WS Lancaster Absolute Return Fund

In the month the fund established a long position in 10 and 30 year US treasury bond futures comprising 25% and 20% of NAV respectively. The portfolio had seen its negative factor exposure to decreasing US yields grow to an unusually high level; the long treasuries position reduces this risk and takes the exposure to a level we are more comfortable with. We therefore consider these positions to be hedges, managing our factor exposure, rather than macro trades.

Net Performance (GBP)

	1-month	3-month	1-year	3-year	5-year	YTD	Inception	Inception CAGR
Fund	9.7	10.5	-1.8	13.1	78.6	11.2	424	11.7
MSCI Daily TR Net World	-2.8	5.3	19.0	30.3	71.4	7.0	463	12.2
Relative	12.5	5.2	-20.8	-17.2	7.1	4.2	-39	-0.5

Yearly Trailing Performance (net)

1-year to	30-Apr-20	30-Apr-21	30-Apr-22	30-Apr-23	30-Apr-24
Fund	-3.9	64.3	0.0	15.2	-1.8
MSCI Daily TR Net World	-0.5	32.2	6.1	3.2	19.0
Relative	-3.4	32.1	-6.1	12.0	-20.8

Monthly Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0.6	-2.0	2.9	9.7									11.2
2023	6.2	-0.3	-1.3	-0.1	-7.7	-7.1	-0.4	2.9	4.0	-1.8	-4.1	2.7	-7.8
2022	9.6	-10.9	-7.0	10.3	8.1	-11.1	-0.8	1.6	-6.3	8.1	11.7	0.7	10.7
2021	-12.5	21.3	1.1	2.8	4.2	-9.0	-0.8	2.1	8.9	-7.6	-8.6	12.9	9.9
2020	-5.4	-6.9	-10.6	10.1	6.9	3.0	-6.1	13.2	-4.4	6.6	22.8	1.6	29.1
2019	6.8	-4.9	0.3	-1.7	3.1	-5.3	-4.1	0.7	0.3	4.2	2.2	10.1	11.1
2018	-0.3	0.7	0.9	4.8	3.2	0.3	2.6	-5.6	1.8	0.4	2.8	-7.3	3.8
2017	1.2	-3.4	0.0	1.6	2.9	0.6	-1.3	7.1	0.9	1.4	-1.6	-6.0	2.9
2016	-3.8	5.3	-5.2	-3.6	4.4	2.1	-2.0	-1.2	0.4	-8.9	-1.1	-4.8	-17.8
2015	-2.6	-2.3	1.1	5.6	-5.4	5.0	1.4	1.0	-1.2	4.5	-0.6	1.4	7.6
2014	0.4	3.0	-1.7	-4.7	1.4	-3.0	-0.5	0.3	3.6	2.4	3.2	1.5	5.5
2013	6.7	3.0	1.2	2.0	7.9	1.2	3.5	1.1	4.9	1.8	2.0	3.0	45.6
2012	6.9	8.9	2.3	-1.2	-3.2	3.7	0.9	3.6	3.0	4.1	1.4	2.3	37.2
2011	7.5	2.8	1.7	1.0	2.4	-1.1	-1.1	-10.9	1.0	3.8	-2.9	0.3	3.5
2010	-0.5	-0.5	0.8	2.9	-2.5	-4.7	3.4	-4.8	9.2	2.4	2.8	7.2	15.7
2009					3.9	2.0	2.3	6.3	8.8	-1.4	-1.0	0.5	22.9

Fund details[1]

£ I Class	523.68
£ R Class	489.38
$ I Class	2.92
€ I Class	2.84
Fund Size	£372 million
Strategy AUM	£699 million
Fund Inception	11 May 2009
Class Inception	11 May 2009
Fund Type	UK Long Short UCITS
Comparators	Primary: Cash Secondary: MSCI World Daily Net TR GBP
Base Currency	£

Team & contact details

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Top 10 Long Equities

	% NAV
Plus500	9.6%
Ubisoft Entertainment	9.5%
Frasers Group	9.0%
IWG	8.4%
Glencore	4.5%
AO World	4.4%
Shell	4.3%
BP	4.2%
NatWest Group	4.1%
Jet2	4.1%

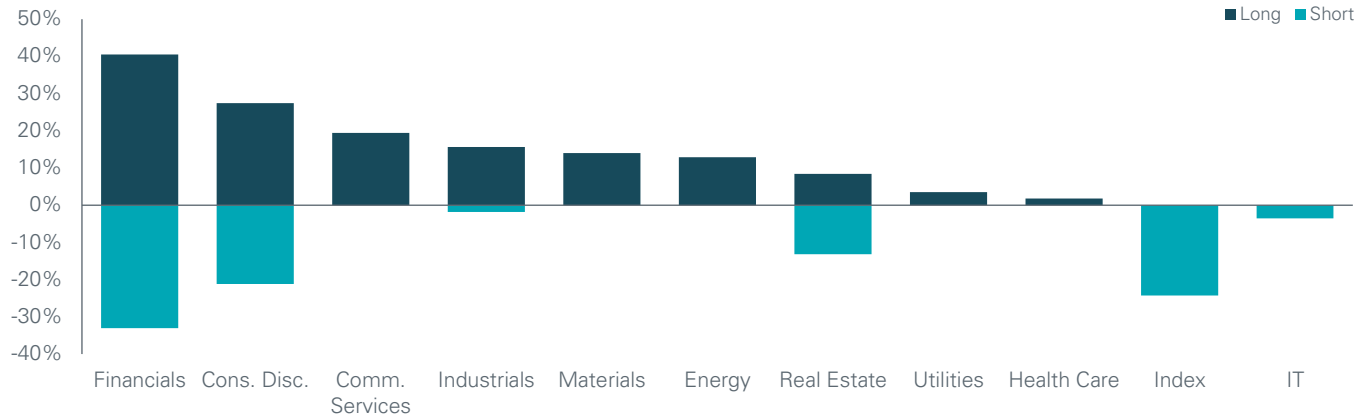
Portfolio Characteristics

Long position count	52
Short position count	35
Gross fund exposure	289%
Gross government bond exposure	44%
Gross equity exposure	244%
Net equity exposure	50%
Gross long equity exposure	147%
Gross short equity exposure	-97%
Beta adj. net (2 year)	45%

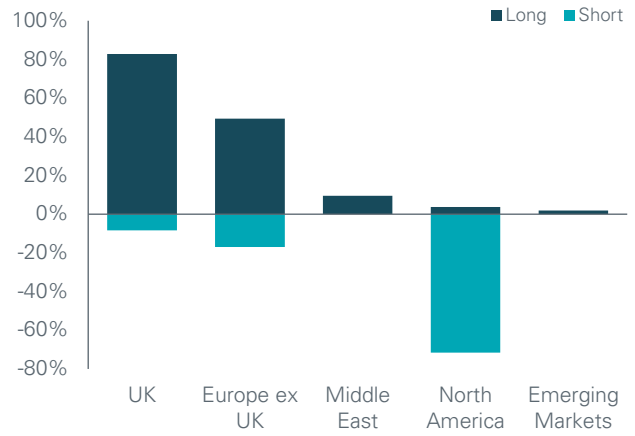
Important Information
These figures refer to the past. Past performance is not a reliable indicator of future results. This document is a marketing communication. Before subscribing please read the prospectus and the KIID/KID, available upon request from Lancaster IM. The performance calculation shown is based on the GBP I 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 £ I share class. All data shown as at 30 April 2024.
[1]Link Fund Solutions and Bloomberg, calculation on a NAV basis with net income reinvested.

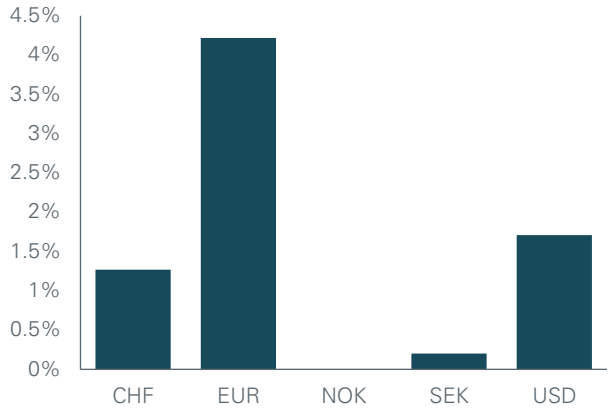
Equity exposure by sector



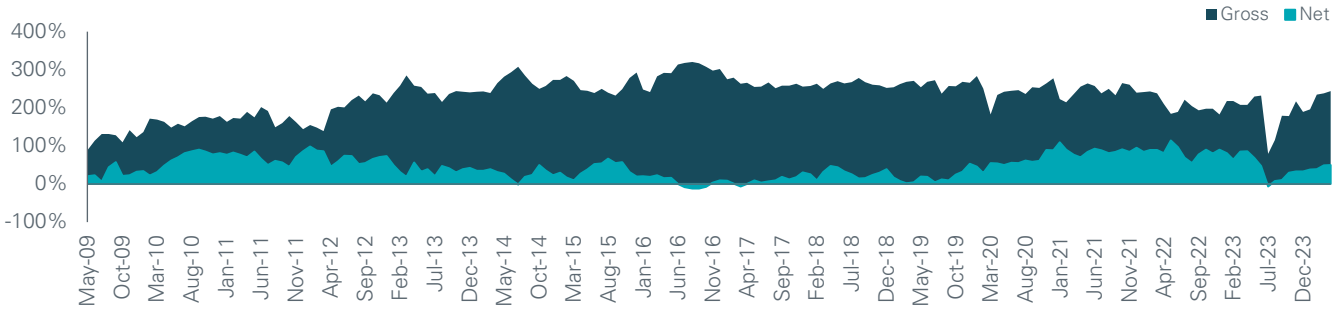
Equity exposure by geography



Non-base currency exposure



Equity exposure



Allocation figures are taken at close of business whereas Fund performance is taken at 10am. 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 LF Brook Absolute Return Fund to WS Lancaster Absolute Return in Q3-23 on the back of the Investment Management Agreement transferring to Lancaster Investment Management LLP and Waystone acquiring Link Financial Services. All performance in GBP.

Source: All sources, unless otherwise stated, are Lancaster internal unaudited data and refer to the £ I share class. All data shown as at 30 April 2024. [1]Waystone and Bloomberg, calculation on a NAV basis with net income reinvested – the share class prices refer to NAV per share.

LANCASTER
INVESTMENT MANAGEMENT

Investment objective and policy

The WS Lancaster Absolute Return 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

The strategy is fundamentally driven global equity long short and built around three core principles; investing in fundamentally sound companies, disciplined short selling, and diversification, which is an essential tool in risk management. 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, they continuously resize positions to ensure the portfolio remains focused on their highest conviction ideas. The Fund is built without formal reference to an index and typically contains 30-40 positions both long and short with a higher concentration in the top 10 positions.

Risk Considerations

The Fund is actively managed and 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. The Fund's prospectus has detailed descriptions of the Fund's risks. Before investing, please refer to the fund prospectus and to the applicable KIID/KID before making any final investment decisions. You can get free copies from the Investment Manager at reporting@LancasterIM.co.uk or the website of the Authorised Corporate Director: https://www.fundsolutions.net/uk/lancaster-investment-manager/ws-lancaster-funds/ws-lancaster-absolute-return-fund/

Investor information

Share classes	R (£), I (£, €, $) Acc.
Share class hedging	Non-base currency share classes are hedged
Trade date	Daily
Dealing	Forward to 10am
Valuation	10am
Front end fee	Up to 4%
Annual management fee	R 1.25%, I 0.75%
Ongoing charge	R 1.51%, I 1.03%
Performance fee basis	20% of the increase in the value per share of the fund between the beginning and the end of the year. Fees crystallise annually. Losses carried forward.
Anti-dilution fee	May apply up to 0.75% to NAV on subs/reds if large deals (typically >5%) occur
Minimum investment	R £5,000; I £1,000,000
Dividends	Accumulation shares only
Authorised Corporate Director (ACD)	Waystone
Auditor	Ernst and Young LLP
Prime Broker	Morgan Stanley
Custodian	BNY
Price reporting	Prices published daily on lancasterim.co.uk, Bloomberg and by other third party data providers.
ISIN	R: GB00B55NGR79, £I: GB00B55NGS86, €I: GB00B3SX1S66, $:GB00B3Z00X80
SEDOL	R: B55NGR7, £I: B55NGS8, €I: B3SX1S6, $:B3Z00X8

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