

Month: -0.1 % gross / -0.3 % net

Total AUM: US\$52m

**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 June -0.3% net vs. +1.5% for the MSCI Europe Local index.** Despite higher inflation and the continued re-opening in the Western world, both US/German 10Yr Bond Yields retraced some 20-30bps over the month. This movement can be attributed to the emergence of the delta variant in Asia and in particular the UK, as well as some breach of technical levels in the bond market generally. We continue to subscribe to the strong recovery playbook if the vaccine coverage sits within its current range. Accordingly, and despite another disappointing month, we see this move in bond yields as transitory and substantially retain our positions in both our value and cyclical winners.

**Key contributors/detractors** – Primary contributors included Nexi (+107bps), Bureau Veritas (+56bps) and Relx (+49bps), offset by Anglo American (-93bps) and other underperforming longs (-137bps).

**On the trading front** – June was a month of rotation as we trimmed some cyclical winners and rotated capital into our laggards. We are looking for a better entry points in the coming months to redeploy capital back into our cyclical winners once transitory headwinds from base effects fade.

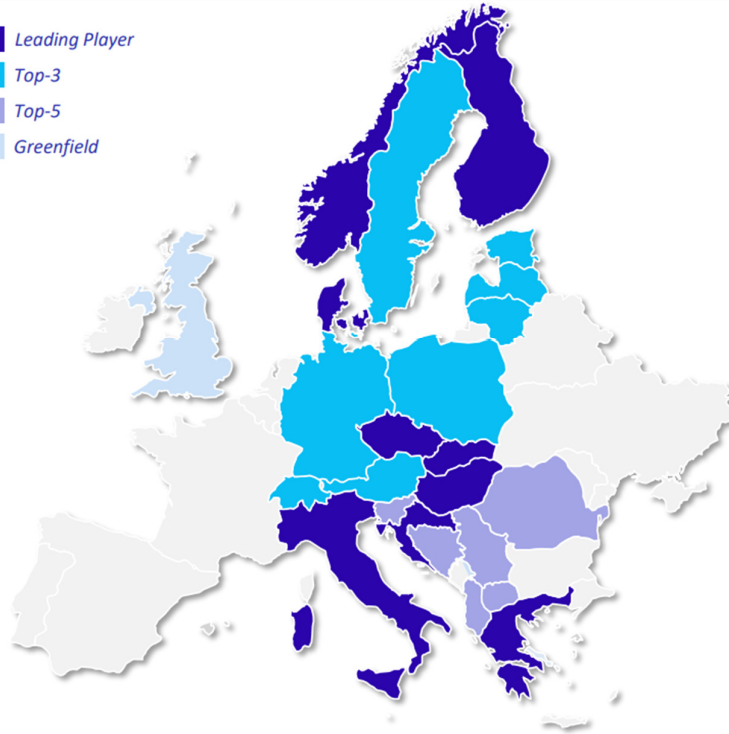
**Nexi – Pan-European Payment Leader/Consolidator. After completing Nets and SIA deals (end-3Q21), Nexi will become the largest payments company in Europe by transaction volume as Europe transitions towards a cashless/digital society. (Charts on the following page)**

- **Leading positions (market leader or top #3) in all key European markets post transformational deals** with >2x longer-term growth potential vs. more advanced countries e.g. the UK. This increases Nexi’s Total Addressable Market by >4x.
- **Reopening to drive robust revenue growth** with 31% of Nexi’s standalone revenues linked to high-impact sectors – volumes have recovered strongly in recent weeks and provide additional upside as economies reopen
- **Covid-19 accelerated cashless payments penetration** with an increase in penetration running at 1.5 – 2x the pre-Covid rate, a direct secular tailwind to revenues
- **Strong operational leverage** – c.60% of the cost base is fixed, providing strong drop-through to profits from topline growth

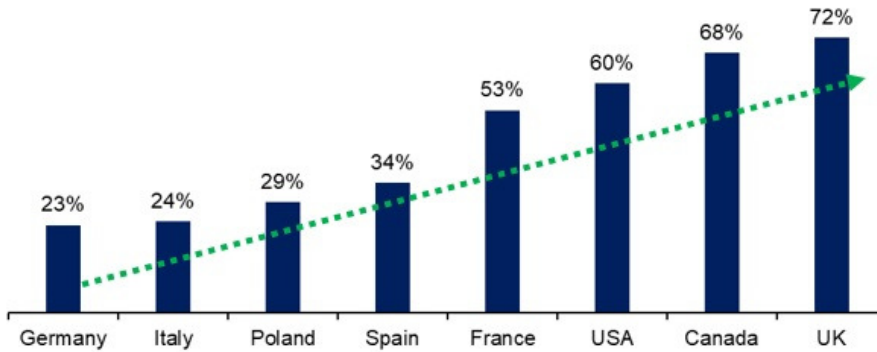


Nexti + Nets + SIA Combined Reach<sup>(1)</sup>

- Leading Player
- Top-3
- Top-5
- Greenfield

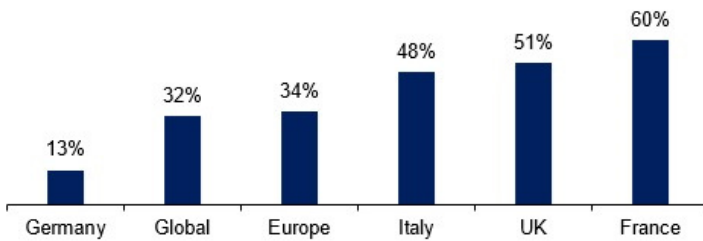


Card penetration % POS volumes, 2019 – major European economies lag counterparts by 2-3x



Source: Oxford Economics, Euromonitor, Mastercard

Cash usage collapsed during the pandemic, catalyzing a stronger forward growth pathway



■ Fall in POS cash volumes, 2020 vs. 2019

Source: Worldpay FIS Global Payments Report 2021, Mastercard

~20-30% of 2020 shift to digital is estimated to be permanent

Est. 2020-2024 decline in cash usage per year in Europe:

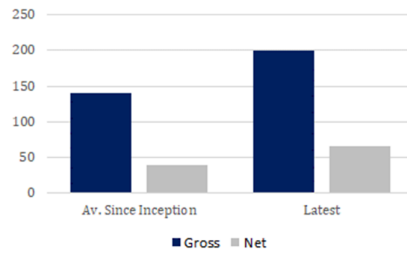
**-10%**

KEY FIGURES END OF MONTH

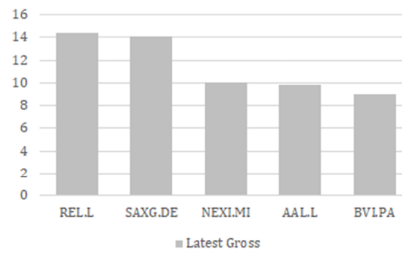
Net Performance Lauro Opportunities Europe Fund

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%	1.4%	1.1%	-1.3%	-0.3%							-2.9%	12.8%

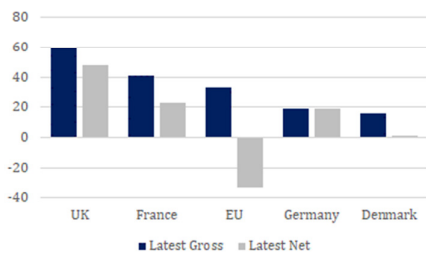
Gross vs. Net (%)



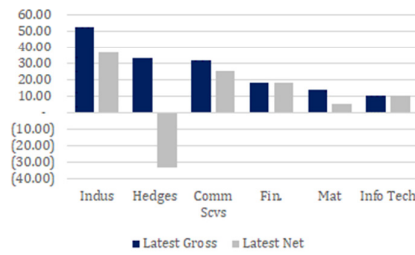
Top 5 Holdings (%)



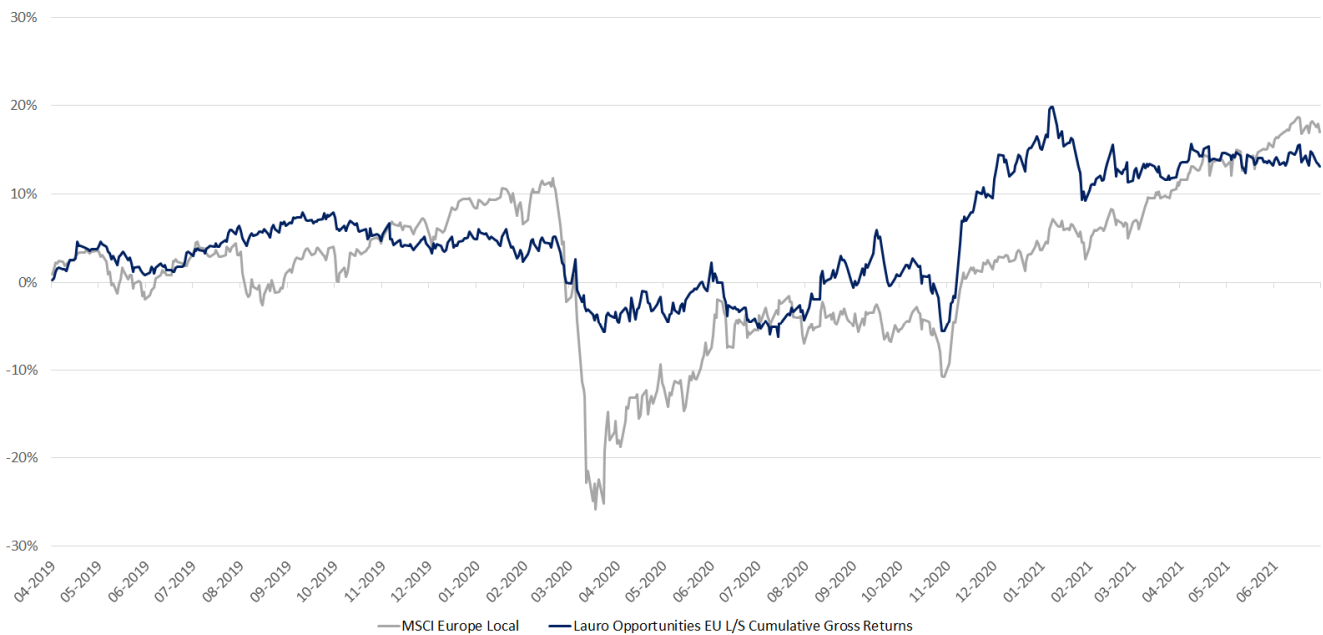
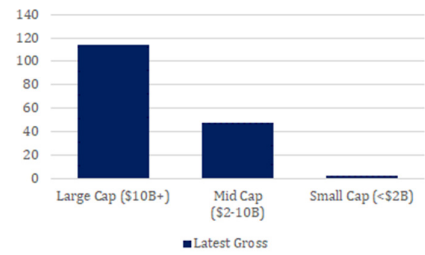
Geographical Exposure (%)



Industry Exposure (%)



Market Cap Exposure (%)



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