

The Fund returned 2.8% in March, taking performance for the quarter to 7.3% (1 year 23.7%).

Since inception, the Fund has returned 39.0% p.a (after fees), far exceeding our investment objective of 10% p.a.

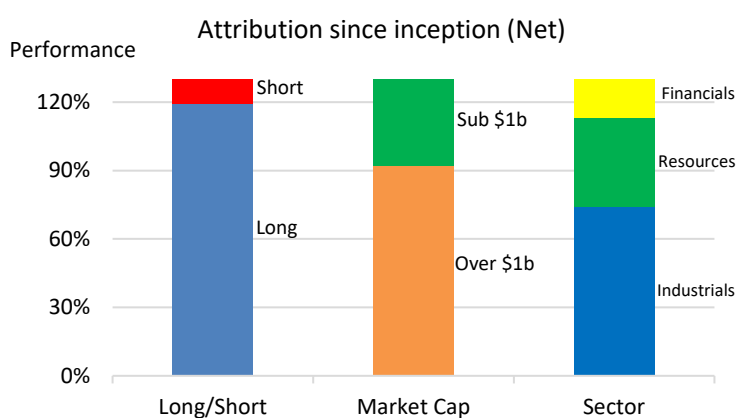
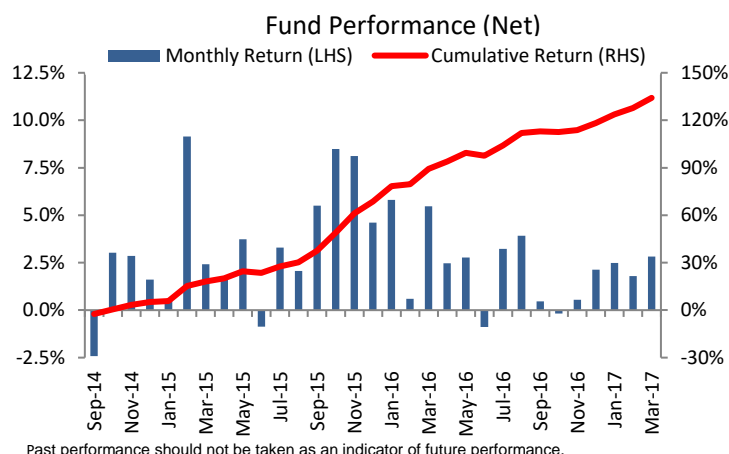
Performance continues to be generated from a very wide range of sectors and stocks.

The Fund has achieved outstanding risk-adjusted returns (sharpe ratio 4.0, sortino ratio 23.2, maximum drawdown 2.4%).

The Australian stockmarket continued its recent rally in March, with defensive sectors leading the market higher. Utilities (6.3%), Health Care (5.5%) and Consumer Staples (5.4%) were the top performers, while Telcos (0.2%) and Materials (0.4%) lagged significantly.

The Fund had a very strong month, given we have maintained a modest level of market exposure (beta 0.26). Some of the best performing stocks were AGL Energy, Nufarm & Nine Entertainment. AGL continued to rally given the dramatic increase in wholesale electricity prices and the likelihood of ongoing large earnings upgrades. The Fund bought AGL at around \$15 back in February 2015 and the shares have rallied over 70% since then. Nufarm delivered a strong first half result and we are optimistic about the embedded value of their Omega 3 asset. Nine Entertainment has rallied 30% since they delivered a very strong result in February. Nine is one of the most shorted stocks in the market, but we believe the stand-alone valuation is compelling and it is well positioned to benefit from any media consolidation that may eventuate.

We believe equity market volatility is likely to increase over the coming year as the Fed withdraws stimulus and the policy backdrop becomes less predictable. Given that, clients should expect short term periods of weakness or volatility in returns, however we remain confident in being able to deliver a 10% return p.a. over the long term.



Period	1 month	3 month	1 year	Since Inception (p.a)	Since Inception
Long Short Fund (Net Return)*	2.83%	7.27%	23.68%	39.01%	134.15%

FUND ANALYTICS

Annualised Returns	39.0%
Sharpe Ratio	4.0
Sortino Ratio	23.2
Annualised Volatility	9.2
Downside Deviation	1.7
Maximum Drawdown	-2.4%
Percentage of Positive Months	87%

FUND EXPOSURES

Exposures	Current Portfolio	Average Since Inception
No. of Positions	73	69
Net Long	55%	62%
Gross Long	133%	154%
Gross Short	78%	92%
Gross Exposure	210%	246%
Beta	0.26	0.39

*Note: All performance numbers are quoted after fees. All performance in this update prior to 3 October 2016 (being the date that the first retail class units were issued) relate to the wholesale class units which are subject to a different fee structure. 1. The value of the Fund's assets less the liabilities of the Fund net of fees, costs and taxes. 2. The redemption price is calculated by decreasing the NAV price by the sell spread (currently 0.25%). The NAV price is the NAV divided by the units on issue. Past performance is not predictive of future returns. Beta is calculated versus the ASX200AI.



L1 Capital Long Short Fund (Retail Class)

Monthly Performance (Net %)

Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct*	Nov	Dec	Year
2014									-2.42	3.03	2.85	1.61	5.07
2015	0.59	9.14	2.42	1.71	3.73	-0.86	3.30	2.06	5.51	8.49	8.11	4.61	60.52
2016	5.81	0.59	5.47	2.46	2.78	-0.89	3.22	3.92	0.46	-0.18	0.55	2.13	29.43
2017	2.48	1.79	2.83										7.27

Past performance should not be taken as an indicator of future performance.

FUND OBJECTIVE & STRATEGY

The L1 Capital Long Short Fund aims to deliver a net return of at least 10% p.a. over the long term.

L1 Capital uses a fundamental, bottom-up research process to identify securities with the potential to provide attractive risk-adjusted returns.

The core focus of the fund is the identification of equities that have substantial upside/downside compared to L1 Capital's valuation and qualitative assessment. Other equity related derivatives may be used where attractive opportunities are identified or to reduce portfolio risk. The fund utilises a variable beta strategy where market exposure is adjusted to reflect the manager's view of likely risk and return expectations for equities.

There have been no material changes in the Fund's risk profile or strategy since the last monthly newsletter.

L1 CAPITAL – COMPANY PROFILE

L1 Capital is a specialist boutique fund manager established in Melbourne in 2007. The business is 100% owned by its investment team led by Raphael Lamm & Mark Landau. L1 Capital launched its flagship L1 Capital Australian Equities Fund in August 2007. Since inception until the end of March 2017, the Australian Equities Fund achieved annual outperformance above the S&P/ASX200 Accumulation Index of 7.0% p.a. (before fees).

Raphael Lamm is a co-founder of L1 Capital and jointly manages L1 Capital's Australian Equities Fund & Long Short Fund. Raphael has primary responsibility for a number of industries including metals & mining, oil & gas, building materials and steel.

Mark Landau is a co-founder of L1 Capital and jointly manages the L1 Capital Australian Equities Fund & Long Short Fund. Mark has primary responsibility for a number of industries including banks, insurers, retail, healthcare and transport.

Lev Margolin is a portfolio manager of the L1 Capital Long Short Fund and is responsible for diversified financials, gaming, media, utilities, infrastructure and property sector research. There have been no changes in the Fund's key investment personnel since the last monthly newsletter.

FUND INFORMATION

Name	L1 Capital Long Short Fund	Minimum Investment	A\$25,000
Class of Units	Retail Class	Subscription Frequency	Daily
Structure	Unit Trust	Redemption Frequency	Daily
Domicile / Currency	Australia / AUD	Responsible Entity	Equity Trustees Limited
Fund Inception	1 September 2014	Administrator	White Outsourcing
Management Fee	1.54%	Auditor	Ernst & Young
Performance Fee	20.5%	Custodian	HSBC
High Watermark	Yes	Prime Brokers	Morgan Stanley Credit Suisse (Europe)
APIR / ISIN	ETL0490AU / AU60LCP00024	Legal Advisor	Hall & Wilcox

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There have been no changes to key service providers since the last monthly newsletter.

Information contained in this publication

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To whom this information is provided

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