

13 July 2021

Performance update

L1 Long Short Fund Limited (**the Company**) (**ASX: LSF**) is pleased to confirm that to 30 June 2021, the underlying investment portfolio of the Company (net of all fees) returned:

3 Months	+8.8%
6 Months	+18.3%
12 Months	+72.9%

LSF Performance Fee Reinvestment

Under the terms of the investment management agreement between LSF and L1 Capital (**IMA**), the manager of LSF, L1 Capital Pty Ltd (**L1 Capital**), is to be paid a performance fee semi-annually in arrears based on the LSF portfolio's performance (if any) over each prior semi-annual performance calculation period, subject to a high water mark.

The high water mark is the net asset value of the portfolio (before taxes and after payment of management and performance fees) calculated on the last day of the performance calculation period for which the manager was last entitled to be paid a performance fee. Having regard to the value of the portfolio at 30 June 2021 (which is now above the high water mark), the manager is now entitled to a performance fee of approximately \$66.4m¹ exclusive of GST. This fee has already been accrued in the Company's net tangible assets value per share (**NTA**) and as such, will not result in any change in the NTA per share.

LSF and L1 Capital also wish to confirm the reinvestment of the after tax proceeds of the performance fees (**Performance Fee Reinvestment Amount**) received by L1 Capital (which is in turn paid to the owners of L1 Capital (**L1 Owners**)) into fully paid ordinary shares in the Company.

Under the IMA, the L1 Owners will reinvest their after-tax proceeds from any performance fees into shares in the Company. It is expected the Performance Fee Reinvestment Amount will equal approximately 70% of the pre-tax value of any performance fees.

As the Company's share price closed at less than the pre-tax NTA at the close of trading on 8 July 2021, the L1 Owners will satisfy its obligation to reinvest the Performance Fee Reinvestment Amount, by the purchase of LSF shares on-market (up to the value of such amount less brokerage and other relevant fees) on behalf of the L1 Owners during the next 60 trading days (excluding days on which trading is restricted under the Company's share trading policy). If at the end of such 60 trading day period an insufficient number of LSF Shares have been acquired on market, the balance of the Performance Fee Reinvestment Amount will be satisfied through the issue of new LSF shares at the pre-tax NTA price from close of trading on 8 July, of \$2.8255.

¹ Source: Mainstream Fund Services. Prior to payment of this fee, the Company's auditor will confirm the amount, which will be disclosed in the Full Year Financial Report released to the ASX in August 2021.



During the above trading period, LSF will make regular ASX announcements providing an update on the number of shares acquired and the cost of these shares. The Company will not acquire shares under the on-market buy-back until the above trading on behalf of the L1 Owners has been completed.

Any LSF shares acquired by any of the L1 Owners pursuant to the above arrangements will be subject to voluntary escrow until the earlier of 20 April 2028 or the end of the IMA.

This announcement has been authorised by the LSF directors.