

Brook Developed Markets Fund

BROOK
ASSET MANAGEMENT

Portfolio Manager Report

Performance was poor for the quarter. The fund returned -14.33% with the MSCI World Total Return USD delivering -5.15%. The portfolio got caught up in the horrific events in Ukraine with our four Russian stocks contributing aggregated losses of -9.70%. The dominant theme on the macro side is whether inflation can be brought under control without a recession being caused.

Macro

Given the strength of the current cross-currents in the global economy make predicting future growth as complicated as ever, we are grateful to be primarily stock-pickers. The table below highlights some of the key macro drivers:

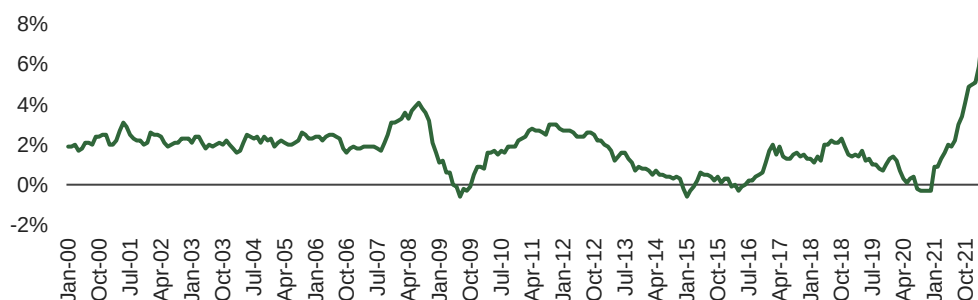
Positive macro factors	Negative macro factors
Strong employment markets	Inflation is at multi year highs
Reopening of economies from COVID	Interest rates are going up
Western consumers have excess savings from COVID lockdowns	Supply chain issues
Money supply growth is strong	War in Ukraine
High consumer net worth	Consumer confidence is low
Stable financial system	Lockdowns in Asia
Manufacturing and services PMI's all above 50	High government debt levels

Exhibit 1: US CPI (% YoY) – Jan-00 to Feb-22



Source: Bloomberg, BLS.

Exhibit 2: EU CPI (% YoY) – Jan-00 to Mar-22



Source: Bloomberg, Eurostat.

Performance

-14.3% Year-to-date performance
10.4% CAGR since inception

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

Fund details¹

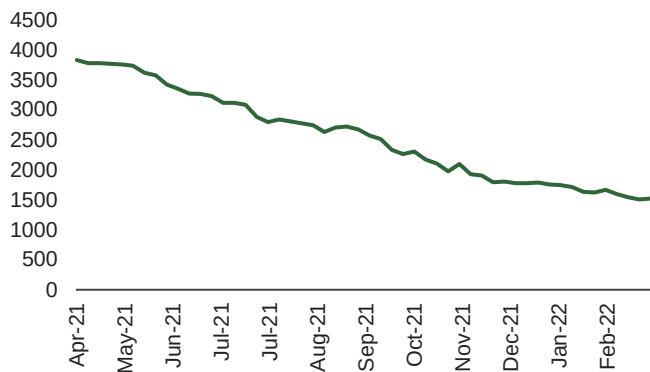
\$ I Class	239.41
\$ R Class	219.97
£ I Class	284.71
£ R Class	239.17
€ LI Class	87.06
€ I Class	271.57
€ R Class	145.30
Fund Size	\$240 million
Strategy AUM	\$497 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS

Portfolio Managers

James Hanbury
Jamie Grimston

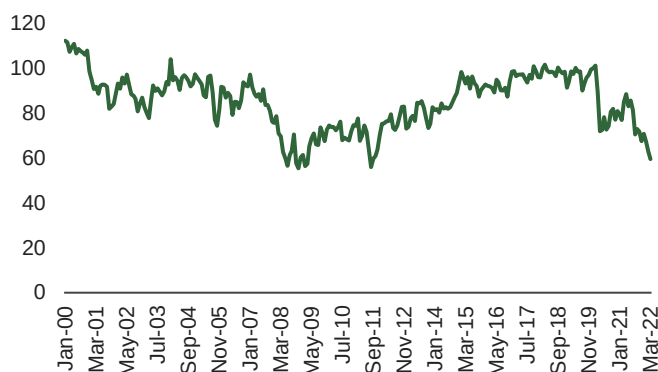
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Exhibit 3: US continuing jobless claims (000s) – Apr-21 to Mar-22



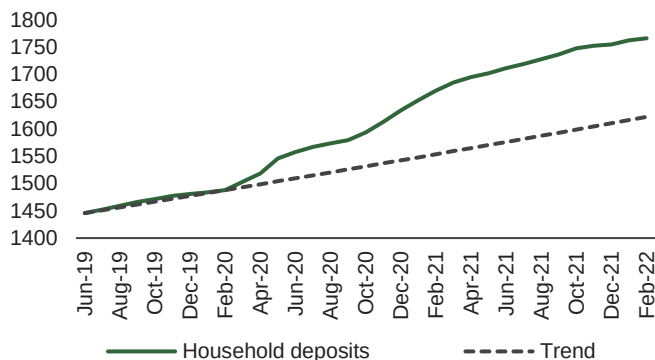
Source: Bloomberg, US Department of Labor

Exhibit 4: University of Michigan Consumer Sentiment Index – Jan-00 to Mar-22



Source: Bloomberg, University of Michigan.

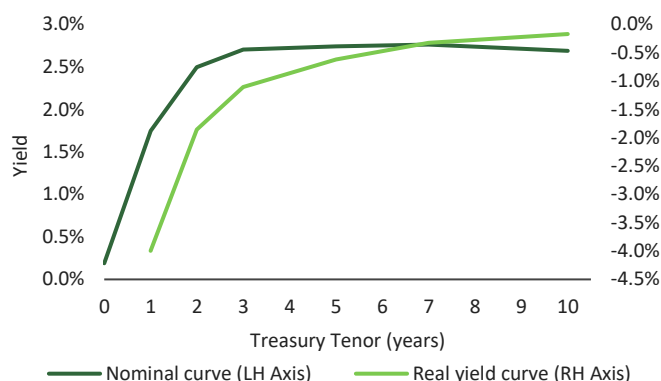
Exhibit 5: UK household Bank deposits (£bns) – Jun-19 to Feb-22



Source: Lazarus Economics & Strategy, Bank of England.

The macro factors list does nothing to help forecast the future but it does illustrate that there are many things to like about the economy at present as well as make one nervous. That said, we are finding that the macro negatives are getting considerably more airtime and that many cyclical stocks are pricing in a high probability of a recession. To us this is interesting as we don't see a recession within 18 months as odds-on although clearly the chances of it are greater now than 3 months ago. There is a lot of focus on inversions in the yield curve but very little on how upward sloping the real yield curve is.

Exhibit 6: US Treasury nominal yield curve (left hand axis) vs real yield curve (right hand axis)



Source: Bloomberg

Commentators and the market seem to be focusing on the recession word in a very binary and extreme manner. It is probably not helped by the fact that the last two US recessions have been the most severe in living memory, but for us a short, shallow downturn as transitory inflation passes through is the most likely profile of a recession.

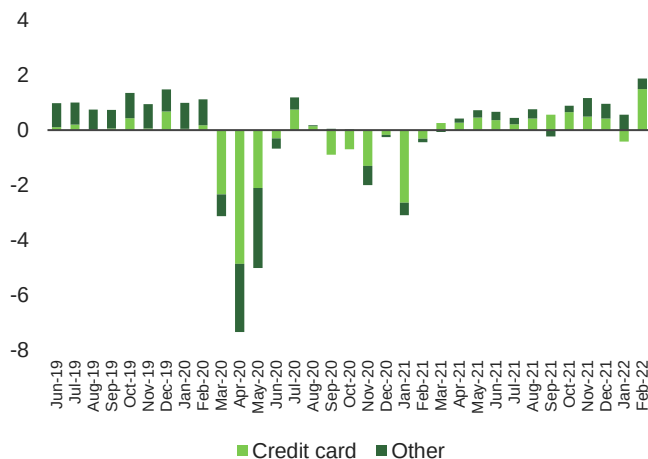
Although the Euro area feels in a bad place now given its reliance on Russian energy and its geographic proximity to the war zone, there is far more scope for fiscal support relative to the US. As seen in the table below the US has pulled forward a lot more demand over the past 20 years and now sits with a higher fiscal deficit and debt as a % of GDP.

	Euro area	US
Fiscal support as a % of GDP 2002-2021	2.8%	8.2%
Projected fiscal deficit in 2022	3.9%	5.0%
Gross government debt as % of GDP	95%	130%

Source: JP Morgan and IMF.

The UK consumer is an area of particular interest for us too and, once again, we feel the market is very much focused on only one side of the equation. There are undoubtedly large cost increases for consumers where discretionary income growth will likely be negative for a short period, yet labour markets are strong (e.g. Tesco have just agreed to a 5.8% pay increase for their store and warehouse workers) and there was a balance sheet buffer built up during COVID. In fact, the forecast increase in non-discretionary spending is a fraction of the extra c.£200m of extra savings built up during 2020 and 2021. We therefore feel it is quite probable that we see households using the excess savings saving to cushion the 'cost of living squeeze', this would be reflected in a fall in the saving ratio (which could technically be negative in this unusual period). Early signs are encouraging in this respect as we are now seeing a rise in consumer credit as seen in the chart below. While we never claim to have meaningful edge on the macro, we do like to follow those whose are closest to the pulse and whose opinions we respect and it was therefore interesting to see Simon Wolfson at Next upping his UK retail forecasts for the year ahead at the end of March and also Mike Ashley at Frasers Group increasing his buyback in April in the face of the market's pessimism (combined, they oversee c.12.5% of the UK clothing and footwear market).

Exhibit 7: YOY net growth in UK consumer credit (£ billion) – Jun-19 to Feb-22



Source: Lazarus Economics & Strategy, Bank of England.

Stagflation is not our base case but we can easily see an environment where commodity prices stay structurally higher for a while. This is for reasons we have discussed before, linked to underinvestment in supply and strong demand from infrastructure and green investment. Although costs are running high for steel producers it seems to be a commodity that 'wins' in most scenarios. Steel will play a key role for renewable energy, in plugging the short-term fossil fuel gap, in rebuilding Ukraine and in fulfilling many committed government infrastructure projects. Steel-related equities are almost trading as pure cyclicals even though we believe they will be structural winners for many years. In this context ArcelorMittal remains a core holding for us. We believe the Ukraine crisis could be seismic moment for companies in the fossil fuel space and particularly new oil and gas supply. Whilst the crisis adds more drive to the overall energy transition it also highlights that in the short to medium term there has to be a more balanced approach to the supply of fossil fuels. Energy security and indirectly de-weaponising of problematic states is now an important consideration. This should influence the ESG perception of the oil services sector particularly as it starts to use a % of its fleet for carbon capture. We now see a more typical capital cycle playing out in the oil and gas market and have rotated some of our oil majors into offshore drilling companies.

Performance during the quarter

The bulk of Q1-22 losses (-9.70%) came from our four Russian stocks, **Sberbank**, **TCS Group**, **Inter Rao** and **Rusal**. These are all companies we have followed and owned for many years and know well. Clearly, we made a big mistake in owning these names in the quarter and we put it down to two things. Firstly, when we were analysing our factor risk we did not consider a full-scale invasion of Ukraine to be likely, secondly when we looked at the potential downside we looked at record low multiples the stocks had reached before in other crisis (Georgia, Crimea). This seemed conservative at the time as the Russian economy was in a stronger position and oil prices were high even before the invasion. Clearly, we were wrong on both fronts and sanctions ended up being far more draconian (and impressive) than we anticipated.

A small positive that came out of the process was that despite our models saying we should have bought a lot more of these assets as they were falling, we refrained from doing so as common sense risk controls prevailed.

Our commodity focused names did well for us in the quarter contributing +3.8%, the best performers were **Glencore** (+1.59%), **Valaris** (+0.78%), **Shell** (+0.98%) and **Maersk Drilling** (+0.50%). Despite the strong performance of these names the market is still not prepared to accept the forward curve pricing of the commodities. Glencore is our top weighting in this category and trades on a FCF yield of c.30% and we expect large cash returns with no tax leakage.

Plus500 contributed +0.34% due to strong results, being a defensive asset in volatile times, making another value accretive deal and increasing its buyback. Plus500 continued its approach of spending a small amount of absolute money to get a licence to then leverage its technology, product offering, payment services and brand. It acquired EZ Invest in Japan for less than \$10m and this asset will start to generate revenues in the second half of this year. Despite its strong historical performance, on an EV/EBIT multiple of 3x the market clearly does not think Plus500 is a growth asset. We strongly disagree with this view. There are multiple growth drivers that we see on a forward-looking basis; American and Japan revenues starting in H2 this year, marketing being invested behind the stockbroking business, new licences, more acquisitions, an improved offering and continued market share gains. We expect current trading to be strong and feel that Q1 revenues could represent close to 50% of full year consensus revenues. It remains our top long position.

Our losses outside of Russia were mainly consumer related, **Frasers Group** (-1.71%), **Restaurant Group** (-0.55%) and **AO World** (-1.23%). AO World had a strategic update during the quarter with regards to its German asset and it will either close, sell or merge it. Whilst it is disappointing to see the company potentially withdrawing from the German market we can see material upside in the valuation from the UK market alone and can see the benefit of being more focused geographically at this point in time with the opportunity set it has.

Oxford Nanopore Technologies lost -1.50% for the fund during the quarter. The company reported and guided ahead of consensus and is executing operationally very well but as a long duration asset it was caught up in a factor derating.

IWG lost -0.85% during the quarter but reported well and announced an exciting new deal. It has acquired Instant Office Group for £270m and will merge some of its assets with them. The new merged company, which IWG plans to spin out in due course, will have a leading position in service office broking along with other technology offerings. If executed properly it should become the Booking.com equivalent in the serviced office space, the value of the spun-out entity could be worth a high percentage of IWG's current market cap. Meanwhile the core IWG business is trading strongly and benefitting from the structural shift to flexible working.

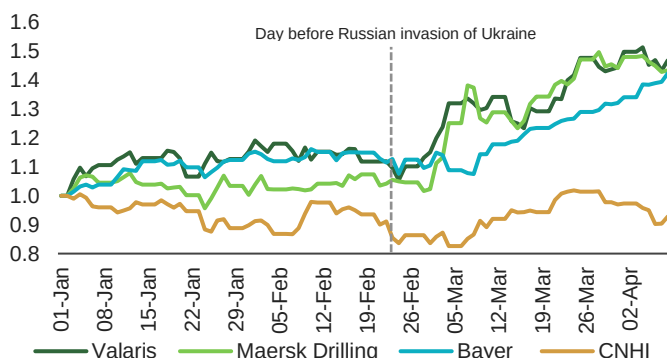
Changes to the book

It was a quarter that witnessed some material volatility within equity markets and this volatility gave us an opportunity to reposition some names with the aim of further improving the risk-return of the overall portfolio.

There were a group of names that sold-off early on in the Ukraine crisis where we felt the outlook for them had actually improved. **Bayer, CNH Industrial, Maersk Drilling and Valaris** were all positions that we added or bought in this category. Just over half of Bayer's profits are a healthcare business (pharma + consumer health) whilst just under half is exposed to arable agriculture (mainly through the acquired Monsanto business). The agriculture business is under-indexed to Russia and Ukraine. Although input costs have gone up materially for farmers it has been more than compensated for by the rise in soft commodities (clearly not for livestock farmers). We are comfortable with the potential liabilities from the Glyphosate litigation and feel that sell-side pharmaceutical analysts who cover the stock are underestimating how much operational leverage the company now has to an upswing in the arable agricultural cycle. Bayer trades on a consensus p.e. of 9x 2022 before factoring higher leverage to a positive agricultural environment. Likewise, CNH Industrial is one of the largest sellers of agricultural equipment and again is under-indexed to Russia and Ukraine. Clearly an environment with higher soft commodities should encourage farmers to upgrade their equipment to maximise yields and productivity. CNH Industrial trades on a consensus P.E. ratio of 10x for 2022 with we believe upward pressure on its numbers.

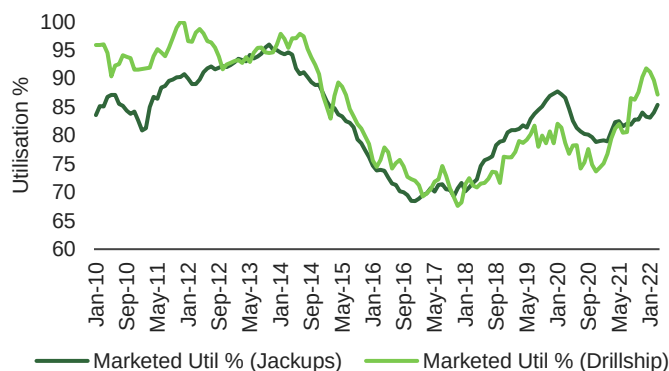
Having spoken to many of the companies in the oil and gas drilling space recently, demand has just got stronger and this sector is a very pure reflection of supply and demand. Statements from key oil governments across the world (e.g. Saudi Arabia, UK, Denmark, Brazil) suggest there will be increased drilling for oil and gas following the Ukraine invasion. There is limited spare capacity in the drilling sector with all new generation drilling ships on contract and prices required to incentivise new capacity built about 100% higher than current day rates. As touched on above we can see a more normal capital cycle playing out in the oil and gas space and have therefore moved some of our long exposure in the oil majors into the drillers. With fleets repriced to levels where newbuild capacity would come in (with a 2-3 year lead time) Valaris and Maersk Drilling would both trade on a FCF yield of c.70%. With balance sheets repaired through chapter 11 processes at Valaris and Nobel Corp (set to merge with Maersk Drilling) it means that there is a reasonable chance of capital returns starting this year.

Exhibit 8: YTD performance of Valaris, Bayer, CNH and Maersk Drilling (share prices indexed to 1) 1-Jan-22 to 8-Apr-22



Source: Bloomberg.

Exhibit 9: World utilisation of marketable drillship and jack up fleets (contracted) – Jan-10 to Mar-22



Source: Fearnleys Securities.

As discussed earlier, although a recession is not our base case the odds of it have clearly increased in the last quarter. What we saw in the quarter was a sharp sell-off in some of our consumer facing stocks with less of a sell-off in the bank names we own. Whilst bank leverage and valuations are at lower levels relative to their historical ranges there is still unavoidable cyclical exposure and a greater degree of opacity compared to some of our consumer stocks. We therefore took the opportunity to rotate out of some of our bank holdings and to add to, or to buy, consumer names that we believe are both pricing-in a higher probability of a recession than banks and that are also better protected against one. The consumer names we added to are those that are in a strong financial position and should outperform operationally in a consumer downturn.

There is a UK bias in our exposure here for the following reasons:

- UK valuations are at a discount compared to other western countries.
- We feel the probability of a material UK consumer downturn is less than currently priced-in.
- We like the supply dynamic in general retail.
- The UK election cycle is at a stage where fiscal announcements should include consumer tax cuts going forward until the next election in 2024.
- Employment markets are currently strong.
- Consumer balance sheets should provide a buffer against a period of negative real income growth.
- It is a market from a macro and micro perspective that we know best.

Often the most attractive factor risks are the most uncomfortable ones and to us, areas of UK consumer exposure appear to offer an asymmetric payoff. The following are some of the names we added to in the quarter.

Frasers Group's core cash flows come from Sports Direct which is a division which benefits from trading down in tough times. There are other divisions which are more cyclically-exposed but we feel there is a large buffer in terms of what the market is expecting and what the company can deliver, not least from high growth new categories where Flannels has a tiny market share. Frasers has exceptional cash conversion and with no committed dividend it means it can add a huge amount of value through bolt on distressed acquisitions. We expect free cash flow to be at least £400m for April 2023. In the quarter we saw another meaningful deal announced by Frasers, it bought Studio Retail Group out of administration for £29m. Studio Retail Group is an online business that has a consumer credit licence, which Frasers Group does not, and only in 2020 delivered EBITDA of £75m with revenues of more than £500m. We believe the origins of Studio Retail Group's problems were not the credit book but disruption and stock buying/supply issues – all processes where Frasers can add stability, efficiency and low-cost delivery. There is little doubt that Frasers will deliver profits from this deal worth a multiple of the purchase price. Similarly, we believe that Jack Wills, Flannels, Slazenger, Evans and Game Group, to mention but a few, have all delivered more profit in a single year than Frasers' initial acquisition cost. As mentioned above Fraser Group has been buying back its shares aggressively this year, reloading the buyback only a few days ago, we feel capital allocation is one of Mike Ashley's great skills and between December 21 and the April 22 year end the company will have acquired over 6% of the free float back. We believe there is very material upside to fair value at Frasers Group and we took the opportunity to buy some more shares on the 30% pullback during the quarter.

Associated British Food is another name we bought during the quarter. The Food, groceries and agriculture divisions should have good pricing power in an inflationary environment, the market though has become very concerned about the Primark offering. Primark has been caught out by COVID in not having an online presence. However, we believe it is likely that it will have announced an online offering within 18 months given it now has two of the three main pre-requisites in place (1) warehousing, 2) distribution, and 3) inventory IT). The first will start soon while the second and third are broadly completed. At the same time, we expect the Primark offering to be resilient in a tough consumer environment with an easing of COVID restriction offsetting the squeeze in discretionary spending. Primark has historically been very conservative about passing cost inflation on to consumers, that leaves the risk of margin contraction over the coming 12 months. However, it is important to understand that this is a competitive choice, not an adverse outcome. Primark decided to lower gross margins post the great recession, when the industry was generally defending or increasing margins. The result was the brand delivering more value to its consumers, achieving clear market share gains as consumers traded down and ultimately growing its own profit pool as those new customers were retained through the recovery. ABF has a rock-solid balance sheet with over £2bn cash by year end and we perceive Primark as a high quality growth company despite the market valuing it on a p.e. of firmly sub 10x assuming market multiples for the other divisions.

National Express is a business where demand patterns have yet to normalise post covid, and which should cope with high oil prices as consumers shift from cars to buses and coaches. The shares pulled back more than 30% in the quarter and we added to our position. National Express currently trades on 8.4x recovered PE. It was interesting to see Stagecoach being bid for by DWS in the quarter which stopped the planned merger with National Express. We also added to smaller positions like **Restaurant Group** where the valuation assumes a very negative consumer outcome and we believe the company will benefit from more capacity coming out if things do deteriorate. Restaurant Group trades on a 2023 FCF yield of 15% and if airline traffic picks up then this will be beneficial for their concession business. We also bought **Ryanair** towards the end of the quarter. Ryanair is clearly a high-quality company that would benefit from trading down in an economic downturn. Although consumer-facing, we feel the recovery from coronavirus restrictions will outweigh any consumer weakness. We believe there is high pent-up demand and Ryanair is one of the best companies to benefit from industry capacity reduction. Getting a good entry point into high quality companies often requires patience but with oil above \$100 and a war in Europe it feels like a logical time to be buying Ryanair given it trades on c.9x recovered earnings.

During the quarter we took a new position in French video game developer **Ubisoft**. We regard video games as a category likely to continue winning share of overall entertainment time spent as younger cohorts age and as higher quality games become increasingly ubiquitous as gaming continues to spread from its core PC/console heartland (c.500m user addressable market) into mobile (c.3.5bn user addressable market). Within the industry, we are particularly attracted to Ubisoft's differentiated positioning. The group was founded by the five Guillemot brothers in 1986 and they continue to run the business, whilst also remaining 16% shareholders. Their approach is characterised by the adoption of a long-term view (as recently as 2019, they viewed the industry as being "still very early in its development" and on a pathway to 5bn ultimate users), growth via largely organic means and a high degree of vertical integration (in order to maximise their control over the quality of their product). Since its foundation, Ubisoft has built a diversified stable of game IP, a substantial user base (c.40m monthly active users), the western industry's largest direct workforce and established a position of trust both as a developer of game IP on behalf of e.g. Disney and as a supplier of raw IP to the likes of Netflix. This has resulted in excellent shareholder value creation since its 1996 IPO and also attracted video game heavyweight Tencent as a 5% shareholder. The last few years specifically have been more difficult however as Ubisoft has struggled with the transition of some of its titles from the paid to free-to-play environments at the same time as COVID lockdowns and some workplace culture issues have impacted workforce productivity. As a result, the share price has more than halved since its 2018 peak, is currently close to a 5-year low level and offers a c.40% discount to the level at which the Guillemot brothers and Tencent were buyers in 2018. We view Ubisoft's current market valuation as offering a substantial discount to intrinsic value for what should be a high-quality long-term growth business.

Positioning of the fund

Whilst not every stock is pointing in the same direction there are some common themes running through our holdings. Below are some of the stand-out features that we believe to be key in the current environment:

1. Strong pricing power.
2. Lower than market multiples.
3. Strong cash conversion.
4. Companies that can do well in a tougher macro environment.
5. Strong balance sheets.

About 7% of the Fund's NAV is long exposure to the UK construction sector. Current trading in this space, including forward orders, is strong and the ability to pass on cost increases is high. **Breedon** as a seller of aggregates is well-positioned to benefit from inflation, much of its cost of goods is in the ground at historical costs and with long-term projects driving demand, inflation is its friend. **Travis** equally should be able to retain % margins (unless demand drops dramatically) and while there are challenges from the extreme energy cost inflation at **Ibstock** and **Forterra**, who predominantly sell bricks, they both benefit from owning their own clay mines and being in a highly ordered three-player oligopoly which accounts for c.80% of the market.

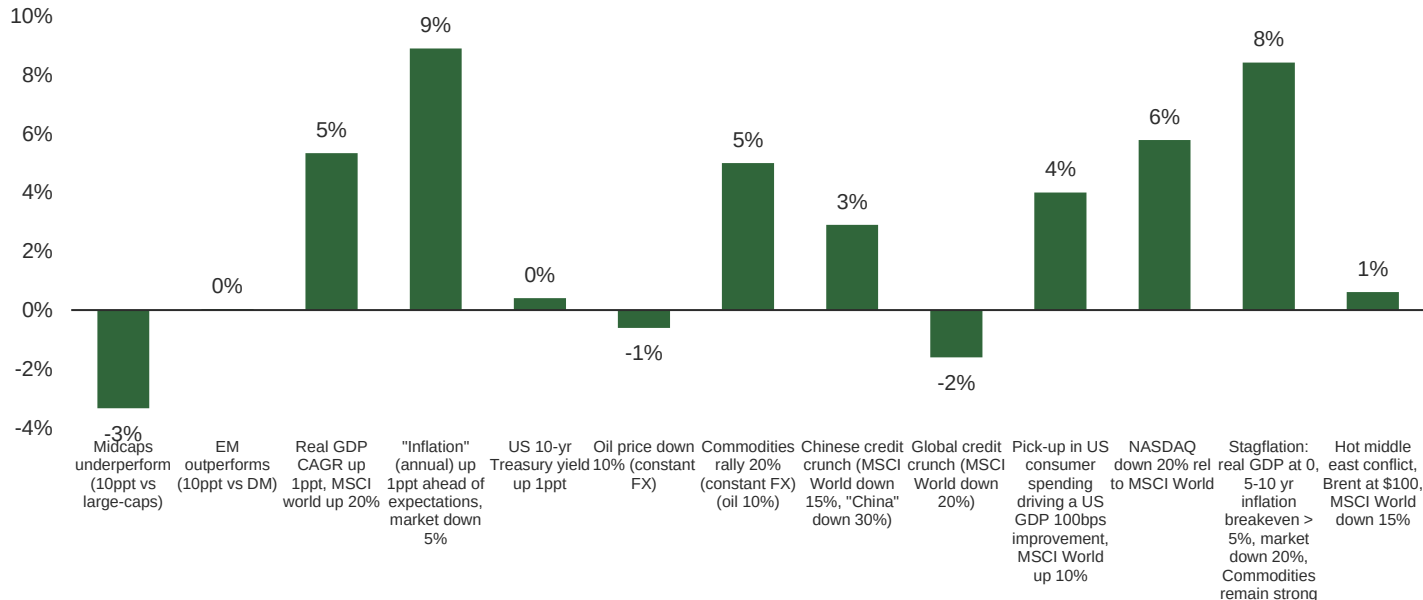
In terms of combining two of our points above, strong balance sheets and cash generation, it is noticeable that 45% of our portfolio comprises companies buying back their shares. When you combine this with the owner-managed bias we have, it is fair to assume that these owners feel their shares are significantly undervalued.

While there is a core idiosyncratic element to the portfolio, it could also be seen to have a barbell approach. Yes, we can see a stagflation scenario where our commodity-facing stocks perform a lot better than our consumer facing stocks, yet we can also see a non-recessionary environment where both sides generate alpha. As a reminder too, with c.22% of the fund is exposed to commodities stagflation is a factor under which we should perform well.

Conclusion

Overall, it was a disappointing quarter for the fund and we were disappointed with how we managed the Russian exposure. That said, the rest of the portfolio has been performing well and to us feels well-positioned on a forward-looking basis. We share the confidence of our companies in their undervaluation reflected by high levels of buybacks. Almost without exception our portfolio has been reporting well, although not always recognised by the market on the day. As ever thank you for your support and we look forward to updating you further at our Q1-22 investor webinar on Thursday 5th May (2pm GMT).

Exhibit 10: Factor risks



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 11-Mar-22.

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	-3.6	-14.3	-10.3	57.2	89.3	-14.3	139.4	10.4
MSCI Daily TR Net World	2.7	-5.2	10.1	52.0	79.6	-5.2	146.2	10.8
Relative	-6.3	-9.2	-20.4	5.2	9.8	-9.2	-6.8	-0.4

DISCRETE YEARLY PERFORMANCE

	1-year to	29 Mar 18	29 Mar 19	31 Mar 20	31 Mar 21	31 Mar 22
Fund		25.4	-3.9	-25.3	134.4	-10.3
MSCI Daily TR Net World		13.5	4.1	-10.4	54.0	10.1
Relative		11.9	-8.0	-14.9	80.4	-20.4

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD ²
2022	-0.6	-10.6	-3.6										-14.3	-5.2
2021	-4.6	11.1	0.7	4.4	4.4	-6.2	0.4	1.7	1.2	0.1	-9.6	9.6	11.7	21.8
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	239.41
\$ R Class	219.97
£ I Class	284.71
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£ LI Class	87.06
€ I Class	271.57
€ R Class	145.30
Fund Size	\$240 million
Strategy AUM	\$497 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

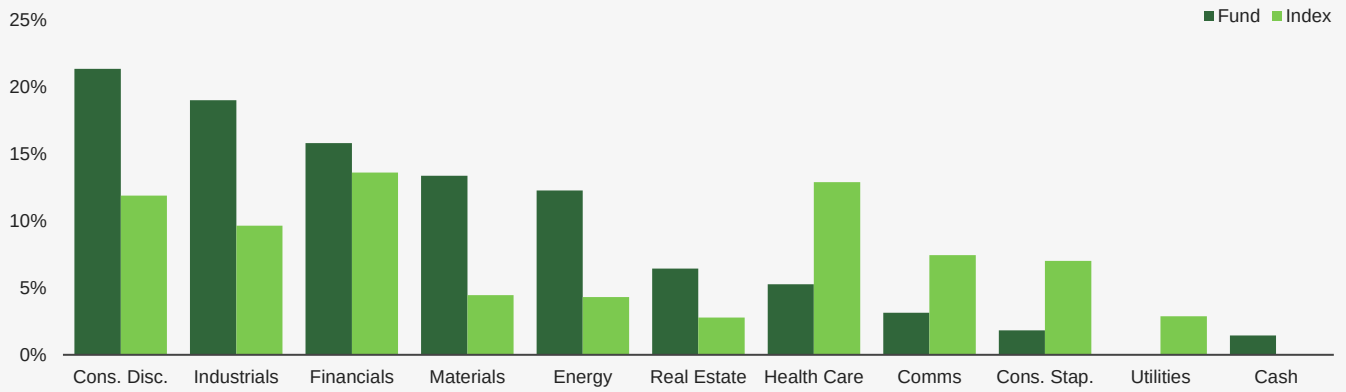
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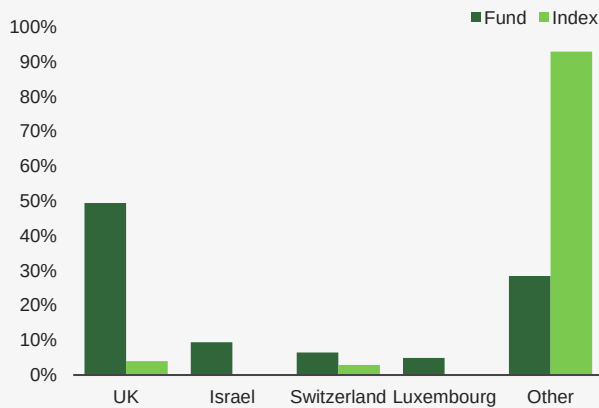
Note: Equity exposure includes all equity related instruments. Currency exposure relates to exposure of all assets held by the fund, including any forward currency positions. Past performance is net of fees and other charges and includes the reinvestment of dividends. Equity exposure as classified by GICS. The fund was renamed effective 8 February 2021 from Odey Allegra Developed Markets Fund to Brook Developed Markets Fund. The fund was renamed effective 8 February 2021 from Odey Allegra Developed Markets Fund to Brook Developed Markets Fund. Effective 28 January 2022 the Brook Developed Markets Fund, a Sub-Fund of Odey Investment Funds Plc, merged into Brook Developed Markets Fund a Sub-Fund of Odey Investments Plc.

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 2022. 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.

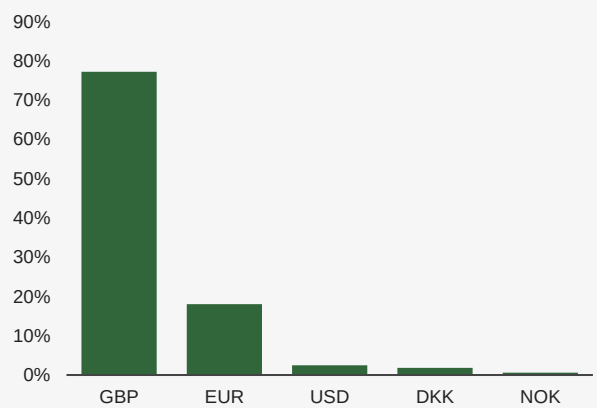
Equity exposure by sector



Equity exposure by geography



Currency exposure



Top ten equities as percentage of NAV

	Notional Exposure
Plus500	9.4%
Frasers Group	9.3%
IWG	6.4%
JET2	4.9%
ArcelorMittal	4.9%
Glencore	4.8%
AO World	4.4%
Valaris	3.5%
CNH Industrial	3.4%
Shell	3.2%

Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	19.7	31.4	26.4	22.1
Index annual s.dev.	11.9	17.3	15.3	13.5
Correlation	0.5	0.8	0.8	0.8
Sharpe Ratio	-0.5	0.6	0.6	0.5
Information Ratio	-1.1	0.1	0.1	0.0

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 (£, €, \$), LI (£, €, \$)	Minimum investment	R £5,000; I £1,000,000, LI £100,000,000 (or equivalent in €/£)
Share class hedging	Non-base currency share classes are unhedged	Dividends	Income potentially distributed on GBP I, R, LI; EUR LI; USD LI
Trade date (T)	Daily	Administrator	U.S. Bank Global Fund Services (Ireland) Limited
Dealing	By 2pm T-1	Auditor	Deloitte & Touche, Ireland
Valuation	Close of business T-1	Depository	J.P. Morgan Bank (Ireland) Plc.
Front end fee	Up to 5%	Price reporting	Prices published daily on brookam.com, Bloomberg and by other third party data providers.
Annual management fee	(\$R, €R, £R) 1.20% (\$I, €I, £I) 0.70% (\$LI, €LI, £LI) 1.00%	ISIN	\$I: IE0000L9CVF8, €I: IE0008B67KL6, £I IE000QZFOHT6, \$R: IE0003XZMX97, €R: IE00040AEQV0, £R: IE0006EP7X69, \$LI: IE000WPTQHL8, €LI: IE000JAUOKV0, £LI: IE000F5XHN28
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. No performance fee on LI share classes.	SEDOL	\$I: BM90BJ0, €I: BM909X0, £I: BM90B90, \$R: BM90BK1, €R: BM909W9, £R: BM90BF6, \$LI: BM90BL2, €LI: BM90BG7, £LI: BM909Y1
Anti-dilution fee	May apply to subs/reds if net subs/reds 5% of NAV		

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.