

# ASSESSMENT OF VALUE REPORT

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LF ODEY FUNDS  
LF ODEY INVESTMENT FUNDS  
31 DECEMBER 2022



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# Company Details

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|--|--|
| <b>Company</b>                               | LF Odey Funds<br>LF Odey Investment Funds                          |
| <b>Authorised Corporate Director ("ACD")</b> | Link Financial Solutions Limited ("LFSL")                          |
| <b>Investment Manager</b>                    | Odey Asset Management LLP (also trading as Brook Asset Management) |

## Letter from the Board

The regulator, the Financial Conduct Authority ('FCA'), requires us as the Authorised Corporate Director ('ACD') to annually assess the value delivered by our funds using seven key criteria as set out by the FCA. Full details can be found on page 4.

We, the Board of Link Fund Solutions Limited, are committed to having processes that oversee our appointed Investment Manager Delegate ('IMD') Odey Asset Management LLP's (also trading as Brook Asset Management) effort to create and maintain value. The FCA requires a minimum of two independent non-executive directors (iNEDs) to sit on fund boards to improve governance and performance. The LFSL Board has three iNEDs, one of whom is the Chair of the Value Assessment Committee. The iNEDs play an important role in our process for assessing the value of our funds. They represent our investors' best interests by providing challenge and scrutiny on the assessment ratings for each fund. Details of the Board are shown on pages 2 and 3.

Value to us does not just mean costs. We view value as a combination of a number of key factors: investment performance consistent with investor expectations, transparency in the fees charged and having a robust governance structure.

Unlike many other ACDs, we are completely independent. LFSL is not part of the same group of companies as the appointed Investment Manager. We believe that our independence means we are best placed to assess value on your behalf and to identify what remedial actions might be required.

We are conscious of our obligation to you, the investor, and we continuously strive to ensure that the funds deliver value to you and are managed in what we believe are your best interests. Our aim is to create a report that you will understand, that will be of interest to you and, most importantly, that will provide you with a clear summary of your fund(s), highlighting where it has provided value to you.

It is difficult for anybody to assess the effectiveness of their own work, and therefore the LFSL Board is very interested in any feedback or questions which you may have on this report. Please use the email address at the foot of this page.

## The Board of Directors

Link Fund Solutions Limited

April 2023

[aovfeedback@linkgroup.co.uk](mailto:aovfeedback@linkgroup.co.uk)



# Link Fund Solutions Limited (LFSL) Board of Directors

This Assessment of Value report has been approved by the LFSL Board of Directors. The Board is comprised of the Chair, who is one of three independent non-executive directors, plus three executive directors.

## Independent Directors



**Alistair Reid**

Independent Non-Executive Director and Chair of LFSL Board

Alistair joined as an iNED to the Board in February 2021 and took on the roles of Chair of the LFSL Board and the Value Assessment Committee. Alistair has worked both in and alongside the investment management industry for more than 40 years, holding senior positions at both large international and smaller UK firms including Crux Asset Management, Thornhill Holdings, and JP Morgan Chase.



**Tony Stuart**

Independent Non-Executive Director

Tony was appointed an iNED of both Link Fund Solutions Limited and Link Financial Investments Limited on 15 November 2017. Tony is a Chartered Accountant and Investment Banker. He was a Managing Director and Executive Committee member with N M Rothschild, where for 30 years he advised on strategy, financing and M&A for a wide variety of companies in the UK, Europe and Australia. He has held a number of non-executive directorships since his retirement in 2011 and currently is the Hon Treasurer and a council member at the University of Surrey. He is also an Independent Director of LME Clear Limited, an Independent Director of the London Metal Exchange and an Independent Director of Link Market Services Trustees Limited.



**Elizabeth Tracey**

Independent Non-Executive Director

Elizabeth Tracey joined as an iNED to the Board in February 2021, taking on the role of Chair of the Link Fund Solutions Limited Risk, Compliance, and Audit Committee. Elizabeth brings a wealth of expertise, having worked for over 37 years in the financial services industry. This includes senior operational roles at large asset managers such as Merrill Lynch Investment Managers and BlackRock Fund Managers. Specialising in global operations, Elizabeth's experience includes oversight of projects in Europe, Asia, the US, and Australia.

# Link Fund Solutions Limited (LFSL) Board of Directors continued

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## Executive Directors



**Karl Midl**  
Managing Director

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Karl joined the Link Fund Solutions business in 1995 as a junior Fund Accountant and was promoted to the Board in 2002, becoming Managing Director in September 2019. Karl has held a number of executive roles including Operations Director, Programme Director and Director of Relationship Management and Product and Change Management. He has been instrumental in the operational design of our business, and the selection of major outsourcing arrangements such as the supply of custody and Depository services in the UK and the transfer of fund administration roles to our operational centre in Mumbai.



**Ben Hammond**  
Finance Director

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Ben has worked within the funds industry for over 20 years since he was first recruited as an accounts assistant with City Financial Administrators in 1999. Since the firm has been acquired, Ben has continued to be a part of the Link Fund Solutions Finance team, during which time he has held a variety of positions and gained a wealth of experience, and assumed the position of Finance Director in 2016. He was involved in the acquisitions of both Northern Administration and Sinclair Henderson as well as overseeing, from a finance perspective, the implementation and migration of the finance general ledger and reporting function from an in-house legacy system to SAP in 2010. In 2013, he was appointed as Head of Collectives Finance, bringing all of Link Fund Solutions' finance functions in the UK (financial accounts, operational finance and commercial matters) under one direct management structure.



**Nigel Boyling**  
Director

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Nigel joined Link Fund Solutions in 2009 and became a Director in 2011, establishing the risk based oversight model of the Investment Manager Delegates (IMD) and the funds managed by them. Prior to joining Link, Nigel has worked in the asset management industry since 1988, firstly with Manulife Financial as Head of Group Audit and Compliance and then with Prudential and M&G as a Risk and Compliance Director. Nigel commenced his career as a trainee accountant in the public sector including the water industry, local government, and British Gas. Nigel is a qualified Chartered Public Finance Accountant and a Fellow of both the Royal Statistical Society and the Institute of Internal Auditors.

# Introduction

Our Assessment of Value applies a combination of quantitative and qualitative metrics to assess whether or not funds provide value to our investors and considers the seven key assessment criteria outlined by the FCA which are detailed below.

In this report, we display the results of our assessment covering each of the seven criteria grouped under three pillars: Quality of Service, Investment Performance and Costs. We find this approach provides investors with a greater understanding of the areas we assess across the funds.

Our assessment also considers if any additional criteria should be assessed as part of the report, such as Environmental, Social, and Governance (ESG). Where ESG forms part of a fund's objective and/or policy, the assessment is included in the Quality of Service pillar.

Where appropriate and relevant to our assessment, we comment on events that have occurred outside of the investment reporting period to 31 December 2022. If it is identified that remediation is required on a fund, we propose an action plan to improve the value received from investments.

The seven criteria that the FCA requires firms to consider as part of their assessment are:

## FCA Criteria

|                                |   |
|--------------------------------|---|
| <b>Quality of service</b>      | the range and quality of services provided to investors.  |
| <b>Fund performance</b>        | the performance of the fund, after deduction of all payments out of scheme property, as set out in the prospectus. Performance should be considered over an appropriate timescale having regard to the scheme's investment objectives, policy and strategy.   |
| <b>Comparable market rates</b> | in relation to each service, the market rate for any comparable service provided by the AFM, or to the AFM or on its behalf, including by a person to which any aspect of the scheme's management has been delegated.   |
| <b>AFM costs</b>               | in relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person.   |
| <b>Comparable services*</b>    | in relation to each separate charge, the AFM's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies.<br><br>* as Host or Independent ACDs, we are not expected to look at institutional mandates. |
| <b>Economies of scale</b>      | whether the AFM is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units/shares.                    |
| <b>Classes of units/shares</b> | whether it is appropriate for unit/shareholders to hold units/shares in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights.  |

# Introduction continued

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## Our approach to the assessment results under the three pillars and what we assess

|                               |  |
|-------------------------------|--|
| <b>Quality of Service</b>     | We look at and assess the quality of service that our investors receive through the administrative and investment process.   |
| <b>Investment Performance</b> | <p>We assess the investment performance for the recommended holding period (RHP) as per the fund prospectus. This covers the FCA's criterion of investment performance.</p> <p>Where a fund has not yet met its recommended holding period, we assess the fund since its launch date.</p>  |
| <b>Costs</b>                  | <p>We look at what is charged to the fund and how these costs compare with alternative providers. We then assess the share classes across the fund to see whether they are cost effective and our investors are in the most appropriate share classes for their investment needs. We assess if any savings have been achieved in the fund and if/how these have been shared with our investors.</p> <p>Fixed fees are charged to the fund on a sliding scale based on the fund's size or Assets Under Management (AUM), with larger funds charged lower fee rates. Smaller funds, or newer funds which have not reached a size whereby lower fee rates are chargeable, will not benefit from this economy of scale. As a result, fund AUM is considered when assessing whether a fund has the opportunity to benefit from economies of scale.</p> <p>We assess the costs of the fund with similar funds within the LFSL ACD fund family. This pillar covers the FCA's criteria: Comparable Market Rates, Comparable Services, AFM Costs, Economies of Scale and Classes of Shares.</p> |

This report provides a summary of the results under each of the pillars across all funds managed by our appointed Investment Manager. There is also an individual fund breakdown which allows you to view the funds in more detail. The assessment is carried out on all share classes of the funds, but commentary in this report will use the primary share class of the fund. Where pertinent to the assessment, commentary on other share classes may be added.

This assessment has been reported on the year to 31 December 2022 and comments on any actions that were highlighted in previous reports. Our 31 December 2021 assessment of LF Odey Funds and LF Odey Investment Funds did not conclude with any proposed actions.

# Introduction continued






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## Explanation of ratings

The results of our assessments are presented using a Red, Amber or Green rating. An overall rating is given to each fund that summarises our findings under the three pillars. The overall rating for a fund is based on a weighted assessment agreed by the LFSL Board, with criteria such as performance having greater weightings than others.

In addition to the Red, Amber and Green ratings, we have introduced a Grey rating. This rating is relevant for newly launched funds of less than one year from the reporting period.

Our summary page shows a rating for all funds assessed for the reporting period to 31 December 2022.

-  Has not provided value; appropriate further action will be agreed.
-  Has provided value in some but not all areas; additional monitoring and/or further action may be proposed
-  Provides value
-  Too soon to measure investment performance – fund has been live for less than 1 year or has had a material change to its objective, policy or benchmark during that period
-  Too soon to measure costs – fund has been live for less than 3 years

Where a fund has not reached its recommended holding period (RHP) or where its objective or benchmark has changed within the period, we will rate these funds for performance using the Red, Amber and Green ratings; however, we will note that the fund is still in its growth stage so it may be too soon to measure against its agreed strategy. If a fund has been live for less than one year, we will apply a Grey rating.

We recognise that newly launched funds that are still in their growth stage can experience higher fixed costs. For funds that have launched within 3 years of the reporting period, we will assess the fund for costs but assign a Blue rating rather than a Red, Amber or Green rating, indicating that the fund is less than 3 years old and it is too soon to assess the costs.



An aerial night view of London, featuring the illuminated Tower Bridge over the River Thames. In the foreground, several modern office buildings with glowing windows are visible. The city skyline is lit up in the background, with the River Thames winding through the center. A dark blue banner with white text is overlaid across the middle of the image.

# HOW WE ASSESS OUR FUNDS



# How We Assess Our Funds

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LFSL employs a robust governance and risk management framework in our oversight and monitoring process. This includes not only the funds, the various third parties – investment managers and administrators – but also the internal teams within LFSL. We undertake regular reviews to identify any potential issues in the administration, investment and product processes, utilising Key Performance Indicators and Service Level Agreements where appropriate.

## Quality of Service

### How do we assess it?

To assess the quality of service provided to you, we look through two lenses:

- 1) the quality of our administrative services
- 2) the quality and integrity of our appointed Investment Manager Odey Asset Management LLP's (also trading as Brook Asset Management) investment process.

LFSL performs extensive oversight on all delegated service providers in line with a detailed Vendor Management Policy. This ensures that service quality is maintained in line with documented Service Level Agreements which, in turn, delivers performance that meets or exceeds regulatory requirements. This includes a review of the following key elements:

- The timely and accurate calculation of the fund's prices and income payments to investors
- The accessibility, accuracy and the use of plain language in fund documentation and investor communications
- The timely and accurate production and distribution of investor statements
- Ensuring trading activities are within fund guidelines
- The level of, and timely response to, any complaints from investors.

For the second part of the assessment, quality of the investment processes, LFSL engages directly with the IMD's investment team. LFSL examines the following areas:

- 1) The IMD's human and material resources involved in the investment processes and how those are used. The main criteria are adequacy of human and material resources, including stability of the team, data and systems used in the investment process.
- 2) The relevancy of the different phases of the investment processes and how they interact with each other.

LFSL's main assessment criteria include:

- The IMD's investment strategies
- Adherence to their prospectuses
- The relevancy and robustness of top-down and bottom-up phases as well as quantitative and qualitative approaches embedded in those
- The integration of risk management for global exposures, idiosyncratic and concentration risks.

Where ESG forms part of a fund's policy and/or objective, our assessment reviews if the fund is adhering to the Investment Manager's ethical screening policy.

## Investment Performance

### How do we assess it?

To assess the investment performance of the fund, we consider two areas: 1) its investment objective and 2) the investment performance of the fund relative to its benchmark as stated in the prospectus. Where LFSL does not have the rights to publish specific benchmark data, a proxy benchmark is used.

The investment performance of the fund is assessed for the RHP as stated in the fund prospectus and is listed in the individual fund summary. Where a fund has not reached its RHP, its investment performance is assessed from its launch date. If a fund has more than one benchmark, all benchmarks are assessed to provide the rating.

Each strategy of a fund is assessed against its respective benchmark as well as the fund's objective. How we measure each strategy is explained below:

#### Capital Growth

To assess the fund's capital growth objective, we review whether the fund has provided capital growth over the RHP.

#### Total Return

To assess the fund's total return objective, we review whether the fund has provided a positive total return over the RHP.

#### Income

To assess the fund's income objective, we review whether the fund has provided income on an annual basis over the RHP as well as a positive total return over the RHP. We also compare the fund's average annual income yield over the RHP against its Comparator/Constraint/Target Benchmark.

#### Absolute Return

To assess the fund's absolute return objective, we review whether the fund has provided a positive total return over each of the previous 12-month periods of the RHP.

Where volatility forms part of a fund's objective, we assess the percentage volatility of the fund in the assessment period relevant to its benchmark. For funds that have an objective to generate returns ahead of inflation and preserve the real value of assets, we assess the fund's return relative to the Consumer Price Index (CPI).

## Costs

### How do we assess them?

To assess costs, we carry out analysis of the elements that make up the Ongoing Charges Figure (OCF) that our investors pay.

These are:

- The Annual Management Charge (AMC), which includes the fees paid to the Investment Manager, the ACD/AIFM and the Fund Administration costs;
- Transfer Agency costs;
- Depositary and Custodian fees;
- Other operating costs e.g. audit, legal, printing where applicable.

## How We Assess Our Funds continued

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We review the third-party costs of the funds to assess if they are fair and comparable with the market. We are aware that the Investment Manager's fees make up the majority of costs charged to the funds and, if appropriate, we discuss with them whether or not economies of scale can be achieved.

We take a number of steps to ensure that service performance and costs are in line with market best practice, and we achieve this in a number of ways:

- We adopt a standard operating approach across all funds supported by each service delegate and use this to leverage economies of scale
- We employ an independent consultancy to provide monthly benchmark data that compares service delivery for fund administration and custody against other clients of that service provider and against the whole of the market
- On a periodic basis, we commission an analysis of services, fees and costs to ensure these are competitive. In the past three years, this has included a review of custody fees at one of our major providers, a renegotiation of Trustee and Depositary fees and a full market review (costs and service capability) for the provision of Fund Administration services

We also compare the OCF of all share classes to what our investors would pay for holding a similar investment elsewhere. We use market data to compare the primary share class against the Institutional, Retail, Clean, and other share class types individually and compare each fund to a relevant, representative group of funds with similar investment objectives and strategies. This is usually defined as the fund's IA sector. This enables a more accurate and transparent assessment of costs. Assessing where the fund sits versus the sector median allows us to determine if costs are competitive with the market. Where funds have an exposure to other underlying fund(s), there is a requirement to identify any additional costs associated with these and include them in the OCF. This is called the Synthetic OCF. We identify both with and without the synthetic cost. In order to be transparent, where there are synthetic costs, we exclude these from the OCF used for share class comparison purposes.

Where any additional criteria are assessed as part of the report, such as consideration of Environmental, Social and Governance (ESG) factors (where ESG forms part of a fund's objective and/or policy), this is assessed as part of the Quality of Service pillar. We consider the fund's distribution model and target investors and the potential additional benefits of investing in the fund which result from this model and the investors' relationship with the Investment Manager. Where a fund has been designed for, and is only distributed to a limited number of clients of the Investment Manager, we have taken the higher costs associated with the additional services received by investors into consideration for our assessment to affirm if the costs are fair and appropriate.






We recognise that certain asset classes such as property, infrastructure and private equity can be more expensive owing to additional costs associated with the investment process and asset level due diligence; these costs are also considered as part of our assessment.

As Host or Independent ACD, we are not expected to look at institutional mandates. Where any of the criteria assessed under the Costs pillar results in an Amber or Red rating, any remedial action(s) will be displayed in the individual fund summaries from page 13.



# Summary of Results

| Fund                               | Overall   | Quality of Service | Investment Performance  | Costs   |
|------------------------------------|---|--------------------|---|---|
| LF Brook Absolute Return Fund      | Provides value  | Provides value     | Provides value  | Provides value  |
| LF Brook Continental European Fund | Provides value  | Provides value     | Provides value  | Provides value  |
| LF Odey Opus Fund                  | Has provided value in some but not all areas; additional monitoring and/or further action may be proposed | Provides value     | Has provided value in some but not all areas; additional monitoring and/or further action may be proposed | Provides value  |
| LF Odey Portfolio Fund             | Provides value  | Provides value     | Provides value  | Has provided value in some but not all areas; additional monitoring and/or further action may be proposed |

-  Has not provided value; appropriate further action should be detailed
-  Has provided value in some but not all areas; additional monitoring and/or further action may be proposed
-  Provides value
-  Too soon to measure investment performance – fund has been live for less than 1 year or has had a material change to its objective, policy or benchmark during that period
-  Too soon to measure costs – fund has been live for less than 3 years

# INDIVIDUAL FUND SUMMARIES





# LF Brook Absolute Return Fund

Overall Rating

Quality of Service

Investment Performance

Costs



Based on our assessment, we have concluded that the Fund provides overall value to investors over the review period, and we have therefore given it a Green rating.

## Investment Objective

To achieve a positive absolute return over a 12-month period, independent of market conditions.

|   |  |
|---|--|
| Recommended Holding Period (RHP)                  | 5 years  |
| Comparator Benchmark                              | MSCI Daily Net Total Return World USD (converted into GBP) |
| Assets Under Management (AUM)<br>31 December 2022 | £583,749,154.11  |
| IA Sector   | Targeted Absolute Return                                   |
| Launch Date                                       | 1 May 2009   |
| Investment Manager                                | Odey Asset Management trading as Brook Asset Management    |

**Actions carried forward from 2021 Assessment** – No action required.

**Proposed actions arising from 2022 Assessment** – Our analysis concluded that no action is required at this time, but we will continue to monitor the Fund to ensure it meets its objective.

## Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment process and concluded that the Fund adheres to all the quality criteria described earlier in the document. We confirm that this shows stability in the investment team, rigorous use of the systems, an integrated risk management process and accuracy of data. There is relevancy and robustness at each phase of the investment process and a strict adherence to the prospectus.

In addition, LFSL's assessment of the administrators' services, namely but not limited to fund accounting and transfer agency, has been undertaken. The review includes monitoring of complaints and breaches and overview of the administrators' performance, procedures, and oversight processes. The review concluded that all the KPIs in place were met for the period and no material concerns were raised.

Therefore, the Fund provides value for Quality of Service for both investment process and administration, and has been rated Green.

## Investment Performance

The Fund achieved a positive rolling return of 81.20% for the five years to 31 December 2022 and outperformed its Comparator Benchmark by 29.72%. The Fund has been rated Green for Investment Performance.

# LF Brook Absolute Return Fund continued

The table below shows the cumulative performance of the Fund's primary share class for the recommended holding period of five years relative to its Comparator Benchmark.

| Share Class                         | Time Period                 | Fund's Performance | Fund's Performance Relative to Comparator Benchmark |
|-------------------------------------|-----------------------------|--------------------|---|
| Sterling Institutional Accumulation | 5 years to 31 December 2022 | 81.20%             | 29.72%  |

## LF Brook Absolute Return Fund

Time Period: 01/01/2018 to 31/12/2022



Source: Morningstar Direct



# LF Brook Absolute Return Fund continued

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## Costs

The Ongoing Charges Figure (OCF) is 1.05%. We have compared this against the median for the comparable classes of the other funds in the IA Targeted Absolute Return sector.

|   |       |
|---|-------|
| <b>Fund OCF (Share Class - Sterling Institutional Accumulation)</b> | 1.05% |
| <b>Sector Median OCF</b>  | 1.06% |

---

The Annual Management Charge (AMC) for the Fund's primary share class is 0.75%. We have compared this against the median for the comparable classes of the IA Targeted Absolute Return sector.

|   |       |
|---|-------|
| <b>Fund AMC (Share Class - Sterling Institutional Accumulation)</b> | 0.75% |
| <b>Sector Median AMC</b>  | 0.88% |

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The share class has a lower OCF and AMC than the median for other funds in the sector.

After considering the above and all elements that make up the Cost Assessment, the Fund has been rated Green for costs.

# LF Brook Continental European Fund

Overall Rating

Quality of Service

Investment Performance

Costs



Based on our assessment, we have concluded that the Fund provides overall value to investors over the review period, and we have therefore given it a Green rating.

## Investment Objective

To achieve long-term capital growth, after all costs and charges have been deducted, above that of the MSCI Daily TR Net Europe Ex UK USD (converted into GBP), over any five-year period.

|   |  |
|---|--|
| Recommended Holding Period (RHP)                  | 5 years  |
| Comparator Benchmark                              | MSCI Daily Total Return Net Europe ex UK USD (converted in to GBP) |
| Assets Under Management (AUM)<br>31 December 2022 | £187,103,057.11  |
| IA Sector   | Europe Excluding UK  |
| Launch Date                                       | 1 May 2002   |
| Investment Manager                                | Odey Asset Management LLP trading as Brook Asset Management        |

**Actions carried forward from 2021 Assessment** – None.

**Proposed actions arising from 2022 Assessment** – Our analysis concluded that no further action is required at this time, but we will continue to monitor the Fund to ensure it meets its objective.

## Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment process and concluded that the Fund adheres to all the quality criteria described earlier in the document. We confirm that this shows stability in the investment team, rigorous use of the systems, an integrated risk management process and accuracy of data. There is relevancy and robustness at each phase of the investment process and a strict adherence to the prospectus.

In addition, LFSL's assessment of the administrators' services, namely but not limited to fund accounting and transfer agency, has been undertaken. The review includes monitoring of complaints and breaches, overview of the administrators' performance, procedures, and oversight processes. The review concluded that all the KPIs in place were met for the period and no material concerns were raised.

Therefore, the Fund provides value for Quality of Service for both investment process and administration and has been rated Green.

## Investment Performance

The Fund achieved a positive rolling return of 55.62% for the 5 years to 31 December 2022 and outperformed its Comparator Benchmark by 25.23%. The Fund has been rated Green for Investment Performance.

# LF Brook Continental European Fund continued

The table below shows the cumulative performance of the Fund's primary share class for the recommended holding period of five years relative to its Comparator Benchmark.

| Share Class    | Time Period                 | Fund's Performance | Fund's Performance Relative to Comparator Benchmark |
|----------------|-----------------------------|--------------------|---|
| I Accumulation | 5 years to 31 December 2022 | 55.62%             | 25.23%  |

## LF Brook Continental European Fund

Time Period: 01/01/2018 to 31/12/2022



Source: Morningstar Direct

# LF Brook Continental European Fund continued

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## Costs

The Ongoing Charges Figure (OCF) is 1.2%. We have compared this against the median for the comparable classes of the other funds in the IA Europe Excluding UK sector.

|  |       |
|--|-------|
| <b>Fund OCF (Share Class - I Accumulation)</b> | 1.2%  |
| <b>Sector Median OCF</b>                       | 1.12% |

The Annual Management Charge (AMC) for the Fund's primary share class is 0.89%. We have compared this against the median for the comparable classes of the IA Europe Excluding UK sector.

|  |       |
|--|-------|
| <b>Fund AMC (Share Class - I Accumulation)</b> | 0.89% |
| <b>Sector Median AMC</b>                       | 0.95% |

The share class has a slightly higher OCF and a lower AMC than the median for other funds in the sector.

After considering the above and all elements that make up the Cost Assessment, the Fund has been rated Green for costs.



# LF Odey Opus Fund

Overall Rating

Quality of Service

Investment Performance

Costs



Whilst the Fund has been rated Green for Quality of Service and Costs, the overall rating is Amber due to underperformance versus its Comparator Benchmark over the recommended holding period.

## Investment Objective

To achieve long-term capital growth, over at least a five-year period, after all costs and charges have been deducted.

|   |                                 |
|---|---------------------------------|
| Recommended Holding Period (RHP)                  | 5 years                         |
| Comparator Benchmark                              | MSCI World Net Total Return GBP |
| Assets Under Management (AUM)<br>31 December 2022 | £123,180,519.76                 |
| IA Sector   | Flexible Investment             |
| Launch Date                                       | 1 December 2006                 |
| Investment Manager                                | Odey Investment Funds LLP       |

**Actions carried forward from 2021 Assessment** – None.

**Proposed actions arising from 2022 Assessment** – Our analysis concluded that, despite the Amber rating, we do not recommend any actions but will continue to monitor performance. Whilst the Fund is rated Amber, this is an improvement from the Red rating in 2021. The Fund had strong performance during 2022, significantly outperforming its benchmark. The Manager's conservative style is overweight UK and underweight both the US and technology stocks. 2022 was a challenging year for all these sectors, meaning the Fund benefitted.

## Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment process and concluded that the Fund adheres to all the quality criteria described earlier in the document. We confirm that this shows stability in the investment team, rigorous use of the systems, an integrated risk management process and accuracy of data. There is relevancy and robustness at each phase of the investment process and a strict adherence to the prospectus.

In addition, LFSL's assessment of the administrators' services, namely but not limited to fund accounting and transfer agency, has been undertaken. The review includes monitoring of complaints and breaches, overview of the administrators' performance, procedures, and oversight processes. The review concluded that all the KPIs in place were met for the period and no material concerns were raised.

Therefore, the Fund provides value for Quality of Service for both investment process and administration, and has been rated Green.

## Investment Performance

The Fund achieved a positive rolling return of 39.08% for the 5 years to 31 December 2022 but underperformed its Comparator Benchmark by 12.40%. The Fund has been rated Amber for Investment Performance.

# LF Odey Opus Fund continued

The table below shows the cumulative performance of the Fund's primary share class for the five years to 31 December 2022 relative to its Comparator Benchmark.

| Share Class    | Time Period                 | Fund's Performance | Fund's Performance Relative to Comparator Benchmark |
|----------------|-----------------------------|--------------------|---|
| I Accumulation | 5 years to 31 December 2022 | 39.08%             | -12.40%   |

## LF Odey Opus Fund

Time Period: 01/01/2018 to 31/12/2022



Source: Morningstar Direct

# LF Odey Opus Fund continued

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## Costs

The Ongoing Charges Figure (OCF) is 1.21%. We have compared this against the median for the comparable classes of the other funds in the IA Flexible Investment sector.

|  |       |
|--|-------|
| <b>Fund OCF (Share Class - I Accumulation)</b> | 1.21% |
| <b>Sector Median OCF</b>                       | 1.12% |

The Annual Management Charge (AMC) for the Fund's primary share class is 0.89%. We have compared this against the median for the comparable classes of the IA Flexible Investment sector.

|  |       |
|--|-------|
| <b>Fund AMC (Share Class - I Accumulation)</b> | 0.89% |
| <b>Sector Median AMC</b>                       | 0.95% |

The share class has a slightly higher OCF and a lower AMC than the median for other funds in the sector.

After considering the above and all elements that make up the Cost Assessment, the Fund has been rated Green for costs.

# LF Odey Portfolio Fund

Overall Rating

Quality of Service

Investment Performance

Costs



Based on our assessment, we have concluded that, despite the Amber rating for Costs, the Fund provides overall value to investors over the review period, and have therefore given it a Green rating.

## Investment Objective

To achieve long-term capital growth, over at least a five-year period, after all costs and charges have been deducted.

|   |  |
|---|--|
| Recommended Holding Period (RHP)                  | 5 years                                    |
| Comparator Benchmark                              | MSCI PIMFA Private Investor Balanced Index |
| Assets Under Management (AUM)<br>31 December 2022 | £105,662,471.61                            |
| IA Sector   | Mixed Investment 40-85% Shares             |
| Launch Date                                       | 1 March 2014                               |
| Investment Manager                                | Odey Investment Management LLP             |

**Actions carried forward from 2021 Assessment** – None.

**Proposed actions arising from 2022 Assessment** – Despite the Amber rating for costs, we do not propose any actions at this time. We will continue to monitor costs and engage in discussions with the IMD to identify opportunities to reduce them.

## Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment process and concluded that the Fund adheres to all the quality criteria described earlier in the document. We confirm that this shows stability in the investment team, rigorous use of the systems, an integrated risk management process and accuracy of data. There is relevancy and robustness at each phase of the investment process and a strict adherence to the prospectus.

In addition, LFSL's assessment of the administrators' services, namely but not limited to fund accounting and transfer agency, has been undertaken. The review includes monitoring of complaints and breaches, overview of the administrators' performance, procedures, and oversight processes. The review concluded that all the KPIs in place were met for the period and no material concerns were raised.

Therefore, the Fund provides value for Quality of Service for both investment process and administration, and has been rated Green.

# LF Odey Portfolio Fund continued

## Investment Performance

The Fund has achieved a positive rolling return of 12.48% for the 5 years to 31 December 2022 but underperformed its Comparator Benchmark by 4.22%. It has been rated Green for Investment Performance.

The table below shows the cumulative performance of the Fund's primary share class for the recommended holding period of five years relative to its Comparator Benchmark.\*

| Share Class                         | Time Period                 | Fund's Performance | Fund's Performance Relative to Comparator Benchmark |
|-------------------------------------|-----------------------------|--------------------|---|
| Sterling Institutional Accumulation | 5 years to 31 December 2022 | 12.48%             | -4.22%  |

## Costs

The Ongoing Charges Figure (OCF) for the Fund's primary share class is 1.37% and this includes a synthetic cost of 0.08%. We have compared the OCF minus the synthetic cost against the median for the comparable classes of the other funds in the IA Mixed Investment 40-85% Shares sector.

|  |       |
|--|-------|
| Fund OCF (Share Class - Sterling Institutional Accumulation) | 1.29% |
| Sector Median OCF  | 1.04% |

The Annual Management Charge (AMC) for the Fund's primary share class is 1.00%. We have compared the AMC against the median for the comparable classes of the IA Mixed Investment 40-85% Shares sector.

|  |       |
|--|-------|
| Fund AMC (Share Class - Sterling Institutional Accumulation) | 1.00% |
| Sector Median AMC  | 0.80% |

The share class has a higher OCF and AMC than the median for other funds in the sector but its AUM are significantly smaller than the average fund size in the sector.

After considering the above and all elements that make up the Cost Assessment, the Fund has been rated as for Amber for costs.

\*As we do not have a license for the MSCI PIMFA Private Investor Balanced Index, we are unable to show the benchmark return or a graph of its performance. Please refer to the IMD factsheets for full information.



# GLOSSARY





# Glossary

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## Absolute Return

The return an asset achieves over a specified period, without being compared to a benchmark or comparator. This measure is expressed as a percentage and, for time periods greater than 12 months, is annualised.

## Accumulation Share Class

A share class that reinvests any income back into the fund. The income can be from interest or dividends.

## ACD (Authorised Corporate Director)

In LFSL's capacity as Authorised Fund Manager we act as the ACD (Authorised Corporate Director) where we are responsible for providing the legal and regulatory framework for each fund through our extensive Product Governance process, Value Assessment, Risk Monitoring and Reporting and Regulatory Change.

## AFM (Authorised Fund Manager)

Link Fund Solutions Limited (LFSL) is an independent provider of Authorised Fund Manager (AFM) services for a range of UK regulated funds.

## Annualised

An annualised rate of return is the return over a period of time, calculated down to a 12-month period. This scaling process allows investors to objectively compare the returns of any assets over any period.

## Annual Management Charge ("AMC")

An ongoing fee paid to the management company for managing the fund, usually charged as a percentage of the fund's value.

## Assets Under Management ("AUM")

Is the total market value of the investments of a fund.

## Benchmark

A standard, (usually an index or a market average) that an investment fund's performance is measured against. A fund's benchmark is usually disclosed in its prospectus. A composite benchmark is one that is comprised of different modules/ indexes to create a benchmark more reflective of the fund itself.

## Bottom-up Strategy

A fund management style where individual securities are initially selected.

## Capped OCF

The maximum amount that will be charged to hold an investment.

## "Clean" Share Class

An unbundled – free of any rebates or intermediary commission – share class freely available through third-party distributors in the retail market.

## Comparator Benchmark

An index or similar factor against which a fund manager invites investors to compare a fund's performance.

## Composite Benchmark

A composite benchmark combines a number of different indices which may have different weights.

## Constraint Benchmark

An index or similar factor that fund managers use to limit or constrain how they construct a fund's portfolio.

## Consumer Price Index (CPI)

Measures the change in prices paid by consumers for goods and services.

## Cumulative Return

Shows the aggregated return from an investment over a specific time period.

## Drawdown

The decline in price from a historical peak value of an investment. It is a measurement of the maximum amount an investor could have lost since an investment was at its highest price.

## Economies of Scale

Savings in costs which can be achieved from an increase in production, for example, when a fund grows, it may experience economies of scale through a decrease in fixed costs.

## High Net Worth Individual

A person or family with liquid assets above a certain figure.

## IA Sector Median

The median is the middle point of a set of data. The Investment Association (IA) classifies funds under different sectors according to their investment strategy. The IA sector median for costs is calculated by ordering the OCF of all funds in a sector from lowest to highest and taking the middle OCF.

## Idiosyncratic

Type of risk that can have a negative impact on a specific asset as opposed to the entire market.

## Institutional Investor

An Institutional Investor is a company or organisation that invests money in large quantities, typically on behalf of other people.

## Institutional Mandate

Legal agreement between two parties such as a fund manager and a financial institution which outlines how a client fund will be managed.

## Intermediary

An individual or organisation which acts as a link between the investor and the fund: for example, a financial adviser.

## Investment Manager Delegate

The company or individual to whom the ACD delegates the responsibility for deciding how to invest the money in the fund's assets.

## Investment Objective

The set goal/target for the fund, usually to aim to beat a benchmark or criteria over a specific time period.

## Key Performance Indicator

Quantifiable measures used to assess the performance of a process.

## Morningstar

An investment research firm that compiles and analyses fund, stock and general market data.

## Ongoing Charge Figure (“OCF”)

A single percentage figure used to show the total annual operating costs taken from the assets of the relevant share class over the year, and based on the figures for the preceding year. It includes the Annual Management Charge, registration fees, the Trustee's periodic charge, custody fees and the auditor's fees, but excluding any redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the fund's Scheme Property.

## Performance

The profit or loss derived from an investment over a specified time period.

## Platform Investor

An investor who utilises an online service that makes products available from more than one provider.

## Primary Share Class

The highest charging unbundled – free of any rebates or intermediary commission – share class freely available through third-party distributors in the retail market.

## Proxy Benchmark

An alternative benchmark which mimics the performance of the original benchmark.

## Relative Return

The return an asset achieves over a specified period, when compared to a benchmark. When focused on active portfolio management, this can be referred to as alpha.

## Retail Investor

An individual who purchases shares for their own personal account rather than for an organisation. They also typically trade in much smaller quantities.

# Glossary continued

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## Share Class

A fund can have several share classes which can have different characteristics and/or charging structures, reflecting the type of investor that would typically buy them.

## Synthetic Costs

Fees paid (i.e. management fees) to other funds and/or investment trusts in which the fund invests.

## Synthetic Fee

Fees that the investment manager pays to a third party to manage the assets of a fund.

## Systematic Risk

Risk inherent to the entire market which cannot be diversified. Examples include inflation and changes in interest rates.

## Target Benchmark

An index or similar factor that is part of a target a fund manager has set for a fund's performance to match or exceed.

## Top-down Strategy

A fund management style where broader asset classes are initially specified such as the macro factors of the economy, for example, interest rates and taxation.

## Total Return

A combination of capital appreciation plus any income from interest or dividends.

## Volatility

A measure of the size and frequency of sudden or unexpected and significant changes in the value of an investment.

## Yield

The income from an investment usually stated as a percentage of the value of the investment.

*Please note that this document is not intended to recommend or to sell an investment and is intended only as a summary. Please refer to the Key Investor Information Document (KIID), Prospectus and Report & Accounts for full details about the specific risks, performance history and other full investment objectives and policies applicable to each fund before investing in a fund. Please remember that the value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount originally invested. Past performance is not a guide to future results. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law changes. If you invest through a third-party provider you are advised to consult directly with them as charges, performance and/or terms and conditions may differ. If you are not sure how the information contained in this document may affect your investment, please contact a professional adviser.*