

Brook Developed Markets Fund

BROOK
ASSET MANAGEMENT

Portfolio Manager Report

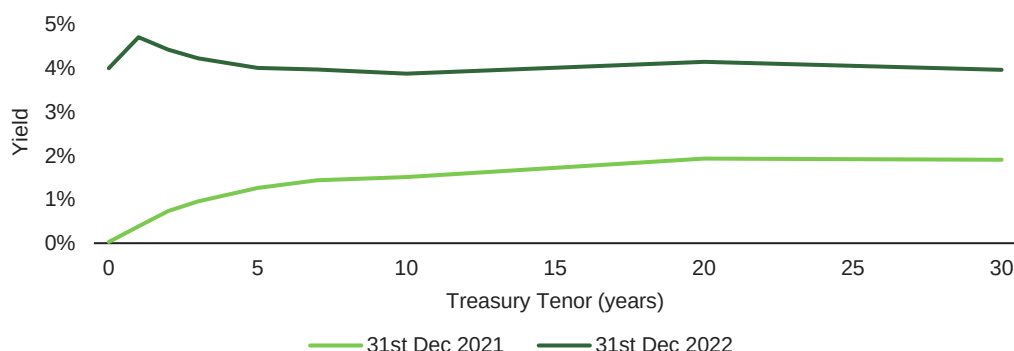
Introduction

2022 was an extraordinary year in so many respects. Russia invaded Ukraine, the UK had three different Prime Ministers, we saw numerous anti-leadership protests in China, central bankers embarked on quantitative tightening after years of balance sheet growth, the Nasdaq lost 33% and Queen Elizabeth II passed away to name but a few. The fund underperformed the MSCI World index by 7.3%; this was driven by exposure to Russian equities which cost the fund nearly 10%.

Macro

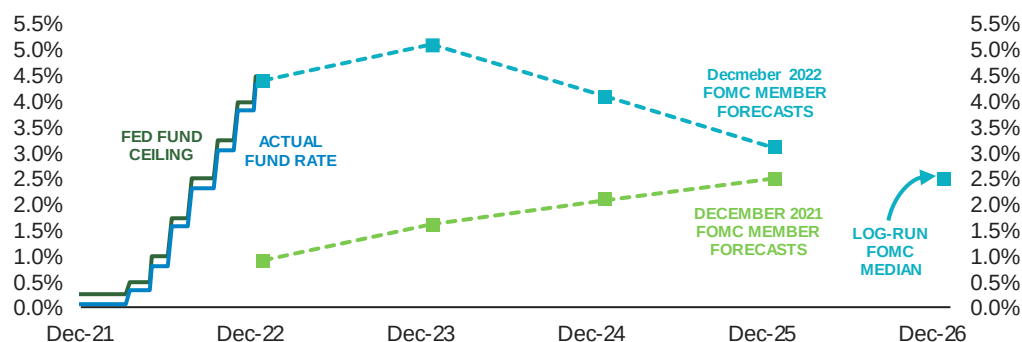
2022 saw a dramatic rise in the yield curve and Fed dots. The Fed Funds rate started the year at 0.25% and ended it at 4.5%. Whilst conscious we are straying out of our core area of competence, we feel that 1-year inflation is overpriced and 5-year inflation is under-priced. This repricing of inflation in 2022 had a dramatic impact on long duration assets which had enjoyed many years in the sun.

Exhibit 1: US Treasury yield curve on 31-Dec-21 vs. 30-Dec-22



Source: Bloomberg.

Exhibit 2: Dec-21 FOMC Member forecasts vs. Dec-22 FOMC forecasts



Source: Minack Advisors, US Federal Reserve.

Performance

22.7% Quarterly performance
-25.5% Year-to-date performance
8.0% CAGR since inception

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

Fund details¹

\$ I Class	208.29
\$ R Class	190.66
£ I Class	271.12
£ R Class	226.90
£ LI Class	82.72
€ I Class	246.32
€ R Class	131.29
Fund Size	\$195 million
Strategy AUM	\$425 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS

Portfolio Managers

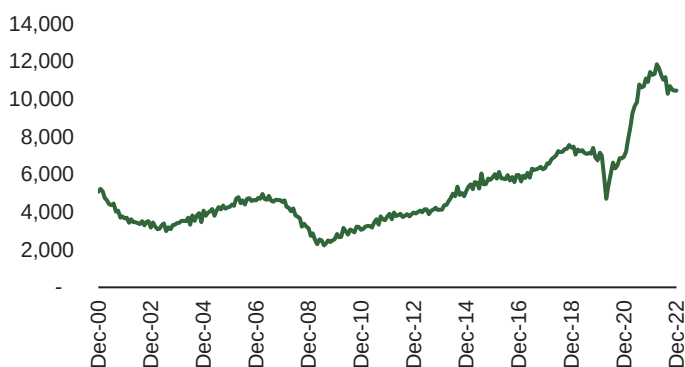
James Hanbury
Jamie Grimston

For full bios visit brookam.com

There are lots of reasons to expect inflation to come off its current high levels as demand weakens and supply chain issues resolve themselves. That said, our base case is that it could take many years to bring core inflation back to western countries' targets of 2% as wage expectations have become untethered. Fed Chair, Jerome Powell, and President of the European Central Bank, Christine Lagarde, seem up for the battle though and we continue to expect long duration assets to be caught in the crossfire of hawkish language and actions.

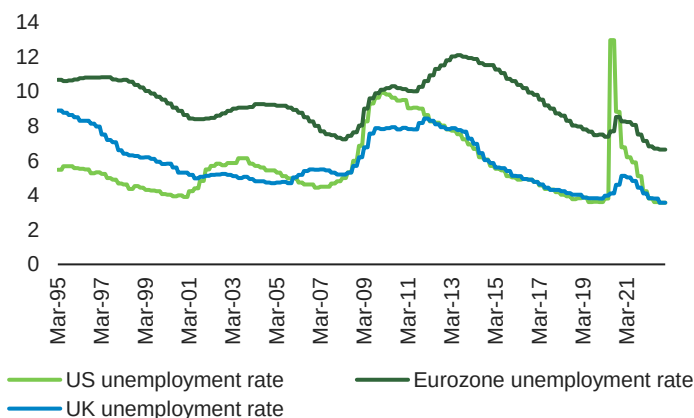
Another continuing view of ours is that whilst a recession in the US and Europe is odds on, we see good reason why it should be milder than what is priced by many cyclical stocks. Every recession is unique and one of the unusual features of this one is that the downturn is partly being caused by the high job vacancies which are causing higher inflation and higher rates that in turn cause negative real incomes. Whilst Western economies are certainly slowing down, we can see why this downturn is one where employment markets should remain relatively strong. Companies' margins are unusually high, balance sheets are strong and many corporates are still in a period where they are finding re-recruiting post COVID harder than expected. It feels likely to us that corporate margins take more of a hit relative to the employment market in this cycle. A stronger employment market should clearly help demand in this next phase; this is one of the reasons we own recruitment stocks such as **Page Group**. These are high quality through the cycle compounders which benefit from wage inflation and their current valuations price in a very tough employment market.

Exhibit 3: US Job Openings (000s), Dec-00 to Dec-22



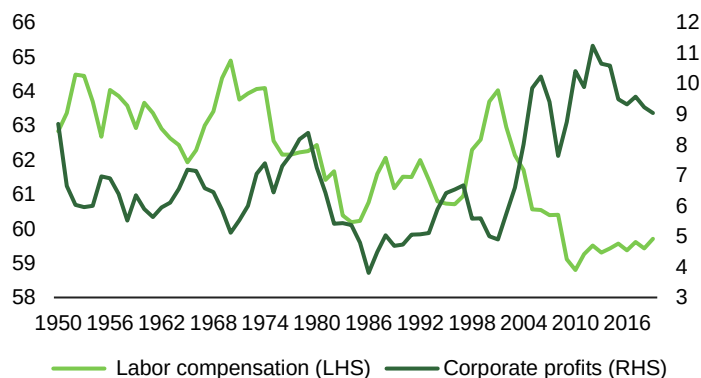
Source: Bloomberg, BLS.

Exhibit 4: US, EU and UK unemployment rates (%), Mar-95 – Dec-22



Source: Bloomberg.

Exhibit 5: Labour compensation (LHS) and Corporate Profits (RHS) as a share of US GDP, 1950 to 2019

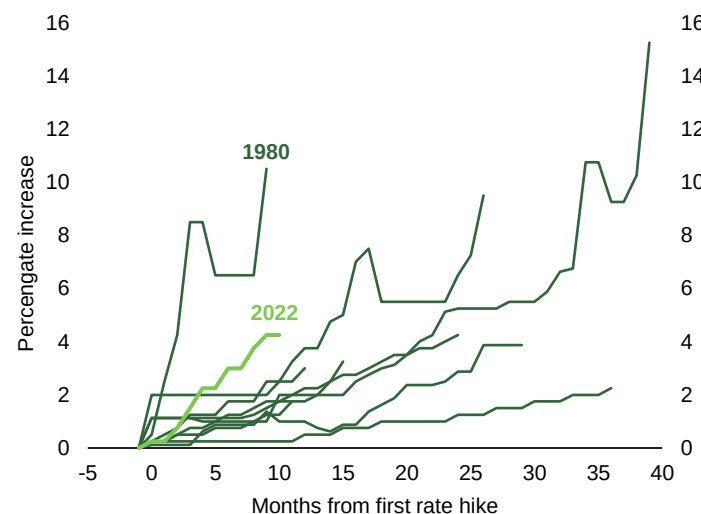


Source: FRED, Goldman Sachs Global Investment Research.

During the fourth quarter in China there was essentially a 180 degree U turn on its stated COVID policy, moving from zero COVID to fully opening up. Whilst in the short term this will be bumpy for China within a couple of months the virus should have provided most of the population with a decent level of resistance allowing things to open up more fully. In the first 20 days in December the China National Health Commission estimated that 18% of the Chinese population had likely contracted Covid-19 according to Bloomberg. Judging by mobility data some major cities may now be past peak infection rates. By the end of February China should be providing a healthy tailwind for the global economy although it will bring with it more inflationary pressures.

Western central banks have tightened monetary policy in 2022, with the FED acting particularly aggressively compared to prior cycles. This shift in the yield curve has dramatically increased the cost of capital which has been almost crippling for many loss making companies. QE in essence allowed more competition to come into many sectors and created a more fragmented offering, this is now starting to reverse. This creative destruction is good for capitalism and we feel is long overdue. We are long many companies which we believe will benefit from having higher financial barriers to entry in their sectors given their dominant positions, **BT** and **IWG** being the most obvious examples.

Exhibit 6: Fed tightening cycles, 1970 to 2022



Source: Minack Advisors.

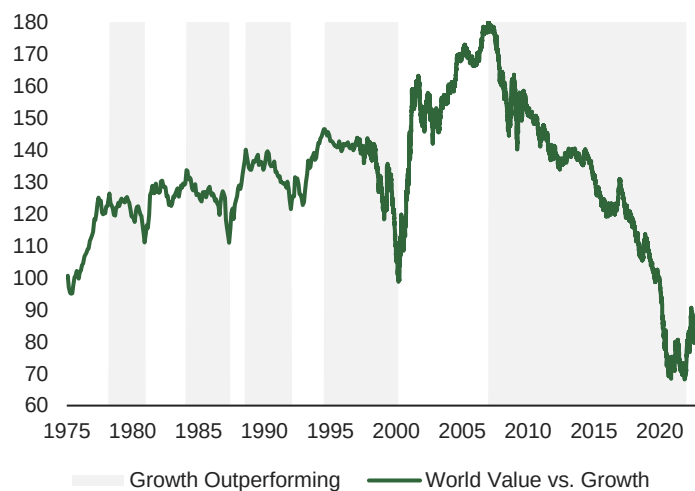
Exhibit 7: Goldman Sachs Non Profitable US Tech basket, Dec-15 to Dec-22



Source: Goldman Sachs, Bloomberg.

This shift in the yield curve was one of the major reasons that we saw a small reversal of the performance of 'value' vs 'growth' stocks in 2022. The multi decade outperformance of growth stocks went hand in hand with high demand from capital markets, this in turn led to excess capital flowing into these sectors and returns being materially suppressed. In contrast, less fashionable 'old world' stocks have been largely shunned by capital markets in the last decade or so and such an extended period of under investment should, we believe, set these sectors up for a multi-year period of generating excess returns. Many capital intensive companies that were previously capped at a valuation close to their net asset value could, we envisage, see a period where the market starts to focus on cash flow or earnings metrics delivering valuations at multiples of book value. Companies such as **Arcelor Mittal** and **Valaris** fit into this category.

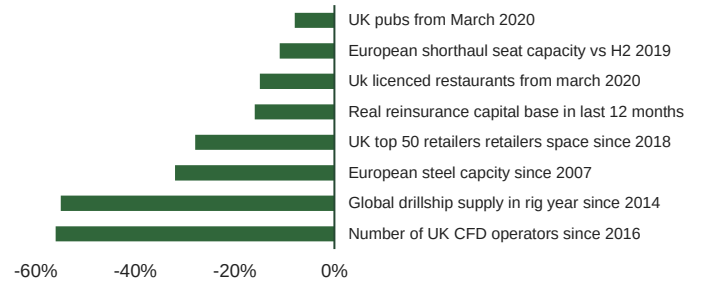
Exhibit 8: World value vs Growth: growth outperforming in shaded areas, 1975 to Dec-22



Source: Goldman Sachs Global Investment research, Datastream.

We feel there is currently a disproportionate amount of attention on demand compared to supply when we see some meaningful changes on the supply side as touched on above. The following chart shows some changes in supply in areas that should benefit our portfolio.

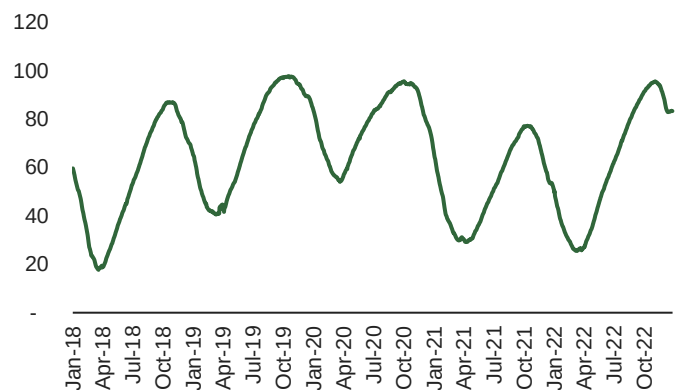
Exhibit 9: Supply changes in selected industries



Source: Brook Asset Management, FCA and Internal, DNB, Goldman Sachs, Gallagher re, CGA strategy, Diio Mi.

It has been reassuring (albeit aided by a warm winter so far) how well Europe has coped with the lack of Russian gas over the winter months. Our conversations with German banks have been helpful at giving us an optimistic insight into how companies have been dealing with the potential energy shortage on the ground. When you look at the gas storage data (3rd highest for 13 years) it looks like Europe should get through this winter in a good position and given the gas supply dynamics even if there is no resolution in Ukraine then Europe should only have one more winter to navigate on the energy front. Europe is in a much better position than consensus expected 6 months ago and given valuations we continue to have a strong bias to Europe ahead of the US.

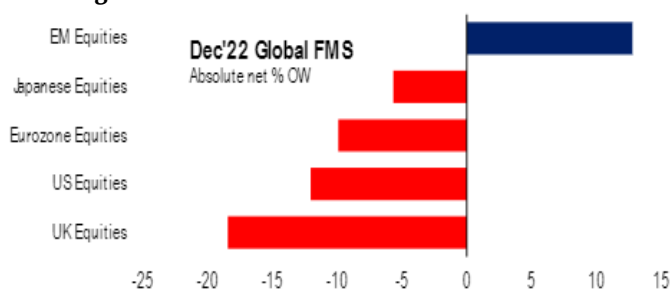
Exhibit 10: European gas storage (% full), Jan-18 – 4-Jan-23



Source: Gas Infrastructure Europe, Bloomberg.

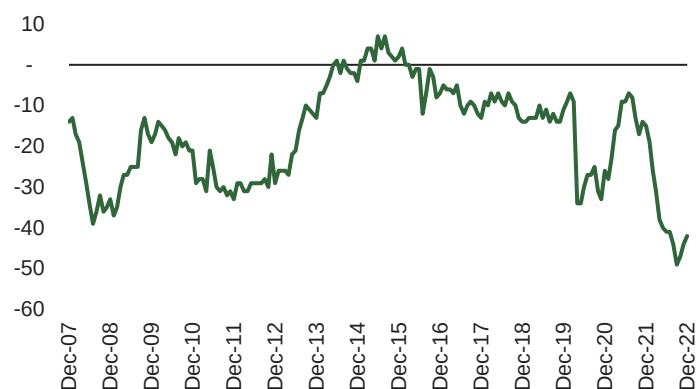
Within Europe the UK continues to be the least popular exposure as seen in Exhibit 11, Bank of America's Fund Manager survey. UK company valuations reflect this deep pessimism which continues to present a very interesting opportunity. There seems to be huge difference between the UK on a backwards and forward looking basis, and the market seems to be reflecting on the former. After the political and fiscal fiascos of 2022, consumer confidence hit an all-time low, yet with Rishi Sunak and Jeremy Hunt in charge there has been greater stability and consumer confidence has picked up from the very low base. We continue to watch this with interest as we believe news flow should improve and animal spirits are important. So while the UK macroeconomic set up is far from perfect, we believe it is better than popular perception would have it to be. UK politics is significantly de-risked with middle ground politics likely for at least 6 years, UK employment markets are strong, UK consumers have record excess savings, the UK banking system is healthy, inflation is set to fall sharply this year, consumer confidence is picking up from the lows, mortgage rates are falling after the Autumn spike and the currency has strengthened c.13% against the dollar from the lows.

Exhibit 11: Fund manager absolute investor positioning (net % overweight/underweight) for regional equities as at Dec-22: UK positioning most bearish



Source: BofA Global Fund Manager Survey, Dec 22.

Exhibit 12: UK consumer confidence, Dec-07 to Dec-22



Source: GfK, Bloomberg.

4th Quarter review

It was a strong fourth quarter for the fund with a return of +22.73% net of fees vs. MSCI Daily TR Net World +9.77%.

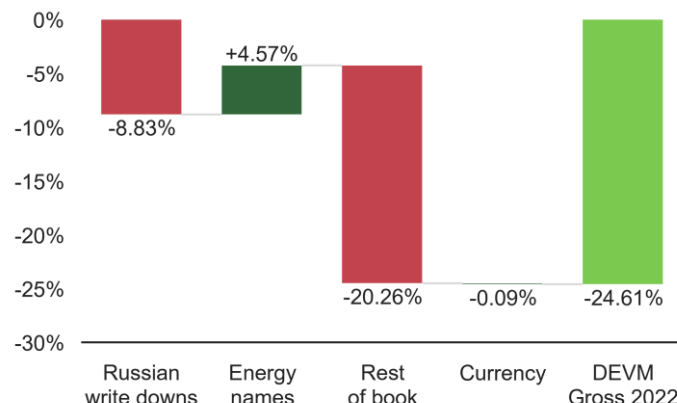
Some of the biggest contributions came from our offshore oil drillers **Nobel** (+1.52%) and **Valaris** (+1.42%). Nobel surprised the market with an announcement of a \$400m buyback alongside a good set of q3 results. It was also encouraging to see further consolidation happening in the sector with Seadrill buying Aquadrill in December. We expect more to come too. **Jet2** contributed +2.73% as the sector was consistently positive on the demand outlook for summer 2023 European travel. Jet2 results also highlighted its considerable outperformance versus the competition, reinforced by the fact that only a few days ago Jet2holdings won the Which Recommended Provider award for the 5th year running. **IWG** added +2.64% after an article cited private equity interest for one of its divisions. **Plus500** contributed +1.64% after it upgraded guidance for the 3rd time in 2022.

Our European banking positions were also strong contributors (**Deutsche Bank** +0.58%, **Natwest** +0.36% and **Barclays** +0.25%) and other European cyclical rebounded from lows (**ArcelorMittal** +1.23% and **Page Group** +0.71%). **AO World** contributed +1.24% after it reported good H1 results and a strong outlook for 2023, the business is clearly benefitting from being slimmed down and not having the distraction of its German operations. What was particularly helpful about performance over the quarter was not having any material detractors, unfortunately a difficult trick to consistently perform.

Full year review and positioning

The fund had a disappointing year detracting -25.47%. Given how many moving parts there were in the fund over 2022 pulling in both direction it is perhaps easier to understand overall performance with the following waterfall chart.

Exhibit 13: 2022 Returns contribution for DEVM by category



Source: Brook unaudited internal data as at 30-Dec-22.

Note: Russian write downs and Energy names figures will differ from the contribution figures in the commentary as the chart figures include a smoothing algorithm used to make asset level contribution add up over the full year.

The major detractor was the write down we took on our Russian equities (**Sberbank**, **TCS**, **Rusal** and **Inter Rao**) in the first quarter, costing the fund -9.65%. We still legally own the shares and the locally traded values are significantly higher than what we have them valued at in the book. However, we can't and may never be able to trade the shares hence it is appropriate to value them at or close to zero. We had owned these many years and they contributed positively until 2022. Whilst we spent a lot of time trying to estimate the downside of a Ukraine invasion and the risk return of the stocks, our worst case scenario ultimately was not bad enough in that it should have been zero. The lesson was that we underweighted country diversification when there was a such a unique country factor risk. This was seen at a stock level where we debated early in the year whether we should own Rusal, trading on a negative Enterprise value in Jan 2022 or Norsk Hydro which was trading on 6 x EV/EBIT; both are producers of aluminium. We erroneously deemed that the relative valuation of Rusal more than offset the country and political risk. Rusal ended the year in our fund down close to 100% and Norsk Hydro (which we didn't own) was c.+6%. Sometimes diversification is the only free lunch in investing.

Generally, when we look at our long book, we are pleased with how it is operating despite the share price moves in the last 12 months. The weighted average earnings of the fund from Jan 2022 saw consensus expectations decrease by 2% over the course of the year. With the earnings of the fund down a lot less than the share prices, our portfolio meaningfully derated over the course of the year which hopefully sets it up well for 2023.

The fund's energy positions had a good year as prices of oil and gas were high, drilling day rates picked up and there was further consolidation in the off-shore drilling sector. There was a positive sentiment shift towards the oil and gas sector given how energy security moved up the agenda and with the cost of living crisis there was more acceptance about an energy transition rather than investment shut off. Our top contributors were **Nobel** +1.26%, **Valaris** +2.24%, **Shell** +1.19%, **BP** +0.69% and **Total** +0.11%. Although **Glencore** is a diversified miner its earnings were helped enormously by the price of coal in 2022 and it contributed +2.23%. During the fourth quarter we reweighted some of our energy exposure into European banks.

Our reinsurance names, **Conduit** and **Hiscox**, added +0.11% in 2022 and as we head into 2023 we feel increasing confident about them as capacity in the space has reduced quite significantly in the last 12 months and January renewals showed very strong price increases. Gallagher expects price rises of between 25–50% for natural catastrophe lines in the USA. Conduit meanwhile trades on a price to book of 0.9x with a clean balance sheet and is well positioned to generate mid to high teens ROE over the next few years.

Our non Russian bank positions generated a small amount of positive performance in the year and given where they trade relative to their probable returns we feel the risk return asymmetry is highly attractive.

Exhibit 14: Selected UK and European bank valuation metrics

Stock	Price	ROE 2023	P/TBV 2023	P/E 2023	P/E 2024
Natwest	275.2	17.6%	0.96	5.5	4.8
Barclays	169.18	11.4%	0.54	4.7	4.5
Deutsche Bank	11.54	7.3%	0.40	5.8	4.6
Commerzbank	9.51	7.6%	0.44	5.9	4.4

Source: Brook Research, Dec-22.

In many ways it is more interesting for us to review our material losers in the portfolio given they have historically proven to be a valuable source of future performance.

IWG was our top (non-Russian) detractor losing -3.27% in 2022. We believe this global leading serviced office company was harshly treated by the market last year as it derated on macro and balance sheet concerns. Whilst the business is cyclical there is also an element of defensiveness in a mild recession as its customers look to have a flexible cost base. As discussed above, its competitors are being forced towards financial discipline in a world that now demands cash flow. The really interesting bit of news though came in the fourth quarter through a Sky news article from a credible journalist. The article outlined that CVC was looking to buy IWG's Instant Group division for £1.5bn and that there were multiple bidders as part of the process. IWG had already said it was looking at ways to extract value from the Instant division and given the characteristics of the Instant platform business (Booking.com for serviced offices) with many bolt on acquisitions opportunities, we see it as a fairly unique and attractive asset for private equity to buy. Equally interesting to us is that credit conditions have improved since the article came out. At the mooted price of £1.5bn (IWG owns 85%) this would represent 51% of the EV or 72% of the market cap of IWG, Instant sales were c. 5% of IWG sales in 2022. We bought more IWG during the fourth quarter both before and after the article.

AO World cost the fund -3.11% during the year as it underestimated the COVID pull forward in demand, struggled with logistics issues, closed down the German operations at a small cost and did a 20% placing to shore up the balance sheet. Being focused just on the core UK market has allowed a simplification of the business and reduction in cost which according to management is allowing the company to operate better. The sector as whole (AO and Currys dominate) has become much more rational in charging for two man delivery during the year which is 100% drop through margin. We believe AO will get back to low double digit sales trend growth and can deliver EBIT margins of 6–8%. On 35% of sales the market is clearly deeply sceptical of the business model and calendar 2023 will be an important year for the company to demonstrate what it can do.

Oxford Nanopore Technologies ("ONT") cost the fund -2.53%. ONT suffered from sector de-rating yet has cemented itself as the clear market share winner having upgraded revenue in 2022 whilst its two direct competitors both warned on revenue. This follows sales outperformance for ONT in both 2021 and 2020. One plausible contributor is that in a tougher funding environment ONT is the value choice in sequencing; initial capital outlay (access cost) for the technology is 20 to 1,000 times lower than competition depending on application. The vital signs for the platform are strong from scientific citations to new product and application launches. There is uncertainty over the company's largest contract, a UAE population sequencing project, c.8% of revenue in H1 22, which was slow in 2022 having outperformed in 2021. However, a combination of the CEO's recent public commentary, strength across the rest of the business and diminishing relative size of the UAE contract suggests that the volatility of this contract is manageable in the context of meeting or exceeding guidance. ONT trades at a discount to sequencing comps, in particular Pacific Biosciences, which we view as unwarranted given its market share trajectory. Near term, ONT's multiple is high at 8x EV/sales, however on a discounted basis the shares are inexpensive on our medium term growth scenarios.

Vivendi was down in the year and cost the fund -0.51% but we took the position size up materially in the fourth quarter. We have followed or owned Vivendi for a long time and like the assets, which trade at a material discount to our view of fair value. We do feel that there is also a potential catalyst for some degree of value realisation at Vivendi in 2023. Its largest shareholder is the Bollere Group, which currently owns just under 30% but whose shareholding may increase through the 30% mandatory bid threshold once Vivendi starts to cancel some of the c.8% of its own shares that it currently holds in treasury (a process which is due to begin later this year). Furthermore, the December 2022 sale of the Bollere Group's African logistics operations now gives Bollere significant reinvestment firepower (c.Eur 2bn of net cash and an 18% stake in UMG, currently worth c.Eur 7bn). When we consider the track record of Vincent Bollere, the balance sheet of his Bollere Group and the depressed market price of Vivendi, we think an increase in the Bollere Group's shareholding in Vivendi is possible. We have taken the weighting up as we really like the underlying investment anyway and this feels like an increasingly interesting situation.

Frasers Group (-0.14%) was one of the best performing retailers in Europe but that still meant its share price was broadly flat in dollars. We were delighted with the fundamentals of the business last year and the company is set to grow profits in April 2023 by c.40% and we believe it is well set up for future years of growth. One of the admirable qualities of Frasers Group is how it is prepared to suppress profits short term to invest in making the business more durable with higher growth potential. At the company's results in December management explained how it had acquired a small fintech business to provide its own inhouse credit offering (with personalisation). Having bought Studio Retail Group it also has a regulated and operating credit licence. The company will now roll out Frasersplus (the credit offering) across the group, we believe this can add up to 50% to Group EBIT. Frasers continues to make acquisitions in this distressed retail environment. UK retail is a prime example of a fragmented market becoming more consolidated. In a tougher environment with a higher cost of capital the strong get stronger. The latest acquisition that it made in December was to acquire JD Sports premium fashion brands. Overall, Frasers has an exceptional track record on its acquisitions and what stands out is how they are very happy to let sales fall initially to rebuild profitability and grow from a stronger foundation. The following House of Fraser example is interesting as it was one of the company's larger and more complicated acquisitions where the timing was poor given COVID was just around the corner. When you adjust for property and investments, Frasers trades on >10% FCF yield.

Exhibit 15: The transformation of House of Fraser

	Yr to April 18	Yr to Oct 22	Change
Sales (mill: Est)	£800m (Est)	£470m (Est)	-41%
EBITDA	-£22m	+£50m	+£72m
EBITDA %	-2.8%	10.6%	
Concession share of T/O	50%	10%	
Suppliers	1000+	250+	-75%
Overheads	£500m	£100m	-80%
Head Office staff	1000	100	-90%
Stores	59	35	-41%
Av store size (000s sq ft)	150	25-75	-67%
Rent to Sales	12%	4%	
Rent £mill	96	19	-80%
Internet:Cust returns	50%	10%	
Internet: P&L	Heavy loss	Profit	

Source: Brook Research and Bloomberg.

BT was a name we sold in Q1 but after it fell more than 40% we bought it back in December when one could argue the fundamentals had improved. With a higher cost of capital and less availability to funding, alternative network competitors should be laying down less competing fibre now than could have been expected 9 months ago. Furthermore, 68% of BT's revenues are now linked to CPI and the shares trade on a P.E. of under 6x with a dividend yield above 6%.

Mistakes in 2022

We always try and reflect on and learn from our mistakes. While we know it is impossible to eliminate mistakes in investing we hope we can reduce the quantum and number of them. I would like to start with 2022 as our base line study as, frustratingly, it included the outsized error of the Russian exposure. Aside from Russia these are the standout mistakes:

Balance sheet risk: we were very aware of potential refinancing risks given our more inflationary view and this helped our short book. Frustratingly though, where we had a more optimistic view than consensus was on our long book fundamentals and where balance sheets were not perfect, the market won the debate. This contributed to losses in IWG, National Express and 888. The lesson was, in a deteriorating credit environment it is better to be late to the party when buying a share with refinancing risk or you need to have a high spread and confidence on your profit numbers versus the markets.

AO World: we underestimated the COVID pull forward in demand and how difficult the environment post COVID would be to operate in with regards to cost control and supply of labour and goods. What was particularly frustrating was that we made this call successfully on some of our shorts in the hedge fund. The lesson here is a reminder that in a lower margin business there is less margin for error and that it is key to assess your longs and shorts through the same lens.

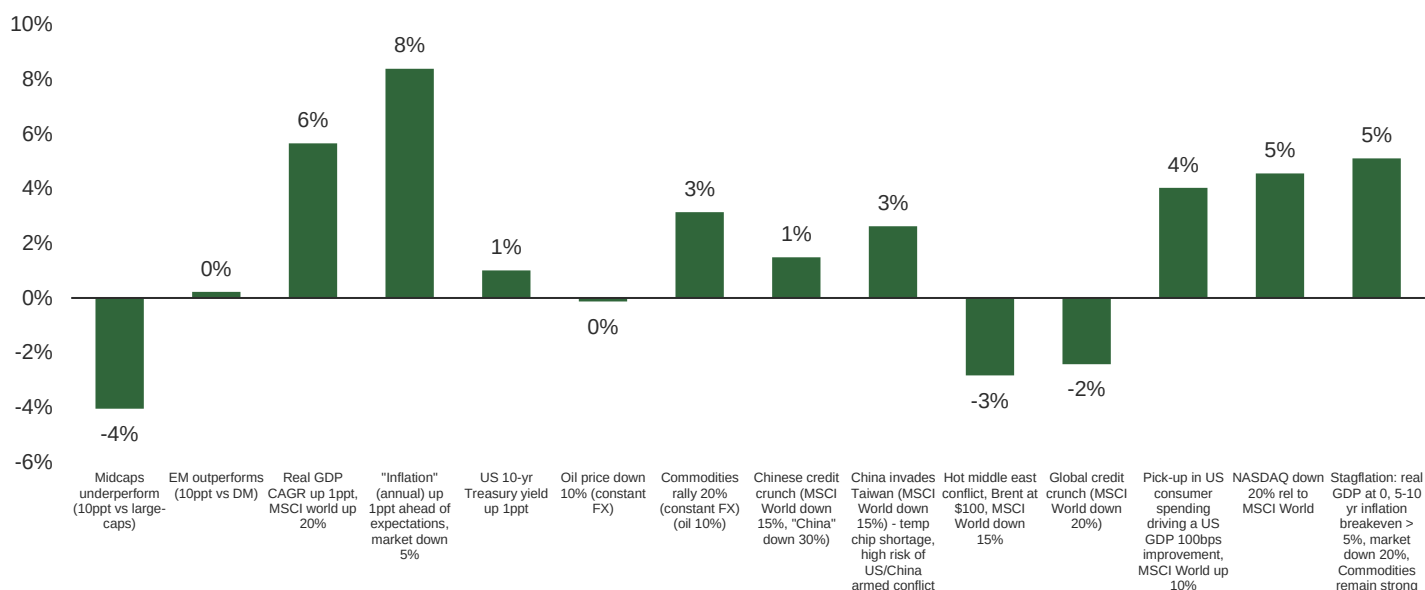
Positioning

With pessimism towards equities being very high at present, as seen in fund manager cash levels and other surveys, we are finding many cheap companies that we believe can do well in the current environment. There is plenty not to like about the macro outlook but we feel it is more than priced into the equities we own. The median P/E of the fund is 9.4 x with an EV/sales multiple of 0.8 x. We do not own a portfolio that would have performed well over the last 10 years but this next phase of the market should be very different. The fund's factor risks can be seen in the chart below. The core points are that we benefit from GDP being stronger than expected and inflation being higher than expected.

Conclusion

2022 was a poor year for the fund. However, the Russian write down is in the price and we are pleased with how our companies are operating, reflected by decent earnings trajectory on average in 2022. We believe we own companies that can perform well in this tougher economic environment. The low multiple and profile of our long book should allow us to protect and grow investors' money in more inflationary environment. We look forward to updating you on our quarterly call and as ever thank you for your support.

Exhibit 16: 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 30-Dec-22.

James Hanbury & Jamie Grimston

Brook Developed Markets Fund

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Performance (USD)

	1-month	3-month	1-year	3-year	5-year	YTD inception	Since inception	CAGR since inc.
Fund	-3.3	22.7	-25.5	17.5	31.5	-25.5	108.3	8.0
MSCI Daily TR Net World	-4.3	9.8	-18.1	15.6	34.7	-18.1	112.5	8.2
Relative	1.0	13.0	-7.3	2.0	-3.2	-7.3	-4.2	-0.2

DISCRETE YEARLY PERFORMANCE

	1-year to	31 Dec 18	31 Dec 19	31 Dec 20	31 Dec 21	30 Dec 22
Fund		-12.5	27.9	41.1	11.8	-25.5
MSCI Daily TR Net World		-8.7	27.7	15.9	21.8	-18.1
Relative		-3.8	0.2	25.2	-10.1	-7.3

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	-4.3	4.4	-16.8	6.0	-6.9	-13.6	10.6	14.8	-3.3	-25.5	-18.1
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

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Fund Size	\$195 million
Strategy AUM	\$425 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

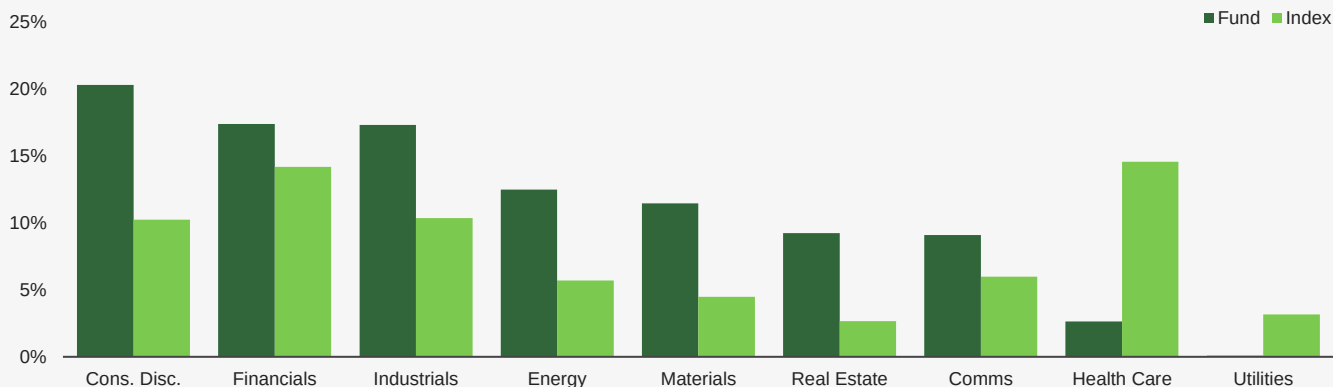
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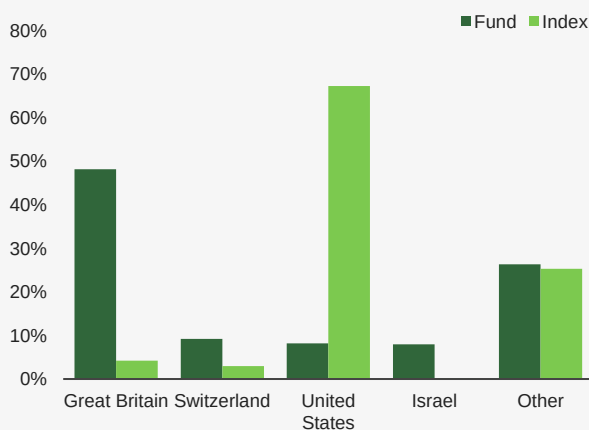
Brook Asset Management, 18 Upper Brook Street, London, W1K 7PU

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. All performance in USD.
Source: All sources, unless otherwise stated, are Brook internal unaudited data and refer to the \$ I share class. All data shown as at 30 December 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.

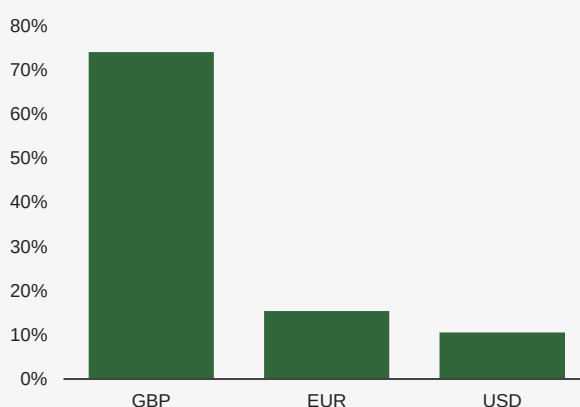
Equity exposure by sector



Equity exposure by geography



Currency exposure



Top ten equities as percentage of NAV

	Notional Exposure
IWG	9.2%
Plus500	8.0%
Frasers Group	7.5%
JET2	6.9%
AO World	5.4%
Valaris	4.2%
Noble Corporation	4.0%
ArcelorMittal	3.9%
Glencore	3.9%
Vivendi	3.6%

Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	33.7	35.2	29.6	23.5
Index annual s.dev.	21.8	20.2	18.0	14.7
Correlation	0.9	0.9	0.8	0.8
Sharpe Ratio	-0.5	0.4	0.3	0.4
Information Ratio	-0.2	0.2	0.0	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 IE000QZF0HT6, \$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		

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

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Don't invest unless you're prepared to lose all the money you invested. This is a high-risk investment and you are unlikely to be protected if something goes wrong. [Take 2 mins to learn more.](#)

Investments that have an exposure to currencies other than the base currency of the Fund may be subject to exchange rate fluctuations. This communication and the information contained therein is a financial promotion for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom and the rules of the FCA. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, anyone who comes into possession of this communication should inform themselves of and observe these restrictions. OAM is not liable for a breach of such restrictions or for any losses relating to the accuracy, completeness or use of information in this communication, including any consequential loss. The Brook Developed Markets Fund is a Sub-Fund of Odey Investment Funds plc, an open-ended umbrella type investment company with segregated liability between Sub-Funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations. Please always refer where appropriate to the relevant Fund prospectus and relevant key investor information document(s) before you invest. The Fund's prospectus and key investor information documents are available in English and may be obtained at brookam.com. Registered in England No. OC302585. Registered Office: 18 Upper Brook Street, London, W1K 7PU. Authorised and regulated by the Financial Conduct Authority in the UK.

Glossary of terms

Please refer to the relevant fund 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.