LANCASTER
INVESTMENT MANAGEMENT

Lancaster European LS Equity

April 2021

April was a month of pleasing single stock alpha, with the fund returning 2.56% vs the market of 2.21%*, and performance spread broadly through the portfolio. Top contributors included Bank of Ireland, where Q1 Net Interest Income beat expectations, and the company made good progress against cost reduction targets. Similarly, Jet2 pre-released better than expected operational and cash performance while Convatec's Q1 organic growth was materially above consensus expectations, bolstering confidence in the company's turnaround. Reckitt was weak during the month as the Health and Nutrition divisions missed Q1 organic growth expectations, while Hygiene beat. We believe Reckitt is in the early days of a multi-year turnaround, where reinvestment will ultimately drive higher long term organic growth across the business; we expect this to become evident later in the year. Our short in a French technology business performed well as organic growth disappointed, particularly in the North American division that had previously received a qualified audit opinion. Conversely our short in a Swedish debt servicing business lost money as results beat consensus expectations and management increased guidance on headline 2021 earnings.

Exposure	
Gross	136.9%
Net	76.8%
Long	106.9%
Short	-30.1%

Performance	
Return on month	2.56%
Return YTD	10.44%
1 year return	49.02%
3 year CAGR	11.85%

Number of Positions	
Long	40
Short	18
Total	58

Leverage	
Gross method	2.4
Commitment method	1.4

Top 3 Positive Contributors
Jet2
Bank of Ireland
Convatec

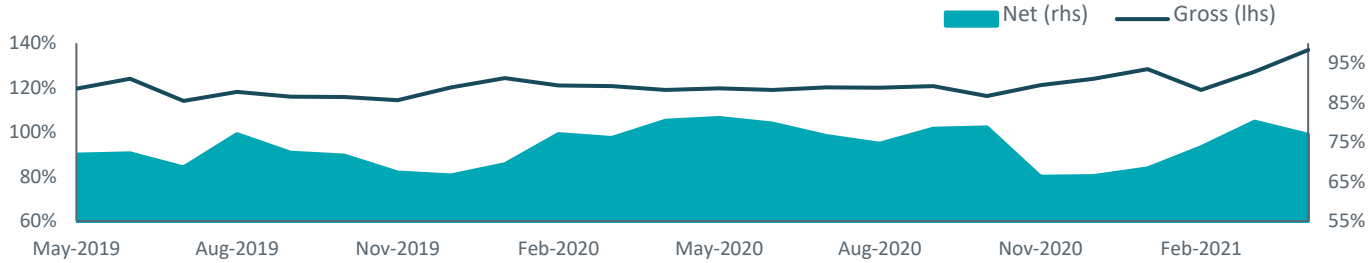
Top 3 Negative Contributors
Industrial (short)
Real Estate (short)
Industrial (short)

Top 5 Longs	
BAE Systems	4.4%
National Grid	3.9%
Brenntag	3.8%
GEA Group	3.7%
T-Mobile	3.6%
Total	**19.4%**

Top 5 Shorts	
SX5E	-4.0%
Industrial	-2.3%
Information Technology	-2.0%
Information Technology	-1.9%
Industrial	-1.8%
Total	**-12.1%**

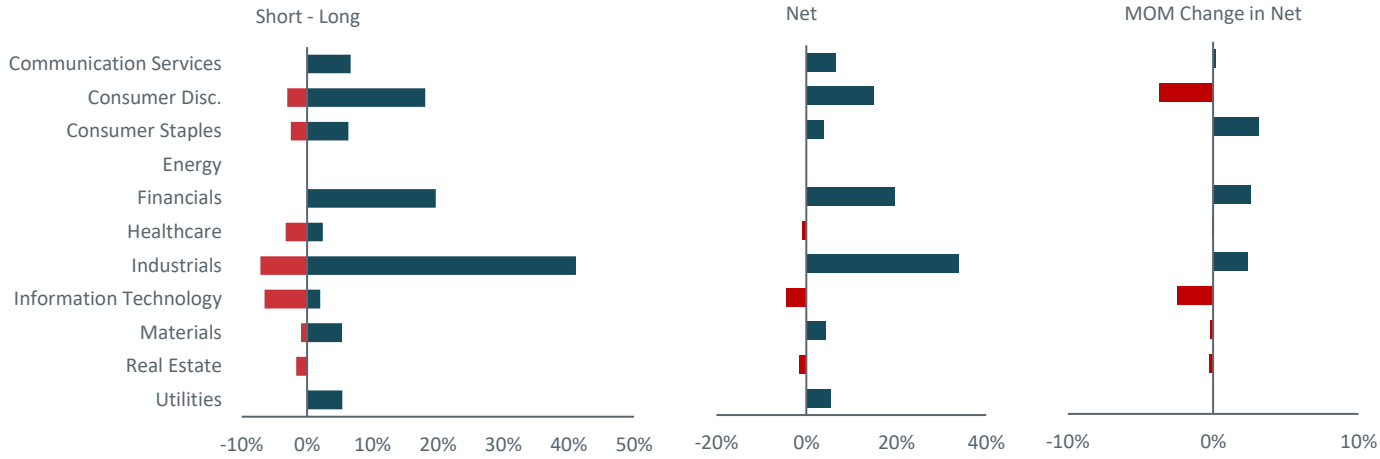
* STOXX Europe 600 Net Return (SXXR). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Rolling 24 Month Gross and Net Exposures



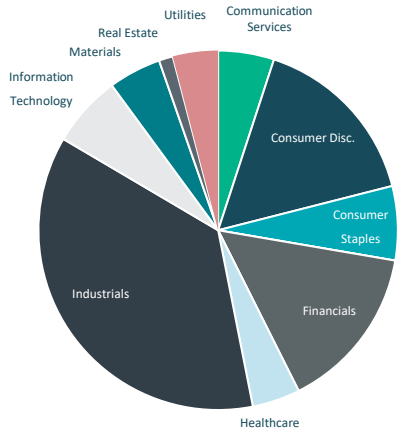
Source: Lancaster Investment Management

Sector Exposure

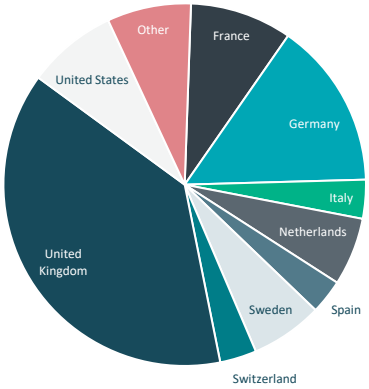


Source: Lancaster Investment Management

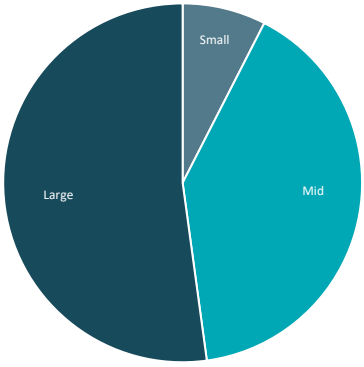
Sector



Country

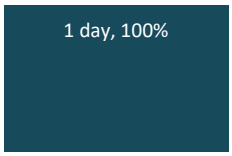


Market Cap



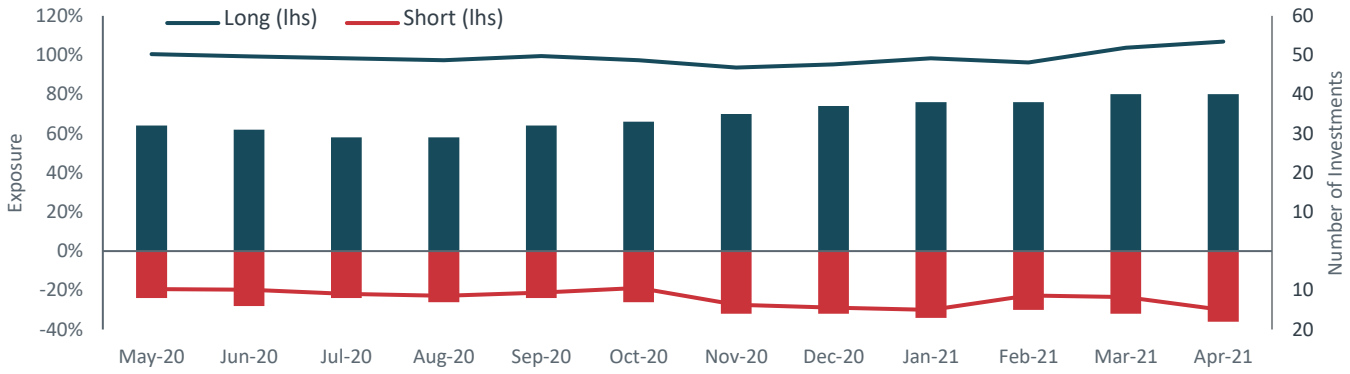
Source: Lancaster Investment Management

Liquidity



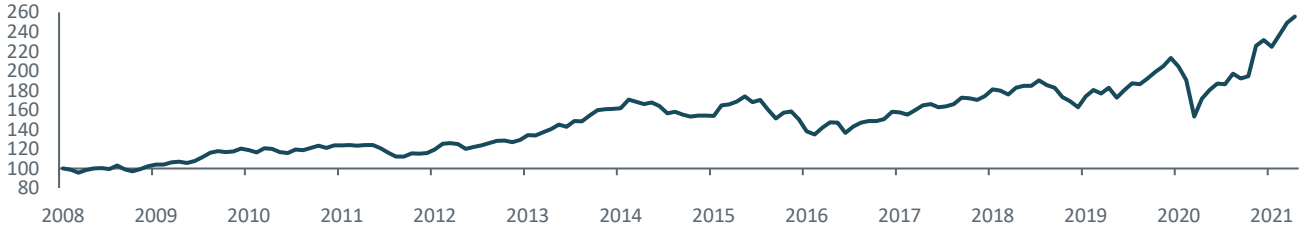
Source: Lancaster Investment Management, Bloomberg

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**
2021	-2.97%	5.45%	5.24%	2.56%									**10.44%**	**155.74%**
2020	-4.17%	-6.65%	-19.57%	11.91%	5.05%	3.68%	-0.37%	5.82%	-2.40%	1.09%	16.04%	2.64%	**8.64%**	**131.58%**
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,
Redemptions	Quarterly	**Administrator**	Morgan Stanley Fund Services
Notice Period	60 days	**Auditor**	KPMG
Minimum Investment	$5,000,000	**Prime Brokers**	Credit Suisse, Goldman Sachs, Morgan Stanley, UBS
Management Fee	1.0%	**Legal Advisors (UK)**	Schulte Roth & Zabel
Performance Fee	15%* (subject to HWM)	**Legal Advisors (US)**	Schulte Roth & Zabel
Lockup Period	12 months	**Legal Advisors (Cayman)**	Maples & Calder
Subscriptions	Monthly	**Contact Details**	Richard Lamplough richard.lamplough@lancasterIM.co.uk +44 20 7842 1049
Gate	None		

Details above refer to classes G&H and equivalent

* Payable over multiple years – please see offering documents

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