

# OLDFIELD PARTNERS LLP

## EMERGING MARKETS INVESTMENT REPORT

### AUGUST 2013

#### Performance Summary as at 31<sup>st</sup> August 2013

US\$ terms	Emerging Markets Equity Composite	MSCI Emerging Markets*
August**	-1.9%	-1.7%
2013 to date	-3.2%	-10.2%
Since inception***	+551.7%	+278.5%
Since inception per annum***	+15.9%	+11.1%

\*Net Dividends Reinvested.

\*\*Estimate used for August 2013.

\*\*\*Inception 1<sup>st</sup> January 2001.

Performance figures are of the Emerging Markets Equity Composite, calculated net of investment management fees 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 (USD terms**)
Samsung Electronics	10.0	+6.9%	+8.3%
Embraer	7.5	-3.0%	-3.0%
Infosys	7.3	-6.7%	-6.7%
KT&G	7.1	-4.1%	-2.8%
Petrobras	6.9	-0.6%	-0.6%

\*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 Conduct Authority

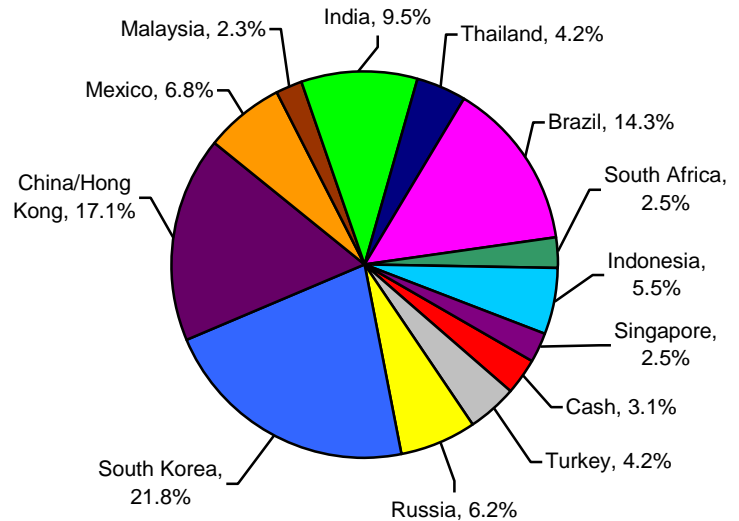
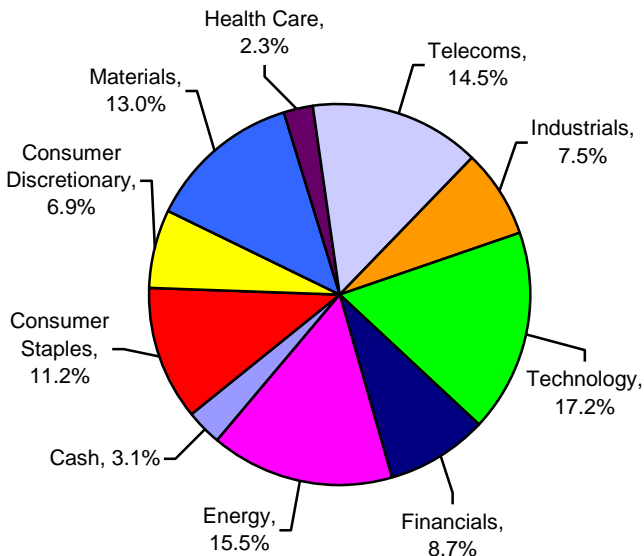
Oldfield Partners LLP has approved and issued this communication for private circulation to Professional Clients only; it must not be distributed to Retail Clients (as defined by the Financial Conduct Authority). Information contained in this communication must not be construed as giving investment advice 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. ©2013 Partnership No. OC309959

# OLDFIELD PARTNERS LLP

## EMERGING MARKETS INVESTMENT REPORT

### AUGUST 2013

#### Sector and country breakdown as at 31<sup>st</sup> August 2013



Source: Oldfield Partners LLP. Representative Portfolio used.

#### Commentary

The worst performing markets in the month were India, Turkey, Indonesia, Thailand, and the Philippines; with the latter three having been market darlings earlier this year. Year to date Latin America is by far the worst performing region. In 2013 approximately \$12 billion has left emerging markets, with recent months reversing the strong inflows seen at the start of the year. This has left the valuation of emerging markets comfortably below their long term historic average.

The bottom three performers during the month by contribution were Telkom Indonesia, First Pacific, and Infosys. There is little stock specific news on **Telkom Indonesia** (leading Indonesian telecom provider) and **First Pacific** (Hong Kong holding company), but the equity markets in Indonesia and the Philippines were weak. **Indofood** (Indonesian consumer foods), which accounts for one third of First Pacific's net asset value, has made a bid for a Chinese agricultural and vegetable processing business that had been subject to a short seller note. First Pacific continues to look for small acquisitions in South East Asia – a task hopefully made easier by recent market moves. **Infosys** (Indian IT services) gave back some of the gains made in July following its encouraging first quarter results. The company is a beneficiary of the weakness in the Indian rupee, which fell 10% against the US dollar over the month.

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 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. ©2013 Partnership No. OC309959

# OLDFIELD PARTNERS LLP

## EMERGING MARKETS INVESTMENT REPORT

### AUGUST 2013

The top three performers during the month by contribution were Samsung Electronics, Ternium, and Yue Yuen. **Samsung Electronics** (Korean consumer electronics) has been a poor performer this year on concerns over commoditisation of smartphones eroding margins. However, its scale and breadth geographically and by product in smartphones should help defend margins, and the diversification of the overall business is a positive, with semiconductors being a solid contributor this year. **Ternium** (Latin America steel) had an unremarkable set of quarterly results. **Yue Yuen** (Hong Kong footwear) had first half results in the month. The company continues to shift production from China to lower cost Indonesia and Vietnam, which should be positive over the medium term, but causes volatility in margins in the short term. In the first half of 2013 it moved 16% of production lines out of China. It now has approximately one third of its production lines in each of China, Vietnam, and Indonesia.

Oldfield Partners LLP,  
130 Buckingham Palace Road, London, SW1W 9SA.  
Telephone: +44 (0)20 7259 1000 Email: [info@oldfieldpartners.com](mailto:info@oldfieldpartners.com)  
[www.oldfieldpartners.com](http://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. ©2013 Partnership No. OC309959