

Brook Developed Markets Fund

BROOK
ASSET MANAGEMENT

Portfolio Manager Report

Introduction

It was a good quarter for the fund as it returned +6.68% with the MSCI USD TR Net World Index returning +4.92%. Markets were positive as stronger macro data, good vaccine news and further confirmed fiscal stimulus outweighed rising discount rates.

Performance

Viasat, the US satellite business, contributed +1.84% as its deep value characteristics came back into favour with the market. The financial results of Viasat continue to impress and beat consensus but in recent quarters that has not helped to generate a positive share price performance.

The first quarter saw the UK's relative position with regards to the vaccine roll out, COVID cases, excess deaths and hospital admissions improve markedly compared to mainland Europe. The UK government also gave a clear timeline on when behaviour could largely return to normal. It is no surprise then that our UK domestic leisure stocks performed well during the quarter with **National Express** contributing +1.16%, **JD Wetherspoon** +0.47% and **Restaurant Group** +0.12%. The UK domestic leisure stocks offer good balance to our airline positions which are more linked to international travel. Our airline stocks performance was mixed with **IAG** contributing +0.94%, **EasyJet** +0.24%, **Ryanair** -0.03% and **Jet2** -0.41%.

Our UK construction names performed well in the quarter after favourable UK macro developments, continued government focus and strong financial results. **Vistry** contributed +0.32%, **Forterra** +0.25%, **Travis Perkins** +0.16%, **Ibstock** +0.14%, **SIG** +0.24%, and **Breedon** +0.14%.

IP Group contributed +0.72% as FY 2020 results confirmed a return to NAV growth and the discount to NAV narrowed. At the end of the quarter the company's largest holding that comprises 25% of NAV, **Oxford Nanopore**, announced that it has started the process of preparing for a potential IPO on the London Stock Exchange in H2 2021.

Our commodity/cyclically exposed stocks performed well as macro and stimulus data combined well with supportive supply side dynamics. **Arcelor** contributed +0.99%, **Glencore** +0.36%, **Maersk Drilling** +0.34% and **Total** +0.06%.

TCS, the Russian fintech business, contributed +0.29% as the founder Oleg Tinkoff surrendered his "super voting rights" and allayed concerns on governance, which has always seemed overplayed to us. Additionally, investors have started placing appropriate multiples on TCS's non-credit businesses that now account for 37% of revenues. Full year results showed that TCS operationally delivered very well in 2020, with loan losses under control in spite of the pandemic, explosive growth in the brokerage business due to low deposit rates and very strong loan growth. TCS trades on a P.E. of 12x 2022.

AO World was our biggest detractor in the quarter costing the fund -2.21%. AO reported stronger sales than expected but profit was dampened by exceptional COVID related costs. We expect its March quarter to have a similar pattern but crucially we believe that AO can show decent double digit growth for its March 2022 year which is materially ahead of the market. The shares trade on 70% of forward sales and we feel that fair value is 2-3x sales.

Performance

0.7% Monthly performance

6.7% Year-to-date performance

13.4% CAGR since inception

These figures refer to the past. Past performance is not a reliable indicator of future results.

Fund details¹

\$ I Class	266.79
\$ R Class	245.24
£ I Class	301.93
£ R Class	254.26
€ I Class	285.02
€ R Class	153.23
Fund Size	\$148 million
Strategy AUM	\$460 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS

Portfolio Managers

James Hanbury

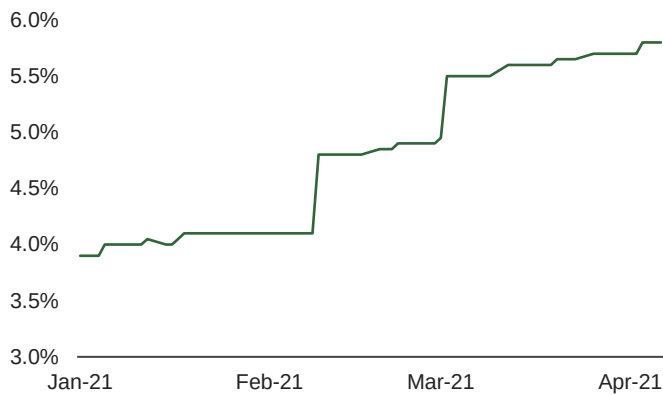
Jamie Grimston

For full bios visit brookam.com

Macro

Our base case macro view played out in the first quarter and we see little reason to change our thinking. Our central view as laid out in our Dec 20 newsletter is that growth and inflationary pressures will be stronger than expected pushing discount rates up from their extraordinarily low levels. The 10-year treasury yield increased by 82bp in the first quarter or more impressively the yield increased by 90%. Global GDP expectations for 2021 moved up in the quarter driven particularly by the US which has been first out of the traps after COVID lockdowns. Given the US has emerged first from the pandemic amongst major developed market countries it is interesting, and reassuring to our thesis, to see that jobs have been coming back faster than expectations. The US private sector added c.420k more jobs than consensus expected in the first quarter. In the UK a monthly survey done by IHS Markit for advisory firm KPMG in March showed the strongest rebound in permanent hiring for six years.

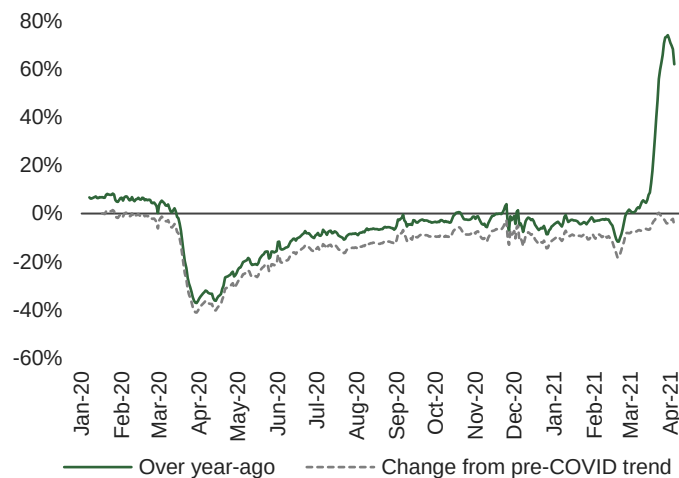
Exhibit 1: Consensus forecast for 2021 US GDP growth vs. date of forecast



Source: Bloomberg.

Credit card data in the US is supportive of the pent-up demand thesis as the US consumer looks to spend some of \$3tr of excess savings. The chart below shows that even when much of the service sector is still not available for US consumers to spend money on (live events, foreign holidays etc) they are already spending at similar levels to 2019.

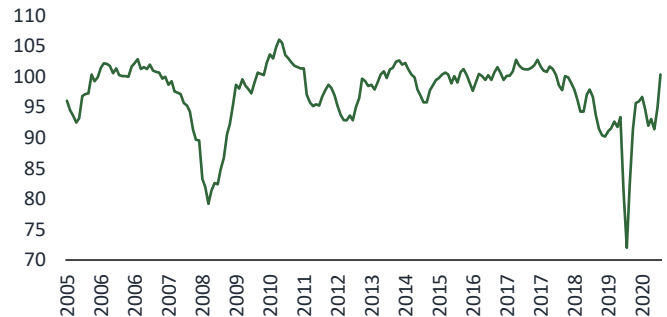
Exhibit 2: Chase consumer card spending tracker



Source: JP Morgan.

Even in Europe, where the vaccine rollout has been slower combined with further lockdowns, economic activity and forward indicators have been stronger than expected. It is also good to see mainland European Covid-19 case numbers are now falling and when we consider the combined factors of the vaccine roll out, natural immunity, changing seasons and recent lockdowns we expect to see a sharp fall in cases, hospital admissions and excess deaths in the next couple of months.

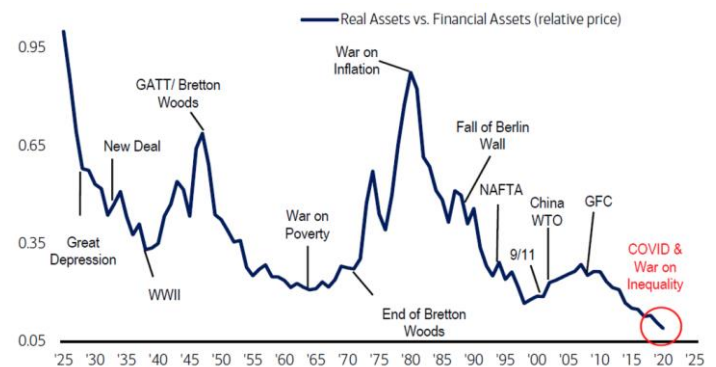
Exhibit 3: IFO Germany business expectations



Source: Bloomberg.

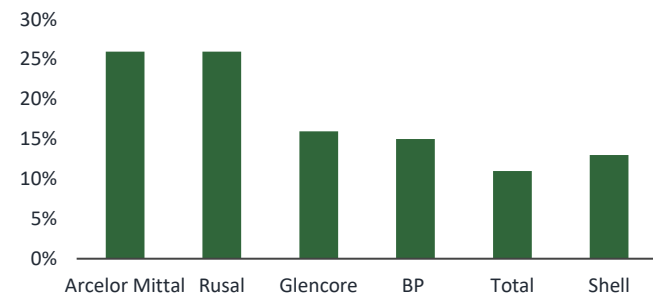
At one level our inflationary view makes us uncomfortable as it seems to be incredibly consensus and I generally agree with Mark Twain in relation to markets: "Whenever you find yourself on the side of the majority, it is time to reform". In this situation though I believe there is a key difference and that is that consensus is not positioned for higher growth/inflation. At a macro level the bond market is not pricing in a hike in US or UK rates until 2023 and for Europe the market is implying there is no positive policy rate until 2028. The chart below also shows that financial assets are at highs versus real assets. At a micro level there are many stocks in our portfolio that we believe would offer good earnings protection in a pro-growth inflationary environment which also trade on very low multiples (implying how unpopular/anti consensual they are). The chart below uses FCF yields as an illustration, but our average bank holdings also trade at a meaningful discount to book and the sector would benefit from a stronger cyclical recovery.

Exhibit 4: Real Assts relative to financial assets since 1925



Source: BofA Global Investment Strategy, Global Financial Data, Bloomberg, USDA, Savills, Shiller, ONS, Spaenjers, Historic Auto Group. Note: Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt. Bonds).

Exhibit 5: 2022 FCF yields of Arcelor, Glencore, Rusal, Shell, BP & Total



Source: Brook unaudited internal research, Goldman Sachs.

Clearly for inflation to be more than transitory it has to manifest itself in wage inflation and this is often an area we often get pushback from clients on. Modelling of the output gap (which we expect to be reasonably positive) and how wage inflation should follow would imply on its own a material pickup in inflation. On top of this we also believe that every large corporation now has a 'trade union' firmly imbedded within it, in the form of social media.

With the rise in US yields (and real yields) accompanying underperformance of high multiple stocks it has led to certain expectations and commentary that the FED may try and control the yield curve. It is worth reminding ourselves that the Fed's job is not to try and support the NASDAQ but to target maximum employment and stable 'through the cycle' inflation and despite the recent rise in the yield curve financial conditions remain incredibly easy by historical standards.

Exhibit 6: US financial conditions – Goldman Sachs Index 1990–2021



Source: Goldman Sachs, Bloomberg.

Of course, a key question is whether central banks can keep inflation in the 'good' inflation range or will it run above 5%? Our view on this is it is hard enough calling the first move in the macro environment and so spending too much time thinking about the second iteration is not a great use of our time. In getting to bad inflation economies have to pass through 'good inflation'. Given the general low multiple and cyclical profile of our book, passing through 'good inflation' should be a very beneficial experience for investors and we can hopefully continue to be fluid in our thinking with changing macro facts and valuations. If pushed on it very crudely we would say there is less than a 20% chance that inflation does not materially come into the system in the short to medium term (probably due to exogenous events unlinked to current market concerns), that there is a 40% chance that policy makers can achieve inflation below 5% and create a more normal cycle and a 40% chance that inflation becomes much more problematic and runs above 5%. Part of the reason we see a lack of inflation as such a low probability event is due to the shift in the

profile of the stimulus. Since the Great Financial Crisis central banks essentially provided a put option on financial assets by keeping real rates so low (clearly much easier to recognise in hindsight). Now that the stimulus heavy lifting has been handed over to governments through fiscal support, which they are fully embracing, to our minds this essentially moves the put option from financial assets to the real economy. There are of course concerns about mutations of the Coronavirus which we spend a lot of time on. With regards to virus mutations we would say that we feel comfortable that there will be a favourable iterative process played out between the virus and the vaccine companies, which could undoubtedly be bumpy in the short term, with both adapting but meanwhile there should be a backdrop of falling cases globally which will bring down the number of mutations and hopefully help bring the virus under control.

Positioning

We have covered much of our positioning in the section above though below is a more complete picture with regards to the key equity risk currently in the book.

During the quarter we rotated some of our airline holdings into oil major positions. This involved trimming all names and selling out of **IAG** completely. The airline sector has been a fantastic performer for us over the past few years and we still fundamentally feel it offers value, that said much of our base case is now being priced in. The risk return in the airline space in our view is less attractive compared to what it was 12 months ago despite a positive capacity story having played out. We continue to believe **Jet2** offers the best investment given the growth opportunities, brand strength, conservative balance sheet and huge capacity withdrawal from its direct competitors. When we look at the assumptions for European oil majors refining margins we feel they are pricing in very little of a recovery in air travel and the chance of equity dilution if we are totally wrong on the macro is materially lower than the airline space. The three names we have been adding to are **BP**, **Shell** and **Total**. All three of them are taking their environmental responsibilities very seriously and should play a major role in helping to transition to a more carbon neutral world. Just like with **Glencore** we do not feel the positive ESG story is reflected in their share prices given they trade on FCF yields between 10% –15% for 2022.

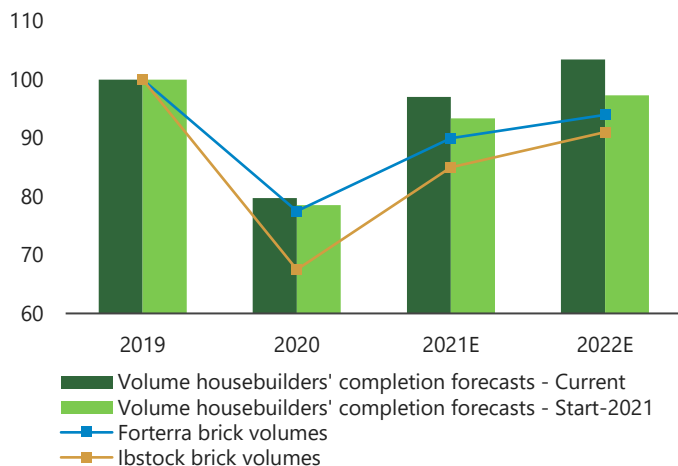
The fund continues to be overweight the UK both from a listing and domestic exposure perspective. The UK has developed positively from a macro and virus perspective so far this year. Having focused a material amount of time on the UK macro we feel there is a good chance that GDP should be in an upgrade cycle for the foreseeable future.

BT's positive performance in the quarter was driven by an improving operational performance, UK macro sensitivity, as well as a materially positive regulatory review in the UK telecom sector. The company raised its free cash flow outlook in February after better than expected profits in calendar Q4, and perhaps more pertinently the shares benefitted from the move in UK discount rates. BT's market capitalisation is only a quarter of its gross pension scheme liabilities, so the rise in rates provided a substantial tailwind. The UK budget additionally included material tax breaks for high capital spenders, possibly eliminating BT's cash tax obligations for the next two years. Most importantly to the investment case, OFCOM, the UK Communications regulator, published its regulatory review. The framework introduces a

materially more investment friendly and inflation linked regime for BT's Openreach division for at least ten years, suggesting return potential well in excess of the cost of capital as the UK catches up to international standards on broadband speeds. On our numbers BT trades on a March 2022 PE of just over 7x.

In the UK construction space we find consensus forecasts too pessimistic, and the chart below, which relates to our brick company holdings (Ibstock and Forterra), illustrates this well.

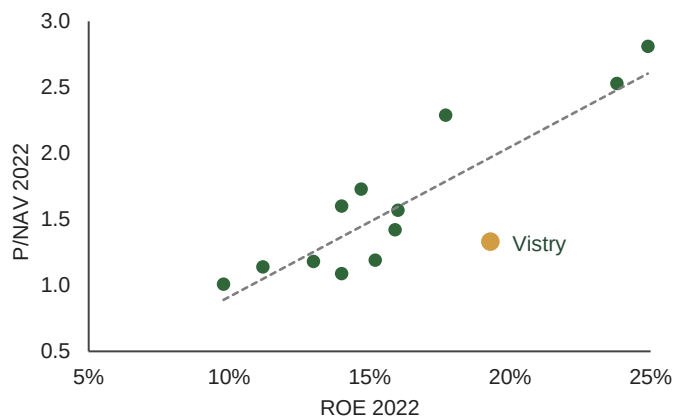
Exhibit 7: Brick volume forecasts vs house builder completion forecasts



Source: Jefferies.

The one housebuilder we own is **Vistry**. Vistry is poorly understood by the market mainly due to its unusual partnership division which adds a further opacity discount on numbers that we believe are too low. The partnership division uses partners' capital to build lower value houses that are often pre-sold, it has higher return on invested capital than traditional house building and a lower margin. The market has taken on board the lower margins but not the higher ROCE. Although the traditional house building is currently 80% of EBIT we forecast a much faster growth in the partnership division over the next 5 years. On our numbers the shares trade on a P.E. of 7.4x 2022. The chart below uses broker numbers for the sector and even though our numbers for Vistry would be higher it still shows that it is an outlier in terms of its valuation. The CEO recently bought £500k of shares in the open market.

Exhibit 8: P/NAV vs ROE for UK housebuilders

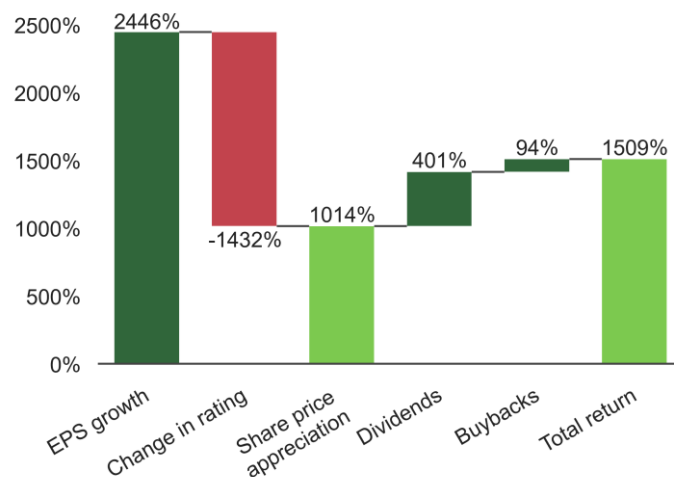


Source: Peel Hunt.

We still have reasonable exposure to European banks and a large part of the portfolio is in idiosyncratic names, which generally detracted in the quarter. We cover some of them below in a bit more detail.

Plus500 has been an exceptional investment for us since we became the largest institutional investor at its IPO in 2013. The total return of the shares has been >1500% since we took our holding and it has contributed 24% to the fund's gross returns. That said, one area where we have been totally wrong was our belief that the shares would materially re-rate. Plus500 shares have actually de-rated since the IPO, despite having delivered EPS CAGR of 39% and a ROE of over 100% between 2013 and 2020. The chart below shows the breakdown of the returns since IPO.

Exhibit 9: Plus500 Shareholder returns since IPO 2013-2020



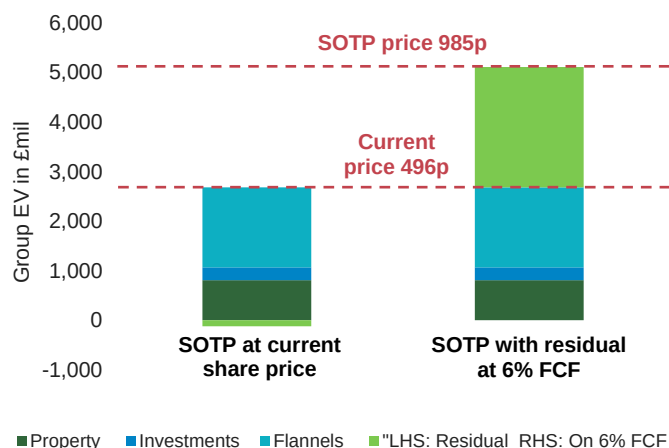
Source: Brook unaudited internal data.

Whilst accepting that we misjudged the re-rating historically, we have high conviction in a short to medium term pick-up in the multiple from here. We believe that 2021 should give Plus500 an opportunity to show the market that it is more than just a 'COVID beneficiary', that ASIC regulation can be more than absorbed in the current consensus, and that it can successfully move into new geographies and verticals. When we cross check our revenue assumptions for 2021 we find it reassuring. Historical ratios of deposits to revenues, return on marketing spend and customer cohort analysis all suggest there is a good chance that revenues this year could be in excess of \$700m. \$700m for 2021 revenues is more than 60% ahead of consensus and would drive free cash flow of c.\$400m which is 90% ahead of consensus and compares to an enterprise value of c.\$1.7bn after deducting excess cash. Counter to the muted market reaction, we also see the proposed new chairman as affirmation that there is a huge opportunity for Plus500 to move into new financial products and to educate the market better about the true quality of the business. Professor Jacob Frenkel was proposed in March this year to be the new Plus500 Chairman after the AGM on the 4th May. He was most recently Chairman of JP Morgan Chase International, prior to that he was Chairman and CEO of the G-30, Vice Chairman of AIG, Chairman of Merrill Lynch International and he served for two terms as Governor of the Bank of Israel between 1991 and 2000.

Fraser's Group has been a long-term successful holding for the fund albeit the weighting has changed materially. At this point in time our conviction levels on this investment is towards the high end of our spectrum as is our weighting. There is a jewel in the crown of Fraser's Group which the market does not recognise. Flannels is the largest amalgamated luxury good retailer in Europe

and we estimate it has been growing sales well above 30% with EBIT margins above 20%. It is difficult to find a direct listed comparator, as Farfetch for example is a marketplace, but Watches of Switzerland is probably the best and represents a multiple that we feel Flannels would at least trade on if it was separately listed (18x EBIT). If we value Flannels on the WoS multiple and strip out the property (conservative book value) and investments then the rest of the business trades on a negative value. The rest of the business represents 80% of group sales (£4bn) and should generate FCF of c.£150m and growing.

Exhibit 10: Frasers group sum of the parts – positive value in core retail at current share price



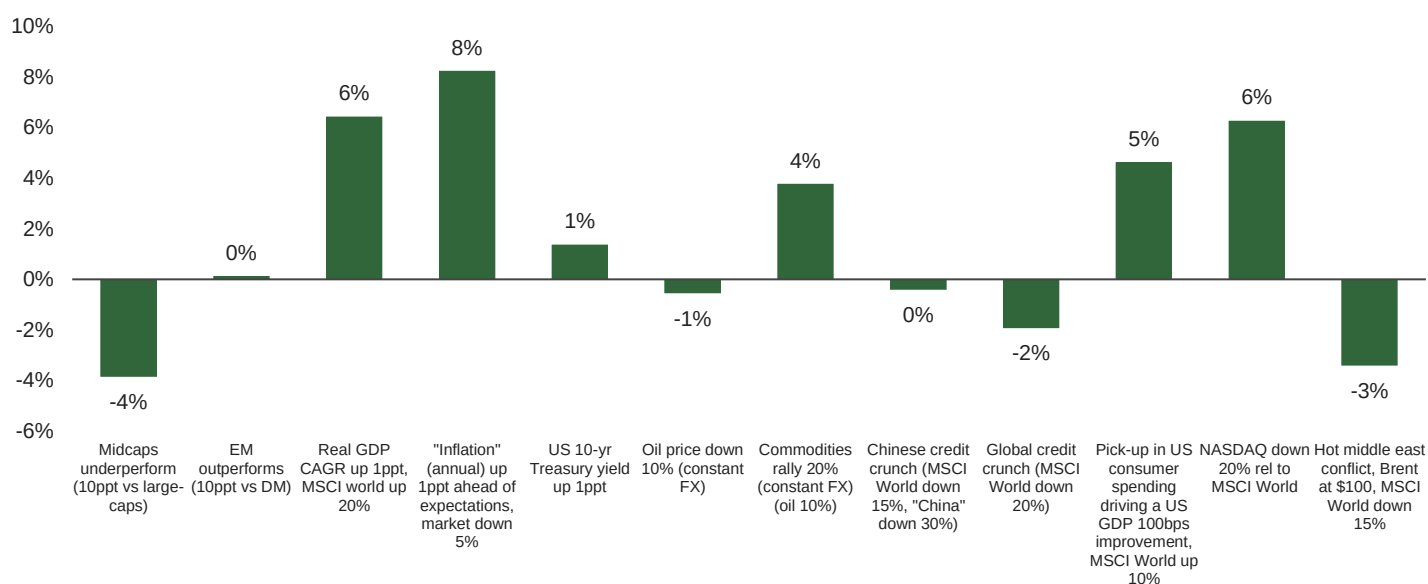
Source: Company filings, Brook unaudited internal data.

Some of our recent research has been interacting with property teams from large corporates and it has underlined to us that flexible office space will play a much bigger roll structurally post COVID. IWG is best-positioned globally to benefit from this move to flexible space and this can be seen in some of the recent large enterprise deals it has signed up with the likes of NTT, Salesforce, Cisco, Nestle, Standard Chartered, Tik Tok and Ernst and Young. Recent enterprise deals now mean that additionally more than one million customers globally can access the IWG network on a pay as you go basis. There only needs to be a small percentage uptake of this offering for it to be meaningful to IWG's economics.

Summary

Although we have a diversity of stocks within the portfolio in general the fund has a value/cyclical bias at present. Geographically we are overweight the UK and the funds systematic risk is 74%. Hopefully our conviction and excitement about our stock portfolio has come through in this letter, the weighted average upside in the fund is c.100 % when using our target prices. At a macro level we continue to believe that growth and inflation will come through higher than expectations, although our macro views are very much secondary in our process behind stock picking. One of the strengths of the fund has been its ability to generate positive returns when we are wrong on the macro, even when our systematic risk is higher like in 2020. Thank you for your support and we look forward to updating you on our upcoming investor call.

Exhibit 11: Factor risks as at 9-Apr-21



Note: Assumes current currency hedging; The information above is an estimation of the expected relative factor return; Brook may make investment decisions that are inconsistent with these views expressed in this communication. The chart above presents projections of future performance. These projections are based on a number of assumptions that may or may not prove to be accurate. Future performance is subject to a wide range of significant risks. As a result, there can be no assurance that the projections in the chart above will prove to be accurate.

Source: Brook unaudited internal data as at 9-Apr-21.

James Hanbury

Brook Developed Markets Fund

BROOK

ASSET MANAGEMENT

Performance

	1-month	3-month	1-year	3-year	5-year	YTD inception	Since inception	CAGR since inc.
Fund	0.7	6.7	134.4	68.3	108.9	6.7	166.8	13.4
MSCI Daily TR Net World	3.3	4.9	54.0	43.7	87.2	4.9	123.6	10.8
Relative	-2.6	1.8	80.4	24.6	21.7	1.8	43.2	2.5

DISCRETE YEARLY PERFORMANCE

	1-year to	31 Mar 17	29 Mar 18	29 Mar 19	31 Mar 20	31 Mar 21
Fund		-1.0	25.4	-3.9	-25.3	134.4
MSCI Daily TR Net World		14.8	13.5	4.1	-10.4	54.0
Relative		-15.8	11.9	-8.0	-14.9	80.4

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD ²
2021	-4.6	11.1	0.7										6.7	4.9
2020	-4.3	-10.5	-25.0	20.3	12.6	3.0	0.2	18.0	-5.1	6.7	22.4	7.3	41.1	15.9
2019	11.7	-1.5	-0.1	1.5	-5.1	-1.8	-0.4	-3.3	3.7	7.2	3.9	10.6	27.9	27.7
2018	6.8	-4.1	-2.3	5.9	0.6	0.4	2.1	-3.2	0.6	-6.2	-0.5	-11.8	-12.5	-8.7
2017	1.5	3.2	2.4	5.3	3.8	-0.1	4.6	3.8	4.6	0.3	0.7	-0.1	34.4	22.4
2016	-11.0	4.3	5.8	-1.7	2.4	-3.1	5.2	0.8	-1.5	-8.3	0.5	-1.7	-9.4	7.5
2015	-2.2	6.0	-1.4	2.9	-1.5	-0.3	2.6	-5.8	-2.1	7.4	-0.9	-3.2	0.6	-0.9
2014	-3.5	5.3	-1.9	-3.1	3.7	-1.7	-2.3	2.0	-4.7	4.4	5.0	1.6	4.0	4.9
2013						-1.7	7.9	-2.0	8.5	4.0	2.9	3.1	24.4	15.2

Fund details¹

\$ I Class	266.79
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Fund Size	\$148 million
Strategy AUM	\$460 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS
Comparators	Primary: MSCI Daily TR Net World USD
Base Currency	\$

Important information

These figures refer to the past. Past performance is not a reliable indicator of future results.

This document is a marketing communication. Before subscribing please read the prospectus and the KIID, available at brookam.com. The performance calculation shown is based on the USD I share class. If the past performance is shown in a currency which differs from the currency of the country in which you reside, then you should be aware that your performance may increase or decrease as a result of currency fluctuations.

Fund team and contact details

PORTFOLIO MANAGERS

James Hanbury
Jamie Grimston
 For full bios visit brookam.com

ENQUIRIES

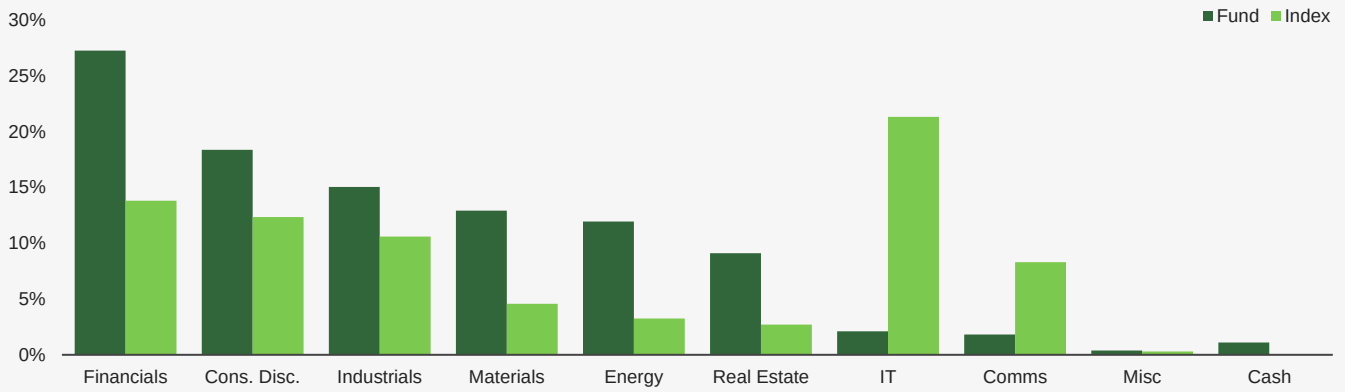
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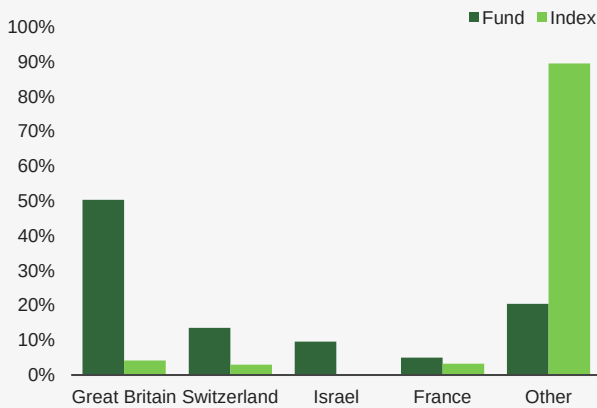
Note: Equity exposure includes all equity related instruments. Currency exposure relates to exposure of all assets held by the fund, including any forward currency positions. Past performance is net of fees and other charges and includes the reinvestment of dividends. Equity exposure as classified by GICS. The fund was renamed effective 8 February 2021 from Odey Allegra Developed Markets Fund to Brook Developed Markets Fund.

Source: All sources, unless otherwise stated, are Brook internal unaudited data and refer to the \$ I share class. All data shown as at 31 March 2021. ¹U.S. Bank Global Fund Services (Ireland) Limited and Bloomberg, calculation on a NAV basis with net income reinvested – the share class prices refer to NAV per share. ²MSCI Daily TR Net World.

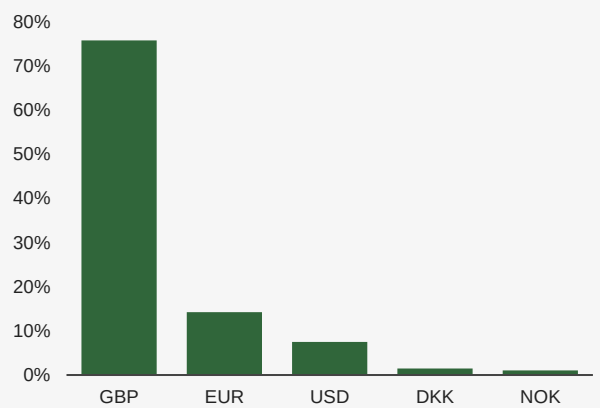
Equity exposure by sector



Equity exposure by geography



Currency exposure



Top ten equities as percentage of NAV

	Notional Exposure
Plus500	9.6%
IWG	9.1%
AO World	7.9%
JET2	6.1%
ArcelorMittal	4.5%
Glencore	4.5%
Royal Dutch Shell	4.4%
Frasers Group	3.5%
Barclays	2.7%
IP Group	2.5%

Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	31.0	31.2	25.3	22.3
Index annual s.dev.	16.4	17.9	14.5	13.7
Correlation	0.8	0.9	0.9	0.9
Sharpe Ratio	3.0	0.7	0.7	0.7
Information Ratio	3.3	0.3	0.2	0.2

Investment objective and policy

The Brook Developed Markets Fund ('The Fund') aims to achieve long-term capital appreciation through investing predominantly in equity and equity-related securities on a worldwide basis. The Fund may also invest up to 35% of its Net Asset Value in debt and debt-related securities.

APPROACH

The Fund is a concentrated global equity strategy harnessing the experience and judgement of James Hanbury, his investment team and the significant research resource at Brook. The portfolio managers are opportunistic in scope and, while not a prerequisite, are attracted to owner-managed companies and situations where, in their view, the perceived risk is higher than the actual risk, which often occur during reorganisations or complex restructurings. The team invest for the medium to long term though continuously resize positions to ensure the portfolio remains focused on their highest conviction ideas. The Fund is built without formal reference to an index and typically contains 30-50 positions with a higher concentration in the top 10 positions.

RISK CONSIDERATIONS

The Fund has considerable latitude over its allocation; it may own sophisticated instruments such as futures and options for efficient portfolio management and investment purposes. The Fund is suitable only for investors who have a long time horizon (>5 years) and can tolerate high risk. Investors may not get back all the money invested and an investment in this Fund should only form part of an investor's total portfolio. Investors should discuss the suitability of this Fund with their professional adviser.

Investor information

Share classes	I (£, €, \$), R (£, €, \$)
Share class hedging	Non-base currency share classes are unhedged
Trade date (T)	Daily
Dealing	By 12pm T-1
Valuation	Close of business T-1
Front end fee	Up to 5%
Annual management fee	(\$R, € R, £R) 1.20% (\$I, €I, £I) 0.70%
Performance fee	20% of the relative outperformance of the benchmark, the MSCI Daily TR Net World index. Fees crystallise annually, and on redemption. Relative underperformance is carried forward.
Anti-dilution fee	May apply to subs/reds if net subs/reds >0.5% of NAV

Minimum investment	R £5,000; I £1,000,000 (or equivalent in €/€)
Dividends	Income potentially distributed on GBP I & R
Administrator	U.S. Bank Global Fund Services (Ireland) Limited
Auditor	Deloitte & Touche, Ireland
Depositary	RBC Investor Services Bank, Ireland
Price reporting	Prices published daily on brookam.com, Bloomberg and by other third party data providers.
ISIN	\$I: IE00BB0RGZ49, €I: IE00BB0RGR64, £I: IE00BB0RGW18, \$R: IE00BB0RH062, €R: IE00BB0RGT88, £R: IE00BB0RGX25
SEDOL	\$I: BB0RGZ4, €I: BB0RGR6, £I: BB0RGW18 \$R: BB0RH06, €R: BB0RG T8, £R: BB0RGX2

Important information

This is a marketing communication and it is not intended to be viewed as a piece of independent investment research.

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Glossary of terms

Please refer to the fund's prospectus for detailed information. Some terms listed are not relevant for every fund. This document is intended for use by individuals who are not familiar with investment terminology. Please contact Brook if you need an explanation of these terms.

Absolute return: The return that an asset/fund achieves over a period of time looking at the appreciation or depreciation (expressed as a percentage) that the asset/fund achieves.

Acc/Accumulation class: A share class which accumulates and reinvests net investment income and net realised capital gains and does not pay dividends.

Active currency exposure: The percentage of a fund's assets which are invested in a particular currency.

Administrator: The specialist entity who maintains the register of shares, provides fund valuation and accounting services.

AIF: Alternative Investment Fund as regulated by the Alternative Fund Management Directive.

Alpha: A measure of performance on a risk-adjusted basis, often seen as the active return on an investment.

Anti-dilution fee/levy: A fee levied by a fund on investors buying/selling shares to protect current shareholders from the dealing costs incurred when paying out or taking in clients.

Asset class: A group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities (or stocks); fixed income, or bonds and cash equivalents, or money market instruments.

Base currency: Each fund has a base currency and this is the currency which the fund uses to calculate its net asset value.

Beta: A measure of the fund's volatility in comparison to its benchmark.

CAGR: Compound Annual Growth Rate (CAGR) is the rate at which the fund/benchmark has grown on an annual basis to reach the current performance since inception.

Capital growth/appreciation: Capital growth is measured on the basis of the current value of the asset or investment, in relation to the amount originally invested in it.

Commodity: A physical substance (such as food, grain, metal) which investors buy and sell through futures contracts.

Comparative/Index/Benchmark (e.g. MSCI): A comparator the fund has used to compare its performance to or for its performance fee calculation.

Contribution: Used to explain the breakdown of a fund's absolute performance.

Correlation: A statistic that measures the degree to which two securities move in relation to each other.

Dealing: Arranging the sale and purchase of shares in a fund.

Delta: A ratio comparing the change in the price of an asset to the corresponding change in the price of its derivative.

Derivatives (futures, options, swaps and contracts for difference): A financial contract based on an underlying asset or financial index with its value determined by fluctuations in the underlying asset/index. Derivatives may be used to manage risk in portfolios, for greater flexibility to lower costs, to gain leverage and to enhance returns.

Dist/Distributing Class/Inc/Income: A share class which pays dividend distributions.

Dividends: A sum of money paid regularly (typically annually) by a company to its shareholders out of its profits (or reserves).

Equity/Security: The percentage of the fund that is currently invested in the equity market.

Exposure: The amount invested in a particular type of security, market sector or industry, usually expressed as a percentage of the total portfolio holding.

Fixed income security: A type of investment which pays out periodic income of a fixed amount on a fixed schedule e.g. a bond is a fixed-income security.

Forward currency contracts: A foreign exchange contract that locks in the exchange rate for the purchase or sale of a currency on a future date.

Front end fee: The initial fee/sales charge applied at the time of an initial purchase of an investment.

Fund: Brook Developed Markets Fund.

Global Industry Classification Standard (GICS): A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's.

Government bond: A bond issued by a government to support government spending, often issued in the country's domestic currency.

Gross: The total rate of return on an investment before the deduction of any fees or expenses.

Hedged class: A share class giving exposure to assets denominated in foreign currencies without the currency risk of the fund's base currency. Techniques and instruments are used to limit the currency risk between the hedged class and the base currency.

Hedging: Hedging against investment risk means strategically using financial instruments in the market to reduce the risk of adverse price movements.

High water mark: The highest value that an investment fund or account has reached over a specified period of time.

Information ratio: A measure of the fund's returns above the returns of the benchmark to the volatility of those returns.

Investment management fee: The fee payable by the fund to the investment manager to cover expenses associated with running the fund.

Investment Manager: Odey Asset Management LLP.

ISIN: An ISIN (International Securities Identification Number) uniquely identifies a security.

KIID: A KIID (Key Investor Information Document) must be provided to anyone who invests in a UCITS.

Leverage: An investment strategy of using borrowed money and/or financial instruments to increase the potential return of an investment.

Long: The practice of buying securities with the expectation the asset will rise in value.

NAV: The NAV (net asset value) of a fund is the value of the fund's assets less its liabilities. NAV per share is the value per share and is calculated by dividing the total NAV of the fund by the total number of shares.

Net: The total rate of return on an investment after the deduction of any fees or expenses, including annual management fee and performance fee where applicable.

Notional Exposure: The total value of a fund's leveraged assets.

Ongoing Charges Figure (OCF): A figure showing all annual charges and other operational expenses payable by a fund.

Performance attribution: A set of techniques that are used to explain why a fund's performance differs from a benchmark.

Performance fee: A fee payable to the investment manager on returns that, subject to a High Water Mark, the fund achieves either in absolute terms or relative to a performance fee benchmark. Please refer to fund prospectus for details.

Portfolio: A group of financial instruments such as shares, funds, bonds, cash and cash equivalents held by an investor and managed by a financial professional.

Proprietary currency positions: Foreign exchange contracts entered into by the fund for investment rather than hedging purposes.

Quoted securities: A quoted or listed security is a financial instrument that is traded through an exchange, such as the LSE, NYSE or Nasdaq.

Rebased method: Used to illustrate a fund's performance against comparative benchmark on a chart whereby they both start at the same point.

Rel/Relative: Calculates how much the fund has out/underperformed its comparative benchmark.

SEDOL: A SEDOL (Stock Exchange Daily Official List) is a unique number assigned by the London Stock Exchange and used in the UK and Ireland to identify securities.

Share class: A designation applied to a specified type of security such as shares in a fund. Each share class has its own rights.

Sharpe ratio: A measure for calculating risk-adjusted performance; the higher the ratio, the better risk-adjusted performance.

Short: The practice of selling borrowed securities with the expectation that the assets will decrease in value whereupon they will be repurchased and returned to the lender.

Since inception/Since inc.: Inception date is the date on which the fund launched.

Sortino: A variation of the Sharpe ratio that differentiates harmful volatility from total overall volatility by using the asset's standard deviation of negative asset returns, called downside deviation. The Sortino ratio takes the asset's return and subtracts the risk-free rate, and then divides that amount by the asset's downside deviation.

Standard deviation/Sta. dev.: Measures the degree of variation of returns around the mean (average) return. When applied to the annual rate of return, it shows the historical volatility.

Statistics: Statistical measurements used to analyse historical fund data such as performance, volatility etc.

Strategy AUM: The total assets of the funds managed by the Investment Manager to a similar investment mandate.

Ten-year adjusted basis: Shows any exposure to Fixed Income, Bond Futures or Interest Rate Futures on a 10-year duration basis.

Tracking error: A risk measure showing how closely a fund's performance follows a particular benchmark.

Treynor: Treynor ratio, also known as the reward-to-volatility ratio, is a metric for returns that exceed those that might have been gained on a risk-less investment, per each unit of market risk.

UCITS: Undertakings for the Collective Investment of Transferable Securities (UCITS) is an EU regulatory framework creating a harmonized regime throughout EU for the management and sale of funds.