

Total returns

At 31 January 2018	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	Inception % p.a. (Jul 2014)
Odey International Fund	-3.32%	-7.59%	-10.43%	-24.98%	-27.12%	-17.88%
MSCI World Index Daily TR Net Local	3.77%	6.56%	11.97%	21.38%	11.21%	10.36%
Outperformance	-7.09%	-14.15%	-22.40%	-46.36%	-38.33%	-28.24%

Monthly returns*

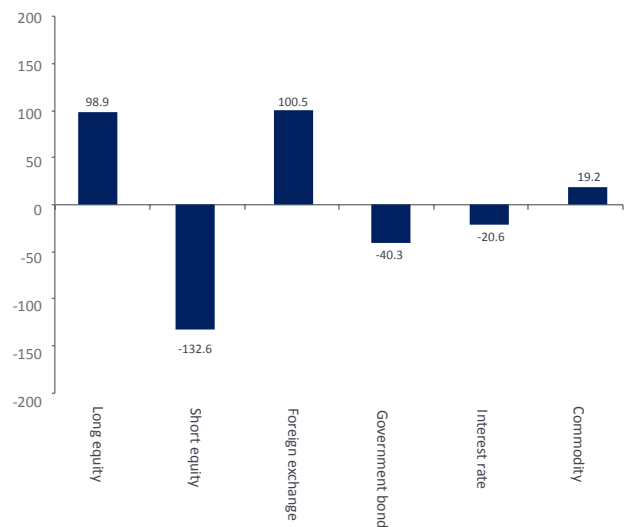
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %	Idx YTD %
2018	-3.32												-3.32	3.77
2017	2.12	-3.12	-3.83	-4.74	3.92	-0.39	-8.84	1.35	-5.90	1.63	-1.27	-3.19	-20.76	18.48
2016	4.99	-8.85	-18.42	-8.18	3.59	4.34	-4.64	-6.07	-3.26	-5.92	-5.73	-1.64	-41.43	9.00
2015	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

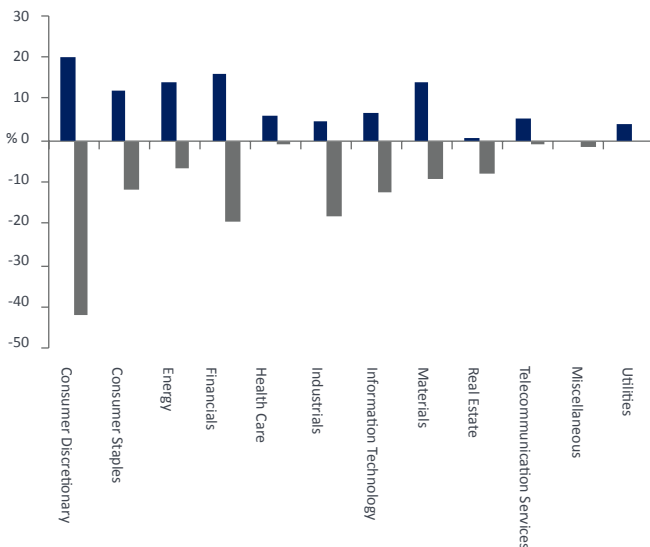
Top 10 holdings

Rank	Security	Strategy	Notional exposure (%)
1	Long Gilt Future Mar18	Short	-40.3
2	IRS: Fix/Float ICE LIBOR GBP 6m	Short	-20.6
3	Lancashire Holdings Limited	Short	-7.5
4	SLC Agricola	Long	5.9
5	Aker BP	Long	5.9
6	Man Group	Long	5.3
7	Pendragon	Long	5.1
8	Shiseido Company	Long	5.0
9	Sky	Long	4.9
10	Gold Bullion Securities	Long	4.8

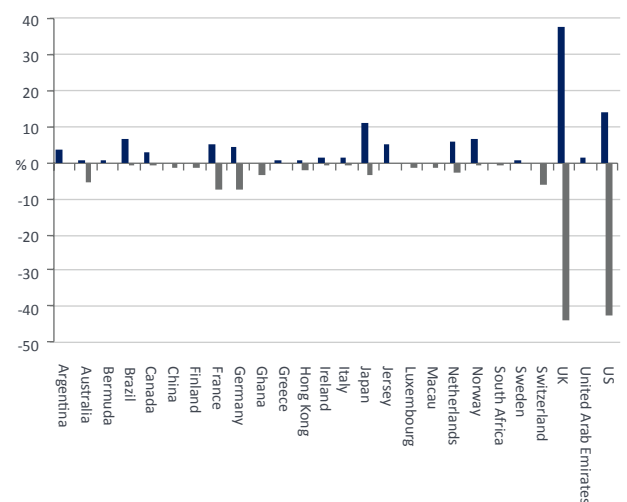
Asset allocation



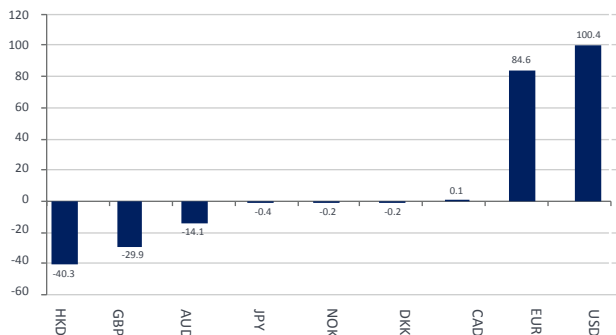
Allocation by industry



Allocation by country



Currency exposure



Manager's commentary

Frankly what happened when the Dow Jones fell by 1400 points in a little under an hour, had nothing to do with humans. A reputation for being safe and secure was enough for mathematicians to build castles in the sky for 'investors' to live in. On Monday those castles fell from the sky. What caused the move? Undoubtedly the rise in bond yields over the last three weeks was responsible, and behind that a conviction that after two years of rampant monetising by the authorities in general, economic activity was picking up quickly and with little give left in global capacity, would result in rising prices and even wages.

Whether the fall was the herald of more bad news to come out of financial assets, the next few weeks will tell. High asset prices have driven down precautionary savings. Will a fall in those assets be sufficient to cause savings to rise sharply – a classic reason for a recession – that is the question? Another, and I think, important angle is whether the printing of so much money over ten years would allow global inflation to become a problem.

24 years after China first burst onto the global trading scene thanks to a devaluation of the Renminbi and the signing of GATT which brought 6 billion people into a trading system of 1.6bn people, there are signs now that the deflation caused by their participation, has well and truly fed through the system. Recently my investing has taken me into the arcane world of antimony refining. Antimony is a very small market but like all commodities it is dominated by China who manufacture 50% of it. In 1995 they arrived in this market and quickly drove out western refineries with the low margins they were willing to work for. Twenty three years later the world is running scarce of easily obtained antimony and this is a market in which domination by a country more interested in trading than commercialisation has had a price. From here supply can only be brought on by higher prices and a

commercial thinking which develops markets outside of where they currently are. It feels like a microcosm of many commodities' positioning today. If the world is again full of scarcity, printing money will first lead to inflation and more importantly stagflation.

QE introduced mathematicians to our market place. With risk doubled down, they had a ball with financial instruments. Their ability to marshal data was game changing but their demand for data was also their weakness. The further back in time they went, the poorer the data they could recover and the sheer amount made it impossible to mine far back.

And thankfully so because it allowed historians to study similar times to this and draw out trends that rhyme with today. Monetising has taken many forms in the past, but it rarely lasts more than 2 years before it passes from financial assets into the real economy. For my money the closest fit is with 1971- 1974. Like then nobody had witnessed inflation greater than 2%.

Governments reacted to the end of the Bretton Woods exchange rate system (a gold standard) by both monetising and spending on a giant scale. The massive monetary injection was felt firstly in 1972 by the rise of the nifty fifty stocks – those companies whose prospects could never dim – to begin with but by the end of '73 and into '74 by a global boom which in the end lifted all commodities and by '75 had led to wage inflation in the western world of over 8%. The secret as to why this happened was that the authorities were very slow to tighten monetary policy and were more intent on maintaining full employment than a sound currency. If this all sounds familiar, please remember that the stagflation of the 1970's came only after 2 years of monetising, not ten years. Financial assets – both bonds and equities – react only badly to ever rising inflation and moreover equities, thanks to QE, are as expensively priced as they were in 1928/9 and 1999/2000. This is not a place from which you would like to begin this journey. For the optimists, globalisation and productivity needs to come to their aid. Remember that the 70's were not just a time of economic crisis. It witnessed a crisis for capitalism as well. Wealth cannot be defended, but capitalism is about competition overcoming rent-seeking and should be defended.

About Odey Asset Management

Odey Asset Management is a highly regarded London-based investment firm managing around \$5.9 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 UCITS¹ 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

¹ 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 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.