

OLDFIELD PARTNERS LLP

OVERSTONE EMERGING MARKETS EQUITY FUND

APRIL 2011 NEWSLETTER 30

Fund Summary

3 rd May 2011			
NAV of fund	US\$324.3m		
A share unit price	US\$216.47		
I Share unit price	US\$136.61		
Performance			
	A Shares	I Shares	MSCI Emerging Markets (NDR)
April	+1.4%	+1.4%	+3.1%
2011 to date	+1.6%	+1.7%	+5.2%
2010	+22.8%	+23.2%	+18.9%
Since inception A*	+119.0%		+122.6%
Since inception A pa*	+37.1%		+38.0%
Since inception I**	-	+37.8%	+35.8%
Since inception I pa**	-	+22.6%	+21.4%

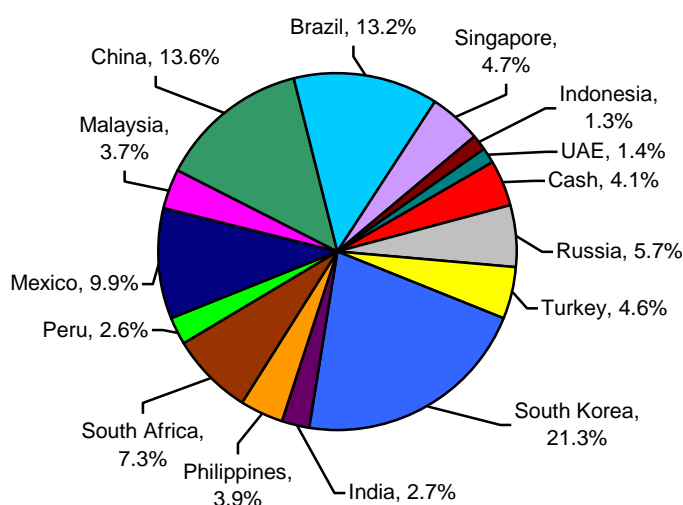
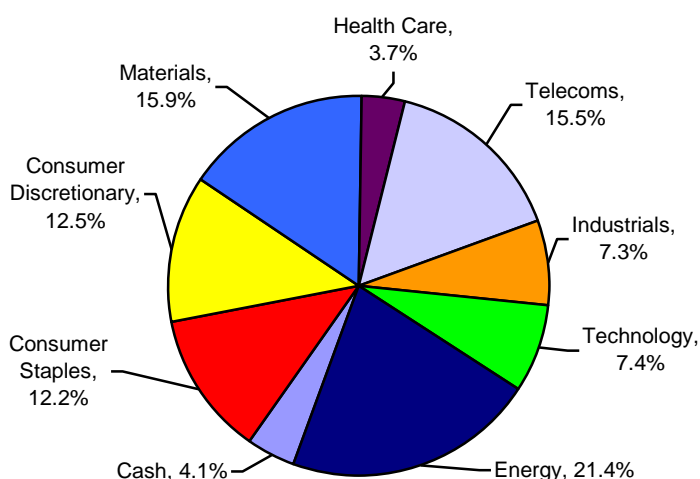
Source: Oldfield Partners LLP, MSCI ©, Bloomberg and Northern Trust Intl. Fund Administrator Services (Ireland) Ltd. Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders.
 *A shares commenced on 3rd November 2008.
 **I shares Inception October 2009.

Top Five Holdings*

Stock	Portfolio Weighting	Monthly Performance (local terms)**
Samsung Electronics	7.4%	-4.2%
Petrobras	7.3%	-6.1%
SK Telecom	7.0%	+0.9%
KT&G Corp	6.9%	+11.0%
Embraer	5.9%	-3.6%

Source: Oldfield Partners LLP and Bloomberg.
 *As at end of period
 **Total return inclusive of dividends.

Sector and country breakdown as at 29th April 2011



Source: Oldfield Partners LLP

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Commentary

During the month we added two new holdings, **KT&G** (Korean tobacco) and **Buenaventura** (Peruvian gold miner). We sold **Femsa** (Mexican beverages) and **Thai Beverage** (Thai beverages). **KT&G** is the leading tobacco company in Korea with a 60% market share. The domestic market is slow growing and faces stiff competition from foreign brands. Competition has slowed recently as evidenced by the willingness of the foreign brands to increase prices for the first time since the mid-2000's instead of pursuing market share. **KT&G** has a fast growing tobacco export business focused on the Middle East and Eastern Europe. In addition, the ginseng (a root herb with perceived medical properties) business is growing strongly, partially on Chinese demand, and accounts for 20% of profits. **KT&G** trades on a price earnings ratio of 10 and a dividend yield of 5%. **Buenaventura** has been re-purchased in the portfolio based on the solid development pipeline for the company driving organic production growth and the current gold price. Since we sold the stock last autumn the share price has fallen moderately whilst the gold price has increased steadily. Predicting the gold price is difficult, but we are more comfortable with its current level, in part from recent Chinese demand for physical gold and by central banks seeking to diversify their reserves. We sold **Femsa** as it had reached our price target based on the 'sum of its parts' valuation. The business comprises of three parts, each accounting for approximately one third of the net asset value: a stake in Heineken (beer), Oxxo (Mexican convenience stores), and Coca-Cola Femsa (Coke bottler). **Thai Beverage** is the dominant alcoholic beverage company in Thailand with leading market shares in spirits and beer. We sold as it neared price target, with the stock trading on a price earnings ratio of 16, as there were more attractive opportunities available.

The top three performers by contribution during the month were **KT&G** (Korean tobacco), **DP World** (Dubai ports), and **Yue Yuen** (Hong Kong footwear). Yue Yuen has responded to solid sales announcements by key customers, Nike and Adidas. The bottom three performers by contribution during the month were **Petrobras** (Brazilian oil), **Ternium** (Latin American steel), and **Sino-Forest** (Chinese forestry). Ternium has encountered political issues in Argentina as the government tried to prevent steel price increases and more recently has sought to interfere in the dividend payment process of Ternium's Argentine operation.

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Fund Information as at 3rd May 2011			
Currency	US\$	Investment Manager	Oldfield Partners LLP
Liquidity	Daily dealing	Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Benchmark	MSCI Emerging Markets (Net Dividends Reinvested)	Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Management Fees	A shs = 1.25% I shs = 0.90%	Auditor	Deloitte
TER	A shs = 1.45% I shs = 1.10%	Admin & Custody Fees	0.18% on the first US\$75m 0.155% on the next US\$75m 0.14% on the next US\$150m 0.11% thereafter
Minimum Investment	The equivalent of €100,000	A shares ISIN	IE00B3DDVH01
		A shares sedol	B3DDVH0
Legal Advisers	Arthur Cox	I shares ISIN	IE00B4N0BT09
		I Shares sedol	B4N0BT0

Overstone Emerging Markets Equity Fund is a sub-fund of Overstone Fund plc, which is incorporated in Ireland and approved by the Irish Financial Services Regulatory Authority. Six other sub-funds exist under the Overstone Fund plc umbrella; Overstone Global Equity Fund was launched on 1st June 2005, Overstone European Equity Fund was launched on 3rd October 2005, Overstone Opportunity Multi Fund was launched on 1st November 2005, Overstone Global ex US Equity Fund was launched on 1st June 2006, Overstone Japanese Equity Fund was launched on 1st October 2007, Overstone Smaller Companies Fund was launched on 1st October 2007.

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