LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

November 2024

The fund's net return was 1.20% in November versus the SXXR at 1.13%. The portfolio performed marginally better than the European market in a month of significant US outperformance following Donald Trump's re-election. The valuation gap between many of our core holdings, and not only their US peers but many of their European comparators, frustrates and excites us in equal measure. We believe that even a small improvement in European sentiment could result in quite dramatic share price moves. This is perhaps best exemplified already by our position in Zalando where marginally better trading and online trends have resulted in a pronounced move up in the shares. Similarly, our airline names – Ryanair and Jet2 – have continued to move higher on the absence of an anticipated deterioration in the European and UK consumer respectively. These three names were amongst the top contributors in the month. Weir, our mining equipment investment, also performed strongly as several research houses upgraded the stock, highlighting its improving margins and FCF generation. Weir has divested several businesses in recent years and is increasingly recognised as a dominant specialist supplier with much improved returns. We exited two names during the month – Anglo American and Airbus – and entered four new positions. These included two UK names directly exposed to the UK housing market: a housebuilder and a kitchen manufacturer. The UK's new Labour government is starting to enact policies highly supportive of increased housebuilding volumes. By contrast many companies set to benefit from this policy shift have seen their shares prove highly sensitive to short term interest rate expectations; this pullback has offered some attractive entry points.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	1.20%	1.13%	0.49%
YTD return	3.48%	9.30%	8.33%
1 year return	7.75%	13.49%	11.95%
3 year return	37.27%	19.23%	19.07%
5 year return	81.01%	41.41%	38.05%
10 year return	157.74%	90.71%	87.16%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	11.14%	6.04%	5.99%
5 year	12.60%	7.18%	6.66%
10 year	9.93%	6.67%	6.47%

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

Exposure

Cash	1.8%
Average market cap ($ millions)	14,215
Number of positions	32

Leverage

Gross method	1.7
Commitment method	1.0

Top 3 Positive Contributors

Weir Group
Ryanair
Jet2

Top 3 Negative Contributors

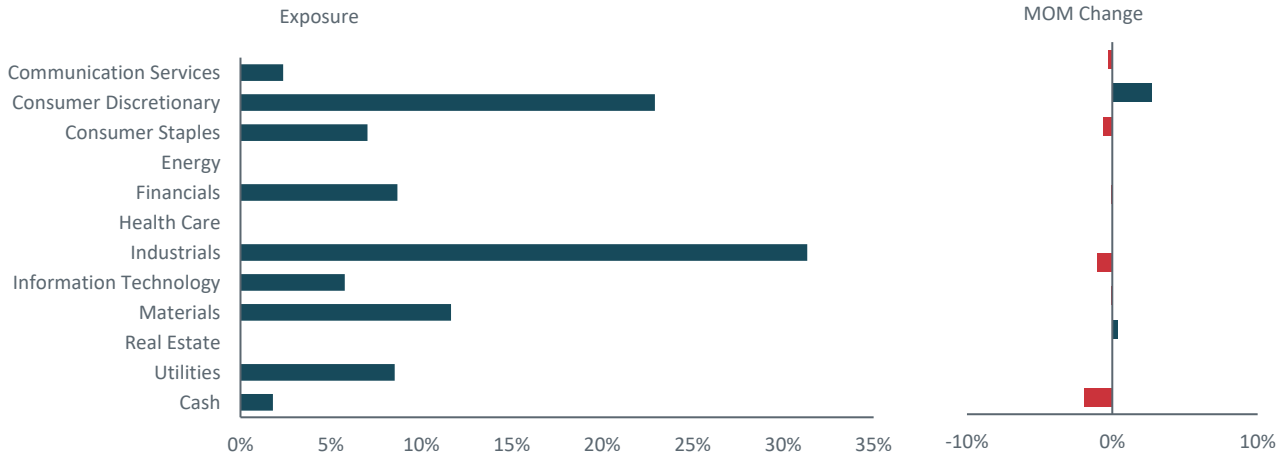
Brembo
Campari
ams-OSRAM

Top 5 Longs

Spectris	5.2%
Weir Group	5.0%
Ryanair	4.2%
Signify	4.2%
Next	3.9%
Total	**22.4%**

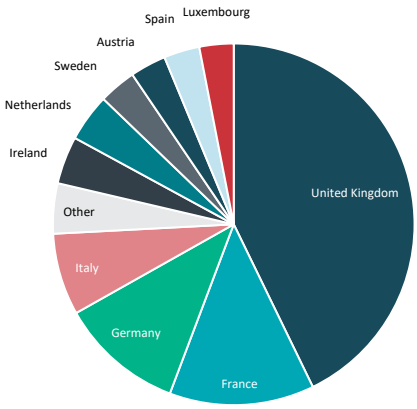
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15)

Sector Exposure



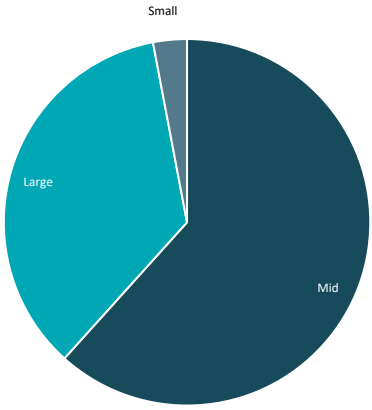
Source: Lancaster Investment Management

Country Exposure



Source: Lancaster Investment Management

Market Cap



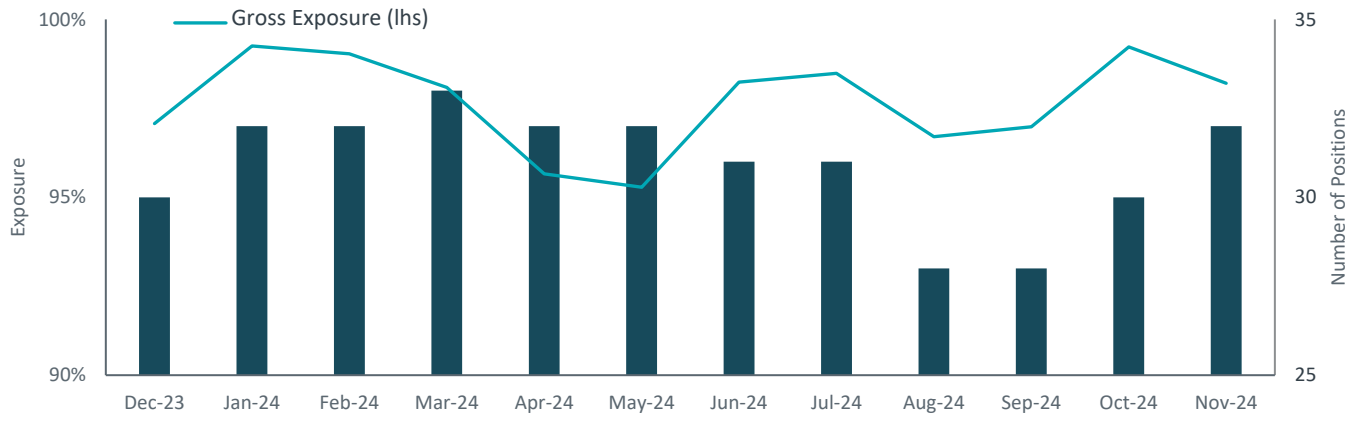
Liquidity

Days to liquidate 100%: 29

Source: Lancaster Investment Management, Bloomberg

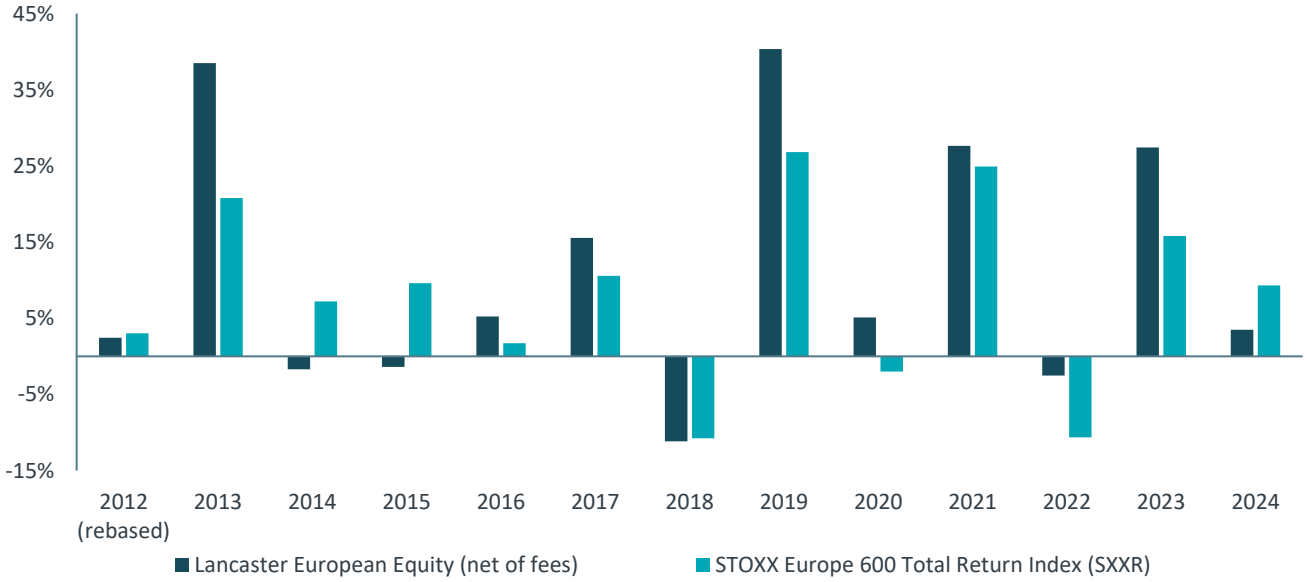
Graphs for illustrative purposes only

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%	0.57%	-3.00%	1.20%		**3.48%**

	YTD	2023	2022	2021	2020	2019	Inception
Lancaster European Equity	3.48%	27.41%	-2.53%	27.62%	5.11%	40.34%	**259.38%**
STOXX Europe 600 Net Return (SXXR)	9.30%	15.80%	-10.64%	24.91%	-1.99%	26.82%	**157.72%**
MSCI Europe Net Return (NDDLE15)	8.33%	14.30%	-8.54%	22.61%	-2.21%	23.75%	**151.62%**

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 **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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