LANCASTER
INVESTMENT MANAGEMENT

Lancaster European LS Equity

April 2020

The fund returned 11.91% for April. After the very poor March performance, it was pleasing to generate alpha and produce a strong positive month. The anomalously high turnover in the portfolio seen in February and March retreated to more normal levels in April. We exited our investments in Bankia and Danone, and initiated positions in Nordea Bank and Ferguson, a plumbing and heating parts distributor. Autoliv was the standout performer in April after very strong Q1 numbers; the business is clearly profiting from the dominant market share position it has built over recent years. Flutter Entertainment was also a major contributor as The Stars Group merger closed and the market recognised that a lack of live sports was not significantly impacting the overall business model. Early on in the month, we significantly increased our holding in Next; it is now the largest position in the portfolio. For those that may have missed it, this is a name we covered in detail on our quarterly call and we would be happy to share those slides or further work should anyone wish to see it.

Performance	
Return on month	11.91%
1 year return	-6.09%
3 year CAGR	1.35%
5 year CAGR	0.37%

Exposure	
Gross	119.0%
Net	80.4%
Net Beta Adj.	101.1%
Long	99.7%
Short	-19.3%

Number of Positions	
Long	31
Short	12
Total	43

Leverage	
Gross method	2.0
Commitment method	1.2

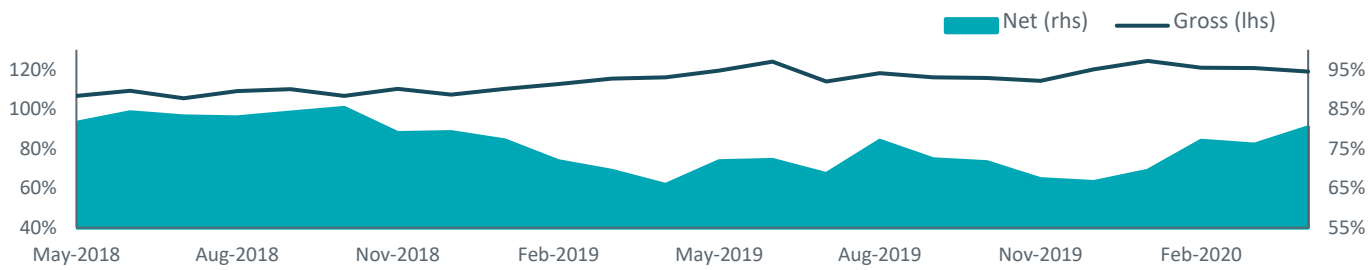
Top 3 Positive Contributors
Autoliv
Flutter Entertainment
Industrial (long)

Top 3 Negative Contributors
Healthcare (short)
Financial (long)
Consumer Discretionary (long)

Top 5 Longs	
Next	5.6%
Autoliv	5.5%
Berkeley	5.2%
Trelleborg	4.8%
Brenntag	4.5%
Total	**25.5%**

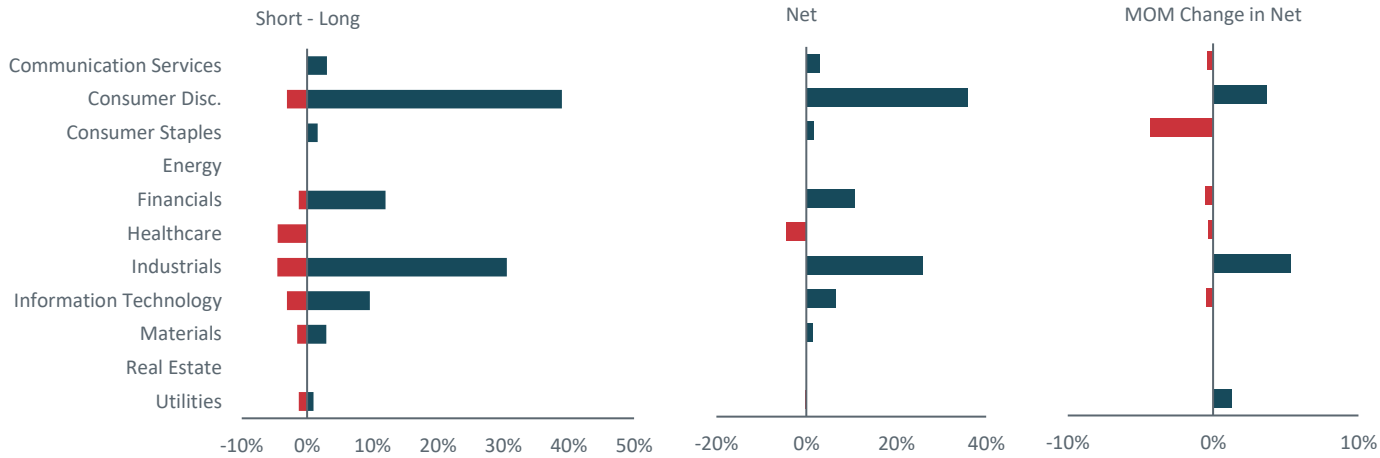
Top 5 Shorts	
Healthcare	-2.9%
Industrial	-2.3%
Information Technology	-2.0%
Consumer Discretionary	-1.6%
Healthcare	-1.6%
Total	**-10.4%**

Rolling 24 Month Gross and Net Exposures



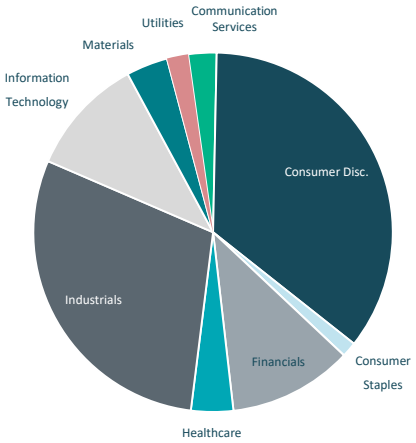
Source: Lancaster Investment Management

Sector Exposure

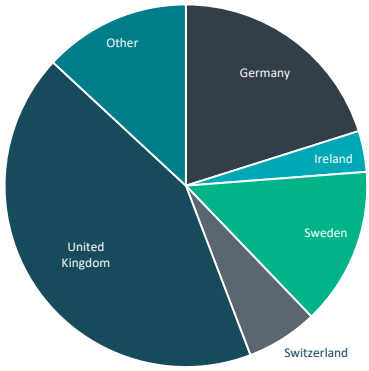


Source: Lancaster Investment Management

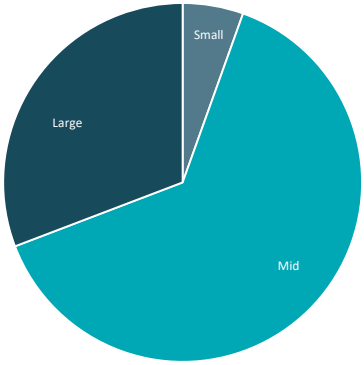
Sector



Country

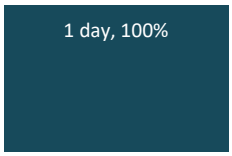


Market Cap



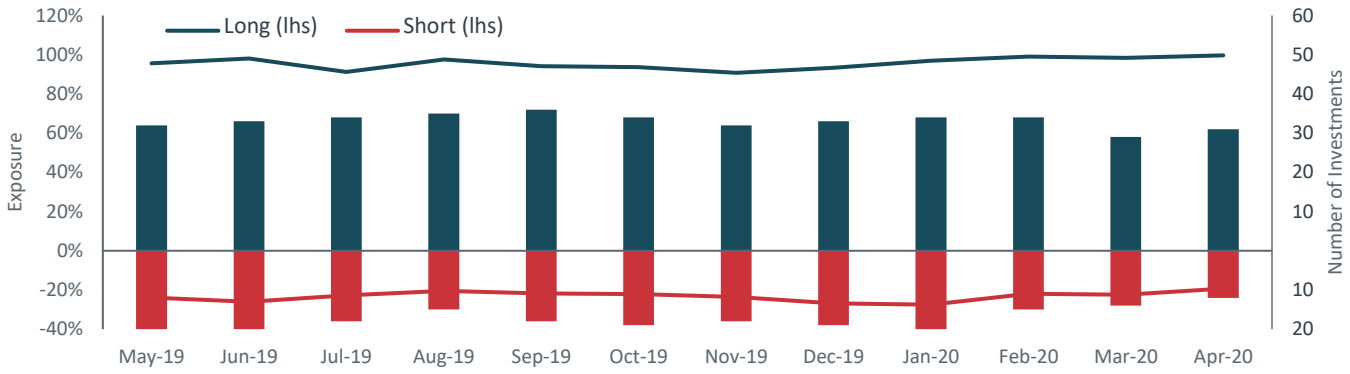
Source: Lancaster Investment Management

Liquidity



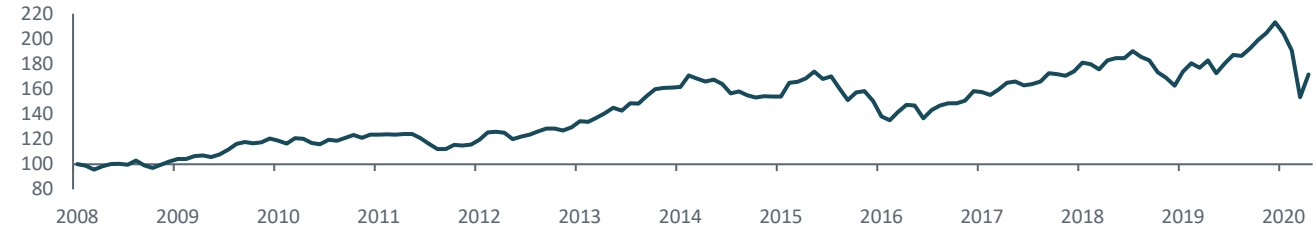
Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance



Source: Lancaster Investment Management

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**	**Inception**
2020	-4.17%	-6.65%	-19.57%	11.91%									**-19.49%**	**71.62%**
2019	6.86%	3.80%	-1.96%	3.29%	-5.59%	4.60%	3.71%	-0.45%	3.23%	3.57%	2.72%	4.18%	**31.01%**	**113.17%**
2018	3.88%	-0.63%	-2.27%	3.97%	1.06%	-0.02%	2.99%	-2.45%	-1.40%	-5.23%	-2.48%	-3.75%	**-6.61%**	**62.71%**
2017	-0.39%	-1.56%	2.94%	3.23%	0.69%	-1.92%	0.62%	1.37%	3.90%	-0.34%	-0.88%	2.22%	**10.13%**	**74.22%**
2016	-8.10%	-2.32%	5.00%	3.92%	-0.23%	-7.04%	4.85%	2.59%	1.13%	-0.03%	1.41%	5.02%	**5.22%**	**58.19%**
2015	-0.10%	7.11%	0.59%	1.63%	3.10%	-3.27%	1.23%	-5.74%	-5.77%	4.10%	0.64%	-5.03%	**-2.42%**	**50.34%**
2014	0.37%	5.56%	-1.40%	-1.40%	0.99%	-2.16%	-4.51%	0.91%	-1.87%	-1.20%	0.72%	-0.15%	**-4.37%**	**54.06%**
2013	3.75%	-0.35%	2.42%	2.57%	3.19%	-1.53%	3.97%	-0.14%	4.12%	3.44%	0.68%	0.18%	**24.48%**	**61.10%**
2012	3.32%	4.99%	0.38%	-0.63%	-4.03%	1.73%	1.16%	1.97%	1.80%	0.16%	-1.19%	1.91%	**11.90%**	**29.42%**
2011	0.12%	0.16%	-0.32%	0.51%	0.05%	-2.71%	-3.77%	-3.57%	0.10%	2.88%	-0.35%	0.53%	**-6.37%**	**15.66%**
2010	-1.43%	-1.88%	3.71%	-0.48%	-2.69%	-0.90%	3.08%	-0.62%	1.97%	1.83%	-1.72%	1.95%	**2.59%**	**23.53%**
2009	1.85%	0.04%	2.20%	0.49%	-1.18%	1.94%	3.61%	4.06%	1.30%	-0.78%	0.54%	2.56%	**17.76%**	**20.41%**
2008		-1.21%	-3.13%	2.77%	1.91%	0.06%	-0.75%	3.44%	-3.65%	-2.14%	2.50%	2.76%	**2.24%**	**2.24%**

Performance quoted net of fees based on the most invested share class. Other share classes with higher fees may exist.

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Lancaster European LS Equity Details

Launch date	February 2008	**Fund Structure**	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Quarterly		
Notice Period	60 days	**Administrator**	Morgan Stanley Fund Services
Minimum Investment	$10,000,000	**Auditor**	KPMG
Management Fee	1.0%	**Prime Brokers**	Credit Suisse, Goldman Sachs, Morgan Stanley, UBS
Performance Fee	15%* (subject to HWM)	**Legal Advisors (UK)**	Schulte Roth & Zabel
Lockup Period	12 months	**Legal Advisors (US)**	Schulte Roth & Zabel
Subscriptions	Monthly	**Legal Advisors (Cayman)**	Maples & Calder
Gate	None	**Contact Details**	Richard Lamplough richard.lamplough@lancasterIM.co.uk +44 20 7842 1049

Details above refer to classes G&H and equivalent

* Payable over multiple years – please see offering documents

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