



**L1 CAPITAL**

Monthly Class

# L1 Capital Long Short Fund

Quarterly Report | JUNE 2022

- The L1 Long Short Fund returned **-10.4% (net)<sup>1</sup>** for the June quarter (ASX200AI **-11.9%**).
- Global markets fell sharply during the quarter (S&P 500 **-16.1%**, MSCI World **-16.2%**, Nasdaq **-22.3%**) on increasing concerns over central bank policy tightening and the possibility of a U.S. recession.
- The portfolio has returned **-0.1%<sup>1</sup>** over the past 6 months (ASX200AI **-9.9%**) and **10.4%<sup>1</sup>** over the past year (ASX200AI **-6.5%**), supported by favourable stock-specific company updates together with long exposure to Energy, and short exposure to unprofitable technology stocks and 'COVID winners' that fell significantly.

Global markets fell sharply during the quarter as a higher than expected U.S. May inflation reading exacerbated investor concerns over the possibility of further Fed tightening, which raised fears about a potential U.S. recession. The S&P 500 and the Dow Jones fell 16.1% and 10.8%, respectively, their worst quarterly performance since the first quarter of 2020 when COVID-19 lockdowns drove a significant market correction. The tech-heavy Nasdaq fell 22.3% in the second quarter, its worst quarterly performance since 2008, with negative returns in five of the first six months this year.

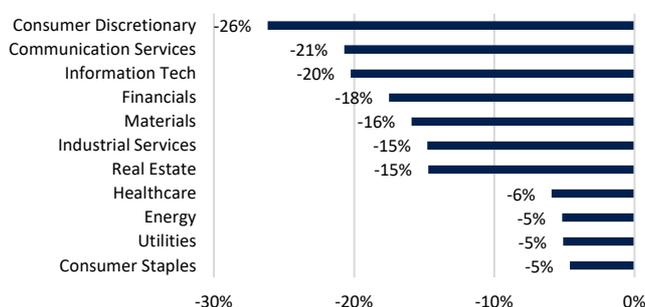
The ASX200AI fell 11.9% over the quarter with nearly all sectors coming under pressure. The strongest sectors were Utilities (+1.7%) and Energy (+1.5%), while Information Technology (-27.2%), Property (-17.7%) and Materials (-16.1%) lagged.

Losses across the S&P 500 accelerated in the most recent period. All sectors declined by 5% or more (Figure 1) as investors became increasingly concerned about surging inflation, central bank tightening, the Russia/Ukraine war, COVID-19 lockdowns in China and global supply chain disruptions. This contributed to a sharp contraction in valuation multiples, with the S&P 500 de-rating abruptly (Figure 2).

Fund Returns (Net) <sup>1</sup> (%)	L1 Long Short Fund	S&P ASX 200 AI	Out-performance
<b>3 months</b>	(10.4)	(11.9)	+1.5
<b>1 year</b>	10.4	(6.5)	+16.8
<b>2 years p.a.</b>	37.8	9.3	+28.5
<b>3 years p.a.</b>	22.7	3.3	+19.3
<b>5 years p.a.</b>	12.1	6.8	+5.2
<b>7 years p.a.</b>	20.1	6.9	+13.2
<b>Since inception p.a.</b>	21.0	6.2	+14.8
<b>Since inception cumulative</b>	345.6	60.5	+285.1

Returns Since Inception (Net) <sup>1</sup> (%)	Cumulative Return	Annualised Return p.a.
<b>L1 Capital Long Short Fund</b>	345.6	21.0
<b>S&amp;P ASX 200 Accumulation Index</b>	60.5	6.2
<b>MSCI World Index Total Return (USD)</b>	45.6	4.9
<b>HFRX Global Hedge Fund Index</b>	8.7	1.1

**Figure 1: Q2 2022 Total Return – S&P 500 (%)**



Source: Bloomberg and L1 Capital as at 30 June 2022.

**Figure 2: S&P 500 – 12m forward P/E**

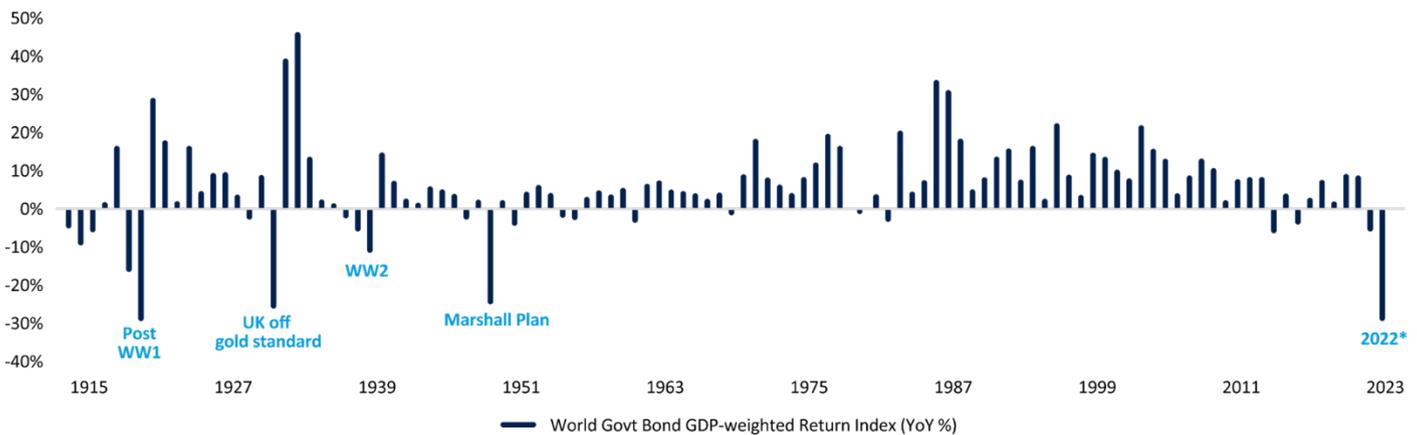


Source: Bloomberg and L1 Capital as at 30 June 2022.

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.

The downturn in performance was even more extreme in the bond market where inflation concerns and an acceleration in central bank tightening have meant government bond returns are on course for their worst year of performance in real terms since 1865 (Figure 3).

**Figure 3: World government bonds annual returns**



Source: BofA Global Investment Strategy, Global Financial Data. \* 2022 YTD annualised.

On an overall basis, portfolio performance was solid in April and May. However, the U.S. CPI reading in June triggered a broad-based sell-off in equities which extended to almost all sectors. This weighed on portfolio performance, largely due to the sharp correction in Energy and Materials stocks. These stocks had contributed strongly to portfolio performance over the preceding 12 months however, in June, the share prices fell much further than the underlying changes in commodity prices. For example, Copper and Energy stocks declined around 30% in June, despite physical markets remaining tight.

We believe this sell-off in share prices has been excessive due to non-fundamental factors such as quantitative flows, hedge fund de-grossing, redemptions, ETF flows and margin calls. We have used the opportunity to add to several of our highest conviction positions as further outlined below.

**In the context of elevated volatility and extreme weakness in global and domestic stock markets, portfolio performance has been relatively pleasing, with the portfolio remaining largely flat (-0.2%) over the last six months (ASX200AI -9.9%) and returning 10.0% over the past year (ASX200AI -6.5%).**

## Portfolio positioning

We have used the extreme sell-off towards the end of the quarter to add to several of our highest conviction positions at exceptional prices. Some examples of this, include:

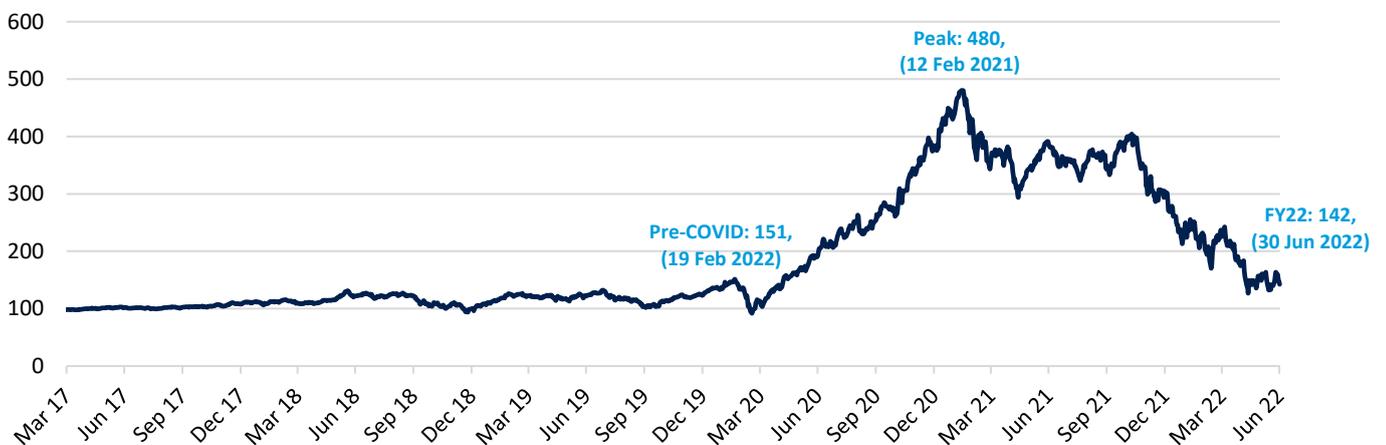
- **BlueScope Steel:** With the 13% fall in June, the company currently trades on just 4x consensus FY23 EV/EBIT and 5.6x consensus FY23 P/E (relative to a pre-COVID 5-year average of ~12x P/E), which we believe significantly undervalues BlueScope's strategic asset base and enormous cash flow generation potential.
- **Capstone Copper:** Copper equities have fallen ~50% from their highs as copper prices have come under pressure with increased possibility of a recession. We believe the sell-off is not consistent with the prevailing market tightness and the strong demand growth we expect as the energy transition gains momentum. Capstone currently trades on only ~4x consensus FY24 P/E when their projects currently under construction will be in full production.
- **MEG Energy and Cenovus Energy:** We continue to remain positive on the outlook for Energy. While a potential U.S. recession would result in softer oil demand, we believe this would be more than outweighed by China re-opening over the coming year (which would see a major lift in car and air traffic). Oil supply continues to remain constrained with sustained declines in global inventories and OPEC+ remains unable to grow production significantly. With the sell-off in energy stocks, **MEG and Cenovus are currently generating more than 20% of their market cap in cash flow** with large dividends and share buybacks to come.

- Qantas:** Recession fears drove a sharp correction in travel stocks in June. We believe significant pent-up travel demand will more than offset increased economic pressures. If Qantas management can achieve their FY24 targets there is potential to deliver close to \$1 in EPS, with Qantas currently trading on only ~4x that run-rate EPS level. We believe there is more than 100% share price upside potential through earnings growth and for a valuation re-rating as the company's earnings mix shifts towards the higher quality domestic and loyalty businesses.

In addition, we have used the correction to selectively add new positions in high quality businesses that we believe have reached oversold levels. One example of this is James Hardie which has fallen more than 40% over the past six months on concerns that the U.S. housing cycle is about to crash due to the sharp rise in interest rates. James Hardie is currently trading on ~13x consensus FY23 P/E relative to its pre-COVID 5-year average of ~22x. While we expect house prices to soften and housing activity to moderate, we believe the current environment is very different to that experienced during the GFC. Household balance sheets are much stronger, credit availability is much tighter and there is a structural under-build of housing (not a significant overbuild as was the case in the GFC). James Hardie is well placed to manage the near-term macroeconomic headwinds given its strong balance sheet, variable cost-base and a decade of structural growth ahead of it as the market environment improves.

Over the past year, we have flagged increasing risks in speculative areas of the market where unprecedented fiscal and monetary stimulus, together with ultra-low interest rates, had driven valuation levels to extremes. The end of quantitative easing and the change in central bank policy led to the market making a much needed shift towards focusing on sustainable profitability and cash generation. This has driven a correction in long-duration growth assets which continued into the second quarter of this year. This, in turn, led to our short position across a basket of offshore unprofitable technology stocks being a significant positive contributor to portfolio returns over the quarter. Non-profitable tech stocks have now declined more than 70% from their 2021 peak (Figure 4).

**Figure 4: Non-Profitable Technology Index (indexed to 100)**



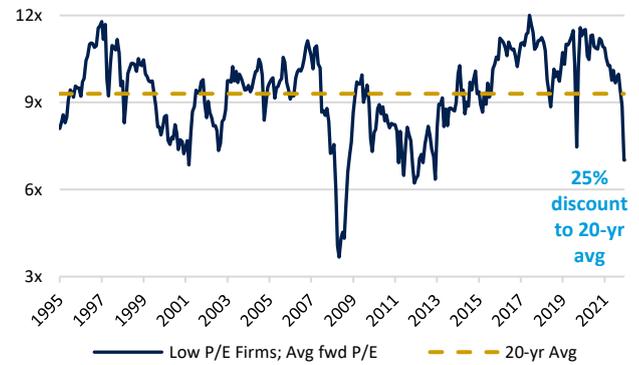
Source: Goldman Sachs as at 30 June 2022.

From an Australian perspective, while long-duration growth assets have de-rated, they continue to remain relatively expensive compared to the current level of interest rates. Figure 5 on the next page illustrates that ASX 200 'High Growth' stocks trade at an average 12 month forward P/E of 33x which, is still well above the ~25x multiple, that 'Growth Stocks' have typically traded on when long-term interest rates have been at similar levels to today. Conversely, ASX 200 low P/E stocks remain more than 20% below their 20-year average P/E multiple (Figure 6), supporting our continued belief that 'Value' stocks (particularly those with no structural headwind) remain far more compelling investments than 'Growth' stocks.



Figure 5: ASX 200 high P/E firms relative to 20-yr average

Figure 6: ASX 200 low P/E firms relative to 20-yr average



Source: Goldman Sachs as at 30 June 2022.

Source: Goldman Sachs as at 30 June 2022.

We remain cautious on ‘buying the dip’ in ‘High Growth’ stocks given the above valuation considerations, as well as the fundamental shift we have seen in the tailwinds that propelled the valuations of many of these stocks.

- The past decade of declining interest rates has now come to an end. This has structurally lifted the risk free rate and discount applied to longer-dated/more uncertain cash flow profiles.
- There is a renewed focus on cash generation and profitability as investors have reassessed the merits of new valuation methodologies such as EV/revenue.
- The devaluation of historic share-based compensation to employees and the prospect of reduced growth going forward is making many of these companies less attractive places to work.
- The days of ‘free money’ via equity markets and convertibles are over. To fund their growth, companies will increasingly need to generate cash flow rather than raise equity at hugely inflated share prices.

## Outlook

We believe the outlook for equities has become more challenging given the tightening of central bank policy, cost pressures facing corporates and falling consumer confidence. These factors are further compounded by the Russia/Ukraine war, COVID-19 lockdowns in China and global supply chain disruptions. The Fed has been well behind the curve and is rapidly increasing interest rate rises (along with quantitative tightening) in order to subdue inflation pressures that have been evident for over a year.

### We expect market returns to be more modest going forward.

#### Equities backdrop: Last two years

- Incredibly attractive valuations
- Excessive COVID-19 pessimism
- Central bank liquidity & falling interest rates
- Massive fiscal stimulus
- Company ‘beats’ likely
- Heightened M&A activity



#### Equities backdrop: Today

- Less valuation support
- Geopolitical tensions
- Reduced central bank liquidity & rising interest rates
- More balanced earnings risk
- Less ‘business friendly’ government policy

U.S. 10-year bonds have fallen dramatically in recent weeks (see Figure 7 on the next page), signalling that the market has shifted its concerns from inflation to growth. The 10-year – 2-year spread has been narrowing for the past eight months (see Figure 8 on the next page) and has inverted once again in July. Yield curve inversion has historically been a strong leading indicator of recessions.

**Figure 7: U.S. 10-year government bond yield**



Source: Bloomberg as at 30 June 2022.

**Figure 8: 10-year – 2-year spread**



Source: Bloomberg as at 30 June 2022.

**While we are cautious on the macro environment and have accordingly reduced our net long exposure over the quarter, we believe the recent market sell-off has been quite erratic and is providing us with a better than usual set of investment opportunities.**

- In a similar vein to March 2020, we are adding to numerous stocks that are dramatically oversold. We believe that looking through the short-term hysteria and non-fundamental selling will prove to be the best decision for our investors.
- Based on our analysis, we believe U.S. inflation is now peaking and that central banks will end up pausing their rate hikes earlier than what economists and bond yields currently suggest.
- A pause by the Fed would trigger both a relief rally and a major rotation in the market out of expensive defensives and into oversold cyclicals, which we are well positioned for.
- While these periods of short-term volatility and weak portfolio performance are frustrating (both for us and for our investors), we are excited by the medium-term upside we see in the portfolio and have significantly increased our investment in the Long Short Strategy.

## Key stock contributors for the quarter

**Cenovus Energy (Long +14%)** shares rallied driven by continued strong free cash flow generation, as well as being positioned to benefit from strong refining margins and downstream operations. The company recently announced a significant increase in dividends, which gives us greater confidence on the potential for a 100% return of free cash flow generation via dividends and buybacks from early CY23. Given the long-life nature of its oil sand assets and its low cost of production, we estimate the company is free cash flow break-even at an oil price of ~US\$40/bbl. At present, oil prices are more than double this break-even point, implying considerable upside to consensus cash flow estimates (if prices remain near current levels). There are also additional value realisation catalysts with the company continuing to progress the de-gearing of its balance sheet via organic cash generation and asset sales.

**Shopify (Short -54%)** shares collapsed further during the quarter on broader weakness in the ecommerce market as well as Amazon's launch of 'Buy with Prime', which allows merchants to sell through Amazon on their own websites. Shopify enables small and medium size businesses to easily manage an online shopfront. We started shorting the company at ~US\$136 per share in December 2021, closing it out at the end of April around US\$42-43 per share (prices quoted are post a 10-for-1 stock split that was effective 29 June). Shopify was a significant 'COVID winner' as numerous businesses were forced to open online stores (driving up subscriptions) and consumers shopped more online (driving up payment volumes). Our view was that despite some demonstrable strengths, the company had become significantly overvalued with the market underestimating the risks around slowing growth as economies re-opened, as well as increased competition from ecommerce players and well-funded copycat platforms. In addition, Shopify, like many ultra-high P/E stocks, has also de-rated as a result of higher bond yields which essentially reduce the present value of 'long duration' cash flows (that are many years or decades in the future).

As mentioned in the opening section of this report, the portfolio also benefitted from shorts in a basket of unprofitable technology stocks.



L1 CAPITAL

Monthly Class

# L1 Capital Long Short Fund

Quarterly Report | JUNE 2022

## Key stock detractors for the quarter

**BlueScope Steel (Long -24%)** shares weakened over the quarter, along with most offshore steel-making companies as U.S. and Asian steel spreads declined. We took the opportunity to top up our position. While the sharp rise in bond yields quickly dampened sentiment to housing, steel demand in the U.S. and Australia remains robust. U.S. steel spreads have declined from record levels but remain healthy and are likely to stay around current levels near-term as the arbitrage on importing steel has now largely been eroded.

BlueScope recently completed the acquisition of MetalX, a scrap business, and Coil Coatings, the U.S.'s second largest metal coating and painting company, as well as an 850kt expansion of the North Star plant in Ohio, which will benefit earnings as it ramps up over 18 months. Given its strong net cash balance sheet, we expect BlueScope to continue its \$985m on-market share buyback program, along with a further low-cost expansion of up to 1.4mt of steel at North Star in the coming years. The company has also committed to a \$1b Port Kembla blast furnace reline and upgrade over the next four years, a solid step towards BlueScope's ESG and carbon abatement targets. The company currently trades on just ~4x consensus FY23 EV/EBIT and 5.6x consensus FY23 P/E, which we believe significantly undervalues BlueScope's unique and strategic asset base.

**Capstone Copper (Long -54%)** shares fell substantially as copper prices declined by ~22% over the quarter. While the market is concerned by the possible impact of several new copper projects and expansions to be delivered in 2022 and 2023, this should not negate the major supply shortfall that we expect in the medium to longer term, as the copper-intensive global energy transition gains momentum.

Capstone is a fast-growing copper mining company focussed in the Americas with four producing mines, one undergoing a major expansion (with capex largely fixed under a lump sum contract) and one awaiting final investment decision. The company currently has no net debt and is well funded to complete the currently approved project pipeline (even in a more adverse copper price environment). We expect Capstone to double production over the medium term with the commencement and ramp-up of the Santo Domingo copper and cobalt project. The company has a capable management team that has emphasised long-life projects as well as low-cost expansion opportunities (rather than risky M&A or capex-intensive growth projects). We took advantage of the large sell-off to top up our position, with Capstone currently trading on only ~4x consensus FY24 P/E, when the projects currently under construction will be in full production.

**Qantas (Long -14%)** shares declined over the quarter, despite reaffirming second half EBITDA guidance, due to a combination of market concerns over an economic slowdown and high jet fuel costs. We continue to view Qantas as having emerged from the pandemic period even stronger than before, given its \$1b cost out program, improved market position and the massive pent-up demand for business and leisure travel, which we believe will persist despite macroeconomic headwinds. The company has announced plans to combat near-term higher input costs through passing some costs on to travellers and through a modest reduction in its domestic travel capacity over the next 12 months. We have long viewed Qantas as one of the world's highest quality airlines, with its dominant industry position, high-growth loyalty (frequent flyer) division and well-regarded management team.

**News Corp (Long -26%)** shares fell over the quarter despite reporting third quarter results in line with consensus expectations. The decline was primarily driven by a softening in investor sentiment towards News Corp's Digital Real Estate assets against a backdrop of rising interest rates in both Australia and the U.S., with REA Group shares down 17% during the quarter. While concerns over property market drivers are likely to continue in the near term, we see both REA Group and Move as being well positioned to structurally improve their businesses through this period. We continue to believe the News Corp assets are materially under-valued and remain supportive of ongoing initiatives to unlock value across the Group.

**Mineral Resources (Long -8%)** shares declined due to a combination of a ~20% fall in iron ore prices, broad-based weakness in the junior miner space and two well-publicised, bearish lithium reports by major investment banks. We continue to believe that all key areas of Mineral Resources' business (iron ore, lithium and mining services) have favourable medium-term tailwinds. The long-life, low-cost Ashburton iron ore project is expected to soon receive formal sanction with production due in late CY23/early CY24. We believe the market has not yet priced in either the step-change it will deliver for the mining services business or the inherent optionality from a new, major iron ore region.

We also expect Mineral Resources to realise its massive lithium growth pipeline (full downstream integration for >100kt of lithium hydroxide production) over the next four years, funded by a recent, successful US\$1.25b bond issue and more subdued, but still 'stronger for longer', lithium prices. Our positive outlook for Mineral Resources was reinforced by our recent visit to their impressive, new, company-owned Perth headquarters which reflect management's vision to provide an industry-leading experience for both head office and mine-based staff.



L1 CAPITAL

Monthly Class

# L1 Capital Long Short Fund

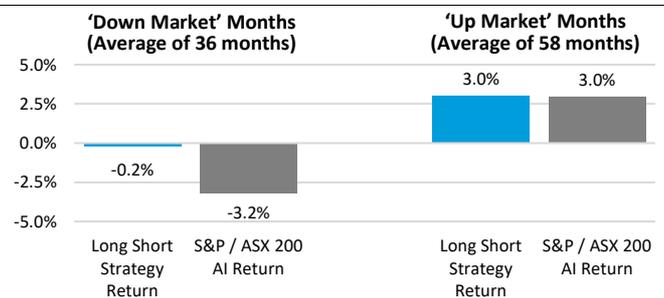
Quarterly Report | JUNE 2022

## Fund Returns (Net)<sup>2</sup> (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2014</b>	–	–	–	–	–	–	–	–	(2.42)	3.03	2.85	1.61	<b>5.07</b>
<b>2015</b>	0.59	9.14	2.42	1.71	3.73	(0.86)	3.30	2.06	5.51	8.49	8.11	4.61	<b>60.52</b>
<b>2016</b>	5.81	0.59	5.47	2.46	2.78	(0.89)	3.22	3.92	0.46	(0.13)	0.55	2.22	<b>29.61</b>
<b>2017</b>	2.51	1.87	3.15	1.03	4.18	1.70	2.62	1.69	1.93	2.54	0.89	3.56	<b>31.40</b>
<b>2018</b>	0.56	(0.47)	(1.64)	1.62	(3.76)	(6.29)	0.82	(5.92)	(2.12)	(3.98)	(2.60)	(6.06)	<b>(26.40)</b>
<b>2019</b>	4.35	5.15	0.22	2.84	(2.78)	3.85	1.18	0.44	2.61	3.37	0.32	2.22	<b>26.20</b>
<b>2020</b>	(7.81)	(7.10)	(23.02)	22.96	10.97	(2.20)	(1.93)	9.98	0.52	(2.62)	32.28	4.16	<b>28.01</b>
<b>2021</b>	(0.10)	9.06	(0.13)	4.99	4.11	(0.55)	1.83	5.24	4.81	2.30	(7.21)	3.59	<b>30.62</b>
<b>2022</b>	2.74	7.00	1.47	3.29	0.12	(13.39)							<b>(0.09)</b>

Portfolio Positions	Current	Avg. Since Inception
Number of total positions	85	81
Number of long positions	62	56
Number of short positions	23	25
Number of international positions	31	24

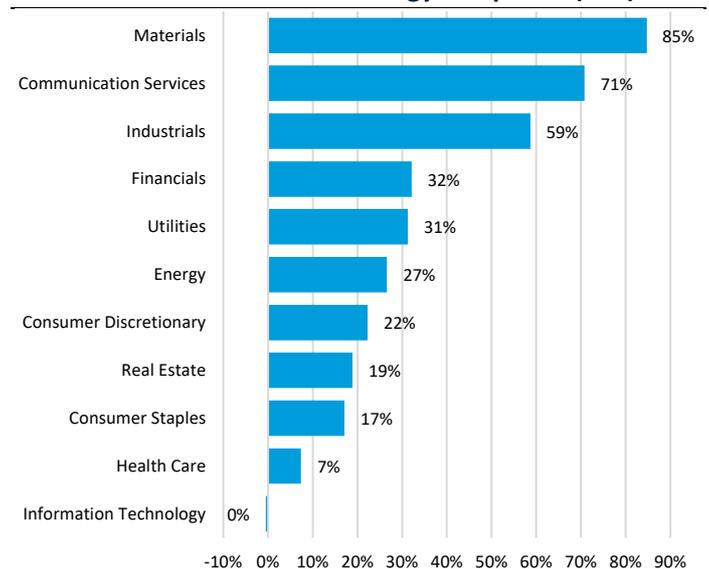
## Performance in Rising & Falling Markets<sup>2</sup> (Net)



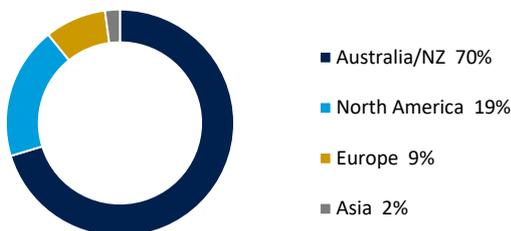
## Net & Gross Exposure by Region<sup>2</sup> (%)

Geography	Gross Long	Gross Short	Net Exposure
Australia / NZ	105	77	28
North America	35	14	21
Europe	22	0	22
Asia	5	0	5
<b>Total</b>	<b>168</b>	<b>91</b>	<b>77</b>

## Sector Contribution Since Strategy Inception<sup>2</sup> (Net)



## Gross Exposure as a % of Total Exposure<sup>2</sup>



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

<b>Class Name</b>	L1 Capital Long Short Fund – Monthly Class
<b>Structure / Currency</b>	Australian Unit Trust / AUD
<b>Inception</b>	1 September 2014
<b>Management Fee</b>	1.28% p.a. inclusive of GST and RITC
<b>Performance Fee</b>	20.50% inclusive of GST and RITC <sup>3</sup>
<b>High Watermark</b>	Yes
<b>Buy / Sell Spread</b>	25bps / 25bps
<b>APIR / ISIN</b>	ETL4912AU / AU60ETL49128
<b>Minimum Investment</b>	A\$500,000
<b>Subscription / Redemption Frequency</b>	Monthly
<b>Platform Availability</b>	HUB24, Netwealth, PowerWrap

## Contact us

### Head of Distribution

Chris Clayton | [cclayton@L1.com.au](mailto:cclayton@L1.com.au) | +61 3 9286 7021

### Researchers

Aman Kashyap | [akashyap@L1.com.au](mailto:akashyap@L1.com.au) | +61 477 341 403

### Advisors

Alexander Ordon | [aordon@L1.com.au](mailto:aordon@L1.com.au) | +61 413 615 224

Alejandro Espina | [aespina@L1.com.au](mailto:aespina@L1.com.au) | +61 423 111 531

Matthew Leung | [mleung@L1.com.au](mailto:mleung@L1.com.au) | +61 431 747 929

### Private Clients

Edward Vine | [evine@L1.com.au](mailto:evine@L1.com.au) | +61 412 525 390

## 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 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.



**L1 CAPITAL**

Level 28, 101 Collins Street  
Melbourne VIC 3000  
Australia  
[www.L1.com.au](http://www.L1.com.au)

**Key service providers** for the Fund are: Responsible Entity – Equity Trustees Limited, Prime Brokers – Morgan Stanley, Merrill Lynch, Goldman Sachs and Credit Suisse, Fund Administrator – Mainstream Fund Services, Fund Auditor – EY, Legal Advisor – Hall & Wilcox. Merrill Lynch and Goldman Sachs were added as prime brokers since the last 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

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the L1 Capital Long Short Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This publication has been prepared by L1 Capital Pty Ltd (ACN 125 378 145, AFSL 314 302), to provide you with general information only. In preparing it, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither L1 Capital Pty Ltd, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. All performance numbers are quoted after fees. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

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.

### Copyright

Copyright in this publication is owned by L1 Capital. You may use this information in this publication for your own personal use, but you must not (without L1 Capital's consent) alter, reproduce or distribute any part of this publication, transmit it to any other person or incorporate the information into any other document.