



FISCAL YEAR END REVIEW

Dear Fellow Shareholders,

For the fiscal year ended October 31, 2025, the PRIMECAP Odyssey Stock Fund, PRIMECAP Odyssey Growth Fund, and PRIMECAP Odyssey Aggressive Growth Fund produced total returns of +21.62%, +31.83%, and +32.05%, respectively. The unmanaged S&P 500® Index produced a total return of +21.45% during the period. Relative to the S&P, favorable stock selection more than offset unfavorable sector allocation across all three Funds.

	Total Return Period Ended September 30, 2025						
	Quarter Ended	Annualized				Since Inception	Gross Expense Ratio
		1 year	5 year	10 year			
PRIMECAP Odyssey Stock Fund	8.72	14.98	15.82	13.32	10.99	0.67	
PRIMECAP Odyssey Growth Fund	15.13	25.07	15.25	14.24	11.88	0.66	
PRIMECAP Odyssey Aggressive Growth Fund	14.49	22.38	11.06	13.08	12.70	0.66	
S&P 500® Index	8.12	17.60	16.47	15.30	11.00	—	

Investment result data reflects deduction of fund operating expenses. Total return represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be different than quoted, and performance as of the most recent month-end can be obtained by calling 1-800-729-2307. Each Fund commenced operations on November 1, 2004.

The U.S equity market delivered another strong fiscal year performance, overcoming the domestic economy's mild turbulence throughout the period. The prospect of substantial tariff increases generated uncertainty and prompted businesses to stockpile inventories, which tipped real GDP growth negative in the first calendar quarter. But growth returned thereafter, as consumer spending and AI-driven capital investment both provided a boost. The Fed, following its late 2024 rate cuts, was content to keep rates unchanged for most of the year. But as employment data weakened through the summer, the Fed resumed its easing campaign with rate cuts in each of September and October.

The market was not without its concerns during the upswing. April featured a sharp decline when "Liberation Day" tariff threats panicked the market, and the worsening employment trends (followed by a record-long government shutdown) also amplified anxieties. But trade Armageddon never fully materialized, and the resilient U.S. economy weathered the storm.

The Magnificent Seven stocks, in a now familiar narrative, compelled the market higher. Information technology (+38%) and communication services (+35%) even accomplished a three-peat, leading all other sectors for the third consecutive fiscal year; AI-fueled NVIDIA (+53%) punctuated this latest surge by briefly eclipsing five trillion dollars in market capitalization. But stock strength was not uniform, and five sectors failed to achieve liftoff (energy +2%, consumer staples +1%, health care flat, real estate -1%, and materials -6%). Meanwhile, the Index's already aggressive valuation expanded further, from roughly 21x forward P/E to nearly 23x at period-end, driven in part by the expensive mega-capitalization stocks' ever-increasing sway on Index metrics.

All three Odyssey Funds outpaced the Index during the fiscal year. Given the inhospitable landscape – a massive sector allocation headwind from health care's underperformance, plus large single-stock headwinds courtesy of NVIDIA et al – this was no small feat. But the Funds are sufficiently unorthodox to defy simple narratives, and all three Funds' differentiated portfolios featured enough successes to fully flip the script.

Sector positioning was largely unchanged, as the Funds continue to hold overweight positions in the health care and industrials sectors and underweight positions in the energy, financials, real estate, consumer staples, communication



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services, materials, and utilities sectors; that said, the Stock Fund’s underweight within the materials sector is now quite modest. Information technology exposure in the Aggressive Growth Fund returned to a clear underweight position; the Stock and Growth Funds already featured a more pronounced sector underweight. And the Aggressive Growth Fund continued its overweight in the consumer discretionary sector, whereas the Stock and Growth Funds maintained modest underweight positions.

A more detailed discussion of the results of each PRIMECAP Odyssey Fund follows.

PRIMECAP Odyssey Stock Fund

For the fiscal year ended October 31, 2025, the Stock Fund’s total return of +21.62% exceeded the S&P 500®’s total return of +21.45%. Relative to the S&P 500®, favorable stock selection roughly offset unfavorable sector allocation.

	Total Return Period Ended September 30, 2025				
	Quarter Ended	Annualized			
		1 year	5 year	10 year	Since Inception
PRIMECAP Odyssey Stock Fund	8.72	14.98	15.82	13.32	10.99
S&P 500® Index	8.12	17.60	16.47	15.30	11.00

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Sector allocation created a substantial headwind relative to the Index. Health care (flat sector benchmark return), the Fund’s largest exposure and its biggest overweight position at 23% of average Stock Fund assets versus 10% for the Index, badly lagged the S&P 500®. And underweight positions in the two best performing sectors – information technology (23% versus 32%) and communication services (4% versus 10%) – plus a modest cash position (3%), magnified the headwind. Underweight positions in consumer staples (2% versus 6%) and real estate (no exposure versus 2%) provided a partial offset.

Stock selection was broadly favorable. Information technology featured several strong performances, including Seagate (+162%), Intel (+86%), KLA (+83%), Flex (+80%), and Oracle (+58%); these outsized returns were necessary to compensate for no exposure to Palantir (+382%) and Broadcom (+120%) and a stark underweight position in NVIDIA (+53%). Health care was led by Elanco (+75%), but sector performance was otherwise more muted. Portfolio mainstay Eli Lilly (+5%) outpaced the sector benchmark but weighed on overall performance, while Biogen (–11%) and Amgen (–4%) lagged the sector benchmark. Within industrials, solar manufacturer NexTracker (+154%) soared, complementing strength in Curtiss-Wright (+73%) and Siemens (+50%); these tailwinds more than offset weakness in FedEx (–5%).

Stock selection elsewhere was mixed. Within consumer discretionary, a strong year from Sony (+63%) failed to offset CarMax (–42%) and Whirlpool (–26%); no exposure to Tesla (+83%) also hurt results. And within communication services, selection was slightly favorable despite the Fund’s sizable underweight position in Alphabet (+65% Class A, +64% Class C).



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PRIMECAP Odyssey Growth Fund

For the fiscal year ended October 31, 2025, the Growth Fund returned +31.83%, exceeding the S&P 500®'s +21.45% total return and the Russell 1000 Growth Index's total return of +30.70%. Relative to the S&P 500®, very strong stock selection results overwhelmed the Fund's sector allocation headwind.

	Total Return Period Ended September 30, 2025				
	Quarter Ended	Annualized			
		1 year	5 year	10 year	Since Inception
PRIMECAP Odyssey Growth Fund	15.13	25.07	15.25	14.24	11.88
S&P 500® Index	8.12	17.60	16.47	15.30	11.00
Russell 1000 Growth Index	10.50	25.63	17.59	18.84	13.23

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Sector allocation was similar to that of the Stock Fund. The Growth Fund's larger health care overweight (27%) was unhelpful, but more pronounced underweight positions in materials (1%) and financials (8%) and a less pronounced communication services underweight (7%) more than offset the incremental headwind.

Stock selection was broadly and significantly favorable, with particular strength in health care, information technology, industrials, and consumer discretionary. Within health care, Rhythm Pharmaceuticals (+139%) logged another stellar year and BeOne Medical (+53%, formerly BeiGene) also benefited results; they more than offset weakness in the Fund's biotechnology laggards – Biogen and Amgen, but also Xencor (-30%) and BioMarin (-19%). Within information technology, Micron (+126%) more than doubled, complementing familiar strength from Intel, KLA, and Flex; mobile advertising platform AppLovin (+274%) and Flex peer Jabil (+80%) were also standouts. Finally, industrial parts marketplace Xometry (+147%) within industrials and Chinese internet retailer Alibaba (+77%) within consumer discretionary were the key incremental contributors in their respective sectors.

PRIMECAP Odyssey Aggressive Growth Fund

For the fiscal year ended October 31, 2025, the Aggressive Growth Fund's total return of +32.05% exceeded both the S&P 500®'s total return of +21.45% and the Russell Midcap Growth Index's total return of +19.59%. Once again, relative to the S&P 500®, strongly favorable stock selection handily outpaced sector allocation weakness.

	Total Return Period Ended September 30, 2025				
	Quarter Ended	Annualized			
		1 year	5 year	10 year	Since Inception
PRIMECAP Odyssey Aggressive Growth Fund	14.49	22.38	11.06	13.08	12.70
S&P 500® Index	8.12	17.60	16.47	15.30	11.00
Russell Midcap Growth Index	2.78	22.02	11.26	13.37	11.15

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The Aggressive Growth Fund's sector allocation was less punitive than that of its peer Funds. Greater exposure to information technology (28%) plus a larger underweight position in energy (1%), financials (5%), and consumer staples (1%) were the notable differentiators.

Stock selection was again widely favorable, and substantially so. Health care and information technology were the key sectors. Illumina spin-off Grail (+577%) plus an even larger position in Rhythm powered health care results, even as Glaukos (-33%) and BioNTech (-8%) added to the Fund's biotechnology struggles. A bigger stake in Micron plus stakes in smaller technology companies Credo (+398%), mongoDB (+74%), and indie (+63%) more than offset weakness from Universal Display (-19%).

Consumer discretionary was also a bright spot, with positions in two electric car manufacturers, XPeng (+109%) and Tesla, complementing the Fund's large Sony and Alibaba positions. Elsewhere, a larger position in MarketAxess (-44%) within financials and the collapse in New Fortress (-85%) within energy both detracted from results.

Outlook

Market behavior this fiscal year was strangely reminiscent of last fiscal year. In a repeat of year-ago developments, AI-fueled optimism and the prospect of lower rates stoked investors' bullish fervor. Outsized strength in the Magnificent Seven stocks once again powered the information technology, communication services, and consumer discretionary sectors higher. And this, in turn, again propelled the S&P 500® to record-high levels amid unprecedented concentration in the Index. Even this year's collapse in April had an antecedent the prior April when sticky inflation data briefly pressured stocks lower.

The Federal Reserve also experienced a mild case of déjà vu. In both fiscal years, the Fed forecasted a modest easing campaign, whetting investor appetites, but then kept rates largely unchanged when inflationary risks persisted. And in each year, weaker economic data towards period-end induced the Fed to eventually implement its long-anticipated rate cuts. Meanwhile, bouts of weakness notwithstanding, the domestic economy both years showed its characteristic resilience, undergirding corporate earnings growth. In short, many nuances aside, the equity market's robust gain this year felt very much like an echo of last year's even stronger return.

And yet the Funds' performance within this near carbon-copy landscape could not have been more different. Whereas last year the Funds faltered, unable to keep pace with the Index's torrid rise, this year each Fund outperformed the benchmark – and the growth-oriented Funds did so by a wide margin. Our portfolios' relative strength – especially of late – suggests the tide may finally be turning for the Funds.

Put differently, the Funds' improved performance is not attributable to a change in market conditions; it is unique to the Funds. Our differentiated portfolios simply did what they must do over time – deliver idiosyncratic upside, regardless of the market backdrop. Whether the Funds' current performance will persist is yet to be seen, but three distinct observations give us optimism: the apparent maturation of the AI trade, the breadth of Fund strength especially in deeply out-of-favor names, and the untapped potential of our substantial health care ownership.

Consider Artificial Intelligence, where ChatGPT is on the cusp of its third birthday. Its eye-opening launch catalyzed enormous gains for a small number of stocks. The Funds mostly missed NVIDIA's more than 10-fold gain during this period, and we have also had too little exposure to the heavily AI-fueled Magnificent Seven more generally. We share the consensus view that AI is transformative technology, but we have two primary concerns when trying to reconcile market ebullience with AI fundamentals. First, we view extreme AI optimism as incongruous with wider market trends. The more revolutionary AI will be, the more dislocation we would expect. And yet we see AI euphoria coexisting with a broader complacency – as one example, high-yield spreads are near record-low levels.

Secondly, an adequate financial return to AI-related capex seems unlikely to materialize. The handful of AI supremacists – that is, the mega-cap companies aspiring for AI dominance, or at least relevance, at any cost – are spending inordinate capital (so much so that their free cash flow profiles are *worsening* despite rising revenues and profits). Their combined \$500B of capex next year is unprecedented in scope. Some massive portion of that spend feeds NVIDIA's revenues, who then takes its cash and cache to buy stakes and form partnerships with related companies, fomenting additional, albeit somewhat circular, enthusiasm.



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So which stocks will win in AI going forward? We observe AI momentum to be shifting somewhat. We posited years ago that winners will materialize across multiple layers, which informed our decision to eschew the arms race and pursue instead a picks-and-shovels approach. That strategy finally appears viable as our outsized ownership in semiconductors, memory, and storage, among others, surged into period-end; memory provider Micron, a significant position in both growth-oriented Funds, is the best such example, as its high bandwidth memory (HBM) is foundational for AI infrastructure.

The Funds have also experienced recent upside beyond AI, across a variety of industries and companies. There is no central theme explaining this coincident upside, but there was similarly no reasonable explanation for many of these holdings' coincident weakness in recent years. Three stocks in particular stand out, as all three had been prominent Fund detractors: Intel, Alibaba, and Baidu. By fiscal year-end, Intel had doubled from its lows. The company has struggled mightily but remains strategically critical; the government's prominent stake does not resolve all of its core deficiencies, but it does confirm Intel's undeniable significance in our national technology stack. Similarly, the Chinese internet stocks, Alibaba and Baidu, had also been left for dead by investors; both stocks are thriving anew as key players in China's own technology ecosystem. These names are contrarian holdings, especially Intel, which has virtually no Wall Street support; and all three stocks were left behind during this decade's Big Tech bull market. But our conviction in these enterprises has endured, and some long-awaited green shoots eventually arrived.

Finally, this improvement in Fund performance has transpired with limited assistance from health care, the Funds' largest overweight position but (once again) a sector laggard during the year. Although we assessed our holdings as attractively positioned a year ago, biopharmaceutical stocks fell victim to relentlessly negative post-election news flow. From tariffs to pricing policy to FDA disruptions, the new administration injected substantial uncertainty, creating an overhang which depressed the sector's relative forward multiple (0.76x at period-end) to near multi-decade lows. Indeed, the entire sector's market capitalization (\$5.2T) finished the period not much larger than NVIDIA (\$4.9T) alone. We do not expect this staggering gap in relative sentiment to persist.

Importantly, Pfizer struck a deal with the administration on September 30 that satisfied key demands with limited material concessions; the agreement also provided a blueprint for future cooperation between the administration and the pharmaceutical industry. The news offered a welcome reprieve for the entire industry. The deal also comports with our broader assessment, that the administration's rhetorical bark would be far worse than the eventual bite, and that wholesale changes to drug pricing were unlikely to happen unilaterally. We continue to believe a simple but critical premise: innovative companies with value-add products that address high unmet needs will be rewarded with timely approvals and attractive commercial opportunities. If true, we believe our significant biopharmaceutical ownership should outperform.

A year ago we suggested the equity market possessed an irrepressible optimism. The ensuing 21 percent gain in the S&P 500® Index – and the nearly \$10T of freshly-minted market capitalization that gain represents – implies this description still fits. But at some point irrepressible optimism is hard to distinguish from, say, irrational exuberance. And while our longstanding concerns about the market's concentrated strength have thus far been misplaced, we note with caution that the Index finished the period near 23x forward P/E, a level approaching dot-com era valuation multiples. And it is within this broader market complacency that we remain partial to the Funds' unconventional portfolios, which continue to look very little like the top-heavy Index.

Sincerely,

PRIMECAP Management Company
November 20, 2025



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Past performance is not a guarantee of future results.

The funds invest in smaller companies, which involve additional risks such as limited liquidity and greater volatility. All funds may invest in foreign securities, which involves greater volatility and political, economic and currency risks and differences in accounting methods. Mutual fund investing involves risk, and loss of principal is possible. Growth stocks typically are more volatile than value stocks; however, value stocks have a lower expected growth rate in earnings and sales.

Please refer to the Schedule of Investments for details of fund holdings. Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.

The **S&P 500®** is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market. The **Russell 1000 Growth Index** is an index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values (the Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe). The **Russell Midcap Growth Index** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. You cannot invest directly in an index.

Earnings per share (EPS) is calculated by taking the total earnings divided by the number of shares outstanding.

Price-to-earnings ratio is calculated by dividing the current share price of a stock by its earnings per share.

Earnings growth is not a prediction of a fund's future performance.

The information provided herein represents the opinions of PRIMECAP Management Company and is not intended to be a forecast of future events, a guarantee of future results, or investment advice.