LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

October 2025

The fund's net return was 3.00% in October versus the SXXR at 2.56%. Equity markets rallied strongly during the month as confidence on a US-China trade deal grew. The AI narrative accelerated and, while Europe lacks significant direct exposure, tangential industries were propelled higher. The fund's modest outperformance was driven by Q3 reporting. Trelleborg beat on organic growth, as well as demonstrating strong cash flow and margin progression. The company's underappreciated sealing business was the source of the surprise; it remains a core component of our thesis. Campari reported an organic growth beat and good margin expansion; 4% like-for-like sales in a spirits industry deemed to be ex-growth is impressive in our view. Next, an investment we have owned since 2020, continued to make new highs on results. The share price has more than tripled since we sized up the position during Liz Truss's brief premiership at the end of 2022. International sales in particular have far surpassed expectations in the years since. Michelin was the key negative contributor as the company downgraded its full year guidance; the timing of volume recovery remains the key uncertainty here.

Performance (net)

	Fund	STOXX*	MSCI*
Return on month	3.00%	2.56%	2.51%
YTD return	19.70%	15.44%	16.49%
1 year return	21.41%	16.20%	16.43%
3 year return	70.18%	50.20%	49.29%
5 year return	147.99%	89.56%	87.38%
10 year return	200.35%	97.75%	106.92%

Trailing CAGR (net)

	Fund	STOXX*	MSCI*
3 year	19.39%	14.52%	14.29%
5 year	19.92%	13.64%	13.38%
10 year	11.63%	7.06%	7.54%

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

Exposure

Cash	3.6%
Average market cap ($ millions)	19,619
Number of positions	30

Leverage

Gross method	1.8
Commitment method	0.9

Top 3 Positive Contributors

Trelleborg
Campari
Next

Top 3 Negative Contributors

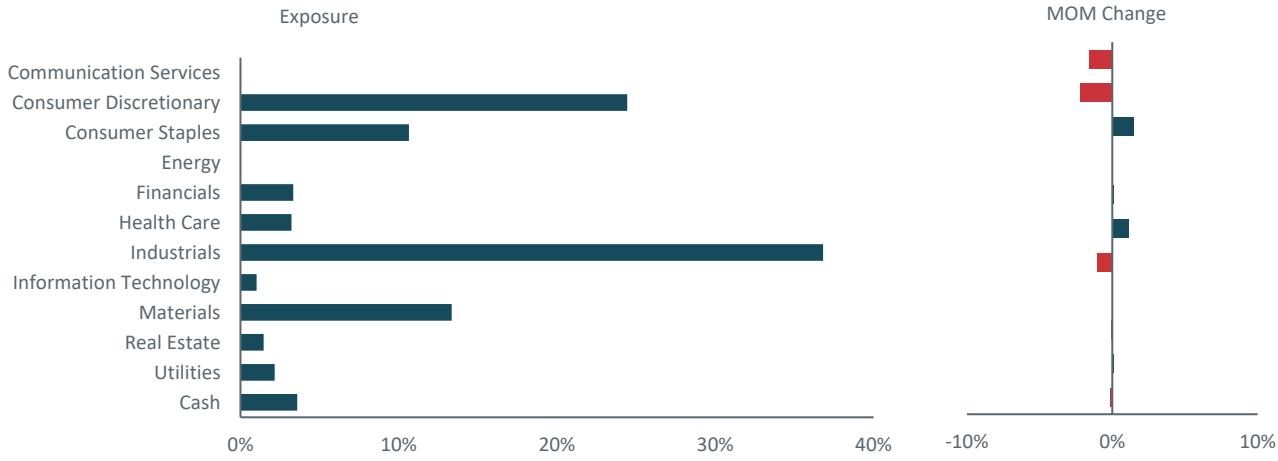
Michelin
Signify
Zalando

Top 5 Longs

DHL	4.9%
Howden Joinery	4.9%
Michelin	4.6%
Campari	4.6%
Trelleborg	4.5%
Total	**23.4%**

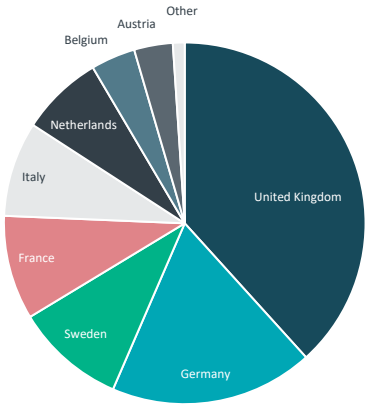
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15)

Sector Exposure

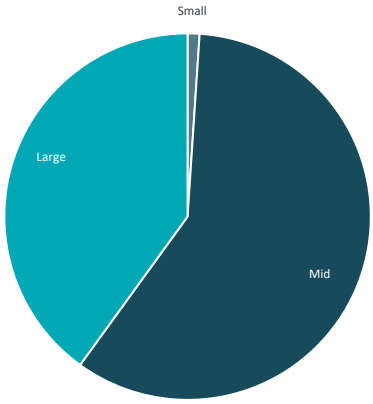


Source: Lancaster Investment Management

Country Exposure

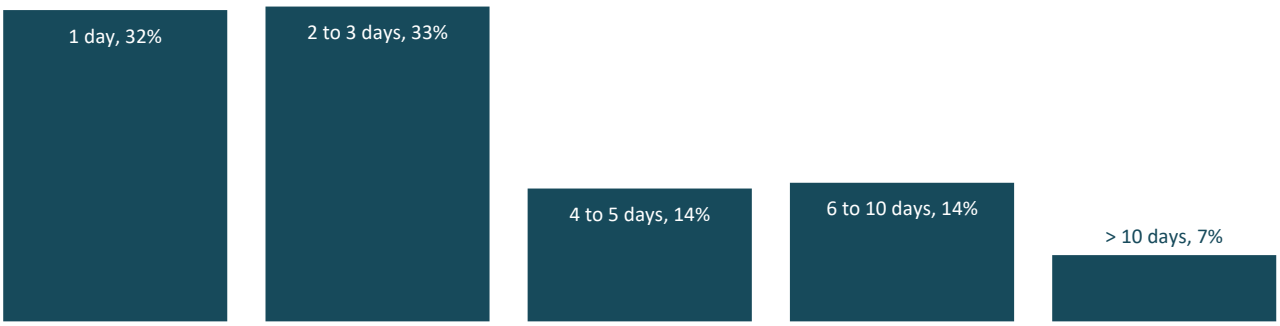


Market Cap



Source: Lancaster Investment Management

Liquidity

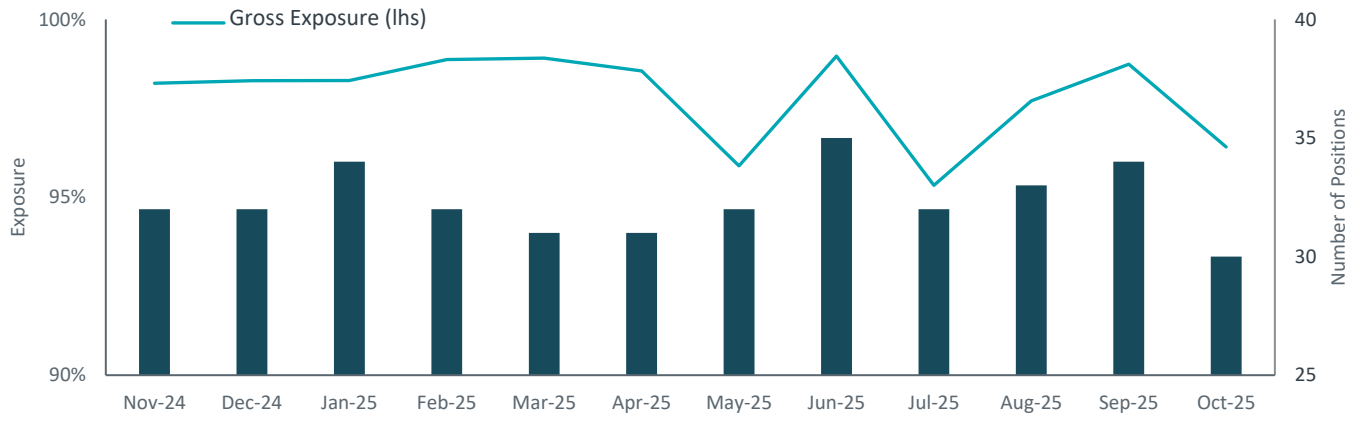


Days to liquidate 100%: 28

Source: Lancaster Investment Management, Bloomberg

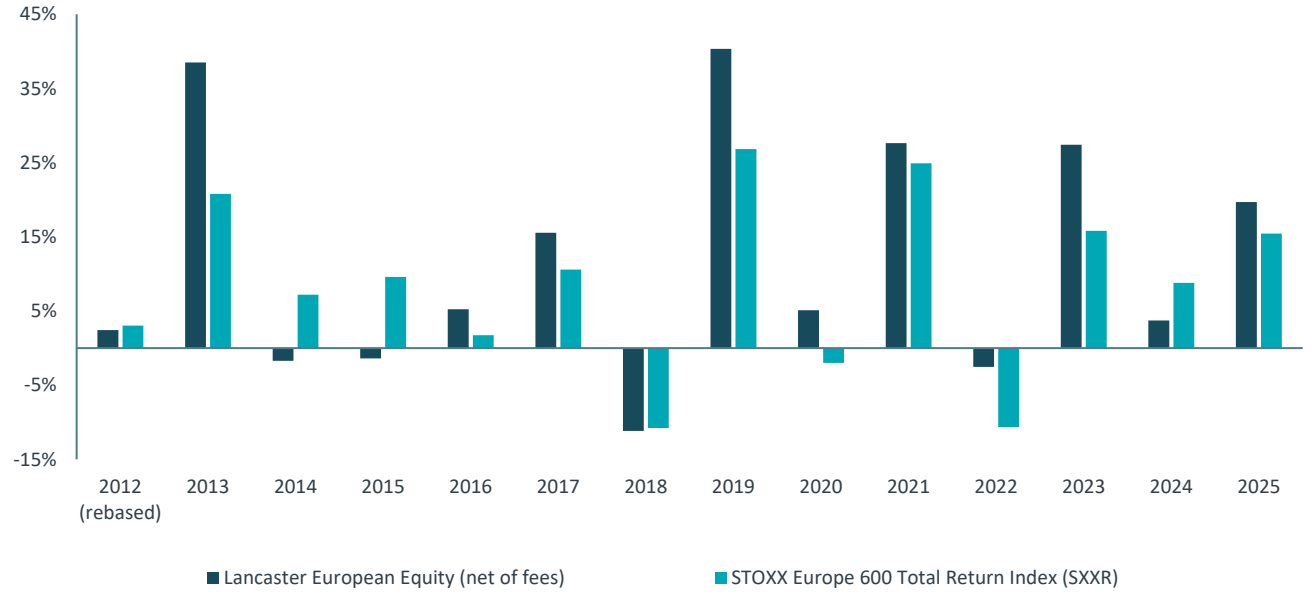
Graphs for illustrative purposes only

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
2025	3.51%	0.86%	-5.02%	1.92%	7.09%	5.52%	0.77%	1.59%	-0.60%	3.00%			**19.70%**

	YTD	2024	2023	2022	2021	2020	Inception
Lancaster European Equity	19.70%	3.72%	27.41%	-2.53%	27.62%	5.11%	**331.16%**
STOXX Europe 600 Net Return (SXXR)	15.44%	8.79%	15.80%	-10.64%	24.91%	-1.99%	**196.13%**
MSCI Europe Net Return (NDDLE15)	16.49%	7.75%	14.30%	-8.54%	22.61%	-2.21%	**191.54%**

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**	**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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