

Latitude Global Fund

LATITUDE
INVESTMENT MANAGEMENT

Investment Objective

The Latitude Global Fund follows a focussed, style agnostic approach to equity investment. By combining fundamental internal research with disciplined portfolio construction, we aim to achieve strong returns throughout market cycles.

December Commentary

The Global Fund had another strong month in December finishing off a solid first full year in 2021. The fund was up 27.8%, 8% ahead of the FTSE World Index (£).

Defining quality in a different way to others is a competitive advantage we seek to exploit throughout market cycles. At present, our opportunity set is vast given the prevailing groupthink amongst investors, and the resulting concentration in the same stocks, mostly in technology or related sectors.

Ascertaining the quality of an investment has two sides to it, which one can think about as inputs and outputs. Inputs include (and are clearly not limited to) competition, market structure, market growth, management, capital allocation, cash conversion, etc.

The *point* in assessing these inputs is to drive better outputs, through results for investors. When you boil this down, we believe this means finding investments which can produce **knowable and durable growth in intrinsic value**, a broader definition than most.

MSCI defines quality as follows: stocks with a high ROE, low debt / equity, and low volatility of EPS are included, others are not. Given

the benchmarked nature of most fund managers, we believe this has become the prevalent way investors define quality too.

This surrogation is dangerous, and has led to an extraordinary concentration in stocks which “screen” well on these metrics.

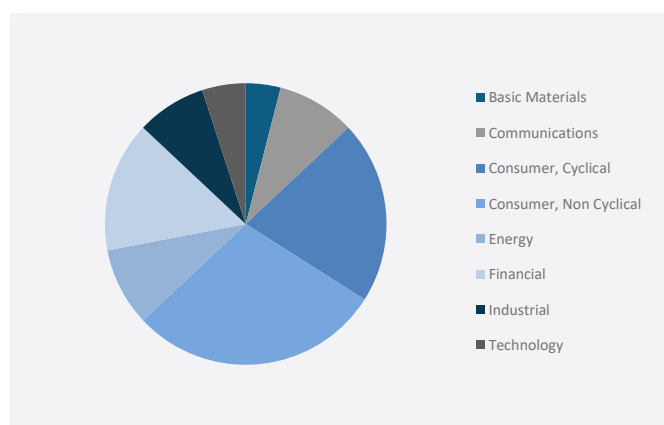
Our ability to think more broadly allows us to invest away from the crowds. Most importantly, it allows us to maintain our **valuation discipline** at the portfolio level.

The forgoing of this discipline is the greatest risk to equity investors today, and over the medium term.

While the fund has generated strong returns this year, this is entirely supported by estimates for intrinsic value growth, which have moved higher in tandem. The portfolio valuation remains where it started the year, trading on 14.5x 2022 PE and 13x 2023.

Over the past five years our stocks have generated an average EPS growth of 14% and we anticipate something similar over the next five. With a current 2.5% dividend yield and meaningful re-rating potential on top, we are as excited as ever about their prospects.

Sector Allocation



Top Ten Holdings

Dollar Tree	5.5%
Sony	5.3%
Coca-Cola	5.3%
Alphabet	5.2%
AutoZone	5.1%
Diageo	4.9%
Texas Instruments	4.8%
Advance Auto Parts	4.7%
Novo Nordisk	4.6%
Meta Platforms	4.3%
Total Top 10	49.7%

Net Performance¹

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020									0.4%	-3.5%	11.1%	1.6%	9.4%
2021	-3.4%	3.4%	6.3%	4.2%	-0.6%	2.8%	0.9%	2.2%	1.5%	3.0%	1.3%	3.6%	27.8%

¹ All data shown as at 31 December 2021. Performance shown is representative of the GBP Acc P share class and is net of fees. The September 2020 data in the table reflects the performance since the launch date of the fund (23rd September 2020). Past performance is not a guide to future performance and may not be repeated, the value of an investment may go down as well as up and you may not get back the total value of your investment.

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Key Fund Information

Fund Manager	Freddie Lait
Launch Date	23rd September 2020
Fund Assets	£26m
Legal Structure	Irish Domiciled UCITS V Fund - ICAV
Regulator	Central Bank of Ireland
Base Currency	Sterling
Regional Exposure	Global
Management Fee	0.75% per annum (Institutional Classes) 1% per annum (Primary Classes)
Performance Fee	0%
Dividends	Semi-annual
Dealing	Daily, 2pm Dublin cut off
Administrator	SEI Investments – Global Fund Services
Custodian	SEI Investments Trustee and Custodial Services (Ireland)
Auditors	PwC (Ireland)
Primary Platforms <i>(Full list available upon request)</i>	Hargreaves Lansdown, Interactive Investor, AJ Bell
Contact Details	patrick.valentine@latitudeim.com +44 (0)20 7087 9278

If you do not already receive our factsheet, and would like to, please **click [here](#)**

If you would like to invest directly through any of the platforms below please click the logo



**HARGREAVES
LANSDOWN**



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Share Classes and Identifiers

Share Class	Class	Minimum	Management Fee	TER*	ISIN	SEDOL
GBP Accumulation	I	£1m	0.75%	1.03%	IE00BMT7RM66	BMT7RM6
GBP Income	I	£1m	0.75%	1.03%	IE00BMT7RL59	BMT7RL5
USD Accumulation	I	\$1m	0.75%	1.03%	IE00BNGJKV20	BNGJKV2
GBP Accumulation	P	No Min.	1.00%	1.28%	IE00BMT7RH14	BMT7RH1
GBP Income	P	No Min.	1.00%	1.28%	IE00BMT7RG07	BMT7RG0
EUR Accumulation	P	No Min.	1.00%	1.28%	IE00BMT7JW07	BMT7JW0

Important Information

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Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is Waystone Fund Services (Switzerland) SA, Avenue Villamont 17, 1005 Lausanne, Switzerland. Place where the relevant documents may be obtained: The Prospectus, the key investor information documents, the instrument of incorporation as well as the annual and half-yearly reports may be obtained free of charge from the representative in Switzerland. Place of Performance And Jurisdiction: Both the place of performance and the place of jurisdiction for Shares in the Fund offered or distributed in or from Switzerland shall be the seat of the Swiss representative. In Switzerland, the distribution of the Fund is restricted to Qualified Investors only.

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