LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

March 2021

March was a strong month for European markets driven by raised inflation expectations and a continued rotation into value. The fund performed well, returning 6.87% for the month with gains spread broadly throughout the portfolio. Winners included GEA, where management guidance for 2021 and 2022 was stronger than expected, particularly on cash flow. Another winner was BT, as the regulator Ofcom released a long awaited regulatory framework that allows BT to make an attractive return on its fibre investment for at least 10 years. Finally, Bank of Ireland announced strong results and improved cost save targets to 2023. Losers for the month included Continental, where management's guidance for 2021 margins and cash flow disappointed the market, and Weir, which underperformed due to weaker than expected orders and the absence of announced long term targets.

Exposure	
Cash	3.2%
Average market cap ($ millions)	23,041
Number of positions	38

Performance	Fund	STOXX*	MSCI*
Return on month	6.87%	6.42%	6.09%
YTD return	11.20%	8.20%	7.55%
1 year return	79.34%	36.95%	34.50%
3 year CAGR	13.08%	7.78%	6.76%
5 year CAGR	13.58%	7.77%	8.21%

Leverage	
Gross method	2.0
Commitment method	1.0

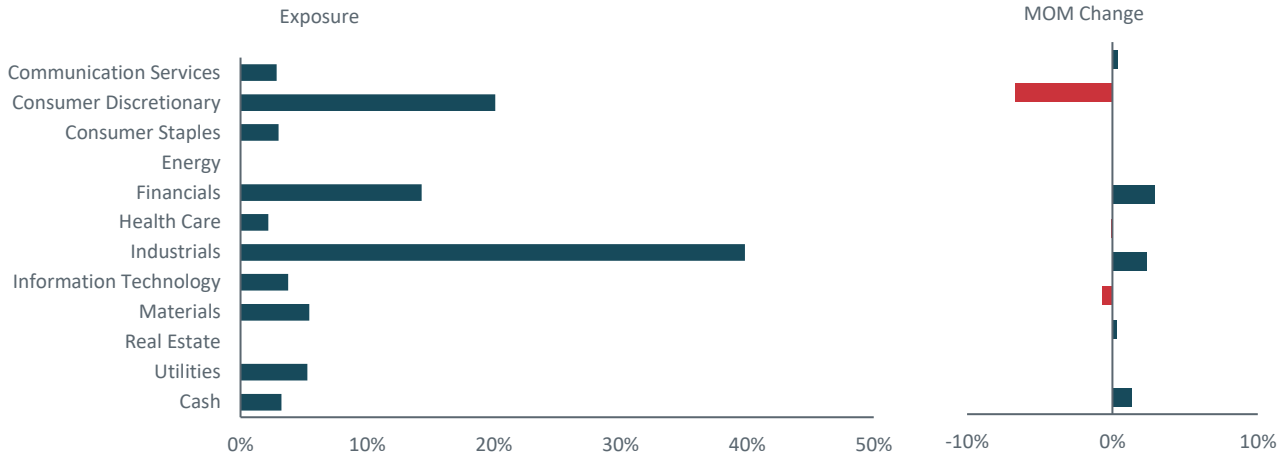
Top 3 Positive Contributors
GEA
BT
Bank of Ireland

Top 3 Negative Contributors
Jet2
Weir
Continental

Top 5 Longs	
National Grid	3.8%
Brenntag	3.7%
BAE Systems	3.7%
GEA	3.6%
Berkeley	3.5%
Total	**18.3%**

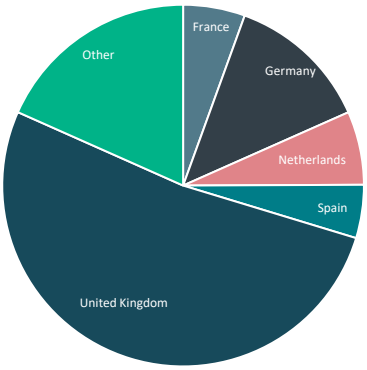
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

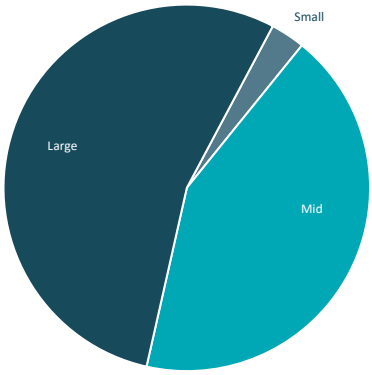


Source: Lancaster Investment Management

Country Exposure

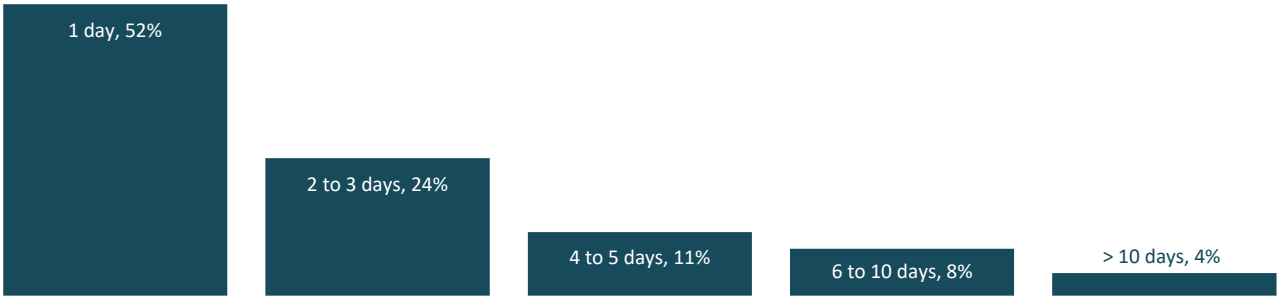


Market Cap



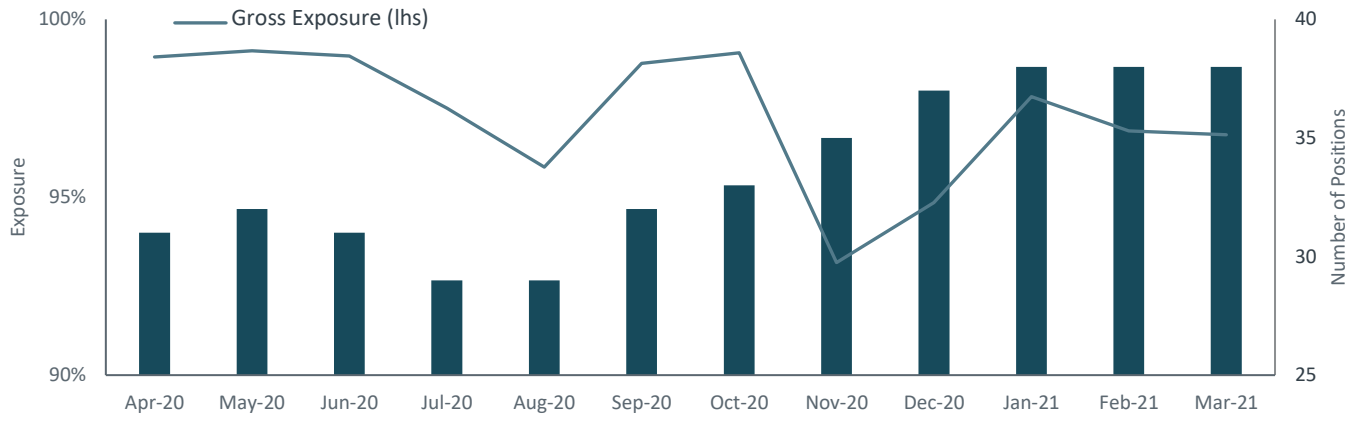
Source: Lancaster Investment Management

Liquidity



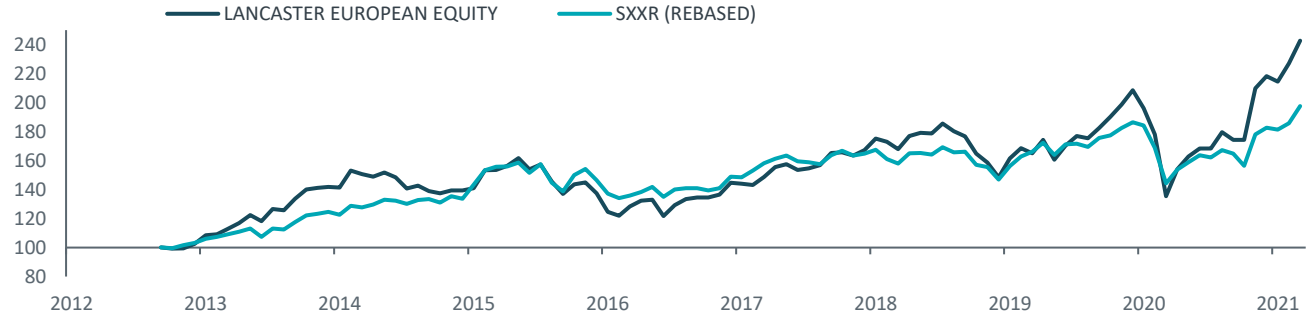
Source: Lancaster Investment Management, Bloomberg

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**
2021	-1.74%	5.90%	6.87%										**11.20%**	**142.74%**
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	10%* (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**	Rory Hayward rory.hayward@lancasterIM.co.uk +44 20 7842 1050

* Payable over multiple years – please see offering documents

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