

- The L1 Capital Long Short Fund returned 7.0% (net)¹ in February (ASX200AI 2.1%).
- The Fund performed very strongly in February due to a number of positive company updates during reporting season, along with long exposure to resources and short positions in selected ultra-high P/E stocks.
- The Fund has returned 31.8% (net)¹ over the past year and 28.3% (net)¹ p.a. over the past 3 years.

Global equity markets had another difficult month with sharp falls driven by the rapid escalation of geopolitical tensions culminating in Russia's attack on Ukraine as well as ongoing concerns over tighter monetary policy from central banks (NASDAQ -3.4%, S&P500 -3.1%, MSCI World -2.8%). Commodity prices saw strong upward moves as markets reacted to the potential disruption of key Russian exports.

The S&P/ASX 200 Accumulation Index rose 2.1% in February, outperforming most major developed markets, largely due to a greater weighting to energy and commodities. The strongest sectors were Energy (+8.6%), Consumer Staples (+5.6%) and Materials (+5.2%), while Information Technology (-6.6%), Consumer Discretionary (-5.0%) and Communications Services (-2.2%) were particularly hard hit.

The portfolio performed well over the month through broad-based stock gains with 14 individual stock positions contributing 0.4% or more to returns. The portfolio benefited from a strong reporting season, long exposure to commodities and several short positions in ultra-high P/E companies.

Fund Returns (Net) ¹ (%)	L1 Long Short Fund	S&P ASX 200 AI	Out-performance
1 year	31.8	10.2	+21.6
2 years p.a.	46.5	8.3	+38.2
3 years p.a.	28.3	8.4	+19.9
5 years p.a.	16.5	8.5	+8.0
7 years p.a.	23.0	6.8	+16.2
Since inception p.a.	23.6	7.4	+16.2
Since inception cumulative	390.3	70.5	+319.8

Returns Since Inception (Net) ¹ (%)	Cumulative Return	Annualised Return p.a.
L1 Capital Long Short Fund	390.3	23.6
S&P ASX 200 Accumulation Index	70.5	7.4
MSCI World Index Total Return (USD)	70.3	7.4
HFRX Global Hedge Fund Index	12.7	1.6

We expect equity markets to remain volatile due to escalating geopolitical tensions, the fragility of global supply chains, reduction in central bank liquidity and uncertainty regarding the pace and timing of interest rate increases. After a period of stronger than normal equity returns, we would expect more muted market performance over the coming year. While these periods of heightened market volatility can be unnerving, we believe they present us with outstanding opportunities to generate alpha for our investors.

Key contributors to portfolio performance during the month of January were:

Teck Resources (Long +16%) performed well following a strong earnings quarter driven by increasing commodity prices and an acceleration in the company's copper production profile. Teck continues to progress the construction of one of the world's largest copper mines (QB2), which we expect to generate further upside as it hits commercial production in late 2022. This comes at a time when the world continues to become short copper due to ongoing grade declines at major copper mines globally combined with medium-term demand support from expansion of the electricity grid in the developing world, along with the structural shift to electric vehicles. Despite the share price quadrupling over the past 2 years, we believe Teck remains an attractive investment due to its robust cashflows, strong copper production growth and continued opportunities to catalyse value from non-core asset sales.

¹ 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. Strategy performance and exposure history is for the L1 Capital Long Short Fund – Monthly Class.

F45 Training (Long +23%) recovered strongly in February as market sentiment towards reopening beneficiaries improved with the passing of the peak Omicron wave in the U.S. F45 is a high-growth fitness franchise with more than 1,500 studios worldwide offering innovative, high-intensity group workouts. The company operates a capital-light, technology-enabled franchise model that is highly scalable and differentiated relative to key peers. Despite setbacks with COVID-19 related restrictions and logistics delays in their December 2021 quarterly results, we continue to believe F45 has an exciting future with ~2,000 additional studios already sold to franchisees and expected to open over the next few years.

CIMIC (Long +35%) shares rallied strongly in February following a takeover offer from its majority shareholder HOCHTIEF at \$22 per share, a ~33% premium to the unaffected share price. CIMIC has a dominant market position in the delivery of large-scale infrastructure projects, with the majority of its construction work linked to government projects with favourable exposure to post-COVID-19 infrastructure spending increases. We elected to exit our position given the share price was trading in line with the offer price.

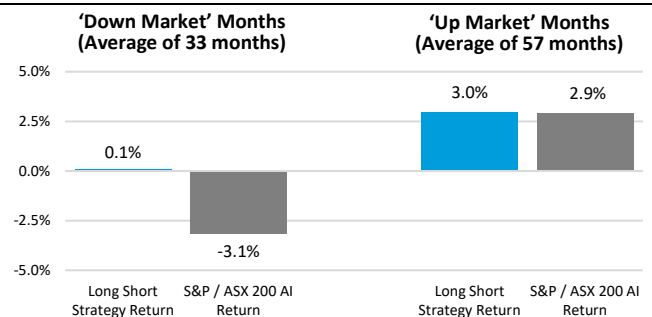
Bluescope Steel (Long +11%) shares rose after reporting a solid FY21 result including the announcement of a further \$700m share buyback. Bluescope is Australia's largest steel production company focused on providing steel materials, products, systems and technologies across Australia, New Zealand, Asia and North America. We believe steel spreads are likely to settle at higher levels than pre-COVID due to the strong demand backdrop in Bluescope's key end markets and the lack of new supply. The board and management of Bluescope have continued to allocate capital sensibly, via a mix of high returning growth capex, increased dividends and on-market buybacks. We believe Bluescope remains very undervalued with the supportive pricing environment as well as tailwinds from capacity expansions and a normalisation of working capital levels underpinning strong cash flow generation for the company over the medium term.

Fund Returns (Net)² (%)

	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	4.11	(0.55)	1.83	5.24	4.81	2.30	(7.21)	3.59	30.62
2022	2.74	7.00											9.93

Portfolio Positions	Current	Avg. Since Inception
Number of total positions	84	81
Number of long positions	66	56
Number of short positions	18	25
Number of international positions	32	24

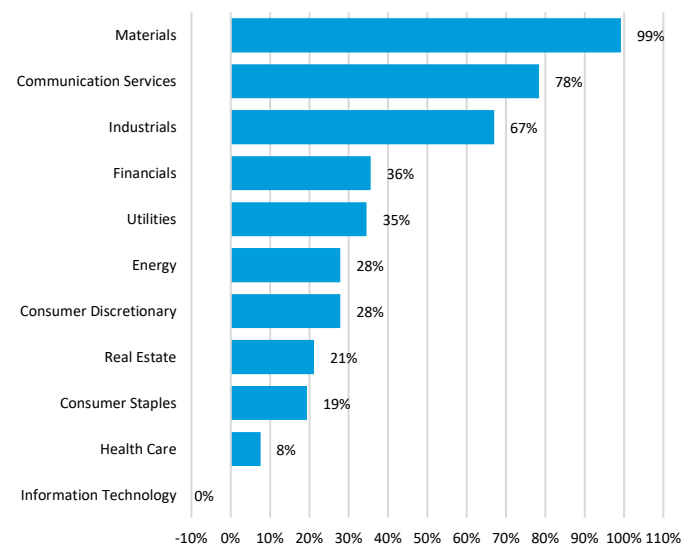
Performance in Rising & Falling Markets² (Net)



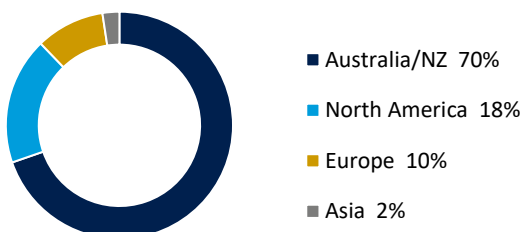
Net & Gross Exposure by Region² (%)

Geography	Gross Long	Gross Short	Net Exposure
Australia / NZ	109	65	45
North America	37	8	29
Europe	22	2	20
Asia	6	0	6
Total	174	75	100

Sector Contribution Since Strategy Inception² (Net)



Gross Exposure as a % of Total Exposure²



² 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. Strategy performance and exposure history is for the L1 Capital Long Short Fund – Monthly Class.

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 ³
High Watermark	Yes
Buy / Sell Spread	25bps / 25bps
APIR / ISIN	ETL4912AU / AU60ETL49128
Minimum Investment	A\$500,000
Subscription / Redemption Frequency	Monthly
Platform Availability	HUB24, Netwealth, PowerWrap

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L1 Capital (Investment Manager) Overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, Miami and London. The business was established in 2007 and is 100% owned by its senior staff, led by founders Raphael Lamm and Mark Landau. The team is committed to offering clients best of breed investment products through strategies that include long only Australian equities, long short equities, international equities, activist equities, a global multi-strategy hedge fund and U.K. residential property. The firm has built a reputation for investment excellence, with all L1 Capital's strategies delivering strong returns since inception versus both benchmarks and peers. The team remains dedicated to delivering on that strong reputation through providing market-leading performance via differentiated investment approaches with outstanding client service, transparency and integrity. L1 Capital's clients include large superannuation funds, pension funds, asset consultants, financial planning groups, family offices, high net worth individuals and retail investors.



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Key service providers for the Fund are: Responsible Entity – Equity Trustees Limited, Prime Brokers – Morgan Stanley and 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.

³ 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. Sources of information in this report are Mainstream Fund Services, Bloomberg and L1 Capital.

Information contained in this publication

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The L1 Capital Long Short Fund's Target Market Determination is available at <https://bit.ly/3a0Kj68>. A Target Market Determination is a document which was required to be made available from 5 December 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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