L1 CAPITAL

Monthly report

L1 Capital Long Short Fund – Monthly Class

February 2026

- The L1 Capital Long Short Fund returned -0.9%[1] in February (ASX200AI 4.1%).
- Over the past year, the Fund has returned 59.9%[1] (ASX200AI 16.2%).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 20.5%[1] p.a., compared to 8.6% p.a. for the ASX200AI[2].

The Australian Equities Index performed well in February, largely due to solid gains in ASX20 bank and iron ore stocks, which belied significant volatility and share price weakness across many stocks in the broader market. Banks benefitted from slightly expanding net interest margins due to higher interest rates, while miners were supported by rising commodity prices.

In February, the release of Anthropic's enterprise AI agents, including Claude Code, highlighted the potential for AI systems to automate complex workflows. This crystallised concerns that agentic AI may disrupt existing business models, especially at established software/technology companies.

The RBA raised rates in early February amid concerns inflation had re-accelerated and would remain above the 2–3% target. Persistent services inflation, supported by strong domestic demand and a tight labour market, underpinned the decision, with the Bank signalling the potential for further tightening.

The S&P/ASX200AI returned 4.1% over February. Financials (+9.2%), Materials (+9.1%) and Consumer Staples (+6.1%) led, while Health Care (-13.3%), Information Technology (-9.1%) and Consumer Discretionary (-5.8%) lagged.

U.S. equity markets declined (S&P -0.8%, Nasdaq -3.3%), led by a sell-off in software and mega-cap technology stocks. Concerns around the scale of AI infrastructure investment and the timeline for generating adequate returns contributed to the Mag-7 Index falling 7.3%, its worst monthly decline since March 2025.

The portfolio declined modestly in February, as gains in Gold, Infrastructure and Resources were offset by weakness in other sectors. Key contributors included Aurizon and several mid-cap gold equities, while News Corporation and BlueScope detracted.

Aurizon shares rose following a solid operating result with declining growth capex requirements, supporting an increase in its forward dividend policy to a 90% payout ratio.

Fund returns (Net)[1] (%)

	L1 Capital Long Short Fund	S&P/ASX 200 AI	Out-performance
1 month	(0.9)	4.1	(5.0)
3 months	12.4	7.3	+5.1
1 year	59.9	16.2	+43.7
3 years p.a.	19.7	12.2	+7.4
5 years p.a.	18.0	10.8	+7.3
7 years p.a.	20.4	9.9	+10.6
10 years p.a.	16.9	10.8	+6.1
Since Inception p.a.	20.5	8.6	+11.9

Figures may not sum exactly due to rounding.

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

	Cumulative return	Annualised return p.a.
L1 Capital Long Short Fund	752.6	20.5
S&P/ASX 200 Accumulation Index	158.2	8.6
MSCI World Net Total Return Index (USD)	216.3	10.5

Gold equities continued to perform strongly as the gold price rose ~8% during the month and ~22% year-to-date.

News Corporation shares pulled back due to a fall in the share price of REA and concerns that AI-enabled software creation could threaten their dominant industry position. BlueScope partially retraced its January gains (+26%) after the Board rejected a 'best and final' takeover offer of A$32.35/sh while signalling willingness to continue discussions with the bidding consortium.

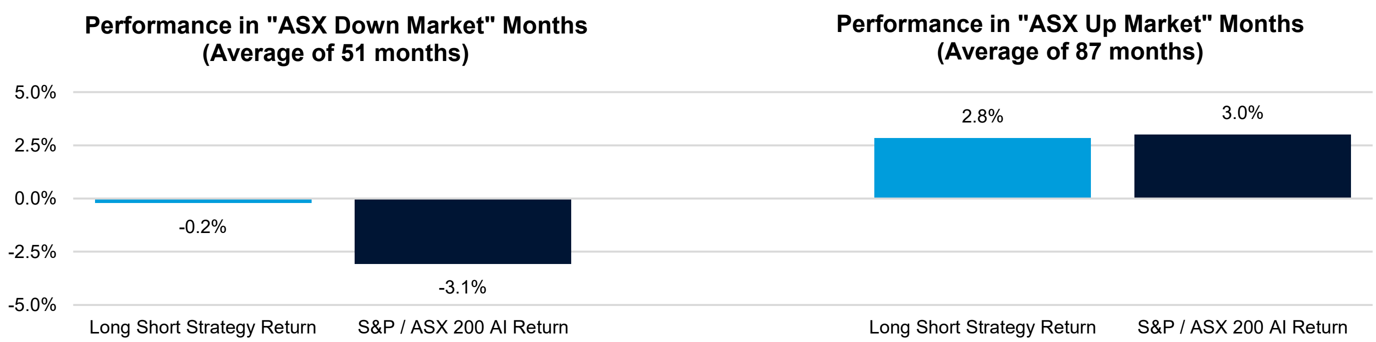
We believe the Australian equity market remains relatively fully valued, with several large-cap companies, particularly within the ASX20, trading at multiples well above historical levels and global peers. Encouragingly, we continue to identify a range of undervalued companies offering a compelling combination of strong earnings growth, shareholder-aligned management, conservative balance sheets and significant valuation support. Recent volatility, driven by the Iran war and growing uncertainty around the disruptive potential of agentic AI, has reinforced the importance of valuation discipline and stock selection. Periods of market uncertainty often create short-term periods of share price volatility but create attractive opportunities to find mispriced companies that should deliver attractive medium-long term returns for the portfolio.

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). **2.** Based on Zenith FE funds data as at 28 February 2026. 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.

Strategy returns (Net)[3] (%)

	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	6.1	4.4	2.3	7.5	7.4	**46.6**
2026	9.3	(0.9)											**8.3**

Strategy performance in rising and falling markets[3] (Net)



Portfolio positions

Number of total positions	77
Number of long positions	57
Number of short positions	20
Number of international positions	28

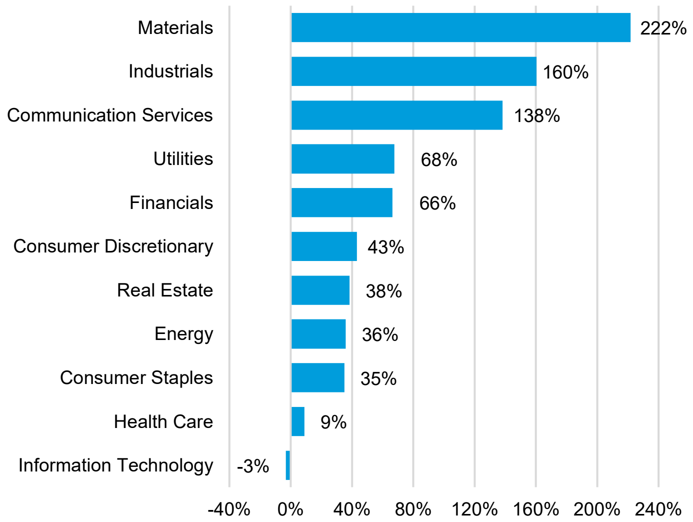
Net and gross exposure[5] (%)

	Gross long	Gross short	Net exposure
Australia/NZ	94	(83)	11
North America	33	(4)	29
Europe	33	-	33
Asia	3	-	3
Total	**162**	**(86)**	**76**

Fund information as at 28 February 2026[4]

Unit price	$3.33
Fund NAV	$2.94b

Sector contribution since Strategy inception[3] (Net)



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. 3.** Strategy performance and exposure history is for the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). **4.** 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 0.15%). The NAV price is the NAV divided by the units on issue. **5.** 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 by Raphael Lamm and Mark Landau in 2007 and continues to be 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), one of Australia's leading investment managers. 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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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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