

# Latitude Income Strategies

## LATITUDE ENHANCED INCOME STRATEGY

*A short-duration  
income strategy*

Income

## LATITUDE OPPORTUNISTIC INCOME STRATEGY

*A careful balance  
between income and  
risk*

Income, Capital  
Growth and Real  
Assets

## Strategy Details

### I. Latitude Enhanced Income Strategy

Portfolio Manager:	Brad Corbett
Target Yield:	3.25%
Target Beta (vs. S&P500):	0.10
Contribution Period:	Daily
Fee:	60 bps
Lock-Up Period:	None
Liquidity:	Daily

### II. Latitude Opportunistic Income Strategy

Portfolio Manager:	Brad Corbett
Target Yield:	6.00%
Target Beta (vs. S&P500):	0.20
Contribution Period:	Daily
Fee:	90 bps
Lock-Up Period:	None
Liquidity:	Daily

## Key Considerations

- **Attractive Income Potential:** Each Strategy offers investors the potential to optimize their current income through exposure to multiple income producing asset classes including: preferred securities, high-yield securities, corporate bonds, government bonds, international bonds, REITs, and equities.
- **Low Correlation:** Each Strategy is strategically balanced among debt, equity and other securities to provide enhanced diversification through low correlation.
- **Experienced Team:** The investment team has a long history of managing risk with a focus on capital preservation, effectively navigating turbulent markets and compounding investor capital.

## In Search of Yield

Interest rates are at historically low levels, which have significantly impacted many investors' ability to meet their obligations. In response to this challenge, Latitude has created two Income Strategies: 1) Enhanced Income and 2) Opportunistic Income. The Strategies provide investors both income and diversification with a strong focus on managing downside risk.

## Flexible Investment Strategy

Latitude Income Strategies invest flexibly across a broad range of income-generating securities, including debt securities, preferred securities, common stocks, closed-end funds, shares of ETFs, and other investments.

**I. Latitude Enhanced Income Strategy:** An actively managed enhanced cash strategy that seeks income and total return opportunities by investing predominantly in short-duration securities just beyond the reach of money market funds.

**II. Latitude Opportunistic Income Strategy:** An actively managed strategy that invests flexibly across a broad range of income-generating securities enabling it to seek the best opportunities in the prevailing market environment, wherever they are found

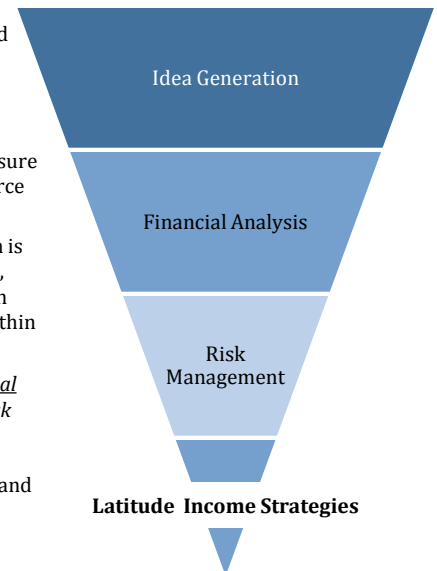
## Investment Process

In constructing each Strategy's portfolio, securities are selected based on the following criteria:

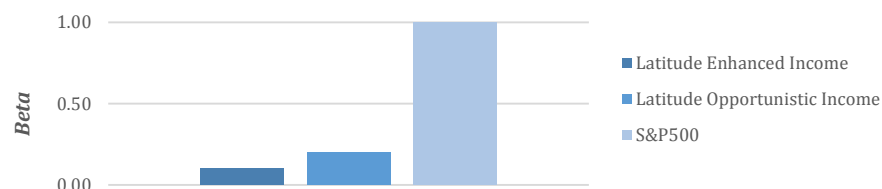
- **step 1 Idea Generation:** Establish an initial universe of securities through theme development, quantitative screening, and business observations.
  - ✓ *General Market Analysis*
  - ✓ *Asset Allocation*
- **step 2 Financial Analysis:** Carefully measure each investment to provide a unique source of return and diversification.
 

The relationship between risk and return is determined through analysis of technical, macroeconomic, sentiment, and valuation indicators across a series of securities within each asset class.

  - ✓ *Investment Selection =  $\frac{\text{Return Potential}}{\text{Associated Risk}}$*
- **step 3 Risk Management:** Measure and monitor key factors at both the portfolio and position levels in order to minimize unwanted risks.



## Targeted Strategy Beta<sup>1</sup> Exposure



<sup>1</sup> Beta is a measure of the volatility of a portfolio in comparison to the market as a whole. A security with a Beta of 0 is believed to have no systematic risk. A security with a Beta of 1 is believed to have the same risk as the S&P500.

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Both the principal value and investment returns of mutual funds and exchange traded funds will fluctuate over time so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Securities of the portfolios may only be sold by offering the prospectuses for the underlying mutual funds. You should consider the investment objectives, risks, charges, and expenses of the funds carefully before investing. The prospectuses contain this and additional important information regarding the funds. The prospectuses should be read carefully before investing. The ability of the portfolios to achieve objectives depends largely on the performance of the underlying fund. Each underlying fund's performance, in turn, depends on the particular securities in which that underlying fund invests. Accordingly, the portfolios are subject indirectly to all risks associated with the underlying funds, as stated in the prospectus.

Sub-advisory services for the Enhanced Income Strategy and the Opportunistic Income Strategy are provided by Verity Asset Management.

The S&P 500 Total Return Index is a commonly recognized, market-capitalization-weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance. The S&P 500 Total Return index does not include fixed income, preferred securities, or money market securities, whereas the Latitude Income Strategies may include these types of securities. The S&P 500 Total Return Index has not been selected to represent the most appropriate or comparable benchmark index with which to compare the targeted beta of the Latitude Income Strategy, but rather to allow for comparison of the targeted beta of the Latitude Income Strategy with a well-known and widely recognized benchmark index for informational and illustrative purposes only. The securities held in the Latitude Income Strategies will differ significantly from the securities included in the benchmark index, and the volatility of the strategies may differ significantly from that of the benchmark index.

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