

L1 CAPITAL
Part of L1 Group

Monthly report

L1 Global Long Short Fund Limited (ASX:GLS)

October 2026

- L1 Global Long Short Fund Limited (GLS) returned 0.2%[1] in October (MSCI World -0.8%[2]).
- Since inception in January 2025, the Global Long Short Fund Strategy has returned 49.8%[3] p.a. (MSCI World 17.4% p.a.[2]).
- The portfolio posted modest gains over the month, despite weaker global equities and an AI-led sell-off.

Global equity markets were weak (MSCI World -0.8%, NASDAQ -5.3%) as enthusiasm around AI investment gave way to concerns about funding requirements and rising capital spending. Bond yields in the U.S. and other developed markets eased from recent highs, while Brent crude rose 13.6% due to ongoing Middle East tensions and heightened concerns over regional oil supplies.

In the U.S., the Fed left its target range unchanged at 3.75 – 4.00%, although two policymakers favoured another increase as inflation remained elevated. The U.S. 10-year Treasury yield fell 35bps to 4.94%, partly reversing September's rise as investors sought safety during the AI-led sell-off.

The S&P 500 fell 0.9%, while the SOX semiconductor index declined 15.3%. Technology and Communication Services were the only S&P 500 sectors to fall, while Energy, Consumer Staples, Utilities and Healthcare advanced.

European equities were more resilient, supported by defensive sectors and Energy (MSCI Europe ex U.K. +1.6%). Asian markets were held back by semiconductor and AI-related weakness, with large declines in South Korea (-16.4%), Taiwan (-6.2%) and Japan (-5.2%).

The portfolio benefited from short positions in AI cloud providers and a recovery in CRH, while gold holdings detracted.

Short positions in several neocloud providers, including Nebius (-34.7%), contributed positively to performance as investors reassessed the sector's reliance on debt to fund ambitious AI infrastructure expansion. Tightening credit conditions sharpened concerns over financing, reinforcing our view that substantial execution risks are not adequately reflected in valuations.

CRH shares rallied as the company provided confidence on the path to improving margins in 2027, when incremental pricing is expected to be realised to offset sharply rising input costs.

Returns (Net)[1,3] (%)

Portfolio returns	GLS Portfolio	MSCI World[2]	Out-performance
1 month	0.2	(0.8)	+1.0
3 months	1.6	0.6	+1.0
6 months	17.4	4.9	+12.5
GLS Since Inception	19.6	11.8	+7.8
Strategy Since Inception p.a.	49.8	17.4	+32.3

Figures may not sum exactly due to rounding.

The company also benefitted from a fall in bond yields. We remain positive on the medium-term outlook, with infrastructure spending, which is CRH's largest end market, set to remain robust.

Gold equities detracted as the gold price fell 7% in October, with investors seeking liquidity amid the wider market sell-off. We remain constructive on the sector's medium-term outlook, supported by central bank buying, fiscal pressures and geopolitical uncertainty.

The apparent stability of global stock market indices since early May hides an enormous sell-off across much of the market. More than half the S&P 500 stocks are down more than 20% since June, yet resilience in a handful of mega-cap technology names has obscured this broad market volatility.

We remain conservatively positioned as geopolitical risks remain elevated and consumers are generally feeling pressured from higher fuel prices, higher interest rates, falling house prices and reduced job security. Market volatility is providing an exciting set of stock opportunities for us and we believe the portfolio is well placed to handle a broad range of potential macro backdrops over the medium term.

All performance numbers are quoted net of fees. Figures may not sum exactly due to rounding. Please note the Fund has less than 12 months' performance history and this track record may not be representative of longer-term returns. **Past performance should not be taken as an indicator of future performance. 1.** GLS (ASX:GLS) returns are calculated based on the movement of the underlying investment portfolio net of all applicable fees and charges. **2.** MSCI World Accumulation Index is shown in US$. Please see important information at the end of this report regarding MSCI indices. **3.** Strategy performance is based on returns achieved by the L1 Capital Global Long Short Fund – Daily Class since inception (1 January 2025). NOTE: Fund returns and Australian indices are shown in A$. Returns of U.S. indices are shown in US$. Index returns are on a total return (accumulation) basis unless otherwise specified.

Returns (Net)[4,5] (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	3.0	(0.1)	1.1	8.3	6.1	4.0	0.7	7.0	5.6	2.7	15.3	1.2	**69.6**
2026	5.8	3.3	(14.9)	8.2	6.9	2.7	5.2	8.0	(6.2)	0.2			**18.2**

Portfolio positions

Number of total positions	123
Number of long positions	70
Number of short positions	53

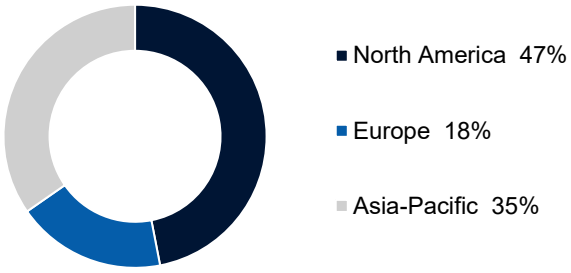
Company information as at 31 October 2026[7]

Share Price	$1.93
NTA before tax	$1.78
NTA after tax	$1.80
Shares on issue	869,825,421
Company market cap	$1.68b

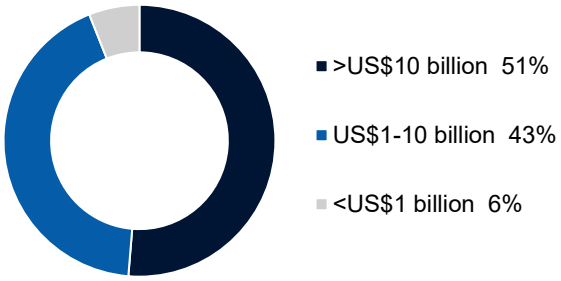
Net and gross exposure[6] (%)

	Gross long	Gross short	Net exposure
North America	54	(84)	(30)
Europe	51	(3)	48
Asia-Pacific	62	(40)	22
Other	-	-	-
Total	**167**	**(126)**	**41**

Gross geographic exposure as a % of total exposure[6]



Gross market cap exposure as a % of total exposure



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. 4.** GLS (ASX:GLS) returns are calculated based on the movement of the underlying investment portfolio net of all applicable fees and charges. Please note the Fund has less than 12 months' performance history and this track record may not be representative of longer-term returns. **5.** Based on returns achieved by the L1 Global Long Short Fund Limited (ASX:GLS) portfolio since inception on 28 November 2025 (being the date that L1 Capital assumed the role of investment manager of the Company). Prior to this date, data is that of the L1 Capital Global Long Short Fund – Daily Class portfolio since inception (1 January 2025) which is subject to a higher fee. **6.** Other refers to positions or portfolio hedges that are not specific to a single region. **7.** 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

Rachel Grimes	Chair and Non-Executive Director
Douglas Farrell	Independent Non-Executive Director
David Gray	Independent Non-Executive Director
Katrina Glendinning	Independent Non-Executive Director
Julian Russell	Non-Independent Non-Executive Director
Olivia Byron	Company Secretary
Registry	MUFG Corporate Markets
Company website	www.L1.com.au/GLSF

Company information – GLS

Name	L1 Global Long Short Fund Limited
Structure	Listed Investment Company (ASX:GLS)
Inception	28 November 2025
Management fee*	1.44% p.a.
Performance fee**	20.5%
High watermark	Yes

L1 Capital 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 Global Long Short Fund Limited, managed by L1 Capital Pty Ltd, has been established to invest in a portfolio of 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. Any views expressed are those of the manager at the date of this presentation and are subject to change without notice. References to specific securities are for illustrative purposes only and do not constitute a recommendation.

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