L1 CAPITAL

Monthly report

L1 Capital Long Short Fund – Monthly Class

July 2025

- The L1 Capital Long Short Fund returned 2.4%[1] in July (ASX200AI 2.4%).
- Over the past 5 years, the Fund has returned 22.0%[1] p.a. (ASX200AI 12.3% p.a.).
- Global markets rose in July, lifted by progress around trade negotiations, resilient U.S. corporate earnings and an improvement in Chinese economic data.

Global equity markets continued to rally in July as investor sentiment was again boosted by easing tariff and trade tensions, as well as a strong start to the U.S. reporting season. Two-thirds of S&P500 companies reported during the month, with around 80% of those beating consensus estimates.

U.S. trade deals with the E.U. and Japan, along with progress on negotiations with China, reduced uncertainty around trade policy, significantly reducing market volatility with the VIX volatility indicator remaining relatively subdued.

Commodity prices also surged due to easing by central banks globally, indications of economic stabilisation in China and speculation surrounding a pullback in Chinese supply of certain key resources and commodity products. Prices of lithium (+14%), brent crude (+8%) and iron ore (+6%) were all strong over the month.

In Australia, commodity strength drove a rotation into Resources (+4.5%) and out of Banks (-1.3%), reversing some of the Banks' recent strength. On the macro front, the RBA surprised the market by not cutting rates in July, although softer inflation and unemployment data later in the month led to consensus expectations for an August rate cut shifting to highly likely.

The ASX200AI returned 2.4% in July. Healthcare (+9.1%), Energy (+5.7%) and Utilities (+5.1%) were the strongest sectors, while Financials (-1.0%), Consumer Staples (+0.6%) and Industrials (+2.0%) lagged.

The portfolio delivered solid performance over the month, with broad-based gains further supported by the strength in resources and weakness in domestic banks (where we have some short positions).

Fund returns (Net)[1] (%)

	L1 Capital Long Short Fund	S&P/ASX 200 AI	Out-performance
1 month	2.4	2.4	0.0
3 months	15.3	8.2	+7.2
1 year	7.8	11.8	(4.0)
3 years p.a.	13.6	12.3	+1.2
5 years p.a.	22.0	12.3	+9.8
7 years p.a.	13.2	8.9	+4.3
10 years p.a.	17.2	8.6	+8.5
Since Inception p.a.	18.2	8.4	+9.9

Figures may not sum exactly due to rounding.

Returns since inception (Net)[1] (%)

	Cumulative return	Annualised return p.a.
L1 Capital Long Short Fund	522.4	18.2
S&P/ASX 200 Accumulation Index	140.7	8.4
MSCI World Net Total Return Index (USD)	181.3	9.9

We believe the Australian equity index is now fully valued, with several large cap stocks trading far above historical multiples and global peers. Encouragingly, we are finding numerous undervalued stocks offshore, where we see a far more compelling combination of strong earnings growth, shareholder friendly management, conservative balance sheets and significant valuation support. We continue to believe that infrastructure, gold, copper, travel 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 ~11x, ~7% FCF yield and double-digit EPS growth, providing a compelling medium-term return profile in spite of a slowing 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.

Key contributors to portfolio performance in July were:

Mineral Resources (Long +33%) shares rallied strongly during the month as lithium prices recovered from muti-year lows on the back of speculated supply cuts, most notably in China. Iron ore prices also moved higher, driven by expectations for potential Chinese policy addressing overcapacity and supporting steel margins. During the month, Mineral Resources released its Q4 25 results – most importantly, the company demonstrated the continued ramp-up of its Onslow Iron Ore project. For the month of June, Onslow reached iron ore shipments of 2.7Mt, representing an annualised run-rate of ~32.4Mtpa vs. nameplate capacity of 35Mtpa. The company has guided for production of 30-33Mtpa for FY26. At full run-rate and US$100/t iron ore prices, the company anticipates Onslow generating ~A$1.3b in EBITDA, materially contributing to balance sheet de-leveraging. Also notable from the quarterly results were the strong cost improvements at the Wodgina lithium mine, which are particularly encouraging given the difficult lithium price environment.

During the month, Mineral Resources announced two highly respected new Non-Executive Director appointments (Lawrie Tremaine and Ross Carroll). Combined with the new Chairman, Malcolm Bundey, commencing his role at the start of July, we are very encouraged by the progress made on the broader Board and governance reset. We continue to believe that each of the company's core segments should see material improvement from current levels over the medium term and we believe the risk-reward at the current share price remains compelling.

Imdex (Long +12%) performed strongly during July as external market conditions continued to improve. Junior miner equity raising activity, a key leading indicator for exploration spend, increased 65% YoY in H1 CY25 and reached its highest levels since 2021. This should provide a strong positive tailwind for the company as exploration activity increases after a period of weak underlying market conditions. Imdex continues to execute well, recently reporting increased market share and resilient margins due to its leading product offering and strong cost management. We continue to see positive tailwinds for the business, above and beyond the improving market environment, underpinned by further market share gains, margin expansion and digital penetration, which are all within the company's control.

Aurizon (Long +7%) shares were stronger during the month, after a trading update in late June and the announcement of a significant contract win for the Bulks segment. While the trading update included a modest downgrade to company guidance, this was due to non-recurring items including write-downs of bad debts for three Bulk customers as well as an under-recovery in Network revenues during the financial year. The Network revenues will be deferred but not lost under that segment's governing regulatory model. Allowing for these factors, pre-released underlying EBITDA was a few percent ahead of analyst expectations, which had become overly bearish on the operating environment.

Significantly, in July, Aurizon announced a large contract win for its Bulks division which will see it become the rail-hauler for BHP's Olympic Dam operations along with other adjacent BHP mines from October. This is a long-term growth contract, with a high-quality counterparty that will bring additional scale to its Bulk Central operations and highlights Aurizon's strong competitive positioning in that corridor. Complementing this announcement, Aurizon held a site visit to its Adelaide operations, including its Gilman rail terminal, Berth 29, and its Dry Creek maintenance facilities. We view all these assets as strategic, well-located and with scope for increased utilisation to deliver operating leverage over time.

We continue to see Aurizon as materially undervalued. The regulated Network business represents over half of the company's value and remains materially under-appreciated by the market. Aurizon announced a strategic review in February that includes a review of the Network ownership structure, with an outcome of this review expected by year end. The Coal haulage business is substantive and a strong cash generator for the Group. While the Bulks business has underperformed in recent years, we expect improving cash generation from these assets going forward given opportunities for growth and also containment of expansionary capex that has been a feature in recent years. With strong and growing cash flows from the underlying business, we expect to see continued solid returns to shareholders via dividends and share buybacks.

A key detractor to portfolio performance in July was:

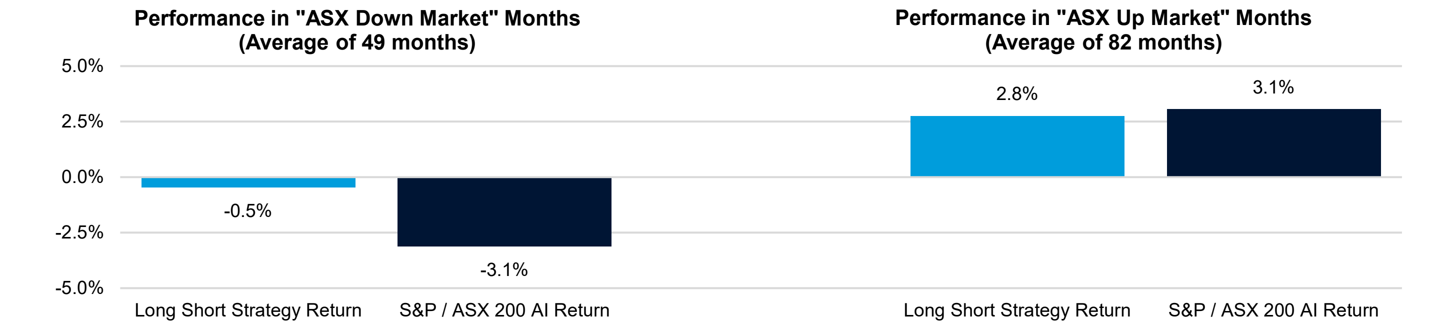
Hudbay Minerals (Long -11%) shares declined over the month as the copper price fell 5%, in part driven by several significant announcements in relation to U.S. copper tariffs. The Trump administration announced a 50% tariff on copper imports in early July with limited details provided. This led to a significant divergence opening between U.S. copper and LME (London Metal Exchange) quoted prices, with U.S. copper prices trading at a ~30% premium. Later in the month, further policy details indicated that raw copper materials (including copper concentrates and refined copper), will not be subject to the tariffs which instead target downstream products (e.g. wires, pipes, cables). Notably, in the medium term, Hudbay is well positioned to be a material local supplier of copper to the U.S. with its Copper World (Arizona) and Mason (Nevada) projects, potentially capturing enhanced economics with higher U.S. domestic copper prices.

Hudbay is a mid-tier mining company, primarily producing copper, along with gold and zinc, with its key assets located in Canada and Peru. We are attracted to Hudbay due to our positive medium-term outlook for copper and the company's ability to de-lever its balance sheet and recycle capital back into its highly prospective exploration program and major growth projects. The most exciting near-term opportunity is its fully-permitted Copper World project in Arizona, which is set to increase Hudbay's copper production by more than 50%.

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	(0.6)	6.6	5.6	2.4						**16.0**

Strategy performance in rising and falling markets[4] (Net)



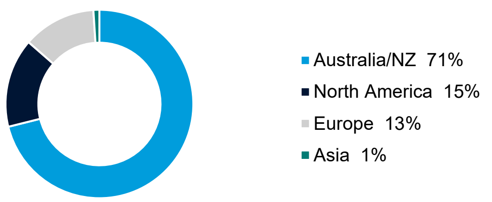
Portfolio positions

	Current	Avg. since inception
Number of total positions	79	81
Number of long positions	59	57
Number of short positions	20	24
Number of international positions	29	25

Net and gross exposure (%)[2]

	Gross long	Gross short	Net exposure
Australia/NZ	98	(89)	9
North America	38	(2)	36
Europe	33	-	33
Asia	3	-	3
Total[4]	**172**	**(91)**	**81**

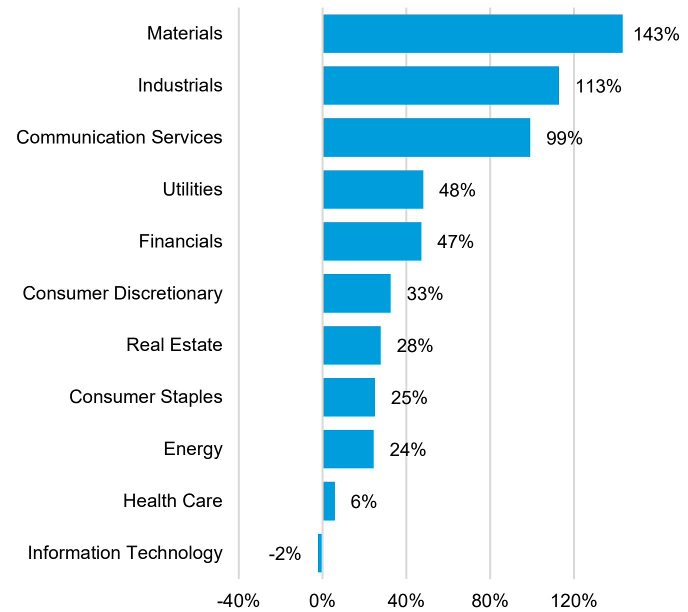
Gross geographic exposure as a % of total exposure[2]



Company information as at 31 July 2025[3]

Share Price	$2.43
NTA before tax	$2.04b

Sector contribution since Strategy inception[2] (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. Excludes exposures 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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