

Lancaster European Equity

November 2021

The fund returned -2.58% in November versus the SXXR at -2.53%. It proved to be another volatile month as Covid and fed tapering jostled for the headlines. Our largest position Danone was one of the main detractors due to concerns related to Chinese infant nutrition demand, while ArcelorMittal was also weak on broad economic growth fears. BT was a bright spot and the key positive contributor as management published an upgrade to cashflow expectations of an additional £1.5bn once fibre rollout is completed. This consists of both capex and operating cost savings. While long dated – fibre rollout completion is not expected for another 6 years – this cashflow uplift compared to a market cap of just over £15bn at the time of the announcement. Management actions, whilst no doubt reflecting a pre-emptive defence against a potential takeover, are supportive of our thesis that BT has misunderstood long term cashflow prospects. National Grid also performed well as the company upgraded full year profit guidance at their half year results. Electrocomponents similarly had good results. We were fairly active at the name level, exiting three positions and adding three more. In the case of our sale of Reckitt this was somewhat tactical. The company rallied on Omicron fears as it sits in a number of lockdown baskets; we redeployed this capital into names that were hit by the market sell off.

Exposure		Performance	Fund	STOXX*	MSCI*
Cash	2.6%	Return on month	-2.58%	-2.53%	-2.35%
Average market cap (\$ millions)	20,430	YTD return	19.63%	18.48%	16.61%
Number of positions	33	1 year return	24.42%	21.54%	19.20%
		3 year CAGR	18.07%	11.66%	10.14%
		5 year CAGR	13.84%	8.97%	8.58%

Leverage	
Gross method	1.9
Commitment method	1.0

Top 3 Positive Contributors

BT
National Grid
Trelleborg

Top 3 Negative Contributors

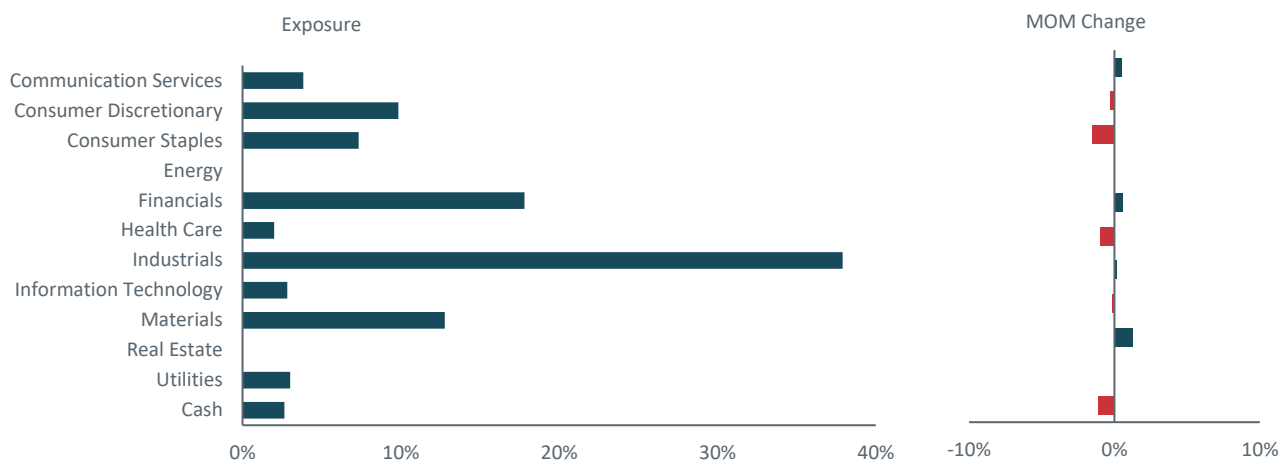
Jet2
IAG
ArcelorMittal

Top 5 Longs

Danone	5.8%
Trelleborg	5.2%
BAE Systems	4.5%
BT	3.8%
Constellium	3.8%
Total	23.1%

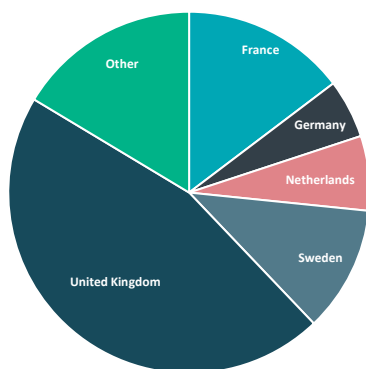
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure



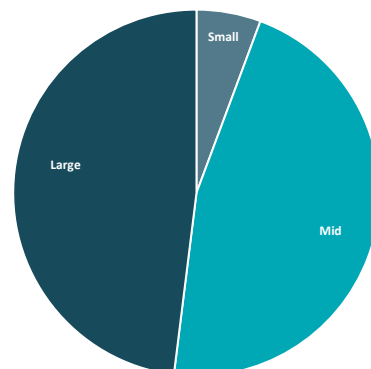
Source: Lancaster Investment Management

Country Exposure

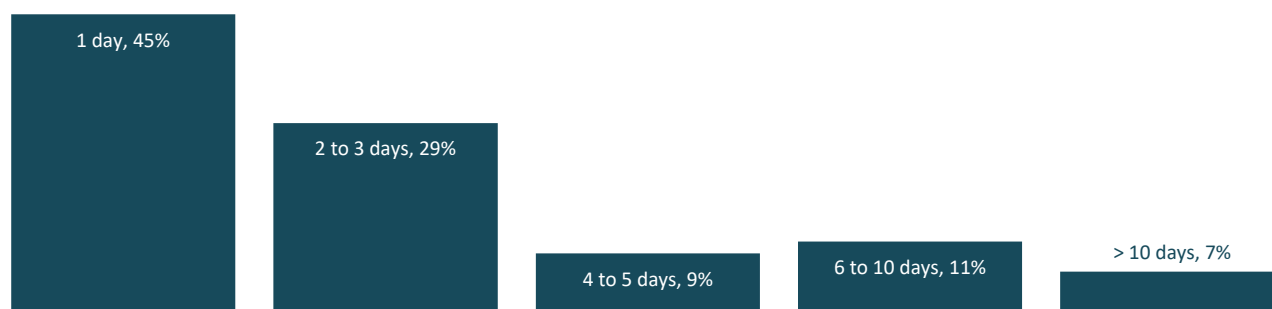


Source: Lancaster Investment Management

Market Cap

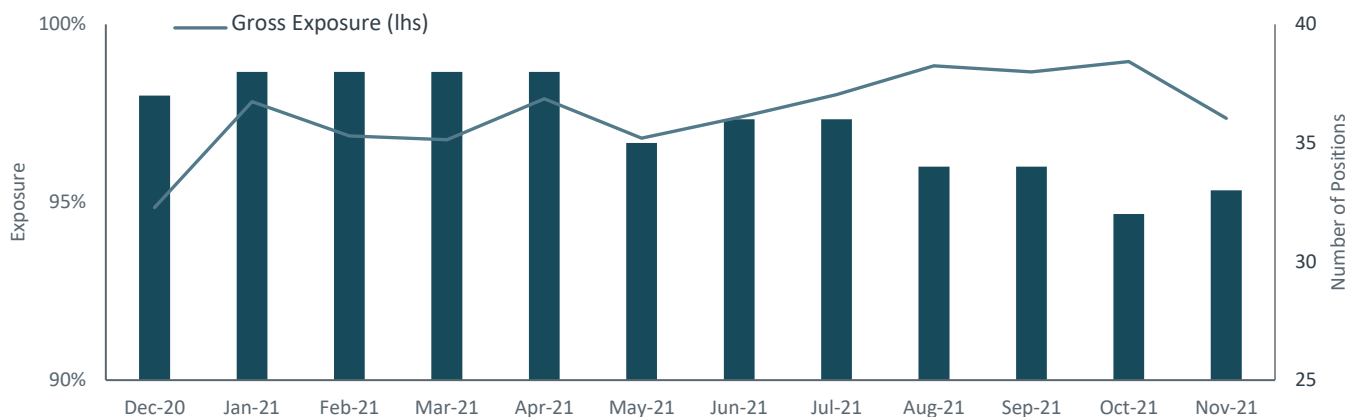


Liquidity



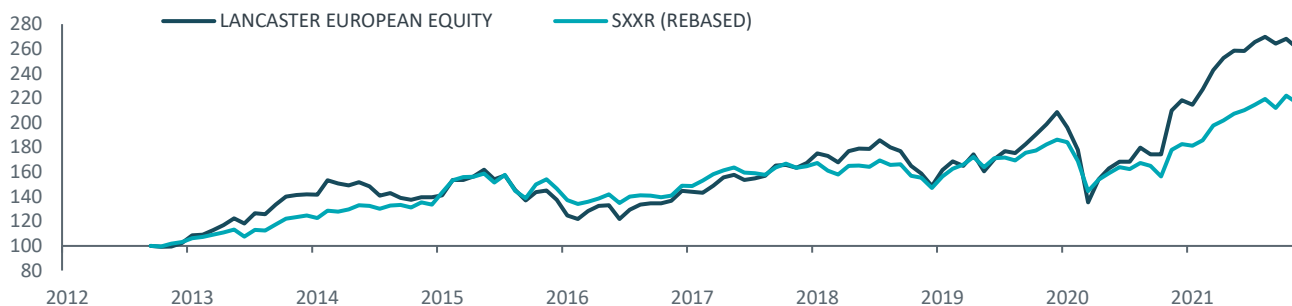
Source: Lancaster Investment Management, Bloomberg

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%	1.45%	-2.58%		19.63%	161.15%

	YTD	2020	2019	2018	2017	2016
Lancaster European Equity	19.63%	4.63%	40.45%	-11.16%	15.55%	5.23%
STOXX Europe 600 Net Return (SXXR)	18.48%	-1.99%	26.82%	-10.77%	10.58%	1.73%
MSCI Europe Net Return (NDDLE15)	16.61%	-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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