

Lancaster European Equity

November 2018

November was a month of continued weakness and rotation within European markets which finished with a disappointing return for the fund of -3.76%. We chose to add to the book selectively and further concentrate the portfolio, increasing positions in Linde, EssilorLuxottica and Richemont. All three positions represent high ROIC, high margin, net cash businesses in mature oligopolistic markets, with unique fundamental opportunities that we believe are not discounted in their respective share prices. During the month we sold one small position in Cineworld where we felt the stock had performed well and capital could be better used elsewhere. Negative portfolio contribution was focused in Zalando, continued weakness in PGS and to an extent Lanxess. We maintained positions in all three companies.

Performance	Fund	Index*	Exposure	
Return on month	-3.76%	-0.99%	Cash	1.5%
12 month return	-2.88%	-4.94%	Beta	98.0%
3 year return [†]	3.04%	0.28%	Average market cap (\$ millions)	27,914
5 year return [†]	2.35%	4.74%	Number of positions	28
Inception return [†]	7.77%	7.64%		

Top 3 Positive Contributors

Industrial
Financial
Utility

Top 3 Negative Contributors

Energy
Consumer Discretionary
Materials

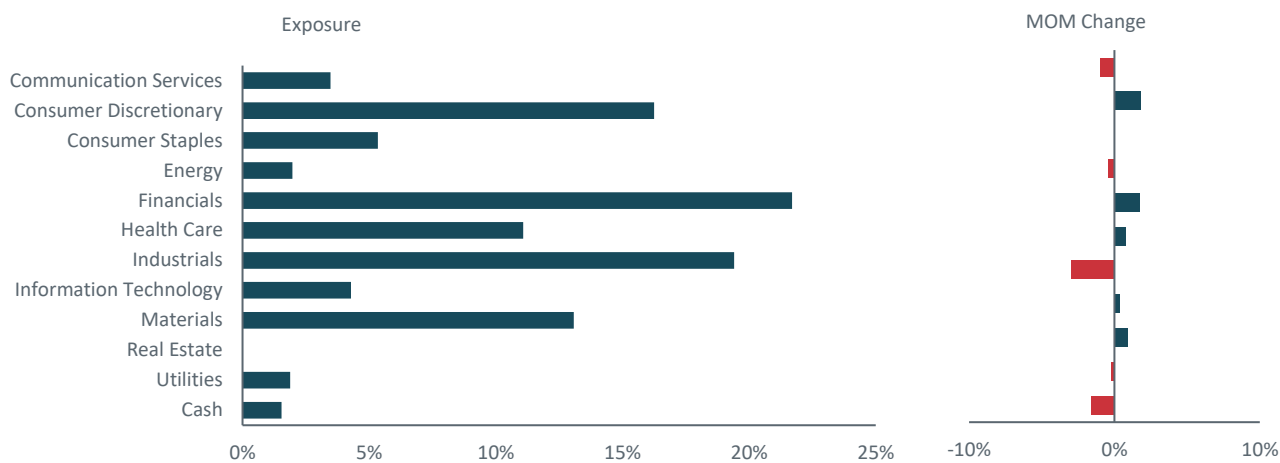
Top 5 Longs

Linde	6.5%
Essilorluxottica	6.3%
Cobham	5.6%
Tesco	5.3%
Serco Group	4.8%
Total	28.5%

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

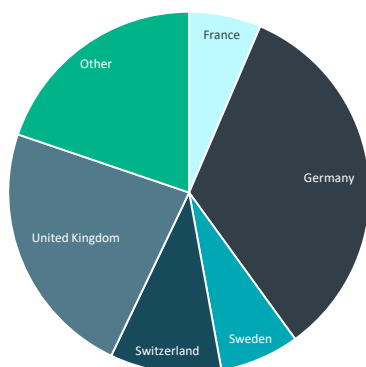
† Annualised return, net of fees

Sector Exposure



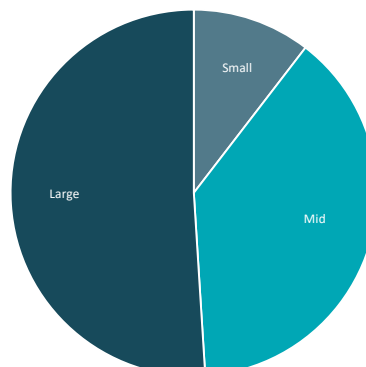
Source: Lancaster Investment Management

Country Exposure

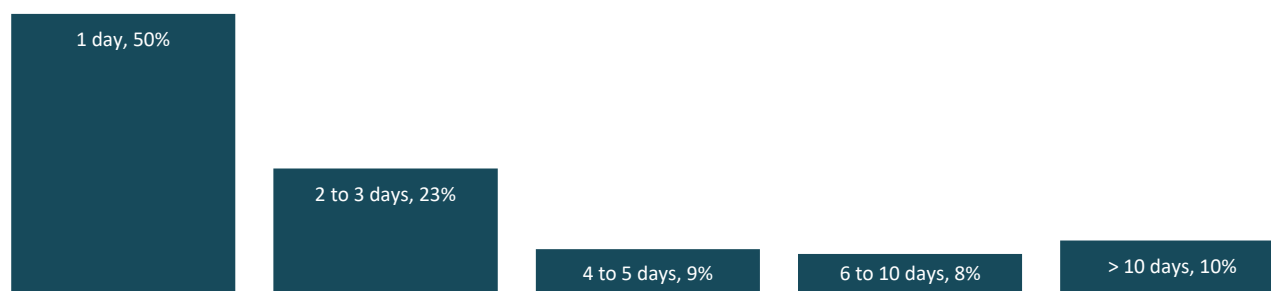


Source: Lancaster Investment Management

Market Cap

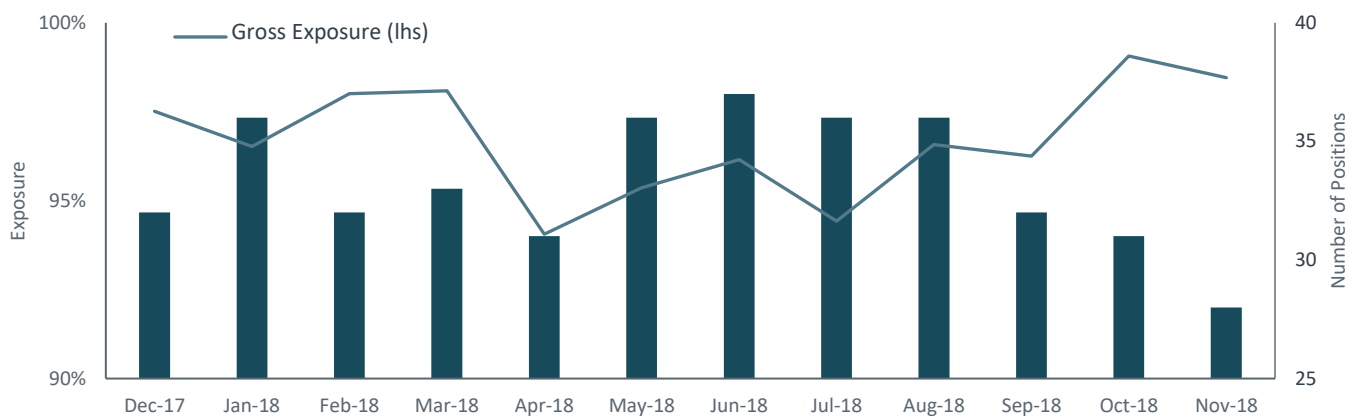


Liquidity



Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Leverage

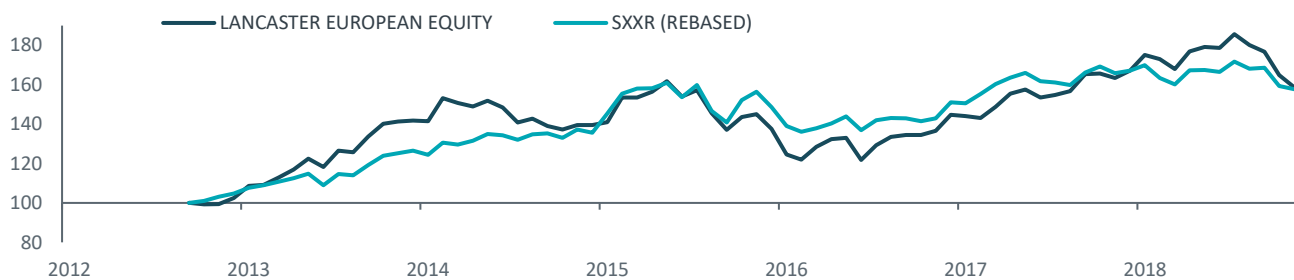
Gross method	1.9
Commitment method	1.0

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%	-2.96%	-1.87%	-6.75%	-3.76%		-5.11%	58.67%

Performance quoted net of fees from Lancaster European Equity LP Sub Class 1

Fund Performance



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

Lancaster European Equity Details

Launch date	October 2012	Fund Structure	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly		
Notice Period	60 days	Administrator	Morgan Stanley Fund Services
Minimum Investment	\$5,000,000	Auditor	KPMG
Management Fee	0.75%	Prime Brokers	Goldman Sachs, Morgan Stanley
Performance Fee	15% * (subject to HWM)	Custodian	State Street
Lockup Period	None	Legal Advisors (UK)	Schulte Roth & Zabel
Subscriptions	Monthly	Legal Advisors (US)	Schulte Roth & Zabel
Gate	None	Legal Advisors (Cayman)	Maples & Calder
		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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