

Lancaster European Equity

August 2024

The fund's net return was 1.23% in August versus the SXXR at 1.55%. The month saw a sudden breakdown and partial rally in the narrow momentum factor that has dominated market returns and been a headwind to our relative performance year to date. A number of our consumer names performed better in August after what has been a challenging year for such assets thus far. Next made new highs as the company continues to show that it is far from a mono-brand UK clothing retailer, with third party brand sales and in particular its international business continuing to grow ahead of expectations. The market is now prepared to give the company a higher multiple given its broadening growth drivers, but at 15x P/E the stock still feels far from expensive. Deliveroo was also a good performer on the month. The business is now comfortably cashflow generative and, after two years battling a weak consumer environment, is seeing an inflection upwards in order frequency across all customer cohorts. Our conversations with management lead us to believe that the macro environment – in particular in the key markets of the UK, France and Italy – has been more of a headwind than perhaps we and the street appreciated. The company continues to drive adoption of its "Plus" subscription services with management confident of achieving their goal of more than 50% of orders coming from paying subscribers by 2026. We exited three names in the month including our long-held position in Novonesis (Novozymes) as the valuation expanded to more closely reflect our view of the prospects for the business.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	1.23%	1.55%	1.28%
YTD return	4.81%	12.10%	11.70%
1 year return	14.64%	17.63%	16.43%
3 year return	34.28%	20.66%	20.62%
5 year return	107.48%	56.27%	50.83%
10 year return	154.95%	99.28%	96.54%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	10.32%	6.46%	6.45%
5 year	15.72%	9.34%	8.57%
10 year	9.81%	7.14%	6.99%

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

Exposure

Cash	3.3%
Average market cap (\$ millions)	16,046
Number of positions	28

Leverage

Gross method	1.8
Commitment method	1.1

Top 3 Positive Contributors

Ryanair
Deliveroo
Next

Top 3 Negative Contributors

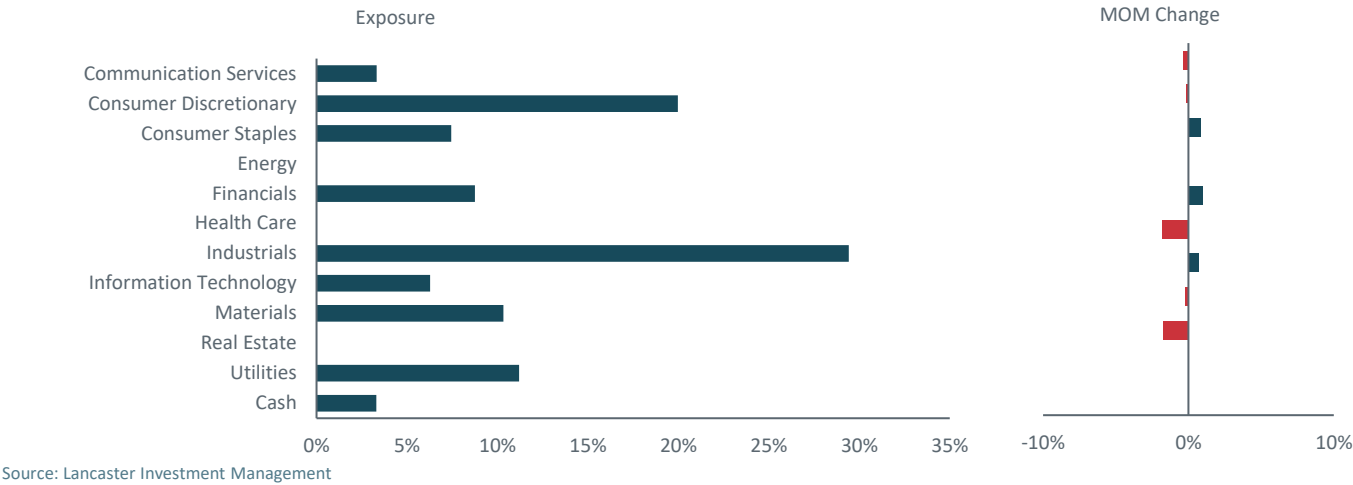
Ubisoft Entertainment
Fuchs
RS Group

Top 5 Longs

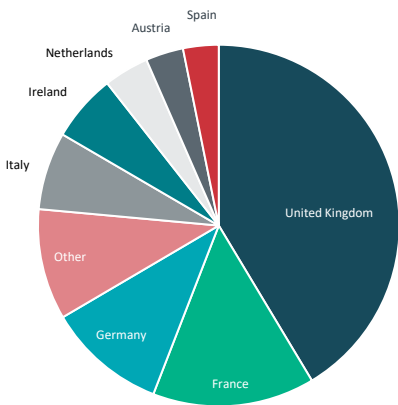
Ryanair	5.8%
Weir	5.3%
Spectris	5.2%
National Grid	5.2%
Danone	4.2%
Total	25.8%

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

Sector Exposure

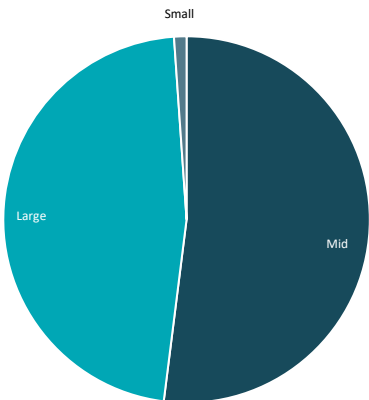


Country Exposure

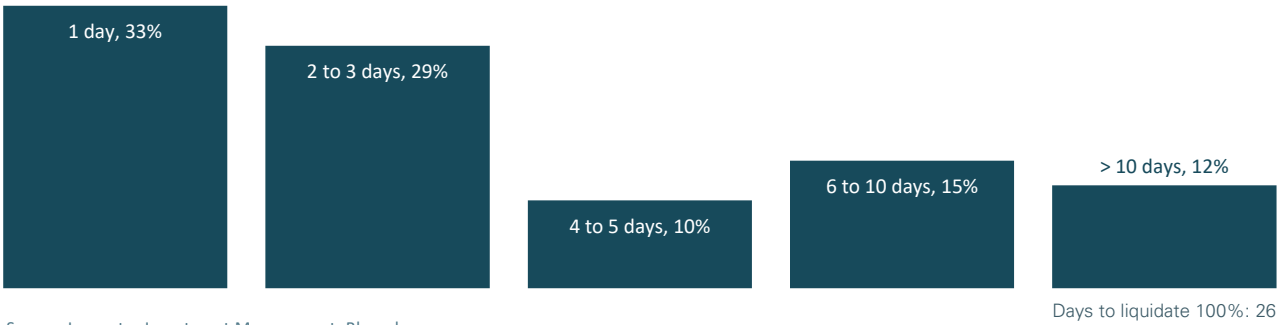


Source: Lancaster Investment Management

Market Cap



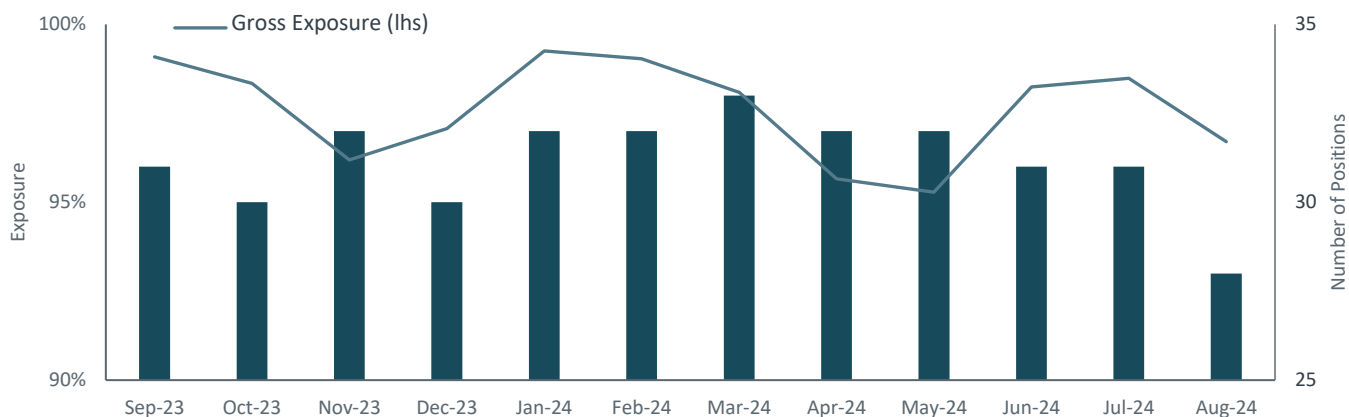
Liquidity



Source: Lancaster Investment Management, Bloomberg

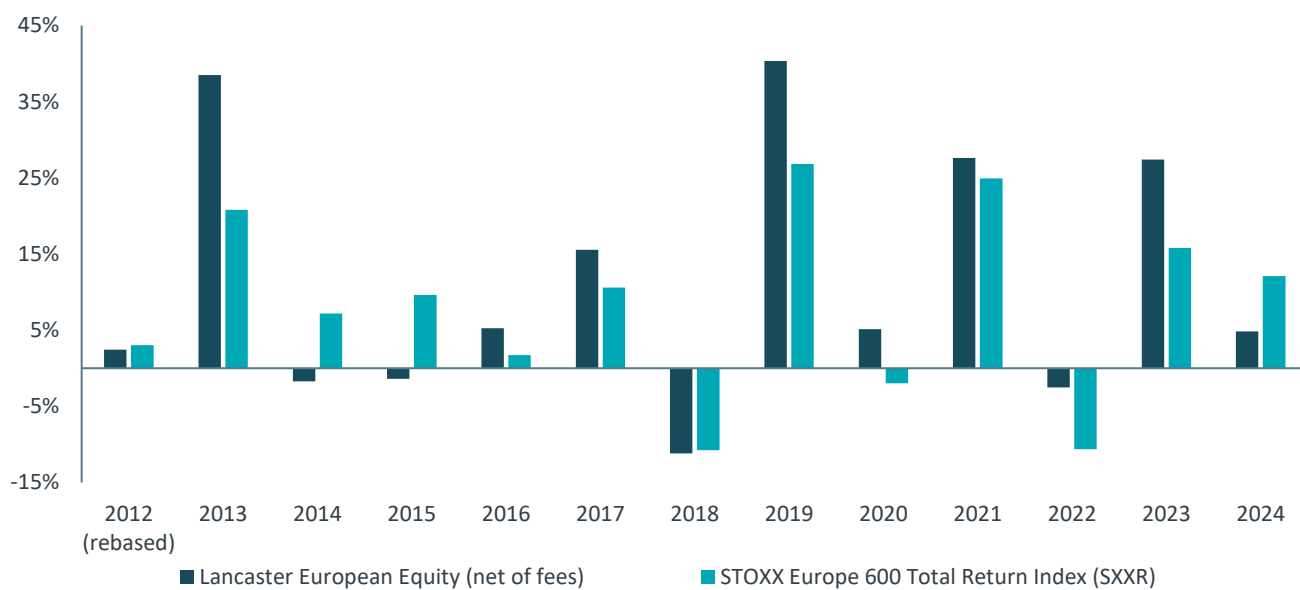
Graphs for illustrative purposes only

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%	1.57%	-4.40%	1.99%	1.23%					4.81%

	YTD	2023	2022	2021	2020	2019	Inception
Lancaster European Equity	4.81%	27.41%	-2.53%	27.62%	5.11%	40.34%	264.02%

	12.10%	15.80%	-10.64%	24.91%	-1.99%	26.82%	164.34%
STOXX Europe 600 Net Return (SXXR)							
	11.70%	14.30%	-8.54%	22.61%	-2.21%	23.75%	159.46%
MSCI Europe Net Return (NDDLE15)							

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.

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 Lucy Purslow lucy.purslow@lancasterIM.co.uk +44 20 7842 1048

* Subject to index hurdle and payable over multiple years – please see offering documents

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