

# Latitude Horizon Fund



## Investment Objective

The objective of the Latitude Horizon Fund is to deliver capital appreciation over the long term by holding a concentrated portfolio of stocks, whilst lowering the equity risk and enhancing returns through a selection of non-equity investments.

## August Commentary

Against a backdrop of extreme price momentum, fundamental opinions are heavily influenced by the direction of price.

**Rising share prices are driving an increasingly bullish narrative.** This should worry fundamental investors.

There are two key, somewhat interlinked, narratives which the bulls hold as evidence that "this time is different" and that, following a period of extreme monetary tightening we may, in fact, avoid a recession.

They are massive fiscal stimulus, mostly in the form of domestic infrastructure investment, and the AI arms race (supported by government stimulus).

The portfolio benefits from these themes through its exposure to **Texas Instruments, Vinci, Eiffage** and, in the case of AI, **Alphabet**. Although these are not the main reasons why we own these businesses.

The fly in the ointment to this theory is that the entire move in the past year has been due to a re-rating, as markets rose despite forward earnings estimates falling slightly.

Momentum currently trumps fundamentals, which cannot last forever.

Economic indicators are slowing, China's economy is retreating, oil and energy prices are rising at precisely the moment that consumers' "excess savings" from Covid are dwindling. Most worryingly, unemployment is ticking up.

The fact that governments are supporting the rally entirely should not give us hope for a durable bull market. It may, as ever, be sowing the seed of its own destruction. Massive unfunded government stimulus requires unprecedented issuance of bonds, and we are already seeing longer-dated bond yields flick higher.

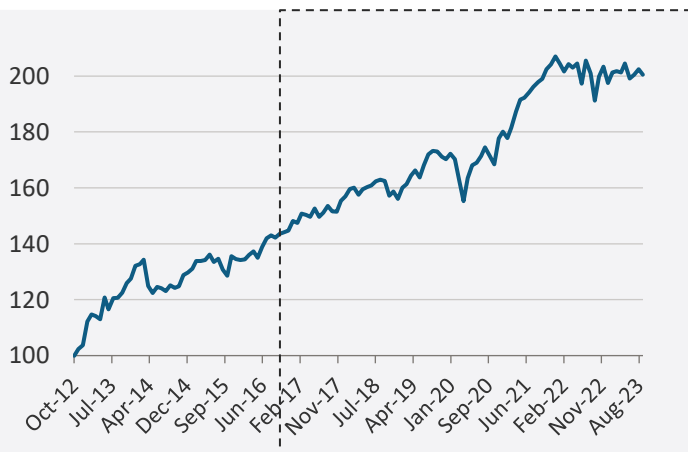
Valuation risk is rearing its head again at a time when returns on cash and bonds are now reasonable, giving investors choice.

**Rising prices without commensurate increases in fundamental value (earnings and cash flow) make shares riskier, not less risky.**

If an economic slowdown does transpire, against a backdrop of persistently higher rates and, possibly, inflation, then valuations have further to fall than earnings.

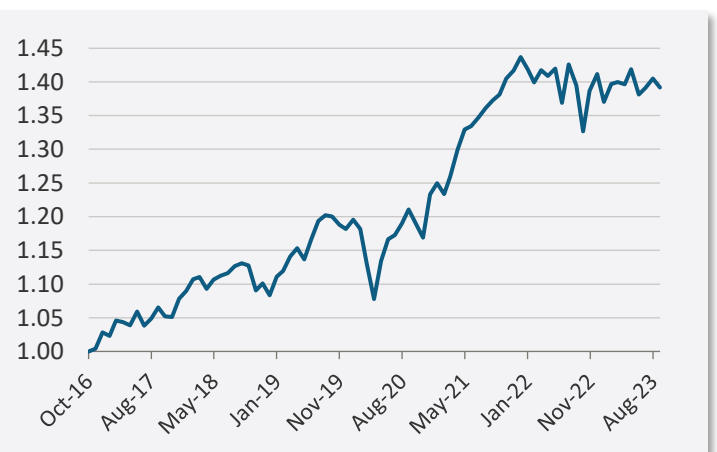
A valuation discipline is of paramount importance at this stage in the cycle, and this is one of the key features which sets our portfolio apart.

## Strategy Track Record<sup>1</sup>



Source: Quintillion, Latitude Investment Management LLP

## Latitude Horizon Fund Performance



## Rolling Performance

Performance to 31-Aug-23	Since Inception <sup>1</sup> (Oct-12)	5 year	3 year	2023	1 month
Latitude Horizon Fund	100.5%	23.0%	14.9%	1.5%	-1.0%

<sup>1</sup> Rolling performance data includes both strategy track record at Odey and Latitude Horizon Fund data since launch. Since launch data only includes Latitude Horizon Fund performance data. Please see disclaimer for further information. The Latitude Horizon Fund performance data is for the GBP Acc (P class) and is net of fees.

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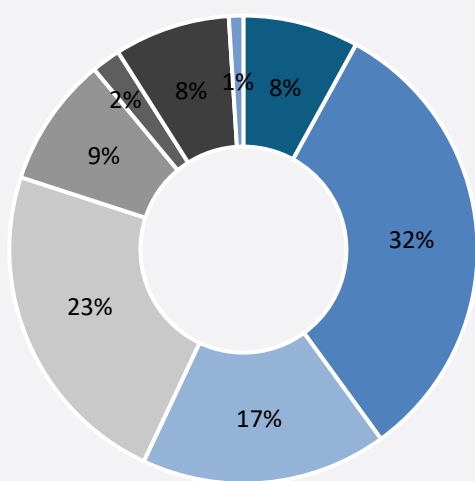
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## Latitude Horizon Fund

## Top 10 Equity Holdings

Stock	Percentage
Alphabet	2.6%
McKesson	2.3%
AutoZone	2.3%
Visa	2.2%
Air Liquide	2.2%
JP Morgan	2.1%
BP	2.1%
Tesco	2.1%
Coca-Cola	2.0%
Vinci	1.9%
<b>Total Top 10</b>	<b>21.9%</b>

## Asset Allocation – August 2023



- Long-dated Inflation Linked Bonds
- Short-dated Inflation Linked Bonds
- Short-dated Bonds
- US Equities
- UK Equities
- Japan Equities
- Europe Equities
- Cash

## Key Fund Information

Fund Manager	Freddie Lait
Fund Assets	£338m
Firm Assets	£561m
Legal Structure	Irish Domiciled UCITS V Fund – ICAV
Regulator	Central Bank of Ireland
Base Currency	Sterling
Available Share Class Currencies	Sterling, Euros & US Dollars
Regional Exposure	Global
Benchmark	The fund is not benchmarked
Management Fee	1% per annum 0.75% per annum (Institutional Classes)
Performance Fee	0%
Dealing	Daily liquidity, 2pm Dublin cut off
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited
Custodian and Depository	Northern Trust Fiduciary Services (Ireland) Limited
Auditors	Ernst & Young (Ireland)
Primary Platforms (Full list available upon request)	Cofunds, FNZ, Hargreaves Lansdown, Interactive Investor, Raymond James, Transact, Alliance Trust, Old Mutual Wealth, Fidelity, AJ Bell, AllFunds
Contact Details	<a href="mailto:patrick.valentine@latitudeim.com">patrick.valentine@latitudeim.com</a> +44 (0)20 7087 9278

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# Latitude Horizon Fund



## Share Classes and Identifiers

Share Class	Class	Minimum	Management Fee	TER*	ISIN	SEDOL
GBP Accumulation	I	£20m	0.75%	0.93%	IE00BG1TMR88	BG1TMR8
GBP Income	I	£20m	0.75%	0.93%	IE00BG1TMP64	BG1TMP6
EUR Accumulation	I	€20m	0.75%	0.93%	IE00BG1TMQ71	BG1TMQ7
EUR Income	I	€20m	0.75%	0.93%	IE00BG1TMK10	BG1TMK1
USD Accumulation	I	\$20m	0.75%	0.93%	IE00BG1TMT03	BG1TMT0
USD Income	I	\$20m	0.75%	0.93%	IE00BG1TMS95	BG1TMS9
GBP Accumulation	P	No Min.	1.00%	1.18%	IE00BDC7CZ89	BDC7CZ8
GBP Income	P	No Min.	1.00%	1.18%	IE00BD37NY30	BD37NY3
EUR Accumulation	P	No Min.	1.00%	1.18%	IE00BDC7CX65	BDC7CX6
EUR Income	P	No Min.	1.00%	1.18%	IE00BDC7CW58	BDC7CW5
USD Accumulation	P	No Min.	1.00%	1.18%	IE00BD37NZ47	BD37NZ4
USD Income	P	No Min.	1.00%	1.18%	IE00BDC7JY67	BDC7JY6

**Strategy's Previous Track Record** - This is a composite of performance of long-only global absolute return portfolios principally the Latitude Horizon Fund, which launched on 1 November 2016. Prior to this, from 19 October 2012 to 31 October 2016, the portfolio was managed at Odey Asset Management LLP ("Odey"). The information above is for information purposes, only the Latitude Horizon Fund is being offered for investment. Performance above is net of fees and other charges. Past performance does not guarantee future results and the value of all investments and the income derived therefrom can decrease as well as increase. Investments that have an exposure to currencies other than the base currency of the strategy may be subject to exchange rate fluctuations. The data above reflects the reinvestment of all interest and dividends received. The Latitude Horizon Fund is a long only UCITS fund managed with similar investment guidelines, using the same investment process and subject to similar fees and charges. For full details always refer to the prospectus. While every effort will be made to manage the Latitude Horizon Fund in the same manner there is no guarantee that there will be similar performance. Note that at Odey the portfolio changed from a long only UCITS fund to a long-short UCITS fund on 23 April 2014. The performance in the chart above, from 23 April 2014 to 31 October 2016, is a carve-out of the actual long only portfolio at Odey, which includes both long only equity and non-equity positions, rebased to cancel out any effects from leverage. Further details on the carve-out are available upon request.

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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.

**For Hong Kong investors:** You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document and its contents have not been reviewed by any regulatory authority in Hong Kong.

Latitude Horizon Fund data source - Latitude Investment Management LLP and external published sources.

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