

# BLUE OCEAN ODYSSEY

EQUITY HEDGE FUND STRATEGY

## Sep 2024

|            |         |
|------------|---------|
| NAV        | 25.92   |
| Sep Return | -13.17% |

|                 |         |
|-----------------|---------|
| YTD Return      | -52.57% |
| Since Inception | +159%   |

## INVESTMENT OBJECTIVES

July was a volatile month marked by significant economic and political events. A weaker-than-expected US Consumer Price Index and disappointing labour market data ignited investor optimism for imminent Federal Reserve rate cuts. Global equity markets reacted positively, with the S&P 500 and Dow Jones gaining 1.13% and 4.41% respectively, while the Nasdaq declined 0.7%. Small-cap stocks outperformed, rising 6.9%, contrasting with the 1.8% gain for developed market equities. Growth stocks struggled, falling 1.0% as investor confidence in AI-driven returns waned.

Sector performance was mixed, with Utilities, Real Estate, and Financials delivering strong gains of 7.2%, 6.8%, and 6.4% respectively, offset by a 3.3% decline in the technology sector.

Treasury yields experienced a sharp downturn, with the 1-year and 5-year notes decreasing by 36 basis points each, and the 2-year and 3-year notes falling by 42 basis points. Investors anticipate the Fed will begin lowering interest rates in September and are currently projecting a total of nearly three rate cuts by the end of the year. They also expect interest rates to decrease by approximately 1.5 percentage points by June 2025.


## MARKET COMMENTARY

In August, major stock indices ended in positive territory following a period of early volatility. The S&P 500 rose by 2.4%, marking its fourth consecutive monthly gain, while the Nasdaq 100 gained 1.2%. Despite these advances, the month began with a sharp sell-off, triggered by concerns over a potential U.S. recession and the unwinding of a popular yen hedge trade. At one stage, the S&P 500 had fallen more than 7%.

The market began to rebound as U.S. economic data showed resilient consumer spending and a gradual easing of the labour market. Inflation edged up in July, with the PCE price index increasing by 0.2% from the previous month and rising 2.5% year-over-year, in line with expectations. Core PCE also climbed 0.2% in July and was up 2.6% compared to the previous year, slightly below the anticipated 2.7%. This data solidified traders' expectations of a 100% chance that the Federal Reserve would cut interest rates in September.

Given the fund's concentrated nature, it has been affected by the recent market volatility and macroeconomic events. We're taking advantage of this situation by purchasing during market dips. Although volatility may continue for a few weeks, experience shows that a well-balanced and steady portfolio consistently yields positive returns over longer periods of time.

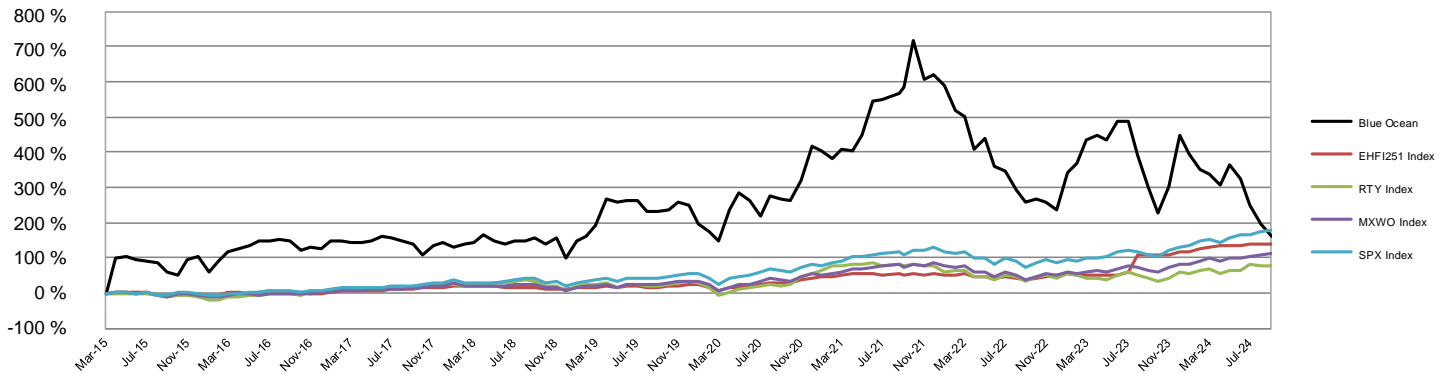
## KEY FACTS

|                               |  |
|-------------------------------|--|
| Inception Date                | 1 March 2015   |
| Base Currency                 | USD  |
| Fund Name                     | Blue Ocean Odyssey Segregated Portfolio  |
| Master Fund                   | Godolphin Fund SPC (Cayman Islands)  |
| Domicile                      | Cayman Islands   |
| Investment Managers           | Blue Ocean Odyssey Advisors Ltd.   |
| Asset Class                   | Equity   |
| Fund Type                     | Open Ended   |
| Subscription                  | Monthly  |
| Redemptions                   | Monthly  |
| Min Investment                | USD 100,000  |
| Available for Subscription On |     |
| Management Fee                | 2% Per annum (Collected monthly in arrears)  |
| Performance Fee               | Up to 20% Return: 20% Fee; 20% and above Return: 40% Fee (Fees paid annually in arrears) |
| Exit Fee                      | 5% for exits in the first 6 months   |
| Bloomberg                     | BLUEOOD KY   |
| ISIN                          | KYG4023A1397   |
| Administrator                 | NAV Consulting, USA  |
| Auditor                       | Deloitte & Touche, Cayman Islands  |
| Fund Analytics                | Morningstar<br>Eurekahedge   |

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## NET PERFORMANCE SINCE INCEPTION



The above chart plots only the price change of the respective indexes/funds and does not include the dividends.

## MONTHLY RETURNS

|             | Jan     | Feb     | Mar     | Apr     | May    | Jun     | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     | Returns YTD (%) |
|-------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| <b>2015</b> | -       | -       | -       | 99.60%  | 1.90%  | -4.18%  | -4.57%  | -12.96% | -5.87%  | 29.43%  | 6.41%   | -3.53%  | 102.50%         |
| <b>2016</b> | -20.47% | 19.78%  | 13.59%  | 3.42%   | 3.95%  | 4.99%   | 1.05%   | 0.93%   | -0.85%  | -10.97% | 2.69%   | -0.21%  | 12.69%          |
| <b>2017</b> | 8.64%   | -0.42%  | -0.64%  | -1.16%  | 2.19%  | 6.20%   | -2.58%  | -2.98%  | -3.77%  | -12.96% | 11.95%  | 4.11%   | 6.35%           |
| <b>2018</b> | -5.28%  | 4.42%   | 2.02%   | 8.43%   | -6.71% | -2.95%  | 2.65%   | 0.60%   | 4.30%   | -8.22%  | 7.49%   | -22.59% | -18.54%         |
| <b>2019</b> | 26.33%  | 5.08%   | 11.58%  | 24.80%  | -2.58% | 1.91%   | -0.78%  | -8.61%  | -0.11%  | 4.19%   | 5.88%   | -3.90%  | 76.00%          |
| <b>2020</b> | -15.26% | -6.20%  | -10.95% | 36.76%  | 14.25% | -5.82%  | -11.99% | 18.39%  | -2.75%  | -1.23%  | 16.24%  | 22.43%  | 48.37%          |
| <b>2021</b> | -2.77%  | -4.26%  | 5.92%   | -0.86%  | 8.3%   | 18.23%  | 0.60%   | 2.62%   | 2.62%   | 19.51%  | -13.93% | 2.01%   | 39.15%          |
| <b>2022</b> | -4.24%  | -10.17% | -2.82%  | -15.06% | 5.95%  | -15.98% | -2.43%  | -11.98% | -9.10%  | 3.16%   | -3.04%  | -6.58%  | -53.49%         |
| <b>2023</b> | 31.72%  | 6.66%   | 14.11%  | 2.73%   | -2.26% | 9.43%   | 0.48%   | -16.55% | -19.19% | -17.40% | 23.00%  | 35.27%  | 63.51%          |
| <b>2024</b> | -9.74%  | -8.37%  | -2.92%  | -7.07%  | 14.42% | -9.08%  | -17.68% | -14.30% | -13.17% |         |         |         | -52.57%         |

## RELATIVE PERFORMANCE

|                        | Fund    | EHFI251 Index | S&P 500 | MSCI World Index | Russell 2000 |
|------------------------|---------|---------------|---------|------------------|--------------|
| <b>2015</b>            | 102.50% | -3.9%         | -0.72%  | -4.35%           | -5.71%       |
| <b>2016</b>            | 12.69%  | 3.42%         | 9.53%   | 8.19%            | 19.48%       |
| <b>2017</b>            | 6.35%   | 18.46%        | 19.41%  | 23.10%           | 13.14%       |
| <b>2018</b>            | -18.54% | -5.13%        | 1.73%   | -8.19%           | -12.18%      |
| <b>2019</b>            | 76.00%  | 11.38%        | 28.88%  | 28.44%           | 23.72%       |
| <b>2020</b>            | 48.37%  | 15.58%        | 18.39%  | 16.53%           | 19.93%       |
| <b>2021</b>            | 39.15%  | 8.33%         | 28.68%  | 38.14%           | 14.78%       |
| <b>2022</b>            | -53.49% | -4.36%        | -19.44% | -19.46%          | -21.56%      |
| <b>2023</b>            | 63.51%  | 8.53%         | 26.26%  | 24.44%           | 16.88%       |
| <b>2024</b>            | -52.57% | 7.99%         | 22.08%  | 19.29%           | 11.16%       |
| <b>Since Inception</b> | 159.00% | 74.11%        | 230.92% | 166.22%          | 102.33%      |

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