L1 CAPITAL

# L1 Long Short Fund Limited

Quarterly Report | SEPTEMBER 2022

- **The L1 Long Short Fund (LSF) portfolio returned -5.9%[1] (net) for the September quarter (ASX200AI 0.4%).**
- **The portfolio has returned 18.8%[1] p.a. over the past 3 years (ASX200AI 2.7% p.a.).**
- **Global markets extended their decline over the quarter, reflecting increasing concerns over central bank policy tightening and the possibility of a U.S. recession.**
- **We invite you to join Mark Landau for an LSF investor webinar, where he will discuss portfolio positioning and the outlook for equity markets at 11am AEDT on Thursday 10 November. Please register here.**

| Returns (Net)[1] (%) | L1 Long Short Portfolio | S&P ASX200 AI | Out-performance |
|---|---|---|---|
| **3 months** | (5.9) | 0.4 | (6.3) |
| **1 year** | (7.9) | (7.7) | (0.2) |
| **2 years p.a.** | 28.1 | 9.8 | +18.3 |
| **3 years p.a.** | 18.8 | 2.7 | +16.1 |
| **4 years p.a.** | 15.0 | 5.0 | +9.9 |
| **LSF Since Inception p.a.** | 8.8 | 6.2 | +2.6 |
| **Strategy Since Inception[2] p.a.** | **19.2** | **6.1** | +13.1 |

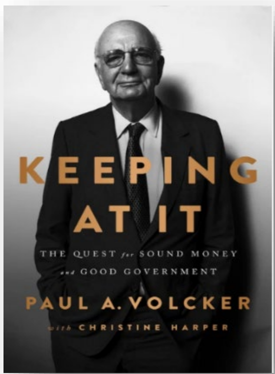
Equity markets were weaker over the quarter (MSCI World -6.2%, S&P 500 -4.9%, Nasdaq -3.9%), with gains achieved during the first six weeks of the period being quickly unwound following hawkish comments from Fed Chair Jerome Powell at the Jackson Hole symposium in mid-August. Powell reinforced the Fed's commitment to further interest rate rises to battle inflation, despite rising recession fears.

The short rally prior to this update had reflected a growing view that the Fed would soon 'pivot' to a more dovish stance, which had the potential to be more supportive of equity valuations. However, in the aftermath of Powell's speech, bond yields spiked in both the U.S. and Australia and the equity market sell-off gained pace, with the Nasdaq and S&P500 falling below their June 2022 lows.

**Powell's update at Jackson Hole was the seminal moment of the quarter for markets** (watch the video **here** or read the transcript **here**). His remarks emphasised the Fed's preparedness to continue to raise interest rates in an aggressive manner as a strategy to subdue inflation (and inflation expectations) with the ultimate goal of returning inflation to its long-term target of 2%. Powell's narrative was most clear in his concluding remarks:

> "We are taking forceful and rapid steps to moderate demand so that it comes into better alignment with supply, and to keep inflation expectations anchored. We will **keep at it** until we are confident the job is done".
>
> *Jerome Powell, Chairman U.S. Federal Reserve, Jackson Hole, August 2022*

We believe the phrase "**keep at it**" is an intentional reference to the strategies employed by former Fed Chair Paul Volcker in dealing with the inflation outbreak during the late 1970s (Volcker's autobiography is titled "Keeping At It"). During his tenure, Volcker curbed rampant inflation in the U.S. by raising interest rates to as high as 20%. While a major recession ensued, the strategy was incredibly successful in reducing inflation, and was the enabler for a multi-decade period of economic prosperity and strongly rising asset prices.

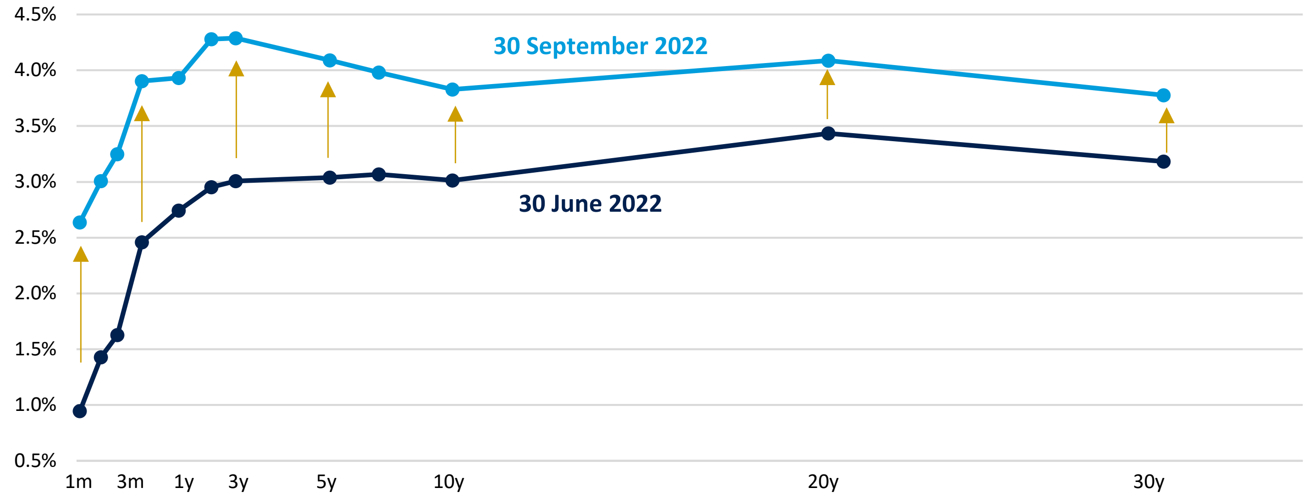



While we don't expect interest rates to reach anywhere near similar levels, the use of the phrase is a clear flag on the strategy and thinking of the Fed, suggesting to us a low probability of a 'pivot' to a less aggressive trajectory for interest rates than what the market is currently pricing in – which has clear implications for future economic growth as well as asset prices.

*1. All performance numbers are quoted net of fees. Net returns are calculated based on the movement of the underlying investment portfolio. Figures may not sum exactly due to rounding. Past performance should not be taken as an indicator of future performance. 2. Strategy performance and exposure history is for the L1 Long Short Fund Limited (ASX:LSF) since inception on 24 Apr 2018. Prior to this date, data is that of the L1 Capital Long Short Fund – Monthly Class since inception (1 Sep 2014). NOTE: Fund returns and Australian indices are shown in A$. Returns of U.S. indices are shown in US$. Returns are on a total return basis unless otherwise specified.*

The Jackson Hole address weighed heavily on bond markets, with yields across all durations along the curve shifting materially higher on the increased likelihood of higher interest rates for longer (Figure 1). The market is now expecting U.S. interest rates to be 4.3% by year end. In January that expectation was just ~0.75%, highlighting the incredible shift in expectations over the year.

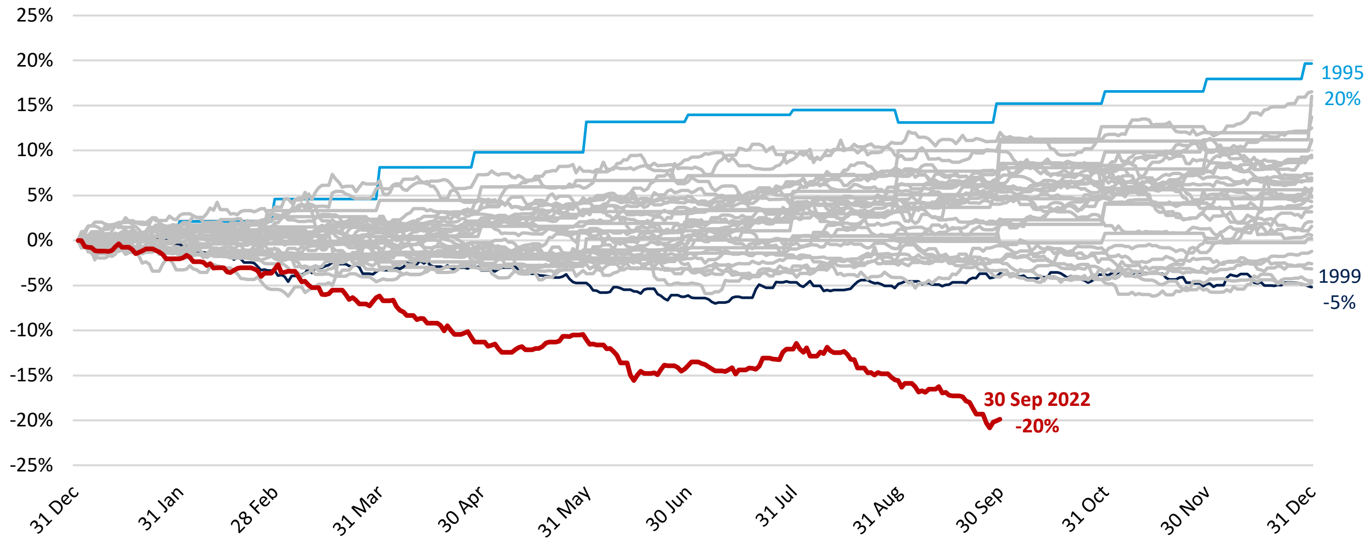
**Figure 1: Movement in U.S. Treasuries post Powell's Jackson Hole speech**




*Source: Bloomberg*

The sharp movement in rates, coupled with expanding credit spreads, created a perfect storm for bonds over the quarter leading to an acceleration in the decline of global bond markets. The Bloomberg Global Aggregate Bond Index was down a further 7% for the quarter and has now lost over one-fifth of its value this year (Figure 2). **This performance puts 2022 on track to be the worst performance for bond markets in almost a century.**

**Figure 2: Bloomberg global aggregate bond index performance (since inception in 1990)**




*Source: Bloomberg, Bianco Research.*

Global equity markets have come under extreme pressure in 2022, with the **MSCI World Index (-25.4%), S&P 500 (-23.9%), Nasdaq (-32.0%) and ASX200AI (-9.6%) all down heavily. While the LSF portfolio has outperformed all of these index returns, we are still disappointed to be down 6.2% so far this year.**

## Outlook and portfolio positioning

**We believe equity markets are likely to remain in a more difficult and uncertain period due to a combination of aggressive central bank policy tightening, deteriorating leading economic indicators, worsening geopolitical tensions and continued war in the Ukraine, along with an energy crisis.**

**As outlined earlier, we believe the Fed's current positioning suggests a low probability of a 'pivot' in the near term, with further central bank tightening likely to weigh on equity returns going forward.**

### We expect market returns to be more modest going forward.

**Equities backdrop: Last two years**

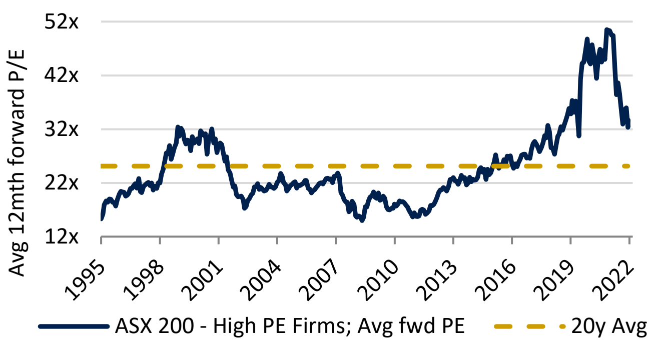
- Incredibly attractive valuations
- Excessive COVID-19 pessimism
- Central bank liquidity & falling interest rates
- Massive fiscal stimulus
- Company 'beats' likely
- Heightened M&A activity

**Equities backdrop: Today**

- Less valuation support
- Geopolitical tensions
- Reduced central bank liquidity & rising interest rates
- More balanced earnings risk
- Less 'business friendly' government policy

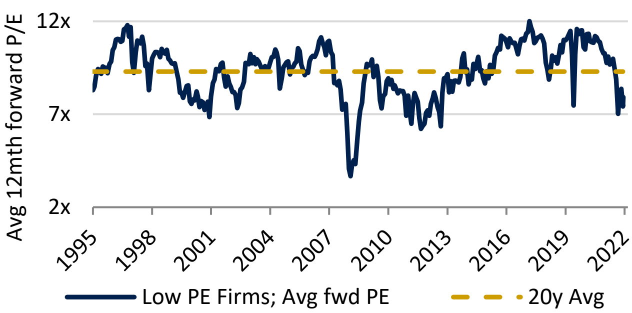
Against this backdrop, we have further reduced our net long exposure over the quarter and continue to find both safety and value in low P/E stocks with under-geared balance sheets and strong cashflow generation. In contrast, we believe high P/E stocks and 'expensive defensives' look crowded, risky and unappealing. Figure 3 illustrates that ASX 200 'High Growth' stocks trade at an average 12 month forward P/E of ~33x, which is still well above the ~25x multiple that 'Growth Stocks' have typically traded on when long-term interest rates have been at similar levels to today. Conversely, ASX 200 low P/E stocks remain below their 20-year average P/E multiple (Figure 4), supporting our continued belief that 'Value' stocks (particularly those with no structural headwind) remain far more compelling investments than 'Growth' stocks.

**Figure 3: ASX 200 High P/E firms relative to 20-y average**




*Source: Goldman Sachs as at 30 Sep 2022.*

**Figure 4: ASX 200 Low P/E firms relative to 20-y average**




*Source: Goldman Sachs as at 30 Sep 2022.*

Our portfolio positioning reflects this bias, with our median portfolio long position now trading on only 9.7x FY23 P/E, with stronger than market earnings growth and higher free cash flow generation, despite trading on much lower multiples (Figure 5). Conversely, our median short position is trading above the market multiple with low free cash flow generation and growth relatively in line with the market.

**Figure 5: Portfolio metrics (median)**

| FY23 Forecasts | Portfolio longs | Portfolio shorts |
|---|---|---|
| **P/E** | 9.7x | 16.9x |
| **EPS Growth YoY** | 6.0% | 6.3% |
| **Free Cash Flow Yield** | 6.2% | 2.3% |

*Source: Bloomberg consensus estimates as at 30 Sep 2022. Calculated as the median for the relevant constituents. Excludes entities with no estimates or negative estimates over the forecast period.*

Despite our cautious view on the macro environment, we believe the recent sell-off has been quite erratic and is providing us with a better than usual set of investment opportunities:

- We believe bottom-up stock picking will become an even more important driver of returns for investors going forward, making our rigorous company research even more valuable. We believe passive investment strategies – that have benefited from lower interest rates driving both inflows and higher valuations over the last decade – are facing a uniquely challenging environment to deliver returns for investors. The concept of simply investing more money into a company because it is bigger is nonsensical at the best of times. However, at a time of rising economic stress, including a potential recession, an energy crisis and growing corporate earnings risk, this approach becomes even less rational.
- We view the current environment as being well-suited to our investment style, with the recovery in low P/E stocks being relatively modest to date and having further to go.
- Increased market volatility is presenting exceptional opportunities for active fund managers that can remain nimble in identifying and acting on share price dislocations. We have used the sharp market correction to enter new positions in several oversold stocks, as well as to increase our exposures to some existing positions that have sold off, despite the fundamentals improving. One such example is copper, which we have outlined in further detail on page 6.
- LSF has the benefit of being able to adjust our exposure to reflect the prevailing risk-reward of the market, to benefit from falling share prices through shorting and to exploit insights both in Australia and overseas. These unique characteristics should enable us to continue to deliver attractive long-term returns despite the less favourable outlook for the market.

**While these periods of heightened market volatility can be unnerving, we continue to believe that taking a 2-year view and focusing on enduring investment fundamentals (cashflows, industry structure, management, operating trends and balance sheet) will deliver strong absolute and relative returns to our investors.**

## Key stock contributors for the quarter

**Mineral Resources (Long +36%)** shares rallied over the quarter supported by strong lithium prices, rumours followed by the announcement of a potential separate listing of its lithium business and the formal sanction of its Ashburton iron ore project (now called Onslow Iron) with production due in late CY23. We believe Onslow Iron will deliver a step-change in earnings for the company. Mineral Resources will own a controlling interest in a high-quality, long-life, low-cost asset as well as the associated mining services contract and infrastructure tolling.

From a lithium perspective, the company remains focused on developing its massive growth pipeline (full downstream integration for >100kt of lithium hydroxide production) over the next four years. The lithium market continues to remain very tight, supported by battery demand for electric vehicles. We continue to believe that all key areas of Mineral Resources' business (iron ore, lithium, and mining services) have favourable medium-term tailwinds with significant optionality that is not fully reflected in current market prices.

**Flutter (Long +21%)** shares performed strongly after reporting strong first half results with the U.S. business moving to positive EBITDA in Q2, well ahead of its U.S. peers. Flutter's U.S. sports betting market share accelerated to 51% in Q2 2022, from ~40% six months ago, driven by its superior product, efficient customer acquisition strategies and strong operational execution. The U.S. division is now the largest by revenue for the company, with a clear path to profitability in 2023. This shift to profitability, together with the continued exponential growth in the U.S. market, underpins the ability for Flutter to significantly accelerate its earnings growth over the next few years. Trading on only ~24x (consensus) FY23 P/E, we believe Flutter remains significantly undervalued given its exceptional growth outlook.

**Qantas (Long +12%)** shares rose during the quarter after reporting results at the top end of its guidance range and reaffirming its FY24 financial targets. Qantas also managed to dramatically reduce its net debt during the year, enabling a ~$400m share buyback to be announced at the result. The travel recovery continues to gain momentum, with leisure demand tracking 25% above pre-COVID levels and corporate/small to medium enterprise demand tracking at close to pre-COVID levels. Like many airlines around the world, Qantas has suffered from major operational issues this year, but we are now starting to see material improvements in call centre performance, flight delays/cancellation rates and baggage handling disruptions. These issues are complicated and are due to a number of disparate factors, but we believe they should gradually resolve.

We continue to view Qantas as having emerged from the pandemic even stronger than before, given its $1b cost out program, improved market position and the massive pent-up demand for leisure and business travel, which we expect will persist despite macroeconomic headwinds. If Qantas management can achieve its FY24 targets, there is potential to deliver close to $1 of earnings per share, with Qantas currently trading on only ~5x P/E on that basis. We believe there is more than 100% share price upside through earnings growth and a P/E re-rating as the company's earnings mix shifts towards the higher quality domestic earnings and loyalty business.

## Key stock detractors for the quarter

**Alibaba Group (Long -30%)** shares fell as investor sentiment weakened regarding China's economic recovery. We believe Alibaba's earnings are likely to have bottomed in Q2 and should see a gradual recovery as China's retail spend improves as some of the stricter COVID-related restrictions are eased. Alibaba remains a high-quality business with sustainable leading positions in both eCommerce and Public Cloud. We believe structural growth in these areas, supported by a broader economic recovery in 2023 and the exit of smaller unprofitable competitors in some of Alibaba's key markets (e.g. online grocery) will support earnings growth going forward.

**Ramsay Health Care (Long -22%)** shares fell following the company ceasing discussions with the KKR consortium on its non-binding indicative proposal, originally valued at $88 cash per share. Ramsay is the largest private hospital operator in Australia with over 70 hospitals and day surgery units nation-wide and a well-established global footprint that includes Australia, the United Kingdom, France, the Nordics and South-East Asia. The collapse of the takeover offer is disappointing as we viewed it as a near-term realisation of some of the catalysts that exist in the business, including portfolio simplification, unlocking value from its Australian property portfolio and capital management opportunities. We believe opportunities to unlock value continue to exist and that Ramsay management and board still have a range of alternative options that can maximise value for shareholders.

**Sandfire Resources (Long -16%)** shares declined during the quarter due to copper prices remaining under pressure in the face of a weaker global economic backdrop. The physical copper market continues to remain tight, with supply continuing to be impacted by production challenges in Chile – the number one global producer. Sandfire completed the transformational US$1.865b (A$2.850b) acquisition of the MATSA mine in Southern Spain in February this year and is currently developing the Motheo Copper Mine in Botswana. We believe the commencement of Motheo production in FY24 will deliver a step-change in free cash flow for the company as capex declines and the operating cash flow from the mine expands. We see compelling value upside in Sandfire with the company currently trading at a discount to the acquisition price of MATSA alone, before factoring in any value for its other mining assets, including Motheo. Our confidence in the outlook for the copper market is detailed in the final section of this Report.

**Cenovus Energy (Long -13%)** shares declined over the quarter due to an ~18% decline in oil prices on increasing fears of a U.S recession and a slowdown in global growth. Given the long-life nature of its oil sand assets and its low cost of production, we estimate Cenovus is free cash flow break-even at an oil price of ~US$40/bbl. Despite the recent fall, oil prices remain more than double this break-even point, implying considerable free cash flow generation potential for the company at current levels, with Cenovus currently trading on a consensus FY22 free cash flow yield of around 20%. There are also additional value realisation catalysts with the company continuing to progress the de-gearing of its balance sheet via organic cash generation and asset sales.

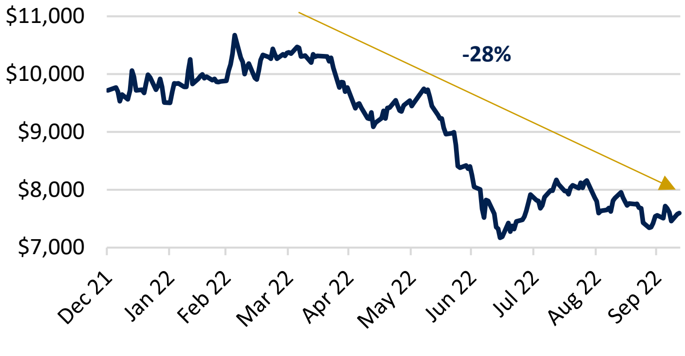
## Copper | The forgotten play on electric vehicles

Over the past 6 months, our key copper positions have been impacted by close to a ~30% fall in the copper price to ~US$7,500/t with investors increasingly concerned about a global recession and the potential impact this will have on demand (Figure 6).

Copper is typically viewed as an economic bell-weather due to its widespread applications in many sectors of the economy including construction, manufacturing, electronics, power generation and grid transmission. This has led to the price being particularly sensitive to signs of economic stress, with the recent decline primarily linked to fears of a U.S. recession and a slowdown in global economic growth.

Despite the sharp fall in the copper price, the physical market continues to remain very tight. This has led to a significant disconnect between the physical market and the equity market, with the equity market implying that copper will move to a position of considerable over-supply.

**Figure 6: Copper price has fallen due to rising recession fears**




*Source: Bloomberg.*

**We believe this disconnect has presented us with an exciting opportunity to add to our high conviction portfolio positions including Capstone (listed in Canada) and Sandfire (listed in Australia). Copper equities currently reflect near-term concerns on the global growth outlook, however, overlook three key factors that give us confidence the positive medium-term fundamentals remain intact:**

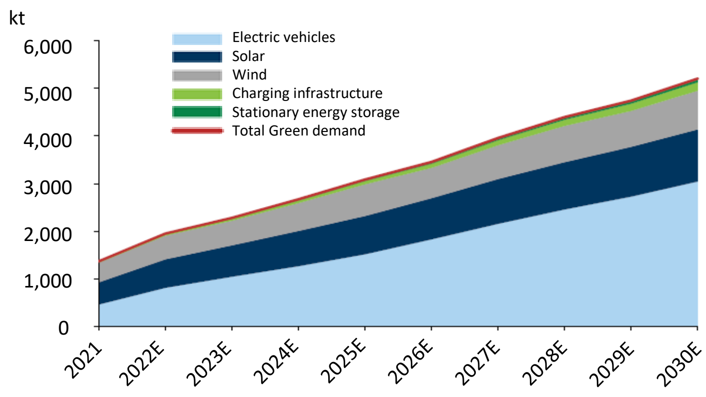
1. **Copper demand** is expected to sustainably and structurally increase as the copper-intensive global energy transition gains momentum.
2. **Copper supply** is very difficult to increase, due to lengthy mine development timeframe and limited incentive to commit growth capital at current prices. Our global copper forecasts suggest we are heading for a major and sustained copper supply shortfall in the medium term.
3. **Corporate interest** from major miners looking to increase exposure to 'green metals' ahead of a demand boom.

We have stepped through each of these factors in more detail below:

### 1. Copper demand

While lithium and nickel receive more attention, copper is essential to support the energy transition and path to Net-Zero Emissions by 2050. Copper is widely used in electric vehicles (which require 2.5-3.5x the copper content of an internal combustion engine vehicle), power infrastructure and renewable energy generation. Green energy demand alone is expected to see a ~4m tonne increase in copper demand between 2021 to 2030 (which equates to a 15% increase in global copper demand) (Figure 7).

**Figure 7: Green energy demand growth from just under 1Mt in 2020 to 5.2Mt in 2030**




*Source: IEA, IRENA, ICA, CDA, Goldman Sachs Investment Research.*

In our view, the shift to electric vehicles (EVs) and associated grid investment necessary is a fundamental and irreversible tailwind for copper that is now supported by the extensive commitments of leading vehicle manufacturers:

| Car brand | Target |
|---|---|
| **BMW** | ~50% of global sales to be EVs by 2030. |
| **GM** | Aspire to be fully electric by 2035. |
| **Honda** | Will sell only EVs and hybrids in Europe after 2022. |
| **Mercedes Benz** | All new vehicle platforms to be EVs only from 2025. |
| **Stellantis** | 70% of European sales and 40% of North American sales EVs/PHEVs in 4 years. |
| **Toyota** | EVs to represent 75% of European sales by 2026 and 40% of U.S. sales by 2030. |
| **Volkswagen** | >50% of global sales to be EVs by 2030. |
| **Volvo** | ~50% of global sales to be EVs by 2025 and 100% of global sales by 2030. |

Furthermore, while copper prices tend to fluctuate with U.S. recession concerns, from a global perspective, China is the largest end user of copper, accounting for ~54% of global demand in 2021. We believe a re-opening of the Chinese economy after waves of COVID-19 lockdowns, coupled with likely economic stimulus will support demand for copper over the coming year.

## 2. Copper supply

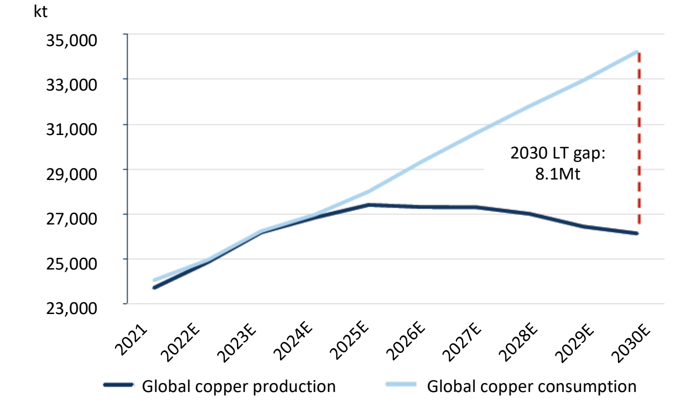
There has been some concern on a potential imbalance in the market due to an increase in supply from several new copper projects and expansions to be delivered over the next 12 months. We believe these concerns are overdone due to our more constructive view on copper demand (as outlined above) and as physical supply has been much lower than theoretical forecasts due to several mines having production issues (550k tonnes of lost production this calendar year alone).

Copper projects typically take a decade to come online due to incredibly lengthy approvals processes. We believe copper supply will stagnate from 2024-2026 with very few significant copper projects on the horizon until 2027-2028 (assuming no delays).

**This is projected to result in significant long-term copper supply gap that is expected to start from the middle of the decade and rise to ~8mt in 2030 as copper demand is projected to grow by more than 40% over this period, while copper supply struggles to keep up (Figure 8).**

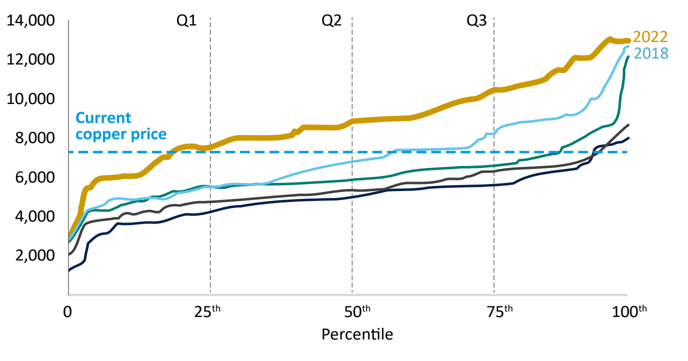
There remains downside risk to these production projections with half of the new projects in development since 2018 having been delayed by an average of three years, and the subdued copper price environment not providing an adequate incentive for major new investment, given the material step up in mine development costs (Figure 9).

**Figure 8: Long-term supply gap remains unsolved, with widening mid-term deficits**




*Source: Woodmac, Goldman Sachs Investment Research.*

**Figure 9: Incentive price to bring new projects online has increased significantly, by ~30% vs. 2018**




*Source: Woodmac, Goldman Sachs Investment Research.*

### 3. Corporate Interest

In recent months we've seen clear actions by the world's largest miners to increase their exposure to copper by making takeover bids for large scale copper producers.

BHP recently made a takeover bid to acquire OZ Minerals for ~$8.4b in August 2022, its first major potential acquisition since 2011 as the company looks to expand its battery minerals portfolio.

Rio Tinto recently reached an agreement to acquire the 49% of Turquoise Hill it does not currently own for US$3.3b as it seeks to accelerate the development of the Oyu Tolgoi mine in Mongolia, one of the largest known copper and gold deposits in the world.

### Summary

A quote we think aptly captures our positive outlook for copper is from Ivan Glasenberg, the former CEO of Glencore.

In 2021, he stated that:

> "Today, the world consumes 30 million tonnes of copper per year and by the year 2050, following this trajectory, we've got to produce 60 million tonnes of copper per year."
>
> *Ivan Glasenberg, the former CEO of Glencore*

This implies an increase in production of around 1 million tonnes per year until 2050 and would be almost the equivalent of bringing online a new Escondida mine <u>every year</u>, which is the largest copper producing mine in the world and an exceptional discovery. It would also be double the annual production growth that has been added by the industry over the past decade.

**In summary, while there will likely be some moderation due to global economic uncertainty, we remain very positive on copper demand over the medium term given the tailwinds from China re-opening as well as the structural growth from the shift to electric vehicles and green energy investment more broadly. We believe that continuing to hold several high quality copper stocks in the portfolio will pay off for our investors over the years to come given their strong production and cashflow outlooks and significant leverage to any increase in the copper price.**

# L1 Long Short Fund Limited

L1 CAPITAL

Quarterly Report | SEPTEMBER 2022

## Strategy returns (Net)[3] (%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2014** | - | - | - | - | - | - | - | - | (2.42) | 3.03 | 2.85 | 1.61 | **5.17** |
| **2015** | 0.59 | 9.14 | 2.42 | 1.71 | 3.73 | (0.86) | 3.30 | 2.06 | 5.51 | 8.49 | 8.11 | 4.62 | **60.52** |
| **2016** | 5.81 | 0.59 | 5.47 | 2.46 | 2.78 | (0.89) | 3.22 | 3.92 | 0.46 | (0.13) | 0.55 | 2.22 | **29.61** |
| **2017** | 2.51 | 1.87 | 3.15 | 1.03 | 4.18 | 1.70 | 2.62 | 1.69 | 1.93 | 2.54 | 0.89 | 3.56 | **31.40** |
| **2018** | 0.56 | (0.47) | (1.64) | (1.32)[3] | (4.05) | (5.96) | 1.01 | (5.34) | (2.06) | (3.90) | (2.60) | (5.95) | **(27.74)** |
| **2019** | 4.26 | 5.11 | 0.16 | 3.05 | (2.73) | 3.87 | 0.63 | 0.40 | 2.54 | 3.46 | 0.36 | 2.06 | **25.46** |
| **2020** | (7.75) | (6.85) | (22.93) | 23.16 | 10.94 | (2.12) | (1.69) | 9.99 | 0.63 | (2.37) | 31.94 | 4.29 | **29.50** |
| **2021** | (0.17) | 9.00 | (0.14) | 5.11 | 4.07 | (0.52) | 1.75 | 5.10 | 4.86 | 2.32 | (7.36) | 3.66 | **30.29** |
| **2022** | 2.79 | 6.87 | 1.34 | 3.44 | 0.06 | (13.39) | (3.34) | 5.37 | (7.60) | | | | **(6.24)** |

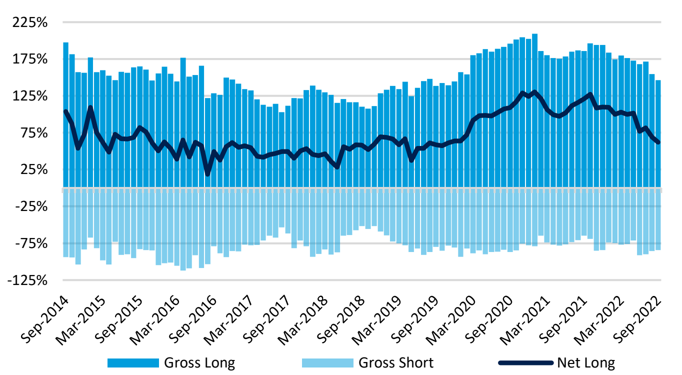
## Portfolio positions

| | |
|---|---|
| **Number of total positions** | 82 |
| **Number of long positions** | 55 |
| **Number of short positions** | 27 |
| **Number of international positions** | 27 |

## Net & gross exposure by region[3] (%)

| Geography | Gross long | Gross short | Net exposure |
|---|---|---|---|
| **Australia/NZ** | 91 | 69 | 22 |
| **North America** | 37 | 15 | 22 |
| **Europe** | 15 | 0 | 15 |
| **Asia** | 4 | 0 | 4 |
| **Total** | **147** | **84** | **62** |

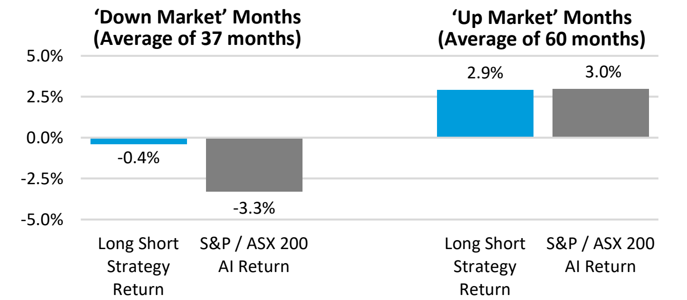
## Historical Strategy exposures[3]



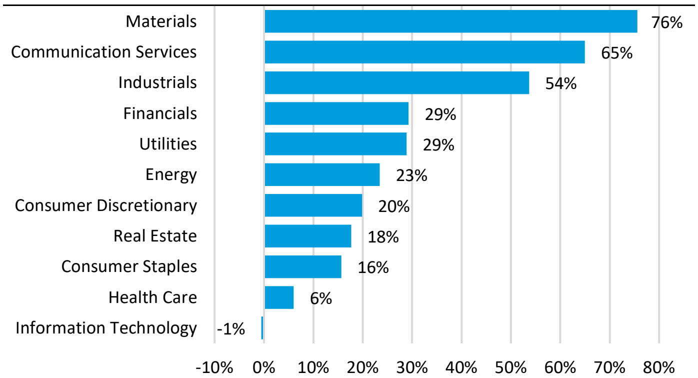

## Company information as at 30 September 2022[4]

| | |
|---|---|
| **Share Price** | $2.35 |
| **NTA before tax** | $2.4961 |
| **NTA after tax** | $2.5961 |
| **Shares on issue** | 613,825,593 |
| **Company market cap** | $1.44b |

## Strategy performance since inception[3] (Net)




## Sector contribution since strategy inception[3] (Net)




*3. All performance numbers are quoted net of fees. Net returns are calculated based on the movement of the underlying investment portfolio. 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 Long Short Fund Limited (ASX:LSF) since inception on 24 Apr 2018. Prior to this date, data is that of the L1 Capital Long Short Fund – Monthly Class since inception (1 Sep 2014). 4. The NTA before tax is calculated before the provision for deferred tax on unrealised gains and losses on the investment portfolio. The NTA after tax is calculated after all taxes.*

# L1 Long Short Fund Limited

Quarterly Report | SEPTEMBER 2022

## Key personnel

| | |
|---|---|
| **Andrew Larke** | Independent Chair |
| **John Macfarlane** | Independent Director |
| **Harry Kingsley** | Independent Director |
| **Raphael Lamm** | Non-Independent Director |
| **Mark Landau** | Non-Independent Director |
| **Mark Licciardo** | Company Secretary |
| **Registry** | Link Market Services Limited |
| **Company website** | www.L1LongShort.com |
| **Linked In** | Follow us on |

## Contact us

**Head of Distribution**

| | | |
|---|---|---|
| Chris Clayton | cclayton@L1.com.au | +61 3 9286 7021 |

**Researchers**

| | | |
|---|---|---|
| Aman Kashyap | akashyap@L1.com.au | +61 477 341 403 |

**Advisors**

| | | |
|---|---|---|
| Alexander Ordon | aordon@L1.com.au | +61 413 615 224 |
| Alejandro Espina | aespina@L1.com.au | +61 423 111 531 |
| Matthew Leung | mleung@L1.com.au | +61 431 747 929 |

**Private Clients**

| | | |
|---|---|---|
| Edward Vine | evine@L1.com.au | +61 412 525 390 |

## Company Information – LSF

| | |
|---|---|
| **Name** | L1 Long Short Fund Limited |
| **Structure** | Australian Listed Investment Company (ASX:LSF) |
| **Inception** | 24 April 2018 |
| **Management Fee** | 1.44% p.a. inclusive of GST and RITC |
| **Performance Fee** | 20.0% |
| **High Watermark** | Yes |

## L1 Capital (Investment Manager) 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 versus both benchmarks and peers. 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, financial planning groups, family offices, high net worth individuals and retail investors.

L1 CAPITAL

Level 28, 101 Collins Street
Melbourne VIC 3000
Australia
www.L1.com.au

**Information contained in this publication**

L1 Long Short Fund Limited, managed by L1 Capital Pty Ltd, has been established to invest in a portfolio of predominantly Australian and New Zealand securities, with up to 30% invested in global securities. The Company has the ability to both buy and short-sell securities, which provides a flexible strategy to deal with changing stock market conditions. The objective is to deliver strong, positive, risk-adjusted returns to investors over the long term.