LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

February 2020

The fund returned -9.28% in February. This was a poor month against the backdrop of a European market down over 8%. Much like January, there was little single stock news in the portfolio. Rather, the negative attribution was broad based. We wrote to investors towards the end of the month with regards to action we took, namely investing free cash and, where single name pullbacks were disproportionate to perceived risk/reward, rotating the portfolio to upgrade it. We materially scaled up our investments in Richemont and Berkeley Group, and took down our holding in Tesco which proved resilient. We exited our position in Tenaris as the stock never responded positively to good news in the brief period we held it. We initiated two new names in the month, a German auto supplier at multi-year valuation lows and a small German online retailer.

Exposure	
Cash	0.7%
Beta	114.5%
Average market cap ($ millions)	15,865
Number of positions	34

Performance	Fund	STOXX*	MSCI*
Return on month	-9.28%	-8.34%	-8.02%
1 year return	5.58%	3.73%	2.34%
3 year CAGR	7.52%	3.33%	3.40%
5 year CAGR	3.01%	1.95%	2.93%

Leverage	
Gross method	1.9
Commitment method	1.0

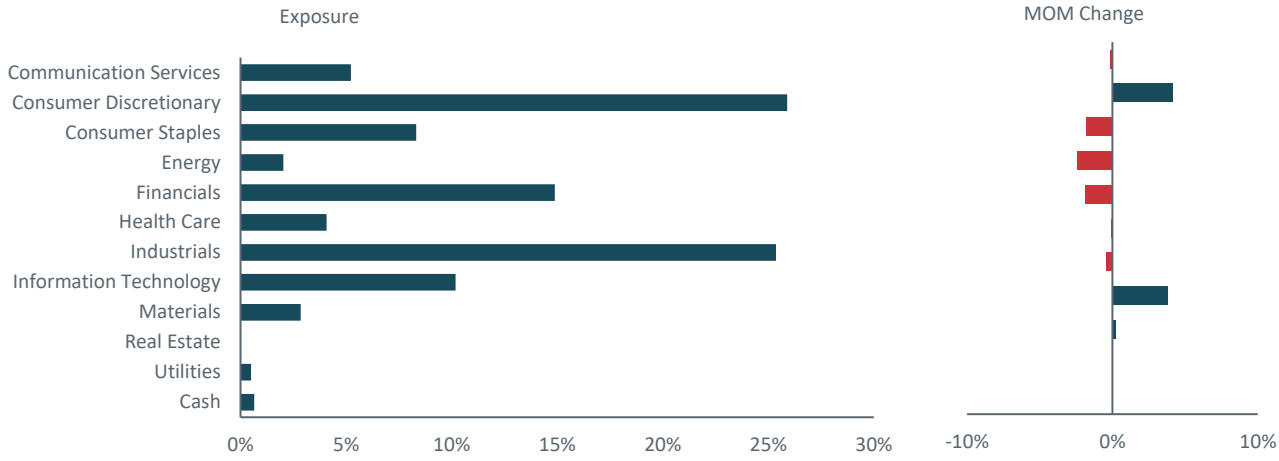
Top 3 Positive Contributors
Industrial
Spectris
Energy

Top 3 Negative Contributors
Financial
Energy
Industrial

Top 5 Longs	
Richemont	5.1%
Autoliv	4.4%
Trelleborg	4.3%
Spectris	4.2%
Berkeley Group	4.2%
Total	**22.2%**

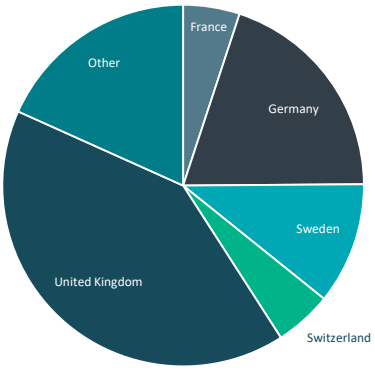
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

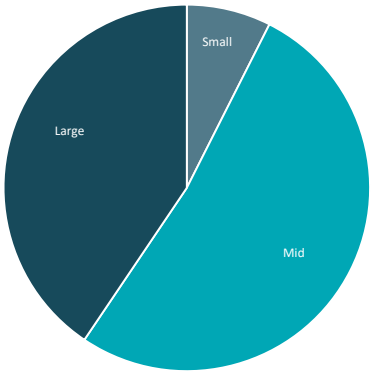


Source: Lancaster Investment Management

Country Exposure

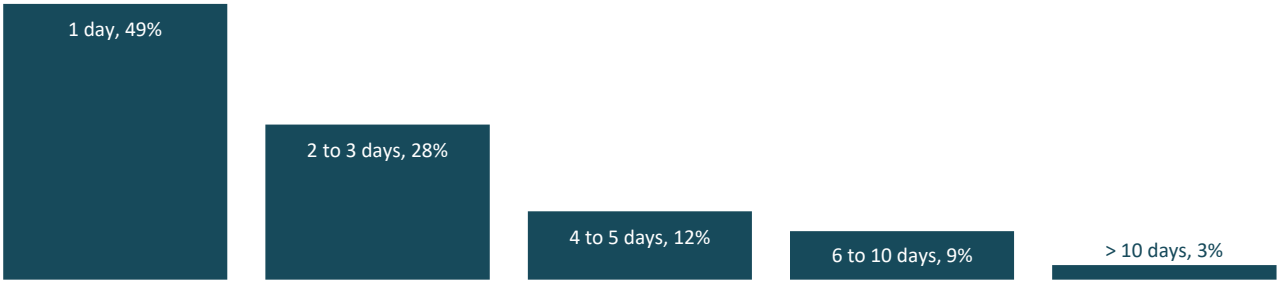


Market Cap



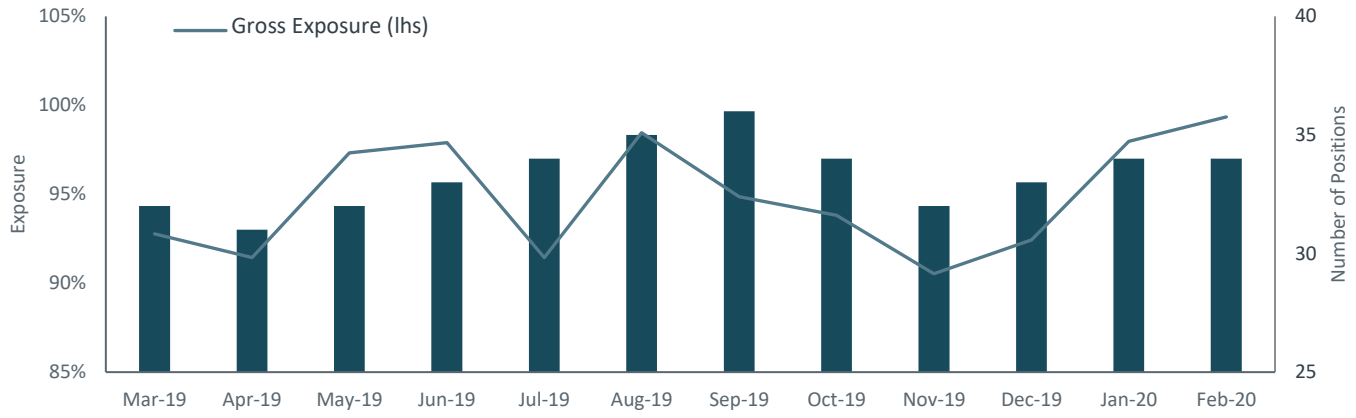
Source: Lancaster Investment Management

Liquidity



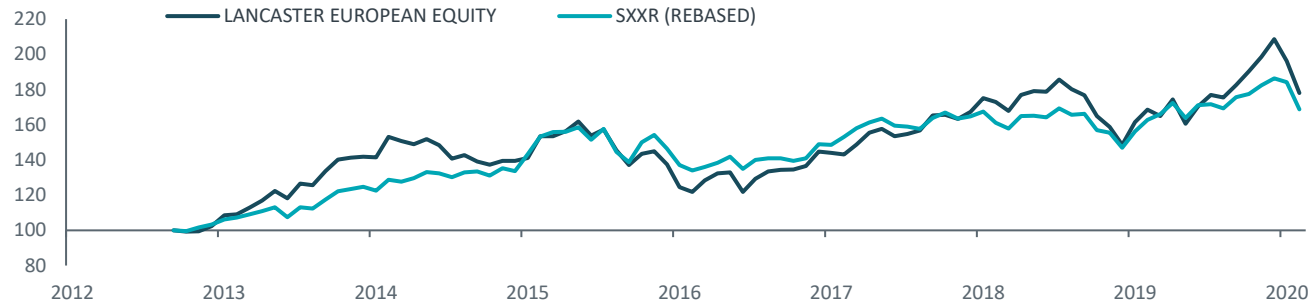
Source: Lancaster Investment Management, Bloomberg

Portfolio Composition



Source: Lancaster Investment Management

Fund Performance



Source: Lancaster Investment Management, Bloomberg

Historical Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**Year**	**Inception**
2020	-5.98%	-9.28%											**-14.70%**	**77.95%**
2019	8.70%	4.38%	-2.13%	5.72%	-7.87%	6.03%	3.83%	-0.80%	4.06%	4.23%	4.39%	5.02%	**40.45%**	**108.63%**
2018	4.72%	-1.24%	-2.91%	5.35%	1.25%	-0.23%	3.89%	-2.96%	-1.87%	-6.75%	-3.76%	-6.38%	**-11.16%**	**48.55%**
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%**
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%**
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%**
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%**
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%**
2012										-0.72%	0.14%	3.03%	**2.43%**	**2.43%**

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

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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)	**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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