

OLDFIELD PARTNERS LLP

EMERGING MARKETS INVESTMENT REPORT

APRIL 2011

Performance Summary as at 29th April 2011

US\$ terms	Emerging Markets Equity Composite	MSCI Emerging Markets (NDR)
April*	+1.4%	+3.1%
2011 to date	+1.6%	+5.2%
2010	+22.3%	+18.9%
Since Inception**	+671.9%	+359.8%
Since inception pa**	+21.9%	+15.9%

*Estimate used for April 2011.

**Inception 01 Jan 2001.

Performance figures are of the Emerging Markets Equity Composite, calculated net of all fees and expenses and on a total return basis inclusive of dividends, inclusive of all distributions to unit holders.

Source: Rawlinson & Hunter, Alta Advisers Ltd, Oldfield Partners LLP, Northern Trust, MSCI © and Bloomberg.

Performance of Five Largest Holdings*

	Portfolio Weighting* %	Monthly Performance (local terms**)	Monthly Performance (US\$ terms**)
Samsung Electronics	7.4	-4.2%	-1.5%
Petrobras	7.3	-6.1%	-6.1%
SK Telecom	7.0	+0.9%	+0.9%
KT&G Corp	6.9	+11.0%	+14.1%
Embraer	5.9	-3.6%	-3.6%

*As at end of period, using a representative portfolio.

**Total return inclusive of dividends.

Source: Oldfield Partners LLP and Bloomberg.

Oldfield Partners LLP,
130 Buckingham Palace Road, London, SW1W 9SA.
Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com
www.oldfieldpartners.com

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

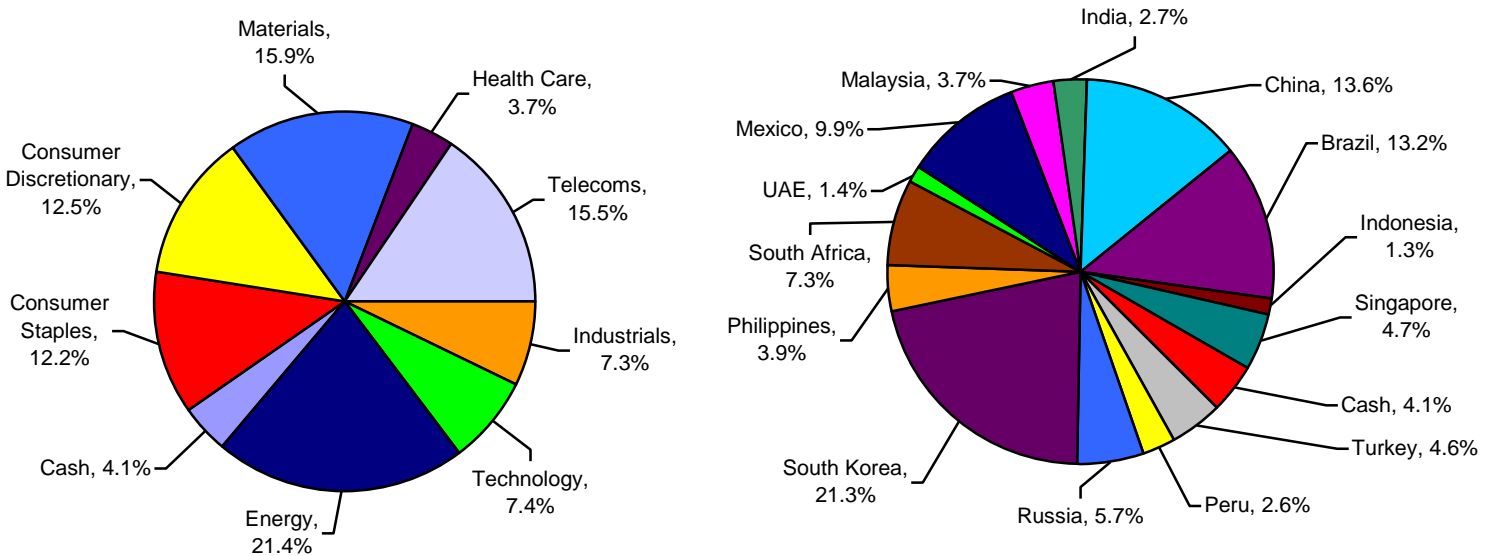
Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. Information contained in this communication must not be construed as giving investment advice within or outside the United Kingdom. This is not an invitation 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. © 2011 Partnership No. OC309959

OLDFIELD PARTNERS LLP

EMERGING MARKETS INVESTMENT REPORT

APRIL 2011

Sector and country breakdown as at 29th April 2011



Source: Oldfield Partners LLP. Representative Portfolio used.

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

Oldfield Partners LLP,
130 Buckingham Palace Road, London, SW1W 9SA.
Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com
www.oldfieldpartners.com

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

Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. 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. © 2011 Partnership No. OC309959

OLDFIELD PARTNERS LLP

EMERGING MARKETS INVESTMENT REPORT

APRIL 2011

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.

Oldfield Partners LLP,
130 Buckingham Palace Road, London, SW1W 9SA.
Telephone: +44 (0)20 7259 1000 Email: info@oldfieldpartners.com
www.oldfieldpartners.com

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

Oldfield Partners LLP has approved and issued this communication for private circulation only; it must not be distributed to private customers. 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. © 2011 Partnership No. OC309959