

Lancaster European Equity

July 2021

The fund had a good month returning 2.80%. Amongst the top performers was our position in GEA, the German refrigeration and process equipment manufacturer, which upgraded its 2021 guidance. Guidance upgrades have been a theme of this reporting season in Europe as demand rebounds faster than expected. Similarly, ArcelorMittal performed well on management increasing their estimates for global steel consumption. The two key negative contributors in July were both positions we continue to like and chose to add to. Reckitt was weak on a Q2 sales miss signaling that hygiene product sales may be retreating faster than expected from their Covid-driven boom. We added as we believe it is too early to see the fruits of the margin reinvestment, while ultimately we still believe in the turnaround plan; it remains a small to medium sized position. BT was weak on the news that Virgin Media intends to upgrade its cable network with fibre. We see this as a defensive move, implicitly admitting that cable is not up to the job long term. Furthermore, we never viewed Virgin Media customers – who already, in cable, have a product vastly superior to copper – to be the source of new BT fibre customers; we added to the position. The key name exited in the month was Brenntag. The share has performed very well as the street gradually bought in to the new CEO's growth and cost saving plan but we believe this is now well understood; in addition we suspect recent profitability may have been boosted by one off Covid-related factors.

Exposure		Performance	Fund	STOXX*	MSCI*
Cash	2.0%	Return on month	2.80%	2.06%	1.46%
Average market cap (\$ millions)	25,151	YTD return	21.59%	17.52%	16.18%
Number of positions	36	1 year return	57.67%	32.33%	30.35%
		3 year CAGR	12.66%	8.24%	6.93%
		5 year CAGR	15.48%	8.93%	8.77%

Leverage	
Gross method	2.0
Commitment method	1.0

Top 3 Positive Contributors

BAE Systems
Beazley
Alten

Top 3 Negative Contributors

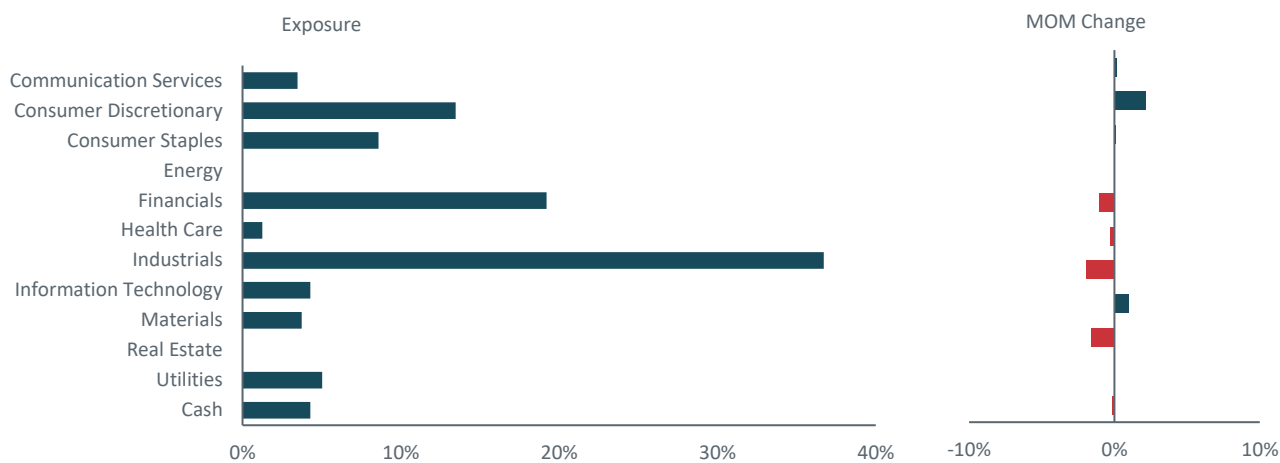
BT
Reckitt
London Stock Exchange

Top 5 Longs

Danone	5.8%
BAE Systems	4.9%
GEA	4.0%
Next	3.9%
Trelleborg	3.9%
Total	22.5%

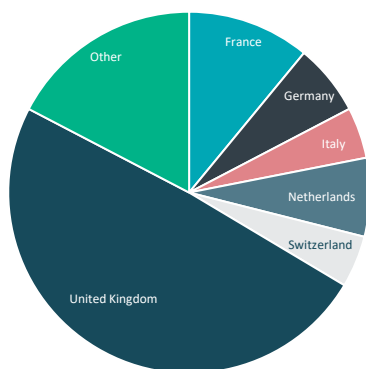
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure



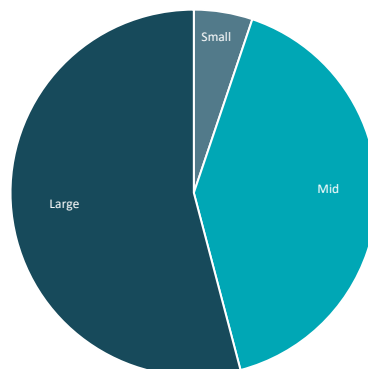
Source: Lancaster Investment Management

Country Exposure

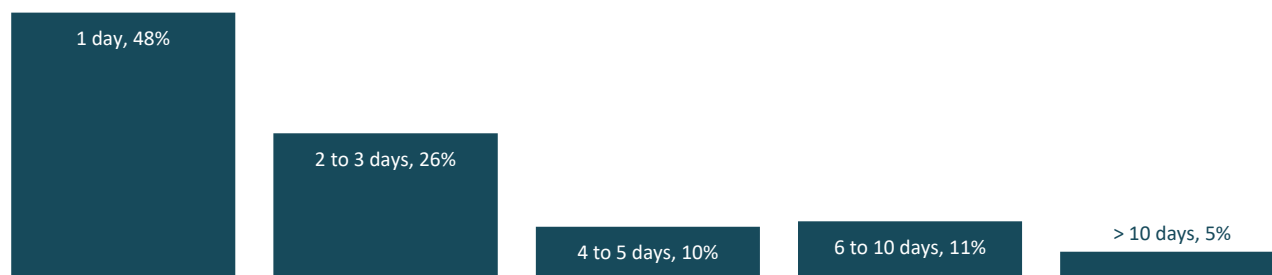


Source: Lancaster Investment Management

Market Cap

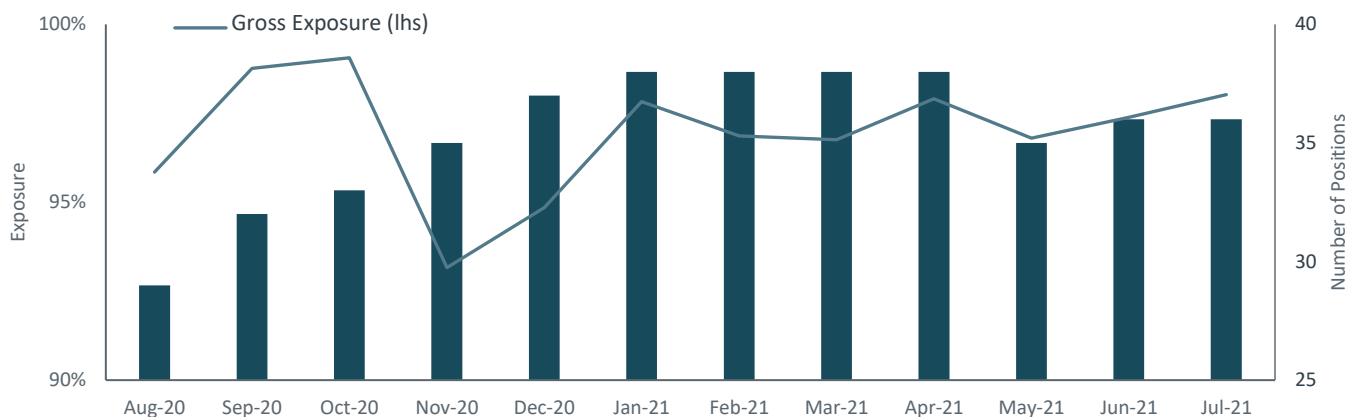


Liquidity



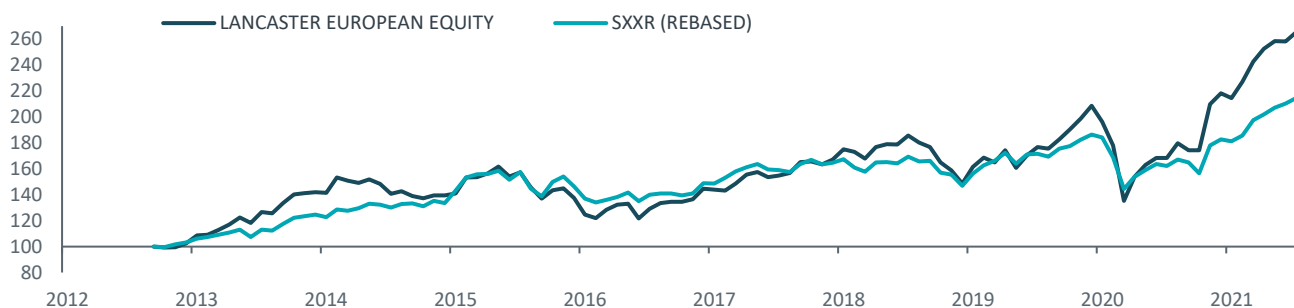
Source: Lancaster Investment Management, Bloomberg

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	YTD	Inception
2021	-1.74%	5.90%	6.87%	4.02%	2.40%	-0.14%	2.80%						21.59%	165.43%

	YTD	2020	2019	2018	2017	2016
Lancaster European Equity	21.59%	4.63%	40.45%	-11.16%	15.55%	5.23%
STOXX Europe 600 Net Return (SXXR)	17.52%	-1.99%	26.28%	-10.77%	10.58%	1.73%
MSCI Europe Net Return (NDDLE15)	16.18%	-2.21%	23.75%	-10.59%	13.06%	7.23%

Performance quoted net of fees based on the most invested share class. Other share classes with higher fees may exist. Full monthly performance available on request.

Lancaster European Equity Details

Launch date	October 2012	Fund Structure	Cayman Master Feeder: Cayman Ltd, Delaware LP
Redemptions	Monthly	Administrator	Morgan Stanley Fund Services
Notice Period	60 days	Auditor	KPMG
Minimum Investment	\$5,000,000	Prime Brokers	Goldman Sachs, Morgan Stanley
Management Fee	0.75%	Legal Advisors (UK)	Schulte Roth & Zabel
Performance Fee	10% * (subject to HWM)	Legal Advisors (US)	Schulte Roth & Zabel
Lockup Period	None	Legal Advisors (Cayman)	Maples & Calder
Subscriptions	Monthly	Contact Details	Rory Hayward rory.hayward@lancasterIM.co.uk +44 20 7842 1050
Gate	None		

* Payable over multiple years – please see offering documents

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