LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

November 2020

The fund returned 20.38% 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 investments tended to be non-cyclical and idiosyncratic in nature such as BAE Systems.

Exposure	
Cash	6.8%
Average market cap ($ millions)	20,895
Number of positions	35

Performance	Fund	STOXX*	MSCI*
Return on month	20.38%	13.84%	13.94%
YTD return	0.60%	-4.46%	-4.34%
1 year return	5.65%	-2.42%	-2.74%
3 year CAGR	8.71%	2.88%	2.24%
5 year CAGR	7.67%	2.93%	4.30%

Leverage	
Gross method	1.9
Commitment method	0.9

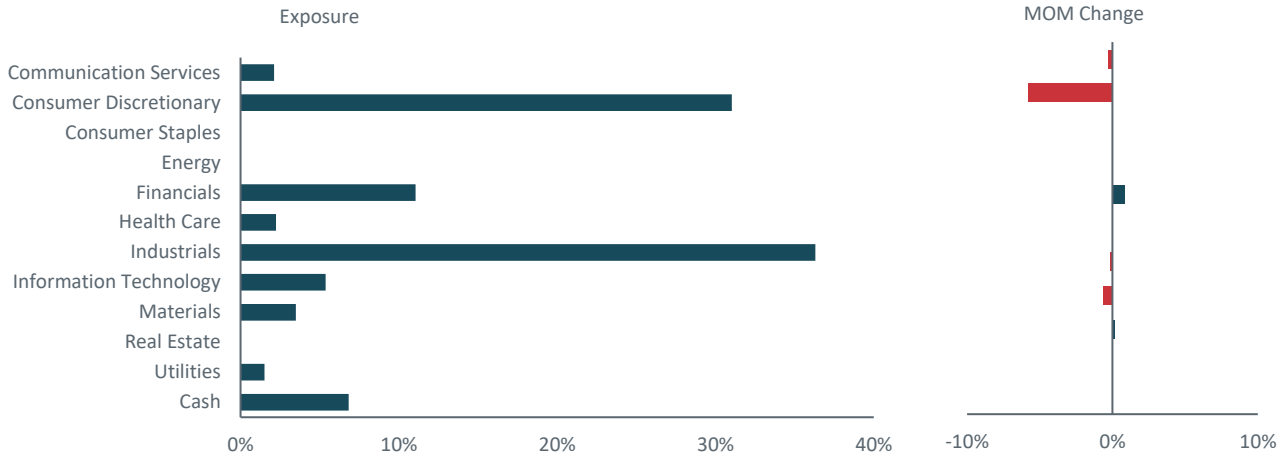
Top 3 Positive Contributors
IAG
Airbus
ING

Top 3 Negative Contributors
Industrial
Information Technology
Industrial

Top 5 Longs	
Weir Group	4.1%
IAG	4.1%
EssilorLuxottica	3.9%
Trelleborg	3.9%
Continental	3.9%
Total	**20.0%**

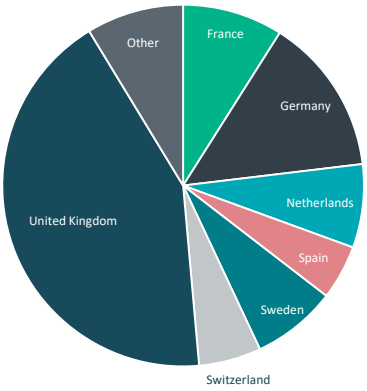
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

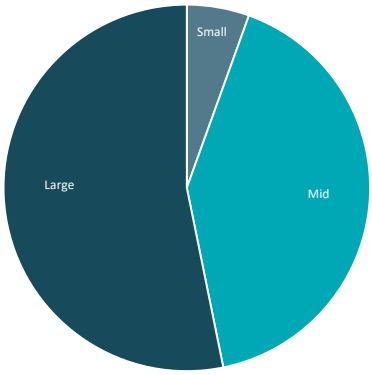


Source: Lancaster Investment Management

Country Exposure

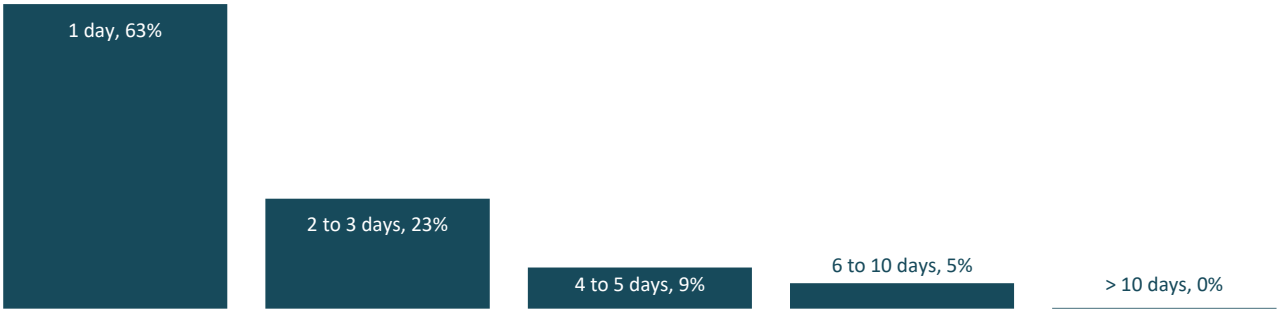


Market Cap



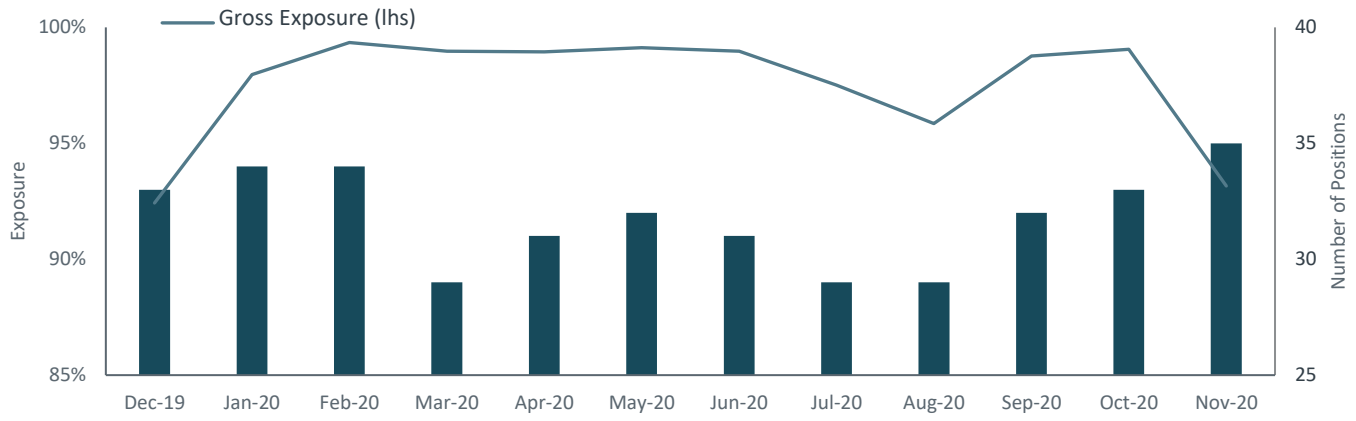
Source: Lancaster Investment Management

Liquidity



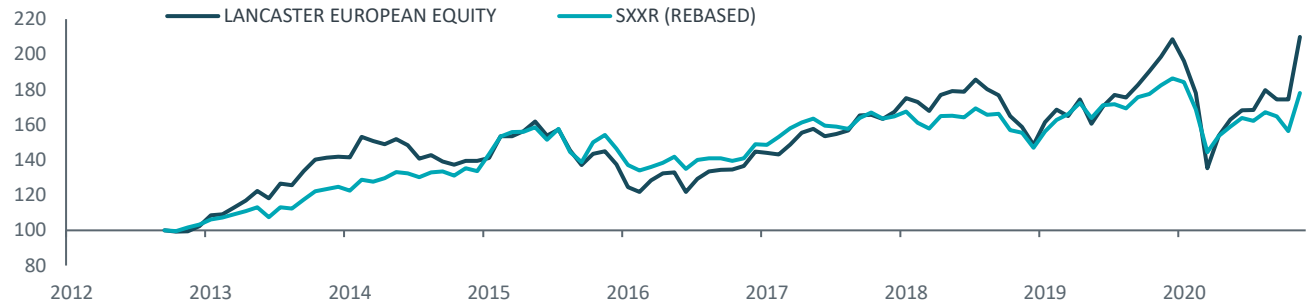
Source: Lancaster Investment Management, Bloomberg

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%	-9.26%	-23.96%	13.72%	5.80%	3.32%	0.05%	6.74%	-2.99%	0.02%	20.38%		**0.60%**	**109.89%**
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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