

Month: -1.0% gross / -1.1% net

Total AUMs: US\$47m

Lauro is a Long/Short Equity Fund managing a long-term focused concentrated portfolio of 20-30 holdings focused on EU & Asia ex Japan. We are all about ROIC, asymmetry & sizing up to conviction and maximise idiosyncratic returns through our Soft Activist approach

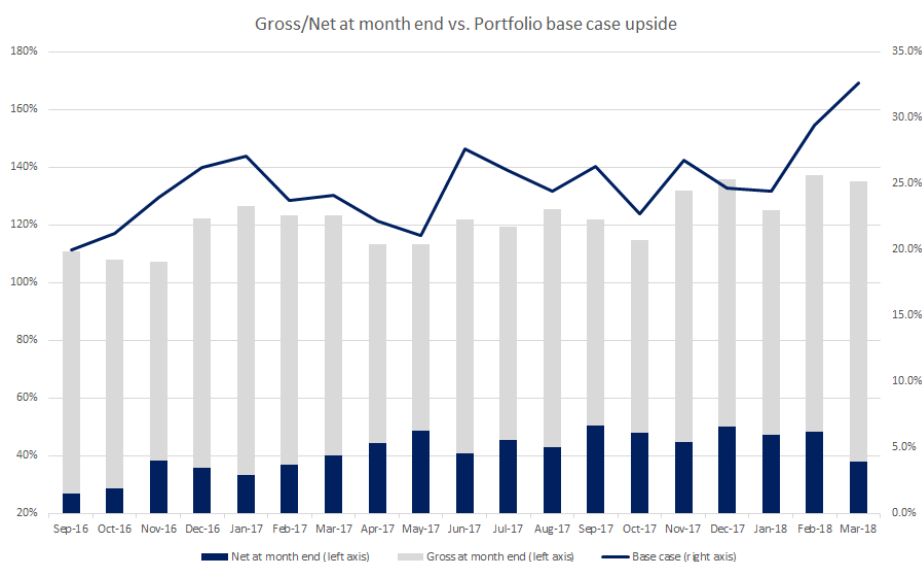
MONTHLY HIGHLIGHTS

February returned -1.1% net vs. -3.4% MSCI EAFE ex Japan local index. We were encouraged by how the portfolio responded to the S&P falling ~10% and volatility spiking to 44% over the first two weeks of the month with the portfolio being flat to slightly up during the period. However, earning disappointments in some key names in the second half of the month resulted in the portfolio exiting the month in negative territory.

Key drivers of performance: On the positive side, our global consumer stocks performed well with Pandora and Amer Sports (better results) up +11% and +7% respectively for the month. Recently initiated position in Salmar contributed strongly (+30% bouncing from oversold levels). Finally, our new short in a Singapore telco paid off with earnings missing, stock down -14%. On the negative side, Man Group, one of our largest positions, was down -20% despite releasing impressive earnings results validating our structural positive view on the transformation of the company. The share price reflected a hit to AHL fund performance from the spike in volatility rather than the broader market sell-off. Disappointing near-term but this doesn't affect our investment thesis. In Australia, a surprise 10% rights issue by Woodside to fund acquisitions and future growth led to a 13% fall in the share price whilst one of our leisure shorts released better than expected results driven by a recovery in its global earnings, stock up +13%.

On the trading front, we added to two Singapore short positions, reflecting channel checks highlighting significant downside risk to both revenue and earnings. Likewise, on our UK bank short, we have been tracking pricing in the mortgage market with competition perversely becoming more intense vs. both management guidance and market expectations. Lastly, we added to our China auto shorts on the back of an underwhelming new launch pipeline potentially leading to larger than expected earnings downgrades. On the other side of the ledger, we used the market sell-off to add to or initiate new positions in Salmar, New Oriental Education, Brilliance and LVMH.

Where does it leave us & how are we positioned? The portfolio is currently exhibiting the highest absolute upside potential since inception (33% as of mid-March), despite our relatively lower net at 38%, signifying a high level of conviction (see below). Global companies listed in EU offer the highest asymmetry in the portfolio, which naturally drives the larger net exposure bottom up. Key positions: Pandora, Man and GSK. The remainder is equally split between Domestic EU and Asia with new positions on both the long and short sides particularly in Asia driving incremental upside despite the limited overall net. Key positions: Tui, Zhou Hei Ya & Brilliance. On the downside protection front, we believe our active monitoring of momentum in the portfolio, a strengthened short book and crash protection through long-dated puts should continue to contain our down capture.



Lauro Opportunities Key Figures

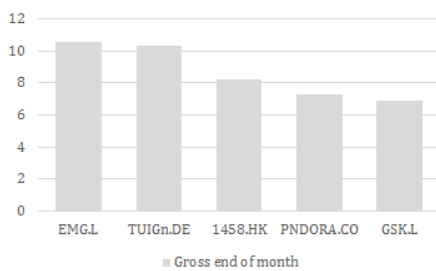
	Net Performance					Ann. Vol.	Sharpe Ratio Since Inception	Av. Net Since Inception	Av. Gross Since Inception	Max. Monthly Drawdown	% Positive Months
	MTD	2018 YTD	2018 Annualised	2017A	Inception to Date						
Lauro 1-Year Share Class	-1.0%	0.4%	2.6%	12.0%	5.2%	6.1%	0.7	38%	116%	-3.4%	63%
Lauro 3-Year Share Class	-1.1%	0.5%	2.7%	11.5%	12.9%	6.0%	1.6	42%	121%	-2.6%	88%

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

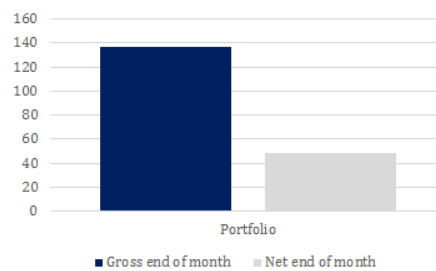
YTD Net Performance 3-year Share Class (%)

	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%											0.5%

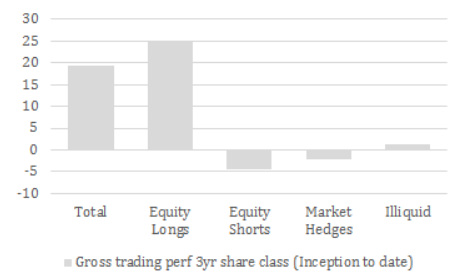
Top 5 Holdings (%)



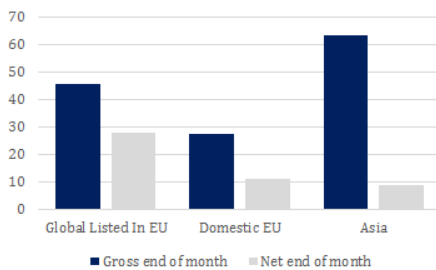
Gross vs. Net (%)



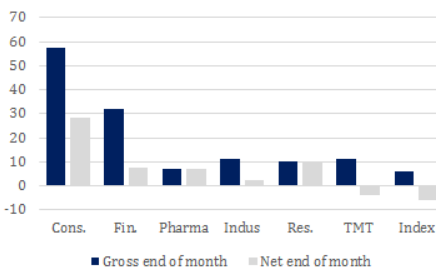
Performance Contribution (%)



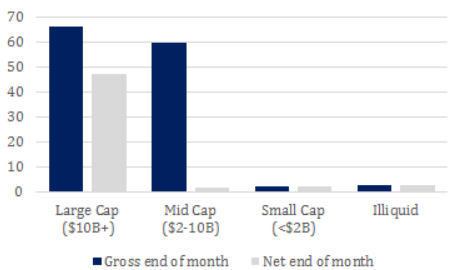
Geographical Exposure (%)



Industry Exposure (%)

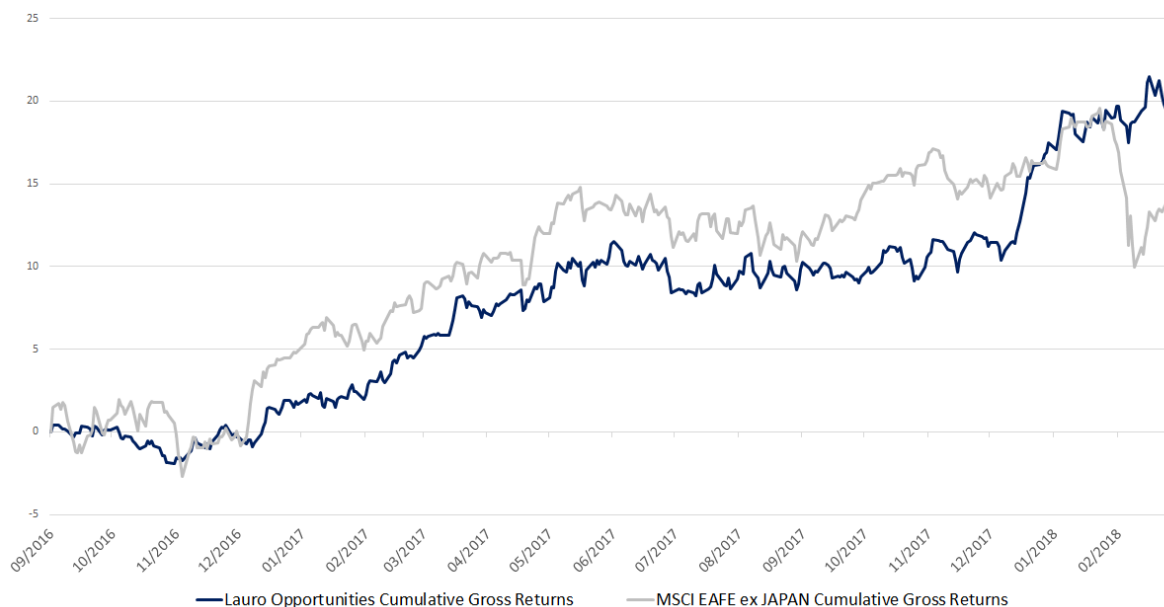


Market Cap Exposure (%)



3-Year Share Class	Target	Since Inception (Sep '16)	At End of Feb '18	Comments
• # of stocks	20-30	23	27	Concentrated Portfolio
• Long Positions	10-20	14	17	
Median Holding Period	24 months+	18 months		Work in progress
Average Sizing	4-8%	6% / top long 14%	5% / top long 11%	Top 10 positions: ~90% of Long book
• Short Positions	5-15	9	10	
Median Holding Period	9-12 months	8 months		
Average Sizing	3-6%	4% / top short 8%	4% / top short 6%	Alpha shorts, limited use of market hedges
Gross Exposure	120% - 150%	121%	137%	Gross & net exposures are "typical" ranges
Net Exposure	20% - 50%	42%	48%	
Volatility	>10%	6%	9%	





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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