LANCASTER
INVESTMENT MANAGEMENT

Lancaster European Equity

January 2022

The fund returned -0.25% in January versus the SXXR at -3.83%. Rising yields and the retreat of omicron prompted a change in sector focus amongst market participants. Our best performing investment was JET2, a UK-listed holiday company which was well positioned to seize the market share of its bankrupt competitor, Thomas Cook, before Covid struck. With a net cash balance sheet, JET2 has used the pandemic to prepare for a once in a generation growth opportunity. BT was also a strong performer as the market digested the further stake building by Patrick Drahi (Altice) in December; he now holds 18% of the company. We sit firmly on his side of the debate when it comes to assessing how BT will fare in the race to roll out full fibre in the UK. Negative performers included our UK house builder, and some of our best performing industrials from last year which perhaps unsurprisingly saw some pullback in a weak stock market.

Exposure	
Cash	1.7%
Average market cap ($ millions)	21,253
Number of positions	34

Performance	Fund	STOXX*	MSCI*
Return on month	-0.25%	-3.83%	-3.11%
YTD return	-0.25%	-3.83%	-3.11%
1 year return	29.58%	21.03%	20.00%
3 year CAGR	19.84%	11.98%	10.83%
5 year CAGR	14.05%	8.12%	7.84%

Leverage	
Gross method	2.0
Commitment method	1.0

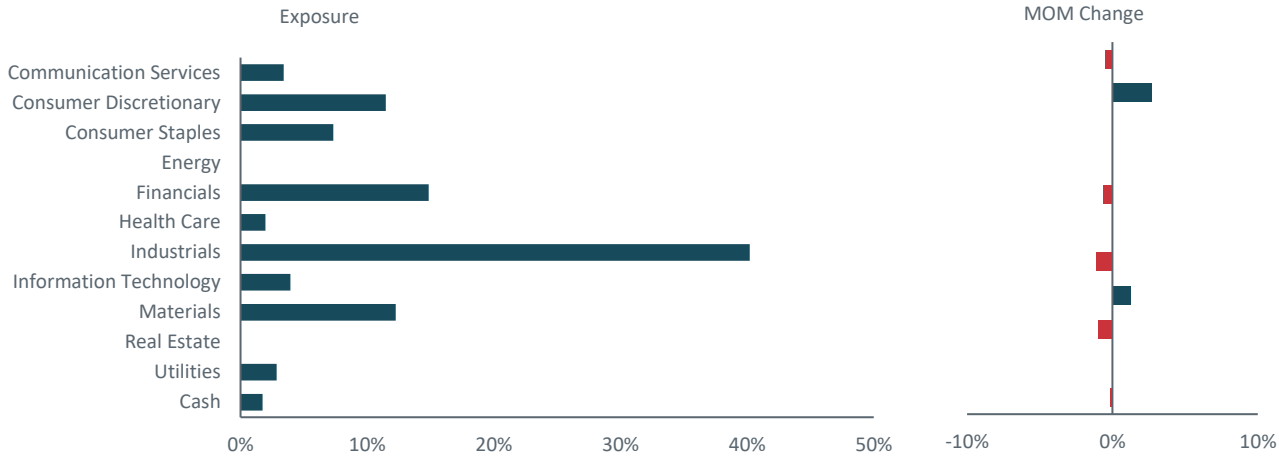
Top 3 Positive Contributors
Jet2
BT
Bank Of Ireland

Top 3 Negative Contributors
GEA
Deliveroo
Taylor Wimpey

Top 5 Longs	
Danone	5.6%
Trelleborg	4.6%
Next	4.4%
BAE Systems	4.0%
Constellium	3.8%
Total	**22.5%**

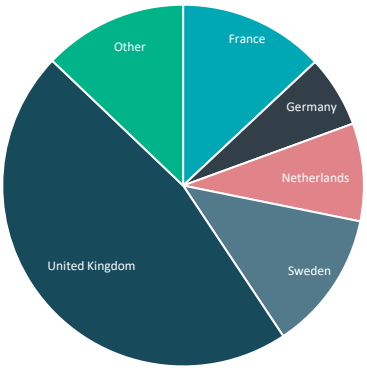
* STOXX Europe 600 Net Return (SXXR), MSCI Europe Net Return (NDDLE15). Fund performance quoted net of fees based on most invested share class.
Source: Lancaster Investment Management, Bloomberg

Sector Exposure

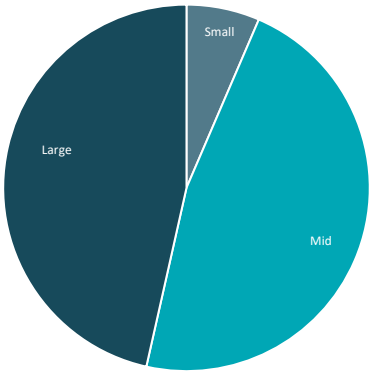


Source: Lancaster Investment Management

Country Exposure

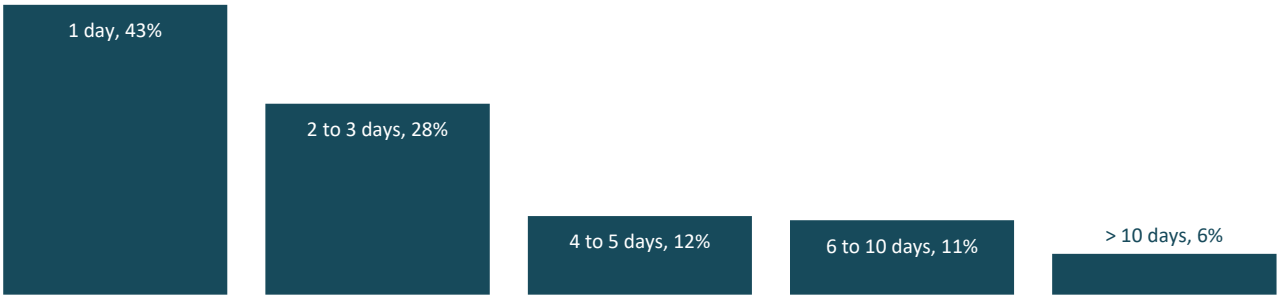


Market Cap



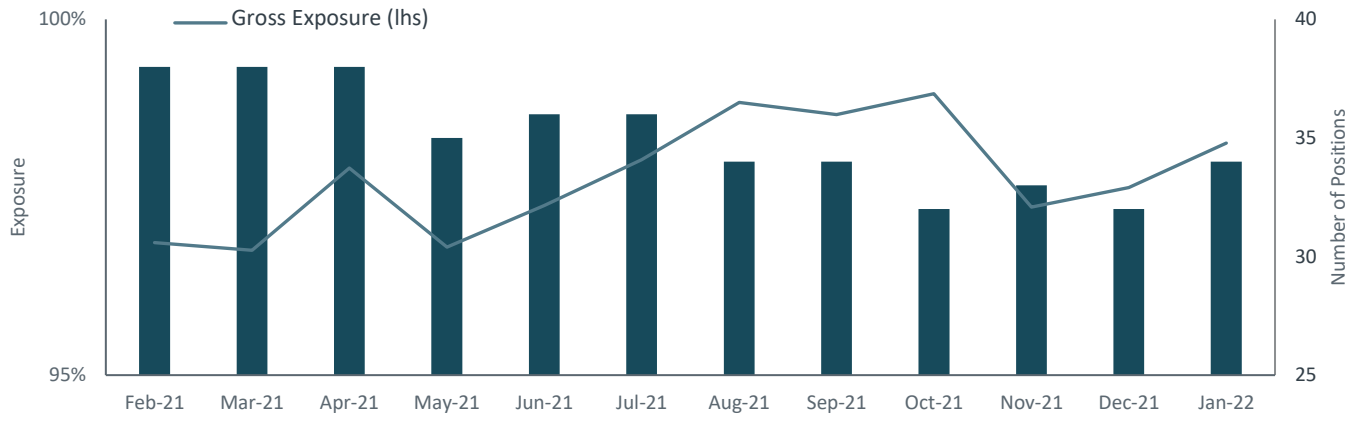
Source: Lancaster Investment Management

Liquidity



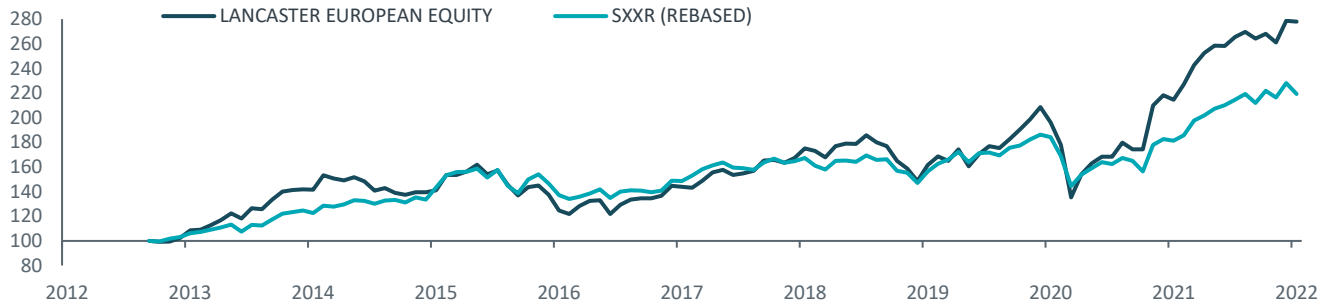
Source: Lancaster Investment Management, Bloomberg

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	YTD	Inception
2022	-0.25%												**-0.25%**	**177.93%**

	YTD	2021	2020	2019	2018	2017
Lancaster European Equity	-0.25%	27.65%	4.63%	40.45%	-11.16%	15.55%
STOXX Europe 600 Net Return (SXXR)	-3.83%	24.91%	-1.99%	26.82%	-10.77%	10.58%
MSCI Europe Net Return (NDDLE15)	-3.11%	22.61%	-2.21%	23.75%	-10.59%	13.06%

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.

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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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