

Lancaster European LS Equity

November 2020

The fund returned 16.04% in November. This was a strong month for the fund and it was pleasing to see alpha on top of outright performance. The news of multiple effective vaccines becoming available imminently buoyed the market and led to a rotation towards value, and away from the "stay at home" winners. We saw strong performance across the portfolio but principally from industrial, financial and consumer discretionary positions: IAG, Airbus and ING were the top contributors. Despite large near term moves in our portfolio holdings, a combination of very low starting valuations and a significant (either prospective or realised) capacity shift, mean we remain enthused about the portfolio's potential. On a sizing and risk control basis, the moves meant we reduced some positions at the margin, as is common with our counter cyclical approach. New long investments tended to be non-cyclical and idiosyncratic in nature such as BAE Systems. Given the market move, we were very active in the short book, adding four new names.

Exposure

Gross	121.1%
Net	66.2%
Long	93.6%
Short	-27.4%

Performance

Return on month	16.04%
Return YTD	5.84%
1 year return	10.26%
3 year CAGR	9.80%

Number of Positions

Long	35
Short	16
Total	51

Leverage

Gross method	2.2
Commitment method	1.2

Top 3 Positive Contributors

IAG
Airbus
ING

Top 3 Negative Contributors

Utility (short)
Industrial (long)
Materials (short)

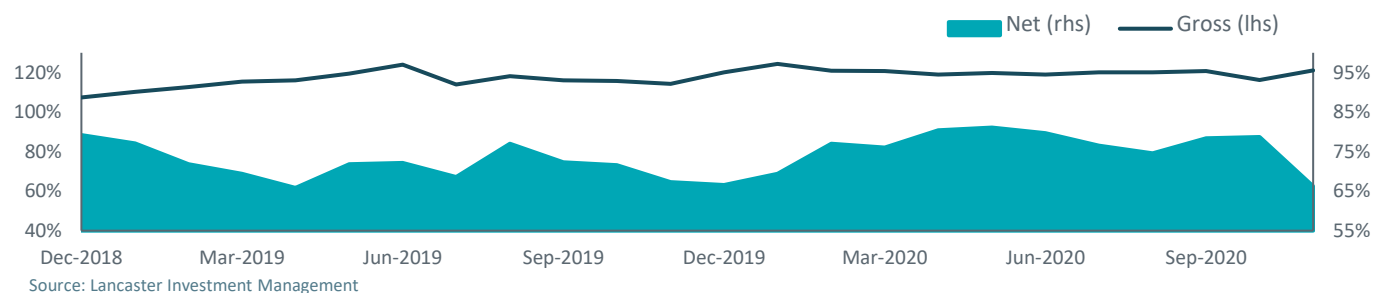
Top 5 Longs

IAG	4.2%
Weir Group	4.1%
EssilorLuxottica	4.0%
Trelleborg	3.9%
Continental	3.9%
Total	20.1%

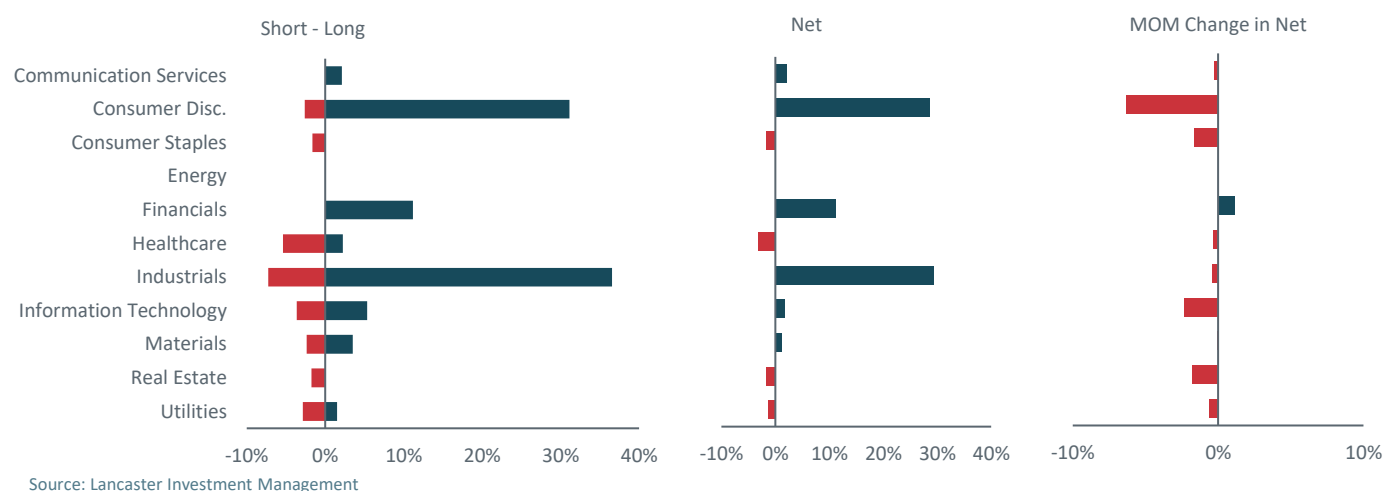
Top 5 Shorts

Utility	-2.9%
Materials	-2.3%
Healthcare	-2.2%
Industrial	-2.0%
Information Technology	-2.0%
Total	-11.4%

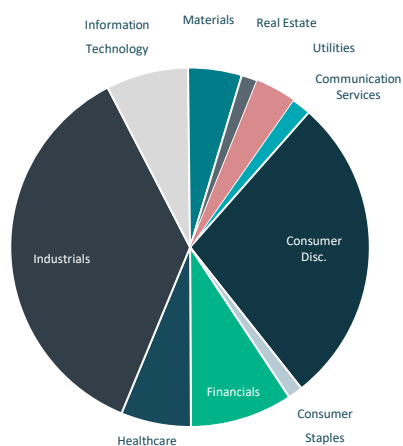
Rolling 24 Month Gross and Net Exposures



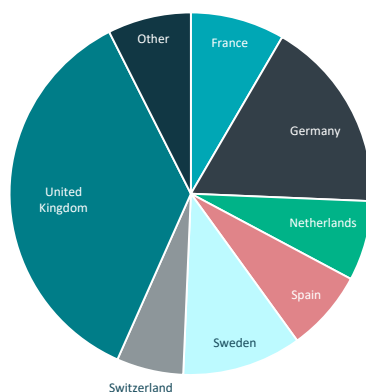
Sector Exposure



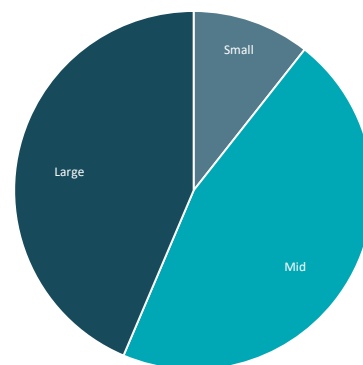
Sector



Country

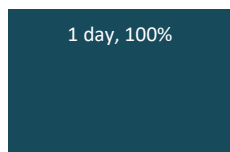


Market Cap



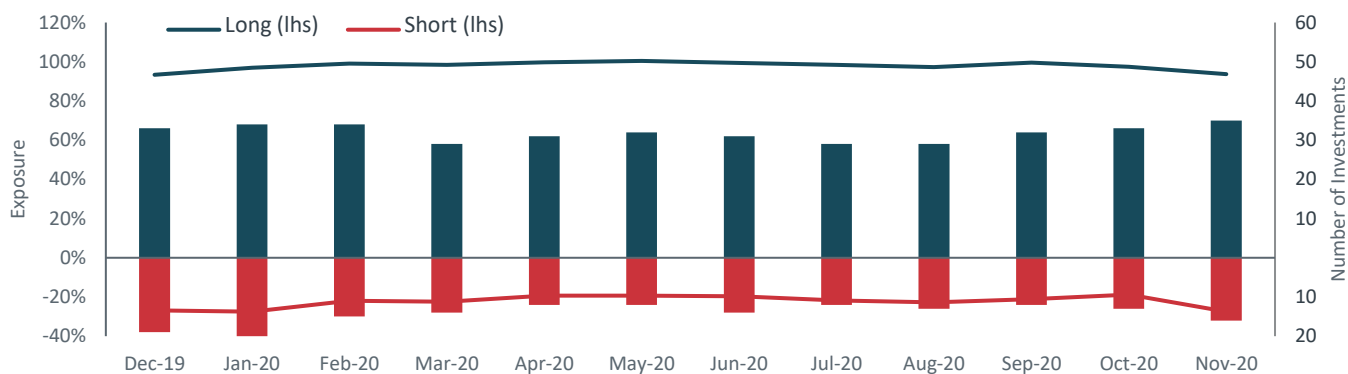
Source: Lancaster Investment Management

Liquidity



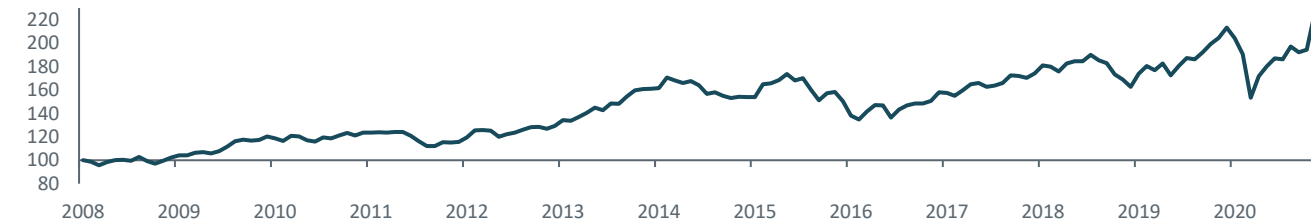
Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance



Source: Lancaster Investment Management

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Inception
2020	-4.17%	-6.65%	-19.57%	11.91%	5.05%	3.68%	-0.37%	5.82%	-2.40%	1.09%	16.04%		5.84%	125.61%
2019	6.86%	3.80%	-1.96%	3.29%	-5.59%	4.60%	3.71%	-0.45%	3.23%	3.57%	2.72%	4.18%	31.01%	113.17%
2018	3.88%	-0.63%	-2.27%	3.97%	1.06%	-0.02%	2.99%	-2.45%	-1.40%	-5.23%	-2.48%	-3.75%	-6.61%	62.71%
2017	-0.39%	-1.56%	2.94%	3.23%	0.69%	-1.92%	0.62%	1.37%	3.90%	-0.34%	-0.88%	2.22%	10.13%	74.22%
2016	-8.10%	-2.32%	5.00%	3.92%	-0.23%	-7.04%	4.85%	2.59%	1.13%	-0.03%	1.41%	5.02%	5.22%	58.19%
2015	-0.10%	7.11%	0.59%	1.63%	3.10%	-3.27%	1.23%	-5.74%	-5.77%	4.10%	0.64%	-5.03%	-2.42%	50.34%
2014	0.37%	5.56%	-1.40%	-1.40%	0.99%	-2.16%	-4.51%	0.91%	-1.87%	-1.20%	0.72%	-0.15%	-4.37%	54.06%
2013	3.75%	-0.35%	2.42%	2.57%	3.19%	-1.53%	3.97%	-0.14%	4.12%	3.44%	0.68%	0.18%	24.48%	61.10%
2012	3.32%	4.99%	0.38%	-0.63%	-4.03%	1.73%	1.16%	1.97%	1.80%	0.16%	-1.19%	1.91%	11.90%	29.42%
2011	0.12%	0.16%	-0.32%	0.51%	0.05%	-2.71%	-3.77%	-3.57%	0.10%	2.88%	-0.35%	0.53%	-6.37%	15.66%
2010	-1.43%	-1.88%	3.71%	-0.48%	-2.69%	-0.90%	3.08%	-0.62%	1.97%	1.83%	-1.72%	1.95%	2.59%	23.53%
2009	1.85%	0.04%	2.20%	0.49%	-1.18%	1.94%	3.61%	4.06%	1.30%	-0.78%	0.54%	2.56%	17.76%	20.41%
2008		-1.21%	-3.13%	2.77%	1.91%	0.06%	-0.75%	3.44%	-3.65%	-2.14%	2.50%	2.76%	2.24%	2.24%

Performance quoted net of fees based on the most invested share class. Other share classes with higher fees may exist.

Lancaster European LS Equity Details

Launch date	February 2008	Fund Structure	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Quarterly	Administrator	Morgan Stanley Fund Services
Notice Period	60 days	Auditor	KPMG
Minimum Investment	\$10,000,000	Prime Brokers	Credit Suisse, Goldman Sachs, Morgan Stanley, UBS
Management Fee	1.0%	Legal Advisors (UK)	Schulte Roth & Zabel
Performance Fee	15% * (subject to HWM)	Legal Advisors (US)	Schulte Roth & Zabel
Lockup Period	12 months	Legal Advisors (Cayman)	Maples & Calder
Subscriptions	Monthly	Contact Details	Richard Lamplough richard.lamplough@lancasterIM.co.uk +44 20 7842 1049
Gate	None		

Details above refer to classes G&H and equivalent

* Payable over multiple years – please see offering documents

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