

OLDFIELD PARTNERS LLP

EMERGING MARKETS INVESTMENT REPORT

MARCH 2010

Performance Summary as at 31st March 2010

US\$ terms	Emerging Markets Equity Composite	MSCI Emerging Markets (NDR)
March*	+9.0%	+8.1%
2010 to date*	+7.2%	+2.4%
2009	+83.8%	+78.5%
2008	-46.6%	-53.3%
2007	+32.0%	+39.4%
2006	+30.9%	+32.2%
2005	+35.9%	+34.0%
2004	+14.1%	+25.6%
2003	+101.4%	+55.8%
2002	+5.9%	-6.2%
2001	+10.8%	-2.6%
Since Inception**	+566.1%	+276.5%
Since inception pa**	+22.8%	+15.4%

* Estimate used for March 2010.

** 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, MSCI © and Bloomberg.

Performance of Five Largest Holdings *

	Portfolio Weighting * %	Monthly Performance (local terms**)	Monthly Performance (US\$ terms**)
Gazprom	7.9	+4.9%	+4.9%
Samsung Electronics	6.7	+9.9%	+12.3%
First Pacific	6.5	+20.6%	+20.6%
Yue Yuen Industrial	5.8	+16.6%	+16.6%
Corp GEO SAB	5.6	-0.5%	+3.1%

*As at end of period, using the Overstone Emerging Equity Fund.

**Total return inclusive of dividends.

Source: Oldfield Partners LLP and Bloomberg

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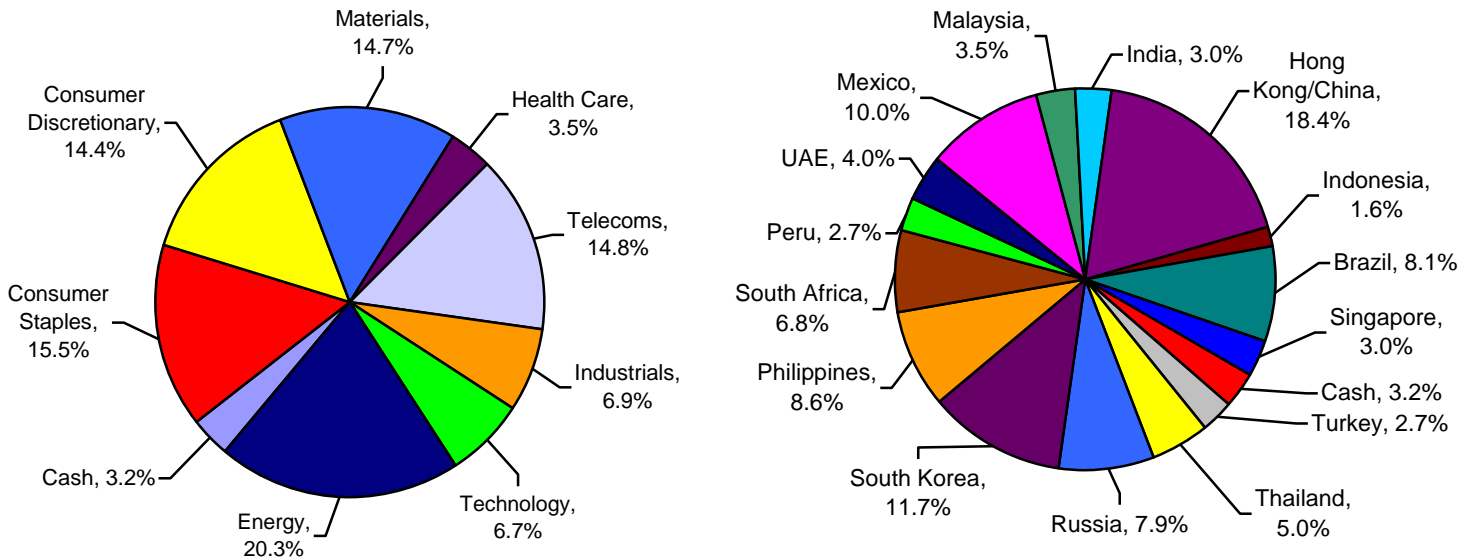
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Sector and country breakdown as at 31st March 2010



Source: Oldfield Partners. Overstone Emerging Markets Fund.

Commentary

Equity markets globally came back to life in March, and emerging markets participated in the rally. It was one of the better monthly performances for emerging markets. Looking at our best performers in the portfolio so far in 2010 it is notable that the more stable earnings type of companies have made the greatest contribution to returns – such as **Universal Robina** (Philippino consumer foods), **Top Glove** (Malaysian latex gloves), **Thai Beverage** (Thai alcoholic beverages) and **Yue Yuen** (Chinese athletic shoe manufacturer).

The top two performers by contribution over the month were DP World (Dubai ports) and First Pacific (Hong Kong holding company). **DP World** rose with the local market on the back of a debt restructuring proposal for Dubai World and Nakheel. We feel as we move through the mini-crisis in Dubai that the underlying fundamentals and balance sheet of DP World are sufficient to see it through. In its annual results management highlighted it is 'seeing signs of positive recovery' and its significant exposure to emerging market trade should remain a positive. DP World is targeting a dual listing on the London market in the summer, which should raise the visibility of the stock. **First Pacific** is a holding company in Hong Kong, which holds investments in Philippine Long Distance Telephone (PLDT) and Indofood in Indonesia. The stock trades at a 55% discount to its net asset value, which we feel remains excessive relative to its history and prospects. **Top Glove** (Malaysian latex gloves) is also worthy of note having put in a solid performance over the month, and has risen over three fold from the share price low in 2008.

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The bottom two performers by contribution over the month were Chaoda Modern (Chinese agriculture) and Buenaventura (Peruvian gold miner). **Chaoda Modern** had solid first half results, with sales and diluted earnings per share increasing 13% over the prior year period. Chaoda has slowed the rate of growth in the acquisition of new land, which should start to show through in free cash flow, but has a strong debt free balance sheet should it wish to resume growth. The stock trades on a price earnings ratio of 7. **Buenaventura** reflected the subdued performance of the gold price over the month and a strike by Peruvian miners over wages. We had reduced the weighting in the portfolio towards the end of last year.

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