L1 CAPITAL
Part of L1 Group

L1 Long Short Fund Limited (ASX:LSF)

August 2026

- The L1 Long Short Fund (LSF) portfolio returned 9.6%[1] in August (ASX200AI 1.5%) taking performance for the calendar year to date to 21.4%[1] (ASX200AI 6.3%).
- Over the past year, the portfolio has returned 44.5%[1] (ASX200AI 4.4%).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 20.7% p.a., compared to 8.2% p.a. for the ASX200AI.[2]

The ASX200AI returned +1.5% in August led by the healthcare and resources sectors. The headline return masked wide dispersion during an especially volatile reporting season. 58% of companies moved up or down by more than 5% on results day, well above the historical average of 28% and the prior peak of 48%. Healthcare (+18.8%), Materials (+12.2%) and Utilities (+7.4%) outperformed, while Consumer Discretionary (-7.9%), Property (-6.7%) and Financials (-5.4%) lagged.

The RBA held the cash rate at 4.35%, but Governor Bullock struck a notably hawkish tone, noting that further rate rises may be required to return inflation to target. With underlying inflation still elevated, market pricing continued to reflect the risk of additional tightening. The Australian 10-year yield rose 17bps, while the 30-year yield increased 11bps to 5.59%.

Global equity markets also advanced in August (MSCI World +2.6%, S&P500 +2.7%) despite rising bond yields and renewed hostilities in the Middle East. 10-year yields rose sharply across major developed markets as resilient growth, sticky inflation and elevated geopolitical risk reinforced expectations of 'higher-for-longer' rates. A hawkish Jackson Hole speech by Fed Chair Kevin Warsh lifted the implied probability of a September U.S. rate hike from 36% to 67%.

U.S. energy stocks rallied as expectations for a U.S.-Iran ceasefire faded and oil prices moved higher. Commodities also strengthened, led by gold which rose ~10% as persistent fiscal-deficit and inflation revived demand for protection against currency debasement.

Against this volatile backdrop, the portfolio posted a strong return, supported by robust gains in gold equities, a sharp recovery in Light & Wonder and short positions in crowded large-cap domestic stocks.

Gold equities, including Eldorado Gold and Westgold Resources, materially outperformed the index, with producers across the sector benefiting from operating leverage and record cash flow, which supported dividends substantially above market expectations.

Returns (Net)[1,2] (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	9.6	1.5	+8.0
3 months	7.1	4.5	+2.6
1 year	44.5	4.4	+40.1
3 years p.a.	23.6	11.2	+12.4
5 years p.a.	17.1	7.8	+9.3
7 years p.a.	21.6	8.5	+13.0
LSF Since Inception p.a.	15.5	9.3	+6.2
LSF Strategy Since Inception p.a.	20.7	8.2	+12.4

Figures may not sum exactly due to rounding.

Light & Wonder shares recovered sharply as the company reported solid second quarter results and reaffirmed its full year earnings guidance.

Crowding into ASX20 names for perceived dividend and earnings stability has pushed valuations for many mature, lower-growth businesses to elevated levels. The portfolio benefited from short positions in several of these large-cap stocks, including some Australian banks.

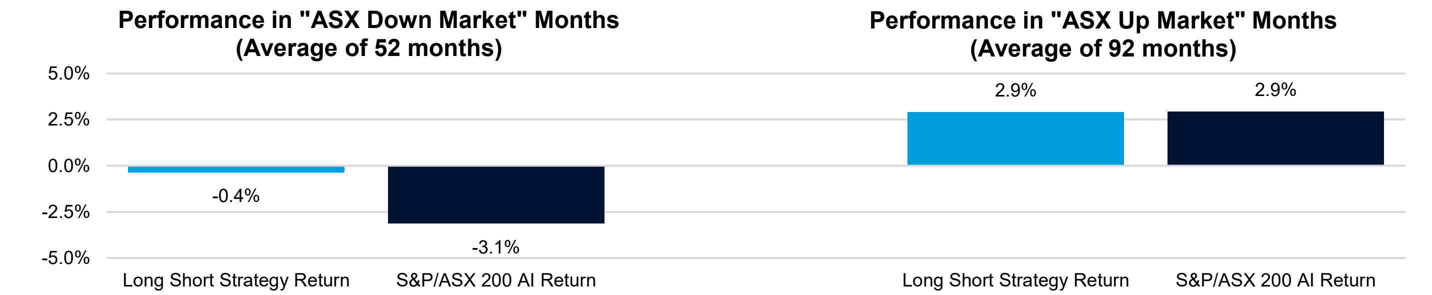
Despite positive headline market returns, August was a challenging environment beneath the surface, with higher bond yields, renewed geopolitical risk and a volatile reporting season driving significant dispersion across sectors and stocks. This backdrop reinforced the importance of remaining disciplined and company-specific, with a focus on opportunities where valuation support and earnings delivery can drive returns across a range of market conditions.

All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. **Past performance is not a reliable indicator of future performance. 1.** 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. **2.** LSF Strategy Since Inception returns are for the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). Ranking amongst funds in Zenith Australian Shares – Long Short sector using FE Analytics data as at 31 July 2026. NOTE: Fund returns and Australian indices are shown in A$. Returns of U.S. indices are shown in US$. Index returns are on a total return (accumulation) basis unless otherwise specified.

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)	(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	(0.9)	(7.8)	6.2	7.0	(0.7)	(1.5)	9.6					**21.4**

Strategy performance in rising and falling markets[4] (Net)



Portfolio positions

Number of total positions	75
Number of long positions	54
Number of short positions	21
Number of international positions	23

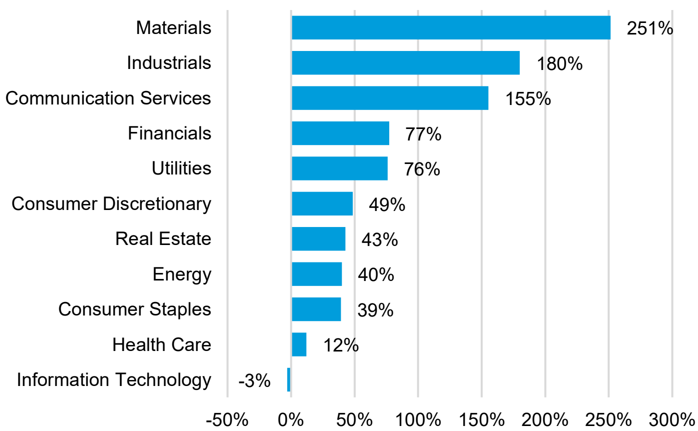
Company information as at 31 August 2026[6]

Share Price	$4.95
NTA before tax	$4.51
NTA after tax	$4.18
Shares on issue	634,669,420
Company market cap	$3.14b

Net and gross exposure[5] (%)

	Gross long	Gross short	Net exposure
Australia/NZ	82	(84)	(2)
North America	31	(1)	30
Europe	30	-	30
Asia	3	-	3
Other	-	(17)	(17)
Total	**146**	**(102)**	**44**

Sector contribution since Strategy inception[4] (Net)



All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. **Past performance is not a reliable 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 Fund 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.** Performance and contribution are that of the L1 Capital Long Short Fund – Monthly Class since inception (1 September 2014). **5.** Other refers to positions or portfolio hedges that are not specific to a single region. **6.** 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.

Key personnel

Andrew Larke	Independent Chair
John Macfarlane	Independent Director
Harry Kingsley	Independent Director
Raphael Lamm	Non-Independent Director
Mark Landau	Non-Independent Director
Nathan Jong	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%
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.

L1 CAPITAL
Part of L1 Group

Head of Distribution	Chris Clayton	cclayton@L1.com.au	+61 3 9286 7021
Researchers	Aman Kashyap	akashyap@L1.com.au	+61 477 341 403
	Diarmuid Feeney	dfeeney@L1.com.au	+61 416 347 190
Advisers	Allan Evans	aevans@L1.com.au	+61 400 993 597
	Bryce Leyden	bleyden@L1.com.au	+61 407 876 532
	Clifford Fernandes	cfernandes@L1.com.au	+61 411 667 096
	David Redford-Bell	drb@L1.com.au	+61 417 148 075
Brokers	Alejandro Espina	aespina@L1.com.au	+61 423 111 531
	Isabel Rothe	irothe@L1.com.au	+61 418 540 477
Private wealth	Hugo Brettingham-Moore	hb-m@L1.com.au	+61 408 371 473
Private clients	Joel Rosen	jrosen@L1.com.au	+61 468 655 913
	Gene Varano	gvarano@L1.com.au	+61 435 263 128
Investor services	Jeffrey Lau	jlau@L1.com.au	+61 403 194 728

Contact us

Level 45, 101 Collins Street
Melbourne VIC 3000
Email info@L1.com.au

www.L1.com.au

Invest now

* 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.