L1 Capital Catalyst Fund

Quarterly Report | MARCH 2022

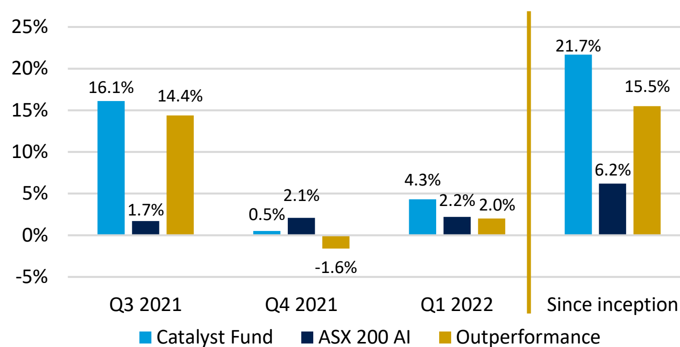
- **During the March quarter, the L1 Capital Catalyst Fund returned 4.3% (net)[1] (ASX200AI 2.2%).**
- **Since inception on July 1, 2021, the L1 Capital Catalyst Fund has returned 21.7% (net)[1] (ASX200AI 6.2%).**
- **Performance during the March quarter was driven by portfolio companies benefiting from a strong February reporting season, along with capital management announcements.**

Returns (Net)[1] (%)	Catalyst Fund	S&P ASX 200 AI	Out-performance
1 month	5.9	6.9	-0.9
3 months	4.3	2.2	+2.0
6 months	4.8	4.4	+0.4
Since Inception	**21.7**	**6.2**	**+15.5**

Sector exposure (%)

- Materials 27%
- Consumer Discretionary 18%
- Energy 12%
- Industrials 10%
- Communication Services 10%
- Health Care 10%
- Cash 13%

Quarterly performance returns since inception (%)



Market cap exposure (%)

- >$10 billion 31%
- $1 -10 billion 44%
- <$1 billion 12%
- Cash 13%

Portfolio exposures by catalyst as at 31 March 2022

	Strategic	Financial	Operational	Governance
Stock 1	✓			
Stock 2	✓			
Stock 3			✓	
Stock 4	✓			
Stock 5				✓
Stock 6			✓	
Stock 7		✓		
Stock 8		✓		
Stock 9	✓			
Stock 10		✓		

1. All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. Inception date: 1 Jul 2021. Past performance should not be taken as an indicator of future performance.

Current investment environment

The Australian equity market (ASX200AI) outperformed most major developed markets during the March quarter closing +2.2%, however there was significant volatility within the quarter. After a 6.4% fall in January, the ASX200AI recorded two consecutive months of gains in February and March (+2.1% and +6.9% respectively). In contrast, global equity markets in the U.S. and Asia Pacific retreated during the March quarter, with the S&P500, NASDAQ and MSCI Asia Pacific (ex-Japan) total return indices returning -4.6%, -9.0% and -5.7%, respectively. In Europe, the Euronext and FTSE100 total return indices closed -6.5% and +2.9%, respectively.

The ASX200AI outperformance was driven by its strong sector weighting to energy, commodities and financials, as well as the geographic remoteness of Australia from geopolitical tensions in the Northern Hemisphere and the military conflict in Ukraine. The strongest performing sectors during the March quarter comprised Energy (+28.6%), Materials (+15.4%) and Utilities (+14.1%), while Information Technology (-13.7%), Healthcare (-10.1%) and Consumer Discretionary (-9.6%) lagged.

Some of the major macroeconomic events which weighed on global financial markets during the March quarter included:

1. **U.S. Federal Reserve and global markets becoming significantly more hawkish:** The U.S. Federal Reserve became significantly more hawkish during the March quarter in response to continued high U.S. inflation which accelerated to 7.9% in February 2022, the highest since January 1982. By the end of March, the market had priced in the U.S. Federal Reserve making nine 25 basis point (bps) rate hikes for the 2022 calendar year (up from just three rate hikes at the start of the 2022 calendar year), including the expectation of a few 50bps hikes. A 50bps rate hike would be the first increase of that magnitude by the U.S. Federal Reserve since 2000. The recent inversion of the U.S. yield curve (in particular the 2-year and 10-year U.S. Treasuries) has heightened market concerns of a potential recession, given the U.S. yield curve inversion has historically been a reliable leading indicator of future recessions.

   Domestically, the Reserve Bank of Australia retained its 0.1% cash rate, despite concerns around inflation. The market is now expecting three or four 25 bps hikes this year, with many economists expecting this to commence in June. The RBA last lifted the official cash rate more than 11 years ago, in November 2010.

2. **Russia/ Ukraine conflict:** The long-standing tensions culminated in Russia's invasion and outbreak of war with Ukraine on 24 February. Russia plays a key role in global commodity markets (for example, Russia supplies a significant percentage of the world's natural resources, comprising over 19% of Thermal Coal, 10% of Met Coal and 7% of Natural Gas). As a result of the Russia/Ukraine conflict, there has been strong price increases across many key commodities during the quarter due to many key trading nations banning transacting with Russia. This includes Oil (Brent, +38.7%), which hit a high of US$128 a barrel during the quarter, and Natural Gas increasing to US$6.27 per Metric Million British Thermal Unit (+51.3%).

3. **China's COVID-19 outbreak threatens to cause global supply chain disruption:** In a bid to maintain its zero-COVID strategy, China imposed lockdowns in a number of key cities due to a flare-up of COVID-19 cases. On 14 March, China's tech hub city of Shenzhen commenced a seven-day lockdown with the city of Shanghai (26 million population) entering a two-stage lockdown on 28 March. The spread of the COVID-19 Omicron strain in Shanghai – home to the world's largest container port and a large automobile manufacturing base – has sparked market concerns regarding China's 2022 GDP growth and global supply chain disruptions.

Despite the market volatility, we believe the L1 Capital Catalyst Fund is well-positioned to generate attractive long-term returns for our investors. Our disciplined investment approach ensures we invest in companies that provide compelling valuation upside and are of above average quality. This includes assessing a company's ability to manage the pressures of the current market environment (such as higher inflation and interest rate increases).

Portfolio commentary

Portfolio drivers

During the quarter, the portfolio's outperformance relative to the market was driven by:

- **Positive reporting season/company updates:** Detailed, bottom-up stock picking remains the focus of the Catalyst Fund and the key driver of performance. This was reflected during the February reporting season, where 9 out of the 10 portfolio companies met or exceeded consensus expectations.
- **Increases in prices of key commodities given the outbreak of war between Russia and Ukraine:** The Bloomberg Commodity Index, which references exchange-traded contracts of 23 physical commodities, rose 25% during the March quarter. Whilst the Catalyst Fund maintains a balanced portfolio, we have been a net beneficiary of higher prices for select commodities that increase the earnings of certain portfolio companies.
- **Strong balance sheets and capital management:** During the March quarter, a number of the Catalyst Fund portfolio companies utilised their strong balance sheets and prevailing share prices to undertake on-market buy-backs.

Some of the themes that negatively impacted the portfolio during the March quarter include:

- **'Shadow lockdown':** During early 2022, the spread of the Omicron variant created a 'shadow lockdown' within many Australian states which negatively impacted our portfolio companies that rely on a re-opening of the economy. The Eastern Seaboard States were most impacted earlier in the March quarter, followed by Western Australia later in the March quarter. With easing government restrictions across states and the re-opening of Australian borders to international tourists on 21 February, we believe this will continue to support those portfolio companies that are exposed to a re-opening of the economy.
- **Labour supply and wage inflation:** Many of our portfolio companies experienced a tight labour supply market during the March quarter, driven by higher-than-normal turnover of staff (given COVID-19 fatigue/burnout), as well as the closure of international borders limiting latent labour supply. As a result, portfolio companies are having to 'pay-up' to retain and attract staff. This continues to be an area we monitor closely for all of our portfolio companies.

As mentioned in our **December Quarterly Report**, given increasing evidence of inflationary pressures, interest rates at historically low levels, and monetary and fiscal stimulus moderating, we believe that short duration (value/cyclical) stocks remain better placed to deliver returns to investors than long duration (growth/defensive) stocks. This thematic continued to play out during the March quarter, where the MSCI Australia Value index increased 9.5% during the March quarter, whilst the MSCI Australia Growth index declined 5.3%. This benefitted the Catalyst Fund, as we continue to look for, and find, opportunities within the 'Value' segment of the market.

The future of conglomerates?

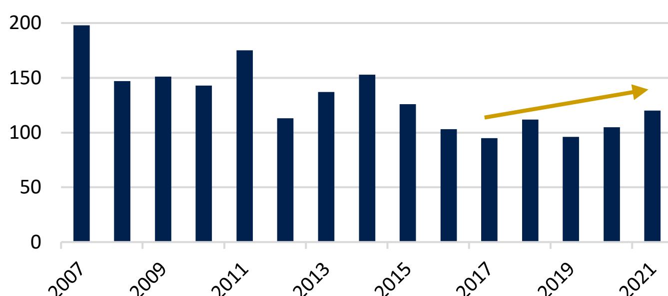
A conglomerate is commonly defined as a large company that has multiple businesses operating in different industries. These businesses do not share common costs, customers and/or competitors and, as a result, there are limited synergies between the businesses. Typically, each business acts independently of one another however reports back to the management of the parent company. Historically, conglomerates have operated in more traditional industrial sectors. Examples of some large listed industrial conglomerates in Australia include:

1. **Wesfarmers** (c.$57b market cap[2]) has a diverse range of businesses covering Home Improvement and Outdoor Living (Bunnings), Apparel and General Merchandise (Kmart, Target and Catch), Office Supplies (Officeworks), Chemicals, Energy and Fertilisers (which includes Covalent Lithium, a 50% lithium mine JV), and Industrial and Safety Products.
2. **Seven Group Holdings** (c.$8b market cap[2]) is a diversified operating and investment group with leading businesses and investments in Industrial Services (WesTrac, Coates and Boral), Energy (Beach Energy and SGH Energy) and Media (Seven West Media).
3. **Metcash Trading** (c.$4b market cap[2]) is a wholesale distribution and marketing company with a diversified business across Food (IGA and Foodland), Hardware (Mitre 10 and Home Hardware) and Liquor (Cellarbrations, and IGA Liquor).

The pressure to simplify

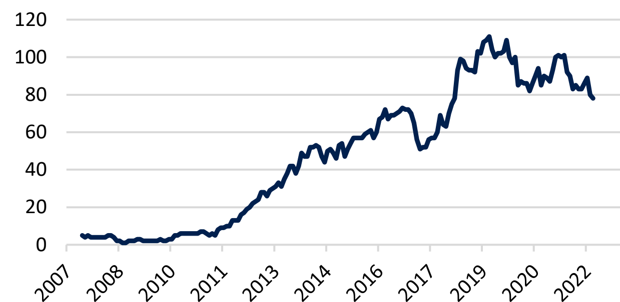
Globally, there has been an increasing trend for conglomerates to simplify. In 2021, the global volume of spin-offs increased 14% from 2020, which was 26% more than the 15-year low in 2017 (see Figure 1 below). This trend was also evident in Australia, where the average number of spin-offs has increased steadily from 2017 and the total number of spin-offs in 2021 was 2.5x higher than the average number of spin-offs over the last 10 years. Driving some of the rise in spin-offs has been a step-change in activist demands, particularly since 2018 (see Figure 2 below).

Figure 1: Global volume of spin-offs (No. of deals, completed and pending)



Source: SDC, MST Marquee.

Figure 2: Global volume of activist spinoff demands (Rolling 12-month total)



Source: Activist Insight, MST Marquee.

The conglomerate discount

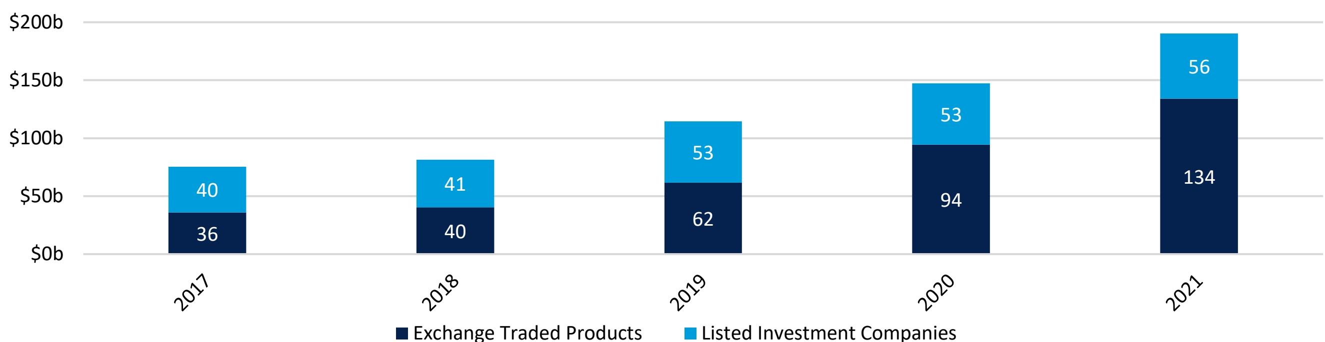
One of the key reasons investors seek to advocate the break-up of conglomerates is that they can trade at a discount relative to their sum-of-the-parts valuation. NewsCorp is one such example. The company is listed on the NASDAQ and ASX, is controlled by the Murdoch family and has businesses in digital real estate, subscription video, news and information and book publishing. Many analysts apply a 10-20% conglomerate discount to their sum-of-the-parts valuation, stating one of the catalysts for reducing or removing the discount is a break-up of the business and a simplification of the governance structure.

2. As at 31 March 2022.

Other reasons why conglomerates can trade at a discount include:

1. **Capital allocation disadvantage:** Companies have a limited amount of capital and resources to allocate to projects and often strong businesses can end up subsidising poorer performing businesses within a conglomerate group structure. This can be dilutive to the company's overall returns. An example of such a company is Tabcorp, which has a higher margin and growing lotteries business, and a more challenged wagering business that was negatively impacted through COVID-19 by the closure of betting venues and requires significant investment to enhance its digital offering.
2. **Market's difficulty in valuing sum-of-the-parts:** This can be driven by complexities in understanding the different end-markets in which the company operates, or difficulties in determining the upside or risk in the company given disclosure or relationships between the businesses. An example of such a company is Mineral Resources, which has a Mining Services business that creates an annuity-style revenue stream, an Iron Ore business that is small and high-cost today but is transitioning to becoming a larger, low-cost producer, a Lithium business that is a top five lithium producer globally, and an Energy/Gas exploration business.
3. **Reduced investor interest given growth in alternative investment diversification options:** Conglomerates once provided diversification that investors could not get from capital markets. However, more recently, investors have much broader choice for diversifying their portfolios through investing in Exchange-Traded Products (ETPs) and Listed Investment Companies (LICs) (see their recent growth in Figure 3). Over the past two decades, the ETP and LIC markets have grown substantially. In Australia, the first ETP was launched in 2001. 21 years later, there are 244 ETPs across seven asset classes[3]. As at 31 December 2021, there was $134b invested in ETPs and A$56b in LICs in Australia.

Figure 3: Growth in FUM of Exchange Traded Products and Listed Investment Companies vehicles from CY 2017 to CY 2021 ($b)



Source: ASX.

4. **ESG concerns can be a disadvantage for a conglomerate:** As mentioned in our **December Quarterly Report**, there is increasing emphasis on addressing Environmental and Social issues from governments and the broader public, as well as investors. This has put increased pressure on conglomerates to adopt more Environmental and Social-friendly policies, or more radically restructure to ensure they can reach a broader and deeper pool of investors. In November 2021, Third Point, an activist investor, called for a breakup of Royal Dutch Shell, stating "*in our view, Shell has too many competing stakeholders pushing it in too many different directions.*" Third Point called for Shell to separate its "*legacy energy business*" i.e. oil and gas business, from its "*standalone LNG/Renewables/Marketing*" business. Similarly, ESG concerns were also a key reason AGL announced its proposed demerger in March 2021 – separating the coal power-heavy Accel Energy and the AGL Australia retail business.
5. **Operating model disadvantage:** Conglomerate group structures can impose the same operating model requirements on all business units within a company leading to competitive disadvantages. Both GlaxoSmithKline and Johnson & Johnson announced a separation of their pharmaceutical and consumer health divisions, which have very different product life cycles and regulatory environments. Enforcing a centralised compliance and regulatory process despite differences in the drug and vitamin product development process can be a competitive disadvantage. Similarly, within its retail division, Wesfarmers operates a pureplay online retailer (Catch) and predominantly Bricks and Mortar retailers (Kmart and Target). Given the different customer, product and logistics needs, applying the same processes to different businesses can be a disadvantage.

3. Source: ASX as at February 2022.

6. **Management disadvantage:** It can be hard to find CEOs who have the diverse sector knowledge and appropriate skillset to oversee different businesses within a conglomerate. Adding the necessary management skillsets can also result in bloated corporate costs as management layers are added. In November 2021, Alexis George, AMP's Chief Executive, commented in the announced demerger of AMP Limited and AMP Capital's Private Markets business (PrivateMarketsCo) that:

"In AMP Limited and PrivateMarketsCo we have two businesses with considerable growth opportunities, but which operate in very different markets, with different customers and geographic focus…. [the separation and demerger will] enable the two businesses to increase focus on their respective markets and growth opportunities."

Alexis George, CEO, AMP

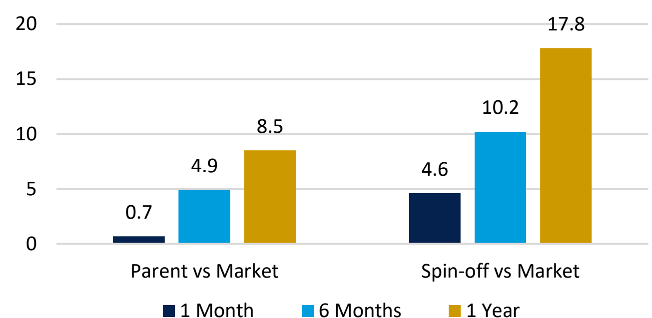
Investment opportunity

During 2022, conglomerates will encounter a complex operating environment due to decelerating economic growth, increasing inflationary pressures, rising interest rates and continued investor focus on closing the inherent sum-of-the-parts value gap.

The Catalyst Fund is well placed to take advantage of this thematic. Specifically:

1. **Unlocking hidden value:** As value investors, the Catalyst Fund looks for stocks that are attractively priced. Conglomerates can provide investment opportunities that contain hidden value. Investing in a conglomerate and putting forward ideas to the CEO and the Board of how to close potential value gaps (for example, suggesting way to improve the market disclosure or communication) is a value-enhancing role we can play.

Figure 4: Performance of Parents vs. Spin-offs post de-mergers



Source: Goldman Sachs. Based on analysis of 37 spin-offs over the last 25 years.

2. **Driving incremental returns:** Simplifying conglomerate structures can unlock significant value. Analysis from Goldman Sachs (see Figure 4) on Australian Spin-offs has shown that both the Parent and Spin-Off Company outperform the ASX200 post separation on average by 8.5% and 17.8% respectively, one year post de-merger. Simplification of conglomerate structures can also be a driver of M&A activity, with c.40% of companies (either Parent or SpinCo) becoming an M&A target within 1 year post spin-off. An active M&A market, assuming geopolitical tensions subside, would provide an attractive backdrop for Parent and SpinCo M&A activity going forward. Encouraging portfolio companies to simplify their conglomerate structure (where appropriate), can help generate outperformance of the market.

3. **Expanded investment opportunity set:** Spin-offs and demergers will provide new investment opportunities for the L1 Capital Catalyst Fund to invest in. In addition, restructuring of conglomerates listed on the ASX and offshore can provide opportunities for our portfolio companies to unlock value.

Stock spotlight | Ramsay Health Care

Ramsay Health Care (ASX:RHC, 'Ramsay') is a global, high quality hospital group, with forecast revenue of $14.9b and EBITDA of $2.4b in FY23. The business was founded in 1964 by Paul Ramsay. The Paul Ramsay Foundation owns c.19% of the shares on issue in Ramsay.

Ramsay operates across four main geographical regions:

1. **Australia:** Ramsay is Australia's largest private hospital operator, with 72 private hospitals and day surgery units across New South Wales, Victoria, Queensland, South Australia and Western Australia.
2. **United Kingdom:** Ramsay has 34 acute hospitals and day procedure centres that provide a comprehensive range of clinical specialities to private and self-insured patients, as well as patients referred by the National Health Service. Ramsay also recently acquired mental health services provider Elysium, which has 72 sites across the U.K., for $1.4b[5].
3. **Europe (excl. U.K.):** Ramsay operates in Continental Europe through its 52.5% stake in Euronext-listed company Ramsay Sante, which has c.350 sites across France, Italy, Denmark, Sweden and Norway. Its largest market France, where it has more than 130 acute care and mental health facilities, contributed over 70% of total European revenue in FY21.
4. **Asia:** Ramsay has a 50:50 Joint Venture in Asia with Sime Darby ('RSD'), where it operates a total of eight facilities – three hospitals in Indonesia, three hospitals and a nursing college in Malaysia, and a day surgery in Hong Kong.

Ramsay's share price performance over the last five years has been weak, underperforming the ASX200 by 35% (-7% compared to the ASX of +28%).

Figure 5: Ramsay Health Care

Market cap (31 March 2022)	$14.9b
LTM Net debt	$4.5b
Enterprise Value (EV)	$19.4b
FY23F EV/ EBITDA	8.0x
FY23F P/E	24.8x

Based on consensus estimates. Company financial year-end is 30 June. Net debt pro forma for Elysium acquisition

Figure 6: FY23F Revenue

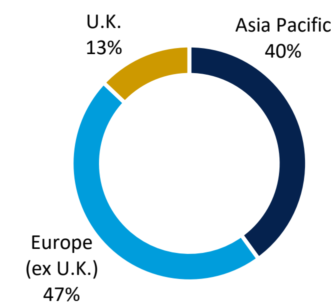
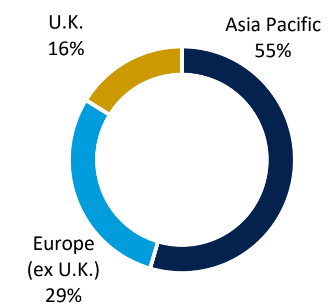
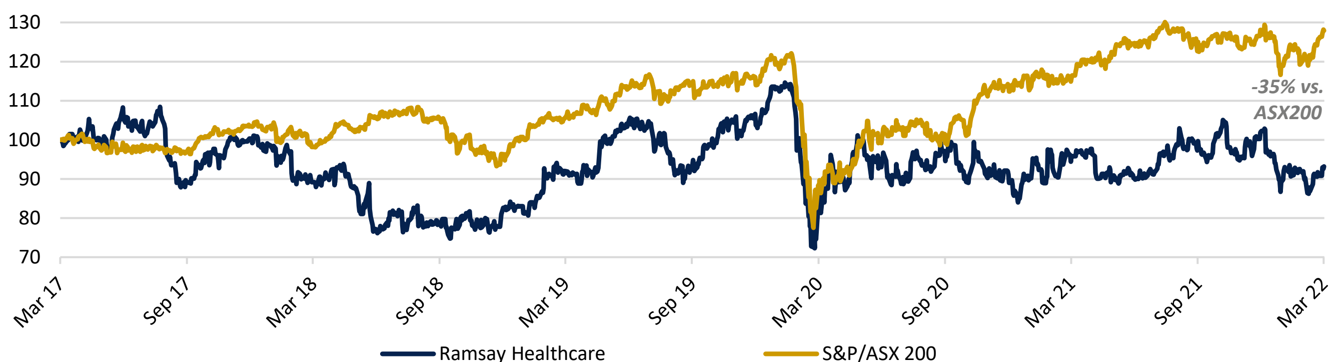


Figure 7: FY23F EBITDA[4]



Source: Visible Alpha consensus estimates as at 31 Mach 2021.

Figure 8: Ramsay share price performance vs. the ASX200 over the last five years (rebased to 100)



Source: IRESS. Data as of 31 Mar 2017 to 31 Mar 2022.

4. EBITDA adjusted for economic ownership of Ramsay Sante in Europe (52.5%) and includes associate income from Sime Darby.
5. Acquisition valued Elysium Healthcare at £775M (A$1.4B). Exchange rate of GBP:AUD of 1:1.8.

Investment case

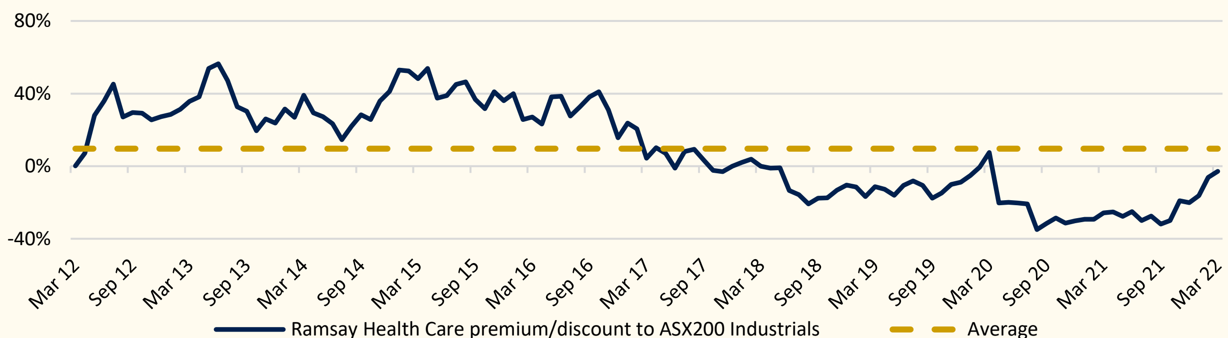
The Catalyst Fund invested in Ramsay based on its attractive valuation for a set of irreplaceable predominantly Australian hospital assets and short-to-medium term catalysts that have the potential to add significant upside to the share price.

- **Value:** We believe Ramsay is currently attractively priced relative to the market, trading at a 3% discount to the ASX200 Industrials basket. Given the quality of the Ramsay asset base, we believe Ramsay should trade at a significant premium to the ASX200 Industrials sector as it has done historically. Between 2012-2017, Ramsay frequently traded at a 40% premium to the Industrials index given its robust structural growth, dominant industry position, high returns on capital and disciplined capital allocation. We feel the large P/E de-rating that has occurred has largely been a function of poorer capital allocation decisions, which have resulted in lower margins and returns to shareholders in recent years.

Figure 9: Ramsay's hospital assets are predominantly located across the East coast in Australia

Source: Company announcements and investor presentations.

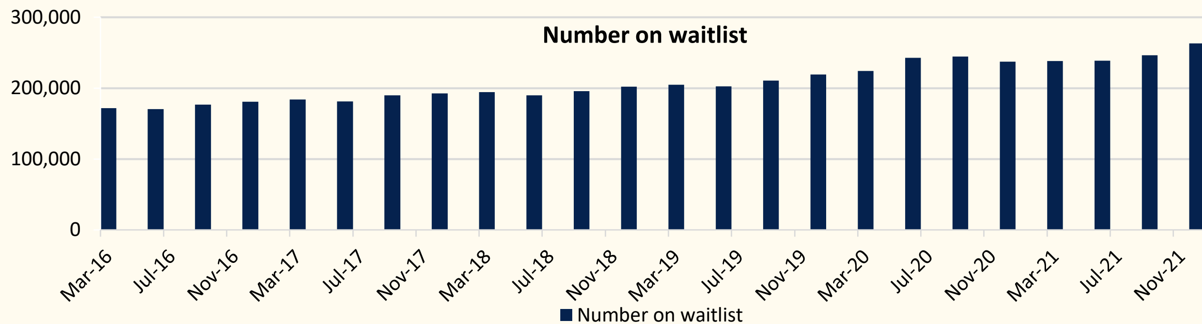
Figure 10: Ramsay vs. ASX industrials basket (12-month forward P/E premium/discount to basket)



Source: Factset and CLSA.

- **Quality:** The Ramsay investment case is supported by strong industry dynamics and operating trends, however, it has potential margin headwinds (refer to Operating trends on next page).
  - **Industry dynamics:**
    - **Positive market growth in Australia:** supported by an ageing population, increased participation in private health insurance and an extreme backlog of patient volumes following restrictions on elective surgery over large periods during the last two years due to COVID-19.
    - **Strong competitive position:** Ramsay is the largest private hospital operator in Australia, with high barriers to entry, so is well placed to capture volumes.
    - **Rise in surgical demand:** There are now an additional 70,000 people on surgical waitlists compared to mid-2019, which is a 35% increase.

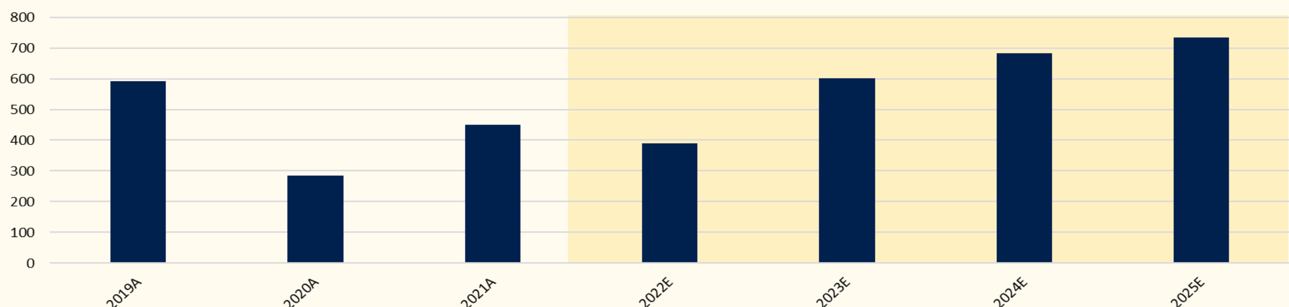
Figure 11: Number of patients on the Elective Surgery waiting lists across NSW, VIC, QLD and WA



Source: State government Department of Health and Barrenjoey.

- **Operating trends:** Earnings growth will be supported by higher utilisation of operating theatres, a case-mix that is skewed towards more highly-reimbursed procedures and in-organic growth (e.g. via the Elysium acquisition). However, there is potential margin compression from nurse availability/staff shortages and increased costs related to COVID-19 (e.g. personal protective equipment).

Figure 12: Strong earnings recovery likely as Ramsay emerges from covid lockdowns and bans on elective surgery



Source: Company reports and Visible Alpha consensus estimates.

- **Catalysts:** We see potential for catalysts in four areas.

1. **Brownfield Expansions:** Ramsay has a strong pipeline of brownfield expansion opportunities – namely, increasing existing hospital facilities by adding additional operating theatres (and beds) to increase surgical capacity. Incremental $300m p.a. over the next three years, we believe that will support earnings growth and capture incremental patient volumes.
2. **Portfolio simplification:** On 22 March 2022, Ramsay confirmed it had received a confidential, conditional, non-binding, indicative proposal from IHH Healthcare Berhad, Asia's largest private health group operating 80 hospitals in 10 countries, to acquire 100% of their 50:50 joint venture in Asia, Ramsay Sime Darby Health ("RSD"). The conditional indicative Enterprise Value for RSD is US$1.35b (estimated net proceeds to Ramsay of over c.A$850M). Furthermore, other parts or all of Ramsay could be of interest to strategic and/or financial buyers, particularly private long-dated capital. As referenced in our December quarterly, we believe larger scale M&A will be a theme continuing to influence public markets in 2022. The IFM-led consortium's $31.6b takeover of Sydney Airport (Jul 21) is evidence of this.
3. **Unlock Australian property value:** We believe the market is not ascribing full and fair value to Ramsay's Australian property assets, which, based on an average of three major brokers is estimated to be worth $8.1b (over 50% of Ramsay's current market cap). Significant value could be unlocked via a Sale & Leaseback of its property assets. Due to the low tax cost base of Ramsay's Australian property assets, tax leakage is a concern of the market, however we believe there are structures to mitigate or reduce the tax leakage, such as a concession structure or a transaction package which comprises Ramsay's property assets with higher tax bases.
4. **Capital management:** Utilising the proceeds from an assumed sale of RSD, we believe the market would be very receptive to capital management efforts such as an off-market buy-back. Further major capital management would also be possible if Ramsay was to unlock value from within its property portfolio, which would free up capital and highlight the considerable embedded asset value in the company.

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Fund information

Fund / Class Name	L1 Capital Catalyst Fund – Retail Class
Currency	AUD
Investment Approach	The Investment Manager seeks to deliver private equity-style returns with listed market liquidity by taking a hands-on 'owner's mindset' to each investment in a tightly focused portfolio of up to 10 companies.
Investment Objective	To deliver strong positive risk adjusted returns over the long term.
Benchmark	S&P/ASX 200 Accumulation Index
Minimum Investment	$25,000
Management Fee	1.28% p.a.
Performance Fees	20.5% over benchmark, subject to any underperformance being recouped
Vehicle	Australian Unit Trust
Launch Date	1 July 2021
Platform Availability	BT Panorama, CFS FirstWrap, HSBC, Hub24, Macquarie Wrap, Mason Stevens, Netwealth, Praemium

Research house ratings

Zenith Rating[6]

Zenith notes: "We draw confidence from the high calibre of personnel and longstanding investment process that will be leveraged for the management of the Fund. We note that the holdings in the Fund will typically be a highly concentrated subset of L1 Capital's strategies, which have strong longer-term track records."

Lonsec Rating[7]

Lonsec notes: "The Fund seeks to deliver private equity-style returns with listed market liquidity by taking a hands-on 'owners mind-set' approach to each investment. The owners mind-set is anchored in constructive engagement with companies, driving the realisation of positive change by bringing strategic options, new ideas and thinking to company boards and management."

6. The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (ETL1293AU, September 2021) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at http://www.zenithpartners.com.au/RegulatoryGuidelines

7.The rating issued October 2021 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.

L1 CAPITAL CATALYST

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L1 Capital | Overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, New York 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 short Australian 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, Fund Administrator and Fund Custodian – Mainstream Fund Services, Fund Auditor – EY, Legal Advisor – Hall & Wilcox. There have been no changes to key service providers since the last monthly report.

Information contained in this publication

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