ODEY OPPORTUNITY FUND

ODEY WEALTH

Fund Manager Report (Geoffrey Marson)

For the month of April 2021, the Odey Opportunity Fund EUR I master share class was up +1.1%, compared with the ARC Euro Balanced Asset index of +1.0%*. Year-to-date the fund is showing a solid positive return of +5.0% compared with the ARC Euro Balanced Asset index return of +3.7%*. A replay of our Q1-21 Investor Call can be found here and a copy of the summary notes can be requested by contacting us at info@odeywealth.com.

Economic Summary

The current economic outlook remains extremely benign – robust growth coupled with low inflation. With both growth and inflation set to hit peak levels in the next couple of months, it is not surprising that many economists are worried that we could be approaching the moment where this could be as good as it gets. Goldman Sachs forecast global real growth to approach nearly 7% in 2021, led by the US and the UK, with Europe catching up as the year progresses and China showing growth, albeit at a slower pace than last year.

Interpreting the cyclical economic picture is made more difficult than usual due to pandemic related distortions. Economic data has been and is likely to remain much noisier than usual. A good example of this was last week's US employment report. The April non-farm payroll headline figure showed the US economy added 266,000 jobs compared with expectations over > 1 million. This represented a big miss, but a closer inspection reveals that most of this was due to seasonal adjustments. The non-seasonally adjusted number was +1,100,000 jobs, which was broadly in line with previous April numbers recorded pre-pandemic. Seasonal factors would appear therefore to be masking some of the re-opening strength, which was further supported by encouraging signs regarding additional employment trends (e.g. temporary employment) and higher than average hourly earnings. This was a good example of how measuring economic data at the moment can be even more challenging than normal, but overall, we can assume that the economy has not yet reached a peak for this cycle. In March, US GDP returned to within 0.5% of its pre-Covid peak, but with 8 million fewer workers. Therefore, it is operating still some way below its full potential. With the economy set to re-open, we can expect growth to continue to accelerate as demand for services takes over from demand for goods in driving the recovery forward. There are always risks to further setbacks to this rosy re-opening scenario from new variants of the virus. Overall, in the developed economies, the virus appears to be coming under control as vaccination programs approach > 50% of total population. In the developing world however, the situation is far worse. The vast number of cases in India remains a threat as well as serving as a reminder of the need to separate the economic tragedy from the ongoing human one.

Looking beyond the cyclical economic picture, the key question is whether the response to the pandemic has put us on the cusp of 'economic regime change'. In terms of fiscal policy, austerity has been quickly abandoned in favour of large government spending packages to solve the current economic challenges. In the United States, newly elected President Biden has just completed his first 100 days, during which time he has put together an assortment of spending packages, some of which have their roots in dealing with the economic consequences of the pandemic, but others go way beyond that. The most recent example is the American Families Plan (AFP), which would provide USD 1.8 trillion (tn) in new spending in areas such as childcare, education, paid leave (and certain tax credits). These are mostly covered by USD 1.5tn in additional taxes, including hikes in capital gains taxes. All of this follows the release of the USD 2.3tn American Jobs Plan (AJP) which proposes large infrastructure investments, partly funded by corporate tax increases, and the USD 1.9tn American Rescue Plan (ARP) stimulus passed in March. Of course, it is unlikely that all these measures will get through Congress without significant revisions.

Performance

1.1% Monthly performance

5.0% Year-to-date performance

5.4% CAGR since inception

These figures refer to the past, for the EUR I share class. Past performance is not a reliable indicator of future results.

Fund details[1]

€ I Class	291.95
€ R Class	186.93
€ RP Class	126.31
$ I Class	337.02
$ R Class	216.38
$ RP Class	134.34
£ I Class	334.04
£ R Class	205.87
£ MW Class	148.61
£ WM Class	134.18
£ RP Class	124.16
£ SIP Class	139.58
£ IH Class	124.47
CHF I Class	158.87
CHF R Class	151.76
NOK R Class	183.25
Fund Size	€271 million
Strategy AUM	$326 million
Fund Inception	30 May 2008
€ I Inception	30 May 2008
€ R Inception	29 May 2009
Fund Type	Irish Long Only UCITS

Portfolio Manager

Geoffrey Marson

For full bios visit odeywealth.com

Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the € I & R share class unless stated otherwise. All data shown as at 30 April 2021. [1]U.S Bank Global Fund Services (Ireland) Limited and Bloomberg, calculation on a NAV basis with net income reinvested. *Estimated.

The point however is that the shift in the fiscal agenda may be more permanent than temporary and certainly reflects Biden's old style Keynesian economic philosophy. Whilst some of the spending will be funded by tax increases, higher fiscal spending alongside higher deficits looks as though it is here to stay. The looser fiscal picture is also apparent in the UK and Europe. In Europe, in the space of two years we have swung from running structural primary balances (government spending less taxes before interest payments) in surplus to significant deficits.

Supporting the 'economic regime change' narrative is the fact that central banks led by the Fed have stated that they will tolerate economies to 'run hot' for longer than they used to in the past. With the advent of 'average inflation targeting', central banks have clearly affirmed that they will react far less pre-emptively than they have in the past to inflation running above target. This will help the recovery gain momentum, but it will also run the risk of inflation rising more than is currently anticipated. That being said, while central banks have used forward guidance to set out their desired interest rate policy, there is substantial difference between their expected reaction with a stable inflation rate of 2.5% and one of 5% and rising!

Economic Summary:

- The cyclical economic picture is subject to noisy data distortions, but both growth and inflation are set to remain strong as we head into the summer.
- There are still risks around the virus putting back the favourable re-opening narrative, but overall progress on the vaccination front plus the development of new treatments alongside improvements in testing and tracing regimes, suggest that the worst of the pandemic could easily be behind us.
- Looking beyond the short term, we could be on the cusp of a post pandemic 'economic regime change'. This is reflected in a more relaxed approach to both fiscal and monetary policy across the developed economies, led by the new US administration.
- The current benign economic phase will at some point lead to a fork in the road. The first one would involve a test of central banks' resolve to support the recovery if inflation data really starts to surprise to the upside. This would lead to the risk that we could see liquidity support (in the form of an early tapering) being withdrawn much sooner than anticipated. The second one would be the opposite in that the market would start to worry that the central banks have got too far behind the curve with the inflation risks and that economies are dangerously overheating. This would lead to the market forcing up bond yields with associated volatility in currency markets. This could in turn force a drastic change in central bank behaviour in order to avoid any lasting credibility loss. Our base case is that this fork in the road lies somewhere ahead but as usual we remain vigilant to the risks that good things rarely last forever.

Investment Conclusions

Equities

World equities maintained their recent strong run, with the MSCI World Index (EUR hedged) rising +3.91% over the month. The overall contribution from equities was +1.67% in local currency led by JET2 (+0.18%), Alphabet (+0.16%), Amazon (+0.16%), SLC Agricola (+0.16%), Carlsberg (+0.15%), Morgan Stanley (+0.15%), LVMH (+0.13%), Berkshire Hathaway (+0.12%) and B&M European (+0.11%).

What was interesting about April was that while the overall market was strong, there was a rotation back into the US and into growth stocks in particular. This was in part driven by a pause in the rise in bond yields, with US Treasury bond yields falling -0.20% over the month. The positive contribution to the fund last month from technology stocks followed strong earnings reports, once again showing that growth in this area is by far a thing of the past. The recovery in growth stocks has justified our decision to hold onto many secular winners, albeit we continue to maintain a bias towards those companies whose earnings are more cyclical in nature and likely to benefit most from the rebound as the economy re-opens.

Interest Rates and Bonds

Given the stabilisation in bond yields, the fund benefited from a modest overall positive contribution from bonds of +0.05% last month. It is encouraging that year–to-date, the bond element of the portfolio has only cost the fund -0.09% despite the rise in yields. This is mainly because we have had zero exposure to US Treasury bonds, where yield rises have been the most pronounced. 50% of our bond holdings are index-linked, which have benefited from the rise in breakeven rates (difference between yields on conventional and index-linked bonds). While conventional bond yields have risen, index-linked bond yields have not. The other favourable factor has been our exposure to corporate, high yield and emerging market government bonds, which have been protected by the compression in spreads. Spreads tend to compress when economic conditions are favourable reflecting the fall in default risks.

A valid question is what level do 10-year US bond yields have to rise to before they are attractive again? This is a somewhat hypothetical question but in the most recent Bank of America Fund Managers' Survey, the average level was 2.30%. This compares with the end of the month closing level of 1.63%, suggesting that yields have further to rise, but possibly not at the same pace as the first quarter. In the short run, it was clear from market positioning surveys that speculators may have got too short bonds and many were forced to cover their positions. Another supportive factor has been the return of offshore flows into US Treasuries as it is now possible for Japanese investors to hold them fully hedged and obtain a positive yield approaching 1.25%, which compares favourably with the yield on Japanese Yen bonds.

Longer term, in the context of the 'economic regime change' narrative discussed above, it is almost impossible to know where this level will be. Much of it will depend on the supply and demand dynamics of the debt markets given the likelihood that deficit financing looks like it is here to stay. Investors have been prepared to accept a negative yield of as low as -1.00% in recent years. Looking further back however suggests that this has not always been the case, with real yields of +0.40% more typical. This would suggest therefore with inflation headed towards 2.5%, that the optimum equilibrium level for bonds could still be quite a lot higher than 2.3%.

One reason for the strong relative performance of the bond portfolio has been the stickiness of European bond yields led by Germany. This is due to Germany's hard-won reputation as the policeman of Europe in terms of pushing back against debt consolidation and issuance favoured by the Federalist lobby and the southern European countries. Within the context of the 'regime change' narrative, it is worth pointing out that we have German elections in September this year and if the current polls are to be believed, the odds are high that the next government is likely to include the Green party. Angela Merkel is stepping down as leader of the CDU party and her proposed successor, Armin Laschet, appears to lack the same appeal, resulting in a fall in support. What is clear is that the Green party have a quite different approach to economic management than the dominant CDU party, with a greater preparedness to use deficit finance to spend on infrastructure as well as support pan European fiscal policies. Six months can be a long time in politics and the German political situation will require monitoring as the impact on European bond yields given the low starting levels could be quite dramatic.

Currencies

The US Dollar and Sterling partially reversed course following a strong first quarter. The weakness in both currencies was the main detractor over the month (USD -0.53%) and GBP (-0.11%). Year-to-date both currencies have still made positive contributions of +0.39% and +0.12% respectively, but the question is whether the trend has turned in the other direction?

For the answer to this question to be 'yes', then in many ways one would have to be arguing in favour of Euro strength rather than US Dollar weakness. The Euro has benefitted from 1) the perception that the European economy is on the point of playing catch-up now that 50% of the population is expected to be vaccinated by the end of July and 2) the removal of any doubts surrounding the deployment of the European Recovery Fund (ERF). The German Constitutional Court ruled in favour of the ERF and we have now finally reached the point where the funds allocated will be injected into the neediest Eurozone economies, led by Spain (EUR 170 bn) and Italy (EUR 180 bn).

This has undoubtedly had a positive impact on the Euro in the short-term. Looking further ahead, we would expect the US Dollar to outperform the Euro once again if the relative growth differential between the US economy exceeds that of the Eurozone, as has been the case for the past ten years. On the other hand, the tax and spend approach of the Biden administration represents a major change in direction and could deter capital inflows into the US Dollar as a result.

Looking beyond this, it is worthwhile pointing out that the US Dollar will continue to act as a haven in times of trouble while at the same time benefitting from the yield pick-up that is now available. This makes holding US Dollars a worthwhile consideration from a portfolio diversification perspective, as it is always worth holding assets which are reversely correlated to other 'risk-on' assets such equities and commodities. As usual, we will continue to monitor developments closely. Tactically, we reduced our US Dollar exposure last month from 25% to 20% and maintain a 5% exposure to Sterling.

Commodities

Helped by the weakness in the US Dollar and the stabilisation in bond yields, Gold staged a strong recovery last month rising +3.60%. As a result, Gold contributed +0.15% to fund returns, while our position in Barrick Gold contributed a further +0.11%.

Oil had another strong month, with Brent Crude futures rising +7.14%. Despite this, oil shares had a weak month with negative contributions from our portfolio of oil stocks (Total -0.11%, Royal Dutch -0.08% and Aker BP -0.02%).

Elsewhere, returns from metals were slightly positive (BHP +0.04%, Arcelor Mittal -0.02%) and strongly positive from our Brazilian agriculture stock, SLC Agricola (+0.16%).

We have established a diversified exposure to commodities, energy and precious metals. We continue to consider the combination of tight supply and rising demand to be positive for energy and commodity prices, such that we could be in the early stages of a new commodity supercycle.

Investment Conclusions – Summary

- The positive nominal growth background will support corporate earnings while putting upward pressure on inflation and interest rates. We remain overweight equities and underweight bonds.
- Our preference remains for European over US bonds, index linked over conventional bonds and credit (EM, HY and IG) over government bonds, whilst maintaining a positive overall yield.
- Growth stocks benefitted from the stabilisation in bond yields last month. Earnings reports continue to show that secular growth in technology is far from a thing of the past. We continue to expect value/cyclical stocks to 'catch-up' to growth stock valuations rather than the other way around.
- The Euro benefitted last month from perceptions that the Eurozone economy will catch-up the US as we enter the second half of the year. The US Dollar could resume its outperformance once this has run its course and continues to act as a haven in times of trouble. The main threat to the US Dollar is that planned tax increases could harm capital inflows required to cover the rising twin deficits from increased government spending programmes.
- Commodity prices continue to benefit from ongoing mismatches between supply and demand. Gold has recovered due in part to US Dollar weakness and stable bond yields.

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Geoffrey Marson

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Performance for € I share class

	1-month	3-month	1-year	3-year	5-year	YTD	Since inception	CAGR since inc.
Fund	1.1	6.5	22.5	22.3	39.0	5.0	96.8	5.4
ARC Balanced (EUR)	1.0	3.5	15.5	12.6	21.1	3.7	42.1	2.8
Relative	0.1	3.0	7.1	9.6	17.9	1.2	54.6	2.6

DISCRETE YEARLY PERFORMANCE

1-year to	28 Apr 17	30 Apr 18	30 Apr 19	30 Apr 20	30 Apr 21
Fund	11.1	2.3	0.7	-0.9	22.5
ARC Balanced (EUR)	6.4	1.0	1.4	-3.8	15.5
Relative	4.7	1.3	-0.7	2.9	7.1

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD
2021	-1.4	1.7	3.6	1.1									5.0	3.7
2020	-0.7	-3.3	-5.9	4.5	2.2	1.2	1.7	3.2	-1.5	0.1	6.0	3.0	10.2	3.0
2019	3.9	0.1	1.2	0.8	-1.3	1.2	1.4	1.0	-0.1	-0.7	1.3	2.0	11.3	12.1
2018	1.8	-1.2	-1.2	1.0	1.5	0.0	0.6	0.4	0.3	-3.3	-0.6	-4.0	-4.7	-6.9
2017	0.3	2.0	0.5	0.2	0.3	-0.9	0.8	0.3	1.0	1.7	-1.4	0.2	5.0	5.2
2016	-3.9	-0.8	-0.7	0.1	0.5	0.5	2.9	-0.3	-0.3	0.1	2.8	1.6	2.2	1.2
2015	3.2	2.6	1.0	-1.8	-0.7	-2.1	2.6	-2.3	-2.3	5.7	1.5	-3.1	4.1	1.4
2014	-0.2	2.4	-1.5	-2.6	1.9	0.9	-1.2	2.1	-0.4	-0.4	3.1	0.3	4.3	5.7
2013	0.5	1.4	1.3	1.3	1.9	-1.8	2.4	-0.4	3.3	1.3	1.0	0.6	13.4	5.7
2012	3.3	1.0	0.0	0.3	-1.1	-0.5	2.9	0.8	1.1	-1.1	0.4	0.5	7.4	7.7
2011	-0.4	1.3	-0.2	1.0	0.8	-1.6	-0.3	-6.2	-2.9	3.2	-0.8	0.7	-5.6	-4.5
2010	-1.0	1.3	2.9	1.5	-1.3	-0.7	1.3	0.3	2.0	0.5	1.4	1.5	10.1	8.7
2009	-1.9	0.3	1.6	4.3	2.0	-1.8	4.4	1.7	1.9	-1.6	2.1	2.8	16.4	14.0
2008						-1.7	-0.2	-0.3	-3.9	-1.8	0.3	0.9	-6.7	-17.0

Performance for € R share class

	1-month	3-month	1-year	3-year	5-year	YTD	Since inception	CAGR since inc.
Fund	1.0	6.3	21.9	20.5	35.6	4.8	86.9	5.4
ARC Balanced (EUR)	1.0	3.5	15.5	12.6	21.1	3.7	64.2	4.3
Relative	0.0	2.9	6.4	7.8	14.5	1.1	22.7	1.1

DISCRETE YEARLY PERFORMANCE

1-year to	28 Apr 17	30 Apr 18	30 Apr 19	30 Apr 20	30 Apr 21
Fund	10.6	1.8	0.2	-1.4	21.9
ARC Balanced (EUR)	6.4	1.0	1.4	-3.8	15.5
Relative	4.2	0.8	-1.2	2.4	6.4

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD
2021	-1.5	1.7	3.5	1.0									4.8	3.7
2020	-0.8	-3.3	-5.9	4.4	2.1	1.1	1.6	3.1	-1.5	0.0	6.0	2.9	9.6	3.0
2019	3.8	0.1	1.1	0.8	-1.3	1.2	1.4	1.0	-0.1	-0.7	1.2	2.0	10.8	12.1
2018	1.8	-1.3	-1.2	0.9	1.5	0.0	0.6	0.4	0.2	-3.3	-0.7	-4.1	-5.1	-6.9
2017	0.3	1.9	0.5	0.2	0.3	-1.0	0.8	0.2	1.0	1.6	-1.4	0.1	4.5	5.2
2016	-3.9	-0.9	-0.8	0.0	0.5	0.5	2.8	-0.4	-0.4	0.0	2.7	1.5	1.6	1.2
2015	3.2	2.5	1.0	-1.8	-0.7	-2.1	2.6	-2.3	-2.3	5.6	1.4	-3.1	3.6	1.4
2014	-0.3	2.3	-1.5	-2.6	1.9	0.9	-1.3	2.1	-0.5	-0.4	3.1	0.3	3.8	5.7
2013	0.4	1.3	1.3	1.2	1.9	-1.8	2.3	-0.5	3.3	1.3	1.0	0.5	12.8	5.7
2012	3.2	0.9	-0.1	0.2	-1.1	-0.6	2.8	0.7	1.0	-1.1	0.3	0.4	6.9	7.7
2011	-0.5	1.3	-0.2	1.0	0.8	-1.6	-0.3	-6.3	-2.9	3.2	-0.8	0.6	-6.0	-4.5
2010	-1.1	1.3	2.9	1.5	-1.4	-0.8	1.3	0.2	2.0	0.5	1.3	1.5	9.5	8.7
2009						-1.9	4.3	1.7	1.9	-1.7	2.1	2.7	9.3	9.3

Fund details[1]

€ I Class	291.95
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Fund Size	€271 million
Strategy AUM	$326 million
Fund Inception	30 May 2008
€ I Inception	30 May 2008
€ R Inception	29 May 2009
Fund Type	Irish Long Only UCITS
Comparators	ARC Balanced
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, available at odey.com. The performance calculation shown is based on the EUR I and R share classes. 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.

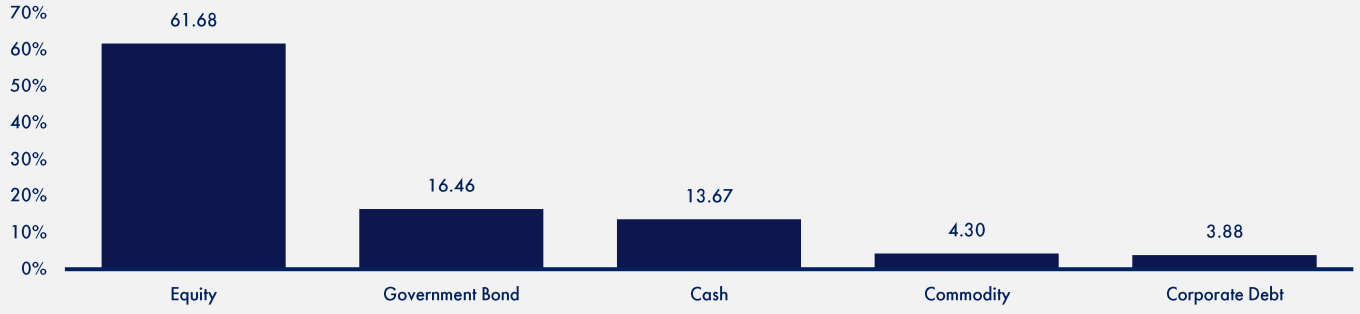
Top ten equities as percentage of NAV

	Notional Exposure
Morgan Stanley	2.3%
ASML Holding	1.8%
JPMorgan Chase & Co.	1.7%
Berkshire Hathaway	1.7%
BT	1.7%
B&M European Value Retail	1.7%
ArcelorMittal	1.7%
Barrick Gold	1.6%
TOTAL	1.6%
Aker BP	1.5%

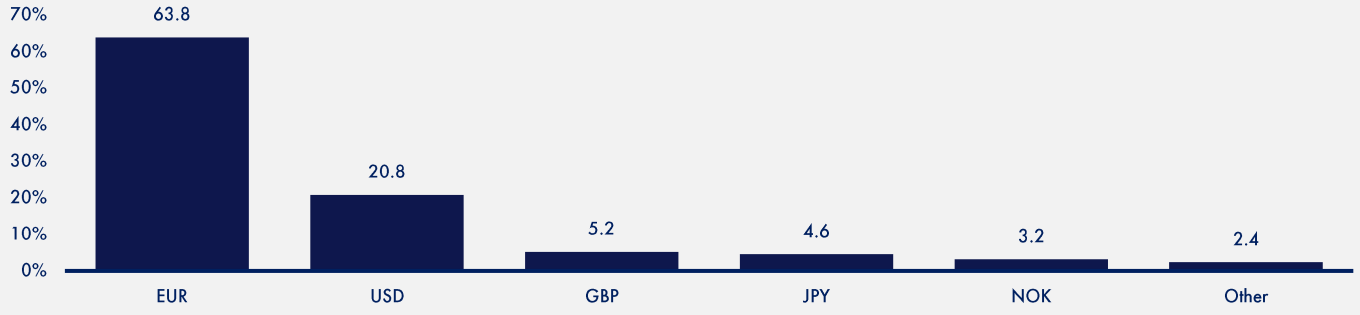
Top ten non-equities as percentage of NAV

	Notional Exposure
DBRI 0 1/2 04/15/30	4.7%
Gold Bullion Securities	4.3%
JGB 0.1 06/01/22	1.9%
DBRI 0.1 04/15/26	1.7%
DBRI 0.1 04/15/23	1.7%
NGB 1 1/2 02/19/26	1.7%
iShares EUR Corp Bond Large Cap UCITS ETF EUR Dist	1.6%
iShares J.P. Morgan USD EM Bond UCITS ETF - USD DIST	1.3%
Aristea SICAV - Fim Gem Debt Fund - S USD CAP	1.0%
SPGBEI 1 11/30/30	0.9%

Long asset allocation as percentage of NAV



Currency exposure



Note: Equity exposure includes all equity related securities. Delta Adjusted reflects the net equity exposure including any delta adjusted option positions, which reflect the likelihood of exercise of such options. 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.
Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the € I & R share class unless otherwise stated. All data shown as at 30 April 2021. [1]U.S Bank Global Fund Services (Ireland) Limited and Bloomberg, calculation on a NAV basis with net income reinvested.

Investment objective

The Odey Opportunity Fund ('The Fund') aims to achieve capital appreciation through investment on a global basis (including in emerging markets), in a diversified portfolio of investments. Derivatives are used for efficient portfolio management and to protect the fund against currency risk and/or to generate additional income. The Fund may actively engage in currency transactions on a speculative basis.

APPROACH

The Fund is a flexible Balanced Multi Asset Fund managed by Geoffrey Marson. The investment approach is primarily driven by in-depth top-down, macro research which seeks to identify the best medium to long-term market opportunities. The portfolio is constructed with the constraint of maintaining a balanced level of risk, taking into account the overall volatility of each investment and the diversification effect of investing in different assets classes. Equal emphasis is given between capital preservation and capital growth, whilst ensuring asset allocation within the fund remains active, dynamic and flexible.

RISK CONSIDERATIONS

The fund has considerable latitude over its Asset Allocation and may own sophisticated instruments such as futures and options for efficient portfolio management. The fund is therefore suitable only for investors who have at least a medium time frame (3-5 years) and can tolerate some risk. Investors should discuss the suitability of this fund with their Professional Advisor.

Investor information

Share classes	IP (£, €, $, CHF) & RP (£, €, $, CHF)	**Minimum investment**	IP £1,000,000, RP £5,000
Dealing	Daily, no later than 12.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day.	**Dividends**	Potential distribution otherwise income accumulated
Front end fee	Up to 5%	**Administrator**	U.S Bank Global Fund Services (Ireland) Limited
Annual management fee	IP 0.75%, RP 1.25%	**Custodian**	RBC Investor Services Bank S.A
Performance fee	10% of the increase in the value per share of the fund between the beginning and the end of the year. Fees crystallise annually. Losses carried forward.	**Auditor**	Deloitte & Touche
Exit fee	None	**Price reporting**	Prices published daily on www.odey.com, Bloomberg and by other third party data providers.
Anti-dilution fee	0.5% to NAV on subscriptions/redemptions	**ISIN**	I P Class €-IE00BL0RFY65, £-IE00BL0RFW42, $-IE00BL0RFX58, CHF-IE00BL0RFZ72 R P Class €-IE00BSVYMR70, £-IE00BSVYMS87, $-IE00BSVYMT94, CHF-IE00BSVYMV17

Important information

This communication is for information purposes only and not intended to be viewed as a piece of independent investment research.

The Odey Opportunity Fund (the "Fund") changed in April 2010, from a Cayman Islands unregulated collective investment scheme to an Irish authorised Undertaking for Collective Investment in Transferable Securities under the European Communities ("UCITS") Regulations 2011, as amended. And so the inclusion of data prior to April 2010 is for illustrative purposes only. All performance figures quoted are net of fees and charges. Past performance is not a reliable indicator of future results. The value of investments and the income derived there from can decrease as well as increase. Investments that have an exposure to currencies other than the base currency of the Fund may be subject to exchange rate fluctuations.

Awards

3D 2020 ODEY WEALTH MANAGEMENT (C.I.) LIMITED AWARDED BY ARC

MPI Contributing Manager STEP

Fund team and contact details

PORTFOLIO MANAGER

Geoffrey Marson

For full bios visit odeywealth.com

ENQUIRIES

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Glossary of terms

Please refer to the fund's prospectus for detailed information. Some terms listed are not relevant for every fund. This document is intended for use by individuals who are not familiar with investment terminology. Please contact Odey 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.

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

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: Odey Opportunity Fund.

Global Industry Classification Standard (GICS): A standardised 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 Manager: Odey Wealth Management (C.I.) Limited.

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.