Monthly report

L1 CAPITAL
Part of L1 Group

L1 Long Short Fund Limited (ASX:LSF)

July 2026

- The L1 Long Short Fund (LSF) portfolio returned -1.5%[1] in July (ASX200AI 2.3%) taking performance for the calendar year to date to 10.8%[1] (ASX200AI 4.7%).
- Over the past year, the portfolio has returned 39.9%[1] (ASX200AI 6.0%).
- 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]

Global markets were mixed in July (MSCI World +0.5%, S&P 500 -0.1%) as a sharp unwind in AI momentum and pressure on rate-sensitive sectors were offset by strength in Energy and Financials. Renewed Middle East tensions drove Brent crude 24% higher, lifting Energy stocks, while higher global bond yields supported Financials but weighed on rate-sensitive sectors such as housing and infrastructure.

The S&P 500 was broadly flat as weakness in AI-related stocks was offset by stronger-than-expected corporate earnings, particularly in Energy and Financials. Following a strong start to the year, semiconductor stocks sold off sharply with the SOX Index down 25% from its June high and the KOSPI falling 22% during the month.

Australian equities benefitted from lower exposure to the unwind in AI-related stocks and a higher weighting to Financials. Australia's Big 4 banks were among the five largest contributors to the ASX200AI's return, supported by rising bond yields despite softer home prices and housing turnover.

Australian inflation came in below forecasts, reducing market expectations for further RBA rate hikes. Despite this, 10-year bond yields rose ~20bps, reflecting higher global yields, rising oil prices and persistent concern about longer-term inflation risks.

The ASX200AI returned +2.3% in July with narrow market leadership concentrated in Energy (+12.2%) and Financials (+5.8%), while Information Technology (-2.8%), Industrials (-1.4%) and Utilities (-1.0%) underperformed.

Against this backdrop, the portfolio declined 1.5% in July. A key contributor for the month was DPM Metals, while key detractors included Nickel Industries and Fraport.

DPM Metals performed strongly despite a largely unchanged gold price, continuing to deliver material exploration success near its existing mining operations.

Nickel Industries declined during the month, impacted by ongoing regulatory volatility in Indonesia, combined with concerns around the availability and pricing of sulphuric acid resulting from ongoing supply disruptions from the Middle East.

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

	LSF Portfolio	S&P/ASX 200 AI	Out-performance
1 month	(1.5)	2.3	(3.8)
3 months	4.5	4.1	+0.4
1 year	39.9	6.0	+33.9
3 years p.a.	17.9	10.4	+7.5
5 years p.a.	16.1	8.0	+8.1
7 years p.a.	20.0	7.9	+12.1
LSF Since Inception p.a.	14.3	9.2	+5.2
LSF Strategy Since Inception p.a.	19.9	8.2	+11.7

Figures may not sum exactly due to rounding.

Fraport declined as renewed Middle East tensions led to a spike in jet fuel prices causing airlines to respond with modest capacity cuts. Despite these near-term pressures, we see little impact on Fraport's medium-term outlook.

July's sharp market rotation highlighted the concentration risk embedded in global equities. Despite the pullback in AI-related stocks, 2026 market leadership remains narrow and heavily dependent on a small group of companies. The macro backdrop remains mixed, with higher oil prices, rising global bond yields and geopolitical uncertainty creating a more challenging environment for cyclical and rate-sensitive companies.

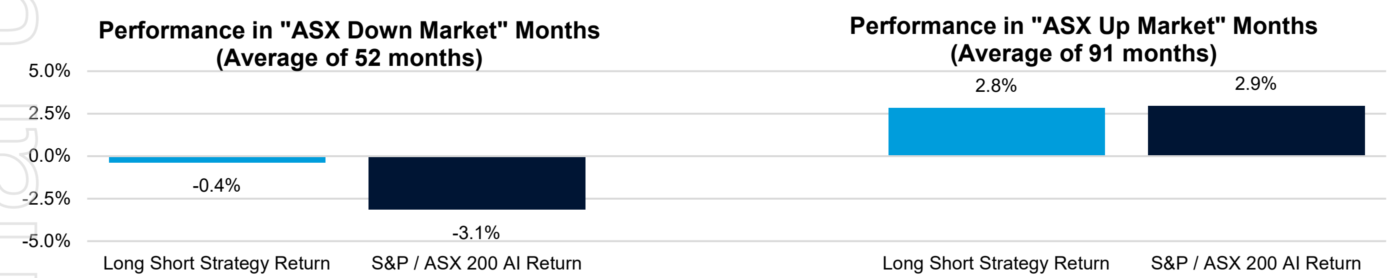
We continue to focus on company-specific opportunities where valuation and earnings delivery can drive returns across a range of market environments. We believe the portfolio looks well placed at present, with the median long position trading on 10x P/E, supported by double-digit EPS growth and modest debt levels.

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. 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). Based on Zenith FE funds data as at 30 June 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)						**10.8**

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



Portfolio positions

Number of total positions	80
Number of long positions	59
Number of short positions	21
Number of international positions	25

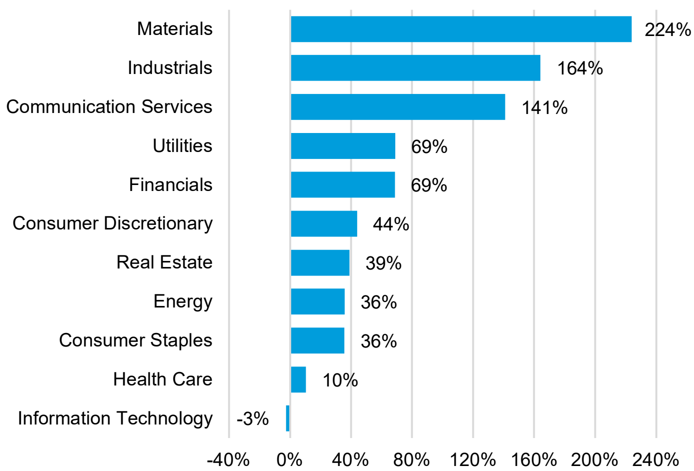
Net and gross exposure[5] (%)

	Gross long	Gross short	Net exposure
Australia/NZ	92	(84)	8
North America	30	(2)	28
Europe	33	-	33
Asia	8	-	8
Other	-	(20)	(20)
Total	**163**	**(106)**	**56**

Company information as at 31 July 2026[6]

Share Price	$4.59
NTA before tax	$4.18
NTA after tax	$3.90
Shares on issue	634,669,420
Company market cap	$2.91b

Sector contribution since Strategy inception[4] (Net)



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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.

L1 CAPITAL
Part of L1 Group

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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.