

Lancaster European Equity

September 2021

The fund returned -2.03% during the month versus the STOXX 600 at -3.29%. The market narrative was dominated by concerns about inflation and rising yields. We had mixed returns with a pullback in some key winners on the year being countered by good performance from our banks and travel related stocks. Rising yields continued to drive banks higher with Erste Bank being our top performer; this position is discussed in our latest quarterly letter. Airlines were particularly strong with the announcement of the resumption of transatlantic flights and the relaxation of UK travel restrictions. We exited our position in Greggs during the month; the investment was one of our best performers year to date. We bought the shares for the first time when the UK was in lockdown and we felt the expansion story had been forgotten. The company has very ambitious growth plans but these now feel well understood by the market. We also bought back into Richemont, a name we had sold out of as recently as July. The share price had a significant pullback on Chinese luxury consumption worries. Richemont is less reliant on China than its key luxury peers, while comments by the company at the recent AGM hinted at a structural solution for the problem business, YNAP. Losses came mainly from our industrial names with Trelleborg being the largest negative contributor.

Exposure

Cash	1.3%
Average market cap (\$ millions)	24,124
Number of positions	34

Performance

	Fund	STOXX*	MSCI*
Return on month	-2.03%	-3.29%	-3.01%
YTD return	21.04%	16.13%	15.12%
1 year return	51.57%	28.69%	26.93%
3 year CAGR	14.33%	8.48%	7.33%
5 year CAGR	14.47%	8.54%	8.23%

Leverage

Gross method	2.0
Commitment method	1.0

Top 3 Positive Contributors

Erste Bank
Jet2
IAG

Top 3 Negative Contributors

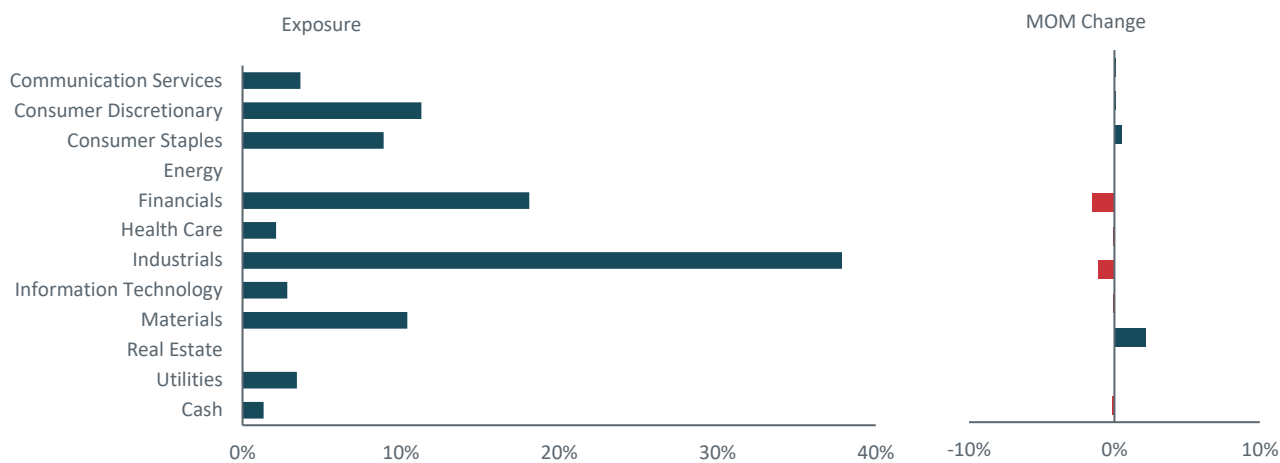
Trelleborg
Anglo American
Constellium

Top 5 Longs

Danone	6.0%
Trelleborg	4.8%
BAE Systems	4.7%
Next	3.8%
BT	3.6%
Total	23.0%

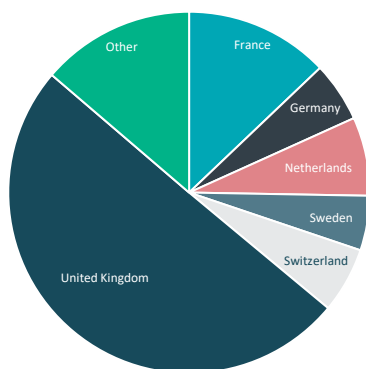
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure



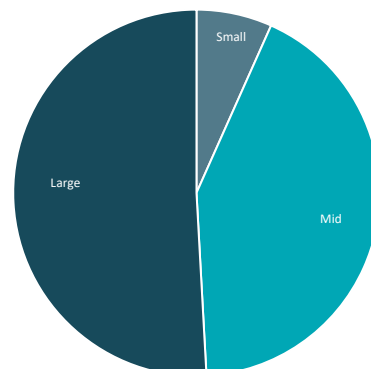
Source: Lancaster Investment Management

Country Exposure

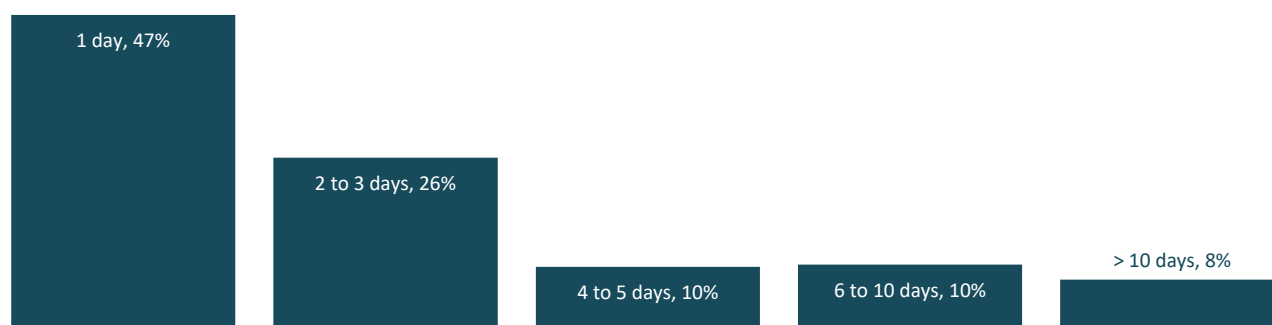


Source: Lancaster Investment Management

Market Cap

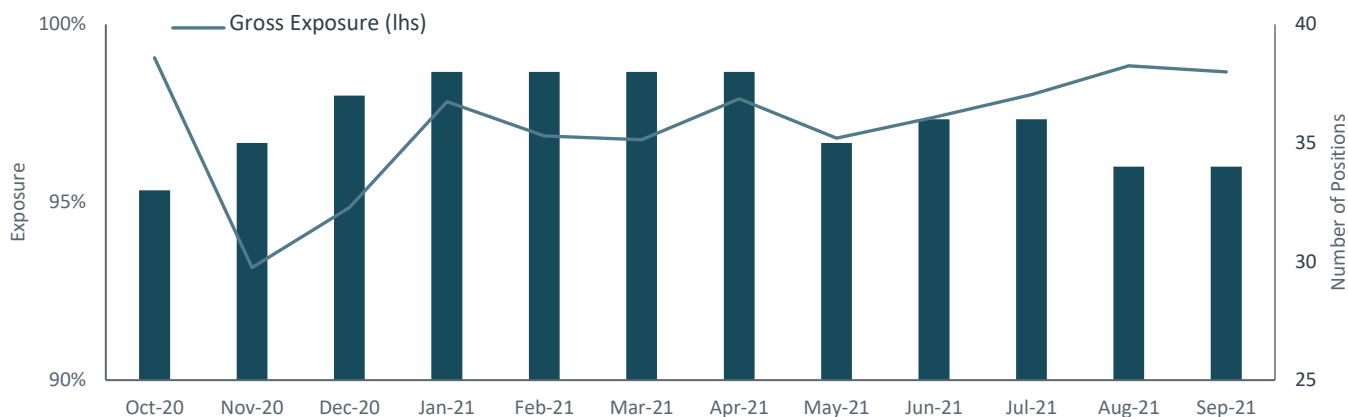


Liquidity



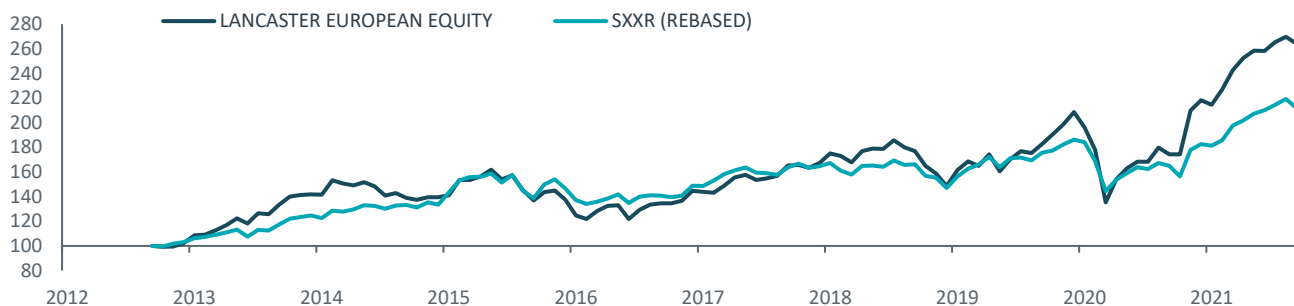
Source: Lancaster Investment Management, Bloomberg

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%	1.61%	-2.03%				21.04%	164.23%

	YTD	2020	2019	2018	2017	2016
Lancaster European Equity	21.04%	4.63%	40.45%	-11.16%	15.55%	5.23%
STOXX Europe 600 Net Return (SXXR)	16.13%	-1.99%	26.82%	-10.77%	10.58%	1.73%
MSCI Europe Net Return (NDDLE15)	15.12%	-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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