L1 Long Short Fund Limited

Investor Letter | December 2019

2019 market performance

2019 was a strong year for the Australian market, with the ASX200AI up 23.4% (the highest since 2009's GFC recovery). Importantly, 90% of the market's return in 2019 was as a result of P/E expansion, rather than upward EPS revisions. The remaining return for the market actually came from dividends, with earnings revisions falling by 2% over the year. This highlights clearly that the extraordinary rally we saw in 2019 was purely a function of falling bond yields, which in turn drove up the market's P/E (i.e. it justified a lower earnings yield). Given that Australian 10 year bond yields have fallen from roughly 2.6% in December 2018 to 1.2% as of December 2019, we believe the vast majority of this bond yield led rally has now passed.

The charts below (from Goldman Sachs' strategy team), highlight some interesting trends from 2019 and show where relative value exists in today's world of stretched asset prices.

Chart 1: 2019's ASX 200 rally was ~90% driven by valuation expansion with dividends contributing the remainder of the return while earnings downgrades weighed on performance

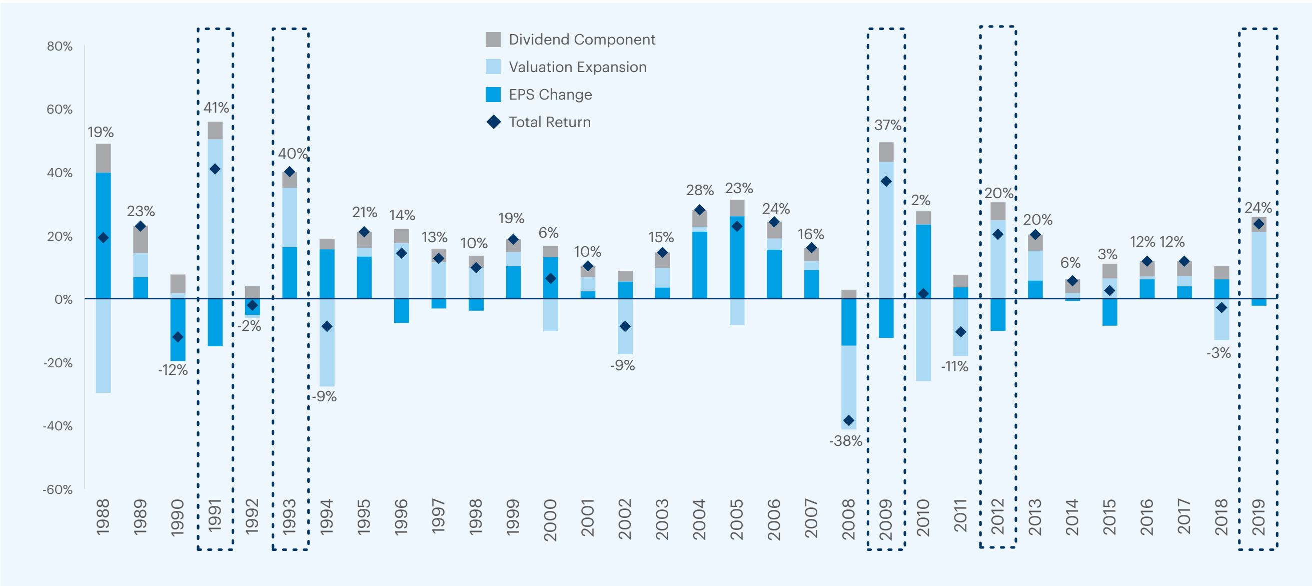
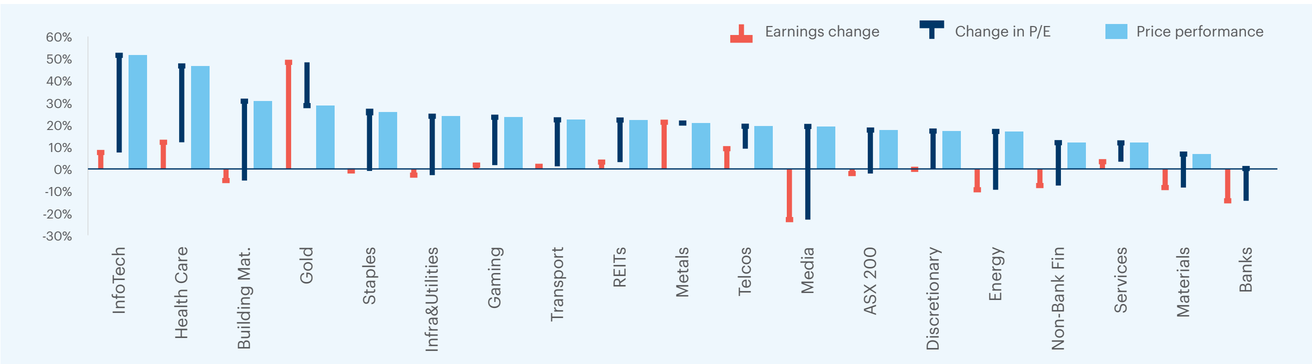


Chart 2: P/E Expansion has driven the vast majority of returns across the market



Source: Goldman Sachs, FactSet.

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Chart 3: Defensives materially outperformed cyclicals with macroeconomic volatility and lower rates triggering a flight to bond-like equities and long duration assets

Chart 4: Value dramatically underperformed, with momentum and yield factors dominating the market's rally

Chart 5: The relative valuation differential between Low and High P/E firms continued to expand, with High P/E firms trading on a forward P/E of 35.9x, 42% above the 20 year average

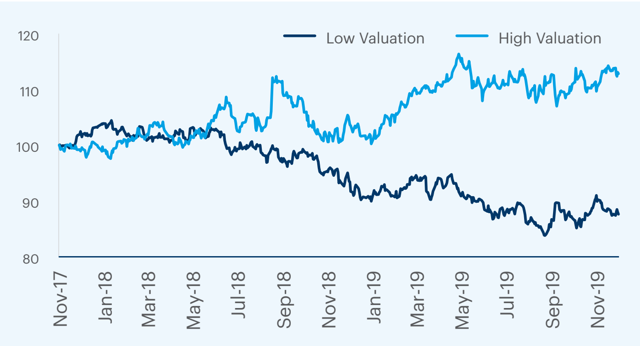


Chart 6: Industrials firms now trade an average forward P/E of 23.9x, which is 41% above the 20 year average

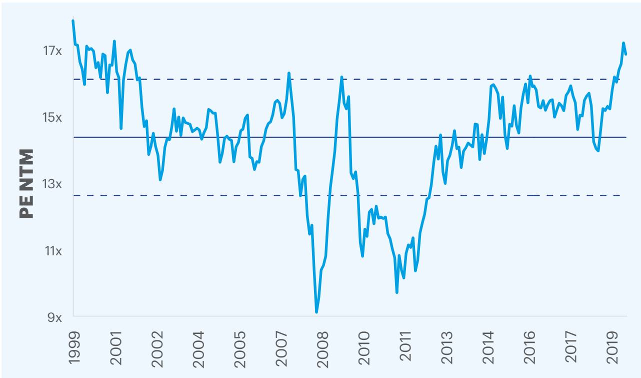
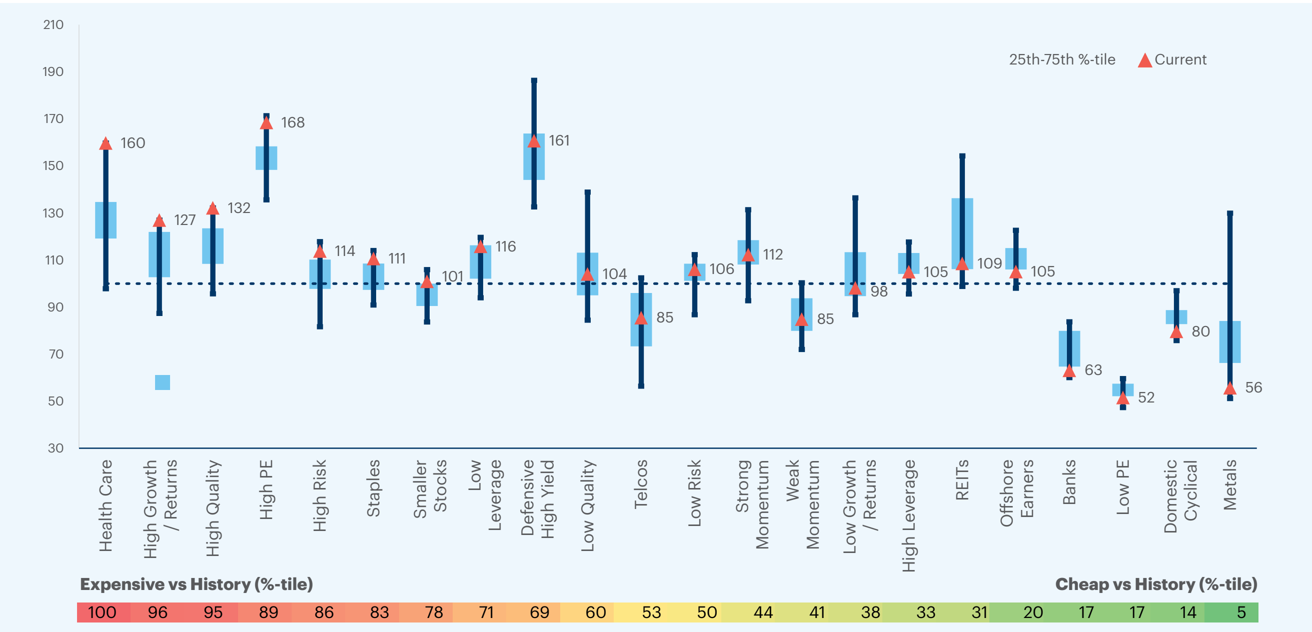


Chart 7: Healthcare, High Growth, High Quality & High P/E are trading at the highest valuation premium versus history, while Low P/E, Domestic Cyclicals and Metals are at the lowest premium



Source: Goldman Sachs, IRESS FactSet.

Key Stock Contributors

Alacer Gold (AQG Long +24%) more than doubled in 2019 on the back of the successful ramp-up of its new sulphide project and supportive gold market dynamics. The Çöpler sulphide plant is currently on track to achieve nameplate production over the coming year, however many parts of the plant have substantial excess capacity and we believe that for a modest capital outlay, management could deliver a positive step change in output. Additionally, we see further upside to long-term oxide production compared to consensus expectations with the nearby Ardich and Çöpler Saddle deposits looking particularly prospective. We reduced our position size around September but we remain positive on Alacer given its long-life, low-cost expandable operation with large exploration upside.

Alibaba Group (BABA US Long +27%) rallied due to improved China technology sentiment along with continued strong operating performance and a successful $13b dual listing on the Hong Kong stock exchange. The company continues to take incremental market share and is less progressed along the path of monetising its traffic than peers such as Amazon. Like Amazon, it dominates both e-Commerce (58% share) and public cloud services (43% share) in its home market. Today, Alibaba monetises only 3% of Gross Merchandise Value, which compares to 15%+ for Amazon's marketplace. By reinvesting a portion of its e-Commerce profits, the company, over the last few years, has also built up market leading businesses in logistics, food delivery, on demand video streaming and digital payments.

Chorus (CNU Long +27%) continued its positive momentum post the Commerce Commission releasing its Draft Fibre Inputs Methodologies Decision. We believe that the Draft Decision still does not reflect the risks undertaken by Chorus but does begin to resolve some of the uncertainty over other regulatory issues that were greatly concerning investors. Chorus has invested for almost a decade to create an exceptionally high-quality fibre asset and we look forward to the company finally generating a fair return on this investment in the years ahead.

Iluka Resources (ILU Long +16%) (see detailed update on page 5). Iluka rallied after the company announced a potential demerger of its Mining Area C (MAC) royalty. As we outlined in our September quarterly report, we have been actively involved in highlighting the hidden value in Iluka and have made the case for a demerger. Despite the recent rally, we believe Iluka has further upside as the company enacts a demerger and the full valuation uplift in the MAC asset becomes apparent.

MEG Energy (MEG CA Long +27%) rallied strongly in the quarter driven by a rising oil price as well as continued balance sheet deleveraging (MEG repaid ~C$500m of debt in 2019). Under the leadership of its new CEO, Derek Evans, MEG has demonstrated much stricter capital discipline leading to strong and consistent free cash flow generation, which we expect will support rapid deleveraging and strong share price performance over the coming years.

Mineral Resources (MIN Long +23%) recovered some of its poor share price performance from the last year as the company continued to deliver very strong operational progress across most areas of its business. Weak lithium markets have impacted MIN via its two joint ventures in Mt Marion and the recently mothballed tier 1 Wodgina project. High iron ore prices have been supportive as MIN increases its near term iron ore production while progressing longer term opportunities. The core mining services division is forecast to deliver strong earnings growth again in FY20 and beyond. We believe MIN offers a rare combination of extreme undervaluation, high quality management, strong long-term earnings growth and a rock solid balance sheet.

Qantas Airways (QAN Long +13%) rallied due to a very upbeat presentation at their annual Investor Day. Management outlined a path to increasing domestic profit margins by more than 50% over the next 5 years and reiterated confidence in growing their Loyalty division's earnings by 7-10% p.a. going forward. Another positive has been Virgin Australia appointing a capable and experienced CFO (Keith Neate), who has stated a focus on rational competition and profitability, not market share. We believe this will be conducive to an improving earnings outlook for both airline groups. These should begin to deliver a gradual improvement in performance in H2FY20 and more so in FY21. We recently trimmed our position in recognition of some near term market headwinds.

Tencent Holdings (700 HK Long +14%) benefited from the improved sentiment in China, as well as having been a laggard amongst the China technology peers for much of 2019. Tencent has felt the brunt of a slowing economy, tougher advertising market and greater government regulation of its core gaming business. Tencent's Hong Kong listing has seen it hit by index selling due to the Hong Kong protests. The company has recently provided greater cloud revenue disclosure and the fintech business of WeChat Pay continues to grow strongly and will be a key aspect of monetising its network.

Virgin Money UK, formerly CYBG (VUK Long +68%) was a major detractor for the Fund in the earlier part of 2019 as the Brexit uncertainty impacted the UK economy and banking industry conditions. Virgin Money shares had a huge rally post the election, which largely addressed the Brexit uncertainty and made a major bad debt cycle less likely. The enormous rally (+68%) was largely as a result of the shares being so oversold prior to the election/Brexit progress. We used the rally to trim some of our position.

Worley (WOR Long +18%) was stronger on the back of an increase in the WTI oil price from ~US$54 to ~US$61/bbl over the quarter as well as continued positive momentum from the announcement of a number of contract awards/extensions. In our view, Worley is now trading on a P/E of ~13x FY21 (once the synergies from the Jacobs ECR acquisition flow through). The shares had been trading on 20x P/E in September 2018 (prior to the oil price fall and ECR transaction). Worley deserves to trade at a much higher multiple, given the synergy benefits from the ECR deal and the structural growth in demand for their services as upstream capex spending recovers.

Key stock detractors

Boral Limited (BLD Long –7%) fell after announcing that it had identified financial irregularities in its North American Windows business which would result in a one-off impact to EBITDA of US$20-$30m (relating to Sept 2018 to Nov 2019). Assuming a permanent re-base of earnings, this would reduce Group operating earnings by ~2-4% compared to the 13% share price decline in December. We continue to remain optimistic on the outlook for Boral given its strong leverage to the growth in infrastructure construction that is set to occur on the east coast of Australia over the next few years. Furthermore, there are encouraging signs of an improvement in Australian housing market sentiment.

Perenti Global, formerly Ausdrill (PRN Long –27%) fell after downgrading its FY20 profit guidance by ~16%, largely due to the termination of an equipment hire contract in Ghana driven by disputes between the mine owner and the Ghanaian government. We continue to believe the stock offers good value (trading on a P/E of 8.5x FY21) with recent contract wins starting to ramp up and exposure to a significant tender pipeline in its core underground mining business supporting future earnings growth.

Resolute Mining (RSG Long –11%) after a weak few months impacted by two production outages at Syama, Resolute Mining rallied 9% post a series of positive announcements including excellent drilling results at the Mako and Syama gold mines and the completion of repairs at the Syama sulphide roaster. RSG is trading at a substantial discount to most ASX listed peers and we believe the shares will re-rate as Syama fully ramps up in the coming months. We also expect RSG to complete a major debt refinancing package which will lower interest costs and provide greater balance sheet stability. Post year end RSG announced a large placement to help delever and lower the cost of refinancing.

SES SA (SESG FR Long –25%) fell as the Federal Communications Commission moved to a public auction for 5G spectrum that SES was hoping to sell to US telecoms, delaying the auction process by up to a year or more. SES owns a 45% economic interest in the 5G spectrum that is crucial to the future development of 5G services in the US. While the delay was not expected, we do not believe it materially changes the investment case for SES and the risk-reward looks exceptional at the current price.

Tesla (TSLA US Short +74%) Tesla shares rallied strongly over the December quarter after the company announced a small quarterly profit (US$143m, down 54% on pcp) and reached the bottom-end of its 360,000-400,000 deliveries target (they delivered 367,200 cars for 2019). At the time of writing, Tesla now has a market cap of more than US$100b despite never having had a profitable year in its 17 years of existence. We have maintained a modest short position in the stock, as we believe the company is:

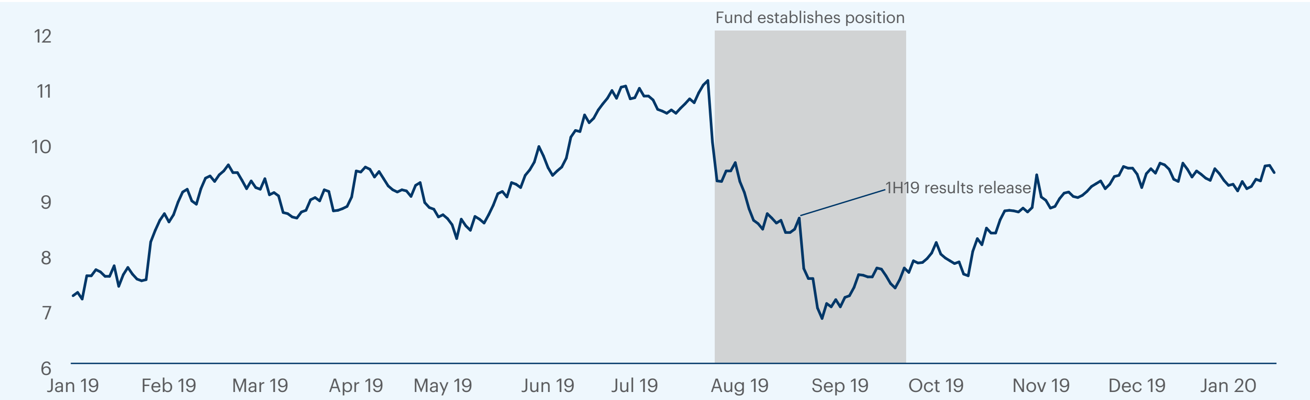
- Massively overvalued – Tesla's enterprise value is now larger than BMW, Daimler/Mercedes and Honda combined
- Run by a dishonest CEO with incredibly high turnover of senior management
- Facing numerous lawsuits and product recall risks
- Using aggressive accounting with management being evasive about answering basic questions about their financial accounts

Iluka (ILU:ASX) – Update on MAC demerger

In the September 2019 quarterly report, we outlined our investment thesis for Iluka where we believed that the sharp sell-off in the share price had been overdone and that there was potential to unlock substantial value through a demerger of Iluka's Mining Area C (MAC) iron ore royalty.

As illustrated in Figure 1 below, post the Fund establishing its position in the September quarter, Iluka shares have performed strongly, with the share price up 16% in the December quarter, despite ongoing weakness with mineral sands market conditions.

Figure 1: ILU Share Price



Source: CapIQ.

The positive performance has been primarily driven by a recovery from oversold levels, along with the announcement by Iluka of a formal review of both the mineral sands operations and the MAC royalty. The review will consider a range of options including corporate and capital structure, dividend policies and a structural separation of MAC by way of a demerger, with an update to be provided at the full year results release in February 2020.

We would like to congratulate Iluka's board and senior management team on the announcement of the review and their proactive approach to considering alternatives to maximise shareholder value. We have received positive feedback from a range of Iluka investors we have spoken to over the period and continue to believe that the demerger of the MAC royalty is the optimal structural solution to maximise value.

In our view, Iluka has the ability to create an exciting and unique investment vehicle with the MAC royalty acting as the cornerstone of a royalty business that can diversify and grow over time through value-accretive, bolt-on royalty/streaming acquisitions. With an attractive dividend yield and disciplined growth agenda, we believe the royalty company can trade at a material premium to its net present value (NPV) over time as it develops a larger and more diversified revenue base. Accordingly, in the event a demerger takes place, we would like to see the royalty company established with sufficient debt capacity to explore these growth options and a well-credentialed, independent board, with strong mining and mining investment experience to ensure the efficient deployment of capital into value enhancing investments.

From a mineral sands standpoint, we continue to believe Iluka's growth projects are undervalued and its medium-term production profile is understated for the growth optionality that exists within the portfolio. Iluka will need to provide the market with greater transparency and a more definitive outlook as these projects are firmed up in order to highlight the strong project pipeline and increase the level of confidence in their production profile.

Reflecting on the updates over the last quarter, our base case valuation for Iluka remains at ~$12.50/share on a demerged basis as outlined in our September 2019 quarterly report, implying ~34% upside to the closing share price of $9.30 on 31 December 2019 (see Figure 2 below). However, we believe that if Iluka can present a value-accretive growth strategy for the royalty company backed by a strong board and give the market greater confidence on the production profile of the mineral sands business, then an upside valuation case of ~$14/share is achievable.

Figure 2: SOTP Valuation Overview

	Base Case		MAC Upside Case	
Description	**A$m**	**A$/sh**	**$Am**	**A$/sh**
SOTP Valuation				
Mineral sands inc. corp costs (Australia, Sierra Leone (inc. Sembeh))	3,400	8.05	3,400	8.05
MAC royalty	2,100	4.97	2,750	6.51
Growth/exploration options (Eneabba, Balranald, etc)	600	1.42	600	1.42
Rehabilitation and other provisions	(721)	(1.71)	(721)	(1.71)
Net (debt)/cash	(109)	(0.26)	(109)	(0.26)
Total Equity Valuation	**5,270**	**12.47**	**5,920**	**14.02**
Share price on 31 December 2019		9.30		9.30
Potential upside		34%		51%

(1) Divisional EBITDA less overheads. Overheads allocated based on % share of EBITDA from each division.

We look forward to hearing the outcomes of the strategic review in February and engaging further with the Iluka management team and board going forward.

Peet – Time for a change in strategy

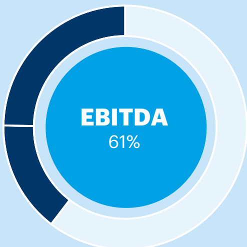
Peet Background

Peet is a developer of master planned residential communities within key residential growth corridors. Peet's development is primarily focused on the first home buyer and affordable end of the market, with most sales being land lots and house and land packages. Over the last 10 years, Peet has steadily increased the number of lots in its land bank and currently has around 49,000 lots under management.

Peet funds its development pipeline using (a) its own balance sheet, where it either owns 100% of the project or a smaller share through a JV structure or (b) through a funds management business where it markets and sells residential land development projects on behalf of third party capital, including retail syndicates and sophisticated institutional investors.

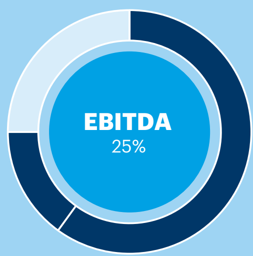
100% Peet Owned Development

- Developments that are 100% owned by Peet, held on balance sheet.
- 100% of returns collected upon development and sale.
- Generating solid margins.
- GDV of $2.7 bn, 11,750 lots.



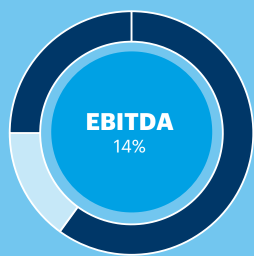
Funds Management

- Funds raised from combination of wholesale/institutional/retail investors with Peet managing development and sales.
- Gives long term earnings visibility, Capital lite, high margin profit source, difficult to replicate.
- GDV of $7.8 bn, 26,882 lots.



Joint Ventures

- Economic interests in syndicates and JVs, generally entered into on a 50/50 basis with Governments, statutory authorities and private landowners.
- Capital lite, high margin profit source, difficult to replicate.
- GDV of $4.0 bn, 10,781 lots.



Source: Company data, FY19 results presentation.

Peet's strategy and move into medium density housing

Peet's strategy over the last several years has been to:

- build a geographically diversified business with significant land lots across all the major states, reducing its historic focus on the W.A. market.
- acquire significant land parcels with many years of inventory, which can provide long term predictability in earnings.
- where possible acquire new inventory using phased land payments and/or in JV structures to improve capital efficiency.

Broad and Diverse Portfolio

- A diversified portfolio of property assets captures opportunities across key markets and provides strength through cycles.
- Counter cyclical acquisition strategy has allowed the Group to capitalise on strong market conditions in Victoria and secure holdings with favourable cost bases.
- Strategically targeted opportunities across QLD, WA and SA over the past 3 years ensuring a strong market position in affordable markets with a low cost base.
- Avoided acquiring broadacre land across Melbourne and Sydney during the past 3 years.

Low Cost Base Provides Flexibility

- Solid embedded margins given pipeline age and location.
- Average age of land bank is 9 years.
- More than 90% of lot acquisitions since FY12 have been on capital-efficient terms.
- Operating cash and financing facilities support funding of current portfolio.
- Wide-range of price points offered provides good affordability.

Business Model Underpins Strength

- Balance sheet strong with gearing of 24.6%, within target range of 20% to 30%.
- A flexible and diverse funding profile.
- 59% of capital employed is third party.
- Funds Management/Joint Venture business provides solid capital-lite earnings base representing 39% of Group EBITDA.

Experienced At Navigating Market Cycles

- A high quality management team, with significant residential and commercial property market experience.
- The Group has delivered an average annual earnings growth of 6% p.a. in the last 4 years.

Source: Company data, AGM 2019.

Move into medium density housing

In response to the weakness in land lot sales in FY19, Peet has flagged increased investment into completed homes, medium density townhouses and low-rise apartments. These are areas that Peet has traditionally not participated in and are funded primarily using Peet's balance sheet rather than 3rd party capital. Peet has acquired four medium density sites in FY19, mainly funded through increased gearing.

Medium Density

- Pipeline comprising of 1,600 townhouses/ low rise apartments in the major population centres of Melbourne, Brisbane, Adelaide and Perth.
- 235 units under construction, with an additional 252 units commencing by June 2020.

Source: Company data, presentation December 2019.

Peet's historical operating performance has been disappointing with FY20 to be another difficult year

Peet's operating performance has been challenged in the last 13 years, with operating profits largely flat while EPS and DPS are meaningfully down. Over the same period, the Australian House Price Index is up 75% nationally (Source: ABS).

Peet Operating Performance

Key Metrics	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Lot sales		2,000	2,274	2,409	2,567	2,209	1,776	2,308	3,525	3,229	3,253	3,000	2,950	1,629
Lot settlements			2,445	2,282	2,366	2,198	2,052	2,091	3,491	3,266	2,865	3,077	2,924	2,629
Revenue	$113.6	$129.1	$168.0	$176.8	$178.0	$188.7	$146.9	$205.0	$296.7	$360.9	$284.4	$311.4	$301.7	$262.9
EBITDA	$53.8	$67.0	$78.5	$57.2	$75.8	$81.2	$46.6	$48.0	$73.7	$92.4	$89.8	$91.1	$101.3	$86.0
EBITDA margin	47%	52%	47%	32%	43%	43%	32%	23%	25%	26%	32%	29%	34%	33%
Operating profit after tax	$37.0	$45.7	$49.3	$31.2	$42.8	$44.0	$20.3	$15.2	$31.6	$38.5	$42.6	$44.8	$49.1	$47.5
EPS (cps)	18.5	21.5	22.2	13.2	14.3	14.6	6.3	5.4	7.3	8.3	8.7	9.1	10.0	9.8
DPS (cps)	17.0	19.5	19.8	7.0	8.5	8.5	–	–	3.5	4.5	4.5	4.8	5.0	5.0
ROCE					12.60%	13.00%	6.70%	6.80%	11.00%	13.80%	13.20%	13.20%	14.70%	11.80%
Book NTA per share			$1.50	$1.34	$1.24	$1.37	$0.91	$0.94	$1.00	$1.04	$1.09	$1.14	$1.18	$1.20

Peet EPS + DPS (2006-2019)

Source: Company data, CapIQ, ABS.

Most recently, Peet has seen a large decline in its contracts on hand following the tightening in availability in housing credit and weaker consumer sentiment earlier in FY19. **The lower contracts on hand will impact settlements and profit in FY20, with a reduction in earnings expected for the full year and full year profits to be H2 weighted.**

Peet is extremely undervalued on a sum of the parts basis, with the key funds management business being valued at close to zero by the market

Peet's valuation is comprised of:

(a) the NTA of the inventory on the balance sheet, using Peet financial disclosures. These are **based on historic cost**, which we believe to be extremely conservative based on the very low carrying cost and long ownership period of some of Peet's assets.

(b) a value based on an EBITDA multiple of the funds management business, in line with the multiple of other property funds management businesses trading on the ASX.

Table 2

Peet SOTP Valuation	EBITDA FY19[1] $m	EBITDA Multiple	Valuation $m	Valuation per share	Notes
Peet inventories	$64.5		$388	$0.80	FY19 Accounts
Peet Co investments			$467	$0.97	FY19 Accounts
Peet net debt + 12 month BS commitments			–$264	–$0.55	FY19 Accounts
Net value of inventory less debt			$591	$1.22	
Peet funds management	$21.5	20.x	$430	$0.89	Strong medium term growth profile given large land banks coming into production
Total				**$2.11**	
Current share price (31 December 2019)				$1.26	
Valuation upside				**67%**	

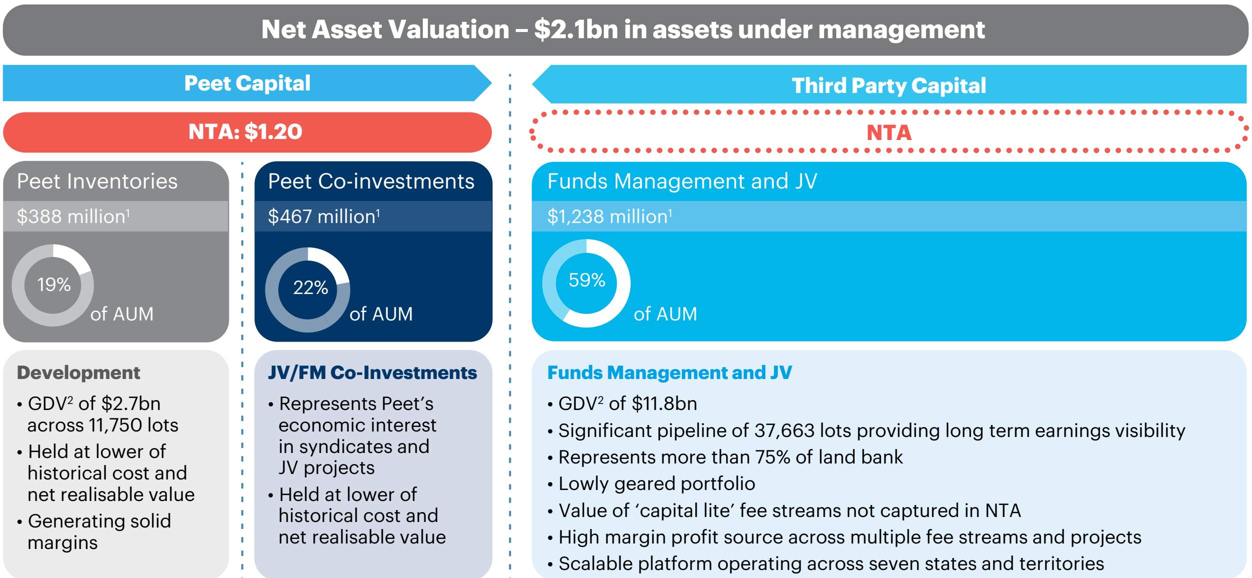
Source: L1 estimates, company data.

EV/EBITDA of Property Comparables	FY20	FY21	FY22
Goodman Group	22.1	20.4	18.7
Charter Hall	14.5	17.6	14.9
Centuria	21.9	20.8	20.7
Cromwell	27.7	27.5	26.1

Source: CapIQ.

The NTA referenced above uses the company's valuation from its FY19 accounts. This valuation is based on historic cost which we believe is extremely conservative given the large rise in Australian property values over the past decade and Peet's significant infrastructure improvements and successful rezoning. These changes would have delivered a step-change in the value of many of their properties, which we do not believe is reflected in the NTA.

Net Tangible Assets – significant opportunity to capture funds management value



1. Based on book value of assets at 30 June 2019.
2. Given development value.

Source: Company data, presentation 2019.

What is the reason for the valuation gap?

We believe it is a combination of low capital generation, high funding costs and the subscale nature of Peet's balance sheet development business

- Peet's management team has done an outstanding job of growing its funds management business. Peet has the largest retail syndicate business in Australia, unique and strong institutional partnerships and a long-term land bank in key corridors. Funds management has high returns on capital and a long pathway of growth.
- However, we believe Peet's on balance sheet development business is value destructive, given that:
  - Peet's cashflow generation from on balance sheet development has been weak: Development of residential land has large negative cashflows in early years, given the need to pay for infrastructure works and land years before residential sales can commence. This is exacerbated by the very long-term nature of some of Peet's landbanks, where projects can take 10+ years to sell, leading to returns that are back-end weighted. As Peet has invested in growing the land bank aggressively and funding land and infrastructure payments, Peet's cashflows have suffered.
  - Very high cost of capital makes generating returns challenging: Peet's average cost of debt is around 8% p.a. and we estimate Peet's cost of equity to be close to 15%. This extremely high cost of capital makes it very difficult to generate shareholder value through on balance sheet development funding.
  - Small size of Peet development business contributes to high overheads and depressed returns: Most other land development businesses (such as Mirvac, Stockland, Lend Lease) have a far larger set of operations to spread the cost of central overheads and have significant rental assets, which are highly cash generative. The subscale nature of Peet's business together with poor cashflows from core development has depressed returns.
- Crucially, Peet's recent attempts to move into medium density building to offset the weak cashflows in land development is not the solution and is likely to further depress Peet's P/E multiple. Medium density apartment development is inherently more risky than land sales, with high variability in margins for each development and higher risk of impairment. Peet is also gearing the balance sheet up to take on medium density developments, which further increases risk. In addition, it does not fix the very high cost of capital for Peet's development division or the subscale nature of the business with high overheads.

Time for a change of strategy

Peet's operating performance and flat share price over the last 13 years is indicative of the fact that despite management's best efforts, Peet's current strategy is not sustainable. Simply put, funding very long-term assets with years of negative cashflows with extremely expensive debt and equity is value destructive.

We believe that the right strategy involves (a) pausing all current on balance sheet development activity outside of those commitments already made and (b) engaging advisors to conduct a full strategic review of the business, with the two options being a full sale of the business or a transition to a pure funds management business with disposal of all balance sheet assets. We present these options in more detail below:

Peet Options

Steps

1

- Allocate all incremental capital into funds management
- No further balance sheet funding of projects beyond current projects
- Pause medium density build outside of current committed projects

2

- **Appoint advisors** to run a dual-track process:

Explore interest in whole of company sale	**Transition to pure 3rd party funds management business**
Strong synergies with other land development businesses such as Mirvac, Stockland, Lend Lease which could eliminate group overheads, lower cost of funding and achieve synergies in development	Prioritise sale of balance sheet assets to funds management division where possible
Will be of interest to other funds management businesses and smaller developers looking to achieve scale	Run sale process for remaining balance sheet assets and return all proceeds to shareholders
Attractive way to enter market for international developer	Reduce central overheads in smaller funds management business and continue to run as listed entity with high ROE and attractive growth profile

3

- **Announce recommendation** — **>$2.00 per share value**

On balance, we believe a whole of company sale would most likely generate a superior outcome for shareholders. Furthermore, we believe Peet controls a unique footprint in the Australian residential market that would be highly desirable for numerous domestic and overseas groups.

As one of Peet's largest shareholders, we look forward to engaging with the Board on this proposal.

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L1 Capital Overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, New York and London. The business was established in 2007 and is 100% owned by its senior staff, led by founders Raphael Lamm & Mark Landau. The team is committed to offering clients best of breed investment products. L1 Capital manages money for a range of clients including large superannuation, endowment funds, private banks, insurance companies, financial planning groups, family offices, high net worth individuals and retail investors.

L1 Capital uses a fundamental, bottom-up research process to identify investments with the potential to provide attractive risk-adjusted returns. The L1 Capital investment approach is largely style-neutral with modest value and contrarian characteristics. The firm launched its flagship L1 Capital Australian Equities Fund in August 2007. Since inception, the L1 Capital Australian Equities Fund has been one of the best performing large cap, long only funds in Australia, outperforming the S&P/ASX200 Accumulation Index by 3.2% p.a. (after fees).

Investment Guidelines

Andrew Larke	Independent Chair
John Macfarlane	Independent Director
Harry Kingsley	Independent Director
Raphael Lamm	Non-Independent Director
Mark Landau	Non-Independent Director

Service Providers

Manager	L1 Capital Pty Ltd
Prime Broker	Morgan Stanley, Credit Suisse (Europe)
Administrator	Link Fund Solutions
Auditor	EY

Key Contacts

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