

### Total returns

At 31 August 2017	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	Inception % p.a. (Jul 2014)
Odey International Fund	1.35%	-7.96%	-12.38%	-26.85%	-17.80%	-16.79%
MSCI World Index Daily TR Net Local	0.15%	1.60%	5.30%	15.44%	7.74%	7.88%
<b>Outperformance</b>	<b>1.21%</b>	<b>-9.56%</b>	<b>-17.68%</b>	<b>-42.29%</b>	<b>-25.54%</b>	<b>-24.66%</b>

### Monthly returns\*

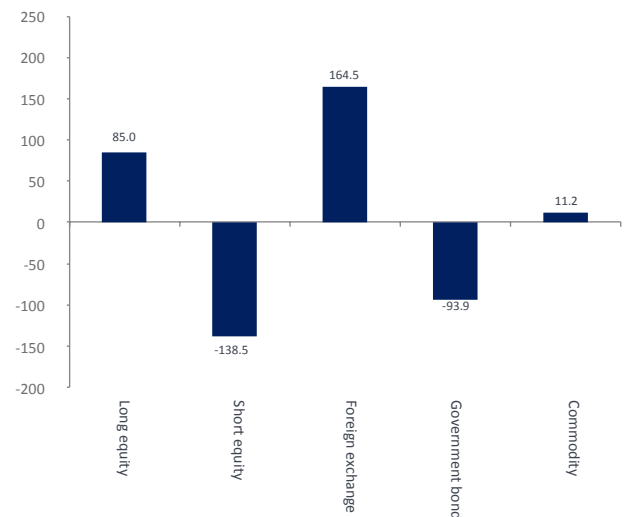
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %	Idx YTD %
2017	2.12	-3.12	-3.83	-4.74	3.92	-0.39	-8.84	1.35					-13.31	9.96
2016	4.99	-8.85	-18.42	-8.18	3.59	4.34	-4.64	-6.07	-3.26	-5.92	-5.73	-1.64	-41.43	9.00
2015	3.61	-6.53	3.78	-18.18	4.48	0.31	1.35	5.99	5.99	-12.18	-0.95	4.73	-10.60	2.08
2014								-0.08	10.51	-5.54	5.42	11.21	24.80	3.34

\*Performance of the Odey International Fund since inception on 29 July 2014

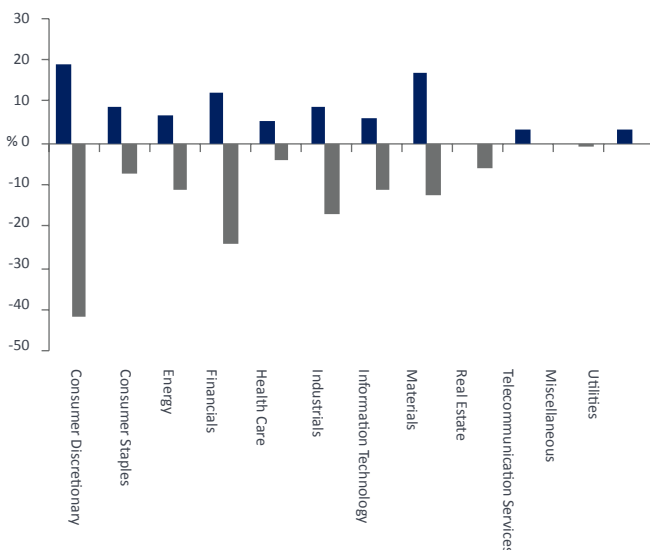
### Top 10 holdings

Rank	Security	Strategy	Notional exposure (%)
1	Long Gilt Future Dec17	Short	-63.7
2	JPN 10Y Bond(Ose) Sep17	Short	-30.2
3	Randgold Resources	Long	8.4
4	Lancashire Holdings Limited	Short	-6.7
5	Sky	Long	6.5
6	Ashmore	Short	-5.9
7	Vale	Short	-5.2
8	Source Physical Gold P-ETC	Long	5.2
9	Hunter Douglas	Long	4.9
10	Tullow Oil	Short	-4.8

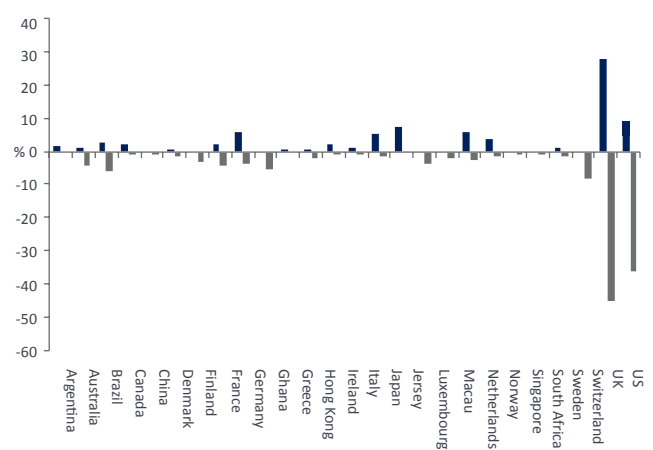
### Asset allocation



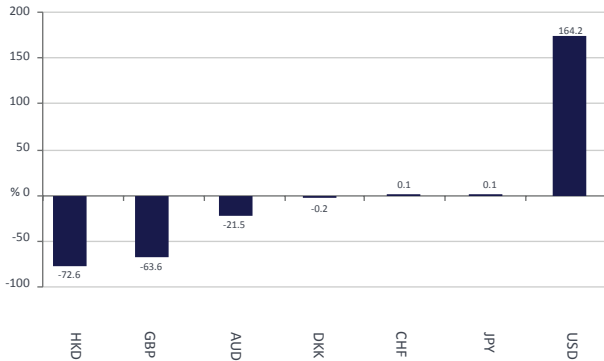
### Allocation by industry



### Allocation by country



## Currency exposure



## Performance review

- In August, the Fund returned +1.35% against the MSCI Daily TR Net Europe return of 0.15%.
- Positive returns came from our holdings in the Materials (+0.6%), Energy (+0.5%) and Financials (+0.5%) sectors. Negative returns primarily came from sectors including Industrials (-1.0%), Information Technology (-0.4%) and Health Care (-0.4%).
- Individual best performers this month were long positions in Randgold Resources (+0.9%) and Shiseido Company (+0.5%), and short position in Weatherford International (+0.5%). The worst were short positions in Coca-Cola (-0.7%), Fiat Chrysler Automobiles (-0.6%) and Navistar International (-0.5%).

## Manager's commentary

Sidney Homer in 'A History of Interest Rates – 2000 BC to the present' had to deal with the period before interest rates existed. What was the natural rate of return given by nature? How many eggs from a chicken? Economists started life as alchemists. All governments dreamt of creating gold out of base metals. All kings wanted interest rates to be lower so that growth could be stronger.

Now for 10 years we have enjoyed what they could never achieve. We have enjoyed rates of interest below the natural rate thanks to QE. It has allowed economies to grow so that we are now at the point where growth threatens to be met by an inelastic labour supply.

It has so far proved disappointing for productivity globally which hovers around zero percent. But that reflects that QE has not been helpful for allocating capital. Take tertiary education in the UK. Over 20 years, the university student population has grown by 650%. When student fees were increased by

300% to £10,000 p.a. in 2012 the thinking was that this would turn students into consumers. That they would demand value for money and more appropriate courses. But it hasn't. Why? Because students still see the loans as free money. They have understood QE very well. The misallocation of resources continues but now when the student finds there is no job at the end of his / her degree, the sense of injustice leads them leftwards politically.

QE is no longer the easiest option. But, for asset prices, a change to QE would be far from a happy solution. We are now approaching MIFID II's implementation and it is apparent that the effect of pricing research is that information is going to become harder to come by. Markets work off free and abundant information and views and multiple pricing points. MIFID II looks designed to ensure that individuals trading in a market will have different levels of information and as always the one with less information will start to trade less. Less trading, less price discovery, less efficient markets. The cost of capital should rise. What is terrifying is that MIFID II is arriving when thanks to QE and the sight of endless cheap money, companies' shares are at their most expensive. Hindsight is going to have a field day.

## About Odey Asset Management

Odey Asset Management is a highly regarded London-based investment firm managing around \$5.7 billion for institutions, private banks and individual investors. Since inception, founder and Chief Investment Officer, Crispin Odey, has built a strong investment and research team that contribute to the delivery of superior portfolio performance.

## About the Fund

Managed by Crispin Odey, the Odey International Fund is an Australian-domiciled global long/short, absolute return unit trust that aims to deliver investors long-term capital appreciation by investing predominantly in equities and equity-related securities. The Fund invests in Odey Asset Management's long-standing and successful flagship strategy, Odey European Inc., which Crispin Odey established in 1992.

## About Crispin Odey



**Crispin Odey**  
Founder, Chief Investment Officer

- Established Odey Asset Management in 1991 to focus on active investment management with a focus on generating superior returns.
- One of the UK's most respected professional investors having delivered exceptional returns for investors over the long term.
- Heads the investment management team which comprises over 30 investment professionals.
- Prior to founding Odey Asset Management, Odey managed the Baring European Growth Trust and Continental European pension funds at Barings Asset Management and Framlington Fund Managers.
- Graduated from Christ Church, Oxford, in 1980 where he read History and Economics.

## Key features

### Manager

Odey Asset Management

### Responsible Entity

Copia Investment Partners

### Product inception

The Fund is a 'feeder fund' for the Odey Swan Fund, a UCITS<sup>1</sup> vehicle that is modelled on Odey's flagship and longest-running strategy, Odey European Inc., which began in 1992.

### Suggested investment time frame

At least 5 years

### Risk level

High

### Minimum investment

\$10,000

### Management fee

1.36% p.a. (including GST and net of RITC)

### Performance fee

20% (including GST and net of RITC) of the amount the Fund outperforms its hurdle

### Performance hurdle

Positive return

### High water mark

Yes

### Platform availability

Asgard, BT Wrap, Federation Alliance, Macquarie Wrap, netwealth

<sup>1</sup> UCITS or 'Undertakings for Collective Investments in Transferable Securities' provides a single regulatory framework for an investment vehicle which means it is possible to market the vehicle across the European Union without concerns about the country in which it is domiciled.

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Past performance is not a reliable indicator of future performance. The total returns of the Odey International Fund (the Fund) over specified periods are shown in the table on the first page. Total returns are calculated after taking into account performance fees. A performance fee equal to 20.5% (including GST and net of RITC) of the amount the Fund outperforms its hurdle. The total return performance figures quoted are historical, calculated using end-of-month mid-prices and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all distributions. The performance is quoted net of all fees and expenses. This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any specific reader. As such, before acting on any information contained in this document, readers should consider the appropriateness of the information to their needs. This may involve seeking advice from a qualified financial adviser. Copia Investment Partners Ltd (AFSL 229316, ABN 22 092 872 056) (Copia) is the issuer of the Odey International Fund (ARSN 166 549 917). A current PDS is available from Copia located at Level 25, 360 Collins Street, Melbourne Vic 3000, by visiting the website [odey.copiapartners.com.au](http://odey.copiapartners.com.au) or by calling 1800 442 129 (free call). A person should consider the PDS before deciding whether to acquire or continue to hold an interest in the Fund. Any opinions or recommendation contained in this document are subject to change without notice and Copia is under no obligation to update or keep any information contained in this document current.