

# Latitude Horizon Fund



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 RETURN THROUGH A SELECTION OF NON-EQUITY INVESTMENTS.

## June Commentary

“A bull market in everything” is how Goldman Sachs characterised the first half of 2019 in a note this week and it is clear to see why, with 95% of asset classes posting positive returns.

The recent rally in stock markets is sustainable given the relative attractiveness to bonds if, and only if, growth returns and earnings begin to rise again. Without this, on an absolute basis markets are clearly expensive, and liable to downside shocks. This dichotomy is quite well understood and the critical question reduces to one on growth: how much will growth slow, in particular could it contract, and has the recent easing in financial conditions been sufficient to offset threats from trade wars and beyond? We believe it is still too difficult to tell. Our equity weighting towards the bottom end of the range demonstrates the difficulty of finding attractively priced stocks with compelling growth characteristics and results in our defensive positioning. Volatility will provide an opportunity.

Within equities we continue to advocate our diversified approach, with core holdings in growth and defensive businesses complimented by choice value stocks and a few high quality cyclical businesses too.

Value has been out of favour for a decade, the longest period of underperformance versus growth stocks in history. This has coincided with the dramatic fall in interest rates and bond yields due to quantitative easing which drives the cost of capital lower. For those investing heavily in value stocks now in the hope of short term salvation they may be ahead of

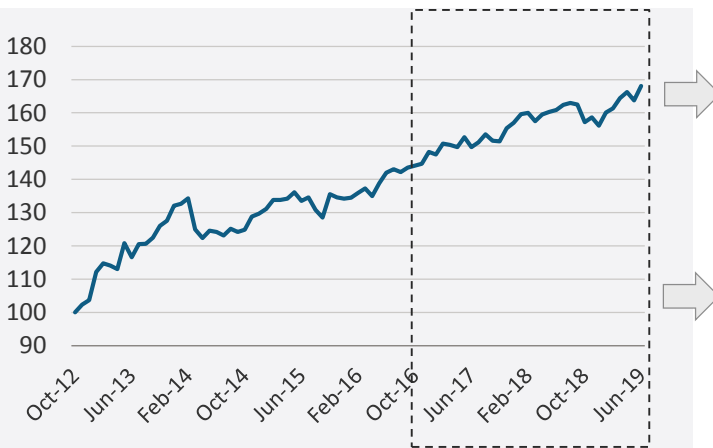
themselves. Value stocks will continue to underperform as yields fall. We patiently await opportunities to invest. For growth to underperform yields need to rise and growth to fall. This feels the least likely outcome given inflation is slowing and the Fed is ever more dovish. Instead if we do enter a period of market and economic difficulty it is likely that, while all stocks may fall, growth will continue to outperform. This is especially so given the more cyclical nature of value stocks at this point.

Our approach to choosing value investments follows two main thrusts: Firstly we have to believe the business is improving operating performance year after year - irrespective of what share prices may be suggesting. Secondly we only invest in businesses with market leading positions.

Beyond equities, in June Paul Tudor Jones suggested “with the Fed on the cusp of cutting rates after a long hiking cycle, they’ve set the stage for “first-cut 101” trades: a standard playbook investing in bonds, gold, and at some point short the dollar and long stocks”. We’ve been positioned this way since the middle of last year, principally for portfolio construction reasons concerning potential growth scares and the likelihood of further easing.

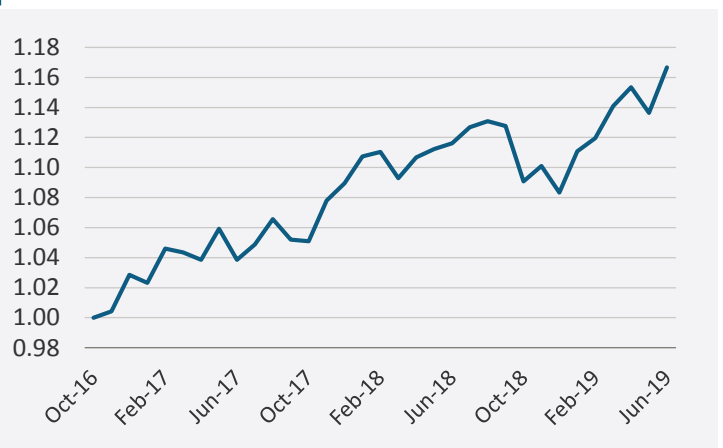
While we agree this has been the right position, we are constantly reassessing the optimal allocation for our non-equity portfolio from this rather different starting point.

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



Source: Quintillion, Latitude Investment Management LLP

## Latitude Horizon Fund Performance



## Rolling Performance

Performance to 30-June-19	Since Inception <sup>1</sup> (Oct-12)	3 year <sup>1</sup>	Horizon Fund Since Launch (Oct-16)	2019	1 month
Latitude Horizon Fund <sup>1</sup>	68.1%	18.4%	16.7%	7.7%	2.7%

<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. <sup>1</sup> Please see disclaimer for further information. The Latitude Horizon Fund performance data is for the GBP Inc and Acc share classes.

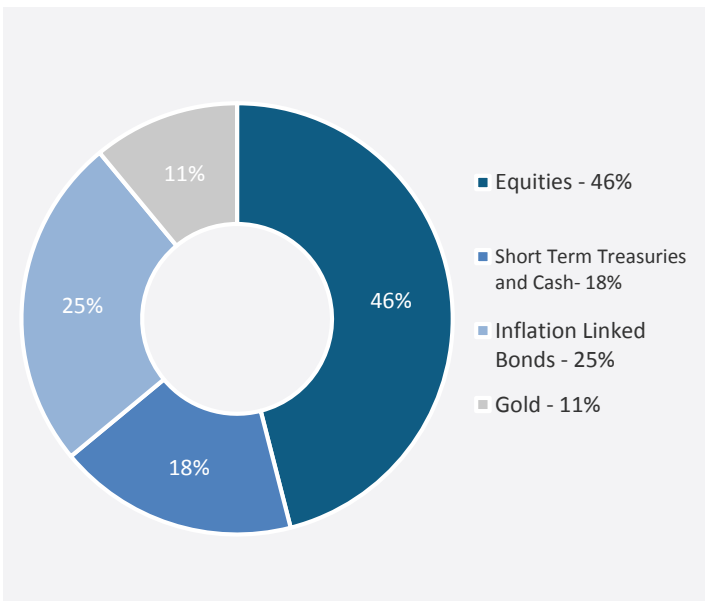
## Latitude Horizon Fund

**LATITUDE**  
 INVESTMENT MANAGEMENT

## Top 10 Equity Holdings

Stock	Percentage
Autozone	3.8%
Starbucks	3.6%
Unilever	3.5%
Visa	3.4%
Dollar Tree	3.3%
Shiseido	3.2%
Sony	3.0%
Bank of America	2.9%
Advanced Auto Parts	2.9%
Goldman Sachs	2.9%
<b>Total Top 10</b>	<b>32.4%</b>

## Asset Allocation – June 2019



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## Key Fund Information

Fund Launch Date	1st November 2016
Fund Manager	Freddie Lait
Fund Assets	£108.6m
Firm Assets	£125.3m
Legal Structure	Irish Domiciled UCITS V Fund - ICAV
Regulator	Central Bank of Ireland
Base Currency	Sterling
Regional Exposure	Global, primarily developed markets
Benchmark	The fund is not benchmarked
Share Classes	£ IE00BDC7CZ89 / IE00BD37NY30 \$ IE00BD37NZ47 / IE00BDC7JY67 € IE00BDC7CX65 / IE00BDC7CW58
Accumulation / Income units	Institutional Classes (£20m minimum) £ IE00BG1TMR88 / IE00BG1TMP64 \$ IE00BG1TMT03 / IE00BG1TMS95 € IE00BG1TMQ71/ IE00BG1TMK10
Management Fee	1% per annum 0.75% per annum (Institutional Classes)
Performance Fee	0%
Dealing	Daily
Administrator	SEI Investments – Global Fund Services
Custodian	SEI Investments Trustee and Custodial Services (Ireland)
Auditors	PriceWaterhouseCoopers
Legal Council	Matheson
Firm Compliance	Optima Partners
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)207 087 9278  <a href="mailto:emma.barrat@latitudeim.com">emma.barrat@latitudeim.com</a> +44 (0)207 087 9273

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**Strategy's Previous Track Record<sup>1</sup>** - This is a composite of Freddie Lait's performance in long-only global absolute return portfolios principally the Odey Atlas Fund ("Atlas") he managed from 19 October 2012 to 31 October 2016 during his time at Odey Asset Management LLP ("Odey") and Latitude Horizon Fund performance data since launch 1 November 2016. The information above and below is for information purposes, only the Latitude Horizon Fund is being offered for investment. Performance above is for the I share class, 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 and below reflects the reinvestment of all interest and dividends received. The new 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 Atlas Fund changed from a long only UCITS fund to a long-short UCITS fund on 23 April 2014. In order to show a consistent long term track record for Freddie Lait which is a more accurate representation of how the Latitude Horizon Fund will be managed, the performance of Atlas in the chart above from 23 April 2014 to 31st October 2016 is a carve-out of his actual long only portfolio over this period, which includes his 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.

Please seek advice from your regulated Investment Advisor, before making any investment decisions. 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. Foreign currencies denominated investments are subject to fluctuations in exchange rates that could have a positive or adverse effect on the investor's return. This product may put your capital at risk. This is an Undertaking for Collective Investment in Transferable Securities (UCITS) regulated by Central Bank of Ireland (CBI). The information herein was obtained from various sources. We do not guarantee its accuracy. This information is for your private information and is for discussion purposes only. A variety of market factors and assumptions may affect this analysis, and this analysis does not reflect all possible loss scenarios. There is no certainty that the parameters and assumptions used in this analysis can be duplicated with actual investments. Unless otherwise stated, any pricing information in this presentation is indicative only and is subject to change. Prior to undertaking any investment, you should discuss with your professional tax, accounting or other adviser how such a particular investment(s) affect you and whether it is suitable. All analysis (whether in respect of tax, accounting, law or of any other nature), should be treated as illustrative only and not relied upon as accurate. This document is being made available by Latitude Investment Management LLP who are Authorised and Regulated by the Financial Conduct Authority under registration number 774437. Latitude Horizon Fund, a sub-fund of DMS UCITS Platform ICAV (An Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C141639 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities). Regulations 2011 (as amended). Management Company provided by DMS Investment Management Services (Europe) Limited.

**Representative and Paying Agent in Switzerland:** The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8022 Zurich, 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.