

Month: +2.7% gross / +2.5% net

Total AUMs: US\$50m

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

MONTHLY HIGHLIGHTS

June saw the fund finishing +2.5% on a net basis vs. +4.4% for the MSCI Europe Local index. Although June was a positive month for equity markets globally, it was once again heavily influenced by political headlines and tweets, making us comfortable in our cautious low-net positioning at ~20%. Indeed, over the last 3 months, Europe is up +2.5%.... but this masks the tumultuous path to get there: +3.6% in April, -5.3% in May & +4.4% in June! Dovish comments from the ECB pushing out rate hikes & restarting QE chatter, expectations the Fed will now cut rates at the next meeting and constructive Xi-Trump trade talks from the G20 all contributed to renewed confidence.

Key contributors/detractors: Our Long book rebounded alongside the market & produced all of the performance, contributing ~570bps. Our GARP positions in Ströer, Schneider and Informa performed well (95bps, 75bps & 50bps respectively) while our deep Value plays in BAE Systems, Man Group, Saipem & Tui also rebounded nicely (75bps, 60bps, 45bps & 40bps respectively). Our low net positioning hurt us on the short side with the Short book giving back ~310bps, mainly driven by our German Leasing company short, our Cyclical basket & our Australian Asset Management short (60bps, 60bps & 50bps respectively).

On the trading front, June was relatively quiet: We strengthened our positions in Value plays BAE Systems & Man Group and continued to build our position in Ströer. We also initiated a position in ISS following their loss of the Novartis contract, creating an attractive entry point. Finally, we closed our German online retailing platform short as our investment thesis was invalidated.

Diving deeper into one of our core holdings: Ströer. We initiated on German Out of Home advertising company Ströer back in January and the more research we do, the more enthusiastic we become. In a German advertising market down 1-2% YTD, Ströer is demonstrating its “right to make money” with organic revenue growth currently in the 7% range, benefiting from the significant investment across different market verticals and into its unique local sales force creating a “one stop shop” local/regional player. Our investment case is predicated on:

- **Ultra-dominant market share in traditional Out of Home advertising (~57%)** providing cashflow for fast & significant investments in their comprehensive media offering;
- **First mover advantage in digital Out of Home media** with 90% share of the public video network, 60% of POS/digital signage & 35% (soon >60%) of roadside screens;
- **Latest investment in direct marketing** to target local audiences with ~15% share in a very fragmented market place;
- **A large salesforce (~1000 sales) targeting all clients in a structured manner,** including 120 regional consultants, ~700 local sales, ~140 digital only & ~50 SME only;
- **Expect 20%+ upside per year:** ~5-7% CAGR organic revenue growth converting into ~10-12% EPS growth. Increase in dividend payout ratio to 75% from current 4% yield. 1-2 multiple rerating potential as the management team executes on the ambitious digital and sales force rollout;

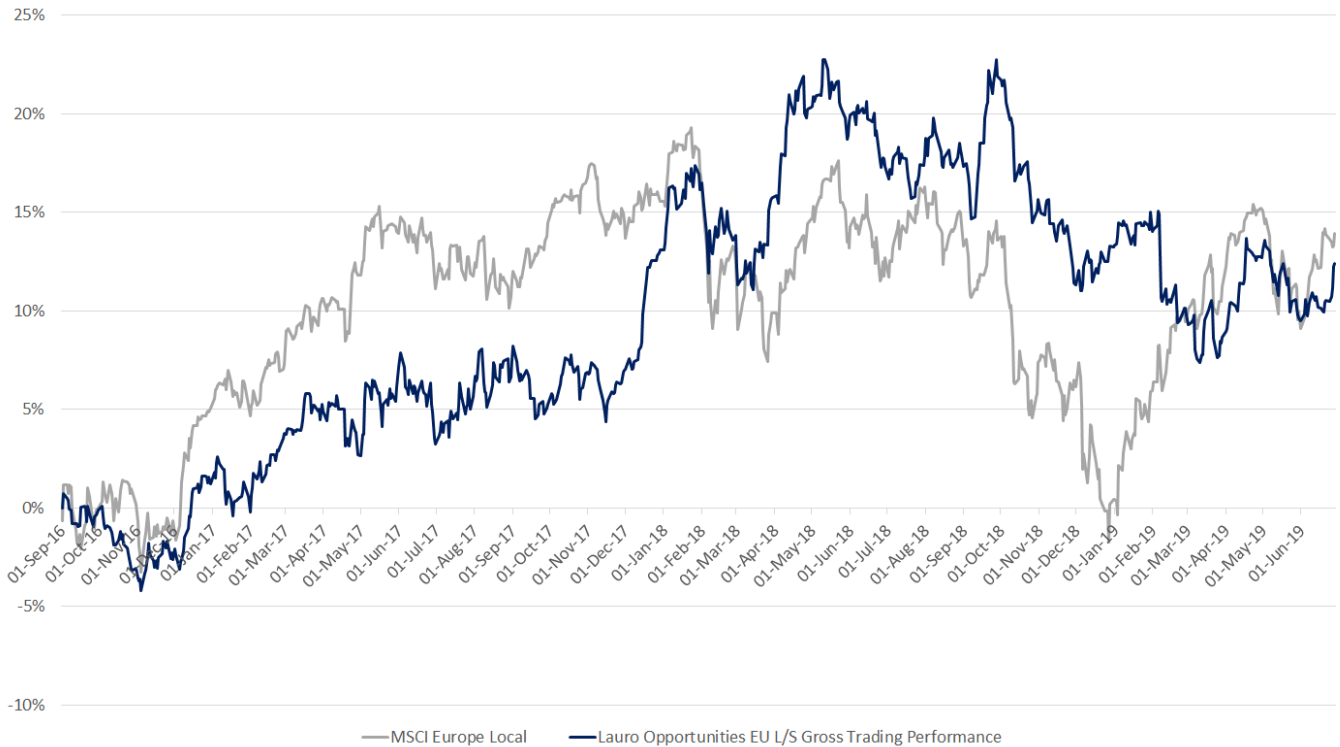
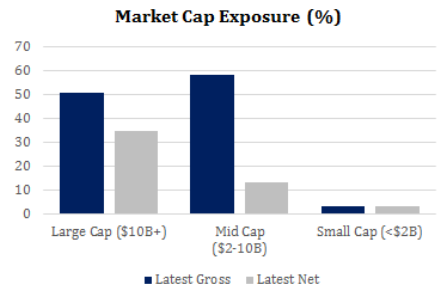
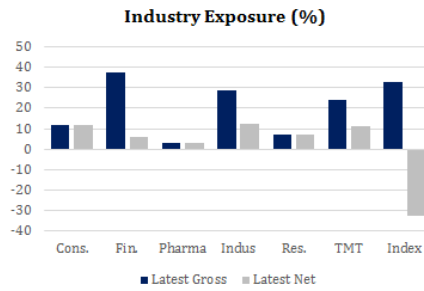
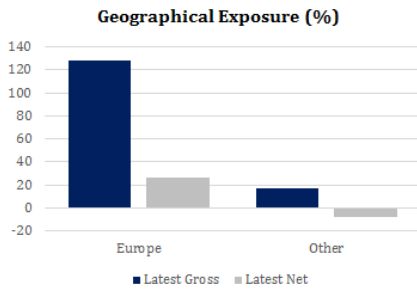
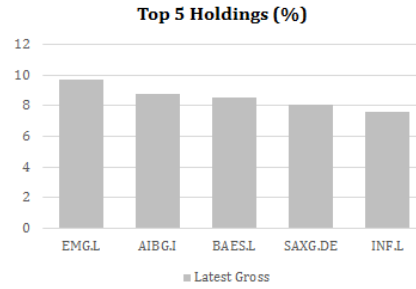
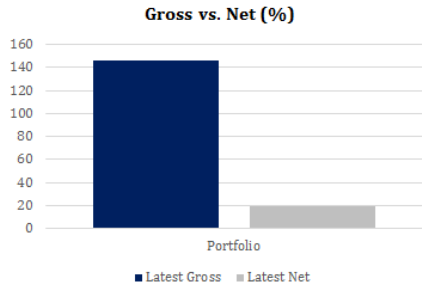


HEDGE FUND – KEY FIGURES END OF MONTH

Gross Trading Performance Lauro Opportunities EU Long/Short

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	MSCI EU Local	
2016									<i>-0.1%</i>	<i>-2.9%</i>	<i>0.4%</i>	<i>4.0%</i>	1.2%	5.1%	
2017	<i>-1.4%</i>	<i>4.0%</i>	<i>1.1%</i>	<i>-2.1%</i>	<i>4.3%</i>	<i>-3.6%</i>	<i>2.4%</i>	<i>1.7%</i>	<i>-2.1%</i>	<i>1.6%</i>	<i>0.1%</i>	<i>5.7%</i>	11.7%	10.0%	
2018	<i>2.9%</i>	<i>-2.2%</i>	<i>1.7%</i>	<i>4.0%</i>	<i>-0.6%</i>	<i>-1.9%</i>	<i>0.5%</i>	<i>-0.4%</i>	<i>3.9%</i>	<i>-5.1%</i>	<i>-3.7%</i>	<i>1.7%</i>	0.1%	-13.1%	
2019	<i>0.7%</i>	<i>-3.7%</i>	<i>-1.0%</i>	<i>3.7%</i>	<i>-2.9%</i>	<i>2.7%</i>							-0.7%	13.5%	
													Annualised Rate of Return	4.4%	4.9%
													Annualised Volatility	8.7%	10.4%

Note: Italicised numbers represent carve-out EU L/S performance from original fund. First month actual performance Apr 19

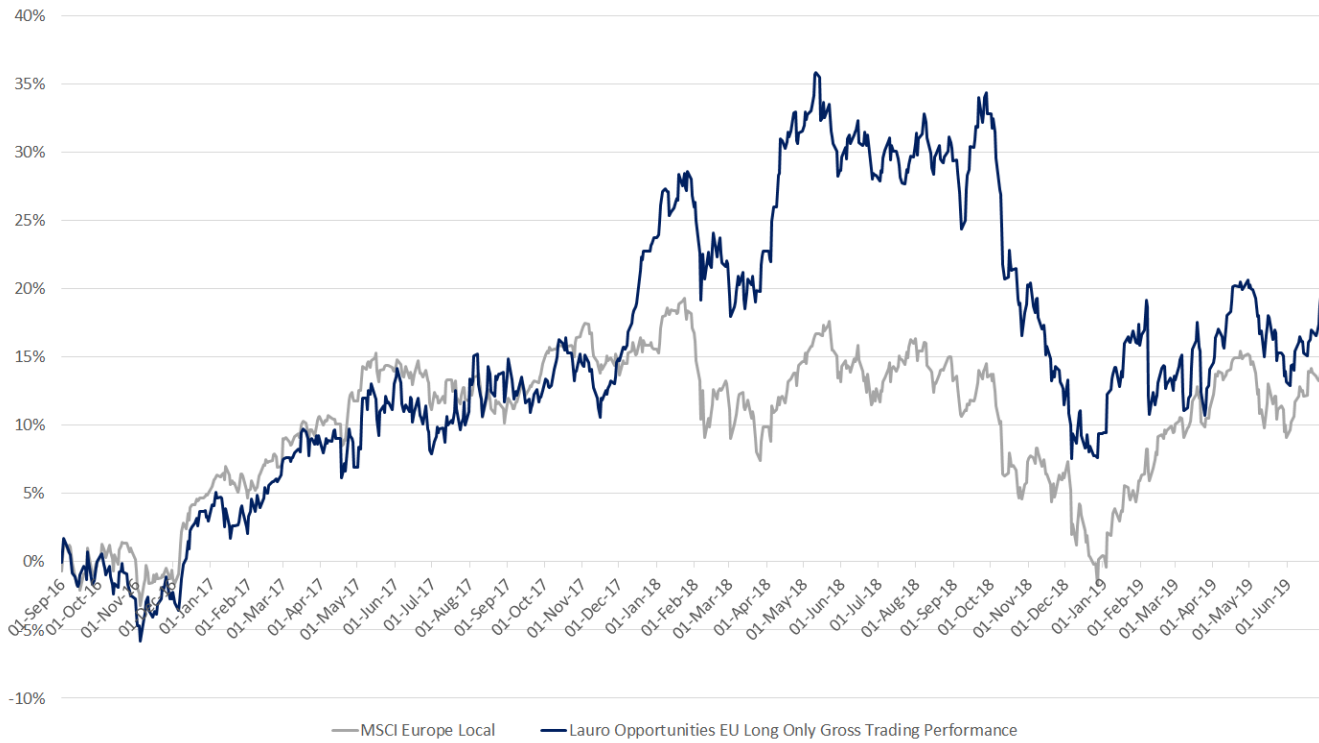
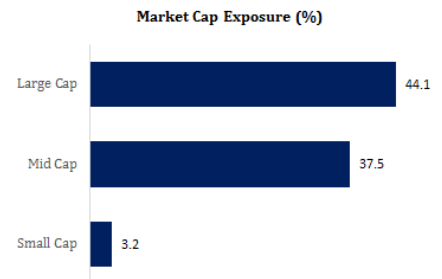
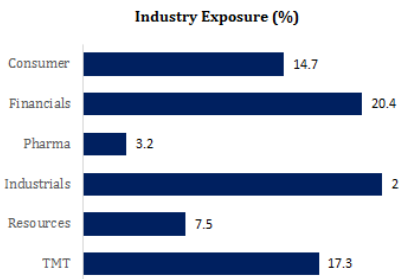
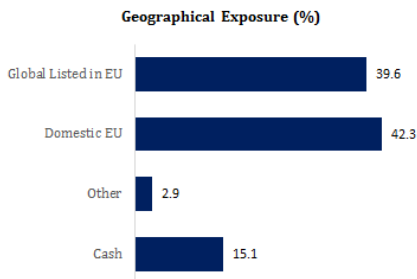
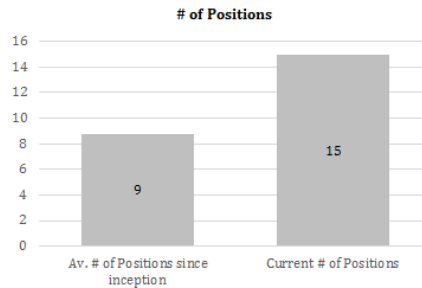
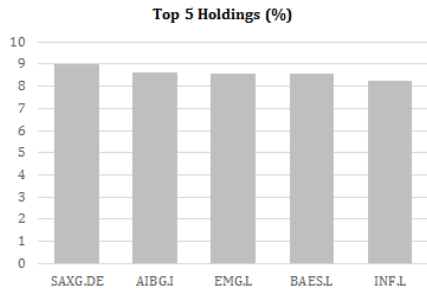


LONG ONLY – KEY FIGURES END OF MONTH

Gross Trading Performance Lauro Opportunities EU Long Only

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund	MSCI EU Local
2016									0.0%	-2.8%	0.0%	5.9%	3.0%	5.1%
2017	-0.9%	5.0%	1.7%	-1.9%	5.7%	-4.5%	2.8%	2.4%	-1.0%	1.9%	0.2%	7.7%	20.1%	10.0%
2018	1.8%	-3.3%	0.8%	7.2%	-2.2%	-0.2%	1.8%	-1.0%	2.7%	-9.4%	-7.3%	-1.9%	-11.6%	-13.1%
2019	5.9%	-1.9%	0.4%	5.3%	-5.8%	5.6%							9.2%	13.5%
	<i>Annualised Rate of Return</i>												6.9%	4.9%
	<i>Annualised Volatility</i>												13.5%	10.4%

Note: Italicised numbers represent carve-out EU LO performance from original fund. First month actual performance Apr 19



FEE SCHEDULE

Long/Short	<\$100m AUMs: Founder's	>\$100m AUMs	
Share Class	1 year	1 year	1 quarter
Minimum Investment	\$1,000,000	\$1,000,000	\$1,000,000
Management Fee	1.5% up to \$100m AUMs 1.25% \$100-200m AUMs 1% at \$200m+ AUMs	1.5%	1.75%
Incentive Fee	15%	15%	15%
Liquidity	Quarterly soft lock up with early penalty fee	Quarterly soft lock up with early penalty fee	Quarterly
Early Penalty Fee	Prorated amount of unpaid management fee	2%	n/a
Subscription Frequency	Monthly	Monthly	Monthly
Redemption Frequency	Monthly w/ 90 days notice	Monthly w/ 90 days notice	Monthly w/ 90 days notice
Capacity	Until AUMs reach \$100m	n/a	Maximum 25% of AUMs

Long Only	<\$200m: Founder's	>\$200m AUMs 1-Year	
Share Class	1 year	1 year	1 quarter
Minimum Investment	\$5,000,000	\$5,000,000	\$5,000,000
Management Fee	0.75% up to \$200m AUMs 0.5% \$200-500m AUMs 0.25% at \$500m+ AUMs	1%	1.25%
Incentive Fee	15% above benchmark	15% above benchmark	15% above benchmark
Liquidity	Quarterly soft lock up with early penalty fee	Quarterly soft lock up with early penalty fee	Quarterly
Early Penalty Fee	Prorated amount of unpaid management fee	2%	n/a
Subscription Frequency	Monthly	Monthly	Monthly
Redemption Frequency	Monthly w/ 90 days notice	Monthly w/ 90 days notice	Monthly w/ 90 days notice
Capacity	Until AUMs reach \$200m	n/a	Maximum 25% of AUMs

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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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