

Total returns

At 31 July 2019	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a. (Jul 2014)
Odey International Fund	2.52	13.15	-2.04	15.84	-4.74	-6.93	-6.54
MSCI World Index Daily TR Net Local	1.18	1.05	10.10	4.68	10.96	8.63	8.29
Outperformance	1.34	12.10	-12.14	11.16	-15.70	-15.56	-14.83

Monthly returns*

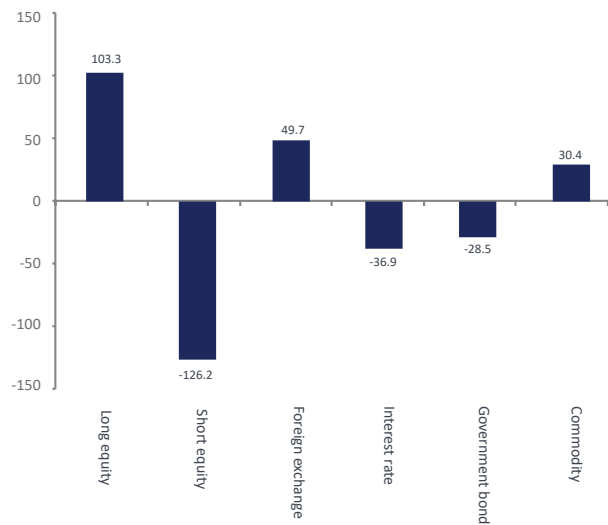
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %	Idx YTD %
2019	-0.48	-8.29	-0.15	-5.46	12.14	-1.59	2.52						-2.52	18.07
2018	-3.32	6.59	3.16	4.24	0.52	4.60	1.97	-1.50	9.30	6.98	0.41	2.75	41.19	-7.38
2017	2.12	-3.12	-3.83	-4.74	3.92	-0.39	-8.84	1.35	-5.90	1.63	-1.27	-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

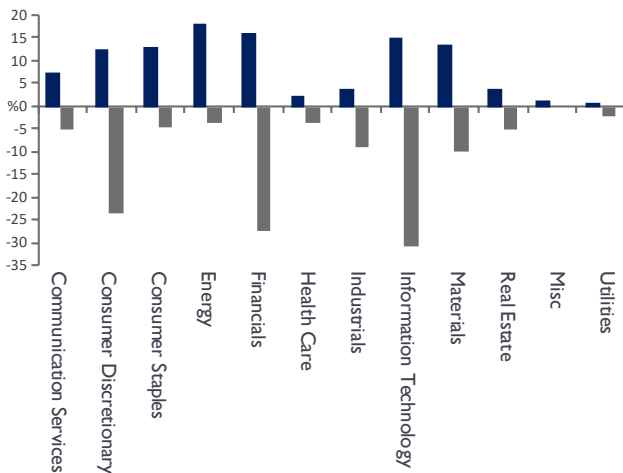
Top 10 holdings

Rank	Security	Strategy	Notional exposure (%)
1	IRS: Fix/Float ICE LIBOR GBP 6 Month	Short	-36.9
2	Long Gilt Future Sep19	Short	-19.3
3	JPN 10Y Bond(Ose) Sep19	Short	-10.5
4	Banco Macro	Long	6.4
5	STMicroelectronics	Short	-5.4
6	Lancashire Holdings Limited	Short	-5.3
7	Source Physical Gold P-ETC	Long	4.9
8	db Physical Gold ETC	Long	4.9
9	Infineon Technologies	Short	-4.9
10	SLC Agricola	Long	4.9

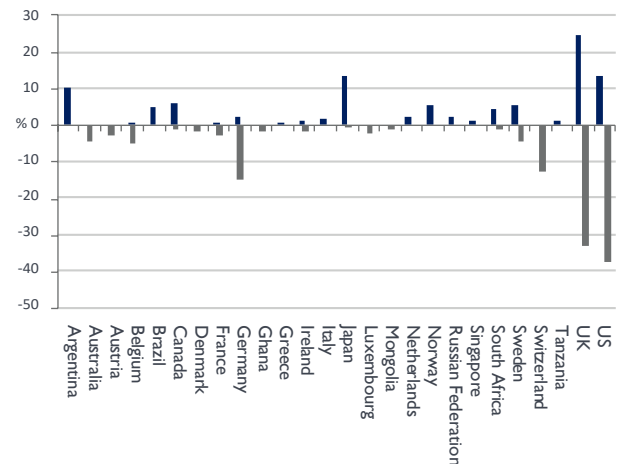
Asset allocation



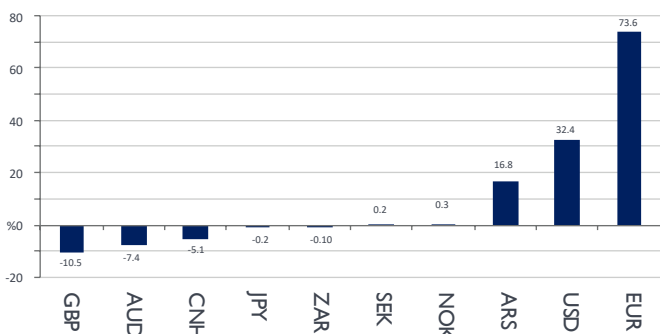
Allocation by industry



Allocation by country



Currency exposure



Manager's commentary

Although the Argentinian crisis happened after the end of the month, I felt that given it precipitated a 50% fall in the price of Banco Macro and a 30% fall in the currency and the bonds, it was important to write about it.

The incumbent president, Macri, was expected to lose the warm-up match on Sunday (the PASO as it is called) by 5% to his Kirchenist rival Fernández. However, when the votes came in and he only got 32% whilst his rival got 47% all hell was let loose.

Firstly, what went wrong? Remember that what Macri has done over the last year with the help of the IMF is that he has allowed prices to rise in the important areas of food, shelter and energy to again encourage investment. He has implemented a course of action that has created a trade surplus, the beginnings of a primary budget surplus and the inkling of a current account surplus. He has permitted the central bank to tighten monetary policy so that money supply growth was down to 30% and inflation falling from 50% to somewhere around 35%.

However, what he did not do, and which killed him, was forecast that all of this could only be done with a recession which took 2.5% off the GNP over a year. The politics of Argentina is that 1/3 of people vote for Kirchner / Fernández because she / he gives them what they want, 1/3 vote for Macri because he is sensible and 1/3 vote for whomever they think will give them the best deal. Sunday's election saw Macri down to his core vote. He has done a terrible job frightening his fellow Argentinians about letting loose again populist policies. Before Sunday, the thinking was that the middle 30% would side with him.

It was very painful to watch 9% of one's valuation destroyed in an instant on Monday by what has been described as a 4-sigma event. However, it strangely opens up opportunities. The bond market will give you

over nine months' interest of c.130% at a time when inflation is at 50% and even after the devaluation would only rise on its own to 56% in 4 months' time. Over the nine months, the next three months maturities should be safe because the elections are not until October. The very fall in the currency ensures that the trade and current account will be positive and strongly positive (3%+) for at least the next three months.

Money supply should start to grow again because foreign investors were responsible for 50% of the debt and they at present are only rolling 15% of their inward investment. However, money supply should only grow by 6% again as a result of this rolling and that gives no account for either an increase in the savings rate in Argentina which is likely after a crisis, nor does it take into account the current account surplus.

Would I have rather that Macri had warned Argentinians that he was going to bring a recession a year ago and then given them hope that they were nearly through the worst, which they were? Yes.

But can I lose much money from here? Fernandez has already said he supports the ARS (Peso) at ARS60/\$ and we are here. He will have no need to default on the IMF loan because he will still have the money to pay them back – thanks to the current account.

Meanwhile Macri has around three months to bring round that 33% which he failed to convince last Sunday. A shock like the one they all received this week might help, but I think he has the charisma of Theresa May. The only lucky thing is that I cannot understand a word that he says.

— *Crispin Odey*

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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