

Month: +1.6% gross / +1.4% net

Total AUM: US\$51m

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 March +1.4% net vs. +5.7% for the MSCI Europe Local index. March was a strong recovery month where the combination of the US \$1.9tn economic stimulus and the continued roll out of the vaccine in developed markets (with marked success in the UK and US), led to continued optimism in equity markets. Although our portfolio is geared into some of the key themes of cyclical recovery and reflation, we are overweight long-term winners which underperformed the laggard plays over March. Accordingly, the fund generated +1.4% in an overall market which was up +5.7%. We have used this digestion period in March to recalibrate the portfolio towards these long-term winners, increasing our sizing in the likes of RELX, Bureau Veritas, Orpea and Vinci.

Key contributors/detractors – The reflation investments continued to perform well for the portfolio over the month with banks contributing +140bps in total (ING, BNP and Natwest) whilst Irish homebuilder Cairn Homes rose 19% contributing +50bps to the portfolio. Our mining position contributed positively with both Anglo-American and our iron ore short delivering +40bps/+25bps respectively. We significantly increased our long position in RELX on recent weakness and it contributed +80bps over the month. The detractors for the month included a UK Quick Service Restaurant short name which delivered marginally better results coupled with an announcement of a buyback leading to a reassessment of the stock +13%, detracting -60bps. Likewise, a household electronic OEM was subject to bid speculation leading to the share price +20% over the month also costing -60bps. Despite strong end of year results from Ströer, the worsening virus trajectory in Germany has restricted mobility with a further lock down causing the stock to fall -6.5% over the month detracting -80bps. We see this as a temporary phenomenon as Ströer continues to take significant market share across its core businesses despite recent weakness in activity.

On the trading front – On the trading front, March was a busy month where we increased positions in core portfolio holdings RELX, Bureau Veritas, and Orpea. On the long side we took some profits in Anglo-American after a strong Q1 performance whilst closing the iron ore short after recent underperformance. We closed several of the long duration hedges which underperformed during the mini-inflation scare during end February to early-March.

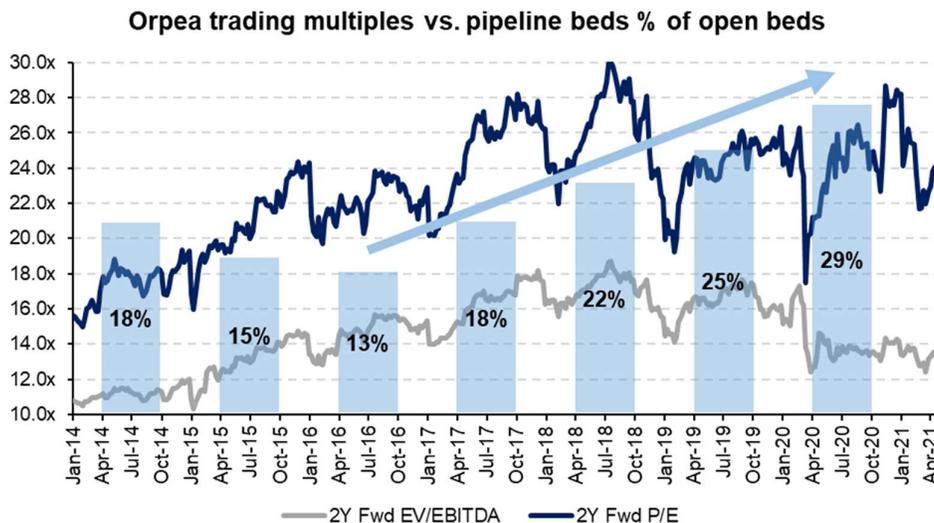
Orpea – Leader in Developing Communities for the Elderly. Orpea is the largest listed nursing home operator and pure-play healthcare property owner in Continental Europe, with an expanding presence in LatAm. The group has an industry-leading network of 111,801 beds across 1,114 facilities spanning 23 countries. Orpea has a stellar long-term track record of growth, underpinned by long-term structural tailwinds of aging population and increasing demand for long-term care across key countries, which are expected to see 100-300% increases in 80+ population over the next 30 years, translating to additional demand for an incremental 1.3m nursing home beds by 2030, >10x the bed count Orpea currently has. This provides ample runway for growth in a still fragmented market.

We expect Orpea to continue executing on its long-standing organic growth strategy of opening new greenfield beds, with its existing growth pipeline at a multi-year high of 30% of open beds, providing strong growth visibility over the next 3-5 years. The organic strategy will also be supplemented by prudent bolt-on M&A.



This should drive synergistic growth in operating profits and property value which are both key sources of upside in our investment thesis, supported by best-in-class facility quality and pricing power that has enabled stable/growing EBITDAR margins over the past 15 years despite rapid ramp-up of bed capacity.

The recent weakness in the share price has enabled us to build a significant position in Orpea with **significant upside in valuation** versus its recent history for what remains superior growth.



Source: Orpea's company reports & Bloomberg

Additionally, **Orpea has dealt with the Covid-19 crisis remarkably well**, rolling out >80% vaccination rate for residents in less than 3 months and currently <1% of residents and employees remain Covid-positive, a testament to Orpea's operational execution and resilience in times of adversity.

NUMBER OF COVID+ RESIDENTS



NUMBER OF COVID+ EMPLOYEES



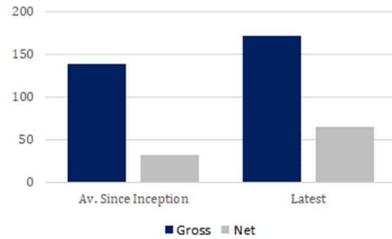
Source: Orpea's results press release

KEY FIGURES END OF MONTH

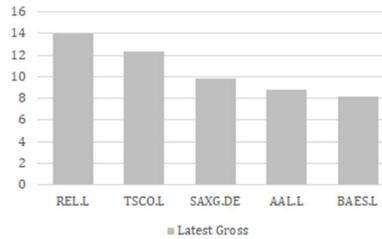
Net Performance Lauro Opportunities Europe Fund

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%										-2.4%	7.0%
												Annualised Rate of Return	3.4%	5.5%
												Annualised Volatility	13.2%	20.4%

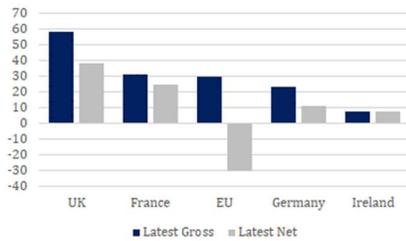
Gross vs. Net (%)



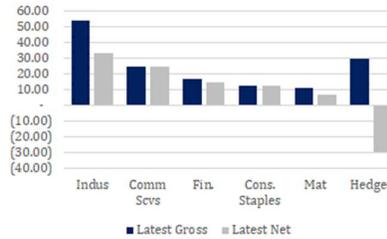
Top 5 Holdings (%)



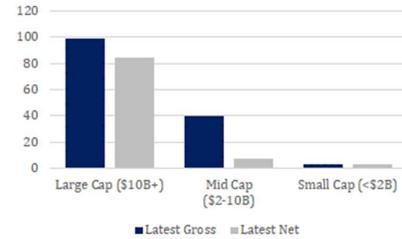
Geographical Exposure (%)



Industry Exposure (%)



Market Cap Exposure (%)



DISCLAIMER AND RISK WARNING

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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