



Overstone Emerging Markets Equity Fund

October 2016 Newsletter 96

Oldfield Partners

Performance (USD terms)							
	October	2016 to date	1 year	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+1.6%	+37.1%	+27.6%	+2.9%	+5.4%	+123.0%	+10.5%
MSCI Emerging Markets**	+0.2%	+16.3%	+9.3%	-2.0%	+0.5%	+92.3%	+8.5%

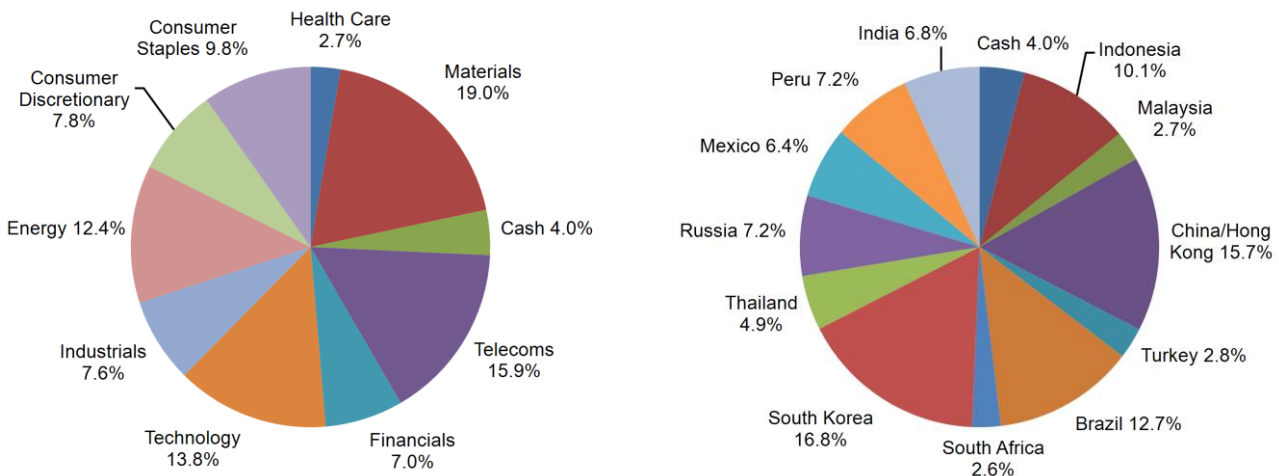
*A shares commenced on 3rd November 2008. **Net Dividends Reinvested. Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders. Source: Oldfield Partners, MSCI ©, Bloomberg and Northern Trust International Fund Administration Services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

Performance of Five Largest Holdings*

Stock	Portfolio Weighting*	Monthly Performance (local terms)**	Monthly Performance (USD terms)**
Samsung Electronics ¹	9.0%	+2.5%	-1.6%
SK Telecom	7.9%	-3.3%	-3.3%
Embraer	7.6%	+23.9%	+23.9%
Lukoil	7.2%	+0.1%	+0.1%
Buenaventura	7.2%	-4.0%	-4.0%

*As at end of period. **Total return inclusive of the portfolio activity. Source: Oldfield Partners and Bloomberg. 1The weighting aggregates the investment in the local and GDR shares. The performance shown is that of the local Samsung Electronics shares.

Sector and country breakdown as at 31st October 2016



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

Oldfield Partners LLP is authorised and regulated by the Financial Conduct Authority

Oldfield Partners LLP has approved and issued this communication for private circulation to Professional Clients only; it must not be distributed to Retail Clients (as defined by the Financial Conduct Authority). Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. © 2016 Partnership No. OC309959



Oldfield Partners

Commentary

The MSCI Emerging Markets Index moved sideways as investors adopted a wait and see attitude to the US election and a possible move in US interest rates. The portfolio performed well in a dull month.

Samsung Electronics (South Korean consumer electronics) took the Note 7 write-off in its third quarter results, and although a substantial disappointment for the mobile handset division, we do not see this as having a lasting impact on the brand and the recall was executed efficiently. The Galaxy S7 continues to sell well and most Note 7 owners look to be choosing to replace with another Samsung product. We bought the London listed GDR of Samsung Electronics (as the local market was closed) to take advantage of the initial sharp sell-off.

The King of Thailand passed away during the month. There will be a period of mourning, and bars and restaurants will be quiet for at least a month as a mark of respect. This should have a limited impact on **Thai Beverage** (largest alcoholic beverage company in Thailand) as the vast majority of its business is off-trade. Thai Beverage has historically been able to negotiate the political turmoil of the country without much impact.

The laggards during the month by contribution were **Lee & Man Paper** (Chinese containerboard manufacturer), **Yue Yuen** (Hong Kong listed footwear manufacturer), and Buenaventura. **Buenaventura** (Peruvian miner) had mildly disappointing results at the end of the month as one-off events clouded the production growth and good cost numbers.

The top performers by contribution were Embraer, Petrobras, and Ternium. **Embraer** (Brazilian regional jet manufacturer) settled investigations under the US Foreign Corrupt Practices Act for \$205 million, which was in line with an earlier provision made. **Petrobras** (Brazilian oil & gas) has seen a lot of good news over the last few months aimed at stabilising the balance sheet, reducing regulatory burden, and improving visibility. Both the management and the government look to be trying to put the company on a firmer and more commercial footing. **Ternium** (Latin American steel producer) has continued to be buffeted by news flow from the US election because of its substantial Mexican operations.

The upside potential for the portfolio from the weighted average of the price targets remains at 40%.

Launch of currency hedged share classes

We have not in the past engaged in currency hedging within the Fund, although the prospectus allows this. We recognise that some investors might prefer a share class which protected their investment from the varying currency exposures in the Fund.

On 28th October 2016 we launched two additional share classes, Class A US\$ hedged and Class A GBP hedged, for this fund. Each hedged share class will use currency forward contracts to hedge its specific exposure to the underlying currencies of the holdings within the Fund. The method of fund accounting will ensure that unrealised gains and losses from hedging activity are borne solely by the relevant hedged class and do not impact unhedged classes.

If you are interested in switching into or investing in one of the hedged share classes please contact us.

Oldfield Partners

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

Oldfield Partners LLP is authorised and regulated by the Financial Conduct Authority

Oldfield Partners LLP has approved and issued this communication for private circulation to Professional Clients only; it must not be distributed to Retail Clients (as defined by the Financial Conduct Authority). Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. © 2016 Partnership No. OC309959



Overstone Emerging Markets Equity Fund

October 2016 Newsletter 96

Oldfield Partners

Fund & Performance Summary

31 st October 2016							
NAV of fund	US\$ 237.9m						
A shares unit price	US\$ 210.13						
I shares unit price	US\$ 132.51						
Performance							
	October	2016 to date	1 year	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+1.6%	+37.1%	+27.6%	+2.9%	+5.4%	+123.0%	+10.5%
MSCI Emerging Markets**	+0.2%	+16.3%	+9.3%	-2.0%	+0.5%	+92.3%	+8.5%
I Shares*	+1.6%	+37.5%	+28.1%	+3.2%	+5.8%	+43.0%	+5.2%
MSCI Emerging Markets**	+0.2%	+16.3%	+9.3%	-2.0%	+0.5%	+17.3%	+2.3%

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

Fund and share class information as at 31st October 2016

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

Fund Currency	USD	Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Liquidity	Daily dealing	Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Benchmark	MSCI Emerging Markets (Net Dividends Reinvested)	Auditor	Deloitte
Minimum Investment	The equivalent of €100,000	Legal Advisers	Arthur Cox
Investment Manager	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 1st June 2005, Overstone Opportunity Multi Fund was launched on 1st November 2005 and Overstone Global ex US Equity Fund was launched on 1st June 2006.

Oldfield Partners

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

Oldfield Partners LLP is authorised and regulated by the Financial Conduct Authority

Oldfield Partners LLP has approved and issued this communication for private circulation to Professional Clients only; it must not be distributed to Retail Clients (as defined by the Financial Conduct Authority). Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation to subscribe for any of the funds mentioned herein. Any reference to stocks is only for illustrative purposes and opinions expressed herein may be changed without notice at any time. The value of all investments and the income from them can go down as well as up; this may be due, in part, to exchange rate fluctuations. Past performance is not a guide to future performance. Oldfield Partners LLP does not warrant the accuracy, adequacy or completeness of the information and data contained herein and expressly disclaims liability for errors or omissions in this information and data. No warranty of any kind, implied, expressed or statutory, is given in conjunction with the information and data. © 2016 Partnership No. OC309959