

# LF ODEY PORTFOLIO FUND

ODEY  
ASSET MANAGEMENT

## Portfolio Manager Report

The LF Odey Portfolio Fund fell by -1.30% in February. This compares with a return of -0.75% for the MSCI PIMFA GBP Balanced Index. Positive contributions came from Shell (+14bp), BP (+13bp), JD Sports (+12bp), BAE Systems (+11bp), BT (+10bp), ABN AMRO (+10bp), Astra Zeneca (+10bp) and Capita (+6bp). Negative contributions came from Alibaba (-32bp), Barrick Gold (-29bp), Saras (-27bp), Meituan (-23bp), Wuxi Biologics (-19bp), Conoco Phillips (-18bp) and Krane Shares CSI (-18bp).

*"We pride ourselves on being the best financial partner in the most challenging times"*

Greg Becker CEO SVB Financial 1st March 2023

Becker said this a day before he was up for bank of the year at an awards dinner in London. On Friday 10th March SVB collapsed into the hands of the Federal Deposit Insurance Scheme. The second biggest bankruptcy in USA banking history. This is important to us as we are underweight USA equities and have said for some time that the market there is overvalued. SVB was the largest lender to Tech and VC companies in Silicon Valley and it has exposed what rising rates can do to companies that don't make money, and banks where they hold their deposits. So what happened?

In 2021 VC companies raised \$330bn. SVB's deposits rose from \$62bn to \$124bn and they ploughed this cash into long term bonds at the peak of low interest rates. By the end of 2022 the bank had mark to market losses of at least \$15bn which were shielded by accounting rules. This was almost equivalent to its entire equity base. For a change the Credit Agencies were onto this and threatening downgrades. Through their advisor Goldman Sachs SVB tried an equity raise which failed and the run on deposits started which ended on Friday with the FDIS taking over. The damage is that in the USA only up to \$250,000 is insured. In Dec 2022 93% was uninsured. Many VC's and Startups may not make payroll this month. The advice continues to be leave your cash with a bank that is too big to fail. The impact was for the S&P 500 (\$) to fall -4.55% over the first full week in March. Thus Europe, UK and Japan remain well ahead of the S&P and we await the impact on NASDAQ this coming week. One never knows what trigger points are but this will at least wobble the USA financial system and continue the outperformance of other markets which remain much cheaper.

In February itself our main losses were in our China trades which turned sour as relationships continued to deteriorate with the USA. The Chinese Congress was unsure of its 5% Growth target and President Xi continued to load his own men into the cabinet. We have taken profits and are turning to Japan where Stock Exchange regulators are looking to unlock the huge cash positions and dormant share prices in Japan's markets. Local investors are onto this, and it now remains for International investors to look at the market that time forgot. More on this next month.

On the positive side our Oil majors recovered strongly after a great result season. It appears that the World will need Oil a lot longer and that electric car sales are struggling. The Oil sector remains at the core of our Value portfolio. The Bloomberg valuations are a P/E of 10.4 v MSCI World of 15.7, Yield of 3.1% v 2.3% and EPS Growth of 11.78% v 10.55%. At the stock level I have sadly increased our exposure to the defence sector as the Ukraine war continues to sadly escalate. BAE Systems, Leonardo and Rheinmetall are our main holdings. In the UK Rishi Sunak is working on Anglo French relations and we have the first full budget for his Cabinet this week. This will better inform us on the state of the economy.

SVB will therefore add support to the bears in the USA. We feel that it will not directly impact the European banking system, but a big USA pull back will of course impact every market. We remain on watch.

*Peter Martin*

## Performance

**-1.3%** Monthly performance

**1.6%** Year-to-date performance

**4.4%** CAGR since inception

These figures refer to the past.  
Past performance is not a reliable indicator of future results.

## Fund details<sup>1</sup>

£ R Acc Class	172.59
£ I Acc Class	184.33
£ I Inc Class	175.22
£ R Inc Class	170.13
£ P I Acc Class	129.40
£ P R Acc Class	124.01
Fund Size	£102 million
Fund Inception	14 May 2010
Class Inception	14 May 2010
Fund Type	UK Long Only UCITS

## Portfolio Manager

Peter Martin

For full bios visit [odey.com](http://odey.com)



Note: The LF Odey Portfolio Fund launched as a long-only NURS Fund on 14-May-2010 and converted to a long-only UCITS IV Fund on 24-Mar-2014.

Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the £ R ACC share class – this share class is closed to new investors but is used for purposes of the track record of the fund – please refer to the 'Investor Information' section for other share classes available. All data shown as at 28 February 2023.

<sup>1</sup>Link Fund Solutions and Bloomberg, calculation on a NAV basis with net income reinvested.

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## Performance (GBP)

	1-month	3-month	1-year	3-year	5-year	YTD inception	Since inception	CAGR
<b>Fund</b>	-1.3	0.7	0.5	14.7	8.0	1.6	72.6	4.4
<b>MSCI PIMFA Balanced</b>	-0.8	-0.1	-1.3	14.9	23.1	3.1	132.7	6.8
<b>Relative</b>	-0.6	0.8	1.8	-0.2	-15.1	-1.5	-60.1	-2.5

## DISCRETE YEARLY PERFORMANCE

	1-year to	28 Feb 19	28 Feb 20	26 Feb 21	28 Feb 22	28 Feb 23
<b>Fund</b>		-8.5	3.0	12.4	1.5	0.5
<b>MSCI PIMFA Balanced</b>		2.3	4.8	7.1	8.7	-1.3
<b>Relative</b>		-10.8	-1.8	5.4	-7.3	1.8

## MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD
<b>2023</b>	2.9	-1.3											1.6	3.1
<b>2022</b>	-1.9	-2.6	3.2	-1.1	1.6	-4.9	-0.4	2.4	-2.6	1.3	0.7	-0.8	-5.5	-8.1
<b>2021</b>	-0.5	4.1	2.9	0.8	0.9	-0.5	-1.0	2.5	1.7	0.8	-3.2	1.4	10.0	12.5
<b>2020</b>	-2.4	-3.1	-9.1	4.8	-0.3	0.7	0.3	1.3	-0.3	-1.9	11.4	2.6	2.8	1.9
<b>2019</b>	0.9	-2.1	0.7	1.8	-0.2	1.4	3.3	1.8	-1.5	-2.3	1.1	2.4	7.5	16.2
<b>2018</b>	0.8	2.3	-3.4	2.4	2.9	1.0	-0.9	-1.1	0.9	-4.7	-1.6	-2.9	-4.5	-4.8
<b>2017</b>	0.9	-0.5	-0.7	-0.8	1.2	-1.8	1.5	1.8	-1.9	1.7	-1.0	3.3	3.4	9.9
<b>2016</b>	-2.3	0.7	-1.9	-1.4	-0.2	1.6	3.3	-0.6	-0.5	1.4	-0.1	1.3	1.0	17.4
<b>2015</b>	2.3	0.7	2.0	-1.5	2.3	-3.0	1.8	-3.6	-1.8	3.2	1.6	0.2	4.0	2.0
<b>2014</b>	-2.1	3.3	-3.6	-2.5	0.5	-0.5	0.5	0.3	0.3	-1.2	4.3	-0.7	-1.6	6.9
<b>2013</b>	5.1	2.8	2.9	3.8	3.2	-2.7	4.3	-1.2	2.9	2.9	0.6	1.5	29.2	14.2
<b>2012</b>	4.5	3.6	-1.0	-2.6	-3.2	1.2	0.4	1.4	2.9	1.4	2.0	2.7	13.7	9.6
<b>2011</b>	0.3	1.1	0.2	0.9	-0.4	0.3	-2.1	-5.2	-3.5	4.0	-1.8	0.0	-6.5	0.2
<b>2010</b>					-2.3	-4.6	2.1	-1.7	6.1	1.0	-0.6	5.8	5.4	9.6

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<b>£ P R Acc Class</b>	124.01
<b>Fund Size</b>	£102 million
<b>Fund Inception</b>	14 May 2010
<b>Class Inception</b>	14 May 2010
<b>Fund Type</b>	UK Long Only UCITS
<b>Comparators</b>	MSCI WMA PRIVATE INVESTOR BALANCED (NET) GBP Index
<b>Base Currency</b>	£

## Important information

These figures refer to the past. Past performance is not a reliable indicator of future results.

This document is a marketing communication. Before subscribing please read the prospectus and the KIID, available at odehy.com. The performance calculation shown is based on the GBP R share class. If the past performance is shown in a currency which differs from the currency of the country in which you reside, then you should be aware that your performance may increase or decrease as a result of currency fluctuations.

## Fund team and contact details

### PORTFOLIO MANAGER

Peter Martin

For full bios visit [odey.com](http://odey.com)

### ENQUIRIES

T: +44 (0)20 7208 1400

E: [marketingteam@odey.com](mailto:marketingteam@odey.com)

W: [odey.com](http://odey.com)

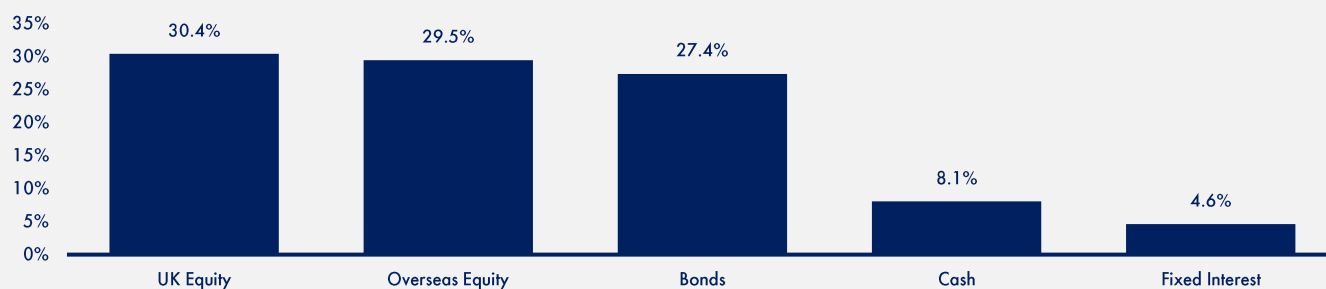
Odey Asset Management, 18 Upper Brook Street, London W1K 7PU

Note: Allocation figures are taken at close of business whereas Fund performance is taken at 12pm. Equity exposure includes all equity related instruments. Asset allocation is net of any index related hedges. Currency exposure relates to exposure of all assets held by the fund including any forward currency positions. The LF Odey Portfolio Fund launched as a long-only NURS Fund on 14-May-2010 and converted to a long-only UCITS IV Fund on 24-Mar-2014. Equity exposure as classified by GICS. All performance in GBP.

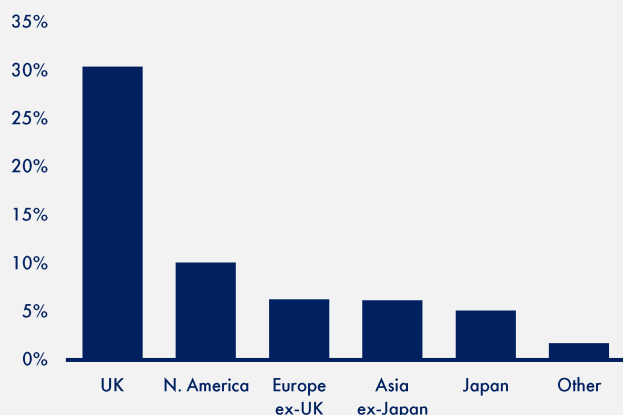
Source: All sources, unless otherwise stated, are Odey internal unaudited data and refer to the £ R ACC share class – this share class is closed to new investors but is used for purposes of the track record of the fund – please refer to the ‘Investor Information’ section for other share classes available. All data shown as at 28 February 2023.

<sup>1</sup>Link Fund Solutions and Bloomberg, calculation on a NAV basis – the share class prices refer to NAV per share.

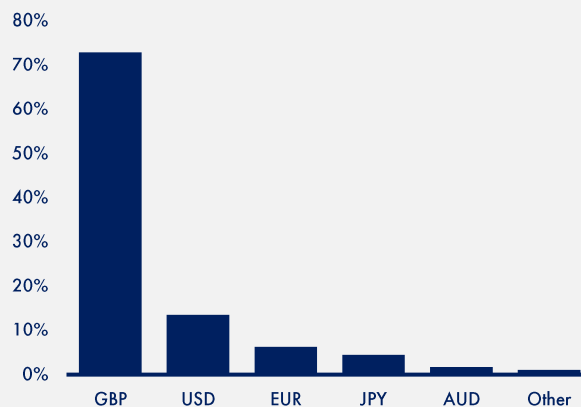
## Asset allocation (net exposure)



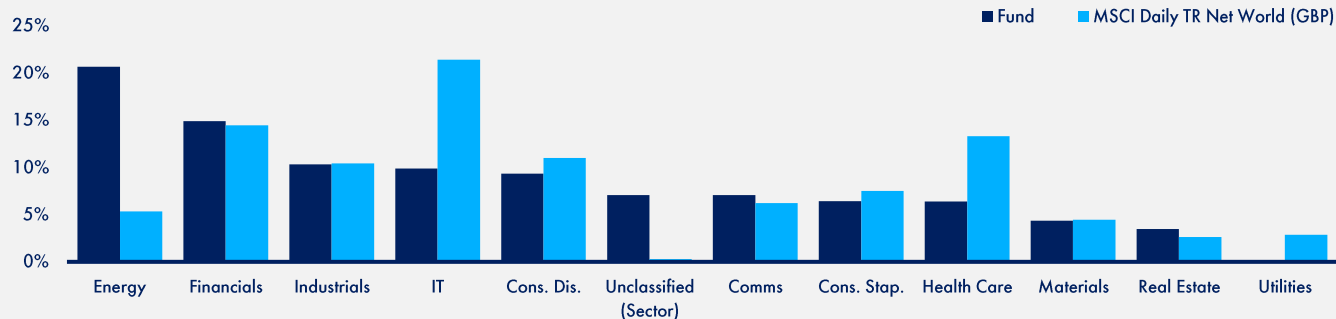
## Equity exposure by geography



## Currency exposure



## Equity exposure by sector



## Top ten equities as percentage of NAV

	Notional Exposure
Shell	3.7%
AstraZeneca	2.7%
BAE Systems	2.6%
Taiwan Semiconductor Manufacturing Co	2.5%
Plus500	2.2%
Vodafone	2.2%
Leopalace21	2.1%
BT	2.0%
Capita	2.0%
BP p.l.c	1.9%

## Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	8.0	11.0	9.9	8.9
Index annual s.dev.	11.8	11.4	10.1	8.6
Alpha	0.1	0.1	-0.1	-0.1
Beta	0.4	0.7	0.7	0.8
Correlation	0.6	0.8	0.8	0.8
Sharpe Ratio	-0.2	0.4	0.1	0.5
Information Ratio	0.2	0.0	-0.4	-0.4
Tracking Error	9.1	7.7	7.1	6.0

## Investment objective and policy

The LF Odey Portfolio Fund ('The Fund') aims to achieve long-term capital growth, through an actively managed investment approach. Investments may be made in any geographic region and will be mainly in equities, held either directly or indirectly through collective investment schemes and investment trusts.

### APPROACH

The Fund is a return seeking Balanced Multi Strategy. The manager draws on the expertise of Odey's significant research team. The process is primarily 'top down' using the Odey's Investment Strategy meetings. The manager invests in all asset classes and is benchmark agnostic. The Fund will typically contain 50-70 positions but may at times be more concentrated. Investments may be made in any geographic region and will be mainly in equities, held either directly or indirectly through collective investment schemes and investment trusts. The Fund may in addition invest in other transferable securities, including debt instruments, warrants, derivatives and forward transactions (both of which for efficient portfolio management purposes only) and up to 10% in units of collective investment schemes. Cash and near cash may be held as necessary in pursuit of the Fund's investment objective, redemption of shares, the efficient portfolio management of the Fund and other ancillary purposes. The investment policy of the Fund may mean that at times, where considered appropriate, the property of the Fund will not be fully invested and that prudent levels of liquidity will be maintained.

### RISK CONSIDERATIONS

The fund has considerable latitude over its asset allocation and may own sophisticated instruments such as futures and options for efficient portfolio management and investment purposes. The fund is therefore suitable only for investors who have at least a medium time frame (5 years) and can tolerate medium risk. Investors should discuss the suitability of this fund with their Professional Advisor.

## Investor information

<b>Share classes</b>	£ (I, R & P) Inc. & Acc.	<b>Minimum investment</b>	I £1,000,000, R £5,000
<b>Trade date</b>	Daily	<b>Dividends</b>	Income and accumulation share classes available
<b>Dealing</b>	Forward to 12pm	<b>Administrator</b>	Link Fund Solutions Ltd
<b>Valuation</b>	12pm	<b>Auditor</b>	Ernst & Young LLP
<b>Front end fee</b>	Up to 4%	<b>Depository</b>	The Bank of New York Mellon (International) Limited
<b>Ongoing charge</b>	I 1.37%, R 1.87%, PI 1.12%, PR Acc 1.60%	<b>Price reporting</b>	Prices published daily on <a href="http://www.odey.com">www.odey.com</a> , Bloomberg and by other third party data providers.
<b>Investment management fee</b>	£ R 1.5%, £I 1%, £ PI Acc 0.75% & £ PR Acc 1.25%	<b>ISIN</b>	GBP R Inc. GB00BH7Y0B40, GBP R Acc. GB00BH7Y0C56, GBP I Inc. GB00BH7Y0D63, GBP I Acc. GB00BH7Y0F87, GBP P I Acc. GB00BKS85L11, GBP P R Acc. GB00BMPHGG71
<b>Anti-dilution fee</b>	May apply up to 0.75% to NAV on subs/reds if large deals (typically >5%) occur	<b>SEDOL</b>	GBP R Inc. BH7Y0B4, GBP R Acc. BH7YOC5, GBP I Inc. BH7YOD6, GBP I Acc. BH7YOF8, GBP PI BKS85LI, GBP PR BMPHGG7
<b>Performance fee</b>	£ PI Acc & £ PR Acc 10% of the absolute outperformance of the Fund between the beginning and the end of the year. Fees crystallise annually, and on redemption. Losses carried forward.		

## Important information

**This is a marketing communication and it is not intended to be viewed as a piece of independent investment research.**

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**Don't invest unless you're prepared to lose all the money you invested. This is a high-risk investment and you are unlikely to be protected if something goes wrong. [Take 2 mins to learn more.](#)**

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## Glossary of terms

Please refer to the relevant fund prospectus for detailed information. Some terms listed are not relevant for every fund. This document is intended for use by individuals who are not familiar with investment terminology. Please contact Odey if you need an explanation of these terms.

**Absolute return:** The return that an asset/fund achieves over a period of time looking at the appreciation or depreciation (expressed as a percentage) that the asset/fund achieves.

**Acc/Accumulation class:** A share class which accumulates and reinvests net investment income and net realised capital gains and does not pay dividends.

**Active currency exposure:** The percentage of a fund's assets which are invested in a particular currency.

**Administrator:** The specialist entity who maintains the register of shares, provides fund valuation and accounting services.

**AIF:** Alternative Investment Fund as regulated by the Alternative Fund Management Directive.

**Alpha:** A measure of performance on a risk-adjusted basis, often seen as the active return on an investment.

**Anti-dilution fee/levy:** A fee levied by a fund on investors buying/selling shares to protect current shareholders from the dealing costs incurred when paying out or taking in clients.

**Asset class:** A group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities (or stocks); fixed income, or bonds and cash equivalents, or money market instruments.

**Base currency:** Each fund has a base currency and this is the currency which the fund uses to calculate its net asset value.

**Beta:** A measure of the fund's volatility in comparison to its benchmark.

**CAGR:** Compound Annual Growth Rate (CAGR) is the rate at which the fund/benchmark has grown on an annual basis to reach the current performance since inception.

**Capital growth/appreciation:** Capital growth is measured on the basis of the current value of the asset or investment, in relation to the amount originally invested in it.

**Commodity:** A physical substance (such as food, grain, metal) which investors buy and sell through futures contracts.

**Comparative/Index/Benchmark (e.g. MSCI):** A comparator the fund has used to compare its performance to or for its performance fee calculation.

**Contribution:** Used to explain the breakdown of a fund's absolute performance.

**Correlation:** A statistic that measures the degree to which two securities move in relation to each other.

**Dealing:** Arranging the sale and purchase of shares in a fund.

**Delta:** A ratio comparing the change in the price of an asset to the corresponding change in the price of its derivative.

**Derivatives (futures, options, swaps and contracts for difference):** A financial contract based on an underlying asset or financial index with its value determined by fluctuations in the underlying asset/index. Derivatives may be used to manage risk in portfolios, for greater flexibility to lower costs, to gain leverage and to enhance returns.

**Dist/Distributing Class/Inc/Income:** A share class which pays dividend distributions.

**Dividends:** A sum of money paid regularly (typically annually) by a company to its shareholders out of its profits (or reserves).

**Equity/Security:** The percentage of the fund that is currently invested in the equity market.

**Exposure:** The amount invested in a particular type of security, market sector or industry, usually expressed as a percentage of the total portfolio holding.

**Fixed income security:** A type of investment which pays out periodic income of a fixed amount on a fixed schedule e.g. a bond is a fixed-income security.

**Forward currency contracts:** A foreign exchange contract that locks in the exchange rate for the purchase or sale of a currency on a future date.

**Front end fee:** The initial fee/sales charge applied at the time of an initial purchase of an investment.

**Fund:** LF Odey Portfolio Fund.

**Global Industry Classification Standard (GICS):** A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's.

**Government bond:** A bond issued by a government to support government spending, often issued in the country's domestic currency.

**Gross:** The total rate of return on an investment before the deduction of any fees or expenses.

**Hedged class:** A share class giving exposure to assets denominated in foreign currencies without the currency risk of the fund's base currency. Techniques and instruments are used to limit the currency risk between the hedged class and the base currency.

**Hedging:** Hedging against investment risk means strategically using financial instruments in the market to reduce the risk of adverse price movements.

**High water mark:** The highest value that an investment fund or account has reached over a specified period of time.

**Information ratio:** A measure of the fund's returns above the returns of the benchmark to the volatility of those returns.

**Investment management fee:** The fee payable by the fund to the investment manager to cover expenses associated with running the fund.

**Investment Manager:** Odey Asset Management LLP.

**ISIN:** An ISIN (International Securities Identification Number) uniquely identifies a security.

**KIID:** A KIID (Key Investor Information Document) must be provided to anyone who invests in a UCITS.

**Leverage:** An investment strategy of using borrowed money and/or financial instruments to increase the potential return of an investment.

**Long:** The practice of buying securities with the expectation the asset will rise in value.

**NAV:** The NAV (net asset value) of a fund is the value of the fund's assets less its liabilities. NAV per share is the value per share and is calculated by dividing the total NAV of the fund by the total number of shares.

**Net:** The total rate of return on an investment after the deduction of any fees or expenses, including annual management fee and performance fee where applicable.

**Notional Exposure:** The total value of a fund's leveraged assets.

**Ongoing Charges Figure (OCF):** A figure showing all annual charges and other operational expenses payable by a fund.

**Performance attribution:** A set of techniques that are used to explain why a fund's performance differs from a benchmark.

**Performance fee:** A fee payable to the investment manager on returns that, subject to a High Water Mark, the fund achieves either in absolute terms or relative to a performance fee benchmark. Please refer to fund prospectus for details.

**Portfolio:** A group of financial instruments such as shares, funds, bonds, cash and cash equivalents held by an investor and managed by a financial professional.

**Proprietary currency positions:** Foreign exchange contracts entered into by the fund for investment rather than hedging purposes.

**Quoted securities:** A quoted or listed security is a financial instrument that is traded through an exchange, such as the LSE, NYSE or Nasdaq.

**Rebased method:** Used to illustrate a fund's performance against comparative benchmark on a chart whereby they both start at the same point.

**Rel/Relative:** Calculates how much the fund has out/underperformed its comparative benchmark.

**SEDOL:** A SEDOL (Stock Exchange Daily Official List) is a unique number assigned by the London Stock Exchange and used in the UK and Ireland to identify securities.

**Share class:** A designation applied to a specified type of security such as shares in a fund. Each share class has its own rights.

**Sharpe ratio:** A measure for calculating risk-adjusted performance; the higher the ratio, the better risk-adjusted performance.

**Short:** The practice of selling borrowed securities with the expectation that the assets will decrease in value whereupon they will be repurchased and returned to the lender.

**Since inception/Since inc.:** Inception date is the date on which the fund launched.

**Sortino:** A variation of the Sharpe ratio that differentiates harmful volatility from total overall volatility by using the asset's standard deviation of negative asset returns, called downside deviation. The Sortino ratio takes the asset's return and subtracts the risk-free rate, and then divides that amount by the asset's downside deviation.

**Standard deviation/Sta. dev.:** Measures the degree of variation of returns around the mean (average) return. When applied to the annual rate of return, it shows the historical volatility.

**Statistics:** Statistical measurements used to analyse historical fund data such as performance, volatility etc.

**Strategy AUM:** The total assets of the funds managed by the Investment Manager to a similar investment mandate.

**Ten-year adjusted basis:** Shows any exposure to Fixed Income, Bond Futures or Interest Rate Futures on a 10-year duration basis.

**Tracking error:** A risk measure showing how closely a fund's performance follows a particular benchmark.

**Treynor:** Treynor ratio, also known as the reward-to-volatility ratio, is a metric for returns that exceed those that might have been gained on a risk-less investment, per each unit of market risk.

**UCITS:** Undertakings for the Collective Investment of Transferable Securities (UCITS) is an EU regulatory framework creating a harmonized regime throughout EU for the management and sale of funds.