

L1 Capital Long Short Fund – Monthly Class

May 2026

- The L1 Capital Long Short Fund returned 6.9%¹ in May (ASX200AI 1.1%) taking performance for the calendar year to date to 13.2%¹ (ASX200AI 1.7%).
- Over the past year, the Fund has returned 54.9%¹ (ASX200AI 6.9%).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 20.5% p.a., compared to 8.0% p.a. for the ASX200AI.²

Global equities had a 'narrow rally' in May, with AI-related excitement dominating markets and investors largely looking through Middle East tensions, amid resilient economic data. Australia underperformed global peers, weighed down by lower exposure to the AI-led rally and a more challenging domestic interest-rate backdrop.

The RBA raised rates for a third consecutive time in 2026, lifting the cash rate 25bps to 4.35%, reflecting concerns that the Middle East oil shock could feed into broader inflation pressures. Mixed April labour market and CPI releases reduced the probability of an immediate June hike, however the Fair Work Commission's sizeable wage decision in early June added to upside risks for wages and inflation.

The ASX200AI returned 1.1% in May. Leadership in ASX names was dominated by Materials (+10.5%), supported by companies exposed to AI-enabling capex. Consumer Discretionary (+4.7%) and Property (+3.0%) also rose, while Health Care (-9.2%), Utilities (-7.6%) and Energy (-5.9%) lagged, reflecting weaker earnings expectations, higher interest rates and lower oil prices. The Federal Budget was also viewed negatively by many investors, particularly concerns around proposed CGT changes and their impact on investment activity, capital formation and longer-term productivity.

Portfolio performance was strong, supported by Materials and Industrials, with notable contributions from Mineral Resources, Qantas and copper stocks, whilst NexGen was a key detractor.

Mineral Resources performed well, supported by improving sentiment and a strengthening lithium price. The company held a lithium investor tour, highlighting accretive growth options at Wodgina and Mt Marion, alongside the restart of Bald Hill.

Qantas shares rose as the company navigated Middle East-related travel disruption and higher oil prices through pricing initiatives and targeted capacity reductions. Qantas also benefitted from jet fuel prices starting to normalise, having spiked during March and April.

Fund returns (Net)¹ (%)

	L1 Capital Long Short Fund	S&P/ASX 200 AI	Out-performance
1 month	6.9	1.1	+5.8
3 months	4.6	(4.0)	+8.6
1 year	54.9	6.9	+48.0
3 years p.a.	21.8	11.0	+10.8
5 years p.a.	17.0	8.1	+8.9
7 years p.a.	21.2	8.5	+12.7
10 years p.a.	16.2	9.1	+7.1
Since Inception p.a.	20.5	8.0	+12.4

Figures may not sum exactly due to rounding.

Returns since inception (Net)¹ (%)

	Cumulative return	Annualised return p.a.
L1 Capital Long Short Fund	791.4	20.5
S&P/ASX 200 Accumulation Index	147.8	8.0
MSCI World Net Total Return Index (USD)	239.4	11.0

The sharp rise in market volatility triggered by the Iran conflict has continued to weigh on investor sentiment. We are using this period to identify high quality companies that are now trading far below fair value, even assuming a less favourable macro outlook.

While such volatile periods can be unnerving in the short term, they provide outstanding medium-term opportunities to invest in great companies at exceptional prices. We believe the portfolio looks particularly attractive at present, with our median long position trading on ~9x P/E, with double-digit EPS growth and modest debt levels.

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)	0.5	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)	1.6	(3.8)	(6.3)	0.8	(5.9)	(2.1)	(4.0)	(2.6)	(6.1)	(26.4)
2019	4.4	5.2	0.2	2.8	(2.8)	3.8	1.2	0.4	2.6	3.4	0.3	2.2	26.2
2020	(7.8)	(7.1)	(23.0)	23.0	11.0	(2.2)	(1.9)	10.0	0.5	(2.6)	32.3	4.2	28.0
2021	(0.1)	9.1	(0.1)	5.0	4.1	(0.6)	1.8	5.2	4.8	2.3	(7.2)	3.6	30.6
2022	2.7	7.0	1.5	3.3	0.1	(13.4)	(4.6)	5.7	(7.8)	5.1	7.9	4.3	9.8
2023	3.7	(2.0)	0.7	1.9	(3.4)	1.8	5.4	(4.7)	0.9	(3.1)	2.5	3.7	6.9
2024	0.3	(0.8)	8.3	3.3	2.7	(5.0)	1.6	(3.4)	4.2	(1.2)	(2.9)	(3.8)	2.5
2025	0.3	(0.9)	1.8	(0.6)	6.6	5.6	2.4	6.1	4.4	2.3	7.5	7.4	46.6
2026	9.3	(0.9)	(7.8)	6.1	6.9								13.2

Strategy performance in rising and falling markets³ (Net)

Portfolio positions

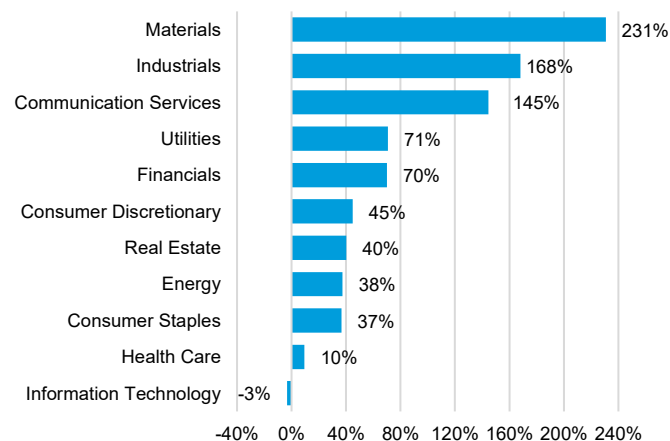
Number of total positions	78
Number of long positions	59
Number of short positions	19
Number of international positions	26

Net and gross exposure⁴ (%)

	Gross long	Gross short	Net exposure
Australia/NZ	94	(73)	21
North America	36	-	36
Europe	33	-	33
Asia	2	-	2
Other	-	(36)	(36)
Total	165	(109)	56

Fund information as at 31 May 2026⁵

Unit price	\$2.42
Fund NAV	\$3.2b

Sector contribution since Strategy inception³ (Net)

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.** 3. Strategy performance and exposure history is for the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 4. Other refers to positions or portfolio hedges that are not specific to a single region. 5. The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes. The unit price is calculated by decreasing the NAV price by the sell spread (currently 0.15%). The NAV price is the NAV divided by the units on issue.

Fund information – Monthly Class

Class Name	L1 Capital Long Short Fund – Monthly Class
Structure / Currency	Australian Unit Trust / AUD
Inception	1 September 2014
Management Fee*	1.28% p.a.
Performance Fee**	20.5%
High Watermark	Yes
Buy / Sell Spread	15bps / 15bps
APIR / ISIN	ETL4912AU / AU60ETL49128
Minimum Investment	A\$500,000
Subscription / Redemption Frequency	Monthly
Platform Availability	Australian Money Market, HUB24 [^] , Mason Stevens [^] , Netwealth, PowerWrap, Praemium

L1 Capital overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, Miami and London. The business was established by Raphael Lamm and Mark Landau in 2007 and continues to be majority owned by its founders and staff. The team is committed to offering clients best of breed investment products through strategies that include long-short equities, international equities, activist equities, global convertible debt and U.K. residential property funds. The firm has built a reputation for investment excellence, with all L1 Capital strategies delivering strong returns since inception. In October 2025, L1 Capital merged with Platinum Asset Management to create L1 Group (ASX: L1G), one of Australia's leading investment managers. The L1 Capital team remains dedicated to delivering on that strong reputation by providing market-leading performance via differentiated investment strategies 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 and retail investors.



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Key service providers: for the Fund are: Responsible Entity – Equity Trustees Limited, Prime Brokers – Morgan Stanley, Merrill Lynch and Goldman Sachs, Fund Administrator – Apex Fund Services Ltd, Fund Auditor – EY, Legal Advisor – Hall & Wilcox. There have been no changes to key service providers since the last report.

* Fees are quoted inclusive of GST and net of RITC. ** The performance fee is equal to the stated percentage (inclusive of GST and net of RITC) of any increase in the NAV over any Performance Period (adjusted for applications and redemptions and before the payment of any distribution after the payment of the management fee and expenses) above the high-water mark. [^] Administration only.

All performance numbers are quoted net of fees. Past performance should not be taken as an indicator of future performance. Sources of information in this report are Apex Fund Services, Bloomberg and L1 Capital.

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