



**L1 CAPITAL**

MONTHLY CLASS

# Long Short Fund

Quarterly Report | March 2020

Fund NAV: \$368m

- The L1 Capital Long Short Fund returned **-34.1%** in the March quarter (ASX200 **-24.0%**).
- The Fund underperformed the index largely due to the impact of the COVID-19 pandemic on economically sensitive stocks, along with the Fund's net long exposure to the energy sector.
- We believe that much of the recent sell-off was driven by non-fundamental factors, which has provided an exceptional set of opportunities to buy high quality businesses at very attractive prices.

## Monthly Performance (Net %)

Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-	-	-	-	-	-	-	-	-2.42	3.03	2.85	1.61	5.07
2015	0.59	9.14	2.42	1.71	3.73	-0.86	3.30	2.06	5.51	8.49	8.11	4.61	60.52
2016	5.81	0.59	5.47	2.46	2.78	-0.89	3.22	3.92	0.46	-0.12	0.55	2.22	29.61
2017	2.51	1.87	3.15	1.03	4.18	1.70	2.62	1.69	1.93	2.54	0.89	3.56	31.40
2018	0.56	-0.47	-1.64	1.62	-3.76	-6.29	0.82	-5.92	-2.12	-3.98	-2.60	-6.06	-26.40
2019	4.35	5.15	0.22	2.84	-2.78	3.85	1.18	0.44	2.61	3.37	0.32	2.22	26.20
2020	-7.81	-7.10	-23.02										-34.06

Note: Based on net returns achieved by the L1 Capital Long Short Fund – Monthly Class since inception (1 Sep 2014).  
Past performance should not be taken as an indicator of future performance.

## Performance Summary

Performance Metrics (%)	Long Short Fund
Three months	-34.06
One year	-24.33
Three years (p.a.)	-9.26
Five years (p.a.)	8.29
Since inception (p.a.)	10.65
Since inception (cumulative)	75.91

## Fund Performance (since inception)

Returns Since Inception (%)	Cumulative	Annualised Return (p.a.)
L1 Capital Long Short Fund (Net)	75.91	10.65
S&P ASX200 Accumulation Index	15.30	2.58
MSCI World Index Total Return (USD)	16.72	2.81
HFRX Global Hedge Fund Index	-3.44	-0.63

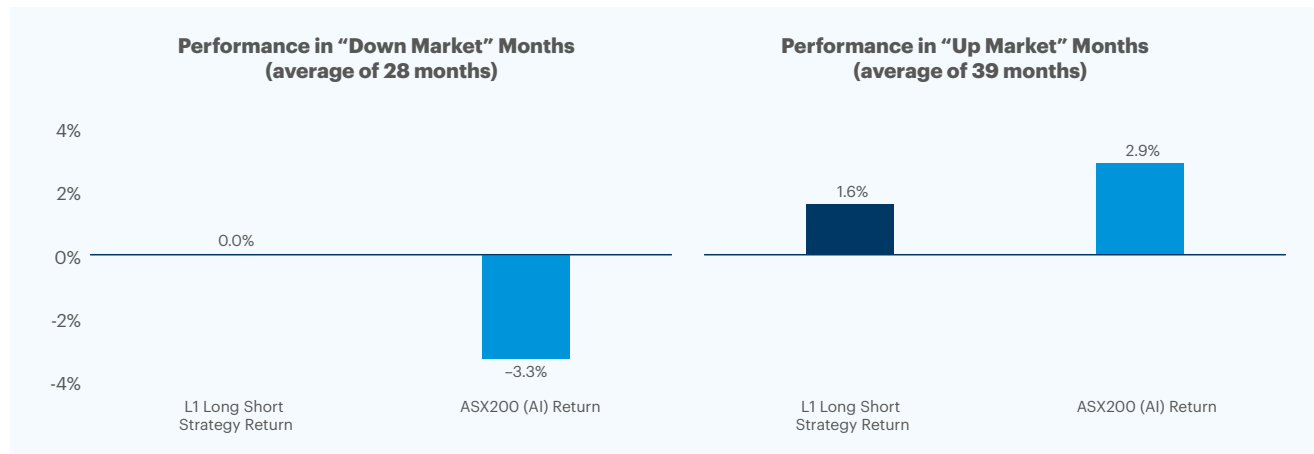


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# Long Short Fund

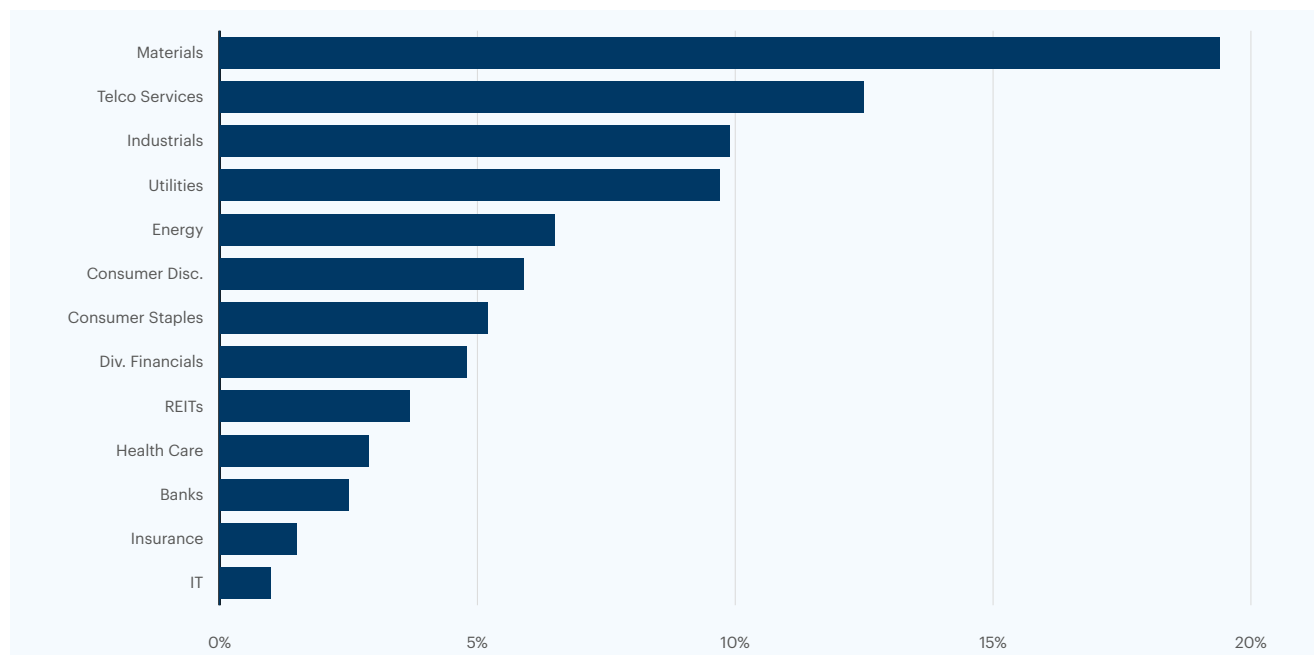
Quarterly Report | March 2020

## Strong capital preservation in falling markets



Source: The L1 Long Short Strategy returns are those of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). All figures are net returns as at 31 March, 2020. Past performance should not be taken as an indicator of future performance.

## Positive returns across all sectors



All figures are net returns as at 31 March, 2020. Based on net returns achieved by the L1 Capital Long Short Fund – Monthly Class (inception 1 Sep 14). Data presented above refers to underlying security positions in the portfolio. The portfolio impact of cash and index positions, which are used for hedging purposes, is allocated on a pro rata basis between each category.



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# Long Short Fund

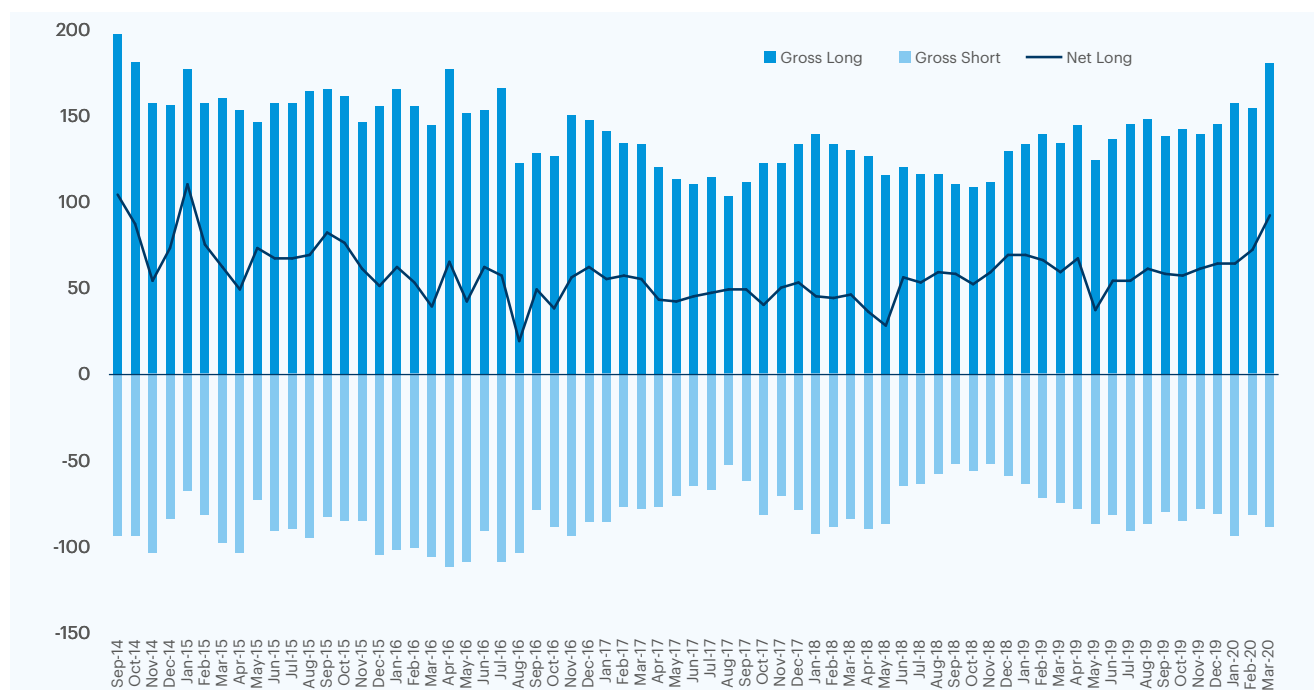
Quarterly Report | March 2020

## Fund Analytics and Exposures

Fund Characteristics	Current	Avg Since Inception
Number of positions	91	77
Number of long positions	64	50
Number of short positions	27	27
Gross long exposure (%)	180%	141%
Gross short exposure (%)	89%	83%
Gross exposure (%)	269%	224%
Net exposure (%)	92%	58%

Risk Metrics (%)	Long Short Fund
Sharpe ratio	0.6
Sortino ratio	0.9
Percentage of positive months	74.6%
Annualised standard deviation	15.6%
Annualised downside deviation	12.2%

## Historical portfolio exposures



All figures are net returns as at 31 March 2020. Based on portfolio exposures of the L1 Capital Long Short Fund – Monthly Class (inception 1 Sep 14).



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# Long Short Fund

Quarterly Report | March 2020

The Fund had a difficult quarter, with the outbreak of the COVID-19 global pandemic leading to the most aggressive bear market sell-off we have ever seen (37% fall in the ASX200 in only 23 trading days). This broad based and indiscriminate sell-off, together with our net long to energy coming into the pandemic, were the largest detractors from performance.

We believe that in most cases, the share prices of stocks that have been hit hard will recover the bulk of their losses and the sell-off has provided an incredible set of opportunities for us to buy numerous high quality stocks at exceptional prices.

Investors can access a conference call recording that covers the positioning and outlook for the Fund by clicking [here](#).

Investors can access a copy of the latest investor presentation by clicking [here](#).

As we entered 2020, we believed that cyclical stocks (which had underperformed defensives dramatically over the prior two years) were set to finally outperform defensives. Cyclical had far more compelling relative valuations and leading indicators for global growth were inflecting positively (due to the resolution of the US/China trade war and Brexit). This view was validated by rising bond yields, oil and copper prices, ISM/PMI data and new orders. This portfolio positioning had been helpful to fund performance into the end of 2019.

In the early stages of the COVID-19 pandemic in January (when it was purely confined to China), we identified the dramatic change of circumstances for China and made a number of portfolio changes that reflected a significant (but temporary) slowdown in Chinese GDP, much reduced Chinese tourism and modestly weaker energy prices. On the back of our extensive COVID-19 research in January and our desire to reduce the cyclical exposure in the portfolio, we fully exited our positions in Worley, Cenovus Energy, Qantas, Tempur Sealy and also reduced Lundin Mining. In addition, we also shorted 4 stocks that had a large proportion of their earnings coming from China/travel/hotels. Each of these 4 stocks fell ~30-70% subsequently.

While the changes we made were very helpful, they were insufficient to protect the long portfolio during the sell-off. The mistake we made was that we believed COVID-19 would be largely confined to China/Asia (similar to SARS/MERS) rather than a truly global pandemic (similar to the Spanish Flu of 1918). While this quarter has been painful, we believe that in the vast majority of cases, the share prices of stocks that have been hit hard will recover the bulk of their losses and the sell-off has provided an incredible set of opportunities for us to take advantage of.

We were aggressively buying stocks in mid-March as the market was bottoming and we increased our net long from around 75% to 100%. At that time, sentiment was the most bearish we have seen since the absolute depths of the GFC:

- Forced selling was rampant (from retail investors getting margin calls, funds having redemptions, hedge fund margin calls);
- ETF selling was at record levels;
- Quant strategies were aggressively selling due to negative price momentum and rising volatility (many of the largest quant strategies in the world reduce their market exposure as volatility rises and vice versa); and
- Hedge funds were 'de-grossing', which saw net long positioning reduce to extremely low levels versus history.

In aggregate, the bulk of the selling we saw across the market was indiscriminate, forced and non-fundamental. This provided the opportunity for us to buy a range of stocks that looked incredibly undervalued and oversold.



Some of the buying we did in mid to late March included:

- **Visa** – One of the highest quality businesses in the world, set to enjoy the benefits of the structural shift to contactless payments in the US. Shares had fallen 30% from recent highs and while current earnings will be weak they should return to 15% EPS growth p.a. reliably for many years in a post-COVID-19 world.
- **Transurban** – Australia's best quality toll road network that had sold off by 40% as a result of a temporary lull in traffic in Australia.
- **Atlas Arteria** – One of France's best quality toll road networks that had sold off 40% as a result of a temporary lull in road traffic. Acquired shares on a dividend yield (assuming normal traffic) of roughly 10%.
- **Safran** – The highest quality aerospace business globally – dominant jet engines business that supplies Airbus and Boeing and is winning market share. Annuity stream based on global airline traffic. Shares trading 60% below levels of January with an incredibly strong balance sheet.
- **Charter** – Dominant high speed broadband business supplying 40% of US households. Set to generate a 15% free cashflow yield in 3 years' time with all cashflows used to buyback stock. Beneficiary of 'work from home' and 'learn from home' phenomenon.
- **Vivendi** – Owner of UMG, the world's number 1 music label that is the enabler of Spotify, Apple Music and Amazon Music. Beneficiary of the structural shift to music streaming – delivering 10-15% EPS growth p.a., P/E of 14x (FY21), with a large buyback program in place and a very under-geared balance sheet.
- **Scentre Group** – Owner of Australia's best group of shopping centre assets that continues to enjoy a strong position within the retail sector. Shares had fallen by more than 60% (\$4.00 to around \$1.50) and were trading at less than half of NTA (\$4.46) when we began building a position. Prior year distribution of 22.6c (15% yield) and Scentre has had >99% occupancy continuously for more than 20 years.
- **Health & Happiness** – Owner of Swisse Vitamins and Biostime infant formula businesses. Strong structural growth in China and delivering EPS growth of 20% p.a. Bought the shares at a P/E of only 10x (FY20) versus Aussie peers, such as A2 Milk, trading at 30x P/E.
- **Karoon Energy** – Effectively a cash box with 75c/share of net cash (we assume the pending Brazilian oil acquisition does not complete). Added significantly to our position at 35-40c/share. 100% upside to cash backing.
- **Perenti** – Diversified gold mining services business with a strong order book and high client satisfaction levels. Shares had sold off from \$1.50 to only 50c and were trading on a P/E of 3 when we significantly added to our position. Since month-end the shares have rallied more than 60% but still have huge upside to fair value.
- **Hotel Property Investments** – Owner of strategic pubs/hotels property portfolio that is critical for Coles liquor licensing (default on pub/hotel lease would result in Coles having to shut liquor retail outlets). 12 year average lease term, 9% trailing distribution yield, 6.1% cap rate and trading 25% below Net Tangible Assets.

As you can see from this summary, we acted decisively to take advantage of this erratic sell-off, which we believe will position the portfolio particularly well for the next few years. We have a very focused and hard-working team that was well prepared to act when the opportunities presented. We look forward to updating you on the performance of these new positions in the coming quarterly reports.

In Section 1 of this report we provide further colour on the extensive work we have carried out to better understand the impact of the COVID-19 pandemic.

In Section 2, we provide a summary of a core long holding in the portfolio, Brambles (ASX:BXB), along with a high level overview of our investment thesis.





## Section 1: COVID-19 – Research & Outlook

By far the most influential factor driving equity markets over the quarter was the spread and newsflow surrounding COVID-19. Ever since the epidemic started spreading in China in mid-January, we have been very closely following events. We are fortunate to have a healthcare analyst at L1 (Dr. Andrew Lin), who is both a medical doctor and fluent in Mandarin. When the epidemic first became apparent in mid-January, we focused our research on speaking to experts within China, including a Professor of Virology at Wuhan Institute of Science, frontline intensive care doctors in the key hospitals in Wuhan, public health experts from the WHO along with a range of other experts outlined below. Our initial assessment, based on feedback from numerous experts, was that this would most likely be a similar event to SARS/MERS, which had a significant short term impact on China and some surrounding Asian countries, but there was little suggestion that this would become a truly global pandemic, like the Spanish flu.

As COVID-19 started spreading globally in early February, we expanded our research to experts and relevant organisations across the world in order to understand the likely spread and implications of this rapidly evolving situation. In total, over the quarter we had more than 30 calls with various experts including:

- The Heads of ICU at the two largest hospitals in Bergamo, Italy;
- A Professor of Infectious Disease in neighbouring Bologna, Italy;
- The Head of Emergency in Paris' largest hospital;
- The Head of Emergency at a large New York hospital and the principal investigator for several clinical trials for leading COVID-19 therapeutic candidates;
- The top Chinese Medical Opinion Leaders in charge of the COVID-19 crisis;
- The CEOs of several companies that are leading the vaccine race against COVID-19;
- Executives of multiple companies pioneering treatments for COVID-19; and
- An ex-Australian Health Minister.

Through this research, we were quickly disabused of our initial assumption and acknowledged that a global economic shutdown was now inevitable. As a firm, we then focused our resources on determining the company specific impacts of COVID-19 and potential array of government responses.

At the time of writing this report, the virus has already spread across the world and our predictions have unfortunately already unfolded. The virus properties are now widely known, i.e.: i) it is spread by contact and aerosol, and is extremely infectious, ii) the virus has a long incubation period of up to 14 days which makes detection difficult, iii) fatality rate is relatively low (less than 1%<sup>1</sup>), but disproportionately affects the elderly (other major risk factors include obesity and chronic illness).

This unique set of virus characteristics made conventional disease controls employed by most nations (i.e. contact tracing and symptomatic quarantines) all but useless at curbing its rapid spread. Over the course of a few weeks, much of the world was put under varying degrees of martial law in order to slow the rates of new infections and give society enough time to prepare, e.g. protective equipment for healthcare workers, ventilators, public education, hygiene measures, travel restrictions. We believe this was a necessary step, and the early actions of the Australian government saved us from the horrendous outcomes we've seen in southern Europe and the US.

The biggest question facing us now is where to next? We believe the answer lies in how this pandemic is finally resolved. To us, there are two likely endpoints – 1) an effective vaccine or treatment is discovered and is widely administered, or 2) a large portion of society becomes exposed to the virus and we gain herd immunity. The choice of which route we'll take depends on a number of still evolving variables, but include:

- 1) **How long until we have an effective vaccine?** There are currently 3 vaccine candidates in clinical trials (from Cansino, Moderna and Inovio), with scores more in development. We believe that it is very likely that we will have limited availability of some of these vaccines by Q4 2020 (e.g. for healthcare workers). If these vaccines are proven effective, the earliest we could see widespread availability is H2 of 2021 (typically 12 months safety and durability data are needed).

<sup>1</sup> Based on data from countries with widespread testing that included asymptomatic patients



- 2) **Can we reduce the severity of the disease through novel therapeutics?** Several novel therapeutics are currently being tested – including antivirals, monoclonal antibodies and immune system modulators. We will see in the next few months if any of these drugs can significantly change the disease profile. We expect that any drug displaying even moderate efficacy will be rushed through the approval process and be available by Q4 of 2020. For example, China has already approved the use of several agents for treating COVID-19, including Roche's Actembra.
- 3) **Can certain measures be taken on an interim basis to mitigate spread (i.e. keep the curve flat) while still having a functional economy?** So far, China and South Korea have demonstrated a variety of ways we can reopen the economy while still maintaining control over the disease spread. Some of the measures taken include active health surveillance, continued social distancing measures and wearing of masks in public. We believe these measures will also serve as the templates that the rest of the world will use, however it is still unclear at this point whether these measures will be enough to curb spread in heavily endemic areas such as Italy and the US.

Over the next couple of months, we believe that most nations will lift lockdown measures in a progressive manner to mitigate the spread of new virus clusters. The US is furthest along this path, as Trump has recently handed decision making power to each State Governor. We believe this is partly for political reasons (to avoid blame if the disease spreads more) and also to reflect the vastly different situations and population densities across the US states.

While we remain hopeful that this cautious, staged approach to return to 'normal life' will slow the spread, this interim period will still be a huge drag for much of the economy. Our base case for Australia is that the interim measures will last for longer than people expect (until H2 2021 when we may have vaccines available), but it is also likely that we will see divergent paths across the world as some nations decide that the economic pain is too much to bear and pursue herd immunity instead (especially if we get a highly effective therapeutic agent in the coming months).

In the last few weeks, we have seen investors get excited about the potential of Remdesivir, which is an anti-viral drug produced by Gilead. The hype around Remdesivir, which originated from Stat (a medical website) should be tempered for a number of reasons:

- The data they sourced only represented around 2% of the total trial data (~122 patients out of a total trial of 6,000 patients);
- The trial is open-label and has no control/placebo arm – which means patients know they are getting the drug, which leaves it prone to placebo effects; and
- A number of other drug treatments (such as hydroxychloroquine, azithromycin, Actembra, Kaletra, etc) have had certain doctors or clinics raving about their efficacy, only to later find that this was not proven to be particularly efficacious more broadly.

This does not mean that Remdesivir will prove ineffective, but rather we shouldn't form any conclusions until we have a much larger and better quality data set to analyse.

Regardless of what happens, the coming period will be highly disruptive. Being the first nation to come out of the crisis, China has already given us an early preview of the slow recovery ahead. On a sector basis, we believe that:

- The healthcare services sector will continue to battle with COVID-19 for a longer period than the rest of the economy. Private hospitals, pathology labs and imaging facilities will all experience declining revenue as non-COVID-19 activities are reduced. Ironically, the Australian healthcare sector will be far worse affected than many other sectors during the healthcare crisis. We are already observing the enormous operational issues being faced by most Australian healthcare businesses, which we don't believe is in consensus thinking.
- Supermarkets will continue to be major beneficiaries of this crisis, as consumers initially hoard groceries and then eat far more at home than at cafes/restaurants. This should deliver improved sales and margin trends for both Coles & Woolworths.
- Domestic travel in Australia will resume around Q3 (July-Sept), while international travel will not resume for a much longer period.
- On-premise dining will also remain subdued and hospitality players will be forced to rely more on deliveries and takeaways for a prolonged period.
- Retailers will need to adopt new safety measures (e.g. limiting customers in store, installing plastic screens to protect checkout staff, wiping down communal areas and trolleys/baskets, etc.).
- Infrastructure construction will continue to be a focus of government stimulus, given it generates jobs and improves economic productivity.



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# Long Short Fund

Quarterly Report | March 2020

From an economic point of view, we have become less positive on the outlook for the US compared to Australia given:

- The US has been hit far worse by COVID-19 than Australia (both in case numbers and fatalities);
- The Government response in Australia has been far more co-ordinated and effective at protecting jobs and giving society visibility of what to expect over the next 6 months (the Job Keeper program was a game changer for Australia and will dramatically reduce the ultimate unemployment level we reach in a year's time);
- The starting point for Federal debt to GDP and the budget was in far better shape in Australian than the US. The US was already running a trillion dollar deficit before this crisis, despite having the lowest unemployment rate in 50 years. The US will be running enormous budget deficits for the foreseeable future.
- The upcoming federal election in the US will add further uncertainty to the US economy and stock market as we approach year end.
- Investor positioning towards the US stock market and US dollar is extreme. Both have been in a multi-year bull market, with global asset allocators very overexposed to the US stock market and US dollar. This could make the US vulnerable to a 'positioning squeeze' as other markets and currencies look more attractive on a relative basis.

The biggest offset to the anti-US momentum is that the Trump Administration and the Fed have shown they will do "whatever it takes" to try to provide a backstop for US stocks. Furthermore, the USD remains the world's reserve currency at a time when emerging markets are facing a major economic shock and they are 'short dollars' (developing nations tend to have large debt burdens denominated in US dollars and therefore during a crisis, as the USD strengthens they look to quickly convert their local currency into USD to hedge their debts and protect themselves from a potential currency devaluation/debt crisis). We continue to monitor these events closely and are positioning the portfolio to perform well under a wide range of eventualities.



### Section 2: Brambles (BXB:ASX) – Long Position

Brambles is a global supply-chain logistics company that specialises in the management of the world's largest pool of reusable pallets, crates and containers. The company's main operations involve the outsourced management of returnable pallets under the CHEP brand.

Manufacturers, producers, distributors and retailers use pallets to transport their products safely and efficiently across their respective supply chains. Brambles provides the invisible backbone to support global supply chains by managing the issue, collection, repair and reissue of these pallets through their extensive network of service centres around the world.

We believe Brambles is a high quality, defensive business with a number of near-term and long-term positive catalysts as outlined below:

- (a) **Resilient business model:** Over 80% of Brambles' revenue is generated from transporting consumer staples and food related products to connect major consumer packaged goods manufacturers (e.g. Pepsi, Unilever, Nestle) and large retailers (e.g. Walmart, Costco). Brambles' business model is essential to facilitate the transfer of goods, even more so in the current COVID-19 environment with increased levels of demand for consumer staples and lower turnaround times to re-stock products. We would expect Brambles' revenue and earnings to remain very resilient in this environment given the indispensable nature of the services they provide. This was confirmed with the recent Q3 trading update where Brambles continued to guide to full year revenue and EBIT growth for FY20 in an environment where most companies are withdrawing earnings guidance.
- (b) **Upside potential through margin expansion:** Brambles has faced increasing cost pressure in the United States as labour, freight, lumber and property rental prices have increased over the last few years. The US business comprises ~70% of the CHEP Americas segment and ~35% of Group Revenue. EBIT margins for CHEP Americas have declined from over 20% in 2016 to 13% in FY19 largely due to the cost pressures noted above. The Company has put in place a number of mitigating actions further outlined below, including pricing surcharges to pass on cost increases, automation to reduce capex/repair costs and procurement initiatives to reduce lumber costs. These initiatives are expected to deliver a cumulative 2-3% improvement in US margins for the next 3 years, with the 1H20 results delivering on this target improvement. We believe that 2019 was the low-point for Brambles' US margins and see the potential for double-digit EBIT growth from CHEP Americas as these mitigating actions are executed.

### US Pallets Margins

1pt margin improvement delivered in 1H20; Initiatives on track to deliver 2-3pt margin improvement<sup>1</sup> by FY22

Pressures	Mitigating actions	Phasing of margin improvement			
		1H20	FY20	FY21	FY22
<b>Cost inflation</b>	<b>Progress</b>				
	<b>Supply chain cost out</b>	✓	●	●	●
<b>Retailer driven cost increases</b>	<b>Pricing/surcharges</b>	✓	●	●	●
	<b>Procurement initiatives</b>	✓	●	●	●
<b>Network capacity and supply chain efficiency</b>	<b>Automation programme</b> (Refer to Appendix 2 for details)	✓	●	●	●

Margin improvement phasing: Annual increase of ~1pt<sup>2</sup> in FY20, FY21 & FY22

<sup>1</sup> Margin improvement from 1H18 levels, excluding the impact of AASB 15 and AASB 16 accounting changes.

<sup>2</sup> Improvement from FY19 level.



- (c) **Balance sheet strength and buyback support:** Brambles has a diligent focus on return on capital invested (ROCI) and took the decision to sell its lower returning IFCO business in 2019 for an enterprise value of US\$2.51bn. The sale allowed Brambles to reduce gearing to conservative levels and return ~US\$1.95bn to shareholders via a pro-rata cash return of US\$300m, along with an on-market share buyback of up to US\$1.65bn. The execution of the total buyback would result in the re-purchase of up to ~15% of Brambles' issued capital and support strong EPS growth over the next few years. Brambles has completed ~36% of the buyback to date, with expected completion of the remainder by the end of FY21. Furthermore, Brambles continues to have a robust balance sheet to weather any COVID-19 related volatility, with a leverage ratio (including leases) of 0.9x Net Debt/EBITDA, undrawn facilities of ~US\$2.4bn and an investment grade credit rating.
- (d) **Improving FCF generation:** Brambles' FCF conversion has been volatile over the past few years largely due to three factors:
- (i) an increase in growth capex in order to expand the pooling network;
  - (ii) greater asset inefficiency due to longer cycle times, increased repair costs and lost pallets; and
  - (iii) a decline in US margins (as outlined earlier).
- Pooling capital expenditure as a percentage of sales increased from ~17% in FY14 to ~20% in FY19. The Company's medium term target is to reduce this percentage back to ~17% which would drive an additional US\$100m p.a. or a ~40% increase to FY19 free cash flow. HY20 results demonstrated a 180bps reduction in pooling capex/sales indicating the Company is making strong progress towards its medium term target.
- (e) **Strategic importance:** Brambles' pooling network and infrastructure have been developed over a very long period of time with no comparable peers at close to a similar scale. Brambles has five times more pallets in circulation than its nearest competitors in Europe and the US and a considerably larger service centre network. We believe the strategic importance of the Brambles network and its high barriers to entry would be highly attractive for a financial sponsor buyer and increases the likelihood of a potential takeover. Private equity firms have shown strong interest in owning pooling assets and comprised the large majority of the buyer universe when Brambles sold IFCO in 2019.

Brambles currently trades on only 7.8x FY21 EV/EBITDA and around ~19x FY21 P/E based on consensus estimates. We believe this is an attractive valuation for a company with high barriers to entry, a resilient business model and a number of clear positive catalysts to drive continued solid earnings growth going forward. We continue to remain positive on the medium term outlook for Brambles and have used the recent market sell off to top up our existing holding.

## 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 2.4% p.a. (after fees).

## Fund Information

Name	L1 Capital Long Short Fund Monthly Class
Structure/Currency	Australian Unit Trust/AUD
Inception	1 September 2014
Management Fee	1.28%
Performance Fee	20.50%
High Watermark	Yes
Buy/Sell Spread	25bps/25bps
APIR/ISIN	ETL0490AU/AU60ETL04909
Minimum Investment	A\$500,000
Subscription/ Redemption Frequency	Monthly

## Service Providers

Responsible Entity	Equity Trustees Limited
Prime Broker	Morgan Stanley, Credit Suisse
Fund Administrator	Mainstream Fund Services
Fund Auditor	EY
Fund Custodian	HSBC
Legal Advisor	Hall & Wilcox

There have been no changes to key service providers since the last quarterly report.



Level 28, 101 Collins Street  
Melbourne VIC 3000 Australia

Phone +61 3 9286 7000  
Fax +61 3 9286 7099  
Email [info@L1.com.au](mailto:info@L1.com.au)

[www.L1.com.au](http://www.L1.com.au)

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