

Lancaster European Equity

September 2025

The fund's net return was -0.60% in September versus the SXXR at 1.52%. While equity markets pushed on higher during the month, our portfolio lost money as a number of our positions in particularly weak momentum sectors suffered – most notably spirits and chemicals. Campari was the most significant negative contributor. Industry data continues to point to a lack of volume recovery this year, particularly in the US; the market with the longest and most opaque supply chain. The company's plans to return to industry-leading growth and elevate margin are largely ignored for now. While, on reflection, we have been too early into this name, our confidence in the company's strategy and prospects remains high. Structural consumption headwinds are in our view manageable in the context of the industry's long track record of successful premiumisation. We also lost money during the month in IMCD, a specialist chemicals distributor; we discuss this investment in detail in our third quarter letter. In contrast to Campari, we were still scaling into this newer position, and so were able to add aggressively on weakness. We also saw a pullback in Flutter Entertainment, a position we bought during the 'Liberation Day' market drawdown. The stock has rallied since then – we had been selling into this strength – but fell during the month as fears of Prediction Markets disrupting the traditional sports betting model in the US increased. We see these fears as overblown. Prediction Markets are akin to an exchange, a business model that has existed in other mature geographies for decades and has been perennially constrained by its lack of product richness and liquidity dependence. Flutter is also the owner of the pioneer of exchange businesses, Betfair. We have been buying back some of the shares we sold.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	-0.60%	1.52%	1.74%
YTD return	16.21%	12.55%	13.64%
1 year return	14.34%	9.60%	10.37%
3 year return	82.25%	55.75%	54.51%
5 year return	140.76%	75.38%	73.04%
10 year return	205.53%	108.39%	116.52%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	22.15%	15.92%	15.61%
5 year	19.21%	11.89%	11.59%
10 year	11.82%	7.62%	8.03%

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

Exposure

Cash	1.3%
Average market cap (\$ millions)	18,670
Number of positions	34

Leverage

Gross method	1.8
Commitment method	1.0

Top 3 Positive Contributors

Glencore
Weir
Croda

Top 3 Negative Contributors

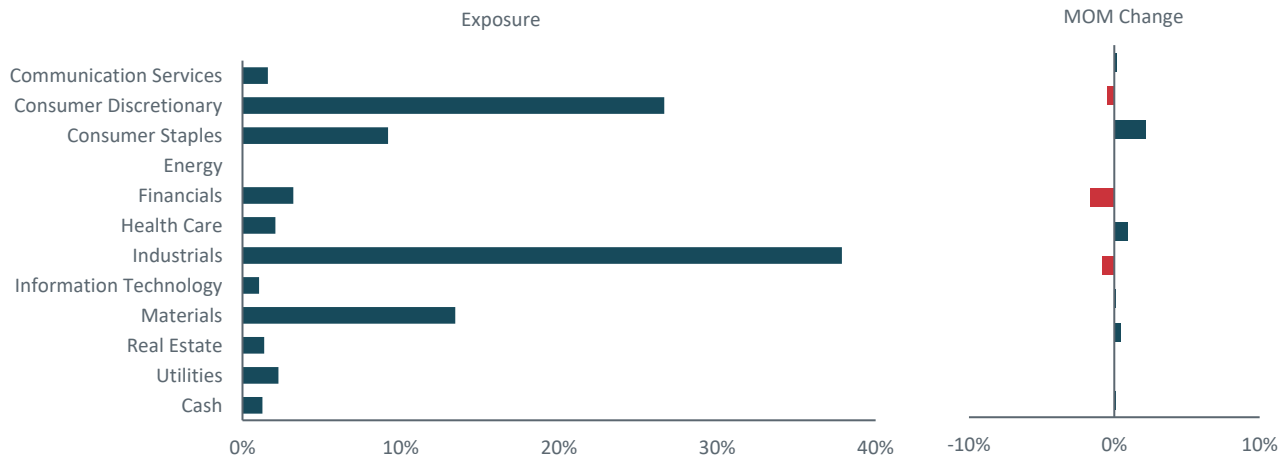
Campari
Flutter Entertainment
IMCD

Top 5 Longs

Howden Joinery	4.9%
DHL	4.9%
Michelin	4.5%
Campari	4.1%
Spirax	4.0%
Total	22.4%

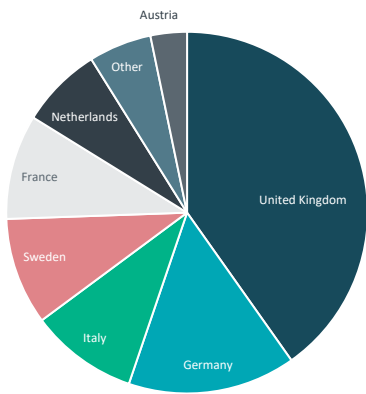
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15)

Sector Exposure



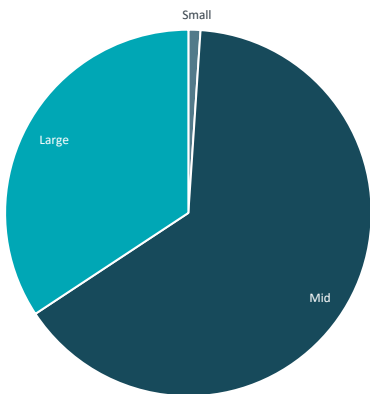
Source: Lancaster Investment Management

Country Exposure

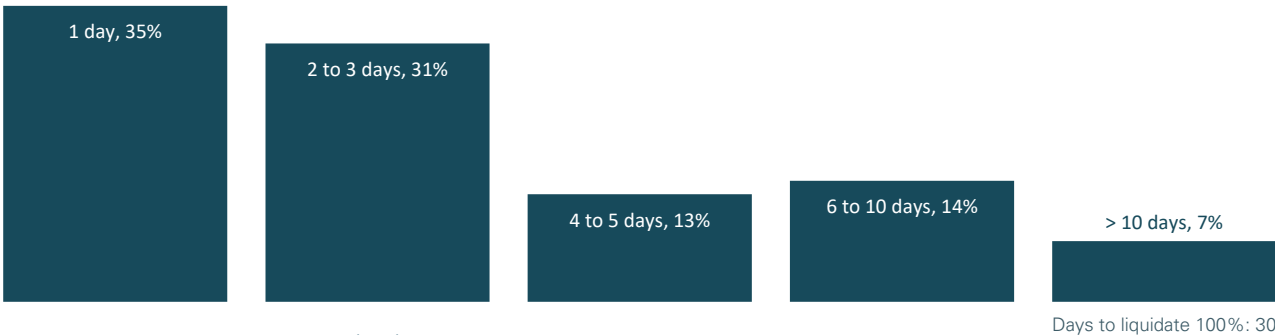


Source: Lancaster Investment Management

Market Cap



Liquidity

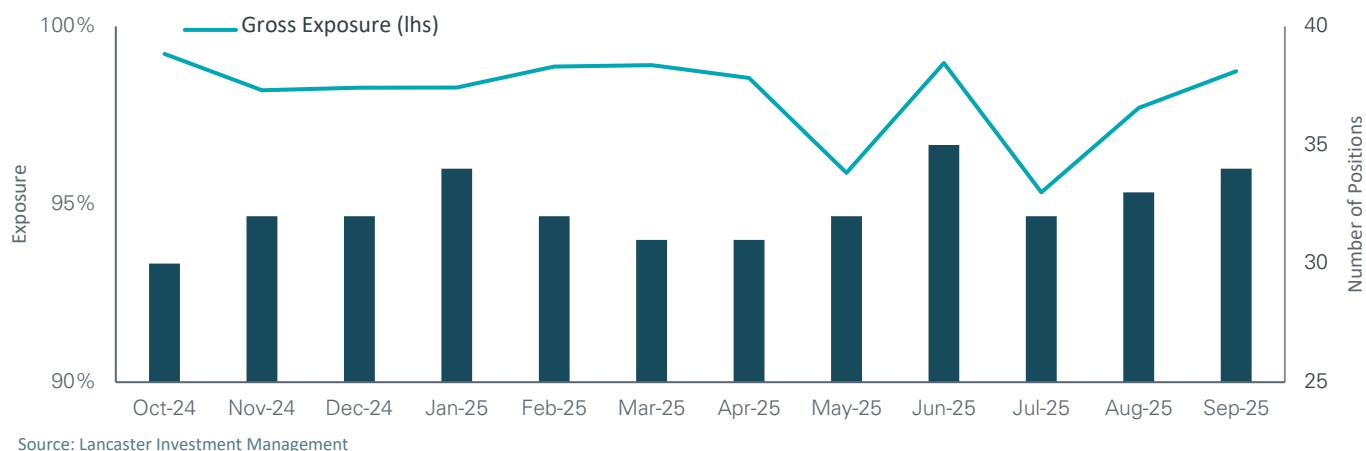


Source: Lancaster Investment Management, Bloomberg

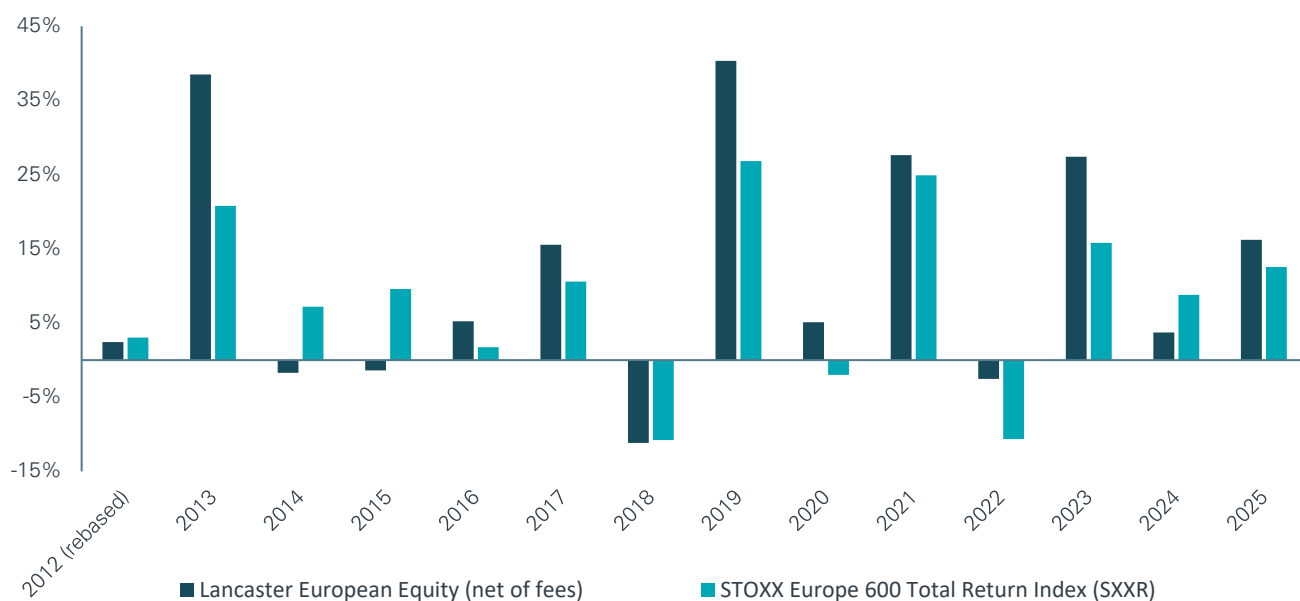
Days to liquidate 100%: 30

Graphs for illustrative purposes only

Portfolio Composition



Fund Performance (net)



Historical Performance (net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	3.51%	0.86%	-5.02%	1.92%	7.09%	5.52%	0.77%	1.59%	-0.60%				16.21%

	YTD	2024	2023	2022	2021	2020	Inception
Lancaster European Equity	16.21%	3.72%	27.41%	-2.53%	27.62%	5.11%	318.61%

	YTD	2024	2023	2022	2021	2020	Inception
STOXX Europe 600 Net Return (SXXR)	12.55%	8.79%	15.80%	-10.64%	24.91%	-1.99%	188.73%
MSCI Europe Net Return (NDDLE15)	13.64%	7.75%	14.30%	-8.54%	22.61%	-2.21%	184.40%

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	Class D/4	Fund Structure	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	Monthly	Monthly		
Notice Period	60 days	60 days	60 days	Administrator	Morgan Stanley Fund Services
Minimum Investment ¹	\$5,000,000	\$5,000,000	\$200,000,000	Auditor	Ernst & Young
Management Fee	1.00%	0.75%	0.50%	Prime Brokers	Goldman Sachs, Morgan Stanley
Performance Fee	None	10.0% ²	10.0% / 20.0% ³	Legal Advisors (UK)	McDermott Will & Schulte
Lockup Period	None	None	1 Year	Legal Advisors (US)	McDermott Will & Schulte
Subscriptions	Monthly	Monthly	Monthly	Legal Advisors (Cayman)	Walkers
Gate	None	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

¹ Minimum net capital contribution

² Subject to index hurdle and payable over multiple years – please see offering documents

³ Subject to index hurdle. 10% fee on initial 3% of relative outperformance, 20% fee on relative outperformance above 3%

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