

## **Form ADV Part 2A: Firm Brochure**

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This brochure provides information about the qualifications and business practices of Latimer Light Capital, L.P. and its affiliates (collectively “Latimer Light”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Tom Scully at (646) 779-6156 or [tom.scully@latimerlightcapital.com](mailto:tom.scully@latimerlightcapital.com).

Latimer Light is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Latimer Light is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

Latimer Light filed its initial application to register as an investment adviser with the SEC on July 14, 2015. Accordingly, this is the first brochure compiled by Latimer Light. All recipients of this brochure are encouraged to read it carefully in its entirety.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's brochure.

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## Item 4: Advisory Business

Latimer Light is an investment management firm organized as a limited partnership under the laws of the State of Delaware and has been in business since October 2014. The principal owner of Latimer Light is Scott Phillips.

Latimer Light serves as an investment manager and provides discretionary advisory services to: Latimer Light Master Fund LP (the "Master Fund"); the Master Fund's onshore feeder fund, Latimer Light Partners LP (the "Onshore Feeder Fund"); and the Master Fund's offshore feeder fund, Latimer Light International Ltd. (the "Offshore Feeder Fund") (each a "Fund" and collectively the "Funds").

An affiliate of Latimer Light, Latimer Light Partners GP, L.L.C. (the "General Partner"), serves as general partner of the Master Fund and the Onshore Feeder Fund. Unless and only to the extent that the context otherwise requires, references to Latimer Light includes the General Partner.

Latimer Light invests each Fund in accordance with the terms of the Fund's governing documents (the "Governing Fund Documents"). The Onshore Feeder Fund and the Offshore Feeder Fund (the "Feeder Funds") are organized to invest solely in the Master Fund. The Master Fund is organized to invest in a long/short portfolio that is predominantly composed of publicly traded equities in developed markets. The Master Fund's investment strategy is described in greater detail under Item 8 below.

Latimer Light provides investment advice directly to the Funds and not individually to any of the Fund's investors (the "Investors"). Latimer Light does not tailor its advisory services to the individual needs of any Investor and such Investors may not impose investment restrictions on the Funds.

As of July 14, 2015, Latimer Light did not manage any regulatory assets under management on either a discretionary or non-discretionary basis. As of July 14, 2015, Latimer Light was a newly formed adviser relying on Rule 203A-2(c) of the Advisers Act because it expected to be eligible for SEC registration within 120 days of such date.

## **Item 5: Fees and Compensation**

Latimer Light receives compensation from a combination of management fees and performance allocations. The Governing Fund Documents set forth in detail each Fund's and Investor's fee structure. Both Feeder Funds currently offer two investment classes to Investors, Group A and Group B. Investors with Group A interests agree not to withdraw their investment(s) in the Fund for a three year lock-up period. Investors with Group B interests agree not to withdraw their investment(s) in the Fund for a one year lock-up period. Different fee structures apply to Group A and Group B interests.

### **Management Fees**

The Master Fund will pay Latimer Light a quarterly management fee (the "Management Fee") that will equal 0.3125% (1.25% per annum) of the Fund's net asset value. In the event that the aggregate net asset value of the Master Fund equals at least \$2 billion (the "Threshold Date"), the Management Fee will be reduced by 25 basis points starting on January 1 of the fiscal year following the Threshold Date. The Management Fee will be calculated and paid in advance but will be amortized monthly by the Master Fund over the fiscal quarter for which such Management Fee is paid. The Management Fee will be calculated before taking into account any estimated accrued performance allocation as of the applicable calculation date. Payment of the Management Fee will be made within ten days of the first day of each fiscal quarter, or as soon as reasonably practicable thereafter. All calculations are subject to pro rata adjustments to reflect contributions to or withdrawals from the Master Fund.

Latimer Light reserves the right to waive or reduce Management Fees for certain Investors, including employees, as may be determined in Latimer Light's sole discretion.

### **Performance Allocations**

If at the end of a fiscal year, there is a net capital appreciation in an Investor's capital account, a percentage of that net capital appreciation (the "Performance Allocation Rate") may be allocated to the General Partner of the Master Fund as a "Performance Allocation". The Performance

Allocation Rate to be applied will depend on whether the Investor holds a Group A or a Group B interest and whether the General Partner is entitled to a full or reduced Performance Allocation. The full and reduced Performance Allocation Rates for Group A interests are 12% and 6% respectively. The full and reduced Performance Allocation Rates for Group B interests are 17% and 8.5% respectively.

Whether the General Partner is entitled to a full or reduced Performance Allocation from an Investor will depend on the prior performance of the Investor's investment in the Fund. If the Investor has never suffered a net capital depreciation in a prior fiscal year, the General Partner will be entitled to a full Performance Allocation from that Investor. If the Investor has suffered one or more net capital depreciations in prior fiscal years, the General Partner will only be entitled to a reduced Performance Allocation from that Investor until such time that the Investor has recovered 250% of their aggregate capital depreciations (the "Loss Recovery Amount"). Once an Investor has recovered their Loss Recovery Amount, the General Partner will be entitled to a full Performance Allocation on any net capital appreciations that exceed the Loss Recovery Amount.

The precise manner of calculating such Performance Allocations is disclosed in the Governing Fund Documents, but such allocation will typically be calculated after deducting Management Fees and Fund and Investor-specific expenses (other than withholding taxes). Calculations may be made on an interim basis and be subject to pro rata adjustments to reflect withdrawals from an Investor's capital account. Loss Recovery Amounts will not be adjusted to reflect an Investor's subsequent capital contribution.

Latimer Light reserves the right to waive or reduce Performance Allocations for certain Investors, including employees, as may be determined in Latimer Light's sole discretion.

#### **Other Expenses Charged to the Funds**

In addition to Management Fees and Performance Allocations, each Feeder Fund will bear its own expenses and its pro rata share of the Master Fund's expenses. Expenses charged to the Funds are more fully disclosed in the Governing Fund Documents. The expenses include, but are not limited to the following: investment expenses (e.g., expenses that, in Latimer Light's discretion, are related to the investment of the Master Fund's assets, whether or not such investments are consummated, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); professional fees (including, without limitation, expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; fees and expenses relating to software tools, programs or other technology utilized in managing the Master Fund's portfolio; research and market data; administrative expenses; legal expenses; external accounting and valuation expenses; audit and tax preparation expenses; costs related to errors and omissions insurance and directors and officers insurance for Latimer Light; expenses related to preparing and making regulatory and compliance filings associated with a Fund and its investment activities; and any other expenses related to the purchase, sale or transmittal of the Funds' assets.

#### **Organizational and Offering Expenses**

Latimer Light may pay or advance to a Fund sums to pay for the Fund's organizational expenses and expenses incurred in connection with the initial offering and sale of the Fund's interests and

other similar expenses related to the Fund. Latimer Light is entitled to reimbursement from such Fund of all such sums.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

As described above, the General Partner may receive performance-based compensation in the form of the Performance Allocation which is based on net capital appreciation in Fund Investors' capital accounts. The fact that this compensation is directly computed on the basis of net capital appreciation may create an incentive for Latimer Light to make investments on behalf of the Master Fund that is riskier or more speculative than would be the case in the absence of such compensation.

Latimer Light will manage the Master Fund within the parameters of the Fund's Governing Fund Documents.

## **Item 7: Types of Clients**

Latimer Light provides discretionary management and advisory services to the Funds directly and not individually to the Funds' Investors. Investors in the Funds may include, but are not limited to high net worth individuals, trusts, estates, charitable organizations, endowments, foundations, insurance companies, funds of funds, family offices, public and corporate pension plans and other corporate and business entities.

The minimum commitment for an Investor is outlined in the Governing Fund Documents but is typically \$5,000,000; however Latimer Light maintains discretion to accept less than the minimum investment threshold.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

Latimer Light invests each Fund in accordance with the terms of the Governing Fund Documents. The Feeder Funds are organized to invest solely in the Master Fund. The Master Fund is organized to invest in a long/short portfolio that is predominantly composed of publicly traded equities in developed markets.

The Master Fund's investment objective is to provide Investors with long term returns that are superior to the broad market averages (e.g., MSCI World Index, S&P 500), with less risk than those averages.

On the long side, Latimer Light seeks to primarily invest in equity and equity-related securities of three different types of companies: growth companies, where it believes capital can be invested in the business at a high rate of return for a long period of time; companies that it believes to have highly cash-generative businesses, where management is aggressively using the cash for the benefit of shareholders; or companies that it believes to be previously under managed but that have solid businesses where top-flight management has taken the helm. On the short side, Latimer Light seeks to identify companies that it believes: are subject to significant misperception about the economics of their businesses or the sustainability of their growth and/or profitability; have long-term competitive and/or balance sheet problems; and/or have reported their results in a

questionable manner, causing a material difference between reported numbers and economic reality.

Latimer Light generally expects the Master Fund to be fully invested on the long side with net exposure of typically 25-75% and gross exposure of typically 125-200%. The Master Fund may invest its assets in companies comprising a full range of market caps, subject to liquidity and position size constraints. The size of individual positions may take into account such factors as the level of Latimer Light's conviction, expected return and anticipated risk/reward of the investment, as well as general portfolio objectives.

Latimer Light may utilize both over-the-counter and exchange traded derivative instruments such as swaps, options, and futures. For example, the Master Fund may need to use swaps in order to create a synthetic short position in certain non-U.S. securities. Further, Latimer Light may invest a small portion of the Master Fund's portfolio in privately placed equity positions. The total amount of these investments is limited to 5% of the net asset value of the Master Fund.

### **Risk of Loss**

The following is a discussion of certain risks involved in carrying out Latimer Light's investment strategies on behalf of the Master Fund, and does not represent a full accounting of all risks. Investors should review the Governing Fund Documents to understand all risks and potential conflicts of interest. All investment involves the risk of loss.

### **No Operating History**

Latimer Light and the Funds are newly formed entities and do not have any operating history upon which prospective Investors can evaluate their anticipated performance.

### **General Economic and Market Conditions**

The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund's investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

### **Long/Short Strategy**

The success of the Master Fund's long/short investment strategy depends upon Latimer Light's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategy is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by Latimer Light, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force

the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with Latimer Light's long/short strategies may become outdated and inaccurate as market conditions change.

#### Short Selling

The success of the short selling component of the Master Fund's long/short investment strategy depends upon Latimer Light's ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Master Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

#### Derivative Instruments

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on the Master Fund.

#### Non-U.S. Investments

Investing in the securities of companies outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Master Fund's investment opportunities.

### **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or Investor's evaluation of the adviser or the integrity of the adviser's management. Neither Latimer Light nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Pooled Investment Vehicles**

Latimer Light organizes and sponsors the Master Fund and the Feeder Funds. Latimer Light will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. An affiliate of Latimer Light (the "Filing Adviser"), Latimer Light Partners GP, L.L.C. (the "Relying Adviser"), serves as general partner of the Master Fund and the Onshore Feeder Fund. While the Relying Adviser is or will not be separately registered as an investment adviser with the SEC in reliance on interpretive guidance provided by the SEC, all of the Relying Adviser's investment advisory activities will be subject to the Advisers Act, and the rules thereunder. In addition, employees and persons acting on behalf of the Relying Adviser are subject to the supervision and control of Latimer Light. Thus, the Relying Adviser, all of its employees and the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on such Relying Adviser.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics and Personal Trading**

Latimer Light strives to observe the highest industry standards of conduct based on its obligation as a fiduciary to its clients. In an effort to meet this obligation, Latimer Light has adopted a written Code of Ethics (the "Code") that is applicable to all employees. Each employee will be provided a copy, and is required to acknowledge, in writing, that they have received, read, understand and will abide by, the Code, upon commencement of employment, at least annually thereafter, and upon any material change to the Code.

The Code requires that employees act in Latimer Light's clients' best interests and comply with applicable laws and regulations. Employees are expected to avoid any action that is, or could even appear to be, legally or ethically improper. Employees are required to bring any violations, actual or suspected, of the Code to the attention of Latimer Light's Chief Compliance Officer promptly. Failure to comply with the Code may result in disciplinary action or other sanctions.

The Code also places certain restrictions on the personal trading activities of Latimer Light's employees and their immediate family members. Employees may generally not engage in personal trading and may only dispose of securities held in their respective personal trading accounts prior to employment with Latimer Light, subject to pre-clearance by the Chief Compliance Officer. However, employees may purchase and sell open-end mutual funds, broad based exchange traded funds ("ETFs"), and any other securities not specifically prohibited by the Code. Employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly to the Chief Compliance Officer. Employees may also participate in limited offerings such as hedge funds, private equity funds, or other types of private offerings, subject to pre-clearance procedures.

A copy of Latimer Light's Code is available upon written request to Latimer Light at, 630 Fifth Avenue, 23rd Floor, Suite 2310 New York, New York 10111, Attn: Tom Scully, Chief Compliance Officer.



Latimer Light and certain of its employees or affiliates (collectively “Related Persons”) will generally have an investment in the Funds. As a result, Related Persons will participate in Fund transactions.

## **Item 12: Brokerage Practices**

### **Best Execution**

Latimer Light periodically evaluates potential broker-dealers and its approved list of brokers, together with the reasonableness of their commission rates against the following factors: the ability of the broker-dealers to effect transactions; the broker-dealers' facilities, reliability and financial responsibility; the quality of research and brokerage services provided by the broker-dealers; the broker-dealers' participation in any commission sharing arrangements; and the provision by the broker-dealers of access to company management and access to deal flow.

When selecting broker-dealers to execute particular client transactions, Latimer uses its evaluation of these factors to select the broker-dealer it believes will provide best execution, given the nature and circumstances of the transactions in question.

### **Soft Dollars**

From time to time, Latimer Light may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Master Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Such research may include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party. Latimer Light will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, and subject to prevailing guidance provided by the SEC regarding Section 28(e). Latimer Light believes it is important to its investment decision-making processes to have access to independent research.

If a product or service obtained with soft dollars provides both research and non-research assistance to Latimer Light (i.e., a "mixed use" item), Latimer Light will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Latimer Light's allocation of the costs of such benefits and services between those that primarily benefit Latimer Light and those that primarily benefit the Funds.

When Latimer Light uses brokerage commissions (or markups or markdowns) generated by the Master Fund to obtain research or other products or services, Latimer Light receives a benefit because it does not have to produce or pay for such products or services. Latimer Light may have an incentive to select or recommend a broker-dealer based on Latimer Light's interest in receiving research or other products or services, rather than on a Fund's interest in receiving most favorable execution.

Latimer Light currently only serves as an investment manager to the Master Fund and the Feeder Funds, which are invested in the Master Fund. Consequently, all soft dollar benefits are utilized by the client that generates such benefits.

### **Referrals**

Latimer Light will not consider whether we, or any of our related persons, receive referrals from a broker-dealer before selecting that broker-dealer to execute client transactions.

### **Allocation and Aggregation**

Latimer Light currently only serves as an investment manager to the Master Fund and the Feeder Funds, which are invested in the Master Fund. Consequently, it does not have to contemplate allocating and aggregating client transactions.

## **Item 13: Review of Accounts**

Latimer Light generates daily reports detailing transactions, account balances and holding values. These reports are reviewed daily by Latimer Light's Managing Member or his designee. The Managing Member performs more detailed reviews not less frequently than monthly to evaluate factors such as the status of holdings and the Master Fund's performance.

Latimer Light provides each Investor with the following reports in accordance with the terms of the applicable Governing Fund Documents: monthly capital statement; audited annual financial statements; and annual tax information necessary to complete any applicable tax returns.

## **Item 14: Client Referrals and Other Compensation**

Latimer Light does not currently engage any third party placement agents (i.e., solicitors) to introduce prospective Investors to the Funds.

Latimer Light does not receive any economic benefits from non-clients for providing investment management or other services to the Funds.

## **Item 15: Custody**

Latimer Light is deemed to have custody over Fund assets. As such, audited financial statements for the Funds are prepared by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and distributed within 120 days of the Fund's fiscal year end to each Fund Investor.

## **Item 16: Investment Discretion**

In accordance with the terms and conditions of the Governing Fund Documents, Latimer Light will have discretionary authority to determine, without obtaining specific consent from the Funds or their Investors, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

## **Item 17: Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 under the Advisers Act, Latimer Light has adopted and implemented written policies and procedures governing the voting of client securities.

The general policy is to vote proxy proposals, amendments, consents or resolutions, in a prudent and diligent manner that will serve the Master Fund's best interest and is in line with the Master Fund's investment objectives.

In limited circumstances, Latimer Light may refrain from voting proxies where Latimer Light believes that voting would be inappropriate. Investors may not direct Latimer Light's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Funds on the one hand and Latimer Light or its affiliates on the other hand. If Latimer Light determines that it may have, or is perceived to have, a conflict of interest when voting proxies, Latimer Light will vote in accordance with its proxy voting policies and procedures.

All proxies that Latimer Light receives will be treated in accordance with these policies and procedures. A copy of Latimer Light's written proxy voting policies and procedures, as well as a record of how Latimer Light has voted in the past, will be maintained and available for review upon written request to Latimer Light at 630 Fifth Avenue, 23rd Floor, Suite 2310 New York, New York 10111, Attn: Tom Scully, Chief Compliance Officer.

## **Item 18: Financial Information**

Latimer Light is not required to provide a balance sheet.