Investor Video

L1 CAPITAL
Part of L1 Group

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

Investment Environment and Portfolio Update

September 2026

Agenda

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1

Investment Environment

Investing through uncertainty

> **Doubt is an uncomfortable condition, but certainty is a ridiculous one.**

Attributed to Voltaire

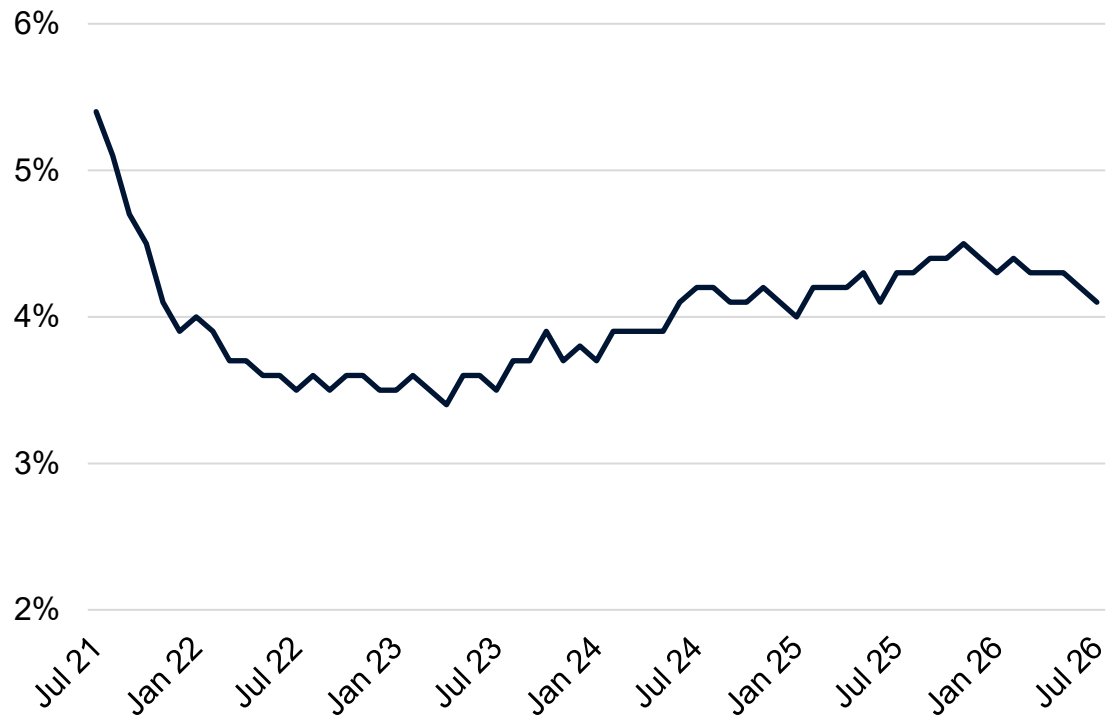
> **Doubt and uncertainty are uncomfortable but create attractive risk-adjusted investment opportunities.**

L1 Capital International

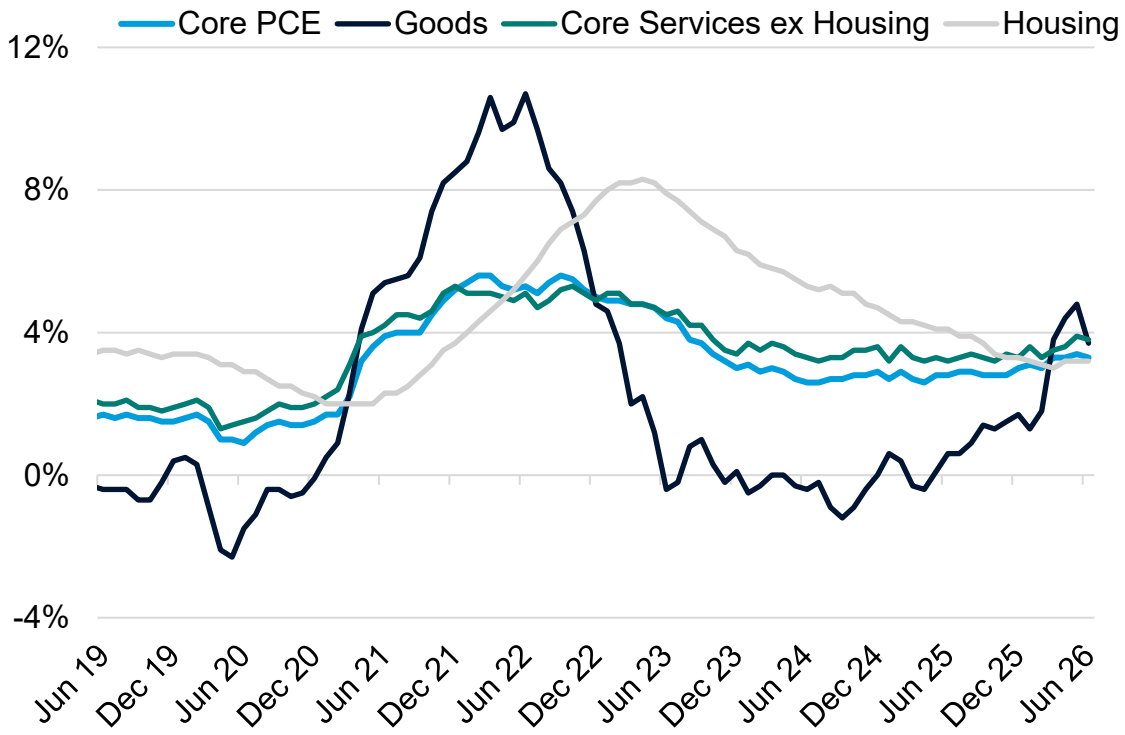
Unemployment vs. Inflation

Employment conditions are broadly stable. Inflation remains above target

U.S. unemployment rate



U.S. inflation growth by category



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

A broadly resilient but uneven global economy

Monetary policy is a blunt tool in a nuanced economic and geopolitical environment

Consumers

Affluent consumers doing well. Lower-income consumers remain under pressure from cost-of-living and financing costs

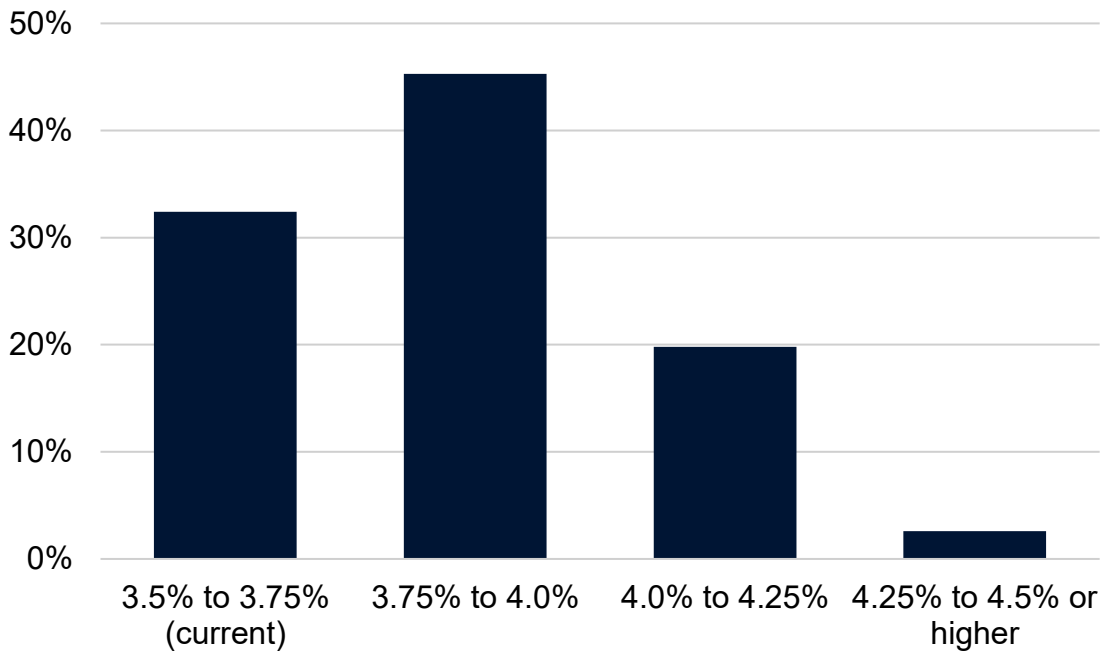
Labour

Employment remains resilient, although AI creates longer-term uncertainty

Capital investment

AI-related capital expenditure remains exceptionally strong
U.S. onshoring broadens investment activity
Some segments such as new residential construction are soft

Fed Funds Rate – December 2026 forecast



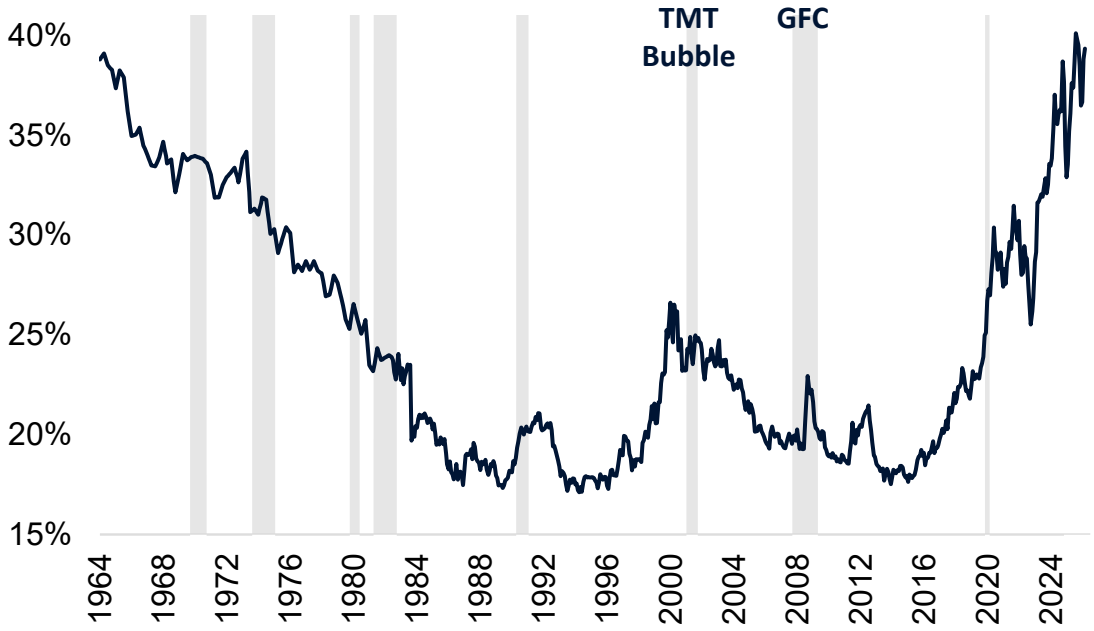
Globally, long-term rates have been increasing and are more important to economic conditions and valuations than short-term rates

Source: CME FedWatch.

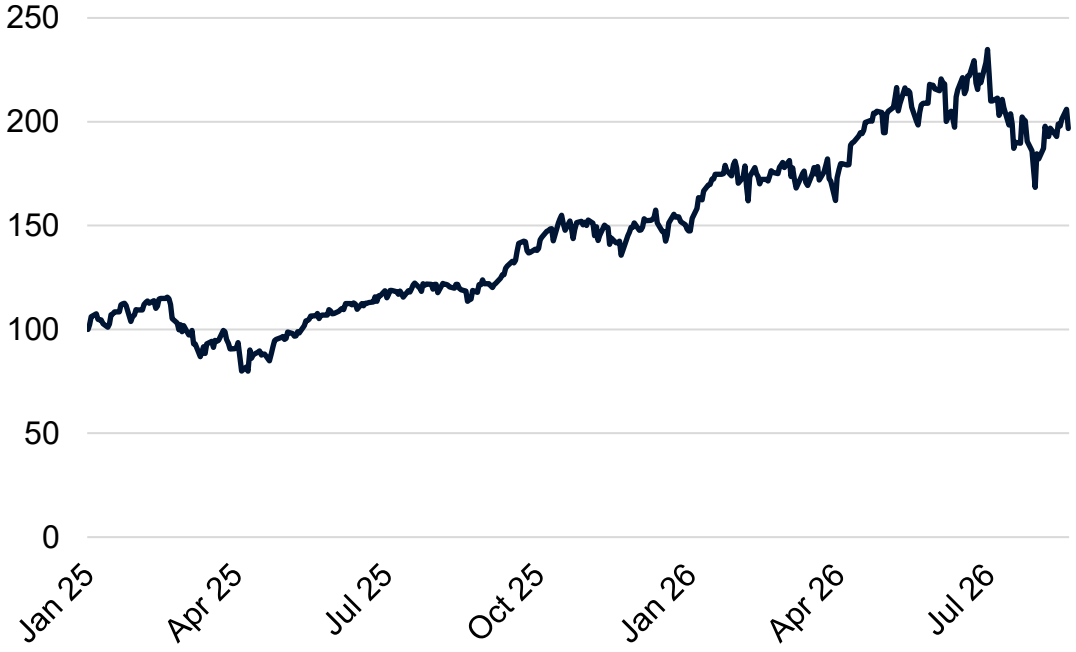
The market has become increasingly concentrated…

…and driven by momentum

S&P 500 Index concentration



U.S. Momentum Index



Mega caps dominate the world's growth industries – competitive advantages are increasing

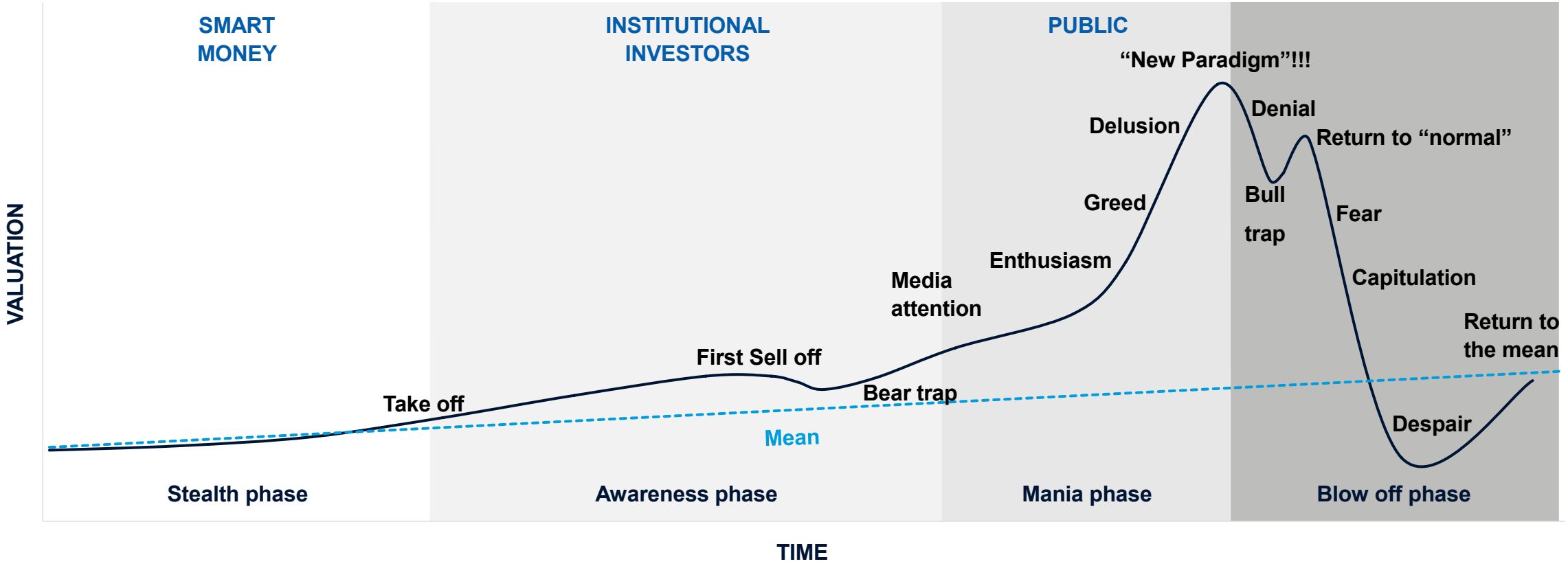
Source: Left chart – JP Morgan U.S. Strategy. Right chart – Bloomberg – GS Long Momentum Index.

Extreme investor positioning, slightly more balanced recently

Source: ChatGPT, L1 Capital International.

Stages of a Market Bubble

Artificial Intelligence – are we in the 'Mania phase' or is it different this time?



We are still in an acute compute deficit. Key issue is value created from application of Artificial Intelligence vs. the cost

Source: Jean-Paul Rodrigue, "Stages (Phases) of a Bubble" (2008), Department of Global Studies & Geography, Hofstra University.

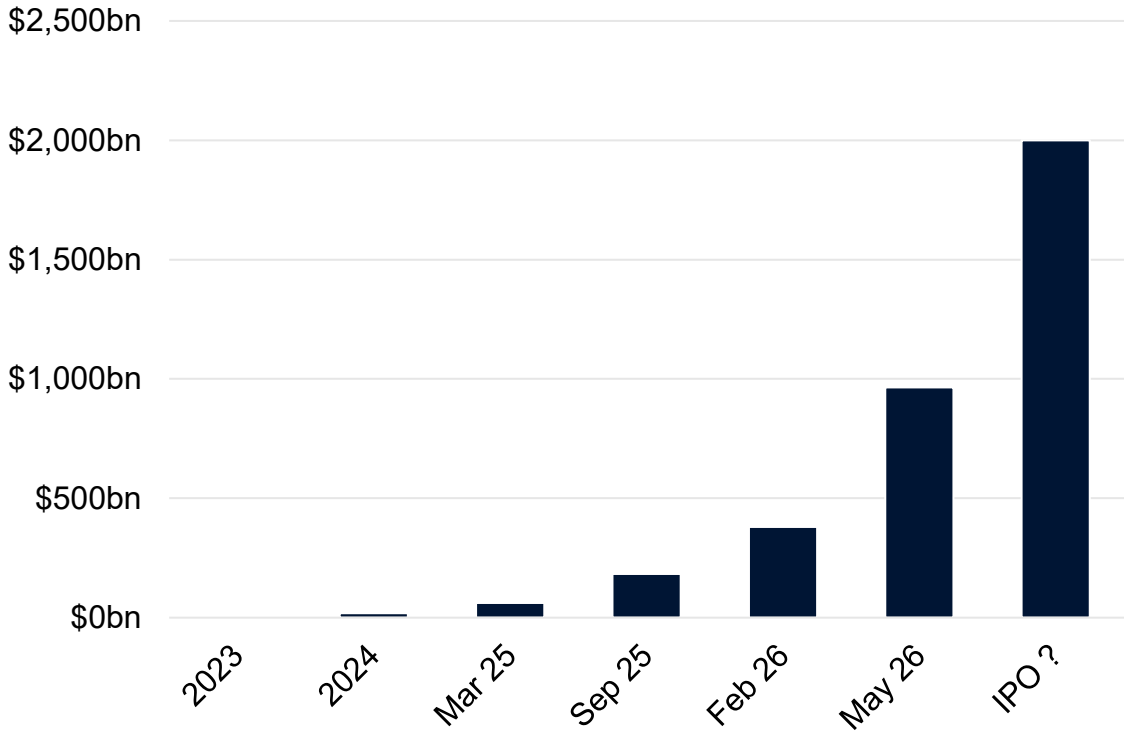
Anthropic | poster-child for AI success and investor enthusiasm

Founding to $2 trillion valuation in 7 years

Anthropic revenue

2021	**Founded**
2022	**$10 million**
2023	**$100 million**
2024	**$1 billion**
2025	**$9 billion**
July 26	**$65 billion (annualised)**
2028F	**$190 to $200 billion**

Anthropic valuation

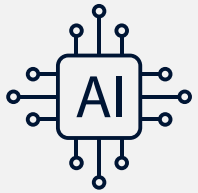


Source: Press reports, L1 Capital International.

AI is rapidly becoming more capable, will reshape many industries

Valuation still matters

What we believe



- AI is rapidly becoming more capable
- Many leading AI beneficiaries are among the world's strongest and most profitable companies
- AI capex to remain stronger for longer – currently there is an acute compute shortage
- Societal considerations becoming more prominent
- Management execution for all businesses is critical

Investing implications

- Some valuations assume exceptional growth and near-perfect execution
- Risks of over-extrapolating the present
- Investor positioning and momentum can cause valuation distortions
- Opportunities in perceived AI losers
- Opportunities in less AI sensitive industries

Opportunities both within and outside the AI ecosystem

2

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

L1 Capital International (Unhedged) Active ETF

A benchmark-agnostic, high-conviction portfolio focused on quality and consistent outcomes

Fund performance* (Net, %)	Fund	Benchmark**	Alpha
1 month	4.3	(0.9)	+5.1
3 months	4.7	6.8	(2.1)
1 year	(4.2)	10.4	(14.6)
3 years p.a.	12.5	16.5	(4.0)
5 years p.a.	8.7	12.2	(3.5)
7 years p.a.	11.6	13.4	(1.8)
Since Inception p.a.	**12.6**	**13.9**	**(1.3)**
Since Inception cumulative	**140.6**	**162.0**	**(21.4)**

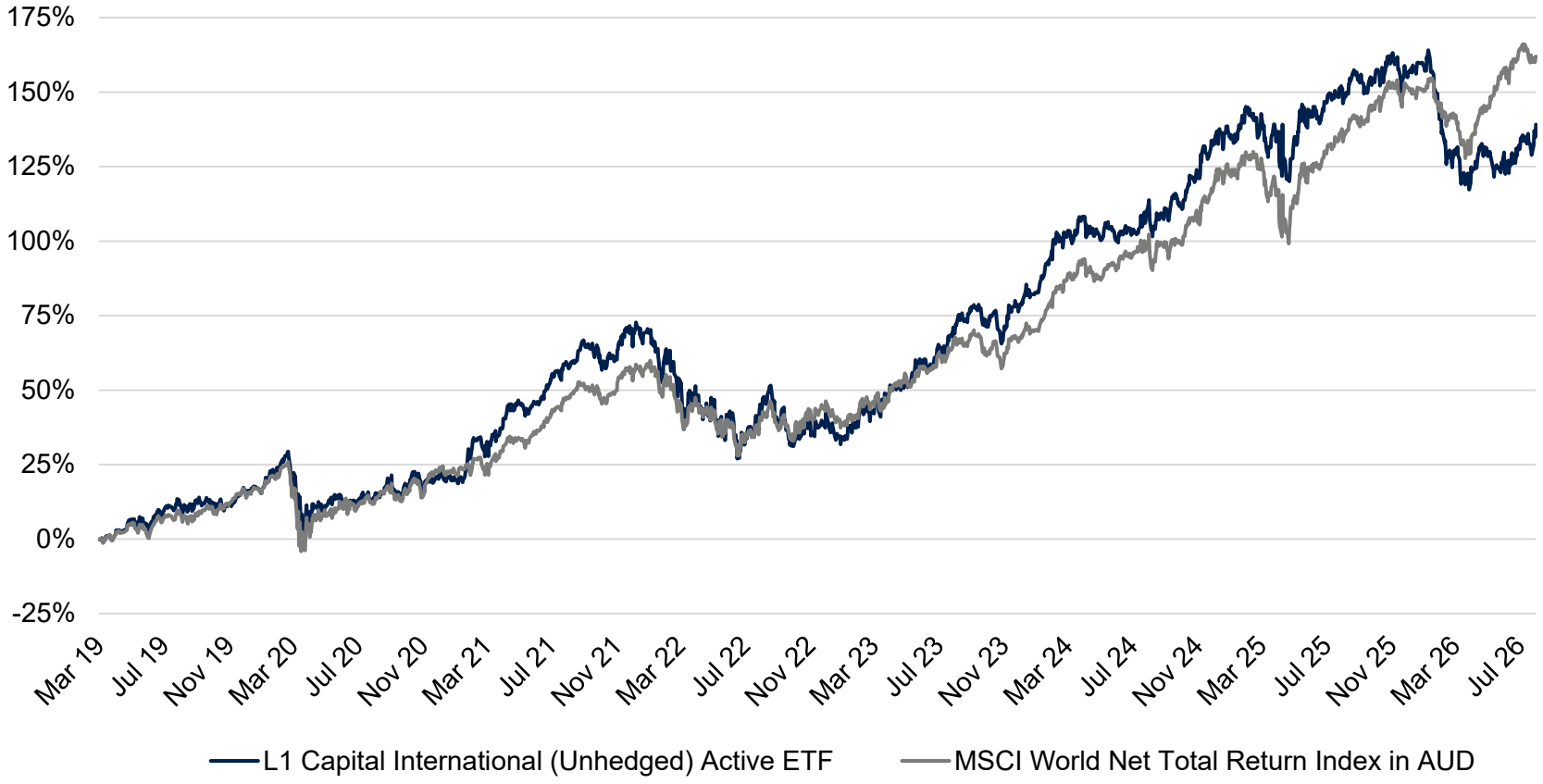
Performance objectives

- 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 2026. All performance numbers are quoted net of fees. *Unit Trust Inception is 1 March 2019 (returns measured from Index close). ETMF Inception is 22 November 2023. Numbers may not add due to rounding. ** MSCI World Net Total Return Index in AUD. See important information at the end of this pack regarding MSCI indices. **Investments can go up and down. Past performance is not predictive of future returns.**

L1 Capital International (Unhedged) Active ETF | Performance

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



140.6% return
net of fees,
versus
the Benchmark
return of **162.0%**

Source: L1 Capital International and MSCI as at 31 July 2026. Unit Trust Inception is 1 March 2019 (returns measured from Index close). ETMF Inception is 22 November 2023. See important information at the end of this pack regarding MSCI indices. **Investments can go up and down. Past performance is not predictive of future returns.**

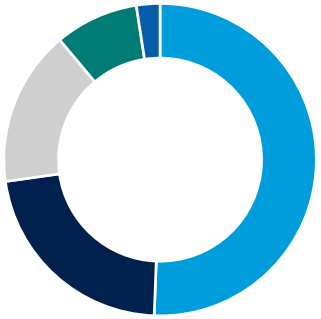
Current portfolio positioning | Diversified by industry, region and company size

Portfolio focused on high-quality companies in developed markets in a range of well-structured and growing industries

Sector exposure

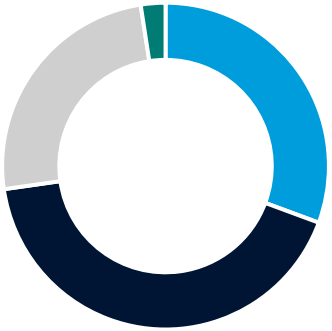
- Semiconductor 14%
- Payments 13%
- Consumer Discretionary 13%
- Commercial Services 12%
- Financials 13%
- Exchanges 8%
- Hyperscaler 8%
- Health Care 7%
- Software 5%
- Materials 5%

Revenue exposure by region[1]



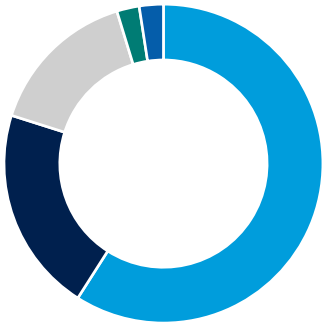
- North America 51%
- Western Europe 22%
- Asia Pacific 16%
- Rest of World 9%
- Cash 2%

L1 Capital International Quality Rating



- Rating 1 31%
- Rating 2 42%
- Rating 3 25%
- Cash 2%

Market capitalisation exposure (in US$)[2]

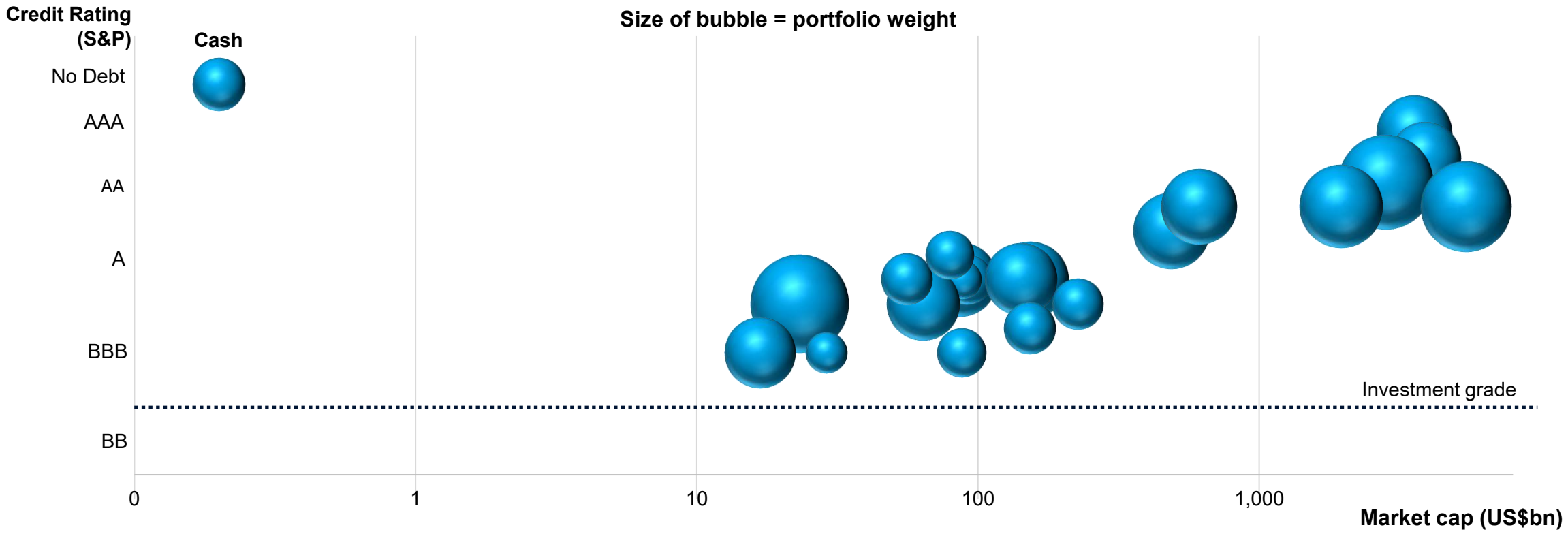


- $100 billion+ 59%
- $50-100 billion 21%
- $10-50 billion 15%
- < US$10 billion 2%
- Cash 2%

Source: L1 Capital International as at 31 July 2026. **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.

Financial strength

Key investment criteria and reduces risk



Source: L1 Capital International as at 18 August 2026.

Current portfolio metrics

Financial metrics reflect portfolio quality, compelling valuation compared to market average

2025 metrics

	Fund[1]	MSCI World Index[1]	ASX 200[1]
Revenue growth	17%	2%	0%
Gross margin[2]	71%	32%	42%
Operating margin	38%	14%	14%
Cash conversion[3]	73%	ND	ND
Net debt to EBITDA	1.1x	1.9x	3.6x
Return on equity	44%	15%	11%

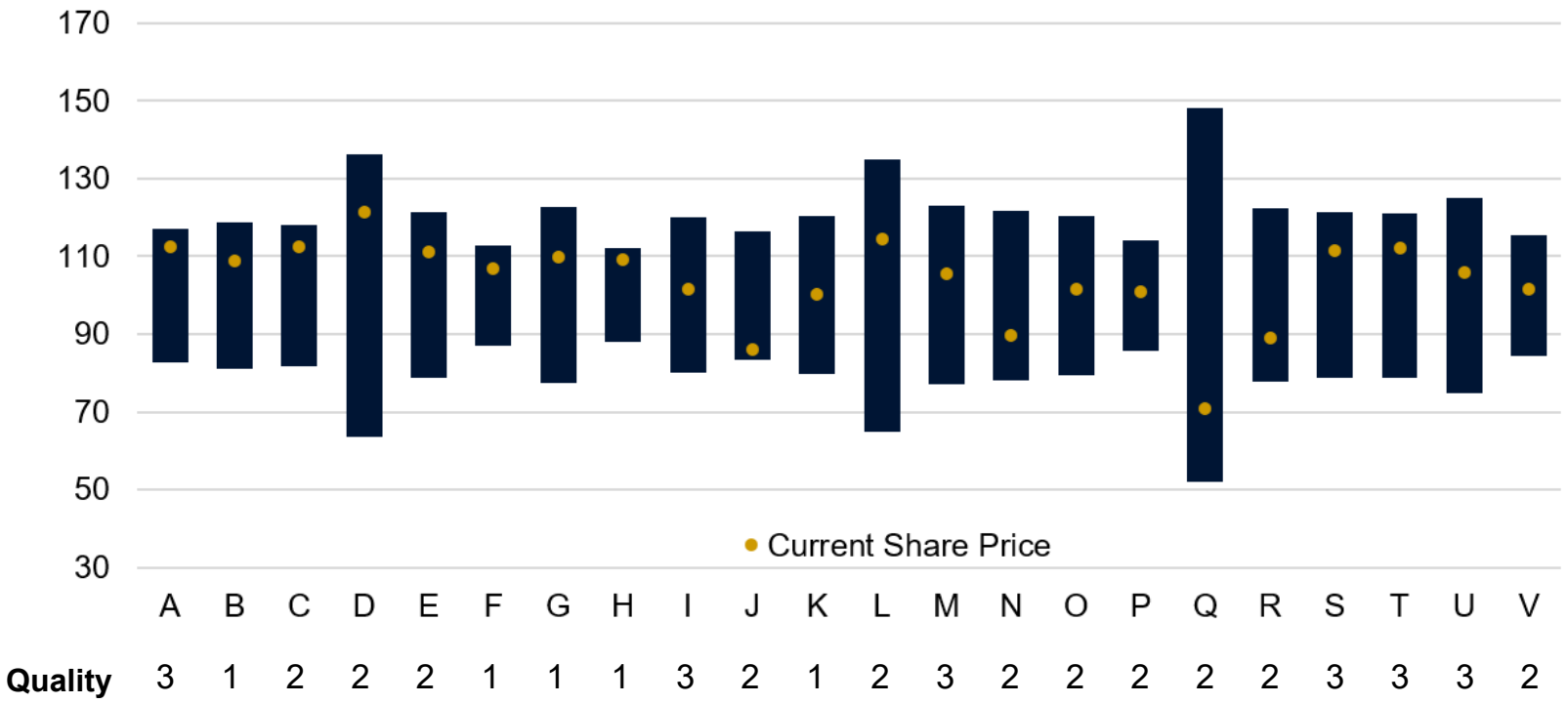
2026 metrics

	Fund[1]	MSCI World Index[1]	ASX 200[1]
P/E[4]	22x	21x	19x
Dividend yield	0.8%	1.6%	3.4%

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 18 August 2026. 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.

Current share price compared to 12-month trading range

Wide variance in share price performance depending on market perception of AI exposure

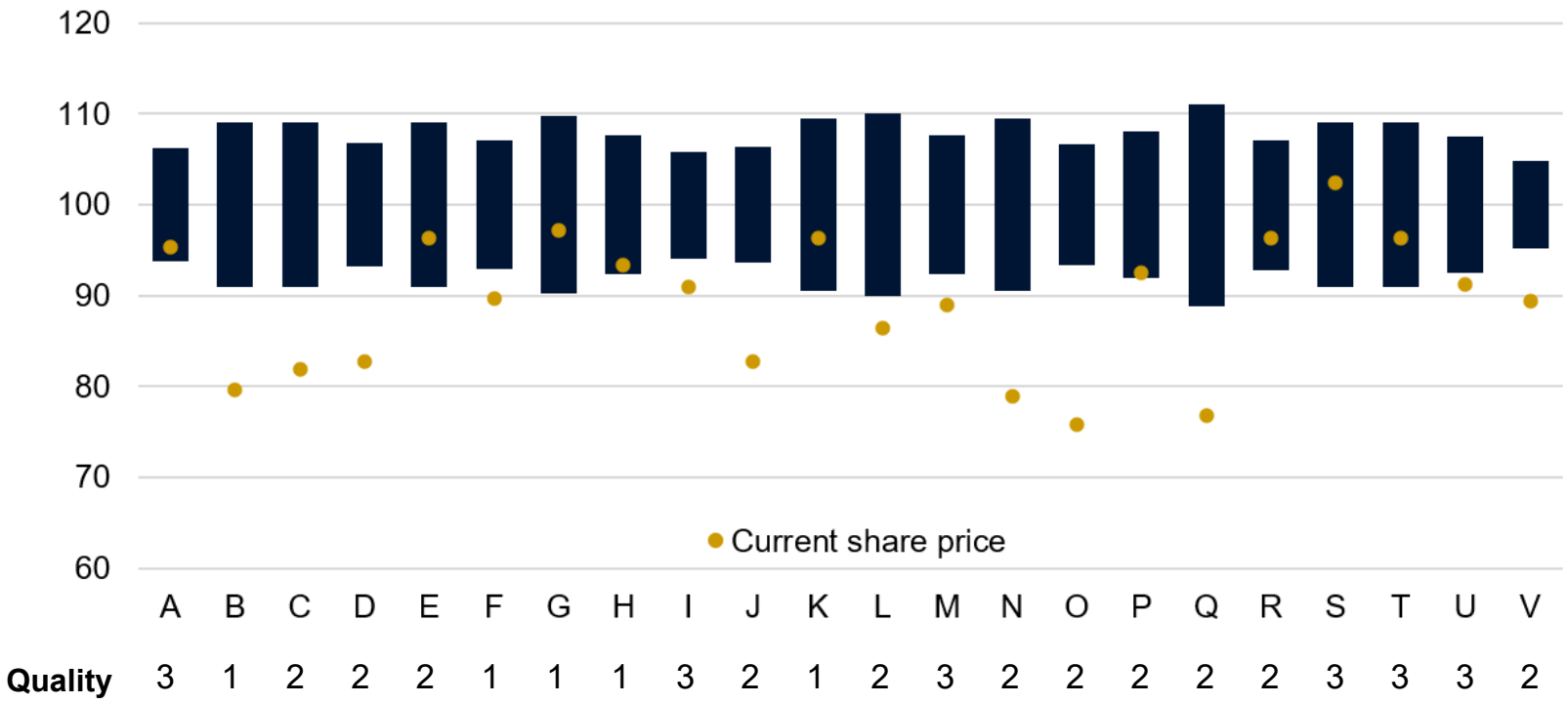


- **Share prices** remain **volatile**
- Portfolio has companies trading towards both 12-month highs and 12-month lows
- **Partial share price recovery** in **perceived AI losers**

Source: Bloomberg and L1 Capital as at 18 August 2026.

Portfolio base case valuation compared to share price

Significant value in high-quality businesses that are out of market favour



- **Top 10 c.62%** of total portfolio
- Rebalanced **Microsoft** and **Alphabet**
- Invested in **LPL Financial**
- **Added** to holdings including **American Express, Apollo, HCA, ICE, Mastercard, Nvidia** and **Uber**
- Sold **CDW** and **Weir**
- Reduced **Marsh**
- **Cash** around 2%

Source: Bloomberg and L1 Capital as at 18 August 2026.

3

Portfolio Considerations

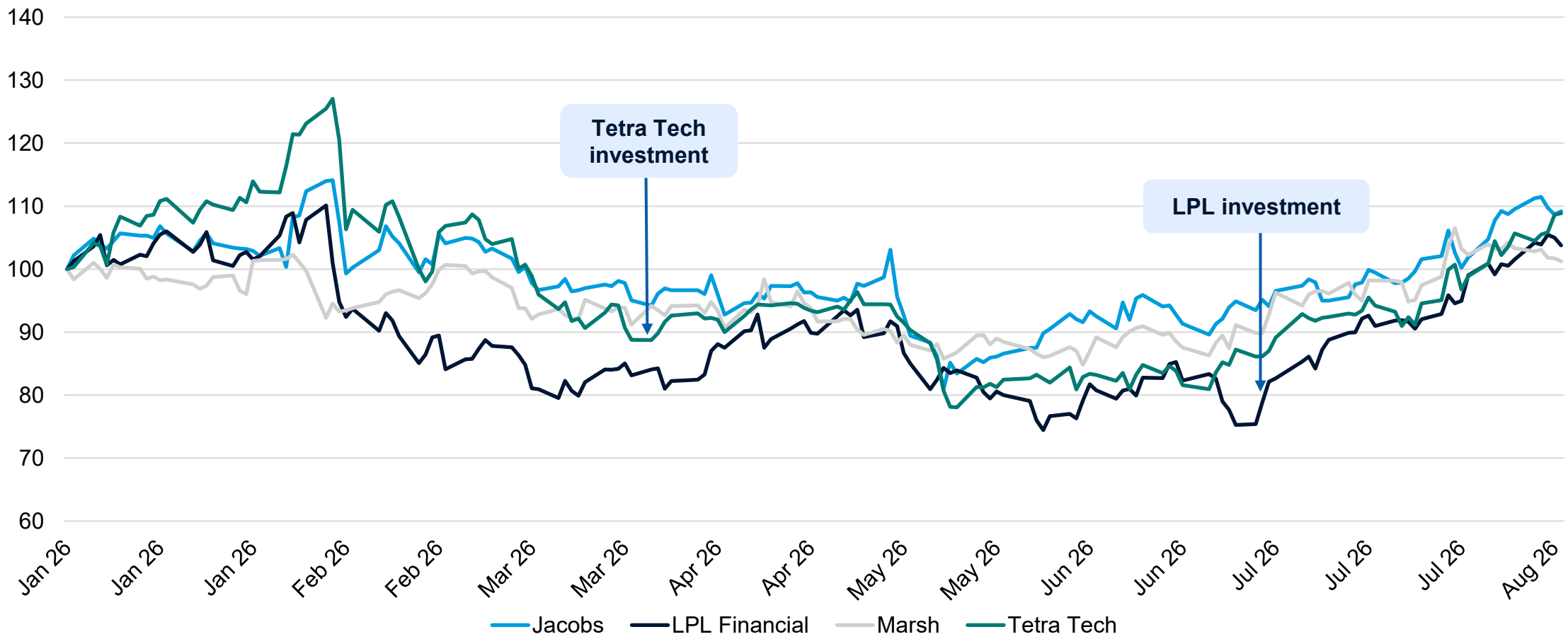
Portfolio overview

Market positioning and valuation distortions have become less extreme over the past few months, but we still see strong value across the portfolio

AI infrastructure beneficiaries	NVIDIA, tsmc
Hyperscalers	amazon, Google, Microsoft
Quality & highly attractive value	AERCAP, APOLLO, ice, CRH, danaher, LSEG, mastercard, VISA, HCA Healthcare
White-collar employment	Jacobs, MARSH, LPL Financial, TETRA TECH
Perceived tech-centric AI losers	Booking.com, Microsoft, INTUIT

Partial recovery in share price of white-collar employment businesses

Invested in LPL Financial and Tetra Tech well below assessed fair value



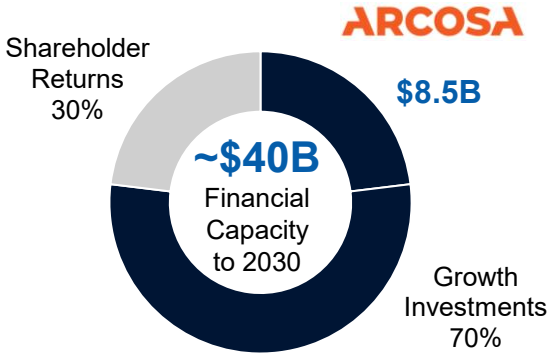
Source: FactSet.

Quality cyclical | CRH

Beneficiary of AI datacentre construction and associated infrastructure. Delays to BUILD America 250 Act and sluggish new residential construction activity affecting sentiment

- **Diversified** exposure to infrastructure, commercial, new residential and repair and renovation sectors
- **Bipartisan support** to invest in U.S. transport infrastructure, political process takes time
- Over 300 acquisitions as well as material divestments over the past 10 years to **reshape the portfolio**
- **Highly experienced management**
- Compelling valuation at **15x 2027 P/E ratio**

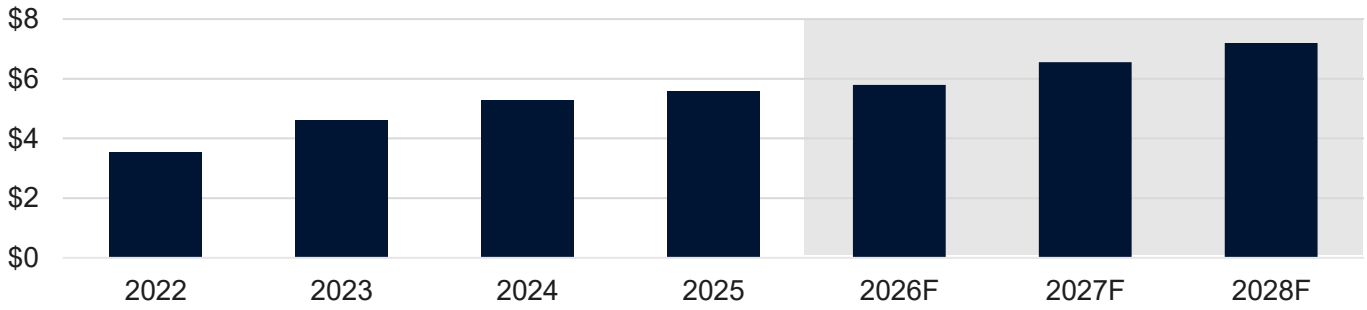
Financial capacity



2026 to 2030 targets

Revenue Growth	Adj. EBITDA Margin	Adj. FCF Conversion
7% to 9%	22% to 24%	>100%

Earnings per share



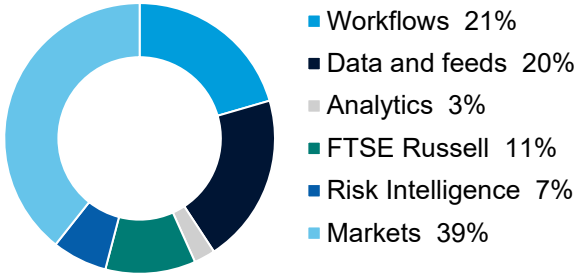
Source: CRH and L1 Capital International

Perceived AI loser | London Stock Exchange Group

Essential financial markets infrastructure, data and analytics. Misconceptions resulting in compelling valuation

- Leading provider of **financial markets infrastructure, data and analytics**
  - **London Stock Exchange itself <5%** of group revenue, **70%** revenue outside UK
- **Proprietary data,** supports agentic workflows
- **Sustained growth -** globalisation, electronification, and regulation of financial markets
- **Strong, consistent** financial performance
- **Business complexity and AI misconceptions** - trading at **15x 2027 P/E ratio**

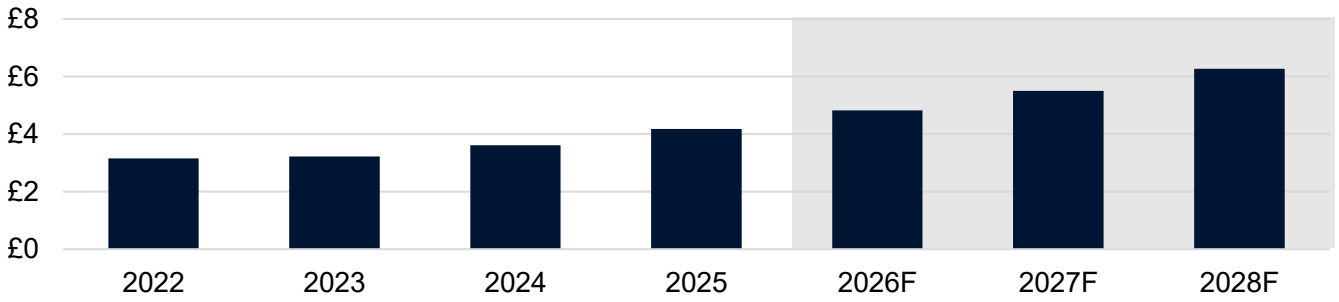
Revenue split - c. £10 billion



2027 to 2029 targets

Revenue growth	EBITDA margin expansion	Equity free cash flow growth
Mid to HSD	c.150bps	Double digit

Earnings per share



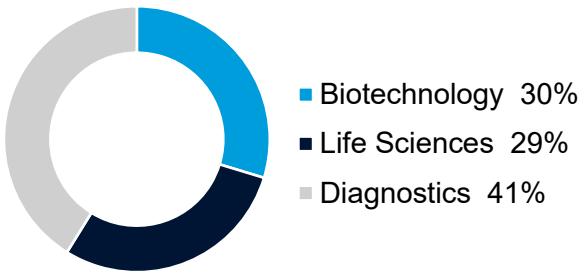
Source: London Stock Exchange Group and L1 Capital International

Quality compounder | Danaher

‘Picks and shovels’ / ‘Razor-razor blade’ business model returning to sustained consistent growth

- Pre-eminent provider of **equipment and consumables** to the Biotechnology, Life Sciences and Diagnostics industries
- **80% recurring revenue**
- **Sustained growth** from aging global population and global investment in healthcare and drug discovery
- **‘Danaher Business System’** delivers leading operational execution
- **c.20x 2027 P/E ratio, around ten year low**

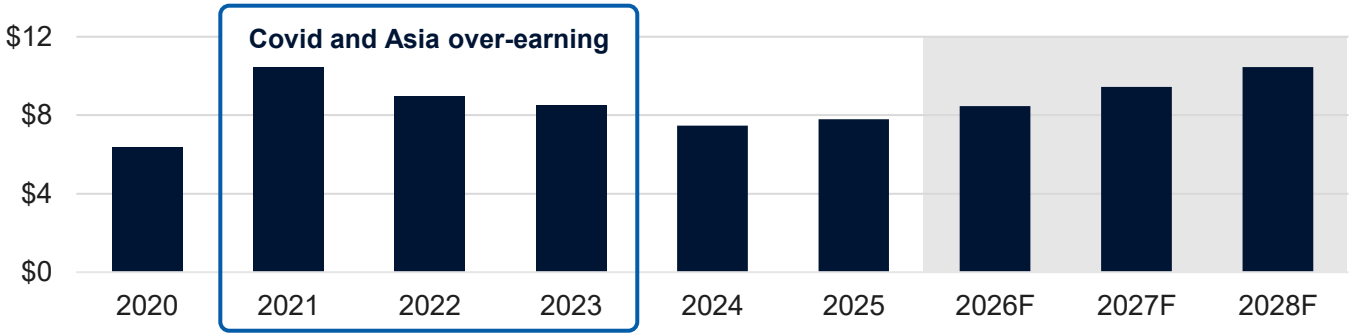
Revenue split – c. $26 billion



Anticipated long-term annual performance

Core revenue growth	+	HSD
Operating profit fall-through	+	35-40%
Strong free cash flow	+	>100% FCF/NI
Acquisitions	+	FCF+M&A spend
	=	
Top quartile eps growth & compounding returns		DD+EPS growth

Earnings per share



Source: Danaher and L1 Capital International

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Summary

Summary

Economic conditions are uneven while AI remains the dominant market theme. Attractive opportunities for disciplined investors with a longer-term investment horizon.

1. **'K-shaped economy'** continues – Affluent consumers doing well, lower socio-economic groups struggling
2. **Economic conditions** are **uneven. Middle East conflict** presents **downside risk**
3. **'Higher for longer'** interest rate environment
4. **Data center capex** has reached another level, **risk of over-extrapolating the present**, but for now there is an **acute compute deficit**
5. **AI market conditions are not universally bubbly**, but we do see **pockets of Greed**
6. **Investor positioning has been extreme** – only moderately more balanced today
7. **Doubt and uncertainty create attractive risk-adjusted investment opportunities**
8. **Remain disciplined – Quality and Value**

5

Appendix

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 hedged version of the strategy **ASX:L1HI**
  - Same portfolio as L1 Capital International (Unhedged) Active ETF but with a currency hedge overlay

For further information *please contact* the Unit Registry Office

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

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

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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Lonsec

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Zenith

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