

Lancaster Investment Management LLP

60 Charlotte Street - 4th Floor
London, W1T 2NU
United Kingdom

daniel.wiener@lancasterIM.co.uk
+44 20 7842 1051

CRD Number: 158068

May 2017

This Brochure provides information about the qualifications and business practices of Lancaster Investment Management LLP. If you have any questions about the contents of this Brochure, please contact Daniel Wiener, the Chief Compliance Officer (“**CCO**”) at +44 20 7842 1051 or email daniel.wiener@lancasterIM.co.uk. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Lancaster Investment Management LLP is a registered investment adviser. Please note that the use of the term “registered investment adviser” and description of our firm as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for more information on the qualifications of our firm.

Additional information about Lancaster Investment Management LLP is also available on the SEC’s website at www.adviserinfo.sec.gov, and on the Financial Conduct Authority’s website at www.fca.gov.uk.

Item 2 - Material Changes

October, 2012

- Addition of new funds, LEE Master Fund Limited, LEE Fund Limited and LEE Fund LP.
- Update of AUM.

April, 2012

- Addition of new Feeder Fund to LAE Master Fund, known as LAE P Fund Limited.
- Change in administrator fees as a result of appointment of new provider.
- Update of AUM.

March, 2012

- Addition of share classes/partnership interests with different liquidity terms and where performance fees are payable only on redemption.
- Addition of Daniel Wiener as Chief Compliance Officer
- Addition of Credit Suisse Securities (Europe) Limited as a prime broker and custodian.

February 2014

- Change in Matthew Wood's and James Roycroft's ownership of Lancaster Management (Jersey) Limited.
- Reduction in performance fees for the LAE Funds.
- Change in the management fee and redemption terms of the certain classes and interests of the LAE Funds.
- Increase in minimum subscription amounts for certain classes and interests of the LAE Funds.
- Addition of State Street Bank & Trust Company as a custodian to the LAE Fund and LEE Fund.

February 2015

- Addition of new fund: LAE BPI Fund Limited
- Removal of Palmer Capital LLP as a marketer for the funds
- Addition of Goldman Sachs International as a prime broker

Item 3 - Table of contents

Item 2 - Material Changes	2
Item 3 - Table of contents	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	5
Item 6 - Performance-Based Fees	6
Item 7 - Types of Clients.....	7
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 - Disciplinary Information	11
Item 10 - Other Financial Industry Activities and Affiliations	11
Item 11 - Code of Ethics, Participation/ Interest in Client Transactions/ Personal Trading.....	11
Item 12 - Brokerage Practices	12
Item 13 - Review of Accounts.....	12
Item 14 - Client Referrals and Other Compensation	13
Item 15 - Custody	13
Item 16 - Investment Discretion.....	13
Item 17 - Voting Client Securities	13
Item 18 - Financial Information	14

Item 4 - Advisory Business

Lancaster Investment Management LLP (the “**Firm**”), is a limited liability partnership formed under English law on 22 August 2007. The Firm is an asset management company with its principal place of business in London, UK. Lancaster Investment Services Limited is the managing member of the Firm and is a wholly owned subsidiary of Lancaster Management (Jersey) Limited, an offshore private investment company. These entities are collectively known as “**Lancaster**”.

The Firm currently provides investment advisory and management services on a discretionary basis to the LAE Master Fund Ltd, LAE BPI Fund Limited and the LEE Master Fund Limited (together the “**Master Funds**”), via Investment Management Agreements. LAE Fund Limited, LEE Fund Limited, companies incorporated with limited liability under the laws of the Cayman Islands together with LAE Fund LP and LEE Fund LP, Delaware limited partnerships (together the “**Feeder Funds**”) invest all of their investible assets in the ordinary shares of LAE Master Fund Ltd or LEE Master Fund Ltd. LAE Master Fund Limited, LAE BPI Fund Limited and LEE Master Fund Limited are exempted companies incorporated with limited liability in the Cayman Islands, each registered as a regulated mutual fund with the Cayman Islands Monetary Authority. LAE General Partners Limited (the “General Partner” of LAE Fund LP and LEE Fund LP), is a company incorporated with limited liability under the laws of the Cayman Islands, is owned by Lancaster Management (Jersey) Limited. The Feeder Funds and Master Funds are herein collectively referred to as the “**Investment Vehicles**”.

The Investment Vehicles are managed in accordance with each Investment Vehicles' investment objectives, strategies, restrictions and guidelines. Each Investment Vehicle is managed only in accordance with its own characteristics and is not tailored to any particular private fund investor (each an “**Investor**”). Information about each Investment Vehicle can be found in its offering documents, including its prospectuses or confidential private offering memoranda (“**the Offering Memoranda**”).

In addition to managing the Investment Vehicles, the Firm currently provides discretionary investment advisory services and management services to other investors under different sub-advisory agreements (each a “**Client Account**” and collectively “**Client Accounts**”). Client Accounts are managed separately and only in accordance with their own characteristics. Client Accounts may or may not incorporate the same, or substantially the same, investment strategy as the Investment Vehicles. Collectively, the Investment Vehicles and the Client Accounts are herein referred to as “**Clients**” when not described otherwise.

The Firm is authorized and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom, its Firm Reference Number being 472385.

As of March 31 2017, the Firm managed approximately US\$1,897 million on a discretionary basis.

Lancaster Investment Management LLP is wholly owned by its members, which includes a majority interest (greater than 75%) held by Lancaster Investment Services Limited, which, in turn, is wholly owned by Lancaster Management (Jersey) Limited. Lancaster Management (Jersey) Limited is owned by Matthew Wood (63.54%), James Roycroft (26.47%) with the balance held by an independent investor.

Item 5 - Fees and Compensation

Management fees

Lancaster charges the Feeder Funds management fees on the terms set forth below, subject to possible negotiation by individual investors in the Feeder Funds and the more detailed provisions of the Offering Memoranda of the respective Feeder Funds.

The Feeder Funds for LAE Funds (including LAE BPI Fund Limited) are charged a management fee of either 2%, 1.5% or 1.0% per annum of the net asset value of the shares (or equivalent partnership interests), depending on the share class or subclass (or partnership interest) invested in. Note that the 2% fee share class is not available in LAE BPI Fund Limited. The Feeder Funds for LEE Funds are charged a management fee of either 1% or 0.75% per annum of the net asset value of the shares (or equivalent partnership interest), depending on the share class or subclass invested in. In each case the fee is calculated before deduction of that month's management fee (and before deduction for any accrued performance fees) as at the end of each month. The management fee is payable monthly in arrears. For more detail please see the relevant Offering Memoranda of the respective Feeder Funds.

For all Feeder Funds, fees are deducted from the Investors' accounts by the Feeder Funds' Administrator.

Lancaster and its partners, members, directors and employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Other fees**Administrator**

The Administrator receives from the Master Funds a fee of up to 0.12% per annum, calculated monthly, of the Net Asset Value of the Master Funds, subject to a minimum monthly administration fee of US\$10,000 for each Master Fund. The Administrator will also be reimbursed for any reasonable out-of-pocket expenses necessarily incurred in the performance of its duties.

Prime Broker/Custodians and Custodians

Each of the Prime Broker/Custodians and Custodians receives such fees as may be agreed with the Master Funds from time to time which will be paid at normal commercial rates. The Prime Broker/Custodians receive prime brokerage fees which are based upon a combination of transactions charges, safekeeping fees and interest costs. The Prime Broker/Custodians charge interest on debit balances at rates agreed with Lancaster and the Master Funds from time to time.

Other Fees and Expenses

Other fees and expenses that may be charged relate to brokerage commissions, expenses relating to clearing and settlement charges; professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; legal expenses; external accounting and valuation expenses (including the cost of accounting software packages); audit and tax preparation expenses; fees of the Directors; costs relating to directors' and officers' liability insurance; costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; regulatory expenses (including filing fees); listing fees; organisational expenses; expenses incurred in connection with the offering and sale of the Shares and other similar expenses related to the Fund; indemnification expenses; and extraordinary expenses.

Item 6 - Performance-Based Fees

Lancaster may also be entitled to receive a performance fee from the Feeder Funds, payable either annually in arrears, in respect of each period of twelve months ending on 31 December in each year or payable on redemption. The performance fee is deemed to accrue on a monthly basis as at the end of each month. All performance fees are payable within 14 calendar days after the last day of each year or, in the case of shares or partnership interests redeemed during the calendar year, within 14 calendar days after the date of redemption.

The performance fee for LAE Funds differs between share classes (or partnership interests) and is either (i) 17.5% of performance of the relevant Feeder Fund; (ii) 15% of performance of the relevant Feeder Fund; or (iii) 15% of performance of the relevant Feeder Fund payable partly at the end of each calendar year (or on the expiry of an initial lock where relevant) and partly deferred or paid on redemption. In all cases, performance fees for LAE Funds are subject to a high water mark. Note that the 17.5% performance fee share class is not available in LAE BPI Fund Limited.

The performance fees for the share classes (or partnership interests) of LEE Funds where performance fees are applicable are either: (i) a fee equal to 10% of performance above an index hurdle rate paid partly at the end of each calendar year (and subject to a high water mark) and paid partly on redemption or (ii) a fee equal to 15% of performance of the relevant Feeder Fund above an index hurdle rate paid partly at the end of the calendar year (and subject to a high water mark) and partly deferred or paid on redemption.

For more detail please see the relevant Offering Memoranda for each Feeder Fund.

Lancaster may waive an investor's performance fees in its sole discretion.

Performance based fee arrangements may create an incentive for Lancaster to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements may also create an incentive to favour higher fee paying accounts over other accounts in the allocation of investment opportunities. Lancaster has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent such potential conflicts from influencing the allocation of investment opportunities among clients.

It is currently not expected that any further hourly, flat or additional asset-based fees will be charged to the Investment Vehicles.

Item 7 - Types of Clients

Investors in the Investment Vehicles and Client Accounts may include high net worth individuals and a variety of institutional investors. Such investors must meet the requirements for an “accredited investor” as defined under Regulation D of the Securities Act of 1933, as amended (the “**1933 Act**”) and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

Investments may be made in different share classes or subclasses (or partnership interests), depending on the redemption rights granted. Investors may also select share classes (or partnership interests) which are eligible to participate in the profits and losses of “new issue” securities.

Minimum subscription amounts for the share classes or subclasses (or partnership interests) to the Funds vary between \$5,000,000 and \$10,000,000 (or currency equivalent). Redemption terms vary between the Funds and the share classes or subclasses (or partnership interests) of those funds. For more detail please see the Offering Memoranda of the relevant Funds.

In each case there is a minimum additional investment as outlined in the relevant Offering Memoranda.

The above requirements do not apply to direct or indirect investments by Lancaster, its affiliates or any of their respective partners, directors, employees or connected persons, as the case may be.

Prospective investors should read the relevant Offering Memoranda for further information.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of analysis and investment strategies

Lancaster's method of analysis includes fundamental research of potential investee companies. This is carried out with a view to ascertaining their intrinsic value, with a particular focus on drivers of profitability, cash generation and capital allocation. The main sources of information Lancaster uses include:

- Annual reports, prospectuses, filings with regulators
- Company press releases
- Meetings with companies
- News sources
- Research materials provided by third parties

The main focus of investments is large and mid cap stocks, and consequently the Master Funds expect to have a high degree of liquidity under normal market conditions. The principal investments of the Master Funds are long and short positions in equities, equity derivatives and indices. The Master Funds' investments are sector agnostic, the geographic focus of the Master Funds is primarily Europe and the typical investment horizon is 1-3 years.

Risk of Loss Factors

The Feeder Funds invest all of their assets (to the extent not retained in cash) in the ordinary shares of the Master Funds and accordingly are not diversified. The nature of the Master Funds' investments involves certain risks and the Master Funds may utilise investment techniques (such as leverage, short selling and the use of derivatives) which may carry additional risks. **An investment in shares or partnership interests therefore carries substantial risk and is suitable only for persons who can assume the risk of losing their entire investment.**

The following summary of certain risks does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors are urged to consult their professional advisers and the Offering Memoranda before deciding to invest in the Feeder Funds. They should consider, among others, the following risk factors before subscribing:

Leverage

The Master Funds may employ leverage for the purpose of making investments. The use of leverage creates special risks and may significantly increase both the Feeder Funds' and the Master Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase both the Feeder Funds' and the Master Funds' exposure to capital risk. Any investment income and gains earned on investments made through the use of leverage that are in excess of the costs associated therewith may cause the Net Asset Value of the Feeder Funds to increase more rapidly than would otherwise be the case. Conversely, where the associated costs are greater than such income and gains, the Net Asset Value of the Feeder Funds may decrease more rapidly than would otherwise be the case.

Counterparty Risk

The Master Funds are subject to the risk of the inability of any counterparty (including the Prime Brokers and Custodians) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Currency Exposure

A portion of the Master Funds' assets may be invested in securities denominated in various currencies and in other financial instruments the prices of which are determined with reference to such currencies. The Master Funds, however, value their investments and other assets in US Dollars. Accordingly, the value of such investments and assets may be affected favourably or unfavourably by fluctuations in exchange rates. The Investment Manager may or may not hedge the foreign currency exposure of the Master Fund. Investors should therefore not expect

that such exposure will be hedged. To the extent unhedged, the value of the Master Funds' net assets will fluctuate with US Dollar exchange rates as well as with price changes of the Master Funds' investments in the various local markets and currencies. Forward foreign exchange contracts and options may be utilised to hedge against currency fluctuations. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time when the Master Funds wish to use them or will be able to be liquidated when the Master Funds wish to do so. Moreover, in most emerging countries the markets for certain of these hedging instruments are not highly developed and in many emerging countries no such markets currently exist. In addition, the Master Funds may choose not to enter into hedging transactions with respect to some or all of their positions. Currency exchange costs will be incurred when the Master Funds change investments from one country to another.

Many emerging markets have underdeveloped capital market structures where the risks associated with holding currency are significantly greater than in other, less inflationary markets. Currency exchange rates are highly volatile and subject to severe event risks, as the political situation with regard to the relevant foreign government may itself be volatile. Moreover, if the cash flow of the assets is contingent, it may be difficult to quantify the attendant cross-currency risk, compounding the risk of changes in underlying currencies by the other risks in the portfolios. Correlations between these risks are difficult to quantify and, therefore, difficult to hedge. An inaccurate estimation of the correlation may lead to a faulty hedge and a consequent loss in the portfolios. It should also be noted that, in highly volatile markets, predictions of correlation based on historical data can diverge dramatically from observed market moves.

Subscriptions to the Feeder Funds are denominated in Euro, US Dollars and Pound Sterling and are issued and redeemed in those currencies. The Investment Manager may seek to hedge the foreign exchange exposure of the assets of the Feeder Funds with the aim of minimising the impact of fluctuations in the exchange rate between the US Dollar, the Euro and Pound Sterling on the Net Asset Value per Share of the Euro and Pound Sterling Shares. Prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the US Dollar, Euro or Pound Sterling, as the case may be, and such other currencies.

Debt Securities

The Master Funds may invest in debt securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Master Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Master Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Master Funds may invest in distressed debt securities which are subject to the significant risk of the issuer's inability to meet principal and interest payments on the obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity risk (market risk).

The Master Funds are therefore subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, which can make it difficult to accurately calculate discounting spreads for valuing financial instruments.

Derivatives

The Master Funds utilises both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps (including credit default swaps), options and contracts for differences, as part of their investment approach. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually

placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

Other risks associated with derivative use relate to (i) an inability to ensure prompt liquidation of positions and (ii) imperfect correlation between instruments and the investments or market sectors being hedged.

Distressed and High-Yield Securities

Investments in the securities of financially troubled companies may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the companies and their true financial condition. Investments in companies that are or become involved in bankruptcy or reorganisation proceedings also may be adversely affected by the laws of one or more jurisdictions relating to, among other things, “fraudulent conveyances” and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. In addition, the markets for distressed and high-yield securities are subject to abrupt and erratic price movements and excessive price volatility, and are frequently illiquid. Distressed securities investing requires active monitoring and may, at times, require participation in bankruptcy or reorganisation proceedings by the Investment Manager.

Highly Volatile Markets

The prices of derivative instruments, including options prices, are highly volatile. Price movements of forward contracts and other derivative contracts in which the Master Funds may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Master Funds are also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

Illiquidity

It is not anticipated that there will be an active secondary market for the Shares or Interests in the Feeder Funds and it is not expected that such a market will develop.

Investment Management Risk

The investment performance of the Feeder Funds and the Master Funds is primarily dependent on the services of Matthew Wood. In the event of Mr Wood’s death, incapacity, departure, insolvency or withdrawal, the performance of the Feeder funds and the Master Fund may be adversely affected.

Illiquid Investments

The Master Funds may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, of such investments tend to be more volatile and it may not be possible to sell such investments when desired or to realise their fair value in the event of a sale.

Tax Considerations

The Master Funds may be subject to withholding or other taxes on income and/or gains arising from their investment portfolios, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Master Fund is incorporated, established or resident for tax purposes. Where the Master Funds invest in securities that are not subject to withholding or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Master Funds will not be able to recover such tax and so any change would have an adverse effect on the Net Asset Value of the Feeder Funds. Where the Master Funds sell securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that

in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to either of the Master Funds.

US Tax-Exempt Investors

Certain prospective investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in the Feeder Funds or their engaging directly or indirectly, through an investment in the Feeder Funds, in investment strategies of the types which the Master Funds may utilise from time to time. Each type of such investor may be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment in any Feeder Fund. Investment in the Fund by entities subject to ERISA requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in the Offering Memoranda.

Item 9 - Disciplinary Information

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10 - Other Financial Industry Activities and Affiliations

Daniel Wiener is the Chief Executive Officer and Chief Compliance Officer of Lancaster and is also a director of the Master Funds, the offshore (Cayman) Feeder Funds and a director of the general partner of the onshore (Delaware) Feeder Funds.

Item 11 - Code of Ethics, Participation/ Interest in Client Transactions/ Personal Trading

Lancaster's Code of Ethics sets out the procedures in place governing personal trading. The Code of Ethics is available to clients or prospective clients upon request and includes the following provisions:

- All personal brokerage accounts used by staff and their spouses and dependent children ("related persons") must be notified to the Firm.
- Prior approval may be required before a trade can be executed.
- Copies of contract notes are received by the Firm.
- Initial and annual holdings reports are submitted to the Firm by all staff. These are checked back to the original approvals and contract notes where appropriate.

Lancaster and/or its directors, employees, related entities and connected persons and their respective directors and employees may subscribe, directly or indirectly, for shares and/or management shares and/or partnership interests in the Feeder Funds. The Firm may promote funds to clients in which related persons may also have an investment. This is disclosed to the client at the time of investment. No securities are bought or sold for Client Accounts in which Lancaster's related persons have a material financial interest. Such activity is considered to be an alignment of interest between the related persons and the client.

Personal trading rules do not permit Lancaster staff to purchase securities for their own accounts at times when the Master Funds and Client Accounts have positions in such securities.

A copy of Lancaster's Code of Ethics, including the personal trading policy, is available upon request.

Item 12 - Brokerage Practices

Brokers with whom Lancaster trades are selected on the basis of the following execution factors, with particular emphasis being given to:

- Price
- Overall costs and charges
- Speed
- Liquidity
- Settlement
- Execution capability
- Financial stability and creditworthiness of the counterparty
- Client Objectives
- Order size and nature
- Venue

Lancaster may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Firm. The services which can be paid for under such arrangements are those permitted under the rules of the Financial Conduct Authority, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Firm. The benefits provided under such arrangements assist the Firm in the provision of investment management services to the Master Funds and to the Client Accounts. Specifically, the Firm may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the Firm, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services may take the form of research, analysis and advisory services.

In abiding by the above, the Firm also complies with its policy to stay within the safe harbor provisions of Section 28(e) of the Exchange Act in the US, which governs what constitutes research in respect of which commission payments may be made.

It is Lancaster's policy that no Client for whom the Firm has discretionary investment authority, shall receive preferential treatment over any other client. In allocating securities among clients, it is our policy to ensure that all Clients should be treated fairly and that wherever possible, all clients should receive equivalent treatment.

Item 13 - Review of Accounts

Review of Accounts

The Board of Directors for each of the Investment Vehicles review their operations at regular meetings. For this purpose, the Directors receive periodic reports from the Firm detailing the performance of the Master Funds and providing an analysis of their investment portfolios. The Firm will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

Reporting

The financial year of the Investment Vehicles ends on 31 December in each year.

Annual financial statements of the Investment Vehicles will be made up to 31 December in each year. An annual report and the audited financial statements of the Investment Vehicles will be sent to shareholders and partners as soon as practicable and in any event within six months of the financial year end (or within 120 days of financial year end to US Investors). Unaudited

semi-annual financial statements for the Investment Vehicles as at 30 June in each year will also be sent to shareholders.

Additionally, each shareholder or partner will receive a monthly newsletter, which includes unaudited performance results.

The Investment Vehicles may enter into separate agreements with certain shareholders or partners, including without limitation, those deemed to involve a significant or strategic relationship, to provide them with additional or different information and reporting than is provided to other shareholders or partners of the Investment Vehicles. Such information may provide the recipient greater insights into the Investment Vehicles or their activities than is included in standard reports to shareholders and partners, thereby enhancing the recipient's ability to make investment decisions with respect to the Investment Vehicles and with respect to the investment of its own assets.

Item 14 - Client Referrals and Other Compensation

Lancaster does not currently provide advice to parties other than the Investors in the Investment Vehicles and Client Accounts. The Firm also does not provide other advisory services to the Investors in the Investment Vehicles.

Item 15 - Custody

The Master Funds have appointed one or more firms as Prime Broker/Custodians or Custodian. These include Credit Suisse Securities (Europe) Ltd, UBS AG, Morgan Stanley & Co. International plc, Morgan Stanley & Co LLC, Goldman Sachs International (as Prime Broker/Custodians) and State Street Bank & Trust Company (as Custodian). The allocation of the assets of the Master Funds between the Prime Broker/Custodians and Custodian will be determined by the nature and type of the transactions and in the sole discretion of the Firm.

Item 16 - Investment Discretion

Under the investment management agreements for each of the Investment Vehicles, the Firm has full discretion, subject to the overall review and control of the Board of Directors of each Investment Vehicle, to manage the assets of the Investment Vehicles on a discretionary basis in pursuit of the investment objective, approach and process, as described in the relevant Offering Memoranda.

Lancaster has the authority to determine (i) the securities to be purchased and sold for the Clients (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Clients.

Item 17 - Voting Client Securities

The Firm is permitted to vote as proxy for the Investment Vehicles and Client Accounts. Lancaster has established proxy voting policies and procedures and the Firm's Chief Compliance Officer (CCO) oversees the proxy voting process. The proxy voting procedures are designed to ensure that proxies are voted in the best interests of the Client. In addition, the proxy voting policy includes guidelines for the CCO to follow if a material conflict of interest arises between Lancaster and/or its partner and employees and all Clients to ensure any material conflict is resolved in the best interests of the Client.

Clients may obtain a copy of Lancaster's policies by contacting Daniel Wiener, the Firm's CEO and CCO, at +44 20 7842 1051 or by email at daniel.wiener@lancasterIM.co.uk.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Lancaster's financial condition. Lancaster has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.