LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

April 2024

The fund's net return was 1.36% in April versus the SXXR at -0.97%. The portfolio continued to recoup its underperformance versus the broader market during the month. The key driver of returns was our position in Anglo American which received a takeover approach from BHP. Anglo has highly attractive copper assets which would appeal to all the mining majors. Copper is seeing increased demand for both decarbonisation applications – principally electric vehicles, wind and solar – and data centres, given the growth in AI. This rising demand has met an underinvested supply side with no new copper mines expected to come online in the short or medium term. In light of the potential for a counterbidder, and the BHP offer being extremely low, we continue to hold the position. Other key positive performers were some of the year-to-date laggards, notably Ubisoft and Deliveroo. Ubisoft, a relatively new investment, is discussed at length in our recent investor video. Deliveroo has been benefitting from improved growth dynamics in its International division. Once seen as a drag versus the core UK & Ireland division, this division has seen a recent year-on-year acceleration in gross transaction value and monthly active customers. We initiated one new position during the month in GEA, the German food equipment manufacturer; the stock has de-rated materially since we exited the position in the first half of 2023, largely a result of top-line momentum moderating from a high level. However, looking beyond short-term revenue trends, we continue to believe that there is the potential for significant further improvement in operating margins that is not appreciated by the market.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	1.36%	-0.97%	-0.74%
YTD return	4.55%	6.61%	7.46%
1 year return	16.01%	11.18%	10.42%
3 year return	42.72%	24.59%	25.07%
5 year return	108.11%	46.05%	43.48%
10 year return	143.73%	94.14%	91.48%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	12.59%	7.60%	7.74%
5 year	15.79%	7.87%	7.49%
10 year	9.32%	6.86%	6.71%

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

Exposure

Cash	4.3%
Average market cap ($ millions)	19,686
Number of positions	32

Leverage

Gross method	2.0
Commitment method	1.1

Top 3 Positive Contributors

Anglo American
Ubisoft Entertainment
Deliveroo

Top 3 Negative Contributors

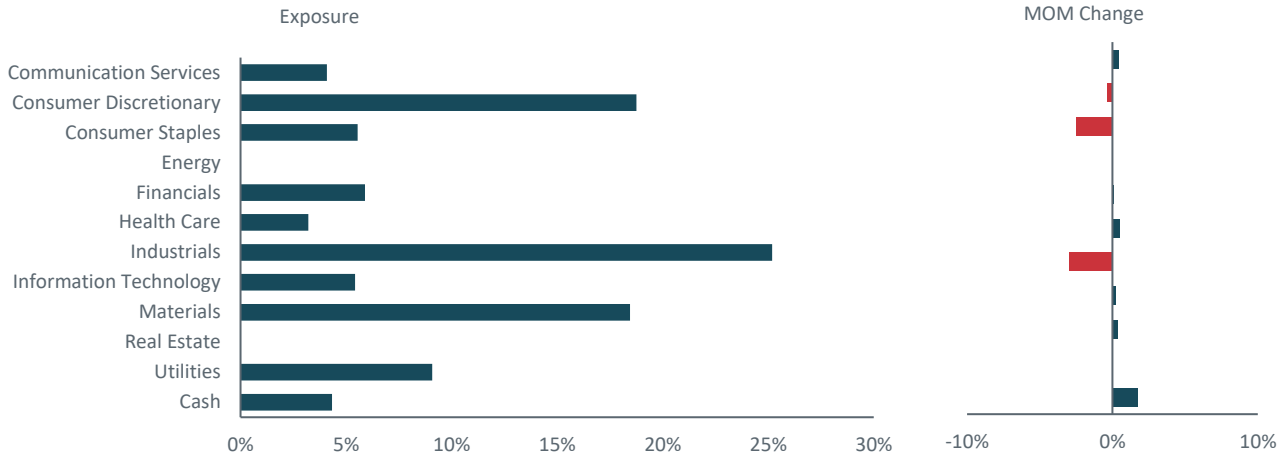
Signify
Novonesis
Zalando

Top 5 Longs

Novonesis	5.4%
Ubisoft Entertainment	4.1%
Anglo American	4.1%
Michelin	3.8%
Spectris	3.8%
Total	**21.2%**

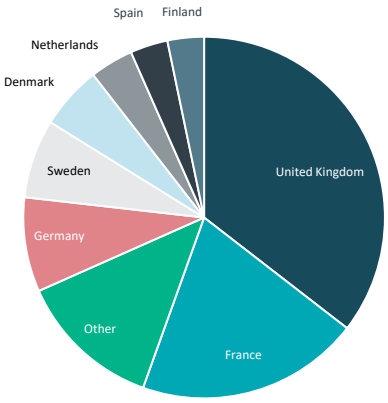
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15)

Sector Exposure

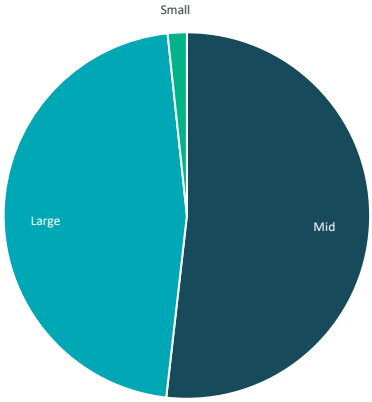


Source: Lancaster Investment Management

Country Exposure

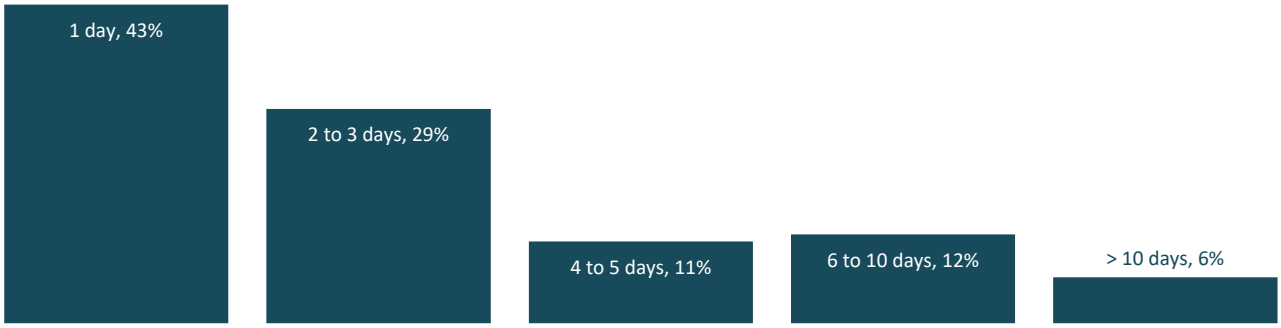


Market Cap



Source: Lancaster Investment Management

Liquidity

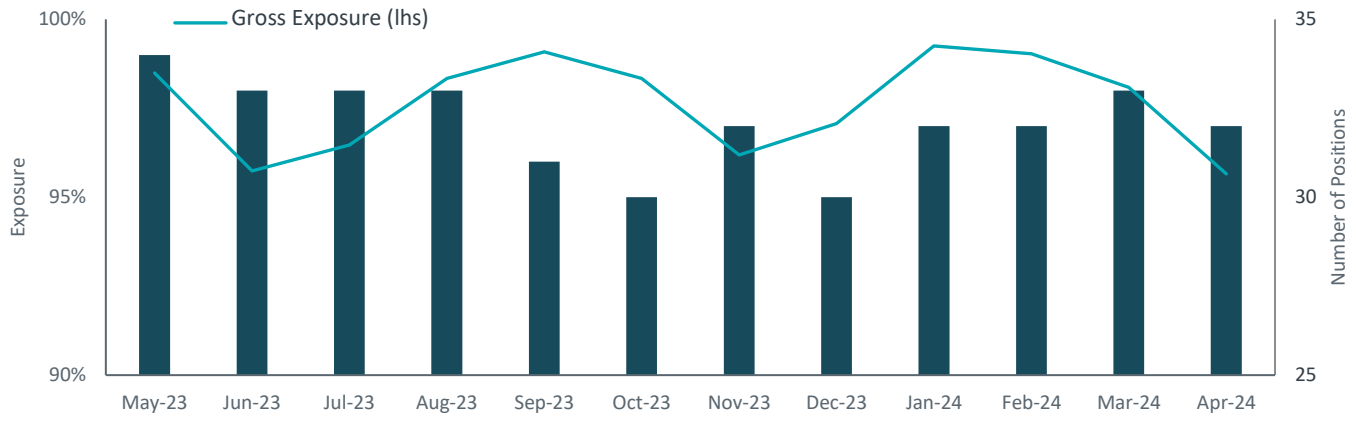


Days to liquidate 100%: 19

Source: Lancaster Investment Management, Bloomberg

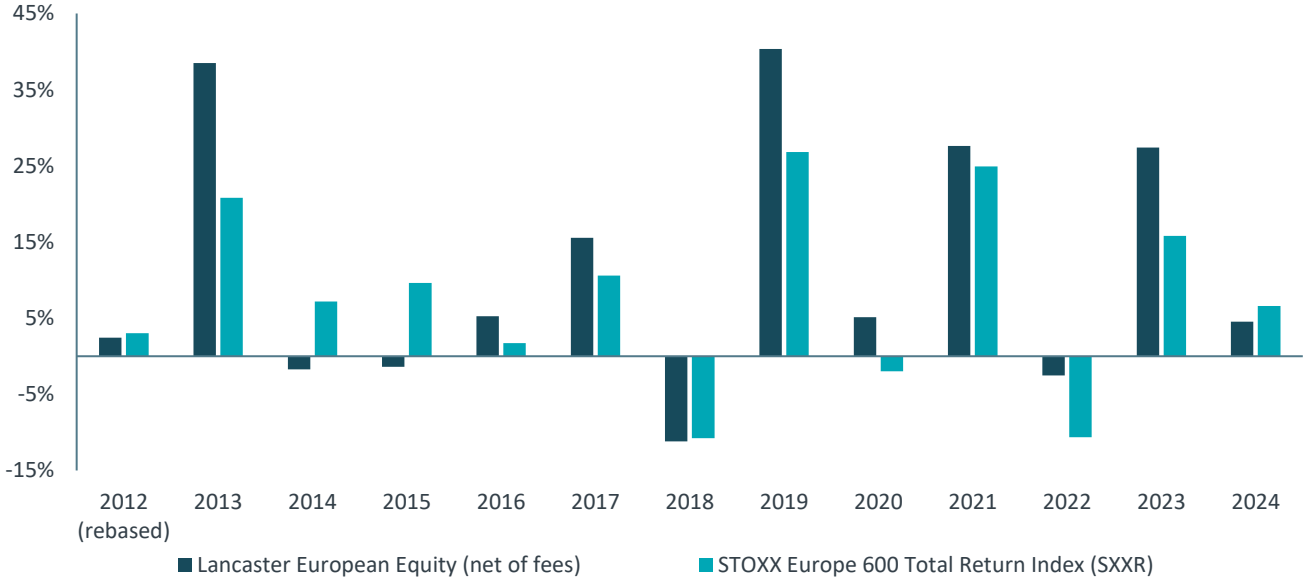
Graphs for illustrative purposes only

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
2024	-0.64%	-1.78%	5.70%	1.36%									**4.55%**

	YTD	2023	2022	2021	2020	2019	Inception
Lancaster European Equity	4.55%	27.41%	-2.53%	27.62%	5.11%	40.34%	**263.12%**
STOXX Europe 600 Net Return (SXXR)	6.61%	15.80%	-10.64%	24.91%	-1.99%	26.82%	**151.39%**
MSCI Europe Net Return (NDDLE15)	7.46%	14.30%	-8.54%	22.61%	-2.21%	23.75%	**149.60%**

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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