LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

November 2023

The fund's net return was 9.98% in November versus the SXXR at 6.62%. The month saw a strong and broad equity market rally as optimism that interest rates have peaked drove risk appetite sharply upwards. Against this backdrop the fund outperformed materially. Q3 reporting continued to go well for our names. Ryanair announced both strong H1 2024 numbers and its maiden dividend. Our thesis seems to be playing out with demand and price continuing to be strong while the company has started to signal that it has too much cash. Whilst short term tailwinds including a robust consumer, Wizz Air's problems with its Pratt & Whitney engines, and a falling oil price have helped Ryanair, the 50% appreciation in its share price this year is a reward for a strategy decades in the making. Jet2 also reported strong H1 results, again highlighting the consumer's appetite to continue to prioritise travel spend, and was a strong positive contributor. Other significant contributors included Next, which announced a further increase to FY Jan 24 profit guidance with its trading update, and Novozymes, which continued to push on after its strong Q3 numbers in October. We added one new position in the month: a testing and certification company which has seen a sustained period of derating but where we believe short term inventory issues at its customers are depressing demand and clouding the long term story.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	9.98%	6.62%	5.79%
YTD return	22.36%	11.53%	10.61%
1 year return	19.97%	7.76%	7.60%
3 year return	58.50%	27.69%	26.79%
5 year return	110.22%	46.28%	42.10%
10 year return	136.16%	84.36%	80.40%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	16.59%	8.49%	8.23%
5 year	16.02%	7.90%	7.28%
10 year	8.97%	6.31%	6.08%

Performance quoted net of fees based on the most invested open share class (Class A/1$)

Exposure

Cash	3.8%
Average market cap ($ millions)	13,271
Number of positions	32

Leverage

Gross method	1.9
Commitment method	0.9

Top 3 Positive Contributors

Novozymes
Ryanair
Next

Top 3 Negative Contributors

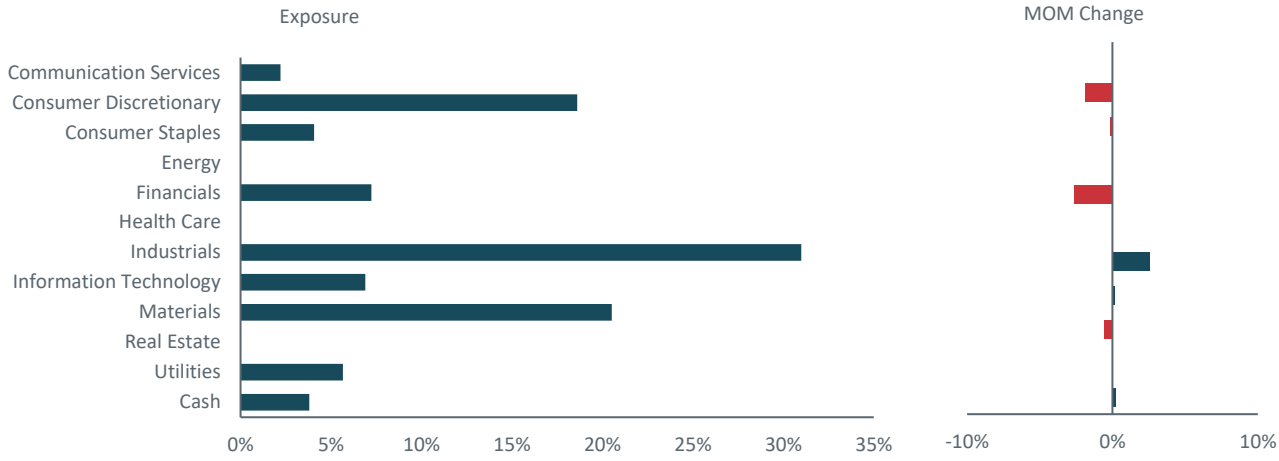
Stabilus
ams-OSRAM
Zalando

Top 5 Longs

Novozymes	7.8%
Next	4.3%
Signify	4.1%
Danone	4.1%
Michelin	4.0%
Total	**24.3%**

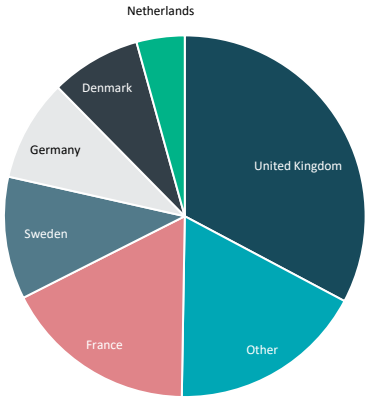
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15)

Sector Exposure

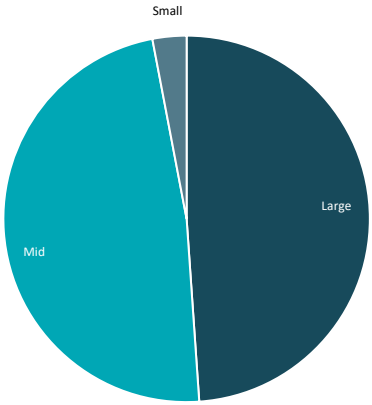


Source: Lancaster Investment Management

Country Exposure



Market Cap



Source: Lancaster Investment Management

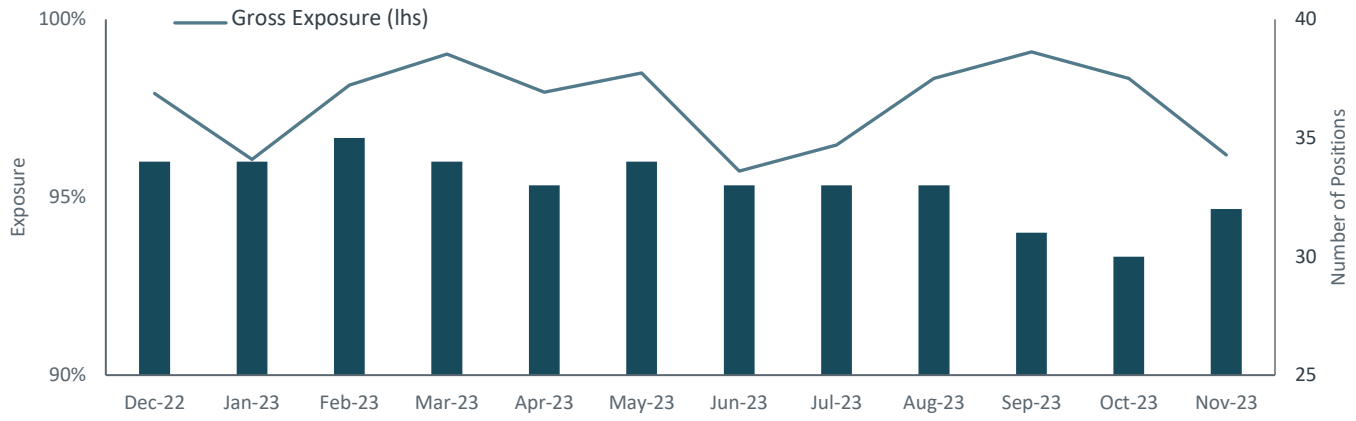
Liquidity

Days to liquidate 100%: 31

Source: Lancaster Investment Management, Bloomberg

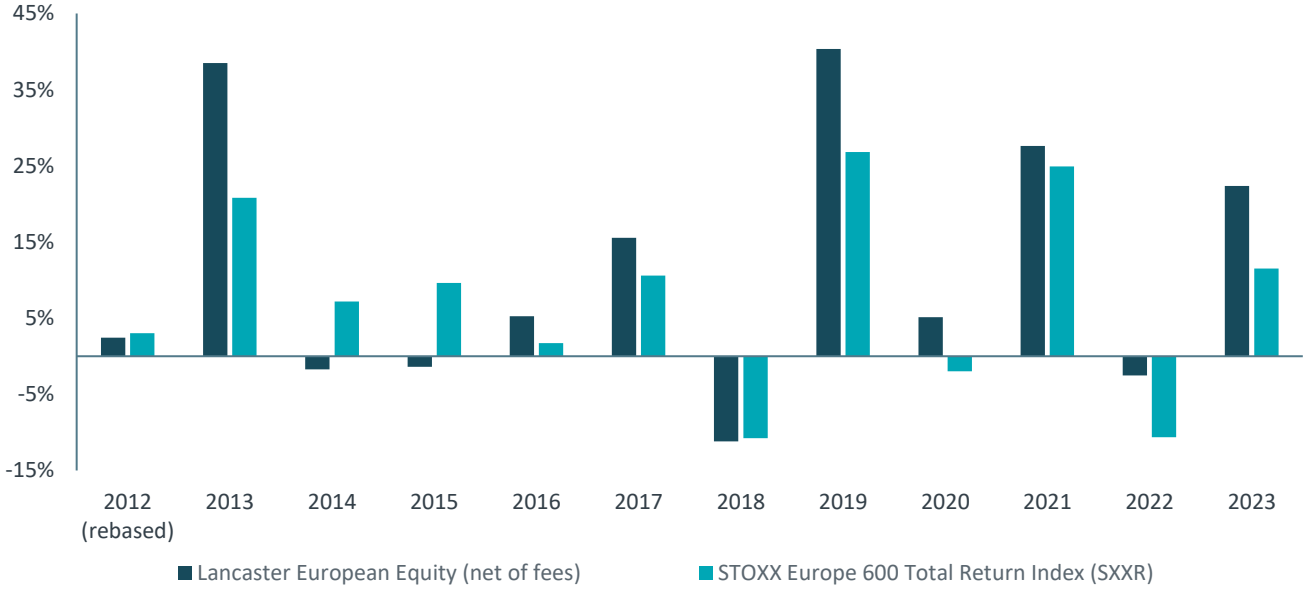
Graphs for illustrative purposes only

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	11.93%	2.57%	-0.48%	0.50%	-4.05%	4.38%	4.65%	-3.21%	-1.65%	-2.89%	9.98%		**22.36%**

	YTD	2022	2021	2020	2019	2018	Inception
Lancaster European Equity	22.36%	-2.53%	27.62%	5.11%	40.34%	-11.16%	**233.54%**
STOXX Europe 600 Net Return (SXXR)	11.53%	-10.64%	24.91%	-1.99%	26.82%	-10.77%	**127.10%**
MSCI Europe Net Return (NDDLE15)	10.61%	-8.54%	22.61%	-2.21%	23.75%	-10.59%	**125.05%**

Performance quoted net of fees based on the most invested open share class (Class A/1$). Other share classes with higher fees exist, please refer to the PPM for full details. Full monthly performance available on request.

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Lancaster European Equity Details

Launch date	October 2012			
	Class A/1	**Class C/3**	**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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