

## Portfolio update

The objective of the Third Link Growth Fund ("the Fund") is to provide an investment in Australian listed shares. To achieve this, the Fund extensively invests with professional third party investment managers.

As at the end of March 2018 the portfolio was invested as shown in the table opposite.

Over the last six months the only changes to the portfolio, excluding movements in our cash investments, were:

- ▶ The Fund paid a distribution of income to investors in respect of the six months ended 31 December 2017;
- ▶ The Fund made additional investments in the Lennox Australian Small Companies Fund.

As at the end of March 2018 the Fund stands at \$162.8m in

size (\$164.5m at the end of December 2017). During the last six months we received \$2.33m in new applications and processed redemptions totalling \$441k.

A description of each of the fund managers we invest with can be found on our website at [www.thirdlink.com.au](http://www.thirdlink.com.au) (see the section "Fund Managers We Invest With"). Each of these managers rebates their management fees and performance fees, effectively meaning they are managing the assets of the Fund for free. It is through this extraordinary generosity, together with that of other service providers (all listed on the Fund website), that Third Link is able to make sizeable donations to the charitable sector without diluting the returns to investors from the Fund. ■

## BackTrack Youth Works

BackTrack Youth Works is based in Armidale NSW and has been working with young people since 2006 to help them turn their lives around. BackTrack started as a group of volunteers with one goal in mind - to help 7 teenage boys who had run out of options move forward with their lives. All were in trouble with the law, not one had a positive educational experience, most had drug and alcohol issues, few had safe affordable accommodation and none of them had a dream or a way out of the mess they called their lives.

This group of 7 boys were to pave the way for young people slipping through a gap in the system. They were able to show just what is possible when people believe and create opportunities and, in the words of Sir Winston Churchill, "never ever give up". The result - not one went to jail or relied on Centrelink benefits, all completed further accredited training, all went into full time jobs and most now have families of their own.

Using the distinctive strategies developed by founder Bernie

# Third Link

## News

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### Investment Manager

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### Responsible Entity

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### AUSTRALIAN EQUITIES

#### General:

Frank Macindoe (Koda Capital) IMA	15.6%	
Bennelong Ex-20 Australian Equities Fund	10.6%	
Cooper Investors Australian Equities Fund	9.2%	
Greencape Wholsale High Conviction Fund	4.5%	
Lazard Select Australian Equity Fund	7.2%	
L1 Capital Australian Equities Fund	4.8%	
Montgomery [Private] Fund	5.5%	
Paradise Mid Cap Fund	8.8%	66.2%

#### Small Caps:

Aberdeen Australian Small Companies Fund	5.9%	
Harness Asset Management Small Companies Value Fund	2.7%	
Lennox Australian Small Companies Fund	4.8%	
Ophir High Conviction Fund	6.0%	
Pengana Emerging Companies Fund	4.6%	24.1%
		90.3%

### CASH & CASH EQUIVALENTS

Colonial First State Wholesale Premium Cash Enhanced Fund	6.6%	
Custody Account & Other	3.1%	
		9.7%

<b>TOTAL</b>		<b>100.0%</b>
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The figures shown against each Australian equities fund listed above are not shown on a look through basis. As a result where any underlying fund holds cash or cash equivalents, the Fund's total investment in cash or cash equivalents may be higher.

Shakeshaft, BackTrack aims to fill gaps in our society. BackTrack's distinctive programs target alternatives to help young people chase their hopes and dreams. The programs allow young people to "get back on track" to overcome disadvantage, participate fully within the community and lead happy and productive lives.

One feature which distinguishes BackTrack from other youth organisations is that young people have the time to develop at their own pace in programs that are holistic and have no time constraints.

BackTrack obtains funding from multiple funding sources with the majority coming from the philanthropic sector. Other sources of funding include council and government support, self-generated income through programs, individual private donations and fund raising.

Third Link is supporting BackTrack to the tune of \$160 000 per year for the next 3 years, to help this unique organisation save lives of some of the most disadvantaged young people in

Continued over

# Fund performance

It is the aim of Third Link Growth Fund to outperform, after fees and over rolling five year periods, the S&P/ASX 300 Accumulation Index<sup>1</sup>.

As at the end of March 2018 the Fund performance relative to the Fund benchmark was as shown in the table opposite.

Over the last 6 months the Fund produced a return of +7.1% after fees compared to the S&P/ASX 300 Accumulation Index of +3.6% over the same period.

The longer term performance of the Fund, as shown in the table opposite, continues to be very pleasing. This has been achieved because of solid

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

long-term investment results by the fund managers utilised by the Fund, validating their continuing inclusion. This result also continues to demonstrate that our active approach to adding value for investors over the long term is proving to be rewarding. ■

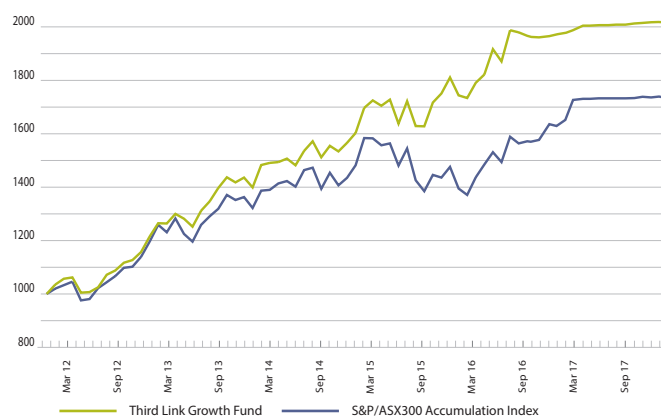
	three months	six months	one year	two years (pa)	three years (pa)	five years (pa)	since February 2012 (pa) <sup>2</sup>
Third Link Growth Fund	-1.2%	+7.1%	+11.0%	+10.8%	+8.4%	+11.7%	+13.6%
S&P/ASX 300 Accumulation Index <sup>1</sup>	-3.8%	+3.6%	+2.9%	+11.2%	+3.9%	+7.6%	+9.8%
Fund performance relative to benchmark	+2.6%	+3.5%	+8.1%	-0.4%	+4.5%	+4.1%	+3.8%

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

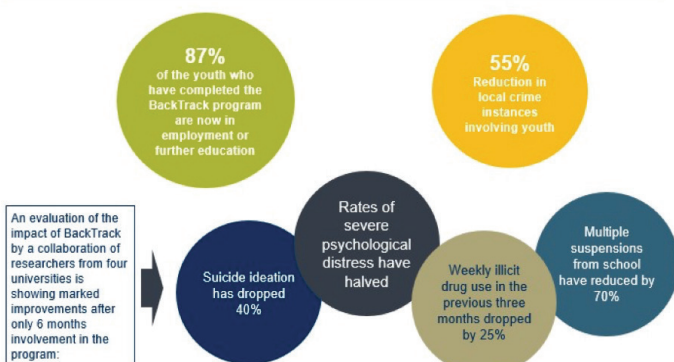
<sup>1</sup> The S&P/ASX 300 Accumulation Index covers the largest 300 shares listed on the Australian market. Being an accumulation index, it measures changes in both the value and income of the shares.

<sup>2</sup> February 2012 reflects the date when the Fund's investment strategy changed from multi sector growth to Australian equities.

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



**Over 12 years, BackTrack has supported 1000 youth and generated considerable impact within the local community**



Source: Evaluation results on the impact of BackTrack by a collaboration of researchers from four universities (UNSW, UNE, HMR and CQU), 2015

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our society. Funding is being put to use in BackTrack's residential program, putting a roof over the heads of kids that have nowhere else to go as well as being used for training and skill development for young people already totally disengaged from mainstream education and, excitedly, helping

to develop a method of replicating the BackTrack model in other communities. The trials to date have had extraordinary outcomes and look likely to be sustained in the future, meaning future hopes and dreams are being fulfilled by communities helping the kids that have fallen through the cracks. ■



## Charities we support

- ▶ AIME – Australian indigenous Mentoring Experience
- ▶ BackTrack
- ▶ batyr
- ▶ Children's Ground
- ▶ Dismantle
- ▶ Foundation for Rural and Regional Renewal
- ▶ The Mirabel Foundation
- ▶ National Centre for Childhood Grief
- ▶ Raise Foundation
- ▶ The Song Room
- ▶ Shine for Kids

## Amount donated

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

- ▶ **\$7.5million to date.**
- ▶ **\$730k in the six months to 31 March 2018.**



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