<u>20,055</u>	<u>19,973</u>

As stipulated within the Scheme's 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.

4 Net assets attributable to unitholders (cont'd)

Capital Risk Management

The Scheme manages 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 losses

Unrealised taxable capital losses included in the Scheme at 30 June 2008 amounted to \$90,295.

(b) Realised capital losses

At the reporting date, the Scheme had no realised capital losses available to offset against future assessable capital gains.

5 Distributions to unitholders

The distributions paid/payable were as follows:

	Period ended 30 June 2008 \$'000	Period ended 30 June 2008 CPU
Distributions		
Distributions payable	<u>129</u>	<u>0.630</u>
	<u>129</u>	

6 Cash and cash equivalents

	As at 30 June 2008 \$'000
Cash at bank	<u>99</u>
	<u>99</u>

7 Investments in financial assets held for trading

	As at 30 June 2008 Fair value \$'000
Held for trading	
Listed equities	3,188
Unlisted unit trusts	13,150
Interest bearing notes	995
Listed unit trusts	1,137
Unlisted equities	<u>1,500</u>
Total	<u>19,970</u>

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 period as follows:

Conor Byrne
Christine Feldmanis
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 unitholdings

At 30 June 2008 key management personnel held units in the Scheme.

2008

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 Limited-ATF MacIndoe Super Fund	-	100,000	0.49	100,000	-	626
Total	-	100,000		100,000	-	626

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 disclosed below.

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.

8 Related party transactions (cont'd)

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 period and there were no material contracts involving director's interests subsisting at period end.

Responsible entity's fees and other transactions

For the period ended 30 June 2008, 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.

All related party transaction are conducted on normal commercial terms and conditions.

The transactions during the period and amounts payable at period end between the Scheme and the Responsible entity were as follows:

	As at 30 June 2008 \$'000
Fees earned by the Responsible Entity for the management of investments	44
Fees payable to the Responsible Entity as at reporting date	44

Related party Scheme's unitholdings

Parties related to the Scheme including related parties and other schemes managed by Treasury Group Investment Services Limited, held no units in the Scheme.

Investments

The Scheme did not hold any investments in Treasury Group Investment Services Limited or its related parties during the period.

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 (including currency risk, interest rate risk and equity price 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 its 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.

9 Financial risk management (cont'd)

(b) Market Risk (cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Scheme is exposed to interest rate risk on its cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

The Scheme's exposure to interest rate risk and the effective weighted average interest rate of classes of financial assets is set out below:

	Weighted average interest rate (% pa)	Floating interest rate \$'000	within 1 month \$'000	more than 1 and less than 3 months \$'000	more than 3 and less than 12 months \$'000	1 year to 5 years \$'000	more than 5 years \$'000	Total \$'000
30 June 2008								
Cash and cash equivalents	7.35	99	-	-	-	-	-	99
Interest bearing notes	8.74	-	-	995	-	-	-	995
Total		99		995				1,094

An increase of 0.50% in interest rates applicable at reporting date would have increased operating profit in 2008 by \$5,470. A decrease of 0.25% would have decreased operating profit in 2008 by \$2,735. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant.

(iii) Equity price risk

Equity 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.

Sensitivity analysis

The sensitivity is based on the volatility of change in the S&P/ASX 200 Index 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 for Australian equities respectively would have increased operating profit by \$2,596,145. A decrease of 11% at the reporting date of the underlying investments' prices for Australian equities respectively would have decreased operating profit by \$2,196,738. There will be no impact on net assets attributable to unitholders other than the change in operating profit or loss. This analysis assumes that all other variables remain constant.

9 Financial risk management (cont'd)

(c) 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.

(d) 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 Schemes' investment manager has a credit policy in place and the exposure to credit risk is monitored on 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 and derivatives are entered into with reputable financial institutions.

(e) Fair values of financial assets and financial liabilities

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

10 Reconciliation of net operating profit attributable to unitholders to net cash flows from operating activities

	Period ended 30 June 2008 \$'000
(a) Reconciliation of net operating profit attributable to unitholders to net cash flows from operating activities	
Profit from operating activities	47
Increase in dividends/distributions receivable	(68)
Proceeds from sale of held for trading investments	200
Payments for purchase of held for trading investments	(20,250)
Increase in interest receivable	(24)
Increase in other assets	(4)
Changes in the fair value of assets held for trading	98
Increase in other liabilities	45
Net cash outflow from operating activities	(19,956)
(b) Components of cash and cash equivalents	
Cash as at the end of the financial period as shown in the cash flow statement is reconciled to the balance sheet as follows:	
Cash and cash equivalents	<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 operates solely in the business of investment management within Australia.

The Scheme operates from one geographical location being Australia from where the investing activities are managed.

13 Events occurring after the balance sheet date

Since 30 June 2008 volatility in equity markets has been exceptionally high resulting in significant changes to the unit price of the Scheme, in line with the market movement of the underlying investments. The directors of the Responsible Entity do not consider these conditions to have any adverse impact on the ongoing activities or operations of the Scheme.

Except for the matter disclosed above, no other 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 2008 or on the results and cash flow of the Scheme for the period on that date.

14 Contingencies and commitments

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

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements 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 2008 and of its performance, for the financial period 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
29 September 2008

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

We have audited the accompanying financial report of Third Link Growth Fund, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in net assets attributable to unitholders and cash flow statement for the period 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 the Responsible Entity 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 entity'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 entity'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.

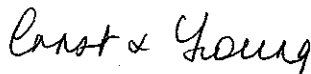
Independence

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 2008 and of its performance for the period 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

Date: 29 September 2008