



December 2011 and future outlook

2011 was a weak year for ODIN Global SMB. Consumer staples and industrials declined while financials and health care have been our best performing sectors both absolute and relative. In a tough market sentiment we have seen that more illiquid small caps have been out of favor. Our European and Asia exposure have been the worst performing regions in our portfolio.

Actions

In 2011 we have reduced our exposure to Industrials in favour of a more balanced sector exposure. We have increased our exposure to IT, health-care, telecom and the financial sector. Software AG, Carl Zeiss Meditec, Bank of Hawaii and Inmarsat are our most important additions.

On the sell side, we have reduced some of our positions in the industrial sector, such as Vossloh, Bauer, KNM Group, Wabtec and Andritz. In addition, we sold our position in China Green after difficulties around corporate governance. Unfortunately, this is a well-known topic in China and especially among small cap names.

Contributions

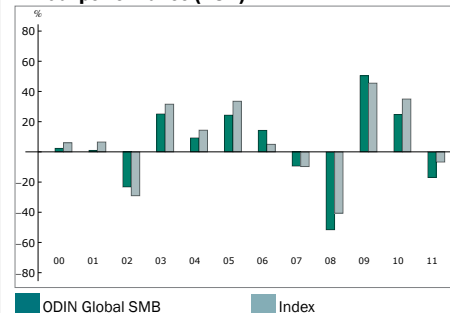
2011 gave us notable gains in our US small cap picks, notably Newmarket Corporation, Wabtec, Hubbell and Beacon Roofing Supply, all relatively new positions in our portfolio.

On the other hand, we had notable declines in three consumer staples companies, Austevoll Seafood, China Green and Premier Foods. Austevoll's share price has been declining due to falling salmon prices. China Green has dropped due to poor corporate governance. Premier Foods is struggling with the financial structure of the company. Austevoll Seafood and Premier Foods are still positions in the fund and we think that the stock market reactions are overdone.

Outlook

Looking forward into 2012 we believe strongly that many of our holdings will regain favor in the market when the market sentiment normalizes and stops focusing on erratic European politics. We view the recent period of extreme volatility as an opportunity for us to put cash to work in some of our favorite positions at attractive valuations. We think many of our holdings also could be natural takeover targets. Since balance sheets of large caps are still strong M&A is likely to be on the agenda in 2012, which bodes well for small caps.

Annual performance (EUR)



ODIN Global SMB

Portfolio managers

Oddbjørn Dybvad og Vegard Søråunet

Benchmark index

MSCI World Net Small Cap Index

Annual management fee:	2%
Established:	11/15/1999
Managed by ODIN since:	6/12/2007
Assets u. Man. (mill. EUR):	48

Performance per 12/31/2011

Last month	1,87%
Year to date	-16,95%
Last 12 months	-16,95%
Last 5 years	-7,33%
Last 10 years	0,18%
Since inception	0,80%

5 largest sectors

Machinery	24,11%
Food Products	16,83%
Chemicals	9,25%
Beverages	7,76%
Construction & Engineering	7,01%
Other	35,04%

10 largest holdings

NewMarket	7,32%
Embotelladora Andina	5,97%
Glanbia	5,36%
Beacon Roofing Supply	4,43%
Banrisul	3,92%
Astaldi	3,79%
Kongsberg Gruppen	3,79%
Corp.Moctezuma	3,73%
Hubbell	3,70%
SIKA	3,45%
Other	54,52%

Fund commentary ODIN Global SMB



About ODIN Global SMB

ODIN Global SMB freely invests in small and medium-sized limited liability companies throughout the world. The company size criterion shall correspond to the definition of small and medium sized companies applied by the reference index at the time of the investment. The long-term aim of the fund is to give a higher return than the global equity market.

We would like to remind you that...

In this report ODIN has referred to sources that are regarded as reliable. ODIN can however not guarantee that the information derived from these sources is either accurate or complete. Statements made in this report reflect ODIN's market view when the report was produced.

Employees in ODIN are entitled to trade on own account in several financial instruments. This implies that employees in ODIN may hold securities in companies mentioned in this report as well as units in ODIN's funds. Employees' own account trading shall comply with ODIN's internal guidelines. These guidelines are prepared in accordance with the Norwegian Act on Securities Trading and business standards issued by the Norwegian Mutual Fund Association.

Past performance is no guarantee for future performance. Future performance will depend, among other things, on movements in the market, the manager's skills, the fund's level of risk and the subscription, management and redemption costs. The value of the fund may decline as a result of a general fall in share prices.

For further information please visit www.odinfundmanagement.com

About ODIN

ODIN is a boutique manager specializing in focused, bottom-up value investing. Our 20 years of experience in asset management have taught us valuable lessons.

Lesson 1: Focus on the horizon

In ODIN, we focus on fundamentals, basing our expectations on competitive advantages, product development, financial viability, leadership and strategic positioning of individual companies. These factors tend to be consistent across short term business cycles. Our confidence in the long term viability of our investments means that we are prepared to stay invested for a long time, and engage actively in corporate governance. Sound and sustainable value creation is a slow and steady process, not a get rich quick-scheme. But we find it is worth the wait.

Lesson 2: Think independently

Unlike passive investors, insights gained through thorough analysis enable us to form an independent view of the fundamental value of a company. This is key in order to identify companies where strong companies are available with compelling value propositions. And in our experience opportunities abound, especially in periods where fear and panic are driving the markets. Under such circumstances many investors fail to maintain focus on the fundamental value of individual companies.

Lesson 3: Stay on target

Strategy drift is an expression used to describe how some asset managers try to adjust their investment process according to what the market currently seems to favour. We do not adjust our philosophy to the latest fads or fashions in the investment industry. We are constantly on alert to avoid letting fear or greed cloud our judgment and steal our attention away from the fundamentals of individual companies.