

L1 Long Short Fund Limited (ASX:LSF)

May 2026

- The L1 Long Short Fund (LSF) portfolio returned 7.0%¹ in May (ASX200AI 1.1%) taking performance for the calendar year to date to 13.4%¹ (ASX200AI 1.7%).
- Over the past year, the portfolio has returned 55.0%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.

Returns (Net)^{1,2} (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	7.0	1.1	+5.8
3 months	4.7	(4.0)	+8.8
1 year	55.0	6.9	+48.1
3 years p.a.	21.6	11.0	+10.5
5 years p.a.	17.0	8.1	+8.9
7 years p.a.	21.2	8.5	+12.7
LSF Since Inception p.a.	15.0	9.0	+6.0
LSF Strategy Since Inception p.a.	20.5	8.0	+12.4

Figures may not sum exactly due to rounding.

Copper stocks contributed strongly as the LME copper price rose 4.6%, recovering to levels seen before the onset of the Iran War. We increased our copper exposure during the pullback, expecting medium-term demand/supply fundamentals to remain tight, supporting copper prices and therefore copper miners.

NexGen declined over the month, in line with the uranium sector and moderate weakness in the spot uranium price.

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)	0.6	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)	(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	4.3	6.1	4.3	2.3	7.5	3.7	46.8
2026	9.3	(0.9)	(7.8)	6.2	7.0								13.4

Strategy performance in rising and falling markets⁴ (Net)

Portfolio positions

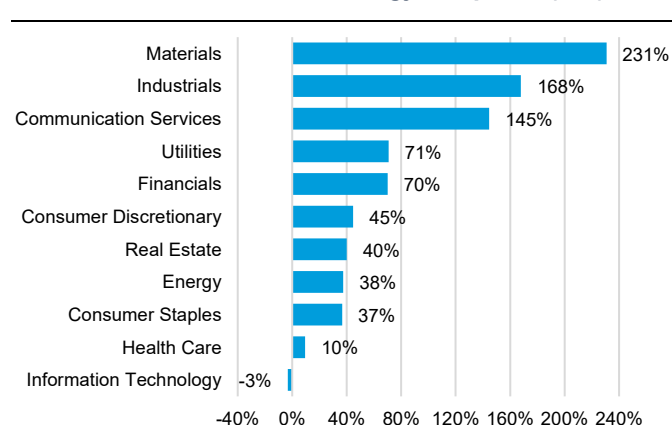
Number of total positions	78
Number of long positions	59
Number of short positions	19
Number of international positions	26

Net and gross exposure⁵ (%)

	Gross long	Gross short	Net exposure
Australia/NZ	94	(72)	21
North America	36	-	36
Europe	33	-	33
Asia	2	-	2
Other	-	(36)	(36)
Total	165	(109)	56

Company information as at 31 May 2026⁶

Share Price	\$4.49
NTA before tax	\$4.38
NTA after tax	\$4.01
Shares on issue	633,830,500
Company market cap	\$2.85b

Sector contribution since Strategy inception⁴ (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. 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 Fund 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. Performance and contribution are that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 5. Other refers to positions or portfolio hedges that are not specific to a single region. 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 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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* 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.

Disclaimer: This communication has been prepared for L1 Long Short Fund Limited (ACN 623 418 539) by its investment manager, L1 Capital Pty Ltd (ABN 21 125 378 145 and AFS Licence 314302). L1 Capital Pty Ltd has prepared this publication in good faith in relation to the facts known to it at the time of preparation. This publication contains general financial product advice only. In preparing this information, we did not consider the investment objectives, financial situation or particular needs of any individual investor, and you should not rely on the opinions, advice, recommendations and other information contained in this publication alone. This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. We do not express any view about the accuracy or completeness of information that is not prepared by us and no liability is accepted for any errors it may contain. **Past performance is not a reliable indicator of future performance.**

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