



L1 Long Short Fund Limited

14 November 2023

The Manager
Market Announcements Office

2023 Annual General Meeting – Chairman’s Address

Market volatility has continued over the last 12 months. For significant periods of time, share prices were driven by market sentiment rather than underlying company fundamentals, thereby creating difficult stock picking conditions for the Investment Manager, L1. This decoupling was largely due to macroeconomic uncertainty around Central Bank monetary policies, global economic growth rates, the stability of the global banking system, China's COVID-19 policies and ongoing geopolitical tensions.

Against this backdrop, however, the Investment Manager, through its research-intensive stock selection process, successfully leveraged a range of themes, including China’s re-opening, long exposure to Energy stocks, shorting of unprofitable Technology stocks and ‘COVID winners’, and investments in the gold sector.

As a result, the LSF portfolio produced a pleasing absolute return of 13.5% over the full financial year, resulting in an annualised 3-year return of 29.2%.

On the back of this strong performance, LSF was honoured to win the Best Listed Alternatives Investment Product for the second year running at the Australian Alternative Investment Awards in November 2022.

During the year, senior management of the Investment Manager and your Board members have once again increased their investment in LSF by buying shares on-market – a clear reinforcement of their commitment to the Company’s long-term success.

In addition, the Investment Manager invested further in its investor relations and communications team, which now consists of 9 employees. An extensive market communications program is something LSF prides itself on, which includes daily NTA disclosures, monthly and quarterly reports, six monthly investor webinars, periodic print and podcast appearances and over 500 meetings with shareholders, key advisory and wealth management groups. More than 1,400 people have watched the latest investor webinar, hosted two weeks ago by Mark Landau.

Having paid our first fully franked dividend of 1.5 cents per share in February 2021, the Company has since paid a regular and growing stream of fully franked dividends each half year.

The company paid an interim dividend of 5c/share fully franked in March 2023 and a final dividend of 5.5c/share in September 2023, bringing total dividends for the year to 10.5c/ share fully franked, which was an uplift of 23.5% on the prior year. We expect total dividends to increase in 2024.

Lastly, on behalf of the Board and the Investment Manager I would also like to thank all of our shareholders for their continuing support of the Company. It is very much appreciated.

ENDS

Authorised for release by Andrew Larke, Chairman.