

ODEY INVESTMENT FUNDS PLC

(An open-ended umbrella type investment company with variable capital and with segregated liability between Sub-Funds, incorporated with limited liability under the laws of Ireland, authorised as an Undertaking for Collective Investment in Transferable Securities (UCITS), registered number 360460)

**ODEY PAN EUROPEAN FUND
ODEY ALLEGRA EUROPEAN FUND
ODEY ALLEGRA INTERNATIONAL FUND
(Sub-Funds of Odey Investment Funds plc)**

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the Year Ended 31 December 2007

CONTENTS

| | Page |
|--|--------------|
| General Information | 3 |
| Directors' Report | 4-5 |
| Report and Responsibilities of the Custodian | 6 |
| Independent Auditors' Report | 7-8 |
| Odey Pan European Fund | 9 |
| - Investment Manager's Report | 9-11 |
| - Schedule of Investments and Schedule of Portfolio Changes | 12-16 |
| Odey Allegra European Fund | 17 |
| - Investment Manager's Report | 17-19 |
| - Schedule of Investments and Schedule of Portfolio Changes | 20-24 |
| Odey Allegra International Fund | 25 |
| - Investment Manager's Report | 25-27 |
| - Schedule of Investments and Schedule of Portfolio Changes | 28-33 |
| Statement of Assets and Liabilities | 34-36 |
| Profit and Loss Account | 37-38 |
| Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares | 39-40 |
| Notes to the Financial Statements | 41-63 |
| Supplemental Information | 64-66 |

GENERAL INFORMATION

Directors

Andrew Bates (Irish)
Frank Ennis (Irish)
David Fletcher (British)**
Peter Heaps (British, Irish Resident)*
David Stewart (British), alternate Director to David Fletcher**

Company Secretary

Tudor Trust Ltd,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Registered Office

George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

Investment Manager and Distributor

Odey Asset Management LLP,
12 Upper Grosvenor Street,
London,
W1K 2ND,
England.

Custodian

RBC Dexia Investor Services Bank S.A.
Dublin Branch,
George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

Auditors

Ernst & Young,
Chartered Accountants,
Harcourt Centre,
Harcourt Street,
Dublin 2,
Ireland.

Legal Advisers

Dillon Eustace,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

Simmons & Simmons,
City Point,
1 Ropemaker Street,
London,
EC2Y 9SS,
England.

Administrator

RBC Dexia Investor Services
Ireland Limited,
George's Quay House,
43 Townsend Street,
Dublin 2,
Ireland.

* Resigned 29 February 2008

** David Stewart resigned as an alternate Director to David Fletcher on 13 March 2008 and was appointed as a Director on the same date. Also, on 13 March 2008 David Fletcher resigned as a Director and was appointed as an alternate Director to David Stewart.

DIRECTORS' REPORT

For the year ended 31 December 2007

The Directors present their Annual Report for the year ended 31 December 2007.

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of Odey Investment Funds plc ("the Company") and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make significant estimates and judgements that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts 1963 to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations"). This has been outsourced to RBC Dexia Investor Services Ireland Limited ("the Administrator"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors have engaged RBC Dexia Investor Services Bank S.A., Dublin Branch, to act as custodian with a duty to safeguard the assets of the Company.

Date of incorporation

The Company was incorporated on 21 August 2002 and was authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Financial Regulator. The Company is organised as an investment company with variable capital pursuant to the UCITS Regulations.

The Company is an umbrella fund. As of the date of this report the Company has three live Sub-Funds. Odey Pan European Fund offers two classes of shares for investment while Odey Allegra European Fund offers seven classes of shares for investment. A third Sub-Fund, Odey Allegra International was approved by the Financial Regulator on 26 January 2007 and offers five classes of shares for investment.

Principal activities

The Company's principal activity is the collective investment in transferable securities of capital raised from the public and which operates on the basis of risk spreading.

Review of Business and Future developments

Both the level of business and the year end financial position were satisfactory and the Directors expect an increased level of activity in the future. The Directors believe that the change in the Net Asset Value per Share is the key indicator of performance. A more comprehensive overview of the Company's trading activities is detailed in the Investment Manager's Report.

Risk management objectives and policies

The objective of the Company is to provide investors with long-term capital appreciation.

Odey Pan European invests primarily in equities issued by what the Investment Manager consider to be companies which derive a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe and which are listed or traded on one or more Recognised Exchanges.

DIRECTORS' REPORT

For the year ended 31 December 2007

Risk management objectives and policies (continued)

Odey Allegra European Fund invests predominantly in equities and equity related securities which are listed or traded on one or more Recognised Exchanges in Europe.

Odey Allegra International Fund invests predominantly in equity and equity-related securities which are listed or traded on one or more Recognised Exchanges worldwide.

Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in Note 9 of these financial statements.

Results

The financial position and results for the year are set out on pages 34 to 40. No dividends have been paid or declared at the year end.

Events Since Year End

A number of changes have been made to the Prospectus dated 01 November 2007 and filed with the Financial Regulator. However, the Financial Regulator has not yet approved these changes. The legal secretary for the Fund will inform us as soon as there is any confirmation from the Financial Regulator. A dividend of €88,089 was declared to the investors in the Sterling D class of the Odey Pan European Fund on 10 April 2008.

Peter Heaps resigned as a director with effect 29 February 2008. David Stewart resigned as an alternate Director to David Fletcher on 13 March 2008 and was appointed as a Director on the same date. Also, on 13 March 2008 David Fletcher resigned as a Director and was appointed as an alternate Director to David Stewart.

Directors

The names of the persons who were Directors at any time during the year are set out on page 3.

Directors' and Secretary's interests

Peter Heaps was Managing Director of RBC Dexia Investor Services Ireland Limited. David Fletcher is Chairman of Odey Asset Management LLP. Andrew Bates is a partner in Dillon Eustace.

The Directors and Secretary (including family interests) do not have any shareholdings in the Company as at 31 December 2007, with the exception of David Fletcher who holds one Subscriber Share in the Company.

Books of Account

To ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990, the Directors of the Company have employed a service organisation, RBC Dexia Investor Services Ireland Limited ("the Administrator"). The books of account are located at the offices of the Administrator at George's Quay House, 43 Townsend Street, Dublin 2.

Auditors

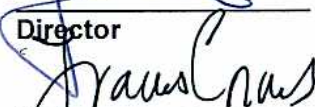
The auditors, Ernst & Young, Registered Auditors, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board



Director

Date: 10 April 2008



Director

Date: 10 April 2008



REPORT AND RESPONSIBILITIES OF THE CUSTODIAN

Custodian's Responsibilities

The Custodian is under a duty to take into custody and to hold the property of Odey Investment Funds plc (the "Company") on behalf of the shareholders. Under the Financial Regulator's UCITS Notices, it is the duty of the Custodian to enquire into the conduct of the Company and report thereon to the shareholders in a report which shall contain the matters prescribed by the Notices.

Report of the Custodian For the year ended 31 December 2007

In our opinion, the Company has been managed for the year ended 31 December 2007:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) ("the Regulations") and,
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.


**RBC DEXIA INVESTORS SERVICES BANK S.A.
DUBLIN BRANCH**

Date: 9 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Odey Investment Funds plc.

We have audited the financial statements of Odey Investment Funds plc for the year ended 31 December 2007 which comprise of the statement of assets and liabilities, profit and loss account, changes in net assets attributable to the holders of redeemable participating shares and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) as set out in the Statement of Directors' Responsibilities.

The Directors are also responsible for preparing a Schedule of Investments in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the Notices (the "UCITS Notices") issued by the Irish Financial Services Regulatory Authority (the "Financial Regulator").

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts, 1963 to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We also report to you our opinion as to: whether proper books of account have been kept by the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Schedule of Investments has been prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) Notices (the "UCITS Notices") issued by the Irish Financial Services Regulatory Authority (the "Financial Regulator") and we report if it does not.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, and the Investment Manager's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Odey Investment Fund plc (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the Company as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2006, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young

Registered Auditors
Dublin

April 24, 2008

INVESTMENT MANAGER'S REPORT

Odey Pan European Fund report for the year ended 31 December 2007

The fund Euro share Class returned +8.07% and the fund STG share class returned +17.7% against an MSCI Europe return of +2.98%. Performance for the year was primarily driven by individual positions such as DaimlerChrysler (+2.18%), BSKyB (+1.24%), Areva (+1.16%) and SGL Carbon (+1.15%). Other sectors of particular note included Agricultural Chemicals (+1.86%), Metals/Minerals (+1.50%) and Industrial Conglomerates (+1.04%). The main detractors were Praktiker (-0.55%), Infineon Technologies (-0.50%) and Bongrain (-0.46%).

"This brings on the bulls. They tend to have no macro view to speak of. They are a younger generation with little memory of even the dotcom crash and certainly none of the 1990 recession. They go with the flow, finding plausible explanations to validate each successive rise, without fearing a reckoning. Asia and the developing world are growing fast. Core Europe appears to be warming up. The US economy may slow a little, but it will benefit from the weaker dollar against Europe and will muddle along. Interest rates may vacillate a bit, but who cares. Inflation is not a threat and is really something only the old boys still wearing their ties in the office talk about. The paradox is that most of these young Turks read Business Studies and Economics. A paradox because never have so many economic models failed. The Balassa-Samuelson model had a 100% record in forecasting that developing economies running large and growing current account surpluses who did not allow their exchange rate to rise against their trading partners would suffer domestic inflation that would effectively do the work that the rise in the exchange rate would have done. 100% accurate up until last year; China has shown it to be 100% wrong. Equally painfully have disappeared the Kitchin cycle, the Kuznets cycle, the Juglar cycle as well as many others that I have forgotten the names of. The survivors don't look that healthy, and I reckon there are only another few quarters' life in the Harrod-Domar one sector growth model. The Philips curve, at best a fair-weather friend, deserted us again last year as the US pay data revision in August confounded reasonable expectations of a marked pick-up in wage claims with unemployment so low."

December 2006 annual report.

There is an African saying that 'sometimes an old man lying on the ground can see further than a young man at the top of a tall tree.' I like the word 'sometimes'. However, last year the guys wearing the ties saw furthest. Indeed they were probably out done by the even older guys wearing the cravats. Unusually in my case, this was all achieved without breaking into a sweat. Markets which had seemed impossible to read for the previous two years because they did not listen to the past suddenly started to fall over as they encountered worries that they had not known existed. Who would have believed that a bear would have got into the inter-bank money market?

Of course in the language of the markets not much has yet been said. Emerging markets have continued on course for the moon; Developed world markets have crept along silently but not painfully. There are more red faces than red ink at present. However, the future is now rather more clearly in outline and with it comes the realisation that it is not going to be easy for the authorities to keep the show on the road. Five years of living off expanding balance sheets has not so much grown the world economy as bloated it. Expanding the waist line has turned out to be no solution to improving the metabolism.

The banking sector has been the unwitting author of the coming disaster. The story of Northern Rock is instructive. Here was a widely admired and highly successful financial institution, which failed but not because of the normal banking weaknesses of bad lending or misfeasance. Rather it had grown too fast and too far from its foundations. It started almost 10 years ago with a fairly harmless habit of extending its growth a bit beyond its normal capacity through selling some mortgages and using the proceeds to lend again (securitisation). Encouraged by experience and applauded by observers, this top up activity gradually expanded until by 2007 it had become the core business. Northern Rock had ceased to be a conventional bank; it had become a debt originator and loans were growing at 40% p.a. For some time the Bank of England had warned that it would not advance money against mortgage collateral and as gravity was switched back on it became clear that NR were just one part of a debt creation process, and could not survive without the continued connivance of their funding counterparts – the investment banks and their clients. Little by little they had lost control of their destiny and there was no way back.

Another example is Intermediate Capital Group, the established and respected mezzanine finance provider. In common with other private equity market participants it had dealt with the difficulty of negative carry on deals in recent years by accepting PIKs (Payments In Kind) instead of interest. During asset inflation the practice flourished, but now, as the tempo slows what started as money has turned out to be smarties. ICP announced a rescue rights issue today.

What were the authorities thinking when they revoked the Glass-Steigel Act which had carefully ensured the separation of investment banks from money centre banks? The nature of investment banks is to be transaction-orientated, focussing on the short term. The strength of general bankers is that they are relationship based and forced to think long term. Put the two together and the investment banker's quick buck approach starts to predominate, simply because that is where the profits are greatest and most immediate. Very quickly the game becomes how much can you package and how little can you can commit. SIV's spring instantly to mind. In the hang-over stakes, it is not yet mid morning. Surely we will see some re-enactment of this post 1929 legislation later this decade?

However, for my money this year is going to be dominated by rising WAGES. For the last twelve years the OECD has enjoyed an exceptionally benign inflation environment thanks largely to the influence of cheap labour in the developing world helping to cap wage pressures in the developed world. We are now experiencing exceptionally high cost of living increases thanks to commodity price increases and 20% + per annum wage growth in emerging markets; yet so far wages in the OECD countries have not started to move. It seems hopeful to believe that this will continue, even into a developed world downturn.

Thanks to the banking crisis, interest rates may fall in the short term, but inflationary expectations are rising and if I am right then the rise in wages this year will surprise everybody in much the same way as the insidious inter bank bear. It will be compounded in some countries by their falling currencies.

In the U.K. for example my expectation is that sterling will fall some twenty percent against the euro and nearly that against the dollar. Simple maths suggests that the consequent import price rises alone should add some 7% to inflation, which is already running at close to 4.5%. Today's union pay demands of 7% may still be behind the curve!

At this point, I really cannot see how the Chancellor of the Exchequer or the Governor of the Bank of England can act to improve things from here. By April the effect of the credit crunch will no longer be confined to liquidity concerns; loan defaults and credit losses will be coming through too. House prices will be falling fast, and volumes will evaporate, whilst banks will be widening net interest margins to protect themselves and in the process driving ever higher the cost of borrowing. The Bank of England will be under enormous pressure to cut rates even though inflation will be rising and then we have a currency crisis like the one that Dennis Healey faced in 1976. So much for the monetary outlook. On the fiscal side, the UK Government's finances are so cyclically geared and their spending so out of control that by the end of this year, with a deteriorating economy, they will have to be talking about the most unpalatable taxes being raised. Possibly that may be the first time to start investing again.

Dominated by Germany and to a lesser extent France, Europe may be reasonably happy to have a strong Euro for its anti-inflationary powers. However, the PIGS, as they are known, will not be enjoying the ride. Portugal, Ireland, Greece and Spain will feel the pain and by the autumn will be envious that the UK, whilst it will have had the worst of this year, will be better set up to weather 2009.

The USA will suffer from many of the same problems as the UK - they may easily be already in recession. They certainly have the same credit cycle problems. Wages should also start to misbehave. Furthermore they will have to contemplate a democratic victory in the autumn. Wall Street is fast becoming very unpopular auguring rising taxes for the rich. In this era of big government, which started in the USA with Bush jr as far back as 1998 and is ubiquitously entrenched elsewhere, the private sector must expect to be harried and taxed even as it finds itself coping with costs increasingly passing outside of their control. For the world the fact that the USA will be entering a collectivist era will weaken the spirit of free enterprise everywhere. I hope that you have thought about this because it will dominate how your wealth fares over the next few years.

We have already seen a little of this new world last month, when the state of Alaska decided to take another \$1.6 billion off the oil industry a year in taxes, whilst at the same time revoking licences legally granted in the

70's which they felt were not being properly exploited. This action drives down the P/E for the oil companies and drives up the price of oil. There will be much worse to come because at present there is nobody to challenge the concept of big government.

So it is no surprise to find that the portfolio on the long side is defensively positioned. In the main it has not changed much. I remain overweight the property casualty insurers for their cashflow characteristics. Sadly one of my larger holdings, Kiln, in the UK, has been bid for by Tokyo Fire and Marine. I remain big in the agricultural sector, where prices from here should reflect wage rises in the West. Although the major part of the price rise in real terms is over, there is still nowhere else quite so good from where to watch the inflation story unfold. My biggest buying in the last quarter was of the food producers. They had a torrid time last year as rising input prices were difficult to pass on, so they announced profit warnings and their share prices duly fell. They still tell a story of woe, but it is difficult, given their minimal profit margins, for them not to pass on price increases. They sell at less than the replacement cost and they produce the staples which are supposed to be price inelastic. We shall see.

It is easier to see what to short. After such a long period of low interest rates, investors do not readily differentiate between a company enterprise value made up of 80% debt and 20% equity and one the other way round; with rising interest rates the difference will be plain. Small and mid cap shares had a harder year in 2007 but they still have further to fall in 2008. Likewise the banks have fallen by 30% over the last twelve months but they still trade close to 2 times book value whilst on the horizon rights issues loom. Too early to be a buyer. Stock exchanges defied gravity last year as investors still saw growth going out into the future, but in a world in which wages dominate, shares and share trading wilts. This year will be hard on these shares. Property will continue to do badly and so will the property retailers - the pubs and Big Yellow Group. After a halcyon period clothes retailers in the UK will suffer weak demand and rising input costs. Be especially worried if they are operationally geared like Next.

Currencies will be crucial, inflation is back and that means the carry trades will disappear. Some time this year even Japan will get inflation. Bonds have lived a charmed life but may be that is about to change. All in all then 2008 promises to be a roller coaster. However lying on the ground is not lying on the beach for this old man.

Crispin Odey
January 2008

Odey Investment Funds plc

ODEY PAN EUROPEAN FUND SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2007

| (expressed in EUR) | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets |
|--|-------------------------|----------|---------------------|-------------------|-----------------|
| Description | | | | | |
| 1) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | | |
| A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | | |
| 1) LISTED SECURITIES: SHARES | | | | | |
| BERMUDA ISLANDS | | | | | |
| Alea Group Holdings (Bermuda) | 1,648,370 | USD | 1,398,918 | 2,277,424 | 1.45 |
| Catlin Group Ltd | 175,600 | GBP | 1,319,693 | 915,683 | 0.58 |
| Hiscox Ltd | 238,000 | GBP | 988,578 | 928,375 | 0.59 |
| Kiln Ltd | 3,113,590 | GBP | 4,188,305 | 6,221,016 | 3.95 |
| | | | <u>7,895,494</u> | <u>10,342,498</u> | <u>6.57</u> |
| CANADA | | | | | |
| Agnico Eagle Mines Ltd | 26,800 | CAD | 590,025 | 1,010,732 | 0.64 |
| | | | <u>590,025</u> | <u>1,010,732</u> | <u>0.64</u> |
| SWITZERLAND | | | | | |
| Roche Holding AG | 8,000 | CHF | 1,041,203 | 945,350 | 0.60 |
| Syngenta AG | 54,850 | CHF | 7,992,498 | 9,559,962 | 6.07 |
| Zurich Financial Services | 21,700 | CHF | 4,450,835 | 4,358,982 | 2.77 |
| | | | <u>13,484,536</u> | <u>14,864,294</u> | <u>9.44</u> |
| GERMANY | | | | | |
| Allianz SE | 13,400 | EUR | 1,927,095 | 1,982,530 | 1.26 |
| Bayer AG | 14,000 | EUR | 823,650 | 873,180 | 0.56 |
| DaimlerChrysler AG | 55,700 | EUR | 2,538,211 | 3,704,050 | 2.35 |
| Epcos AG | 132,222 | EUR | 1,534,882 | 1,554,931 | 0.99 |
| Infineon Technologies AG | 153,800 | EUR | 1,913,467 | 1,248,856 | 0.79 |
| Linde AG | 16,600 | EUR | 1,181,025 | 1,502,134 | 0.95 |
| Muenchener Rueckvers | 21,575 | EUR | 2,556,450 | 2,868,181 | 1.82 |
| Praktiker Bau & Heimwerk | 111,000 | EUR | 3,113,927 | 2,220,000 | 1.41 |
| SAP AG | 45,400 | EUR | 1,738,818 | 1,617,148 | 1.02 |
| | | | <u>17,327,525</u> | <u>17,571,010</u> | <u>11.15</u> |
| FRANCE | | | | | |
| Bongrain | 62,200 | EUR | 5,335,521 | 4,671,842 | 2.97 |
| Carrefour SA | 65,950 | EUR | 3,297,413 | 3,514,476 | 2.23 |
| Areva CI | 7,720 | EUR | 2,446,732 | 6,060,200 | 3.85 |
| Vivendi | 73,950 | EUR | 2,145,545 | 2,320,551 | 1.47 |
| | | | <u>13,225,211</u> | <u>16,567,069</u> | <u>10.52</u> |
| GREAT BRITAIN | | | | | |
| BP Plc | 840,700 | GBP | 6,951,758 | 7,039,437 | 4.47 |
| British Sky Broadcasting Group | 1,563,000 | GBP | 12,069,356 | 13,172,597 | 8.36 |
| Churchill Mining Plc | 890,700 | GBP | 651,551 | 642,731 | 0.41 |
| Dairy Crest Group Plc | 114,113 | GBP | 1,162,833 | 905,786 | 0.58 |
| Devro Plc | 839,900 | GBP | 1,218,806 | 1,052,052 | 0.67 |
| Hardy Underwriting Group Plc | 9,700 | GBP | 33,614 | 38,960 | 0.02 |
| Northern Foods Plc | 2,127,500 | GBP | 2,931,437 | 2,722,822 | 1.73 |
| Pursuit Dynamics Plc | 502,600 | GBP | 863,517 | 1,351,485 | 0.86 |
| Reed Elsevier Plc | 147,600 | GBP | 1,188,928 | 1,365,519 | 0.87 |
| Rio Tinto Plc | 49,300 | GBP | 2,061,565 | 3,568,908 | 2.27 |

Odey Investment Funds plc

| (expressed in EUR) | | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets | |
|---|------------------------------|-------------------------|-----------------|---------------------|------------------------|--------------------|-----------------|
| Description | | | | | | | |
| Robert Wiseman Dairies | | 148,000 | GBP | 881,619 | 1,098,196 | 0.70 | |
| Royal & Sun Alliance | | 7,482,576 | GBP | 12,349,187 | 15,098,060 | 9.58 | |
| Royal Dutch Shell | | 16,104 | GBP | 443,570 | 458,249 | 0.28 | |
| | | | | <u>42,807,741</u> | <u>48,514,802</u> | <u>30.80</u> | |
| NORWAY | | | | | | | |
| Statoilhydro ASA | | 120,700 | NOK | 2,722,303 | 2,569,470 | 1.63 | |
| Yara International ASA | | 207,000 | NOK | 5,060,282 | 6,557,796 | 4.16 | |
| | | | | <u>7,782,585</u> | <u>9,127,266</u> | <u>5.79</u> | |
| SWEDEN | | | | | | | |
| Ericsson Telecom | | 154,200 | SEK | 403,243 | 247,711 | 0.16 | |
| | | | | <u>403,243</u> | <u>247,711</u> | <u>0.16</u> | |
| TOTAL LISTED SECURITIES: SHARES | | | | <u>103,516,360</u> | <u>118,245,382</u> | <u>75.07</u> | |
| TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | <u>103,516,360</u> | <u>118,245,382</u> | <u>75.07</u> | |
| B) FINANCIAL INSTRUMENTS | | | | | | | |
| 1) FINANCIAL INSTRUMENTS | | | | | | | |
| FRANCE | | | | | | | |
| French Discount T-Bill 0% 02/07/08 | | 14,000,000 | EUR | 13,886,547 | 13,942,447 | 8.85 | |
| | | | | <u>13,886,547</u> | <u>13,942,447</u> | <u>8.85</u> | |
| TOTAL FINANCIAL INSTRUMENTS | | | | <u>13,886,547</u> | <u>13,942,447</u> | <u>8.85</u> | |
| OPEN FOREIGN EXCHANGE FORWARD CONTRACTS | | | | | | | |
| Maturity Date | Counterparty | CCY | Purchase Amount | CCY | Sold Amount | Unrealised Gain | % Net Assets |
| 31-Jan-08 | RBC Dexia IS Bank Luxembourg | EUR | 41,683,456 | GBP | 30,000,000 | 899,909 | 0.57 |
| | | | | | <u>Unrealised Gain</u> | <u>899,909</u> | <u>0.57</u> |
| TOTAL INVESTMENTS | | | | | <u>117,402,907</u> | <u>133,087,738</u> | <u>84.49</u> |
| OTHER ASSETS LESS LIABILITIES | | | | | | <u>24,436,004</u> | <u>15.51</u> |
| TOTAL NET ASSETS | | | | | | <u>157,523,742</u> | <u>100.00</u> |

**ODEY PAN EUROPEAN FUND
GEOGRAPHIC DIVISION OF INVESTMENTS AS AT 31 December 2007**

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Great Britain | 30.80 | 49.18 |
| France | 19.37 | 8.67 |
| Germany | 11.15 | 24.35 |
| Switzerland | 9.44 | 4.04 |
| Bermuda Islands | 6.57 | 1.65 |
| Norway | 5.79 | 8.03 |
| Canada | 0.64 | 0.57 |
| Sweden | 0.16 | - |
| Hungary | - | 3.21 |
| Total Financial Assets at Fair Value through Profit or Loss | 83.92 | 99.70 |
| Cash and Other Assets | 16.08 | 0.30 |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | 100.00 |

ODEY PAN EUROPEAN FUND

ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2007

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Insurance | 21.43 | 29.84 |
| News Transmission | 9.99 | 11.99 |
| States, Provinces and Municipalities | 8.85 | - |
| Food and Distilleries | 6.65 | 5.09 |
| Chemicals | 6.63 | 4.29 |
| Holding and Finance Companies | 5.06 | 3.24 |
| Agriculture and Fishing | 4.16 | 1.42 |
| Public Services | 3.85 | 1.13 |
| Retail | 3.64 | 2.09 |
| Automobile Industry | 2.35 | 5.30 |
| Non-Ferrous Metals | 2.27 | 1.80 |
| Petrol | 1.92 | 3.01 |
| Mechanics and Machinery | 1.80 | 5.93 |
| Electronic Semiconductor | 1.77 | 2.24 |
| Internet Software | 1.03 | - |
| Graphic Art and Publishing | 0.87 | 2.01 |
| Precious Metals | 0.64 | 0.57 |
| Pharmaceuticals and Cosmetics | 0.60 | 4.75 |
| Mines and Heavy Industries | 0.41 | 9.62 |
| Banks and Financial Institutions | - | 3.86 |
| Photography and Optics | - | 0.99 |
| Other Services | - | 0.53 |
| Total Financial Assets at Fair Value through Profit or Loss | 83.92 | 99.70 |
| Cash and Other Assets | 16.08 | 0.30 |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | 100.00 |

ODEY PAN EUROPEAN FUND
TOP 20 LARGEST PORTFOLIO CHANGES for the year ended 31 December 2007
(Unaudited)

Purchases

| DATE | SECURITY NAME | QUANTITY | COST (EUR) |
|-------------|------------------------------------|-----------------|-------------------|
| 20-Nov-07 | French Discount T-Bill 0% 02/07/08 | 14,000,000 | 13,886,547 |
| 17-Aug-07 | Zurich Financial Services | 18,000 | 3,640,861 |
| 13-Jul-07 | BP Plc | 305,500 | 2,787,923 |
| 09-Feb-07 | Zurich Financial Services | 12,900 | 2,782,561 |
| 09-Oct-07 | Syngenta AG | 16,700 | 2,610,659 |
| 23-Mar-07 | Bayer AG | 49,500 | 2,284,129 |
| 02-Aug-07 | Commerzbank AG | 72,400 | 2,222,432 |
| 23-Oct-07 | Yara International ASA | 87,300 | 2,171,419 |
| 23-Mar-07 | Muenchener Rueckvers | 17,600 | 2,133,808 |
| 22-Feb-07 | Statoil ASA | 97,000 | 1,915,524 |
| 22-Mar-07 | BP Plc | 237,600 | 1,871,841 |
| 13-Aug-07 | Statoil ASA | 90,300 | 1,836,863 |
| 28-Sep-07 | Statoilhydro ASA | 75,400 | 1,800,820 |
| 13-Sep-07 | Siemens AG | 20,000 | 1,789,356 |
| 24-May-07 | Bongrain | 21,350 | 1,774,708 |
| 27-Jul-07 | Siemens AG | 18,400 | 1,769,050 |
| 03-Sep-07 | Carrefour SA | 34,900 | 1,763,835 |
| 16-Aug-07 | Ericsson Telecom | 687,400 | 1,759,635 |
| 28-Jun-07 | SAP AG | 45,400 | 1,738,818 |
| 28-Jun-07 | Ericsson Telecom | 579,700 | 1,718,753 |

Sales

| DATE | SECURITY NAME | QUANTITY | PROCEEDS (EUR) |
|-------------|--------------------------------|-----------------|-----------------------|
| 31-Oct-07 | Muenchener Rueckvers | 41,700 | 5,501,739 |
| 16-Aug-07 | SGL Group | 138,100 | 4,581,076 |
| 25-May-07 | Statoil ASA | 220,020 | 4,554,459 |
| 09-Feb-07 | Aviva Plc | 329,200 | 4,161,671 |
| 02-Nov-07 | Zurich Financial Services | 20,600 | 4,129,333 |
| 03-Jan-07 | Xstrata Plc | 115,000 | 4,113,985 |
| 06-Aug-07 | BP Plc | 456,700 | 3,692,589 |
| 30-Oct-07 | British Sky Broadcasting Group | 360,000 | 3,481,773 |
| 12-Apr-07 | Bayer AG | 72,200 | 3,473,205 |
| 12-Dec-07 | DaimlerChrysler AG | 50,200 | 3,413,562 |
| 26-Jul-07 | Xstrata Plc | 71,100 | 3,398,562 |
| 25-Jul-07 | Zurich Financial Services | 13,400 | 2,882,502 |
| 16-Nov-07 | Muenchener Rueckvers | 20,900 | 2,513,992 |
| 07-Jun-07 | Aviva Plc | 214,136 | 2,458,166 |
| 25-Jul-07 | Siemens AG | 23,500 | 2,351,517 |
| 17-Jan-07 | Norsk Hydro AS | 102,500 | 2,276,055 |
| 19-Feb-07 | Scor SA | 114,100 | 2,248,295 |
| 25-Jul-07 | British Energy Group Plc | 298,901 | 2,204,024 |
| 10-Apr-07 | Muenchener Rueckvers | 17,200 | 2,202,442 |
| 05-Sep-07 | Zurich Financial Services | 10,000 | 2,117,245 |

INVESTMENT MANAGER'S REPORT

Odey Allegra European Fund report for the year ended 31 December 2007

The fund performed well against an MSCI Europe return of +2.98%. The returns on the individual share classes were as follows:

| | | |
|--------|---------|---------|
| EUR | STG | USD |
| +5.48% | +14.98% | +16.8% |
| EUR I | STG I | USD I |
| +5.37% | +14.73% | +16.61% |

The STG D share class closed in the year.

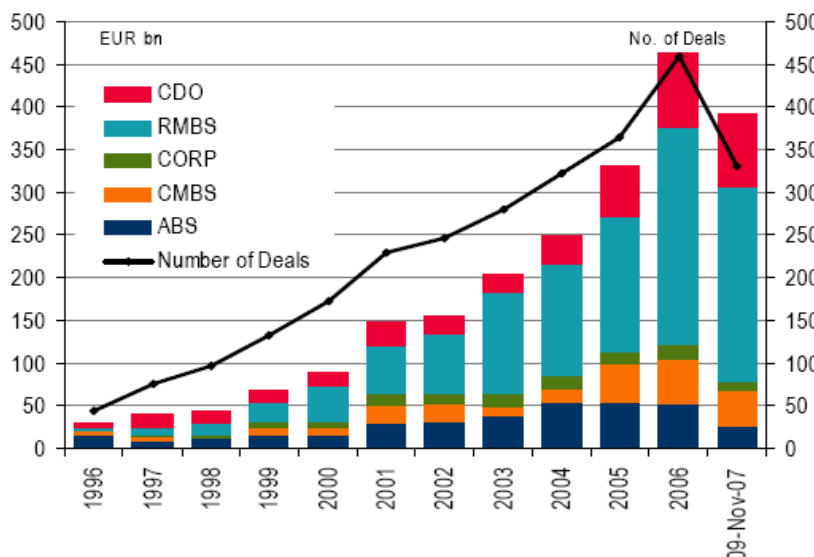
Performance for the year was primarily driven by sectors such as Electric Utilities (+1.89%), Agricultural Chemicals (+1.38%), Transportation (+1.35%) and Telecoms (+0.71%) with E.ON (+0.74%), Yara (+0.98%), FirstGroup (+0.88%) and Telefonica (+0.60%) the best performers from each. Other individual positions of particular note were Bayer (+1.15%), Siemens (+0.57%) and DaimlerChrysler (+0.55%). The main detractors were Norsk Hydro (-2.09%), BP (-0.52%) and Infineon Technologies (-0.43%).

What a difference a year can make. At the start of 2007 global GDP was heading for its fifth year of unprecedented growth. Emerging markets were booming, commodities were on a role and credit was easy to come by. Europe was enjoying a renaissance, as Germany, after years of underperformance celebrated a period of strong GDP growth spurred both by global demand as well as the fiscal and structural initiatives of the Angelika Merkel's regime. Positions in companies such as Daimler Chrysler drove strong returns for the fund as corporate restructuring dominated the German corporate agenda.

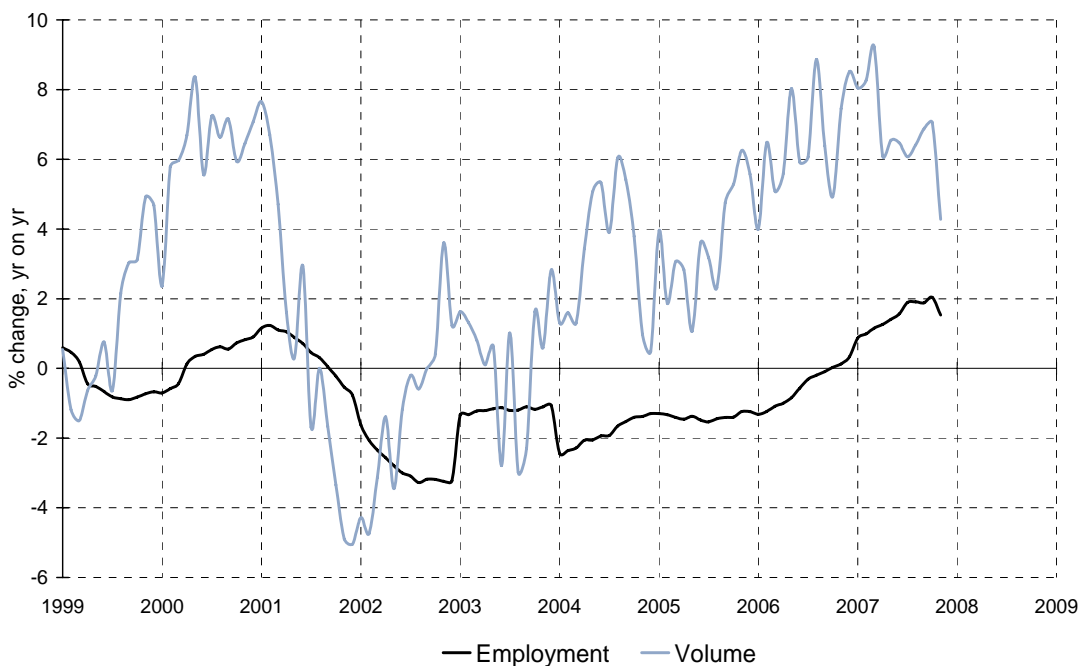
Barely one year later and the script reads very differently. US recession looms. The speculative excesses of the US property market have taken their toll on the US economy. California, an early indicator of economic ill-health, entered recession in late October 2007. House prices continue to tumble along with consumer confidence. Even used car prices are in freefall dropping -6% since November.

The period of easy money that had characterised capital markets since mid-2004 came to an abrupt end in mid-August with the onset of the credit crunch. Bankers who had been willing to lend billions with a wink and a smile have reigned in liquidity and shut up shop. Counterparty risk is back on the agenda and credit spreads continue to widen. The structured credit market that grew by a factor of 4x over a five year period (see chart) is now officially closed for business. Securitisation has gone into hibernation. This has important implications for the demand outlook as the availability of cheap funding has been a key driver for the last five years of economic growth. Yet currently European loan officers are tightening their lending criteria. Indicative of this is the Bank of England's latest credit conditions survey notes "the availability of credit to households and to small businesses has been reduced materially." Tightening credit conditions will crimp economic growth. This has negative implications for both the demand picture and for revenue growth in 2008.

Chart 23: Total European Structured Credit funded issuance by asset class 1996-2007YTD (€bn)



What of the profits outlook for 2008? Can cost cutting offset weaker demand? After all restructuring and efficiency gains proved a decisive factor in margin expansion through 2007. At the start of 2008 it is clear that raw materials will offer no respite with oil at \$90 and iron ore making new highs. However, the most important cost contributor is the wage bill and for the last five years this has been reassuringly flat. However, the chorus of discontent from German Unions suggest that when it comes to labour costs it is more a question of “quo vadis” rather than status quo. Recent calls from the German steel worker’s Union for 8% salary increases have just been trumped by the German rail workers who want +11%. With capacity utilisation at very high levels it is clear that the manufacturing industry has started to add meaningful headcount (see chart) – sadly as ever at the top of the cycle. All this will put pressure on margins through 2008. Yet consensus still believes in +8% earnings growth for Europe in 2008. Profits have been too good for too long.



Source: QuantMetriks Research Ltd.

When it comes to the consumer, Continental European has one advantage over the Anglo Saxon economies, the continental consumer has no leverage, affordability is not a problem for the German – his housing market has not had a boom. Whilst the European consumer is unlikely to collapse as in the UK or US, with rates stubbornly high for this point in the economic cycle he is unlikely to rejoice. Certainly the euro looks a better bet than sterling as a hawkish Trichet looks intent on guarding against inflation. Amazingly for an economy that has only been in recovery since mid-2005, Euro zone inflation is already running at 2.7% well above the requisite band. With food prices soaring, inflation is likely to remain the dog that is yet to bark.

This all sounds much too gloomy. Indeed, I am excited at the prospects for the fund as I see good opportunities for 2008. I think that I can create good capital appreciation for unit holders by focusing on those companies where dividend yields are high and growing, where valuations are not stretched and where cashflows are driven by structural rather than cyclical factors. A management team that understands and is committed to the shareholder is also an important factor particularly in more turbulent equity markets. Take the example of Dr Schenk the CFO of E.ON who has committed to buying back E 3.6bn of shares in 2008 or 5% of the company. The list of companies that fit this criteria is a short one, but a compelling one. It includes utilities, tobacco companies, agricultural companies, supermarket retailers and telecoms companies. All of which have strong dividends, all of which are growing those dividends.

The story of the electricity generating sector in Europe is a simple one. After 10 years of under-investment in German generating capacity, blackouts beckon, unless more power plants are built. And yet, with the price of electricity still below the marginal cost of new supply, the market remains very, very tight. To put some numbers on the bone, Germany has just over 80bn GW of installed generating capacity. This number has remained fairly flat over 10 years and yet demand has grown at 1 GW a year. Spare capacity at peak hours is below 5% which implies that there will be blackouts during the next world cup. For every E1

increase in the electricity price, E.On makes additional ebit of E150m on its E9.4bn ebit base – not bad for a stock on 11x P/E with a 4.5% dividend yield. The story of fertiliser is similarly one of supply shortage. Crop inventory levels are at 100 year lows. As emerging markets develop and industrialisation takes root, acreage dedicated to arable land diminishes. Equally, emerging Middle Classes have Middle class aspirations and the lure of the Sunday Roast has implications for crop supply. The ratio of land required to feed livestock versus a vegetarian diet is 1:2 in the case of chicken, 1:4 in the case of pork and 1:8 in the case of beef. And then there is the US bio fuel effect which tightens supply further. Tight inventories mean high crop prices. High crop prices mean rich farmers. Not since the early 1980's with the prominence of the barbour jacket and the Sloane ranger's handbook has the farmer had it so good. Yet both 2007 & 2008 look to be bumper years. And when farmers are making hay they tend to have more money to spend on herbicides, pesticides and fertiliser – all to be found in the product ranges of Syngenta, Bayer and Yara.

These areas are all well represented within the fund. Sometimes though, the most important investment decision is what to avoid in the portfolio. In 2001 avoiding technology was the most important call to make. To my mind the area to shun even today is the European Banking sector where problems will persist for the foreseeable future.

Reminiscent of the Savings & Loan debacle of the late 1980's, the ingredients of today's credit and banking crisis are over-leverage combined. Under the regulatory aegis of Basle 2 banks have doubled their gearing over a ten year period. The ability to risk weight certain assets has allowed banks to take on more risk. Total assets to tangible book swelled over a decade from an acceptable 20x to a hefty 40x. Risky loan assets have been siphoned off balance sheet into conduits or SIVs (Special Investment Vehicles), even though legal and reputational risk remains with the issuing bank. Repatriation only need occur in the case of asset distress. The SOS beacon has been pressed. These poisonous envois are returning to sender at precisely the moment when the opposite is required. Banks need to reflate their equity base and shrink their balance sheet. To do this as Mervyn King recently alluded, UK banks will need to issue equity and lots of it. The same is true on the Continent.

Spare a thought for Mr Daniel Bouton, the CEO of French Bank Societe Generale. He is having a bad week. Just six months ago he was the toast of the town as both Unicredito and BNP wanted to buy his bank. Today with a share price down 50% Mr Bouton looks unbuttoned. Even his home team have turned against him with a polite admonition from the Banque de France that E5bn of Soc Gen's sub prime exposure would need to be addressed. And if this wasn't bad enough Soc Gen has just learnt that there has been a rogue trader in their midst's. Write downs beckon on an already slender equity base. Think of poor Mr Votron at Fortis whose enthusiasm for saving fellow Dutchee ABN from Anglo Saxon claws has landed him the most toxic book of CDOs in Europe or Peter Wuffli the outgoing chief of UBS whose final act at the helm of the great swiss bank was drive the firm into the sub prime arena. Or the austere Dr Guenther Braeuning, head of German commercial bank IKB, who allegedly discovered that his bank had gone bust whilst he was taking a bath – no cold shower required.

There has been much Sturm & Drang in the continental banking sector and there is more pain to come. The next shoes to drop will be defaults on credit card receivables, auto loans and commercial real estate. Despite 20% falls the sector still does not look cheap. Still trading at 2x book value, a normalising of investment banking profits to 2005 levels and an increase in loan provisions to an over the cycle average of 80bps from 50 today and the sector falls another 20%. Beware low PE's in cyclical stocks where earnings are about to fall. Beware small and mid-cap companies which will prove the most cyclical of all.

Looking at prior economic downswings would suggest that corporate earnings are likely to decrease by 30% and that the FED will cut rates by 400bps and that Baa credit spreads will widen by 200bps. Broader stock markets tend to initially struggle during such periods and equity market volatility increases. Eventually stock markets look through today's troubles and begin discounting future recovery. It is my job to steer the portfolio through near term turbulence in order to reap the rewards of the next cycle. We have been early to recognise signs of distress. We have avoided the excesses of small and mid cap companies which will half again from here. The portfolio has been positioned defensively since mid-2007 and continues to maintain this defensive stance. Our powder is dry to pick up good bargains. This should provide good comfort for unit holders through 2008.

Feras Al Chalabi
January 2008

**ODEY ALLEGRA EUROPEAN FUND
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2007**

| (expressed in EUR) | | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets |
|--|--------------------------------|-------------------------|----------|---------------------|-------------------|-----------------|
| Description | | | | | | |
| 1) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | | | |
| A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | | | |
| 1) LISTED SECURITIES : SHARES | | | | | | |
| BELGIUM | | | | | | |
| | Delhaize Group | 56,600 | EUR | 3,400,958 | 3,407,320 | 1.52 |
| | Inbev | 35,500 | EUR | 2,374,566 | 2,023,500 | 0.91 |
| | | | | <u>5,775,524</u> | <u>5,430,820</u> | <u>2.43</u> |
| SWITZERLAND | | | | | | |
| | Nestle | 10,400 | CHF | 3,261,820 | 3,267,160 | 1.46 |
| | Roche Holding AG | 18,300 | CHF | 2,164,324 | 2,162,488 | 0.97 |
| | Syngenta AG | 58,900 | CHF | 9,383,530 | 10,265,848 | 4.59 |
| | Zurich Financial Services | 16,500 | CHF | 3,283,766 | 3,314,433 | 1.47 |
| | | | | <u>18,093,440</u> | <u>19,009,929</u> | <u>8.49</u> |
| GERMANY | | | | | | |
| | Allianz SE | 22,600 | EUR | 3,277,043 | 3,343,670 | 1.50 |
| | BASF AG | 33,000 | EUR | 3,310,853 | 3,341,580 | 1.50 |
| | Bayer AG | 210,100 | EUR | 10,750,449 | 13,103,937 | 5.86 |
| | E.on AG | 111,950 | EUR | 14,615,050 | 16,301,040 | 7.29 |
| | Muenchener Rueckvers | 16,700 | EUR | 2,187,207 | 2,220,098 | 0.99 |
| | RWE AG | 91,000 | EUR | 7,997,001 | 8,776,950 | 3.93 |
| | Siemens AG | 20,800 | EUR | 2,228,868 | 2,264,288 | 1.01 |
| | | | | <u>44,366,471</u> | <u>49,351,563</u> | <u>22.08</u> |
| SPAIN | | | | | | |
| | Repsol YPF SA | 35,000 | EUR | 947,119 | 853,300 | 0.38 |
| | Telefonica SA | 384,300 | EUR | 7,729,716 | 8,539,146 | 3.82 |
| | | | | <u>8,676,835</u> | <u>9,392,446</u> | <u>4.20</u> |
| FRANCE | | | | | | |
| | Bongrain | 34,600 | EUR | 3,054,466 | 2,598,806 | 1.16 |
| | Carrefour SA | 127,000 | EUR | 6,292,655 | 6,767,830 | 3.03 |
| | EDF | 43,200 | EUR | 3,422,553 | 3,519,936 | 1.58 |
| | France Telecom SA | 108,600 | EUR | 2,417,217 | 2,673,732 | 1.20 |
| | Suez | 207,300 | EUR | 8,586,666 | 9,653,961 | 4.32 |
| | Total SA | 37,800 | EUR | 2,134,813 | 2,148,174 | 0.95 |
| | | | | <u>25,908,370</u> | <u>27,362,439</u> | <u>12.24</u> |
| GREAT BRITAIN | | | | | | |
| | Bg Group Plc | 664,000 | GBP | 9,282,987 | 10,396,513 | 4.65 |
| | British American Tobacco Plc | 178,600 | GBP | 4,514,906 | 4,778,216 | 2.14 |
| | British Sky Broadcasting Group | 256,500 | GBP | 2,295,249 | 2,161,722 | 0.97 |
| | Cairn Energy Plc | 68,200 | GBP | 2,354,117 | 2,854,368 | 1.28 |
| | Dairy Crest Group Plc | 213,800 | GBP | 1,793,433 | 1,697,063 | 0.76 |
| | Dana Petroleum Plc | 212,900 | GBP | 4,010,552 | 4,034,936 | 1.81 |
| | Firstgroup Plc | 108,990 | GBP | 935,714 | 1,209,389 | 0.54 |
| | Imperial Tobacco Group Plc | 200,000 | GBP | 6,841,134 | 7,384,847 | 3.30 |
| | Rio Tinto Plc | 28,600 | GBP | 1,786,382 | 2,070,401 | 0.93 |
| | Scottish & Southern Energy | 308,400 | GBP | 6,887,715 | 6,877,808 | 3.08 |
| | Stagecoach Group Plc | 1,075,900 | GBP | 3,826,446 | 4,174,828 | 1.87 |
| | Tullow Oil Plc | 123,900 | GBP | 1,140,364 | 1,099,025 | 0.49 |
| | Vodafone Group Plc | 2,515,000 | GBP | 6,242,935 | 6,430,658 | 2.88 |

Odey Investment Funds plc

| (expressed in EUR) | | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets | |
|---|------------------------------------|-------------------------|-----------------|---------------------|------------------------|--------------------|-----------------|
| Description | | | | | | | |
| | | | | 51,911,934 | 55,169,774 | 24.70 | |
| GREECE | Public Power Corporation | 85,000 | EUR | 2,277,752 | 3,060,000 | 1.37 | |
| | | | | <u>2,277,752</u> | <u>3,060,000</u> | <u>1.37</u> | |
| ITALY | Enel SPA | 298,700 | EUR | 2,307,478 | 2,429,925 | 1.09 | |
| | | | | <u>2,307,478</u> | <u>2,429,925</u> | <u>1.09</u> | |
| NETHERLANDS | Koninklijke KPN NV | 173,900 | EUR | 2,116,496 | 2,163,316 | 0.97 | |
| | | | | <u>2,116,496</u> | <u>2,163,316</u> | <u>0.97</u> | |
| NORWAY | Yara International ASA | 445,100 | NOK | 11,985,673 | 14,100,846 | 6.31 | |
| | | | | <u>11,985,673</u> | <u>14,100,846</u> | <u>6.31</u> | |
| SWEDEN | Black Earth Farming Ltd | 89,700 | SEK | 473,784 | 474,627 | 0.21 | |
| | Swedish Match AB | 434,500 | SEK | 6,924,637 | 7,104,084 | 3.18 | |
| | | | | <u>7,398,421</u> | <u>7,578,711</u> | <u>3.39</u> | |
| TOTAL LISTED SECURITIES: SHARES | | | | <u>180,818,394</u> | <u>195,049,769</u> | <u>87.27</u> | |
| TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | <u>180,818,394</u> | <u>195,049,768</u> | <u>87.27</u> | |
| B) FINANCIAL INSTRUMENTS | | | | | | | |
| FRANCE | French Discount T-Bill 0% 02/07/08 | 27,000,000 | EUR | 26,787,659 | 26,900,100 | 12.04 | |
| | | | | <u>26,787,659</u> | <u>26,900,100</u> | <u>12.04</u> | |
| TOTAL FINANCIAL INSTRUMENTS | | | | <u>26,787,659</u> | <u>26,900,100</u> | <u>12.04</u> | |
| TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | <u>207,606,053</u> | <u>221,949,869</u> | <u>99.31</u> | |
| OPEN FOREIGN EXCHANGE FORWARD CONTRACTS | | | | | | | |
| Maturity Date | Counterparty | CCY | Purchase Amount | CCY | Sold Amount | Unrealised Gain | % Net Assets |
| 31-Jan-08 | RBC Dexia IS Bank Luxembourg | EUR | 46,000,000 | GBP | 33,106,660 | 993,099 | 0.45 |
| | | | | | <u>Unrealised Gain</u> | <u>993,099</u> | <u>0.45</u> |
| TOTAL INVESTMENTS | | | | <u>207,606,053</u> | <u>222,942,968</u> | <u>99.76</u> | |
| OTHER ASSETS LESS LIABILITIES | | | | | <u>541,238</u> | <u>0.24</u> | |
| TOTAL NET ASSETS | | | | | <u>223,484,206</u> | <u>100.00</u> | |

ODEY ALLEGRA EUROPEAN FUND

GEOGRAPHIC DIVISION OF INVESTMENTS as at 31 December 2007

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Great Britain | 24.70 | 37.51 |
| France | 24.28 | 3.92 |
| Germany | 22.08 | 24.69 |
| Switzerland | 8.49 | 3.70 |
| Norway | 6.31 | 2.90 |
| Spain | 4.20 | 8.93 |
| Sweden | 3.18 | 1.23 |
| Belgium | 2.43 | 2.20 |
| Greece | 1.37 | 1.97 |
| Italy | 1.09 | 2.07 |
| Netherlands | 0.97 | 5.31 |
| Jersey | 0.21 | - |
| Bermuda Islands | - | 0.76 |
| Total Financial Assets at Fair Value through Profit or Loss | 99.31 | 95.19 |
| Cash and Other Assets | 0.69 | 4.81 |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | 100.00 |

**ODEY ALLEGRA EUROPEAN FUND
ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2007**

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Public Services | 21.08 | 5.68 |
| States, Provinces and Municipalities | 13.62 | - |
| Chemicals | 11.95 | 3.35 |
| Petrol | 9.57 | 1.41 |
| Tobacco and Spirits | 9.53 | 1.63 |
| Agriculture and Fishing | 6.31 | - |
| News Transmission | 6.02 | 10.72 |
| Retail | 4.55 | 4.72 |
| Miscellaneous | 4.03 | 5.76 |
| Insurance | 3.97 | 2.14 |
| Food and Distilleries | 3.38 | 3.04 |
| Transportation | 2.41 | 15.27 |
| Various Capital Goods | 1.01 | - |
| Pharmaceuticals and Cosmetics | 0.97 | 2.40 |
| Non-Ferrous Metals | 0.91 | 0.64 |
| Aerospace Technology | - | 1.04 |
| Automobile Industry | - | 2.59 |
| Banks and Financial Institutions | - | 5.11 |
| Construction and Building Material | - | 8.58 |
| Consumer Goods | - | 0.29 |
| Electronic Semiconductor | - | 1.66 |
| Internet Software | - | 3.18 |
| Investment Funds | - | 0.88 |
| Leisure | - | 1.92 |
| Mechanics and Machinery | - | 2.76 |
| Mines and Heavy Industries | - | 2.61 |
| Photography and Optics | - | 0.89 |
| Real Estate Companies | - | 0.83 |
| Holding and Finance Companies | - | 6.09 |
| Total Financial Assets at Fair Value through Profit or Loss | 99.31 | 95.19 |
| Cash and Other Assets | 0.69 | 4.81 |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | 100.00 |

ODEY ALLEGRA EUROPEAN FUND

**TOP 20 LARGEST PORTFOLIO CHANGES for the year ended 31 December 2007
(Unaudited)**

Purchases

| DATE | SECURITY NAME | QUANTITY | COST (EUR) |
|-------------|------------------------------------|-----------------|-----------------------|
| 20-Nov-07 | French Discount T-Bill 0% 02/07/08 | 16,000,000 | 15,870,339 |
| 23-Nov-07 | French Discount T-Bill 0% 02/07/08 | 11,000,000 | 10,917,319 |
| 16-Aug-07 | Zurich Financial Services | 39,200 | 7,802,811 |
| 26-Jun-07 | Royal Dutch Shell Plc | 260,000 | 7,664,189 |
| 16-Aug-07 | Muenchener Rueckvers | 58,800 | 7,561,592 |
| 07-Aug-07 | ABN Amro Holding NV | 177,300 | 6,340,578 |
| 03-Sep-07 | E.On AG | 50,000 | 6,099,736 |
| 20-Aug-07 | Zurich Financial Services | 26,900 | 5,580,803 |
| 26-Jun-07 | BP Plc | 602,900 | 5,309,174 |
| 15-Aug-07 | Koninklijke Kpn NV | 457,400 | 5,245,086 |
| 02-Aug-07 | Endesa SA | 129,400 | 5,125,628 |
| 07-Dec-07 | Yara International ASA | 162,100 | 4,701,085 |
| 24-Sep-07 | Rio Tinto Plc | 78,900 | 4,697,468 |
| 24-Sep-07 | Xstrata Plc | 100,500 | 4,694,305 |
| 20-Aug-07 | France Telecom SA | 215,000 | 4,562,835 |
| 27-Sep-07 | DaimlerChrysler AG | 64,300 | 4,547,014 |
| 18-Sep-07 | Enel SPA | 583,700 | 4,509,124 |
| 28-Nov-07 | Zurich Financial Services | 22,600 | 4,400,030 |
| 05-Sep-07 | BP Plc | 520,500 | 4,395,329 |
| 28-Nov-07 | Barclays Plc | 570,800 | 4,371,736 |

Sales

| DATE | SECURITY NAME | QUANTITY | PROCEEDS (EUR) |
|-------------|---------------------------|-----------------|---------------------------|
| 22-Oct-07 | Rio Tinto Plc | 175,300 | 10,131,631 |
| 22-Oct-07 | Xstrata Plc | 188,200 | 8,825,444 |
| 06-Sep-07 | Zurich Financial Services | 31,600 | 6,607,057 |
| 09-Nov-07 | Nokia OYJ | 249,600 | 6,570,235 |
| 10-Aug-07 | ABN Amro Holding NV | 177,300 | 5,912,070 |
| 15-Nov-07 | RWE AG | 65,700 | 5,733,862 |
| 04-Dec-07 | Credit Suisse Group | 134,400 | 5,430,930 |
| 21-Nov-07 | Vodafone Group Plc | 2,072,300 | 5,296,338 |
| 20-Jul-07 | Ericsson Telecom | 1,785,000 | 5,220,670 |
| 16-Aug-07 | Deutsche Boerse AG | 69,800 | 5,200,266 |
| 04-Sep-07 | Altadis SA | 102,200 | 4,977,328 |
| 05-Sep-07 | France Telecom SA | 224,400 | 4,940,441 |
| 04-Sep-07 | Endesa SA | 122,900 | 4,891,446 |
| 06-Sep-07 | Royal & Sun Alliance | 2,347,600 | 4,797,115 |
| 23-Jan-07 | Logicacmg Plc | 1,814,370 | 4,792,038 |
| 25-Jul-07 | Siemens AG | 47,000 | 4,689,440 |
| 05-Nov-07 | Xstrata Plc | 102,000 | 4,673,826 |
| 03-Oct-07 | Statoilhydro ASA | 204,255 | 4,617,990 |
| 15-Nov-07 | Zurich Financial Services | 23,300 | 4,568,270 |
| 22-Oct-07 | Statoilhydro ASA | 199,600 | 4,522,701 |

INVESTMENT MANAGER'S REPORT

Odey Allegra International Fund report for the year ended 31 December 2007 (launched on 12 March 2007).

Since its inception (27 April 2007) to the end of the year the fund share class returns were as follows compared with an MSCI Europe return of -5.22% for the same period.

| EUR | STG | EUR I |
|--------|---------|--------|
| -1.25% | +11.69% | -7.68% |

Out performance was mainly driven by the strong returns from sectors such as Metals/Minerals (+1.84%), Agricultural Chemicals (+1.68%) and Integrated Oil (+0.55%) with Comp. de Minas Buenaventura (+0.67%), Yara (+1.06%) and BG Group (+0.48%) the best performers from each. The other notable contribution came from DaimlerChrysler (+0.81%). The main detractors were RSA (-1.15%), Praktiker (-0.70%) and Infineon Technologies (-0.58%).

There is an African saying that 'sometimes an old man lying on the ground can see further than a young man at the top of a tall tree.' I like the word 'sometimes'. However, last year the guys wearing the ties saw furthest. Indeed they were probably out done by the even older guys wearing the cravats. Unusually in my case, this was all achieved without breaking into a sweat. Markets which had seemed impossible to read for the previous two years because they did not listen to the past suddenly started to fall over as they encountered worries that they had not known existed. Who would have believed that a bear would have got into the inter-bank money market?

Of course in the language of the markets not much has yet been said. Emerging markets have continued on course for the moon; Developed world markets have crept along silently but not painfully. There are more red faces than red ink at present. However, the future is now rather more clearly in outline and with it comes the realisation that it is not going to be easy for the authorities to keep the show on the road. Five years of living off expanding balance sheets has not so much grown the world economy as bloated it. Expanding the waist line has turned out to be no solution to improving the metabolism.

The banking sector has been the unwitting author of the coming disaster. The story of Northern Rock is instructive. Here was a widely admired and highly successful financial institution, which failed but not because of the normal banking weaknesses of bad lending or misfeasance. Rather it had grown too fast and too far from its foundations. It started almost 10 years ago with a fairly harmless habit of extending its growth a bit beyond its normal capacity through selling some mortgages and using the proceeds to lend again (securitisation). Encouraged by experience and applauded by observers, this top up activity gradually expanded until by 2007 it had become the core business. Northern Rock had ceased to be a conventional bank; it had become a debt originator and loans were growing at 40% p.a. For some time the Bank of England had warned that it would not advance money against mortgage collateral and as gravity was switched back on it became clear that NR were just one part of a debt creation process, and could not survive without the continued connivance of their funding counterparts – the investment banks and their clients. Little by little they had lost control of their destiny and there was no way back.

Another example is Intermediate Capital Group, the established and respected mezzanine finance provider. In common with other private equity market participants it had dealt with the difficulty of negative carry on deals in recent years by accepting PIKs (Payments In Kind) instead of interest. During asset inflation the practice flourished, but now, as the tempo slows what started as money has turned out to be smarties. ICP announced a rescue rights issue today.

What were the authorities thinking when they revoked the Glass-Steigel Act which had carefully ensured the separation of investment banks from money centre banks? The nature of investment banks is to be transaction-orientated, focussing on the short term. The strength of general bankers is that they are relationship based and forced to think long term. Put the two together and the investment banker's quick buck approach starts to predominate, simply because that is where the profits are greatest and most immediate. Very quickly the game becomes how much can you package and how little can you can commit. SIV's spring instantly to mind. In the hang-over stakes, it is not yet mid morning. Surely we will see some re-enactment of this post 1929 legislation later this decade?

However, for my money this year is going to be dominated by rising WAGES. For the last twelve years the OECD has enjoyed an exceptionally benign inflation environment thanks largely to the influence of cheap labour in the developing world helping to cap wage pressures in the developed world. We are now experiencing exceptionally high cost of living increases thanks to commodity price increases and 20% + per annum wage growth in emerging markets; yet so far wages in the OECD countries have not started to move. It seems hopeful to believe that this will continue, even into a developed world downturn.

Thanks to the banking crisis, interest rates may fall in the short term, but inflationary expectations are rising and if I am right then the rise in wages this year will surprise everybody in much the same way as the insidious inter bank bear. It will be compounded in some countries by their falling currencies.

In the U.K. for example my expectation is that sterling will fall some twenty percent against the euro and nearly that against the dollar. Simple maths suggests that the consequent import price rises alone should add some 7% to inflation, which is already running at close to 4.5%. Today's union pay demands of 7% may still be behind the curve!

At this point, I really cannot see how the Chancellor of the Exchequer or the Governor of the Bank of England can act to improve things from here. By April the effect of the credit crunch will no longer be confined to liquidity concerns; loan defaults and credit losses will be coming through too. House prices will be falling fast, and volumes will evaporate, whilst banks will be widening net interest margins to protect themselves and in the process driving ever higher the cost of borrowing. The Bank of England will be under enormous pressure to cut rates even though inflation will be rising and then we have a currency crisis like the one that Dennis Healey faced in 1976. So much for the monetary outlook. On the fiscal side, the UK Government's finances are so cyclically geared and their spending so out of control that by the end of this year, with a deteriorating economy, they will have to be talking about the most unpalatable taxes being raised. Possibly that may be the first time to start investing again.

Dominated by Germany and to a lesser extent France, Europe may be reasonably happy to have a strong Euro for its anti-inflationary powers. However, the PIGS, as they are known, will not be enjoying the ride. Portugal, Ireland, Greece and Spain will feel the pain and by the autumn will be envious that the UK, whilst it will have had the worst of this year, will be better set up to weather 2009.

The USA will suffer from many of the same problems as the UK - they may easily be already in recession. They certainly have the same credit cycle problems. Wages should also start to misbehave. Furthermore they will have to contemplate a democratic victory in the autumn. Wall Street is fast becoming very unpopular auguring rising taxes for the rich. In this era of big government, which started in the USA with Bush jr as far back as 1998 and is ubiquitously entrenched elsewhere, the private sector must expect to be harried and taxed even as it finds itself coping with costs increasingly passing outside of their control. For the world the fact that the USA will be entering a collectivist era will weaken the spirit of free enterprise everywhere. I hope that you have thought about this because it will dominate how your wealth fares over the next few years.

We have already seen a little of this new world last month, when the state of Alaska decided to take another \$1.6 billion off the oil industry a year in taxes, whilst at the same time revoking licences legally granted in the 70's which they felt were not being properly exploited. This action drives down the P/E for the oil companies and drives up the price of oil. There will be much worse to come because at present there is nobody to challenge the concept of big government.

So it is no surprise to find that the portfolio on the long side is defensively positioned. In the main it has not changed much. I remain overweight the property casualty insurers for their cashflow characteristics. Sadly one of my larger holdings, Kiln, in the UK, has been bid for by Tokyo Fire and Marine. I remain big in the agricultural sector, where prices from here should reflect wage rises in the West. Although the major part of the price rise in real terms is over, there is still nowhere else quite so good from where to watch the inflation story unfold. My biggest buying in the last quarter was of the food producers. They had a torrid time last year as rising input prices were difficult to pass on, so they announced profit warnings and their share prices duly fell. They still tell a story of woe, but it is difficult, given their minimal profit margins, for them not to pass on price increases. They sell at less than the replacement cost and they produce the staples which are supposed to be price inelastic. We shall see.

It is easier to see what to short. After such a long period of low interest rates, investors do not readily

differentiate between a company enterprise value made up of 80% debt and 20% equity and one the other way round; with rising interest rates the difference will be plain. Small and mid cap shares had a harder year in 2007 but they still have further to fall in 2008. Likewise the banks have fallen by 30% over the last twelve months but they still trade close to 2 times book value whilst on the horizon rights issues loom. Too early to be a buyer. Stock exchanges defied gravity last year as investors still saw growth going out into the future, but in a world in which wages dominate, shares and share trading wilts. This year will be hard on these shares. Property will continue to do badly and so will the property retailers - the pubs and Big Yellow Group. After a halcyon period clothes retailers in the UK will suffer weak demand and rising input costs. Be especially worried if they are operationally geared like Next.

Currencies will be crucial, inflation is back and that means the carry trades will disappear. Some time this year even Japan will get inflation. Bonds have lived a charmed life but may be that is about to change. All in all then 2008 promises to be a roller coaster. However lying on the ground is not lying on the beach for this old man.

Crispin Odey
January 2008

Odey Investment Funds plc

ODEY ALLEGRA INTERNATIONAL FUND SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2007

| (expressed in EUR) | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets |
|--|-------------------------|----------|---------------------|-------------------|-----------------|
| Description | | | | | |
| 1) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | | | |
| A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | | |
| 1) LISTED SECURITIES : SHARES | | | | | |
| AUSTRALIA | | | | | |
| Dwyka Diamonds Ltd | 194,813 | GBP | 72,514 | 103,444 | 0.06 |
| Sylvania Resources Ltd | 551,792 | GBP | 713,529 | 950,359 | 0.53 |
| Sylvania Resources Ltd | 158,952 | AUD | 213,401 | 267,289 | 0.15 |
| | | | <u>999,444</u> | <u>1,321,092</u> | <u>0.74</u> |
| BERMUDA ISLANDS | | | | | |
| Alea Group Holdings (Bermuda) | 475,957 | USD | 625,786 | 657,593 | 0.37 |
| Catlin Group Ltd | 220,955 | GBP | 1,528,445 | 1,152,191 | 0.64 |
| Hiscox Ltd | 253,158 | GBP | 995,618 | 987,502 | 0.55 |
| Kiln Limited | 1,072,538 | GBP | 1,738,053 | 2,142,953 | 1.20 |
| Partnerre Ltd Bermuda | 27,408 | USD | 1,491,479 | 1,547,131 | 0.86 |
| Tanzanite One Ltd | 250,600 | GBP | 363,926 | 206,423 | 0.11 |
| | | | <u>6,743,307</u> | <u>6,693,793</u> | <u>3.73</u> |
| SWITZERLAND | | | | | |
| Roche Holding AG | 9,706 | CHF | 1,237,114 | 1,146,946 | 0.64 |
| Syngenta AG | 62,777 | CHF | 9,860,061 | 10,941,581 | 6.10 |
| Zurich Financial Services | 24,889 | CHF | 5,110,111 | 4,999,572 | 2.79 |
| | | | <u>16,207,286</u> | <u>17,088,099</u> | <u>9.53</u> |
| GERMANY | | | | | |
| Allianz SE | 15,131 | EUR | 2,178,068 | 2,238,631 | 1.25 |
| Bayer AG | 18,318 | EUR | 1,061,982 | 1,142,494 | 0.64 |
| DaimlerChrysler AG | 64,179 | EUR | 4,150,724 | 4,267,904 | 2.38 |
| Epcos AG | 160,716 | EUR | 2,172,222 | 1,890,020 | 1.05 |
| Fielmann AG | 12,906 | EUR | 613,864 | 571,865 | 0.32 |
| Infineon Technologies AG | 193,847 | EUR | 2,211,665 | 1,574,038 | 0.88 |
| Linde AG | 20,090 | EUR | 1,673,734 | 1,817,944 | 1.01 |
| Muenchener Rueckvers | 27,044 | EUR | 3,400,675 | 3,595,229 | 2.01 |
| Praktiker Bau & Heimwerk | 116,279 | EUR | 3,125,630 | 2,325,580 | 1.30 |
| SAP AG | 54,857 | EUR | 2,138,979 | 1,954,006 | 1.08 |
| | | | <u>22,727,543</u> | <u>21,377,711</u> | <u>11.92</u> |
| FRANCE | | | | | |
| Bongrain | 68,595 | EUR | 5,834,454 | 5,152,170 | 2.87 |
| Carrefour SA | 79,892 | EUR | 3,974,779 | 4,257,445 | 2.37 |
| Areva CI | 3,454 | EUR | 2,452,675 | 2,711,390 | 1.51 |
| | | | <u>12,261,908</u> | <u>12,121,005</u> | <u>6.75</u> |
| GREAT BRITAIN | | | | | |
| Aricom Plc | 97,220 | GBP | 86,140 | 100,598 | 0.06 |
| BG Group Plc | 182,263 | GBP | 2,182,734 | 2,853,765 | 1.59 |
| BP Plc | 1,085,620 | GBP | 9,079,530 | 9,090,227 | 5.07 |
| British Sky Broadcasting Group | 1,815,609 | GBP | 16,600,169 | 15,301,527 | 8.54 |
| Britvic Plc | 272,721 | GBP | 1,297,484 | 1,284,744 | 0.72 |
| Dairy Crest Group Plc | 124,976 | GBP | 1,213,039 | 992,012 | 0.55 |
| Imagelinx Plc | 141,654 | GBP | 3,922 | 2,170 | 0.00 |
| ITM Power Plc | 25,423 | GBP | 43,066 | 40,325 | 0.02 |
| Landkom International Plc | 259,436 | GBP | 192,097 | 215,468 | 0.12 |

Odey Investment Funds plc

| (expressed in EUR) | | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets |
|---|-----------|-------------------------|--------------------|---------------------|-------------------|-----------------|
| Description | | | | | | |
| Northern Foods Plc | 2,438,344 | GBP | 3,325,624 | 3,120,647 | 1.74 | |
| Novae Group Plc | 205,650 | GBP | 112,833 | 93,798 | 0.05 | |
| Pursuit Dynamics Plc | 545,017 | GBP | 1,489,858 | 1,465,544 | 0.82 | |
| Reed Elsevier Plc | 180,674 | GBP | 1,581,462 | 1,671,502 | 0.93 | |
| Rio Tinto Plc | 45,285 | GBP | 2,550,115 | 3,278,256 | 1.83 | |
| Robert Wiseman Dairies | 116,257 | GBP | 822,059 | 862,656 | 0.48 | |
| Royal & Sun Alliance | 8,394,963 | GBP | 18,023,847 | 16,939,040 | 9.45 | |
| Royal Dutch Shell | 17,107 | GBP | 472,894 | 486,790 | 0.27 | |
| | | | <u>59,076,873</u> | <u>57,799,069</u> | <u>32.24</u> | |
| JAPAN | | | | | | |
| Aozora Bank Ltd | 123,452 | JPY | 285,925 | 247,157 | 0.14 | |
| Fukuoka Financial Group | 262,119 | JPY | 1,281,279 | 1,049,549 | 0.59 | |
| Japan Airport Terminal Co | 4,258 | JPY | 56,145 | 49,610 | 0.03 | |
| Mitsubishi UFJ Financial Group | 434,200 | JPY | 2,951,459 | 2,783,318 | 1.55 | |
| Resona Holdings Inc | 281 | JPY | 347,780 | 345,803 | 0.19 | |
| Sakha Diamond Corporation | 3,041 | JPY | 17,460 | 2,439 | 0.00 | |
| | | | <u>4,940,048</u> | <u>4,477,876</u> | <u>2.50</u> | |
| NORWAY | | | | | | |
| Statoilhydro ASA | 129,732 | NOK | 2,974,608 | 2,761,744 | 1.54 | |
| Yara International ASA | 230,081 | NOK | 5,507,488 | 7,289,006 | 4.07 | |
| | | | <u>8,482,096</u> | <u>10,050,750</u> | <u>5.61</u> | |
| PERU | | | | | | |
| Buenaventura | 96,560 | USD | 2,919,847 | 3,738,105 | 2.09 | |
| | | | <u>2,919,847</u> | <u>3,738,105</u> | <u>2.09</u> | |
| SWEDEN | | | | | | |
| Ericsson Telecom | 177,327 | SEK | 447,850 | 284,863 | 0.16 | |
| | | | <u>447,850</u> | <u>284,863</u> | <u>0.16</u> | |
| UNITED STATES | | | | | | |
| Agco Corporation | 62,773 | USD | 2,133,205 | 2,918,716 | 1.63 | |
| CNA Financial Corporation | 48,343 | USD | 1,427,549 | 1,114,959 | 0.62 | |
| Ford Motor Co | 324,583 | USD | 1,950,924 | 1,494,096 | 0.83 | |
| Patriot Coal Corporation | 324 | USD | - | 9,250 | 0.01 | |
| Peabody Energy | 3,239 | USD | 102,750 | 136,554 | 0.08 | |
| | | | <u>5,614,428</u> | <u>5,673,575</u> | <u>3.17</u> | |
| TOTAL LISTED SECURITIES: SHARES | | | <u>140,420,630</u> | <u>140,625,938</u> | <u>78.44</u> | |
| TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | <u>140,420,630</u> | <u>140,625,938</u> | <u>78.44</u> | |

B) OTHER TRANSFERABLE SECURITIES

1) OTHER TRANSFERABLE SEC. : RIGHTS

| | | | | | | |
|--------------------------------------|-------|-----|----------|----------|-------------|--|
| JAPAN | | | | | | |
| Right Sakha Diamond Corporation 2008 | 3,041 | JPY | 0 | 0 | 0.00 | |
| | | | <u>0</u> | <u>0</u> | <u>0.00</u> | |

Odey Investment Funds plc

| (expressed in EUR) | | Quantity/ Face value | Currency | Acquisition cost | Fair Valuation | % net assets | |
|---|------------------------------------|-------------------------|-----------------|---------------------|------------------------|--------------------|-----------------|
| Description | | | | | | | |
| TOTAL OTHER TRANSFERABLE SEC. : RIGHTS | | | | 0 | 0 | 0.00 | |
| TOTAL OTHER TRANSFERABLE SECURITIES | | | | 0 | 0 | 0.00 | |
| C) FINANCIAL INSTRUMENTS | | | | | | | |
| 1) FINANCIAL INSTRUMENTS | | | | | | | |
| FRANCE | | | | | | | |
| | French Discount T-Bill 0% 02/07/08 | 7,000,000 | EUR | 6,943,273 | 6,974,100 | 3.89 | |
| | | | | <u>6,943,273</u> | <u>6,974,100</u> | <u>3.89</u> | |
| TOTAL FINANCIAL INSTRUMENTS | | | | 6,943,273 | 6,974,100 | 3.89 | |
| TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | 6,943,273 | 6,974,100 | 3.89 | |
| OPEN FOREIGN EXCHANGE FORWARD CONTRACTS | | | | | | | |
| Maturity Date | Counterparty | CCY | Purchase Amount | CCY | Sold Amount | Unrealised Gain | % Net Assets |
| 31-Jan-08 | RBC Dexia IS Bank Luxembourg | EUR | 31,151,033 | GBP | 21,700,000 | 650,934 | 0.36 |
| | | | | | <u>Unrealised Gain</u> | <u>650,934</u> | <u>0.36</u> |
| TOTAL INVESTMENTS | | | | 117,402,907 | 148,250,972 | 82.69 | |
| OTHER ASSETS LESS LIABILITIES | | | | | 31,025,750 | 17.31 | |
| TOTAL NET ASSETS | | | | | 179,276,721 | 100.00 | |

ODEY ALLEGRA INTERNATIONAL FUND
GEOGRAPHIC DIVISION OF INVESTMENTS as at 31 December 2007

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Great Britain | 32.24 | - |
| Germany | 11.92 | - |
| France | 10.64 | - |
| Switzerland | 9.53 | - |
| Norway | 5.61 | - |
| Bermuda Islands | 3.73 | - |
| United States | 3.17 | - |
| Japan | 2.50 | - |
| Peru | 2.09 | - |
| Australia | 0.74 | - |
| Sweden | 0.16 | - |
| Total Financial Assets at Fair Value through Profit or Loss | 82.33 | - |
| Cash and Other Assets | 17.67 | - |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | - |

ODEY ALLEGRA INTERNATIONAL FUND

ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2007

(expressed as a percentage of net assets)

| | % net assets 31 December 2007 | % net assets 31 December 2006 |
|--|--|--|
| Insurance | 19.19 | - |
| News Transmission | 8.70 | - |
| Chemicals | 6.74 | - |
| Holding and Finance Companies | 6.40 | - |
| Food and Distilleries | 5.64 | - |
| Agriculture and Fishing | 4.07 | - |
| Retail | 3.99 | - |
| States, Provinces and Municipalities | 3.89 | - |
| Mechanics and Machinery | 3.46 | - |
| Petrol | 3.40 | - |
| Automobile Industry | 3.21 | - |
| Precious Metals | 2.27 | - |
| Electronic Semiconductor | 1.93 | - |
| Non-Ferrous Metals | 1.83 | - |
| Banks and Financial Institutions | 1.69 | - |
| Public Services | 1.51 | - |
| Internet Software | 1.07 | - |
| Graphic Art and Publishing | 0.93 | - |
| Miscellaneous | 0.90 | - |
| Mines and Heavy Industries | 0.82 | - |
| Pharmaceuticals and Cosmetics | 0.64 | - |
| Real Estate Companies | 0.03 | - |
| Other Services | 0.02 | - |
| Total Financial Assets at Fair Value through Profit or Loss | 82.33 | - |
| Cash and Other Assets | 17.67 | - |
| Total Net Assets Attributable to Holders of Redeemable Participating Shares | 100.00 | - |

ODEY ALLEGRA INTERNATIONAL FUND

**TOP 20 LARGEST PORTFOLIO CHANGES for the year ended 31 December 2007
(Unaudited)**

Purchases

| DATE | SECURITY NAME | QUANTITY | COST (EUR) |
|-------------|------------------------------------|-----------------|-----------------------|
| 20-Nov-07 | French Discount T-Bill 0% 02/07/08 | 7,000,000 | 6,943,273 |
| 13-Sep-07 | Royal & Sun Alliance | 2,811,938 | 5,868,756 |
| 13-Sep-07 | Muenchener Rueckvers | 36,232 | 4,592,406 |
| 13-Sep-07 | DaimlerChrysler AG | 66,456 | 4,322,298 |
| 13-Mar-07 | Royal & Sun Alliance | 1,660,840 | 4,017,823 |
| 13-Sep-07 | British Sky Broadcasting Group | 400,000 | 3,958,015 |
| 13-Mar-07 | British Sky Broadcasting Group | 430,550 | 3,530,114 |
| 09-Oct-07 | Syngenta AG | 19,400 | 3,032,741 |
| 13-Sep-07 | Zurich Financial Services | 13,458 | 2,837,391 |
| 13-Sep-07 | BP Plc | 338,127 | 2,824,776 |
| 10-Oct-07 | British Sky Broadcasting Group | 268,280 | 2,697,867 |
| 12-Mar-07 | DaimlerChrysler AG | 46,807 | 2,492,941 |
| 12-Mar-07 | Muenchener Rueckvers | 20,427 | 2,409,773 |
| 12-Mar-07 | Zurich Financial Services | 9,757 | 2,082,344 |
| 15-Nov-07 | Royal & Sun Alliance | 895,892 | 1,882,926 |
| 15-Nov-07 | British Sky Broadcasting Group | 206,927 | 1,811,383 |
| 20-Jun-07 | British Sky Broadcasting Group | 186,800 | 1,794,559 |
| 28-Sep-07 | Statoilhydro ASA | 69,600 | 1,662,296 |
| 12-Jul-07 | Muenchener Rueckvers | 12,200 | 1,620,133 |
| 05-Dec-07 | Syngenta AG | 8,550 | 1,474,222 |

Sales

| DATE | SECURITY NAME | QUANTITY | PROCEEDS (EUR) |
|-------------|---------------------------|-----------------|---------------------------|
| 31-Oct-07 | Muenchener Rueckvers | 40,400 | 5,330,222 |
| 02-Nov-07 | Zurich Financial Services | 21,900 | 4,389,922 |
| 12-Dec-07 | DaimlerChrysler AG | 63,900 | 4,345,152 |
| 16-Nov-07 | Muenchener Rueckvers | 20,400 | 2,453,849 |
| 25-Sep-07 | DaimlerChrysler AG | 31,900 | 2,167,071 |
| 07-Nov-07 | DaimlerChrysler AG | 27,200 | 1,990,319 |
| 25-Sep-07 | Renault SA | 18,737 | 1,854,347 |
| 25-Jul-07 | Zurich Financial Services | 8,400 | 1,806,941 |
| 16-Nov-07 | Zurich Financial Services | 8,900 | 1,708,094 |
| 26-Jul-07 | Xstrata Plc | 34,600 | 1,653,871 |
| 29-Oct-07 | Vodafone Group Plc | 594,900 | 1,625,952 |
| 25-May-07 | Statoil ASA | 73,964 | 1,531,070 |
| 24-Jul-07 | Royal & Sun Alliance | 707,000 | 1,501,065 |
| 05-Nov-07 | Xstrata Plc | 32,523 | 1,466,930 |
| 25-Jul-07 | Siemens AG | 11,924 | 1,193,170 |
| 12-Apr-07 | Bayer AG | 23,600 | 1,135,286 |
| 30-Oct-07 | Xstrata Plc | 22,300 | 1,105,059 |
| 06-Aug-07 | BP Plc | 132,900 | 1,074,545 |
| 10-Oct-07 | Diageo Plc | 67,000 | 1,047,479 |
| 15-Nov-07 | Allianz SE | 6,900 | 985,119 |

Odey Investment Funds plc

STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2007

| | Notes | Odey Pan European Fund | | Odey Allegra European Fund | | Odey Allegra International Fund* | |
|---|-------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------------|----------------------------|
| | | EUR 31 December 2007 | EUR 31 December 2006 | EUR 31 December 2007 | EUR 31 December 2006 | EUR 31 December 2007 | EUR 31 December 2006 |
| ASSETS | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | 3 | 133,087,738 | 146,824,202 | 222,942,968 | 222,248,238 | 148,250,972 | - |
| Cash and Cash Equivalents | 10 | 25,461,304 | 1,043,420 | 1,356,112 | 13,066,687 | 33,090,595 | - |
| Receivable from Subscriptions | | 149,854 | 775,837 | - | 228,000 | - | - |
| Interest and Dividends Receivable, Net | | - | 36,730 | 188,238 | 37,246 | 31,514 | - |
| Other Receivables | | 4,508 | 18,958 | 8,260 | 9,357 | 7,743 | - |
| TOTAL ASSETS | | 158,703,404 | 148,699,147 | 224,495,578 | 235,589,528 | 181,380,824 | - |
| LIABILITIES | | | | | | | |
| Payable on Redemptions | | 609,661 | 1,243,039 | 82,362 | 1,868,189 | 645,011 | - |
| Administration and Transfer Agency Fees | 6 | 24,420 | 7,236 | 36,110 | 19,813 | 24,550 | - |
| Custodian Fees | 6 | 26,626 | 18,722 | 41,171 | 27,872 | 22,778 | - |
| Management and Advisory Fees | 6 | 399,402 | 175,314 | 283,249 | 153,040 | 205,710 | - |
| Performance Fees | | - | - | 363,992 | - | 1,099,725 | - |
| Bank Overdrafts | | 105,881 | - | 158,649 | - | 86,635 | - |
| Other Accrued Expenses | | 13,672 | 18,007 | 45,839 | 41,451 | 19,694 | - |
| LIABILITIES (excluding Net Assets attributable to redeemable participating shareholders) | | 1,179,662 | 1,462,318 | 1,011,372 | 2,110,365 | 2,104,103 | - |
| NET ASSETS attributable to redeemable participating shareholders | | 157,523,742 | 147,236,829 | 223,484,206 | 233,479,163 | 179,276,721 | - |

*Launched on 12 March 2007.

Odey Investment Funds plc

STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2007 (continued)

| | Notes | Total EUR 31 December 2007 | Total EUR 31 December 2006 |
|---|-------|-------------------------------------|-------------------------------------|
| ASSETS | | | |
| Financial Assets at Fair Value through Profit or Loss | 3 | 504,281,678 | 369,072,440 |
| Cash and Cash Equivalents | 10 | 59,908,011 | 14,110,107 |
| Receivable from Subscriptions | | 149,854 | 1,003,837 |
| Interest and Dividends Receivable, Net | | 219,752 | 73,976 |
| Other Receivables | | 20,511 | 28,315 |
| TOTAL ASSETS | | 564,579,806 | 384,288,675 |
| LIABILITIES | | | |
| Payable on Redemptions | | 1,337,034 | 3,111,228 |
| Administration and Transfer Agency Fees | 6 | 85,080 | 27,049 |
| Custodian Fees | 6 | 90,575 | 46,594 |
| Management and Advisory Fees | 6 | 888,361 | 328,354 |
| Performance Fees | | 1,463,717 | - |
| Bank Overdrafts | | 351,165 | - |
| Other Accrued Expenses | | 79,205 | 59,458 |
| LIABILITIES (excluding Net Assets attributable to redeemable participating shareholders) | | 4,295,137 | 3,572,683 |
| NET ASSETS attributable to redeemable participating shareholders | | 560,284,669 | 380,715,992 |

Odey Investment Funds plc


STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2007 (continued)

| | Odey Pan European Fund | | Odey Allegra European Fund | | Odey Allegra International Fund* | |
|---|------------------------|-------------|----------------------------|-------------|----------------------------------|-------------|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| | 31 December | 31 December | 31 December | 31 December | 31 December | 31 December |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Redeemable Participating Shares | | | | | | |
| Shares In Issue Euro Class | 676,847.85 | 790,126.50 | 1,035,694.84 | 625,089.02 | 42,467.67 | - |
| Net Asset Value Per Share Euro Class | € 201.37 | €186.33 | €169.17 | €160.38 | €98.75 | - |
| Shares In Issue Euro I Class | - | - | 186,208.68 | 679,117.98 | 50,000.00 | - |
| Net Asset Value Per Share Euro I Class | - | - | €168.11 | €159.55 | €92.32 | - |
| Shares In Issue US Dollar Class | - | - | 49,495.08 | 49,451.41 | - | - |
| Net Asset Value Per Share Us Dollar Class | - | - | \$189.80 | \$162.50 | - | - |
| Shares In Issue US Dollar I Class | - | - | 185.91 | 185.91 | - | - |
| Net Asset Value Per Share Us Dollar I Class | - | - | \$188.33 | \$161.51 | - | - |
| Shares In Issue Sterling Class | - | - | 42,853.71 | 38,501.81 | 1,121,003.32 | - |
| Net Asset Value Per Share Sterling Class | - | - | £178.84 | £155.54 | £111.69 | - |
| Shares In Issue Sterling I Class | - | - | 350.00 | 350.00 | - | - |
| Net Asset Value Per Share Sterling I Class | - | - | £175.18 | £152.69 | - | - |
| Shares In Issues Sterling D Class | 130,127.73 | 100.00 | - | 59,932.84 | - | - |
| Net Asset Value Per Share Sterling D Class | £119.82 | £101.76 | - | £110.05 | - | - |

Signed on behalf of the Company on 10 April 2008 by:

The accompanying notes form an integral part of Financial Statements.



Director



Director

Odey Investment Funds plc

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

| | Notes | Odey Pan European Fund | | Odey Allegra European Fund | | Odey Allegra International Fund* | |
|--|-------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------------|----------------------------|
| | | EUR 31 December 2007 | EUR 31 December 2006 | EUR 31 December 2007 | EUR 31 December 2006 | EUR 31 December 2007 | EUR 31 December 2006 |
| INCOME | | | | | | | |
| Dividends | | 3,437,379 | 3,508,651 | 6,532,521 | 6,733,103 | 1,322,177 | - |
| Withholding Tax on Dividend and Interest | | (574,850) | (715,170) | (1,112,129) | (1,391,012) | (204,944) | - |
| Bank Interest | | 717,167 | 708,686 | 594,308 | 396,277 | 359,665 | - |
| Other Income | | 16 | 68,369 | - | - | - | - |
| Net Gain/Losses on Financial Assets at Fair Value through Profit or Loss | 13 | 11,705,815 | 25,887,327 | 10,669,564 | 39,010,848 | 1,255,160 | - |
| Investment Income | | 15,285,527 | 29,457,863 | 16,684,264 | 44,749,216 | 2,732,058 | - |
| EXPENSES | | | | | | | |
| Management / Advisory Fees | 6 | 2,440,162 | 3,587,473 | 1,990,332 | 2,124,096 | 563,900 | - |
| Performance Fees | 6 | - | - | 363,992 | - | 1,334,852 | - |
| Administration Fees | 6 | 35,314 | 28,986 | 40,337 | 28,987 | 30,341 | - |
| Custodian Fees | 6 | 81,580 | 121,940 | 123,339 | 131,244 | 37,652 | - |
| Transfer Agency Fees | 6 | 58,602 | 25,671 | 49,133 | 53,214 | 13,535 | - |
| Bank Interest | | 2,957 | 1,695 | 37,832 | 15,047 | 16,779 | - |
| Transaction Costs | | 246,875 | 814,639 | 2,153,872 | 2,317,420 | - | - |
| Other Charges | | 94,301 | 105,983 | 177,162 | 177,916 | 39,735 | - |
| Operating Expenses | | 2,959,791 | 4,686,387 | 4,935,999 | 4,847,924 | 2,036,794 | - |
| Increase in Net Assets Attributable to Holders of Redeemable Participating Shares | | 12,325,736 | 24,771,476 | 11,748,265 | 39,901,292 | 695,264 | - |

*Launched on 12 March 2007.

The Company has no recognised gains or losses other than the total recognised gains for the year. All gains and losses were generated by continuing operations. The accompanying notes form an integral part of Financial Statements.


PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007 (continued)

| | Notes | Total EUR 31 December 2007 | Total EUR 31 December 2006 |
|--|-------|-------------------------------------|-------------------------------------|
| INCOME | | | |
| Dividends | | 11,292,077 | 10,241,754 |
| Withholding Tax on Dividend and Interest | | (1,891,923) | (2,106,182) |
| Bank Interest | | 1,671,140 | 1,104,963 |
| Other Income | | 16 | 68,369 |
| Net Gain/Losses on Financial Assets at Fair Value through Profit or Loss | 13 | 23,630,539 | 64,898,175 |
| Investment Income | | 34,701,849 | 74,207,079 |
| EXPENSES | | | |
| Management / Advisory Fees | 6 | 4,994,394 | 5,711,569 |
| Performance Fees | 6 | 1,698,844 | - |
| Administration Fees | 6 | 105,992 | 57,973 |
| Custodian Fees | 6 | 242,571 | 253,184 |
| Transfer Agency Fees | 6 | 121,270 | 78,885 |
| Bank Interest | | 57,568 | 16,742 |
| Transaction Costs | | 2,400,747 | 3,132,059 |
| Other Charges | | 311,198 | 283,899 |
| Operating Expenses | | 9,932,584 | 9,534,311 |
| Increase in Net Assets Attributable to Holders of Redeemable Participating Shares | | 24,769,265 | 64,672,768 |

The Company has no recognised gains or losses other than the total recognised gains for the year. All gains and losses were generated by continuing operations.

Signed on behalf of the Company on 10 April 2008 by:

The accompanying notes form an integral part of Financial Statements.


Director


Director

Odey Investment Funds plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES for the year ended 31 December 2007

| | Odey Pan European Fund | | Odey Allegra European Fund | | Odey Allegra International Fund* | |
|---|------------------------|---------------------|----------------------------|---------------------|----------------------------------|-------------|
| | EUR | EUR | EUR | EUR | EUR | EUR |
| | 31 December | 31 December | 31 December | 31 December | 31 December | 31 December |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Net Assets attributable to holders of redeemable participating shares at beginning of the year | 147,236,829 | 334,030,011 | 233,479,163 | 199,403,278 | - | - |
| Increase in Net Assets attributable to holders of redeemable participating shares | 12,325,736 | 24,771,476 | 11,748,265 | 39,901,292 | 695,264 | - |
| <u>Capital Transactions</u> | | | | | | |
| Distribution | - | - | (115,069) | - | - | - |
| Proceeds from issuance of shares | 49,227,856 | 51,982,284 | 118,956,876 | 133,360,788 | 195,967,708 | - |
| Payments on redemptions of shares | (51,266,679) | (263,546,942) | (140,585,029) | (139,186,195) | (17,386,251) | - |
| Net Assets attributable to holders of redeemable participating shares at the end of the year | 157,523,742 | 147,236,829 | 223,484,206 | 233,479,163 | 179,276,721 | - |
| Redeemable participating shares in issue at beginning of the year | 790,226.50 | 2,000,664.51 | 1,452,628.97 | 1,433,626.13 | - | - |
| Shares issued during the year | | | | | | |
| Euro Class | 139,017.20 | 299,132.54 | 576,411.76 | 552,258.37 | 42,467.67 | - |
| Euro I Class | - | - | 132,168.71 | 237,093.92 | 50,000.00 | - |
| US Dollar Class | - | - | 43.67 | 80.00 | - | - |
| US Dollar I Class | - | - | - | - | - | - |
| Sterling Class | - | - | 11,869.27 | 53,411.54 | 1,126,260.44 | - |
| Sterling I Class | - | - | - | - | - | - |
| Sterling D Class | 137,380.34 | 100.00 | - | 59,932.84 | 99,275.51 | - |
| Shares redeemed during the year | | | | | | |
| Euro Class | (252,295.85) | (1,509,670.55) | (165,805.94) | (581,420.57) | - | - |
| Euro I Class | - | - | (625,078.01) | (173,021.20) | - | - |
| US Dollar Class | - | - | - | - | - | - |
| US Dollar I Class | - | - | - | - | - | - |
| Sterling Class | - | - | (7,517.37) | (129,332.06) | (5,257.12) | - |
| Sterling I Class | - | - | - | - | - | - |
| Sterling D Class | (7,352.61) | - | (59,932.84) | - | (99,275.51) | - |
| Redeemable participating shares in issue at the end of the year | 806,975.58 | 790,226.50 | 1,314,788.22 | 1,452,628.97 | 1,213,470.99 | - |

*Launched on 12 March 2007.

The accompanying notes form an integral part of these Financial Statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
for the year ended 31 December 2007 (continued)**

| | Total EUR 31 December 2007 | Total EUR 31 December 2006 |
|---|-------------------------------------|-------------------------------------|
| Net Assets attributable to holders of redeemable participating shares at beginning of the year | 380,715,992 | 533,433,289 |
| Increase in Net Assets attributable to holders of redeemable participating shares | 24,769,265 | 64,672,768 |
| <u>Capital Transactions</u> | | |
| Distribution | (115,069) | - |
| Proceeds from issuance of shares | 364,152,440 | 185,343,072 |
| Payments on redemptions of shares | (209,237,959) | (402,733,137) |
| Net Assets attributable to holders of redeemable participating shares at the end of the year | 560,284,669 | 380,715,992 |

The accompanying notes form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1. Establishment and Organisation

Odey Investment Funds Plc (The "Company") is an umbrella fund established as an open-ended investment company with variable capital and segregated liability between Sub-Funds, under the laws of Ireland as a public limited company pursuant to the Companies Acts, 1963 to 2006 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) (the "UCITS Regulations") and has been authorised by the Financial Regulator as a UCITS.

The Company is organised in the form of an umbrella fund. Each Sub-Fund will have a distinct portfolio of investments.

The Company has obtained approval from the Financial Regulator for the establishment of Odey Pan European Fund, Odey Allegra European Fund and Odey Allegra International Fund (the "Sub-Funds"). The Company offers two Classes of shares, Euro Class and Sterling Distribution Class, in respect of Odey Pan European Fund. It has Euro Class, Euro I Class, US Dollar Class, US Dollar I Class, Sterling Class, Sterling I Class and Sterling Distribution Class in respect of Odey Allegra European Fund. It has Euro Class, Euro I Class, US Dollar Class, Sterling Class and Sterling Distribution Class in respect of the Odey Allegra International Fund.

The objective of the Company is to provide investors with long-term capital appreciation.

Odey Pan European invests primarily in equities issued by what the Investment Manager consider to be companies which derive a significant proportion of their income from or whose principal offices are in Europe, including Eastern Europe and which are listed or traded on one or more Recognised Exchanges.

Odey Allegra European Fund invests predominantly in equities and equity related securities which are listed or traded on one or more Recognised Exchanges in Europe.

Odey Allegra International Fund invests predominantly in equity and equity-related securities which are listed or traded on one or more Recognised Exchanges worldwide.

2. Principal Accounting Policies

Basis of Accounting

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland and the provisions of the Companies Acts, 1963 to 2006 and the European Communities (UCITS) Regulation 2003 as amended. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (ASB).

The financial statements are prepared under the historical cost convention, except for financial instruments classified at fair value through profit or loss.

The format and certain wordings of the financial statements have been adapted from those contained in the Companies (Amendment) Act 1986 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

The Company has availed of the exemption available to open-ended investment funds under FRS1 not to prepare a cash flow statement.

Financial Instruments

(i) Changes in accounting policies

As at 1 January 2007, the Company adopted the following new accounting standards resulting in changes to the accounting policies:

FRS 29

Financial Instruments: Disclosures

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

2. Principal Accounting Policies (continued)

Financial Instruments (continued)

FRS 29 has required the provision of additional information of the Fund's material financial instrument risks and how the Fund manages those risks. See Note 9.

(ii) Classification

The Company designated its assets and liabilities into the categories below in accordance with FRS 26.

Financial assets and liabilities at fair value through profit or loss:

The category of financial assets and liabilities at fair value through profit or loss is sub-divided into a number of categories per FRS 26. However, the Company has classified all of its financial assets as held for trading for the year ended 31 December 2007. These include equities and investment funds.

(iii) Initial Measurement

Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using average cost.

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised directly in the profit and loss account.

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange, at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the profit and loss account.

(v) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or transfers the financial assets and the transfer qualifies for derecognition in accordance with FRS 26. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(vi) Net trading Income

Results arising from trading activities include all gains and losses from changes in fair value of financial instruments.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

2. Principal Accounting Policies (continued)

Financial Instruments (continued)

Net Asset Value

The Net Asset Value of a Sub-Fund and the Net Asset Value per Share of each Sub-Fund are calculated on each Dealing Day by ascertaining the value of the assets of the Sub-Fund on such Dealing Day and deducting from such value the liabilities of the Sub-Fund on such Dealing Day.

Share Capital

The Company's subscriber shares are classified as equity in accordance with the Company's articles of association. These shares do not participate in the profits of the Company.

Interest Income and Interest Expense

Interest income and interest expense are recognised on an accruals basis in line with the contractual terms.

Operating Expenses

The Company pays out of the assets of each Sub-Fund all normal operating expenses including Custodian fees, Administration fees, Investment Manager fees, Directors' fees, NAV publication and circulation fees, audit and other professional fees and stamp duties and charges incurred on the acquisition and realisation of investments. Such costs are generally expensed in the year to which they relate.

Dividend Income

Dividends are credited to the profit and loss account on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Profit and Loss Account, and net of any tax credits.

Functional and Presentation Currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ('the functional currency'). This is the Euro, as the Company's main investors are based in the European Union. The presentation currency is also Euro.

Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of the meeting short-term cash commitments rather than for investments or other purposes.

Classification of Redeemable Participating Shares

The Company provides its shareholders with the right to redeem their interest in the Company at any dealing date for cash equal to their proportionate share of the net asset value of the Company. Under FRS 25, this right represents in substance a liability of the Company to shareholders.

Foreign Currency Translation

Monetary assets and liabilities denominated in currencies other than the currencies stated as the Company's functional currency are translated into the said functional currency at the closing rates of exchange at each year end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in realised and unrealised gain and loss on investments.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

2. Principal Accounting Policies (continued)

Foreign Currency Translation (continued)

The rates of exchange at the year ended 31 December 2007 were:

| | | | | | |
|-----|----------|-----|------------|-----|----------|
| AUD | 1.665110 | GBP | 1.361513 | SEK | 9.449529 |
| CAD | 1.442970 | JPY | 163.332905 | USD | 1.462050 |
| CHF | 1.655260 | NOK | 7.938719 | | |

The rates of exchange at the year ended 31 December 2006 were:

| | | | | | |
|-----|----------|-----|----------|-----|----------|
| CAD | 1.534513 | GBP | 1.484207 | USD | 1.318650 |
| CHF | 1.609676 | NOK | 8.210363 | ZAR | 9.297464 |
| DKK | 7.454464 | SEK | 9.023506 | | |

3. Financial Instruments at Fair Value through Profit or Loss

Assets listed and regularly traded on a Recognised Exchange and for which market quotations are readily available or traded on over-the-counter markets shall be valued at the closing price on the principal exchange in the market for such investment as at close of business on the relevant Valuation Day provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on an over-the-counter market may be valued taking into account the level of premium or discount as at the date of valuation of the investment.

If for specific assets the latest available prices do not in the opinion of the Directors, in consultation with the Investment Manager, reflect their fair value, the value shall be calculated with care and in good faith by the Administrator (being a competent person approved for such purpose by the Custodian) in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the relevant Valuation Day.

Derivative Contracts

Typically, derivative contracts serve as components of the Company's investment strategy and are utilised primarily to structure and economically hedge investments to enhance performance and reduce risk to the Company (the Company does not designate any derivatives as hedges for hedge accounting purposes as described under FRS 26). The derivative contracts that the Company holds or issue are forward contracts.

Financial Instruments at Fair Value through Profit or Loss:

Odey Pan European Fund

| | <i>2007 Fair Value EUR</i> | <i>2006 Fair Value EUR</i> |
|---------------------------------|------------------------------------|------------------------------------|
| Held for trading: | | |
| Listed Equity Securities | 118,245,382 | 146,824,202 |
| T-Bills | 13,942,447 | - |
| Derivatives – Forward Contracts | 899,909 | - |
| Total held for trading | 133,087,738 | 146,824,202 |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

3. Financial Instruments at Fair Value through Profit or Loss (continued)

Financial Instruments at Fair Value through Profit or Loss:

Odey Allegra European Fund

| | <i>2007 Fair Value EUR</i> | <i>2006 Fair Value EUR</i> |
|---------------------------------|------------------------------------|------------------------------------|
| Held for trading: | | |
| Listed Equity Securities | 195,049,769 | 220,191,916 |
| T-Bills | 26,900,100 | 2,056,320 |
| Derivatives – Forward Contracts | 993,099 | - |
| | <hr/> | <hr/> |
| Total held for trading | 222,942,968 | 222,248,238 |

Odey Allegra International Fund

| | <i>2007 Fair Value EUR</i> | <i>2006 Fair Value EUR</i> |
|---------------------------------|------------------------------------|------------------------------------|
| Held for trading: | | |
| Listed Equity Securities | 140,625,938 | - |
| T-Bills | 6,974,100 | - |
| Derivatives – Forward Contracts | 650,934 | - |
| | <hr/> | <hr/> |
| Total held for trading | 148,250,972 | - |

4. Taxation

Under current Irish law and practice the Company qualifies as an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997 and is not therefore chargeable to Irish tax on its relevant income or relevant gains. No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of Shares in the Company. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and other countries. The Company may not, therefore, be able to reclaim withholding tax suffered by it in particular countries.

Following legislative changes in the Finance Act 2006, the holding of shares at the end of a Relevant Period will, in respect of Irish Resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant shares.

Relevant Period is defined as period of 8 years beginning with the acquisition of a share by a shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

5. Share Capital and Redeemable Participating Shares

The share capital of the Company shall at all times equal the Net Asset Value. The initial capital of the Company was €38,092 represented by 38,092 Management Shares of €1 each. All of the management shares, except two, were redeemed during the year ended 31 December 2006. The Directors are empowered to issue up to five hundred million Participating Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

5. Share Capital and Redeemable Participating Shares (continued)

Each of the Participating Shares (other than the Management Shares) entitles the shareholder to participate equally on a pro rata basis in the net assets of the Company. The minimum initial investment in Participating Shares, as set out in the prospectus, is €20,000.

The Management Shares entitlement shall be limited to the amount subscribed and any accrued income thereon. Each Management shareholder is entitled to one vote per share held. Regardless of the number of Management Shares held by an individual, they are entitled to one vote per person. As the Management Shares do not form part of the Net Asset Value of the Company, they are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's investment business.

Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. Subject to the provisions of the Articles of Association, the participating shares can be put back to the Company on any Dealing Day for cash equal to a proportionate share of the Company's net asset value.

6. Fees

Investment Manager's Fees

The Company pays the Investment Manager monthly in arrears an investment management fee of 1.5 per cent per annum of the Net Asset Value of the Odey Pan European Fund. The investment management fee accrues on each Dealing Day. The Investment Manager is not entitled to be reimbursed by the Company for out-of-pocket expenses incurred by it.

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €2,440,162 (Year ended 31 December 2006: €3,587,473).

The Investment Manager shall be entitled to receive out of the assets of the Odey Allegra European Fund, an annual fee, accrued daily and payable monthly in arrears. The investment management fee rates are detailed in the following table:

| Class of Shares | Investment Manager's Fee |
|------------------------|---------------------------------|
| Euro | 0.70% |
| Euro I | 1.00% |
| US Dollar | 0.70% |
| US Dollar I | 1.00% |
| Sterling | 0.70% |
| Sterling I | 1.00% |
| Sterling D | 0.70% |

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €1,990,332 (Year ended 31 December 2006: €2,124,096).

The Investment Manager shall be entitled to receive out of the assets of the Odey Allegra International Fund, an annual fee, accrued daily and payable monthly in arrears. The investment management fee rates are detailed in the following table:

| Class of Shares | Investment Manager's Fee |
|------------------------|---------------------------------|
| Euro | 0.70% |
| Euro I | 1.00% |
| US Dollar | 0.70% |
| Sterling | 0.70% |
| Sterling D | 0.70% |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

6. Fees (continued)

Investment Manager's Fees (continued)

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €563,900 (Year ended 31 December 2006: nil).

Performance Fee

The Investment Manager, in addition to the annual management fee, is entitled to receive a performance fee from the Odey Allegra European Fund and the Odey Allegra International Fund in aggregate equal to 20% of the amount by which performance of each Class of Shares exceeds the benchmark (as described below). The performance fee is payable on the last Valuation Day in each financial year (each a "Payment Date").

The performance fee will be equal to 20% of x where x equals the Net Asset Value per Share on the Payment Date less the benchmark value per Share on such Date multiplied by the weighted average number of Shares of the relevant class in issue on Dealing Days in the period since the preceding Payment Date. Such calculation of the performance fee shall be verified by the Custodian.

The benchmark value per Share for the purposes of the performance fee calculation will be the higher of: (a) the benchmark value per Share on the previous Payment Date adjusted by the return in the MSCI Europe Total Return Index since the previous Payment Date and (b) the Net Asset Value per Share on the previous Payment Date adjusted by the return in the MSCI Europe Total Return Index since the previous Payment Date. For the purposes of the first calculation of the fee, the starting point for the benchmark value per Share is the Initial Issue Price.

If the fee as calculated is less than zero, then no performance fee becomes payable until the under-performance has been made good (and future performance has exceeded the benchmark).

The performance fee will accrue on a daily basis and the Net Asset Value will be adjusted to reflect the accrual. Investors whose shares are repurchased on a day other than a Payment Date will accordingly receive repurchase proceeds based on a Net Asset Value calculation reflecting the performance fee accrued on the repurchase date. If subsequent performance means that no performance fee is payable on the Payment Date next succeeding the relevant repurchase date, the sums representing the accrual will not be paid to the Investment Manager but will be retained by the Company. Where performance fees are payable by the Company these will be based on net realised and net unrealised gains and losses at the end of each performance period. As a result, performance fees may be paid on unrealised gains which may subsequently not be realised.

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €363,992 (Year ended 31 December 2006: nil).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €1,334,852 (Year ended 31 December 2006: nil).

Administrator's Fees

The Company shall pay to the Administrator, out of the assets of the Company, an annual fund accounting, registrar and transfer agency fee, accrued daily and payable monthly in arrears, at a rate which shall not exceed 0.05 % per annum of the Net Asset Value of the Company, subject to a minimum fee of Euro 29,500 per annum per Sub-Fund (plus VAT, if any).

The Administrator is also entitled to be reimbursed by the Company for all reasonable out-of-pocket expenses incurred by it.

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €35,314 (Year ended 31 December 2006: €28,986).

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

6. Fees (continued)

Administrator's Fees (continued)

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €40,337 (Year ended 31 December 2006: €28,987).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €30,341 (Year ended 31 December 2006: nil).

Custodian's Fees

The Company shall pay to the Custodian out of the assets of each Sub-Fund an annual fee accrued daily and payable monthly in arrears based on a percentage of the gross market value of the assets under custody of the Company. Such fee is equal to 0.030% of the first €150 million of assets under custody, 0.0275% of assets under custody between €150 million and €300 million, 0.025% of assets under custody between €300 million and €1 billion and 0.020% of any excess over €1 billion. Such fee is subject to an annual minimum fee of €14,000 (plus VAT, if any) for the Company as a whole.

In addition, an annual trustee fee of €12,000 per Sub-Fund is payable monthly in arrears. The Custodian also receives for all non-straight through processing transactions ("STP Transactions"), a repair fee of €20 per rejected trade and in respect of each STP transaction, a repair fee of €7. The Custodian is also entitled to a transaction fee of €15 per third party FX and time deposit transaction. The Custodian is also entitled to be reimbursed for all reasonable out-of-pocket expenses properly incurred by it including telephone and fax charges, stamp duties and registration fees.

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €81,580 (Year ended 31 December 2006: €121,940).

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €123,339 (Year ended 31 December 2006: €131,244).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €37,652 (Year ended 31 December 2006: nil).

Registrar and Transfer Agent Fees

Until 31 October 2007 the Registrar and Transfer Agency Fee was charged as follows; a monthly maintenance fee of €250 per Shareholder register within each Sub-Fund; a monthly register of Shareholders general fee of €300 for the Company as a whole; an annual Shareholder servicing fee which is payable monthly in arrears, depending on the number of Shareholder accounts held; an annual fee of €115 applied per Nominee/Omnibus account per Shareholder register; a transaction fee of €20 per manual transaction for retail Shareholders; a transaction fee of €10 per automated subscription and redemption plan; a transaction fee of €8 per transaction via the internet and automatic field exchange processing; an additional fee of €10 is charged if a transaction does not have FATF clearance; a once-off fee of €350 for creation of templates for registered certificates and €25 for each certificate issued and cancelled; a minimum monthly charge of €600 per Shareholder will apply; an initial set up system connections and programming fee of €2,000, and annual maintenance fee of €1,000 per set of 10 users and related network costs and transmission costs.

From 01 November 2007 for the provision of the Fund Accounting and Registrar and Transfer Agent Services, the fees are charged as follows:

| | |
|--|--------|
| Assets up to €150,000,000 | 0.050% |
| Assets between €150,000,000 and €300,000,000 | 0.040% |
| Assets between €300,000,000 and €1,000,000,000 | 0.035% |
| Assets above €1,000,000,000 | 0.025% |

This is subject to a minimum fee of €25,000 per annum per Sub-Fund. In the event the number of shareholders exceeds 500, an additional servicing fee per account will be incurred.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

6. Fees (continued)

Registrar and Transfer Agent Fees

The Transaction fees are charged as follows: a transaction fee of €20 per manual transaction for retail Shareholders; a transaction fee of €8 per automated subscription and redemption plan; a transaction fee of €8 per transaction via the internet and automatic field exchange processing; a repair fee of €20 per transaction for manual intervention required on automated transactions; a fee of €30 per settlement for Euroclear and Clearstream settlements; an additional fee of €10 is charged if a transaction does not have FATF (GAFI) clearance. In respect of dividends, all dividends are run at a rate of 10 basis points of the total dividend amount. In the case of payments to investors, these are charged at €20 per wire transfer. A minimum fee of €500 per dividend run will apply.

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €58,602 (Year ended 31 December 2006: €25,671).

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €49,133 (Year ended 31 December 2006: €53,214).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €13,535 (Year ended 31 December 2006: nil).

Directors' Fees

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors, but the aggregate remuneration shall not exceed €12,000 per Director. These fees are payable semi-annually in arrears and are apportioned equally amongst the Sub-Funds. The Directors are entitled to be reimbursed by the Sub-Fund for all reasonable disbursements and out-of-pocket expenses incurred by them. Peter Heaps and David Fletcher have waived their entitlement to a fee for the year.

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €5,456 (Year ended 31 December 2006: €6,018).

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €5,456 (Year ended 31 December 2006: €6,018).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €4,246 (Year ended 31 December 2006: nil).

Auditors' Fees

For Odey Pan European Fund, the fees charged for the year ended 31 December 2007 were €12,617 (Year ended 31 December 2006: €14,843).

For Odey Allegra European Fund, the fees charged for the year ended 31 December 2007 were €18,128 (Year ended 31 December 2006: €21,457).

For Odey Allegra International Fund, the fees charged for the period ended 31 December 2007 were €4,482 (Year ended 31 December 2006: nil).

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

7. Forward Foreign Exchange Contracts

As at 31 December 2007, the Sub-Funds had entered into the following outstanding forward contracts:

Odey Pan European Fund:

| Maturity Date | Currency Purchased | Currency Sold | Unrealised Appreciation |
|----------------------|---------------------------|----------------------|--------------------------------|
| | | | EUR |
| 31-Jan-08 | EUR 41,683,456 | GBP 30,000,000 | 899,909 |
| | | | 899,909 |

Odey Allegra European Fund:

| Maturity Date | Currency Purchased | Currency Sold | Unrealised Appreciation |
|----------------------|---------------------------|----------------------|--------------------------------|
| | | | EUR |
| 31-Jan-08 | EUR 46,000,000 | GBP 33,106,660 | 993,099 |
| | | | 993,099 |

Odey Allegra International Fund:

| Maturity Date | Currency Purchased | Currency Sold | Unrealised Appreciation |
|----------------------|---------------------------|----------------------|--------------------------------|
| | | | EUR |
| 31-Jan-08 | EUR 30,151,033 | GBP 21,700,000 | 650,934 |
| | | | 650,934 |

As at 31 December 2006, the Sub-Funds had no outstanding forward contracts.

8. Related Parties

FRS8 'Related Party Transactions' requires the disclosure of information relating to material transactions with parties, who are deemed to be related to the reporting entity. Three of the directors, David Fletcher, Andrew Bates and Peter Heaps are considered to be related parties by virtue of their employment by Odey Asset Management LLP, Dillon Eustace and RBC Dexia Investor Services Ireland respectively. The Investment Manager is a related party under this definition.

For Odey Pan European Fund, fees of €2,440,162 (Year ended 31 December 2006: €3,587,473) were charged for the Investment Manager during the year. The legal advisers, Dillon Eustace are a related party under this definition. For Odey Pan European Fund, fees of € 23,326 (Year ended 31 December 2006: €28,203) were charged for the legal advisors during the year. The Administrator is a related party under this definition. For Odey Pan European Fund, fees of € 35,314 (Year ended 31 December 2006: €28,986) were charged for the Administrator during the year.

For Odey Allegra European Fund, fees of €1,990,332 (Year ended 31 December 2006: €2,124,096) were charged for the Investment Manager during the year. The legal advisers, Dillon Eustace are a related party under this definition. For Odey Allegra European Fund, fees of €35,466 (Year ended 31 December 2006: €36,635) were charged for the legal advisors during the year. The Administrator is a related party under this definition. For Odey Allegra European Fund, fees of €40,337 (Year ended 31 December 2006: €28,987) were charged for the Administrator during the year.

For Odey Allegra International Fund, fees of €563,900 (Year ended 31 December 2006: nil) were charged for the Investment Manager during the year. The legal advisers, Dillon Eustace are a related party under this definition. For Odey Allegra International Fund, fees of €1,122 (Year ended 31 December 2006: nil) were charged for the legal advisors during the year.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

8. Related Parties (continued)

The Administrator is a related party under this definition. For Odey Allegra International Fund, fees of €30,341 (Year ended 31 December 2006: nil) were charged for the Administrator during the year.

9. Risk Statement

Investment in equities, bonds, cash and derivatives expose a Sub-Fund to varying risks, including market, liquidity and credit/counterparty risks. A description of the specific risks and the policies for managing these risks are included below. The prospectus provides details of these and other types of risk some of which are additional to that information provided in these financial statements.

Achievement of the investment objectives involves taking risks. The Investment Manager exercises judgment based on analysis, research and risk management techniques when making investment decisions.

The nature of the financial investments outstanding at the reporting date and the risk management policies employed by the Company are detailed below.

Market Risk

Market Risk arises from uncertainty about future prices of financial investments held by the Fund, 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 a Fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments (i.e. the loss cannot exceed the total amount invested). However, in a number of circumstances, losses can exceed the original investment value - sometimes without limit, e.g. short sales, partly paid shares, futures and other margin purchases, options written/sold and various swap transactions.

The Market Risk for the Fund is managed by the appointed Fund Manager through continuous monitoring and assessment of individual investments and the portfolio as a whole. Market Risk is controlled via a number of techniques including:

1. Diversification. Limiting concentration in individual investments, or possibly correlating groups of investments;
2. Selection of individual positions for appropriate risk-reward characteristics;
3. Assessment of the character of the portfolio as a whole; and
4. Technical analysis.

Whilst Market and Liquidity Risk management are the responsibilities of appointed Fund Managers, oversight and ultimate control is carried out by the Odey Asset Management Executive Committee which meets weekly or more often if required. The Executive Committee may on occasion agree to overrule an individual Fund Manager – in a range between offering guidance and compulsory investment risk reduction.

It is important to note that this form of sensitivity analysis is unrepresentative of the risks inherent in the financial instruments held by the Company as the measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk position held at any other time.

At 31 December 2007, if the official stock markets on which the shares held by the Sub-Funds are admitted had increased by 5% (31 December 2006: 5%) and the price of each equity investment had increased by 5%, whilst the foreign currency rates held constant, there would have been the following approximate increases in net assets attributable to holders of redeemable preference shares.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

9. Risk Statement (continued)

Market Risk (continued)

| | 31 December 2007 EUR | 31 December 2006 EUR |
|---------------------------------|---------------------------------|---------------------------------|
| Odey Pan European Fund | 5,912,269 | 7,341,210 |
| Odey Allegra European Fund | 9,752,488 | 11,112,412 |
| Odey Allegra International Fund | 7,031,297 | - |

A decrease by 5% (31 December 2006: 5%) would result in an equal but opposite effect on net assets attributable to holders of redeemable shares to the figures shown above, on the basis that all other variables remain constant.

The geographical and economic division of the Fund's assets can be viewed in the geographical and economic division of investment tables.

Currency Risk

As well as the nominal price movement, the potential impact of currency changes has to be taken into account when translating investment values into a Fund's base or accounting currency.

Currency risk is the risk that as certain assets of the fund may be invested in securities and other investments denominated in foreign currencies (i.e. non base currency), the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates.

Many of the assets of the fund may be invested in other currencies and any income received by the fund from these investments will be received in those currencies, some of which may fall in value against the base currency of the fund. Accordingly, the value of the shares may be affected favourably or unfavourably by fluctuations in currency rates and the funds will therefore be subject to foreign exchange risks.

The Fund Manager monitors the fund's currency position on a daily basis and may enter into forward foreign currency exchange contracts to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in a foreign currency.

The level of currency hedging is reviewed by the Fund Manager at each valuation point to determine levels of currency exposure.

The table below shows the comparative numerical currency exposure of the fund.

Odey Pan European Fund:

| Currency | Investments | | Net Monetary | | Hedged Amounts | | Total Foreign Currency Exposure | |
|----------|-------------------|-------------------|-----------------|--------------|----------------|----------|------------------------------------|-------------------|
| | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 |
| CAD | 1,010,732 | 839,883 | - | 709 | - | - | 1,010,732 | 840,592 |
| CHF | 14,864,295 | 5,945,133 | 1,454 | 106 | - | - | 14,865,749 | 5,945,239 |
| DKK | - | - | - | 162 | - | - | - | 162 |
| GBP | 15,734,486 | 74,845,046 | (52,635) | 434 | - | - | 15,681,851 | 74,845,480 |
| NOK | 9,127,266 | 11,837,124 | - | 57 | - | - | 9,127,266 | 11,837,181 |
| SEK | 247,710 | - | - | 106 | - | - | 247,711 | 106 |
| USD | 2,277,424 | 4,720,265 | - | 628 | - | - | 2,277,424 | 4,720,893 |
| ZAR | - | - | - | 35 | - | - | - | 35 |
| | 43,261,913 | 98,187,451 | (51,181) | 2,237 | - | - | 43,210,732 | 98,189,688 |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

9. Risk Statement (continued)

Currency Risk (continued)

Odey Allegra European Fund:

| (expressed in EUR) | | Investments | | | | Net Monetary | | Hedged Amounts | | Total Foreign Currency Exposure | |
|--------------------|------------|-------------|----------|----------|----------|--------------|----------|----------------|------------|---------------------------------|--|
| Currency | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | |
| CHF | 19,009,929 | 8,632,337 | (3,746) | (2,732) | - | - | - | - | 19,006,183 | 8,629,605 | |
| DKK | - | - | - | 145 | - | - | - | - | - | 145 | |
| GBP | 10,094,625 | 84,254,294 | 808,045 | 721 | - | - | - | - | 10,902,670 | 84,255,015 | |
| NOK | 14,100,846 | 6,765,138 | 560 | 7 | - | - | - | - | 14,101,406 | 6,765,145 | |
| SEK | 7,578,711 | 2,872,049 | - | 71 | - | - | - | - | 7,578,711 | 2,872,120 | |
| USD | - | - | (19,818) | 5,044 | - | - | - | - | (19,818) | 5,044 | |
| ZAR | - | - | - | 1,243 | - | - | - | - | - | 1,243 | |
| | 50,784,111 | 102,523,818 | 785,041 | 4,499 | - | - | - | - | 51,569,152 | 102,528,317 | |

Odey Allegra International Fund:

| (expressed in EUR) | | Investments | | Net Monetary | | Hedged Amounts | | Total Foreign Currency Exposure | |
|--------------------|------------|-------------|-------------|--------------|----------|----------------|------------|---------------------------------|--|
| Currency | Dec 2007 | Dec 2006 | Dec 2007 | Dec | Dec 2007 | Dec 2006 | Dec 2007 | Dec 2006 | |
| AUD | 267,289 | - | - | - | - | - | 267,289 | - | |
| CHF | 17,088,099 | - | 171 | - | - | - | 17,088,270 | - | |
| GBP | 33,797,107 | - | (1,042,978) | - | - | - | 32,754,129 | - | |
| JPY | 4,477,875 | - | 4,982 | - | - | - | 4,482,857 | - | |
| NOK | 10,050,750 | - | - | - | - | - | 10,050,750 | - | |
| SEK | 284,863 | - | - | - | - | - | 284,863 | - | |
| USD | 11,616,406 | - | - | - | - | - | 11,616,406 | - | |
| | 77,582,389 | - | (1,037,825) | - | - | - | 76,544,564 | - | |

Interest Rate Risk

If not reflected in the market price itself, the effect of interest rate movements on the present value of future payments represents an additional risk in the value of securities to be considered.

Interest rate risk represents the potential losses that the fund might suffer due to adverse movements in relevant interest rates. The value of fixed interest securities may be affected by changes in the interest rate environment and the amount of income receivable from floating rate securities and bank balances, or payable on overdrafts, will also be affected by fluctuations in interest rates.

The Fund Manger monitors the fund's securities and cash positions on a daily basis to ensure the fund is not suffering from adverse fluctuations in interest rates (e.g. running a large overdraft balance). The level of cash is reviewed by the Fund Manager at each valuation point to determine levels of interest rate exposure.

The tables below show the comparative numerical interest rate exposure of the sub-funds.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Interest Rate Risk (continued)

| | 31 December 2007 | | | | | Total | 31 December 2006 | | | | | Total |
|---|-------------------|-------------------|-------------|------------------|----------------------|--------------------|-------------------|------------|-------------|------------------|----------------------|--------------------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| Odey Pan European Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | - | 13,942,447 | - | - | 119,145,291 | 133,087,738 | - | - | - | - | 146,824,202 | 146,824,202 |
| Cash and Cash Equivalents | 25,461,304 | - | - | - | - | 25,461,304 | 1,043,420 | - | - | - | - | 1,043,420 |
| Receivable from Subscriptions | - | - | - | - | 149,854 | 149,854 | - | - | - | - | 775,837 | 775,837 |
| Interest and Dividends Receivable | - | - | - | - | - | - | - | - | - | - | 36,730 | 36,730 |
| Other Receivables | - | - | - | - | 4,508 | 4,508 | - | - | - | - | 18,958 | 18,958 |
| Total assets | 25,461,304 | 13,942,447 | - | - | 119,299,653 | 158,703,404 | 1,043,420 | - | - | - | 147,655,727 | 148,699,147 |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions Administration and Transfer | - | - | - | - | 609,661 | 609,661 | - | - | - | - | 1,243,039 | 1,243,039 |
| Agency Fees | - | - | - | - | 24,420 | 24,420 | - | - | - | - | 7,236 | 7,236 |
| Custodian Fees | - | - | - | - | 26,626 | 26,626 | - | - | - | - | 18,722 | 18,722 |
| Management and Advisory Fees | - | - | - | - | 399,402 | 399,402 | - | - | - | - | 175,314 | 175,314 |
| Performance Fees | - | - | - | - | - | - | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | 105,881 | - | 105,881 | - | - | - | - | - | - |
| Other Accrued Expenses | - | - | - | - | 13,672 | 13,672 | - | - | - | - | 18,007 | 18,007 |
| Total liabilities | - | - | - | 105,881 | 1,073,781 | 1,179,662 | - | - | - | - | 1,462,318 | 1,462,318 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Interest Rate Risk (continued)

| | 31 December 2007 | | | | | 31 December 2006 | | | | | | Total |
|---|----------------------|-------------------|----------------|---------------------|-------------------------|--------------------|----------------------|---------------|----------------|---------------------|-------------------------|--------------------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | Total | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | |
| Odey Allegra European Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | - | 26,900,100 | - | - | 196,042,868 | 222,942,968 | - | - | - | - | 222,248,238 | 222,248,238 |
| Cash and Cash Equivalents | 1,356,112 | - | - | - | - | 1,356,112 | 13,066,686 | - | - | - | - | 13,066,687 |
| Receivable from Subscriptions | - | - | - | - | - | - | - | - | - | - | 228,000 | 228,000 |
| Interest and Dividends Receivable | - | - | - | - | 188,238 | 188,238 | - | - | - | - | 37,245 | 37,246 |
| Other Receivables | - | - | - | - | 8,260 | 8,260 | - | - | - | - | 9,356 | 9,357 |
| Total assets | 1,356,112 | 26,900,100 | - | - | 196,239,366 | 224,495,578 | 13,066,686 | - | - | - | 222,522,839 | 235,589,528 |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions | - | - | - | - | 82,362 | 82,362 | - | - | - | - | 1,868,189 | 1,868,189 |
| Administration and Transfer Agency Fees | - | - | - | - | 36,110 | 36,110 | - | - | - | - | 19,812 | 19,813 |
| Custodian Fees | - | - | - | - | 41,171 | 41,171 | - | - | - | - | 27,872 | 27,872 |
| Management and Advisory Fees | - | - | - | - | 283,249 | 283,249 | - | - | - | - | 153,040 | 153,040 |
| Performance Fees | - | - | - | - | 363,992 | 363,992 | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | 158,649 | - | 158,649 | - | - | - | - | - | - |
| Other Accrued Expenses | - | - | - | - | 45,839 | 45,839 | - | - | - | - | 41,450 | 41,451 |
| Total liabilities | - | - | - | 158,649 | 852,723 | 1,011,372 | - | - | - | - | 2,110,363 | 2,110,365 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Interest Rate Risk (continued)

| | 31 December 2007 | | | | | Total | 31 December 2006 | | | | | Total |
|---|-------------------|------------------|-------------|------------------|----------------------|--------------------|-------------------|------------|-------------|------------------|----------------------|----------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Non-interest bearing | |
| | EUR | EUR | EUR | EUR | EUR | | EUR | EUR | EUR | EUR | EUR | |
| Odey Allegra International Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | - | 6,974,100 | - | - | 141,276,872 | 148,250,972 | - | - | - | - | - | - |
| Cash and Cash Equivalents | 33,090,595 | - | - | - | - | 33,090,595 | - | - | - | - | - | - |
| Receivable from Subscriptions | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Dividends Receivable | - | - | - | - | 31,514 | 31,514 | - | - | - | - | - | - |
| Other Receivables | - | - | - | - | 7,743 | 7,743 | - | - | - | - | - | - |
| Total assets | 33,090,595 | 6,974,100 | - | - | 141,316,129 | 181,380,824 | - | - | - | - | - | - |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions | - | - | - | - | 645,011 | 645,011 | - | - | - | - | - | - |
| Administration and Transfer Agency Fees | - | - | - | - | 24,550 | 24,550 | - | - | - | - | - | - |
| Custodian Fees | - | - | - | - | 22,778 | 22,778 | - | - | - | - | - | - |
| Management and Advisory Fees | - | - | - | - | 205,710 | 205,710 | - | - | - | - | - | - |
| Performance Fees | - | - | - | - | 1,099,725 | 1,099,725 | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | 86,635 | - | 86,635 | - | - | - | - | - | - |
| Other Accrued Expenses | - | - | - | - | 19,694 | 19,694 | - | - | - | - | - | - |
| Total liabilities | - | - | - | 86,635 | 2,017,468 | 2,104,103 | - | - | - | - | - | - |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

9. Risk Statement (continued)

Liquidity Risk

Liquidity Risk is the risk that a Fund will encounter difficulty in meeting financial obligations as they fall due. The Fund faces the possibility of an unpredictable short term liability to provide cash to meet investor withdrawals. 100% cash could be required at very short notice; however, this is in fact extremely unlikely, and not a practical basis for running a Fund. However, the Investment Manager does take into account the diversity of the investor base and the notice required for redemptions when assessing a Fund's potential liabilities from this source. The Fund holds a range of financial assets, in order to balance these potential obligations. The estimated ease with which these can be turned into cash, against the assessment of possible financial liabilities defines the Liquidity Risk.

The Liquidity Risk for the Fund is managed by the appointed Fund Manager through continuous monitoring and assessment of individual investments and the portfolio as a whole. Even for a static portfolio, Liquidity Risk can change as the liquidity of individual positions or the portfolio as a whole moves with the market.

Generally the vast majority of Funds' assets are composed of actively traded liquid securities able to be turned into cash at short notice. Additionally the Fund Manager can refer to the daily Liquidity Analysis for the Fund which reports the liquidity of assets held in relation to market trading volumes. This gives a snapshot of approximately how long it would take a Fund Manager to liquidate particular investments. Additional liquidity is available to Funds which have the ability to borrow up to reasonable limits in the short term – e.g. to meet redemptions. The Investment Manager's marketing and account management activities help to inform the assessment of potential liabilities. Furthermore, contacts with (especially larger) investors mean the Fund Manager often has notice of significant redemptions beyond required minimums.

The table on the next page analyses for each Sub-Fund the financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Balance Sheet Date to the contractual Maturity date.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Liquidity Risk (continued)

| | 31 December 2007 | | | | | | 31 December 2006 | | | | | |
|---|----------------------|---------------|-----------------|---------------------|------------------|--------------------|----------------------|---------------|-----------------|---------------------|---------|--------------------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| Odey Pan European Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | 133,087,738 | - | - | - | - | 133,087,738 | 146,824,202 | - | - | - | - | 146,824,202 |
| Cash and Cash Equivalents | 25,461,304 | - | - | - | - | 25,461,304 | 1,043,420 | - | - | - | - | 1,043,420 |
| Receivable from Subscriptions | 149,854 | - | - | - | - | 149,854 | 775,837 | - | - | - | - | 775,837 |
| Interest and Dividends Receivable, Net | - | - | - | - | - | - | 36,730 | - | - | - | - | 36,730 |
| Other Receivables | 4,508 | - | - | - | - | 4,508 | 18,958 | - | - | - | - | 18,958 |
| Total Assets | 158,703,404 | - | - | - | - | 158,703,404 | 148,699,147 | - | - | - | - | 148,699,147 |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions | 609,661 | - | - | - | - | 609,661 | 1,243,039 | - | - | - | - | 1,243,039 |
| Administration and Transfer Agency Fees | 24,420 | - | - | - | - | 24,420 | 7,236 | - | - | - | - | 7,236 |
| Custodian Fees | 26,626 | - | - | - | - | 26,626 | 18,722 | - | - | - | - | 18,722 |
| Management and Advisory Fees | 399,402 | - | - | - | - | 399,402 | 175,314 | - | - | - | - | 175,314 |
| Performance Fees | - | - | - | - | - | - | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | - | 105,881 | 105,881 | - | - | - | - | - | - |
| Other Accrued Expenses | 3,661 | - | 10,011 | - | - | 13,672 | 3,999 | - | 14,008 | - | - | 18,007 |
| LIABILITIES (excluding Net Assets attributable to redeemable participating shareholders) | 1,063,770 | - | 10,011 | - | 105,881 | 1,179,662 | 1,448,310 | - | 14,008 | - | - | 1,462,318 |
| NET ASSETS attributable to redeemable participating shareholders | 157,639,634 | - | (10,011) | - | (105,881) | 157,523,742 | 147,250,837 | - | (14,008) | - | - | 147,236,829 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Liquidity Risk (continued)

| | 31 December 2007 | | | | | | 31 December 2006 | | | | | |
|---|----------------------|---------------|-----------------|---------------------|------------------|--------------------|----------------------|---------------|-----------------|---------------------|----------|--------------------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| Odey Allegra European Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | 222,942,968 | - | - | - | - | 222,942,968 | 222,248,238 | - | - | - | - | 222,248,238 |
| Cash and Cash Equivalents | 1,356,112 | - | - | - | - | 1,356,112 | 13,066,687 | - | - | - | - | 13,066,687 |
| Receivable from Subscriptions | - | - | - | - | - | - | 228,000 | - | - | - | - | 228,000 |
| Interest and Dividends Receivable, Net | 188,238 | - | - | - | - | 188,238 | 37,246 | - | - | - | - | 37,246 |
| Other Receivables | 8,260 | - | - | - | - | 8,260 | 9,357 | - | - | - | - | 9,357 |
| Total Assets | 224,495,578 | - | - | - | - | 224,495,578 | 235,589,528 | - | - | - | - | 235,589,528 |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions | 82,362 | - | - | - | - | 82,362 | 1,868,189 | - | - | - | - | 1,868,189 |
| Administration and Transfer Agency Fees | 36,110 | - | - | - | - | 36,110 | 19,813 | - | - | - | - | 19,813 |
| Custodian Fees | 41,171 | - | - | - | - | 41,171 | 27,872 | - | - | - | - | 27,872 |
| Management and Advisory Fees | 283,249 | - | - | - | - | 283,249 | 153,040 | - | - | - | - | 153,040 |
| Performance Fees | 363,992 | - | - | - | - | 363,992 | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | - | 158,649 | 158,649 | - | - | - | - | - | - |
| Other Accrued Expenses | 30,609 | - | 15,230 | - | - | 45,839 | 25,872 | - | 15,579 | - | - | 41,451 |
| LIABILITIES (excluding Net Assets attributable to redeemable participating shareholders) | 837,493 | - | 15,230 | - | 158,649 | 1,011,372 | 2,094,786 | - | 15,579 | - | - | 2,110,365 |
| NET ASSETS attributable to redeemable participating shareholders | 223,658,085 | - | (15,230) | - | (158,649) | 223,484,206 | 233,494,742 | - | (15,579) | - | - | 233,479,163 |

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 (continued)

9. Risk Statement (continued)

Liquidity Risk (continued)

| | 31 December 2007 | | | | | | 31 December 2006 | | | | | |
|---|----------------------|---------------|----------------|---------------------|---------|--------------------|----------------------|---------------|----------------|---------------------|---------|-------|
| | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total | Less than 1 month | 1-3 months | 3-12 months | More than 1 year | Undated | Total |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| Odey Allegra International Fund | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| Financial Assets at Fair Value through Profit or Loss | 148,250,972 | - | - | - | - | 148,250,972 | - | - | - | - | - | - |
| Cash and Cash Equivalents | 33,090,595 | - | - | - | - | 33,090,595 | - | - | - | - | - | - |
| Receivable from Subscriptions | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Dividends Receivable, Net | 31,514 | - | - | - | - | 31,514 | - | - | - | - | - | - |
| Other Receivables | 7,743 | - | - | - | - | 7,743 | - | - | - | - | - | - |
| Total Assets | 181,380,824 | - | - | - | - | 181,380,824 | - | - | - | - | - | - |
| Liabilities | | | | | | | | | | | | |
| Payable on Redemptions | 645,011 | - | - | - | - | 645,011 | - | - | - | - | - | - |
| Administration and Transfer Agency Fees | 24,550 | - | - | - | - | 24,550 | - | - | - | - | - | - |
| Custodian Fees | 22,778 | - | - | - | - | 22,778 | - | - | - | - | - | - |
| Management and Advisory Fees | 205,710 | - | - | - | - | 205,710 | - | - | - | - | - | - |
| Performance Fees | 1,099,725 | - | - | - | - | 1,099,725 | - | - | - | - | - | - |
| Bank Overdrafts | - | - | - | 86,635 | - | 86,635 | - | - | - | - | - | - |
| Other Accrued Expenses | 15,212 | - | 4,482 | - | - | 19,694 | - | - | - | - | - | - |
| LIABILITIES (excluding Net Assets attributable to redeemable participating shareholders) | 2,012,986 | - | 4,482 | 86,635 | - | 2,104,103 | - | - | - | - | - | - |
| NET ASSETS attributable to redeemable participating shareholders | 179,367,838 | - | (4,482) | (86,635) | - | 179,276,721 | - | - | - | - | - | - |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

9. Risk Statement (continued)

Credit Risk

Credit risk is the risk that a Sub-Fund counterparty or issuer will be unable or unwilling to meet a commitment that it has entered into and cause the Sub-Fund to incur a financial loss.

Settlement risk

The Sub-Funds are exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

The Sub-Fund is also exposed to credit risk on the counterparties with which it trades in relation to options, futures, contracts and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

The Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade such instruments, which could result in substantial losses to the Sub-Funds and the relevant Sub-Fund. The Company manages this risk by trading with a number of different counterparties.

Most transactions in listed securities are settled on a Delivery Versus Payment basis with settlement a few days after execution. Default by the broker would expose the Sub-Fund to an adverse price movement in the security between execution and default. In some rare circumstances, such as new issues, the Sub-Fund may be required to make "free" payments to counterparties; thus exposing the Sub-Fund to 100% risk of loss. On the whole these transactions are relatively small and restricted to the more creditworthy settlement counterparties.

The Compliance Officer of the Investment Manager reviews brokers' Delivery Versus Payment limits at least annually. Brokers' fundamental financial credit attributes are generally unsupportive so additional information including: credit rating, market capitalisation, accounts (if available) together with market reputation factors may be taken into account.

The Sub-Funds have traded with brokers whose credit rating ranges from AAA to not rated. The geographical and economic division of the Fund's assets can be viewed in the geographical and economic division of investment tables.

Custodian risk

Substantially all the assets of the Sub-Fund are held with the custodian, RBC Dexia. Custody risk is the risk of loss of assets held in custody due to default by the Custodian. This is not a direct credit risk as the assets of a Sub-Fund are held in trust by the custodian and therefore not available to creditors in case of the custodian's failure. However, if the trust is ineffective, or there is fraud, insolvency of the custodian could mean loss of Sub-Fund assets.

There is a minimal chance of loss, but it could be catastrophic, thus, credit standards for custodians tend to be greater than Delivery Versus Payment settlement counterparts. In addition to normal assessment of financial creditworthiness, regulatory background, and market reputation, peer group usage or general size maybe important in terms of establishing "too big to fail" credentials. Also, during contract negotiations, when a Sub-Fund is initiated, documentation is carefully reviewed. All custodians are reviewed quarterly as part of the Investment Manager's Compliance Monitoring Programme.

The S&P's long term credit rating of the Custodian was AA- as at 31st Dec 2007 compared to AA- at 31st Dec 2006.

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

10. Cash and Cash Equivalents

For Odey Pan European Fund, the cash held on current account with RBC Dexia Investor Services Bank SA as at 31 December 2007 represented 16.16% of the Net Asset Value of the Sub-Fund (Year ended 31 December 2006: 0.71%). For Odey Allegra European Fund, the cash held on current account with RBC Dexia Investor Services Bank SA as at 31 December 2007 represented 0.61% of the Net Asset Value of the Sub-Fund (Year ended 31 December 2006: 5.6%). For Odey Allegra International Fund, the cash held on current account with RBC Dexia Investor Services Bank SA as at 31 December 2007 represented 18.46% of the Net Asset Value of the Sub-Fund (Year ended 31 December 2006: nil).

11. Commission Sharing Arrangements

During the year, there were Commission Sharing Arrangements (“CSA”) transactions in the Sub-Fund’s. CSA transactions occur when the Investment Manager uses certain investment research services, which assist in the management of the Sub-Funds’ portfolio investments, which are paid for by certain brokers. These services may include, for example, research and analysis of the relative merits of individual shares or markets or the use of computer and other information facilities. In return the Investment Manager places a proportion of business with these brokers including transactions relating to the Sub-Fund’s investments. The Investment Manager has satisfied itself that it obtains best execution on behalf of the Sub-Fund’s and that these arrangements are to the benefit of the Sub-Fund’s and are not exclusive to one broker. During the year Odey Asset Management LLP has had CSA in place with the following brokers: Deutsche Bank, Goldman Sachs, Citigroup, Instinet (ceased in October 2007), Credit Suisse FB, JP Morgan, Merrill Lynch, Nomura, Dresdner Kleinwort Wasserstein, Morgan Stanley, ABN Amro and UBS.

12. Efficient Portfolio Management

Techniques and instruments for the purpose of efficient portfolio management in the form of forward foreign exchange contracts, contracts for difference and equity swaps were utilised during the year.

13. Net Gains/Losses on Financial Assets and Liabilities at Fair Value through Profit or Loss

| | Odey Pan European Fund | | Odey Allegra European Fund | |
|---|------------------------|-------------------|----------------------------|-------------------|
| | EUR 2007 | EUR 2006 | EUR 2007 | EUR 2006 |
| Net realised gains on sale of investments | 19,212,455 | 29,110,146 | 13,077,863 | 32,185,524 |
| Net realised losses on forwards | 1,159,961 | (1,243,151) | 1,248,688 | - |
| Net currency (losses)/gains | (332,083) | (87,055) | (205,300) | 42,531 |
| Net change in unrealised gains/(losses) on Investments | (9,234,427) | (1,892,613) | (4,444,786) | 6,782,793 |
| Net unrealised gains/losses on forwards | 899,909 | - | 993,099 | - |
| Net gains on financial assets at fair value through profit or loss | 11,705,815 | 25,887,327 | 10,669,564 | 39,010,848 |

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007
(continued)**

**13. Net Gains/Losses on Financial Assets and Liabilities at Fair Value through Profit or Loss
(continued)**

| | Odey Allegra International Fund | | TOTAL | TOTAL |
|---|---------------------------------|----------|-------------------|-------------------|
| | EUR | EUR | EUR | EUR |
| | 2007 | 2006 | 2007 | 2006 |
| Net realised gains on sale of investments | 604,119 | - | 32,894,437 | 61,295,670 |
| Net realised losses on forwards | - | - | 2,408,649 | (1,243,151) |
| Net currency (losses)/gains | (236,027) | - | (773,410) | (44,524) |
| Net change in unrealised gains/(losses) on Investments | 236,134 | - | (13,443,079) | 4,890,180 |
| Net unrealised gains/losses on forwards | 650,934 | - | 2,543,942 | - |
| Net gains on financial assets at fair value through profit or loss | 1,255,160 | - | 23,630,540 | 64,898,175 |

14. Net Asset Value

| | | 31-Dec-07 | 31-Dec-06 | 30-Dec-05 |
|--|---------------------------------|-------------|-------------|-------------|
| Odey Pan European Fund | Net Asset Value | 157,523,742 | 147,236,829 | 334,030,011 |
| | NAV Per Share Euro Class | €201.37 | €186.33 | €166.96 |
| | NAV Per Share Sterling D Class | £119.82 | £101.76 | - |
| Odey Allegra European Fund | Net Asset Value | 223,484,206 | 233,479,171 | 199,403,278 |
| | NAV Per Share Euro Class | €169.17 | €160.38 | €135.74 |
| | NAV Per Share Euro I Class | €168.11 | €159.55 | €135.31 |
| | NAV Per Share US Dollar Class | \$189.80 | \$162.50 | \$122.96 |
| | NAV Per Share US Dollar I Class | \$188.33 | \$161.50 | \$122.57 |
| | NAV Per Share Sterling Class | £178.84 | £155.54 | £132.97 |
| | NAV Per Share Sterling I Class | £175.18 | £152.69 | £132.11 |
| | NAV Per Share Sterling D Class | - | £110.05 | - |
| Odey Allegra International Fund | Net Asset Value | 179,276,721 | - | - |
| | NAV Per Share Euro Class | €98.75 | - | - |
| | NAV Per Share Euro I Class | €92.32 | - | - |
| | NAV Per Share Sterling Class | £111.69 | - | - |

15. Post Balance Sheet Event

A number of changes have been made to the Prospectus dated 01 November 2007 and filed with the Financial Regulator. However, the Financial Regulator has not yet approved these changes. The legal secretary for the Fund will inform us as soon as there is any confirmation from the Financial Regulator. A dividend of €88,089 was declared to the investors in the Sterling D class of the Odey Pan European Fund on 10 April 2008.

Peter Heaps resigned as a director with effect 29 February 2008. David Stewart resigned as an alternate Director to David Fletcher on 13 March 2008 and was appointed as a Director on the same date. Also, on 13 March 2008 David Fletcher resigned as a Director and was appointed as an alternate Director to David Stewart.

16. Date of Approval

The financial statements were approved by the Directors on 10 April 2008.

SUPPLEMENTAL INFORMATION

Total Expense Ratio

The annualised total expense ratios for the year are calculated by the Administrator and are set out in the table below.

The total expense ratio calculation includes all annual operating costs and excludes bank interest, foreign exchange, transaction and dealing costs, and withholding taxes on dividends and interest in compliance with the guidelines set out by the Swiss Fund Association. Annual operating costs include performance fees, management fees and other costs and commissions listed in the income statement. The TER % is the total operating expenses in the fund currency divided by the average fund assets in the fund currency for the relevant period of time. The TER is calculated on a Sub-Fund level (not a share class level).

| Sub Fund | Total Expense Ratio For year ended 31 December 2007 | Total Expense Ratio For year ended 31 December 2006 |
|--|---|---|
| Odey Pan European Fund | | |
| Euro Class | 1.65% | 1.61% |
| Sterling D Class | 1.65% | 1.28% |
| Odey Allegra European Fund | | |
| Euro Class | 1.08% | 0.85% |
| Euro I Class | 1.15% | 1.14% |
| US Dollar Class | 1.16% | 0.85% |
| US Dollar I Class | 1.34% | 1.14% |
| Sterling Class | 1.02% | 0.85% |
| Sterling I Class | 1.02% | 1.14% |
| Sterling D Class* | - | 0.78% |
| Odey Allegra International Fund | | |
| Euro Class | 2.07% | - |
| Euro I Class | 1.45% | - |
| Sterling Class | 2.36% | - |

* Please note that the Sterling D class ceased on 10 December 2007.

SUPPLEMENTAL INFORMATION (continued)

Total Expense Ratio (continued)

The annualised total expense ratios for the year excluding performance fees are calculated by the Administrator and are set out in the table below. There are no performance fees for Odey Pan European Fund.

| Sub Fund | Total Expense Ratio Excluding performance fee For year ended 31 December 2007 | Total Expense Ratio Excluding performance fee For year ended 31 December 2006 |
|--|--|--|
| Odey Pan European Fund | | |
| Euro Class | 1.65% | 1.61% |
| Sterling D Class | 1.65% | 1.28% |
| Odey Allegra European Fund | | |
| Euro Class | 0.84% | 0.85% |
| Euro I Class | 1.15% | 1.14% |
| US Dollar Class | 0.85% | 0.85% |
| US Dollar I Class | 1.13% | 1.14% |
| Sterling Class | 0.85% | 0.85% |
| Sterling I Class | 1.15% | 1.14% |
| Sterling D Class* | - | 0.78% |
| Odey Allegra International Fund | | |
| Euro Class | 0.83% | - |
| Euro I Class | 1.15% | - |
| Sterling Class | 0.84% | - |

* Please note that the Sterling D class ceased on 10 December 2007.

Turnover

The annualised turnover ratio is listed in the table below.

The turnover is the purchases and sales of investments net of share dealings expressed as a percentage of the monthly average NAV of the Sub-Fund.

| Sub-Fund | Turnover Ratio Year ended 31 Dec 2007 % | Turnover Ratio Year ended 31 Dec 2006 % |
|---------------------------------|--|--|
| Odey Pan European Fund | 127.87 | (69.78) |
| Odey Allegra European Fund | 710.26 | 785.33 |
| Odey Allegra International Fund | 109.43 | - |

Representative and Paying Agent in Switzerland

The Representative and paying agent in for the Odey Allegra European Fund in Switzerland is:

RBC Dexia Investor Services Bank S.A (Esch-sur-Alzette - Zurich branch),
Badenerstrasse 567,
PO Box 101,
8066 Zurich,
Switzerland.

SUPPLEMENTAL INFORMATION (continued)

Publication of Company Information

The Articles of Association, the prospectus, the simplified prospectus, the annual and semi-annual reports of the Company as well as a list of all purchases and sales during the year may be requested free of charge from the Representative.