

L1 Long Short Fund Limited (ASX:LSF)

January 2026

- The L1 Long Short Fund (LSF) portfolio returned 9.3%¹ in January (ASX200AI 1.8%).
- Over the past year, the portfolio has returned 60.1%. (ASX200AI 7.4%).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 20.7%¹ p.a., compared to 8.3% p.a. for the ASX200AI.²

The Australian equity market rose modestly in January, led by the Resources sector, with Energy and Materials outperforming. Rising Iran/U.S. tensions drove crude oil prices higher, while gold, lithium and copper extended their gains. Further support came from a strong Australian labour market, and robust household spending and housing data. Strong macroeconomic data and rising inflation led the RBA to announce a 25bps interest rate increase in early February, with the market expecting a further increase in the coming months.

The S&P/ASX200AI returned 1.8% over the month. Energy (+10.6%), Materials (+9.5%) and Healthcare (+2.2%) were the strongest sectors, while Information Technology (-9.4%) declined sharply on fears of AI disruption. Property fell 2.7% largely due to rising interest rates.

U.S. equities also rose in January (S&P500 +1.4%), with gains spread widely across companies, sectors and market caps. Easing inflation pressures, a solid labour market, accommodative liquidity and credit conditions supported sentiment.

The portfolio performed very strongly over the month, with broad-based gains across several sectors, including Infrastructure, Banking, Resources, Energy, Construction Materials and Gaming. 20 stocks individually contributed more than 0.2% to returns. Key contributors included long positions in NexGen, BlueScope, Fraport and Alcoa.

NexGen shares rallied alongside uranium prices (+21%) buoyed by U.S. policy support for critical minerals. Alcoa shares rose as aluminium prices moved higher (+4.8%), following strength in the broader base metals sector. Following a 50% gain since our recent investment, we exited our Alcoa position in January.

BlueScope shares rose after a consortium launched an all-cash takeover bid at A\$30.00/sh – 27% above the offer date price. The Board rejected the proposal as a significant undervaluation of the business. For further information on BlueScope and our views on the offer, please see our [December 2025 quarterly](#).

Returns (Net)¹ (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	9.3	1.8	+7.5
3 months	21.9	0.4	+21.5
1 year	60.1	7.4	+52.8
3 years p.a.	18.8	9.8	+9.0
5 years p.a.	20.2	10.2	+10.0
7 years p.a.	21.5	10.1	+11.4
LSF Since Inception p.a.	15.1	9.4	+5.7
LSF Strategy Since Inception ² p.a.	20.7	8.3	+12.5

Figures may not sum exactly due to rounding.

Fraport shares gained in January, supported by improving travel sentiment and growing anticipation for the opening of Frankfurt's T3 terminal. We expect capex to trend lower and dividends to increase in the coming years with management due to provide further guidance at the upcoming result.

We believe the Australian equity index is relatively fully valued, with several large cap stocks, particularly within the ASX20, trading well above historical multiples and global peers. Encouragingly, we are continuing to find numerous undervalued stocks, 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 the portfolio is well positioned to benefit from.

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
2026	9.3												9.3

Strategy performance in rising and falling markets⁴ (Net)

Portfolio positions

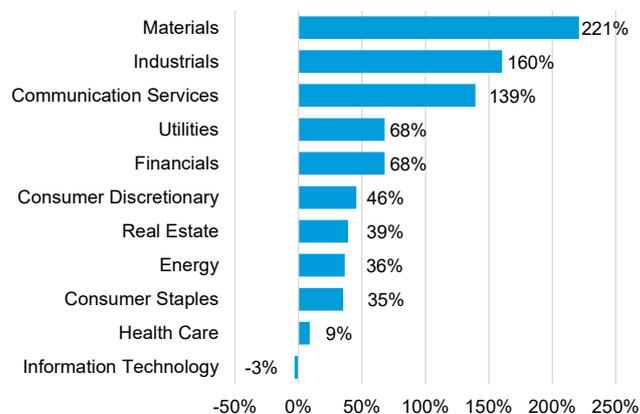
Number of total positions	72
Number of long positions	56
Number of short positions	16
Number of international positions	27

Net and gross exposure⁴ (%)

	Gross long	Gross short	Net exposure
Australia/NZ	96	(67)	29
North America	28	(3)	25
Europe	32	-	32
Asia	3	-	3
Total⁶	159	(70)	89

Company information as at 31 January 2026⁵

Share Price	\$4.22
NTA before tax	\$4.39
NTA after tax	\$3.94
Shares on issue	632,982,953
Company market cap	\$2.67b

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 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 continues to be 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), one of Australia's leading investment managers. 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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