LANCASTER
INVESTMENT MANAGEMENT



# Lancaster Absolute Return Focus Fund

## Net Performance (GBP)

| | 1-month | 3-month | 1-year | 3-year | 5-year | YTD | Inception | Inception CAGR |
|---|---|---|---|---|---|---|---|---|
| **Fund** | -7.5 | -10.1 | -17.5 | 10.4 | 50.6 | -19.3 | 63.7 | 6.6 |
| **MSCI Daily TR Net World** | 5.3 | 2.0 | 6.9 | 29.8 | 62.6 | 13.1 | 137.6 | 12.0 |
| **Relative** | -12.8 | -12.1 | -24.4 | -19.3 | -12.0 | -32.4 | -74.0 | -5.3 |

## Monthly Performance (net)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2023 | 4.2 | -0.2 | -1.5 | 0.6 | -10.5 | -7.6 | 1.9 | 3.4 | -1.1 | -1.7 | -7.4 | | -19.3 |
| 2022 | 9.9 | -13.2 | -9.7 | 15.7 | 5.5 | -11.1 | -0.6 | 1.4 | -5.9 | 20.6 | 12.4 | 2.2 | 22.8 |
| 2021 | -14.1 | 20.8 | 0.6 | 4.8 | 3.8 | -9.2 | -2.0 | 1.4 | 9.2 | -9.5 | -9.5 | 14.7 | 5.1 |
| 2020 | -4.6 | -4.4 | -17.4 | 13.7 | 8.9 | 2.9 | -6.0 | 17.9 | -2.7 | 7.0 | 24.1 | 6.0 | 45.6 |
| 2019 | 8.5 | -8.5 | 0.9 | -5.0 | 3.3 | -9.1 | -5.1 | 1.5 | 0.6 | 8.0 | 4.0 | 12.4 | 9.4 |
| 2018 | 0.9 | 0.7 | -1.0 | 7.4 | 4.9 | 0.3 | 2.1 | -4.6 | 3.0 | 2.6 | 3.3 | -9.2 | 9.7 |
| 2017 | 0.4 | -3.8 | -0.5 | 3.1 | 2.9 | 0.4 | -1.4 | 9.9 | -0.6 | 1.5 | -3.0 | -6.9 | 0.9 |
| 2016 | | | | -3.1 | 4.3 | 3.1 | -1.4 | -0.6 | -1.2 | -6.9 | 0.6 | -5.8 | -11.0 |

## Fund details[1]

| | |
|---|---|
| **£ I Class** | **159.23** |
| **£ A Class** | **163.66** |
| **$ I Class** | **169.18** |
| **$ A Class** | **177.31** |
| **Fund Size** | **£87.5 million** |
| **Strategy AUM** | **£854 million** |
| **Fund Inception** | **30-Nov 2015** |
| **Class Inception** | **01-Apr 2016** |
| **Fund Type** | **Irish ICAV QIAIF** |
| **Comparators** | **Primary: Cash**<br>**Secondary: MSCI Daily TR Net World GBP** |
| **Base Currency** | **GBP** |

## Team & contact details

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## Top 10 Long Equities

| | |
|---|---|
| Frasers Group | 19.7% |
| IWG | 16.9% |
| Ubisoft Entertainment | 11.1% |
| Plus500 | 9.7% |
| Jet2 | 8.5% |
| Natwest Group | 5.2% |
| BP | 5.0% |
| Commerzbank | 5.0% |
| Shell | 4.9% |
| Glencore | 4.9% |

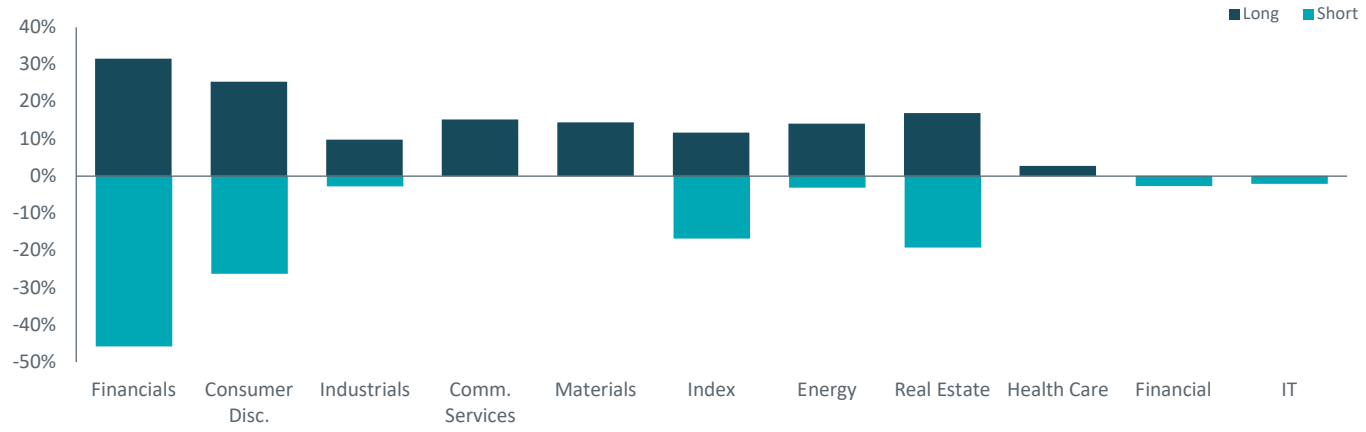
## Portfolio Characteristics

| | |
|---|---|
| Long position count | 29 |
| Short position count | 35 |
| | |
| Gross long exposure | 141% |
| Gross short exposure | 119% |
| Total gross exposure | 260% |
| Net exposure | 22% |

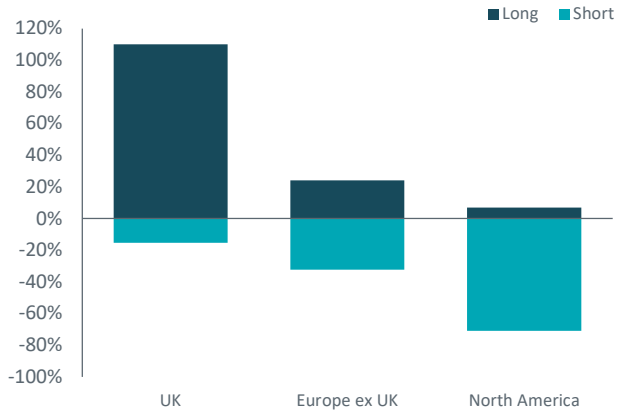
Important information
These figures refer to the past. Past performance is not a reliable indicator of future results.
This document is a marketing communication. Before subscribing please read the prospectus, available upon request from Lancaster IM. The performance calculation shown is based on the GBP A share class. If the past performance is shown in a currency which differs from the currency of the country in which you reside, then you should be aware that your performance may increase or decrease as a result of currency fluctuations.

Source: All sources, unless otherwise stated, are Lancaster IM internal unaudited data and refer to the £ A share class. All data shown as at 30 November 2023.
[1]US Global Fund Services and Bloomberg, calculation on a NAV basis with net income reinvested.

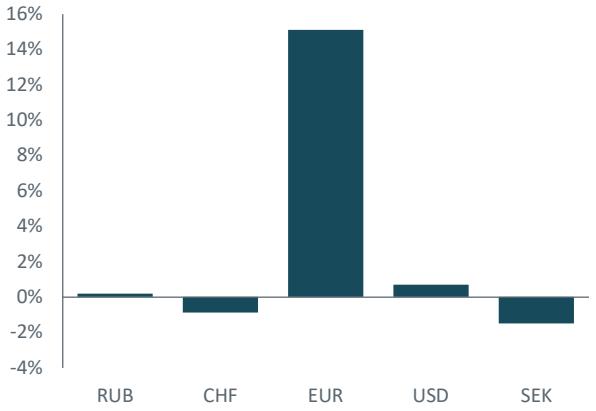
## Equity exposure by sector



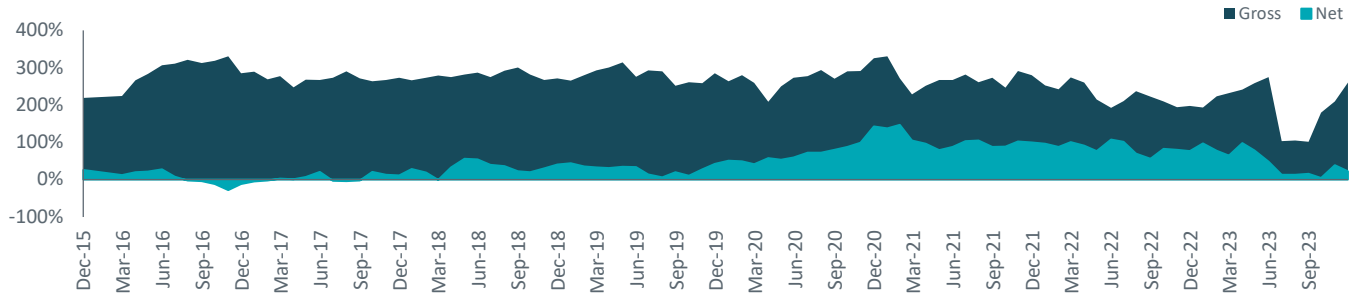

## Equity exposure by geography




## Non-base currency exposure




## Equity exposure




Equity exposure includes all equity related instruments. Government Bond exposure can be provided on a ten-year adjusted basis. Currency exposure shows non-base currency through forward currency contracts and portfolio holdings. Commentary is provided on a quarterly basis. Equity exposure as classified by GICS. The fund was renamed from Brook Absolute Return Focus Fund to Lancaster Absolute Return Focus Fund in Q3-23 on the back of the Investment Management Agreement and the investment team transferring to Lancaster Investment Management LLP. All performance in GBP.
Source: All sources, unless otherwise stated, are Lancaster internal unaudited data and refer to the £ A share class. All data shown as at 30 Nov 2023. [1]US Bank Global Fund Services and Bloomberg, calculation on a NAV basis with net income reinvested – the share class prices refer to NAV per share.

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## Investment objective and policy

The Lancaster Absolute Return Focus Fund ('The Fund') aims to achieve a positive absolute return on a 12 month rolling basis independent of market conditions. Capital is at risk and there is no guarantee that a positive return will be delivered over any one or a number of 12 month periods. The Investment Manager seeks to achieve this objective through managing a portfolio of securities, bonds and currencies and related financial instruments.

## Approach

This is a fundamentally driven equity long short strategy. It is concentrated, global in scope and built around three core principles; investing in fundamentally sound companies, disciplined short selling, and diversification. On the long side, the approach is valuation driven with a particular focus on sustainable free cash flow generation. On the short side the portfolio is stock-specific. The strategy harnesses the experience and judgement of James Hanbury, his investment team and the wider equity research resource at Lancaster Investment Management. While the team invest for the medium to long term, position sizing is dynamic to ensure the portfolio remains focused on highest conviction ideas. The Fund is built without formal reference to an index and typically contains 20-30 positions long and 15-20 positions short with a high concentration in the top 10 positions on each side.

## Risk Considerations

The Fund has considerable latitude over its allocation both long and short equities and it may employ leverage and own sophisticated instruments such as futures and options. The Fund may hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value. The performance stream is likely to be volatile and the Fund is suitable only for investors who have a long time horizon (>5 years) and can tolerate high risk. Investors may not get back all the money invested and an investment in this Fund should only form part of an investor's total portfolio. Investors should discuss the suitability of this Fund with their professional adviser.

### Investor information

| | | | |
|---|---|---|---|
| **Share classes** | I (€, £, $)2, A, B, C (€, £, $) | **Anti-dilution fee** | On all orders |
| **Share class hedging** | Non-base currency share classes are hedged | **Dividends** | Income accumulated and reinvested on behalf of shareholders |
| **Trade date** | 1st of month | **Administrator** | U.S. Bank Global Fund Services (Ireland) Limited |
| Valuation | Close of business T-1 | **Depositary** | U.S. Bank Depositary Services |
| **Front end fee** | Up to 5% | **Auditor** | Deloitte & Touche, Ireland |
| **Annual management fee** | I & C 0.75%, A 1.25%, B 1.00% | **Price reporting** | Available from Lancaster IM on request. Also available on Bloomberg and from other third party data providers |
| **Performance fee basis** | I & A 20%, B 18%, C 15% of the increase in the value per share of the Fund between the beginning and the end of the year or end of lock up period. Fees crystallise annually (31-Dec) or at the end of the lock up period. Losses carried forward. | **ISIN** | £I IE00BYQ96119[2], $ I IE00BYQ96226[2], €I IE00BYQ96002[2], £A IE00BD2MF988, €A IE00BD2MF871, $A IE00BD2MFB05, £B IE00BD2MFD29, €B IE00BD2MFC12, $B IE00BD2MFF43, £C IE00BD2MFH66, €C IE00BD2MFG59, $C IE00BD2MFJ80 |
| **Exit fee** | Up to 5% if outside redemption period (A 1-month, B 1-year, C 3-year) | **SEDOL** | £I BYQ9611[2], $I BYQ96222[2], €I BYQ96002[2], £A BD2MF98, €A BD2MF87, $A BD2MFB0, £B BD2MFD2, €B BD2MFC1, $B BD2MFF4, £C BD2MFH6, €C B D2MFG5, $C BD2MFJ8 |

## Important Legal Information and Disclaimer

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Please always refer where appropriate to the relevant Fund prospectus and relevant key investor information document(s) before you invest. The Fund's prospectus and key investor information documents are available in English and may be obtained from reporting@lancasterim.co.uk.