

L1 Capital International Fund

ARSN 631 094 141

Annual report For the year ended 30 June 2026

For personal use only

L1 Capital International Fund

ARSN 631 094 141

Annual report For the year ended 30 June 2026

Contents

Directors' report
Auditor's independence declaration
Statement of comprehensive income
Statement of financial position
Statement of changes in equity
Statement of cash flows
Notes to the financial statements
Directors' declaration
Independent auditor's report to the unit holders of L1 Capital International Fund

This annual report covers L1 Capital International Fund as an individual entity.

The Responsible Entity of L1 Capital International Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 22, 530 Collins Street,
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of L1 Capital International Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2026.

Principal activities

The Fund seeks to deliver attractive risk-adjusted returns over a long-term investment horizon by investing in high quality companies that it understands well and that have favourable cashflow-based valuations in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's Daily Class, L1 Capital International (Unhedged) Active ETF, is available on the Australian Securities Exchange ("ASX") as an exchange-traded fund (ETF), enabling Daily Class investors to buy and sell units on the ASX under the ticker L1IF.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers of the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	L1 Capital International Pty Limited
Custodian, Administrator and Registrar	Apex Fund Services Pty Ltd (an Apex Group Company)
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the year and up to the date of this report:

Michael J O'Brien	Chairman
Russell W Beasley	(appointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance for the year ended 30 June 2026 for L1IF was -6.49% (2025: 22.13%) (net of fees), Z Class was -5.97% (2025: 22.90%) (net of fees) and Class E was -6.11% (2025: Class E started trading from 1 April 2025, its return was 4.42% (net of fees) for the period from 1 April 2025 to 30 June 2025) (net of fees). The Fund's benchmark, the MSCI World Net Total Return Index in AUD, returned 14.78% (2025: 18.48%) for the year ended 30 June 2026.

The Fund's performance was impacted by the share price weakness in several high-quality portfolio holdings, including software and other businesses affected by concerns around AI disruption, as well as the rise in the Australian dollar. Relative performance was also impacted by a highly concentrated market environment, with benchmark returns dominated by a small number of AI and semiconductor-related companies in which the Fund had limited exposure.

The return achieved by the Fund for the reporting period is calculated as the percentage movement in NAV/units on issue from 30 June 2025 to 30 June 2026.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2026	30 June 2025
Profit/(loss) before finance costs attributable to unit holders for the year (\$'000)	(58,131)	108,028
L1IF		
Distributions paid and payable (\$'000)	2,929	14,261
Distributions (cents per unit)	3.7471	26.3235

Directors' report (continued)

Review and results of operations (continued)

	Year ended	
	30 June 2026	30 June 2025
Z Class		
Distributions paid and payable (\$'000)	3,035	12,078
Distributions (cents per unit)	2.3746	9.7327
E Class		
Distributions paid and payable (\$'000)	483	4
Distributions (cents per unit)	1.2430	4.8888

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may have a significant effect on:

- the operations of the Fund in future financial years; or
- the results of those operations in future financial years; or
- the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid out of the assets of the Fund in regard to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

Fees paid to and interests held in the Fund by the Responsible Entity and its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 13 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year is disclosed in Note 13 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 6 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
Director

Melbourne
17 September 2026



**Shape the future
with confidence**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's independence declaration to the Directors of Equity Trustees Limited as the Responsible Entity of L1 Capital International Fund

As lead auditor for the audit of the financial report of L1 Capital International Fund for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

E Reekie

Emma Reekie

Partner

17 September 2026

Statement of comprehensive income

	Note	Year ended	
		30 June 2026 \$'000	30 June 2025 \$'000
Income			
Interest income from financial assets at amortised cost		557	460
Dividend income		6,256	6,297
Net foreign exchange gain/(loss)		386	(134)
Net gains/(losses) on financial instruments at fair value through profit or loss		(57,630)	107,198
Management fees and costs reimbursement	13	728	580
Other income		637	1,412
Total income/(loss)		(49,066)	115,813
Expenses			
Management fees and costs	13	7,648	5,844
Performance fees	14	-	398
Withholding taxes		1,015	1,119
Transaction costs		291	400
Other expenses		111	24
Total expenses		9,065	7,785
Profit/(loss) before finance costs attributable to unit holders for the year		(58,131)	108,028
Finance costs attributable to unit holders			
Distributions to unit holders	7	(6,447)	(26,343)
(Increase)/decrease in net assets attributable to unit holders	6	64,578	(81,685)
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

		As at	
	Note	30 June 2026	30 June 2025
		\$'000	\$'000
Assets			
Cash and cash equivalents	8	37,207	27,149
Receivables	10	1,633	1,170
Financial assets at fair value through profit or loss	5	745,849	631,803
Total assets		784,689	660,122
Liabilities			
Distributions payable	7	6,447	26,343
Payables	11	1,700	1,434
Due to brokers - payable for securities purchased		-	1,705
Total liabilities (excluding net assets attributable to unit holders)		8,147	29,482
Net assets attributable to unit holders - liability	6	776,542	630,640

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Note	Year ended	
		30 June 2026 \$'000	30 June 2025 \$'000
Total equity at the beginning of the financial year		-	-
Comprehensive income for the financial year			
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income		-	-
Transactions with unit holders			
Applications		-	-
Redemptions		-	-
Distributions paid and payable		-	-
Total transactions with unit holders		-	-
Total equity at the end of the financial year*		-	-

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the beginning or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 2(c) and 6.

Statement of cash flows

	Note	Year ended	
		30 June 2026 \$'000	30 June 2025 \$'000
Cash flows from operating activities			
Proceeds from sale/maturity of financial instruments at fair value through profit or loss		214,590	214,521
Payments for purchase of financial instruments at fair value through profit or loss		(387,972)	(344,620)
Interest income received from financial assets at amortised cost		556	460
Dividends and distributions received		5,237	5,030
Management fees and costs reimbursement received		728	652
Tax expenses received/(paid)		71	(2,449)
Management fees and costs paid		(7,511)	(5,749)
Performance fees paid		(388)	(34)
Transaction costs paid		(291)	(400)
Other expenses paid		(146)	(76)
Net cash inflow/(outflow) from operating activities	9(a)	(175,126)	(132,665)
Cash flows from financing activities			
Proceeds from applications by unit holders		338,993	220,681
Payments for redemptions by unit holders		(133,624)	(74,582)
Distributions paid to unit holders		(20,571)	(3,136)
Net cash inflow/(outflow) from financing activities		184,798	142,963
Net increase/(decrease) in cash and cash equivalents		9,672	10,298
Cash and cash equivalents at the beginning of the year		27,149	16,985
Effect of foreign currency exchange rate changes on cash and cash equivalents		386	(134)
Cash and cash equivalents at the end of the year	8	37,207	27,149
Non-cash operating and financing activities	9(b)	5,772	1,025

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1. General information
2. Summary of material accounting policy information
3. Financial risk management
4. Fair value measurement
5. Financial assets at fair value through profit or loss
6. Net assets attributable to unit holders - liability
7. Distributions to unit holders
8. Cash and cash equivalents
9. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities
10. Receivables
11. Payables
12. Remuneration of auditors
13. Related party transactions
14. Transactions with the Investment Manager
15. Operating segments
16. Events occurring after the reporting period
17. Contingent assets and liabilities and commitments

1. General information

These financial statements cover L1 Capital International Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 1 February 2019 and will terminate in accordance with the provisions of the Fund's Constitution or by law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 22, 530 Collins Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The investment activities of the Fund are managed by L1 Capital International Pty Limited (the "Investment Manager"). The custody and administration services of the Fund are delegated to Apex Fund Services Pty Ltd (the "Custodian and Administrator").

The Fund seeks to deliver attractive risk-adjusted returns over a long-term investment horizon by investing in high quality companies that it understands well and that have favourable cashflow-based valuations in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's Daily Class, L1 Capital International (Unhedged) Active ETF, is available on the Australian Securities Exchange ("ASX") as an exchange-traded fund (ETF), enabling Daily Class investors to buy and sell units on the ASX under the ticker L1IF.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unit holders, the units are redeemable on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

i. Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2025 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

iii. New standards and interpretations not yet adopted

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories; and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

2. Summary of material accounting policy information (continued)

a. Basis of preparation (continued)

iii. New standards and interpretations not yet adopted (continued)

AASB 18 Presentation and Disclosure in Financial Statements (continued)

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will be applied retrospectively by the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. Management is in the process of assessing the impact of the new standard.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9] (effective for annual periods beginning on or after 1 January 2026).

In July 2024, the AASB issued amendments to AASB 7 Financial Instruments: Disclosures and AASB 9 Financial Instruments. This amendment amends requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features. It also amends disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and adds disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026.

Management is currently working to identify all the impact of the new standards and amendments on the primary financial statements and the related notes.

Certain amendments to accounting standards have been published that are not mandatory for the 30 June 2026 reporting year and have not been early adopted by the Fund. These amendments are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

b. Financial instruments

i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distribution payable, payables and due to brokers).

ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

2. Summary of material accounting policy information (continued)

b. Financial instruments (continued)

ii. Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

For further details on how the fair value of financial instruments is determined, please see Note 4 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses ("ECL").

Cash and cash equivalents and receivables, are carried at amortised cost.

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents and receivables) at an amount equal to the lifetime ECL if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The ECL approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

c. Net assets attributable to unit holders

The Fund's units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical; and
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and is not a contract settled in the Fund's own equity instruments; and the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As this is a multi-class Fund, units are classified as financial liabilities as they do not meet the requirements of equity in accordance with AASB 132 *Financial Instruments: Presentation*.

2. Summary of material accounting policy information (continued)

d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash at broker is included as a component of cash and cash equivalents. This balance is integral to the Company's cash management, to meet its short-term cash commitments, is readily accessible and is subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

e. Income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

ii. Dividends

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

iii. Net gains/(losses) on financial Instruments

Net gains/(losses) on financial Instruments arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

f. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

The management fees and costs covers certain ordinary expenses such as Responsible Entity fees, investment management fees, custodian fees, and administration and audit fees and other operating expenses.

Under the terms of the Fund's Constitution and Product Disclosure Statement, the Investment Manager is entitled to receive a performance fee in relation to the performance of the Fund. For information on how performance fees are calculated please refer to the Fund's Product Disclosure Statement.

g. Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to its unit holders on present entitlement basis.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

The Fund is subject to U.S. Income tax due to its investment in a publicly Traded Partnership (PTP). The Fund has made a provision for estimated U.S. income tax, which is recognised as a payable in the Statement of financial position and as foreign tax expense in the statement of comprehensive income. Any over-accrual, where applicable, is recognised as other income in the statement of comprehensive income and as a receivable in the statement of financial positions.

The amount of tax withheld and any U.S. tax paid, where applicable, will be disclosed as a Foreign Income Tax Offset (FITO) in the unitholders' annual AMMA tax statement.

2. Summary of material accounting policy information (continued)

h. Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. For the year ended 30 June 2026 and 30 June 2025, the distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

i. Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

j. Foreign currency translation

i Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

ii Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

k. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by year end. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

l. Receivables

Receivables may include amounts for interest and dividends. Dividends are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

n. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

2. Summary of material accounting policy information (continued)

o. Goods and services tax ("GST")

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits ("RITC") at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office ("ATO"). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows related to GST are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as an operating cash flow.

p. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future period affected.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For more information on how fair value is calculated please refer to Note 4 to the financial statements.

The Fund estimates that the resultant ECL derived from using the impairment model has not materially impacted the Fund. Please see Note 3 for more information on credit risk.

q. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

r. Operating segments

The Fund's ETF class units are within the scope of AASB 8: *Operating Segments* as they satisfy the requirement, under AASB 8, of having debt or equity instruments traded in a public market or filing financial statements with a regulator for the purpose of issuing any class of instruments in a public market.

3. Financial risk management

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

All investments present a risk of loss of capital. The maximum loss of capital on long equity securities is limited to the fair value of those positions.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, L1 Capital International Pty Limited under an Investment Management Agreement ("IMA") approved by the Responsible Entity containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

3. Financial risk management (continued)

a. Market risk

i. Price risk

The Fund is exposed to price risk on equity securities listed or quoted on recognised securities exchanges. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

The Fund uses a defined process to research and analyse stocks to invest in. A further defined process is then used to determine the structure of the portfolio to meet the investment return and level of risk of the portfolio. Diversification across a range of securities and sectors helps to mitigate this risk.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio of the Fund moves by +/-10% (2025: +/-10%).

ii. Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

The Investment Manager monitors this risk on an on-going basis. The Investment Manager manages risk on an absolute return basis in the reporting currency (i.e. Australian dollar), rather than the underlying currencies.

The table below summarises the fair value of the Fund's financial assets and liabilities monetary and non-monetary, which are denominated in a currency other than the Australian dollar.

	US Dollars A\$'000	Euro A\$'000	Taiwan Dollars A\$'000	Great British Pound A\$'000
As at 30 June 2026				
Monetary				
Cash and cash equivalents	33,214	-	-	-
Receivables	118	-	55	-
Total Monetary	33,332	-	55	-
Non-monetary				
Financial assets at fair value through profit or loss	689,787	7,585	28,459	20,019
Total Non-monetary	689,787	7,585	28,459	20,019
Net exposure	723,119	7,585	28,514	20,019
As at 30 June 2025				
Monetary				
Cash and cash equivalents	24,120	-	-	-
Receivables	93	-	-	74
Due to brokers - payable for securities purchased	-	(1,341)	-	(364)
Total Monetary	24,213	(1,341)	-	(290)
Non-monetary				
Financial assets at fair value through profit or loss	580,753	33,811	3,228	14,011
Total Non-monetary	580,753	33,811	3,228	14,011
Net exposure	604,966	32,470	3,228	13,721

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% (2025: +/-10%) against the material foreign currencies to which the Fund is exposed.

iii. Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

3. Financial risk management (continued)

a. Market risk (continued)

iii. Cash flow and fair value interest rate risk (continued)

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuations in the prevailing market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis. The impact of the interest rate risk on profit and net assets attributable to unit holders is considered immaterial to the Fund.

The Fund's main interest rate risk arises from its investments in cash holdings, net of broker advances. Interest income from cash holdings is earned at variable interest rates.

It is not possible for the Fund to manage interest rate risks (by fixing rates) as the Fund may need to draw on the cash at any point in time.

The table below summarises the Fund's exposure to interest rate risks at the end of the reporting period.

	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
As at 30 June 2026			
Financial assets			
Cash and cash equivalents	37,207	-	37,207
Receivables	-	1,633	1,633
Financial assets at fair value through profit or loss	-	745,849	745,849
Total financial assets	37,207	747,482	784,689
Financial liabilities			
Distributions payable	-	6,447	6,447
Payables	-	1,700	1,700
Total financial liabilities	-	8,147	8,147
Net exposure	37,207	739,335	776,542
As at 30 June 2025			
Financial assets			
Cash and cash equivalents	27,149	-	27,149
Receivables	-	1,170	1,170
Financial assets at fair value through profit or loss	-	631,803	631,803
Total financial assets	27,149	632,973	660,122
Financial liabilities			
Distributions payable	-	26,343	26,343
Payables	-	1,434	1,434
Due to brokers - payable for securities purchased	-	1,705	1,705
Total financial liabilities	-	29,482	29,482
Net exposure	27,149	603,491	630,640

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/- 100 basis points (2025: +/- 100 basis points) from the year end rates with all other variables held constant.

b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's profit/(loss) and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

3. Financial risk management (continued)

b. Summarised sensitivity analysis (continued)

	Impact on net assets attributable to unit holders			
	Price risk		Interest rate risk	
	+10% \$'000	-10% \$'000	+100bps \$'000	-100bps \$'000
As at 30 June 2026	74,585	(74,585)	372	(372)
As at 30 June 2025	63,180	(63,180)	271	(271)

	Impact on net assets attributable to unit holders					
	Foreign exchange risk					
	+10% US Dollars A\$'000	-10% US Dollars A\$'000	+10% Euro A\$'000	-10% Euro A\$'000	+10% Canadian Dollars A\$'000	-10% Canadian Dollars A\$'000
As at 30 June 2026	3,333	(3,333)	-	-	-	-
As at 30 June 2025	2,421	(2,421)	(134)	134	(29)	29

c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund is exposed to counterparty credit risk on cash and cash equivalents and other receivables.

The Fund determines credit risk and measures ECL for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. The Responsible Entity considers both historical analysis and forward looking information in determining any ECL. At 30 June 2026 and 30 June 2025, all receivables, amount due from brokers and cash are held with counterparties with a credit rating of AA- or higher and are either callable on demand or due to be settled within 1 week. The Responsible Entity considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Fund.

The Fund manages credit risk by only entering into agreements with credit worthy parties.

At 30 June 2026, the credit ratings of the Fund's bank and prime brokers as per Standard and Poor's were as follows:

	2026	2025
Australia and New Zealand Bank	AA-	AA-
National Australia Bank	AA-	AA-
Commonwealth Bank of Australia	AA-	AA-
JP Morgan Chase Bank N.A.	AA-	AA-

i. Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

ii. Other

The Fund is not significantly exposed to credit risk on other financial assets.

iii. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

3. Financial risk management (continued)

d. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or to fund foreign exchange related cash flow requirements.

The Fund manages liquidity risk by investing the majority of its assets in investments that can be readily disposed of.

In order to manage the Fund's overall liquidity, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders. The Fund did not reject or withhold any redemptions during 2026 and 2025.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

4. Fair value measurement

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

- Financial assets at fair value through profit or loss (see Note 5)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

a. Quoted prices in active markets (Level 1)

The fair value of financial instruments traded in active markets (such as listed equity securities) is based on their quoted market prices at the closing of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the close price; the quoted market price for financial liabilities is the current asking price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to risk.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

b. Recognised fair value measurements

The table below presents the Fund's financial assets measured and recognised at fair value as at 30 June 2026 and 30 June 2025.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2026				
Financial assets				
International listed equity securities	745,849	-	-	745,849
Total financial assets	745,849	-	-	745,849
As at 30 June 2025				
Financial assets				
International listed equity securities	631,803	-	-	631,803
Total financial assets	631,803	-	-	631,803

4. Fair value measurement (continued)

c. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

d. Financial instruments not carried at fair value

The financial instruments not measured at fair value through profit and loss include:

- i. Cash and cash equivalents, balances due from/to brokers, receivables and payables. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- ii. Net assets attributable to unit holders. The Fund routinely redeems and issues units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current year or prior year.

5. Financial assets at fair value through profit or loss

	As at	
	30 June	30 June
	2026	2025
	\$'000	\$'000
International listed equity securities	745,849	631,803
Total financial assets at fair value through profit or loss	745,849	631,803

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 4 to the financial statements.

6. Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended		Year ended	
	30 June		30 June	
	2026		2025	
	Units	\$'000	Units	\$'000
	'000		'000	
L1 Capital International (Unhedged) Active ETF - L1IF				
Opening balance	54,178	355,920	41,134	230,184
Applications	32,798	217,894	21,622	119,757
Redemptions	(9,165)	(58,393)	(8,674)	(40,257)
Reinvestment of distributions	367	2,412	96	540
Increase/(decrease) in net assets attributable to unit holders	-	(40,411)	-	45,696
Closing balance	78,178	477,422	54,178	355,920
L1 Capital International Fund - Z Class				
Opening balance	124,098	274,645	91,618	172,464
Applications	35,961	78,010	48,142	99,872
Redemptions	(33,745)	(72,897)	(15,920)	(34,165)
Reinvestment of distributions	1,517	3,358	258	485
Increase/(decrease) in net assets attributable to unit holders	-	(19,783)	-	35,989
Closing balance	127,831	263,333	124,098	274,645
L1 Capital International Fund - E Class				
Opening balance	75	75	-	-
Applications	41,432	42,589	75	75
Redemptions	(2,700)	(2,495)		
Reinvestment of distributions	2	2		
Increase/(decrease) in net assets attributable to unit holders	-	(4,384)	-	-
Closing balance	38,809	35,787	75	75
Total net assets attributable to unit holders	244,818	776,542	178,351	630,640

6. Net assets attributable to unit holders - liability (continued)

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

There are three separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. Except for different management fee rates and performance fee rates, the three different classes have the same preferences and restrictions. Unit holders participate in distributions and the proceeds of winding up of the Fund in proportion to the number of units held.

Units are redeemed on demand at the unit holders' option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Fund considers its net assets attributable to unitholders to be capital, notwithstanding their classification as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to at least daily applications and redemptions at the discretion of unit holders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a weekly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unit holders.

7. Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended 30 June 2026		Year ended 30 June 2025	
	\$'000	CPU	\$'000	CPU
L1IF				
June (payable)	2,929	3.7471	14,261	26.3235
Total distributions	2,929	3.7471	14,261	26.3235
Z Class				
June (payable)	3,035	2.3746	12,078	9.7327
Total distributions	3,035	2.3746	12,078	9.7327
E Class				
June (payable)	483	1.2430	4	4.8888
Total distributions	483	1.2430	4	4.8888
Total distributions	6,447		26,343	

8. Cash and cash equivalents

	As at	
	30 June 2026	30 June 2025
	\$'000	\$'000
Cash at bank	1,148	874
Cash at broker	36,059	26,275
Total cash and cash equivalents	37,207	27,149

9. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2026 \$'000	30 June 2025 \$'000
a. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the year	-	-
Increase/(decrease) in net assets attributable to unit holders	(64,578)	81,685
Distributions to unit holders	6,447	26,343
Proceeds from sale of financial instruments at fair value through profit or loss	214,590	214,521
Payments for purchase of financial instruments at fair value through profit or loss	(387,972)	(344,620)
Net gains/(losses) on financial instruments at fair value through profit or loss	57,630	(107,198)
Net foreign exchange gain/(loss)	(386)	134
Net change in receivables	(1,195)	(718)
Net change in payables	338	(2,812)
Net cash inflow/(outflow) from operating activities	(175,126)	(132,665)
b. Non-cash operating and financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	5,772	1,025
Total non-cash operating and financing activities	5,772	1,025

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

10. Receivables

	As at	
	30 June 2026 \$'000	30 June 2025 \$'000
Dividends receivable	173	169
GST receivable	175	140
Application receivable	129	271
Prepaid foreign tax	1,156	590
Total receivables	1,633	1,170

11. Payables

	As at	
	30 June 2026 \$'000	30 June 2025 \$'000
Management fees and costs payable	493	357
Performance fees payable	-	388
Redemptions payable	573	414
Subscriptions received in advance	634	275
Total payables	1,700	1,434

12. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2026	30 June 2025
	\$	\$
Ernst & Young		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	42,400	41,200
Total remuneration for audit and other assurance services	42,400	41,200
<i>Taxation services</i>		
Tax compliance services	25,156	19,195
Total remuneration for taxation services	25,156	19,195
Total remuneration of Ernst & Young	67,556	60,395
PricewaterhouseCoopers		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,448	2,448
Total remuneration for audit and other assurance services	2,448	2,448
Total remuneration of PricewaterhouseCoopers	2,448	2,448

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

13. Related party transactions

The Responsible Entity of L1 Capital International Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to Equity Trustees Limited are disclosed below.

The only related parties to the Fund, as defined by AASB 124 *Related Party Disclosures*, are the Responsible Entity, schemes managed by the Responsible Entity and key management personnel of the Responsible Entity.

a. Key management personnel

i. Directors

Key management personnel include persons who were directors of Equity Trustees Limited at any time during or since the end of the financial year and up to the date of this report.

Michael J O'Brien	Chairman
Russell W Beasley	(appointed 1 July 2025)
Mary A O'Connor	(resigned 1 July 2025)
David B Warren	
Andrew P Godfrey	
Johanna E Platt	

ii. Responsible Entity

Other than fees paid to the Responsible Entity, there were no other transactions.

iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

b. Transactions with key management personnel

There were no transactions with key management personnel during the reporting period.

13. Related party transactions (continued)

c. Key management personnel unit holdings

Key management personnel did not hold units in the Fund as at 30 June 2026 (30 June 2025: nil).

d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel.

e. Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

g. Responsible Entity fees and other transactions

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and its service providers as per Note 1 were as follows:

	Year ended	
	30 June	30 June
	2026	2025
	\$	\$
Management fees and costs for the year	7,647,654	5,843,498
Management fees and costs reimbursement for the year	728,088	579,653
Management fees and costs payable at year end	492,505	356,932

Equity Trustees Limited earned \$268,963 (2025: \$178,537) for Responsible Entity fees provided to the Fund paid from management fees and costs.

Under the terms of the Fund's Constitution and Product Disclosure Statement, management fees and costs include responsible entity fees paid to the Responsible Entity, management fees paid to the Investment Manager and other costs (such as custody fees, administration fees and audit fees) paid to other unrelated parties. Please refer to the Fund's Product Disclosure Statement for information on how management fees and costs are calculated.

Management fees and costs reimbursement represents monies put into the Fund to ensure that the Fund's overall management fees and costs remain within those disclosed in the Product Disclosure Statement.

13. Related party transactions (continued)

h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited) hold units in the Fund, as follows:

Unit holders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
As at 30 June 2026						
Equity Trustees Limited ATF L1 Staff Remuneration Trust	814,304	846,238	0.22	162,586	(130,652)	20,095
EQUITY TRUSTEES SUPERANNUATION LIMITED <ACCLAIM> and <AMG>	47,450	146,662	0.14	198,902	(99,690)	5,524
L1 Balanced Equities Fund	-	2,492,253	1.96	2,492,253	-	93,387
As at 30 June 2025						
Equity Trustees Limited ATF L1 Staff Remuneration Trust	509,144	814,304	0.29	322,163	(17,003)	79,254
Equity Trustees Limited ATF L1 Employees Remuneration Trust	345,013	-	-	-	(345,013)	-
EQUITY TRUSTEES SUPERANNUATION LIMITED <ACCLAIM> and <AMG>	-	47,450	0.05	52,065	(4,615)	-

i. Investments

The Fund did not hold any investments in Equity Trustees Limited or its related parties during the year (2025: nil).

14. Transactions with the Investment Manager

Management fees are paid by the Responsible Entity to the Investment Manager and are included in Management fees and costs as disclosed in Note 13(g).

Under the terms of the Fund's Product Disclosure Statement, the Investment Manager is also entitled to receive a performance fee based on the Fund's performance. For information on how performance fees are calculated please refer to the Fund's Product Disclosure Statement.

The transactions during the period and amounts payable at the period end between the Fund and the Investment Manager were as follows:

	Year ended	
	30 June 2026	30 June 2025
	\$	\$
Performance fees for the year	356	397,719
Performance fees payable at the year end	-	387,969

15. Operating segments

Operating segments are reported in a manner consistent with internal reporting to the Directors of the Responsible Entity. The Fund's investments are managed on a single portfolio basis in one operating segment, being investments in equity securities and cash and cash equivalents, and performance is reviewed against the performance of the Fund's target.

16. Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the year ended on that date.

17. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2026 and 30 June 2025.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c. Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
Director

Melbourne
17 September 2026



**Shape the future
with confidence**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Auditor's Report to the Unit Holders of L1 Capital International Fund

Opinion

We have audited the financial report of L1 Capital International Fund (the "Fund"), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

**Shape the future
with confidence**

1. Investment existence and valuation

Why significant	How our audit addressed the key audit matter
The Fund has an investment portfolio consisting primarily of listed equity securities. As at 30 June 2026, the financial assets made up approximately 95.06% of the total assets of the Fund. As disclosed in the Fund's accounting policy in Note 2(b) of the financial report, these financial assets are measured at fair value through profit or loss in accordance with the requirements of Australian Accounting Standards. Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets. Accordingly, existence and valuation of the investment portfolio was considered a key audit matter.	Our audit procedures included the following: - Obtained and reviewed the assurance report on the relevant controls of the Fund's administrator for the period 1 July 2025 to 30 June 2026, and assessed the external auditor's competence, objectivity, and findings. - Agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2026. - Assessed the fair value of all investments in the portfolio held at 30 June 2026. For listed securities, the values were verified against independent pricing vendors. - Assessed the adequacy and appropriateness of the disclosures included in Notes 2(b), 3, 4 and 5 to the financial report.

Information other than the Financial Report and Auditor's Report Thereon

The directors of Equity Trustees Limited (the Responsible Entity) are responsible for the other information. The other information comprises the information included in the Fund's 2026 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



**Shape the future
with confidence**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Responsible Entity.

Conclude on the appropriateness of the directors of the Responsible Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Responsible Entity with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors of the Responsible Entity, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Shape the future
with confidence**

Ernst & Young

Ernst & Young

E Reekie

Emma C Reekie
Partner
Melbourne
17 September 2026