

# 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 return through a selection of non-equity investments.

## April Commentary

Our lives and livelihoods are beholden to unpredictable government decisions more than at any time in the post-war period. Business owners, from entrepreneurs to single stock investors, are scrambling in the dark for information which will lead to clarity. There is little to be found.

In the 2008 crash the world economy suffered a *liquidity* crisis, but this time it faces a *solvency* crisis. How can businesses continue to create economic value in the aftermath of these lockdowns if employment, confidence and investment all remain low? How will aggregate demand levels return to or exceed those achieved in 2019? Governments globally are trying to bridge the gap.

Modern Monetary Theory (MMT) is a hypothesis that governments can use fiscal policy to achieve full employment, creating new money to fund purchases, thus offsetting underlying falls in aggregate demand. The effects on demand are highly uncertain and being the subject of a live economic experiment is unsettling. However, one can predict with reasonable confidence that the dramatic increase in money supply to fund fiscal deficits will continue to cause asset price inflation.

Our focus on the supply side of industries, as opposed to predicting levels of demand to drive growth, stands us in good stead at times like these. Considering which business models are optimal within an industry, what the long-term competitive position looks like, and how aggregate supply might change in the future is far more valuable than second-guessing

consumer and corporate behaviour in the short term.

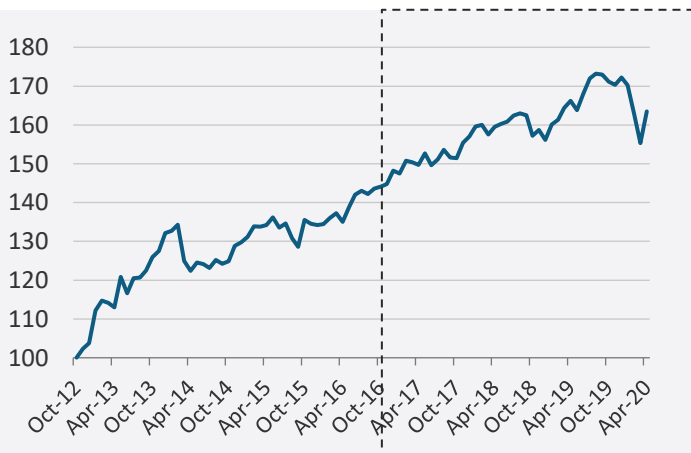
We combine this with a focus on businesses with robust balance sheets, strong cash flow and the flexibility to invest for the future when others cannot. This gives us confidence that our stocks can continue to generate strong returns on capital throughout the present situation and beyond.

Businesses such as **Alphabet**, **Air Liquide**, **JPMorgan** and **Booking** are all the strongest in their industries. They themselves have no solvency issues and should benefit from those of their weaker competitors, both small and large. Two have defensive end markets and two have highly cyclical ones. The differences in underlying valuation multiples offer upside in all cases (25x, 21x and 8x and 12x PE respectively) and provides balance and diversification of future returns on our capital.

Our non-equity investments in **TIPS** and **gold** continue to be focused on those few areas where we believe returns after inflation will be strong. As the spectre of MMT continues to haunt capital markets we will see ongoing levels of extreme volatility, both in asset prices and expected changes in inflation.

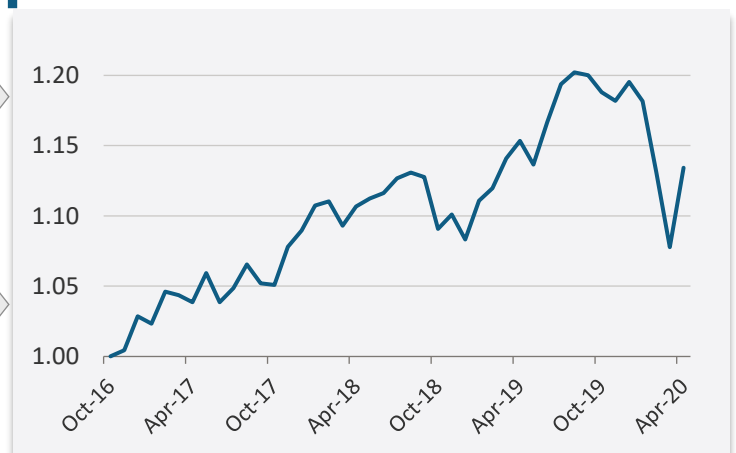
The future is always uncertain. History, at least the interesting parts, is largely a study of surprises and shocks from previous eras, and offers only a limited guide to the future at this point. Those stocks with positive supply-side positions are best placed, and will continue to outperform.

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



Source: Quintillion, Latitude Investment Management LLP

### Latitude Horizon Fund Performance



### Rolling Performance

| Performance to 30-Apr-20           | Since Inception <sup>1</sup><br>(Oct-12) | 3 year | Horizon Fund Since<br>Launch (Oct-16) | 2020  | 1 month |
|------------------------------------|--|--------|---------------------------------------|-------|---------|
| Latitude Horizon Fund <sup>1</sup> | 63.5%                                    | 9.2%   | 13.4%                                 | -5.1% | 5.2%    |

<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 Acc share class.

# Latitude Horizon Fund



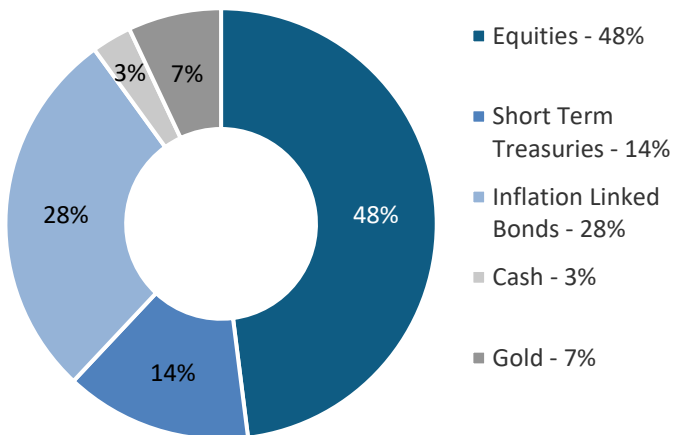
## Top 10 Equity Holdings

| Stock               | Percentage   |
|---------------------|--------------|
| Visa                | 3.2%         |
| Autozone            | 3.2%         |
| Alphabet            | 3.0%         |
| Tesco               | 2.9%         |
| Dollar Tree         | 2.9%         |
| Electronic Arts     | 2.9%         |
| Unilever            | 2.8%         |
| Sony                | 2.7%         |
| Booking Holdings    | 2.6%         |
| Imperial Brands     | 2.5%         |
| <b>Total Top 10</b> | <b>28.7%</b> |

## Key Fund Information

|  |  |
|--|--|
| Fund Manager   | Freddie Lait   |
| Fund Assets  | £160m  |
| Firm Assets  | £213m  |
| 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  |
| Management Fee   | 1% per annum<br>0.75% per annum (Institutional Classes)  |
| Performance Fee  | 0%   |
| Dealing  | Daily, 2pm Dublin cut off  |
| Administrator  | SEI Investments – Global Fund Services   |
| Custodian  | SEI Investments Trustee and Custodial Services (Ireland)   |
| Auditors   | PricewaterhouseCoopers   |
| Primary Platforms<br><i>(Full list available upon request)</i> | 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><br>+44 (0)207 087 9278                                    |

## Asset Allocation – April 2020



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



# Latitude Horizon Fund



## Share Classes and identifiers

| Share Class      | Class | Minimum | Management Fee | TER*  | ISIN         | SEDOL   |
|------------------|-------|---------|----------------|-------|--------------|---------|
| GBP Accumulation |       | No Min. | 1.00%          | 1.29% | IE00BDC7CZ89 | BDC7CZ8 |
| GBP Income       |       | No Min. | 1.00%          | 1.29% | IE00BD37NY30 | BD37NY3 |
| EUR Accumulation |       | No Min. | 1.00%          | 1.29% | IE00BDC7CX65 | BDC7CX6 |
| EUR Income       |       | No Min. | 1.00%          | 1.29% | IE00BDC7CW58 | BDC7CW5 |
| USD Accumulation |       | No Min. | 1.00%          | 1.29% | IE00BD37NZ47 | BD37NZ4 |
| USD Income       |       | No Min. | 1.00%          | 1.29% | IE00BDC7JY67 | BDC7JY6 |
| GBP Accumulation | I     | £20m    | 0.75%          | 1.04% | IE00BG1TMR88 | BG1TMR8 |
| GBP Income       | I     | £20m    | 0.75%          | 1.04% | IE00BG1TMP64 | BG1TMP6 |
| EUR Accumulation | I     | €20m    | 0.75%          | 1.04% | IE00BG1TMQ71 | BG1TMQ7 |
| EUR Income       | I     | €20m    | 0.75%          | 1.04% | IE00BG1TMK10 | BG1TMK1 |
| USD Accumulation | I     | \$20m   | 0.75%          | 1.04% | IE00BG1TMT03 | BG1TMT0 |
| USD Income       | I     | \$20m   | 0.75%          | 1.04% | IE00BG1TMS95 | BG1TMS9 |

**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 Atlas Fund 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 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.