L1 CAPITAL

Quarterly report

L1 Long Short Fund Limited (ASX:LSF)

June 2025

- The L1 Long Short Fund (LSF) portfolio returned 12.2%[1] for the June quarter (ASX200AI 9.5%).
- Over the past 5 years, the portfolio has returned 21.0%[1] p.a. (ASX200AI 11.8% p.a.).
- Global equity markets moved higher during the quarter as investors looked through significant tariff volatility and an escalation in geopolitical tensions with the conflict in Iran.

Global equity markets were stronger during the quarter, masking significant volatility caused by President Trump's early April 'Liberation Day' tariff announcements. The unexpected size of the announced tariffs resulted in a sharp equity market sell-off in April, only for markets to recover these losses by early May and finish the quarter at all-time highs. Tariff uncertainty continued to dominate market headlines in July, with President Trump setting a 1 August deadline for implementing a range of higher measures.

President Trump's 'One Big Beautiful Bill' was also signed into law in early July, extending large tax cuts but also elevating fiscal concerns, which contributed to a rise in treasury yields and a further depreciation of the U.S. dollar.

The Federal Reserve left its target Federal Funds Rate unchanged at both of its meetings during the quarter, citing a resilient labour market, persistent inflation slightly above its 2% target and upside risks to inflation posed by tariffs.

U.S. economic data was mixed with labour markets demonstrating resilience while inflation pressures began to build amid tariff uncertainties and U.S. GDP growth forecasts were revised down from 1.7% to 1.4% by the FOMC.

In Australia, the RBA cut its cash rate target by 25bps in May, but then surprised almost all bank forecasts by leaving the rate unchanged at its recent July meeting, also citing a strong labour market and a prevailing inflation rate slightly above the mid-point of its target range. The best performing sectors in the ASX200AI were Information Technology (+28.4%), Financials (+15.8%) and Communication Services (+14.1%), whilst Materials (-0.7%), Utilities (+2.0%) and Healthcare (+2.7%) lagged.

The portfolio delivered strong performance over the quarter, with a broad set of significant contributors. Key performance drivers included strong operational updates from portfolio companies, favourable commodity price rises with particular strength in gold and corporate activity highlighted by two takeover proposals for existing long positions.

Returns (Net)[1] (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
3 months	12.2	9.5	+2.7
1 year	7.2	13.8	(6.6)
3 years p.a.	11.0	13.6	(2.5)
5 years p.a.	21.0	11.8	+9.2
LSF Since Inception p.a.	11.0	9.4	+1.6
LSF Strategy Since Inception[2] p.a.	18.1	8.2	+9.9

Figures may not sum exactly due to rounding.

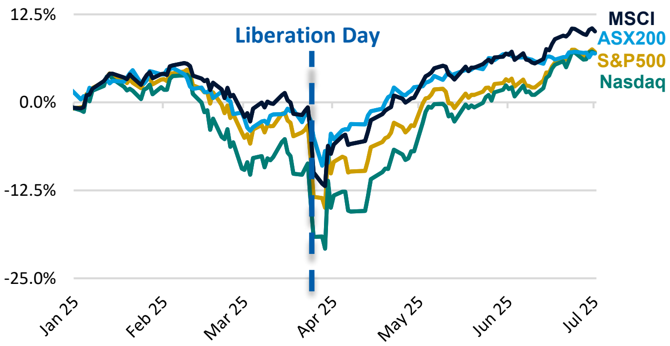
We believe the Australian equity market is now fully valued, with several large cap stocks trading far above historical multiples and global peers. Encouragingly, we are finding numerous undervalued stocks offshore, where we see a far more compelling combination of strong earnings growth, shareholder friendly management, conservative balance sheets and significant valuation support. We continue to believe that infrastructure, gold, copper, travel and 'quality value' stocks provide some of the best opportunities globally. Our portfolio also has a stronger than usual Value skew, with our median long position having a P/E of 11x, ~8% FCF yield and double-digit EPS growth, providing a compelling medium-term return profile in spite of a slowing macro backdrop.

1. All performance numbers are quoted net of fees. LSF (ASX:LSF) returns are calculated based on the movement of the underlying investment portfolio net of all applicable fees and charges since inception on 24 April 2018. Figures may not sum exactly due to rounding**. Past performance should not be taken as an indicator of future performance. 2.** LSF Strategy Since Inception returns are for the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). NOTE: Fund returns and Australian indices are shown in A$. Returns of U.S. indices are shown in US$. Index returns are on a total return (accumulation) basis unless otherwise specified.

Equity market observations

U.S. trade policy uncertainty has dominated market headlines since President Trump's April Liberation Day tariff announcement. While higher tariffs on imports have been a long-stated goal of the President, the announced tariff rates were substantially higher than expected and resulted in a dramatic sell-off in global equity markets and a spike in volatility (see Figures 1 and 2).

Figure 1: Performance of major markets, 2025 CYTD (%)



Source: Bloomberg as at 11 July 2025

Figure 2: CBOE Market Volatility Index (VIX)

Source: Bloomberg as at 11 July 2025

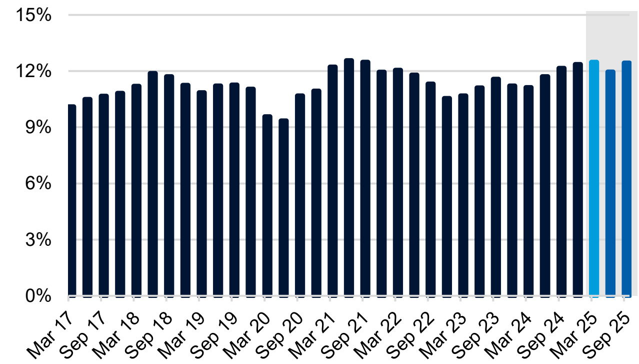
A pause to the introduction of the revised tariff rates, announced in the week after Liberation Day, led to a relief rally which has been followed by further rounds of tariff negotiations and a sustained rally in equity markets. The S&P500 rebounded 25% from its lows to finish the quarter at an all-time high and market volatility has substantially reduced.

However, U.S. trade policy remains highly uncertain. At the time of writing, the U.S. has reached new trade deals with a small number of countries and has issued public letters to other major trading partners warning that it intends to apply the previously announced tariff rates from 1 August.

Despite this, equity markets seem largely complacent about the earnings and economic risks. For example, consensus profit margin forecasts for the S&P500 for Q3 and Q4 25 remain near all-time highs (see Figure 3), pricing in minimal negative tariff-related impacts.

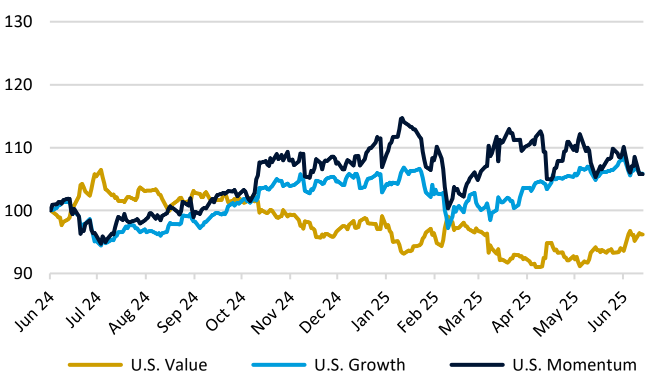
Over the last quarter, Momentum and Growth factors continued to drive markets higher, both in the U.S. and Australia (see Figure 4 and Figure 5). This is despite a muted earnings growth environment driving an ongoing disconnect between valuation and earnings revisions. We continue to see a significant level of crowding within large cap equities both in Australia and the U.S., where P/E multiples have detached from long term averages.

Figure 3: S&P500 quarterly net profit margin (ex Financials and Energy)



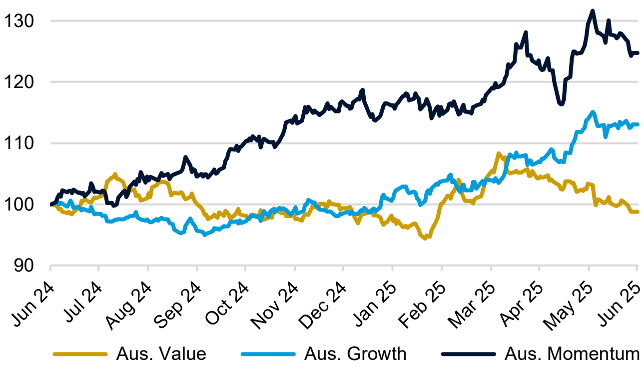
Source: Factset, Goldman Sachs Investment Research

Figure 4: Indexed return of U.S. Momentum, Growth and Value stocks



Source: Goldman Sachs Investment Research

Figure 5: Indexed return of ASX Momentum, Growth and Value stocks



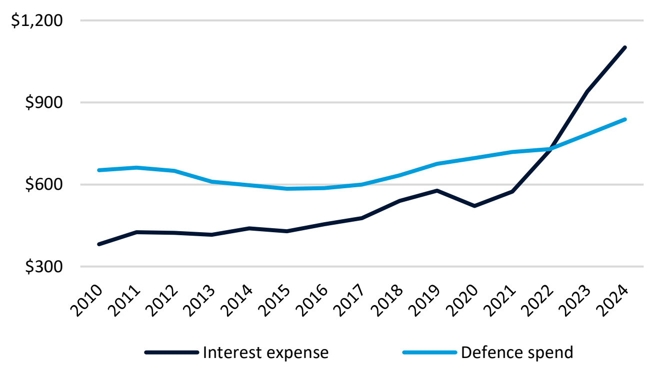
Source: Morgan Stanley

We are pleased that despite the major headwind for our style of investing, the portfolio was able to return more than 12% for the quarter. This reflects strong stock selection and timely adjustment of portfolio positioning during the April volatility.

Another topic which dominated news flow and influenced markets in the quarter was the U.S. Federal Government fiscal outlook, following the lengthy debate and ultimate passage of the One Big Beautiful Bill legislation. The bill will result in a range of tax and spending changes, the largest of which is an extension of existing tax cuts (which were due to start expiring later this year). However, in isolation the changes are expected to substantially increase the U.S. budget deficit and have highlighted structural fiscal challenges including the debt servicing cost. Interest costs on U.S. Federal Government debt have risen sharply in recent years as its debt and interest rates have increased, with gross interest costs now far exceeding national defence spending (see Figure 6).

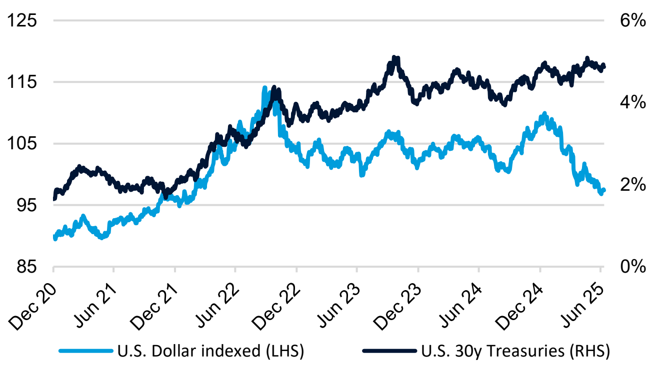
These debt concerns combined with tariff uncertainty have pushed the 30-year U.S. treasury yield to nearly 5%, the highest level since 2007. This has also resulted in a breakdown in the relationship between treasury yields and the U.S. dollar, with the U.S. dollar (DXY index) down approximately 10% year-to-date (Figure 7). They have also contributed to large inflows into gold and gold funds, and an almost 30% increase in the U.S. dollar gold price since the start of 2025. While recent U.S. macroeconomic data has been resilient, these recent concerns highlight significant risks which we do not believe are adequately reflected in current index-level equity market valuations.

Figure 6: U.S. Federal Government interest costs and defence spending (US$b)



Source: St Louis Federal Reserve

Figure 7: U.S. dollar (DXY) vs. U.S. 30-year treasury yield



Source: Bloomberg as at 10 July 2025.

Portfolio performance and positioning

Despite the significant macroeconomic volatility, the Fund had a solid first half of 2025 (up ~14%) and a strong second quarter (up ~12%), supported by broad based gains across the portfolio. 20 stocks each contributed more than 0.5% to Fund performance over the quarter, including strong performance from Nexgen, Finning, JD Sports, HudBay, Viva Energy, Santos, Qantas and Airbus (refer page 6 below for further detail).

During the quarter, we reduced our net exposure slightly as we trimmed or exited several longs that performed well. We also added to our copper exposure and several industrial positions through the April Liberation Day sell-off at very attractive levels.

Our net exposure to the Australian market remains extremely low relative to historic averages and we added slightly to our domestic short book over the quarter. As we touched on above, we see areas of significant crowding and over-valuation in the Australian market, particularly in several large cap stocks that are trading at extremely expensive levels relative to their historic valuation ranges, despite muted forward earnings growth rates.

Away from some of the overcrowded large cap names, we see a large number of attractive investment opportunities across all markets, but particularly in mid-cap global stocks. Our largest net geographic exposure continues to be to Europe/U.K. where we see compelling opportunities across a number of sectors, including Banks, Infrastructure, Mining Services and Construction Materials.

The portfolio's largest sector exposure continues to be in Infrastructure where we see a number of opportunities. We find these companies very attractive because they have assets with relatively low macro risk and predictable cashflow growth outlooks and are being significantly undervalued by the market. The portfolio also holds several gold stocks, which has been a key contributor to fund returns in the first half of the calendar year and which we have written about extensively in prior updates. We believe our infrastructure and gold exposures provide a strong level of resilience for the portfolio in the event there is additional volatility from trade and tariff measures or a further slowdown in economic growth.

Overall, the portfolio remains weighted towards high quality, lower P/E stocks with strong cash flow generation and solid earnings growth prospects. We have a stronger than usual Value skew at present, with our median long position having a P/E of 11x, ~8% FCF yield and double-digit EPS growth, providing a compelling medium-term return profile in spite of a slowing macroeconomic backdrop.

Stock spotlight | Finning International

Finning (TSX:FTT) is the largest Caterpillar dealer globally with diversified revenue exposure by geography, customer base, product and sector. The company has been a strong contributor to LSF performance with the share price up ~56% over the calendar year-to-date. The primary catalyst has been Finning's impressive Q1 25 results, where the company delivered 18% EPS growth over the prior period and exceeded consensus estimates by about 15% (see Figure 8).

Despite the strong share price performance to date, we believe the company remains undervalued, with Finning trading on an FY26 P/E of only 13.2x for a double-digit p.a. EPS growth outlook over the next few years.

Figure 8: Finning key metrics (C$)

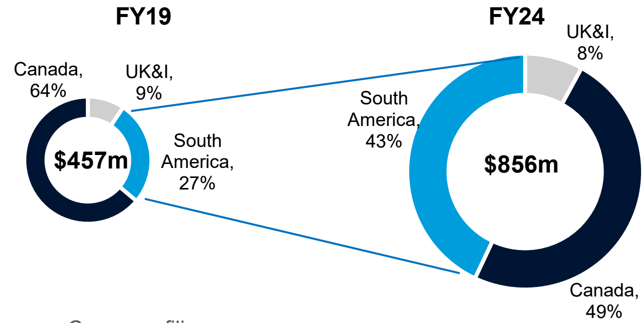
Market cap (30 June 2025)	$8.4b
Last reported net debt	$1.9b
Enterprise Value (EV)	$10.3b
FY26F EV/EBITDA	7.9x
FY26F EV/EBIT	11.3x
FY26F P/E	13.2x
FY24-FY27F EPS growth p.a.	10.3%

Source: Based on consensus estimates. Company FY ends 31 December.

Company overview

Finning operates in three key regions: Western Canada (49% of EBIT), South America (43% of EBIT) and UK & Ireland (8% of EBIT) (see Figure 9).

Figure 9: EBIT by division ex corporate costs (C$)



Source: Company filings

We have followed the company for several years as a key comparable to WesTrac, the leading Caterpillar dealer in the Australian market, which is owned by Seven Group Holdings (SGH). We view WesTrac as the highest quality business within SGH given the strength of its business model, its high ROIC and FCF generation, and the top tier management team driving operations.

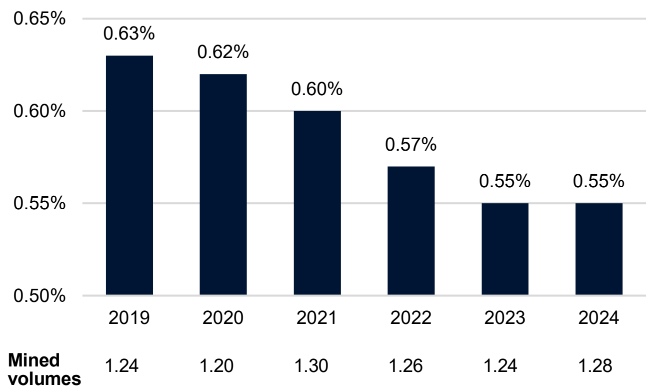
We have benefitted from WesTrac's strong performance (EBIT has tripled from 2018 to 2024) through being invested in SGH on several prior occasions in the Fund. We saw many of the same characteristics in our evaluation of Finning which led us to initiate a position earlier this year. However, we believe the market is yet to fully appreciate the transformation Finning has been through over the past 5 years which provides a much more stable and higher quality earnings base for continued growth going forward.

There are 5 key areas that underpin our positive investment view:

1. **South American growth:** In our view this is the highest value part of the business and key growth engine. The division has grown EBIT at a 24% p.a. CAGR from 2019 to 2024 with its contribution to group earnings increasing from 27% in 2019 to 43% in 2024 (refer Figure 9). We expect South America to overtake the Canadian business as the largest profit generator in the next few years. Chile is the key market for Finning in the region. The company's growth has been driven by two main factors, first, declining grades at major copper mines in Chile which requires more material to be moved to maintain current production levels (refer Figure 10) and second, the success of Caterpillar's Electric Drive truck offering which was introduced to the market a few years ago and has grown to over 100 ultra class trucks. These factors provide high visibility for continued strong growth in the Chilean market for Finning.

   There also remains further upside in Argentina which is Finning's second largest market in the region. Argentina could see a step-change in mining investment in the coming 1-2 years as currency controls reduce and there is greater political and regulatory certainty.

Figure 10: Chile copper ore grade



Source: Company filings. % are weighted averages. Mined volumes are billions of tonnes.

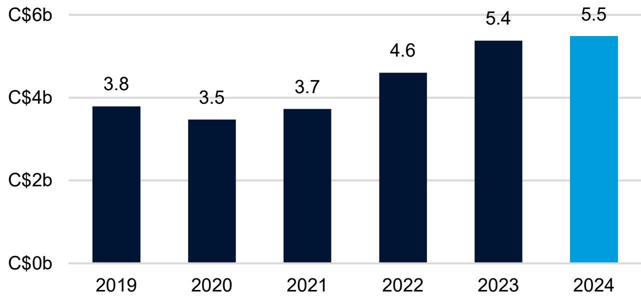
Webinar Replay | June 2025

Mark Landau, Joint Managing Director & Co-Chief Investment Officer, and Amar Naik, Head of Research, recently discussed portfolio performance, provided observations on current markets, set out how the portfolio is positioned and outlined several of our key stock picks.

To watch the replay, please click here.

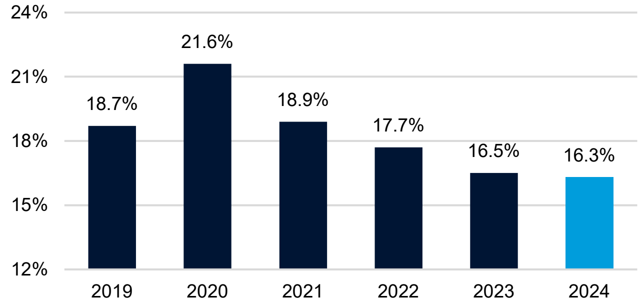
2. **Product Support revenue:** Finning earns a large proportion of its revenue from aftermarket services related to the maintenance, repair and parts supply for Caterpillar equipment. This includes full equipment rebuilds and overhauls. Over the life of large mining equipment, the aftermarket costs are many multiples of the initial equipment purchase cost. This revenue stream tends to be a resilient and higher margin profit stream given the essential nature of the spend to appropriately maintain equipment and the large labour component involved in carrying out the work. Finning has grown its Product Support revenue base from C$3.8b in 2019 to ~C$5.5b at the end of 2024 (refer Figure 11), with an expansion of its global technician headcount by 1,600 people over that time-period. More recently, Canadian product support revenue flat-lined as key oil sands customers curtailed spend. We have started to see that spend recover in 2025 and expect that to further support growth over the next 18 months.
3. **Operational efficiency:** While top-line growth has been strong in recent years, Finning has also been focused on reducing its cost base through restructuring, consolidating and simplifying its business model. The company has reduced executive headcount by 20% over the past 3 years and improved SG&A as a percentage of net revenue from 18.7% in 2019 to 16.3% at end of 2024 (refer Figure 12). We believe there is further optimisation to go, and Finning can continue to drive this percentage lower and increase the operating leverage within the business.
4. **New verticals:** The growth of AI and data centres has exponentially increased demand for power systems and backup power generation. Caterpillar is a leading supplier of power solutions across several industry verticals which we do not think is fully appreciated by the market. Finning's power systems backlog in Q1 25 was up 56% versus the prior year period and now comprises about one third of the company's total equipment backlog (refer Figure 13). We think there are secular demand tailwinds that will see this demand continue to accelerate over the next 2-3 years.
5. **Balance sheet strength:** Finning has generated strong free cash flow over the last few years and has channelled most of this cash flow back to shareholders in the form of increased dividends and share buybacks. The company's share count has reduced by 13% since 2020 (refer Figure 14), with current buyback authorisations set to see a further 5-6% of issued shares bought back in 2025. The company's balance sheet position remains strong with a net debt/EBITDA ratio around 1.5x and an investment grade credit rating. We see potential for further free cash flow growth through growth in the underlying business and continued working capital optimisation.

Figure 11: Product support growth



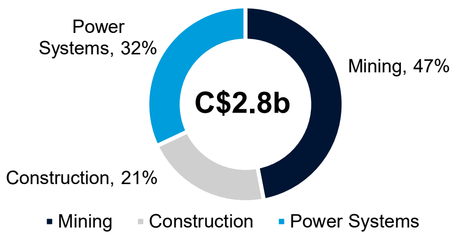
Source: Company filings

Figure 12: SG&A as a % of net revenue



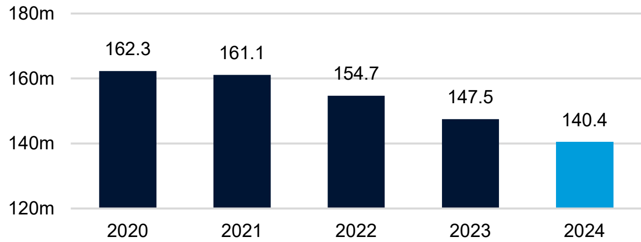
Source: Company filings

Figure 13: Equipment backlog as at 31 March 2025



Source: Company filings

Figure 14: Share repurchases



Source: Company filings

Overall, we think Finning has multiple growth levers to continue driving double-digit annualised EPS growth going forward with further returns to shareholders as the company continues to generate strong free cash flow and buy back shares. Despite this outlook, Finning trades at a 30% discount to its key peer in the Canadian market – Toromont. We see the potential for this discount to close as the company continues to execute on its growth potential over the next 1-2 years.

Key stock contributors for the quarter

NexGen Energy (Long +47%) moved higher as spot uranium prices increased 16% during the June quarter to close at US$74/lb. This move largely recovered the Q1 25 spot uranium price decline that had been driven by low volumes and heightened uncertainty associated with U.S. tariff policy. This occurred even as uranium ‘term’ prices (the agreed contracted price representing almost all commercial uranium demand) held largely steady over the last six months. Sentiment notably improved during the quarter as President Trump signed several executive orders aimed at accelerating U.S. nuclear investment, including a target to quadruple U.S. nuclear capacity from ~100GW today to 400GW by 2050.

NexGen is preparing to develop the world’s largest undeveloped uranium deposit, Arrow, located in Saskatchewan, Canada. This will be a major, new, strategic Western source to address the looming uranium market deficit. The company is about to enter the final stage of Federal approval with a commission hearing expected to conclude in H1 26, following which it can commence full scale project construction. Once developed, Arrow has the potential to generate more than C$2b of cash flow annually, assuming a conservative uranium price. We believe this is a compelling proposition given NexGen’s current market cap of only ~C$5b.

Finning (Long +44%) shares rallied strongly after reporting strong Q1 results which were well above consensus estimates. Finning is the largest Caterpillar dealer globally, with its operations focused on Canada, South America and the U.K. & Ireland. Finning has transformed its business model and earnings growth over the past 5 years as South America has become a much larger profit contributor to the Group and as the company has improved its cost efficiency and operational leverage. We believe end-markets remain supportive in each of Finning’s key regions, enabling the company to continue delivering double-digit EPS growth going forward. Despite this attractive outlook, Finning trades on only 13.2x FY26 P/E, a ~30% discount to its key peer Toromont.

JD Sports (Long +31%) shares performed strongly, following the release of a better than expected Q4 FY25 result and medium-term strategy update early in the quarter, and then a pleasing full-year result and outlook commentary from Nike later in the quarter. With major supply chain and infrastructure projects nearing completion, JD Sports will reduce capex spend and is intending to use its material cashflow generation to improve shareholder returns, including an initial £100m share buyback. Meanwhile, Nike reported green shoots from product innovation and reduced promotional activity, two issues which have heavily weighed on Nike and impacted JD’s sales growth over the past 12 months.

Overall, we see the company as a high-quality global retailer with leading scale and brand relationships, excellent in-store execution and an attractive store roll-out pipeline ahead, yet it still trades on a P/E of ~7x consensus earnings. While trading conditions are likely to remain challenging for much of 2025, we expect that the recent acquisitions of Hibbett and Courir, along with supply chain improvements and Nike’s turnaround initiatives, should start delivering meaningful benefits from 2026.

Hudbay Minerals (Long +32%) shares rallied over the quarter driven by rising copper and gold prices (+3.8% and +5.5%, respectively), in addition to strong first quarter results. During Q1 25 Hudbay delivered robust operating performance across both its major assets, exceeding consensus expectations. Most notably, gold production from Manitoba in Canada was higher than expected on strong mill performance and higher than anticipated gold grades. Stronger gold production combined with higher gold prices delivered a ~35% beat to consensus expectations for Q1 25 EBITDA.

Hudbay is a mid-tier mining company primarily producing copper, along with gold and zinc, with its key assets located in Canada and Peru. We are attracted to Hudbay due to our positive medium-term outlook for copper and the company’s ability to de-lever its balance sheet and recycle capital back into its highly prospective exploration program and major growth projects. The most exciting near-term opportunity is its fully permitted Copper World project in Arizona, which will increase Hudbay’s copper production by more than 50%.

Viva Energy Group (Long +27%) shares performed strongly driven by an improvement in both Australian retail fuel margins and global refining margins. Retail fuel margins have recovered from the prolonged trough at the start of 2025, and, on average, have exceeded 2024 levels during Q2 25. Refining margins have been extremely volatile, having declined sharply on global macroeconomic fears following President Trump’s Liberation Day tariff announcement in April, then recovering primarily as a result of the escalating conflict in Iran.

While Viva’s recent performance and H1 25 guidance have been disappointing, we continue to expect H2 25 to improve significantly, benefiting from acquiring its remaining interest in the Liberty Convenience business, substantial synergies from combining the Coles Express and OTR businesses and its $50m cost-out program. OTR remains a proven, high-quality fuel and convenience retail offering. There is significant earnings upside potential from rolling out OTR across the well-located, but historically under-invested Coles Express sites, with the initial set of conversions performing well. Management have retained their $500m EBITDA target for the Convenience & Mobility business (compared with $231m EBITDA in 2024).

Santos (Long +15%) performed well during the quarter primarily driven by a non-binding, indicative cash takeover proposal from a consortium led by ADNOC to purchase Santos for US$5.76/sh (A$8.89/sh). This represents a 28% premium to the share price of Santos prior to the offer. The offer for Santos comes within the backdrop of significant volatility in oil prices, which declined 12% over the quarter, despite momentarily moving sharply higher on elevated levels of conflict in Iran.

The takeover proposal supports our underlying thesis that Santos’ asset base is materially undervalued by the market. The company continues to make significant progress on its key growth initiatives, with its Barossa project now over 95% complete and on track for first production in 2025 and the Pikka project more than 82% complete. The completion of these projects will conclude a multi-year period of elevated capex spend and represents an inflection point for earnings and cashflows. As a result, and regardless of the ultimate outcome of the takeover proposal, we believe Santos remains well positioned to deliver attractive returns for investors.

Qantas (Long +19%) continued its strong share price performance during the quarter as robust trading conditions persisted and the oil price remained at weaker levels (other than a short spike during the Israel-Iran conflict). Qantas shares have now more than doubled from the lows in October 2023, reflecting continued strong earnings delivery, management and board changes and the removal of many 'pain points' for customers. On 24 June, Virgin listed on the ASX. As a listed stock, Virgin will face increased scrutiny of its financial performance, which should encourage rational competitive dynamics going forward.

We believe Qantas remains very well placed over the medium term. It has two well-positioned brands in Qantas and Jetstar that serve their relevant markets strongly. In addition, it operates Australia's best loyalty business, which is expected to double earnings over the next 5-7 years. Finally, Qantas has a raft of brand new, more fuel-efficient aircraft to be delivered, along with Project Sunrise, which will enable direct flights from Melbourne/Sydney to London and New York from 2026.

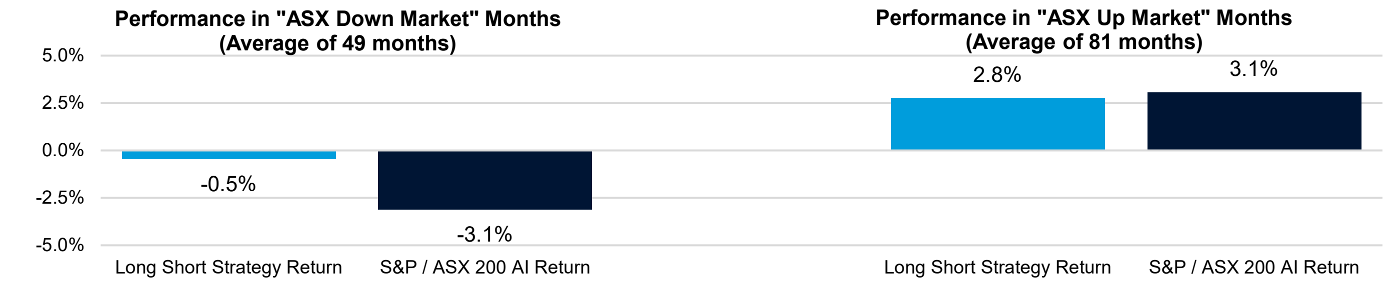
Despite the large share price rally, Qantas trades on a FY26 P/E of only 9x. This compares to leading international airlines trading at 10-14x P/E. We believe the Qantas multiple fails to fully reflect its leading industry position, the structural growth in Asia-Pacific travel demand and its high growth, capital-light loyalty business.

Airbus (Long +10%) shares rose as investor concerns over the U.S. tariff impact and the global supply chain disruption moderated. Airbus delivered a solid business update at the Paris Air Show in June, noting a broad-based supply chain improvement which should help support a stronger production ramp up in the second half of 2025 and beyond. The margin on Airbus' most profitable A320 family of aircraft will continue to improve as larger variants such as the A321XLR continue to gain strong traction from customers. The defence segment of the business is also expected to see faster growth over the long term, given Airbus' role as a key partner on multiple critical E.U. defence programs and a structural step-up in E.U. defence spending. At the Paris Air Show, Airbus received gross new orders for over 200 aircraft, extending its backlog visibility well beyond 2030. Looking forward, we believe the company will benefit from continued strong demand for its more fuel-efficient aircraft, its leading position in a duopoly market and the structural growth in the European defence sector.

Strategy returns (Net)[3] (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-	-	-	-	-	-	-	-	(2.4)	3.0	2.8	1.6	**5.1**
2015	0.6	9.1	2.4	1.7	3.7	(0.9)	3.3	2.1	5.5	8.5	8.1	4.6	**60.5**
2016	5.8	0.6	5.5	2.5	2.8	(0.9)	3.2	3.9	0.5	(0.1)	0.6	2.2	**29.6**
2017	2.5	1.9	3.2	1.0	4.2	1.7	2.6	1.7	1.9	2.5	0.9	3.6	**31.4**
2018	0.6	(0.5)	(1.6)	(1.3)[3]	(4.1)	(6.0)	1.0	(5.3)	(2.1)	(3.9)	(2.6)	(6.0)	**(27.7)**
2019	4.3	5.1	0.2	3.1	(2.7)	3.9	0.6	0.4	2.5	3.5	0.4	2.1	**25.5**
2020	(7.8)	(6.8)	(22.9)	23.2	10.9	(2.1)	(1.7)	10.0	0.6	(2.4)	31.9	4.3	**29.5**
2021	(0.2)	9.0	(0.1)	5.1	4.1	(0.5)	1.8	5.1	4.9	2.3	(7.4)	3.7	**30.3**
2022	2.8	6.9	1.3	3.4	0.1	(13.5)	(3.3)	5.4	(7.6)	5.2	7.5	4.4	**10.7**
2023	3.6	(2.0)	0.5	1.6	(3.2)	1.7	5.2	(4.9)	0.9	(3.1)	2.4	3.7	**6.2**
2024	0.3	(1.0)	8.1	3.3	2.6	(5.0)	1.5	(3.3)	4.3	(1.4)	(2.9)	(3.8)	**2.0**
2025	0.2	(0.9)	2.0	(0.7)	6.9	5.8							**13.6**

Strategy performance in rising and falling markets[4] (Net)



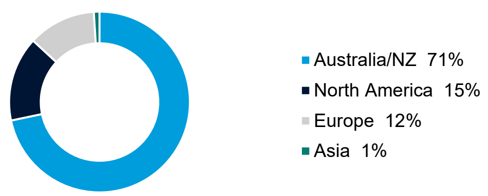
Portfolio positions

Number of total positions	78
Number of long positions	58
Number of short positions	20
Number of international positions	30

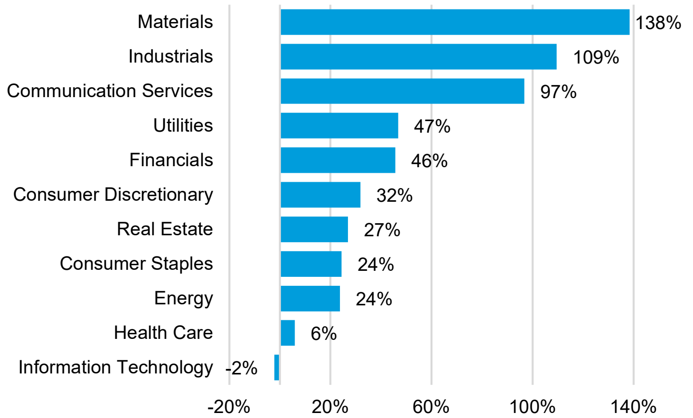
Net and gross exposure (%)

	Gross long	Gross short	Net exposure
Australia/NZ	98	(88)	11
North America	36	(4)	32
Europe	31	-	31
Asia	3	-	3
Total[5]	**168**	**(92)**	**77**

Gross geographic exposure as a % of total exposure[4]



Sector contribution since Strategy inception[4] (Net)



Company information as at 30 June 2025[6]

Share Price	$2.90
NTA before tax	$3.25
NTA after tax	$3.12
Shares on issue	628, 939, 776
Company market cap	$1.82b

3. All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. **Past performance should not be taken as an indicator of future performance**. LSF (ASX:LSF) returns are calculated based on the movement of the underlying investment portfolio net of all applicable fees and charges since inception on 24 April 2018. Strategy returns table is for the L1 Long Short Limited (ASX:LSF) since inception on 24 April 2018. Performance prior to this date is that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). **4.** Exposure and contribution are that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). **5.** Figures may not sum exactly due to rounding. Excludes of exposures to instruments not associated with a specific geography. **6.** 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.

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	MUFG Corporate Markets
Company website	www.L1LongShort.com

Company information – LSF

Name	L1 Long Short Fund Limited
Structure	Listed Investment Company (ASX:LSF)
Inception	24 April 2018
Management fee*	1.44% p.a.
Performance fee**	20.5% p.a.
High watermark	Yes
Platform availability	BT Panorama, CFS Firstwrap, HUB24, IOOF, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, uXchange

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. 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, private wealth firms, financial planning groups, family offices, high net worth investors and retail investors.

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* Fees are quoted inclusive of GST and net of RITC. ** The performance fee is equal to the stated percentage of any increase in the NAV over any Performance Period.

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.