

*March 31<sup>st</sup>, 2021*

**PART 2A FORM ADV  
FIRM BROCHURE**

**Odey Asset Management LLP**

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**March 31<sup>st</sup>, 2021**

**This brochure provides information about the qualifications and business practices of Odey Asset Management LLP. If you have any questions about the contents of this brochure, please contact us at (44) 0207 208-1400 and/or [compliance@odey.com](mailto:compliance@odey.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Odey Asset Management LLP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

**Being a “registered investor adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.**

**THIS BROCHURE IS NOT AN OFFER TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES.**

## **Item 2. Material Changes**

Date of last annual update of brochure – March 31, 2020

### Item 4 – Advisory Business

#### A. Organization and Ownership

Change of holding company from Odey Holdings AG to Odey Holdings Limited.

#### B. Advisory Services

Change of name for certain clients replacing ‘Odey’ with ‘Brook’

#### E. Assets Under Management

As at March 31, 2021, Odey had assets under management for its Clients in the amount of US\$4 billion.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

##### **A. Organization and Ownership**

Odey Asset Management LLP's ("**Odey**" or the "**Investment Manager**") is a limited liability partnership formed in 1991 (originally as a limited liability company) and organized under the laws of England and has been registered with the SEC as an investment adviser since December 2009. Odey is principally owned by Odey Asset Management Group Ltd. (the "**Managing Member**"). The Managing Member, in turn, is wholly owned by Odey Holdings Limited, a UK limited liability company. Crispin Odey is the majority shareholder of Odey Holdings Limited.

##### **B. Advisory Services**

Odey provides and may provide investment advisory services to clients, including pooled investment vehicles organized outside the U.S. (each an "**Investment Fund**" and collectively, the "**Investment Funds**") and segregated managed accounts for banks and thrift institutions, pension and profit sharing plans, trusts, estates and charitable organizations, corporations and high net worth individuals (each a "**Managed Account**" and collectively, the "**Managed Accounts**"). In addition, certain of the Investment Funds may invest all or a portion of their assets in underlying collective investment schemes which are managed by Odey (each an "**Odey Fund**" and collectively, the "**Odey Funds**") or other investment managers. Odey may also provide sub-advisory services to other investment advisors (each a "**Sub-advised Client**" and collectively, the "**Sub-advised Clients**") and together with the Investment Funds, the Managed Accounts and the Odey Funds, each a "**Client**" and collectively the "**Clients**").

Odey is a discretionary investment adviser which specializes in the provision of advisory and discretionary services for its Clients, with a primary focus on achieving absolute or relative returns through investment primarily in the equity markets. Odey provides discretionary advisory services for the Investment Funds described below: The investment strategies of the Managed Accounts and Subadvised Clients generally follow investment strategies similar to the Investment Funds.

##### **The LF Odey Investment Funds**

LF Odey Investment Funds is an open-ended investment company ("OEIC") registered in England and Wales. Odey currently manages three retail Investment Funds offered by LF Odey Investment Funds.

- **LF Brook Continental European Fund's** investment objective is to achieve long term capital appreciation through investing primarily in quoted securities issued by companies with principal offices in Continental Europe.
- **LF Odey Opus Fund's** investment objective is to achieve long term capital growth primarily through investment in quoted equity and fixed interest stocks throughout the world.

- **LF Odey Portfolio Fund's** investment objective is to provide long term capital growth, through an actively managed investment approach, by investment in any geographic region and predominantly in equities, either directly or indirectly through collective investment schemes.

### **The LF Odey Funds**

LF Odey Funds is an OEIC registered in England and Wales. Odey currently manages one retail Investment Fund offered by LF Odey Funds.

- **LF Brook Absolute Return Fund's** investment objective is to achieve a positive absolute return over a 12 month period independent of market conditions, by investing in or taking exposures (using both long and synthetic short positions) to a range of asset classes worldwide.

### **The Odey Investment Funds plc**

Odey Investment Funds plc is an OEIC registered in Ireland. Odey currently manages four Investment Funds offered by Odey Investment Funds plc.

- **Odey Pan European Fund's** investment objective is long term capital appreciation through investing in equities issued by companies which derive a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe.
- **Odey Allegra International Fund's** investment objective is to achieve long term capital appreciation through investing predominantly in equity and equity-related securities on a worldwide basis.
- **Brook Allegra Developed Market Fund's** investment objective is to achieve long term capital appreciation through investing predominantly in global equities and equity related securities listed or traded on one or more Recognised Exchanges.
- **Brook European Focus Fund's** investment objective is to generate long term capital growth through investing in equities of European companies in developed European equity markets by investing in equity and equity related securities (such as convertible bonds, warrants, ordinary shares including American Depositary Receipts, European Depositary Receipts, Global Depositary Receipts and preferred shares) issued by companies established in any European member country of the OECD (a "European Country") or carrying on business activities in European Countries or, if a holding company, holding shares in companies established in European Countries ("European Companies") which are listed or traded on one or more Recognised Exchanges worldwide.

### **The Odey Investments plc**

Odey Investments plc is an OEIC registered in Ireland. Odey currently manages four institutional Investment Funds offered by Odey Investments plc.

- **Odey Odyssey Fund's** investment objective is to achieve long term capital appreciation by investing in or taking exposures across a broad range of asset classes, which, at a given time, offer value as measured by their risk-return profile based on the Investment Manager's assessment of the economic outlook.
- **Odey Swan Fund's** investment objective is to achieve long term capital appreciation by investing principally in a portfolio of equities and equity-related securities, debt securities and currencies.
- **Brook European Focus Absolute Return Fund's** investment objective is to provide a positive absolute return independent of market conditions over the medium to long term. It aims to achieve long term capital appreciation by investing generally in a portfolio of European equities and equity related securities, debt securities and currencies through a combination of long and synthetic short positions in the asset classes.
- **Brook Absolute Return (Irl) Fund's** investment objective is to achieve a positive absolute return over a 12 month period independent of market conditions, by investing in or taking exposures (using both long and synthetic short positions) to a range of asset classes worldwide.
- **Odey Special Situations Fund's** investment objective is to achieve a positive absolute return over a 12 month period independent of market conditions, by investing in or taking exposures (using both long and synthetic short positions) to a range of asset classes worldwide.

### **Odey European Inc.**

Odey European Inc. is an OEIC and an unregulated fund incorporated in the Cayman Islands. Odey European Inc.'s investment objective is capital appreciation through managing a portfolio of European securities, bonds and currencies and related financial instruments.

### **OEI MAC Inc.**

OEI MAC Inc. is an OEIC, and an unregulated hedge fund incorporated in the Cayman Islands. OEI MAC Inc.'s investment objective is to achieve long-term capital appreciation by investing principally through managing a portfolio of European securities, bonds and currencies and related financial instruments. The Fund may from time to time invest up to 50 per cent of its Net Asset Value (net longs-shorts/NAV) in non-European securities.

**Odey Master ICAV, Odey Delaware Feeder LP, Odey Cayman Feeder SPC and Odey Irish Feeder ICAV**

Odey Delaware Feeder LP, Odey Cayman Feeder SPC and Odey Irish Feeder ICAV are all feeder funds which invest all or substantially all of their assets in the Odey Master ICAV, OEIC registered in Ireland. Odey currently manages two institutional Investment Funds offered by Odey Master ICAV.

- **Brook Absolute Return Focus Fund's** investment objective is to achieve a positive absolute return, independent of market conditions.
- **Odey Concentrated Natural Resources Fund's** investment objective is to achieve long term capital appreciation.

**C. Tailoring of Investment Advice**

Odey generally does not tailor investment advisory services for particular Clients. Instead, Odey generally invests the assets of Clients pursuing the same strategy in much the same way as for its Investment Funds. However, for certain Managed Accounts, Odey may tailor its investment advisory services to the needs of a particular Client, as set forth in the applicable Managed Account's investment management agreement with Odey. Managed Accounts may also impose certain investment restrictions as set forth in the applicable Managed Account's investment management agreement.

**D. Wrap Fee Programs**

Odey does not provide portfolio management services to any wrap fee programs.

**E. Assets Under Management**

Odey manages the assets of each Client on a discretionary basis. As of March 31, 2021, Odey had assets under management for its Clients in the amount of US\$4 billion.

## **Item 5. Fees and Compensation**

### **A. Management Fees**

Odey charges a management fee (and typically a performance fee - see Item 6 below), payable monthly or quarterly, of up to 1.5% of the net assets of each Investment Fund, Managed Account and Subadvised Client it provides advisory services to. The specifics of each fee arrangement are negotiated for each Investment Fund and are fully described in the prospectus related to the specific Investment Fund. Management fees for Managed Accounts and Subadvised Clients are negotiated on a case by case basis.

The management fee rate may vary from Client to Client, and is based on a variety of factors that may include the nature and complexity of the particular Investment Fund or Managed Account, the nature of the services provided, the size of the Investment Fund or Managed Account, and the types of investors in the particular Investment Fund or Managed Account. Certain strategic Clients may be charged management fees at lower rates. In addition, Odey may grant certain Clients preferential rights with respect to certain matters, including, without limitation, the right to most favorable nation status, but always subject to UK legal and regulatory requirements. Any such fee reductions or other preferential rights shall be determined by Odey on a case by case basis.

Performance-based fees are further described in **Item 6** below.

### **B. Payment of Management Fees**

For Clients that are Investment Funds Odey submits invoices for its management fees to the administrator of the Investment Fund, and the Investment Fund pays the management fees after they have been approved by the administrator. For each Managed Account, Odey submits a bill to the Client or its designee which remits payment after the bill has been approved by the Client. Odey does not have authority to deduct its management fees from any Client account.

### **C. Other Fees**

#### **1. Additional Fees and Expenses, Generally**

In addition to the fees described in **Item 5.A** above and the performance-based fees described in **Item 6** below, Clients that have Managed Accounts and investors in Investment Funds may pay or otherwise bear various fees and expenses. These are outlined below.

*Prime Brokers and Custodians:* Prime brokers and custodians receive such fees as may be agreed with the Investment Fund or Managed Account from time to time. The prime brokers and custodians currently receive prime brokerage fees at normal commercial rates which are based upon a combination of transaction charges and interest costs. The prime brokers and custodians charge interest on debit balances at a rate agreed with the Investment Fund or Managed Account. The prime brokers and custodians may receive a



separate fee for their custodial services as set forth below. As further discussed in **Item 12.A**, Clients will incur brokerage and other transaction costs relating to Odey's advisory services.

*Custodian:* A Client's custodian receives such fees as may be agreed with the Investment Fund or Managed Account from time to time. The custodian currently receives custody fees at normal commercial rates. The level of the custody fee payable to the custodian may change by agreement between the Investment Fund or Managed Account and the custodian.

## 2. Additional Fees and Expenses Relating to Investment Funds and Odey Funds

In addition to the fees described in **Item 5.A** above and the performance-based fees described in **Item 6** below, investors in Investment Funds and Investment Funds that invest in Underlying Funds (as defined below) may pay or otherwise bear various fees and expenses. These are outlined below.

To the extent that fees and expenses of the Investment Funds (including management fees) are identifiable with a particular share class, Odey charges such fees and expenses solely to the relevant class, as applicable. Investors bear other expenses of the Investment Fund pro rata in accordance with their account balances.

*Initial Sales Fees:* An initial sales fee of up to 7% on each investment in an Investment Fund may be paid by each non-U.S. investor to Odey, and such sales fee may be shared by Odey with a third party. Details are disclosed fully in the applicable Investment Fund prospectus. This initial fee may be waived at the discretion of Odey.

*Termination and Redemption Fees:* A redemption fee of 1% may be paid by investors in Investment Funds that pursue a long-short strategy in the event of redemption in the first twelve months of an investment. This redemption fee may be waived at the discretion of Odey, but where it is applied, it is on a FIFO basis, for the account of Odey or as it may, in its discretion, direct. No redemption fee will be payable on an investment held for more than twelve months from the date of its issue. Investment Funds that pursue a long only strategy do not impose a redemption fee.

*Anti-Dilution Levy Fee:* A fee of up to 0.75% of subscription and redemption proceeds may be paid by an investor in an Investment Fund to cover the costs of investing or redeeming the subscription or redemption monies and will be deducted from the subscription or redemption proceeds. This fee is payable to the Investment Fund, and not Odey, and may be waived at the discretion of the applicable administrator of the Investment Fund. In this regard Odey strongly recommends that an investor in the Investment Fund should carefully read the applicable prospectus of the Investment Fund and/or contact the applicable administrator for a more complete description of the terms and conditions associated with the application of anti-dilution levy. Details are disclosed fully in the applicable Investment Fund prospectus.

*Odey Funds:* Certain of the Investment Funds may invest all or a portion of their assets in other collective investment schemes which are managed by Odey (each an "**Odey Fund**")

and collectively, the “**Odey Funds**”). Odey will only be paid fees for the investment in such Investment Fund and there will be no additional charge for the investment in the Odey Fund. In these instances there will be no double charging. Odey may, in its discretion, waive any initial fee or sales charge of an Odey Fund to which it is entitled.

*Other Fees and Expenses:* Each Investment Fund also pays the costs and expenses of (i) all transactions carried out by it or on its behalf and (ii) the administration of the Investment Fund including (a) the charges and expenses of legal advisers and auditors, and tax reporting services (b) the cost incurred in dealing with regulatory authorities in respect of the affairs of the Investment Fund (including those incurred by the administrator), (c) brokers’ commissions (if any) and any issue or transfer taxes chargeable in connection with any securities transactions, (d) all taxes and corporate fees payable to governments or agencies, (e) directors’ fees and expenses, (f) interest on borrowings, including borrowings from the prime brokers and custodians, (g) communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing financial and other reports, proxy forms, the prospectus and similar documents (including the cost of printing and sending Odey’s commentary), (h) company secretarial services; (i) paying agent fees; (j) Listing fees (where applicable) (k) VAT and Payroll costs incurred (where applicable), (l) the cost of insurance for the benefit of directors, (m) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (n) the cost of obtaining and maintaining the listing of the shares on the applicable stock exchanges and/or any other exchange and (o) all other organizational and operating expenses.

Odey believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Odey.

#### **D. Fees Payable in Advance**

Clients generally do not pre-pay management fees to Odey.

If a Managed Account terminates its account in accordance with the terms of its investment management agreement with Odey, Odey will refund any pre-paid but unearned management fees.

#### **E. Compensation for the Sale of Securities**

Neither Odey nor any of its supervised persons accepts any compensation for the sale of securities or other investment products, including interests in the Investment Funds or the Managed Accounts.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

### **Performance-Based Profits Allocations**

As noted in **Item 5.A** above, Odey is entitled to receive from certain of its Clients a performance-based fee. Performance compensation structures vary among Clients. For certain of the Investment Funds, the performance compensation equates to either 20% of net gains on an annual basis (for the long-short strategy funds) or a percentage of relevant performance of the Investment Fund against a specific benchmark (for the long-only funds), with equalization and an annual high water mark. The relevant Investment Fund prospectus describes the methodology used to calculate the performance fee. A performance fee is not levied on the performance of management shares that exist for certain of the Investment Funds. For Managed Accounts, the compensation varies from a fixed management fee to a combination of a fixed management fee and performance fee.

Odey may waive all or part of the performance fee on certain of the Investment Funds with respect to the investment by Odey staff in the management share class.

The fact that some Investment Funds and Clients compensate Odey based on the performance of the investments managed by Odey may create an incentive for Odey to give certain Clients preferential treatment in the allocation of more attractive investment opportunities and/or to make investments on behalf of Clients that are riskier or more speculative than would be the case in the absence of a performance-based fee. Odey has established policies and procedures to address this particular conflict of interest. In particular these procedures require that, to the extent reasonably possible, Clients with the same investment strategies share in the allocation of investment opportunities equally. On a monthly basis, Odey performs a side-by-side review of the performance of Client accounts following the same investment strategy to determine if there are any unexplained material discrepancies.

## **Item 7.       Types of Clients**

Odey generally provides investment advice to hedge funds, funds of hedge funds, retail and institutional mutual funds and their affiliated collective investment schemes. Odey also offers and may offer investment advice through its Managed Accounts to banks and thrift institutions, pension and profit sharing plans, trusts, estates and charitable organizations, corporations and high net worth individuals.

Generally, the minimum initial investment amount for investment via a Managed Account platform is \$100 million or more. The minimum initial investment amount generally can be waived at the discretion of Odey. The minimum initial investment amount for investors in the Investment Funds ranges from £5,000 (for mutual funds) to \$100,000 (for hedge funds) to £1m (for institutional share class).

The Investment Funds generally offer and sell their securities to U.S. persons only if those U.S. persons are (i) “accredited investors” within the meaning of Rule 501(a) under the U.S. Securities Act of 1933, as amended (the “1933 Act”), in reliance upon the exemption from the registration requirements of the 1933 Act provided in Rule 506 under the 1933 Act and (ii) “qualified purchasers” within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended.

Performance fees will only be charged to U.S. Managed Account Clients who are “qualified clients” within the meaning set forth in Rule 205-3(d) under the Advisers Act.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

The principal investment strategies which are pursued by the Investment Funds, the Managed Accounts and the Subadvised Clients are outlined below. The material risks specific to each investment strategy, including any particular type of security in which the investment strategy focuses are also outlined.

Investments in investment strategies managed by Odey are generally subject to normal market fluctuations and other risks inherent in investing in securities. The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on an investment strategy heavily invested in that asset class or region. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and Clients may not recoup the original amount their investment. There is no certainty that the investment objective of an investment strategy will actually be achieved. Odey will disclose to Clients the existence and nature of any side letter or arrangement entered into by the applicable Investment Fund containing any material term (as defined by the Alternative Investment Management Association).

Additional information regarding the methods of analysis, investment strategies and investment risks associated with investing in each Investment Fund, Managed Account and Subadvised Client is contained in its prospectus or other offering documentation.

### **LF Brook Continental European Strategy**

The LF Brook Continental European Strategy is a long-only strategy, subject to Undertakings for Collective Investment in Transferable Securities (“UCITS”) regulations and invests primarily in quoted securities issued by companies with principal offices in Continental Europe. The normal policy of this strategy is to invest in a broad spread of equities but this strategy may also invest in government bonds, other fixed interest securities and preferred stocks if in the opinion of the authorized corporate director (“ACD”) and Odey this is appropriate to the goal of maximizing capital growth. There is no predetermined orientation towards or emphasis on any particular industrial or economic sector. Odey may utilize available currency hedging and Efficient Portfolio Management facilities to the extent permitted by law. Efficient Portfolio Management (“EPM”) is an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional income with a level of risk which is consistent with the risk profile of an investment strategy and the risk diversification rules, as more fully described in the corresponding Investment Fund’s prospectus.

An investment in the LF Brook Continental European Strategy involves the following risks:

- Market risk arises from uncertainty about future prices of financial investments held by the portfolio, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial

instruments traded in the markets. It represents the potential loss the portfolio might suffer through holding market positions in the face of price movements.

- There is a risk that the portfolio might experience currency and foreign exchange rate fluctuations that may adversely affect the value of investments in the portfolio and the income thereon.
- The portfolio may invest in derivatives solely for EPM purposes. To the extent that derivative instruments are utilized for hedging purposes, the risk of loss to the portfolio may be increased. Investing in derivatives may expose the portfolio to the risk or leverage such that a relatively small movement in the price of the underlying investment can result in a much larger movement, either up or down, in the price of the investment.
- The value of the portfolio's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- The portfolio may invest in emerging markets, which are more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalization and social, political and economic instability are greater in emerging markets than in more developed markets.
- The portfolio may invest in fixed interest securities, which are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.
- Depending on the type of assets the portfolio invests in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.
- There is a risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The portfolio may enter into transactions in over-the-counter markets, which will expose the portfolio to the credit of its counterparties and their ability to satisfy the terms of such contracts.
- There is a risk that the investment performance of one or more the portfolio may be dependent on the services of certain key employees of Odey and any of the appointees of Odey. In the event of the death, incapacity or departure of any of these individuals, the performance of the portfolio may be adversely affected.

### **LF Odey Opus Strategy**

The LF Odey Opus Strategy is a long-only strategy subject to UCITS regulations invests primarily in quoted equity and fixed interest stocks throughout the world. The material risks of the LF Odey Opus Strategy are similar to those of the LF Brook Continental European Strategy.

### **LF Brook Absolute Return Strategy**

The LF Brook Absolute Return Strategy is subject to UCITS regulations and invests or takes exposures (using both long and synthetic short positions) to a range of asset classes worldwide which may include equities and equity-related securities (including OTC derivatives) of companies incorporated or listed globally. The portfolio may also invest in equities and equity-related securities (including OTC derivatives), fixed and/or floating rate debt securities issued by governments and/or corporate entities, closed ended funds, collective investment schemes, derivatives, forward foreign exchange contracts, currencies and cash and cash equivalents. The proportion which may be held in these asset classes, including cash or near cash, will vary from time to time according to Odey's view of market conditions.

The material risks of the LF Brook Absolute Return Strategy are similar to those of LF Brook Continental European Strategy, including the following additional risks:

- The portfolio may invest in equity swaps. Equity swaps allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiration date. Unlike shares, with equity swaps, the buyer is potentially liable for more than the amount they paid on margin.
- The portfolio may invest in short sales. UCITS regulations prohibit the short selling of physical securities but allow the creation of synthetic-short positions through the use of cash settled derivatives such as equity swaps, as long as any exposure created is covered by the assets of the portfolio. The establishment and maintenance of a synthetic short position in equities can involve greater risks than would be the case with a long position.
- There is a risk that a proportion of the capital in the portfolio may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well.

### **Odey Pan European Strategy**

The Odey Pan European Strategy is a long-only strategy subject to UCITS regulations and invests primarily in equities issued by what Odey considers to be companies which derive

a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe (“**European companies**”) which are listed or traded on one or more recognized exchanges. The portfolio may invest up to 10% of its net asset value in equities issued by what Odey reasonably considers non-European companies and which are listed or traded on one or more recognized exchanges. The portfolio may invest up to 20% of its net asset value in emerging markets and may also invest up to 35% of its net asset value in fixed income securities, including bonds and unleveraged notes (including, but not limited to commercial paper) issued principally by government/supranational and/or local authority issuers but also, to a lesser extent, by corporates all of which are rated at least investment grade by a recognized rating agency and which are listed or traded on one or more recognized exchanges.

The material risks of the Odey Pan European Strategy are similar to those of the LF Brook Continental European Strategy and the LF Brook Absolute Return Strategy.

### **Odey Allegra International Strategy**

The Odey Allegra International Strategy is a long-only strategy subject to UCITS regulations and invests primarily in equity and equity-related securities (such as convertible bonds and warrants) which are listed or traded on one or more recognized exchanges worldwide. The portfolio may also invest up to 35% of its net asset value in debt and debt-related securities (such as notes, preferred securities, debentures, fixed or floating rate bonds) issued by governments, municipalities, agencies, supranationals or corporates listed or traded on one or more recognized exchanges worldwide with a rating at least A2\P2 from Standard & Poors\Moodys, respectively.

The material risks of the Odey Allegra International Strategy are similar to those of the LF Brook Continental European Strategy and the LF Brook Absolute Return Strategy.

### **Brook Developed Markets Strategy**

The Brook Developed Markets strategy is a long-only strategy subject to UCITS regulations and invests predominantly in equity and equity-related securities (such as convertible bonds and warrants) which are listed or traded on one or more Recognized Exchanges worldwide. The portfolio may also invest up to 35% of its net asset value in debt and debt-related securities (such as notes, preferred securities, debentures, fixed or floating rate bonds) issued by governments, municipalities, agencies, supranationals or corporates listed or traded on one or more Recognized Exchanges worldwide with a rating at least A2\P2 from Standard & Poors\Moodys, respectively.

The material risks of the Brook Developed Markets strategy are similar to those of the LF Brook Continental European Strategy and the LF Brook Absolute Return Strategy.

### **Brook European Focus Strategy**



The Brook European Focus strategy is a long-only strategy subject to UCITS regulations and it invests in equity and equity related securities (such as convertible bonds, warrants, ordinary shares including American Depositary Receipts, European Depositary Receipts, Global Depositary Receipts and preferred shares) issued by companies established in any European member country of the OECD (a “European Country”) or carrying on business activities in European Countries or, if a holding company, holding shares in companies established in European Countries (“European Companies”) which are listed or traded on one or more Recognised Exchanges worldwide. It may invest up to 10% of its Net Asset Value in equities issued by non-European companies which are listed or traded on one or more Recognised Exchanges worldwide, and the strategy has the ability to invest up to 20% of its Net Asset Value in Emerging Markets.

The strategy does not concentrate its investments in any one European Country or in any one industrial or economic sector.

### **Brook European Focus Absolute Return Strategy**

The Brook European Focus Absolute Return strategy is subject to UCITS regulations and invests generally (using both long and synthetic short positions) in a portfolio of European equities and equity related securities (such as warrants and convertible bonds), fixed and/or floating rated debt securities issued or guaranteed by governments and/or supranational entities and/or corporate entities throughout the world (such as bonds, notes, commercial paper, closed-ended alternative investment funds, collective investment schemes (including exchange traded funds), currencies (such as Sterling and US Dollar) and cash and/or cash equivalents. The strategy may also take exposure to commodities.

The material risks of the Brook European Focus Absolute Return strategy are similar to those of LF Brook Continental European Strategy, including the following additional risks:

- The portfolio may invest in equity swaps. Equity swaps allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiration date. Unlike shares, with equity swaps, the buyer is potentially liable for more than the amount they paid on margin.
- The portfolio may invest in short sales. UCITS regulations prohibit the short selling of physical securities but allow the creation of synthetic-short positions through the use of cash settled derivatives such as equity swaps, as long as any exposure created is covered by the assets of the portfolio. The establishment and maintenance of a synthetic short position in equities can involve greater risks than would be the case with a long position.
- There is a risk that a proportion of the capital in the portfolio may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well.

### **Odey Odyssey Strategy**

The Odey Odyssey Strategy invests (using both long and synthetic short positions) primarily in equities and equity-related securities (such as warrants, convertible bonds), fixed and/or floating rate debt securities issued or guaranteed by governments and/or supranational entities and/or corporate entities worldwide (such as bonds, notes, commercial paper), closed-ended funds, collective investment schemes (including exchange-traded funds), commodities, derivatives, currencies and cash and/or cash equivalents. The securities (other than collective investment scheme securities) in which the portfolio may invest will be listed or traded on one or more recognized exchanges worldwide (including emerging markets). The portfolio may invest in investment grade debt securities at the time of investing with a rating of at least BBB- from Standard & Poor's or Baa3 by Moody's.

The material risks of the Odey Odyssey Strategy are similar to those of the Odey Allegra International Strategy.

### **Odey Swan Strategy**

The Odey Swan Strategy is subject to UCITS regulations and invests (using both long and synthetic short positions) principally in a portfolio of equities and equity-related securities, debt securities and currencies. The Investment Manager expects that the Strategy's investments will tend, over time, to be weighted towards European securities but investments in non-European securities will not be subject to any limit. The success or failure of the Sub-Fund is dependent on the Investment Manager's expertise in allocating the Sub-Fund's assets across the most opportune asset class or classes at any given time and selecting individual investments within such asset classes. Such asset classes include equities and equity-related securities (such as warrants, convertible bonds, exchange traded funds classified by the Investment Manager as transferable securities), fixed and/or floating rated debt securities issued or guaranteed by governments and/or supranational entities and/or corporate entities throughout the world (such as bonds, notes, commercial paper), closed-ended funds, collective investment schemes (including exchange traded funds classified by the Investment Manager as collective investment schemes), commodities, derivatives, currencies (such as Sterling, US Dollar) and cash and/or cash equivalents. The securities (other than collective investment scheme securities) in which the Sub-Fund may invest will primarily be listed or traded on one or more Recognised Exchanges worldwide (including emerging markets).

The material risks of the Odey Swan Strategy are similar to those of the Odey European Inc. Strategy, although the Odey European Inc. Strategy has additional risks, which are outlined below.

### **Odey European Inc. and OEI MAC Inc. Strategies**

The Odey European Inc. Strategy and OEI MAC Inc. Strategy invests primarily in a portfolio of European securities, bonds and currencies and related financial instruments. The portfolio may from time to time invest up to 50% of its net asset value in non-European securities as set out below in (e). The portfolio may take long and short positions and may also invest in the following: (a) a full range of financial instruments including

futures, options and warrants, often making use of leverage. The portfolio may enter into swaps, repurchase and reverse repurchase agreements and stock lending transactions; (b) spot and forward foreign currency exchange contracts and may purchase and sell currency options, currency futures contracts and related instruments; (c) unquoted securities, commodity futures, government bonds, other fixed-interest securities, preferred stock and monetary instruments. The portfolio may hold cash on deposit or cash equivalents pending reinvestment; (d) units in collective investment schemes and investment companies (including Odey Funds); and (e) non-European securities with a net market exposure (value of long positions less value of short positions) up to a maximum of 50 per cent of the higher of the portfolio's net asset value or the portfolio's gross market exposure (value of long positions plus value of short positions). The portfolio may leverage its capital by borrowing, including (but not limited to) margin lending agreements, and through the use of futures, forwards contracts, options and other derivative instruments, subject to limitations set forth in the corresponding Investment Fund's prospectus.

The material risks of the Odey European Inc. Strategy, and thus the OEI MAC Inc. Strategy, are similar to those of the LF Brook Continental European Strategy and the LF Brook Absolute Return Strategy, including the following additional risks:

- The portfolio may invest in derivatives for both investment and hedging purposes. To the extent that derivative instruments are utilized for hedging purposes, the risk of loss to the portfolio may be increased. Investing in derivatives may expose the portfolio to the risk or leverage such that a relatively small movement in the price of the underlying investment can result in a much larger movement, either up or down, in the price of the investment.
- The portfolio may use borrowings/leverage for the purpose of making investments and/or meeting redemptions. The use of borrowing/leverage may significantly increase the portfolio's investment risk.
- The portfolio may at certain times hold relatively few investments. The portfolio could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.
- The underlying Funds in which the portfolio invests may invest in and manage a portfolio of instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets. There are leverage factors associated with investing in such markets and instruments and there is potential exposure to losses resulting from counterparty defaults. There can be no assurance that an underlying Fund investment program will be successful or that the investment objective of an underlying Fund will be achieved. It is possible that some underlying Funds will take positions in the same security or in issues of the same industry or country at the same time.

### **Brook Absolute Return Focus Strategy**

Odey Absolute Return Focus' Strategy invests in or takes exposures to, using both long and short positions, to a range of asset classes worldwide.

The material risks of the Brook Absolute Return Focus Strategy are similar to those of the LF Brook Absolute Return Strategy.

#### **Brook Absolute Return (Irl) Strategy**

The LF Brook Absolute Return Strategy is subject to UCITS regulations and invests or takes exposures (using both long and synthetic short positions) to a range of asset classes worldwide which may include equities and equity-related securities (including OTC derivatives) of companies incorporated or listed globally. The portfolio may also invest in equities and equity-related securities (including OTC derivatives), fixed and/or floating rate debt securities issued by governments and/or corporate entities, closed ended funds, collective investment schemes, derivatives, forward foreign exchange contracts, currencies and cash and cash equivalents. The proportion which may be held in these asset classes, including cash or near cash, will vary from time to time according to Odey's view of market conditions.

The material risks of the Brook Absolute Return (Irl) Strategy are similar to those of LF Brook Absolute Return Strategy

#### **Brook European Focus Absolute Return Strategy**

The European Focus Absolute Return Strategy is subject to UCITS regulations and invests or takes exposures (using both long and synthetic short positions) to a range of asset classes worldwide which may include equities and equity-related securities (including OTC derivatives) of companies incorporated or listed generally in Europe. The portfolio may also invest in equities and equity-related securities (including OTC derivatives), fixed and/or floating rate debt securities issued by governments and/or corporate entities, closed ended funds, collective investment schemes, derivatives, forward foreign exchange contracts, currencies and cash and cash equivalents. The proportion which may be held in these asset classes, including cash or near cash, will vary from time to time according to Odey's view of market conditions.

The material risks of the Brook European Focus Absolute Return Strategy are similar to those of Odey Swan.

#### **Odey Special Situations Strategy**

The Special Situations Strategy is subject to UCITS regulations and invests or takes exposures (using both long and synthetic short positions) to a range of asset classes worldwide which may include equities and equity-related securities (including OTC derivatives) of companies incorporated or listed globally. The portfolio may also invest in equities and equity-related securities (including OTC derivatives), fixed and/or floating rate debt securities issued by governments and/or corporate entities, closed ended funds, collective investment schemes, derivatives, forward foreign exchange contracts, currencies

and cash and cash equivalents. The proportion which may be held in these asset classes, including cash or near cash, will vary from time to time according to Odey's view of market conditions.

The material risks of the Odey Special Situations Strategy are similar to those of LF Brook Absolute Return.

### **Odey Concentrated Natural Resources Strategy**

The Odey Concentrated Natural Resources Strategy invests in or takes exposures to, using both long and short positions, to a range of asset classes worldwide investing primarily in equity and equity-related securities of, and derivatives on, companies engaged in activities related to the exploration for, development of, and production of commodities and quasi-commodities (such as energy, building materials, paper and packaging).

The material risks of the Odey Concentrated Natural Resources Strategy are similar to those of Odey European Inc. and Brook Absolute Return Focus.

### **Brook Global Emerging Markets Strategy**

The Brook Global Emerging Markets Strategy invests primarily in equity and equity related securities issued by companies listed, traded, located in or deriving the majority of their revenue or profit from emerging market countries.

The material risks of the Brook Global Emerging Markets Strategy are similar to those of the Brook Absolute Return and Brook Absolute Return Focus strategies, including the following additional risks:

- The strategy may take exposure to Real Estate Investment Trusts (REITS), the prices of which are affected by changes in the value of the underlying property owned by the REITS and changes in capital markets and interest rates.
- The strategy may invest using Hong Kong Stock Connect trading link, about which further information can be found in the offering documents of the Funds utilizing this strategy and online at <http://www.hkex.com.hk/eng/csm/index.htm>.
- The strategy will invest in securities listed, traded, located in or deriving the majority of their revenue or profit from China the risks of which may differ from economies in most developed countries in many aspects such as: the political structure; the degree of government involvement; the degree of economic development; the level and control of capital re-investment; the control of foreign exchange; the allocation of resources and; the degree of liquidity in their capital markets. Additionally some regions in China impose restrictions and controls regarding investment by foreigners.

**Item 9.           Disciplinary Information**

Neither Odey nor any of its management persons has been subject to any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Odey's advisory business or the integrity of its management.

## **Item 10. Other Financial Industry Activities and Affiliations**

### **A. Affiliated Broker-Dealers**

Neither Odey nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **B. Affiliated Commodity Advisors**

Neither Odey nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Other Affiliations and Conflicts of Interest**

Odey is 98% owned by Odey Asset Management Group Ltd. (the Managing Member). The Managing Member, in turn, is wholly owned by Odey Holdings Limited, a UK limited liability company. As of March 2021, Crispin Odey and family hold 80.88% of the shares of Odey Holdings Limited. Crispin Odey and his family's shareholding has been gradually diluted as part of Odey's succession and retention planning.

Odey has affiliated investment advisers: (i) Odey Wealth Management (UK) Limited ("OWMUK"), a UK private wealth investment firm which is authorized and regulated by the UK Financial Conduct Authority, which is 100% owned by Odey Asset Management Group Ltd; and (ii) Odey Wealth Management (C.I.) Limited, a private wealth investment firm which is licensed by the Guernsey Financial Services Commission ("GFSC"), and which is majority owned by Odey Holdings Limited.

Odey and its related persons do not serve as a general partner to any partnership in which Clients are solicited to invest. However, as described in **Item 4.B** above, Odey serves as the investment manager to the Investment Funds, and Clients may be approached regarding investments in the Investment Funds.

Cross trades are only undertaken on an agency basis via a third party broker at market prices.

As described in **Item 5.C** above, Odey may receive an initial sales fee with respect to investment in Investment Funds. The prospectus of each Investment Fund that is provided to each investor discloses these facts where applicable. The marketing department is responsible for making decisions on whether or not to apply an initial sales fee to an investment. The marketing department will give consideration to issues such as size of investment, timing of investment, likely duration of investment, need to remunerate a third-party introducer and likelihood of a long-term relationship with the client. The initial sales fee is applied by the administrator on instruction from Odey.

As discussed in **Item 5.C** above, Odey does not retain fees with respect to investments in Odey Funds by the Investment Funds.

Each of the Investment Funds offered by Odey Investment Funds plc - Odey Pan European Fund, Odey Allegra International Fund, Brook Developed Markets Fund, and Brook European Focus Fund (each a “**Sub-Fund**” and together, the “**Sub-Funds**”) - may invest up to 5% of their net asset value in other collective investment schemes, such as the Sub-Funds. However, a Sub-Fund may not invest in another Sub-Fund which is invested in another Sub-Fund. Where the Sub-Fund invests in another Sub-Fund, Odey may not charge investment management fees in respect of that portion of its assets invested in the other Sub-Fund.

As discussed in **Item 6** above, Odey has established policies and procedures addressing the allocation of investment opportunities among its Clients.

**D. Recommendation of Other Investment Advisors**

Odey does not recommend or select other investment advisers for its clients.



**Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

**A. Code of Ethics**

Odey has adopted a Code of Ethics (the “Code”) which is encapsulated in its Compliance Manual. This obligates all partners and employees and other persons associated with Odey or designated by the Chief Compliance Officer to put the interests of Odey’s Clients before their own personal interests. The Code has been designed to comply with standards set forth by the U.K. Financial Conduct Authority and Rule 204A-1 under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). All Odey staff must acknowledge and confirm compliance with the terms of the Code of Ethics annually, and new staff must confirm compliance with the Code on joining.

The Code includes provisions relating to conflicts of interest; personal account dealing controls surrounding market abuse and insider trading; anti-bribery controls including the acceptance and provision of significant gifts and entertainment, the reporting of Outside Business Interests, and confidentiality of information.

Under the Code, Odey’s staff are required to disclose their securities holdings and business activities. Trading in securities in personal accounts of Odey staff is subject to pre-clearance by the Chief Compliance Officer or his designee. Holding periods (generally 3 months) apply to all purchases and sales of securities in personal trading accounts. Securities that have been or may be traded for Client accounts may not be traded in personal trading accounts during certain blackout periods. Personal transactions in advance or contemporaneous with a research recommendation to a Portfolio Manager are prohibited. No staff may purchase a security in an initial public offering. Trading in staff accounts is reviewed by the Chief Compliance Officer or his designee. Clients and prospective Clients may obtain a copy of the Code by contacting the Chief Compliance Officer at telephone (44) 20 72081400 or by email at [compliance@odey.com](mailto:compliance@odey.com).

Odey and its staff may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of Odey. Odey has adopted policies and procedures governing gifts and business entertainment, which includes the disclosure of all gifts and business entertainment and pre-clearance by the Chief Compliance Officer or his designee.

Odey maintains a restricted list which is composed of companies whose securities are subject to certain trading prohibitions due to Odey’s business activities. All accounts and all personal trading accounts are prohibited from investing in securities on the restricted list, and Odey has policies and procedures in place to prevent such practices.

Odey is subject to the rules of the EU Alternative Investment Fund Managers Directive (“AIFMD”) as an Alternative Investment Fund Manager. This means that it is subject to certain responsibilities regarding the valuation of the assets of certain of its Investment Funds which are Alternative Investment Funds (“AIFs”) and the calculation of the value of their unlisted investments, and subsequent publication. Under the AIFMD Odey is

responsible for the proper valuation of AIF assets is valuation role is not permitted to be delegated even though there is a conflict of interest. As a consequence of this requirement there is a potential conflict of interest in Odey's role in the valuation process and associated remuneration dependent on the management fee and performance fee (if applicable) received from the Client.

**B. Purchases and Sales of Securities in which the Firm has Material Financial Interest**

Odey's principals, employees and officers may buy and sell securities for Client accounts in which a principal, employee or officer of Odey or Odey itself has a material financial interest.

**C. Purchases and Sales of Securities by Clients and the Firm and/or its Affiliates**

Odey's partners, employees or other related persons may from time to time purchase securities or interests in which the Investment Funds, the Managed Funds or other Clients invest. Odey has established policies and procedures which require prior approval of all personal trades of Odey's staff, subject to applicable law, blackout periods and post trade review to reduce the risk of front running. All Odey staff must confirm their compliance with these policies and procedures annually.

**D. Purchases and Sales of Securities by Clients and the Firm and/or its Affiliates at the Same Time – please see Item 11.C.**

## **Item 12. Brokerage Practices**

### **A. Brokerage**

In general, the Client accounts will be directly invested in securities and other interests. Odey may select any broker or dealer. As an investment adviser, Odey is under a fiduciary duty to obtain “best execution,” which the SEC generally describes as a duty to execute securities transactions so that a Client’s total costs or proceeds in each transaction are the most favorable under the circumstances. This duty generally begins with a requirement that Odey obtain the best price available for the securities in each transaction. However, Odey may, at its discretion, decide that other factors may be more important than price in determining the best possible result; these factors include: price; size and nature of the order; reputation of the broker; cost of execution; speed and accuracy of execution; likelihood of execution; likelihood of settlement; responsiveness of broker; and, any other consideration relevant to the execution of the order. Odey may give consideration to certain of these factors more than others in choosing brokers depending on the particular investment strategy at issue. Odey conducts monthly reviews of the execution quality provided by broker-dealers used by Odey.

#### Research and Other Soft dollar Benefits

In addition to advisory fees, Clients of Odey will pay Research Charges in order to pay for research. Odey has established a research payment account (“RPA”) from which it may pay for research as defined in the rules of the UK Financial Conduct Authority (“FCA”) that it receives from third parties in connection with their provision of services to their clients. The RPA will be funded by research charges (“Research Charges”) paid by the clients of Odey, with the amount to be paid by each client determined by Odey in accordance with its research payment account policy and applicable FCA rules. Odey has determined that the purchase and use of research benefits their clients by enhancing the quality of the investment decisions which they are able to take on their behalf. These charges are either generated in connection with transactions whereby a Research Charge shall be collected when Odey instructs or executes, on behalf of a client, a transaction where a Research Charge Collection Agreement (“RCCA”) is in place between Odey and the executing broker or where a client is charged periodically. Alternatively Odey may elect to fund the RPA via a direct charge to each Client to be accrued daily and payable at a frequency as agreed with the Client. Odey intends to limit the research purchased from the RPA to eligible research under Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”), but may generate Research Charges on transactions that would not be eligible agency or riskless principal transactions under Exchange Act Section 28(e). For example, Odey may request that brokers generate Research Charges in connection with transactions where the broker acted as at-risk principal and charged a mark-up or mark-down or had the opportunity to incur a trading profit or loss.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research), certain financial newsletters and trade journals, software providing analysis of securities portfolios, corporate governance research and rating services, attendance at certain seminars and conferences, discussions with research

analysts, consultants' advice on portfolio strategy, data services (including services providing market data, company financial data and economic data), advice from broker-dealers on order execution, and certain proxy services. When Odey uses Research Charges to obtain a new Section 28(e) eligible research, Odey's Chief Compliance Officer (or his designee) approves the eligibility of the relevant research service to be paid for from the RPA before any invoices are paid (either directly or via RCCAs with certain brokers). Odey's Scrutiny Committee, which includes its Chief Compliance Officer, typically reviews the commissions report, including Research Charges generated under these arrangements, on a regular basis to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research received from a broker-dealer or independent research provider, the Research Charges used to obtain those products were reasonable in relation to the value of the research provided by the broker-dealer or independent research provider. This determination will be viewed in terms of either the specific transaction or Odey's overall responsibilities to the accounts or portfolios over which Odey exercises investment discretion. The Scrutiny Committee may also review on a quarterly basis the cost of each product or service provided under any "soft dollar" arrangement. The use of client Research Charges (or markups or markdowns) to obtain research raises conflicts of interest. For example, Odey will not have to pay for the products itself. This creates an incentive for Odey to select or recommend a broker-dealer based on its interest in receiving those products. Odey may cause clients to pay fees (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients. Research obtained by the use of Research Charges arising from a client's portfolio transactions may be used by Odey in its other investment activities, including for the benefit of other client accounts. During Odey's last fiscal year, as a result of client Research Charges (or markups or markdowns), Odey and/or its related persons acquired proprietary research (created or developed by the broker-dealer), research created or developed by independent third parties.

To the extent that Odey utilizes Research Charges to obtain research products and services that would otherwise be an expense of Odey, such use of commissions could be viewed as additional compensation to Odey. This may create a potential conflict of interest between Odey's fiduciary duty to operate the Investment Funds, Managed Accounts, Odey Funds and Subadvised Clients in the best interest of its Clients and the desire to receive such research products and services. In any instance in which Odey enters into a RCCA, a Client may pay commissions to the relevant broker which are greater than the amount another broker might charge for the same transaction, but Odey will only do so if it determines in good faith that such amount of Research Charge is reasonable in relation to the value of the research and provided by such broker.

Odey sets a single budget in respect of all of its clients (the "Research Budget") for the purchase of research during each calendar year, on the basis that its clients share sufficiently similar investment objectives and research needs. In order to allocate research costs fairly across its clients, Odey intends to allocate the Research Budget to each of their clients by reference to their net asset value at the end of each calendar quarter.

Odey utilizes RCCAs only for Clients who have consented to Odey's use of RCCAs. Clients may choose not to participate in RCCAs, however, all Clients may benefit from the research services received pursuant to RCCAs. Annually, upon request, Odey is required to disclose to its Clients information on how Research Charges have been generated and spent via RCCAs.

The types of products and services Odey receives pursuant to RCCAs are as set out under the FCA rules. Odey has adopted policies and procedures regarding the use of RCCAs and Research Charges. Odey will only enter into a RCCA with a broker if (i) there is a written agreement for the supply of research products or services; (ii) these do not take the form of those products and services expressly prohibited by the FCA; (iii) the broker agrees to provide best execution; and (iv) Odey has taken reasonable steps to ensure the terms of business and methods by which the products and services will be supplied by the broker do not involve any potential for comparative price disadvantage to its Clients.

Brokerage for Client Referrals. Prime broker(s) may provide capital introduction services whereby Odey may be afforded the opportunity to make a presentation regarding its services to certain qualified investors of the prime broker(s). While the prime broker(s) generally provide capital introduction services to Odey at no additional cost to Odey, Odey and not the Client may be the principal or sole beneficiary of those services, thus presenting a potential conflict of interest between the Client and Odey, which is responsible for selecting the prime broker(s) and negotiating such Client's brokerage, margin and other fees. Odey may have prime brokerage relationships with one or more Clients which may benefit such other Clients, thus, presenting a potential conflict of interest among such other Clients and Odey. Odey will not allocate brokerage transactions to a prime broker(s) as compensation for client referrals or other services or otherwise in violation of its fiduciaries duties to our Clients.

Directed Brokerage. Odey does not recommend, request or require that Clients direct Odey to execute transactions through a particular broker or dealer. Likewise, Odey generally does not permit its Clients to direct brokerage arrangements.

## **B. Trade Aggregation**

Aggregation (or "bunching") describes the practice of combining the orders of more than one Client for the purchase or sale of the same security. Odey will wherever possible employ this practice because larger transactions can enable Odey to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. Hence, Odey will aggregate the orders and ensure the allocation of fills is done on a fair and consistent basis, based on pro rata NAV, across the participating Clients in the order.

In the event that an aggregated order is not completely filled (or is filled throughout the trading day at different prices), Odey will typically allocate the partially filled order (or the various prices) on an NAV pro-rata basis across all participating Clients, although there may be exceptions (as set out below).

*Exceptions:* The Allocation Policy is to be applied on a consistent basis, unless unusual circumstances arise – for example:

- Partial Fills: Trades in illiquid securities may take several days to complete. Where daily allocations are required, the partial fill will operate under the pro rata NAV basis.
- Mandate Restrictions - Clients' investment objectives and mandate restrictions may be slightly different in terms of country exposure and minimum investment limits, which may on occasion preclude an allocation across all Client portfolios;
- Recent or anticipated portfolio cash flows - ongoing cash flows and the timing of these will differ across daily dealing accounts and Managed Accounts. Client portfolios with significant cash inflows will require a greater allocation in order to maintain the overall market exposure ratio and vice versa.

All allocation exceptions across Client accounts are reviewed by the Chief Compliance Officer on a monthly basis.

*IPO Allocations & Underwriting:* For IPOs (in which Odey may also take up an underwriting allocation) or new bond issues, allocations are made on a pro-rata basis regardless of the size. However, on occasion a Portfolio Manager may determine that his allocation is too small for his portfolio and as a result decide to give up this allocation to another Portfolio Manager, the caveat being that this will only be permissible to a different Portfolio Manager with a different strategy i.e. this would not be allowed where a Portfolio Manager who has several funds in his strategy allocates to only one of his funds.

Where an allocation is being made to only one fund, a reason will be noted which will be flagged as part of the review of allocation exceptions at the monthly dealers meeting.

*Bankruptcy/Default:* In the event of the bankruptcy or insolvency of a company in which multiple Clients hold different types of interests, interests of certain Clients may become legally subordinated to interests of other Clients. Odey will endeavor to fairly represent the interest of each Client in such situation.

*Trade Error:* Odey will always exercise due care in making and implementing investment decisions, but if any errors are made by employees of Odey on behalf of Clients, then Odey will be liable to the Clients for any trading losses suffered as a direct result of trade errors made by Odey. A trade error is an incorrect transaction for a Client. It does not include clerical mistakes that impact only record keeping requirements.

### **Item 13. Review of Accounts**

#### **A. Account Review**

The risk exposures of each Client account are periodically monitored, reviewed and managed by experienced investment professionals who are employed by Odey. The Executive Committee meets informally on a weekly basis and formally on a monthly basis. It is composed of Odey's Non-Executive Chairman, Chief Investment Officer, Managing Director, Senior Partner/Fund Manager and Head of Research. The Executive Committee's review encompasses net/gross delta adjusted leverage exposures, liquidity, value at risk, beta, concentration weightings and stop loss limits. The Prudential Committee meets on a monthly basis and is composed of Odey's Non-Executive Chairman, Chief Compliance Officer, Managing Director, Chief Operating Officer and a Consultant. The Prudential Committee's review encompasses, among other items, the allocation of investments and the assessment of investment risks.

#### **B. Factors that Trigger an Account Review**

Not applicable.

#### **C. Account Statements**

All Clients are sent at least monthly performance newsletters describing the performance of the Investment Funds, and at least quarterly performance attribution reviews are provided for the Managed Accounts.

Investors in the Investment Funds typically receive written quarterly unaudited financial statements within 60 days of quarter end and written audited annual reports within 90 days of fiscal year end. Moreover, investors in the Funds may receive certain additional information upon request, as set forth in the applicable Client's documentation.

## **Item 14. Client Referrals and Other Compensation**

### **A. Benefits from Others for Providing Investment Advice**

Odey does not receive any economic benefits from non-clients for providing investment advice or other advisory services to Clients.

### **B. Client Referrals**

Odey may pay, or may require an Investment Fund to pay, a portion of Odey's management fee to individuals or entities that refer investors to certain of the Investment Funds.

As a result of a new piece of regulation introduced by the FSA (now called the FCA as of April 1, 2013) on December 31, 2012 called the Retail Distribution Review ("RDR"), Odey no longer pays commission/trail/rebate on any new or additional investments where the recipient gives a personal recommendation (advice) to a "retail client" (as defined by the FCA) in the United Kingdom. Commission/trail/rebate can still be paid on investments held as at December 30, 2012 (legacy assets).

Trail agreements are still entered into by Odey in order to remunerate introducers of business where advice is not provided to UK retail clients or where advice is provided to non-UK retail clients. After meeting an introducer and determining that they are suitable representative for Odey, a standard written agreement will be signed. This agreement will, amongst others, detail how the annual management charge is to be shared between the introducer and Odey. Applications for payment are generally made by the introducers to Odey and are paid out after a full reconciliation process.

To the extent Odey enlists solicitors for advisory business within the United States, it will do so solely in compliance with Rule 206(4) -3 under the Advisers Act.

As discussed in **Item 12** above, Odey may also receive client referrals from prime brokers providing services to our Clients.



**Item 15. Custody**

In accordance with FCA regulation, Odey does not have custody of Client assets.

**Item 16. Investment Discretion**

Odey has discretionary authority to manage securities accounts on behalf of each Client, subject to the investment objectives, strategies and policies set forth in the applicable Client's documentation.

## **Item 17. Voting Client Securities**

### **A. Proxy Voting Authority**

Odey has authority to vote proxies on behalf of its Clients and, in accordance with Rule 206(4)-6 of the Advisers Act, has adopted Proxy Voting Policies and Procedures to address how Odey will vote proxies on behalf of each Client.

Odey has contracted with Institutional Shareholder Services (“ISS”) to vote proxies received by Odey for certain Investment Funds. Generally, ISS proxy voting guidelines provide for votes on a case by case basis and pursuant to certain guidelines. Odey’s proxy voting procedures (“Procedures”) also require that Odey identify to ISS and address conflicts of interest between Odey and its Clients. At times, the relevant Portfolio Manager may vote the proxy by accessing the ISS website, which displays the proxy and ISS’s proposed vote. In such situations, proxies may be voted other than as stated in the ISS guidelines, provided that such votes are in the best interests of Clients.

Clients may obtain a copy of Odey’s Procedures and information about how Odey voted a Client’s proxies by contacting the Chief Compliance Officer at (44) 20 7208 1400.

Further, Odey adheres to the principles of the UK Stewardship Code, a voluntary code which sets out a number of principles relating to engagement by investors with UK equity issuers. Odey’s Statement of Compliance with the UK Stewardship Code is posted on Odey’s website at [www.odey.com](http://www.odey.com).

### **B. Limits on Proxy Voting Authority**

Odey does not have authority to vote proxies for certain of its Managed Account Clients. Such Clients reserve their authority to vote their securities. With respect to such Clients, Clients will receive their proxy materials directly from their custodian, transfer agent or Odey, as applicable.

**Item 18. Financial Information**

**A. Prepayment of Fees**

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**B. Financial Impairment**

The Firm is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

**B. Bankruptcy Petition**

The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.