

Lancaster Developed Markets Fund

Portfolio Manager Q1-24 Report

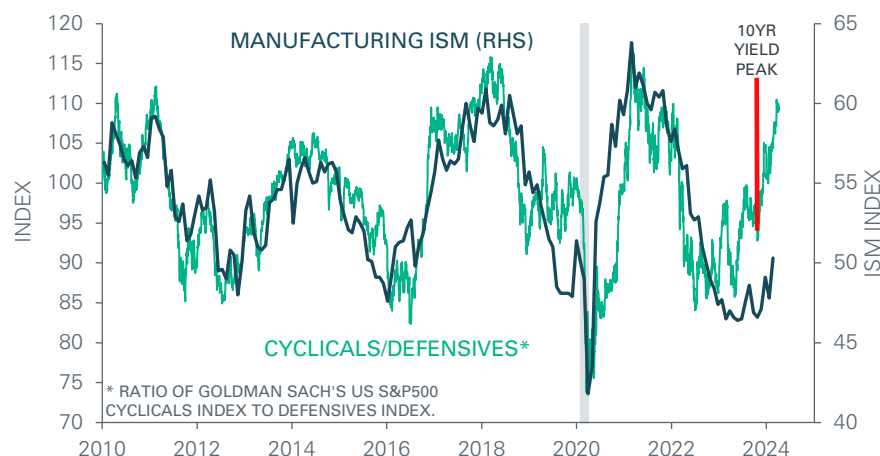
Introduction

It was a poor quarter for the fund which declined -1.7% versus an index return of +8.9%. Our larger weightings have on average detracted despite performing well operationally; we are optimistic that this is mainly market noise and there should be some mean reversion at the least.

Macro

Equity markets have had a strong start to the year, pricing in an increasingly rosy outlook. Interestingly though earnings, rates, inflation and defaults metrics have all deteriorated since the start of the year. Although the broad macro has been strong cyclical equities are now a long way ahead of leading indicators.

Exhibit 1: Ratio of Cyclical to Defensives vs Manufacturing ISM



Source: Minack Advisors

I view this market as the laziest of my investment career. The weight of flows from passive investors, CTAs, macro funds and pods has meant that medium term fundamentals get sidelined until they really can't be ignored. The response is eventually non-linear leading to increasing volatility on days that stocks are reporting and the potential for stocks to have very meaningful moves after investment cases are spelt out or dispelled. Barclays for example after its recent capital markets day had 14 up days in a row, a move not seen since 1969. The shares were up c. 40% in a few weeks off details that should not have been altogether surprising for those engaged in the investment case.

Performance

1.6% Monthly performance
-1.7% Year-to-date performance
8.7% CAGR since inception

These figures refer to the past. Past performance is not a reliable indicator of future results.

Fund details¹

\$ I Class	244.15
\$ R Class	222.17
£ I Class	302.62
£ R Class	251.78
£ LI Class	92.00
€ I Class	285.30
€ R Class	151.19
Fund Size	\$74 million
Strategy AUM	\$815 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS
Base Currency	USD

Portfolio Managers

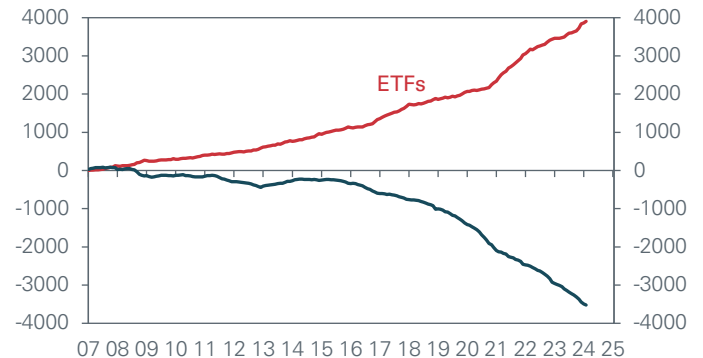
James Hanbury
Jamie Grimston

Exhibit 2: Average deviation (basis points) from the market (SXXP) on earnings release



Source: Goldman Sachs

Exhibit 3: ETF vs Mutual funds; cumulative flows from start of 2007 (\$bn)



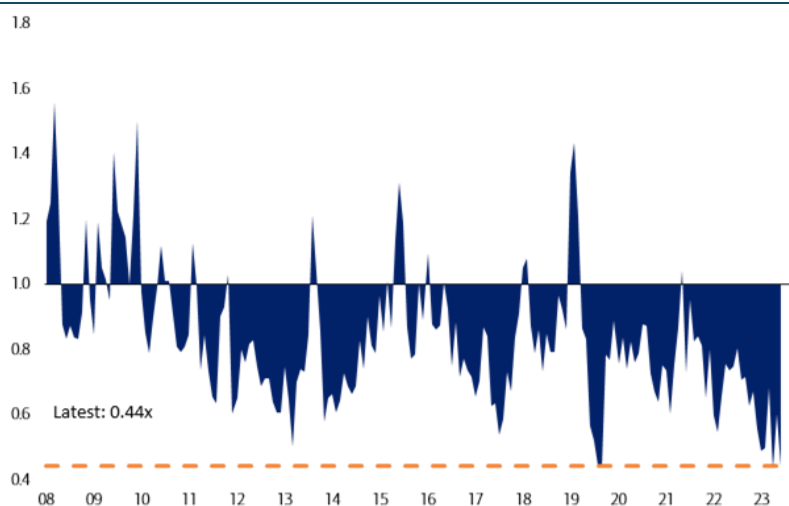
Source: Minack Advisors

A recent study shows the market becoming less efficient with a greater use of indexing.

"We observe a significant reduction in the standard deviation of daily firm-specific returns when stocks are part of the index relative to when they are not, particularly after 1990s, sample period characterized by increased popularity in index investing." – 'Indexing and the Incorporation of Exogenous Information Shocks to Stock Prices' by Randall Morck (Alberta School of Business) and M. Deniz Yavuz (Purdue University)

As passive investing continues to gain share by definition it drives momentum investing. Whilst this has been a very successful style over the past decade or so (partly in a self-fulfilling way) it gets more and more precarious as a greater percentage of the market follows suit. Most investors buying a passive fund have no idea they are on a momentum trade and clearly they are adding to the weight of money that does not understand what it owns. The trouble with 'buying blind' is the difficulty to buy more when the price falls and with human nature it is often the reverse that plays out. Combine this with the disciplined stop loss philosophy that the pod platforms practice, with the positions of active fund managers and it potentially makes the market vulnerable to a meaningful correction.

Exhibit 4: Value is now 56% underweight vs 3m Momentum. Long only positioning in low trailing P/E (value) vs 3m Momentum of S&P 500 (9/2008 – present)



Source: FactSet, BofA US Equity & Quant Strategy. Above 1 is overweight value and below 1 is overweight 3m momentum.

All these former points clearly create opportunities for stock pickers but also challenges to navigate the market inefficiencies in the interim. We will stick to our knitting and buy stocks that we believe are undervalued and vice versa.

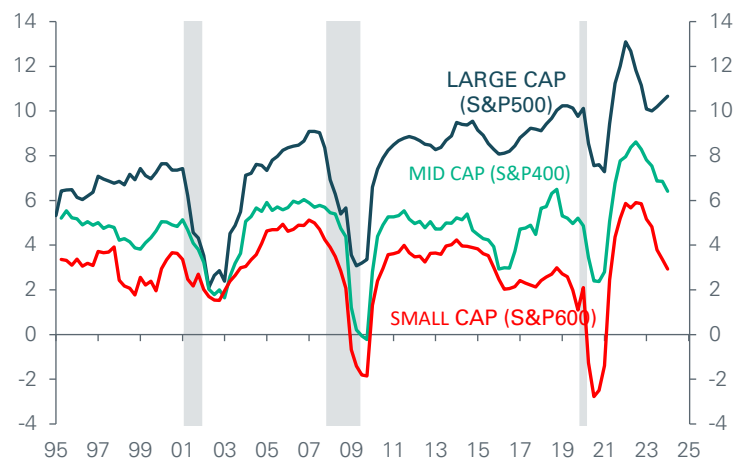
It is a fascinating environment where generally Western economies, particularly the US, have dealt with a world of higher rates surprisingly well. This is reflected by the fact that it is now highly unlikely the FED cut rates in the first half of 2024, compared to it being a dead cert at the start of the year. It also suggests that neutral rates are somewhat higher than most central banks are currently implying. Despite this unexpected strength it appears to us to be a very bifurcated economy. Areas like services, housing and employment have all been robust yet in the leveraged parts of the economy there are distinct signs of stress and the fact that rates cuts have been delayed is a meaningful issue. We follow the listed Business Development Companies closely, which are leveraged funds holding private credit and recently there has been a distinct pick up in the cost of risk. FSK, one of the largest listed BDC's, saw 'non-accrual' loans jump from 4.8% to 8.9% of the portfolio at cost when it reported full year results in February. Regional US and Japanese banks have been struggling with office exposure (see NYBC share price). Julius Baer took a full provision for its Signa exposure and closed down its private debt business and corporate defaults have picked up markedly. Generally though these 'bad debt' issues have been labelled as idiosyncratic. That said to us there do appear to be common threads, that of excess liquidity creating bad lending and borrowing habits and more recently one where investments were made on the assumption that COVID trends would continue (e.g. PE investing heavily in bikemakers). Whilst the bigger listed companies largely termed out and fixed their debt, private equity and smaller companies kept much of their debt as floating. Recent IPO's have been quite revealing of the true state of private equity balance sheets. Small business optimism is languishing despite the general macro strength partly due to the higher interest rates but mainly (according to the surveys) due to inflationary labour costs, regulation and the struggle to compete with larger firms all of which impact margins.

Exhibit 5: NFIB small business optimism index, 2014 - March 2024



Source: National Federation of Independent Business, Bloomberg

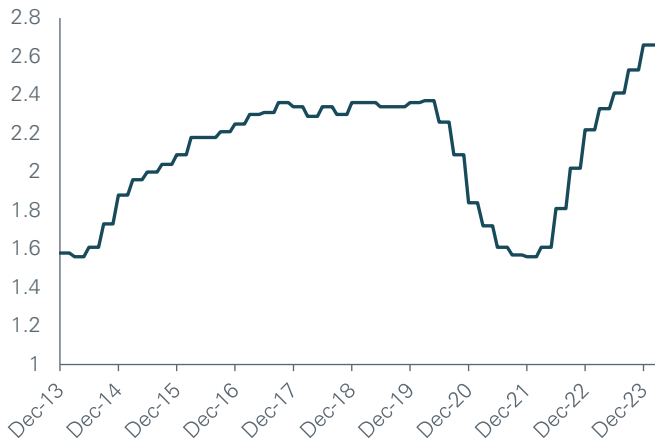
Exhibit 6: US listed sector rolling 4 quarter margins by market capitalisation (%)



Source: Minack Advisors

This polarised economy poses a conundrum for the central banks trying to adhere to their mandates and project the health of the economy in a few quarters. Given that they have to take the 'average' of the data we believe that the fissures in the leveraged world will likely get wider as rates cuts are not delivered at their desired tempo. Given our negative view on private equity we constantly hear the opinion that private equity wins both ways as when rates come down valuations in their portfolios go up and if rates don't come down then the economy is healthy and their investments are doing well. The scenario not considered much though is that rates come down because of the stress in the leveraged world not as a tailwind to an already healthy portfolio of investments. As an illustration polarisation Exhibits 7 and 8 below are examples of data giving cause for concern whilst Exhibits 9 and 10 suggest robust health.

Exhibit 7: Auto loans transitioning into serious delinquency (% of balance), Dec 2013 – Dec 2023



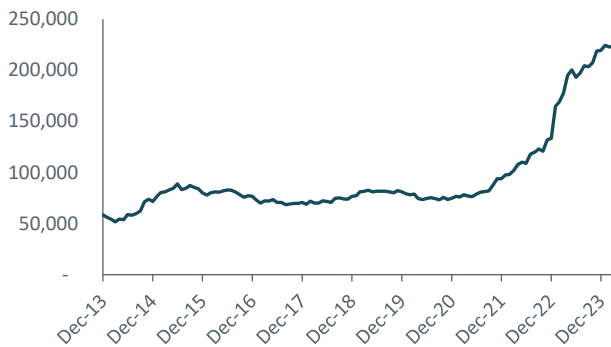
Source: New York Fed Consumer Credit Panel/ Equifax, Bloomberg

Exhibit 8: US leveraged loan last 12 month default rate, Feb 2005 - Feb 2024



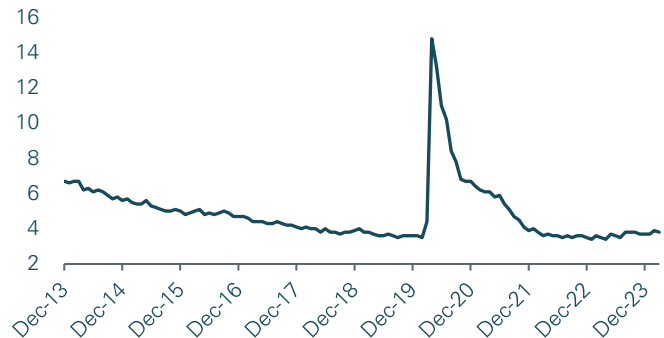
Source: UBS

Exhibit 9: US manufacturing construction spending (\$m) Dec 2013 - Mar 2024



Source: U.S Census Bureau, Bloomberg

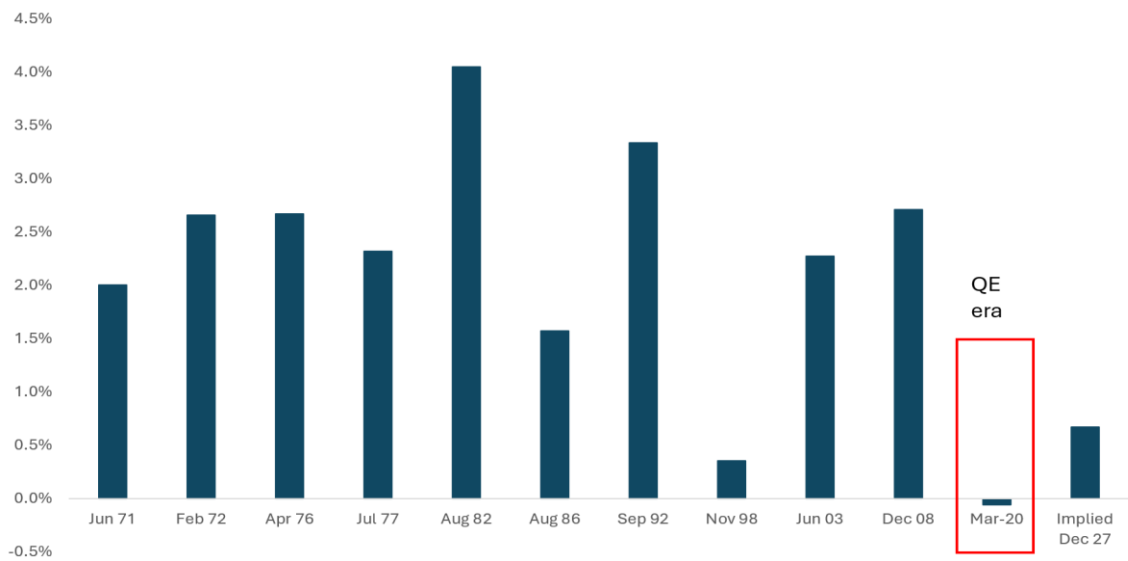
Exhibit 10: US unemployment rate (%) Dec 2013 - Mar 2024



Source: BLS, Bloomberg

One under-priced macro risk is the level of discount rates, particularly in the US. At the end of a rate cutting cycle the yield curve always slopes upwards and at present the market expects rates to stop at 3.9% in 2027. That makes the yield curve 3 years out look unusually flat with the 10 year at that point expected to be 4.6%. The US election will feature President Trump wanting to cut taxes and President Biden wanting to spend more, both approaches will potentially test the market when starting with a greater than 6% budget deficit. Add onto this that term premiums are currently low combined with huge inflation in the stock of treasuries and there could be a buyers strike in this usually bullet proof market.

Exhibit 11: 10Y - 3 M rates, %, USD, when the FED's fund rate bottoms, 1971 to today



Source: Bloomberg, BNP Paribas Exane, Lancaster IM

Overall, the macro feels very intricate at the moment with central banks more data dependent than they have been for many years. The tail risks of rates not being cut at all this year or the economy deteriorating much quicker than expectations are probably underpriced by the market. The base case of rates and inflation falling in an orderly fashion is probably overpriced. Both of the tail risks would be negative for the bulk of the equity market.

Whilst the US so far this year has been a story of inflation coming out ahead of expectations the UK has been the reverse. UK mortgage applications, a key lead indicator for residential construction activity have reached a 17-month high reflecting an improved environment for the consumer and mortgage rates coming off their highs.

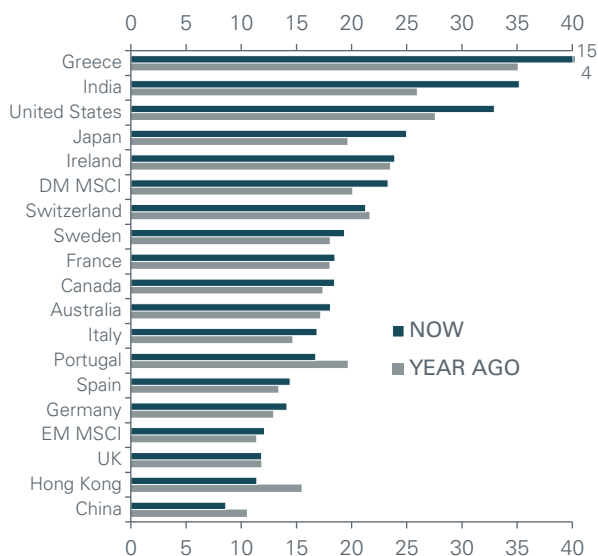
Where we do have UK economic exposure we are comfortable with the margin of safety offered by current valuations. Compared to this time last year the economy finds itself in a quite different situation and consumers are now beginning to see decent real income growth. Despite well publicised public sector strikes consumer expectations for inflation, which can be a self-fulfilling driver, are now approaching 2019 levels.

Exhibit 12: Bank of England UK mortgage approvals (000s), Jan 2022 - Feb 2024



Source: Bank of England, Bloomberg

Exhibit 13: Cycle Adjusted PE Ratios (CAPE) by country (MSCI indices), one year ago vs now (6th April 2024)



Source: Minack Advisors, MSCI

Performance and positions

The underperformance versus the market in the quarter was driven by some of our larger positions. Operationally though we are delighted with how our long book is performing. One of the joys of having a book where the market is treating the shares inconsistently is that it allows us to rotate capital towards where the market has been indiscriminately harsh.

Plus500 contributed +0.77% after no material news (reflection of an inefficient market). We feel 2024 is a year where the market will be forced to reassess the quality of the business as we get greater disclosure on the KPI's of its US business, and its European business should show further evidence that it is winning market share and not in structural decline. How many businesses can you buy with no debt and a 10-year historic growth EBIT CAGR of 17.4% trading on 3.4x EV/EBIT?

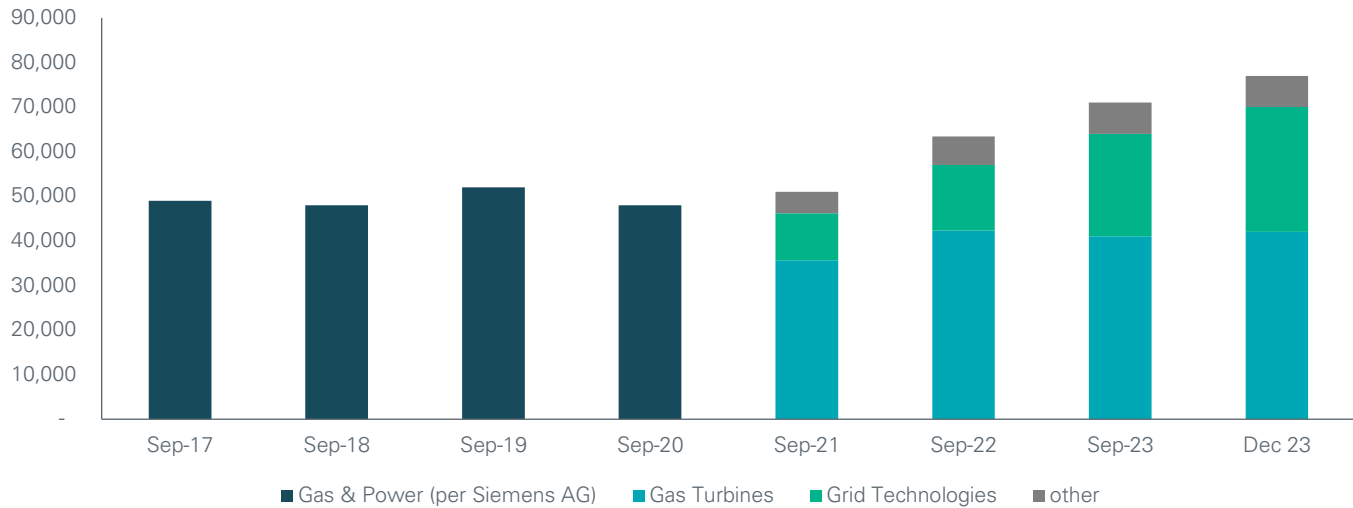
We had an unusual quarter where all 4 of our long large cap banking positions (**NatWest**, **Barclays**, **Deutsche Bank** and **Commerzbank**) reported well and all delivered strong contributions (+1.56% combined) and alpha to the long book. Valuations do still not reflect the fact that these western European banks have started offering strong capital returns, have derisked their balance sheets and benefit from the end of zero interest rates. The price to book of the US regional banks is c. twice that of the European names we own despite the former's sizeable commercial real estate exposure (c. 30% of the lending book), regulatory risk and negative exposure to higher rates.

Jet2 and **Ryanair** added +0.90% and +0.22% respectively during the quarter. Trading updates from both companies confirmed solid demand trends, whilst industry capacity growth continues to be constrained by manufacturing issues in the supply chain. Both companies remain on single digit p.e. multiples, well below their pre-covid averages.

Siemens Energy was also new position for us in the quarter and contributed +0.20%. The business was spun out of Siemens AG in 2020 and comprises the latter's former gas and power-related activities as well as the Siemens Gamesa wind turbine unit. Repeated issues in wind have meant the stock has been a poor performer since listing but we believe these are now priced in; meanwhile the outlook for the rest of the business has become increasingly positive, with market-leading positions in industries which are crucial to the world's decarbonization attempts. Gas Turbines (third of revenue) will be needed in the transition to net zero both for countries transitioning away from coal to natural gas (60% CO2 emissions reduction) as well as for providing peaker capacity to national electricity grids to complement intermittent renewable supply. Grid Technologies (25% of revenue) is also a key supplier to power distribution grids where annual capex budgets in Europe and the US are likely to rise by c.50% over the next decade to accommodate more renewable energy sources and increasing electricity demand from heating, transportation and AI data centres. Looking at the order books of these

two divisions, as well as the others which together used to make up the Gas and Power segment of Siemens AG, the outlook has clearly improved significantly from the time of the spin-off, and we estimate revenues can compound at 6-7% for years to come.

Exhibit 14: Siemens Energy order backlog excluding wind business (EURm)



Source: Company reporting, Lancaster IM

The Siemens Gamesa wind turbine business contributes the remaining 30% of sales. The wind industry has not been kind to investors for the last few years. Manufacturers prioritised market share and new product development in the form of ever bigger turbines at the expense of returns and manufacturing stability – then found during covid their order books contained insufficient protection from inflation and rising interest rates. We estimate the four western manufacturers together burned about €4bn of cash in 2022. Siemens Gamesa has had to take significant provisions to cover past manufacturing issues and is likely to burn cash until at least 2026 as it works off poorly written contracts. Since 2022 however product terms have been tightened, prices have risen, and all players are talking a ‘value over volume’ strategy. Market leader Vestas targets a 10% EBIT margin. Siemens Gamesa remains the global number two player and the leader specifically in offshore wind where the UK and Germany alone intend to install twice as much capacity by 2030 as their total existing installed base – so there is clearly turnaround potential if the industry can fix itself.

Even valuing wind at zero, the rest of Siemens Energy is trading on only 10x next year’s EBIT which we consider too low when compared to peers exposed to similar themes: NKT for example, which manufactures high voltage cables, trades at c15x next year’s EBIT. Schneider Electric trades at c18x. We think if management can execute on their wind turnaround plan then the market will begin to ascribe some value to it, as well as re-rating the rest of the portfolio. If we value Grid Technologies at 15x EBIT and wind at 0.6x sales (half of Vestas’ current multiple) then there is c50% upside in the shares. Interestingly this would put the group on c85% EV/sales which is where GE Vernova is currently trading – the power and electrification portfolio recently spun off by GE which is almost identical to Siemens Energy in size and scope:

Exhibit 15: Order book, sales and EBITDA (USD m) of GE Vernova and Siemens Energy

Segment	GE Vernova			Siemens Energy		
	Order Book	2024 Sales	2024 EBITDA	Order Book	2024 Sales	2024 EBITDA
Power	73,000	18,270	2,010	52,920	16,966	1,737
Electrification	16,000	6,660	333	44,103	9,307	836
Wind	27,000	9,900	-100	30,240	9,936	-1,458
TOTAL	116,000	34,830	2,243	127,263	36,208	1,116

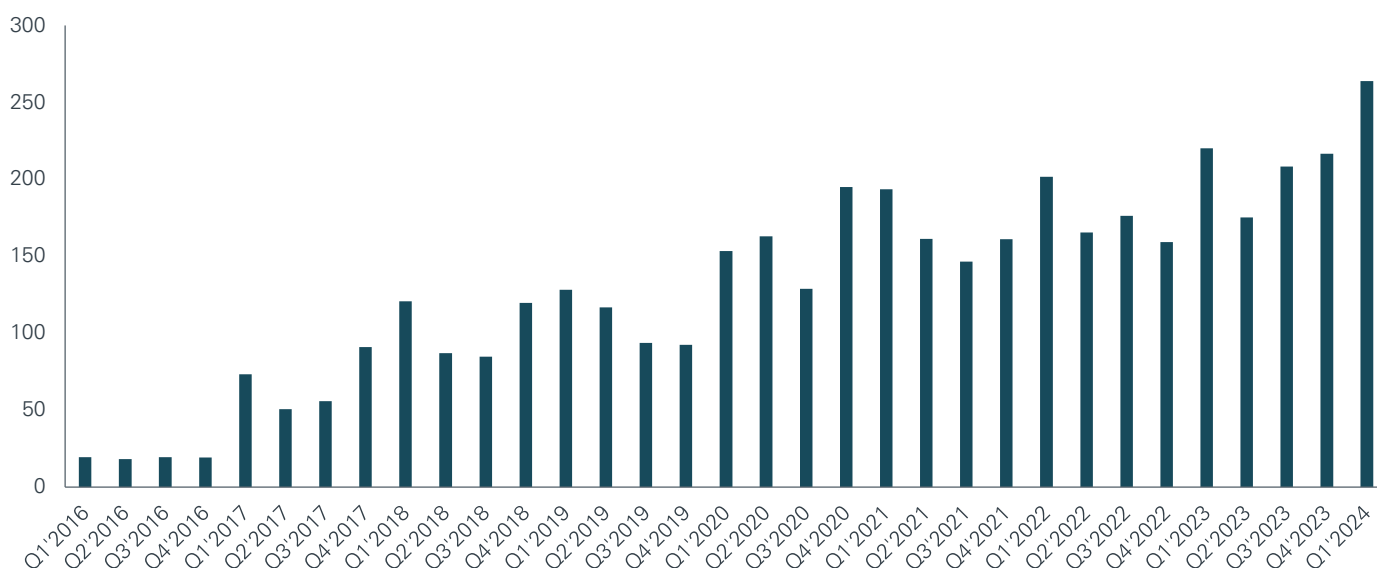
Source: company reporting, Lancaster IM, Bloomberg

Large detractors

It much more interesting and useful to discuss the stocks that did poorly and in particular where we felt this was unjust. All four of the stocks below (ex Oxford Nanopore) are large weightings that performed poorly during the quarter without an obvious common factor. We have had several meetings with the companies below during the quarter and have recently added to all positions.

Ubisoft shares performed poorly costing the fund -1.35% despite strong results and guidance. As we have mentioned before Ubisoft has had a strategic shift and is now focusing more heavily on its key top five franchises. This should allow them to reduce costs and improve execution. Given the multi-year game development time frame there will still be game releases linked to its former strategy, we put a low multiple on these games as they are unlikely to be repeated. What is intriguing is that the shares appear to have been driven by poor short-term data and headlines linked to some of these legacy games (e.g. Skull and Bones). Meanwhile, the core franchises are performing extremely well. There are many ways to value Ubisoft nearly all of which give material upside. We believe Ubisoft's game Rainbow Six Siege, a top franchise for the company, is worth \$5bn- \$8bn, which compares to the enterprise value of the whole company of circa \$3.5 billion. Daniel Kahneman would refer to the market's appraisal of Ubisoft in this regard as the 'less is more' heuristic. This chart below is a key gauge of how we monitor the underlying performance of the company, it represents recurring revenues for the five key franchises.

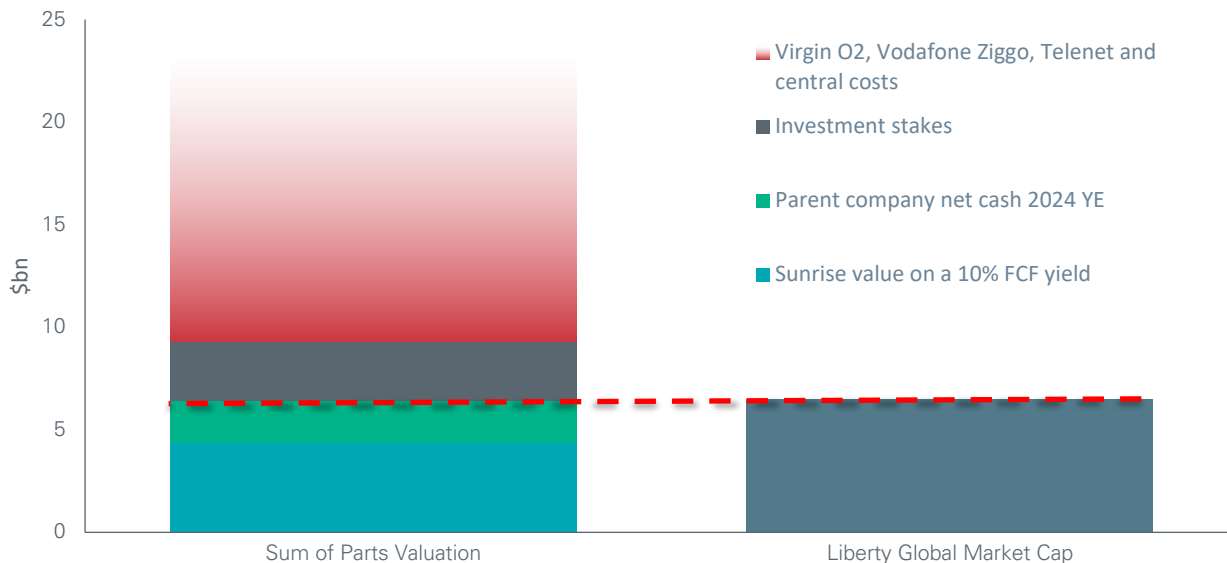
Exhibit 16: Mscience estimate of recurring revenues (Eur M) from Ubisoft's top 5 franchises



Source: M Science, Lancaster IM

Liberty Global cost the fund -0.16% during the quarter. Although Liberty gave weak guidance for Virgin O2, we believe the market is missing the bigger valuation picture and the fact that management appear to be taking the business private through a buyback. Liberty Global announced in the first quarter that it will spin out and list its Swiss telecom asset Sunrise in the second-half of the year. Sunrise on a 10% free cash flow yield (not many Swiss domestics trade at that level) would have an equity value of circa \$4.4 billion. When you consider the net cash and investment stakes at the parent company this would give Liberty Global a meaningfully negative enterprise value, before you even consider the equity value of its operating stakes in Virgin O2, Vodafone Ziggo and Telenet minus head office costs. We estimate the value of these operating assets is at least \$10bn. The spin should force the market to reassess how it values Liberty Global. In the meantime, the company is buying back another 10% of outstanding shares.

Exhibit 17: Liberty Global sum of the parts valuation vs market capitalisation

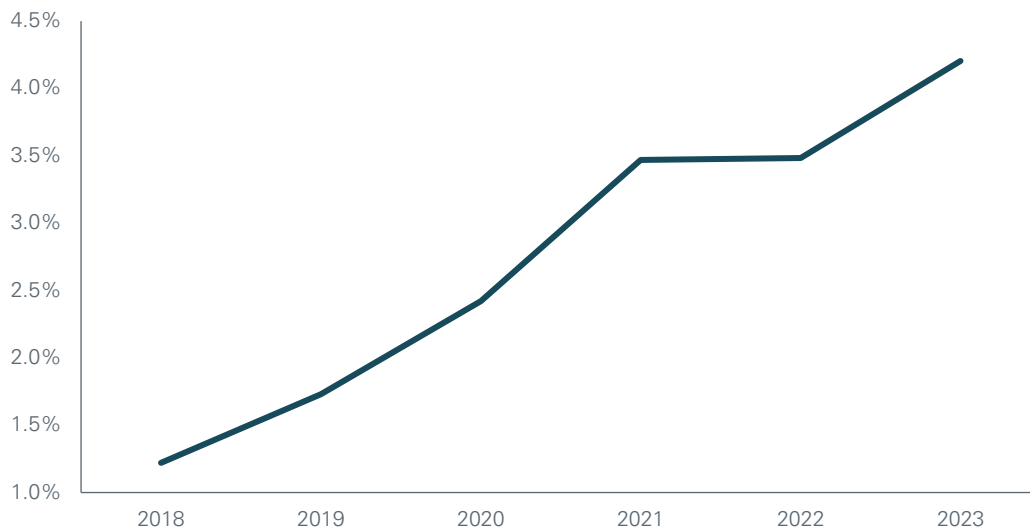


IWG was flat in the quarter. The IWG transition to capital light openings in the serviced office space is working well, we have seen a significant acceleration in offices joining its system and new disclosure will help us and the market monitor this. One of the big misconceptions with IWG is that stress in the office market is bad for it. We believe this creates more opportunity than threat as many property owners (and owners of the debt) are now finding themselves with empty office space in need of help. As well as spending time with senior IWG management we also had an encouraging visit to Worka, IWG's third division. If Worka executes on its plans over the next couple of years we believe it will be worth more than the IWG group enterprise value.

Oxford Nanopore ("ONT") cost the fund -1.02% in the quarter after the company missed consensus forecasts for 2023 and guided below consensus for 2024. Competitors have also reported disappointingly as the sector has experienced a general slowdown as inflation has pressured life science research budgets. Beyond shorter term cyclicalities the growth prospects for DNA sequencing remains robust; this is a Moore's Law industry where new applications with large potential markets are enabled by the rapidly deflating cost. We are encouraged that ONT's market share has continued to expand, both in terms of trailing revenue and in terms of share of papers published. ONT's valuation of < 4 x EV/Sales is at a significant discount both to the sequencing peers that it has outperformed and much lower growth mature life science instrumentation companies. The new FD communicates well and has laid out a plausible pathway to sustainable free cash flow generation without the need for further equity dilution. The company's anti-takeover poison pill expires at the end of September. We are further encouraged by the following 3rd party valuation markers:

- In October last year strategic partner Biomerieux, an €11bn market cap diagnostics company, bought £70m of ONT shares at a share price of £2.38, a > 110% premium to the current share price, thus joining the shareholder register alongside Oracle, Tencent and Amgen. This is both a significant valuation marker and technology validation as Biomerieux is developing a TB drug resistance test using ONT technology.
- Multiple insiders, including the Chairman, CEO, CFO, COO and CSO bought shares in ONT last month after the full year results at between £1.26 - £1.44 per share, a 13%-30% premium to the current price.

Exhibit 18: Oxford Nanopore estimated share of sequencing market, 2018 – 2023



Source: Lancaster IM, company reporting (Illumina, PacBio, MGI, ONT), Bloomberg.

Fraser's Group was weak during the quarter and cost the fund -0.92% despite there being no material news or results from the company. The weakness in the luxury good sector does have some read across to Fraser's but ultimately we believe that the stress in luxury goods will be to the company's advantage, allowing it to further consolidate the luxury retail sector at favourable prices. We also feel that Fraser's guidance has more than factored in a weak environment for luxury. It was interesting to see that the company instigated another share buyback during the quarter which given the opportunistic nature of their programmes tends to be a good insider's view that the shares are at an attractive level and that business is good. We view very negatively some sports brands companies, we don't believe this is inconsistent with our long Fraser's position when considering valuations and how an over supplied system can be good for Sports Direct. Fraser's Group almost uniquely has the balance sheet and attitude to buy large amounts of saleable stock at good gross margins, this is of particular value to the management of the overstocked brands. More importantly, the strategic error by Nike/Adidas in over emphasising DTC has allowed a number of disrupter brands to flourish. Fraser's now acts as the gatekeeper, the arbiter of brands' access to those consumers who want to shop on a multi brand basis. In short Fraser's competitive position in sporting goods has been transformed. Our conviction in the Fraser's business model has not diminished and fortunately the shares trade on a p.e. of c. 8x with exceptional cash conversion and a strong balance sheet.

Key investment principle

We often get asked why we have such a high bias to companies run by first generation owner managers. The short answer is we are obsessed with trying to find situations with asymmetry in our favour. We try and get attractive payoffs from a valuation and top-down perspective but if good management decisions are being taken on a day-to-day basis as well, it is a powerful combination. With high quality managers there is equal consideration in decision making to the upside and downside, sadly often 'agent' CEOs mainly consider the former. Double layering of asymmetry is what we strive for.

General positioning

Our exposure to the US market is less than 5% whilst we are overweight the UK and Europe. This bias to European stock markets is due to compelling bottom-up opportunities and with many of those positions representing companies with global exposure. The book is strongly skewed towards value vs the index.

Exhibit 19: Median valuation multiples in the fund vs weighted average valuation multiples of the MSCI World Index

	Forward PE	Forward EV/EBIT	Forward EV/Sales
Fund	11.2	8.3	0.8
MSCI World Index	19.2	16.1	2.5

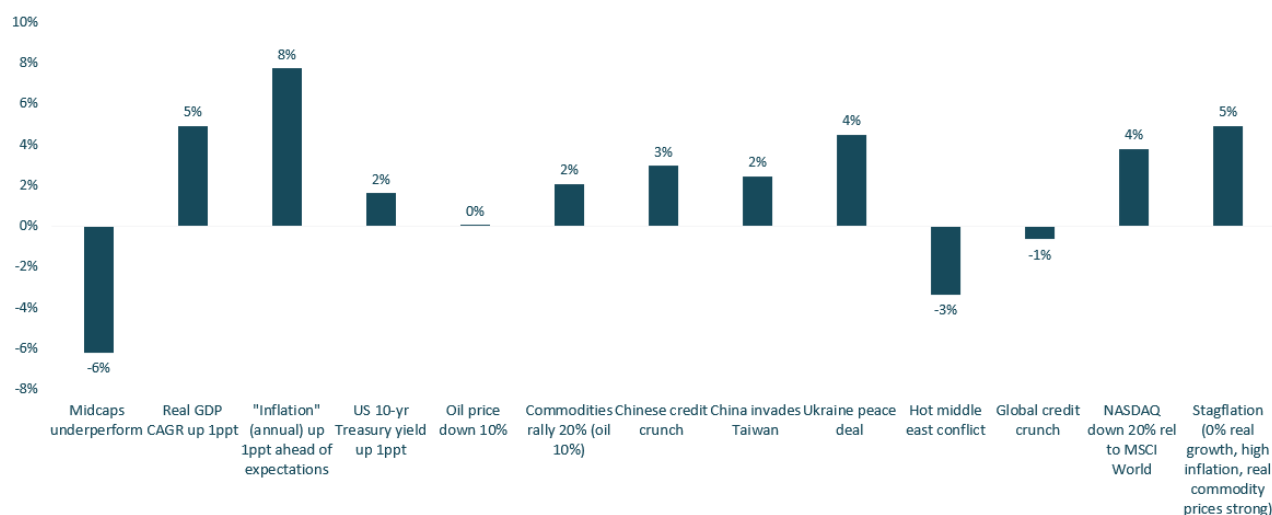
Source: Lancaster IM, Bloomberg

Conclusion

Poor performance was driven by several of our top long positions significantly underperforming the market. We believe there is a good chance that these positions (representing over 30% of the fund) can reprice in short order. Given the high degree of divergent stock performance within the fund it has led to meaningful capital rotation as we optimise weightings. As a team we have had over 200 company meetings (including virtual) in Q1 and are pleased with both how our companies are performing operationally and by the quality of the pipeline of ideas.

If we are moving into a different phase of the market not defined by a disinflationary tailwind and abnormally low discount rates, then we believe we are well positioned to deliver attractive relative returns. Thank you as ever for your support and we look forward to updating you and taking questions on our quarterly call.

Exhibit 20: Estimated relative factor return (excluding return from net equity exposure) as at 11-April-24



Source: Lancaster IM unaudited internal data & Bloomberg, as at 11-April -24. Note: Assumes current currency hedging; The information above is an estimation of the expected factor return; Lancaster may make investment decisions that are inconsistent with these views expressed in this communication. The chart above presents projections of future performance. These projections are based on a number of assumptions that may or may not prove to be accurate. Future performance is subject to a wide range of significant risks. As a result, there can be no assurance that the projections in the chart above will prove to be accurate.

James Hanbury & Jamie Grimston

Lancaster Developed Markets Fund

Net Performance (GBP)

	1-month	3-month	1-year	3-year	5-year	YTD	Inception	Inception
								CAGR
Fund	1.6	-1.7	5.8	-8.5	60.3	-1.7	144.2	8.6
MSCI Daily TR Net World	3.2	8.9	25.1	28.1	76.8	8.9	186.4	10.2
Relative	-1.6	-10.6	-19.3	-36.6	-16.5	-10.6	-42.2	-1.6

Yearly Trailing Performance (net)

1-year to	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-23
Fund	-25.3	134.4	-10.3	-3.6	5.8
MSCI Daily TR Net World	-10.4	54.0	10.1	-7.02	25.1
Relative	-14.90	80.4	-20.4	-3.4	-19.3

Monthly Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index
														YTD
2024	-2.7	-0.6	1.6										-1.7	8.9
2023	12.7	-1.0	-0.7	3.0	-8.3	1.8	5.4	-2.3	-4.3	-7.6	11.1	10.7	19.2	23.8
2022	-0.6	-10.6	-3.6	-4.3	4.4	-16.8	6.0	-6.9	-13.6	10.6	14.8	-3.3	-25.5	-18.1
2021	-4.6	11.1	0.7	4.4	4.4	-6.2	0.4	1.7	1.2	0.1	-9.6	9.6	11.7	21.8
2020	-4.3	-10.5	-25.0	20.3	12.6	3.0	0.2	18.0	-5.1	6.7	22.4	7.3	41.1	15.9
2019	11.7	-1.5	-0.1	1.5	-5.1	-1.8	-0.4	-3.3	3.7	7.2	3.9	10.6	27.9	27.7
2018	6.8	-4.1	-2.3	5.9	0.6	0.4	2.1	-3.2	0.6	-6.2	-0.5	-11.8	-12.5	-8.7
2017	1.5	3.2	2.4	5.3	3.8	-0.1	4.6	3.8	4.6	0.3	0.7	-0.1	34.4	22.4
2016	-11.0	4.3	5.8	-1.7	2.4	-3.1	5.2	0.8	-1.5	-8.3	0.5	-1.7	-9.4	7.5
2015	-2.2	6.0	-1.4	2.9	-1.5	-0.3	2.6	-5.8	-2.1	7.4	-0.9	-3.2	0.6	-0.9
2014	-3.5	5.3	-1.9	-3.1	3.7	-1.7	-2.3	2.0	-4.7	4.4	5.0	1.6	4.0	4.9
2013						-1.7	7.9	-2.0	8.5	4.0	2.9	3.1	24.4	15.2

Fund details¹

\$ I Class	244.15
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£ I Class	302.62
£ R Class	251.78
£ LI Class	92.00
€ I Class	285.30
Fund Size	\$74 million
Strategy AUM	\$815 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS
Comparators	MSCI Daily TR Net World GBP
Base Currency	USD

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London, W1W 6AJ

Top 10 Long Equities

Ubisoft	9.4%
IWG	9.2%
Frasers Group	9.1%
Plus500	7.8%
AO World	4.5%
Jet2	4.4%
Conduit Holdings	4.3%
BP	4.0%
Liberty Global	3.3%
Breedon Group	3.1%

Portfolio Characteristics

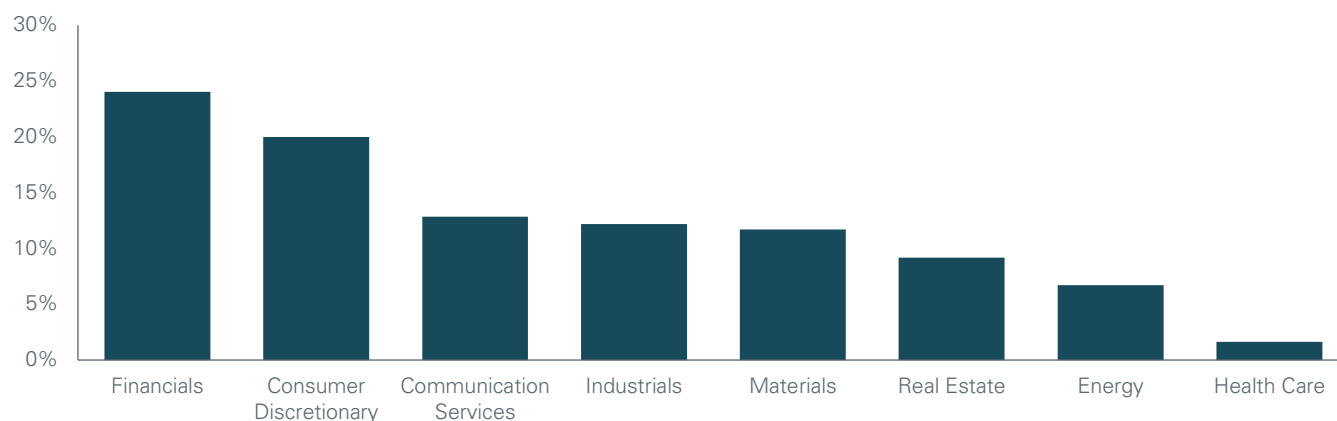
Number of positions	35
Cash level	1.7%

Important information

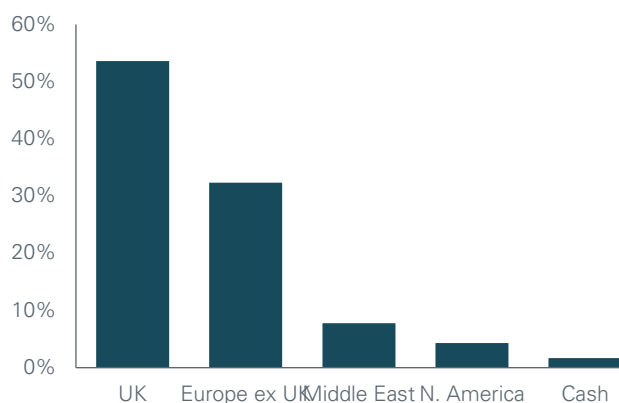
These figures refer to the past. Past performance is not a reliable indicator of future results.

This document is a marketing communication. Before subscribing please read the prospectus and the KIID/KID, available on request from Lancaster Investment Management. The performance calculation shown is based on the USD 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.

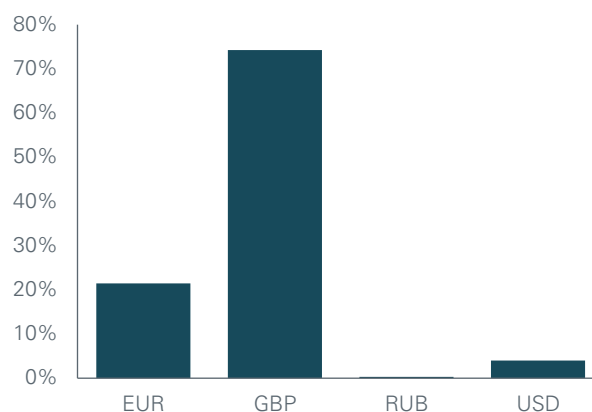
Equity exposure by sector



Equity exposure by geography



Currency exposure



Allocation figures are taken at close of business whereas Fund performance is taken at 2pm. Equity exposure includes all equity related instruments. Commentary is provided on a quarterly basis. Equity exposure as classified by GICS. The fund was renamed from Brook Developed Markets to Lancaster Developed Markets in Q3-23 on the back of the Investment Management Agreement transferring to Lancaster Investment Management LLP. All performance in base currency (USD).

Source: All sources, unless otherwise stated, are Lancaster internal unaudited data and refer to the USD I share class. All data shown as at 31 March 2024. ¹Bloomberg, calculation on a NAV basis with net income reinvested – the share class prices refer to NAV per share.

Investment objective and policy

The Lancaster Developed Markets Fund ('The Fund') aims to achieve long term capital growth. Capital is at risk and there is no guarantee that a positive return will be delivered over multiple time periods. The Investment Manager seeks to achieve this objective through managing a concentrated portfolio of publicly listed equity investments.

Approach

The strategy is concentrated, long-only, valuation driven and global in scope. The portfolio managers investment approach is built around some core principles; investing in fundamentally sound companies, invest with conviction, focus on sustainable free cash flow generation and seek out corporate management teams who are well aligned. 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 25-40 long positions with a higher concentration in the top 10 positions.

Risk Considerations

The Fund is actively managed and has considerable latitude over its allocation and may own sophisticated instruments such as futures and options for efficient portfolio management. 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 higher 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. The Fund's prospectus has detailed descriptions of the Funds risks. Before investing, please refer to the prospectus of Genfunds Global plc 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 management company at <https://bridgefundservices.com/funds/genfunds-global-plc/lancaster-developed-markets-fund/>. Investors should discuss the suitability of this Fund with their professional adviser.

Investor information

Share classes	I (£, €, \$), R (£, €, \$), LI (£, €, \$)	Minimum investment	R £5,000; I £1,000,000, LI £100,000,000 (or equivalent in €/\$)
Trade date (T)	Daily	Dividends	Income potentially distributed on GBP I, R, LI; EUR LI; USD LI
Share class hedging	Non-base currency share classes are unhedged	Administrator	US Bank Global Fund Services (Ireland) Ltd.
Dealing	By 2pm T-1	Custodian	European Depositary Bank
Valuation	Close of business T-1	Auditor	Deloitte
Front end fee	Up to 5%	Fund Domicile	Ireland
Annual management fee	(\$R, €R, £R) 1.20% (\$I, €I, £I) 0.70% (\$LI, €LI, £LI) 1.00%	Price reporting	Prices published daily on lancasterim.co.uk , Bloomberg and by other third party data providers.
Performance Fee	20% of the relative outperformance of the benchmark, the MSCI Daily TR Net World index. Relative underperformance is carried forward. No performance fee on LI share classes.	ISIN	\$I: IE0000L9CVF8, €I: IE0008B67KL6, £I IE000QZF0HT6, \$R: IE0003XZMX97, €R: IE00040AEQV0, £R: IE0006EP7X69, \$LI: IE000WPTQHL8, €LI: IE000UAUOKV0, £LI: IE000F5XHN28
Anti-dilution fee	May apply to subs/reds if net subs/reds 5% of NAV	SEDOL	\$I: BM90BJ0, €I: BM909X0, £I: BM90B90, \$R: BM90BK1, €R: BM909W9, £R: BM90BF6, \$LI: BM90BL2, €LI: BM90BG7, £LI: BM909Y1

Important Legal Information & Disclaimer

This is a marketing communication and it is not intended to be viewed as a piece of independent investment research.

This document and the information contained in it relates to the Lancaster Developed Markets Fund (the "Fund") and is being communicated by Lancaster Investment Management LLP ("LIM"). LIM is authorised and regulated by the Financial Conduct Authority (the "FCA") of the United Kingdom and is registered as an investment adviser with the United States Securities and Exchange Commission. LIM and its affiliates together will be referred to as "Lancaster" in this document.

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Investments that have an exposure to currencies other than the base currency of the Fund may be subject to exchange rate fluctuations. This communication and the information contained therein is a financial promotion for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom and the rules of the FCA. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, anyone who comes into possession of this communication should inform themselves of and observe these restrictions. Lancaster is not liable for a breach of such restrictions or for any losses relating to the accuracy, completeness or use of information in this communication, including any consequential loss.

Please always refer where appropriate to the relevant Fund prospectus and relevant Key Investor Information Document(s) (KIID) or Key Information Document (KID) before you invest. The KID/KIID is available in English, French, German, Italian and Spanish; the Prospectus is available in English. You can get free copies from the investment manager at reporting@LancasterIM.co.uk or the website of the management company at <https://bridgefundservices.com/funds/genfunds-global-plc/lancaster-developed-markets-fund/>. Bridge Fund Management Limited is a management company authorized and regulated by the Central Bank of Ireland.

A summary of investor rights associated with an investment in the fund is available online in English at <https://bridgefundservices.com/media/vjqc5kva/summary-of-investor-rights-for-ucits-fund.pdf> and a paper copy is available upon request by emailing TATeam@bridgefundservices.com (you can include your own email address here if you wish and post the Summary of Investor Rights to your own website). If the fund terminates its application for registration in any jurisdiction shareholders located in the effected EEA member state will be notified of this decision and will be provided the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification.