LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

April 2019

The fund returned 5.72% in April against a positive market backdrop. Performance was broad-based across the portfolio with EssilorLuxottica providing the largest contribution as shareholders proposed new independent board members for election at the AGM; the hope is that this will resolve the current governance impasse and accelerate the realisation of merger synergies. Zalando continued its good performance this year by reporting a better than expected – marginally positive – operating profit for the first quarter against negative expectations; Q1 is typically a small quarter for most retailers following the Christmas period. We continue to be enthused about the prospects for the business with the deployment of its Partner Program and ability to absorb cost inflation relative to competitors due to scale. UBS also reported a better than expected set of results for the first quarter and confirmed they would resume their share buyback program.

Exposure	
Cash	8.6%
Beta	93.5%
Average market cap ($ millions)	23,213
Number of positions	31

Performance	Fund	Index*
Return on month	5.72%	3.76%
1 year return	-1.41%	4.49%
3 year CAGR	9.62%	7.61%
5 year CAGR	3.20%	5.86%

Leverage	
Gross method	1.6
Commitment method	0.8

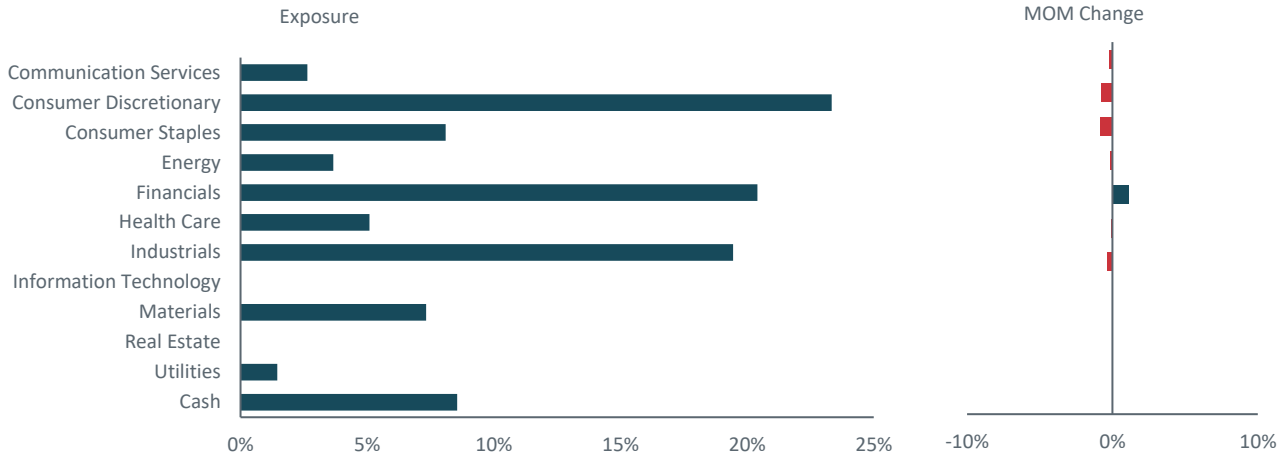
Top 3 Positive Contributors
EssilorLuxottica
Consumer Discretionary
Consumer Discretionary

Top 3 Negative Contributors
Serco Group
Consumer Discretionary
Energy

Top 5 Longs	
EssilorLuxottica	7.5%
Cobham	5.4%
Serco Group	5.3%
Tesco	4.7%
Lanxess	4.4%
Total	**27.3%**

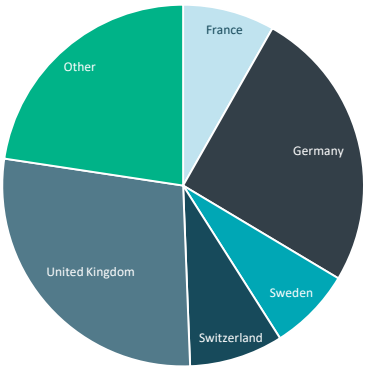
* STOXX Europe 600 TR (SXXR). Performance quoted net of fees based on most invested share class
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

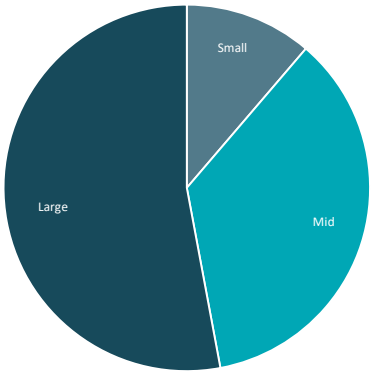


Source: Lancaster Investment Management

Country Exposure

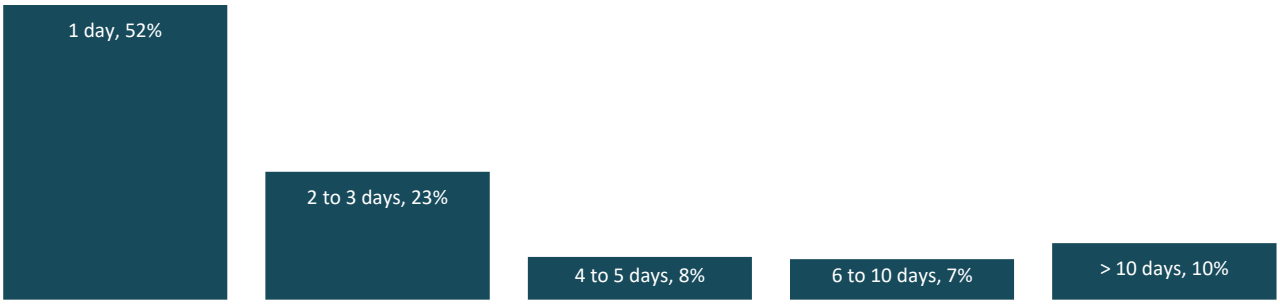


Market Cap



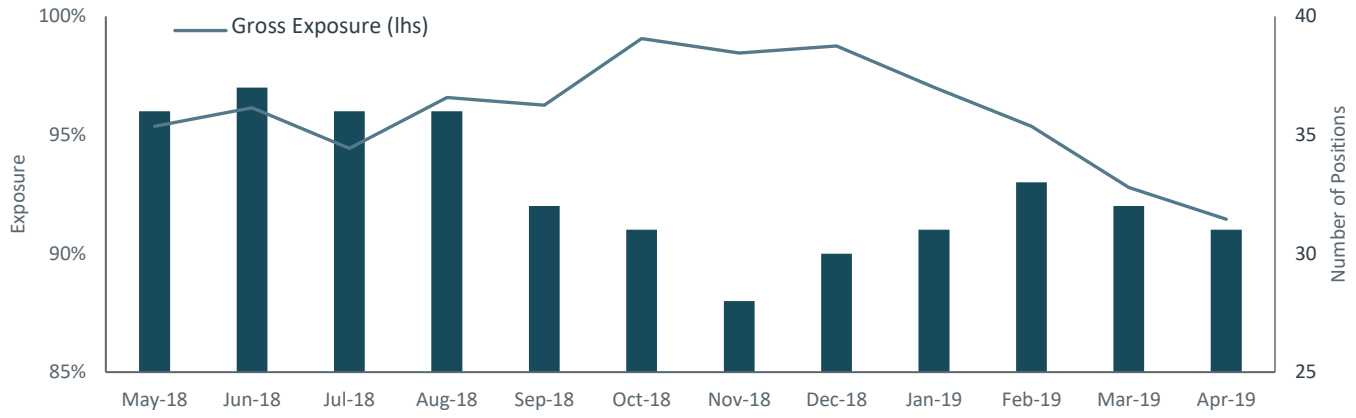
Source: Lancaster Investment Management

Liquidity



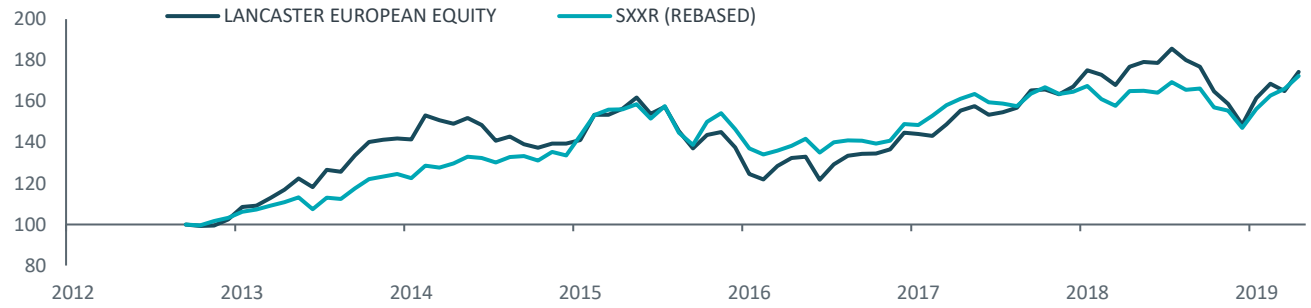
Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance



Source: Lancaster Investment Management, Bloomberg

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**	**Inception**
2019	8.70%	4.38%	-2.13%	5.72%									**17.39%**	**74.39%**
2018	4.72%	-1.24%	-2.91%	5.35%	1.25%	-0.23%	3.89%	-2.96%	-1.87%	-6.75%	-3.76%	-6.38%	**-11.16%**	**48.55%**
2017	-0.48%	-0.60%	3.90%	4.56%	1.36%	-2.63%	0.82%	1.33%	5.42%	0.25%	-1.39%	2.35%	**15.55%**	**67.21%**
2016	-9.41%	-2.14%	5.34%	3.09%	0.46%	-8.38%	6.07%	3.31%	0.70%	0.03%	1.57%	5.93%	**5.23%**	**44.70%**
2015	1.16%	8.76%	0.05%	1.92%	3.43%	-4.87%	2.18%	-7.46%	-5.86%	4.77%	1.02%	-5.18%	**-1.38%**	**37.51%**
2014	-0.28%	8.28%	-1.60%	-1.15%	1.88%	-2.23%	-5.16%	1.45%	-2.64%	-1.23%	1.55%	0.00%	**-1.71%**	**39.44%**
2013	6.03%	0.54%	3.34%	3.68%	4.67%	-3.48%	7.09%	-0.69%	6.30%	4.89%	0.78%	0.45%	**38.51%**	**41.87%**
2012										-0.72%	0.14%	3.03%	**2.43%**	**2.43%**

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 Equity Details

Launch date	October 2012	**Fund Structure**	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	**Administrator**	Morgan Stanley Fund Services
Notice Period	60 days	**Auditor**	KPMG
Minimum Investment	$5,000,000	**Prime Brokers**	Goldman Sachs, Morgan Stanley
Management Fee	0.75%	**Custodian**	State Street
Performance Fee	15%* (subject to HWM)	**Legal Advisors (UK)**	Schulte Roth & Zabel
Lockup Period	None	**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

* Payable over multiple years – please see offering documents

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