

The L1 Capital Long Short Fund returned -0.6% (net) in June (ASX200AI 2.3%).

The portfolio has returned 72.0% (net)¹ over the past 12 months (ASX200AI 27.8%).

In June, the portfolio was impacted by a strong rotation into growth stocks (and away from value) given a decline in long term bond yields. Strong stock-specific alpha enabled the portfolio to remain largely unaffected.

Global equity markets rose modestly in June led by the continued improvement in economic data and a strong recovery in growth names. The US Federal Reserve turned more hawkish in June, accelerating the pace of expected policy tightening amid optimism about the rate of the economic recovery. This led to a flattening of the yield curve causing growth and defensive stocks to strongly outperform value and cyclical stocks.

The S&P/ASX 200 Accumulation Index returned 2.3% in June. The strongest sectors in Australia were Information Technology (+13.4%), Communication Services (+5.5%) and Property (+5.5%) while Financials (-0.2%), Materials (+0.3%) and Healthcare (+2.2%) lagged.

Following strong performance in both April and May, the portfolio was marginally negative this month, with stock picking gains offset by the underperformance of value/cyclical stocks. We believe this factor rotation is temporary, anticipating that continued upgrades to corporate earnings, further economic re-opening and positive vaccine progress should lead to a positive tailwind for cyclical stocks over the remainder of the year.

We believe equity markets will remain supported in the near term, with strong GDP growth and reflation likely to support the renewal of the rotation to value and cyclical stocks. As such, we continue to position the portfolio to benefit from ongoing inflationary pressure throughout 2021. This should lead to a de-rating in high multiple concept stocks while at the same time supporting sectors such as Mining & Energy.

Fund Returns (Net)¹ (%)	L1 Long Short Fund	S&P ASX 200 AI	Out-performance
One year	72.0	27.8	+44.2
Two years p.a.	29.3	8.6	+20.7
Three years p.a.	15.9	9.6	+6.3
Five years p.a.	15.4	11.2	+4.2
Since inception p.a.	22.7	8.2	+14.4
Since inception cumulative	303.8	71.7	+232.2

Returns Since Inception (Net)¹ (%)	Cumulative Return	Annualised Return p.a.
L1 Capital Long Short Fund	303.8	22.7
S&P ASX 200 Accumulation Index	71.7	8.2
MSCI World Index Total Return (USD)	72.5	8.3
HFRX Global Hedge Fund Index	14.6	2.0

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

Entain (Long +6%) shares continued to perform positively as the company's U.S. joint venture with MGM Resorts, BetMGM, continued to show strong market share growth. BetMGM is now the second largest player in the overall U.S. sports betting and iGaming market, overtaking DraftKings. We continue to believe Entain has material upside from current levels. On a sum-of-the-parts basis, we estimate that BetMGM trades at a ~70% discount to DraftKings, despite its greater market share and outstanding execution to date. The company's core online business could double over the next few years and there is potential for M&A upside with Entain looking at a number of strategic opportunities.

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.

Cenovus Energy (Long +18%) is an integrated energy company that develops, produces and markets crude oil, natural gas liquids and natural gas, primarily in Canada. Cenovus shares rose as oil prices continued to strengthen, driving strong free cashflow generation on a year-to-date basis. Given the long life nature of its oil sand assets and its conservative expense management, we estimate the company is free cashflow break-even at an oil price of ~\$40 /bbl. At present, oil prices are close to double this break-even point, implying considerable upside to consensus free cashflow estimates should prices remain near current levels. There are also additional value realisation catalysts with the company close to reducing their net debt below the threshold at which they would be able to pursue capital management.

Some of the key detractors to portfolio performance during the month of June were:

SES (Long -9%) is a French satellite network provider that supplies data and video connectivity to broadcasters, telecommunications companies, governments and airlines globally. SES also owns a 45% economic interest in C-Band spectrum that is critical to the development of 5G services in the U.S. The shares pulled back over the month on no company-specific newsflow. We took advantage of this to further add to our position. We believe SES remains extremely undervalued with the market currently ascribing limited value to the company's C-Band spectrum. This spectrum is set to deliver ~US\$3.2b in cash payments (after tax) over the next 3 years, amounting to ~80% of the company's current market cap. We also believe SES could monetise its valuable spectrum position in Canada and Brazil, as well as receive further payments from the early clearing of its U.S. spectrum.

Star Entertainment (Long -9%) shares declined with the announcement of new COVID-related restrictions at its NSW casino. We continue to believe Star has an attractive outlook given the scarcity value of its casino licenses and the transformative impact of the Queen's Wharf development in Brisbane. In our view, Star's market cap of ~\$3.6b hugely undervalues the asset base, licenses and likely cashflow generation of the company. While the market is very focused on the short-term risks around COVID-19 disruption, we believe the medium-term outlook for Star looks very attractive.

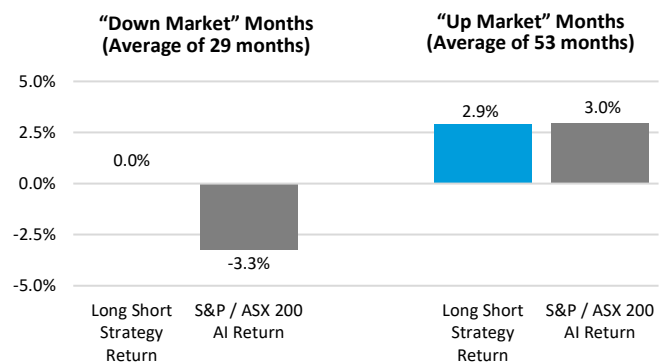
The investment team's positive outlook for the portfolio remains underpinned by the large number of portfolio stocks with significant upside to valuation and the extreme stock dispersion across the market, which provides attractive opportunities for stock picking. We expect the ongoing global vaccine rollout, extreme monetary and fiscal stimulus and an acceleration in economic growth to provide a tailwind for corporate earnings and portfolio performance.

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)							18.25

Portfolio Positions	Current	Avg. Since Inception
Number of total positions	83	80
Number of long positions	64	54
Number of short positions	19	26
Number of international positions	29	23

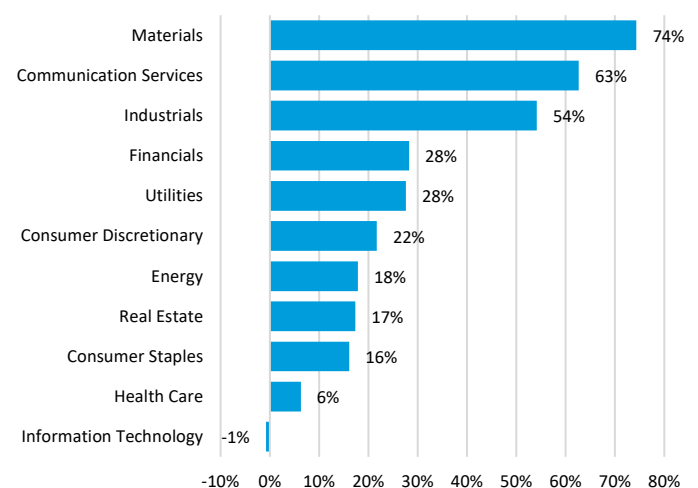
Performance in Rising & Falling Markets² (Net)



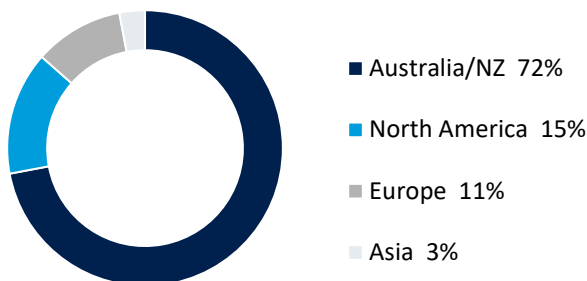
Net & Gross Exposure by Region² (%)

Geography	Gross Long	Gross Short	Net Exposure
Australia / NZ	119	64	55
North America	26	9	17
Europe	27	2	25
Asia	6	1	5
Total	178	76	102

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	Netwealth, PowerWrap

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.

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 UK 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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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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