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L1 Capital is holding an Investor Update on Friday 12 February 2021 at 11am (AEDT) where Mark Landau will talk through this presentation and address some investor questions.

To join the webinar online, please click here to register.

L1 CAPITAL

L1 Long Short Fund Limited

Investor Presentation

February 2021

Overview

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- **The L1 Long Short Fund performed very strongly in 2020.**
  (LSF NTA +29.5%, ASX200 Accumulation Index +1.4%).
- **The Board announced an interim dividend of 1.5 cents per share fully franked.**
- **After a year dominated by the pandemic and 'top-down' trends, we believe the set-up for 2021 should be better suited to stock pickers.**
  - **Robust corporate earnings, massive fiscal and monetary stimulus and an imminent global vaccine rollout creates a very positive backdrop for equities.**
  - **We expect a wave of M&A activity is likely to occur, which should further propel equity markets.**
  - **Global GDP growth is set to accelerate, triggering a rotation into value and cyclical stocks.**
  - **We see four broad areas of opportunity at present: Monopoly real assets, COVID-hit stocks, depressed commodities and demergers/restructures**
- **The L1 Capital team is very positive about the prospects for LSF and has been a large buyer of stock over the past 6 months. The team is excited about the current set of opportunities and intends to continue buying LSF shares in coming months.**

Source: Mainstream Fund Services and Bloomberg as at 31 Dec 2020. Net performance for the Company is defined as the movement in NTA pre-tax. Performance is shown after all applicable fees and charges. Past performance should not be taken as an indicator of future performance.

Portfolio Positioning

Performance Summary

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- **The Fund has had pleasing performance in both 2019 (+25.5%) and 2020 (+29.5%), driven by strong stock picking, despite enormous headwinds for 'value investors' like L1.**
- **Staying composed and investing rationally during the crisis has paid off, with very strong returns in 2020.**
- **The COVID-19 crisis and market dislocation presented some of the best investment opportunities of the past decade. We continue to see large valuation upside across the portfolio today.**

Strong performance over the past two years

Pre-tax NTA Net Performance to 31 January 2021	L1 Long Short Fund (%)	ASX 200 AI (%)	Outperformance (%)
3 months	37.4	11.9	+25.5
6 months	48.5	13.0	+35.5
1 year	40.2	-3.1	+43.3
2 years p.a.	24.7	9.9	+14.8
LIC Since Inception p.a. (Apr 2018)	6.5	7.9	-1.4
Strategy Net Return p.a. since inception (Sep 2014)	21.1	6.8	+14.3

Source: Mainstream Fund Services and Bloomberg as at 31 Jan 2021 Net performance for the Company is defined as the movement in NTA pre-tax. LSF Inception 23 Apr 2018.
** Strategy Net Return since inception refers to that of the L1 Long Short Fund – Monthly Class which began on 1 Sep 2014.*
Performance is shown after all applicable fees and charges. Past performance should not be taken as an indicator of future performance.

2020 Recap

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- **The portfolio was very badly positioned for a global pandemic, given our skew to value and cyclical stocks (which were hit hard).**
- **In the crisis, we aggressively bought stocks and closed numerous shorts, taking advantage of a once-in-a-decade buying opportunity.**
- **We conducted an enormous amount of proprietary vaccine research and gained confidence early on that vaccine success was highly likely. We made numerous investments with asymmetric payoff profiles to capitalise on this insight.**
- **We expressed our contrarian view in our June 2020 quarterly report and publicly discussed our research in the AFR in July 2020.**

2020 Calendar Year	Return
L1 Long Short Fund Limited (AUD)	**29.50%**
S&P/ ASX Accum. Index (AUD)	**1.40%**
S&P 500 Index (USD)	18.40%
MSCI World Index (USD)	14.06%
HFRX Index (USD)	6.81%

FINANCIAL REVIEW

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Room for hope

24 July, 2020

A vaccine could be closer than many think, according to fund managers Raphael Lamm and Mark Landau from Melbourne-based L1 Capital.

They say they have conducted an enormous amount of detailed research on the prospects for a vaccine and have come away more positive than the consensus view.

"We are more positive than the market on both the likelihood of a safe and efficacious vaccine and also about the likely time frame," they said in a note to investors this week.

"Our head of healthcare research at L1 Capital is Dr Andrew Lin, who is a medical doctor as well as being fluent in Mandarin.

"We have been in direct contact with most of the leading vaccine companies, such as Pfizer/BioNTech, Moderna, AstraZeneca, Inovio, Novavax, Sinovac, CanSino Biologics and numerous other promising biotech companies both in the Western world and China.

"We believe that by the fourth quarter of 2020, we will have Phase 3 data available from Sinovac (China's most advanced vaccine player), Moderna, Pfizer/BioNTech and AstraZeneca/Oxford University, which should give equity markets comfort that there is some light at the end of the tunnel.

"The typical narrative we hear that a vaccine will take 3-5 years to come to market (because that has always been the case historically), is simply not recognising that this is the first time in a century that we have had a full-blown global crisis that has induced every government, regulator and vaccine company to expedite the entire vaccine development process, with unlimited global resources being thrown at it.

"Importantly, in the leading group of vaccine companies alone, there are a wide range of strategies being pursued (such as mRNA, Adenovirus, In-activated virus,DNA plasmid and glycoprotein) which provides numerous 'shots on goal' for success.

"While there is still uncertainty as to the exact percentage efficacy that will be achieved (and the durability of any vaccine), we believe it will be enough to enable people to resume near-normal activities, such as visiting a shopping centre, going to a cafe, working from the office and taking a flight."

Source: Mainstream Fund Services and Bloomberg as at 31 Dec 2020. Net performance for the Company is defined as the movement in NTA pre-tax. Index returns are total returns in the stated currency. Performance is shown after all applicable fees and charges.
Past performance should not be taken as an indicator of future performance.

COVID-19: Vaccine success and global rollout

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The results of the western vaccine trials have been exceptional, with high efficacy and minimal side effects.

Company	Type	Size of Trial	Efficacy for Infections	Efficacy for Severe Disease
Pfizer	mRNA (2 dose)	43,000	95%	89%*
Moderna	mRNA (2 dose)	30,000	94%	100%
AstraZeneca	Adenovirus (2 dose)	12,000	70%	100%
Johnson & Johnson	Adenovirus (1 dose)	44,000	66%	85%
Novavax	Protein adjuvant (2 dose)	20,000	89%	100%

All five vaccines virtually eliminated the likelihood of hospitalisation or death from COVID-19.

Chinese and Russian vaccines have also shown high efficacy enabling a faster global rollout.

We expect the western world will have widespread availability in 6 months, while the developing world will take a further 6-12 months.

Australia will commence its rollout in late Feb with widespread availability by Q3 2021.

- Existing western vaccines likely to remain efficacious against "mutant" strains.
- Additional, positive trial news likely to enable global inoculation on an accelerated timetable.
- Prioritisation of access will ensure that those most at risk are protected early in the roll-out.

Israel is leading the world in vaccination rollout, and has already seen 35% drop in cases in over 60s just a month after the rollout commenced.

** Small numbers of severe COVID-19 cases in trial (only 1 case in vaccine arm).*

High conviction long positions

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1) News Corp (NWS)

- High quality set of growth businesses – REA, Realtor.com, WSJ, Digital book publishing.
- 50%+ upside to sum of parts of valuation. A$2b cash on balance sheet.
- Catalyst – Strong earnings growth ahead of consensus expectations.
  CEO is also flagging a corporate restructure in 2021 to drive share price to fair value.

2) Tabcorp (TAH)

- Lotteries business is a high growth, infrastructure-like monopoly with long-term licenses.
- Wagering division is a strategic asset and is now in play (numerous bidders).
- Catalyst – Corporate interest in part or all of the business, along with strong operational momentum.

3) Safran (SAF – France)

- Highest quality aerospace business globally with a dominant position supplying required parts for its installed base of 20,000+ engines on Airbus and Boeing planes.
- Shares have 40% upside to return to pre-COVID levels, yet profits should exceed pre-COVID levels due to huge cost out program, price rises and increased market share.
- Catalyst – Recovery in global aviation during 2021 as the COVID-19 vaccine rollout occurs.

Source: Mainstream and L1 Capital.

High conviction long positions

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4) Teck Resources (TECK – Canada)

- High quality, low cost, long-life coking coal, copper and zinc mines.
- Strong commodity price outlook due to limited supply response.
- Catalyst – Rising commodity prices, cost-out program designed to lower coking coal cash costs, QB2 commencing production in H2 2022 (top 5 copper mine globally).

5) Entain (ENT – U.K.)

- Global online betting and gaming company with a strong position in the nascent U.S. sports betting market through its JV with MGM (BetMGM).
- Shares have significant upside driven by significant growth potential in the core online business (potential to double over the next 3 years) and further expansion of the U.S. market.
- Catalyst – Exponential growth in the U.S. as more states legalise online betting and gaming, corporate interest (MGM recently made a takeover bid for Entain).

We believe each of these stocks represents outstanding quality and value and are optimistic about the outlook for these businesses over the next 3-5 years.

Source: Mainstream and L1 Capital.

Key Contributors (Past 3 months: 1 Nov – 31 Jan)

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Company Name	Total Return	Comment
Bed Bath & Beyond*	+151%	Continued positive operating momentum & imminent large scale buybacks. Short squeeze in January caused spike in share price. Exited our holding near share price peak in January.
Unbail-Rodamco-Westfield	+111%	Proposal to conduct a highly dilutive capital raising was blocked by a number of activist shareholders including L1 Capital. Vaccine success improved the outlook for shopping centre foot traffic. Position was exited after large share price rally.
Orocobre	+97%	Lithium miner set to benefit from the global transition to electric vehicles. Biden win proved to be a catalyst for the sector given U.S. now likely to accelerate transition to EVs.
Coronado Global Resources	+75%	Coking coal price beginning to recover from deeply depressed levels. Improving global demand for steel likely to improve the supply-demand balance for coking coal.
Cenovus Energy	+65%	Rising oil price leading to improved investor sentiment and consensus EPS upgrades.
Empire State Realty Trust*	+64%	COVID-19 vaccine success leading to improved outlook for tourist destination (Empire State Building) and demand for NY office space. Position was exited after large share price rally.
Lyft	+56%	Improved outlook for ride-sharing given U.S. vaccine rollout, positive legislative outcome (Prop 22) and more rational competition with Uber expected to deliver improved margins.
Oil Search	+40%	Rising oil price and improved sentiment to energy stocks. Long-life, low cost producer with attractive growth options and partnership with a high quality operator (Exxon Mobil).
Scentre Group	+39%	Strong recovery in foot traffic at Scentre's shopping complexes, particular outside Victoria. Retailers enjoying bumper profits, reducing the likelihood of bankruptcies or store closures. Position was exited after large share price rally.
Webjet	+37%	Improved sentiment and outlook for travel post vaccine data. Webjet profits likely to recover strongly as travel demand returns, given cost out and some competitors struggling.
Lovisa	+37%	Improved sentiment given vaccine success and likelihood of a strong recovery of social events (leading to increased demand for affordable fashion jewellery).
News Corp	+34%	Very strong operating trends in all divisions, especially REA, Wall Street Journal, Realtor.com and Book publishing. REA share price up >30% in recent months.
Imdex	+31%	Accelerating operating trends given rising demand for drilling by gold, iron ore and copper miners. Launch of several exciting new products set to drive strong EPS growth.

Total return based on the 1 Nov 2020 to 31 Jan 2021 period in local currency.
** Indicates this stock was not held for the entire period. Return % stated reflects the actual return achieved (by LSF) over the holding period.*

Key Detractors (Past 3 months: 1 Nov – 31 Jan)

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Pleasingly, there were no stocks that detracted more than 1% over the past quarter.

Key stock detractors included:

- **Ferrovial (tollroads/airports) – shares fell due to COVID-19 second wave.**
- **Hudbay Minerals (copper) – profit taking after strong rally and risk off period in January.**
- **St Barbara (gold) – weaker gold price.**
- **Canadian Natural Resources (energy) – profit taking after strong rally and risk off period in January.**

The portfolio was not negatively impacted by the extreme short squeeze or hedge fund 'de-grossing' that occurred in late January.

Portfolio Positioning – Gross and Net Exposure

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As at 31 January 2021

	Gross Long	Gross Short	Net Exposure
Australia/New Zealand	139%	66%	74%
North America	31%	13%	18%
Europe	30%	0%	30%
Asia	9%	0%	9%
Total	209%	79%	130%

- **Higher than usual net long due to extreme central bank and government stimulus, negative real rates for cash and bonds, likely M&A activity, strong earnings period likely.**
- **Australia – Attractive. Extreme RBA and Federal Government support, low COVID-19 case numbers, improving business and consumer confidence.**
- **Europe/HK – Attractive. Intentional skew to global businesses, not reliant on European/HK economies. Surging manufacturing and export data.**
- **Expect to reduce portfolio net long during 2021 as markets rally or if market outlook becomes less positive.**

Market Observations

Market Outlook

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- **Central banks are enacting the most extreme monetary stimulus on record.**
  - Federal Reserve bought more Treasuries in 6 weeks than in the 10 years post GFC.
  - RBA conducting $100b of QE. Commitment to not raise rates until at least 2024.
- **Massive pent up consumer demand likely in H2 2021.**
  - Consumers have increased their savings rate due to lockdowns and limited ability to spend on 'services'.
  - Huge pent up consumer demand for travel, entertainment and hospitality.
- **Equities likely to remain well supported in the near-term.**
  - Tailwinds from monetary and fiscal stimulus, strong corporate earnings, rising M&A activity and vaccine rollout.
- **Accelerating global GDP growth should also trigger a rotation from:**

	→	
Cash and Bonds	→	**Equities**
Growth stocks	→	**Value stocks**
Defensives	→	**Cyclicals**

- **The 'vaccine trade' is still in its early stages. We expect hard hit 'COVID-19 losers' to recover further as their operating metrics show tangible improvement in 2021.**
- **We believe we are on the cusp of a major M&A cycle (first time since 2007).**

Growth v Value – 50 year extreme

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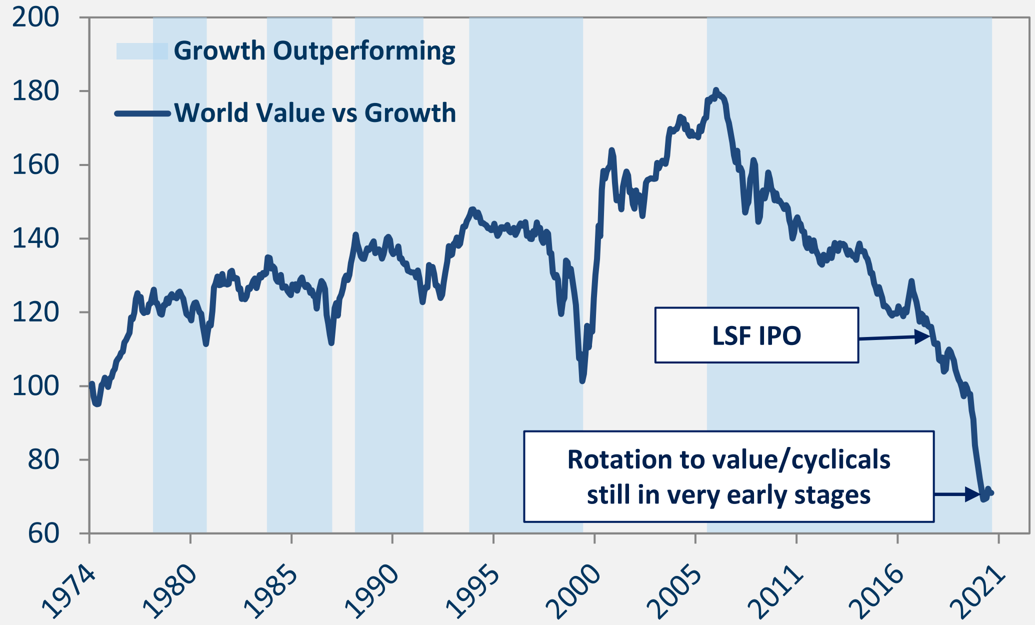
Value stocks have endured the largest and longest period of underperformance on record.

- COVID-19 caused a melt-up in high P/E stocks, as investors sought safety in "COVID-winners".
- The vaccine news triggered the early stages of a reversal of this trend. We expect the vaccine rollout will trigger an enduring rotation into many 'COVID-losers' (e.g. travel, energy, financials).
- Factor dispersion in 2020 was off the charts: Morgan Stanley's U.S. Growth basket was +17%, while U.S. Value was -59% (76% point difference!).
- LSF performance in 2019 and 2020 has been pleasing considering the enormous headwind facing value and contrarian investors. LSF has strongly outperformed the ASX200AI in both years despite this headwind.



A market rotation into value and cyclical stocks would be a tailwind for LSF performance.

Source: Datastream, Goldman Sachs Global Investment Research. Relative price performance in local currency to 31 Dec 2020.
Morgan Stanley basket data reflects full calendar year 2020.

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Corporate Update

Corporate Update

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On-market buyback to take advantage of share price discount to NTA.

- The Company has bought back ~$71 million of LSF shares at an average price of $1.31 per share, representing ~7.6% of issued capital (as at 31 January 2021). Buyback has been highly effective, accretive to shareholders and has significantly reduced the discount to NTA.
- The Board has reiterated that the buyback will continue until the share price discount to NTA narrows to 10% or less, which will benefit all shareholders[1].

The Board has announced an interim dividend of 1.5 cents per share fully franked.

Ongoing on-market share purchases by senior management.

- The L1 senior management team purchased an additional ~$10m LSF shares on market in August.
- L1 senior management have committed to reinvesting any performance fees in LSF shares via on-market share purchases. These shares will be voluntarily escrowed until April 2028.
- The L1 investment team intends to continue buying further LSF shares highlighting its confidence and commitment to the long term success of LSF.

Continuing to bolster the investment team with capable and highly regarded people.

- Recently appointed Andrew Levy (top-rated media/telco/internet analyst at Macquarie for 16 years) and David Vien to the investment team.

Enhanced shareholder communication and engagement.

- Regular webinar updates, broker/planner roadshows, detailed monthly and quarterly reports, increased portfolio disclosure and enhanced investor relations team.

1. Share price discount being to the Company's Net Tangible Assets on either a pre-tax or post-tax basis, whichever is lower.
Please refer to LSF ASX buyback announcement dated 17 Mar 2020 for further details.

Conclusion

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- **The portfolio has performed very strongly in 2019 and 2020.**
- **Our detailed, bottom-up research has identified numerous companies with major underappreciated upside that should continue to drive portfolio performance.**
- **We believe the global vaccine rollout will unleash strong global economic growth, causing a major rotation into value and cyclical stocks (which are now the most oversold compared to growth stocks in 50 years).**
- **The portfolio is well positioned to capitalise on this rotation, which we believe has only just begun.**

All portfolio comments current as at 31 Jan 2021.

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Q&A

Appendices

Portfolio Positioning

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We see four main areas of compelling, asymmetric risk-reward opportunities at present.

Monopoly real assets

- Monopoly or privileged assets with normalised dividend (or FCF) yields of 5-7% p.a. and growing.
- Further upside from buybacks/special dividends.
- Compelling alternative for investors seeking safe yield in a world of depressed bond yields.

COVID-19 hit stocks

- Shares trading well below pre-COVID levels due to the impact of the pandemic.
- These share prices continue to assume a bearish long-term outlook "post-COVID-19", despite the prospect that most of the impact of COVID-19 should pass.

Depressed Commodities

- High quality cyclical stocks at a low point in their cycle (and to short those at a cyclical peak).
- Commodities such as oil, coking coal and lithium are now starting to recover from an extreme cyclical low.

Restructures & Demergers

- High quality businesses/assets within a conglomerate structure.
- Extreme undervaluation that provides a degree of capital protection.
- Clear intent to deliver value to shareholders via asset sales, de-mergers or capital management.

Theme 1: Monopoly Real Assets

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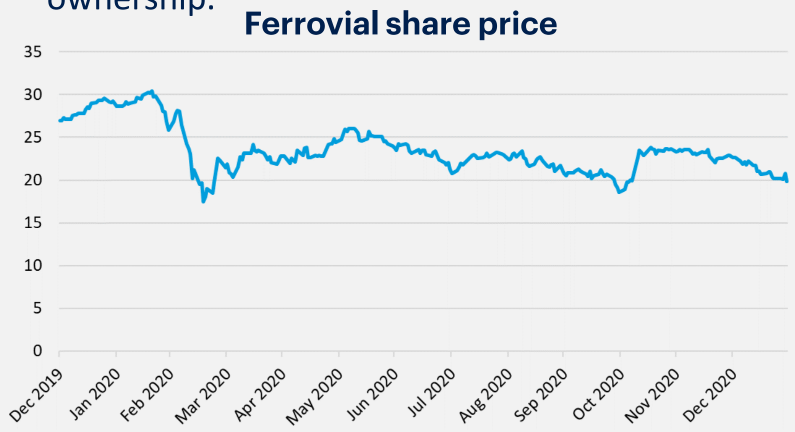
- Monopoly real assets
- COVID-19 hit stocks
- Depressed Commodities
- Restructures & Demergers

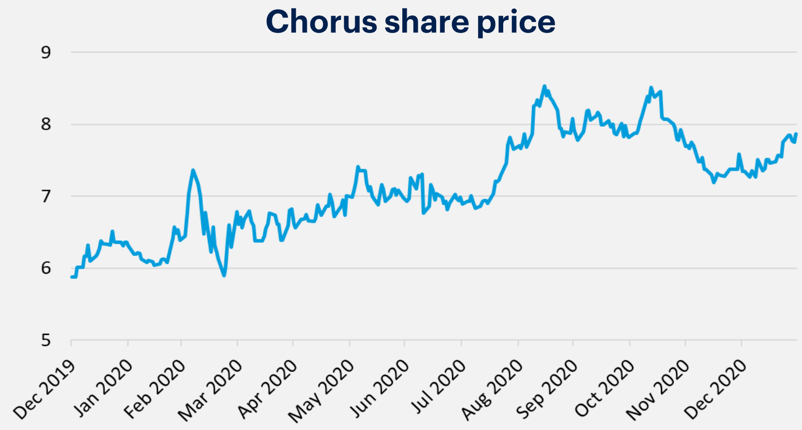
Ferrovial (FER – Spain)

- Very valuable long dated toll road concessions in Canada (407 ETR – 78 years left) and US (managed network in Texas and Carolinas – 55 years).
- Ferrovial's assets are highly flexible to vary tariffs during the day, historically providing tariff growth well above CPI, which we expect to continue.
- New road extensions opening in 2022/2023 to further grow EBITDA for group and are underappreciated by the market.
- Company is actively looking to simplify structure via sale of non-core services division, which is positive for valuation.
- Strong alignment through high levels of insider ownership.



Chorus (CNU)

- Monopoly owner of New Zealand's world class ultra-fast fibre broadband network (81%) and legacy copper network (100%).
- Capex falling sharply from 2020, now that the bulk of the network build has been completed. Under-geared balance sheet versus peers.
- Board has committed to payout 80-100% of FCF as dividends.
- L1 Capital is the largest shareholder and has made 6 detailed submissions to the regulatory review process and presented in NZ parliament.

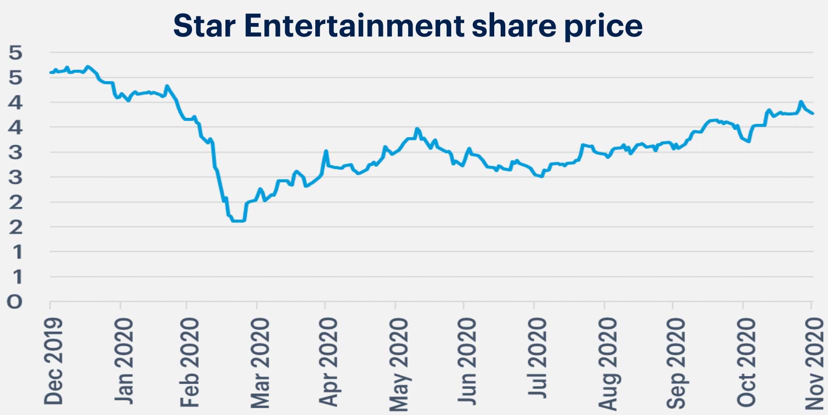


Source: Company data, S&P Capital IQ as at 31 Jan 2021.

Theme 2: COVID-19 Hit Stocks

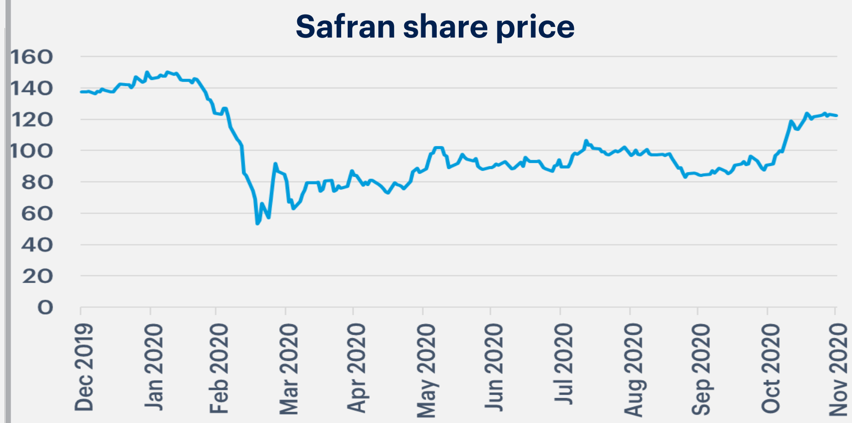
Star Entertainment (SGR)

- Owner of monopoly casinos in Sydney1, Brisbane, Gold Coast.
- Market cap of A$3.3b hugely undervalues the asset base, licenses and expected cashflow generation.
- Corporate appeal due to long-term structural growth outlook from Asian gamblers/tourists.
- Far East and Chow Tai Fook have bought a 10% stake in SGR and are seeking regulatory approval to increase their stake.



Safran (SAF – France)

- World's highest quality aerospace company. Global leader in manufacturing and parts for narrow-body jet engines.
- Set to generate over €1b of free cash flow in 2020, despite COVID-19 causing the worst aviation conditions in history.
- Dominant industry position, with enormous installed base of young engines requiring maintenance for decades to come.
- Earnings set to recover strongly as global air travel demand resumes (plus a €2b cost out program).



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Monopoly real assets

COVID-19 hit stocks

Depressed Commodities

Restructures & Demergers

Note: Star has exclusivity for casino electronic gaming machines and mass market gaming in Sydney (Crown will soon compete for VIP customers in Sydney). Source: Company data, S&P Capital IQ as at 31 Jan 2021.

Theme 3: Depressed Commodities

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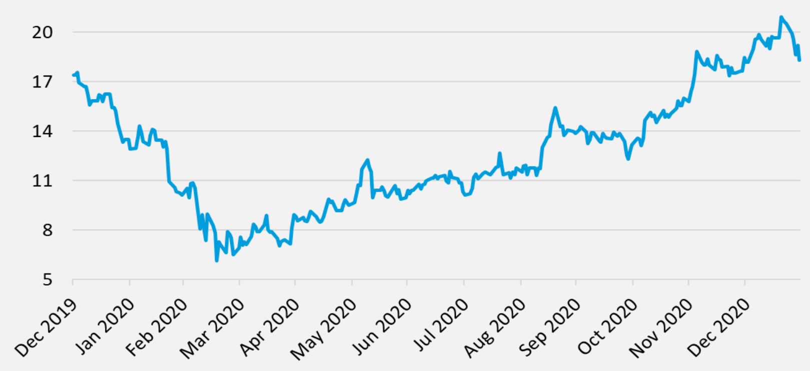
- Monopoly real assets
- COVID-19 hit stocks
- Depressed Commodities
- Restructures & Demergers

Teck Resources (TECK – U.S.)

- Owner of some of the world's best quality copper, coking coal and zinc mines, including majority of QB2 copper development in Chile (future top 5 copper mine globally).
- Assets in stable and attractive countries (Canada, U.S. and Chile).
- Low cost producer with a large cost out program underway that will further lower the group's cost base by 2021.
- P/E of only 8x FY21 (consensus) despite depressed commodity prices (that is resulting in many higher cost producers having to cut production or shut mines).

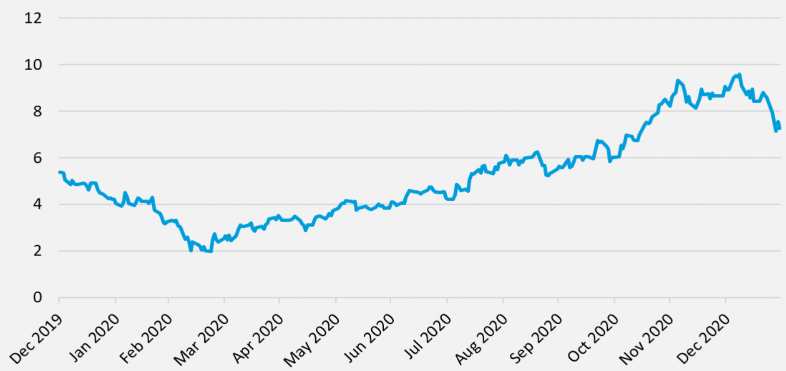
Teck Resources share price



Hudbay Minerals (HBM – Canada)

- Mid-tier mining producer of copper concentrate (containing copper, gold and silver) and zinc with key assets in Canada and Peru.
- New, highly regarded CEO starting to enhance operational and strategic focus following a sustained period of underperformance.
- Consensus has EBITDA doubling to over $600m by FY22 with a large uplift in gold production and cashflow from Snow Lake Gold operations.
- Pampacancha approval will improve copper production and cashflow from Constancia mine.
- Currently trading on 3.8x EV/EBITDA on FY22 consensus earnings which is attractive vs peers.

Hudbay Minerals share price



Source: Company data, S&P Capital IQ as at 31 Jan 2021.

Theme 4: Restructures & Demergers

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Monopoly real assets

COVID-19 hit stocks

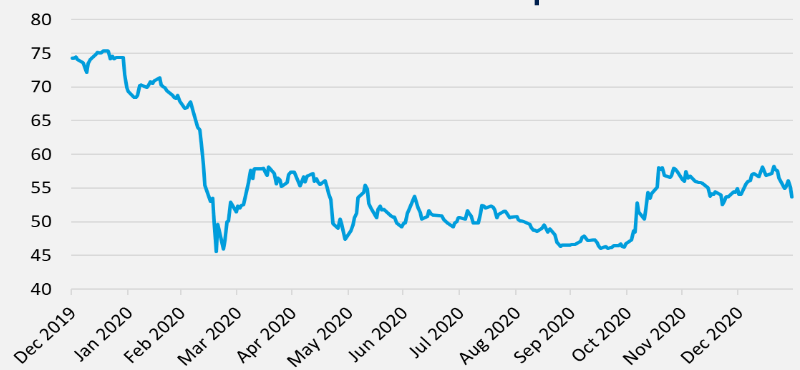
Depressed Commodities

Restructures & Demergers

CK Hutchison (0001 – Hong Kong)

- High quality infrastructure conglomerate with US$40b of U.S. power infrastructure, 50+ ports, Watsons Pharmacy chain, European Telco and towers infrastructure, Canadian energy assets.
- P/E of 5x (FY21), 20%+ FCF yield, 6.4% p.a. dividend yield, very under-geared balance sheet.
- Recent sale of telco towers assets in Europe set to deliver US$10b in cash over the next year. Cash inflow equal to ~40% of CK's market cap, yet contributed only 4% of group earnings.
- Potential for buybacks, special dividends or accretive M&A in 2021.

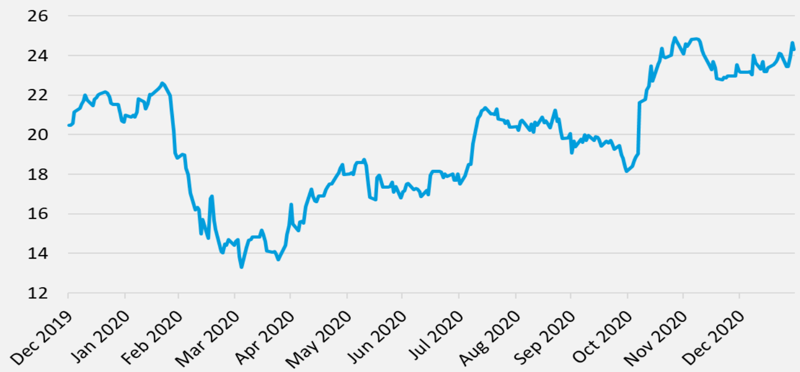
CK Hutchison share price



News Corp (NWS)

- Materially undervalued conglomerate including digital real-estate portal, media, subscription video and publishing.
- Main asset is a 61.4% stake in REA (US$9.7b), which is ~60% of News Corp's market cap.
- Under-appreciated assets include:
  - Dow Jones/WSJ, valued at ~US$8b if we apply a New York Times valuation.
  - Move, the #2 real estate portal in the U.S., growing revenues by 28% in the Dec quarter.
  - Harper Collins, whose value is highlighted by recent offer for Simon & Schuster at 15x EBITDA.
- Management recently stated they are evaluating a restructure to unlock upside to valuation.

News Corp share price



Source: Company data, S&P Capital IQ as at 31 Jan 2021.

Strong Long Term Performance Across All L1 Capital Funds

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Launched Sep 2014

Long Short Fund (Strategy) (Melbourne)

- **21.4% net return p.a. since inception (ASX200AI 6.8% p.a.).[1]**
- Returned over 25% p.a. in 5 out of the last 6 calendar years (net).[1]

Launched Aug 2007

Australian Equities Fund (Long only) (Melbourne)

- **Top decile performing Large Cap Australian Equities Fund since launch – Zenith Annual Survey, June 2020.[2]**
- Outperformed the ASX200AI Index by 3.0% p.a. since inception (net).

Launched Jun 2015

Global Opportunities Fund (Miami)

- **33.8% net return p.a. since inception.**
- No negative months since inception.

Launched Aug 2017

U.K. Residential Property Fund (London)

- **U.K. Fund I achieving a 7.5% p.a. net distribution yield to investors.[3]**
- Strong capital growth (+21%) despite UK market uncertainty.[3]

Launched Mar 2019

International Fund (Sydney)

- **'Recommended' Fund rating – Zenith, August 2020.**
- Outperformed the MSCI World by 2.7% p.a. since inception.

ZENITH AWARD

Long Short: Best 'Australian Equities – Alternative Strategies' 2017.

HSBC SURVEY

Long Short: 'Best Performing Hedge Fund Globally' in 2015 and 'Top 20 Globally' in 2016, 2017

EUREKAHEDGE

Long Short: Winner 'Best Asian Long/Short Equity Fund' in 2017

ZENITH RATING

Australian Eq Fund: Zenith 'Highly Recommended'

HSBC SURVEY

GOF: 'Top 20 Hedge Fund Globally' in 2017, 2018, 2020[3]

Note: Performance data current as at 31 Jan 2020. 1. L1 Capital Long Short Fund – Monthly Class since inception (1 Sep 2014). 2. Zenith Aust Eq Fund Report - 18 Jun 2020. See L1 websites for further disclaimers. 3. Hedged Class of L1 Capital U.K. Residential Property Fund I to 30 June 2020. Past performance should not be taken as an indicator of future performance.

Net Performance of the Long Short Strategy (since inception)

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Long Short Strategy Performance (Net %)

Period	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)*	(4.05)	(5.97)	1.02	(5.34)	(2.04)	(3.92)	(2.60)	(5.95)	(27.74)
2019	4.26	5.11	0.17	3.04	(2.73)	3.84	0.65	0.40	2.61	3.46	0.37	2.04	25.46
2020	(7.75)	(6.83)	(22.94)	23.16	10.94	(2.12)	(1.69)	9.99	0.63	(2.43)	31.94	4.29	29.50

Long Short Strategy has returned 21.4% p.a. (net) since inception.

The Strategy has returned more than 25% (net) in 5 of the past 6 years.

** In the table above, we show the full performance history (net of fees) of the L1 Long Short Limited since inception (LSF:ASX IPO on 24 Apr 2018). Performance prior to this date is that of the L1 Long Short Fund – Monthly Class since inception (1 Sep 2014). Past performance should not be taken as an indicator of future performance.*

Significant Outperformance in Falling Markets (Net)
(Since Inception of the Long Short Strategy)

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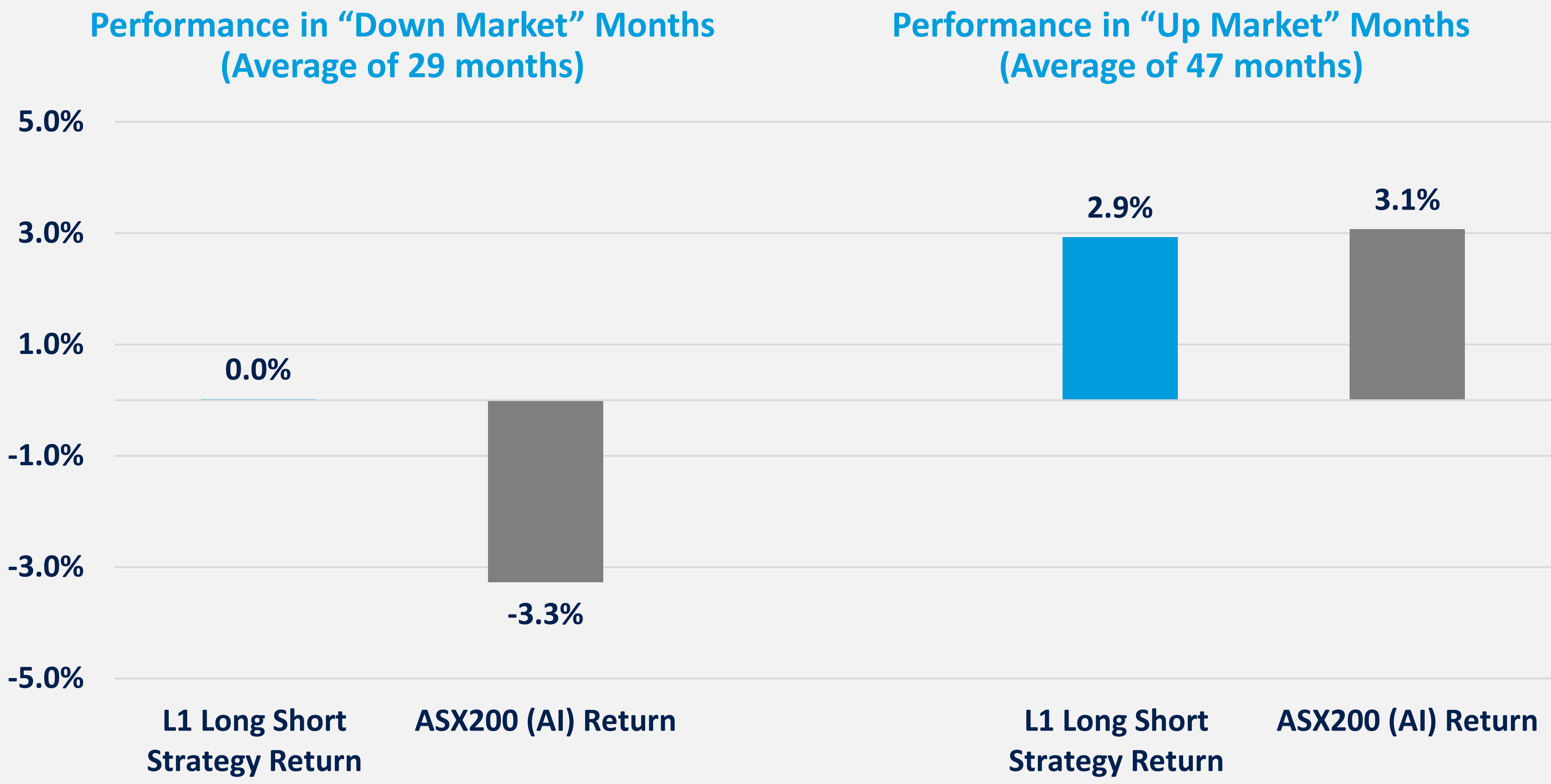

All figures are net returns as at 31 Dec 2020. Based on portfolio exposures of the L1 Capital Long Short Fund – Monthly Class (inception 1 Sep 14).
Past performance should not be taken as an indicator of future performance.

Downside Protection During Falling Markets (Net)

(Since Inception of the Long Short Strategy)

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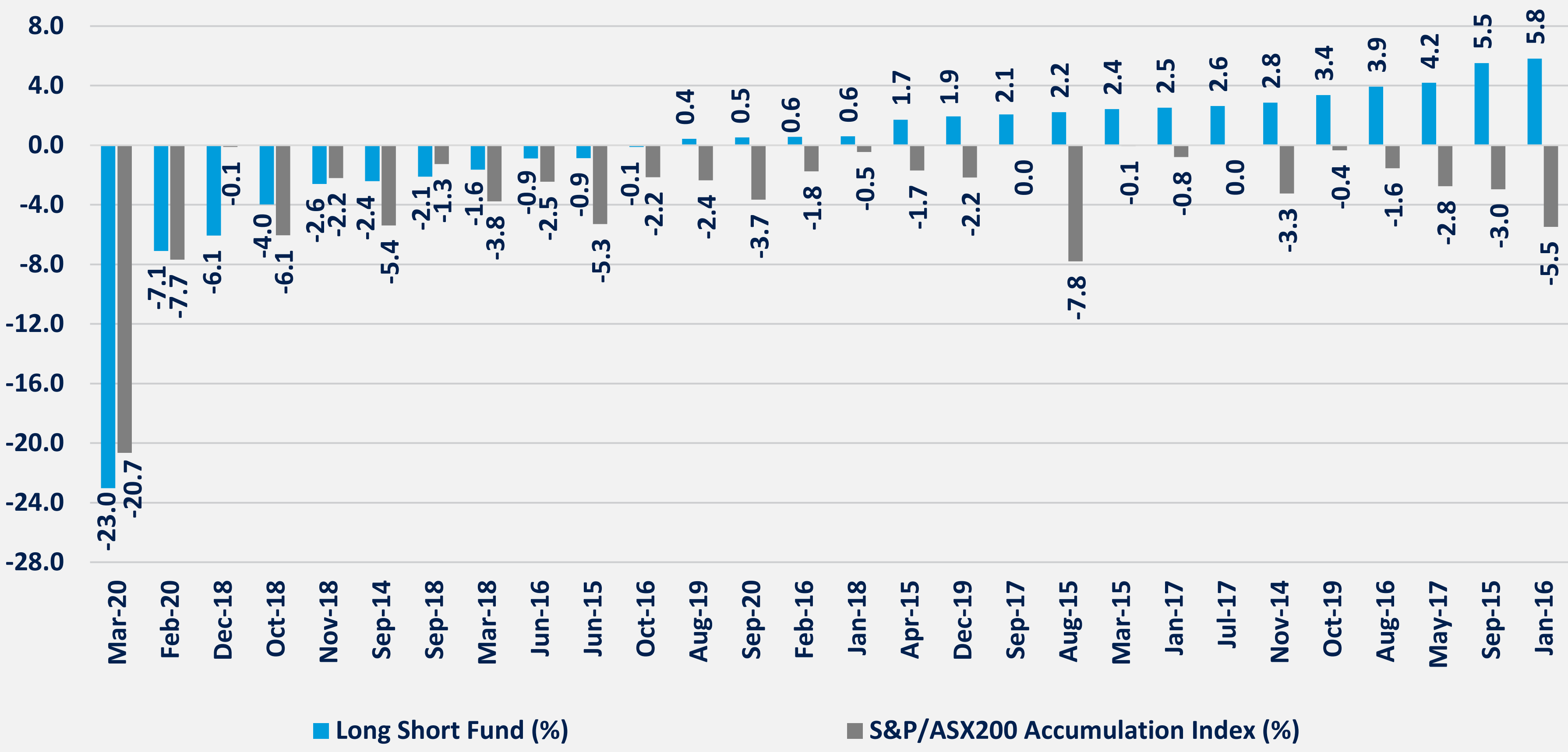
In aggregate, during the 29 months that the market fell, the Fund was flat (while the ASX200AI was -95%), outperforming 86% of the time (25 out of 29 months).



All figures are net returns as at 31 Dec 2020. Based on portfolio exposures of the L1 Capital Long Short Fund – Monthly Class (inception 1 Sep 14). Past performance should not be taken as an indicator of future performance.

Sector Contribution (Net)
(Since Inception of the Long Short Strategy)

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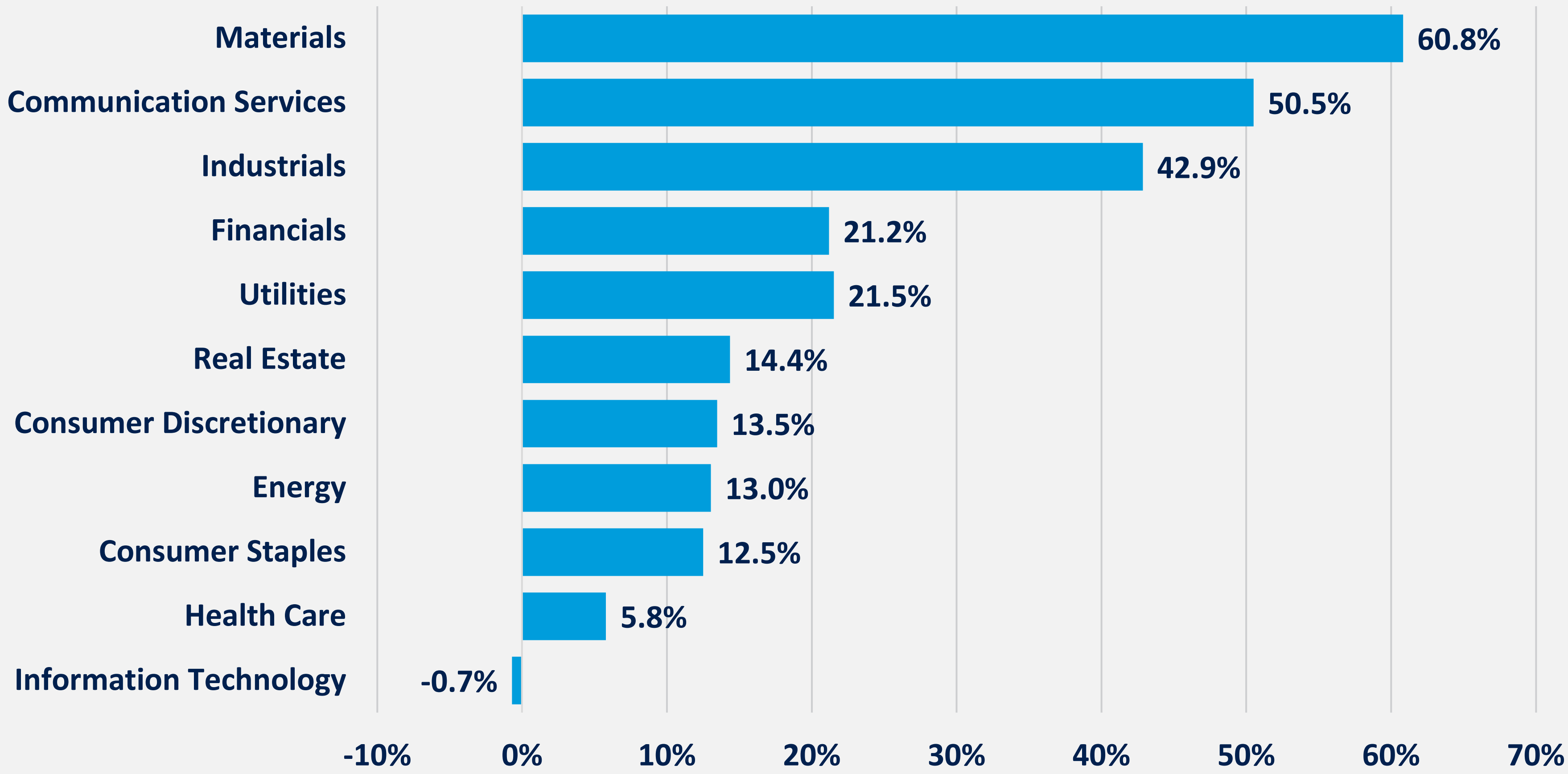
Strong performance across most sectors



All figures are net returns as at 31 Dec 2020. Based on the full performance history (net of fees) of the L1 Capital Long Short Fund – Monthly Class since inception (1 Sep 2014). Past performance should not be taken as an indicator of future performance Data presented above refers to underlying security positions in the portfolio.

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Legal Disclaimer

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Information contained in this presentation

L1 Long Short Fund Limited 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. The portfolio is managed by L1 Capital Pty Ltd, which has established a reputation for offering clients best of breed investment products. L1 Capital manages money for a range of clients including large superannuation funds, endowment funds, financial planning groups, asset consultants, family offices, high net worth individuals and retail investors.

Disclaimer

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