Quarterly report

L1 CAPITAL

# L1 Capital Catalyst Fund

**March 2026**

- The L1 Capital Catalyst Fund returned 1.6%[1] for the March quarter (ASX200AI -1.6%).
- Since inception the L1 Capital Catalyst Fund has returned 10.5%[1] p.a. (ASX200AI 7.3% p.a.).
- The Fund's performance during the March quarter was driven by favourable trading conditions at several companies and a take-over bid for BlueScope.

Equity markets fell sharply in the March quarter due to the war in Iran with the resultant surge in the oil price and related upward pressure on inflation, along with A.I. disruption concerns for technology stocks. The ASX200AI declined 1.6% in the March quarter, whilst the S&P500 Index and the MSCI World Net Total Return Index dropped 4.3% and 6.4%, respectively.

The fall in the ASX200AI, however, understated the breadth of the selloff, with nearly half of the constituents falling more than 10% (with those companies averaging a ~20% decline) in the March quarter.

Technology stocks were especially hard-hit due to rising concerns about the potential displacement of existing software company business models by agentic A.I. tools. Conversely, hard assets, with low obsolescence risk (HALO stocks), were resilient. This trend was a tailwind for the Catalyst Fund, given our weighting to hard assets and it has no exposure to technology stocks.

The war in Iran triggered the worst oil supply shock in history, driving inflation concerns and pushing long-term bond yields significantly higher. The Strait of Hormuz closure disrupted ~20% of global oil flows (albeit a material percentage has now found its way back into global oil markets), leading to a more than doubling of the Brent Crude oil price. In Australia, the RBA hiked interest rates in both February and March, with markets pricing in a further two increases by year-end. The conflict also drove a repricing of inflation expectations higher, contributing to a ~23bps rise in Australian 10-year bond yields in the quarter.

The strongest sectors in the ASX200AI for the March quarter were Energy (+37.7%), Utilities (+10.3%) and Consumer Staples (+9.7%), whilst Information Technology (-27.9%), Healthcare (-16.9%) and Property (-16.6%) lagged.

## Returns (Net) (%)[1]

| | Catalyst Fund | S&P/ASX 200 AI | Out-performance |
|---|---|---|---|
| **3 months** | 1.6 | (1.6) | +3.2 |
| **6 months** | 8.5 | (2.6) | +11.1 |
| **1 year** | 24.6 | 11.7 | +12.9 |
| **3 years p.a.** | 8.1 | 9.5 | (1.4) |
| **Since inception* p.a.** | **10.5** | **7.3** | **+3.3** |
| **Since inception* cumulative** | **61.0** | **39.7** | **+21.3** |

Figures may not sum exactly due to rounding.

The L1 Capital Catalyst Fund continues to find value in low P/E stocks with undergeared balance sheets, strong cash flow generation and realisable near-term catalysts. We remain confident in our portfolio and are focused on identifying and enacting catalysts through active engagement with company management and Boards. We continue to believe this engagement will ultimately create better shareholder returns for investors and outcomes for the companies themselves.

**1.** All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. Inception date: 1 July 2021. **Past performance should not be taken as an indicator of future performance.** 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.

## Portfolio commentary

The Catalyst Fund performed well for the March quarter (+1.6%), outperforming the ASX200AI (-1.6%), largely due to Santos being a net beneficiary of a higher oil price (the oil price rose +77%), an improved operating backdrop at Aurizon, and a takeover bid and other positive updates for BlueScope.

During the March quarter, the Catalyst Fund's performance relative to the ASX200AI was positively impacted by:

- **Santos:** Shares rose +29% in the March quarter driven by a more than doubling of the Brent Crude oil price from US$61/bbl to US$127/bbl (at its height). Global oil prices increased significantly due to the ongoing conflict in Iran, which has materially disrupted oil supply via the Strait of Hormuz (~20% of world supply), now effectively shut to non-Iranian vessels. Santos continues to progress its key growth initiatives, with its Barossa project loading the first LNG Cargo at the end of January 2026, and its Pikka project anticipating first oil in the coming weeks. Completion of these projects will conclude a multi-year period of elevated investment and mark an inflection point for earnings and dividends, leaving Santos well positioned to deliver attractive future returns and pass on the benefits of higher oil prices to shareholders.
- **BlueScope:** Shares increased by +13% during the quarter, after receiving two takeover offers from a consortium of SGH and Steel Dynamics. The first offer, in January 2026 at A$30.00/sh (a 27% premium to the pre-offer date share price) was rejected by the Board as attempting to take BlueScope 'on the cheap, drastically undervaluing its assets, growth momentum and future'. In February 2026, the consortium made a revised 'best and final' offer of A$32.35/sh, ex A$1.65/sh in dividends declared since the initial offer ($34.00/sh including the dividends) – a 47% adjusted premium. BlueScope responded with conditions for engagement and provision of diligence, including adjustment to the offer price and changes/clarifications to certain terms. Separately, press speculation suggests the company is also preparing an auction process for its North American business in a very compelling market with steel spreads well above US$600/t and at multi-year highs. For further information on BlueScope and our views on the offer, please see our December 2025 Quarterly Report.
- **Aurizon**: Shares strengthened +9% over the quarter, with the company announcing a solid operating result in line with guidance. Aurizon expects declining growth capex requirements, supporting improving free cash outcomes and a higher dividend payout ratio of 90%. Recently, Aurizon also secured a 10-year extension to regulatory arrangements with miners for access to the Queensland rail network. Pending approval by the Queensland Competition Authority, the agreement enhances long-term earnings and cashflow certainty for Aurizon's Networks business. Coal export volumes have been robust, and the recent grain harvest has been extremely strong. We expect that heading into FY27, Aurizon should see increasing contributions from its BHP Copper Contract, which commenced last October, and from improving containerised freight volumes.

During the March quarter, the Catalyst Fund's performance relative to the ASX200AI was negatively impacted by:

- **Qantas**: was weaker during the March quarter as investors focused on the near-term earnings impact of sharply higher fuel costs and disruption in global fuel markets due to the war in Iran. Qantas has responded with higher ticket prices and select capacity trimming, while demand remains resilient. Separate to this, the RBA's review of card payment costs and charges created a modest overhang for the Loyalty business through removing card surcharges and reducing the interchange fee cap on domestic credit cards. The company's shares also softened after a slightly better-than-expected H1 2026 result with additional capital management, as investors focused on softer trends in select international markets. Overall, the share price weakness appears to reflect nearer-term earnings volatility rather than any deterioration in the group's underlying competitive position.
- **Macro headwinds**: A number of stocks de-rated due to a combination of cyclical and company-specific pressures. From a macro view, the stocks were weak owing to stagflation fears, higher interest rates and risk-off sentiment impacting higher beta stocks. At the same time softer end-market demand and delayed customer activity weighed on near-term earnings expectations. In addition, margin pressure emerged as cost inflation and competitive dynamics limited the ability to fully pass through pricing. While these factors have tempered earnings momentum, we believe the underlying businesses remain well positioned over the medium term.

**Podcast Replay | March 2026**

We invite you to listen to a recent Livewire Markets interview with James Hawkins, Partner and Head of the L1 Capital Catalyst Fund, on the Rules of Investing podcast.

To listen, please click here.

## Stock Spotlight | Mineral Resources

Mineral Resources (ASX:MIN) is a mining services provider and iron ore/lithium miner, based in Western Australia. The company's core competency is in efficiently designing, building and operating mining assets, enhanced by its nimble and entrepreneurial operating culture. The company is structured across four core business segments:

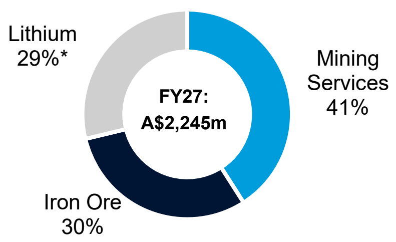
1. **Mining Services:** Provides mining services to third parties such as Rio Tinto (including mining, crushing, haulage and other services), in addition to its joint ventures where it also owns a significant interest in the underlying mining assets. The Mining Services business has grown EBITDA at over 20% p.a. over the past 7 years. We believe this segment is on track to generate ~A$1b EBITDA p.a. from FY27, underpinned by long-life contracts that are not directly impacted by commodity price volatility.
2. **Iron Ore:** Comprises the ~61% interest in the Onslow Iron Project (+38Mtpa) and the Pilbara Hub (~9Mtpa). The ramp-up of the Onslow Iron Project represents a transformation of Mineral Resources' iron ore business in terms of scale and cost positioning (from low volume/high cost to high volume/low cost), with the potential to generate meaningful cash flow in a variety of price environments.

### Figure 1: Mineral Resources Capitalisation (A$b)

| | |
|---|---|
| **Market cap (31 March 2026)** | $10.7b |
| **Last reported net debt** | $4.8b |
| **Enterprise Value (EV)** | $15.6b |
| **FY27F EBITDA** | $2.2b |
| **FY27F EV/EBITDA** | 6.9x |
| **FY27F P/E** | 17.4x |

Source: Consensus estimates. Company financial year end is 30 June.

### Figure 2: FY27 EBITDA Split



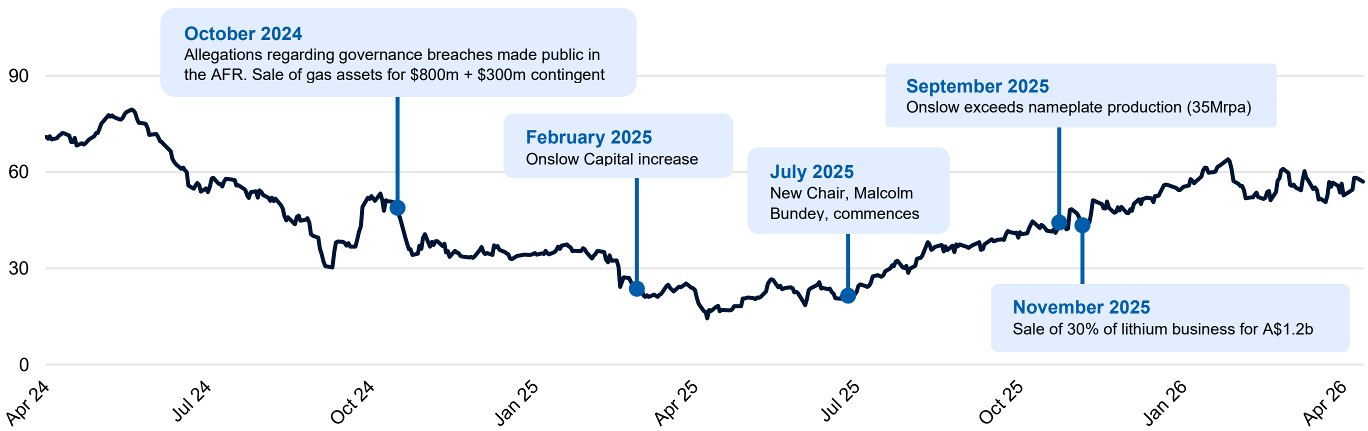

Source: Visible Alpha Consensus * Per consensus estimates, unadjusted for POSCO transaction.

3. **Lithium:** Holds a ~35% interest in the Wodgina and Mt. Marion lithium mines (after agreeing to divest 30% of its interests to POSCO in H1 FY26), and 100% ownership of the Bald Hill lithium mine, which is currently on care and maintenance. Mineral Resources is the operator of all three assets, which have an installed capacity of 1,375ktpa (spodumene, SC6), making it one of the largest producers of lithium globally, with significant optionality to grow volumes across all assets.
4. **Energy:** Ongoing exploration program in prospective WA basins. Assets are early stage and currently not contributing earnings to the business. In 2024, Mineral Resources sold various exploration permits to Hancock Prospecting for A$845m.

L1 Capital have been long term investors in Mineral Resources, building significant familiarity with the business and management team over this time. Over the last 18 months the company has been divisive for investors with the share price, at its lows, falling as much as ~85% (from ~A$90/t to ~A$15/sh). This weakness was driven by a wave of negative catalysts including a rapidly falling lithium price, ongoing governance issues, ramp-up issues and capital costs increases at its Onslow Iron Project, and which resulted in extreme market fear around the balance sheet and concerns relating to the need to raise equity.

During this time, L1 Capital took advantage of the extreme negative sentiment to accumulate a substantial position in the company, becoming the largest shareholder outside of the founder Chris Ellision. We engaged extensively over this difficult period with the Board and Management, and advocated for Board renewal, governance frameworks and balance sheet repair, including the sale of the gas division, partial sale of the Onslow haulage road and lithium business.

### Figure 3: Mineral Resources 2-year share price (A$/sh)




Source: Bloomberg and L1 Capital

## Significant recent developments for Mineral Resources

Since April 2025, when the shares reached lows of ~A$15/sh (currently ~A$58/sh), the company has seen material improvements across all aspects of its business, including underlying market conditions, operational delivery, balance sheet positioning and general corporate governance frameworks.

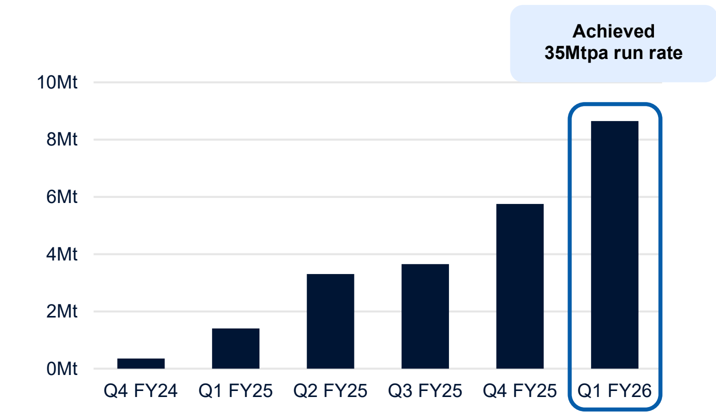
### 1. Onslow Iron ramp-up

Onslow Iron materially transforms the scale and cost positioning of Mineral Resources' iron ore operations. Stage 1 aims to deliver 35Mtpa of ~58% iron ore. Unlike other major iron ore operations in Western Australia, Onslow has neither rail nor deep-water port access capable of loading capesize vessels, so it required a combination of large road trains on a dedicated 150km haul road and numerous transhipping boats to load vessels docked offshore. Such an operation in Western Australia is without major precedent and is evidence of the innovative culture of Mineral Resources.

Mineral Resources has an effective 60.3% project interest in Onslow Iron plus the mining services contracts for haulage, crushing, port & handling and transhipping, as well as a 51% access charge for the haul road. Ground was broken at the Ken's Bore mine site in June 2023, with first ore delivered in May 2024, though the initial ramp-up was more challenging than anticipated, due mainly to haulage bottlenecks, requiring upgrades to the haul road.

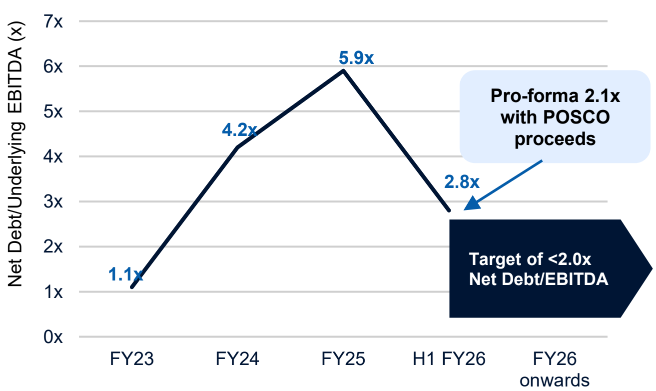
Following the project completion and haul road upgrades, Onslow Iron has successfully achieved nameplate capacity of 35Mpta in Q1 2026 (see figure 4 below), with additional transhippers due mid-2026 expected to lift capacity above 38Mtpa. At US$100/t iron ore (61% index), Mineral Resources' share of Onslow Iron's EBITDA exceeds A$1b per annum. In addition, the company will generate ~A$450m of EBITDA per annum from mining services contracts and haul road charges, which are independent of commodity price movements. This brings total project EBITDA to ~A$1.5b per annum. Over time we expect Mineral Resources to explore increasing production well above 40Mpta, potentially up to 50Mtpa, at an attractive capital intensity.

**Figure 4: Onslow iron ramp-up (Mtpa)**




Source: Company filings.

**Figure 5: Mineral Resources De-Leveraging (ND/EBITDA x)**




Source: Company filings

### 2. Balance sheet repair

Due to the increased capital expenditure required at Onslow, in addition to weak lithium markets, Mineral Resources materially exceeded its targeted leverage metrics, peaking at ~5.9x net debt/EBITDA in FY25. We believe the elevated leverage levels became the primary negative overhang for the stock in mid-2025, with several market commentators suggesting a large and dilutive equity raise would be necessary for balance sheet repair. Despite this, Mineral Resources has effectively restored its leverage back within its target range of <2.0x EBITDA (see figure 5 above).

This has been accomplished due to the material earnings growth associated with the successful execution of Onslow, in addition to select asset sales generating over A$3b in proceeds, notably including:

- A$1.3b sale of a 49% interest in the Onslow Iron haul road to Morgan Stanley Infrastructure Partners (June 2024),
- A$845m sale of oil and gas tenements to Hancock Prospecting (October 2024, above price expectations at the time),
- A$1.2b divestment of a 30% stake in Wodgina and Mt Marion to POSCO (November 2025, materially above consensus NAV at the time of the transaction).

In addition to absolute de-leveraging, the company continues to extend maturities and improve terms of its outstanding debt. Post the POSCO lithium transaction, the company's earliest bond maturity will be in 2029. This further improves near term liquidity and provides significant business flexibility.

### 3. Governance refresh

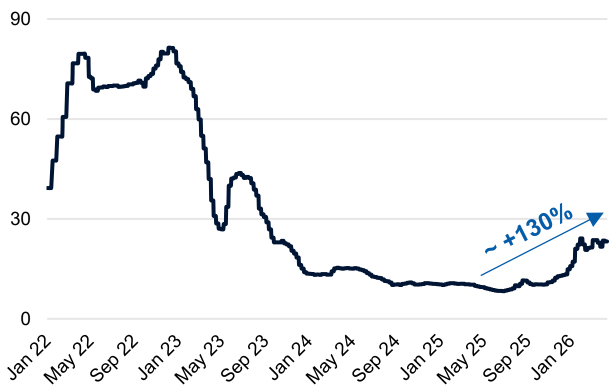
Over the last 18 months, Mineral Resources faced numerous headwinds related to governance, which was amplified by the above-mentioned balance sheet issues and Onslow Iron ramp-up difficulties. Pleasingly, the company has since had a significant refresh of the Board and governance reset. In July 2025, Malcolm Bundey commenced his role as Chairman of Mineral Resources. Since then, the company has appointed four new highly respected, Independent Non-Executive Directors. We believe significant improvement has been made on related party transactions, disclosure and oversight, and are seeing greater investor confidence return as a result.

### 4. Lithium market recovery and volume growth

Lithium markets have recovered sharply from mid-2025 lows. Lithium chemical prices have risen from ~US$8k/t to US$23k/t, while lithium spodumene prices have risen from ~US$600/t to ~US$2,200/t. The recovery in lithium markets has been driven by a combination of demand and supply factors. Notably, energy storage demand has surprised to the upside, while disruptions in Chinese lepidolite and other supply have resulted in significant market tightness. While prices have already increased materially, they remain well off the previous cycle highs (see figure 6 below). Within this improved backdrop for lithium, Mineral Resources is very well positioned to grow volumes (see figure 7 below). Wodgina is approaching the end of an extensive period of elevated mine stripping, which will now allow the asset to shortly fill all three processing trains with ore and evaluate expansions (optimisation of three trains and a potential fourth train).

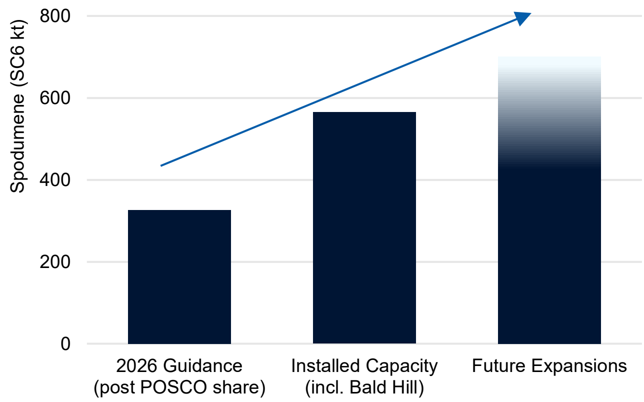
At Mt Marion, the company will restart the underground decline and assess a flotation plant to materially increase recoveries. Bald Hill remains in care and maintenance but can quickly restart (<6 months to nameplate) if market conditions remain favourable. Despite selling 30% of its Mt Marion and Wodgina interest to POSCO (at a 50% premium to the market's net asset value), we believe the attributable volumes from Mineral Resources lithium segment will continue to grow over time and will be funded by this accretive capital recycling transaction.

**Figure 6: Lithium Spodumene Prices (US$k/t Carbonate)**




Source: Factset

**Figure 7: Mineral Resources Lithium Volume Growth (kt)**



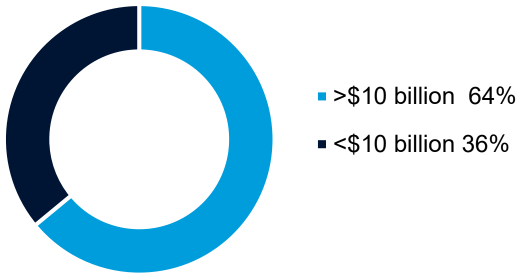

Source: Company filings

**While Mineral Resources' share price has recovered materially from its lows, we continue to believe that each of the company's core segments should see material growth from current levels over the medium term and we believe the risk-reward at the current share price remains compelling.**

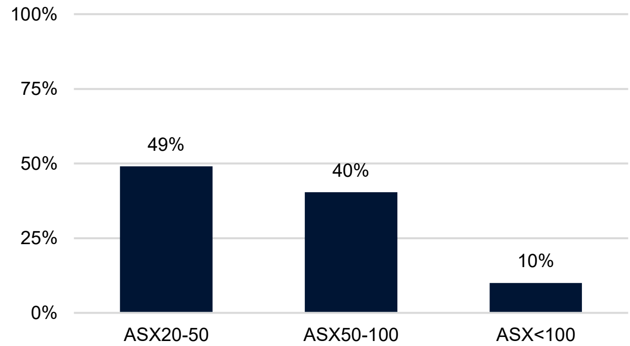
## Portfolio exposures by primary catalyst as at 31 March 2026

| | Strategic | Financial | Operational | Governance |
|---|---|---|---|---|
| **Stock 1** | ✓ | | | |
| **Stock 2** | ✓ | | | |
| **Stock 3** | | ✓ | | |
| **Stock 4** | ✓ | | | |
| **Stock 5** | | ✓ | | |
| **Stock 6** | | | | ✓ |
| **Stock 7** | | | ✓ | |
| **Stock 8** | | ✓ | | |
| **Stock 9** | ✓ | | | |
| **Stock 10** | | | ✓ | |

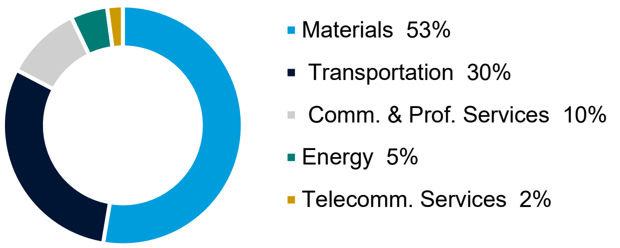
## Market capitalisation exposure (%)




## Market constituents exposure (%)




## Sector exposure – GICS Level II (%)




**Research Ratings**

**Awards**

*Money management Fund of the Year awards Innovation Award of the Year 2023*

Note: All breakdowns shown are for stocks only (i.e. excluding cash).

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## Fund Information

| | |
|---|---|
| **Fund/Class Name** | L1 Capital Catalyst Fund – Retail Class |
| **Currency** | AUD |
| **Investment approach** | The Investment Manager seeks to deliver private equity-style returns with listed market liquidity by taking a hands-on 'owner's mindset' to each investment in a tightly focused portfolio of up to 10 companies. |
| **Investment objective** | To deliver strong positive risk adjusted returns over the long term. |
| **Benchmark** | S&P/ASX 200 Accumulation Index |
| **Minimum investment** | $25,000 |
| **Management fee*** | 1.28% p.a. |
| **Performance fees**** | 20.5% (inclusive of GST and net of RITC) over benchmark, subject to any underperformance being recouped |
| **Vehicle** | Australian Unit Trust |
| **Fund identifiers** | ISIN: AU60ETL12936, APIR: ETL1293AU |
| **Launch date** | 1 July 2021 |
| **Platform availability** | Australian Money Market, BT Panorama, CFS FirstChoice, CFS FirstWrap, HSBC, Hub24, Macquarie Wrap, Mason Stevens, Xpand, Netwealth, North^, Powerwrap, Praemium |

## L1 Capital overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, Miami and London. The business was established by Raphael Lamm and Mark Landau in 2007 and is majority owned by its founders and staff. The team is committed to offering clients best of breed investment products through strategies that include long-short equities, international equities, activist equities, global convertible debt and U.K. residential property funds. The firm has built a reputation for investment excellence, with all L1 Capital strategies delivering strong returns since inception. In October 2025, L1 Capital merged with Platinum Asset Management to create L1 Group (ASX: L1G) with approximately $16b under management. The L1 Capital team remains dedicated to delivering on that strong reputation by providing market-leading performance via differentiated investment strategies 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 and retail investors.

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* Fees are quoted inclusive of GST and net of RITC. ** Performance fee is quoted inclusive of GST and net of RITC over benchmark, subject to any underperformance being recouped. ^ Managed account holders only.

**Key service providers for the Fund are:** Responsible Entity – Equity Trustees Limited, Fund Administrator and Fund Custodian – Apex Funds Services, Fund Auditor – EY, Legal Advisor – Hall & Wilcox. There have been no changes to key service providers since the last report.

**Information contained in this publication:** Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the L1 Capital Catalyst Fund ARSN 650 484 263. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This publication has been prepared by L1 Capital Strategic Equity Management Pty Limited (ACN 648 751 928), (an authorised representative (no. 1286013) of L1 Capital Pty Ltd (ACN 125 378 145, AFSL 314 302)) and its officers and employees (collectively "L1 Strategic"), to provide you with general information only. In preparing it, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither L1 Strategic, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. All performance numbers are quoted after fees. **Past performance should not be taken as an indicator of future performance.** You should obtain a copy of the Product Disclosure Statement on our website www.L1.com.au before making a decision about whether to invest in this product.