LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

April 2023

The fund's net return was 0.69% in April versus the SXXR at 2.45%. After a strong first quarter, the portfolio had an underwhelming month. A number of our industrials pulled back from year-to-date highs, as did travel-related names, driven by the ebb and flow of inflation and recession fears. This narrative feels likely to dominate the year. Weakness in Anglo American and ArcelorMittal, two poorly performing positions in the month, perhaps best illustrates the macro fears that continue to persist. Autoliv was also amongst the biggest losers as the company followed recently raised full year guidance with a small Q1 miss. We added to our position. Quarterly volatility seems likely to continue in an industry where supply chains are still being pieced back together. On the positive side, Deliveroo had a strong month as Q1 results showed continued market share gains. The customer proposition is clearly resonating with the consumer, even in tough economic times. With a cash position which makes up 50% of the market cap, the company is well positioned to endure any recession. BT also continued its good performance this year. Evidence of higher interest rates squeezing "alt-net" competitors is increasingly apparent with frequent press reports of smaller players throwing in the towel and seeking a sale. We exited our position in GEA during the month; there were no new positions.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	0.69%	2.45%	2.40%
YTD return	14.57%	11.04%	11.24%
1 year return	15.55%	6.35%	8.31%
3 year return	101.00%	47.30%	47.93%
5 year return	74.91%	37.26%	34.50%
10 year return	164.45%	104.24%	100.37%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	26.20%	13.78%	13.94%
5 year	11.83%	6.54%	6.11%
10 year	10.21%	7.40%	7.20%

Exposure

Cash	2.0%
Average market cap ($ millions)	16,132
Number of positions	33

Leverage

Gross method	2.0
Commitment method	1.0

Top 3 Positive Contributors

Deliveroo
BT
Erste Bank

Top 3 Negative Contributors

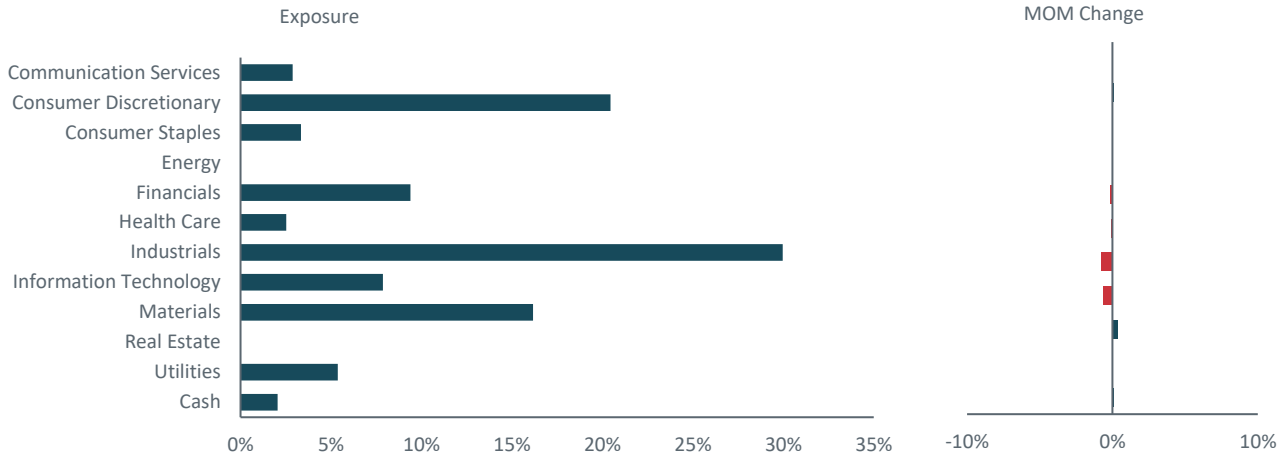
Autoliv
ArcelorMittal
Anglo American

Top 5 Longs

Next	6.6%
Signify	4.4%
Autoliv	4.1%
Michelin	4.1%
Novozymes	4.0%
Total	**23.3%**

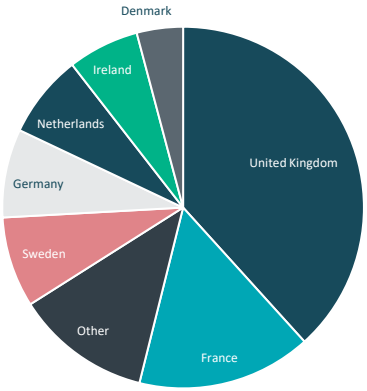
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.

Sector Exposure

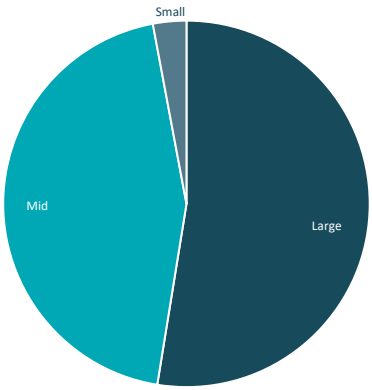


Source: Lancaster Investment Management

Country Exposure

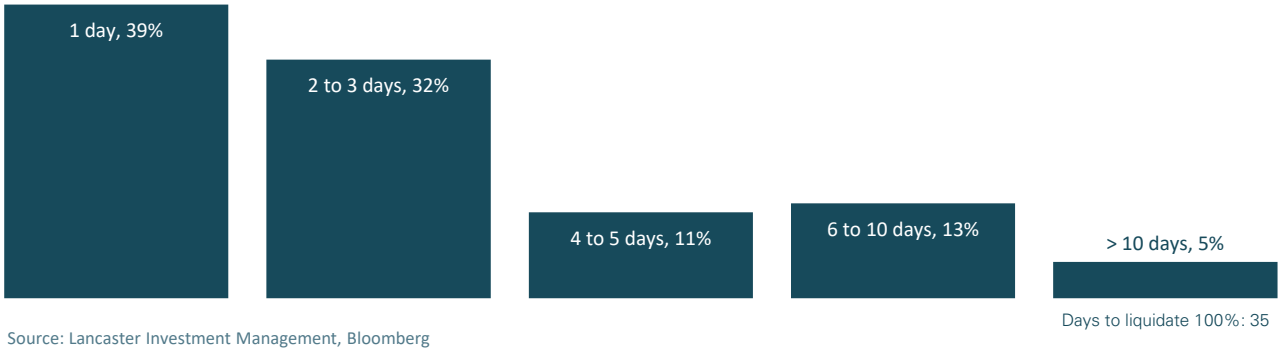


Market Cap



Source: Lancaster Investment Management

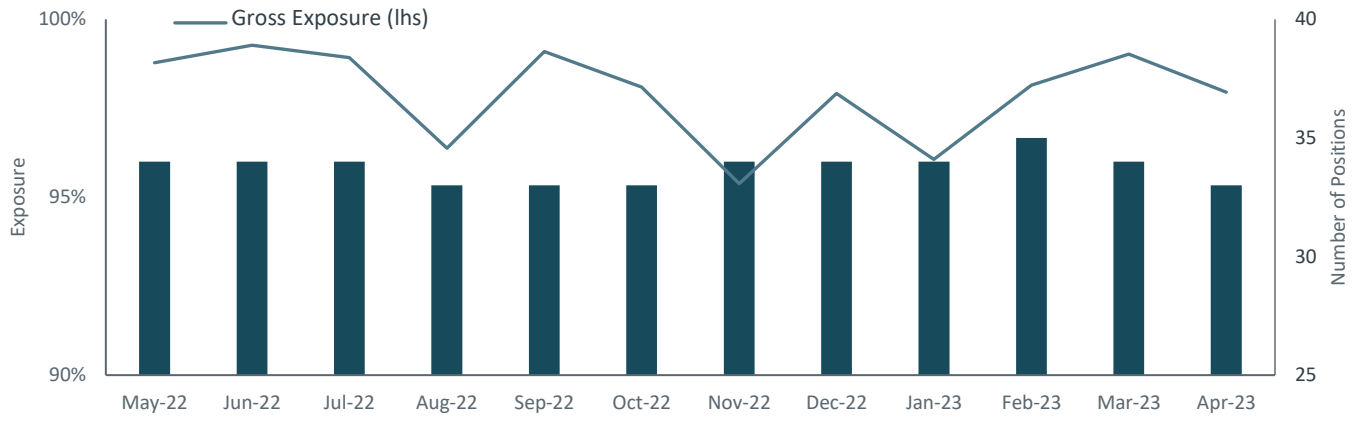
Liquidity



Source: Lancaster Investment Management, Bloomberg

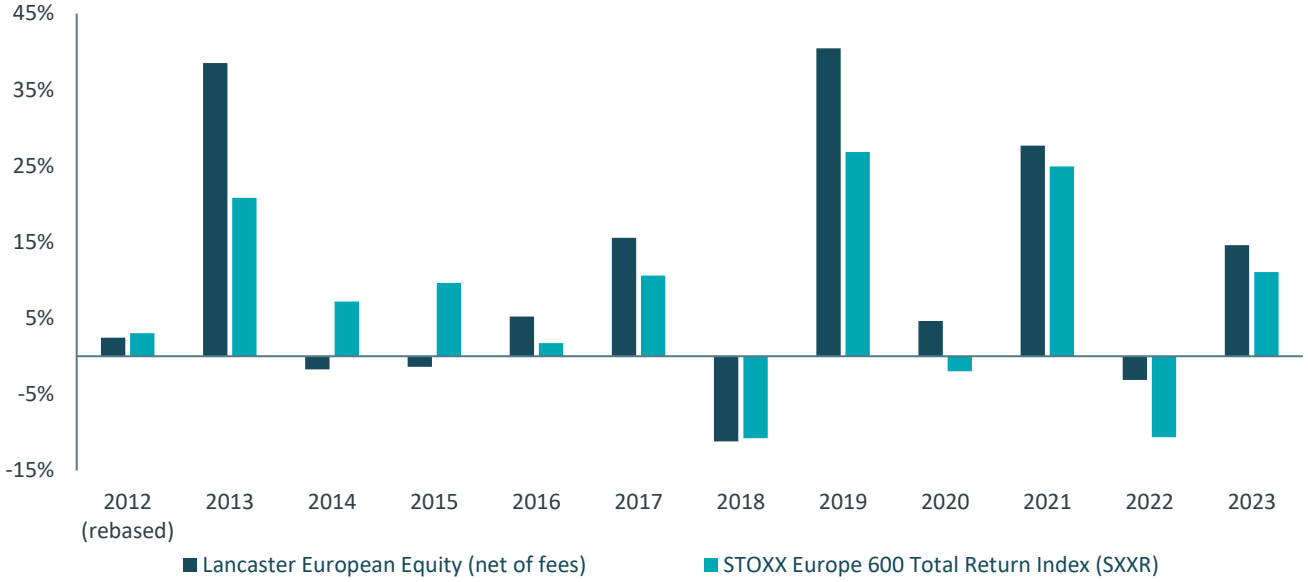
Graphs for illustrative purposes only

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance (net)



Source: Lancaster Investment Management, Bloomberg

Historical Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	11.47%	2.53%	-0.44%	0.69%									**14.57%**

	YTD	2022	2021	2020	2019	2018	Inception
Lancaster European Equity	14.57%	-3.09%	27.65%	4.63%	40.45%	-11.16%	**209.39%**
STOXX Europe 600 Net Return (SXXR)	11.04%	-10.64%	24.91%	-1.99%	26.82%	-10.77%	**126.12%**
MSCI Europe Net Return (NDDLE15)	11.24%	-8.54%	22.61%	-2.21%	23.75%	-10.59%	**126.34%**

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**	Ernst & Young
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)**	Walkers
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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