LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

April 2022

The fund returned 0.71% in April versus the SXXR at -0.72%. European markets remained volatile with the continuation of war in Ukraine and news of China lockdowns. The fund had a decent month against this backdrop. Danone was our best performer as the company reported strong Q1 organic growth. It is early days in the turnaround under new management but fears about a tough demand environment proved overstated. Our investment in Spectris, the UK industrial controls company, also had good results and performed well. The company recently walked away from an acquisition on valuation concerns, instead selling a business at an attractive valuation; improving perceptions over capital allocation consequently helped the stock. Constellium also had good results which were received well by the market but it ended up being one of our main losers; China lockdowns caused the whole metals and mining sector to sell off which Constellium is perhaps unfairly seen as part of. We exited two investments in the month, most notably LSE, the London stock exchange operator. It has been a good performer this year and we saw better uses of capital elsewhere.

Exposure	
Cash	2.0%
Average market cap ($ millions)	14,063
Number of positions	35

Performance	Fund	STOXX*	MSCI*
Return on month	0.71%	-0.72%	-0.75%
YTD return	-3.91%	-6.70%	-6.06%
1 year return	6.05%	5.38%	4.59%
3 year CAGR	15.37%	7.30%	6.26%
5 year CAGR	11.48%	5.72%	5.55%

Leverage	
Gross method	1.9
Commitment method	1.0

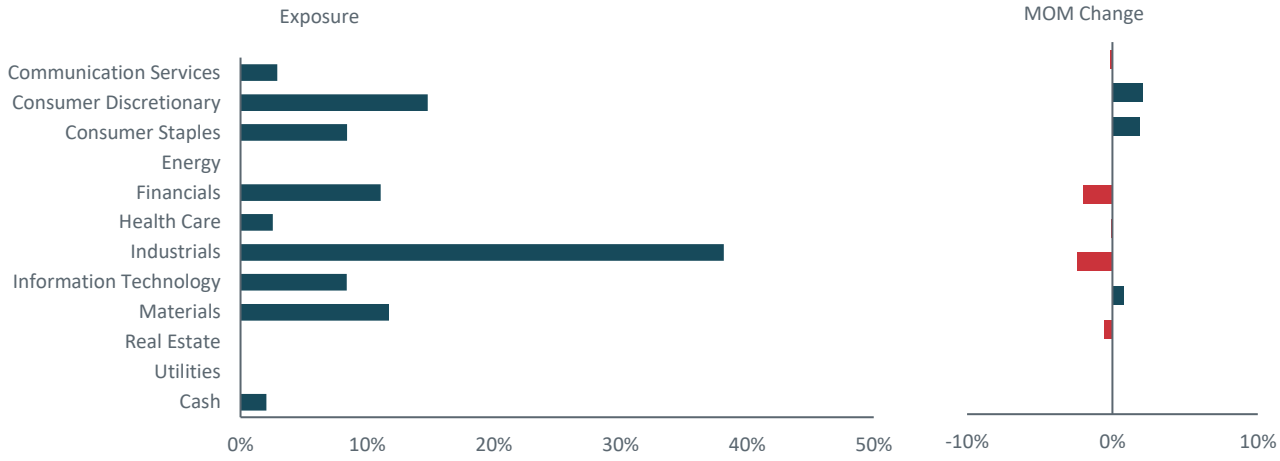
Top 3 Positive Contributors
Danone
Spectris
Kongsberg

Top 3 Negative Contributors
ams-OSRAM
Erste Group Bank
Constellium

Top 5 Longs	
Danone	5.1%
Trelleborg	4.9%
Next	4.7%
Husqvarna	4.0%
Autoliv	4.0%
Total	**22.7%**

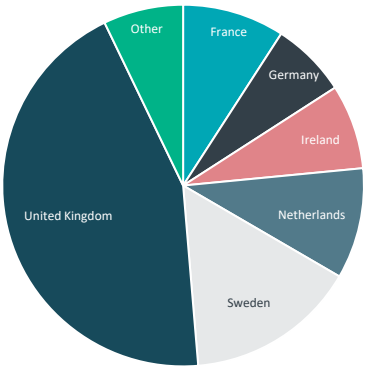
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

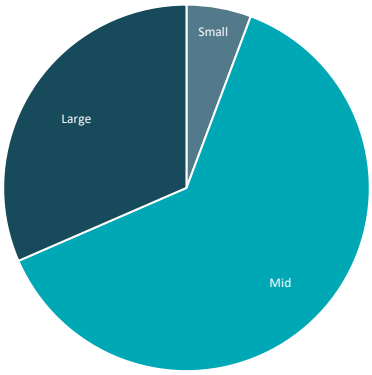


Source: Lancaster Investment Management

Country Exposure



Market Cap

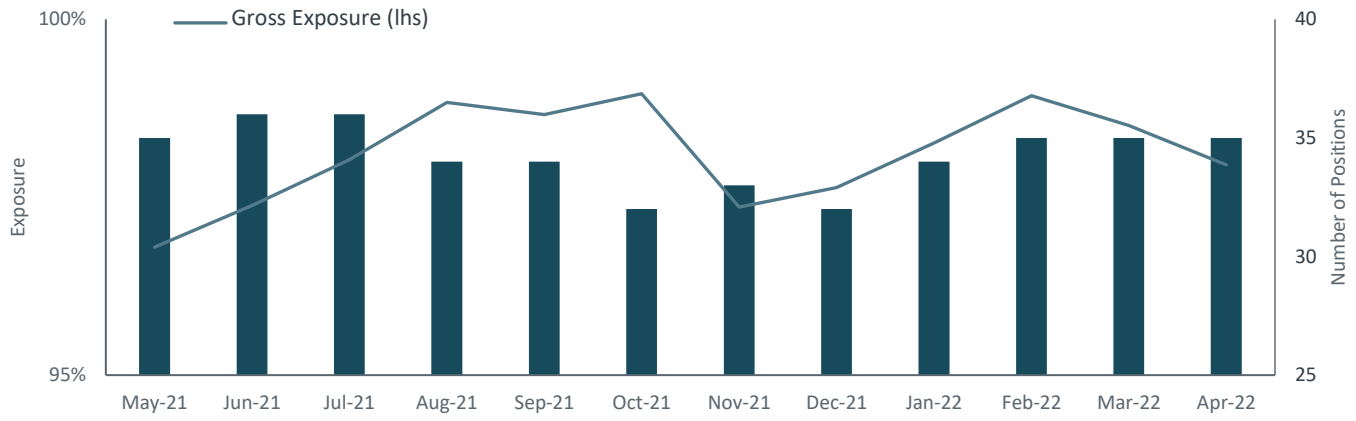


Source: Lancaster Investment Management

Liquidity

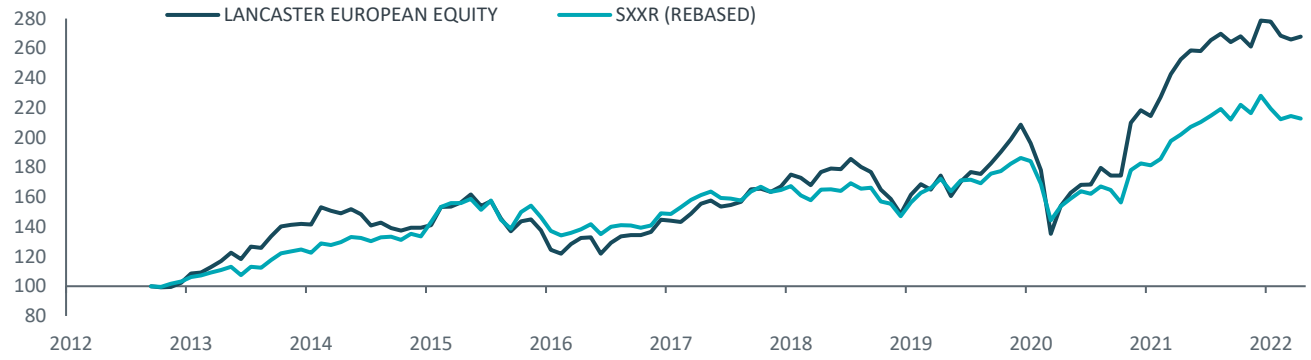
Source: Lancaster Investment Management, Bloomberg

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	YTD	Inception
2022	-0.25%	-3.40%	-0.99%	0.71%									**-3.91%**	**167.75%**

	YTD	2021	2020	2019	2018	2017
Lancaster European Equity	-3.91%	27.65%	4.63%	40.45%	-11.16%	15.55%
STOXX Europe 600 Net Return (SXXR)	-6.70%	24.91%	-1.99%	26.82%	-10.77%	10.58%
MSCI Europe Net Return (NDDLE15)	-6.06%	22.61%	-2.21%	23.75%	-10.59%	13.06%

Performance quoted net of fees based on the most invested share class. Other share classes with higher fees may exist. Full monthly performance available on request.

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Lancaster European Equity Details

Launch date	October 2012			
	Class A	**Class C**	**Fund Structure**	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	Monthly		
Notice Period	60 days	60 days	**Administrator**	Morgan Stanley Fund Services
Minimum Investment	$5,000,000	$5,000,000	**Auditor**	KPMG
Management Fee	1.00%	0.75%	**Prime Brokers**	Goldman Sachs, Morgan Stanley
Performance Fee	None	10.0%*	**Legal Advisors (UK)**	Schulte Roth & Zabel
Lockup Period	None	None	**Legal Advisors (US)**	Schulte Roth & Zabel
Subscriptions	Monthly	Monthly	**Legal Advisors (Cayman)**	Maples & Calder
Gate	None	None	**Contact Details**	Rory Hayward rory.hayward@lancasterIM.co.uk +44 20 7842 1050

* Subject to index hurdle and payable over multiple years – please see offering documents

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