

ODEY OPPORTUNITY FUND



Geoff Marson
Portfolio Manager

REPORT FOR January-10

During January, the Odey Opportunity Fund Euro A shares declined by -1.00%, the GBP A shares fell by -0.95% and the USD A shares fell -0.94%.

For the month the MSCI World Index (EUR Hedged) was lower by -3.77%, the HFR hedge fund index fell -0.06% and commodities as measured by the Goldman Sachs Commodity Index fell -4.96% in Euros. The Citigroup 3-7 year European Government Bond Index returned a positive +0.34%.

Latest NAVs

EUR A (ISIN KYG671651290) – 159.62

GBP A (ISIN KYG671651456) – 176.82

USD A (ISIN KYG671651035) – 168.94

EUR B (ISIN KYG671651373) – 108.14

GBP B (ISIN KYG671651522) – 115.20

USD B (ISIN KYG671651118) – 115.55

MANAGER'S REPORT

As we enter 2010, there remains plenty for the markets to worry about. The first development during January was China's decision to raise reserve requirements, thereby signaling their intention to commence withdrawing liquidity from the economy. Whether this will act as a precursor to further interest rate rises or future currency adjustments remains to be seen. Nonetheless, the market is worried about how tighter monetary policy in China will impact world economic growth, in particular in the emerging markets. It has also raised questions regarding 'exit' strategies in general and what will happen once the liquidity that propelled markets in recent months is finally withdrawn.

The second development was President Obama's announcement to limit the size of US banks and stop retail banks operating proprietary trading and private equity activities. These proposals could threaten the rate at which banks recover and negatively impact their lending growth. Many commentators fear that this could stifle the fragile economic recovery at precisely the wrong moment.

The third factor and the most significant in our view, has been the deteriorating fiscal situation in Greece. According to estimates, the Greek Government is going to have to issue EUR 26 billion in new debt during the first half of 2010 at a time when yields on their existing bonds have risen sharply. The market is starting to doubt their ability to achieve this without explicit support from elsewhere in the European Union. So far however, Germany has been reluctant to sanction any such support measures for fear of setting a precedent to countries in a similar position, especially in view of the recent efforts made in Ireland to deflate their economy. This therefore increases the chance of a funding crisis unless Greece agrees to an austerity package linked to financial support. Whatever the eventual outcome, the uncertainty has further undermined the euro and allowed the dollar to begin this year as it ended the last one, on a much firmer footing.

While there has been plenty to worry about, much of the economic news remains generally positive. The market now appears to accept that a recovery in the US, Europe and Asia is well under way. As pointed out last month, even the US employment numbers have started to improve and the recovery is looking more 'normal' by the day. Meanwhile, European earnings growth has been estimated to be in excess of 30% and earnings revisions remain strongly positive.

In a fast changing world, it is important to remember that equities only remain attractive on a relative basis when compared with the low rates available on cash and government bonds and the fund will continue to be managed with this proviso in mind.

ASSET ALLOCATION – 31 January 2010

TOP TEN HOLDINGS (ex-cash)

7.00%	ISHARES EBREXX GOV GER 10.5+
6.90%	BUNDESobligation
4.73%	BUNDESREPUB. DEUTSCHLAND
4.57%	VERITAS GLOBAL FOCUS FUND-\$B
4.53%	IVI UMBRELLA FUND-EUROPEAN-€
4.52%	BUNDESSCHATZANWEISUNGEN
4.49%	EDINBURGH PART-GLOBAL OPP-€I
4.45%	SCHRODER INTL GL EQ YLD EU-C
4.40%	SISF EUROPEAN SPEC SIT FD-C
4.40%	LYXOR ETF DJ EURO STOXX 50

TOTAL = 49.99%

SUMMARY OF PORTFOLIO ACTIVITY

During the month, we continued to maintain a pro-cyclical bias in response to the better than expected economic readings. Equity weightings were increased slightly toward 55% while commodity weightings were held at around 6%. These positions were effectively hedged by our 30% position in fixed income, made up primarily of German Government bonds and our short Euro position (42% foreign currency). This diversified approach has once again enabled us to protect the downside well in what was a challenging month for risk assets.

Monthly Attribution: -

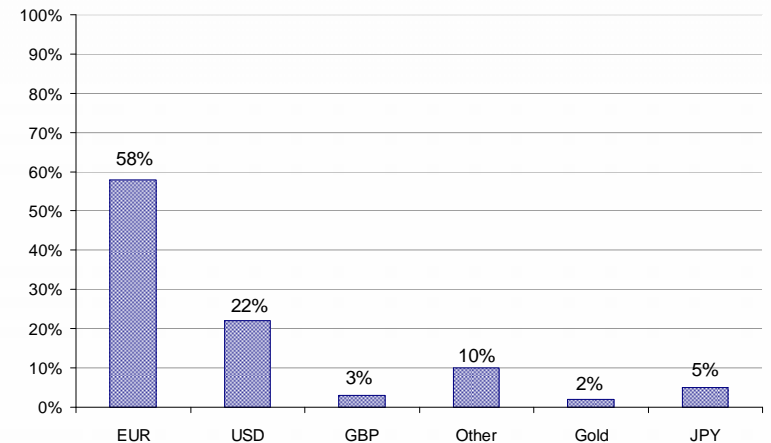
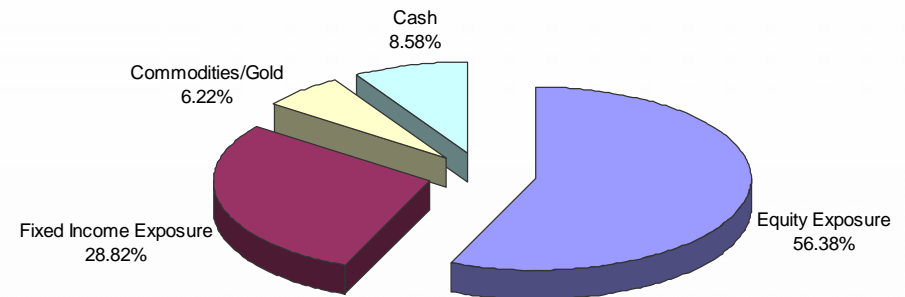
Equities: -1.88%

Commodities: -0.55%

Fixed Income: +0.46%

Foreign Currency: +1.02%

SUMMARY OF PORTFOLIO ASSET ALLOCATION



ODEY OPPORTUNITY FUND - PERFORMANCE

Structure

- Bi-Monthly dealing (1st and 15th of each month)
- Cayman registered
- Listed on the Irish Stock Exchange
- GBP, USD and EUR share classes
- Institutional and Retail Classes available
- Eligible for Offshore Bonds and SIPPs

Fees

- Management fee: Class A - 1.0%, Class B - 1.50%
- No Performance Fee

Contact Information

Richard Neville-Rolfe

T: +44 (0)1481 743600

E: r.neville-rolfe@odeywealth.com

Sarah St George

T: +44 (0)207 2081432

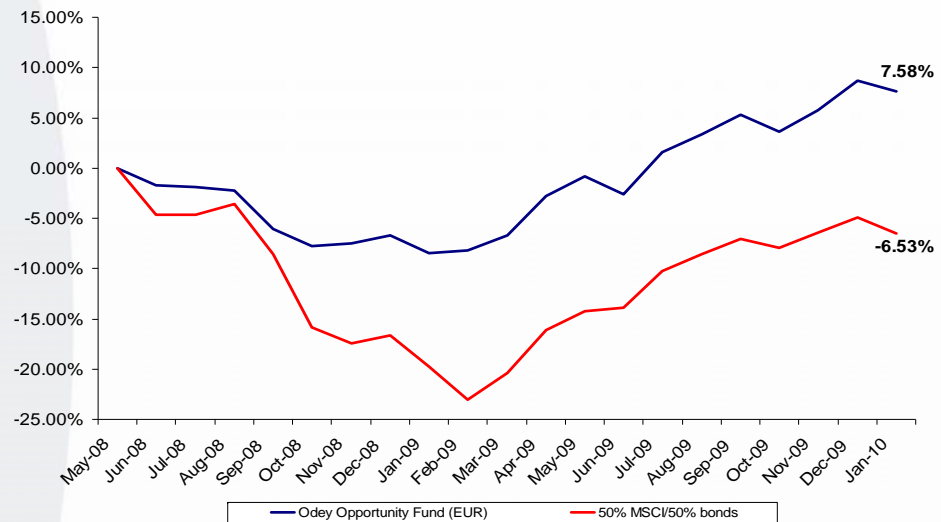
E: S.StGeorge@odeywealth.com

Geoff Marson

T: +44 (0)1481 743601

E: g.marson@odeywealth.com

PERFORMANCE SINCE INCEPTION (June08)



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	2008
Odey Opportunity Fund	-	-	-	-	-	-1.69%	-0.24%	-0.30%	-3.92%	-1.79%	0.32%	0.86%	-6.65%
Reference Index*	-	-	-	-	-	-4.64%	-0.01%	1.11%	-5.13%	-8.05%	-1.88%	1.05%	-16.61%

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	2009
Odey Opportunity Fund	-1.91%	0.25%	1.60%	4.27%	2.00%	-1.85%	4.36%	1.74%	1.87%	-1.63%	2.10%	2.76%	16.43%
Reference Index*	-3.78%	-4.10%	3.48%	5.31%	2.28%	0.41%	4.24%	1.85%	1.71%	-1.01%	1.69%	1.59%	14.03%

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	2010
Odey Opportunity Fund	-1.00%	-	-	-	-	-	-	-	-	-	-	-	-1.00%
Reference Index*	-1.72%	-	-	-	-	-	-	-	-	-	-	-	-1.72%

*Reference Index is 50% MSCI World EUR Hedged, 50% Citigroup 3-7 Year GBI

Source for above table and chart: Daiwa Europe Fund Managers, MSCI & Citigroup

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ODEY OPPORTUNITY FUND – FACT SHEET

Why the Opportunity Fund?

- Designed to be a core investment at the heart of typical private client portfolio, pension or endowment
- Suitable for investors who are looking for an actively managed portfolio, combined with a sophisticated level of risk management
- The fund aims: to perform well when markets are favourable and preserve capital when markets are poor.
- The fund seeks to shift the burden of asset allocation from the investor to the expert. For example, depending on the macroeconomic environment, the manager will vary the equity exposure of the fund from high to low. In addition, the manager will seek to allocate the remaining fund assets according to the prevailing market conditions moving between bonds, commodities and currencies.
- By using exchange traded funds (ETF's), the manager is able to keep the fund as nimble as possible while at the same keeping the overall cost of the fund very competitive compared with traditional fund of funds
- No more than 20% is invested with any single counterparty and the underlying strategies are liquid and easy to understand

Why Odey?

- Established in 1991, Odey Asset Management LLP is one of Europe's longest established Long-Short Equity Managers
- The Group manages circa. \$6 billion in a variety of strategies and has an established reputation in London
- In this regard, Odey has a long and successful track record with a proven reputation for capital preservation and market out performance

Experienced fund management team

- The well respected fund management team of Geoff Marson and Shaun Le Messurier joined Odey from Credit Suisse Private Banking in January 2008. Between them, they have over 35 years of investment experience
- They are well known in the industry for their skills in researching and selecting funds as well as constructing portfolios to achieve specified investment objectives
- Portfolio risks are managed with reference to the volatility of each investment once consideration is taken for how each investment is correlated to each other
- The risk of each fund investment is understood within the context of its investment style and the overall impact this has on the portfolio

Investment objective

- Total return
- Balanced attitude to risk

Investment Approach

- Top-down
- Dynamic asset allocation, flexibility is key
- Global outlook

Fund Overview

- The investment process is primarily driven by in-depth top-down, macro research which seeks to identify the best medium to long term market opportunities
- Once the top-down view has been decided, the manager will seek to build a portfolio using collective investment schemes, blending both active and passive strategies (principally ETF's)
- The fund managers have a high level of flexibility to position the portfolio to profit from these trends
- The portfolio is constructed with the constraint of maintaining a balanced level of risk, taking into account the overall volatility of each investment and the diversification effect of investing in different asset classes