



# Overstone Emerging Markets Equity Fund

## July 2017 Newsletter 105

Oldfield Partners

Performance (USD terms)								
	July	2017 to date	2016	1 year	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+5.2%	+15.0%	+30.6%	+11.9%	+4.0%	+7.7%	+144.3%	+10.7%
MSCI Emerging Markets**	+6.0%	+25.5%	+11.2%	+24.8%	+2.4%	+4.8%	+130.7%	+10.0%

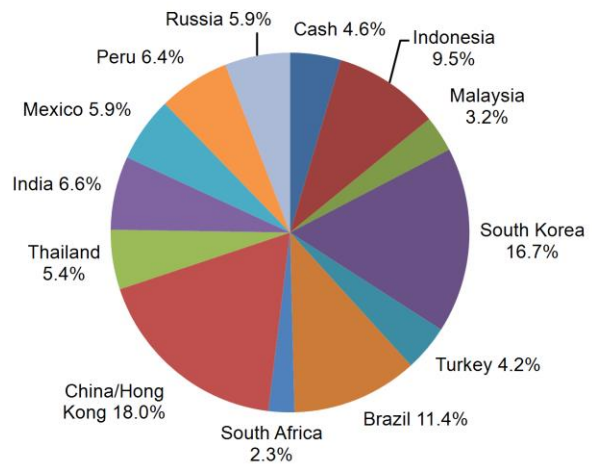
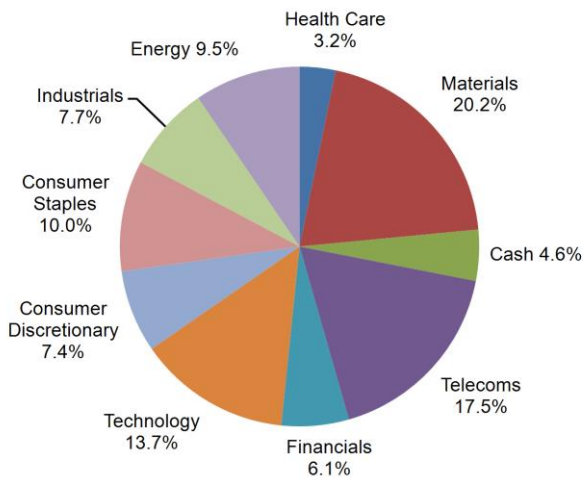
\*A shares commenced on 3rd November 2008. \*\*Net Dividends Reinvested. Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders. Source: Oldfield Partners, MSCI ©, Bloomberg and Northern Trust International Fund Administration Services (Ireland) Ltd.

### Performance of Five Largest Holdings\*

Stock	Portfolio Weighting*	Monthly Performance (local terms)**	Monthly Performance (USD terms)**
SK Telecom	8.4%	+6.3%	+6.3%
Samsung Electronics	8.3%	+1.6%	+3.5%
Lee & Man Paper	8.0%	+14.9%	+14.8%
Embraer	7.7%	+11.2%	+11.2%
Buenaventura	6.4%	+6.4%	+6.4%

\*As at end of period. \*\*Total return inclusive of the portfolio activity. Source: Oldfield Partners and Bloomberg.

### Sector and country breakdown as at 31<sup>st</sup> July 2017



Source: Oldfield Partners.

#### Oldfield Partners

11 Grosvenor Place, London, SW1X 7HH, United Kingdom.  
 Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com  
 www.oldfieldpartners.com

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### Commentary

The performance of emerging markets equities was strong again this month. The price to book of the MSCI Emerging Markets Index is slightly below its longer term average. The weighted average of the price targets in the portfolio shows an attractive 35% upside.

The bottom performers by contribution were Eros and Indofood. **Eros** (Indian Bollywood films) had disappointing results towards the month end, and highlighted it would seek to refinance its debt with the possibility of an equity issue. The ErosNow platform continues to attract strong subscriber growth, and management noted the peak investment phase is behind it.

The top performers by contribution for the month were Lee & Man Paper and Embraer. **Lee & Man Paper** (Chinese containerboard manufacturer) continues to benefit from a strong cycle in China as the government enforces environmental restrictions leading to industry consolidation and pricing power for the largest players. The company trades on a prospective price earnings ratio of eleven. **Embraer** (Brazilian regional jet manufacturer) had strong results in the month, which gave confidence the company is managing the transition to its new generation of regional jets. The company trades at book value. We increased our holding earlier in the year.

Total assets for the emerging markets strategy are now over US\$850m. Once the strategy reaches capacity at US\$1billion we will not accept additional capital, as was the case when we reached that level back in 2014. We are currently in the latter stages of due diligence with several large investors, so if you are interested in investing or adding to an existing holding, please contact us.

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11 Grosvenor Place, London, SW1X 7HH, United Kingdom.  
Telephone: +44 (0)20 7259 1000 Email: [info@oldfieldpartners.com](mailto:info@oldfieldpartners.com)  
[www.oldfieldpartners.com](http://www.oldfieldpartners.com)

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### Fund & Performance Summary

31 <sup>st</sup> July 2017								
NAV of fund	US\$ 244.4m							
A shares unit price	US\$ 228.36							
I shares unit price	US\$ 143.92							
A USD hedged shares unit price	US\$ 106.03							
A GBP hedged shares unit price	£ 104.65							
Performance								
	July	2017 to date	2016	1 year	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+5.2%	+15.0%	+30.6%	+11.9%	+4.0%	+7.7%	+144.3%	+10.7%
MSCI EM**	+6.0%	+25.5%	+11.2%	+24.8%	+2.4%	+4.8%	+130.7%	+10.0%
I Shares*	+5.3%	+15.2%	+31.1%	+12.3%	+4.3%	+8.0%	+57.0%	+5.9%
MSCI EM**	+6.0%	+25.5%	+11.2%	+24.8%	+2.4%	+4.8%	+40.7%	+4.5%
A USD Hedged Shares*	+3.7%	+8.5%	-2.0%	-	-	-	+6.3%	-
MSCI EM Hedged**	+4.8%	+15.7%	-2.5%	-	-	-	+12.9%	-
A GBP Hedged Shares*	+3.6%	+7.9%	-2.7%	-	-	-	+5.0%	-
MSCI EM Hedged**	+4.6%	+15.0%	-2.6%	-	-	-	+12.0%	-

\*A shares commenced on 3<sup>rd</sup> November 2008, I shares on 1<sup>st</sup> October 2009, A US\$ and GBP hedged shares commenced on 31<sup>st</sup> October 2016. \*\*Emerging Markets (Net Dividends Reinvested). Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders. Source: Oldfield Partners, MSCI®, Bloomberg and Northern Trust International Fund Administration Services (Ireland) Ltd.

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### Fund and share class information as at 31<sup>st</sup> July 2017

Share class	Class Currency	Management Fees	TER	Sedol	Bloomberg Ticker	ISIN
A	USD	1.25%	1.48%	B3DDVH0	OVEMKEA	IE00B3DDVH01
I	USD	0.90%	1.13%	B4N0BT0	OVEMKEI	IE00B4N0BT09
A USD Hedged	USD	1.25%	1.53%	BZBVR05	OVEMAUH	IE00BZBVR050
A GBP Hedged	GBP	1.25%	1.53%	BD3WG94	OVEMAGH	IE00BD3WG942

<b>Fund Currency</b>	USD	<b>Administrator</b>	Northern Trust International Fund Administration Services (Ireland) Ltd
<b>Liquidity</b>	Daily dealing	<b>Custodian</b>	Northern Trust Fiduciary Services (Ireland) Ltd
<b>Benchmark</b>	MSCI Emerging Markets (Net Dividends Reinvested) and MSCI Emerging Markets (Net Dividends Reinvested) Hedged	<b>Auditor</b>	Deloitte
<b>Minimum Investment</b>	The equivalent of €100,000	<b>Legal Advisers</b>	Arthur Cox
<b>Investment Manager</b>	Oldfield Partners LLP		

Overstone Emerging Markets Equity Fund is a sub-fund of Overstone Fund plc, which is incorporated in Ireland and approved by the Central Bank of Ireland. Three other sub-funds exist under the Overstone Fund plc umbrella; Overstone Global Equity Fund was launched on 1<sup>st</sup> June 2005, Overstone Opportunity Multi Fund was launched on 1<sup>st</sup> November 2005 and Overstone Global ex US Equity Fund was launched on 1<sup>st</sup> June 2006.

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