Latitude Global Fund

LATITUDE INVESTMENT MANAGEMENT

Investment Objective

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

December Commentary

December turned out to be the trickiest month in a very difficult year for equity investors.

Notwithstanding this, delivering a **positive performance for 2022** was a strong result in the face of heavy losses suffered across all major markets.

Our portfolio is not purely *defensive*. Indeed, around half of our stocks are *cyclical* in nature, albeit all with strong structural growth too.

This exposure to diversified structural growth comes at a time when these companies trade at prices not seen in the past decade or so, allowing shares to continue to outperform the broader market despite short-term economic fears.

The greatest risk last year, which remains a major concern for 2023 (and always?), was a lack of risk control around valuations. Overpaying for any asset will always result in sub-par returns. We continue to believe that certain areas of the market are starkly overvalued.

Seeking to **maximise** long-term returns for our shareholders necessitates a sharp focus on valuation. Stocks or, worse, portfolios, which fall -30% require a 50% return just to breakeven, so avoiding major losses in capital value benefits compound returns enormously.

Balancing the price you pay with the returns and growth you achieve is the logic behind good portfolio management. Achieving this with as much diversification as possible is the art of portfolio construction, where risk control takes centre stage.

We made very few changes to the portfolio last year and are pleased with the aggregated performance of our holdings.

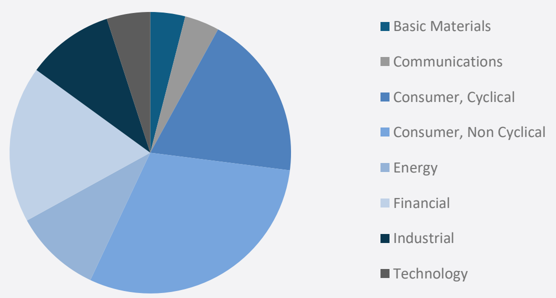
Together they **grew earnings per share at around 12-15%** (final numbers will be reported after Q4 results) and the portfolio is trading on the lowest PE since we launched Latitude in 2016.

It is our view that equity markets may make weak progress over the next five to ten years given the starting position of elevated valuations and century high profit margins, both of which are likely to mean-revert.

Volatility, seen by many as a risk, will present great opportunities to make future changes to the portfolio, many of which are already presenting themselves as we enter 2023.

Here's to a Happy New Year.

Sector Allocation



Top Ten Holdings

BP	5.5%
AutoZone	5.4%
Dollar Tree	5.3%
Texas Instruments	5.2%
JP Morgan	5.0%
Coca-Cola	4.9%
Vinci	4.9%
Heineken	4.9%
Diageo	4.8%
Goldman Sachs	4.6%
Total Top 10	**50.5%**

Net Performance[1]

%	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%**
2022	-1.6%	-3.3%	4.6%	-0.3%	1.5%	-4.2%	5.8%	-0.8%	-4.4%	6.2%	2.9%	-4.8%	**0.6%**

[1] All data shown as at 31 December 2022. 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 (23 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
Fund Assets	£145m
Firm Assets	£459m
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
Management Fee	0.75% per annum (Institutional Classes) 1% per annum (Primary Classes) 0.35% per annum (Performance Fee Class)*
Performance Fee	0% *20% over benchmark – FTSE All-World Total Return Index
Dividends	Semi-annual
Dealing	Daily liquidity, 2pm Dublin cut off
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited
Custodian and Depositary	Northern Trust Fiduciary Services (Ireland) Limited
Auditors	PwC (Ireland)
Primary Platforms *(Full list available upon request)*	Hargreaves Lansdown, Interactive Investor, Novia, AJ Bell
Contact Details	patrick.valentine@latitudeim.com +44 (0)20 7087 9278

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

interactive investor HARGREAVES LANSDOWN novia AJBell

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Share Classes and Identifiers

Share Class	Class	Minimum	Management Fee	TER*	ISIN	SEDOL
GBP Accumulation	I	£1m	0.75%	0.93%	IE00BMT7RM66	BMT7RM6
GBP Income	I	£1m	0.75%	0.93%	IE00BMT7RL59	BMT7RL5
USD Accumulation	I	$1m	0.75%	0.93%	IE00BNGJKV20	BNGJKV2
GBP Accumulation	P	No Min.	1.00%	1.18%	IE00BMT7RH14	BMT7RH1
GBP Income	P	No Min.	1.00%	1.18%	IE00BMT7RG07	BMT7RG0
EUR Accumulation	P	No Min.	1.00%	1.18%	IE00BMT7JW07	BMT7JW0
GBP Accumulation	Y	£1m	0.35%*	0.53%	IE0000MCEMJ7	BMXDQ12

*20% over benchmark – FTSE All-World Total Return Index