



Overstone Emerging Markets Equity Fund

December 2016 Newsletter 98

Oldfield Partners

Performance (USD terms)						
	December	2016	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+1.5%	+30.6%	+1.7%	+5.6%	+112.4%	+9.7%
MSCI Emerging Markets**	+0.2%	+11.2%	-2.6%	+1.3%	+83.9%	+7.7%

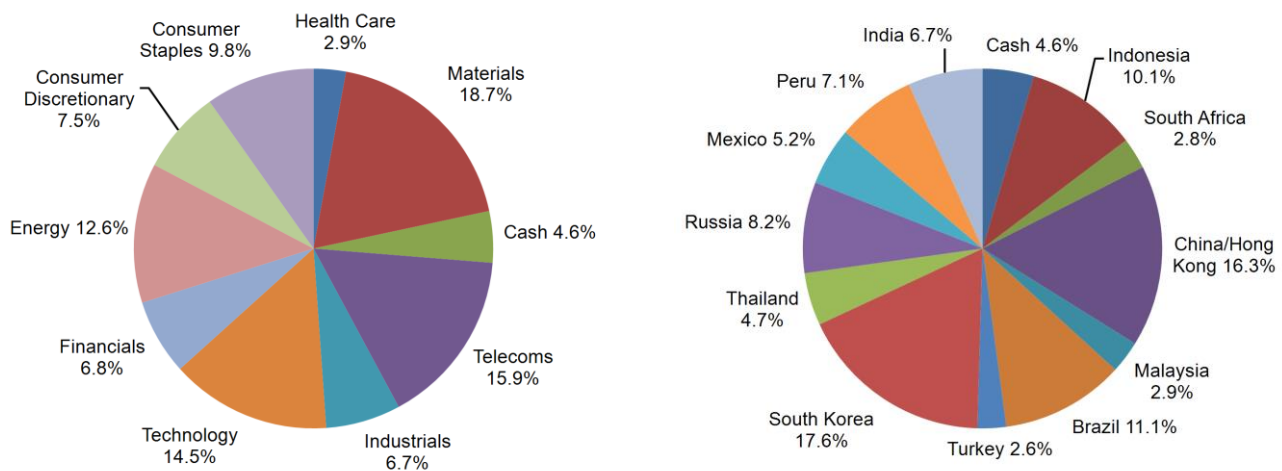
*A shares commenced on 3rd November 2008. **Net Dividends Reinvested. Performance is calculated net of all fees and expenses and on a total return basis, inclusive of all distributions to unit holders. Source: Oldfield Partners, MSCI ©, Bloomberg and Northern Trust International Fund Administration Services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

Performance of Five Largest Holdings*

Stock	Portfolio Weighting*	Monthly Performance (local terms)**	Monthly Performance (USD terms)**
Samsung Electronics	9.4%	+3.1%	+0.5%
SK Telecom	8.3%	-1.4%	-1.4%
Lukoil	8.2%	+16.5%	+16.5%
Buenaventura	7.1%	+1.3%	+1.3%
Embraer	6.7%	-1.7%	-1.7%

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

Sector and country breakdown as at 30th December 2016



Source: Oldfield Partners.

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Commentary

December saw good performance by the portfolio against the index. The portfolio remains skewed towards cyclicals, which have found an additional tailwind with the US election. Energy and materials were by far the best performing sectors in the year. Latin America and Eastern Europe comfortably outpaced the performance of Asia.

The laggards during the month by contribution were **Petrobras** (Brazilian oil) and Thai Beverage (leading alcoholic beverage producer in Thailand). The top performers by contribution were **Lukoil** (Russian oil) and **Indofood** (Indonesia consumer foods).

The top performers for the final quarter were **Ternium** (Latin American steel producer) and **Lukoil**, and the poor performers were **Buenaventura** (Peruvian miner), **Lee & Man Paper** (Chinese containerboard producer), and **Thai Beverage**. The top performers for 2016 were **Buenaventura**, **Ternium**, and **Lukoil**, and the laggards were **Embraer** (Brazilian regional jet manufacturer) and **Top Glove** (Malaysian rubber glove manufacturer).

Valuation of emerging market equities remains attractive heading into 2017. The upside potential for the portfolio from the weighted average of the price targets is 42%.

Fund & Performance Summary

30 th December 2016						
NAV of fund	US\$ 196.6m					
A shares unit price	US\$ 200.18					
A USD hedged shares unit price	US\$ 98.03					
A GBP hedged shares unit price	£ 97.33					
I shares unit price	US\$ 126.31					
Performance						
	December	2016	3 years annualised	5 years annualised	Since inception	Since inception annualised
A Shares*	+1.5%	+30.6%	+1.7%	+5.6%	+112.4%	+9.7%
MSCI EM**	+0.2%	+11.2%	-2.6%	+1.3%	+83.9%	+7.7%
A USD Hedged Shares*	+0.7%	-2.0%	-	-	-2.0%	-
MSCI EM Hedged**	-0.1%	-2.5%	-	-	-2.5%	-
A GBP Hedged Shares*	+0.5%	-2.7%	-	-	-2.7%	-
MSCI EM Hedged**	-0.2%	-2.6%	-	-	-2.6%	-
I Shares*	+1.5%	+31.1%	+2.1%	+6.0%	+36.3%	+4.4%
MSCI EM**	+0.2%	+11.2%	-2.6%	+1.3%	+12.2%	+1.6%

*A shares commenced on 3rd November 2008, I shares on 1st October 2009, A US\$ and GBP hedged shares commenced on 31st 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 30th December 2016

Share class	Class Currency	Management Fees	TER	Sedol	Bloomberg Ticker	ISIN
A	USD	1.25%	1.49%	B3DDVH0	OVEMKEA	IE00B3DDVH01
A USD Hedged	USD	1.25%	1.54%	BZBVR05	OVEMAUH	IE00BZBVR050
A GBP Hedged	GBP	1.25%	1.54%	BD3WG94	OVEMAGH	IE00BD3WG942
I	USD	0.90%	1.14%	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) and MSCI Emerging Markets (Net Dividends Reinvested) Hedged	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.

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