

ODEY ALLEGRA DEVELOPED MARKETS



Fund Manager Report

Q4-17 Summary

The fund returned +0.98% versus the MSCI World TR Net up 5.51%. IWG cost the fund -1.05% in the quarter after they guided down dramatically on full year numbers. We were reducing our position at the time of the warning due to concerns about too much capacity coming into the market, which is reflective of this stage of the cycle. In December the shares regained some of the losses, as the company confirmed it had received a proposal from a private equity consortium regarding a possible cash bid. We believe there is a material chance that competing bids will emerge. It would be logical for WeWork to acquire IWG, since the latter has the best global network in the service office industry. Due to our trading of IWG, it contributed +2.49% for the year as a whole. Sprint cost the fund -0.66% in the quarter as the company decided not to proceed with the T Mobile merger. We discuss this in more detail below, but take this as a vindication of our view that Sprint's spectrum is worth significantly more than the market values it at. We added to Sprint after the deal fell through. There were various other negative moves which often appeared arbitrary and which we did not feel reflected the fundamental newsflow or lack of it. We took the opportunity to add to positions like Sports Direct, Philips Lighting and Formula One. The main gainers in the quarter were Stars Group (+1.06%), Rowan (+0.68%) and Viasat (+0.72%). Stars Group reported well and we saw good progress in the US with Pennsylvania regulating online gaming.

Summary of 2017 performance and stock reviews

The fund generated good absolute and relative returns being up c.+34%, we go into more depth on some of the stock contributions below:

We are encouraged that position-sizing tends to be good overall. It is quite common that our top positions are our best performers and this was the case again with **Plus500**, the top contributor to the fund for the year (+11.60%). 2017 was a period of significant progress for the company. At the start of the year consensus thought earnings per share would be down c.30%. We now believe they will finish up c.85% after five upward profit warnings. They continue to win market share, generate more operating cash flow than any other European CFD operator, and have more active accounts than the next three largest companies together (IG Group, CMC and Saxobank). We had some satisfactory regulatory clarity from ESMA as well in December 2017 on how further regulation will look in 2018 for retail clients so we believe a tighter regulatory environment suits Plus500 well. Historical examples from Japan and Singapore would suggest that lower leverage limits create a healthier CFD market in the medium term, albeit with a possible short-term revenue headwind for a couple of quarters. Apart from the leverage limits, all other changes proposed by ESMA should be of benefit to Plus500. This contrasts with IG Group which still offers binary options and where negative balance protection is neither routine nor without cost. We also believe the market will be surprised by how much of Plus500 revenues comes from 'professional' clients, to whom ESMA regulation does not apply. There will be very little reason for eligible Plus500 clients not to opt for professional client status, which we do not believe to be the case for IG Group clients. There were two new licence wins in the year for Plus500, including Singapore. We believe the company is well positioned to win further licences this year. Despite regulatory changes going through in 2018 (2017 also saw a lot) we believe the company is well positioned to generate good revenue and earnings growth this year. It starts 2018 with c.100% more active customers than the prior year, and has new licence revenue from Singapore starting in January. At its core Plus500 is a market-leading technology and online marketing business combined with a compelling consumer offering, excellent risk management and phenomenal cost control. We see the analogy of Ryanair versus the flag carriers 20 years ago as very appropriate to how Plus500 is positioned

Performance

-0.1% Monthly performance
34.4% Year-to-date performance
10.6% CAGR since inception

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

Fund details¹

\$ I Class	158.41
\$ R Class	145.44
£ I Class	181.67
£ R Class	156.33
€ I Class	165.90
Fund Size	\$159 million
Strategy AUM	\$372 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS

Fund Managers

James Hanbury
 Adrian Courtenay
 Jamie Grimston

For full bios visit odey.com

now. In the medium term, we expect Plus500 to drive home its competitive advantages in existing markets, and move into new territories and verticals. Our base case is that potentially there are multiples of upside to the current share price.

Figure 1)

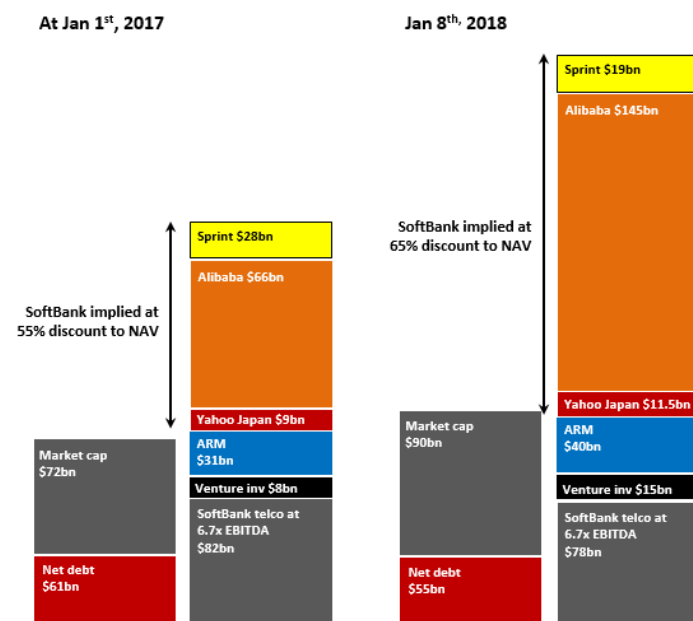
	PLUS 500 Dec YE	IG GROUP May YE (consensus)
Share Price	11.39	7.71
5 Year Revs CAGR (Dec-17 / May-17)	54%	5%
5 Year EPS CAGR (Dec-17 / May-17)	61%	4%
EBIT Margin (Dec-17 / May-17)	57%	44%
PE (Dec 2018 & May 19)	6.4	16.8
Forecast growth 2020 EPS vs 2017 Base	87%	7%
PE 2020	4.4	15.7

Source: Bloomberg

Stars Group was also a top contributor for the fund adding +4.84%. The Candian listed business is a quasi-monopoly in global online poker. In 2017 we estimate it will have grown revenues and earnings at c.13% and 28%. The business trades on a FCF yield to equity of 8.6% for 2018 and a PE of 10.3x. We see it as an attractive standalone business that gets very little coverage relative to its market cap of \$5bn. However, its strategic value is huge as the US, Indian and possibly Chinese poker markets open up.

SoftBank added +1.27% to the fund as its underlying holdings overall performed well. That said we come into 2018 with the gross discount to NAV at 65%, compared to 56% at the start of 2017. The widening of SoftBank's discount to NAV is primarily a result of the doubling of the market value of its holding in Alibaba, which more than offset the 33% decline in the value of its holding in Sprint, leading overall to a 70% combined appreciation in the value of both holdings. SoftBank's discount to NAV continues to sit at amongst the widest discount to NAV for any holding company globally. A prospective tightening in SoftBank's discount to NAV would be accelerated should the owner-managed SoftBank conduct future buyback programmes similar to the \$4.4bn buyback in 2016. We are also subscribers to the view that we may be in the foothills of the next IT cycle, with areas such as the Internet of Things, virtual reality and autonomous cars becoming more mainstream. If we are right in this view then Softbank as a company and collection of assets is extremely well positioned, in contrast to what the valuation implies.

Figure 2) A breakdown of SoftBank's discount to NAV, year on year



Source: SoftBank quarterly reports, Odey Research

Sports Direct which added +2.33% in the year has taken a step change operationally that we believe has not been appreciated by the market. The gradual gentrification of the store portfolio has meant they can now access the full range of products from third-party wholesalers like Nike. This has been extremely well received by consumers but has not shown up in reported numbers yet for various reasons. That said we believe that calendar year 2018 will prove transformational for reported sales and possibly profits depending on how much Mike Ashley decides to reinvest. There is a reasonable chance that April 2019 could show a FCF yield to the equity of c.20%, when adjusting for the owned properties. For a growth business we believe this offers an exciting investment.

Vivendi added +3.14% in 2017 and we really feel the company and stock are well set up coming into 2018. We believe the majority of the value in Vivendi lies in Universal Music Group ["UMG"], where recent industry newsflow has been encouraging. In subscription streaming music, global market leader Spotify's subscriber base has reportedly grown by 40% just between March 2017 and January 2018, even as Amazon Prime customers (who get streaming music in their package) continue to grow strongly. Further, the US Copyright Royalty Board has also recently proposed an increase of around 40% in the music royalty rate payable by digital satellite radio operator SiriusXM. In advertising-supported streaming music, UMG should experience improved monetisation of its content thanks to its recent renegotiation with YouTube and to its brand new agreement with Facebook. Such newsflow is supportive of our view that UMG could ultimately be worth more than \$50bn. Elsewhere within the Vivendi group, Canal+ has started to report improved subscriber trends in France, should benefit from less aggressive behaviour going forward from competitor Altice and seems to have a big hit on its hands with the magical film Paddington 2! Vivendi remains one of our top positions.

A negative contributor in the year was our holding in **Sprint** (-0.79%), a turnaround investment in the fourth-ranked US telco. We continue to see Sprint as being in the midst of a successful operational recovery, have a clearly divergent view to consensus and believe there has been a large amount of inadvertent market misdirection that has occurred due to Sprint's M&A agenda.

Since 2013, Sprint has been majority owned by SoftBank, who took control following Sprint's merger with Clearwire. A minority stub of equity remains listed. Sprint's CEO, Marcelo Claure, joined in 2014 and is overseeing a strong turnaround programme. Under Claure, Sprint's EBITDA has doubled from \$6bn to \$11bn, and operating losses have ceased and have been replaced by annualised EBIT approaching \$3bn, and leverage has also been reduced dramatically from in excess of 5.0x debt/EBITDA to 3.0x currently. As we look forward, several aspects of Sprint's business economics are anticipated concurrently to lead to further financial improvement. Firstly, a retail store roll-out program is accelerating gross additions. Secondly Sprint's network improvement investments are anticipated to improve customer experience further and lower churn. Thirdly Sprint's ARPU is anticipated to stabilise in line with other industry peers. Fourthly Sprint's CEO assesses further cost reduction opportunities to improve profitability, and finally Sprint's debt profile permits meaningful reductions in interest charge as a result of both upcoming debt maturities and opportunistic debt refinancings. Whilst each of these variables, on their own, have a moderate impact, in a combined manner the impact is more material. Looking out to the year ending March 2020, we assess Sprint as having a path to \$3bn in net income, implying a rating of less than 8x PE (compared to T Mobile current PE of 29x), and net debt/EBITDA declining from the current 3.0x to 2.0x.

The market bear case on our investment in Sprint is that telcos are a competitive market and a position of advantage is reached primarily by scale, and therefore a turnaround investment in a fourth-ranked telco player represents a high level of risk. In most telco turnaround cases we would agree with this contention. However, in Sprint's case we observe that the company has a unique competitive advantage: more than 200 MHz of US spectrum holdings, which represent around 44% of all US carrier-owned mid-band spectrum. Additionally, the spectrum frequencies owned by Sprint have additional advantages including being in one contiguous block and also having superior throughput characteristics relative to other carrier-owned mid-band spectrum. In short, whilst we accept Sprint and T-Mobile as the challenger US telcos have a scale disadvantage relative to the industry leaders Verizon and AT&T, we also assess this as offset in the case of Sprint due to the material spectrum advantage relative to any other US telco carrier. Over time, the value in Sprint's spectrum can be realised by a lower capital expenditure bill, due to an inverse relationship between spectrum holdings and capex requirement, and longer term this lower capital requirement allows Sprint to target an industry-leading return on invested capital. The Sprint management team has a well evidenced track record in delivering Sprint's turnaround success to date, without any equity recourse to shareholders, and the grit and dedication to continuing this upward path.

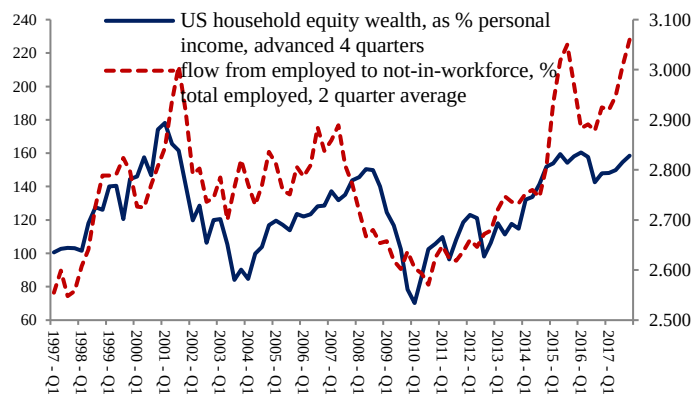
Thematically, we continue to assess the valuations of certain providers of internet bandwidth as undervalued, with market participants rejecting investment cases that contend any meaningful proportionality between bandwidth increases and forward economics. The clearest example of this is our holding

ViaSat, a provider of internet bandwidth by satellite, which on a trailing basis trades on 3.0x revenue and 10.8x EBITDA (note, we strip out temporary R&D expenses to estimate run rate EBITDA). Whilst these metrics do not fall into the value investment category in the traditional sense, the key point is that they are a trailing valuation for a company on a trajectory to increase its bandwidth by 25x: ViaSat's new satellite ViaSat-2 increases deployable bandwidth from 140 Gbps to more than 440 Gbps in 2018, and the ViaSat-3 series of satellite, launching from 2019 onward, brings total bandwidth to more than 3,500 Gbps. On a trailing basis, ViaSat has had fixed bandwidth since 2011, and yet grown revenue every year. However, on a forward basis consensus estimates just a 50% increase in revenue between 2017 and 2021, despite the 25x bandwidth increase over the same period. In other words, consensus estimates a more-than-90% deflation in revenue per gigabit. In our view, the market erroneously imposes this deflationary assumption set onto satellite internet due to the assessment that satellite is a competitive market, comparable to the consensus assessment with regard to mobile bandwidth. However, our conclusions diverge from this: we note that satellite internet not only generally serves niche market areas but also that over time ViaSat is on a trajectory to become the majority of satellite internet capacity and thereby without an equivalent competitive bandwidth volume emerging from other companies in its peer group.

Macro

Our general macro view has not changed. Extremely loose monetary policy has been required over the last decade to help the global economy recover from the shock of the Great Financial Crisis. Falling discount rates created by this monetary policy have been very supportive of asset prices. We are now moving into a different phase of the economic recovery where central banks will try to withdraw liquidity from the system through quantitative tightening and increasing rates. The FED and ECB alone look set to reduce liquidity in the global system by at least \$800bn in 2018. Global GDP is running at high levels not seen since 2011. We continue to feel strong economic conditions are currently the most likely threat to assets prices. We believe rising interest rates are necessary as wage inflation is starting to build. US headline wage inflation will likely continue to be depressed short term as the uplift in the stock market and house prices encourage more employees to retire. The chart below shows a 70% correlation between the rate at which people retire from the workforce and the value of their equity holdings.

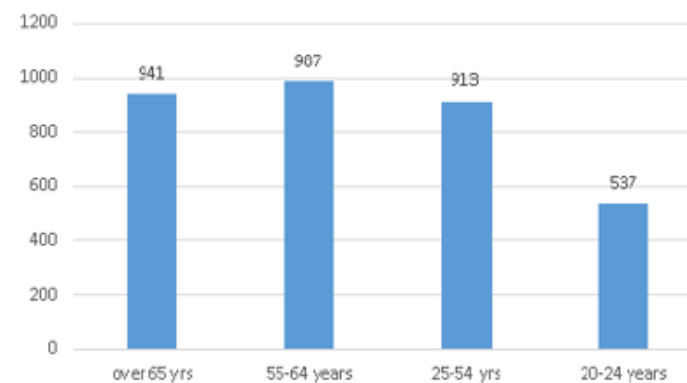
Figure 4) US household equity wealth vs. retirement rate



Source: Haver Analytics

This uplift in people leaving the work force has a mix impact as older employees earn an average c.80% more than the younger employees doing the same job, as seen in the chart below.

Figure 5) Median Weekly Earnings (\$)



Source: Haver Analytics

This means underlying wage inflation is much higher than what is reported in the headline figures. Surveys like the Atlanta Fed and the household survey look at wage inflation on more of a like-for-like basis. The charts below show a trend much more consistent with what we are hearing from many of the companies we talk to.

Figure 6) Atlanta Fed wage growth tracker (median wage growth % yy)

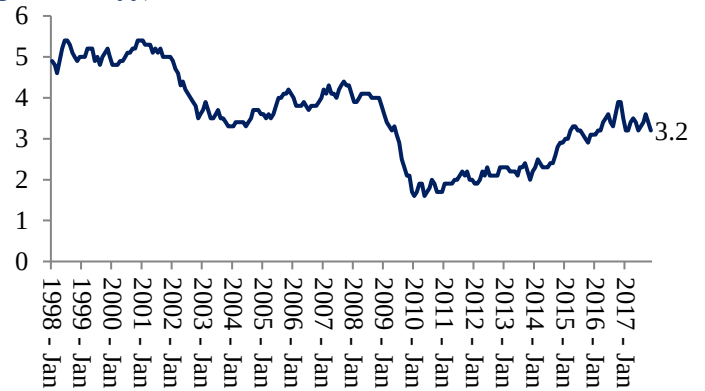
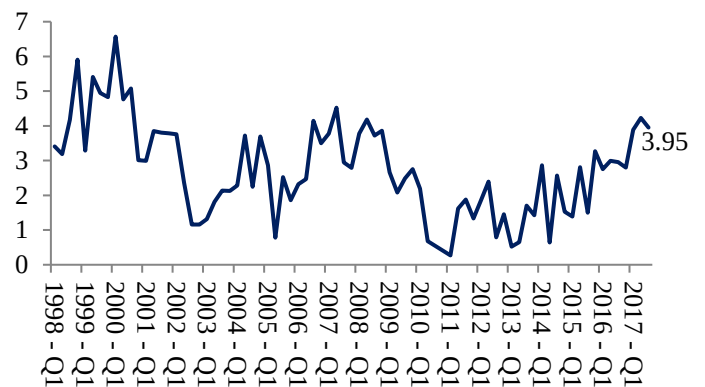


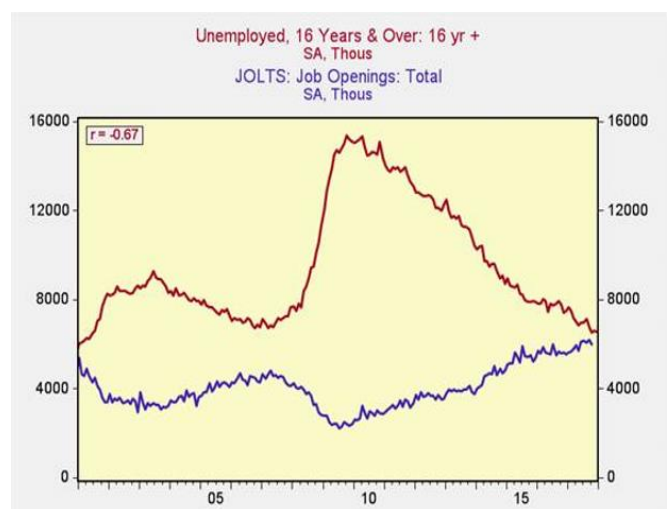
Figure 7) Median weekly earnings from Household survey (% yy)



Source: Haver Analytics

Headline wage inflation staying relatively low due to this mix effect would be fine for corporate margins (and to a lesser extent inflation as retirees continue to spend) if it were sustainable. Arguably though it is creating a pressure-cooker situation in the employment market where the number of unemployed is now scarcely above the number of job openings.

Figure 8) US Unemployment vs Job Openings



Source: Bureau of Labor Statistics/Haver Analytics

The current environment seems to be the perfect storm for rising discount rates: fiscal easing, tight employment markets, strong global GDP, high consumer and corporate confidence, and crucially a decade of central banks depressing rates and affecting market psychology on future pricing.

Fund positioning

Whilst we continue to feel cautious on the overall market, we continue to find high conviction longs on a bottom up basis, hence remain fully invested. Much of our trading in the year has been trimming and adding of existing holdings. That said we took new long positions in Rowan, Transocean, Viasat, Shire and B&M during 2017.

Having moved into a MIFID II world this year, we feel that as a house and a franchise we are very well positioned. It is highly probable that capacity is reduced on the sell side this year creating a less efficient equity market. At Odey we have an extremely high quality internal research department which has been in place for many years. We feel this new MIFID II world plays to our strengths.

James Hanbury

ODEY ALLEGRA DEVELOPED MARKETS

ODEY
ASSET MANAGEMENT

Performance

	1-month	3-month	1-year	3-year	YTD inception	Since inception	CAGR since inc.
Fund	-0.1	1.0	34.4	22.5	34.4	58.4	10.6
MSCI Daily TR Net World	1.4	5.5	22.4	30.5	22.4	57.8	10.5
Relative	-1.5	-4.5	12.0	-8.0	12.0	0.7	0.1

DISCRETE YEARLY PERFORMANCE

	1-year to	31 Dec 14	31 Dec 15	30 Dec 16	29 Dec 17
Fund		4.0	0.6	-9.4	34.4
MSCI Daily TR Net World		4.9	-0.9	7.5	22.4
Relative		-0.9	1.4	-16.9	12.0

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD ²
2017	1.5	3.2	2.4	5.3	3.8	-0.1	4.6	3.8	4.6	0.3	0.7	-0.1	34.4	22.4
2016	-11.1	4.3	5.8	-1.7	2.4	-3.1	5.2	0.8	-1.5	-8.3	0.5	-1.7	-9.4	7.5
2015	-2.2	6.0	-1.4	2.9	-1.5	-0.3	2.6	-5.9	-2.2	7.4	-0.9	-3.2	0.6	-0.9
2014	-3.5	5.3	-1.9	-3.1	3.7	-1.7	-2.3	2.0	-4.7	4.4	5.0	1.6	4.0	4.9
2013						-1.7	7.9	-2.0	8.5	4.0	2.9	3.1	24.4	15.2

Fund details¹

\$ I Class	158.41
\$ R Class	145.44
£ I Class	181.67
£ R Class	156.33
€ I Class	165.90
Fund Size	\$159 million
Strategy AUM	\$372 million
Fund Inception	06 Jun 2013
Class Inception	06 Jun 2013
Fund Type	Irish Long Only UCITS
Comparators	Primary: MSCI Daily TR Net World USD
Base Currency	\$

Live fund dashboard

Get the latest fund information on the odey.com fund dashboard (registration required)

[View dashboard on odey.com >](#)

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 odey.com. The performance calculation shown is based on the USD 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

FUND MANAGERS

James Hanbury
Adrian Courtenay
Jamie Grimston

For full bios visit [odey.com](#)

ENQUIRIES

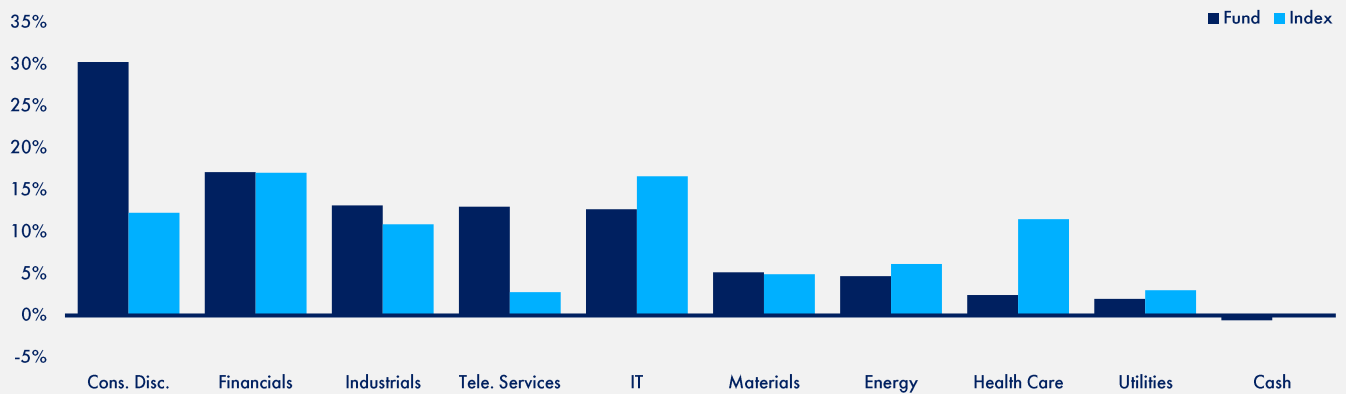
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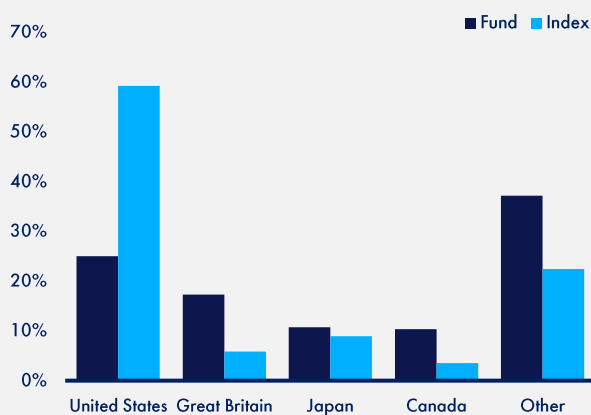
Note: Equity exposure includes all equity related instruments. Currency exposure relates to exposure of all assets held by the fund, including any forward currency positions. Past performance is net of fees and other charges and includes the reinvestment of dividends. Equity exposure as classified by GICS.

Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the \$ I share class. All data shown as at 29 December 2017. ¹RBC Investor Services and Bloomberg, calculation on a NAV basis with net income reinvested – the share class prices refer to NAV per share. ²MSCI Daily TR Net World.

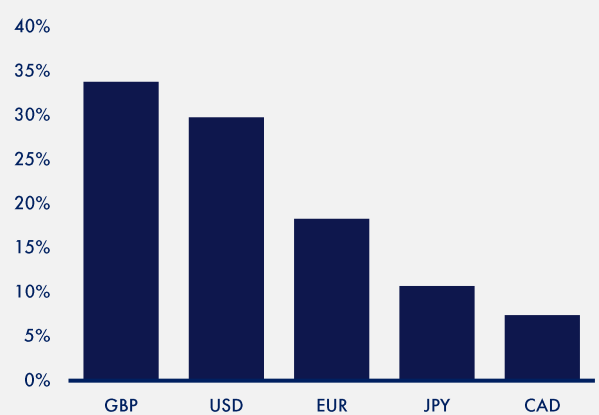
Equity exposure by sector



Equity exposure by geography



Currency exposure



Top ten equities as percentage of NAV

	Notional Exposure
Plus500	9.7 %
Vivendi	7.8 %
Stars	7.4 %
SoftBank	6.4 %
Playtech	4.8 %
ViaSat	4.7 %
Rowan Companies	4.7 %
Philips Lighting	4.6 %
Liberty Media Corp-Liberty Formula One	4.5 %
Sports Direct	4.3 %

Statistics

	1-year	3-year	Inception
Fund annual s.dev.	7.7	13.5	13.7
Index annual s.dev.	2.8	10.1	9.9
Alpha	2.0	-0.1	-0.1
Beta	0.1	1.1	1.1
Correlation	0.0	0.8	0.8
Sharpe Ratio	3.5	0.5	0.8
Information Ratio	0.8	-0.1	0.0
Tracking Error	8.2	8.3	8.1

Investment objective and policy

The Odey Allegra Developed Markets Fund ("The Fund") aims to achieve long-term capital appreciation through investing predominantly in equity and equity-related securities on a worldwide basis. The Fund may also invest up to 35% of its Net Asset Value in debt and debt-related securities.

APPROACH

The Fund is a concentrated global equity strategy harnessing the experience and judgement of James Hanbury, his investment team and the significant research resource at Odey. The portfolio managers are opportunistic in scope and, while not a prerequisite, are attracted to owner-managed companies and situations where, in their view, the perceived risk is higher than the actual risk, which often occur during reorganisations or complex restructurings. The team invest for the medium to long term though continuously resize positions to ensure the portfolio remains focused on their highest conviction ideas. The Fund is built without formal reference to an index and typically contains 30-50 positions with a higher concentration in the top 10 positions.

RISK CONSIDERATIONS

The Fund has considerable latitude over its allocation; it may own sophisticated instruments such as futures and options for efficient portfolio management and investment purposes. The Fund is suitable only for investors who have a long time horizon (>5 years) and can tolerate high risk. Investors may not get back all the money invested and an investment in this Fund should only form part of an investor's total portfolio. Investors should discuss the suitability of this Fund with their professional adviser.

Investor information

Share classes	I (£, €, \$), R (£, €, \$)	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 GBP I & R
Trade date (T)	Daily	Administrator	RBC Investor Services Ireland Ltd
Dealing	By 12pm T-1	Auditor	Deloitte & Touche, Ireland
Valuation	Close of business T-1	Depository	RBC Investor Services Bank, Ireland
Front end fee	Up to 5%	Price reporting	Prices published daily in Financial Times
Annual management fee	(\$R, € R, £R) 1.20% (\$I, €I, £I) 0.70%	ISIN	SI: IE00BB0RGZ49, €I: IE00BB0RGR64, £I: IE00BB0RGW18, \$R: IE00BB0RH062, €R: IE00BB0RGT88, £R: IE00BB0RGX25
Performance fee	20% of the relative outperformance of the benchmark, the MSCI Daily TR Net World index. Fees crystallise annually, and on redemption. Relative underperformance is carried forward.	SEDOL	SI: BB0RGZ4, €I: BB0RGR6, £I: BB0RGW18, \$R: BB0RH06, €R: BB0RG T8, £R: BB0RGX2
Anti-dilution fee	May apply to subs/reds if net subs/reds >0.5% of NAV		

Important information

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

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Glossary of terms

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

Global Industry Classification Standard (GICS): A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's.

Government bond: A bond issued by a government to support government spending, often issued in the country's domestic currency.

Gross: The total rate of return on an investment before the deduction of any fees or expenses.

Hedged class: A share class giving exposure to assets denominated in foreign currencies without the currency risk of the fund's base currency. Techniques and instruments are used to limit the currency risk between the hedged class and the base currency.

Hedging: Hedging against investment risk means strategically using financial instruments in the market to reduce the risk of adverse price movements.

High water mark: The highest value that an investment fund or account has reached over a specified period of time.

Information ratio: A measure of the fund's returns above the returns of the benchmark to the volatility of those returns.

Investment 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.