



**L1 CAPITAL LONG SHORT
FUND – MONTHLY CLASS
AND L1 CAPITAL LONG
SHORT FUND – DAILY CLASS
MODERN SLAVERY
STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

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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 2022 (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 2022.

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 govern 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

L1 Capital is a global investment manager founded in Melbourne in 2007 by Raphael Lamm and Mark Landau with the launch of the Australian Equities strategy. They have grown the firm through the selective cultivation of new strategies, adding the Long Short equities in 2014, then adding Global Opportunities (multi-strategy hedge fund managed from Miami) in 2015, UK Residential Property (managed from London) in 2017, International Equities (managed from Sydney) in 2018, and Catalyst equities (best ideas, concentrated Australian equities with an activist overlay managed from Melbourne) in 2021.

Today, the firm manages \$4.5 billion in funds under management (FuM) for a range of investors including large superannuation funds, pension funds, asset consultants, financial planning groups, family offices, high net worth individuals and retail investors. The firm remains owned by its senior staff.

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 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. 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.

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;
- analysed the Fund's supply chain more deeply, exploring options to work with suppliers and partners on an increasingly collaborative basis;
- developed 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.
- 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;

- 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:

- assessed due diligence questionnaire responses with regards to potential modern slavery risks in the supply chains of the Fund;
- ETL was approved as a signatory to the United Nations supported Principles for Responsible Investment (UNPRI); and
- actively engaged with investment managers when any suspected modern slavery activity was detected.

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

ETL will 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 15 December 2022.



Philip Gentry

Chair of the ETL Board

Date: 15 December 2022

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

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

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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, Adelaide, London and Dublin.