

# L1 Capital International Fund (Managed Fund)

August 2024

- The Fund returned -1.3% in August, compared to the Benchmark of -1.2%.
- Over the past year, the Fund has returned 19.5%, outperforming the Benchmark by 0.7%.
- We recently provided an update on the investment environment and positioning of the Fund. To watch the replay, please click [here](#).

## L1 Capital International Fund (Managed Fund)

L1 Capital International Fund (Managed Fund) is a high conviction international equities strategy launched in March 2019. The Fund's objective is to deliver attractive, risk-adjusted returns whilst lowering the risk of permanent capital loss. It invests in ~25 high quality companies without the constraints of artificial concepts such as 'Growth' or 'Value', as well as investing in a wide range of companies by size. The team uses fundamental, bottom-up analysis with detailed risk assessment to invest in companies we consider to:

- Operate in well structured, growing industries
- Have durable business models
- Have aligned management with a strong capital allocation track record
- Generate growing free cashflow
- Demonstrate an ability to sustain high returns on invested capital
- Have proactive, favourable ESG policies and practices
- Have attractive capital management policies

## Fund performance (Net) (%)<sup>1</sup>

	Fund	Index**	Out-performance
<b>1 month</b>	(1.3)	(1.2)	–
<b>3 months</b>	4.9	4.5	+0.4
<b>1 year</b>	19.5	18.8	+0.7
<b>3 years p.a.</b>	8.3	9.6	(1.3)
<b>5 years p.a.</b>	13.3	13.0	+0.4
<b>Since Inception* p.a.</b>	14.5	13.4	+1.1
<b>Since Inception* cumulative</b>	111.1	99.8	+11.3

## NAV price as at 31 August 2024

**\$5.85**

\* Unit Trust Inception is 1 March 2019 (returns measured from Index close). ETMF Inception is 22 November 2023. Numbers rounded to one decimal place and may not add due to rounding. \*\* MSCI World Net Total Return Index in A\$. Past performance should not be taken as an indicator of future performance.

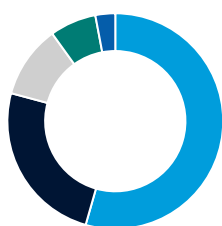
On 22 July 2024, the L1 Capital International team launched a new listed, hedged vehicle called **L1 Capital International (Hedged) Active ETF** (ASX: L1HI and APIR: ETL3815AU).

The underlying portfolio of investments is the same as the L1 Capital International Fund (Managed Fund) but with a currency hedge overlay.

Like the L1 Capital International Fund (Managed Fund), it has a 'dual registry' structure that allows investors to buy and sell shares both off-market via the registry and on-market via the ASX.

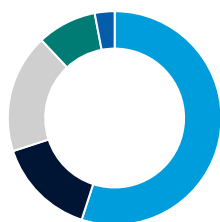
Strategy returns (Net)<sup>2</sup> (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019			0.8	5.8	(2.7)	4.4	2.8	1.5	(0.5)	(0.7)	4.9	(1.4)	15.4
2020	6.0	(2.6)	(8.9)	2.0	3.6	(2.5)	1.5	3.8	(0.3)	(1.1)	3.5	(0.3)	3.8
2021	6.1	2.9	5.4	5.9	(0.2)	5.5	3.4	4.6	(4.1)	1.1	3.8	1.1	41.1
2022	(4.1)	(5.6)	(4.3)	(3.6)	(0.4)	(6.4)	10.2	(4.3)	(5.5)	7.1	1.3	(6.3)	(21.1)
2023	5.4	1.4	6.4	1.9	3.0	3.8	2.2	4.6	(3.1)	(1.1)	5.0	2.7	36.9
2024	6.1	5.0	2.3	(3.7)	0.4	0.4	5.8	(1.3)					15.6

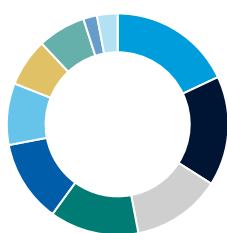
Revenue exposure by region<sup>3</sup>

- North America 55%
- Western Europe 25%
- Asia Pacific 11%
- Rest of World 7%
- Cash 3%

## Market capitalisation exposure (in US\$)



- \$100 billion+ 55%
- \$50-100 billion 15%
- \$10-50 billion 18%
- <\$10 billion 9%
- Cash 3%

Sector exposure<sup>4</sup>

- Software / Services 18%
- Consumer Discretionary 16%
- Health Care 13%
- Materials 13%
- Payments 12%
- Financials 9%
- Exchanges 7%
- Commercial Services 7%
- Industrials 2%
- Cash 3%

## Top 10 holdings

As at 31 August 2024 (In alphabetical order)		Sector
<b>AerCap Holdings</b>		Financials
<b>Amazon.com</b>	Software / Services / Consumer Discretionary	
<b>Booking Holdings</b>		Consumer Discretionary
<b>CRH</b>		Materials
<b>Eagle Materials</b>		Materials
<b>HCA Healthcare</b>		Health Care
<b>Intercontinental Exchange</b>		Exchanges
<b>Mastercard</b>		Payments
<b>Microsoft</b>	Software / Services	
<b>Visa</b>		Payments

2. All performance numbers are quoted net of fees. Net returns are calculated based on the movement of the underlying investment portfolio. Figures may not sum exactly due to rounding. Past performance should not be taken as an indicator of future performance. 3. Revenue by region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio. 4. Sector exposure is defined by L1 Capital International to best describe the nature of the underlying businesses.

## Fund Information

<b>Name</b>	L1 Capital International Fund (Managed Fund)
<b>Portfolio Manager</b>	David Steinthal, Chief Investment Officer
<b>Types of investments</b>	Listed securities globally. Developed market focus. No shorting, no leverage.
<b>Number of investments</b>	20 to 40
<b>Cash weighting</b>	0% to 25%
<b>Minimum initial investment</b>	\$25,000
<b>Hedging</b>	Unhedged
<b>Structure</b>	Dual Registry
<b>Inception</b>	Unit Trust: 1 March 2019. ETMF: 22 November 2023
<b>Domicile/currency</b>	Australia/\$
<b>Management fee*</b>	1.20% p.a.
<b>Expenses</b>	Nil (included in Management Fee)
<b>Benchmark</b>	MSCI World Net Total Return Index in \$
<b>Performance fee**</b>	15% over Benchmark
<b>High watermark</b>	Yes
<b>APIR / ISIN / ASX Ticker</b>	ETL1954AU / AU0000302960 / L1IF
<b>Platform Availability</b>	Asgard, Australian Money Market, BT Panorama, CFS Firstwrap, HUB24, Macquarie Wrap, Mason Stevens, Netwealth, North, Powerwrap, Praemium, Xpand

## L1 Capital International overview

L1 Capital International is an independent active manager of global equities. We apply a detailed investment process built on a fundamental assessment of quality and value. We aim to deliver attractive risk-adjusted returns by investing in high quality companies that have favourable cashflow-based valuations in well-structured industries. Capital preservation over the investment horizon is central to our investment philosophy and process. We view risk as the potential for a permanent loss of capital as opposed to volatility in share prices. Additional information on L1 Capital International is available at [www.L1International.com](http://www.L1International.com).



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**Key service providers for the Fund are:** Responsible Entity – Equity Trustees Limited, Fund Administrator and Fund Custodian – Apex Group, Fund Auditor – EY, Legal Advisor – Baker & McKenzie. There have been no changes to key service providers since the last report.

\* All fees are quoted inclusive of GST and net of RITC. \*\* There must be positive absolute performance (adjusted for distributions) in the performance period. Otherwise, positive relative performance carries forward to next Period.

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