



20 February 2019

The Manager
Market Announcements Office
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

RESULTS FOR HALF YEAR ENDED 31 DECEMBER 2018

L1 Long Short Fund Limited (ASX: LSF) hereby lodges:

- Appendix 4D for the half-year ended 31 December 2018; and
- Interim Report for the half-year ended 31 December 2018.

For any further enquiries please contact L1 Long Short Fund Limited on 03 9286 7000.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Adam Sutherland'.

Adam Sutherland
Company Secretary

Half-year report

This half-year ended report is for the reporting half-year from 1 July 2018 to 31 December 2018. The Company commenced operations on 19 April 2018.

Results for announcement to the market*

	\$'000
Loss from ordinary activities	181,725
Loss before income tax for the half-year	215,129
Loss from ordinary activities after tax attributable to equity holders	147,558

*The amount and percentage up or down from previous period are not applicable as this is the first reporting half-year for the Company.

Dividends

The amount of any dividend will be at the discretion of the Board. Currently, it is the Board's intention to pay fully franked dividends, to the extent permitted by law and the payment being within prudent business practices.

There were no dividends paid or proposed to be paid for the reporting period. Further information in respect of the Company's dividend policy is contained in Section 3.7 of the Company's Prospectus which was issued on 16 February 2018.

Net tangible assets

	31 DECEMBER 2018 \$
Net tangible asset backing (per share) before tax	1.4679
Net tangible asset backing (per share) after tax	1.6251

Brief explanation of results

The gross portfolio return before all fees and expenses was approximately a loss of 12.05% for the half-year ended 31 December 2018.

The net tangible asset (NTA) backing per share based on the market value valuation of investments before all taxes was \$1.4679 at 31 December 2018, a decline of 18.16% compared with \$1.7938 as at 30 June 2018. The NTA post-tax of \$1.6251 is calculated after tax of realised and unrealised gains/losses, deferred tax asset and deferred tax liabilities.

The Company's relative performance since listing has been negatively affected by a few factors. Firstly, an unfavourable market backdrop i.e. 'value' stocks hugely underperforming 'momentum' stocks both in Australia and globally. The portfolio is typically a modest value and contrarian bias, but this is more pronounced at the moment given how extreme the relative valuations are for growth versus value. Secondly, the Company manages a global portfolio and many offshore stock markets, such as those in Europe and Hong Kong, significantly underperformed the Australian share market during the period. Lastly, performance was negatively affected due to several unexpected, left-field events impacting specific stocks.

While the recent portfolio performance has been weaker than expected, we believe the portfolio is positioned well to recover as markets re-focus on valuations and investment fundamentals.

Further information

This report is based on the Interim Report which has been subject to independent review by the auditors, Ernst & Young. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2018 Annual Financial Report.



L1 CAPITAL

L1 Long Short Fund Limited

ABN 47 623 418 539

Interim report

For the half-year ended 31 December 2018

Corporate Directory

Directors	Andrew Larke (Independent Chairman) John Macfarlane (Independent Director) Harry Kingsley (Independent Director) Raphael Lamm (Non Independent Director) Mark Landau (Non Independent Director)
Secretaries	Mark Licciardo Adam Sutherland
Principal Place of Business	Level 28, 101 Collins Street Melbourne VIC 3000 Phone: (03) 9286 7000
Registered office	C/- Mertons Corporate Services Level 7, 330 Collins Street Melbourne, VIC 3000 Phone: (03) 8689 9997
Investment manager	L1 Capital Pty Ltd Level 28, 101 Collins Street Melbourne VIC 3000 Phone: (03) 9286 7000
Administrator	Link Fund Solutions Pty Limited Level 12, 680 George Street Sydney NSW 2000 Phone: (02) 8280 7100
Share registrar	Link Market Services Limited Tower 4, 727 Collins Street Melbourne VIC 3008 Phone: 1800 129 431
For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.	
Auditors	Ernst & Young 200 George Street Sydney NSW 2000 Phone: (02) 9248 5555
Securities exchange listing	Australian Securities Exchange (ASX) The home exchange is Melbourne ASX code: LSF Ordinary shares
Website	www.L1LongShort.com

Contents

Corporate Directory	IFC
Directors' Report	2
Auditor's Independence Declaration	4
Interim Financial Statements	
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	15
Independent Auditor's Report to the Members	16

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2018 and any public announcements made by L1 Long Short Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Directors' Report

The Directors present their report together with the interim financial report of L1 Long Short Fund Limited ("the Company") for the half-year ended 31 December 2018.

Directors

The following persons held office as Directors during the half-year and up to the date of this report:

Andrew Larke (Independent Chairman)

Raphael Lamm (Non Independent Director)

Mark Landau (Non Independent Director)

John Macfarlane (Independent Director)

Harry Kingsley (Independent Director)

Principal activities

During the period, the principal activity of the Company is to invest in predominantly Australian securities with the remaining exposure to global securities (both long and short). The Company's investment objective is to deliver positive absolute returns to investors while seeking to preserve capital over the long term.

There was no significant change in the nature of the activity of the Company during the half-year period.

Dividends

The amount of any dividend will be at the discretion of the Board. Currently, it is the Board's intention to pay fully franked dividends, to the extent permitted by law and the payment being within prudent business practices.

There were no dividends paid or proposed to be paid for the reporting period. Further information in respect of the Company's dividend policy is contained in Section 3.7 of the Company's Prospectus which was issued on 16 February 2018.

Review of operations

The operating loss before tax was \$215,129,000 for the half-year ended 31 December 2018. The net result after tax was a loss of \$147,558,000.

The net tangible asset backing before tax as at 31 December 2018 was \$1.4679 per share.



Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half-year ended 31 December 2018.

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191*, the amounts in the Directors' Report and in the interim financial report have been rounded to the nearest thousand dollars, unless otherwise specified.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of the Board of Directors.

Andrew Larke

Independent Chairman

Melbourne

20 February 2019

Auditor's Independence Declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of L1 Long Short Fund Limited

As lead auditor for the review of L1 Long short Fund Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

Rohit Khanna
Partner
20 February 2019

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Statement of Comprehensive Income

For the half-year ended 31 December 2018

		FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 \$'000
Investment loss		
Net realised losses on financial instruments at fair value through profit or loss		(89,544)
Net unrealised losses on financial instruments at fair value through profit or loss		(103,427)
Dividend income		18,465
Trust distributions		650
Interest income from financial assets at amortised cost		6,966
Net foreign exchange losses		(17,154)
Other income		2,319
Total investment loss		(181,725)
Expenses		
Management fees		(7,905)
Brokerage expense		(1,643)
Dividend expense		(8,861)
Interest expense		(6,196)
Stock loan fees		(5,219)
Administration fees		(109)
Share registry fees		(160)
Custody fees		(21)
Secretarial fees		(41)
Legal fees		(3)
Directors' fees		(150)
ASX fees		(1,077)
Audit fees		(68)
Marketing expense		(34)
Other expenses		(1,115)
Withholding tax on foreign dividends		(802)
Total operating expenses		(33,404)
Loss before income tax		(215,129)
Income tax benefit		67,571
Loss for the half-year after tax		(147,558)
Other comprehensive income for the half-year, net of tax		-
Total comprehensive loss for the half-year		(147,558)
LOSSES PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:		CENTS
Basic losses per share		22.20
Diluted losses per share		22.20

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2018

	NOTES	AT 31 DECEMBER 2018 \$'000	AT 30 JUNE 2018 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		741,344	1,110,969
Other receivables		11,964	77,301
Receivable from Manager		17,702	19,796
Financial assets at fair value through profit or loss	3	1,219,576	1,341,137
Other current assets		170	-
Total current assets		1,990,756	2,549,203
Non-current assets			
Receivable from Manager		8,816	14,073
Deferred tax assets	6	111,067	43,867
Total non-current assets		119,883	57,940
Total assets		2,110,639	2,607,143
LIABILITIES			
Current liabilities			
Broker advances		551,012	574,122
Other payables		27,121	48,357
Financial liabilities at fair value through profit or loss	3	451,164	755,411
Total current liabilities		1,029,297	1,377,890
Non-current liabilities			
Deferred tax liabilities		1	367
Total non-current liabilities		1	367
Total liabilities		1,029,298	1,378,257
Net assets		1,081,341	1,228,886
EQUITY			
Issued capital		1,304,338	1,304,325
Accumulated losses		(222,997)	(75,439)
Total equity		1,081,341	1,228,886

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half-year ended 31 December 2018

	ISSUED CAPITAL \$'000	ACCUMULATED LOSSES \$'000	TOTAL \$'000
Balance at 1 July 2018	1,304,325	(75,439)	1,228,886
Loss for the half-year after tax	-	(147,558)	(147,558)
Other comprehensive loss for the half-year, after tax	-	-	-
Total comprehensive loss for the half-year	-	(147,558)	(147,558)
Transactions with owners in their capacity as owners:			
Shares issued	-	-	-
Capital raising costs*	19	-	19
Capital raising costs - tax effect*	(6)	-	(6)
	13	-	13
Balance at 31 December 2018	1,304,338	(222,997)	1,081,341

* The movement in capital raising costs represents adjustment on the Reduced Input Tax Credit (RITC) associated to previously incurred capital raising costs.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half-year ended 31 December 2018

FOR THE
HALF-YEAR ENDED
31 DECEMBER 2018
\$'000

Cash flows from operating activities

Purchase of financial instruments at fair value through profit or loss	(395,593)
Proceeds from sale of financial instruments at fair value through profit or loss	64,546
Dividends received	19,121
Distributions received	650
Interest received	7,411
Other income received	2,319
Brokerage expenses paid	(1,543)
Dividends paid on short positions	(13,003)
Stock loan fees paid	(6,686)
ASX fees paid	(1,077)
Net GST received	2,836
Interest paid	(6,130)
Other expenses paid	(2,231)
Net cash outflow from operating activities	(329,380)

Cash flows from financing activities

Capital raising costs received	19
Broker deposits paid	(23,110)
Net cash outflow from financing activities	(23,091)

Net decrease in cash and cash equivalents (352,471)

Cash and cash equivalents at the beginning of the half-year	1,110,969
Effects of exchange rate changes on cash and cash equivalents	(17,154)
Cash and cash equivalents at the end of half-year	741,344

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half-year ended 31 December 2018

1 General information

L1 Long Short Fund Limited (the "Company") is a listed public company domiciled in Australia. The address of L1 Long Short Fund Limited's registered office is C/- Mertons Corporate Services, Level 7, 330 Collins Street, Melbourne, VIC 3000.

The Company's investment strategy is to invest in a portfolio of predominantly Australian securities with the remaining exposure to global securities (both long and short). The Company's investment objectives are to deliver positive absolute returns to investors while seeking to preserve capital over the long-term.

The interim financial statements of the Company are for the period 1 July 2018 to 31 December 2018. This is the first half-year reporting period of the Company. As this is the Company's first half-year period of operations, there are no comparatives.

The interim financial statements were authorised for issue by the Board of Directors on 20 February 2019.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below.

(a) Basis of preparation

These interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The Company is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by L1 Long Short Fund Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accruals basis and are based on historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

(i) New and amended standards adopted by the Company

Except as disclosed below, the accounting policies in these interim financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2018.

The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2018.

The nature and impact of each standard and amendment is described below:

- AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in AASB 139. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting.



2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amended standards adopted by the Company (continued)

Financial instruments

Classification

- Financial assets

The Company classifies its investments based on its business model for managing those financial assets.

The Company's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

The Company holds equity securities of \$1,193,105,000 (2018: \$ 1,338,711,000) and listed unit trusts of \$25,704,000 (2018: nil) which had previously been designated at fair value through profit or loss and derivatives of \$767,000 (2018: \$2,426,000) which had previously been held for trading. On adoption of AASB 9 these securities are mandatorily classified as fair value through profit or loss.

Impairment

The Company holds the Receivable from Manager at amortised cost. AASB 9 requires the Company to record expected credit losses either on a 12-month or lifetime basis. The Directors assessed that there will be no significant increase in credit risk of the Investment Manager upon evaluating a range of possible outcomes and observing reasonable and supportable information that is available at the reporting date about current conditions and forecasts of future economic conditions. The Directors do not expect any significant impairment on this financial asset.

- Financial liabilities

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

The Company holds equity securities of \$434,250,000 (2018: \$709,304,000) and listed property trusts of \$16,581,000 (2018: \$40,520,000) which had previously been designated at fair value through profit or loss and derivatives of \$333,000 (2018: \$5,587,000) which had previously been held for trading. On adoption of AASB 9 these debt securities are mandatorily classified as fair value through profit or loss.

- AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Company's accounting policies or the amounts recognised in the interim financial statements.

Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

2 Summary of significant accounting policies (continued)

(b) Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191*, the amounts in the Directors' Report and in the interim financial report have been rounded to the nearest thousand dollars, unless otherwise specified.

3 Fair value measurements

The Company measures and recognises the following financial assets and liabilities at fair value on a recurring basis:

- Equity securities
- Derivatives
- Listed unit trusts

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current half-year reporting period.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2018 and 30 June 2018.

AT 31 DECEMBER 2018	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Financial assets at fair value through profit or loss				
Swaps	-	767	-	767
Australian listed equity securities	752,263	-	-	752,263
International listed equity securities	440,842	-	-	440,842
Australian listed unit trusts	25,704	-	-	25,704
Total financial assets at fair value through profit or loss	1,218,809	767	-	1,219,576
Financial liabilities at fair value through profit or loss				
Australian share price index futures	333	-	-	333
Australian listed equity securities	399,344	-	-	399,344
International listed equity securities	34,906	-	-	34,906
Australian listed property trusts	16,581	-	-	16,581
Total financial liabilities at fair value through profit or loss	451,164	-	-	451,164

3 Fair value measurements (continued)

AT 30 JUNE 2018	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
Financial assets at fair value through profit or loss				
Australian share price index futures	2,156	-	-	2,156
Swaps	-	270	-	270
Australian listed equity securities	871,121	-	-	871,121
International listed equity securities	467,590	-	-	467,590
Total financial assets at fair value through profit or loss	1,340,867	270	-	1,341,137
Financial liabilities at fair value through profit or loss				
Swaps	-	5,587	-	5,587
Australian listed equity securities	549,432	-	-	549,432
International listed equity securities	159,872	-	-	159,872
Australian listed property trusts	40,520	-	-	40,520
Total financial liabilities at fair value through profit or loss	749,824	5,587	-	755,411

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy for the half-year.

(ii) *Disclosed fair values*

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are reasonable approximations of their fair values due to their short-term nature.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Income taxes

The Company has recognised deferred tax assets relating to current period and carried forward tax losses, offer costs expense and unrealised losses on investments of \$111,067,000 at 31 December 2018 (30 June 2018: \$43,867,000). The utilisation of tax losses depends on the ability of the Company to generate future taxable profits. The Company considers that it is probable that future taxable profits will be available to utilise those deferred tax assets. This assessment is supported by the Investment Manager's long term performance and profitability. New information may become available that may cause the Company to change its judgement regarding calculation of tax balances, and such changes will impact the profit or loss in the period that such determination is made. However, utilisation of the tax losses also depends on the ability of the Company to satisfy certain tests at the time the losses are recouped. The Company may fail to satisfy the continuity of ownership test and therefore would have to rely on the same business test. If the Company fails to satisfy the test, the deferred tax asset of \$46,432,000 that are currently recognised would be written off to income tax expense. Refer to Note 6 for further discussion of accounting for deferred tax assets.

5 Segment information

The Company has only one reportable segment. The Company operates in one industry being investment in securities, deriving revenue from dividend and trust distribution income, interest income and from the sale of its trading portfolio.

6 Deferred tax assets

	AT 31 DECEMBER 2018 \$'000	AT 30 JUNE 2018 \$'000
The balance comprises temporary differences attributable to:		
Tax losses	46,432	8,505
Net unrealised losses on investments	58,114	26,664
Capitalised share issue costs	6,515	8,693
Other temporary differences	6	5
	111,067	43,867
Movements:		
Opening balance	43,867	-
Charged/credited:		
- directly to equity	6,515	8,693
- directly to profit or loss	60,685	35,174
Closing balance	111,067	43,867

7 Issued capital

(a) Share capital

	31 DECEMBER 2018 SHARES '000	30 JUNE 2018 SHARES '000	31 DECEMBER 2018 \$'000	30 JUNE 2018 \$'000
Ordinary shares	664,839	664,839	1,329,678	1,329,678

(b) Movements in issued capital

	NUMBER OF SHARES '000	\$'000
Opening balance 1 July 2018	664,839	1,304,325
Shares issued	-	-
Capital raising costs	-	19
Capital raising costs - tax effect	-	(6)
Closing balance 31 December 2018	664,839	1,304,338

	NUMBER OF SHARES '000	\$'000
Opening balance 14 December 2017	-	-
Shares issued	664,839	1,329,678
Capital raising costs	-	(36,219)
Capital raising costs - tax effect	-	10,866
Closing balance 30 June 2018	664,839	1,304,325

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

8 Dividends

No dividends were declared or proposed during the half-year ended 31 December 2018.

9 Contingencies and commitments

The Company had no contingent assets, liabilities or commitments as at 31 December 2018 (30 June 2018: nil).

10 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

In the Directors' opinion:

- a. the interim financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Andrew Larke

Independent Chairman

Melbourne

20 February 2019

Independent Auditor's Review to the Members of L1 Long Short Fund Limited

31 December 2018



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Review Report to the Members of L1 Long Short Fund Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of L1 Long Short Fund Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the interim financial report of the Company is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Ernst & Young

Rohit Khanna
Partner
Sydney
20 February 2019

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

