

Lancaster European Equity

September 2022

The fund returned -8.13% in September versus the SXXR at -6.47%. It was a difficult month for the portfolio in very weak markets. Concerns that central banks were failing to get ahead of high inflation drove broad market declines. Next was the worst performer as the company announced a small downgrade to full year guidance in the context of elevated concerns about the strength of the consumer. The strength of the dollar will be a headwind for Next in its product sourcing as hedges roll off in the next 6-9 months; however, as the company was keen to point out, not all its sourcing is dollar denominated, while lower margin peers will find the environment a lot tougher. Constellium was also weak following a profit downgrade from its competitor Arconic which referenced slowing demand in Europe and energy cost inflation. Constellium has a different business mix in Europe and has hedged energy costs for the year, yet still sold off on fears of a similar warning affecting the company. We sold our position in Beiersdorf and reduced our Danone investment during the month to grow a number of other names on significant price weakness. Danone's turnaround is progressing well and the share price has held up on a relative basis but other opportunities are more attractively priced.

Exposure

Cash	0.9%
Average market cap (\$ millions)	11,687
Number of positions	33

Performance

	Fund	STOXX*	MSCI*
Return on month	-8.13%	-6.47%	-6.04%
YTD return	-17.80%	-18.65%	-17.16%
1 year return	-13.32%	-12.50%	-11.77%
3 year CAGR	7.85%	1.86%	1.25%
5 year CAGR	6.74%	2.54%	2.17%

Leverage

Gross method	1.9
Commitment method	1.0

Top 3 Positive Contributors

Bank Of Ireland
Deliveroo
ING

Top 3 Negative Contributors

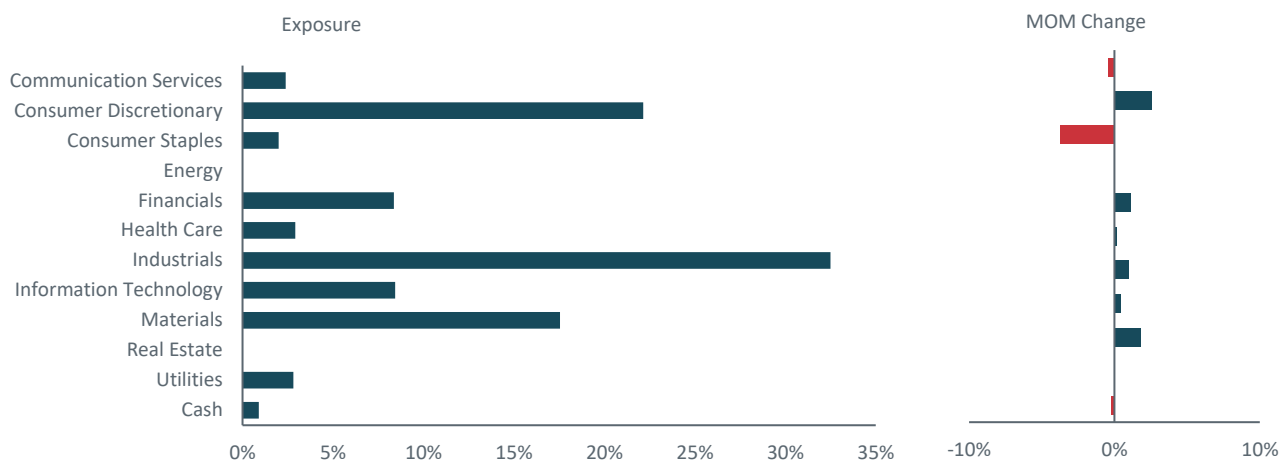
Next
Constellium
Autoliv

Top 5 Longs

Next	5.8%
Michelin	4.3%
Autoliv	4.2%
CRH	4.2%
RS Group	3.7%
Total	22.2%

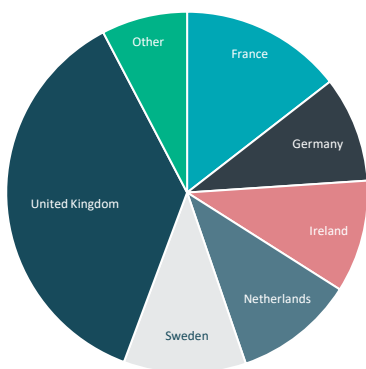
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure



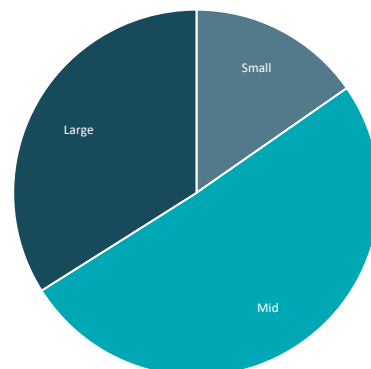
Source: Lancaster Investment Management

Country Exposure

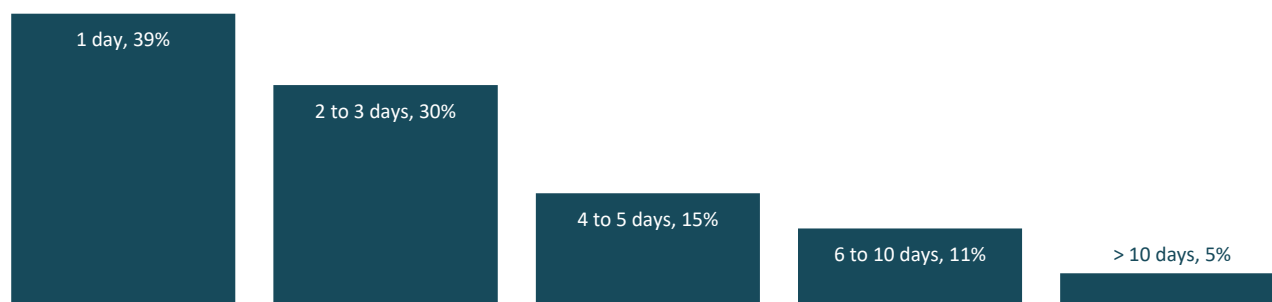


Source: Lancaster Investment Management

Market Cap

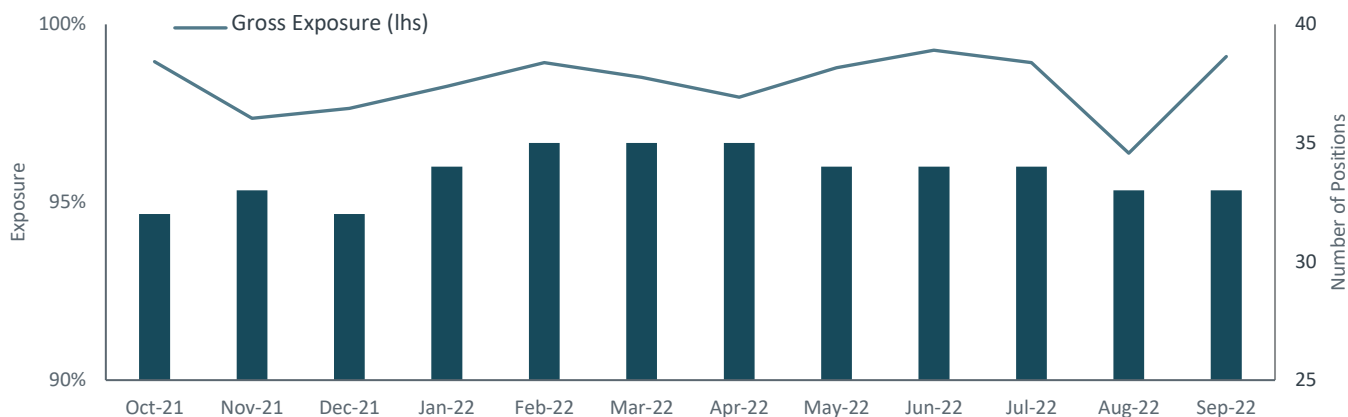


Liquidity



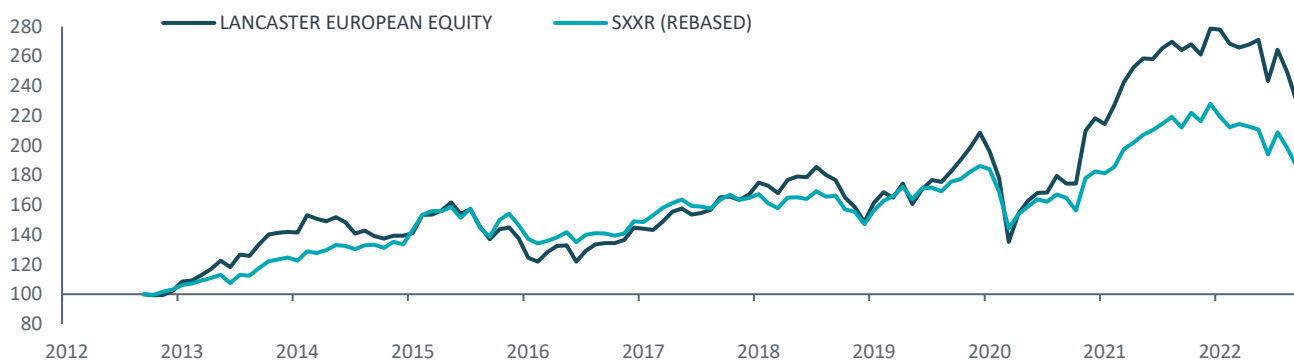
Source: Lancaster Investment Management, Bloomberg

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%	1.25%	-10.28%	8.69%	-5.69%	-8.13%				-17.80%	129.04%

	YTD	2021	2020	2019	2018	2017
Lancaster European Equity	-17.80%	27.65%	4.63%	40.45%	-11.16%	15.55%

STOXX Europe 600 Net Return (SXXR)	-18.65%	24.91%	-1.99%	26.82%	-10.77%	10.58%
MSCI Europe Net Return (NDDLE15)	-17.16%	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.

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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