LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

December 2020

The fund returned 4.01% in December. Many of the post-vaccine market moves seen in November continued this month and led to further rotation into value names. Top winners in the month included Weir, where the sale of its oil and gas division led to broker upgrades following improved returns and an enhanced ESG profile. Telco incumbent BT was another winner as regulatory body Ofcom provided clarity that BT's fibre build would earn fair returns over a 10 year period. A final regulatory framework will be presented in March, after which we expect this buildout to accelerate. We continued to trim some of our larger holdings, but with valuations coming from multi-year lows we remain excited about the combination of asset quality and upside in the portfolio.

Exposure	
Cash	5.1%
Average market cap ($ millions)	21,321
Number of positions	37

Performance	Fund	STOXX*	MSCI*
Return on month	4.01%	2.58%	2.22%
YTD return	4.63%	-1.99%	-2.21%
1 year return	4.63%	-1.99%	-2.21%
3 year CAGR	9.29%	3.51%	2.66%
5 year CAGR	9.68%	4.52%	5.58%

Leverage	
Gross method	1.8
Commitment method	0.8

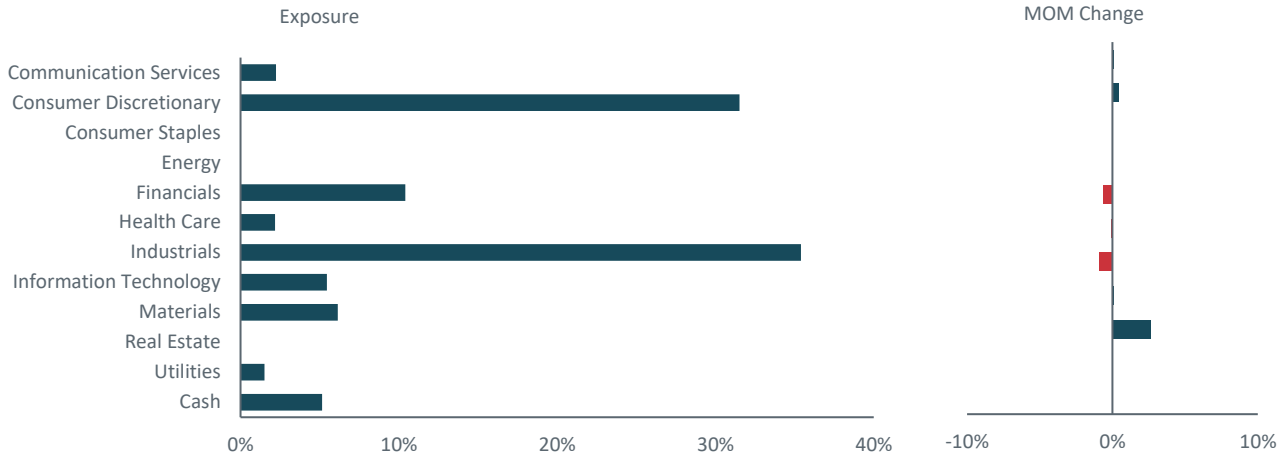
Top 3 Positive Contributors
Weir
Financial
Materials

Top 3 Negative Contributors
Financial
Consumer Discretionary
Industrial

Top 5 Longs	
Continental	4.1%
Trelleborg	4.1%
GEA	3.9%
Brenntag	3.7%
Serco	3.5%
Total	**19.3%**

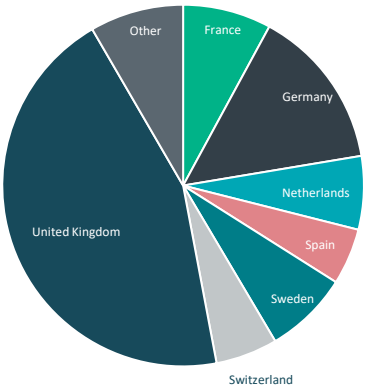
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

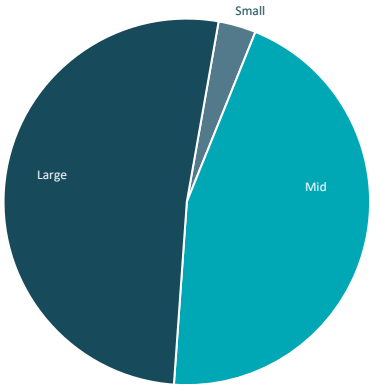


Source: Lancaster Investment Management

Country Exposure

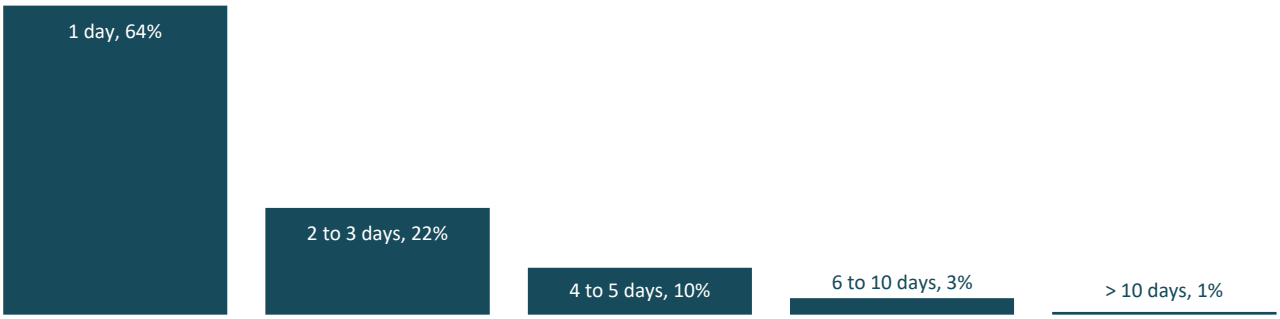


Market Cap



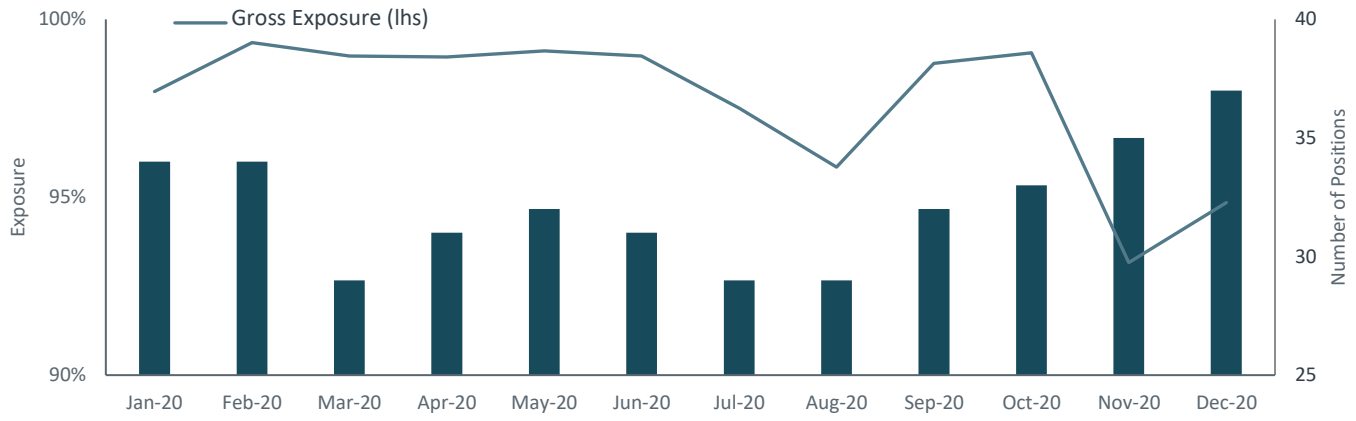
Source: Lancaster Investment Management

Liquidity



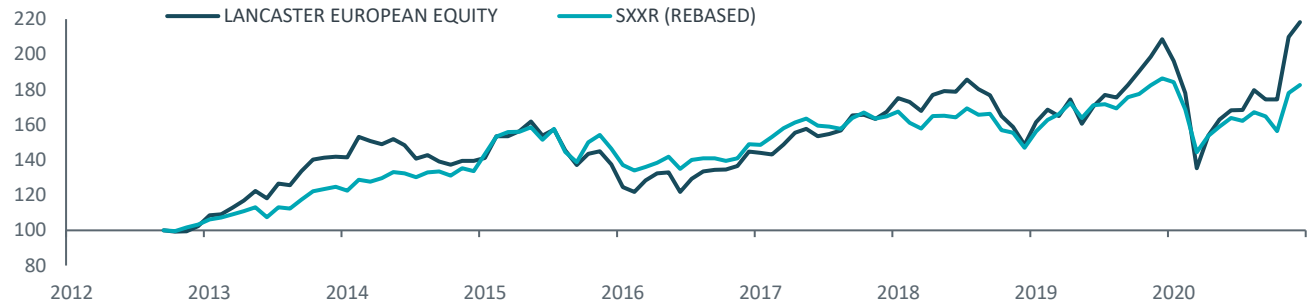
Source: Lancaster Investment Management, Bloomberg

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%	4.01%	**4.63%**	**118.29%**
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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