

Lancaster European LS Equity

January 2025

The fund's net return was 1.83% for January. European markets started the year strongly despite the barrage of tariff announcements and speculation coming out of the US. While our short book generated some good alpha, the long book had a more underwhelming start as mid-caps underperformed, particularly in the UK. While some of last year's underperforming longs continued to be a drag, most notably Campari, it was pleasing to see our position in Spectris start the year strongly after a weak 2024. Spectris makes high-tech instruments and software for the life sciences industry and other specialist industrial applications. While listed in the UK, only around 5% of its revenue is generated domestically. The current management team have repositioned the business for sustainably higher organic growth than has been achieved historically, divesting non-core assets and driving cost efficiency. We believe none of this progress is reflected in the valuation with the stock trading at less than half the multiple of US peers. In general, our Industrials longs had a strong start to the year with Weir and Spirax also amongst the top performers. By contrast consumer focused longs lagged. Weakness in Deliveroo was somewhat surprising given strong reporting. Concerns about the UK and European consumer remain elevated, leading to heightened scrutiny of short-term data. We find this is often an environment where we get the chance to build or add to holdings on volatility. We added to our Howden and Next longs during the month whilst continuing to sell down Zalando. Zalando has performed strongly and its recent announcement of an offer for smaller rival, About You, raises some capital allocation questions in our view. The key winner in the short book was our position in a food services and facilities management company. The company released weaker than expected quarterly sales making its full year profit guidance look very ambitious.

Performance (net)

Return on month	1.83%
Return YTD	1.83%
1 year return	3.08%
3 year return	32.44%
5 year return	79.08%
10 year return	137.68%

Trailing CAGR (net)

3 year	9.82%
5 year	12.36%
10 year	9.04%

Performance quoted net of fees based on the most invested share class (Class B\$)

Exposure

Gross	141.2%
Net	55.4%
Long	98.3%
Short	-42.9%

Portfolio Characteristics

Long position count	34
Short position count	24
Gross leverage method	2.0
Commitment leverage method	1.4

Top 3 Positive Contributors

Spectris
Weir
Spirax

Top 3 Negative Contributors

Ubisoft
Industrial (short)
Campari

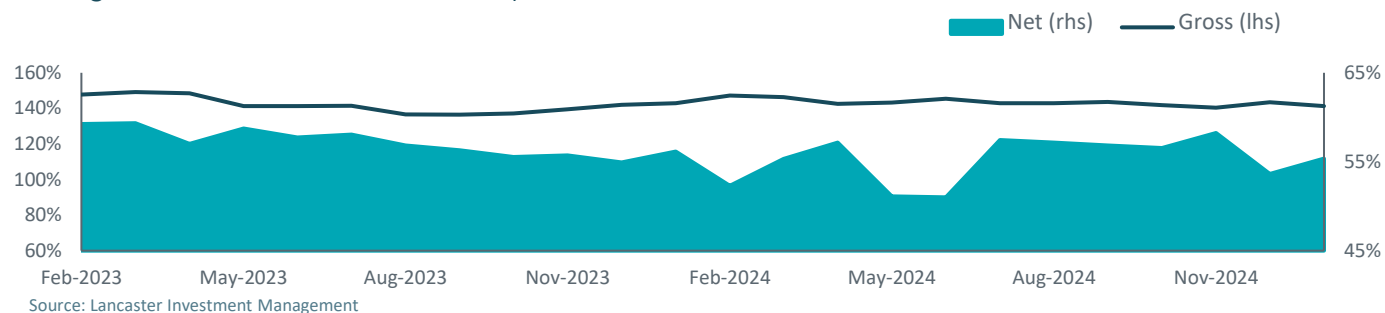
Top 5 Longs

Spectris	6.1%
Weir	4.2%
Signify	4.1%
Howden Joinery	4.0%
Michelin	4.0%
Total	22.5%

Top 5 Shorts

Industrial	-3.0%
Consumer Staple	-2.5%
Consumer Staple	-2.4%
Industrial	-2.3%
Industrial	-2.2%
Total	-12.5%

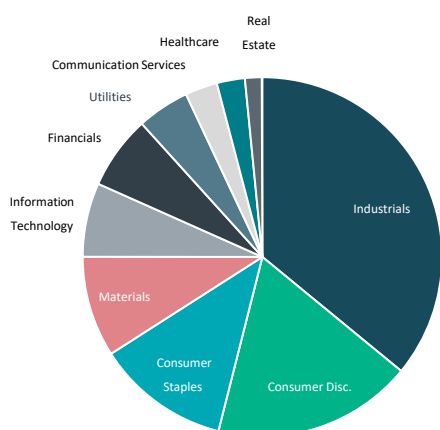
Rolling 24 Month Gross and Net Exposures



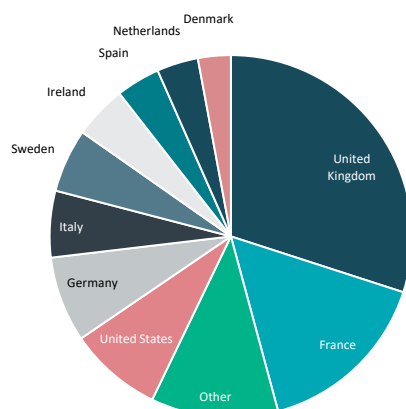
Sector Exposure



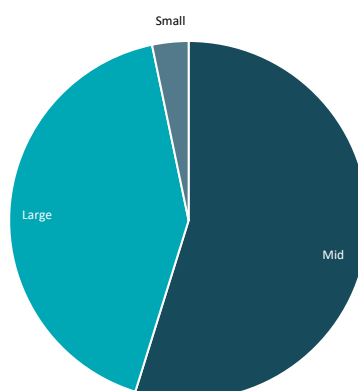
Sector



Country

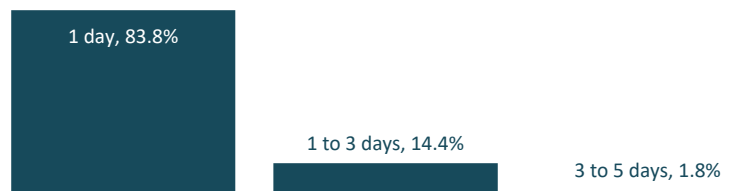


Market Cap



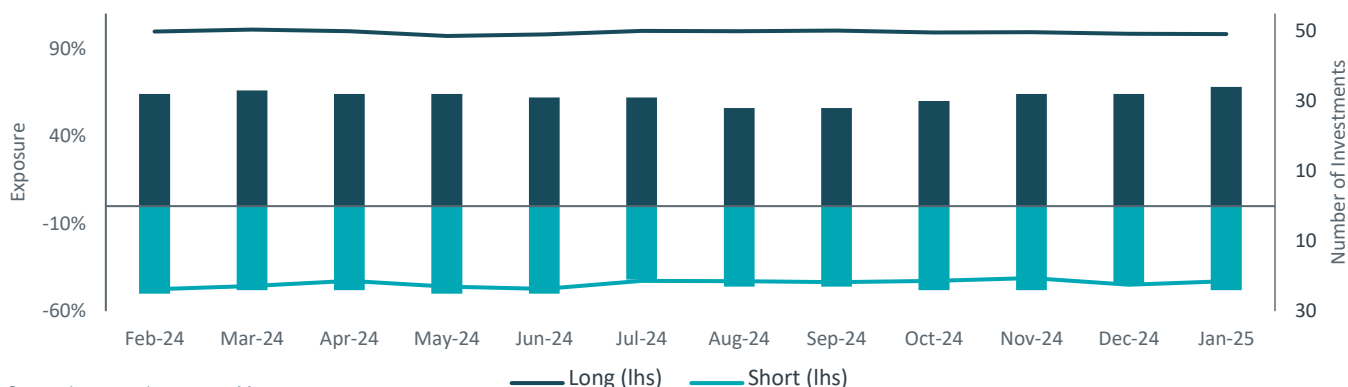
Charts for illustrative purposes only

Liquidity



Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance (net)



Source: Lancaster Investment Management

Historical Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	1.83%												1.83%

	YTD	2024	2023	2022	2021	2020	Inception
Lancaster European LS Equity	1.83%	1.52%	24.23%	4.88%	17.27%	8.64%	265.81%

STOXX Europe 600 Net Return (SXXR)	6.35%	8.79%	15.80%	-10.64%	24.91%	-1.99%	168.78%
MSCI Europe Net Return (NDDLE15)	6.88%	7.75%	14.30%	-8.54%	22.61%	-2.21%	154.84%

Performance quoted net of fees based on the most invested share class (Class B\$). Other share classes with higher fees exist, please refer to the PPM for full details. Full monthly performance available on request.

Lancaster European LS Equity Details

Launch date	February 2008			
	Class A	Class B	Fund Structure	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	Quarterly		
Notice Period	30 days	60 days	Administrator	Morgan Stanley Fund Services
Minimum Investment	\$5,000,000	\$5,000,000	Auditor	Ernst & Young
Management Fee	1.25%	1.0%	Prime Brokers	Goldman Sachs, Morgan Stanley, UBS
Performance Fee	20.0%	17.5% *	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

* Payable over multiple years – please see offering documents

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