

L1 Long Short Fund Limited (ASX:LSF)

December 2025

- The L1 Long Short Fund (LSF) portfolio returned 3.7%¹ in December (ASX200AI 1.3%) taking performance for calendar year 2025 to 46.8%¹ (ASX200AI 10.3%).
- Over the past 5 years, the portfolio has returned 18.1%¹ p.a. (ASX200AI 9.9% p.a.).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 19.9% p.a., compared to 8.2% p.a. for the ASX200AI.²

The ASX200AI rose moderately in December, driven by strength in Resources and Financial sectors, as rising base and precious metal prices provided a key tailwind for Resource stocks. The RBA held rates steady at 3.6%, supporting market stability, as Governor Bullock opened the door to 2026 rate hikes amid strong labour data, higher household spending and positive employment results.

The S&P/ASX 200 Accumulation Index returned 1.3% over the month. Materials (+6.7%), Financials (+3.4%) and Property (+2.0%) were the strongest sectors, while Information Technology (-8.7%), Healthcare (-7.1%) and Consumer Services (-3.1%) lagged.

U.S. equity markets were broadly flat, as encouraging inflation data – November CPI of 2.7% versus expectations of 3.1% – was offset by ongoing uncertainty around the future path of Federal Reserve policy. While the Fed delivered a widely anticipated rate cut at the December FOMC meeting, commentary signalled a cautious approach to further easing in 2026, tempering investor enthusiasm.

Portfolio performance was solid, with key contributors including long positions in Mineral Resources and Flight Centre, alongside tailwinds from gold equities exposure.

Mineral Resources rallied as lithium prices continued to move sharply higher (+37% in December to end the year up ~90%). In addition, iron ore prices held at attractive levels (>US\$108/t), positioning the business well, with Onslow Iron achieving nameplate capacity.

Flight Centre shares rose on the announcement of an earnings-accretive cruise acquisition, as well as accounting issues at a key competitor (Corporate Travel Management) that could necessitate customer refunds.

Gold equities performed strongly, particularly in the mid-cap space where we are positioned. The gold price increased ~2% over the month, bringing the rally to around 65% for the calendar year.

Returns (Net)¹ (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	3.7	1.3	+2.4
3 months	14.1	(1.0)	+15.1
1 year	46.8	10.3	+36.5
3 years p.a.	16.7	11.4	+5.4
5 years p.a.	18.1	9.9	+8.2
7 years p.a.	20.7	10.5	+10.2
LSF Since Inception p.a.	14.0	9.2	+4.7
LSF Strategy Since Inception² p.a.	19.9	8.2	+11.8

Figures may not sum exactly due to rounding.

Gold's significant outperformance continues to be driven by large and growing U.S. federal fiscal deficits and debt levels, U.S. dollar devaluation, emerging market central bank accumulation and a global interest rate cutting cycle.

We believe the Australian equity index is relatively fully valued, with several large cap stocks trading well above historical multiples and global peers. Encouragingly, we are continuing to find numerous undervalued stocks offshore, where we see a far more compelling combination of strong earnings growth, shareholder-friendly management, conservative balance sheets and significant valuation support. We continue to believe that infrastructure, gold, U.S. cyclicals, uranium and 'quality value' stocks provide some of the best opportunities globally. Given the enormous outperformance of high P/E stocks in recent years and over the past decade, we are finding more compelling opportunities in 'Value' stocks. We believe low P/E stocks will strongly outperform high P/E stocks (in general) over the coming 1-2 years, which should be supportive of portfolio returns.

Strategy returns (Net)³ (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2014	-	-	-	-	-	-	-	-	(2.4)	3.0	2.8	1.6	5.1
2015	0.6	9.1	2.4	1.7	3.7	(0.9)	3.3	2.1	5.5	8.5	8.1	4.6	60.5
2016	5.8	0.6	5.5	2.5	2.8	(0.9)	3.2	3.9	0.5	(0.1)	0.6	2.2	29.6
2017	2.5	1.9	3.2	1.0	4.2	1.7	2.6	1.7	1.9	2.5	0.9	3.6	31.4
2018	0.6	(0.5)	(1.6)	(1.3) ³	(4.1)	(6.0)	1.0	(5.3)	(2.1)	(3.9)	(2.6)	(6.0)	(27.7)
2019	4.3	5.1	0.2	3.1	(2.7)	3.9	0.6	0.4	2.5	3.5	0.4	2.1	25.5
2020	(7.8)	(6.8)	(22.9)	23.2	10.9	(2.1)	(1.7)	10.0	0.6	(2.4)	31.9	4.3	29.5
2021	(0.2)	9.0	(0.1)	5.1	4.1	(0.5)	1.8	5.1	4.9	2.3	(7.4)	3.7	30.3
2022	2.8	6.9	1.3	3.4	0.1	(13.5)	(3.3)	5.4	(7.6)	5.2	7.5	4.4	10.7
2023	3.6	(2.0)	0.5	1.6	(3.2)	1.7	5.2	(4.9)	0.9	(3.1)	2.4	3.7	6.2
2024	0.3	(1.0)	8.1	3.3	2.6	(5.0)	1.5	(3.3)	4.3	(1.4)	(2.9)	(3.8)	2.0
2025	0.2	(0.9)	2.0	(0.7)	6.9	5.8	4.3	6.1	4.3	2.3	7.5	3.7	46.8

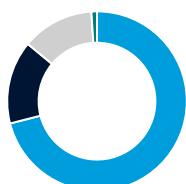
Strategy performance in rising and falling markets⁴ (Net)

Portfolio positions

Number of total positions	77
Number of long positions	58
Number of short positions	19
Number of international positions	31

Net and gross exposure (%)

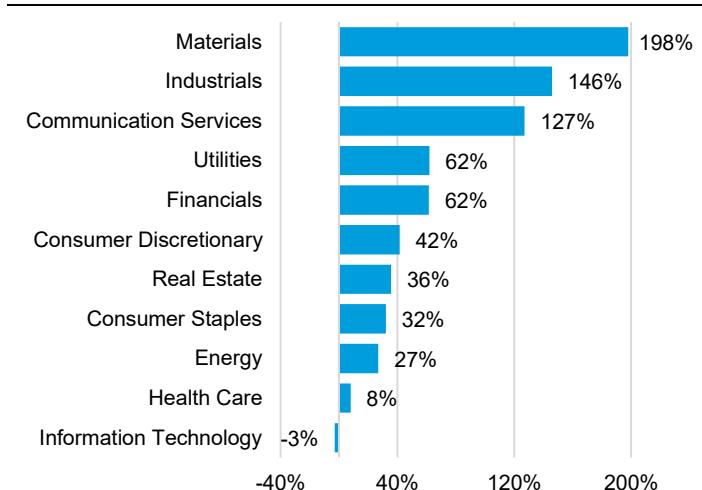
	Gross long	Gross short	Net exposure
Australia/NZ	90	(69)	21
North America	31	(4)	27
Europe	29	-	28
Asia	2	-	2
Total⁶	152	(73)	78

Gross geographic exposure as a % of total exposure⁴

- Australia/NZ 71%
- North America 15%
- Europe 13%
- Asia 1%

Company information as at 31 December 2025⁵

Share Price	\$3.99
NTA before tax	\$4.00
NTA after tax	\$3.68
Shares on issue	632,982,953
Company market cap	\$2.53b

Sector contribution since Strategy inception⁴ (Net)

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.** 3. LSF (ASX:LSF) returns are calculated based on the movement of the underlying investment portfolio net of all applicable fees and charges since inception on 24 April 2018. Strategy returns table is for the L1 Long Short Limited (ASX:LSF) since inception on 24 April 2018. Performance prior to this date is that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 4. Exposure and contribution are that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). 5. The NTA before tax is calculated before the provision for deferred tax on unrealised gains and losses on the investment portfolio. The NTA after tax is calculated after all taxes. 6. Excludes of exposures to instruments not associated with a specific geography.

Key personnel

Andrew Larke	Independent Chair
John Macfarlane	Independent Director
Harry Kingsley	Independent Director
Raphael Lamm	Non-Independent Director
Mark Landau	Non-Independent Director
Mark Licciardo	Company Secretary
Registry	MUFG Corporate Markets
Company website	www.L1LongShort.com

Company information – LSF

Name	L1 Long Short Fund Limited
Structure	Listed Investment Company (ASX:LSF)
Inception	24 April 2018
Management fee*	1.44% p.a.
Performance fee**	20.5% p.a.
High watermark	Yes
Platform availability	BT Panorama, CFS Firstwrap, HUB24, IOOF, Macquarie Wrap, Mason Stevens, Netwealth, Powerwrap, uXchange

L1 Capital (Investment Manager) overview

L1 Capital is a global investment manager with offices in Melbourne, Sydney, Miami and London. The business was established by Raphael Lamm and Mark Landau in 2007 and is majority owned by its founders and staff. The team is committed to offering clients best of breed investment products through strategies that include long-short equities, international equities, activist equities, global convertible debt and U.K. residential property funds. The firm has built a reputation for investment excellence, with all L1 Capital strategies delivering strong returns since inception. In October 2025, L1 Capital merged with Platinum Asset Management to create L1 Group (ASX: L1G) with approximately \$16b under management. The L1 Capital team remains dedicated to delivering on that strong reputation by providing market-leading performance via differentiated investment strategies with outstanding client service, transparency and integrity. L1 Capital's clients include large superannuation funds, pension funds, asset consultants, private wealth firms, financial planning groups, family offices, high net worth and retail investors.



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* Fees are quoted inclusive of GST and net of RITC. ** The performance fee is equal to the stated percentage of any increase in the NAV over any Performance Period.

Information contained in this publication: L1 Long Short Fund Limited, managed by L1 Capital Pty Ltd, has been established to invest in a portfolio of predominantly Australian and New Zealand securities, with up to 30% invested in global securities. The Company has the ability to both buy and short-sell securities, which provides a flexible strategy to deal with changing stock market conditions. The objective is to deliver strong, positive, risk-adjusted returns to investors over the long term.

Disclaimer: This communication has been prepared for L1 Long Short Fund Limited (ACN 623 418 539) by its investment manager, L1 Capital Pty Ltd (ABN 21 125 378 145 and AFS Licence 314302). L1 Capital Pty Ltd has prepared this publication in good faith in relation to the facts known to it at the time of preparation. This publication contains general financial product advice only. In preparing this information, we did not consider the investment objectives, financial situation or particular needs of any individual investor, and you should not rely on the opinions, advice, recommendations and other information contained in this publication alone. This publication has been prepared to provide you with general information only. 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. We do not express any view about the accuracy or completeness of information that is not prepared by us and no liability is accepted for any errors it may contain. **Past performance is not a reliable indicator of future performance.**

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