



L1 CAPITAL

DAILY CLASS

Long Short Fund

Monthly Newsletter | September 2017

Redemption Price: 12059^{1/2} | Fund NAV: \$697m | Strategy NAV: \$779m

Monthly Net Performance (%)*

PERIOD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	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	1.01	4.14	1.68	2.61	1.67	1.91				21.97

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

Market and Fund Review

The Fund returned +1.9% in September, taking the return over the past 12 months to 25.0% (since inception 37.4% p.a.).

The Fund has achieved outstanding risk-adjusted returns (maximum drawdown 2.4%, sharpe ratio 4.1, sortino ratio 24.3).

The ASX200AI fell modestly in September (-0.02%) with the sharemarket stuck in a narrow trading range since May. Most sectors traded lower, with Telcos (-4.6%), Utilities (-3.7%) and Consumer Staples (-1.9%) the weakest sectors. Globally, the most notable trend was the rotation into cyclicals and financials, given stronger economic data and incremental information on President Trump's proposed tax cuts. Locally, economic data remains patchy, with retail sales and business confidence weakening, despite ongoing strength in house prices and employment.

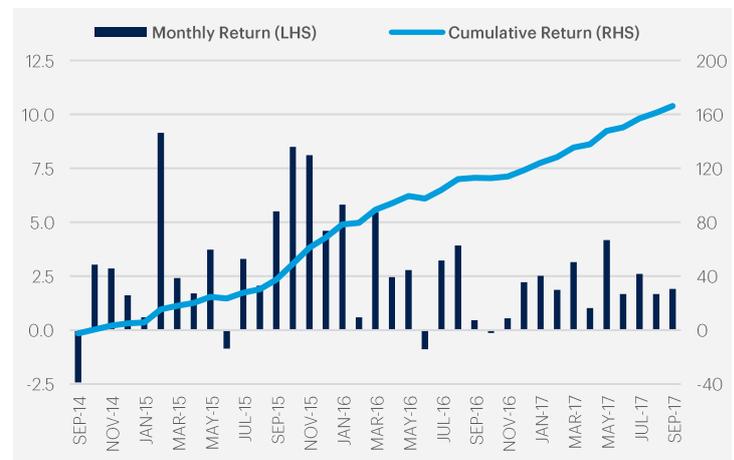
Some of the Fund's best performers in September were Mineral Resources, Boral and Bank of America. Performance was broadly spread, with international stocks contributing strongly again in September. Importantly, no position detracted more than 0.3% from performance in September.

Mineral Resources shares have rallied over 80% since June, as the market has begun to appreciate the scale and quality of their lithium mining business. The business is well placed to capitalise on the structural shift to electric vehicles as it is now one of the world's largest lithium miners. Management have done an exceptional job transitioning from a high cost iron ore miner to a diversified miner with a suite of growth projects across several commodities.

Performance during 2017 has been very strong (+22.0%), with the Fund delivering positive returns in every month so far.

We believe global equity market volatility remains at unsustainably low levels. Investors should expect the slowdown of central bank asset purchases to result in higher sharemarket and Fund volatility in the future. We remain confident in delivering our long-term target of 10% return p.a. (after fees).

Fund Performance (Net)*



Performance Metrics (%)*

LONG SHORT FUND

One month	1.91
Three month (rolling)	6.31
Calendar YTD	21.97
Financial YTD	6.31
One year	25.02
Two years (p.a.)	39.18
Three years (p.a.)	39.73
Since inception (p.a.)	37.38
Since inception (cumulative)	166.24

Fund Characteristics*

CURRENT AVG SINCE INCEPTION

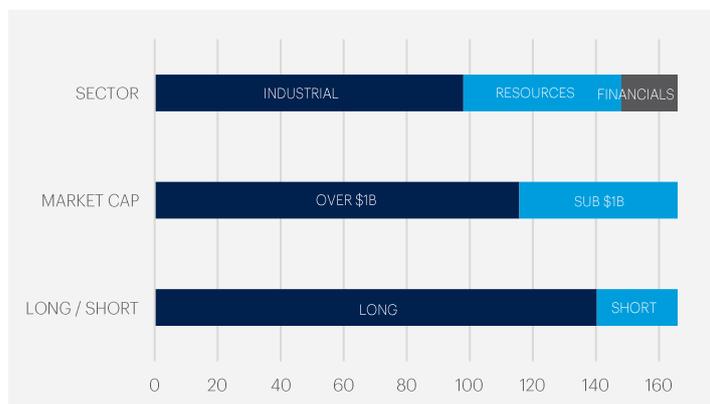
Number of positions	80	71
Number of long positions	48	48
Number of short positions	32	23
Gross long exposure (%)	111%	147%
Gross short exposure (%)	62%	88%
Gross exposure (%)	173%	235%
Net exposure (%)	49%	60%

Risk Metrics*

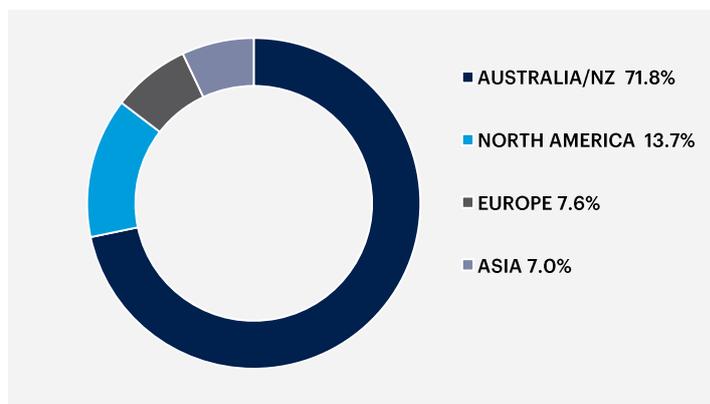
LONG SHORT FUND

Beta	0.25
Sharpe ratio	4.1
Sortino ratio	24.3
Maximum drawdown	2.4%
Percentage of positive months	89.2%
Annualised standard deviation	8.6%
Annualised downside deviation	1.5%

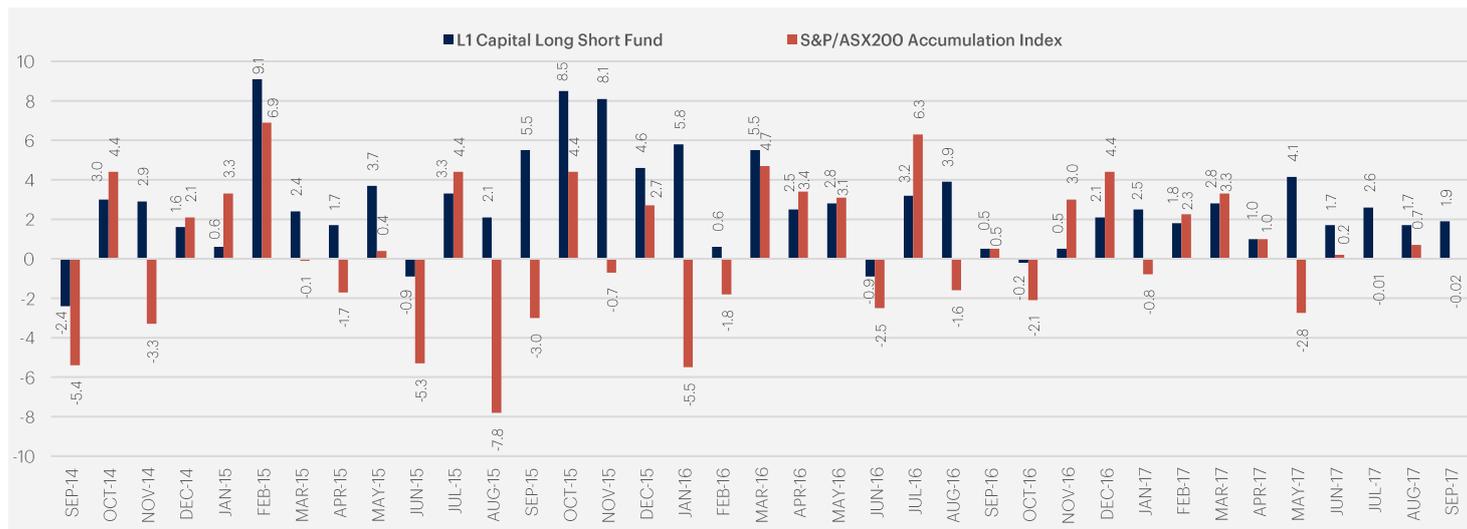
Attribution since inception (Net %)*



Gross exposure by region*



Monthly Fund Performance vs S&P/ASX200 Accumulation Index (since inception)*



Fund Information

Name	L1 Capital Long Short Fund
Class of Units	Daily
Structure	Unit Trust
Domicile / Currency	Australia / AUD
Inception	1 September 2014
Management Fee	1.54%
Performance Fee	20.50%
High Watermark	Yes
APIR / ISIN	ETL0490AU / AU60LCP00024
Minimum Investment	A\$25,000
Subscription Frequency	Daily
Redemption Frequency	Daily

Service Providers

Responsible Entity	Equity Trustees Limited
Prime Broker	Morgan Stanley, Credit Suisse (Europe)
Fund Administrator	Link Fund Solutions (formerly White Outsourcing)
Fund Auditor	EY
Fund Custodian	HSBC
Legal Advisor	Hall & Wilcox

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



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Information contained in this publication

*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.

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