



L1 CAPITAL  
INTERNATIONAL

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June 2019

# L1 Capital International Fund

## Monthly Net Performance (%)

PERIOD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019			0.8	5.8	-2.7	4.4							8.3

## L1 Capital International

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 in well-structured industries that we understand and that have favourable cashflow-based valuations. Capital preservation over the investment horizon is central to our investment philosophy and process. We view risk as a permanent loss of capital as opposed to volatility in share prices.

## Investment Philosophy

L1 Capital International will generally invest in businesses we consider:

- 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
- Management can either reinvest capital at attractive incremental returns and/or return excess capital efficiently to shareholders
- Operate with a conservative balance sheet and funding structure

## Revenue Exposure By Region\*



- North America **43%**
- Western Europe **25%**
- Asia Pacific **15%**
- Rest of World **6%**
- Cash **11%**

\* Revenue by region is internally estimated on a look through basis based on the underlying revenues of the individual companies held in the portfolio

## Market Capitalisation Exposure



- \$100 billion+ **36%**
- \$50-100 billion **17%**
- \$10-50 billion **25%**
- \$2-10 billion **4%**
- < US\$2 billion **7%**
- Cash **11%**

## Fund Overview

Portfolio Management	David Steintal (Chief Investment Officer) David Khaw (Portfolio Manager)
Type of Investments	Listed securities globally Developed market focus No shorting, no leverage
Number of Investments	20 to 40
Cash Weighting	0% to 25%
Time Horizon	5+ years
Benchmark	MSCI World Net Total Return Index in AUD
Fee Structure	Management fee: 1.2% p.a. of the net asset value of the Fund (including GST and RITC) Performance fee: 15% over Benchmark, subject to any underperformance being recouped. There must be positive absolute performance (adjusted for distributions) in the Performance Period*
Minimum Investment	\$25,000
Liquidity	Daily

\* Otherwise positive relative performance is carried forward to the next Performance Period

## Fund Performance\*

	Fund (%)	Index** (%)	Excess (%)
1 Month	4.4	5.2	-0.8
3 Month	7.5	5.3	2.2
1 Year			
Since Inception - 1 March 2019	8.3	6.0	2.3

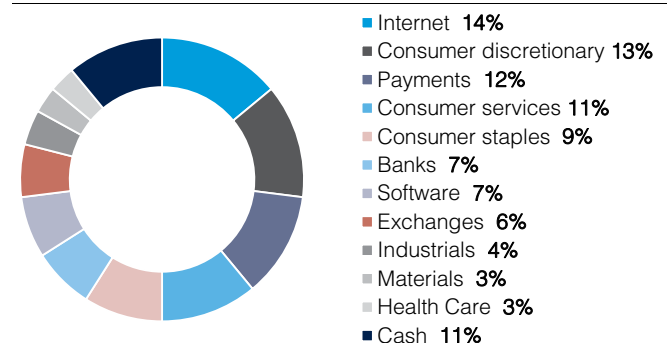
\* Rounded to one decimal place

\*\* MSCI World Net Total Return Index in AUD. Returns measured from Index close on 1 March 2019.

## Top 10 Holdings (In alphabetical order)

Company	Sector
Alphabet	Internet
Aon	Commercial Services
Booking Holdings	Consumer Discretionary
Discover Financial Services	Banks
Facebook	Internet
Fidelity National Information Services	Software
Intercontinental Exchange	Exchanges
Mastercard	Payments
St James's Place	Commercial Services
Visa	Payments

## Sector Exposure\*\*



\*\* Industry classification is defined by L1 Int to best describe the nature of the underlying businesses

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