Webinar

L1 CAPITAL

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

Investment Environment and Portfolio Update

Scan to access the presentation

November 2025

Agenda

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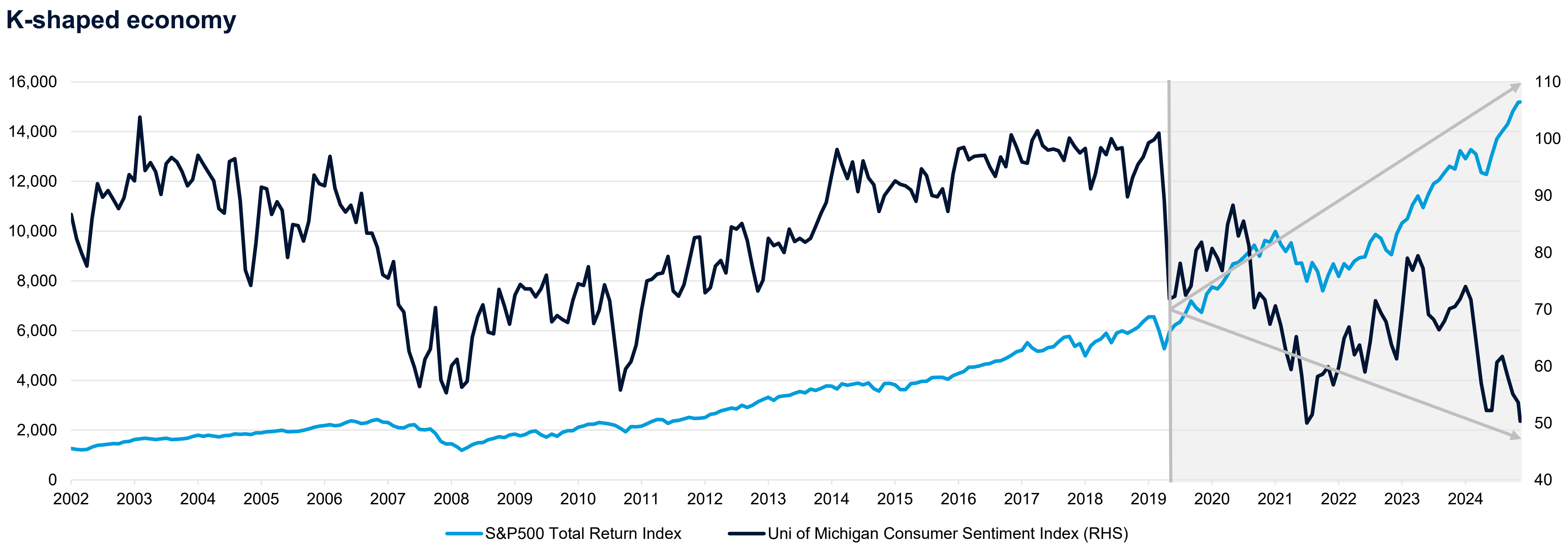
Investment environment

Globally, we continue to see a "K-shaped" economy

A strong stock market is divorced from pressured segments of the economy

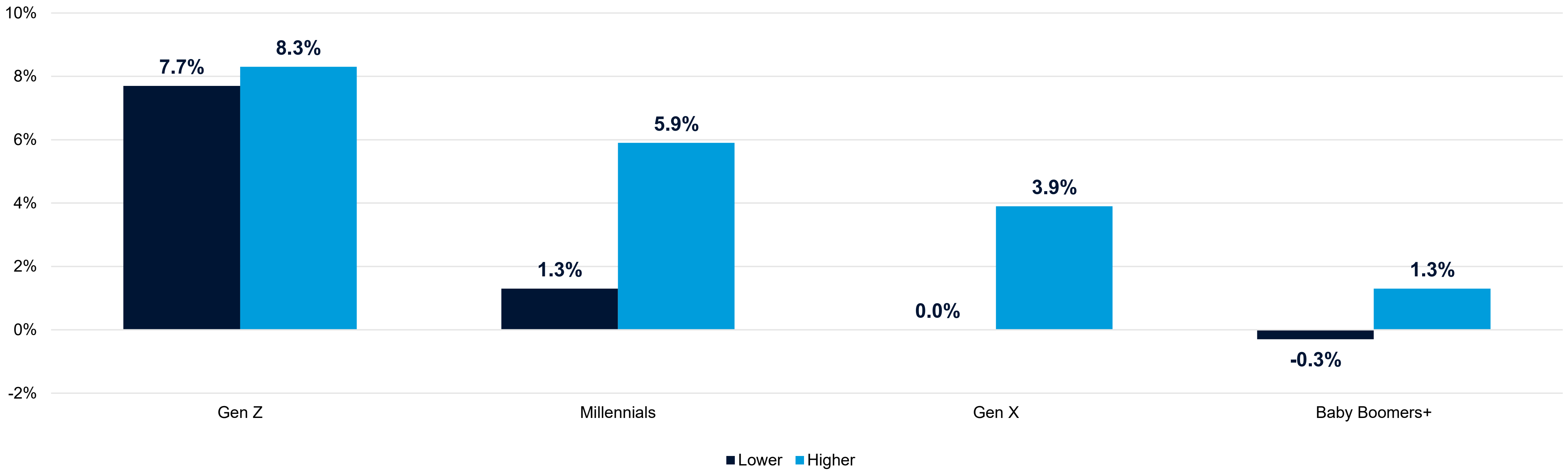


Source: University of Michigan, Bloomberg

Higher incomes are growing faster, across generations

Wage growth for higher-income households is outpacing that of lower-income households, across generations

U.S. wage growth by income tercile and generation[1]



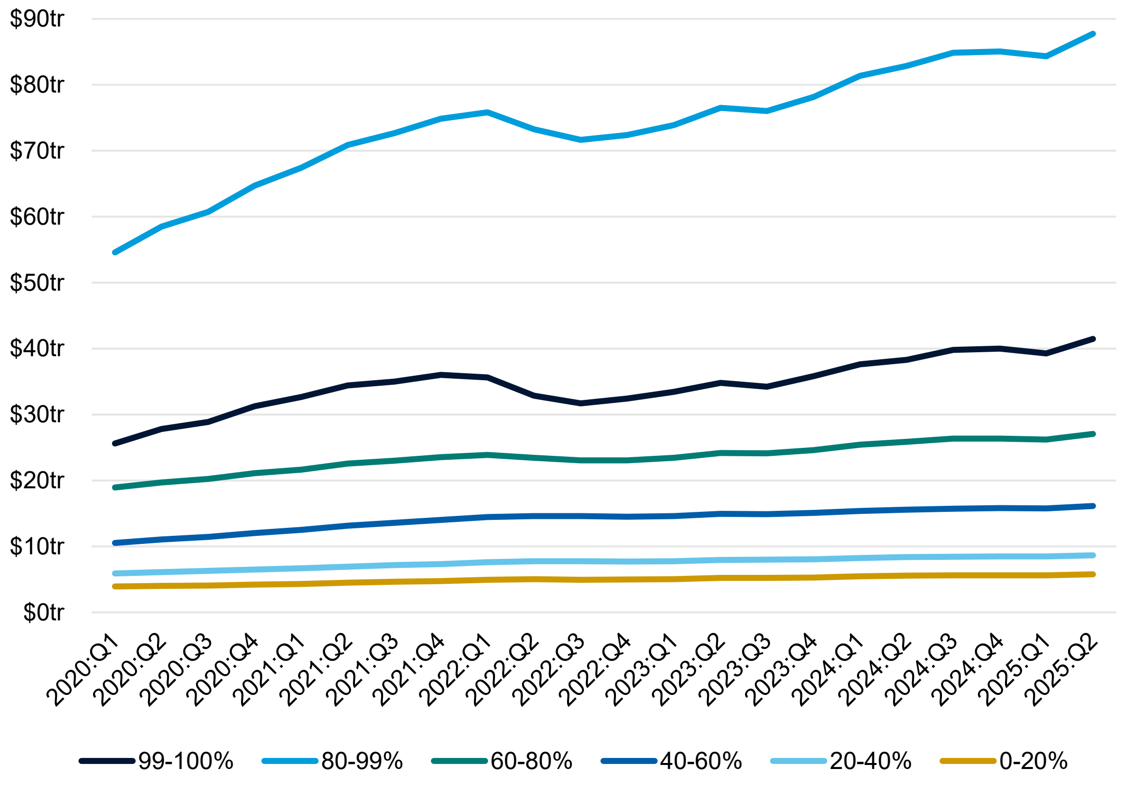
Source: Bank of America. 1. YoY%, 3 month moving average to October 2025, seasonally adjusted

Household wealth is concentrated and growing unevenly

Increasing concentration of household wealth

- The top 1% of U.S. households by income account for 22% of total U.S. household wealth
- The bottom 20% of U.S. households by income account for 3% of total U.S. household wealth
- Over the past 2 years, household wealth has increased
  - 10% p.a. for the top 1% households by income
  - 5% p.a. for the bottom 20%

U.S. household wealth by income percentile



Source: Federal Reserve Bank of St. Louis

Economic pressures are being reflected in company performance

"In the US, we continue to see a **bifurcated consumer base**, with **QSR traffic from lower income consumers declining nearly double digits** in the third quarter, **a trend that's persisted for nearly two years**. In contrast, **QSR traffic growth among higher income consumers remained strong**, increasing nearly double digits in the quarter."

*Chris Kempczinski, Chairman and CEO, **McDonald's Corp**, November 2025*

"Our card base is not representative of what's going on across the United States. **It truly is a bifurcated economy**…our **cardholders are much more premium…we're seeing a little bit of a pick-up in spend**"

*Steve Squeri, Chairman and CEO, **American Express**, November 2025*

"…we're in this K-shaped kind of situation, so we did skew **better results in the higher income-orientated centers**. **The value-orientated centers were more flat** to kind of eking along."

*David Simon, Chairman and CEO, **Simon Property Group**, November 2025*

"Earlier this year, as consumer sentiment declined sharply, we saw a broad-based pullback in frequency across all income cohorts. Since then, the gap has widened with **low to middle-income guests further reducing frequency**…**household income below $100,000…is dining out less often due to concerns about the economy and inflation**. A **particularly challenged cohort is the 25 to 35-year-old age group**."

*Scott Boatwright, CEO, **Chipotle Mexican Grill**, October 2025*

Source: Company reports

Gradual reduction in short-term interest rates, long-term interest rates remain rangebound

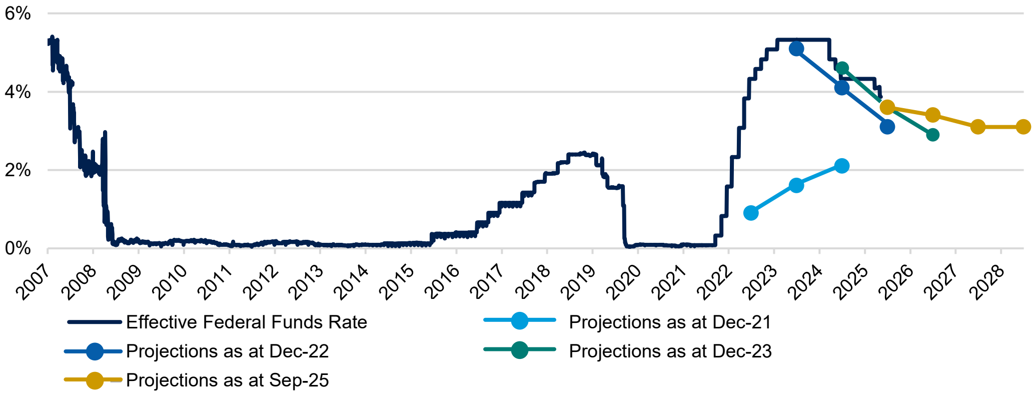
- **Federal Reserve cut interest rates by 0.25% in October 2025**
- **The market is pricing in a c. 45% probability of a further 0.25% reduction in December 2025**

"In the near term, **risks to inflation are tilted to the upside and risks to employment to the downside – a challenging situation**…In the Committee's discussions at this meeting, there were strongly differing views about how to proceed in December. A further reduction in the policy rate at the December meeting is not a forgone conclusion—far from it."

Jerome Powell, Chair Federal Reserve, October 2025

10-year US treasury yield

Federal Reserve Funds Rate and market projections



Source: Federal Reserve Bank of St. Louis

Central Bank rate cutting cycle

- Central Banks have responded to economic uncertainty by continuing to cut short-term rates
- U.S., Canada and New Zealand have cut rates further since the last fund update

Central Bank overnight rates

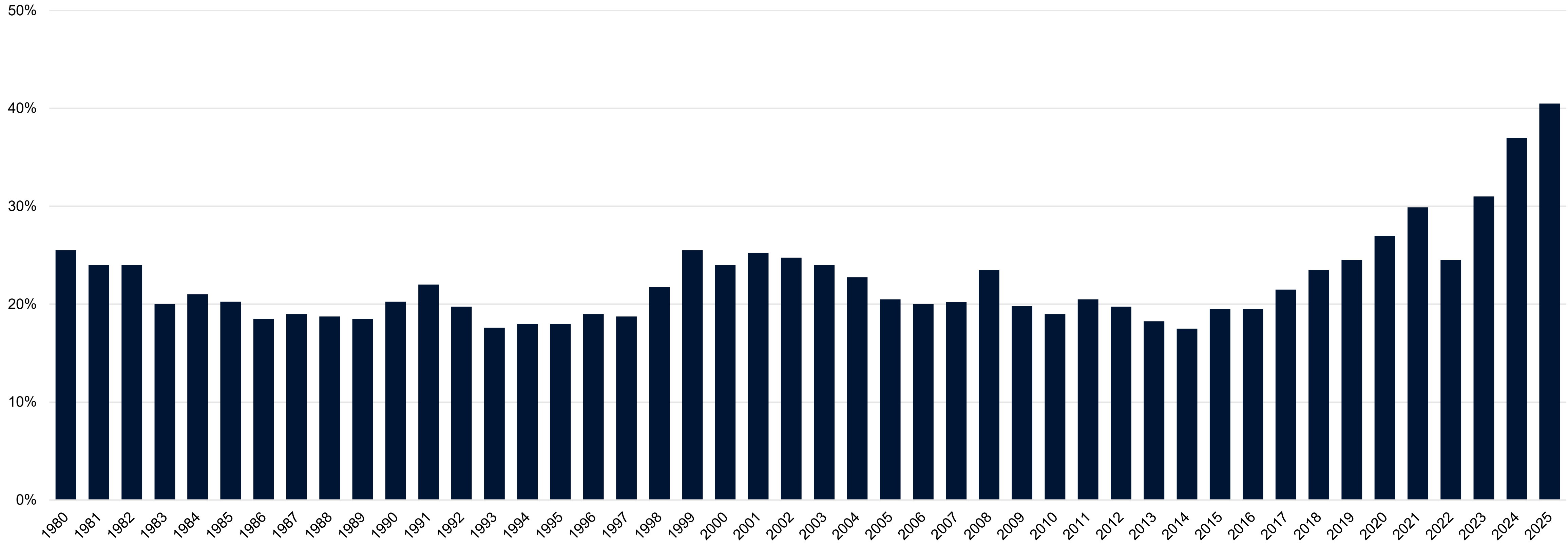
	U.S.	ECB	U.K.	Australia	Canada	N.Z.	China
Overnight Rate – December 2023	5.32	4.00	5.19	4.35	5.00	5.50	2.65
Number of rate cuts	5	8	5	3	9	8	3
Overnight Rate – October 2025	**3.87**	**2.00**	**4.00**	**3.60**	**2.25**	**2.50**	**2.25**

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

Stock market indices are becoming increasingly concentrated

The top 10 S&P500 constituents account for over 40% of the total index

S&P500 Index – weighting of top 10 holdings



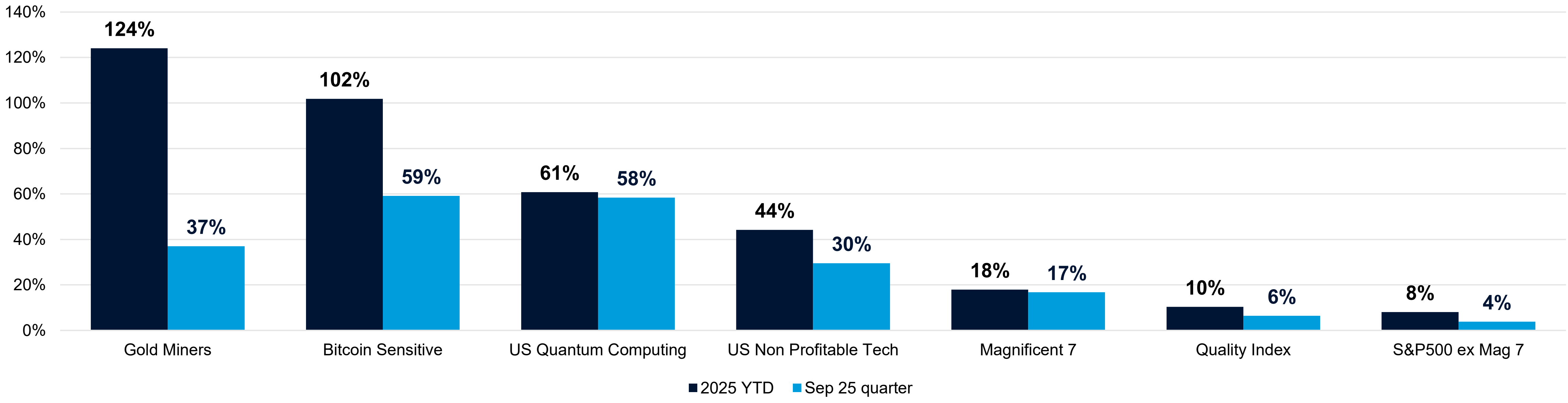
Source: S&P Dow Jones

US market category returns YTD and September 2025 quarter

Pockets of euphoria and exuberance as well as value

On 31 October 2025, the average share price of all companies in the S&P500 Index was **15% below its 12-month high**, while the index itself was trading within 0.2% of its 12-month high

Category performance

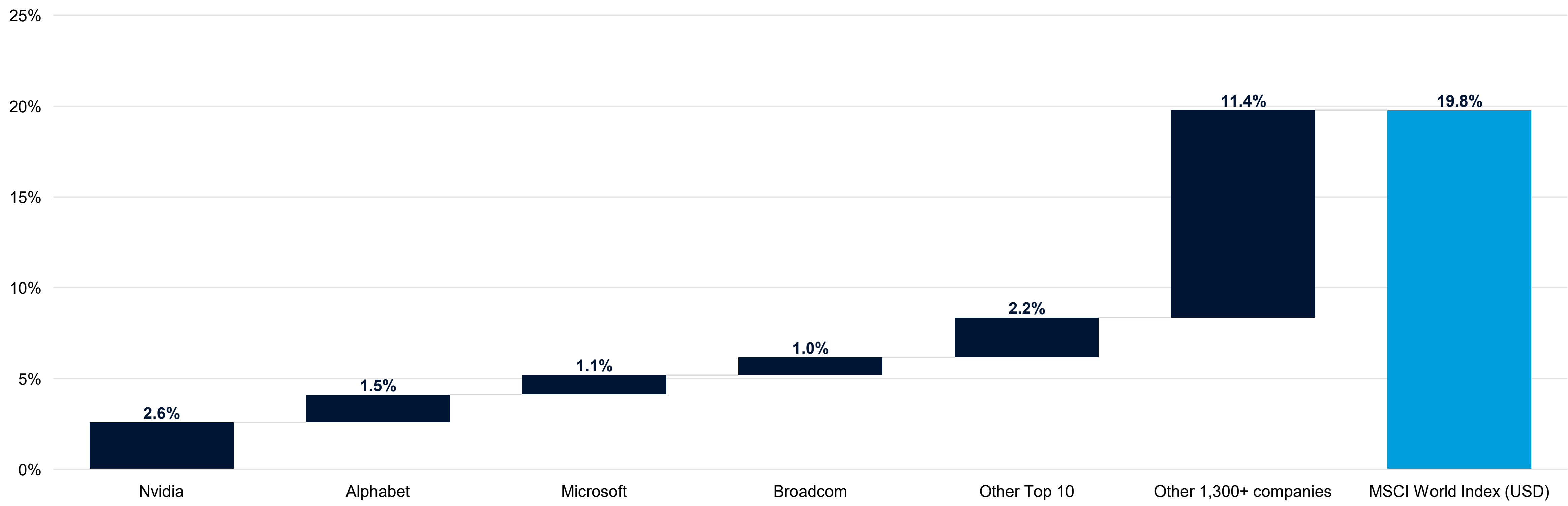


Source: Bloomberg, Goldman Sachs, iShares, Sprott

MSCI World Index returns YTD

10 companies out of over 1,300 index constituents have accounted for over 40% of MSCI World Index returns 2025 YTD

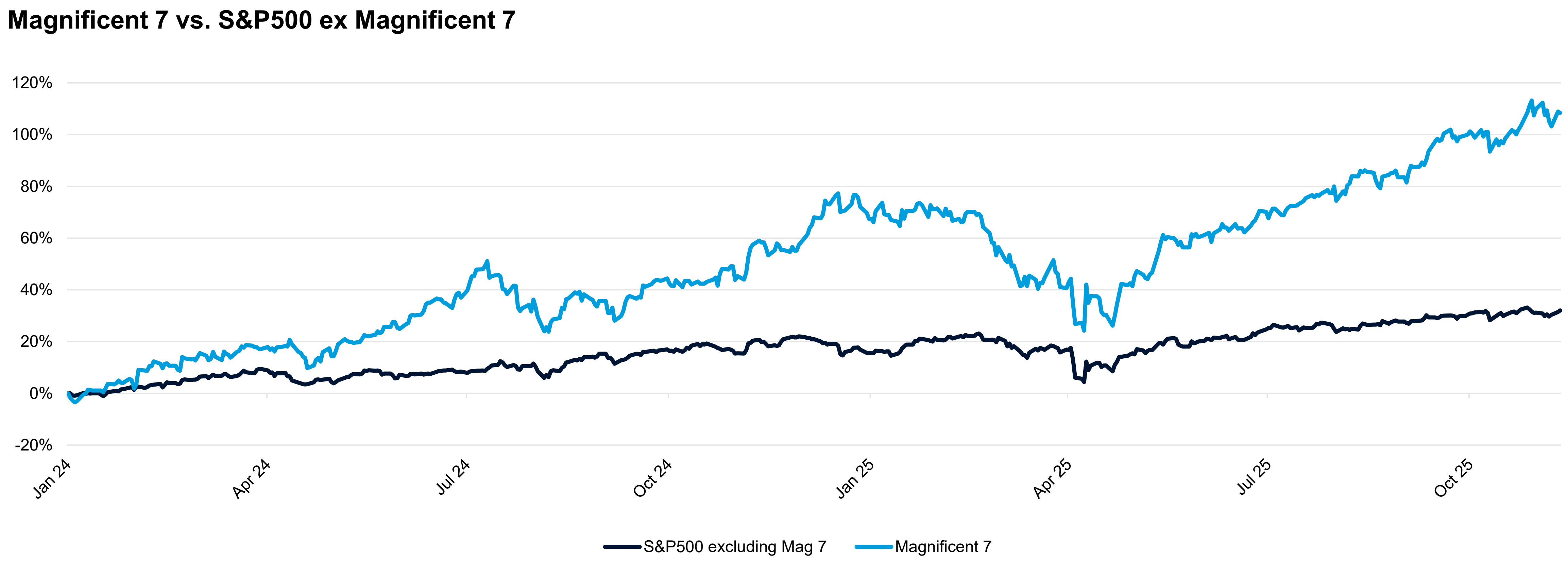
MSCI World Index returns – 2025 YTD



Source: JP Morgan, L1 Capital International

Magnificent 7

The Magnificent 7 continues to drive US stock market indices higher



Quality companies are under-performing index returns

Traditional Quality factor underperforming the broader U.S. market by the widest margin since the dot.com boom of late 1999/early 2000

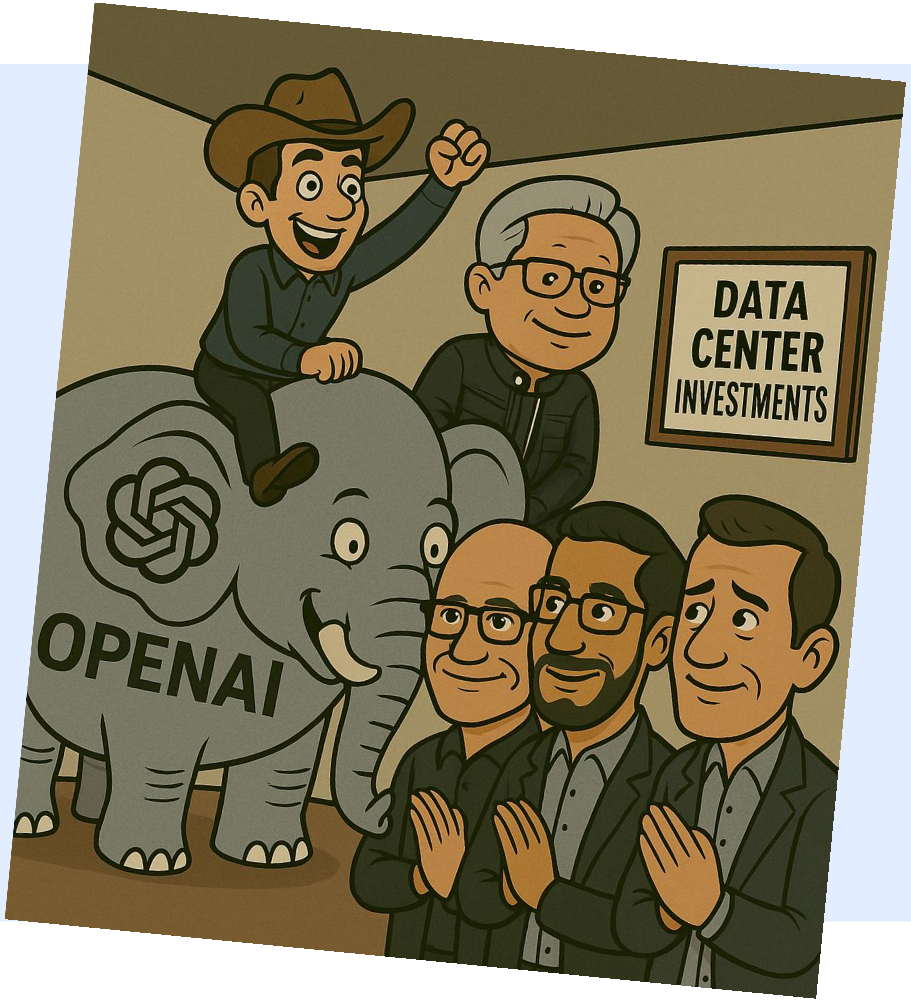
Performance of S&P Quality Index mins S&P 500 Index

Source: Jeff Weniger (Wisdom Trees), FactSet, L1 Capital International

Artificial Intelligence | Boom or Bubble?

Massive upfront investment in AI infrastructure, often centred around OpenAI

Funding for these investments and returns on the invested capital remain key market concerns



Source: ChatGPT, L1 Capital International

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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	3.3	3.3	+0.1
3 months	4.2	6.2	(2.1)
1 year	18.4	22.1	(3.7)
3 years p.a.	23.0	20.7	+2.3
5 years p.a.	17.6	17.2	+0.4
Since Inception p.a.	15.5	14.9	+0.6
Since Inception cumulative	161.7	152.2	+9.6

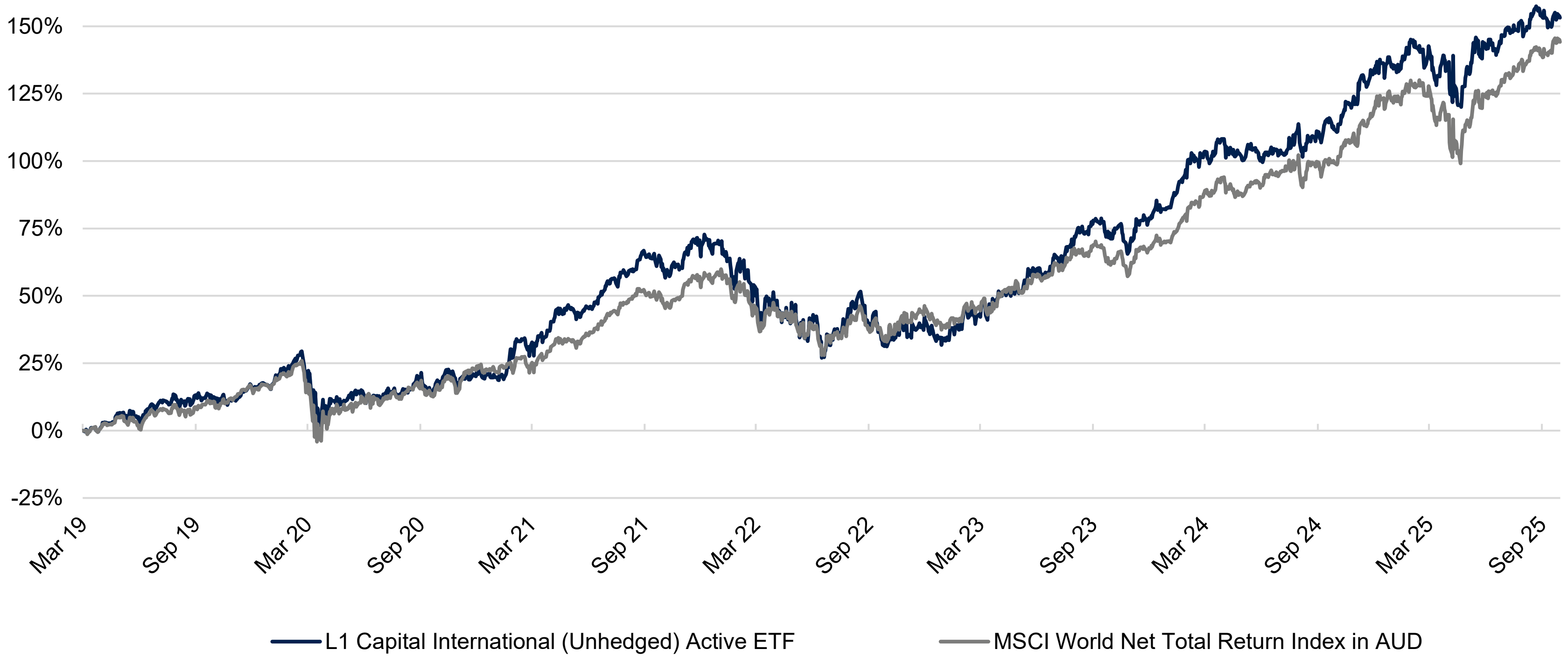
Performance objectives

- 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 October 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 October 2025 for 3 years, 5 years and since inception.

L1 Capital International (Unhedged) Active ETF | Performance

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



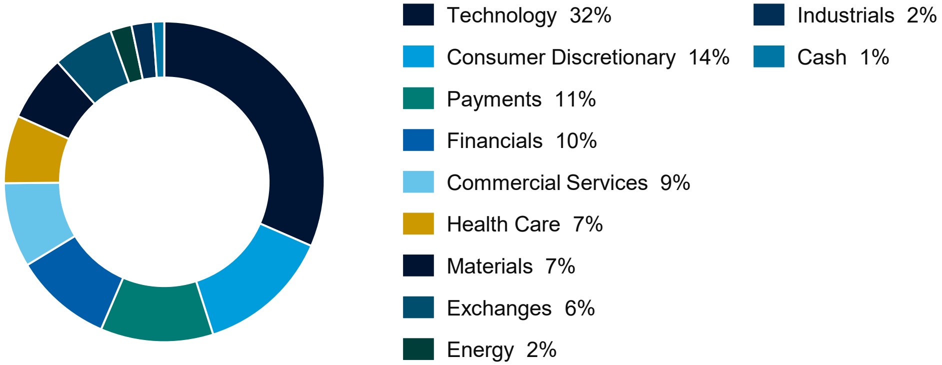
161.7% return
net of fees,
versus
the Benchmark
return of **152.2%**

Source: L1 Capital International and MSCI as at 31 October 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.

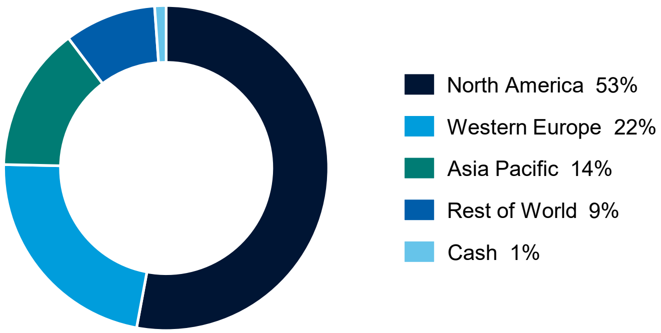
Current portfolio positioning | Diversified by industry, region and company size

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

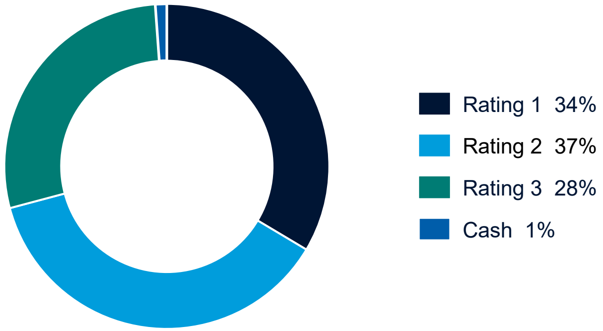
Sector exposure



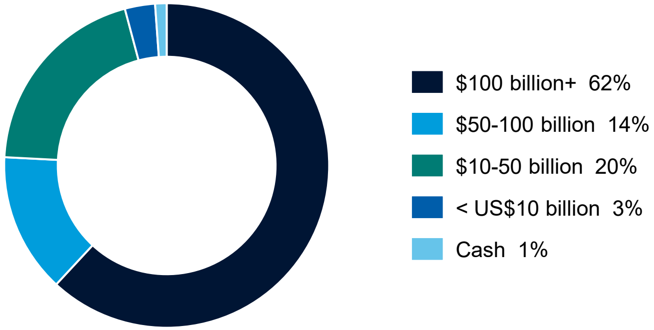
Regional exposure by region[1]



L1 Capital International Quality Rating



Market capitalisation exposure (in US$)[2]



Source: L1 Capital International as at 31 October 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	14%	6%	2%
Gross margin[2]	65%	31%	39%
Operating margin	32%	13%	14%
Cash conversion[3]	82%	ND	ND
Net debt to EBITDA	0.7x	1.7x	3.4x
Return on equity	37%	14%	9%

2025 metrics

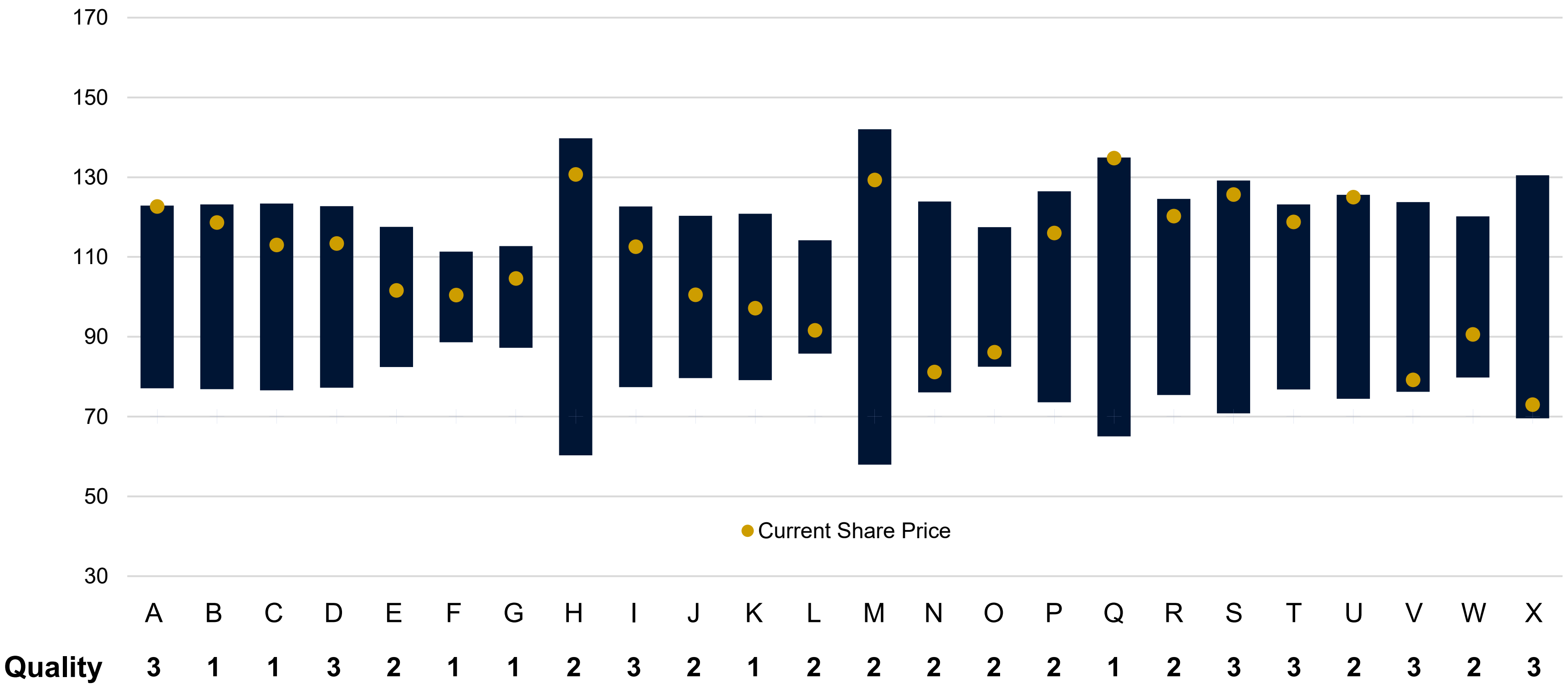
	Fund[1]	MSCI World Index[1]	ASX 200[1]
P/E[4]	26x	24x	21x
Dividend yield	0.8%	1.6%	3.3%

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 October 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

Wide variance in share price performance depending on near-term outlook

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



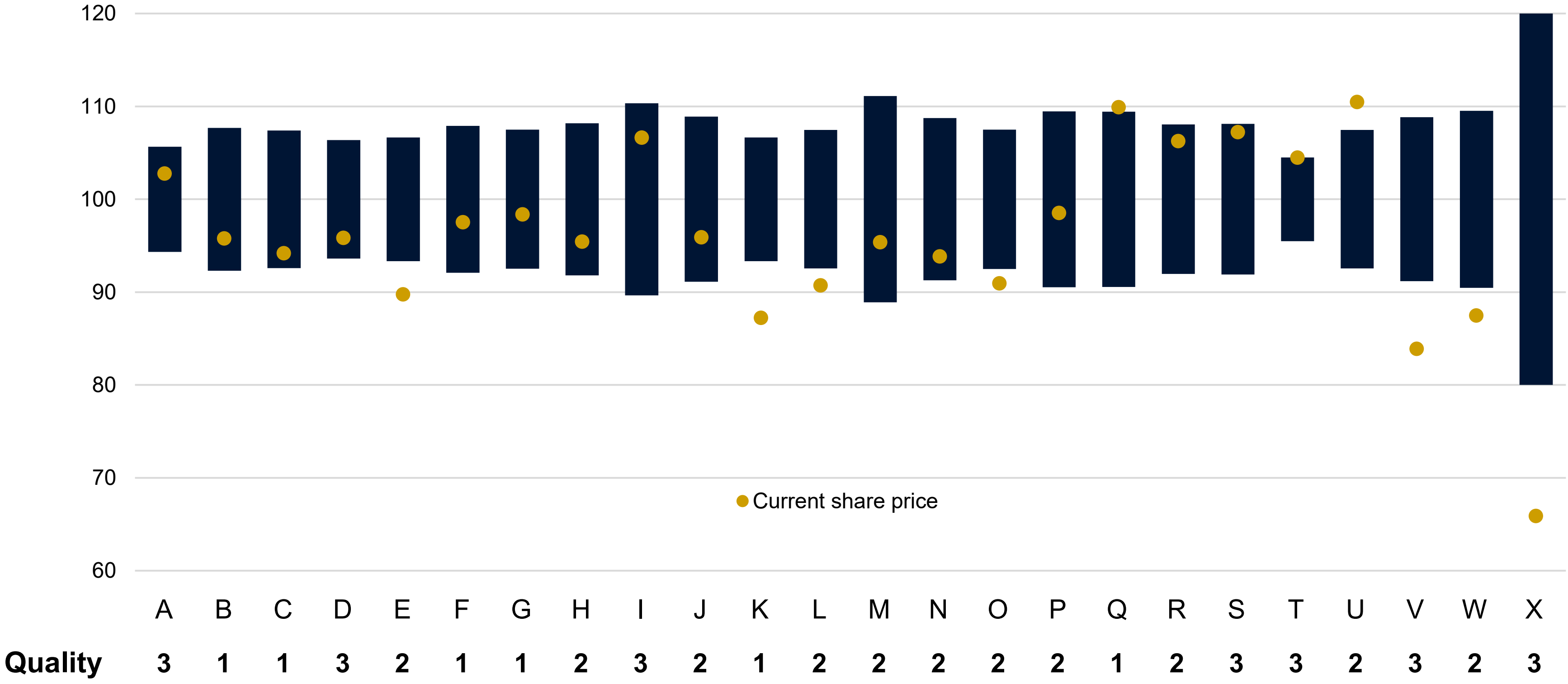
- Portfolio has traded on average around 25% from mid-point of 12-month trading range
- Any concerns with near-term performance is met with substantial share price pressure

Source: Bloomberg and L1 Capital as at 11 November 2025

Portfolio valuation compared to share price

Concentrated contribution to index performance is obfuscating mixed equity market conditions

Seeing god value in most Portfolio holdings



- Top 10 around 61% of total portfolio
- **Fully invested**
- Initial position in **Nvidia**
- **Invested** in perceived "AI losers" - **Salesforce and London Stock Exchange**
- **Reduced US housing** exposure by **divesting** remaining holding in **Eagle Materials**
- Continued to **trim HCA** following substantial share price increase

Source: Bloomberg and L1 Capital as at 11 November 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	
AerCap	Slight ✓		Slight ✓	
amazon	AWS: Slight ✓	eCommerce: Slight ✓	AWS: Slight ✓	eCommerce: Slight ✓
Booking.com	Slight ✓		Slight ✓	
CRH	=		=	
danaher	=		=	
Jacobs	To report		To report	
mastercard	=		=	
Microsoft	=		=	
tsmc	Slight ✓		Slight ✓	
VISA	=		=	

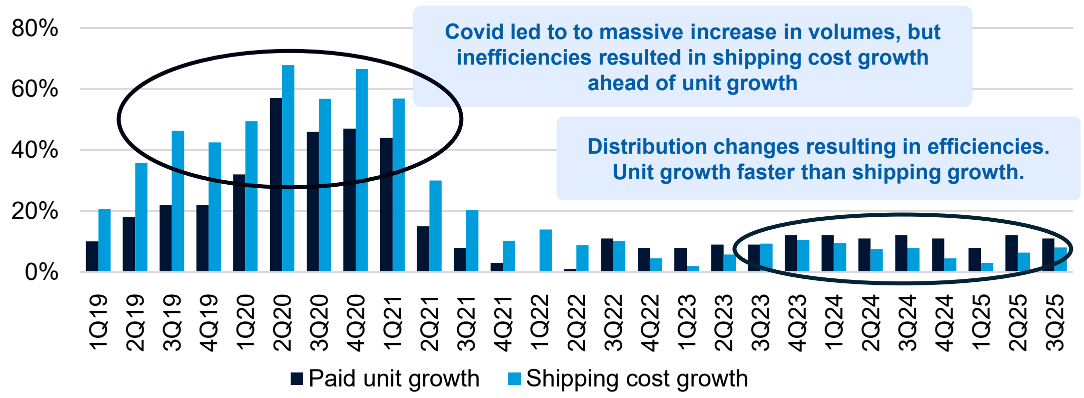
Source: L1 Capital International

Example | Amazon Retail

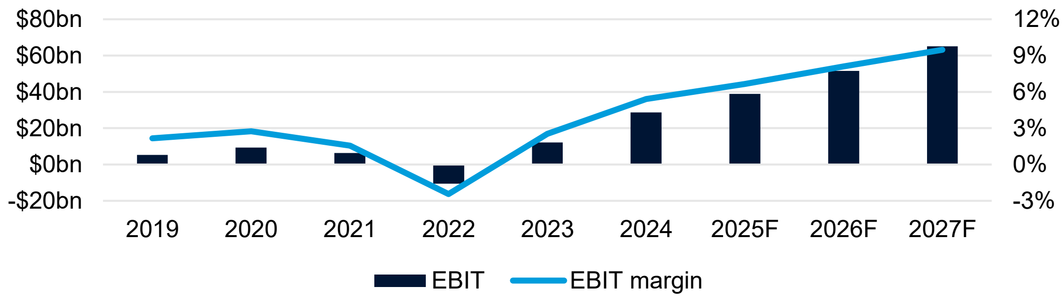
Operating efficiencies and strong growth in advertising revenue is delivering substantial profitability improvement

- **Covid led to massive retail revenue growth,** but also inefficiencies, driving Amazon Retail into losses
- Major changes to warehousing and distribution network, **clear cost benefits**
- Amazon now generates nearly **$70 billion from advertising, growing over 20% p.a.**
- International operations, in total, are now **profitable**
- **Step change in Amazon Retail profitability**

Amazon shipping efficiency



Amazon Retail profitability



Source: Amazon and L1 Capital International

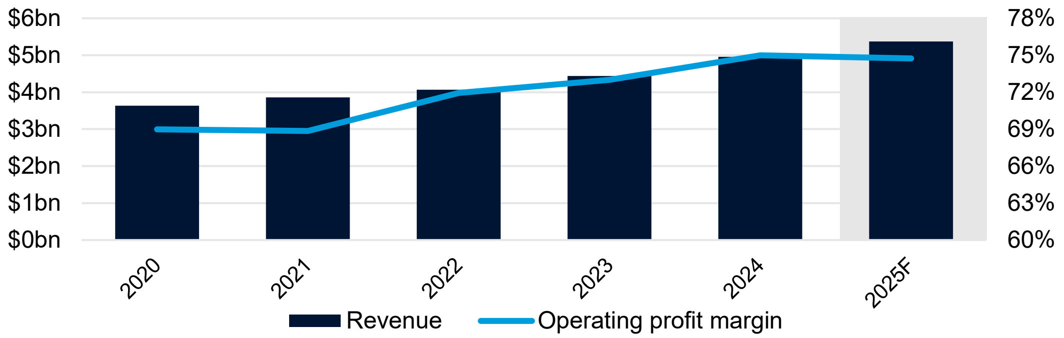
Example | Intercontinental Exchange (ICE)

Leading Exchanges, must have proprietary data and analytics, industry transforming mortgage technology

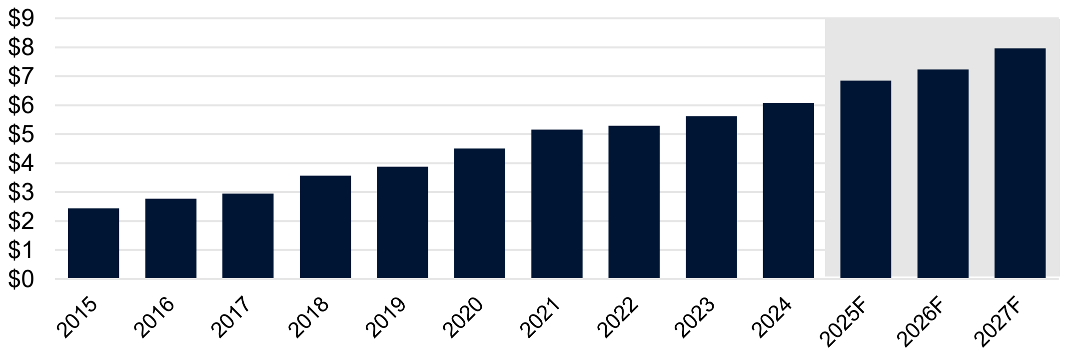
Share price has fallen 20% to very attractive levels due to AI disruption fears and lower volatility impacting near term derivatives trading activity

- **Jeff Sprecher** built ICE over 25 years from nothing to be an industry leader with a $85 billion market capitalisation
- **'All weather' portfolio of businesses delivers consistent earnings growth**
- **Exchanges** division – derivatives and New York Stock Exchange (two thirds of Group profit) – over $5 billion revenue at 75% operating profit margin
- **Mortgage technology division** provides cyclical upside over time

Exchanges Division – Revenue and Operating Profit



Intercontinental Exchange – Earnings Per Share



Source: Company reports and L1 Capital International

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Summary

Summary

K-shaped economic environment, attractive investment opportunities below the Index surface

1. **Affluent consumers are doing well, middle O.K., lower socio-economic are struggling**
2. **Economic conditions** in most developed regions **are mixed**
3. Markets have **adapted to geopolitical uncertainty**, including US tariffs
4. **Central Banks** globally continue to **reduce short term rates, slowly**
5. **Longer-term interest rates** have been **broadly stable and supportive of asset values**
6. We believe **AI is a boom**, not a bubble, but there are **material uncertainties.** Some share prices are reflecting **elevated expectations.** There will be **winners and losers**
7. **Headline indices are misleading** – **returns are concentrated** and there is **wide variation in share price performance** by region, sector and company
8. **More pronounced pockets of both exuberance and value**

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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	• 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.aubefore 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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