



**L1 CAPITAL LONG SHORT  
FUND – MONTHLY CLASS  
AND L1 CAPITAL LONG  
SHORT FUND – DAILY CLASS  
MODERN SLAVERY  
STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2023**

## Table of contents

Table of contents	2
Background	3
Structure, operations and supply chains of the Reporting Entity	3
Fund Structure	3
About Equity Trustees	3
About L1 Capital	3
Operations and supply chains	4
Risks of modern slavery practices in operations and supply chains of the Reporting Entity	4
Actions taken by the Reporting Entity to assess and address risks, including due diligence and remediation processes.	5
How the Reporting Entity assesses the effectiveness of actions to assess and address risks	6
Consultation process	7
Other relevant information	7
Approval	7

## Background

This document is a Modern Slavery Statement ('Statement'), made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* (the 'Act') in respect to the financial year ending 30 June 2023 (the 'Reporting Period') in relation to the L1 Capital Long Short Fund – Monthly Class and the L1 Capital Long Short Fund – Daily Class (the 'Fund'), which is a 'Reporting Entity' under the Act.

The Statement is issued by Equity Trustees Limited ABN 46 004 031 298 ('ETL' or 'Responsible Entity') in its capacity as the Responsible Entity of the Reporting Entity in accordance with the Act and has been approved by the Board of ETL as their principal governing body.

This Statement discloses ETL and the Fund's commitment and steps taken in identifying and addressing modern slavery risks within its business and supply chain, which includes the activities implemented in financial year ending 30 June 2023.

## Structure, operations and supply chains of the Reporting Entity

### Fund Structure

The Fund is a registered managed investment scheme, ARSN 615 353 556. ETL is the Responsible Entity of the Fund. Its investors are classified as retail and wholesale clients pursuant to the *Corporations Act (Cth) 2001*.

The Board of Directors of ETL governs the Fund's operations. Its investments and investment strategy are managed by L1 Capital Pty Ltd ('L1 Capital') pursuant to an investment management agreement between ETL and L1 Capital.

The Fund conducts all business activities in accordance with high levels of ethical and professional standards and in accordance with relevant laws in Australia. The Fund is committed to mitigating the risk of modern slavery in the business and supply chains of the Fund and the assets in which it invests.

### About Equity Trustees

ETL is a wholly owned subsidiary of EQT Holdings Ltd which is a diversified financial services company publicly listed on the Australian Securities Exchange (ASX: EQT). ETL holds an Australian Financial Services Licence ('AFSL') no. 240975. It acts as a trustee and Responsible Entity for a range of managed investment schemes and unit trusts of which the Fund is one. ETL's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia.

### About L1 Capital

Rafi Lamm and Mark Landau founded L1 Capital in 2007, with a focus on managing Australian equities. They have grown the firm through the careful selection of strategies, a focus on investing alongside clients and capping funds under management (FuM) capacity to focus on alpha generation. Rafi and Mark began managing Long Short equities in 2014, then added Global Opportunities (multi-strategy hedge Strategy managed from Miami) in 2015, UK Residential Property (managed from London) in 2017, International Equities (managed from Sydney) in 2019, and Catalyst equities (best ideas, concentrated Australian equities with an activist overlay managed from Melbourne) in 2021. Today, the firm manages over \$6 billion in FuM and remains owned by its senior staff. The firm's clients include large superannuation funds, pension funds, asset consultants, private wealth firms, financial planning groups, family offices, high net worth investors and retail investors.

L1 Capital holds an AFSL no. 314302. It acts as investment manager for a range of managed investment schemes and unit trusts. L1 Capital's registered office is Level 10, 530 Collins Street, Melbourne, VIC 3000, Australia.

## Operations and supply chains

The Fund's investment objective is to achieve strong, positive, risk-adjusted returns over the long term (in AUD terms).

The Fund's investment strategy is to conduct bottom-up company research to identify mispriced securities. The Fund may hold long or short stock positions (or derivatives) to profit from this mispricing. Securities will be listed (or expected to list) on a global stock exchange.

In preparing this statement, the Fund's direct supply chain has been considered.

The Fund's operations and supply chains involve registry, custody and administration of assets and also include several support functions including the suppliers of office facilities and management, information technology hardware and software, office equipment, travel and hospitality expenses and legal, tax, accounting and financial services. These support functions are provided by ETL and other external service providers, predominantly based in Australia. Internal policies and procedures in relation to the selection of service providers are followed and service providers are typically selected after a due diligence (financial & operational) process which includes risk assessments and thorough reviews with internal subject matter experts.

ETL, as Responsible Entity of the Fund, has entered into agreements with each of the service providers which govern the nature and scope of the services to the Fund. Both ETL and L1 Capital conduct annual service provider reviews.

Apex Fund Services Pty Limited is the administrator of the Fund. Goldman Sachs International, Merrill Lynch International & Morgan Stanley & Co. International plc are the custodians of the Fund assets. The administrator and custodians have operations in Australia and a number of international jurisdictions including North America, Europe and Asia, as part of global groups of companies.

## Risks of modern slavery practices in operations and supply chains of the Reporting Entity

Modern slavery has been defined by the Act to include eight types of serious exploitation, including:

- Trafficking in persons;
- Slavery;
- Servitude;
- Forced labour;
- Forced marriage;
- Debt bondage;
- The worst forms of child labour;
- Deceptive recruiting for labour services.

We acknowledge the following types of modern slavery risks and their indicators that can exist in the Fund's operations and supply chains as well as in the equity holdings of the Fund:

- **Sector and industry risk:**

Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes.

Indicators of this type of risk include the use of unskilled, temporary or seasonal labour, use of short-term contracts and outsourcing, use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible (i.e. at night time) for example, security and cleaning. In respect of the Fund based on the sectors identified using the Responsible Investment Association, Australasia (RIAA) investor toolkit and the Australian Council of Superannuation Investors (ACSI) Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors and the Responsible Sourcing Tool, we have identified that the Fund's investments are exposed to the following categories that exhibit sector and industry risk:

- Security and cleaning services

- Catering services
  - Hotel and other travel services
  - Agricultural and fishing industries
  - Apparel industry
  - Electronics manufacturing and electronics recycling industry
  - Food and beverage industries
  - Health care
  - Financial services
  - Mining and resources
  - Construction
  - Furniture, fixtures and equipment
  - Facilities management
  - Stationery
  - Technology (hardware products).
- **Product and services risk:** where certain products and services have high modern slavery risks because of the way they are produced, provided or used. We have not identified any significant areas of product services risk in the Fund's operations or supply chains.
  - **Geographic risk:** where some countries may have higher risk of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors. We have analysed the Fund's investments in respect of geographic risk and have not identified any areas of significant geographic risk in its investments.
  - **Entity risks:** where an entity may have particular modern slavery risks because of poor governance structures, a record of treating workers poorly or a track record of human rights violations. We have not identified any instances of entity risk in the Fund's investments and suppliers.

## **Actions taken by the Reporting Entity to assess and address risks, including due diligence and remediation processes.**

The Reporting Entity is committed to continuously improving awareness and response to the risk of modern slavery in the Fund's operations and supply chains.

During the Reporting Period, L1 Capital undertook the following actions:

- conducted ongoing due diligence of outsourced service providers of material business activities for modern slavery risks;
- assessed the risks of modern slavery in investment portfolios as part of the investment process and developed an ESG Approach document for the Fund;
- updated the ESG and Responsible Investing (RI) policy which includes Responsible Investment, active ownership and proxy voting, sustainable environmental impact for the operations of its business and modern slavery risk;
- added ESG Risk to its Key Risk Register, ensuring key risk indicators are formally reviewed by the Operations and Compliance Committee on a quarterly basis;
- developed upon its work to analyse the Fund's supply chain more deeply, exploring options to work with suppliers and partners on an increasingly collaborative basis;
- continued work to develop measures to assess the effectiveness of the steps taken to enhance the Fund's understanding and capacity to identify and address modern slavery risks;

- reviewed the requirements of any regulations and guidance issued in connection with the Act and incorporated an effective response within the Fund's risk management framework;
- maintained a Modern Slavery Register to track any incidents of modern slavery;
- held a number of meetings of the L1 Capital ESG Working Group;
- ensured that, to the best of L1 Capital's knowledge, the Fund did not commence commercial arrangements with entities that contravene the UN Guiding Principles on Business and Human Rights. Should any existing commercial arrangement be found to have breached the UN Guiding Principles, L1 Capital would ensure the Fund would take steps to reassess whether it would continue to provide services with that entity and would cease commercial relations unless a satisfactory remediation process is established; and
- utilised remediation processes including whistleblower hotlines, contract clauses and continued to improve appropriate policies and procedures including the L1 Capital Code of Conduct, the L1 Capital Internal Dispute Resolution Policy and the L1 Capital Whistleblower Policy to mitigate risks and effects of modern slavery practices.

During the Reporting Period, ETL undertook the following actions:

- Established an ESG working group of key internal business stakeholders with the purpose to assess ESG trends, standards and guidance relevant to EQT Group, recommend actions and report measures taken to mitigate ESG risks and implement strategic ESG opportunities and operational enhancements; and
- Engaged with external consultants to develop a sustainability material assessment to determine ESG topics which represent the greatest risks, sustainability framework and policies to assess, monitor and report on ESG matters, and sustainability roadmap and action plan on the short, medium and long-term horizons; and
- Continued to refine and design ETL's modern slavery onboarding questionnaires to service providers and investment managers.

## **How the Reporting Entity assesses the effectiveness of actions to assess and address risks**

L1 Capital has developed a number of methods to assess the effectiveness of its actions to assess and address risk.

### **Board Reporting**

The Modern Slavery Statement is reported to L1 Capital's Board annually. The Modern Slavery Register is reported to the L1 Capital Board on a quarterly basis. This provides both Boards the opportunity to discuss and engage with modern slavery issues, and evaluate actions, effectiveness and opportunities for improvement.

### **Modern Slavery reporting**

Given there have been no of modern slavery in L1 Capital's operations identified to date, this provides an indicator of the effectiveness of its actions in minimising the risk of modern slavery.

### **Portfolio company analysis**

The L1 Capital investment team analyse target companies for modern slavery risks as part of the investment process.

### **Use of the Modern Slavery Framework**

L1 Capital has developed a Modern Slavery Framework which includes the Responsible Investment and Environmental, Social and Governance Policy, a Modern Slavery Register, the Key Risk Register

and the service provider review process. This enables an assessment of modern slavery risk management maturity.

ETL intends to provide its Board of Directors with an annual assessment on the implementation and effectiveness of actions to ensure the obligations within this Statement are met. The Board shall consider the effectiveness of the measures as set out above and have the authority to make amendments to this Statement as it sees fit.

## Consultation process

There are no subsidiaries or entities owned or controlled by the Reporting Entity, which is a Trust. However, the Responsible Entity of the Trust and the investment manager of the Trust consult on the preparation of this MSS.

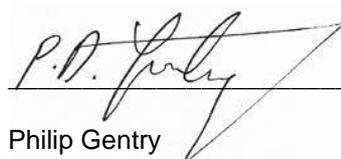
For clarity, L1 Capital is not owned or controlled by the issuer of this MSS.

## Other relevant information

No other relevant information for this Reporting Period.

## Approval

This Statement was approved by the Board of Directors of ETL, as the principal governing body of the Reporting Entity, on 21 December 2023.



---

Philip Gentry

Chair

Date: 21 December 2023

---

For clients wishing to discuss this statement, please contact your client service representative.

For media inquiries wishing to discuss this statement, please contact:

Alicia Kokocinski  
General Manager, Marketing and Communications  
Equity Trustees Limited  
Level 1, 575 Bourke Street, Melbourne, VIC 3000  
Australia  
Telephone: +61 3 8623 5396 / +61 403 172 024  
Email: akokocinski@eqt.com.au

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 and EQT Responsible Entity Services Ltd ABN 94 101 103 011 are part of the EQT Holdings Limited group (brand name Equity Trustees) which also includes Equity Trustees Wealth Services Limited ABN 33 006 132 332 AFSL 234528, Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757, RSE L0001458 HTFS Nominees Pty Ltd ABN 78 000 880 553 AFSL 232500 RSE L0003216 EQT Legal Services Pty Ltd ABN 32 611 391 149 and Australian Executor Trustees Limited ABN 84 007 869 794 AFSL 240023. EQT Holdings Limited ABN 22 607 797 615 is a publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, Perth, and Adelaide.

This material has been prepared by ETL and L1 Capital to provide you with general information only. Neither L1 Capital, ETL nor any of their 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. Any securities and/or sectors mentioned herein are for illustration purposes and should not be construed as a recommendation for investment. The information contained herein may not be copied, reproduced or redistributed without the express consent of L1 Capital and ETL. While the information is believed to be accurate, it may be subject to change without notice. Except in so far as any liability under any law cannot be excluded, L1 Capital and ETL do not accept liability for any inaccuracy or for the investment decisions or any other actions taken by any person on the basis of the material included.

Unless otherwise indicated, logos, product and services names are trademarks of L1 Capital and ETL and its affiliates and may be registered in certain countries.