Odey Absolute Return Focus Fund

ODEY ASSET MANAGEMENT

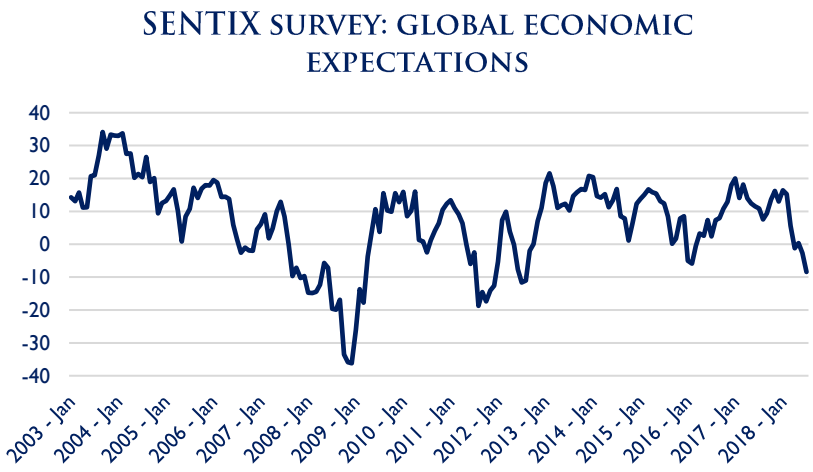
Fund Manager Report

The global economy is showing some typical late cycle characteristics of rising inflation and declining real GDP growth. We have become more negative on the current macro situation due to 2 main reasons:

1. Protectionism seems a more serious threat than our initial estimates.
2. Risks on the Chinese economy seem higher.

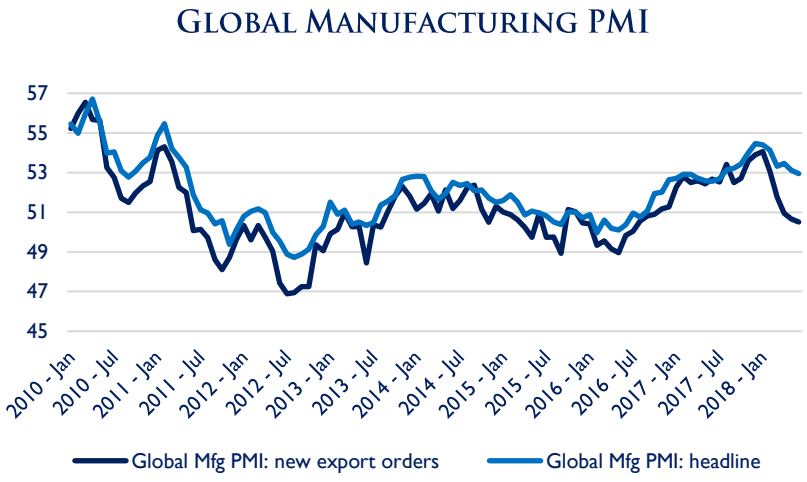
President Trump is right that the US is a relative beneficiary in a trade war. Whether it is an absolute beneficiary though is more debatable. It is always hard to pinpoint a cause but it does appear that talk about and action on tariffs have pulled down expectations about future economic global growth.

Figure 1



Source: Haver

Figure 2



Source: Haver

Performance

0.3% Monthly performance

13.7% Year-to-date performance

1.0% CAGR since inception

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

Fund details[1]

£ I Class	96.56
£ A Class	102.18
$ I Class	98.35
$ A Class	106.18
€ I Class	95.69
Fund Size	£67 million
Strategy AUM	$1,358 million
Fund Inception	30 Nov 2015
Class Inception	30 Nov 2015
Fund Type	Irish ICAV QIAIF

Fund Managers

James Hanbury

Adrian Courtenay

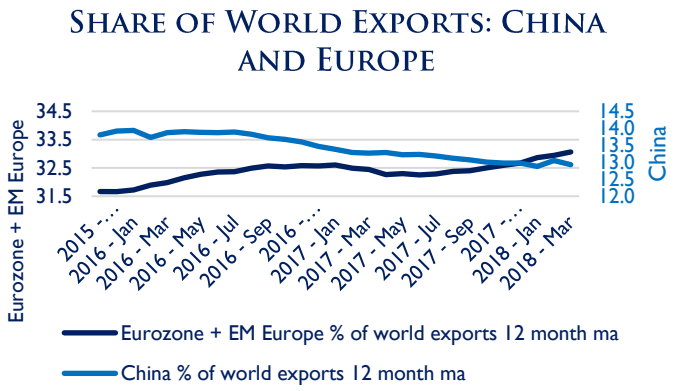
Jamie Grimston

For full bios visit odey.com

Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the £ A share class. All data shown as at 29 June 2018. [1]Quintillion Ltd and Bloomberg, calculation on a NAV basis with net income reinvested.

Protectionism is coming at exactly the wrong time from a Chinese perspective. China has been losing market share in exporting for several quarters. Whether tariffs are ramped up or not, the mere threat will probably be enough to discourage some marginal capital allocators.

Figure 3



Source: Haver

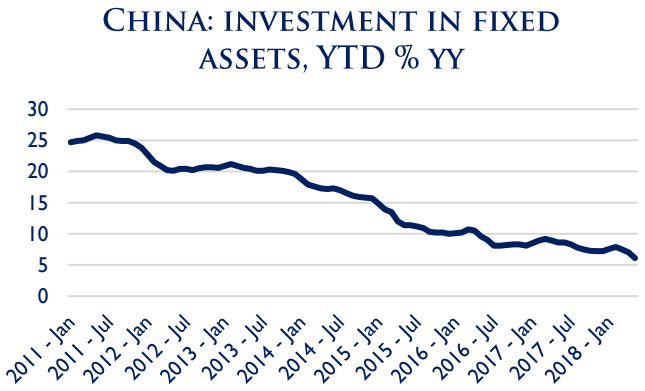
China's real consumer spending growth is the lowest it has been for two decades. This is partly linked to a weaker labour market but is also due to a deceleration in the money supply. Meanwhile capex spending growth is at a multi-year low.

Figure 4



Source: Haver

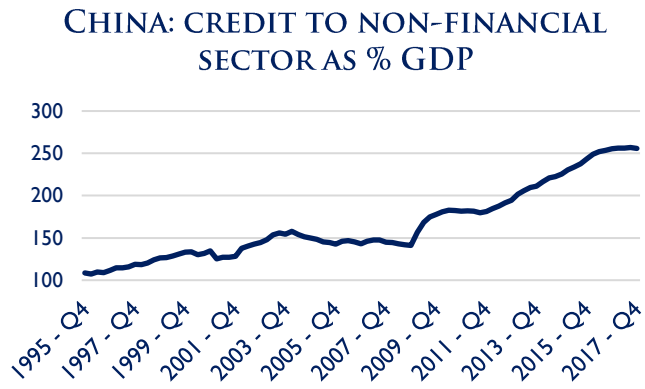
Figure 5



Source: Haver

The common argument that China is a command and control economy, where levers can be pulled to successfully increase growth, again seems to be more questionable at the current juncture. Chinese non-financial debt/GDP ratio is c.255%, as of end last year, according to the Bank of International Settlements (BIS). One would expect that it has become harder to direct productive capex after fixed asset spending has averaged 43% of GDP over the last decade. This is also a period where one of the major drags on China's economy from exports is exogenous. At the risk of stating the obvious for the world's largest exporter, where gross exports typically represent >20% of GDP, protectionism is a bad thing

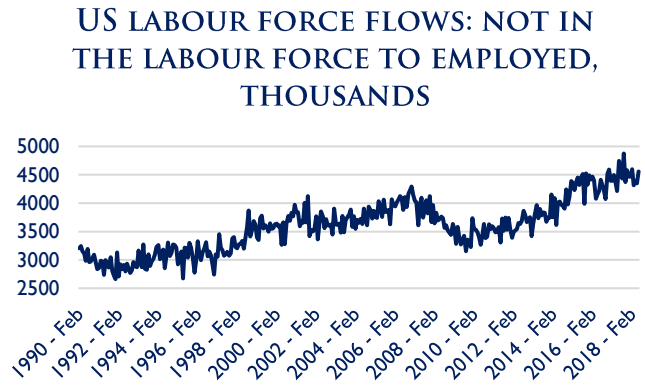
Figure 6



Source: Haver

As we have previously discussed, OECD unemployment levels have never been lower since 1955. Trends in the US labour force are showing that many of the incremental jobs are going to people previously classified as 'not in the labour force'.

Figure 7



Source: Bureau of Labor Statistics/ Haver

This is not unexpected when unemployment is c.4% but with a lower quality of employee entering the workforce it does remind us why it is so difficult to see a pickup in productivity at this stage of the cycle. When we combine this with our view that wage inflation should pick up across developed economies it creates a bleak picture for corporate sector margins. We are seeing margin pressure increasingly at a micro level but we differ from consensus in how we believe corporates will respond to this. We believe that with corporate returns so far above their cost of capital it is rational to continue to invest in growth despite margin/profit pressures.

This is certainly what we are currently seeing from the majority of corporates we follow.

We currently tend to find that many corporates and commentators are looking at this cycle in a fairly binary way, with the Great Financial Crisis still strong in the memory. We see a middle ground as more likely than is discussed. This is an environment where real GDP growth is subdued but nominal GDP is high. Whilst this would probably be a disappointing outcome for the stock market as a whole, due to discount rates going up and margins coming under pressure, there would be several sectors that could thrive in this environment. A lot of our current bottom up stock work (oil drillers, recruitment firms etc.) is dovetailing nicely with this view. So in summary whilst we have become slightly more negative on the macro as a whole, world GDP is still robust and our base case is that there will be high nominal growth going forward creating headwinds for asset prices generally. In discussing US fiscal loosening at this stage of the cycle Ben Bernanke last month said:

"What you are getting is a stimulus at the very wrong moment."

"The economy is already at full employment."

Fund performance and positioning

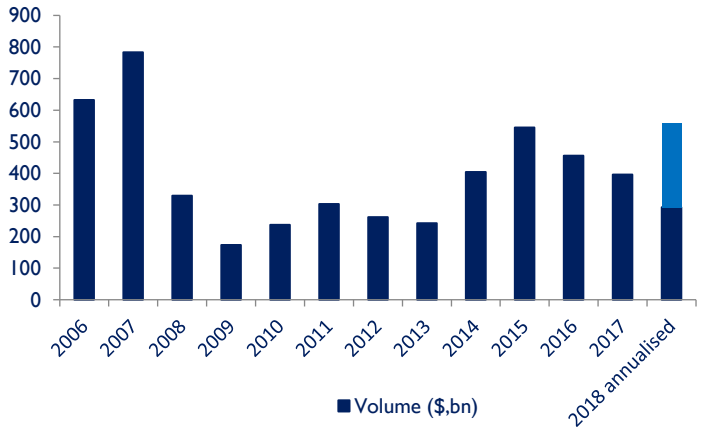
The fund had a good quarter with the long book adding alpha in a strong market and the short book producing small negative alpha and negative performance. The long book contributed +27.17% with the top performers being **Plus500** (+7.29%), **Rowan** (+3.16%), **CityFibre** (+2.75%), **Formula 1** (2.03%), **Shire** (1.99%), **Stars Group** (+1.94%), **AO World** (+1.46%) and **Ocado** (+1.29%). The short book cost the fund -11.45%, with our top losses coming from **Weatherford** (-1.70%), **Sainsbury** (-1.46%), **Wirecard** (-1.36%), **Hargreaves Lansdown** (-1.03%), and **JD Sport** (-1.02%).

Our book was exposed to an unusually large amount of M&A during the quarter mainly helping performance. **CityFibre**, a midcap fibre infrastructure company received a cash offer at a 93% premium from an infrastructure fund. Although we didn't feel the offer represented a 'full' price, it was accepted and the cash has already been received for what proved to be a good investment for the fund. **Sky** (+0.27%) is currently subject to a bidding war between Fox, Comcast and Disney. Netflix has shown incumbents that global distribution in an OTT world can be a virtuous circle as you can leverage content and other costs. Sky despite looking like a technologically challenged business a few years ago has been adapting its distribution model and with 23m users in Europe and a content business now looks like a strategically attractive business for a media company with global ambitions. **Shire** was also a top contributor in the quarter as the Takeda bid was accepted. The spread was and is offering us a very attractive IRR for a deal where we feel there is a high probability of completion. **IWG** (+1.10%) has this year had five separate approaches that we know about. The attraction of the asset is clear, IWG has an unrivalled network of offices across the world that with the right technology approach could become the 'Uber' of flexible working. **Stars Group** acquired Sky bet and some Australian sports betting assets which will give it a much more balanced gaming book and will be beneficial with Sports betting being legalised in the US. On the other side of the book the **Sainsbury** Asda deal was painful for performance and after the announcement we closed the position. Although we feel the deal is covering up some fundamental cracks in both businesses it will be very earnings accretive and our work suggests that clearance is likely.

It is usual for M&A activity to pick up at this stage of the cycle as seen in the chart below. All other things being equal we would expect a further pick up for the following reasons:

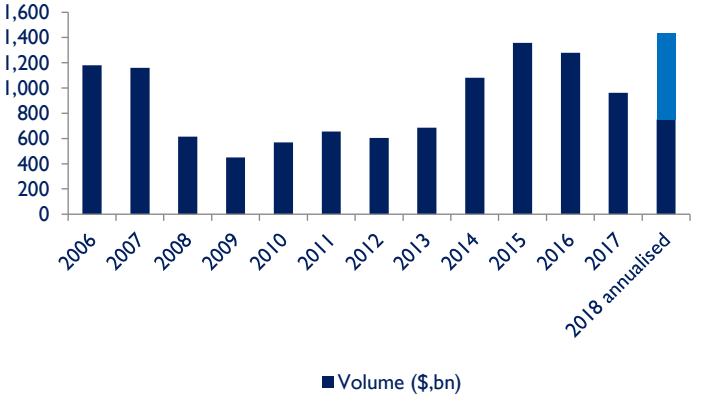
1. Risk appetite of management (supported by boards and shareholders) is high after 10 years where generally pro risk decisions have been rewarded.
2. Interest rates are very low but with rates starting to move up it can create more of a sense of urgency to move.
3. Organic earnings growth has generally become harder to generate for the majority of listed companies.
4. The large investment banks have recently spoken about having a strong pipeline of M&A deals.

Figure 8: Announced M&A deal volumes (in $, bn) involving a W.European target, pending or completed; only includes complete company takeover



Source: Bloomberg

Figure 9: Announced M&A deal volumes (in $, bn) involving a N.American target, pending or completed; only includes complete company takeover



Source: Bloomberg

As a franchise we have to be very aware of this potential pick up for various reasons. It can undoubtedly provide opportunities for value discovery in our long names. It can also provide value accretive opportunities for our long names to be acquirers. That said we have to make sure we are naturally sceptical when analysing deals and remembering that the majority of M&A

transactions destroy value. We also have to be wary that with our short book, despite having a high conviction view on the value of a company other potential acquirers may not agree with us. We have been through our short book with this risk in mind, checking our weightings. Overall, when we have looked at M&A as a factor risk in the portfolio it comes out as a positive risk for us. Where we have meaningful positions in a company we always encourage management to take us inside before they commit to a meaningful deal. One of the issues with the general process of M&A is that advisors to companies are rarely aligned.

One of the areas where we see potential M&A as being logical and value creative is in the offshore drilling space, where we have exposure through **Rowan Companies** and **Ensco**. For a fragmented sector, consolidation should improve pricing discipline and bring meaningful cost synergies. Our short 'oil' exposure through Weatherford was costly in the quarter but these gains were more than offset by gains on our oil drillers. Overall we made +2.00% from our oil exposure. What is encouraging is that we had positive performance from our overall 'oil' positions in a risk-off quarter for oil in Q1 and now in a risk-on quarter in Q2. In a flat oil price environment we continue to be believe the offshore oil drillers are extremely under valued.

Playtech is a company that also completed an acquisition in the quarter, buying Snaitech on 6x EV/EBITDA pre synergies. There are material synergies and we believe that the deal will be at least 50% earnings accretive for Playtech. Since the quarter end Playtech had a disappointing trading update highlighting that Asian revenues were materially behind expectations. The Asian side of the business is the lowest quality division for Playtech and we have always applied a low multiple accordingly. The non-Asian business is performing well. After the warning the shares fell at least as much as the earnings downgrade which has presented a very interesting buying opportunity. The regulated mix of the business has never been this high and yet the multiple on the business has not been as low for years. China revenues are now only 10% of total revenues, although still nearly a third of earnings. Playtech now trades on a P.E. of c. 7x 2019 and 6x 2020. If we assume China goes to zero (a very unlikely scenario) with some cost savings, then it still only trades on 9.5x 2020. For what is ultimately a high quality business with good growth opportunities we find it extremely inexpensive and we have been buying a material amount of Playtech in the last few weeks, turning it into one of our top positions.

Ocado had a very successful quarter both operationally and share price wise, which do not always go hand in hand. The shares are now up c.150% this year after they announced multiple international deals. These international partnerships allow Ocado to sell their technology and expertise to help food retailers launch an online offering. The highest profile announcement was an exclusive deal with Kruger in the US. Tim Steiner (CEO) has shown exceptional vision at Ocado and the opportunity to sign similar deals with other retailers is still huge. That said we feel the market is too ambivalent on execution risk and we have therefore now sold our shares.

We rebuilt a position in **Alphabet** after a meaningful pullback in 1H18. The additional work we have done in recent months highlights how valuable YouTube could be. We find the similarities between YouTube and Facebook very interesting. Apart from acquiring and retaining customers in a different way, we feel these businesses ultimately share many characteristics. They both have preeminent platforms to attract customers and will we believe in time both generate most of their revenues from video advertising.

"Ten years ago, most of what we shared and consumed online was text. Now it's photos, and soon most of it will be video."

Source: Mark Zuckerberg (Facebook's 2Q16 earnings call), Bloomberg

When one compares some of the KPIs of these businesses that would influence their valuation, as seen in the table below, one can see they are remarkably alike. One could argue YouTube has a more favourable profile given the longer time spent on the platform per day. The big difference in our view is that Facebook has chosen to monetise its users earlier. Clearly, it is not a certainty that YouTube can dramatically improve revenues generated from their customers, but we believe there is a good chance they can.

	YouTube	Facebook
% revenues from advertising	Vast majority, but also subscription services	98% in 2017 (of which 87ppts mobile vs 12ppts desktop)
Hours per day (est.) based on monthly active users	c. 50 mins	c. 30 mins
Hours of video watched (est.) total	>1bn hours per day reached in 2016	100m hours per day (Jan 2016)
US monthly active users (est.)	180+m monthly users	241m North America
Total monthly active users	>1.5bn monthly users	2.2bn
Annual revenue (est.) per monthly active user	$10	$23

Source: Company disclosures, Odey estimates, Statista

If in our sum of the parts valuation for Alphabet, we put YouTube at a 30% discount to our estimate of "core" Facebook (ex. Instagram, WhatsApp, Messenger), and we value other divisions like Waymo in line with considered consensus, then we estimate the value of the core Google search asset is implied at a 2019 P.E. (ex-cash) of c.10x.

Plus500 had more positive trading updates in the quarter and was our top performance contributor. Q1 EBITDA was up 418% YOY at $237m and full year guidance has been raised four times so far this year. The company has now achieved a full market listing and should go into the FTSE 250 in September. On a P.E. of c.5x for 2018 we believe there is material upside to the shares and feel there is a good chance that it is a FTSE 100 company next year.

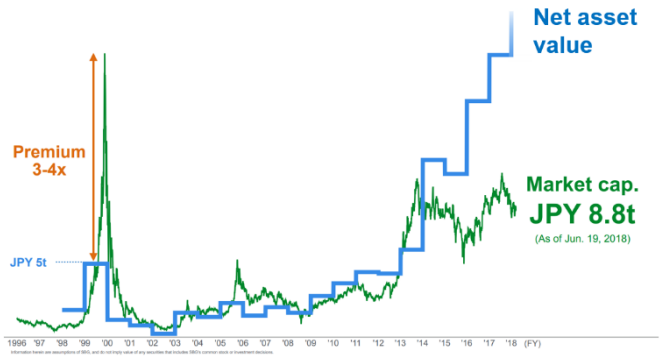
When the oil price is strong and CFD trading conditions are good it will naturally flatter our current long book performance and dampen our current short book performance due to our long and short oil and CFD trading company positions. This was one of those quarters and obviously the reverse is true. Within this we did have good performances on the short book though. **Metcash**, the Australian wholesalers, which was costly to the fund in 2017 (which we wrote about at the beginning of the year) contributed +0.65% to the fund in Q2. The company announced that trading

had not been as strong as expected, that they were losing one of their largest customers and that their business was going to be more capital intensive than previous expectations. **Gogo** was another strongly performing short position (+0.43%) as it withdrew all guidance from the market as business trends were worse than expected. This is a good example of where some of our best shorts tend to be adjacent to long positions we know well. In this situation we were able to leverage our work on **Viasat** which we believe has a cost advantage per MB of in excess of 10x against Gogo. This explains why there have been contract wins by Viasat from Gogo with major customers like American and United Airlines despite the high cost of switching.

ViaSat's share price has so far showed little proactive reaction to the forward earnings impact from launch of its next generation satellite ViaSat-2. However, with the satellite in service since the end of Q1 2018, forward quarterly updates from the company should now provide to market participants additional disclosures of the improving economics resulting from the resultant bandwidth increase. Whilst a low probability antenna issue has resulted in this satellite losing c.30% or 90 Gbps of what we estimated its true capacity would be (well above disclosed capacity), the financial conservatism built into our forecast allows us to remain optimistic relating to this investment and we note that ViaSat's own conservative guidance is also unchanged. We believe ViaSat-2's earnings potential remains materially underestimated by the market and the company also estimates capacity uplift potential for the successor generation satellite constellation, ViaSat-3, launching from end-2019, of 500 Gbps. Whilst the antenna issue is disappointing it is reassuring for our valuation process that the shares are broadly flat this year and we continue to judge the investment as offering material upside.

One of our top positions where there has over the last two years been a lack of correlation between stock price change and intrinsic value growth is **SoftBank**. The chart below, used by Masayoshi Son at his AGM in June, highlights not only the widening gap between SoftBank's NAV and market capitalisation in the recent period, but also that the longer term correlation between NAV and market capitalisation is high. We monitor the capital allocations directed by SoftBank carefully and struggle to find many other companies better positioned today to benefit from a continuation and evolution of current technology trends and yet SoftBank continues to trade at a discount to NAV inexcess of 60%

Figure 10: SoftBank's Disclosure on NAV vs Market Cap



Source: SoftBank AGM 2018, Odey internal research

Summary

Given what we perceive to be an increase in negative macro risks and our continued concern about the impact of falling margins and rising discount rates on the market we are comfortable being broadly market neutral in the fund. Our long book is usually idiosyncratic compared to the index. We are extremely excited by the operational progress that many of our companies are making in this environment despite muted-at-best share price performances (eg. Sprint, Softbank, Sports Direct). We are fully hedged back to sterling, and non-systematic risk is approximately two thirds of total risk.

—

James Hanbury

Odey Absolute Return Focus Fund

ODEY ASSET MANAGEMENT

Performance

	1-month	3-month	1-year	YTD	Since inception	CAGR since inc.
Fund	0.3	13.0	12.2	13.7	2.2	1.0
MSCI Daily TR Net World	0.8	8.2	9.3	2.9	44.4	17.8
Relative	-0.5	4.8	2.9	10.8	-42.3	-16.8

DISCRETE YEARLY PERFORMANCE

1-year to	30 Jun 17	29 Jun 18
Fund	-12.6	12.2
MSCI Daily TR Net World	22.2	9.3
Relative	-34.8	2.9

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	0.9	0.7	-1.0	7.4	4.9	0.3							13.7
2017	0.4	-3.8	-0.5	3.1	2.9	0.4	-1.4	9.9	-0.7	1.5	-3.0	-6.9	0.9
2016				-3.1	4.3	3.1	-1.4	-0.6	-1.2	-6.9	0.6	-5.8	-11.0

Fund details[1]

£ I Class	96.56
£ A Class	102.18
$ I Class	98.35
$ A Class	106.18
€ I Class	95.69
Fund Size	£67 million
Strategy AUM	$1,358 million
Fund Inception	30 Nov 2015
Class Inception	30 Nov 2015
Fund Type	Irish ICAV QIAIF
Comparators	Primary: Cash Secondary: MSCI Daily TR Net World GBP
Base Currency	£

Live fund dashboard

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

View dashboard on odey.com >

Top ten equities as percentage of NAV

	Strategy	Notional Exposure
Plus500	Long	20.7 %
SHIRE	Long	10.4 %
ViaSat	Long	9.2 %
SoftBank	Long	9.0 %
IG Group Holdings	Short	-8.6 %
Liberty Media	Long	8.6 %
Vivendi	Long	7.3 %
Rowan Companies	Long	7.2 %
Sprint	Long	7.1 %
Sports Direct	Long	7.0 %

Statistics

	1-year	Inception
Fund annual s.dev.	15.2	14.3
Index annual s.dev.	7.7	8.4
Alpha	0.4	-0.2
Beta	1.0	0.2
Correlation	0.5	0.1
Sharpe Ratio	0.9	-0.1
Information Ratio	0.3	-1.1
Tracking Error	13.3	16.5

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 GBP 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

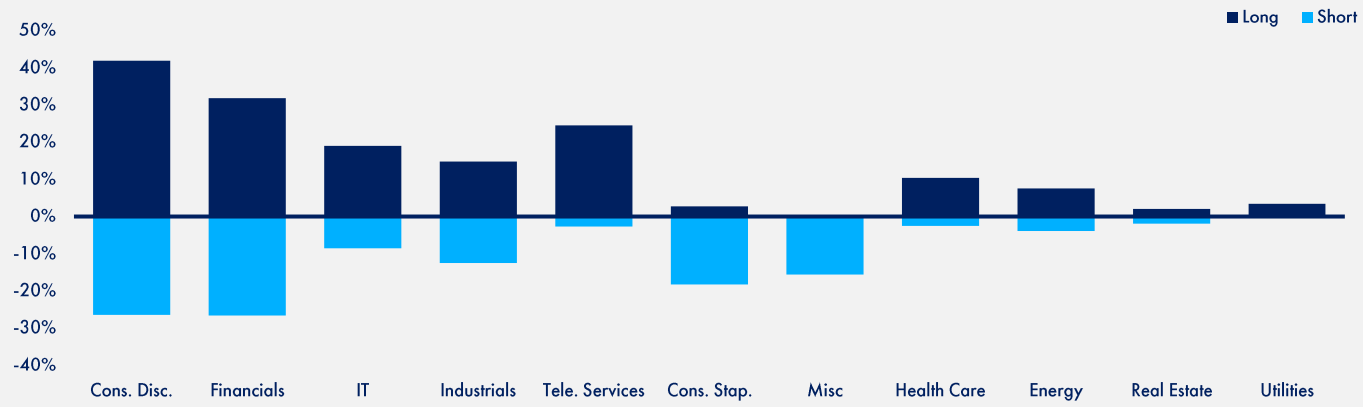
For full bios visit odey.com

ENQUIRIES

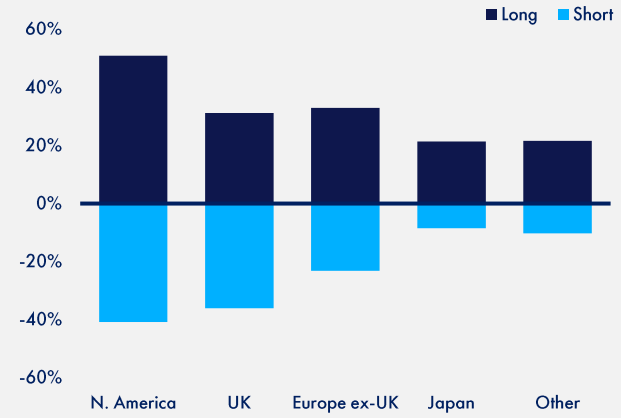
T: +44 (0)20 7208 1400
E: marketingteam@odey.com
W: odey.com

Odey Asset Management, 12 Upper Grosvenor Street, London, W1K 2ND

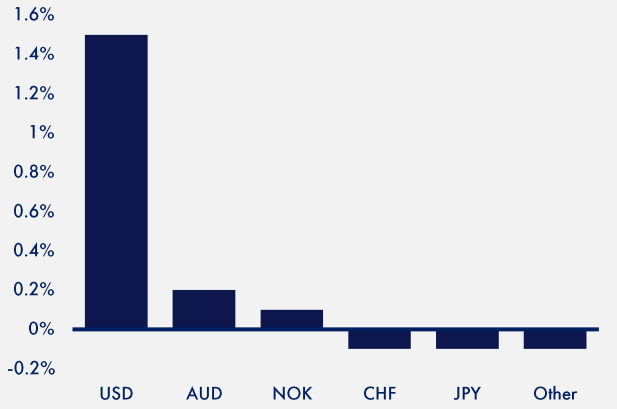
Equity exposure by sector



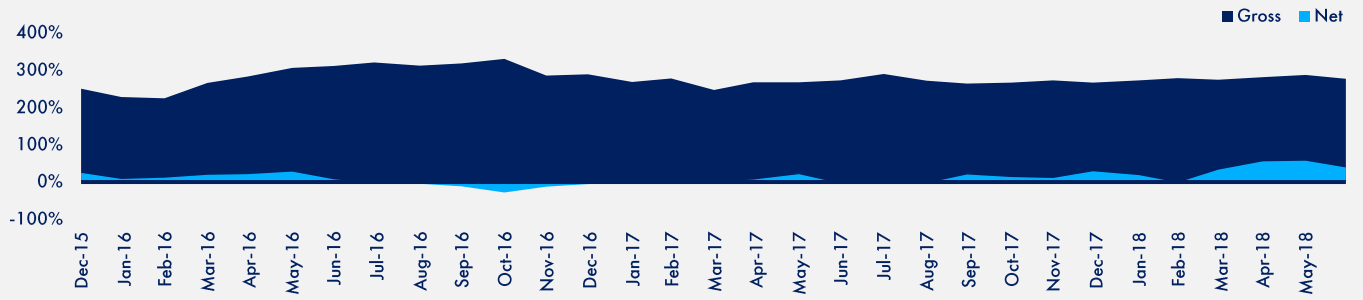
Equity exposure by geography



Non-base currency exposure



Equity exposure



ASSET ALLOCATION AS PERCENTAGE OF NAV

Long equity	158.1	**Net equity**	39.2
Short equity	-118.9	**Gross equity**	277.0

Note: Equity exposure includes all equity related instruments. Currency exposure shows non-base currency through forward currency contracts and portfolio holdings. Past performance is net of fees and other charges. Commentary is provided on a quarterly basis. Equity exposure as classified by GICS.
Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the £ A share class. All data shown as at 29 June 2018. [1]Quintillion Ltd. and Bloomberg, calculation on a NAV basis with net income reinvested.

Investment objective and policy

The Odey Absolute Return Focus Fund ('The Fund') aims to achieve long-term capital appreciation and a positive absolute return on a 12 month rolling basis independent of market conditions. Capital is at risk and there is no guarantee that a positive return will be delivered over any one or a number of 12 month periods. The fund will seek to achieve its investment objective by investing in, or taking exposures, using both long and short positions to a range of asset classes worldwide. The Fund will primarily invest in equity and equity-related securities.

APPROACH

The Fund is a concentrated, return-seeking global equity-long short strategy. It harnesses 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 both long and short with a higher concentration in the top 10 positions.

RISK CONSIDERATIONS

The Fund has considerable latitude over its allocation both long and short equities and it may employ leverage and own sophisticated instruments such as futures and options. The Fund may hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value. The performance stream is likely to be volatile and 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 (€, £, $)[2], A, B, C (€, £, $)	**Minimum investment**	£1,000,000 or equivalent in $ & €
Share class hedging	Non-base currency share classes are hedged	**Dividends**	Income accumulated and reinvested on behalf of shareholders
Trade date (T)	1st of month	**Administrator**	Quintillion Ltd.
Valuation	Close of business T-1	**Depositary**	SMT Trustees (Ireland) Limited
Front end fee	Up to 5%	**Auditor**	Deloitte & Touche, Ireland
Annual management fee	I & C 0.75%, A 1.25%, B 1.00%	**Price reporting**	Prices published in Financial Times
Performance fee basis	I & A 20%, B 18%, C 15% of the increase in the value per share of the Fund between the beginning and the end of the year or end of lock up period. Fees crystallise annually (31-Dec) or at the end of the lock up period. Losses carried forward.	**ISIN**	£I IE00BYQ96119[2], $ I IE00BYQ96226[2], €I IE00BYQ96002[2], £A IE00BD2MF988, €A IE00BD2MF871, $A IE00BD2MFB05, £B IE00BD2MFD29, €B IE00BD2MFC12, $B IE00BD2MFF43, £C IE00BD2MFH66, €C IE00BD2MFG59, $C IE00BD2MFJ80
Anti-dilution fee	On all orders	**SEDOL**	£I BYQ9611[2], $I BYQ96222[2], €I BYQ96002[2], £A BD2MF98, €A BD2MF87, $A BD2MFB0, £B BD2MFD2, €B BD2MFC1, $B BD2MFF4, £C BD2MFH6, €C B D2MFG5, $C BD2MFJ8
Exit fee	Up to 5% if outside redemption period (A 1-month, B 1-year, C 3-year)		

Important information

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

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Note: [2]I share class is closed to further investment.

Glossary of terms

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