

Brook European Focus Fund

BROOK
 ASSET MANAGEMENT

Portfolio Manager Report

European equity markets fell in the second quarter. European and global growth expectations were pulled back again, impacted by the Ukraine-Russia war, Chinese coronavirus lockdowns, US fiscal drag, and a growing real income squeeze. At the same time many central banks continued their more hawkish messaging as inflation rates remained at a greater magnitude and more persistent than was comfortable. Consequently, a growing chorus of recessionary fears developed amongst investment commentators.

The fund fell -7.60% versus a -9.03% drop for the MSCI Europe Index in Euro terms during the quarter. While the fund outperformed, it had held up significantly better until late June, when risks of German access to Russian gas accelerated, thereby exacerbating German and European recession fears. At stock level performance was mixed with robust gains in TotalEnergies, Lundin Petroleum and Inditex offset by broader weakness elsewhere, including in, Deutsche Bank, Maersk Drilling, and Carrefour. At a portfolio level the overall shape of the portfolio remained largely unchanged. However, at the margin we made some changes improving the balance and reflecting the higher risks. This included selling Norsk Hydro, Lundin Energy and some of the smaller positions, while increasing Bayer and buying new positions in Anheuser-Busch and Societe Bic.

European GDP expectations came down further during the quarter. While a real income squeeze driven by inflationary cost pressures and rising interest costs dominated fears for the European consumer, it was the second order effects of the Ukraine war that ultimately exerted the most fear for future European economic demand. Actual negative GDP revisions were relatively small during the period as the service economy largely held firm, helped by pandemic re-opening trends. However, the escalation of worries over the supply of Russian gas to Europe during June led many investors to speculate around downside scenarios.

The Fund had strong performance from TotalEnergies, Lundin Energy, Inditex and Anheuser-Busch. TotalEnergies, the oil supermajor, caught up some of its underperformance of the previous quarter related to fears over its activities in Russia, as their first quarter demonstrated the benefits of the current energy backdrop. After a strong run helped by elevated oil prices, we finally sold Lundin Energy, the Scandinavian E&P operator, ahead of its merger with AkerBP. Indeed, during the quarter we rebalanced our energy position, reducing the E&P exposure through this sale, while at the same time increasing our weightings in the Fund's oil service investments in Maersk Drilling, TGS and TechnipFMC. With industry capex and cost pressures rising we believe the better investment opportunity is shifting to the oil service subsector. Inditex, the leading clothing fashion company, reported encouraging trends as behavioural patterns normalised post covid and market share gains continued. Finally, Anheuser-Busch, the world leading brewing operator, moved up from oversold levels. A new position, we believe the deleveraging and re-profiling of their balance sheet is underappreciated by investors. At the same time new management has begun to improve the operating trends, thereby leaving the near historical low valuation multiple increasingly attractive. On the negative side, Deutsche Bank, the German bank, fell back on recession fears for the German economy. Maersk Drilling, the rig operator, pulled back after last quarter's sharp rise, and Carrefour weakened as takeover enthusiasm waned, and consumer real income squeeze fears accelerated.

Performance

-7.6% Quarterly performance
-5.3% Year-to-date performance
10.1% CAGR since inception

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

Fund details¹

€ B Class	23.56
€ A Class	24.65
€ A Acc Class	15.38
€ I Class	133.28
€ R Class	137.17
\$ I Class	101.35
\$ R Class	81.92
£ A Class	30.54
£ I Class	160.43
£ R Class	159.82
Fund Size	€453 million
Strategy AUM	\$473 million
Fund Inception	31 Mar 2010
Class Inception	31 Mar 2010
Fund Type	Irish Long Only UCITS

Portfolio Manager

Oliver Kelton

For full bios visit brookam.com

Source: All sources, unless otherwise stated, are Brook internal unaudited data and refer to the € B share class – this share class is closed to all investors but is used for purposes of the track record of the fund – please refer to the 'Investor Information' section for other share classes available. All data shown as at 30 June 2022. ¹U.S Bank Global Fund Services (Ireland) Limited and Bloomberg, calculation on a NAV basis with net income reinvested.

In terms of position changes, we added more balance to the portfolio at the margin. We sold down further the fund's commodity exposure, selling the last of the Norsk Hydro exposure, which had benefited in the short-term from the onset of the Ukraine war on fears for global aluminium supply. Elsewhere, we cleaned-up several of the smaller tail positions in Bouygues, TF1, Metro and Ubisoft due to discipline on the rising macroeconomic risks. On the positive side, we acquired a position in Anheuser-Busch as mentioned earlier, and significantly increased the Bayer position as initial data on their oral blood thinner asundexian highlighted the potentially transformative opportunity for the healthcare business, and as a series of glyphosate litigation case wins continued to support confidence in their provision.

Overall, European and global growth expectations continue to be pared back and investor recession fears are building. We recognise this slowing economic backdrop and have sympathy with many of the associated worries. Consequently, at the margin, we have built more balance into the portfolio. However, overall, our European value thesis remains largely unchanged and we continue to be excited by the opportunity ahead.

—
Oliver Kelton

Brook European Focus Fund

BROOK

ASSET MANAGEMENT

Performance

	1-month	3-month	1-year	3-year	5-year	YTD	Since inception	CAGR since inc.
Fund	-10.9	-7.6	-2.0	23.0	32.3	-5.3	223.4	10.1
MSCI Daily TR Net Europe	-7.7	-9.0	-6.5	13.1	21.4	-13.8	111.5	6.3
Relative	-3.2	1.4	4.5	9.9	10.9	8.5	112.0	3.8

DISCRETE YEARLY PERFORMANCE

	1-year to	29 Jun 18	28 Jun 19	30 Jun 20	30 Jun 21	30 Jun 22
Fund		7.7	-0.1	-16.2	49.7	-2.0
MSCI Daily TR Net Europe		2.8	4.5	-5.5	28.0	-6.5
Relative		4.9	-4.5	-10.7	21.8	4.5

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD ³
2022	5.6	-4.4	1.5	-1.8	5.6	-10.9							-5.3	-13.8
2021	-3.8	11.4	8.6	0.4	4.4	-1.2	-2.7	1.6	2.9	3.1	-6.1	5.0	24.8	25.2
2020	-5.5	-8.0	-19.4	10.4	0.8	3.1	-3.1	6.7	-6.9	-2.3	26.9	4.1	-0.1	-3.4
2019	1.9	-0.1	1.5	1.1	-2.3	0.5	-1.3	1.5	1.3	0.5	0.5	1.6	6.9	26.1
2018	-0.1	-2.6	0.3	3.7	-0.3	0.1	2.5	-1.3	2.1	-2.6	0.6	-3.8	-1.7	-10.6
2017	-1.4	0.5	2.3	0.1	4.3	-3.2	1.4	0.9	3.5	0.7	0.4	-0.5	9.3	10.2
2016	-1.8	-1.9	1.5	-1.9	1.7	-2.9	-0.4	1.8	0.5	1.4	-1.2	3.0	-0.4	2.6
2015	5.7	5.3	1.8	-0.6	2.9	-4.8	4.1	-7.4	-3.0	4.5	1.3	-2.5	6.5	8.2
2014	0.5	6.6	0.8	0.8	2.2	-0.9	-0.6	0.3	0.1	-1.6	4.3	0.1	13.1	6.8
2013	5.5	0.9	-1.0	7.9	6.1	-2.1	11.6	0.7	8.4	7.5	2.2	1.3	60.1	19.8
2012	2.0	4.5	2.4	-3.5	-5.1	2.5	1.3	0.0	0.0	3.3	6.0	3.5	17.6	17.3
2011	3.6	0.6	-5.8	0.6	1.1	-2.1	-1.9	-5.3	2.1	2.0	-1.2	4.1	-2.8	-8.1
2010				-0.8	-5.2	1.1	5.4	-2.7	5.4	2.7	-1.9	4.8	8.7	6.5

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Class Inception	31 Mar 2010
Fund Type	Irish Long Only UCITS
Comparators	Primary: MSCI Daily TR Net Europe EUR
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 EUR B 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 MANAGER

Oliver Kelton

For full bios visit brookam.com

ENQUIRIES

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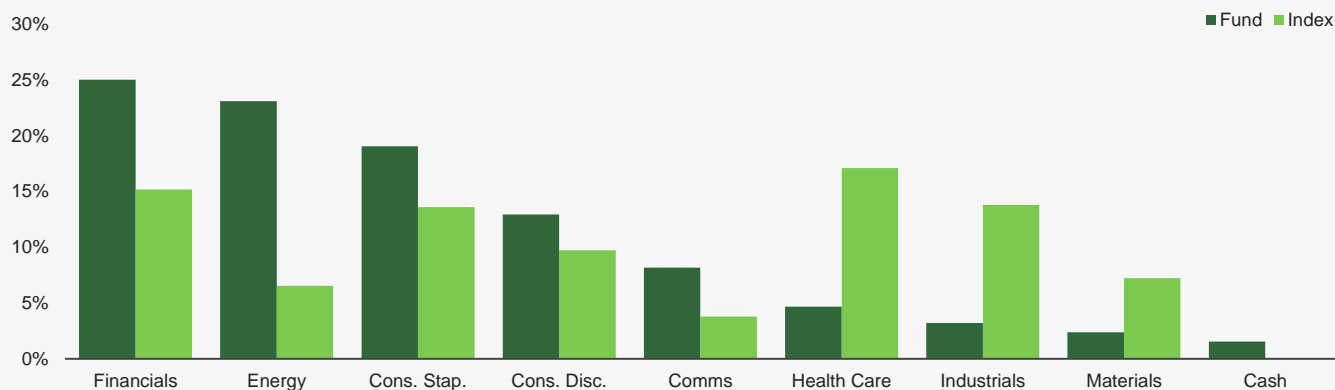
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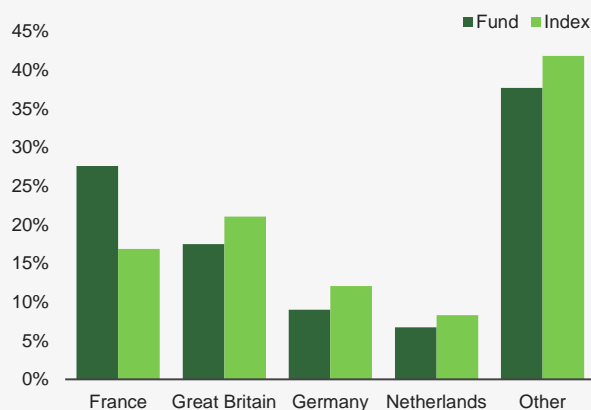
Note: Equity exposure includes all equity related instruments. Currency exposure relates to exposure of all assets held by the fund, including any forward currency positions. Past performance is net of fees and other charges and includes the reinvestment of dividends. Performance from the 1st April 2010 to the 30th June 2015 uses the track record of the Waverton European Fund B EUR share class net of all fees and includes the reinvestment of dividends. It should be noted that the Waverton European Fund B EUR share class charged a performance fee from 1st April 2010 to 30th September 2011, and did not charge a performance fee from 1st October 2011 to 30th June 2015. From 1st July 2015 onwards performance shown is for the Brook European Focus EUR B share class which is subject to an annual management fee of 1.5% and no performance fee. The share classes available for investment post 1st July 2015 are the I and R classes which are subject to a 0.70% and 1.20% annual management charge respectively and a 20% relative performance fee. Calculation is on a NAV basis, net of all fees and includes the reinvestment of dividends. Please note that the Brook European Focus Fund and Waverton European Fund, whilst having similar investment processes and strategies, are subject to different investment guidelines, fees and charges. For full details please refer to the Fund's prospectus. Equity exposure as classified by GICS. The fund was renamed effective 8 February 2021 from Odey European Focus Fund to Brook European Focus Fund. Effective 28 January 2022 the Brook European Focus Fund, a Sub-Fund of Odey Investment Funds Plc, merged into Brook European Focus Fund a Sub-Fund of Odey Investments Plc.

Source: All sources, unless otherwise stated, are Brook internal unaudited data and refer to the € B share class – this share class is closed to all investors but is used for purposes of the track record of the fund – please refer to the 'Investor Information' section for other share classes available. All data shown as at 30 June 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. ²Waverton European Fund, as managed by Oliver Kelton, launched on 31-Mar-2010, Brook European Focus Fund launched on 30-Jun-2015. ³MSCI Daily TR Net Europe.

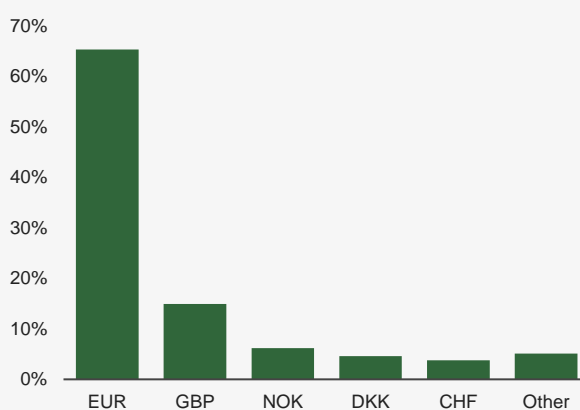
Equity exposure by sector



Equity exposure by geography



Currency exposure



Top ten equities as percentage of NAV

	Notional Exposure
TOTAL	9.7%
Carrefour	8.4%
Tesco	7.4%
BNP Paribas	5.0%
BT	4.9%
ABN AMRO Bank	4.7%
Bayer	4.7%
Drilling Company of 1972	4.6%
Aker BP	4.6%
Deutsche Bank	4.3%

Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	17.2	25.5	20.2	15.8
Index annual s.dev.	12.4	16.5	14.7	13.4
Alpha	0.4	0.2	0.2	0.4
Beta	0.8	1.3	1.1	0.9
Correlation	0.6	0.9	0.8	0.8
Sharpe Ratio	0.0	0.4	0.4	0.7
Information Ratio	0.3	0.2	0.2	0.4
Tracking Error	14.2	14.2	12.0	10.2

Investment objective and policy

The Brook European Focus Fund ('The Fund') aims to achieve long-term capital growth through investing in equities of European Companies in developed European equity markets.

APPROACH

The Fund is a concentrated, return-seeking European equity strategy harnessing the expertise and judgement of Oliver Kelton and the Brook research team. Oliver undertakes a rigorous program of meetings (typically >500 per year) with company management, industry specialists and local brokers to identify opportunities where a company's competitive position, industry dynamics and cash generation will drive strong share price performance. The Fund is built without formal reference to an index and typically holds 20-40 mid and large cap European companies. At times, the Fund may also hold high cash levels.

RISK CONSIDERATIONS

This Fund has considerable latitude over its asset allocation and 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	R (£, €, \$), I (£, €, \$), A ² (€, \$), B ² (€), A Acc ² (€)	Minimum investment	R £5,000, I £1,000,000 (or equivalent in €/€)
Share class hedging	Non-base currency share classes are unhedged	Dividends	Income potentially distributed on reporting status shares classes GBP (I, R, A) and EUR (I, A, B)
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 1.2%, I 0.7%, A & A Acc ² 1.0, B ¹ 1.5%	ISIN	€ R: E000GBN91O8, £ R: IE000U3SJDA4, \$ R: IE000SB125Y2, € I: IE000YMX2574, £ I: IE000Q9Q6Y60, \$ I: IE00050TUQJ5, € A ³ : IE000T01W6N0, € A Acc ³ : IE000267N380, £ A ³ : IE000JBG2KH9, € B ³ : IE000GA2ZS46
Performance fee	20% of the relative outperformance of the benchmark, the MSCI Daily TR Net Europe index. Fees crystallise annually, and on redemption. Relative underperformance is carried forward.	SEDOL	€ R: BM90BM3, £ R: BM90BQ7, \$ R: BM90BZ6, € I: BM90BN4, £ I: BM90BP6, \$ I: BM90BY5, € A ³ : BM90CF3, € A Acc ³ : BM90CG4, £ A ³ : BM90BS9, € B ³ : BM90CH5
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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Note: ³Closed to further investment.

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 European Focus 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.