

L1 Long Short Fund Limited (ASX:LSF)

September 2026

- The L1 Long Short Fund (LSF) portfolio returned -4.1%¹ in September (ASX200AI -2.4%) taking performance for the calendar year to date to 16.4%¹ (ASX200AI 3.7%).
- Over the past year, the portfolio has returned 32.8%¹ (ASX200AI 2.7%).
- Since inception in 2014, the L1 Capital Long Short Fund has been the best performing long short fund in Australia, returning 20.1% p.a., compared to 8.0% p.a. for the ASX200AI.²

September was a challenging month for domestic and global equity markets, with higher bond yields and elevated oil prices weighing on investor sentiment. The ASX200AI fell 2.4%, with weakness concentrated in Information Technology (-10.6%), Materials (-5.9%) and Utilities (-3.1%). The only positive sectors were Healthcare (+4.4%) and Energy (+0.6%), supported by defensive earnings and higher oil prices.

In Australia, the 10-year government bond yield rose 28bps to 5.35%, its highest level since 2011, while the 30-year yield increased 19bps to 5.78%, close to record highs. The RBA raised the cash rate by 25bps to 4.60%, its fourth hike this year, noting the impact of earlier tightening is still flowing through the economy. August inflation was marginally softer than expected, but underlying inflation remains elevated and GDP growth forecasts point to below-trend activity.

Global equity markets were more resilient but also fell in September as AI-related strength partly offset other areas of weakness (MSCI World -1.2%, S&P 500 -0.3%). Bond yields rose sharply amid persistent inflation, fiscal deficit concerns and heavy debt issuance. In the U.S., the Fed raised the federal funds target range by 25bps to 3.75 – 4.00%, while the 30-year Treasury yield rose above 5.6%, its highest level since 2002. Brent crude price rose 14.4% as Middle East tensions persisted.

The challenging backdrop weighed on portfolio performance, particularly for stocks negatively exposed to higher long-term rates. Key detractors included Westgold, James Hardie and Cellnex, while Santos benefited from higher oil prices.

Westgold underperformed as the gold price fell sharply (-6.3%) on the ongoing hawkish monetary policy stance. We continue to see valuation upside across our gold holdings, underpinned by strong cash generation and attractive medium-term fundamentals.

James Hardie was impacted by the expected softening in the U.S. residential market as mortgage rates rose above 7%, to their highest level since November 2023.

Returns (Net)^{1,2} (%)

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	(4.1)	(2.4)	(1.7)
3 months	3.4	1.3	+2.1
1 year	32.8	2.7	+30.1
3 years p.a.	21.5	11.4	+10.1
5 years p.a.	15.0	7.7	+7.4
7 years p.a.	20.4	7.9	+12.5
LSF Since Inception p.a.	14.7	8.9	+5.8
LSF Strategy Since Inception p.a.	20.1	8.0	+12.1

Figures may not sum exactly due to rounding.

While near-term housing activity remains under pressure, we believe the stock offers medium-term upside potential from several company-specific initiatives and Azek synergies.

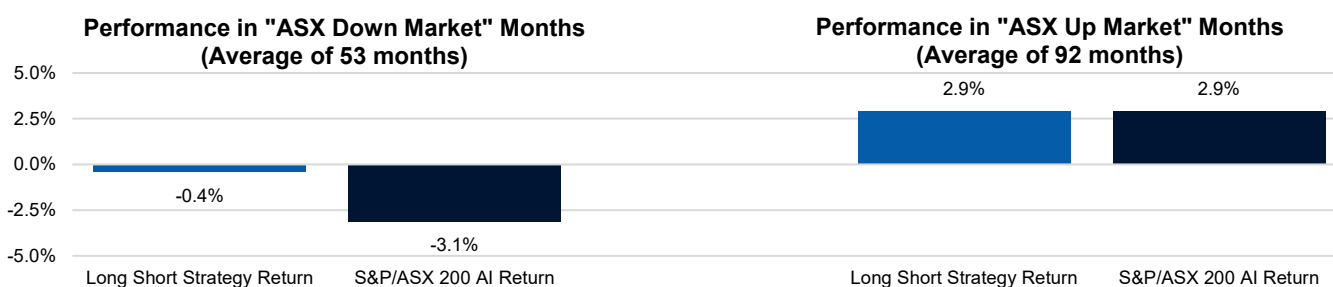
Cellnex shares declined as higher long-term bond yields weighed on infrastructure and other rate-sensitive equities, more than offsetting the positive impact of higher inflation-linked revenues.

Santos performed strongly as oil prices remained elevated, supported by ongoing Middle East tensions and concerns over regional energy infrastructure and transport channels.

The ASX200 has been relatively flat over the past year, given a difficult Australian macro backdrop. We believe this backdrop is well suited to active stock pickers (like L1), where strong specific companies can outperform a relatively flat broader stockmarket. The increased global stock volatility from higher oil prices, higher bond yields and constant AI sentiment changes is providing us with a better than usual opportunity set of mispriced stocks.

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	(4.1)				16.4

Strategy performance in rising and falling markets⁴ (Net)

Portfolio positions

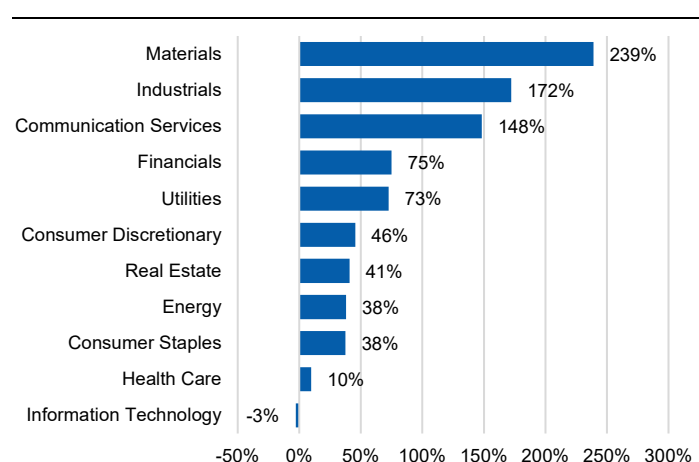
Number of total positions	77
Number of long positions	57
Number of short positions	20
Number of international positions	25

Net and gross exposure⁵ (%)

	Gross long	Gross short	Net exposure
Australia/NZ	77	(85)	(8)
North America	31	(1)	30
Europe	32	-	32
Asia	6	-	6
Other	-	(17)	(17)
Total	146	(103)	43

Company information as at 30 September 2026⁶

Share Price	\$4.82
NTA before tax	\$4.25
NTA after tax	\$4.02
Shares on issue	635,424,023
Company market cap	\$3.06b

Sector contribution since Strategy inception⁴ (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
Julian Russell	Non-Independent Director
Jane Stewart	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.



Contact us

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

www.L1.com.au



Invest now

Researchers	Aman Kashyap	akashyap@L1Group.com.au	+61 477 341 403
	Diarmuid Feeney	dfeeney@L1Group.com.au	+61 416 347 190
	Allan Evans	aevans@L1Group.com.au	+61 400 993 597
Advisers	Bryce Leyden	bleyden@L1Group.com.au	+61 407 876 532
	Clifford Fernandes	cfernandes@L1Group.com.au	+61 411 667 096
	David Redford-Bell	drb@L1Group.com.au	+61 417 148 075
	Kim Virakorn	kvirakorn@L1Group.com.au	+61 406 979 895
Brokers	Alejandro Espina	aespina@L1Group.com.au	+61 423 111 531
	Isabel Rothe	irothe@L1Group.com.au	+61 418 540 477
Private wealth	Hugo Brettingham-Moore	hb-m@L1Group.com.au	+61 408 371 473
Private clients	Joel Rosen	jrosen@L1Group.com.au	+61 468 655 913
	Gene Varano	gvarano@L1Group.com.au	+61 435 263 128
Investor services	Jeffrey Lau	jlau@L1Group.com.au	+61 403 194 728

* 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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