

OLDFIELD PARTNERS LLP

OVERSTONE EMERGING MARKETS EQUITY FUND

OCTOBER 2013 NEWSLETTER 60

Fund Summary

31 st October 2013			
NAV of fund	US\$366.5m		
A share unit price	US\$199.90		
I Share unit price	US\$126.24		
Performance			
	A Shares	I Shares	MSCI Emerging Markets*
October	+5.6%	+5.7%	+4.9%
2013 to date	+7.5%	+7.8%	+0.3%
Since inception A**	+104.7%	-	+104.6%
Since inception A per annum**	+15.4%	-	+15.4%
Since inception I**	-	+29.9%	+24.8%
Since inception I per annum**	-	+6.6%	+5.6%

*Net Dividends Reinvested.

**A shares commenced on 3rd November 2008 and I shares on 1st October 2009.

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 LLP, MSCI ©, Bloomberg and Northern Trust Intl. Fund Administrator Services (Ireland) Ltd.

Top Five Holdings*

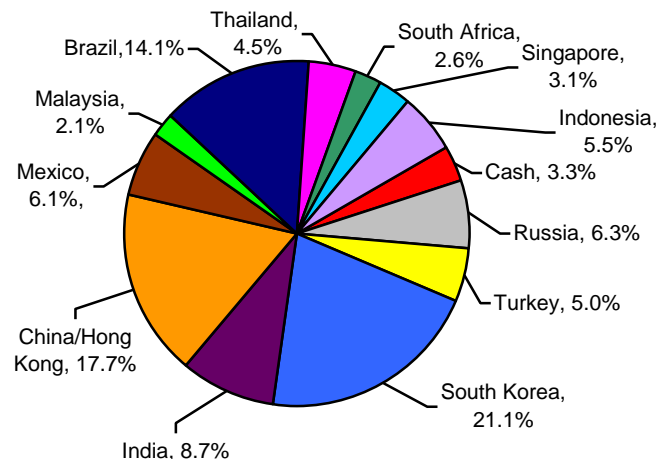
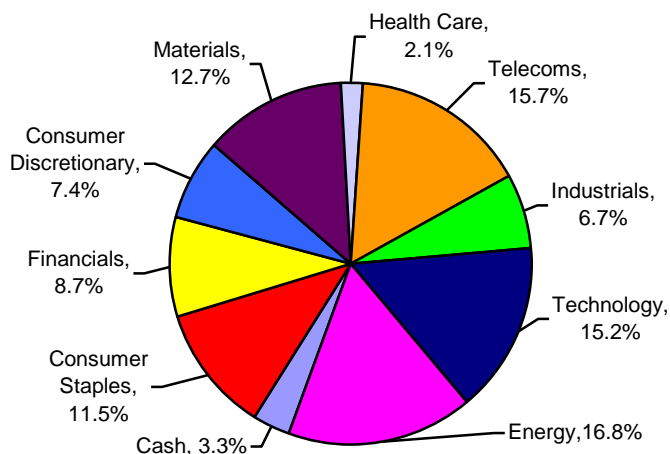
Stock	Portfolio Weighting	Monthly Performance (local terms)**
Samsung Electronics	9.0%	+7.2%
Petrobras	7.4%	+8.5%
KT&G	7.0%	+0.6%
Embraer	6.7%	-9.5%
Lee & Man Paper	6.6%	+22.5%

*As at end of period.

**Total return inclusive of dividends.

Source: Oldfield Partners LLP and Bloomberg.

Sector and country breakdown as at 31st October 2013



Source: Oldfield Partners LLP.

Oldfield Partners LLP,

130 Buckingham Palace Road, London, SW1W 9SA.

Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com

www.oldfieldpartners.com

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Commentary

The MSCI Emerging Markets index had a strong month. Investors have found comfort in the 'delay' to US tapering of bond purchases, the US government shut-down non-event, and decent Chinese economic growth numbers. Valuations remain attractive, and more so in the cyclical stocks.

The bottom two performers during the month by contribution were Embraer and Top Glove. **Embraer** (Brazilian regional jet manufacturer) fell at month-end as a US airline, Jet Blue, deferred some orders. Embraer has a solid three year order book and so this should not be a major issue. The quarterly results after month-end were weak, but management believe the bottom end of the year-end guidance can be met. **Top Glove** (Malaysian latex glove manufacturer) had full year results. Continued solid performance should come from improving product mix, new automation in place, and continued capacity expansion. Latex is the key input cost and its price remains subdued on industry production surplus.

The top three performers during the month by contribution were Lee & Man Paper, Samsung Electronics, and Infosys. The share price of **Lee & Man Paper** (Chinese containerboard) responded to the better sentiment towards Chinese economic growth by investors. The industry remains balanced with some small price increases possible in peak season. For the larger players, such as Lee & Man, this is an enjoyable position. **Samsung Electronics** (Korean consumer electronics) posted good third quarter results showing the resilience of smartphone margins and the strong performance from the semiconductor division. The market remains sceptical on smartphones, but we see the scale, marketing strength, solid line up of mid-tier products, and internal component advantage that Samsung has allowing it to perform well. In semiconductors Samsung should benefit from a far less cyclical industry, which has now fully consolidated around a few players. After month-end Samsung held its investor day showcasing its longer term growth strategy, but slightly disappointing on immediate hopes for shareholder returns, by only increasing the target dividend yield to 1% (approximately double the current level) as part of a forthcoming total shareholder return decision to be communicated early next year. **Infosys** (Indian IT services) had solid second quarter results showing a broad based recovery in IT services allowing management to meaningfully increase the lower-end of its 2014 revenue guidance. The return of Murthy to Executive Chairman in June has allowed a more focused and disciplined approach that should show further benefits going forward.

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Fund Information as at 31 st October 2013			
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 = 1.48% I shs = 1.13%	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
		A shares ticker	OVEMKEA
Legal Advisers	Arthur Cox	I shares ISIN	IE00B4N0BT09
		I Shares sedol	B4N0BT0
		I shares ticker	OVEMKEI

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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