

Month: +1.9% gross / +1.7% net

Total AUM: US\$48m

**Lauro is a European Long/Short Equity Fund managing a long-term concentrated portfolio of 20-30 holdings. We believe deep fundamental research focused on ROIC, cashflow generation & attractive asymmetry are key to long-term value creation. We work to maximise the idiosyncratic nature of our returns through our active engagement with management teams.**

### MONTHLY/YEARLY HIGHLIGHTS

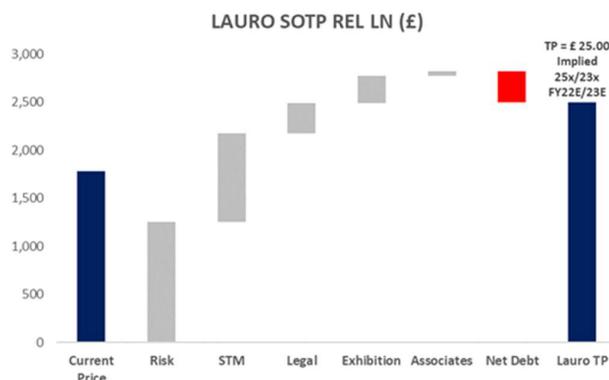
**We finished the month of February +1.7% net vs. +2.3% for the MSCI Europe Local index.** US/EUR Bond yields continued their upward trend with more optimism around re-opening as the vaccine rollout accelerated alongside optimism on the likelihood of the US\$1.9tn fiscal stimulus in the US being passed by Congress. Commodities and other reflation sectors outperformed during the month while defensives/bond-like sectors (Consumers staples) were pressurised from the move in the 10-year yields.

**Key contributors/detractors** – on average we have seen another positive earnings season both on the long and short side of the portfolio. In terms of main contributors, Anglo-American, BNP, ING and Vinci all delivered good performance over the month generating +210bps, +120bps, +120bps and +110 bps respectively. On the flip side, our top detractor was Vestas which gave back -150bps of gross performance with a weaker than expected FY21 business outlook as logistical bottlenecks at ports create uncertainty for the transportation of wind turbine parts.

**On the trading front** – we continued to orientate the portfolio towards value. We initiated a new position in testing company Bureau Veritas on the long side of the portfolio whilst hedging some of our quality positions with a basket of long duration stocks on the back of rising yields and momentum.

**RELX –Mispriced Quality Compounder Leveraged to the Global Innovation Cycle.** RELX has underperformed the peer group over the past few years reflecting concerns around the introduction of Open Access (OA) with the potential read across to the Scientific, Technical and Medical (STM) subscription model. Elsevier has used the past 20+ years to build unique, integrated, data workflow solutions which remain underappreciated by the market.

- 1) **STM headwinds abating** - the recently announced University of California deal is likely to re-accelerate growth. We believe that the market has ascribed little future value to the division.
- 2) **Leveraged into a Global R&D cycle w/ ~80% of portfolio** positioned to meet the demands of the Data-driven world of tomorrow. RELX has strong control of the Science Ecosystem via Risk and STM.
- 3) **RELX's REED Exhibitions and Risk are prime beneficiaries of re-opening** with a greater demand on products and a potential to accelerate consolidation in the sub-sector.
- 4) **30% discount to sum of the parts valuations (£25.00) and >20% discount to peers** present a compelling opportunity for a Quality, Best-in-Class Player

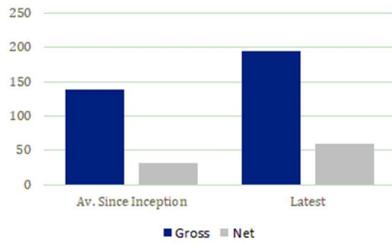


KEY FIGURES END OF MONTH

Net Performance Lauro Opportunities Europe Fund

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	LAURO	MSCI EU
2019				3.3%	-2.8%	2.3%	2.4%	-0.1%	1.0%	-3.1%	-0.4%	0.2%	2.6%	8.4%
2020	-2.6%	-2.5%	-3.4%	-0.2%	2.2%	-3.8%	0.1%	4.2%	0.7%	-6.6%	15.7%	4.4%	6.7%	-4.3%
2021	-5.3%	1.7%											-3.7%	1.2%
Annualised Rate of Return													3.1%	2.8%
Annualised Volatility													13.4%	20.8%

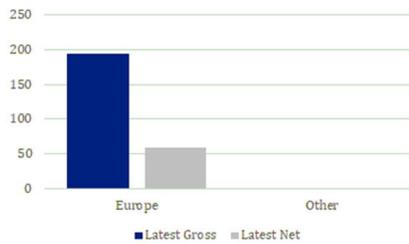
Gross vs. Net (%)



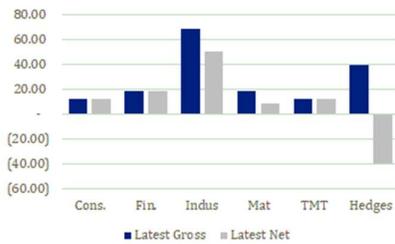
Top 5 Holdings (%)



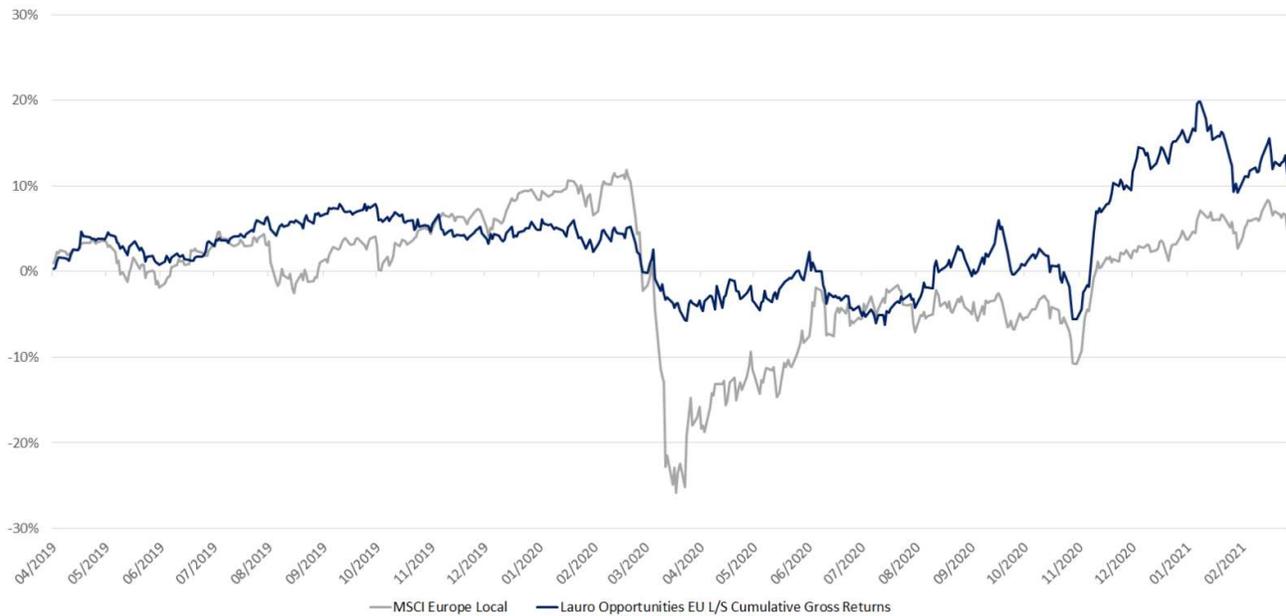
Geographical Exposure (%)



Industry Exposure (%)



Market Cap Exposure (%)



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These fund returns are calculated for a representative investor (invested since the inception in A-shares, our main product). Actual returns may vary based on investment timing, fee and share class differences. Net returns reflect the deduction of management fees, incentive fees and all fund expenses.

Past performance does not guarantee future results. A portfolio could suffer losses as well as achieve gains. Future returns are not guaranteed and a loss of principal may occur.

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