

Total returns

At 31 May 2020	1 month %	3 months %	6 months %	1 year %	3 years % p.a.	5 years % p.a.	Inception % p.a. (Jul 2014)
Odey International Fund	-7.92	2.28	2.84	-14.72	-0.72	-10.90	-8.31
MSCI World Index Daily TR Net Local	4.72	0.87	-5.42	6.86	6.09	6.03	7.01
Outperformance	-12.64	1.41	8.27	-21.58	-6.80	-16.93	-15.32

Monthly returns*

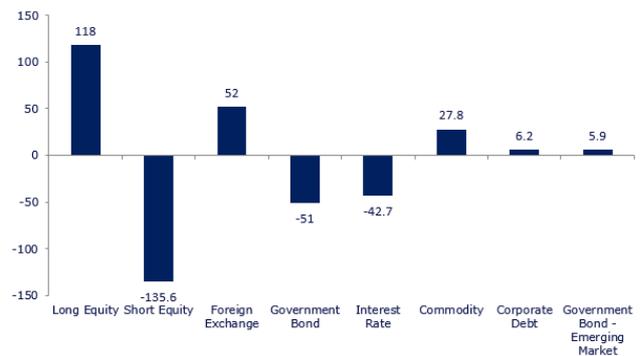
Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %	Idx YTD %
2020	-8.32	-1.17	20.10	-7.51	-7.92								-7.32	-7.53
2019	-0.48	-8.29	-0.15	-5.46	12.14	-1.59	2.52	-7.23	-9.51	0.72	-2.8	10.97	-11.10	27.34
2018	-3.32	6.59	3.16	4.24	0.52	4.60	1.97	-1.50	9.30	6.98	0.41	2.75	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

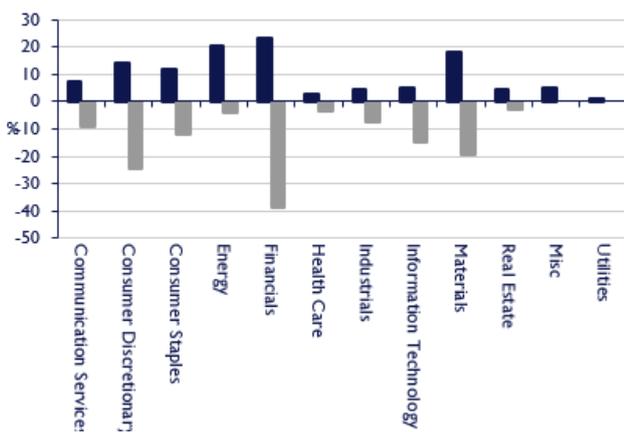
Top 10 holdings

Rank	Security	Strategy	Notional exposure (%)
1	IRS: Fix/Float ICE LIBOR GBP 6 Month	Short	-42.7
2	JPN 10Y Bond(Ose) Jun20	Short	-25.7
3	Long Gilt Future Sep20	Short	-14.6
4	United Kingdom of Great Britain and N. Ireland	Short	-10.7
5	Tesla	Short	-9.3
6	iShares Physical Gold ETC	Long	8.4
7	Credit Acceptance	Short	-7.5
8	Barclays	Long	6.9
9	Amundi Physical Metals	Long	6.2
10	SPDR Bloomberg Barclays U.S. TIPS	Long	6.2

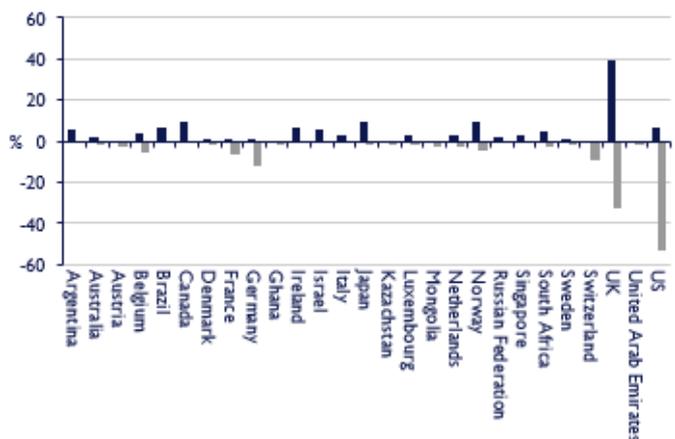
Asset allocation



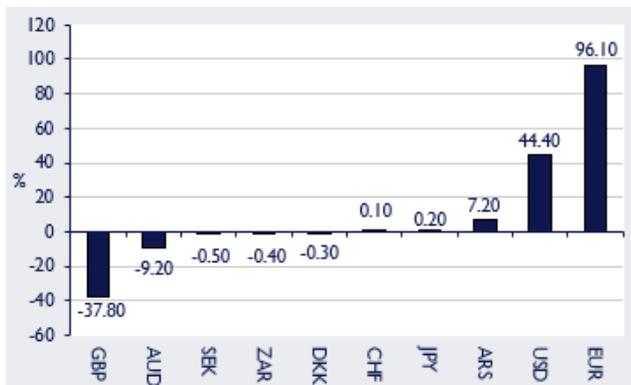
Allocation by industry



Allocation by country



Currency exposure



Manager's commentary

Everyone seems to be surprised that when markets rally some 37% in a straight line that the fund does badly. What we have seen is massive free money introduced by governments through their central banks finding its way into financial assets. Indiscriminate buying is never good for my portfolio. However, as I wrote last month, I do think that we are getting close to the end of this cycle and the new cycle will not be as generous to investors.

Let me take an example of what has been happening. Credit Acceptance is a company that we have long had a position in. It is a company that lends to those that have a bad credit rating. So bad in fact that they must take a car from the company which costs \$10,000 in the market but they pay \$16,000 lent to them by the company. The loan is a 5-year loan and they pay 10% interest on it per year. Originally these loans were sold by car dealers, who were rewarded with a fifty fifty profit pay out, once the capital and the interest had been repaid. However, this rarely happened because the average default rate was 38% or 8% per annum. As a result, Credit Acceptance now writes \$6bn of loans and the dealers write \$3bn.

The company has revenues of around \$2bn a year of which \$1.8bn relate to their own loan book and after defaults and costs and interest expense on \$4bn of borrowings gives the shareholders, who have \$2bn of equity in the business, a pretax profit of around \$700m and valued by the market on 10x that number.

This is a high return lending operation in a good market despite 8% per annum of defaults. They are diligent at following up on and recovering the car and any outstanding balances in a default. It appears that they like that bit the best! They are exceptionally litigious and persistent. Over \$170m of profits come from

the relending out of repossessed cars and reclaimed expenses. A proper profit centre.

With this crisis unemployment has quickly risen in the USA to over 20% and given that their borrowers are the poorest and weakest members of society, what would you expect the default rate to start at? 30%? Being generous lets also take away the natural default rate yearly of 8% and the loss should be around \$1.85bn. Be kind and say that they can relend the \$1 billion of cars recovered and the loss is net around \$850m with the profitability hit by a \$600m reduction in income thanks to the disappearance of the customers and the loss after everything looks like being \$700 million on shareholders capital of \$2bn. With a market cap of \$7bn, Credit Acceptance looked expensive with a likely rights issue necessary. The shares halve in March. But it turns out that I am wrong to be so depressed about their situation. I don't understand.

The government is bailing out these very people. Thanks to Furlough, these people have more money than they ever had and with everything closed nothing to spend it on. So, Furlough becomes a profit opportunity. Whilst under GAAP Accounting, CACC showed a loss of \$83.8m against a profit of \$164m a year before, because COVID only hit the tail end of the quarter, the company announces that really made \$175m on their 'adjusted' basis up from \$165m because now everyone can pay. The share price rallies hard and is quickly back to \$7bn and 10 times assumed pretax profits for this year. Dodgson may have taught Mathematics at Christ Church, Oxford but Alice never had to do homework like this.

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.