

# 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.

## August Commentary

In the long run the most reliable indicator for share price performance is the growth in underlying business value, which is reasonably well approximated by Earnings Per Share (EPS). Improvements in business quality, demonstrated by the durability and predictability of growth in EPS, also make businesses more valuable over time.

Strong earnings results from **Novo Nordisk** were a highlight in the fund this month, as their transition from selling drugs for diabetes to drugs for treating obesity gained further traction. The stock is up c.52% year to date and is one of our best performers, as the improved outlook for sustainably stronger EPS growth shines through for an already very high-quality company.

In an altogether different sector of the market, it has been nice to see strong returns from **Tesco**, following the special dividend in February. It's clear that the recent private equity interest in Morrisons has helped highlight the defensive value on offer, as investors reflect on the dramatic improvements in business quality that have been made over the past five years.

The underlying strategy for the business has been well executed and looks set to dominate the transition to online grocery, as well as to scale the synergies between Tesco and Booker. We continue to believe share buybacks will add another lever for unlocking shareholder value and have pressed management to consider this.

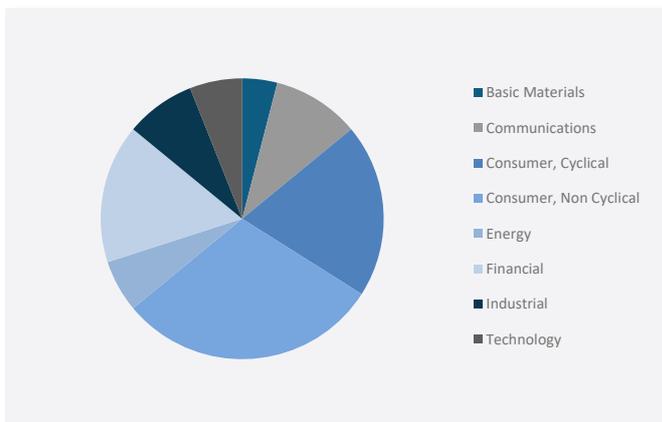
As expected, there were pockets of margin pressure within our consumer discretionary stocks (**AutoZone**, **Advance Auto Parts**, and **Dollar Tree**) in the US, mostly due to higher freight costs.

We believe this is an opportunity for these strong franchises to raise prices in the coming eighteen months, over which period it's likely we see a normalisation in input costs, offering the potential for margin expansion when compared to 2019. These stocks have grown EPS at an average rate of 15% per year over the past decade and offer highly attractive entry prices at an average multiple of 16x EPS.

Investing in businesses where the trajectory for earnings growth is durable and predictable is a key tenet of our philosophy. Moreover, finding businesses that are making strategic decisions to improve the outlook for value creation, and those trading at inexpensive valuations compared to the opportunity are where we find the most exciting potential investments.

As highlighted before, our portfolio of strong and growing companies trade at an average multiple 20-25% lower than the market, despite their quality and potential, which will stand them in great stead through good times and bad alike.

## Sector Allocation



## Top Ten Holdings

Alphabet	5.6%
Advance Auto Parts	5.6%
Coca-Cola	5.4%
Texas Instruments	5.4%
AutoZone	5.2%
Novo Nordisk	4.9%
Sony	4.8%
Facebook	4.7%
Diageo	4.6%
Goldman Sachs	4.4%
<b>Total Top 10</b>	<b>50.6%</b>

## Net Performance<sup>1</sup>

%	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%					16.5%

<sup>1</sup> All data shown as at 31 August 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.

**LATITUDE INVESTMENT MANAGEMENT LLP**

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## Key Fund Information

Fund Manager	Freddie Lait
Launch Date	23rd September 2020
Strategy Assets	£50m
Firm Assets	£285m
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	<a href="mailto:patrick.valentine@latitudeim.com">patrick.valentine@latitudeim.com</a> +44 (0)207 087 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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## Latitude Global Fund



## 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.

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