

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	(0.13)	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)	22.96	10.97	(2.20)	(1.93)	9.98	0.52	(2.62)	32.28	4.16	28.01
2021	(0.10)	9.06	(0.13)	4.99									14.22

Past performance should not be taken as an indicator of future performance.

Market and Fund Review

The L1 Capital Long Short Fund returned 5.0% (net) in April (ASX200AI +3.5%).

Over the past year, the Fund has had an exceptionally strong period of performance, returning 80.3% (net) (ASX200AI 30.8%).

Performance continues to be broad-based, with 11 individual stock positions contributing 0.4% or more to returns in April.

Global equity markets continued their strong start to the year supported by strong economic data, further corporate earnings upgrades, positive vaccine progress and a stabilisation in long-term government bond rates following dovish commentary from global central banks. The U.S. Federal Reserve reaffirmed its intent to keep rates near zero to support the economic recovery post COVID-19 even if inflation temporarily exceeds its 2% target.

The S&P/ASX 200 Accumulation Index returned 3.5% in April. The strongest sectors in Australia were Information Technology (+9.7%), Materials (+6.8%) and Industrials (+4.3%) while the worst performers were Energy (-4.9%), Consumer Staples (-2.5%) and Utilities (-1.2%).

The portfolio's strong performance in April was pleasing as we were able to offset the outperformance of growth stocks and relative underperformance of value/cyclical stocks with strong stock picking gains.

We believe equity markets will remain supported in the near term, with a further rotation into value and cyclical stocks likely as global GDP growth accelerates through 2021. While we expect inflation to rise in 2021, we have positioned the portfolio to mitigate against some of the risks with long positioning in energy, gold and financials and short positioning in some ultra-high P/E growth stocks. We continue to be optimistic, as we believe we have built a portfolio of many mispriced stocks, with clear upcoming catalysts and strong valuation and balance sheet support.

	Cumulative Return	Annualised Return p.a.
Since Inception (Net)		
L1 Capital Long Short Fund	290.1%	22.6%
S&P ASX 200 Accumulation Index	64.0%	7.7%
MSCI World Index Total Return (USD)	68.1%	8.1%
HFRX Global Hedge Fund Index	13.7%	1.9%

Performance (Net)

One year	80.3%
Three years p.a.	10.7%
Five years p.a.	15.0%
Since inception p.a.	22.6%
Since inception cumulative	290.1%

	Current	Avg. Since Inception
Portfolio Exposures		
Number of positions	93	80
Number of long positions	72	54
Number of short positions	21	26
Gross long exposure (%)	176%	149%
Gross short exposure (%)	77%	83%
Gross exposure (%)	253%	232%
Net exposure (%)	99%	67%

Portfolio Metrics

Percentage of positive months	73%
Sharpe ratio	1.0
Sortino ratio	2.0
Annualised standard deviation	21.4%
Annualised downside deviation	11.3%

Some of the key contributors to portfolio performance during the month of April were:

Entain (Long +11%) is a global sports-betting and gaming group headquartered in the U.K. Entain shares continued to perform strongly with the release of a positive Q1 trading update. The company's core online business grew 33%, delivering its 21st straight consecutive quarter of double digit growth. During the month the company's US joint venture with MGM Resorts (BetMGM) also held a strategy day where its long-term U.S. market share target was upgraded by 5% to 20-25%. BetMGM continues to perform very strongly and, with ~22% market share across its active jurisdictions, is now challenging DraftKings for the number two spot in the fast-growing U.S. sports betting and iGaming market. Despite the recent share price appreciation, we believe Entain still has material upside from current levels. The company continues to trade at a discount to its global gaming peers despite its strong execution to date and its exceptional growth profile. We believe its core online business could double over the next three to four years and we expect continued momentum in the U.S. as more states legalise online betting and gaming. Entain has also recently made a non-binding offer for Tabcorp's Wagering & Media business which we expect could unlock material synergies if it were to proceed, based on the company's strong track-record of M&A execution.

Mineral Resources (Long +26%) shares rallied, driven by strong increases in lithium and iron ore prices over recent months. In April, we attended a Mineral Resources analyst event in Western Australia where an energised management team highlighted the huge pipeline of growth projects across all key areas of the business – lithium, iron ore and mining services. In particular, the company re-affirmed its objective to grow its iron ore production from around 20mt p.a. to over 80mt p.a. in the coming years. We believe Mineral Resources is a very compelling investment, offering a rare combination of attractive valuation, high quality management, supportive industry tailwinds, strong long-term earnings growth and a rock solid balance sheet.

Downer (Long +10%) shares had a solid month in April after trading largely sideways for the previous six months. We attended the company's investor day in Sydney, where senior management outlined the strengths of the key business units and medium-term growth prospects. Downer is primarily leveraged to forecast increases in spending by their mainly government clients to support the growing urbanised population centres in Australia and New Zealand. The defence sector was highlighted as a key medium-term growth priority as the government looks to prioritise reliable, Australian service providers in the face of a more challenging geopolitical backdrop. While the east coast open-cut mining business still needs to be exited, the company has successfully disposed of almost all the other non-core assets for total consideration of \$605m (\$476m received). We expect the remaining asset sales to be completed in the coming months, leading to a re-rating of Downer as a capital light (and lower risk) services business exposed to growing, annuity style contracts. Downer has also announced a 10% buyback while still retaining the balance sheet flexibility to continue to consider bolt-on acquisitions and higher dividends.

Imdex (Long +17%) is by far the global leader in exploration drilling technology for the mining sector, with 80% of the business exposed to gold, copper and iron ore. Imdex shares rose on the back of recent base metals price strength, which is likely to extend the exploration recovery from gold to the broader resources sector. In our visit with Imdex management in Western Australia, we continued to be impressed by their focussed approach to growing the business for the long term. The company has spent significantly on R&D over the past five years (fully expensed through its P&L) and is now in the early stages of launching the industry's best suite of new and improved products. We expect earnings growth of more than 20% p.a. for many years to come, which is not reflected in the current multiple of ~9.5x consensus FY22 EV/ EBITDA. Finally, we believe Imdex's secure, cloud-based portal for providing access to validated field data, IMDEXHUB-IQ, will become a major contributor to client retention, will increase product penetration per site and is being quickly adopted across the client base.

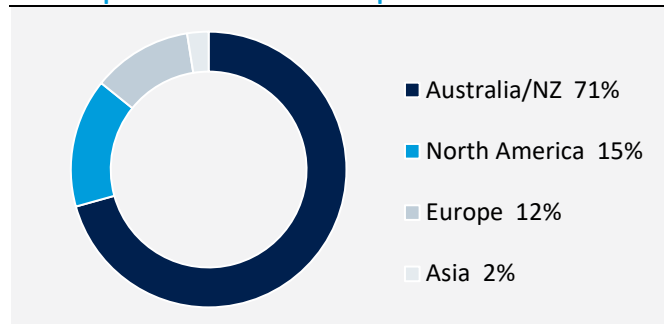
The investment team further added to its investment in LSF in April, reconfirming our continued alignment with investors and our positive outlook for the portfolio. Our expectations remain underpinned by the large number of portfolio stocks with significant upside to valuation and the extreme stock dispersion across the market, which provides attractive opportunities for stock picking. We expect the global vaccine rollout, extreme monetary and fiscal stimulus and an acceleration in economic growth to support the continued rotation into value and cyclical stocks, which should be a tailwind for Fund performance.

Net and Gross Exposure by Region*

Geography	Gross Long	Gross Short	Net Exp.
Australia / NZ	112%	66%	46%
North America	28%	10%	17%
Europe	30%	0%	30%
Asia	6%	0%	6%
Total	176%	77%	99%

* Percentages have been rounded to the nearest whole number.

Gross Exposure as a % of Total Exposure



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. inclusive of GST and RITC
Performance Fee	20.50% inclusive of GST and RITC*
High Watermark	Yes
Buy / Sell Spread	25bps / 25bps
APIR / ISIN	ETL4912AU / AU60ETL49128
Minimum Investment	A\$500,000
Subscription / Redemption Frequency	Monthly

Service Providers

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

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



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* 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. All performance numbers are quoted net of fees. Past performance should not be taken as an indicator of future performance.

Information contained in this publication

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