

L1 Capital Long Short Fund – Monthly Class

March 2025

- The L1 Capital Long Short Fund returned 1.2%¹ for the March quarter (ASX200AI -2.8%).
- Over the past 5 years, the Fund has returned 25.3%¹ p.a. (ASX200AI 13.2% p.a.).
- Against the backdrop of tariff uncertainty, concerns over inflationary pressures and slowing global growth drove a correction in global markets during the quarter, that extended into early April.

Global equity markets were weaker during the quarter owing to policy uncertainty, weaker U.S. economic data and persistently higher inflation reports. During the quarter, the S&P500 and Nasdaq declined by 4.3% and 10.3%, respectively, while the S&P/ASX 200 Accumulation index was down 2.8%.

The quarter began well for global markets with the U.S. Federal Reserve ('the Fed') flagging that inflation was tracking in the right direction and favourable U.S. employment numbers pointing to strength in the underlying economy. However, in February market sentiment shifted notably as U.S. economic data started to show signs of weakness across non-farm payrolls, retail sales, housing and services. Concerns also increased surrounding the potential impact of Trump's trade tariffs, as well as broader policy uncertainty related to DOGE, the Ukraine and the upcoming Federal election in Australia.

Against this backdrop, the release of the latest version of China's DeepSeek AI model raised worries over U.S. leadership in the space leading to a sell-off in the AI-related names more broadly. Despite optimism early in the quarter, inflation expectations picked up, in part tied to concerns over the impact of tariffs. These dynamics led to a market rotation away from expensive Consumer Cyclical, Financials, Tech and Growth stocks that were trading at record valuations, and into more Defensive and 'Quality Value' stocks.

Fund returns (Net)¹ (%)

	L1 Capital Long Short Fund	S&P/ASX 200 AI	Out-performance
3 months	1.2	(2.8)	+4.0
1 year	(3.8)	2.8	(6.6)
3 years p.a.	3.0	5.6	(2.7)
5 years p.a.	25.3	13.2	+12.1
7 years p.a.	9.8	8.6	+1.1
10 years p.a.	16.5	7.1	+9.3
Since Inception p.a.	17.3	7.5	+9.8

Figures may not sum exactly due to rounding.

Returns since inception (Net)¹ (%)

	Cumulative return	Annualised return p.a.
L1 Capital Long Short Fund	443.1	17.3
S&P/ASX 200 Accumulation Index	114.7	7.5
MSCI World Net Total Return Index (USD)	149.1	9.0

We believe equity market volatility has moved structurally higher, given Trump's more aggressive and unpredictable policy stance, heightened geopolitical tensions and the lack of an immediate central bank backstop. We expect to see a continued rotation out of previously high momentum, high P/E stocks, where valuations, expectations and positioning have all been extremely stretched. For our investors, periods of elevated volatility have historically been stressful in the short-term, but extremely rewarding over the following 1-2 years. Our clear focus is on exploiting the erratic sell-off to identify stock-specific mispricings and taking advantage of the emotional or non-fundamental selling we observe in the market. We continue to believe that infrastructure, gold and 'Quality Value' stocks provide some of the best opportunities globally. Our portfolio also has a stronger than usual Value skew, with our median long position having a P/E of less than 10x, close to 10% FCF yield and double-digit EPS growth, providing a compelling medium term return profile in spite of a tougher macro backdrop.

¹. All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. **Past performance should not be taken as an indicator of future performance.** Based on returns achieved by the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). NOTE: Fund returns and Australian indices are shown in A\$. Returns of U.S. indices are shown in US\$. Index returns are on a total return (accumulation) basis unless otherwise specified.

Embedded in the Australian market's 2.8% decline for the quarter, the best performing sectors in the ASX200AI were Industrials (+2.6%), Utilities (+2.2%) and Communication Services (+1.5%), whilst Information Technology (-17.5%), Healthcare (-9.1%) and Property (-6.8%) lagged.

Pleasingly, the portfolio generated positive returns for the quarter despite falling global equity markets. Stock-specific updates in a number of Industrials, along with gains in gold stocks and the sell-off in expensive Banks and Technology names (where we have some short positions) contributed to both positive absolute and market-relative performance.

Equity market observations

"Liberation Day" on April 2 heralded a new era for equities, as Trump championed a new world order with respect to international trade, announcing headline tariffs that were substantially higher than the market expected (Figure 1).

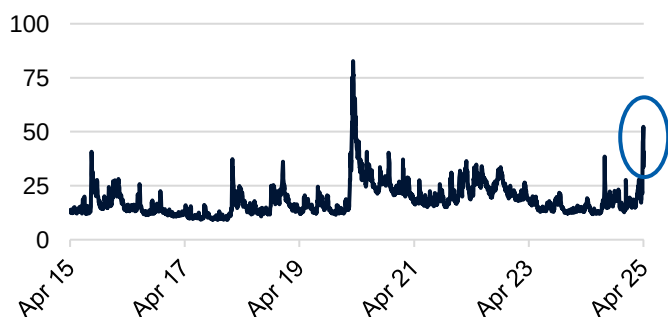
While these tariff levels were established as a starting point for negotiations with trade partners, the final tariff levels remain uncertain and the negotiation pathway is likely to be volatile and drawn out. At the time of publishing, U.S. tariffs on China are 145%, while China tariffs on U.S. goods are 125%. Trade tensions between the two largest economies in the world are extremely elevated, while tariffs for other countries have been set at a 10% floor with higher levels 'paused' for 90 days.

Equity markets are reflecting this heightened volatility and uncertainty, as illustrated by the VIX spiking to its highest level since COVID (on April 7 – see Figure 2). The impact of rapid-fire news flow has also led to extreme intra-day moves in the S&P500 (see Figure 3).

Uncertainty in equity markets stems from various areas, including future central bank actions. Central banks, particularly the Fed, now face additional inflationary pressures from the tariffs, which typically put *upward pressure* on interest rates. However, given the disruption of Trump's tariff agenda, the Fed is also likely to simultaneously confront data pointing to slowing growth, a weaker labour market and weaker consumer and business confidence. These factors will all place *downward pressure* on interest rates, adding another layer of complexity for the Fed who can only have one policy decision. Ultimately, we anticipate that the Fed will continue to cut rates, but given the inflationary risks and the need to contain inflation expectations, the pathway to achieve that remains slower and more uncertain than equity investors would like.

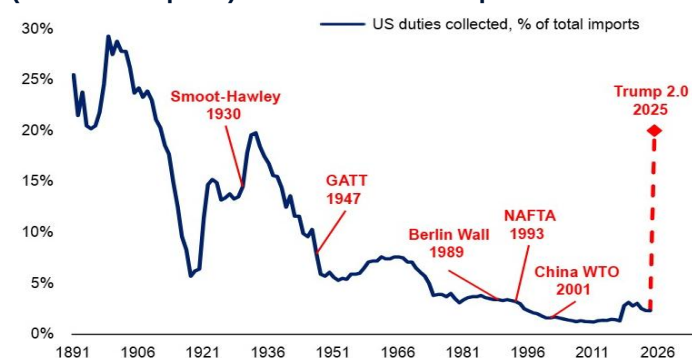
Compounding the Government policy risk and heightened central bank uncertainty are ongoing geopolitical tensions encompassing the Ukraine-Russia war and tensions in the Middle East, as well as escalating tensions over trade between China and the U.S.. Concerns over global growth and increased supply have contributed to weaker oil prices in recent weeks (Figure 4 on the next page). Meanwhile gold prices have held up well (dipping less than 4% below highs during the peak of the market sell-off and making new highs since), delivering as a defensive and uncorrelated asset class (Figure 5 on the next page).

Figure 2: The CBOE Market Volatility Index (VIX) has spiked to over 50, highest since COVID (Level)



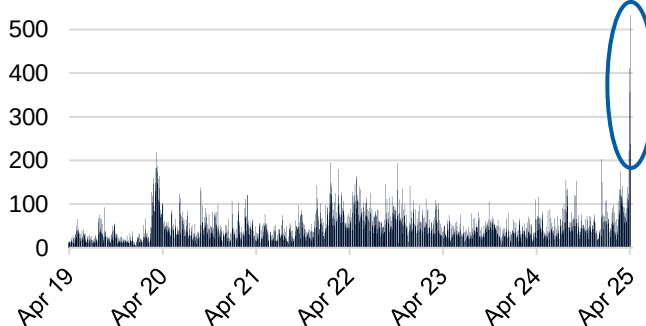
Source: Bloomberg as at 9 April 2025

Figure 1: Tariff increases – U.S. duties collected (% of total imports) as estimated for 2 April announcement



Source: BoFA Global Investment Strategy, BofA Global Economics, U.S. International Trade Commission

Figure 3: The intra-day move in the S&P500 of 533pts (10.8%) is the highest on record! (Points)



Source: Bloomberg as at 9 April 2025

Figure 4: Oil prices have fallen, reflecting growing concerns over a slowing global economy (US\$ p/bbl)



Source: Bloomberg as at 9 April 2025

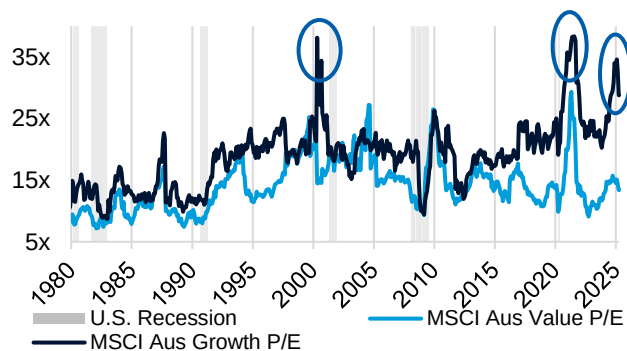
Figure 5: Continued rise in gold prices from heightened geopolitical tensions, safe haven status and diversification benefits (US\$ p/oz)



Source: Bloomberg as at 11 April 2025

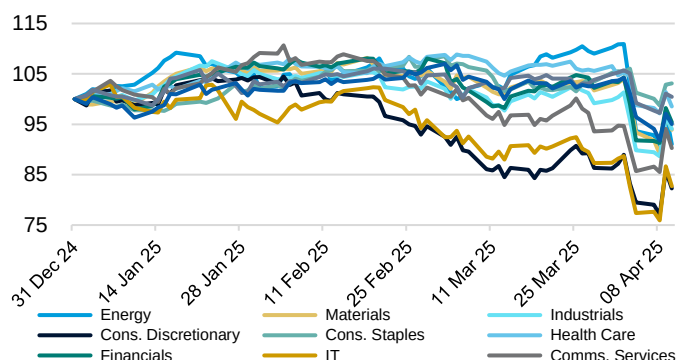
For equity markets, we observed a rotation in February-March from AI/Tech stocks and Growth names more broadly toward Value stocks. Simultaneously we saw outperformance of the undervalued U.K./Europe markets relative to the U.S.. In our view, the Growth-Value rotation was justified after a two-year period of enormous outperformance and re-rating of Growth equities, which we discussed in our [December 2024 quarterly](#). While Growth stock valuations in Australia have contracted, they remain very elevated relative to historic levels (see Figure 6). Growth valuations have only been this high on two other occasions during the last 45 years – which were Covid in 2020 and the Tech Bubble in 2000. On both occasions, these stocks underperformed significantly in the following 1-2 years.

Figure 6: Growth is still very expensive versus history (MSCI Australia – Value and Growth P/E)



Source: Factset, Macquarie Research as at April 2025

Figure 7: S&P 500 Index, YTD performance by sector (%)



Source: Bloomberg as at 10 April 2025

While pressure on equity markets continued in April, the dynamic shifted again. Following the Liberation Day announcements, the Value-Growth rotation gave way to a more erratic and in some cases non-fundamental sell-off. We believe this environment has created numerous exciting investment opportunities for us. Following other large stock market corrections, the L1 Long Short Fund has typically performed strongly, capitalising on the volatility and stock picking opportunities. For example, the Fund achieved the following returns following major selloffs:

- ~+25% in the 12 months following the December quarter 2018 market sell-off, which was driven by concerns over Fed policy, uncertainty over BREXIT and the growing impact of a U.S./China trade war.
- ~+45% in the 6 months following the Covid sell-off in Feb/Mar 2020.

We see many parallels to today's macro environment and valuation dispersion, which reinforces our positive view on the medium-term opportunity for the portfolio.

Portfolio positioning

The portfolio remains heavily weighted towards quality, lower P/E stocks with strong cash flow generation and solid earnings growth prospects. As at 11 April, the portfolio had a median P/E ratio of 8.8x, EPS growth of 20.3% and a FCF yield of 9.3%.

Against the backdrop of weaker index performance during the March quarter, we were pleased to deliver positive absolute and relative returns attributable to bottom-up stock selection, and by large share price falls in several of our stock shorts.

We continue to have relatively low net exposures to Australian and U.S. companies, where we believe valuations have become relatively stretched. Europe and the U.K. continue to be our largest net geographical exposure, where we have found a number of high-quality companies at attractive valuations relative to international peers, including U.K. Banks, Rightmove and Flutter.

Our largest individual sector exposure is to Infrastructure. We see a number of opportunities where valuations are very attractive for assets with low macro risk, stable cashflows and growing dividend profiles. While we believe our infrastructure companies have positive outlooks on a standalone basis, this sector exposure also provides the portfolio with desirable defensive qualities that provide protection from a likely slowing in economic activity, along with further upside in a falling interest rate environment.

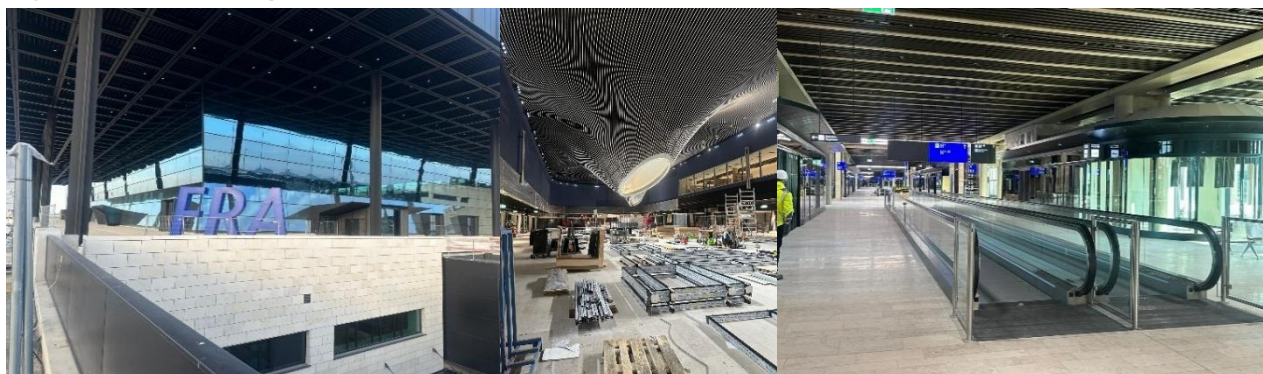
As discussed, gold has proven to be a resilient and uncorrelated asset class in a period of heightened equity market volatility. Gold has rallied from roughly US\$2,000/ounce early last year to more than US\$3,000/ounce today. Despite this enormous move in the gold price, several mid-cap gold stocks have seen their share prices barely rally over that time.

Feedback from the road

The L1 investment team travel extensively to meet with executives from current and prospective investment companies, as well as their competitors and suppliers, and industry experts. Across the team, five of us headed overseas for numerous company meetings in the month of March alone. Regions visited included U.K., Europe, U.S. and China. Highlights included:

- **U.K./Europe:** We conducted an intensive schedule of meetings and asset tours across Infrastructure, Telecoms, Marketplaces, Airlines and REITs stretched over two weeks and five countries. Highlights included an extensive one-on-one site visit to the new Terminal 3 at Frankfurt Airport, which is nearing completion ahead of its opening in Q2 2026 (see Figure 8). This visit reinforced our confidence that Fraport's major capex program is on track, underpinning a significant inflection in the company's cash flow profile in coming years. In the U.K., the residential real estate market remains robust and the improving landscape is supportive for our Rightmove investment. Rightmove maintains a dominant audience share (even more dominant than REA in Australia), trading at just 21x CY26 P/E – a significant discount to global peers.

Figure 8: Frankfurt Airport's new Terminal 3



Source: L1 Capital at Frankfurt Airport

- **U.K.:** We held more than 20 meetings with Banks, Insurers and Diversified Financials operating in the U.K. and Europe. We observed consistent feedback across U.K. banks on positive operating trends and resilience in the face of macro uncertainty. This reinforced our conviction that U.K. banks are well placed to continue to grow earnings and to deliver strong capital returns to shareholders. Management teams were unanimously confident in the operating outlook and we came away from our meetings with a view that forward guidance appears achievable. One key portfolio holding is Lloyds, the highest quality U.K. bank, which trades on a P/E of only 7x (FY26), 6% dividend yield with earnings growth averaging more than 20% p.a. in FY26 and FY27.
- **U.S.:** We attended a four-day investment conference in Miami in March, where we met with over 50 companies across the Metals and Mining sector. The stand-out opportunity for us remains the gold sector, where equities continue to trade at exceptionally low valuations in the current gold price environment. More broadly, the sentiment in the commodities space was sombre given U.S. policy and Chinese economic uncertainty. Several key observations within the gold sector include:
 - Mid-cap value discount is driving sector consolidation (e.g. Calibre and Equinox C\$7b merger announced during the conference), with a focus on securing assets of scale within North America,
 - At current gold prices, valuations for most of the mid-cap space sit around half of what we see as fair value, absent a few selected 'market favourites',
 - The sector continues to fight against cost inflation, but expectations are that cost inflation should moderate over the next year versus what was experienced over the past three years,
 - Strong management teams continue to be the best predictor of success in the space,
 - The higher gold price is enabling mine life extensions for older assets across the sector, which are typically value accretive at current prices even with an elevated cost base, and
 - Exploration optionality in producers can be significantly mispriced given the high return on capital investment opportunity.

Key stock contributors for the quarter

Gold stocks

The gold sector rallied during the quarter as gold prices moved up ~19%, or ~US\$500/oz, amidst market and economic instability associated with weaker global economic activity and risks relating to trade policies. We refer our readers to our [December quarterly report](#) where we detailed our favourable outlook for gold and the highly compelling opportunity we see to invest in the mid-cap gold equities space. In March, we launched the [L1 Capital Gold Fund](#) to provide our investors with an opportunity to get access to undervalued gold equities in a diversified and convenient manner. Please reach out to our team if you qualify as a wholesale investor and are interested in this Fund.

We continue to see a favourable outlook for gold in the medium term supported by central bank buying, and the elevated macro and geopolitical risks. Rising market uncertainty is highlighting the role of gold as an effective diversification tool, which has historically had lower correlation with other asset classes. To date, the valuations of gold producers have continued to lag despite the increase in gold prices. We expect gold equities will begin to rally significantly over the next 1-2 years as their margins expand due to gold prices rising much faster than input costs. We find it unusual that in many cases, the share prices of these gold stocks have barely increased, despite a likely increase in their earnings and cashflows of 200-300%. We believe these stocks offer a positive asymmetric return profile, along with effective diversification in a less predictable world.

Lloyds (Long +32%): Lloyds is the largest retail bank in the U.K. with ~19% of the domestic mortgage market and a strong reputation as a high-quality franchise. The shares rallied along with the U.K. banking sector in January on the back of positive sector updates in which Bank of England deposit data showed solid growth in low-cost funding. The Regulator's commentary also supported easing restrictions on new mortgages which could increase growth and push out new capital standards, giving more time for banks to build capital. More importantly, Lloyds' 2024 results, reported in February, represented an 11% beat to consensus expectations with FY26 guidance suggesting upside to current analyst earnings estimates, and the shares rose accordingly. Management provided more detailed disclosure on the upside from interest rate hedging income which was well received by the market and higher than general expectations. Lloyds also delivered a very strong message on continuing its capital return strategy, emphasising that it sees the risk from any fallout over current industry-wide legal proceeding on motor finance redress as being manageable.

BlueScope Steel (Long +14%) shares performed strongly in the quarter, primarily due the company presenting its medium-term earnings opportunity to the market as part of its half year results in February (+13% on the day of results). Notably the company provided an annual EBIT improvement target in excess of \$1b comprising >\$200m cost out, \$500m from growth investments and \$500m to \$1b from improved market conditions. These targets give visibility to a materially higher earnings base in the future (>\$1,800m vs. the current annual run-rate EBIT of ~\$600m). This comes within a backdrop of subdued investor sentiment for BlueScope given it is currently experiencing challenging market conditions, particularly in Asia where excess Chinese steel production has resulted in elevated exports (>100Mtpa annual run-rate) pressuring prices across the region. Sharply improving U.S. steel markets towards the end of the quarter also contributed positively to performance, with U.S. steel spreads rising above US\$500/t, up significantly from ~US\$330/t at the start of the year, as buyers looked to secure supply in the context of tariff uncertainty. We continue to believe the market significantly undervalues BlueScope's unique and strategic asset base and the longer-term resilience of the largely consolidated U.S. steel sector.

Imdex (Long +28%) shares performed strongly as the company reported H1 FY25 results above market expectations and provided a confident medium-term outlook. The company materially outperformed underlying exploration activity resulting in increased market share and resilient margins despite the declining revenue backdrop. We believe this reflects its strong cost management, industry leading product offering and reliable revenue streams in a difficult market environment. Imdex provided positive FY26 commentary with its expectation for continued growth underpinned by further market share gains, margin expansion and digital penetration, which are all within the company's control. From a broader market activity standpoint, while exploration activity has been muted recently, we are seeing some early signs of improvement going forward.

High P/E shorts

The Portfolio benefited during the quarter from a sharp selloff in a number of holdings where we held short positions in high multiple Technology names, where valuations had become significantly disconnected from company fundamentals.

Key stock detractors for the quarter

Viva Energy Group (Long -35%) shares declined after the company released its 2024 results. While these were broadly in line with guidance and market expectations, Viva's H1 FY25 guidance for its Convenience & Mobility business was well below market expectations, driven by slow ex-tobacco convenience sales growth, an ongoing sharp decline in tobacco sales and weak retail fuel margins to start the year.

Despite this disappointing H1 guidance, we expect H2 FY25 to improve significantly, benefiting from acquiring its remaining interest in the Liberty Convenience business, substantial synergies from combining the Coles Express and OTR businesses, its \$50m cost-out program and the potential for an improvement in fuel retail margins. OTR remains a proven, high-quality fuel and convenience retail offering. There is significant earnings upside potential from rolling out OTR across the well-located, but historically under-invested Coles Express sites, with the initial set of conversions performing well. Management have retained their \$500m EBITDA target for the Convenience & Mobility business (compared with \$231m EBITDA in 2024).

Furthermore, Viva's Commercial business is performing well (\$470m EBITDA in 2024) and refining margins have improved from their trough in 2024 (when the business made a minimal EBITDA contribution). Although the outlook for refining margins has been impacted by the ongoing global trade dispute, the viability of the refinery is supported by the Federal government's Fuel Security Services Payment program. Viva trades at a substantial discount to its global peers, despite the significant medium-term earnings upside potential in the business.

Mineral Resources (Long -30%) shares declined due to a 3-month delay to the ramp up of the company's Onslow iron ore project and an additional \$300m capital expenditure to upgrade and repair the haul road connecting the project to the port (after severe weather damage). We refer our readers to our [Long Short Fund February 2025 Monthly Report](#) for further commentary on Mineral Resources. We continue to believe that each of Mineral Resources' core segments should see material improvement from current levels over the medium term. As a result, we think the risk-reward at the current share price of <\$20 is extremely compelling, with significant upside potential as Mineral Resources executes its key growth projects.

JD Sports (Long -29%) shares fell during the quarter, driven by a weak trading update in January, followed by a disappointing outlook from Nike and growing global macroeconomic and trade policy concerns later in the quarter.

JD's performance has been negatively impacted by elevated promotional activity from competitors, particularly in relation to key Nike products, despite the strong performance of other established and emerging brands within JD's stores. While this process of aggressively clearing excess inventory is likely to persist for much of 2025, Nike's actions on product, marketing and channel management will ultimately be extremely beneficial for the category, Nike brand and key retailer partners like JD.

Since the end of the quarter JD released its results for Q4 FY25, FY26 guidance (January year-end) and an update to its medium-term strategy. Q4 like-for-like sales was +0.3%, a solid improvement on the -1.5% decline in the first two months of the quarter. As major supply chain and infrastructure projects come to completion, JD will reduce capex spend and use its material cash flow generation to increase shareholder returns. Pleasingly, this includes an initial £100m share buyback.

Given the highly uncertain and evolving nature of the proposed U.S. tariffs, JD did not incorporate any impact into its FY26 guidance (albeit the company has assumed a continued subdued demand environment). Although JD is a diversified global business and is not directly responsible for importing goods into the U.S., the announced tariffs (particularly on Vietnam) have the potential to be extremely disruptive to the industry. However, we believe that this risk is more than reflected in the current share price.

Overall, we believe that the company is a high-quality global retailer with leading scale and brand relationships, excellent in-store execution and an attractive store roll-out pipeline ahead, yet it trades on <6x FY26 P/E on consensus earnings. While trading conditions are likely to remain challenging for much of 2025, we expect that the recent acquisitions of Hibbett and Courir, along with supply chain improvements and Nike's turnaround initiatives, should start delivering meaningful benefits from 2026.

James Hardie (Long -23%) shares fell after the company announced the acquisition of Azek, a leading U.S. decking and exterior building products manufacturer. The acquisition terms imply a 37% premium at an US\$8.5b enterprise valuation for Azek with the deal 53% scrip funded and 47% cash funded. Azek is a high-quality company with the second largest market share in the U.S. composite decking market and a strong financial track record. The company's residential segment (which comprises the majority of the business) has grown revenue at a 15% CAGR over the last seven years. In our view, this quality was already reflected in Azek's valuation, with the company trading on around 28x forward P/E prior to the deal announcement. James Hardie offered a 37% premium to this valuation and, per the deal terms, has proposed using a large component of its scrip to fund the transaction, with James Hardie trading on only ~18x forward P/E.

While we can see the strategic merits of the deal, the negative share price reaction is a clear message that the market believes James Hardie has significantly overpaid for the acquisition and the transaction is dilutive to shareholder value. We are very disappointed and frustrated that the Board signed off on a transaction of this size at an elevated valuation and at a time where there is uncertainty on the U.S. macroeconomic outlook. However, as we look at the shares today, we see valuation support, with the company trading on ~16x forward P/E assuming only cost synergies (and no revenue synergies) are factored in on a run-rate basis. Azek and James Hardie have a track record of delivering double-digit earnings growth over many years and this should continue and potentially accelerate on a merged basis. The current valuation and growth path compares favourably to James Hardie's average forward P/E of ~21x over the past ten years and Azek's average forward P/E of 34x since it listed in 2020.

Strategy returns (Net)² (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	–	–	–	–	–	–	–	–	(2.4)	3.0	2.8	1.6	5.1
2015	0.6	9.1	2.4	1.7	3.7	(0.9)	3.3	2.1	5.5	8.5	8.1	4.6	60.5
2016	5.8	0.6	5.5	2.5	2.8	(0.9)	3.2	3.9	0.5	(0.1)	0.5	2.2	29.6
2017	2.5	1.9	3.2	1.0	4.2	1.7	2.6	1.7	1.9	2.5	0.9	3.6	31.4
2018	0.6	(0.5)	(1.6)	1.6	(3.8)	(6.3)	0.8	(5.9)	(2.1)	(4.0)	(2.6)	(6.1)	(26.4)
2019	4.4	5.2	0.2	2.8	(2.8)	3.8	1.2	0.4	2.6	3.4	0.3	2.2	26.2
2020	(7.8)	(7.1)	(23.0)	23.0	11.0	(2.2)	(1.9)	10.0	0.5	(2.6)	32.3	4.2	28.0
2021	(0.1)	9.1	(0.1)	5.0	4.1	(0.6)	1.8	5.2	4.8	2.3	(7.2)	3.6	30.6
2022	2.7	7.0	1.5	3.3	0.1	(13.4)	(4.6)	5.7	(7.8)	5.1	7.9	4.3	9.8
2023	3.7	(2.0)	0.7	1.9	(3.4)	1.8	5.4	(4.7)	0.9	(3.1)	2.5	3.7	6.9
2024	0.3	(0.8)	8.3	3.3	2.7	(5.0)	1.6	(3.4)	4.2	(1.2)	(2.9)	(3.8)	2.5
2025	0.3	(0.9)	1.8										1.2

Strategy performance in rising and falling markets² (Net)

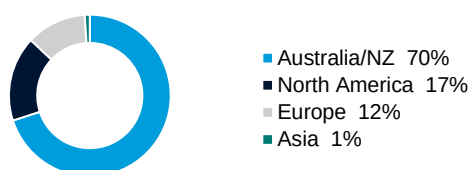
Portfolio positions

	Current	Avg. since inception
Number of total positions	83	81
Number of long positions	62	57
Number of short positions	21	24
Number of international positions	30	25

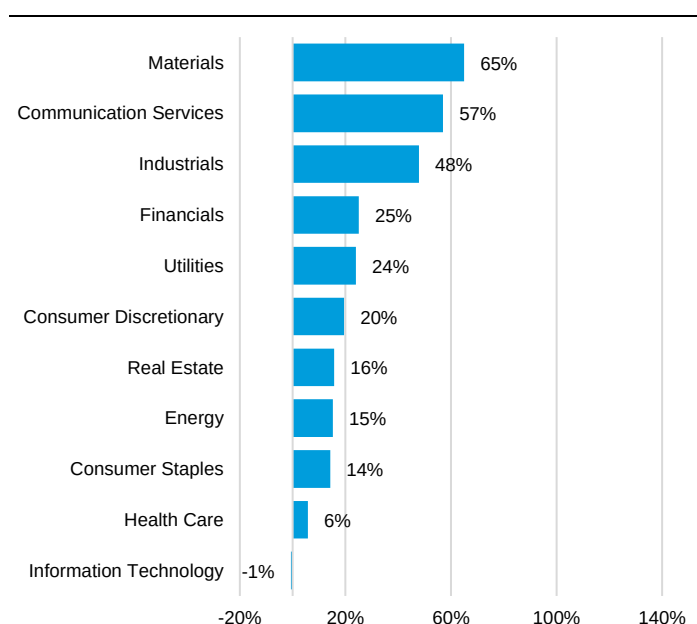
Net and gross exposure² (%)

	Gross long	Gross short	Net exposure
Australia/NZ	106	(83)	23
North America	38	(8)	30
Europe	32	0	32
Asia	3	0	3
Total ⁴	179	(91)	88

Figures may not sum exactly due to rounding.

Gross geographic exposure as a % of total exposure²Fund information as at 31 March 2025³

Unit price	\$2.12
Fund NAV	\$1.76b

Sector contribution since Strategy inception² (Net)

2. All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. **Past performance should not be taken as an indicator of future performance.** Strategy performance and exposure history is for the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 3. The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes. The unit price is calculated by decreasing the NAV price by the sell spread (currently 0.25%). The NAV price is the NAV divided by the units on issue. 4. Figures may not sum exactly due to rounding and/or exclusion of exposure to instruments not associated with a specific geography.

Fund information – Monthly Class

Class Name	L1 Capital Long Short Fund – Monthly Class
Structure / Currency	Australian Unit Trust / AUD
Inception	1 September 2014
Management Fee*	1.28% p.a.
Performance Fee**	20.5%
High Watermark	Yes
Buy / Sell Spread	15bps / 15bps
APIR / ISIN	ETL4912AU / AU60ETL49128
Minimum Investment	A\$500,000
Subscription / Redemption Frequency	Monthly
Platform Availability	Australian Money Market, HUB24^, Mason Stevens^, Netwealth, PowerWrap, Praemium

L1 Capital overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, Miami and London. The business was established in 2007 and is owned by its senior staff, led by founders Raphael Lamm and Mark Landau. The team is committed to offering clients best of breed investment products through strategies that include long short Australian equities, international equities, activist equities, a global multi-strategy hedge fund and U.K. residential property. The firm has built a reputation for investment excellence, with all L1 Capital's strategies delivering strong returns since inception. The team remains dedicated to delivering on that strong reputation through providing market-leading performance via differentiated investment approaches with outstanding client service, transparency and integrity. L1 Capital's clients include large superannuation funds, pension funds, asset consultants, private wealth firms, financial planning groups, family offices, high net worth investors and retail investors.



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Key service providers: for the Fund are: Responsible Entity – Equity Trustees Limited, Prime Brokers – Morgan Stanley, Merrill Lynch and Goldman Sachs, Fund Administrator – Apex Fund Services Ltd, Fund Auditor – EY, Legal Advisor – Hall & Wilcox. There have been no changes to key service providers since the last report.

* Fees are quoted inclusive of GST and net of RITC. ** The performance fee is equal to the stated percentage (inclusive of GST and net of RITC) of any increase in the NAV over any Performance Period (adjusted for applications and redemptions and before the payment of any distribution after the payment of the management fee and expenses) above the high-water mark. ^ Administration only.

All performance numbers are quoted net of fees. Past performance should not be taken as an indicator of future performance. Sources of information in this report are Apex Fund Services, Bloomberg and L1 Capital.

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