

Month: +0.2% gross / +0.0% net

Total AUMs: US\$51m

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

MONTHLY/YEARLY HIGHLIGHTS

March saw the fund finishing flat on a net basis vs. +1.4% for the MSCI EAFE ex Japan Local index. March was a consolidating month for markets with broad strength across both Europe & Asia. Continued noise around Brexit and further disappointment on the economic front in Europe were broadly ignored as the market focused on continued easing noises out of the global central bank community. As discussed last month, the movement in markets has broadly been multiple expansion so far this year with the equity markets anticipating a recovery in earnings as we move into H2. To that extent, the earnings season we are starting now will be important to find confirmatory green shoots of this trend.

Key contributors/detractors: The key drivers of performance were spread across the long and short side of the portfolio. On the positive front, our Australian fund management short reversed its outperformance from the previous month as the largest shareholder sold 10% of issued capital, stock down -17%. Long positions in Informa, Tencent, LVMH and GSK – the higher quality names in the portfolio – each contributed ~30bps reflecting better than expected earnings results. On the negative front, sadly Tui again, costing ~70bps as it was hit by its exposure to the Boeing 737 Max issue leading to another profit warning (one off costs of wet leasing planes into the summer season). If after an unprecedented heatwave, Brexit and now this Max 737 issue the company can retain its dividend – which is one of the main worries of the market & one that we feel confident they can maintain – it will highlight the strength & value of Tui’s integrated business model, leading to a well-deserved rerating. Otherwise, our China Hotel short came out with better than expected Q4 earnings with the stock spiking 20%, costing the fund ~75bps.

On the trading front: In many ways, March was a continuation of last month with most trading reflecting further building of our new positions post positive meetings with the companies – Informa, Stroer, Cairn Homes and BAE Systems. We continued to trim stocks whose share price rallied and asymmetry became less compelling – Melco, Robam, Mediobanca and Woodside. Finally, we reduced some of our alpha shorts reflecting concern around markets repricing growth (whether justifiable or not) and replaced some of these with index positions where appropriate.

Last month we presented to the CEO of Informa & wanted to share our views on this exciting opportunity. In a nutshell, what we believe is that Informa is moving past its “reset & restructuring” phase and is now starting a period of “quality growth” that is underappreciated by the market:

- **Informa is a different company today vs. 5 years ago** with global exhibition & academic publishing accounting for 80% of revenue and offering higher growth rate, margins & earnings visibility
- **Topline growth to be more resilient than in the past** due to less exposure to cyclical sectors, better geographic diversity and >50% of revenues from leading events
- **Margins defensive** with leading global position providing negotiating power on venue rental & synergies from UBM giving extra 100-150bps cushion
- Strong cashflow yield, less CapEx & divestments going forward should help **reduce balance sheet leverage 50-100bps/year**
- **Expect 20%+ upside per year** with +8% EPS CAGR, 3% dividend yield, 2% ROIC improvement and multiple rerating closer to Business Publishers 16-18x vs. current 14x



KEY FIGURES END OF MONTH

Lauro Opportunities Key Figures

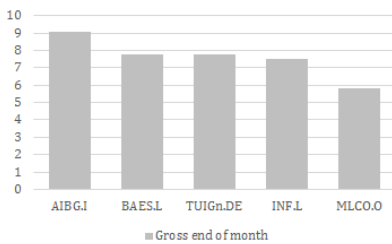
	Net Performance			Since Inception						
	MTD	YTD	MSCI EAFE ex Jap. Local YTD	Net Perf.	Ann. Vol.	Sharpe Ratio	Average Gross	Average Net	Max. Drawdown	% Positive Months
Lauro 1-Year Share Class	0.0%	-1.0%	10.7%	-7.3%	7.0%	0.1	122%	35%	-9.9%	54%
Lauro 3-Year Share Class	0.0%	-0.1%	10.7%	1.8%	7.2%	0.3	126%	37%	-9.8%	65%

Note: Soft launch with friends & family money Jan-Aug '16 for 1-year share class. Official launch with inception of 3-year share class through injection of Tier 1 Institutional assets in Sep '16

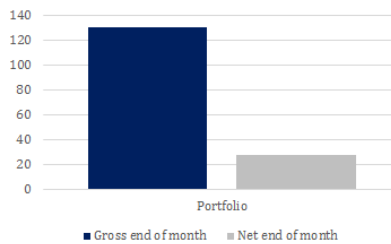
YTD Net Performance 3-year Share Class (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2016									0.0%	-2.3%	1.5%	1.7%	0.8%
2017	0.1%	2.6%	1.5%	0.4%	2.7%	-2.5%	0.4%	0.3%	-0.4%	0.8%	0.4%	4.9%	11.5%
2018	1.5%	-1.1%	-0.3%	0.2%	-0.3%	-2.0%	-2.1%	0.3%	1.5%	-6.2%	-3.7%	2.5%	-9.4%
2019	4.0%	-3.9%	0.0%										-0.1%

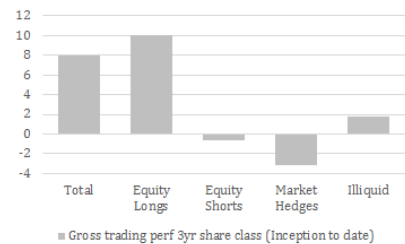
Top 5 Holdings (%)



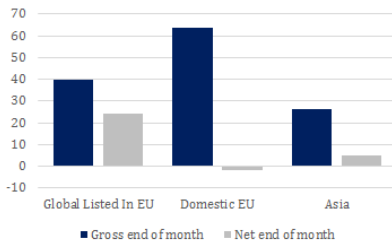
Gross vs. Net (%)



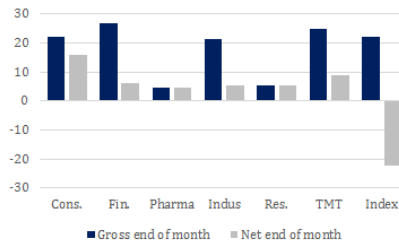
Performance Contribution (%)



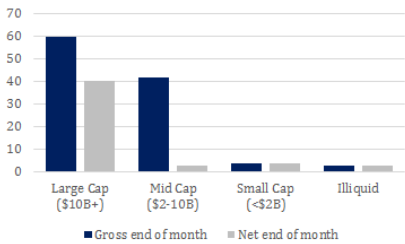
Geographical Exposure (%)



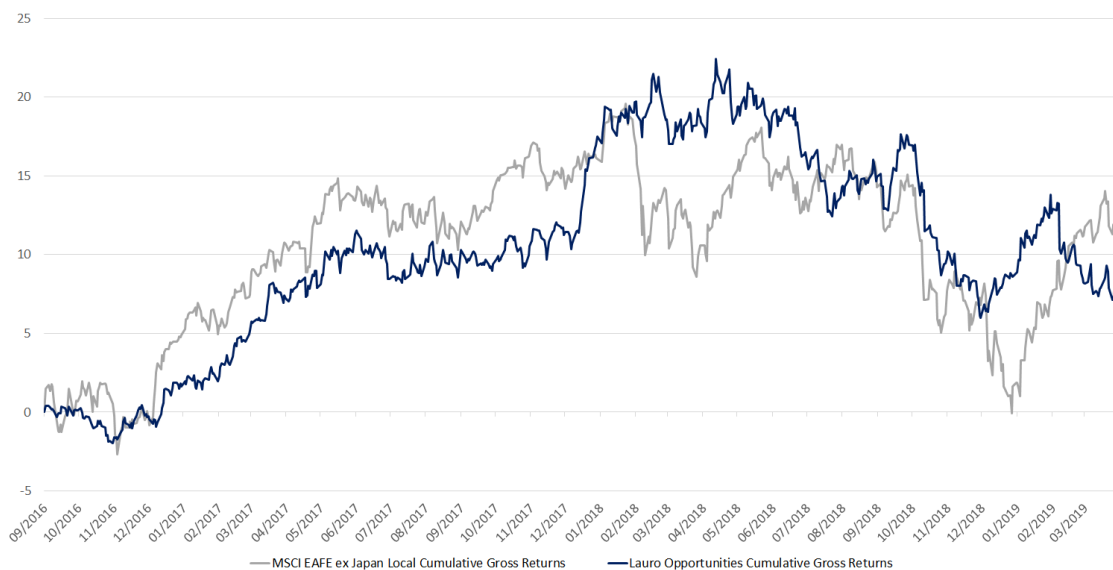
Industry Exposure (%)



Market Cap Exposure (%)



GROSS TRADING PERFORMANCE VS. INDEX



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.

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