



L1 Capital International (Unhedged) Active ETF (ASX:L1IF)

Investment Environment and Portfolio Update

2 September 2025

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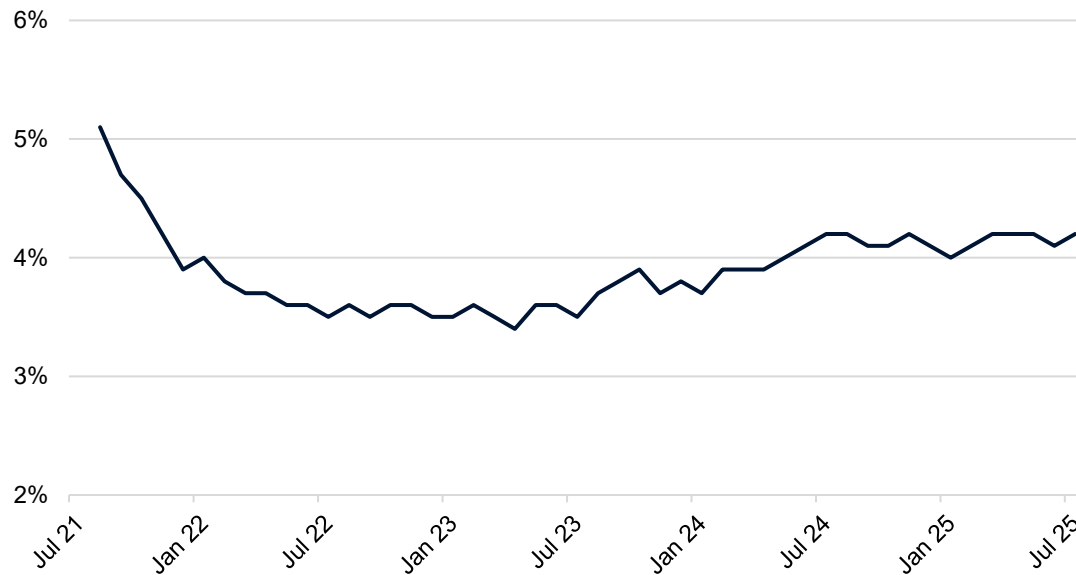
Investment environment



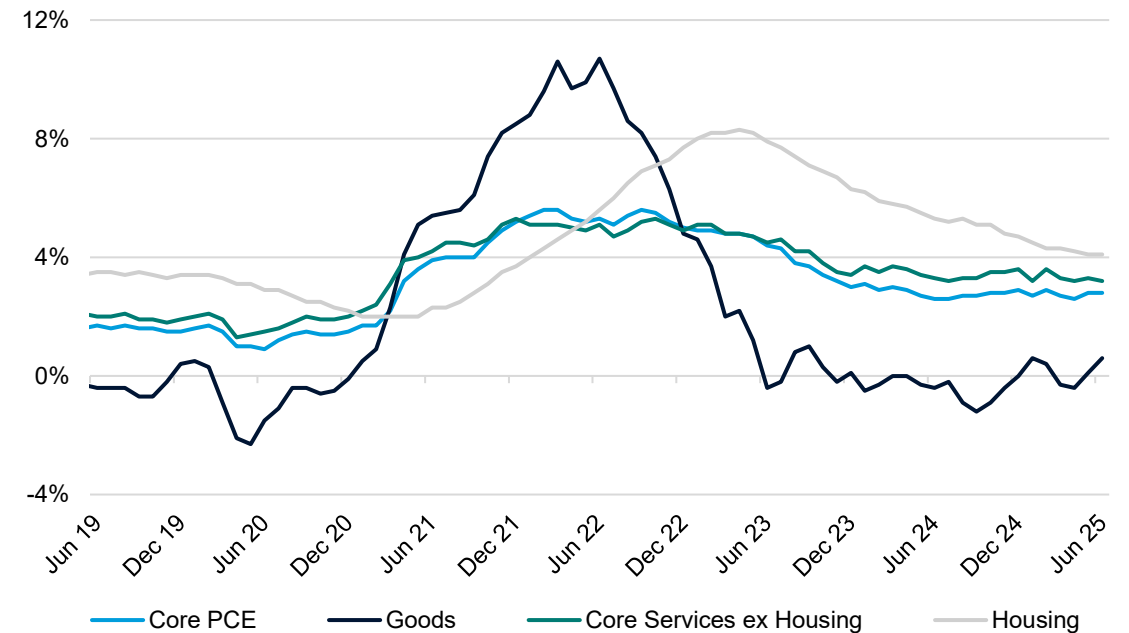
Unemployment vs. Inflation

- U.S. unemployment has gradually increased
- Goods inflation is showing early signs of upward pressure from tariffs

U.S. unemployment rate



U.S. inflation growth by category

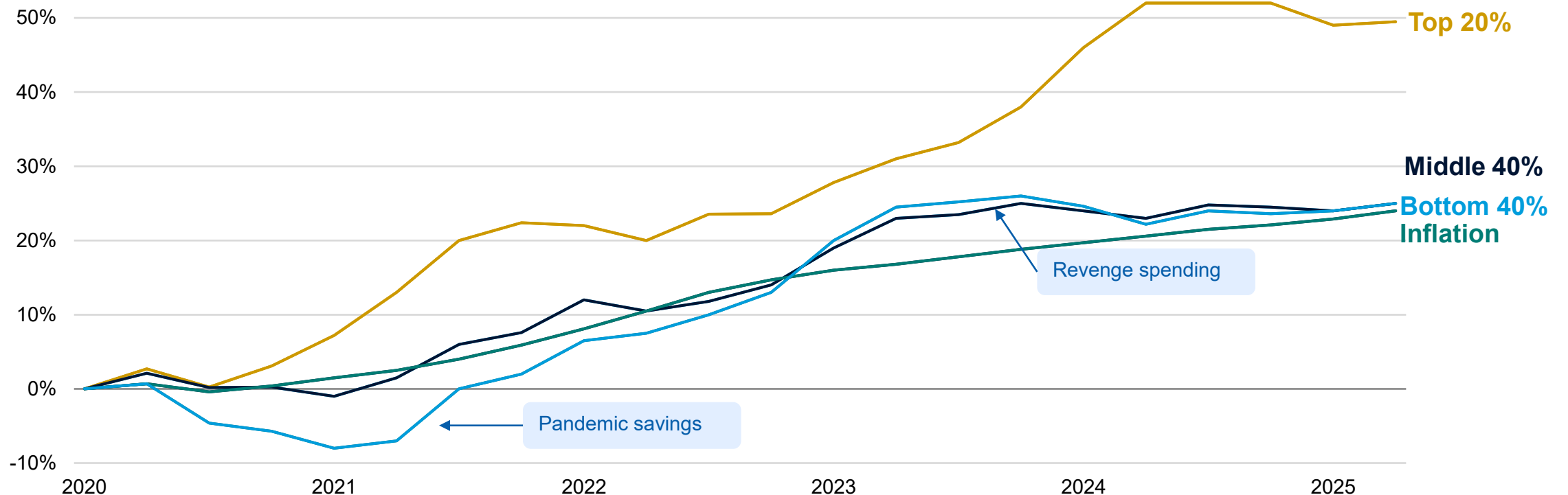


Source: Federal Reserve Bank of St. Louis, Bureau of Economic Analysis

Wealthier Americans are still spending and driving the economy

Lower socio-economic consumers remain under pressure

U.S. consumer spending growth by income group



Source: Moody's Analytics

Federal Fund Rate vs. projections

The market is pricing in 1 to 3 rate cuts during the balance of 2025

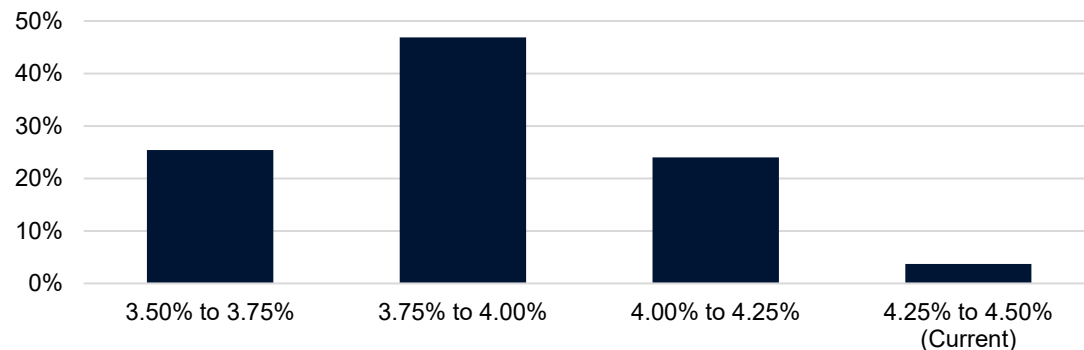
“ Jerome ‘Too Late’ Powell must NOW lower the rate...The damage he has done by always being Too Late is incalculable. Fortunately, the economy is soo good that we’ve blown through Powell and the complacent Board. ”

PRESIDENT TRUMP
AUGUST 2025

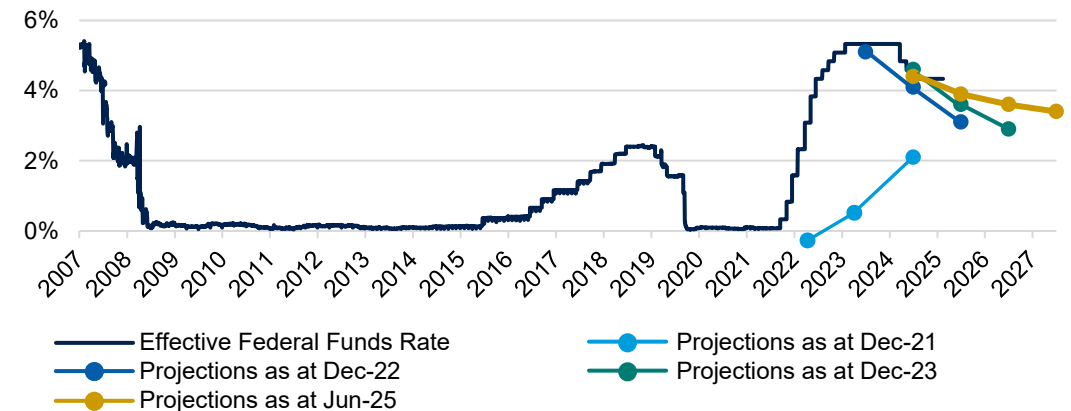
“ In the near term, risks to inflation are tilted to the upside, and risks to employment to the downside – a challenging situation... with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance. ”

JEROME POWELL, CHAIR FEDERAL RESERVE
AUGUST 2025

Fed Fund target rate probabilities for December 2025



Federal Reserve Funds Rate and market projections



Source: Bottom chart – CME. Source RH chart – FOMC projections, June 2025, St Louis Federal Reserve

Central Bank rate cutting cycle

Most Central Banks have responded to economic uncertainty by cutting interest rates

Since our last update, short-term rates have been cut further in the E.U., U.K., Australia, New Zealand and China

Central Bank overnight rates

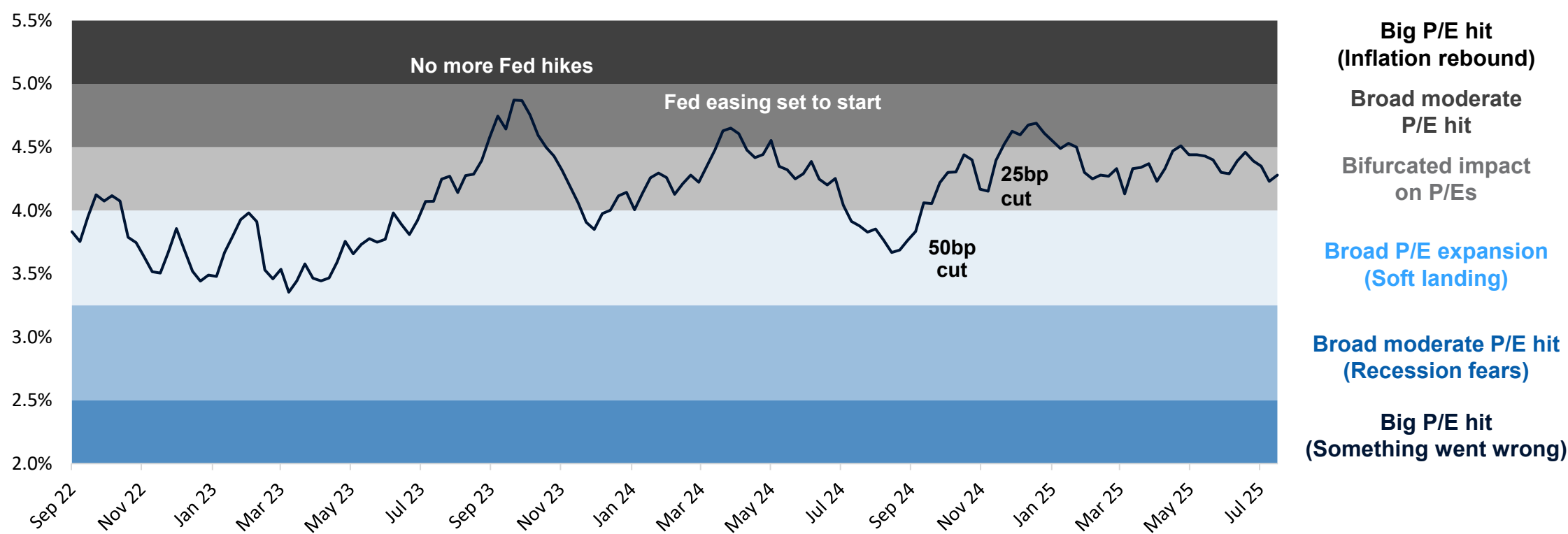
	U.S.	ECB	U.K.	Australia	Canada	N.Z.	China
Overnight Rate – December 2023	5.32	4.00	5.19	4.35	5.00	5.50	2.65
Number of rate cuts	3	8	5	3	7	7	3
Overnight Rate – August 2025	4.33	2.00	4.00	3.60	2.75	3.00	2.25

Source: Federal Reserve Bank of New York, European Central Bank, Bank of England, Reserve Bank of Australia, Bank of Canada, Reserve Bank of New Zealand, Bloomberg

Equity markets remain in the grey zone

No substantial change in longer-term interest rates during 2025

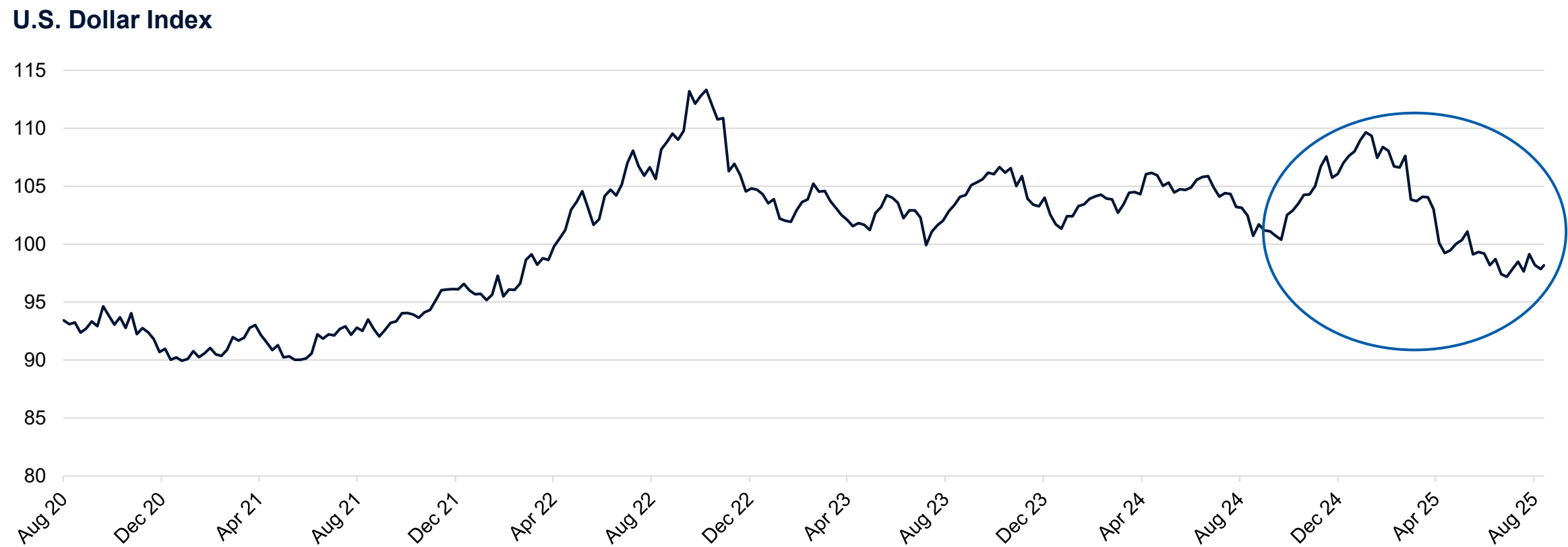
10-year U.S. Treasury Yield (%)



Source: St Louis Federal Reserve, Piper Sandler, L1 Capital International

U.S. Dollar Index

The U.S. dollar has been under pressure in 2025

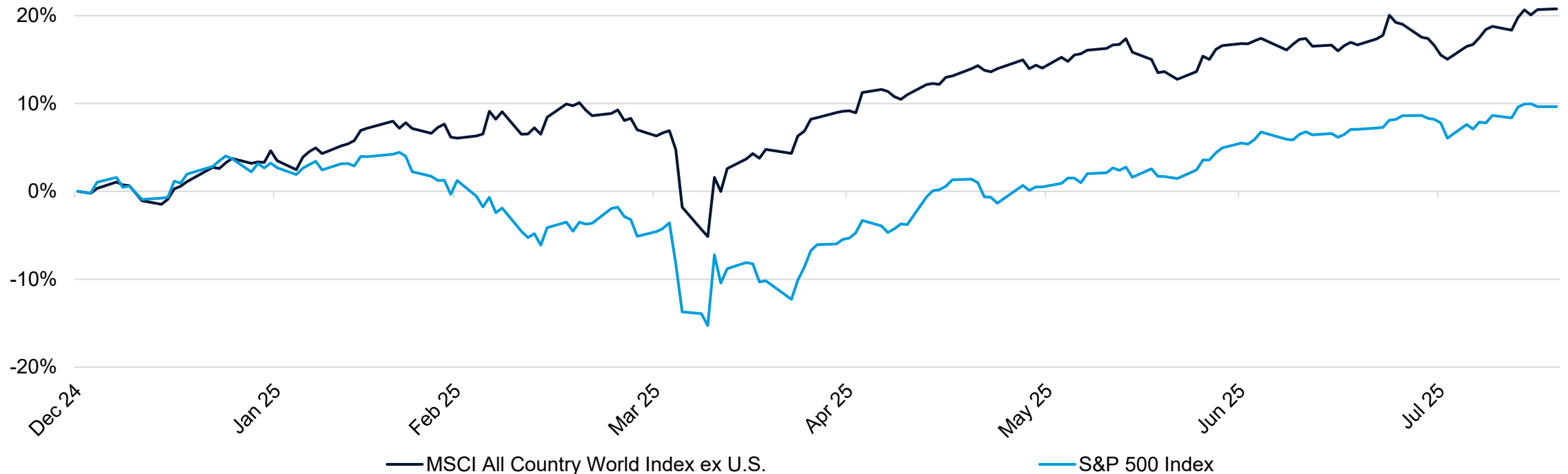


Source: Bloomberg

World stock market performance

The U.S. stock market has underperformed global stock markets in 2025

MSCI All Country World Index ex U.S. vs S&P 500 Index

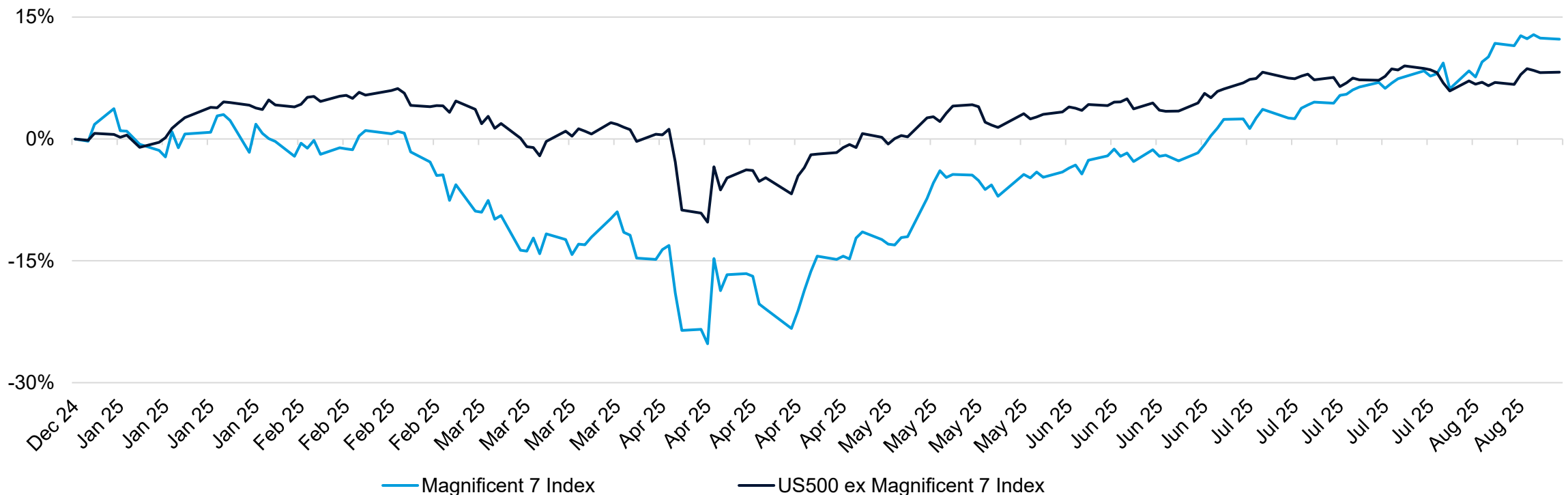


Source: Bloomberg

Magnificent 7

The Magnificent 7, collectively, have only modestly outperformed the remainder of the U.S. market

Magnificent 7x vs. S&P500 ex Magnificent 7

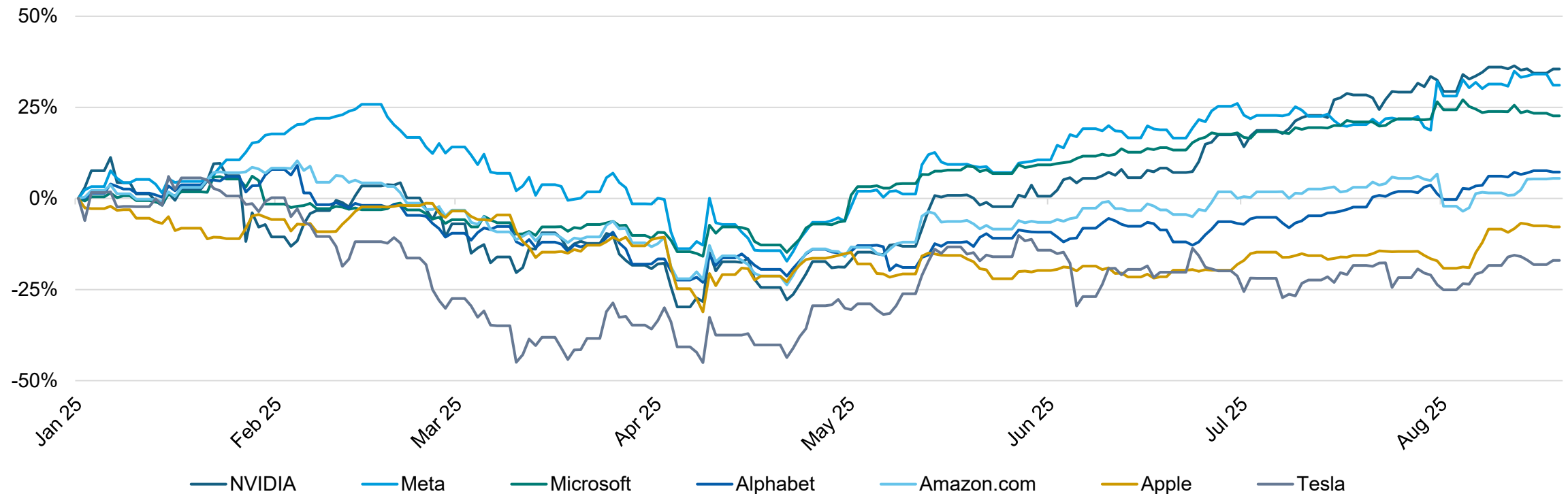


Source: Bloomberg

Magnificent 7 (continued)

There has been wide variation in the performance of the Magnificent 7 so far in 2025

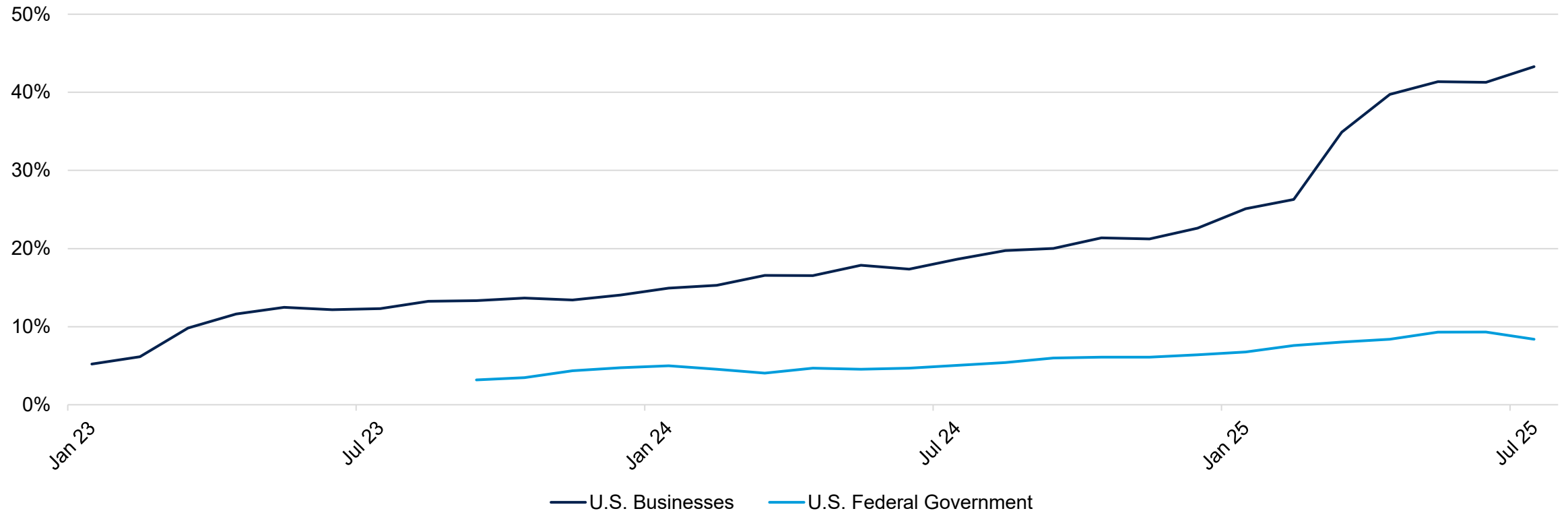
Magnificent 7 share price performance – 2025



Source: Bloomberg

AI is not a fad, but finding compelling investment exposure is challenging

Ramp AI Index: Share of U.S. businesses and U.S. Federal Government with paid subscription to AI models, platforms and tools



Source: Ramp



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L1 Capital International (Unhedged) Active ETF (ASX:L1IF)



L1 Capital International (Unhedged) Active ETF

Outperforming the MSCI World Index Benchmark over all time horizons, top quartile returns[^]

Fund performance* (Net, %)	Fund	Benchmark**	Alpha
1 month	1.8	3.1	(1.3)
3 months	8.3	11.2	(2.9)
1 year	17.5	17.4	+0.1
3 years p.a.	20.1	19.0	+1.1
5 years p.a.	17.2	16.3	+1.0
Since Inception p.a.	15.4	14.4	+1.0
Since Inception cumulative	151.2	137.3	+13.9

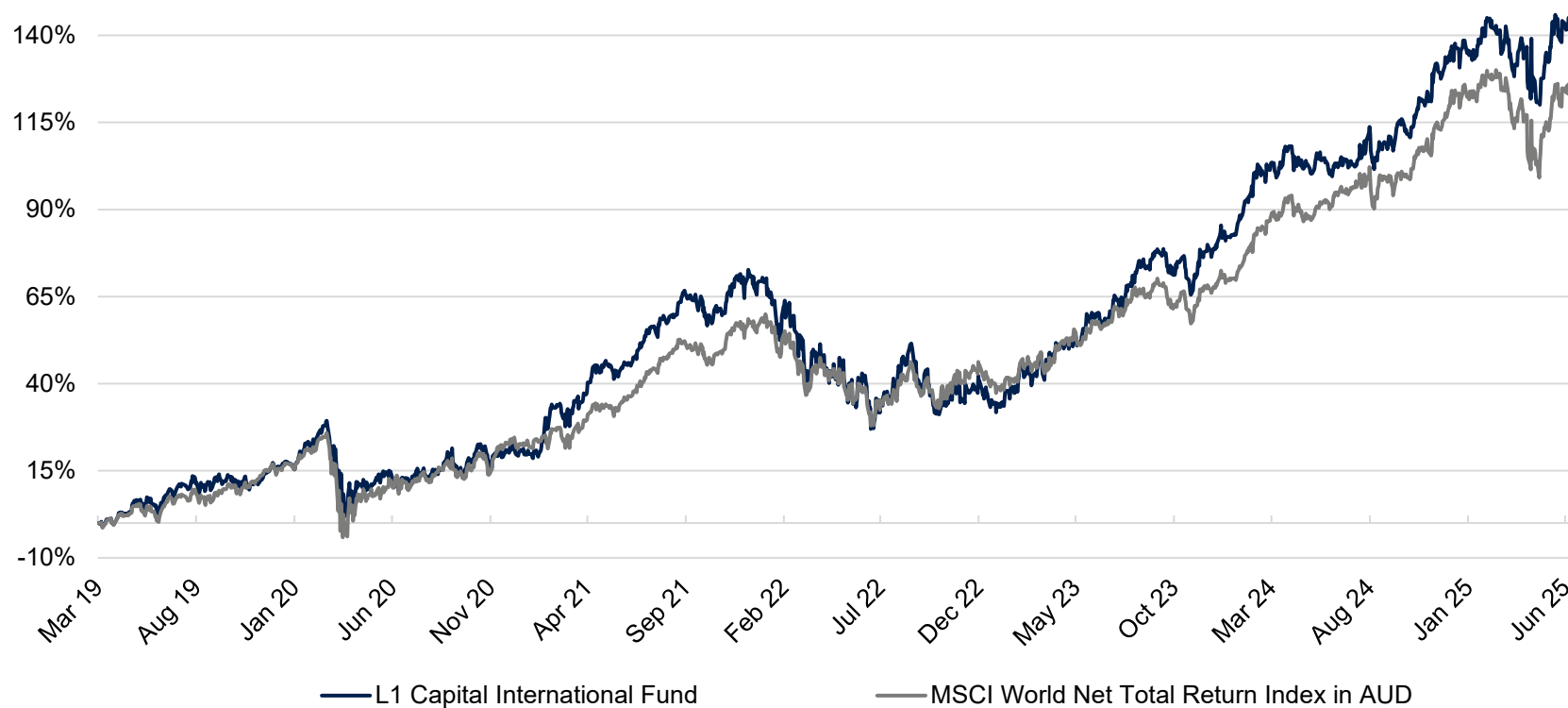
Performance objectives

- Seeks to deliver attractive risk-adjusted returns over a medium to long term investment horizon whilst lowering the risk of a permanent loss of capital
- Aims to outperform the Benchmark over rolling 5-year periods (net of all fees and expenses, before tax)

Source: L1 Capital International and MSCI as at 31 July 2025. All performance numbers are quoted net of fees. *Unit Trust Inception is 1 Mar 2019 (returns measured from Index close). ETMF Inception is 22 November 2023. Numbers may not add due to rounding. Past performance should not be taken as an indicator of future performance. ** MSCI World Net Total Return Index in AUD. See important information at the end of this pack regarding MSCI indices. ^ Ranking in Morningstar peer group "Australia – Equity World Large Blend" as at 31 July 2025 for 3, 5 years and since Inception.

L1 Capital International (Unhedged) Active ETF: Performance

Returns since inception on 1 March 2019 (Net, %)



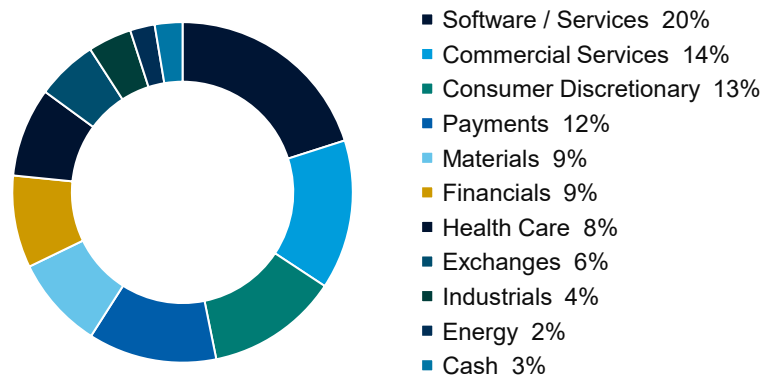
151.2% return
net of fees,
versus
the Benchmark
return of **137.3%**

Source: L1 Capital International and MSCI as at 31 July 2025. Unit Trust Inception is 1 Mar 2019 (returns measured from Index close). ETMF Inception is 22 November 2023. Past performance should not be taken as an indicator of future performance. See important information at the end of this pack regarding MSCI indices.

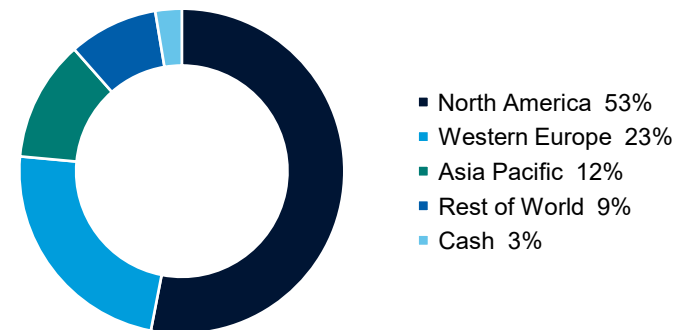
Current portfolio positioning: Diversified by industry, region and company size

Portfolio focused on high quality companies in developed markets in a range of generally capital light, well structured and growing industries

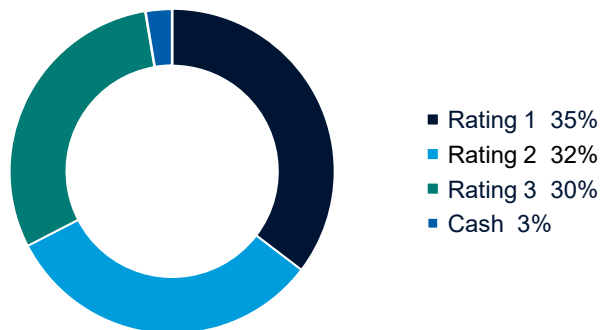
Sector exposure



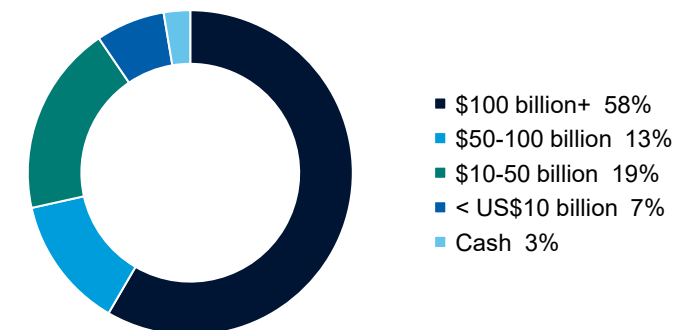
Regional exposure by region¹



L1 Capital International Quality Rating



Market capitalisation exposure (in US\$)²



Source: L1 Capital International as at 31 July 2025. 1. Revenue by region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio. 2. Sector exposure is defined by L1 Capital International to best describe the nature of the underlying businesses.

Current portfolio metrics

Portfolio compared to the MSCI World Index and ASX 200 – financial metrics reflecting portfolio quality

2024 metrics

	Fund ¹	MSCI World Index ¹	ASX 200 ¹
Revenue growth	10%	5%	2%
Gross margin ²	58%	31%	40%
Operating margin	29%	13%	14%
Cash conversion ³	85%	ND	ND
Net debt to EBITDA	1.0x	1.7x	3.4x
Return on equity	39%	14%	9%

2025 metrics

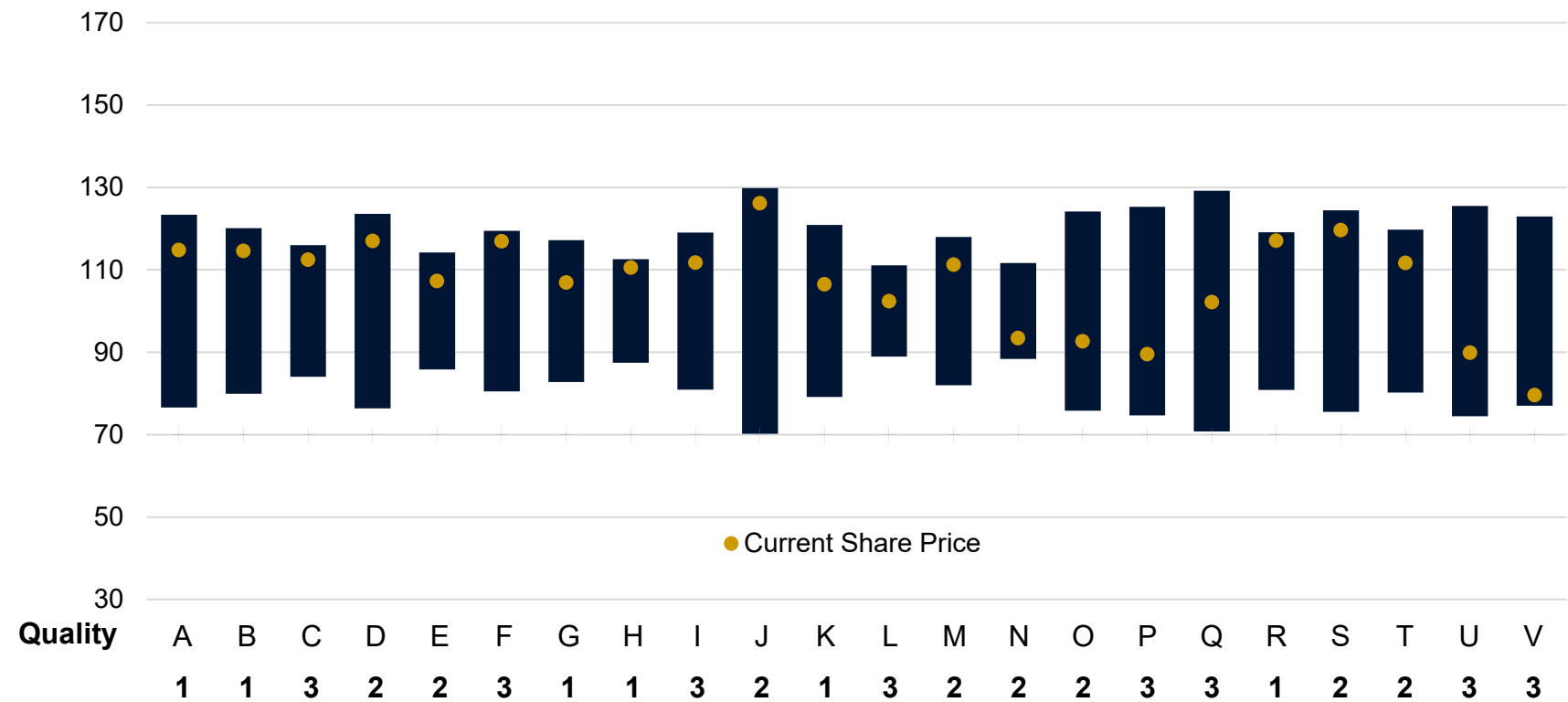
	Fund ¹	MSCI World Index ¹	ASX 200 ¹
P/E ⁴	24x	21x	19x
Dividend yield	1.0%	1.9%	4.0%

1. Fund metrics are weighted average excluding cash. Fund company metrics excluded where ratios are distorted or unavailable. MSCI World Index and ASX 200 as calculated by Bloomberg (using a weighted average of the constituents). Metrics are as of June 2025. 2. L1 Capital International's estimate when not disclosed by the company. 3. Operating cash flow minus capex divided by net income. Cash conversion for the fund is adjusted to remove the benefit of stock-based compensation from operating cash flow. Cash conversion for the index is not disclosed. 4. Fund P/E is based on L1 Capital International's assessment of economic EPS (which includes stock-based compensation as an expense) – conservative compared to Index calculation Source: L1 Capital International and MSCI. See important information at the end of this pack regarding MSCI indices.

Portfolio valuation compared to 12-month trading range

Strong recovery in share prices following Liberation Day sell-off, but still well below 12-month highs on average

Portfolio investments – Share price compared to 12-month trading range (rebased)



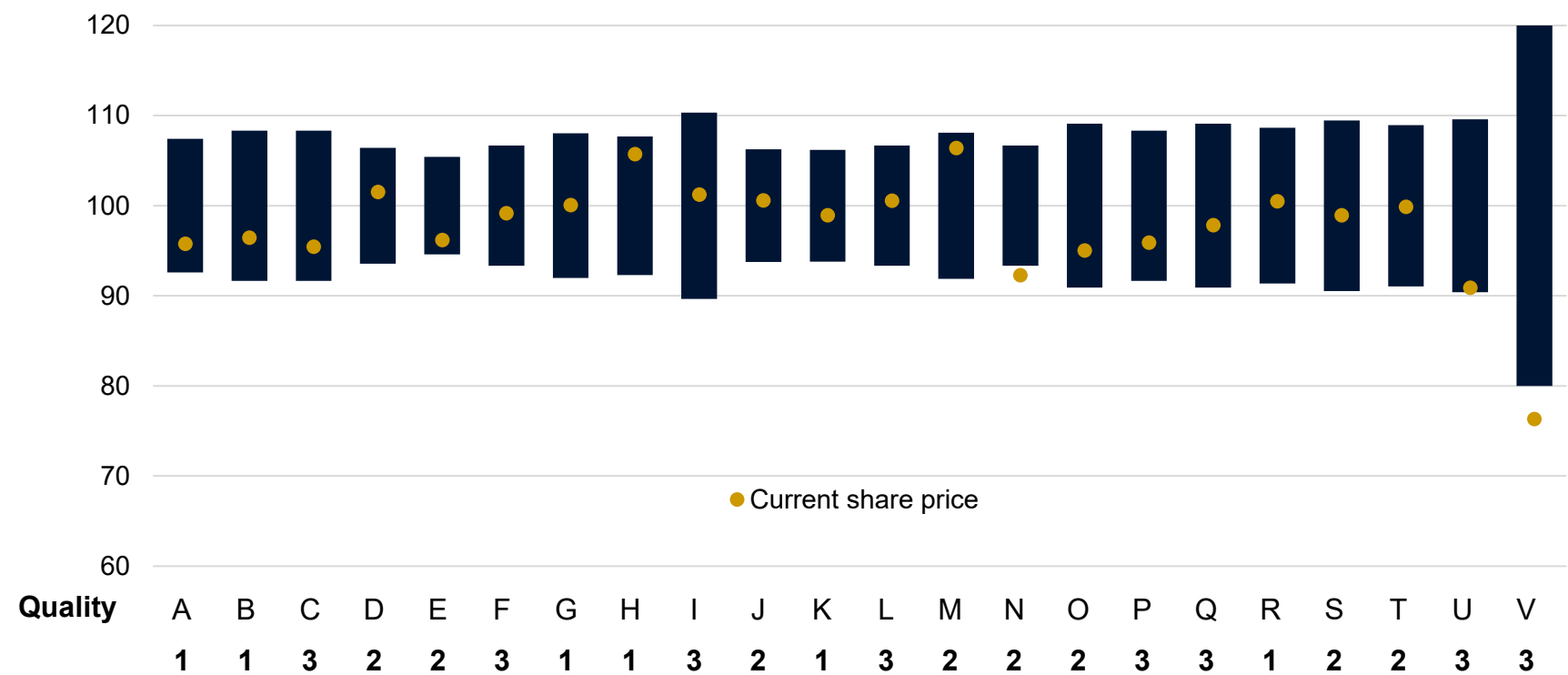
- Portfolio has traded on average around 20% from mid-point of 12-month trading range
- Share prices have generally recovered from Liberation Day sell-off, but are on average 11% below their 12-month highs
- Sentiment and near-term outlook continues to be a key driver of share prices

Source: Bloomberg and L1 Capital as at 19 August 2025

Portfolio valuation compared to share price

Portfolio broadly fairly valued, we are avoiding market segments where share prices are being driven by sentiment, not fundamentals

Portfolio investments – Share price compared to valuation range (rebased)



- **High conviction in largest positions** – top 10 around 64% of total portfolio
- **Modest portfolio adjustments** over the past few months
- **Quarterly results** largely in line or ahead of our **base case** expectations
- Increased **TSMC** position size and now a top 10 holding
- **HCA** trimmed after strong share price recovery. Regulatory outlook remains uncertain

Source: Bloomberg and L1 Capital as at 19 August 2025













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Results season takeaways



Top 10 holdings – Performance and outlook

Performance generally modestly ahead of our base case

	Quarter Results	Outlook
	=	Slight ✓
	AWS: Slight - eCommerce: ✓	AWS: Slight - eCommerce: ✓
	Slight ✓	Slight ✓
	=	Slight ✓
	Slight ✓	=
	Slight ✓	Slight ✓
	Slight ✓	Slight ✓
	✓	✓
	Slight ✓	Slight ✓
	=	=

Source: L1 Capital International

Example: Big 3 Cloud/AI Platforms



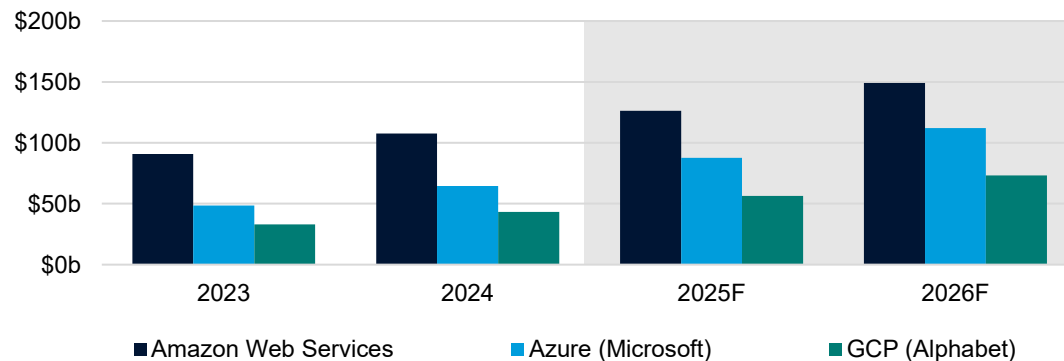
The Big 3 Cloud/AI platforms are all growing strongly, but Azure has taken leadership

- **Azure is growing materially faster than AWS**
- In the **June 2025 quarter**, **Azure and GCP exceeded expectations**, while **AWS revenue growth was in line with expectations**, but **operating margins fell**

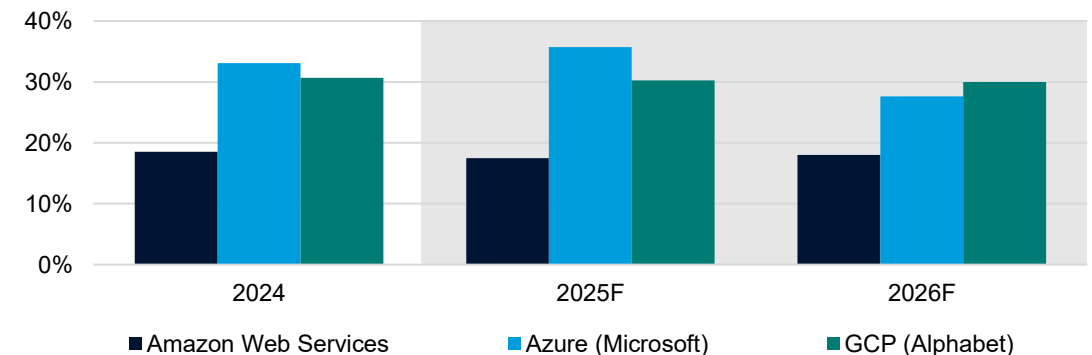
June 2025 quarter

	Revenue (\$b)	Incremental revenue (\$b) ²	Revenue growth ²
Amazon Web Services	30.9	4.6	18%
Azure (Microsoft)	21.8	6.1	39%
GCP (Alphabet)	13.6	3.3	32%

Revenue¹



Revenue growth¹



Source: Amazon, Microsoft, Alphabet, L1 Capital International. 1. Calendarised to December year end. 2. Compared to June 2024 quarter

Example: CRH



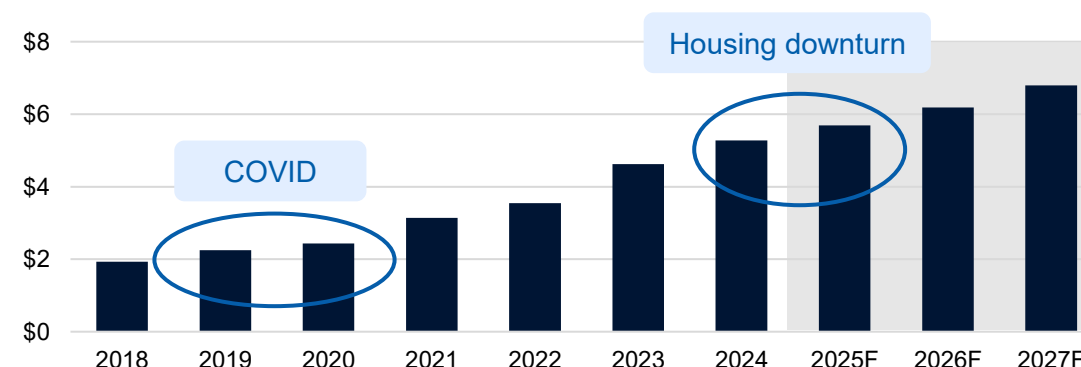
Slight increase to earnings expectations despite housing cyclical pressures

- **Diversified** business with exposure to infrastructure, commercial, new residential and repair and renovation sectors
- **Integrated business model** remains **under-appreciated**
- **Highly experienced management** achieving stronger operating performance than peers
- **Upside** from future bolt-on **acquisitions**

CRH – 2025 financial guidance

	Updated*	Prior*
Adjusted EBITDA	\$7.6bn	\$7.5bn
Net Income	\$3.85bn	\$3.9bn
Earnings per share	\$5.61	\$5.57
Capital expenditure	\$2.9bn	\$2.9bn

CRH – Earnings Per Share**



Source: CRH and L1 Capital International. * Midpoint. ** IFRS up to 2021, US GAAP from 2022

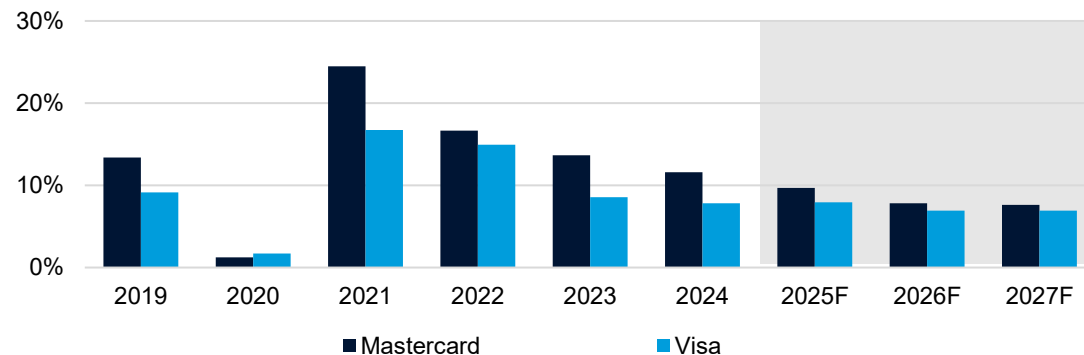
Example: Mastercard and Visa



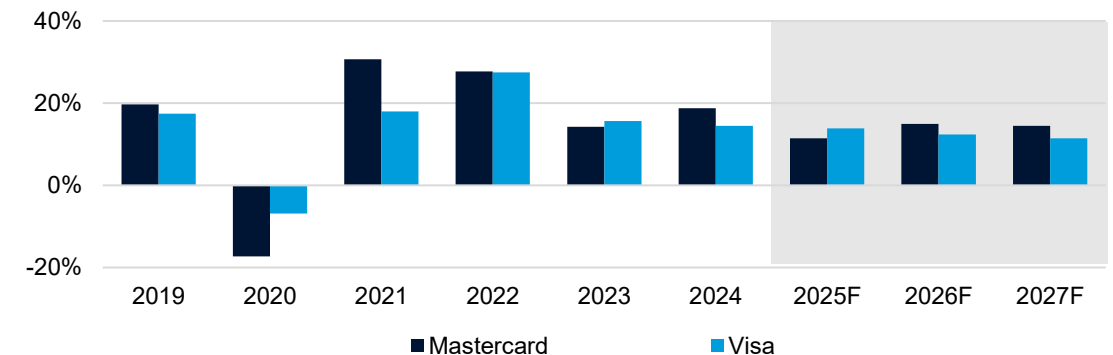
Aggregate consumer spending remains robust

- **Continued growth** in debit and credit spending globally
- **Regulatory and technology risks manageable – stablecoins** provide opportunities
- **Double-digit EPS growth** expected to continue without incremental capital requirements

Mastercard and Visa – Total payment volume growth^{1,2}



Mastercard and Visa – Earnings Per Share growth¹



Source: Mastercard, Visa and L1 Capital International. 1. Financial year end is December for Mastercard and September for Visa. 2. Excluding cash payment volume



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Summary

Summary

Economic conditions mixed, domestic and international politics are increasing uncertainty

- 1 **Affluent consumers** are doing **well**, **middle O.K.**, **lower socio-economic** are **struggling**
- 2 **Economic conditions** in most developed regions are **slowing**
- 3 Early signs of some impact from tariffs on U.S. **inflation**, **but still uncertain who will bear these costs**
- 4 **Central Banks** globally are cutting rates, Federal Reserve has been 'on hold', much to the frustration of President Trump. Chairman **Powell** has recently **signalled a shift to cutting rates**
- 5 **Longer-term interest rates** have been broadly **stable**, but remain in the '**grey zone**'
- 6 **Wide variation** in share price performance by region, sector and company
- 7 **Pockets** of both **exuberance and value**



5

L1 Capital – Platinum Asset Management merger



L1 Capital – Platinum Asset Management merger

No change to your investment in L1 Capital International funds

- Merger on track for completion in September 2025, subject to Platinum shareholder approval
- No change to ownership of L1 Capital International – remains a 50:50 unlisted partnership between MergeCo and L1 Capital International investment team
- L1 Capital International to take over management of Platinum International Fund and Platinum Global Fund (Long Only)
- No merging of funds – each fund will continue to operate as a separate investment vehicle
- No change to L1 Capital International's experienced and disciplined investment process



6

Appendix – Fund terms and contact details



L1 Capital International Strategy

Fund terms

Type of investments	Listed securities
Benchmark	MSCI World Net Total Return Index in AUD
Time horizon	5+ years
Investment objective	<ul style="list-style-type: none">• To outperform the Benchmark over rolling 5-year periods (net of all fees and expenses before tax)• To deliver attractive risk-adjusted returns over a medium to long term investment horizon whilst lowering the risk of a permanent loss of capital
Management fees	1.2% p.a. of the net asset value of the Fund (including GST and RITC)
Performance fees	15% over Benchmark, subject to any underperformance being recouped and there must be positive absolute performance (adjusted for distributions) in the Performance Period (otherwise positive relative performance is carried forward to the next Performance Period)

Please see Investment Memorandum for full details.

L1 Capital International Strategy: Key parameters

Guidelines

Number of positions (typical)	20 to 40 positions
Target investment universe (typical)	High quality global listed equities (L1 Capital International rating 1, 2, or 3)
Target geography (typical)	Developed markets: North America, Europe, Asia, Aust/NZ
Minimum position size (typical)	2%
Position sizes (typical)	3% to 7%
Maximum position size	Maximum 10% (at time of initial investment)
Cash levels	0 – 25%, typically <5%
Leverage	No
Shorting	No
Applications/redemptions	Dual registry structure available via daily dealing Australian Unit Trust and ETMF (unhedged strategy ASX:L1IF and hedged strategy ASX:L1HI)

L1 Capital International Active ETFs (ASX:L1IF & ASX:L1HI)

Providing investors with increased investment flexibility

- In November 2023, the original, unhedged Fund became available as an Exchange Traded Managed Fund (ETMF) as [ASX:L1IF](#)
- In July 2024, the Manager launched an ETMF offering a hedge version of the strategy [ASX:L1HI](#)
 - Same portfolio as L1 Capital International (Unhedged) Active ETF but with a currency hedge overlay

Features of the ETMF structure

- Investors can buy and sell units in the Funds on the ASX in addition to trading via the unit registry
- The Manager pays the costs of listing and maintaining the Fund on the ASX

**For further information
please contact the Unit
Registry Office**

- Ph: 1300 133 451
- Email: L1@ApexGroup.com

Important information

L1 Capital International Pty Ltd

Information contained in this publication

Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the L1 Capital International (Unhedged) Active ETF ARSN 631 094 141 (ASX:L1IF). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This publication has been prepared by L1 Capital International Pty Limited (ACN 628 068 717), an authorised representative (no. 1273764) of L1 Capital Pty Ltd (ACN 125 378 145, AFSL 314 302)) and its officers and employees (collectively “L1 International”), to provide you with general information only. In preparing it, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither L1 International, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. All performance numbers are quoted after fees. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement from our website www.L1.com.au before making a decision about whether to invest in this product.

The L1 Capital International (Unhedged) Active ETF’s Target Market Determination is available at <https://l1.capital/3NOi7oB>. A Target Market Determination is a document which was required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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