LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

July 2018

The fund had a positive month, with a broad distribution of contributors. Performance was widespread, rather than skewed towards a few positions: the absence of large losers was also relevant to the outcome. At a sector level banks – which we have been adding to during the year as valuations retrenched – added wholesale to fund returns during the month.

Performance	Fund	Index*
Return on month	3.89%	3.14%
12 month return	19.98%	6.55%
3 year return†	5.68%	2.42%
5 year return†	7.96%	8.42%
Inception return†	11.19%	9.69%

Exposure	
Cash	5.6%
Beta	92.8%
Average market cap ($ millions)	27,703
Number of positions	36

Top 3 Positive Contributors
Essilor International
Industrial
Financial

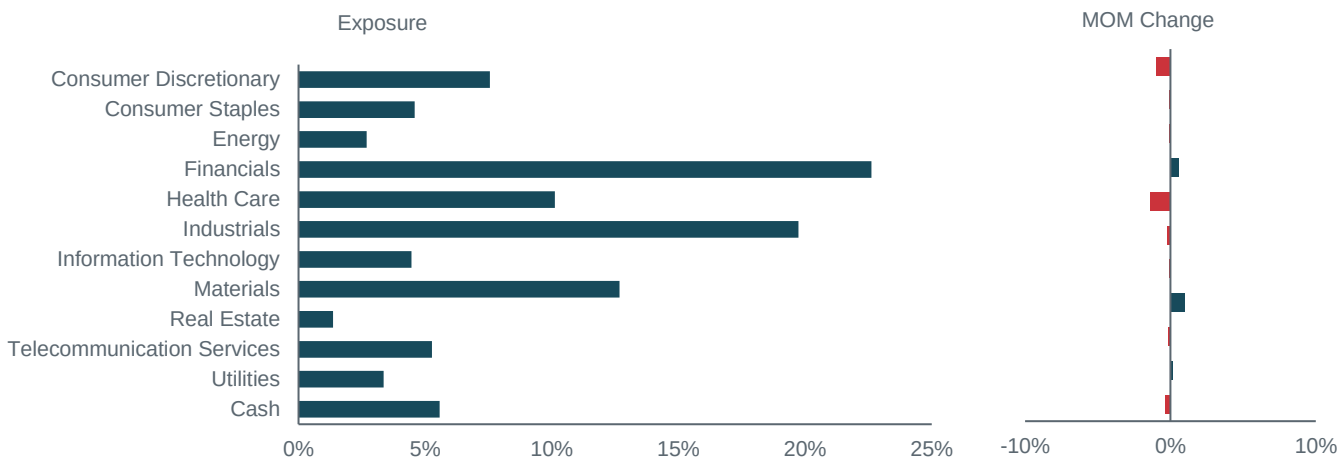
Top 3 Negative Contributors
Real Estate
Cobham
Industrial

Top 5 Longs	
Essilor International	6.5%
Cobham	4.8%
Tesco	4.6%
Serco Group	4.5%
UBS	4.0%
Total	**24.5%**

* STOXX Europe 600 TR (SXXR). Performance quoted from Lancaster European Equity LP Sub Class 1
Source: Lancaster Investment Management, Bloomberg

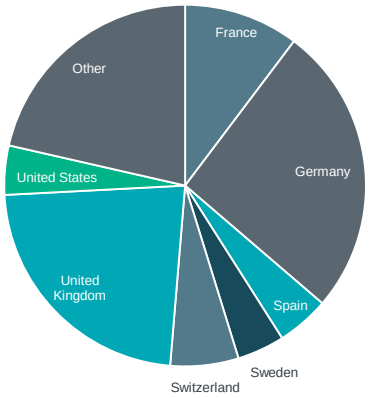
† Annualised return

Sector Exposure

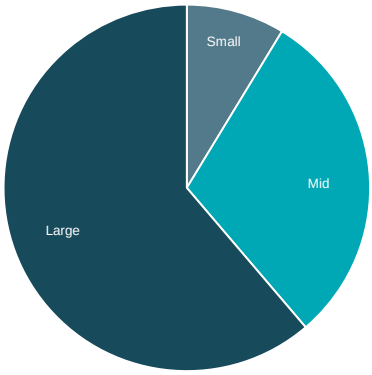


Source: Lancaster Investment Management

Country Exposure

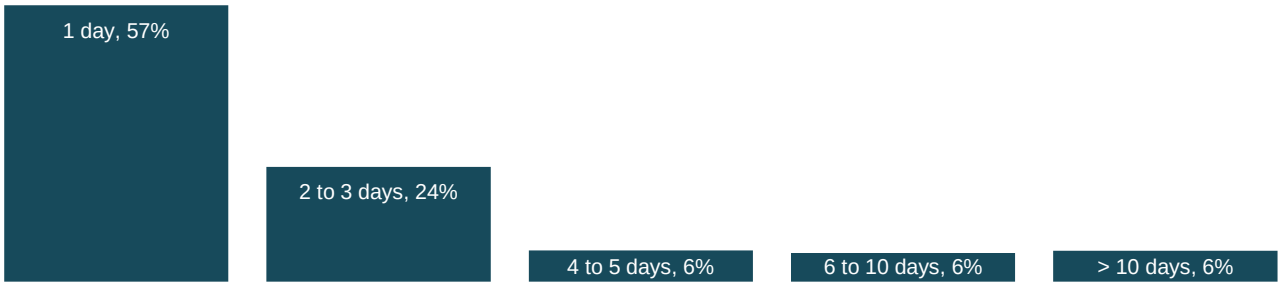


Market Cap



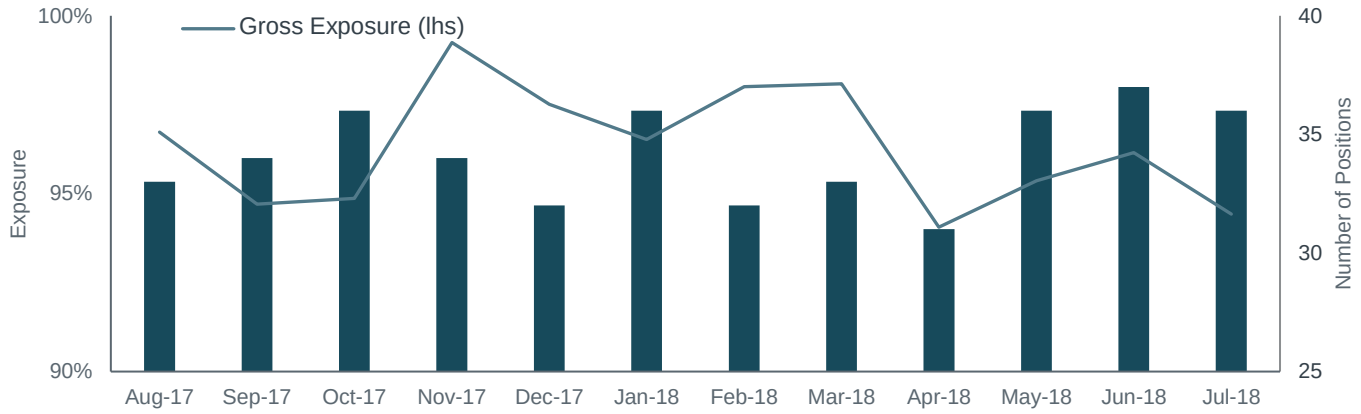
Source: Lancaster Investment Management

Liquidity



Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Leverage

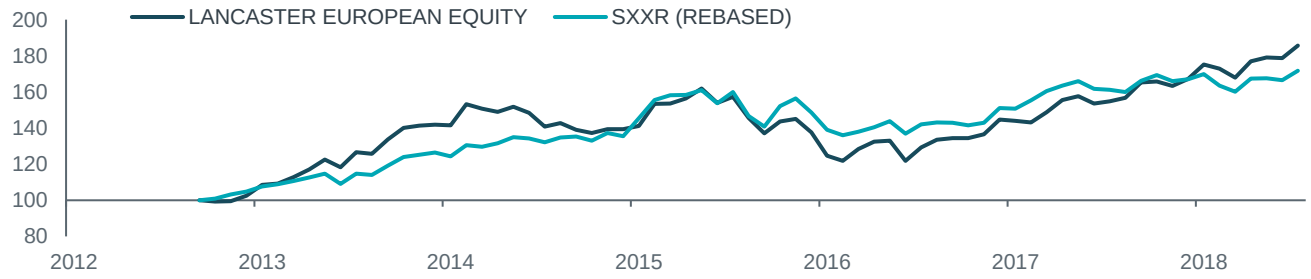
Gross method	1.8
Commitment method	0.9

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**	**Inception**
2012										-0.72%	0.14%	3.03%	**2.43%**	**2.43%**
2013	6.03%	0.54%	3.34%	3.68%	4.67%	-3.48%	7.09%	-0.69%	6.30%	4.89%	0.78%	0.45%	**38.51%**	**41.87%**
2014	-0.28%	8.28%	-1.60%	-1.15%	1.88%	-2.23%	-5.16%	1.45%	-2.64%	-1.23%	1.55%	0.00%	**-1.71%**	**39.44%**
2015	1.16%	8.76%	0.05%	1.92%	3.43%	-4.87%	2.18%	-7.46%	-5.86%	4.77%	1.02%	-5.18%	**-1.38%**	**37.51%**
2016	-9.41%	-2.14%	5.34%	3.09%	0.46%	-8.38%	6.07%	3.31%	0.70%	0.03%	1.57%	5.93%	**5.23%**	**44.70%**
2017	-0.48%	-0.60%	3.90%	4.56%	1.36%	-2.63%	0.82%	1.33%	5.42%	0.25%	-1.39%	2.35%	**15.55%**	**67.21%**
2018	4.72%	-1.24%	-2.91%	5.35%	1.25%	-0.23%	3.89%						**11.02%**	**85.64%**

Performance quoted from Lancaster European Equity LP Sub Class 1

Fund Performance



Source: Lancaster Investment Management, Lancaster European Equity Sub Class 1 (US$), Bloomberg

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Lancaster European Equity Details

Launch date	October 2012	**Fund Structure**	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	**Administrator**	Morgan Stanley Fund Services
Notice Period	60 days	**Auditor**	KPMG
Minimum Investment	$5,000,000	**Prime Brokers**	Goldman Sachs, Morgan Stanley
Management Fee	0.75%	**Custodian**	State Street
Performance Fee	15%* (subject to HWM)	**Legal Advisors (UK)**	Schulte Roth & Zabel
Lockup Period	None	**Legal Advisors (US)**	Schulte Roth & Zabel
Subscriptions	Monthly	**Legal Advisors (Cayman)**	Maples & Calder
Gate	None	**Contact Details**	Richard Lamplough richard.lamplough@lancasterIM.co.uk +44 20 7842 1049

* Payable over multiple years – please see offering documents

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