

# L1 Capital International

March 2019 | L1 Capital International

L1 Capital International is an independent active manager of global equities. We apply a detailed investment process built up on a fundamental assessment of quality and value. We aim to deliver attractive risk-adjusted returns by investing in high quality companies in well structured industries that we understand and that have favourable cashflow-based valuations. Capital preservation over the investment horizon is central to our investment philosophy and process.

The Investment Manager of the Fund is a 50-50 JV between Perpendo Investment Management (100% owned by the Perpendo investment team) and L1 Capital. The Sydney based investment team, led by David Steinthal (Chief Investment Officer) and David Khaw (Portfolio Manager) is solely responsible for the L1 Capital International Fund's investment process and portfolio management, with L1 Capital a Melbourne based global Investment Manager established in 2007 with \$3 billion funds under management providing operational, compliance and risk management support.

## Investment Philosophy:

L1 Capital International believes that **quality** and **value** are the key drivers of long-term shareholder returns. The Fund will generally invest in businesses that are well managed and demonstrate:

- Durable business models
- Well structured, growing industries
- Growing free cashflow
- Aligned management with a strong capital allocation track record
- An ability to sustain high return on invested capital
- An ability to reinvest capital at attractive incremental returns and/or return excess capital efficiently to shareholders
- Conservative balance sheet and funding structure

Type of investments	Listed securities globally, developed market focus. Long only, no shorting, no leverage
Typical number of investments	20 to 40, typical position size 3% to 5%
Cash Weighting	0% to 25%
Time Horizon	5+ years
Benchmark	MSCI World Net Total Return Index in AUD
Investment Objectives	Deliver attractive risk-adjusted returns over a medium to long term investment horizon whilst lowering the risk of a permanent loss of capital.  To outperform the benchmark over rolling 5 year periods (net of fees and expenses before tax).
Fee Structure	Management fee: 1.2% p.a. of the net asset value of the Fund (including GST and RITC) Performance fee: 15% over benchmark, subject to any underperformance being recouped.  There must be positive absolute performance (adjusted for distributions) in the Performance Period (otherwise positive relative performance is carried forward to the next Performance Period).
Minimum Investment	\$25,000
Liquidity	Daily liquidity

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