DAILY CLASS

L1 CAPITAL

L1 Capital Australian Equities Fund

Quarterly Report | JUNE 2021

INCEPTION DATE: 23 AUGUST 2007 | UNIT PRICE: 1.8444[1,2] | FUND NAV: $80M

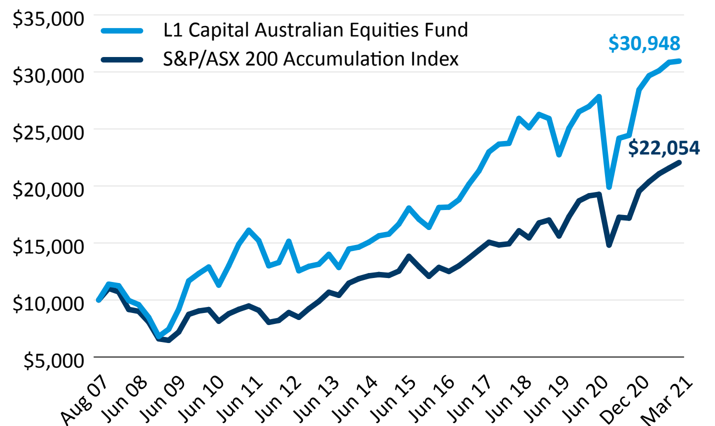
- **The L1 Australian Equities Fund returned 4.3% (net)[3] for the June quarter (ASX200AI 8.3%).**
- **Over the past year, the portfolio has returned 28.0% (net)[3] (ASX200AI 27.8%) outperforming the index by 0.2%.**
- **Since inception, the Fund has outperformed the index by 2.6% p.a. (net).**

Global markets continued to perform well over the quarter supported by robust economic data, further corporate earnings upgrades and positive vaccine progress. The upbeat quarter contributed to the ASX200 returning 27.8% for the financial year, its strongest performance in more than 30 years. Whilst the sharp rebound in markets has meant that we currently see less upside in equities relative to 12 months ago, we believe markets should remain supported in the near term driven by continued fiscal and monetary stimulus, rising M&A activity and further economic re-opening.

Performance Summary (Net)[3] (%)	Fund[3]	Index[3]	Out-performance
3 Months	4.3	8.3	-4.0
1 Year	28.0	27.8	+0.2
2 Years p.a.	8.0	8.6	-0.6
3 Years p.a.	5.6	9.6	-4.0
5 Years p.a.	10.5	11.2	-0.7
10 Years p.a.	7.4	9.3	-1.9
Since Inception p.a.	8.5	5.9	+2.6
Since Inception Cumulative	**209.5**	**120.5**	**+88.9**

Fund Performance vs S&P/ASX 200 Index

Growth of $10,000 invested since inception (after fees)



[1] The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes. [2] The unit price is calculated by decreasing the NAV price by the sell spread (currently 0.25%). The NAV price is the NAV divided by the units on issue. [3] The Index is the S&P/ASX 200 Accumulation Index. 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 is for the Daily Class of units of the L1 Capital Australian Equities Fund since inception on 5 Oct 2017 (being the date that the first Daily Class units were issued). Prior to this date, data is that of the L1 Capital Australian Equities Fund Wholesale Class of units since inception (22 Aug 2007) which is subject to a different fee structure.

Key Stock Contributors for the Quarter

Worley shares rallied 14% after its investor day where the company confirmed it was on track to deliver an improved second half performance and also further outlined the significant energy-transition related opportunities available and Worley's unique positioning to capture this growth. The oil and gas market has been impacted by two major downturns in the last five years and a number of Worley's major competitors are facing bankruptcy or scaling back their operations. This has allowed Worley to become the clear global leader in engineering consultancy in its key segments and has contributed to incremental market share gains as a greater proportion of work moves to a lower risk, reimbursable cost model. We believe FY21 will be the trough in earnings for Worley due to the transitory impact of the pandemic, with a slow but steady recovery in conventional oil and gas capex supporting earnings growth going forward. On a medium-term basis, we expect "green" energy opportunities to become a much greater proportion of Worley's sales mix as the energy transition accelerates.

QBE performed well, returning 12% for the quarter, after management gave an upbeat trading update in their AGM commentary in early May. After enduring a flat and challenging premium market for many years, QBE stated that Gross Written Premium (GWP) increased 23% in the first quarter (on a constant currency basis). Excluding crop insurance (which distorts the underlying trends), GWP across the QBE business increased 13%, which reflects positive industry trends and improving combined operating ratios across all regions. We have been cautious on QBE for many years, given the clear industry headwinds they were facing. However, after 15 years of weak industry dynamics, we believe QBE is finally set to deliver improving margins, dividends and ROE which we believe are not yet fully factored into market expectations.

Treasury Wine Estates (TWE) performed strongly, delivering a 13% return in the June quarter following the company's investor day at which management clarified its regional and brand strategies and provided greater confidence in its ability to develop increased demand for its key Penfolds brand. During 2020, TWE's shareprice pulled back significantly after a series of adverse announcements, including negative impacts on the U.S. business, the retirement of its long time CEO and exorbitant tariffs that all but banned exports to China. We bought into TWE after the shares had collapsed following the market's over-reaction to the China tariff news. Notwithstanding the negative newsflow, we have always held TWE's brand portfolio (especially Penfolds) and its operating management in high regard. Acknowledging that the now limited access to the Chinese market makes the current medium-term outlook somewhat unclear, we believe that the company has been able to preserve its brand integrity and, more importantly, its pricing power. This should position TWE well to reallocate the portfolio to adjust for the loss of China over time, with significant upside should there be any tariff relief.

Tabcorp provides gambling and entertainment services through a range of brands across three segments: lotteries & keno, wagering & media and gaming services. Tabcorp shares rose 11% in the quarter after reporting a very strong half-year result, which showed both lotteries and wagering ahead of consensus estimates, as well as corporate interest in its wagering business. Lotteries had a particularly strong period with an uplift in digital sales, a significant increase in keno (reflecting excellent operational execution) and higher long-term margins. In the second half of the financial year, lotteries are expected to benefit from a more normal jackpot sequence and a change in lottery game design, while wagering should benefit from retail venues reopening and the launch of new wagering products. Following multiple approaches from a range of corporate and financial buyers, the Board carried out a strategic review and recently announced a demerger of the wagering business. While the demerger is a positive step in achieving a structural separation of the wagering business from the lotteries businesses, we have encouraged the Board to continue engaging with interested buyers should there be an accelerated path to achieving this outcome and delivering significant value to shareholders.

Telstra shares rose 11% during the June quarter after the company announced the sale of a 49% stake in its Tower portfolio for $2.8b to a consortium of infrastructure investors including the Future Fund, CSC and Sunsuper. The transaction multiple of 28x EV/EBITDA was materially higher than analyst expectations and recent comparable transactions, reflecting the quality of the Telstra portfolio and the ongoing demand for high quality telecommunications infrastructure assets. While the sell-down had been flagged as part of the company's T22 strategy, the timing of the sale was a surprise with Telstra previously flagging a process that would complete in early 2022. Telstra expects to return 50% of net proceeds to shareholders, which will make the transaction modestly earnings accretive. The outcome of this sale is likely to increase the market's focus on the much larger opportunity for value realisation from Telstra's other infrastructure assets, including its ducts, fibre and NBN recurring revenue streams (in aggregate these assets generate around 7x the earnings of the tower portfolio). From an operational perspective, another positive for Telstra during the month was further improvement in competitive dynamics with Optus and Vodafone both lifting pricing on key post-paid plans. This highlights the continuation of mobile market 'repair', which bodes well for future Mobile segment ARPU and EBITDA growth.

Key Stock Detractors for the Quarter

Perenti Global fell 34% after lowering its FY21 profit guidance and FY22 outlook due to the impact of COVID-19 on mining productivity, labour shortages in the Australian market and a stronger Australian dollar. Perenti is a mining services company operating surface and underground mining across Africa and Australia with its primary exposure to gold and copper mining. Labour shortages, particularly in Western Australia, have been flagged by a number of mining and contracting companies due to strong commodity prices driving increased demand and reduced inflow of labour from other states limiting supply. While the earnings downgrade is disappointing, many of the issues facing the company are transitory and driven by COVID-19-induced challenges which should pass as the vaccine roll-out accelerates and inter-state and international travel restrictions are relaxed. Perenti has "rise and fall mechanisms" in the majority of its contracts which provide a pass-through for incremental labour costs, however this has not fully compensated for the lower productivity of the workforce given new rostering in light of COVID-19. With the company trading on only ~7x FY22 P/E based on consensus earnings and ~20% below its tangible book value, we believe Perenti is materially undervalued. While COVID-19 headwinds are likely to persist in the near term, we expect Perenti's earnings to recover strongly over the medium term as travel restrictions ease and as the supportive commodity backdrop drives new project wins from the significant tender pipeline.

Oil Search is one of the highest quality energy stocks listed in Australia, with its low cost of production, long life assets, attractive growth options and partnership with a high quality operator (Exxon Mobil). Oil Search shares declined 7% in the June quarter despite a rally in oil prices (up ~29% over the quarter) and a very solid March quarterly report. Oil Search has a large stake in two very substantial growth projects in Papua New Guinea and Alaska. Recent discussions with the PNG Government indicate a far more positive relationship and an increasing likelihood of a project sanction in the coming 1-2 years. Oil Search management is targeting late in the calendar year 2021 for a partial sell-down of the company's Alaskan stake to enable funding and approval for the first stage of this development. Furthermore, we expect broader consolidation in the oil and gas industry as a response to the difficult macroeconomic conditions, with Oil Search a likely target given its high quality asset base. While we expect continued share price volatility in the near term, we believe that Oil Search is very well placed over the medium to long term to benefit from a continued recovery in oil prices.

Chorus shares declined 6% in the June quarter as a result of a punitive determination by the New Zealand Commerce Commission on the allowed rate of return for Chorus's fibre assets. The very low allowed rate of return severely underestimates the real risks investors have taken on in building and operating the fibre network. We are hopeful this will be corrected through a much more commercial approach to the assumptions underlying the asset base and a re-examination of other assumptions through the rest of this year. Failure to do so would send a strong signal that there is huge risk in entering into long-term public private partnerships with the New Zealand government and that New Zealand is not a reliable destination for investing in regulated assets. In terms of company fundamentals, Chorus's fibre build has been consuming the majority of cashflow for many years, preventing the company from paying out its true underlying earnings in dividends. With the peak capex period now past, we are hopeful that shareholders will finally begin to see the returns on this 10-year investment program.

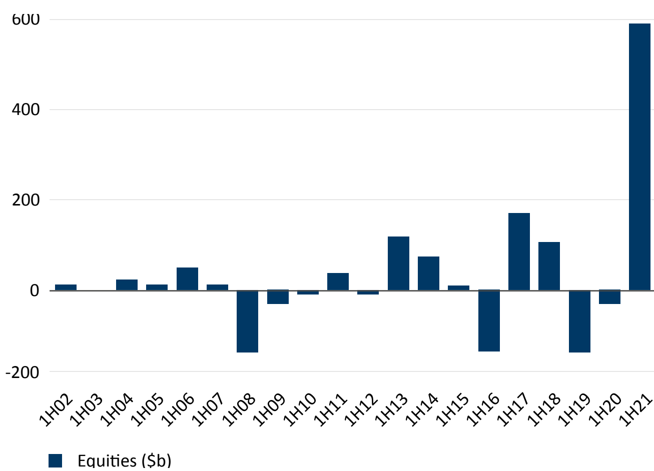
Webjet shares decreased by 12% during the quarter following delayed prospects for a travel recovery with a spike in global COVID-19 cases driven by the Delta variant and an extended domestic lockdown in Sydney. Webjet operates through two segments: (i) the B2C OTA (Online Travel Agency) division, where webjet.com.au is the leading online travel booking portal in Australia and New Zealand, and (ii) the B2B hotels division, which is the second largest and the fastest growing "bed bank" operator globally. Bed banks act as online intermediaries between hotels that are looking to fill hotel rooms and travel providers that are looking to source rooms for end consumers. Webjet has one of the most robust balance sheets in the industry, has cut its operating costs significantly and is better positioned with many of its competitors having either closed or scaled back operations materially over the last 12 months. Webjet is led by a high quality, experienced and passionate management team and we believe the company is well placed to deliver strong earnings growth as pent-up demand for leisure travel becomes evident over the next 1-2 years.

Equity Market Observations

Over the past year, we have seen an enormous flood of money into equities (a result of central bank buying of bonds forcing some traditional buyers of bonds into equities). We have also seen sudden moves in factor and sector performance given the dynamic moves in the outlook for COVID-19, the global economy and bond yields.

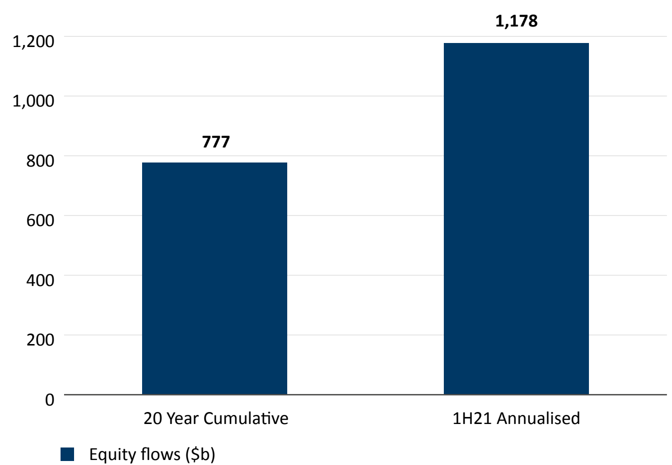
From an equities perspective, global inflows over the past 6 months were the greatest on record (refer Figure 1). To put the scale of equity inflows into context, if flows continue at the current pace, this year will see greater net inflows than the preceding 20 years combined (refer Figure 2).

Figure 1 – H1 annualised inflow to equities largest ever



Source: BofA Global Investment Strategy, EPFR

Figure 2 – H1 annualised equity inflows > previous 20 years



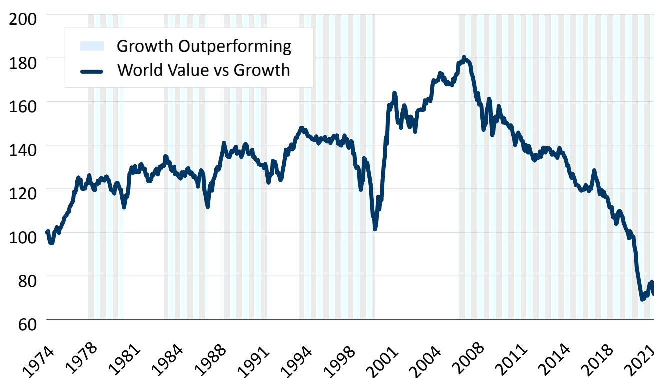
Source: BofA Global Investment Strategy, EPFR. Note H1'21 is annualised

Over April and May the rotation into value/cyclical stocks and away from growth/defensive stocks continued. However, this trend reversed from mid-June with the Fed flagging a slightly faster pace of likely policy tightening (given a more positive outlook for the economic recovery). This led to a flattening of the yield curve with growth/defensives stocks strongly outperforming.

We believe this pause in value/cyclical outperformance should be temporary. Despite the sharpest economic recovery in history and a starting point of unprecedented valuation dispersion, we have only seen a very modest value rotation to date (refer Figure 3). Growth stocks have only ever traded at such an extreme premium to value stocks once in the past 30 years (circa 2000), which was followed by 7 years of value outperformance (refer Figure 4).

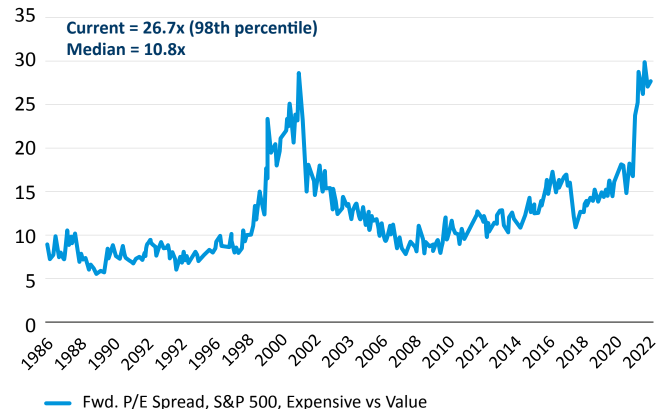
Figure 3 – MSCI World Growth vs Value

Relative price performance of MSCI Indices in local currency



Source: Datastream, Goldman Sachs Global Investment Research

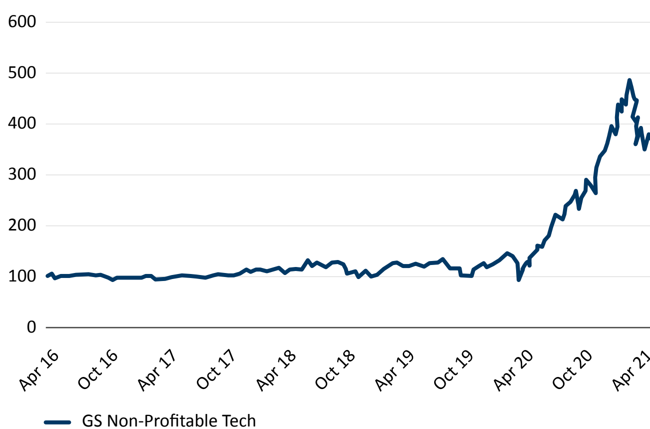
Figure 4 – P/E premium of Growth vs. Value (S&P 500)



Source: J.P. Morgan U.S. Equity Strategy & Global Quantitative Research

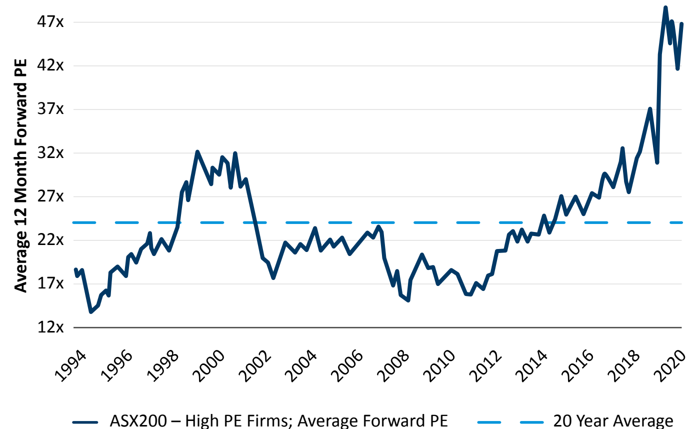
Positioning continues to be crowded in ultra-high P/E stocks that we believe are at risk of a large fall given extreme retail investor positioning and little valuation support. Figure 5 illustrates the partial correction in non-profitable tech stocks in recent months, however, these shares continue to trade way above their pre-COVID-19 levels despite most having no major change to their outlook or earnings trajectory. From an ASX 200 perspective, Figure 6 outlines where high P/E firms are currently trading relative to long-term averages. Whilst we acknowledge that interest rates have moved structurally lower in recent years, the re-rate in high P/E stocks looks excessive to us, with a current forward P/E of ~47x which is 95% above the 20-year average. These factors continue to support our view that there is much further to go for conditions to revert to a more balanced "equilibrium".

Figure 5 – Performance of the GS Non-Profitable Tech Basket



Source: Goldman Sachs Research

Figure 6 – ASX 200 – High P/E firms relative to long-term average



Source: Goldman Sachs Research

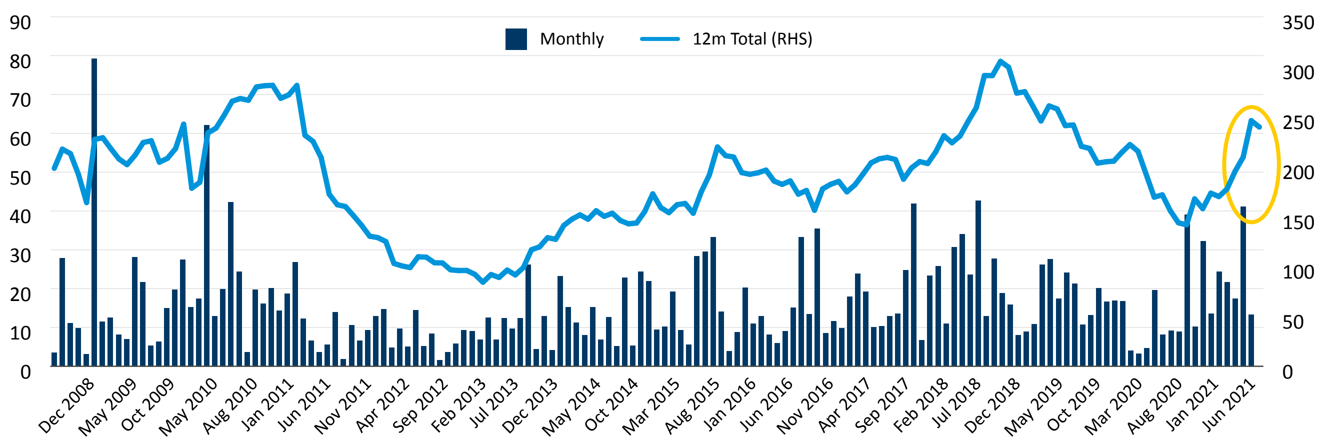
A key risk we noted in our March quarterly report and investor presentations was inflation, where our analysis suggested we would experience very significant inflationary pressures above market expectations in 2021. Subsequently, the April U.S. CPI reading of 4.2% was far above consensus forecasts (it was the biggest surprise versus broker consensus for an inflation print on record). On page 7 we have outlined our current views on the key drivers of this inflation reading and how we have positioned the portfolio to hedge against the potential risk this may be more than a transitory impact.

Finally, last quarter we wrote about the huge wave of mergers and acquisitions (M&A) activity we expected and how the portfolio is well positioned to benefit from this activity with our skew to undervalued companies that have strategic appeal. As anticipated, this quarter saw a significant step-up in M&A and restructuring activity. For the first half of the year ~$148b worth of deals were announced across Australia and New Zealand – more than 2.5x the 5-year average. On page 6, we provide further colour supporting our views on why we continue to believe we are in the early stages of the M&A bull-market and the potential opportunities this offers the portfolio.

M&A and corporate restructuring

As expressed previously, we believe we are on the cusp of a major M&A supercycle. As shown in Figure 7 below, Australian activity has started to accelerate on a year-to-date basis, with a further step up in deals over the June quarter. Notable recent transaction announcements are the ~$22b takeover offer for Sydney Airport from a consortium of investors, the ~$12b merger proposal for Star Entertainment Group and Crown Resorts, the ~$5b takeover offer for Altium from Autodesk and the ~$4.5b offer for Vocus from a Macquarie Infrastructure and Real Assets led consortium.

Figure 7 – Announced M&A involving an Australian company (A$b)



Source: MST Marquee as at 30 June 2021

We expect this deal momentum to continue, driven by improving business confidence, debt and equity becoming cheap and easy to access, and a massive pool of available capital from private equity, infrastructure funds and industry super funds.

Furthermore, COVID-19 has accelerated corporate strategic reviews and potential consolidation, which we expect to underpin future deal volumes. Our anecdotal feedback from numerous conversations with investment bankers, private equity investors and lawyers supports this outlook with many stating their deal pipelines are at record levels and noting this is the busiest they have ever been in their careers.

This backdrop is also very supportive for the new L1 Capital Catalyst Fund, which launched on 1 July 2021. L1 Catalyst is a long only, activist listed equities strategy that focuses on unlocking company value to achieve private equity-style returns. The Australian Equities Fund will benefit directly from the research and engagement of the Catalyst team, led by experienced and well-regarded corporate adviser James Hawkins, and will be investing alongside it in companies where there are opportunities to unlock value.

By way of an update on the individual positions we identified in the last quarterly as having M&A/restructuring catalysts, many have moved closer to realising this upside over the quarter:

- **Telstra** announced the sale of a 49% stake in its mobile towers portfolio, valuing the entity at $5.7bn or 28x EBITDA – well ahead of market expectations and also ahead of recent comparable tower deals. While a positive in its own right, the successful transaction has turned the focus to Telstra's other fixed network assets which contribute ~20% of Telstra's group earnings and based on comparable transactions could be valued at north of 20x EBITDA. With Telstra currently trading on an EV/EBITDA multiple of less than 8x, we see strong upside potential as the share price adjusts to better reflect the true value of its high-quality infrastructure assets.
- **Tabcorp** released the outcome of their strategic review noting the demerger of the wagering and media business as the preferred path. We believe this demerger will unlock significant value for shareholders as it will both catalyse interest in the wagering business and enable a re-rating for the lotteries business, which we think is well-deserved given its high-quality, infrastructure-like characteristics.

Inflation

Since the start of the year, we have been discussing our expectation of rising inflation. Our research and extensive company meetings suggested that input cost pressures were building rapidly and were likely to convert into rising consumer prices towards the end of 2021. Based on this outlook, we hedged against the risk that inflation may overshoot relative to consensus and central bank expectations by increasing our portfolio exposure to energy, gold and financial stocks.

Subsequently, the U.S. CPI data for April validated our concerns with a spike in U.S. CPI to 4.2%, considerably above consensus expectations of 3.6%. The May print of 5.0% was also well ahead of expectations and was the fastest year-on-year increase in nearly 13 years.

Over the quarter, we supplemented our research on inflation with numerous discussions with ASX listed executives as well as more than 40 consumer-focused calls with offshore corporates across multiple industries. The overarching theme that has emerged is that most companies are not just seeing pockets of inflationary spikes, but broad-based increases across several key inputs including labour costs, energy costs, raw materials and logistics. The majority of these businesses are planning to pass on these input cost pressures by raising prices (or cutting discounts), rather than absorbing the impacts and suffering reduced margins.

The quotes below are just a few examples of some of the largest industrial companies in the world flagging large and unexpected cost pressures that will translate into price rises over the coming year:

"We are seeing very substantial inflation. We are raising prices. People are raising prices to us, and it's being accepted."
Berkshire Hathaway Chair & CEO – Warren Buffet

"We are well-hedged in '21, but there's pressure built up for '22, and so there will have to be some price increases."
Coca Cola CEO – James Quincey

"Most people haven't had a 40-plus year career, and they've only seen declining inflation over the last 30-plus years. So this is going to be a pretty big shock."
Blackstone CEO – Larry Fink

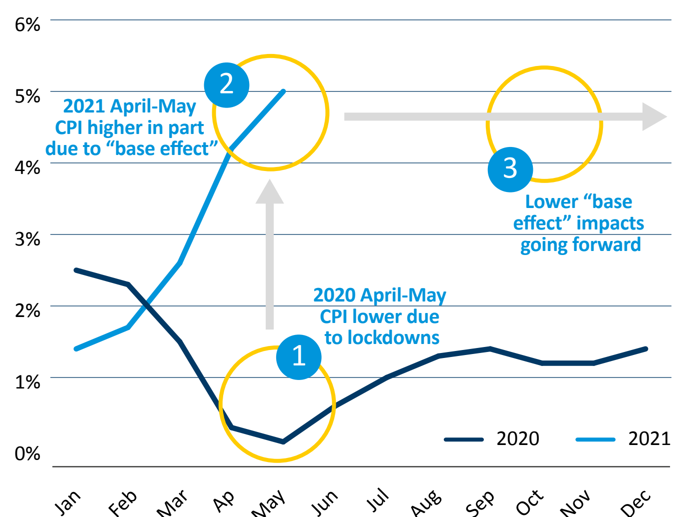
"Obviously, we're facing an environment where we just see cost inflation. I don't think that cost inflation will go away overnight. We saw a need to come up with price increases and... implemented price increases in the range of 5% to 12%."
Whirlpool CEO – Marc Bitzer

"We are very concerned – concerned but acting to mitigate the possibility of increasing prices through efficiencies. There's big cost spikes going on."
Kraft Heinz CEO – Miguel Patricio

The key debate in financial markets at the moment is whether the current inflation spike is transitory or more persistent. The consensus view from central banks and economists is that the impact is transitory, with the "base effect" being the largest contributor to recent inflation spikes and a normalisation in this trend, as well as a correction in supply/demand imbalances, expected to temper forward looking estimates.

The "base effect" impact is driven by the comparative increase relative to the prior period. As illustrated in Figure 8, the April and May 2021 periods had extensive "base impacts", having been referenced against 2020 which was most impacted by COVID-19 and global lockdowns. As the comparative period normalises, we expect to see lower CPI prints over the next few months. However, this factor should not be regarded as a signal that inflation risks have abated as it is purely the mathematical impact of rolling through the trough of the pandemic impact in the prior period.

Figure 8 – Headline Consumer Price Index, 2020 vs 2021



Source: U.S. Bureau of Labor Statistics

From our analysis of looking through 100 years of inflation data, significant increases in inflation are typically driven by (at least one) of three main factors:

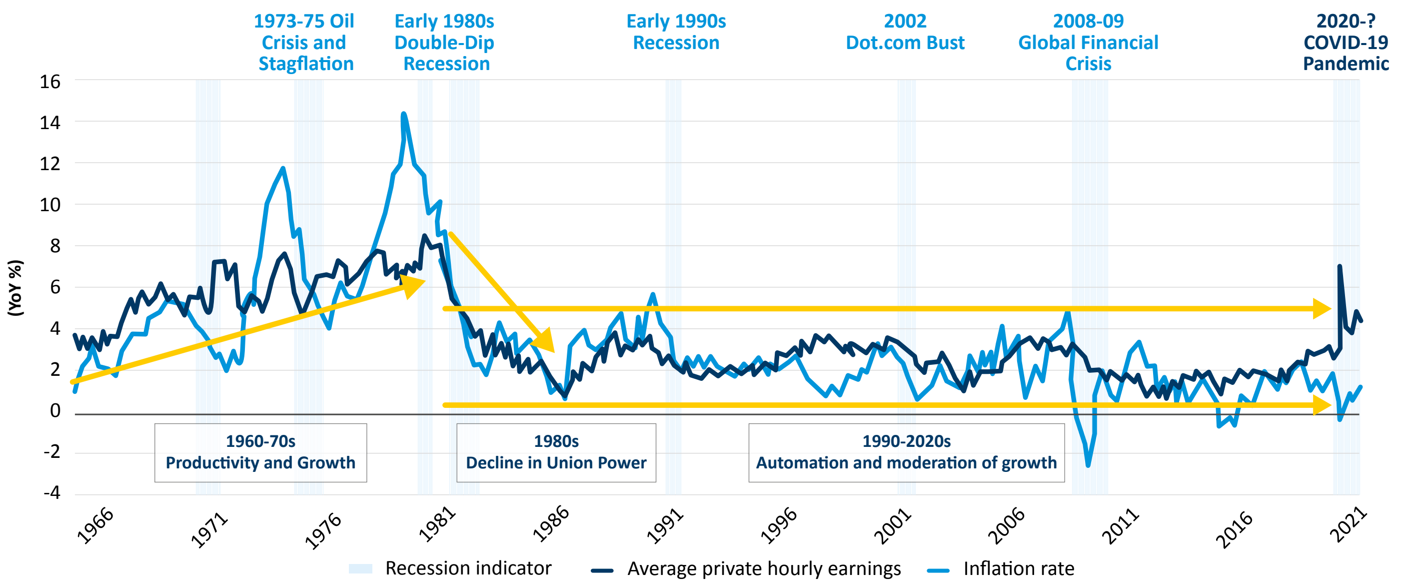
1. **Wage pressure**,
2. **Rising energy prices**, and
3. **High capacity utilisation**.

In each of these components, while many factors appear to be driving transitory price pressures, we do see some risk that the impacts may become more persistent.

1. Wage pressure

Since the 1980s, the decline in union power, enhanced labour mobility and offshoring have all acted as deflationary forces helping to contain hourly wage growth to 1-4% p.a. in the U.S.. However, in 2021 we have seen an increase in average hourly earnings above this long-run average. Our view is that this is largely job mix related (in the crisis, the lowest paid jobs were lost, e.g. hospitality and tourism, while higher paid sectors, such as technology and professional services, hired). As we move into 2022, we expect the labour market to continue tightening and the risk of broader wage pressure to rise given high CPI rates (that act as a reference for negotiations) and the balance of power shifting to the employee in a tightening labour market.

Figure 9 – U.S. average private hourly earnings and inflation

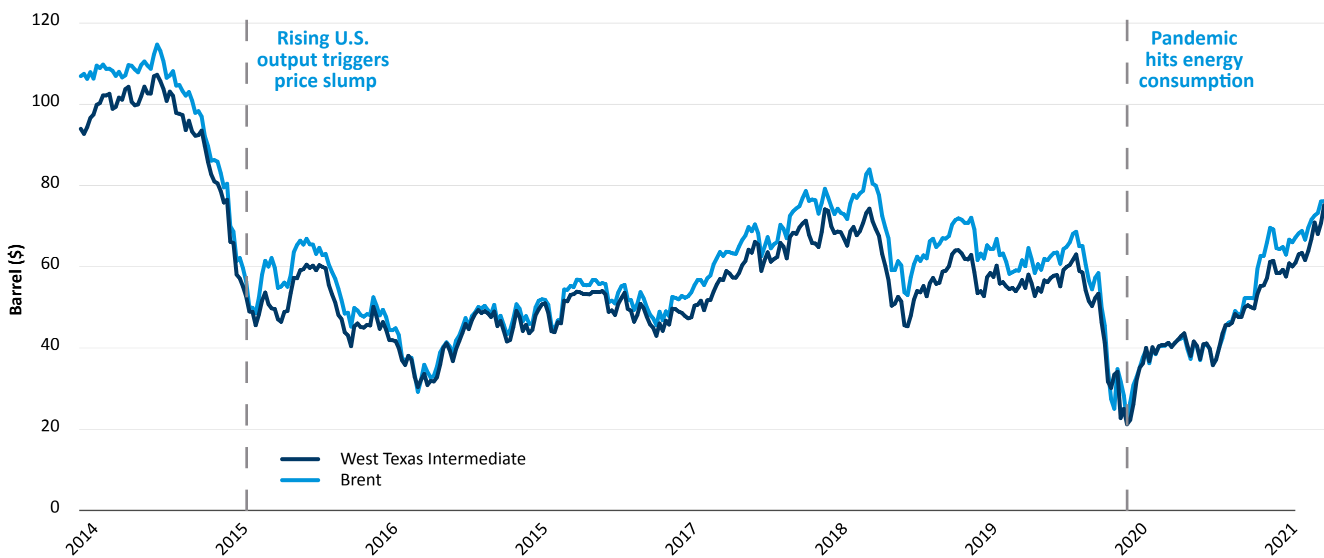


Source: NBER, Bloomberg, RSM U.S.

2. Increasing energy prices

At the height of the pandemic, and as the world ground to a halt, the Brent oil price hit an 18 year low of ~US$20/bbl. However, with the subsequent rapid economic recovery combined with supply-side discipline from OPEC+ and other large oil companies, the oil price has more than tripled from this low point and is now well above pre-COVID-19 levels of ~US$60/bbl. We believe prices could remain elevated as oil majors and national oil companies continue to restrict capex spending while demand should continue to recover strongly as the vaccine rollout progresses. The impact of higher energy prices comes through to CPI with a lag that should manifest over the coming year.

Figure 10 – Crude oil futures prices since 2014

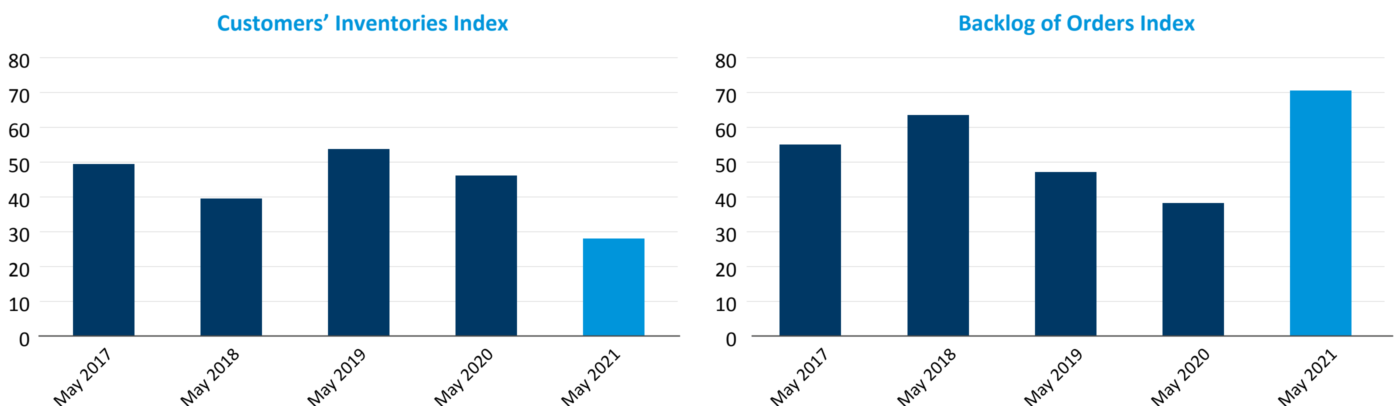


Source: IRESS

3. High capacity utilisation

The May ISM Purchasing Managers Index (PMI) survey, a key indicator of business conditions, highlights the extreme capacity tightness across U.S. supply chains. Manufacturers reported that their customers' inventory levels were at the lowest levels on record and their order backlogs were at the highest levels ever recorded by the survey. This tightness has translated into the highest Manufacturing Price Index reading since 2008. Whilst supply constraints could ease in the coming months, the level of backlog may take longer to clear than expected, with continued tightness likely to lead to further consumer price increases.

Figure 11 – ISM PMI Survey selected statistics

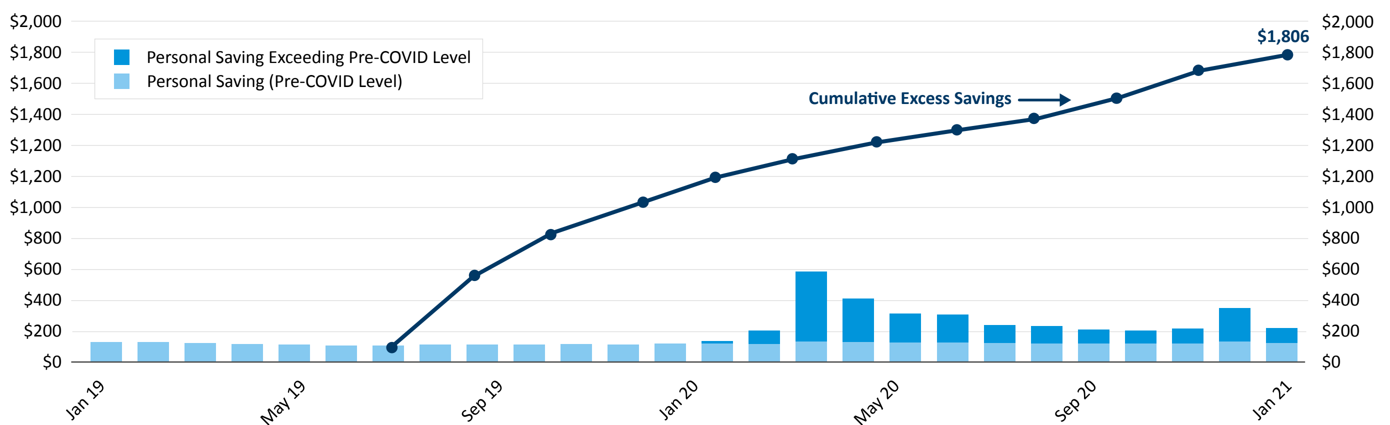


Source: ISM PMI Survey, Institute for Supply Management

In addition to the above factors, we expect demand to remain strong in the near term, primarily driven by household consumption. Consumers are more cashed up than ever with personal savings rates at record highs which, together with government stimulus cheques, has led to a dramatic increase in cumulative savings (Figure 12 below). The double-digit surge in house prices in many developed markets over the past twelve months, including Australia and the U.S., has also led to an enormous wealth effect that has been constrained into spending primarily on goods. Consumers will soon be able to broaden their spending to services, such as travel and entertainment, as the vaccine rollout broadens and enables Governments to reduce their restrictions.

Figure 12 – "Excess" personal savings over pre-COVID-19 level

Based on Jan 2020 Savings Rate (7.6%) and Total Excess Savings (US$b)

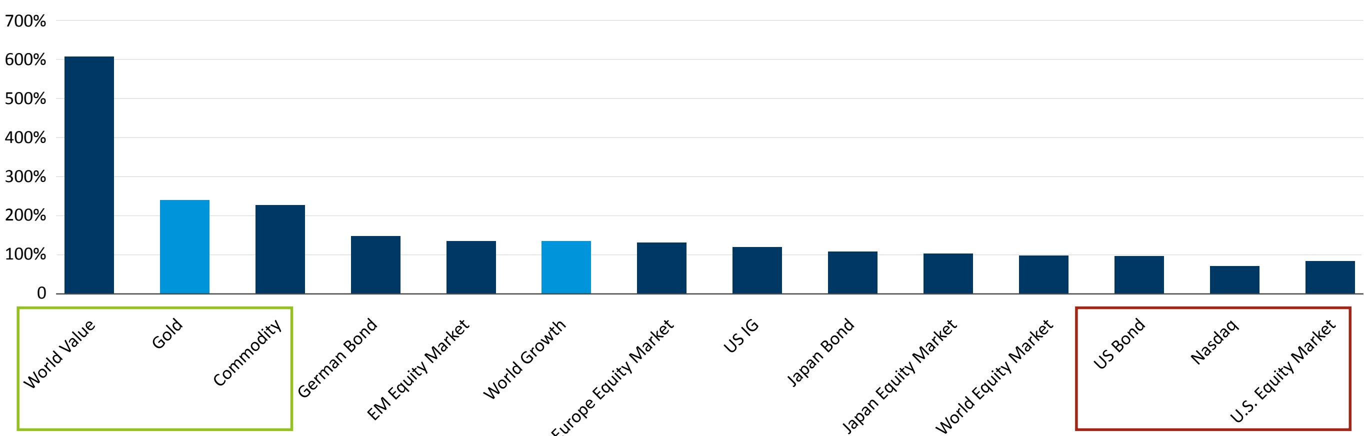


Source: U.S. Department of Commerce and Wells Fargo Securities

In summary, our research indicates there are elevated risks that the current spike in inflation may be more persistent than the consensus view. We have had 30 years of benign inflation and falling interest rates which have catapulted the valuation of bonds, growth stocks and U.S. equities. If this trend were to reverse, we would expect to see very broad implications for asset and sector performance. We believe the areas of the market that are less crowded, such as gold, commodities and short duration, low P/E stocks, offer the best hedge against potential inflationary pressure. Given nothing is currently priced into equities for this potential scenario, we have positioned some of our portfolio to benefit from this "free option". Figure 13 below shows those sectors that performed best (and worst) during the high inflation period from 1973-1983.

Figure 13 – Asset price inflation and "real economy" inflation

Total return performance in local currency from 1973-1983



Source: Datastream, STOXX, Haver Analytics, FRED, Goldman Sachs Global Investment Research

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Information – Daily Class

Name	L1 Capital Australian Equities Fund
Class of Units	Daily
Structure	Unit Trust
Domicile/Currency	Australia/AUD
Inception	23 August 2007
Management Fee	0.77% p.a. inclusive of GST and RITC
Expenses	Maximum of 0.20% p.a.
Performance Fee	15.38% above S&P/ASX200 Acc Index[4]
High Watermark	Yes
APIR/ARSN	LCP0001AU/621 183 195
Minimum Investment	A$25,000
Subscription Frequency	Daily
Redemption Frequency	Daily
Platform Availability	Hub24, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, Praemium, uXchange

Service Providers

Responsible Entity	Equity Trustees Limited
Fund Administrator	Mainstream Fund Services
Fund Auditor	EY
Fund Custodian	Mainstream Fund Services
Legal Advisor	Hall & Wilcox

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www.L1.com.au

L1 Capital 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.

[4] The performance fee is equal to the stated percentage of the amount by which the Fund's performance exceeds the S&P ASX 200 Accumulation Index (after management expenses but before performance fees) in a Performance Period.

All performance numbers are quoted net of fees. Past performance should not be taken as an indicator of future performance. Strategy performance is for the Daily Class of units of the L1 Capital Australian Equities Fund since inception on 5 Oct 2017 (being the date that the first Daily Class units were issued). Prior to this date, data is that of the L1 Capital Australian Equities Fund Wholesale Class of units since inception (22 Aug 2007) which is subject to a different fee structure. Sources of information in this report are Mainstream Fund Services, Bloomberg and L1 Capital.

Information contained in this publication
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