



Global Equities

27th May 2021

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Please read the "Important Information" section on the last page of this presentation.

Value has a long-term track record of success

100 Years of Value investing¹



Value vs Growth²



But investors now eschew Value

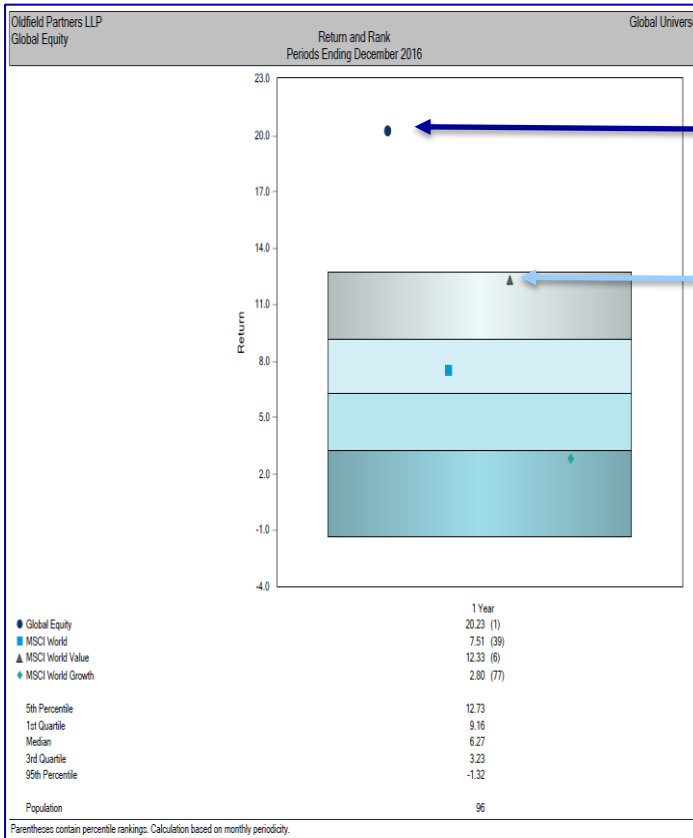
1. Monthly data. Average returns of Fama-French Large/Small Value benchmark portfolios.

Source: Log scale US Value/Growth, relative performance. Shaded areas mark recessions. BofA Merrill Lynch Global Investment Strategy 11th October 2018, Fama-French.

2. MSCI World Value/ MSCI World Growth to end March 2021.

Oldfield Partners – Value investing is at our core

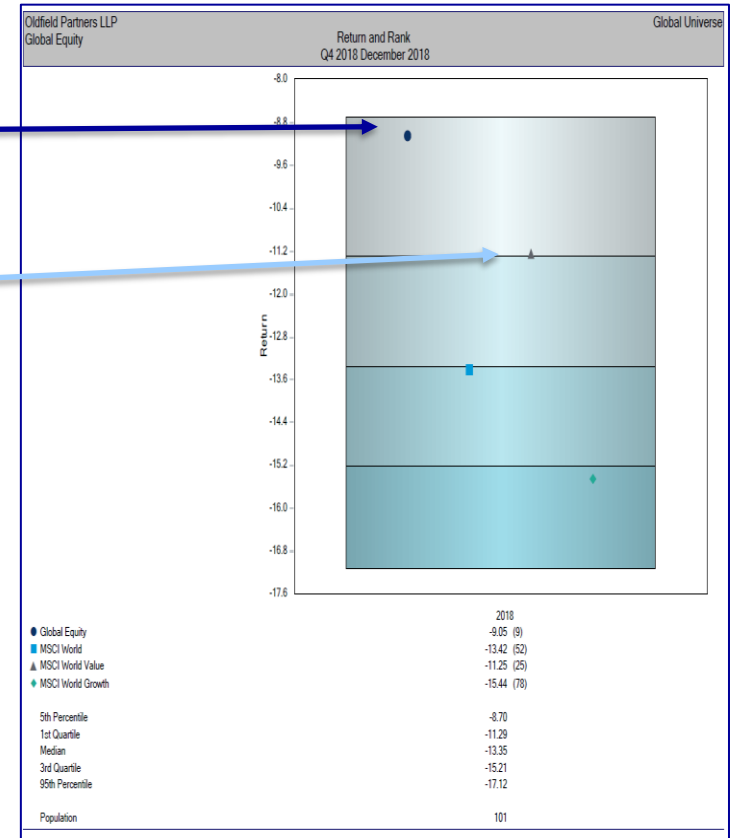
FY 2016



OP
Global
Strategy

Global
Value index

Q4 2018



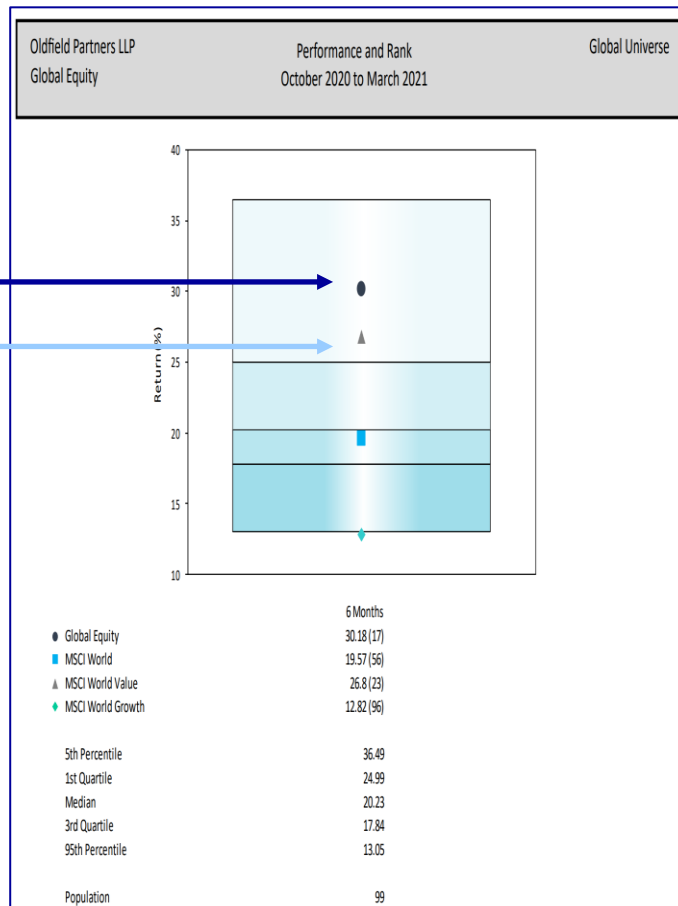
“With every new wave of optimism or pessimism, we are ready to abandon history and time-tested principles.” - Benjamin Graham, The Intelligent Investor

Delivering when Value works

Oldfield Partners – delivering when value works

Q4 2020 – Q1 2021

**OP
Global
Strategy**
**Global
Value index**



Performance since the vaccine



Source: Bloomberg., 1 Date as at 18th May 2021, indexed from 6th November 2020. Total Returns in USD.
Representative global equities portfolio used.

Strategy performance

	\$			£		
	Overstone Global Equity Fund	MSCI World	MSCI World Value	Overstone Global Equity Fund	MSCI World	MSCI World Value
Since vaccine+	+38.5%	+19.5%	+30.2%	+28.4%	+10.8%	+20.7%
2021 to date	+17.1%	+9.6%	+15.8%	+12.6%	+5.4%	+11.3%
2020	-5.3%	+15.9%	-1.2%	-8.0%	+12.6%	-4.0%
2019	+16.4%	+27.7%	+21.7%	+11.8%	+22.7%	+17.0%
2018	-9.5%	-8.7%	-10.8%	-4.0%	-3.1%	-5.3%
2017	+18.2%	+22.4%	+17.1%	+7.9%	+11.7%	+6.9%
2016	+21.1%	+7.5%	+12.3%	+44.5%	+28.3%	+34.1%
Since inception annualised*	+6.3%	+8.2%	+6.2%	+8.0%	+9.9%	+7.9%

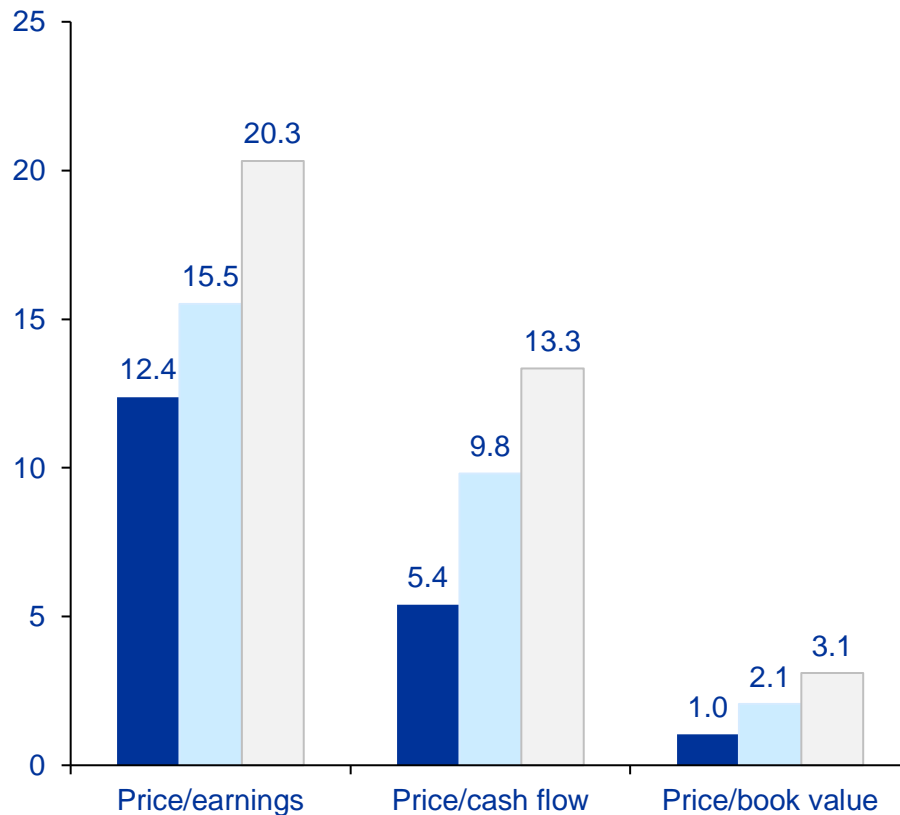
Performance shown is of the A shares, calculated on a Total Return basis net of investment management fees and expenses. Index is MSCI World (Net Dividends Reinvested) and MSCI World Value (Net Dividends Reinvested).

Source: OP, Bloomberg, Northern Trust Ireland and MSCI ©. Data as at 18th May 2021. *Inception Date is 1st June 2005. + Since vaccine: since close on 06Nov20.

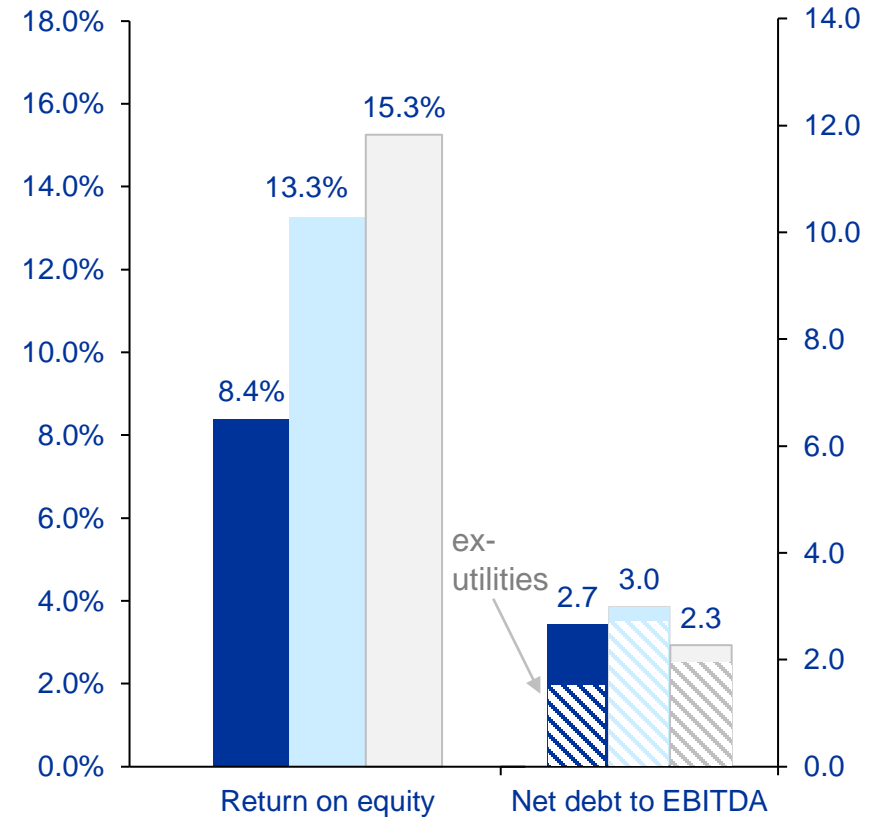
Please refer to the Strategies section of our website (<https://www.oldfieldpartners.com>) for 5 year fund performance information covering complete 12 month periods.

Global strategy - portfolio characteristics

Valuation



Fundamentals



■ OP ■ MSCI World Value ■ MSCI World

Source: OP, Bloomberg.

Date: As at 31st March 2021.

Representative global portfolio used. Based on MSCI method. Net debt/EBITDA excludes financials and includes only industrial net debt where applicable.

The ex-utilities net debt/EBITDA values are as follows: OP: 1.6x, MSCI World Value: 2.8x and MSCI World: 2.0x.

Earnings, cash flow and ROE based on blended-forward consensus. Book value is historic.

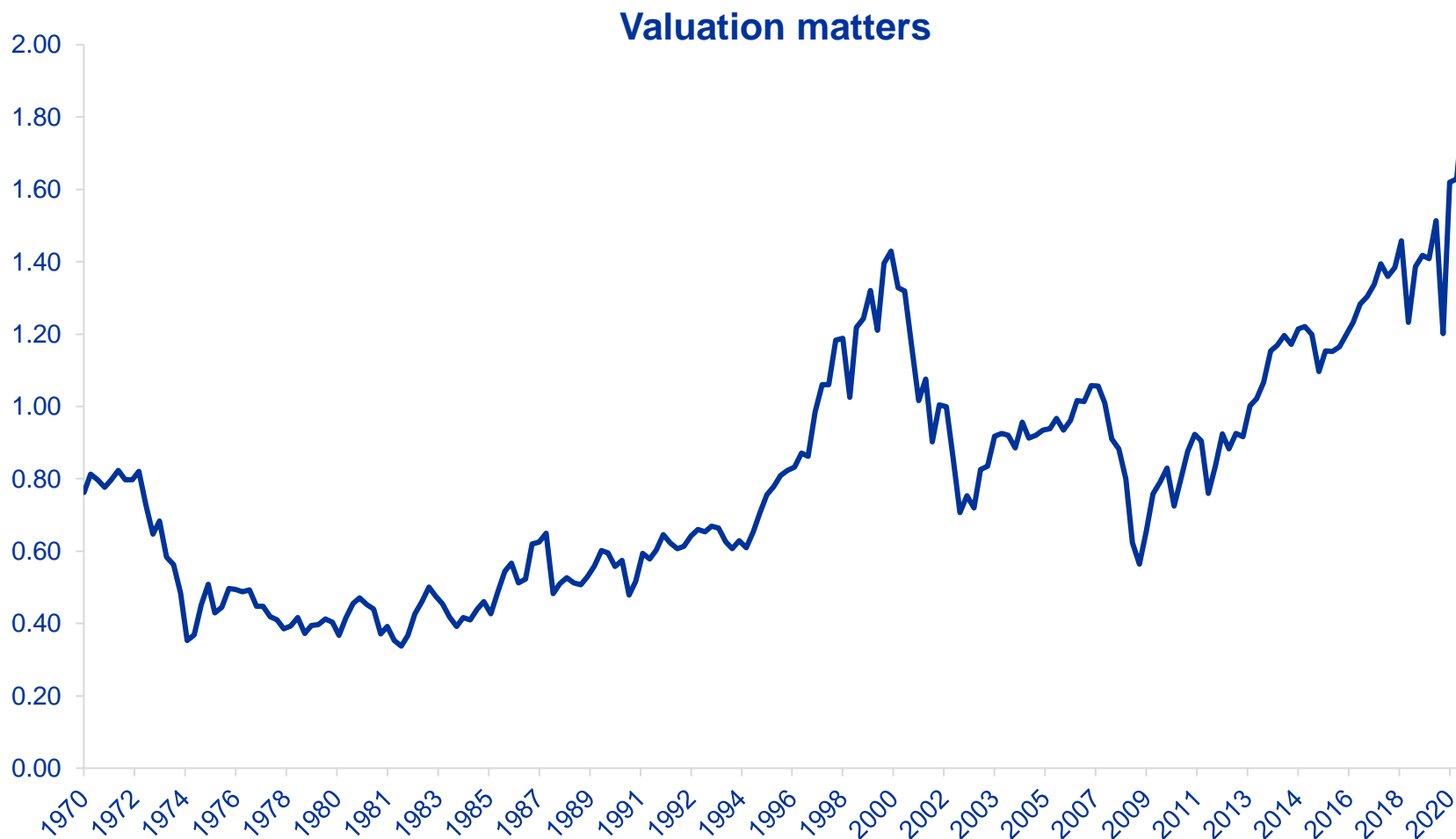
Investment Environment

Shiller PE Ratio for the S&P 500



The valuation of the US market has rarely been higher

The valuation of the US market – US market cap to GDP



Valuations are now in uncharted territory in many cases

The re-rating of the US vs international markets

Cyclically adjusted P/E ratio



Value is found outside of the US market

The US dominates the Value benchmark - Top 20 names in the MSCI Value

	Fwd P/E	P/BV	Fwd P/CF	P/Sales
OP Global Strategy	12.4	1.0	5.4	0.8
JPMORGAN CHASE	11.7	1.8	n/a	3.8
JOHNSON&JOHNSON	17.5	6.4	13.7	4.7
UNITEDHEALTH GRP	21.4	5.4	19.8	1.3
BERKSHIRE HATH-B	24.6	1.4	n/a	2.3
PROCTER & GAMBLE	24.4	7.6	17.7	4.4
HOME DEPOT INC	25.1	108.0	18.5	2.6
BANK OF AMERICA	13.1	1.3	n/a	3.7
INTEL CORP	13.8	3.2	8.3	3.5
COMCAST CORP-A	19.0	2.7	9.9	2.2
VERIZON COMMUNIC	11.5	3.4	6.5	1.8
EXXON MOBIL CORP	17.0	1.5	7.3	0.9
AT&T INC	9.6	1.2	4.9	1.2
CISCO SYSTEMS	16.2	5.5	13.6	4.3
COCA-COLA CO/THE	25.0	11.1	20.1	6.3
CHEVRON CORP	18.7	1.5	7.3	1.4
PFIZER INC	11.8	3.3	18.0	3.5
PEPSICO INC	24.0	13.7	16.8	2.6
MERCK & CO	12.1	n/a	n/a	3.8
NOVARTIS AG-REG	13.9	n/a	n/a	4.2
WALMART INC	25.7	4.8	14.1	0.7



Would raise the overall valuation metrics of our portfolio



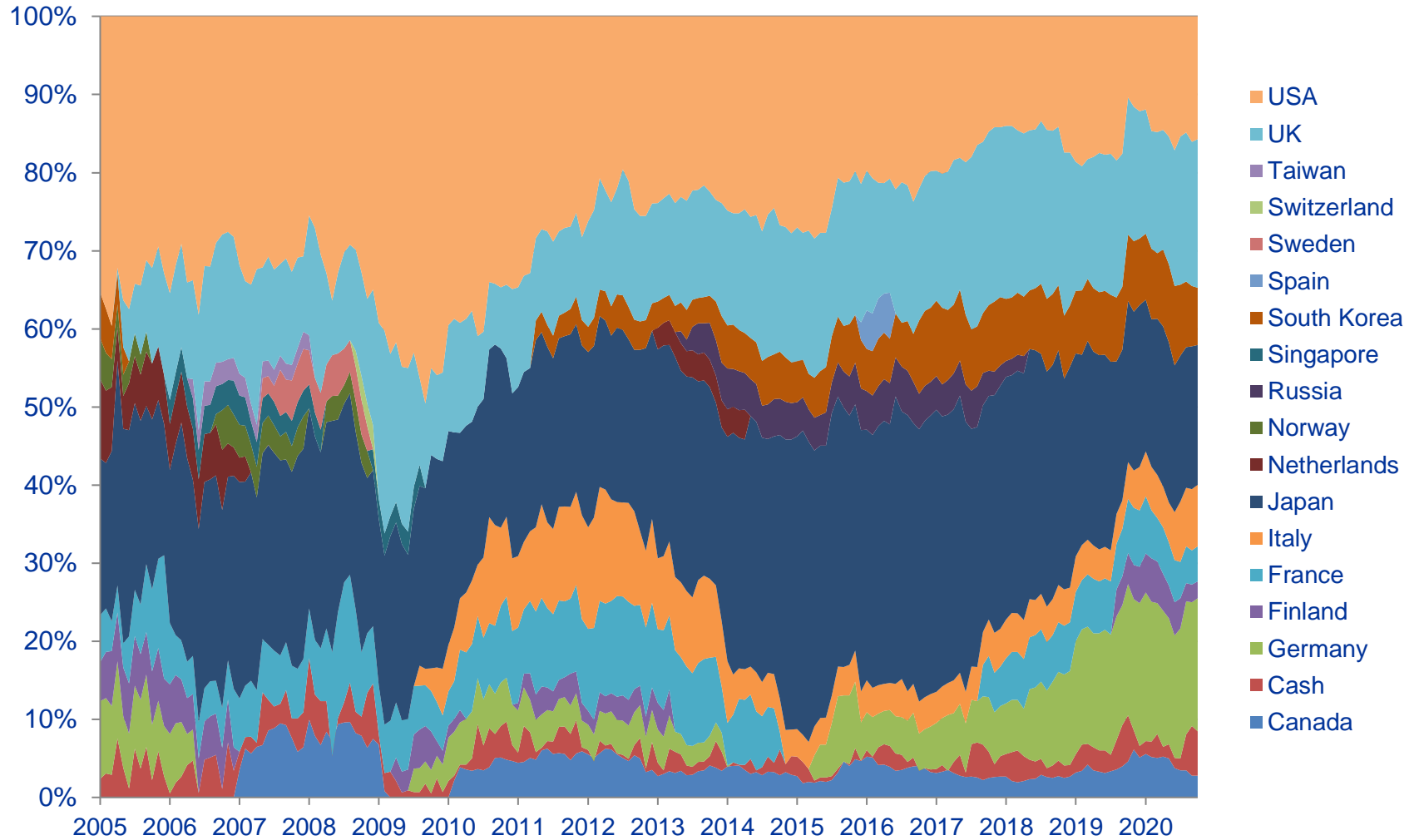
Would lower the overall valuation metrics of our portfolio

Is the MSCI Value index still value?

Source: MSCI and Bloomberg.

Top 20 constituents for the index as at 31st March 2021. Valuation data as at 21st April 2021.

Country exposure

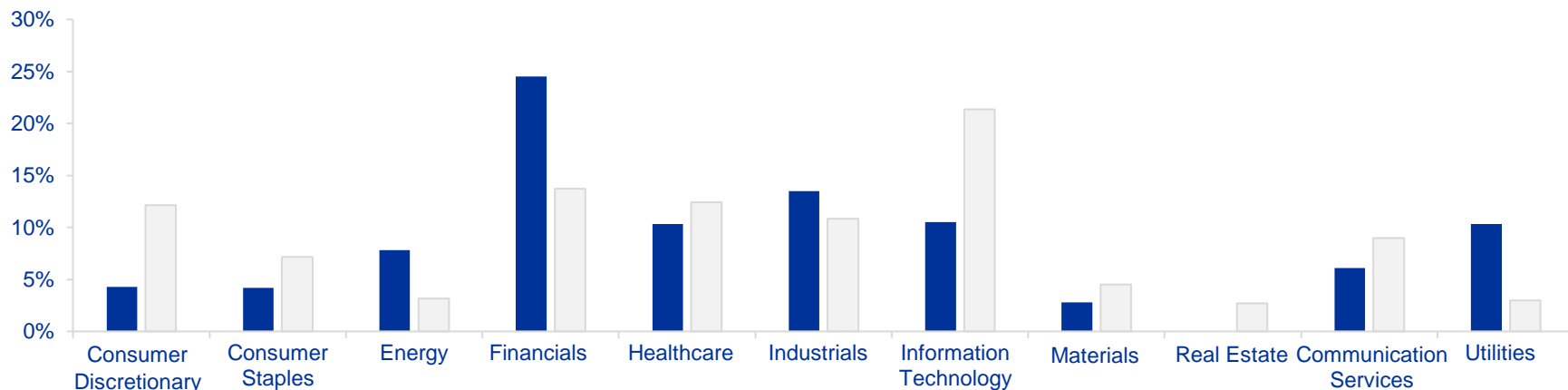


Source: OP.

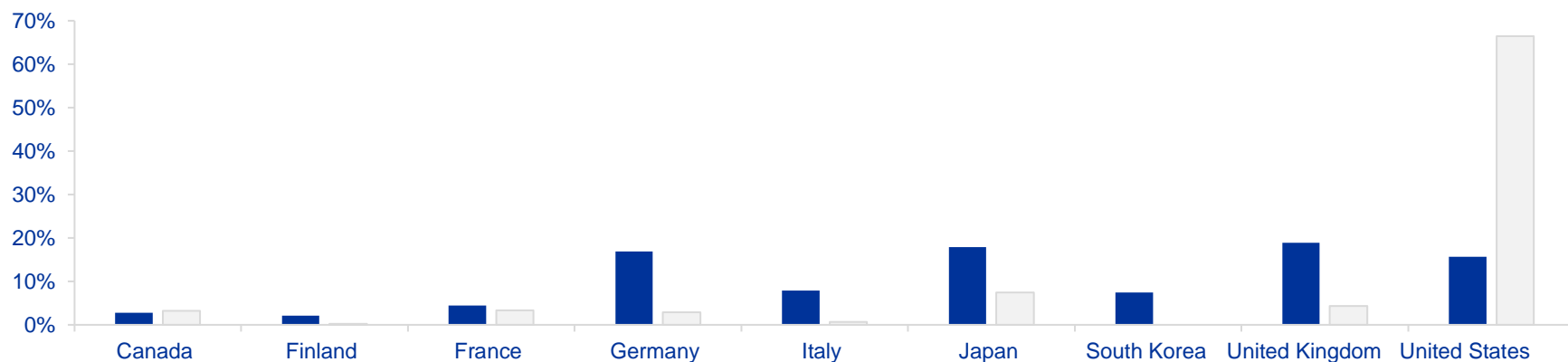
Date: 31st March 2021.

Global Equity Strategy - portfolio structure

Sector weights



Country weights



Source: OP, Bloomberg.
Date: 31st March 2021.

■ Global Equity Strategy ■ MSCI World Index

Portfolio

Top contributors and detractors – relative attribution

Q4 2020

Top 5 Contributors	%	Top 5 Detractors	%
Samsung Electronics	+2.1	Barrick Gold	-1.6
BT	+1.3	Sanofi	-0.9
Lloyds	+1.3	E.ON	-0.8
NOV	+1.3	Nokia	-0.7
General Motors	+1.0	Bayer	-0.7

Q1 2021

Top 5 Contributors	%	Top 5 Detractors	%
Hewlett Packard Enterprise	+0.8	Korea Electric Power	-0.8
BT	+0.7	Barrick Gold	-0.6
Mitsubishi UFJ	+0.6	Samsung Electronics	-0.3
Nokia	+0.6	Toyota	-0.3
Siemens	+0.6	NOV	-0.2

Source: OP, Bloomberg and MSCI ©.

Date: As at 31st March 2021.

% = the contribution to relative return of a representative global equities portfolio versus the MSCI World (Net Dividends Reinvested) Index in USD terms.

Top contributors and detractors – relative attribution

**Since
vaccine
to date***

Top 5 Contributors	%	Top 5 Detractors	%
Lloyds	+3.0	Barrick Gold	-1.8
BT	+3.0	Sanofi	-0.6
NOV	+2.2	Kansai Electric Power	-0.3
Citigroup	+1.7	E.ON	-0.1
Hewlett Packard Enterprise	+1.6	Nomura	-0.1

Source: OP, Bloomberg and MSCI ©.

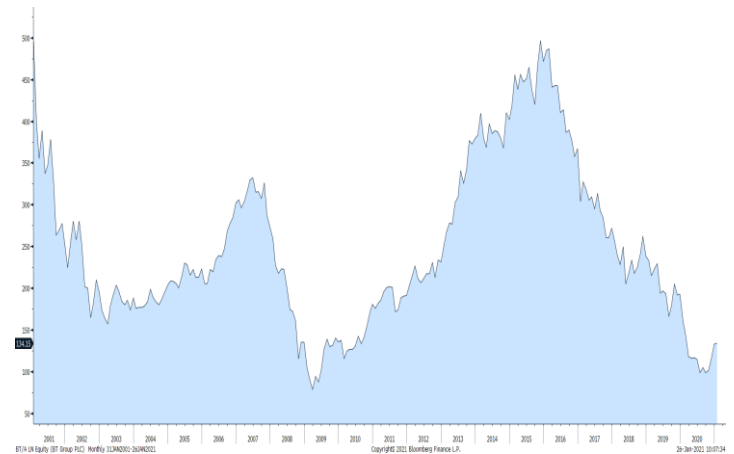
*Date: From 6th November 2020 to 18th May 2021.

% = the contribution to relative return of a representative global equities portfolio versus the MSCI World (Net Dividends Reinvested) Index in USD terms.
Estimate data used.

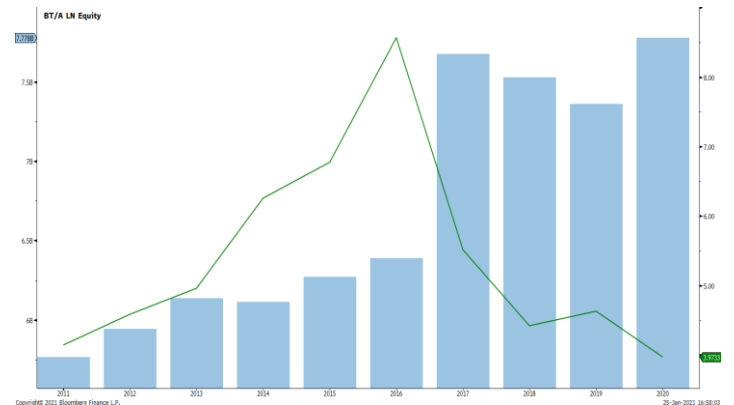
BT – value trap vs patience

- UK's dominant communication infrastructure
- Significant headwinds, 2015 500p → 2020 100p
- Openreach (ROIC), Enterprise (sales), pension (interest rates)
- Absolute and historically low valuation
- 2015 acquired EE for £13bn, BT £12bn 03/20
- Openreach +£13bn
- Stabilise CF and deployment to drive value
- OCF £7.5bn to 8.0bn, capex: £4.0 to 4.5bn
- FTTP 'fair bet' – catalyst

BT share price chart to end 2020



BT EBITDA and rating



Long-term value opportunity

Source: OP, as at 30th December 2020. Charts taken from Bloomberg.

Key purchases and sales

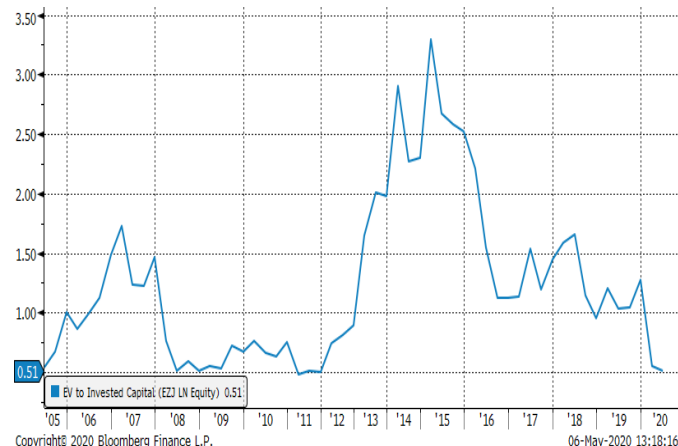
	Purchases	Sales
Q4 2020	easyJet, Exor, Berkshire Hathaway, Bayer	Southwest Airlines, Japan Airlines, General Motors Samsung Electronics
Q1 2021	Fresenius	Siemens Energy, Nokia

Source: OP.
Representative global equities portfolio used. Bold are complete purchases or sales.

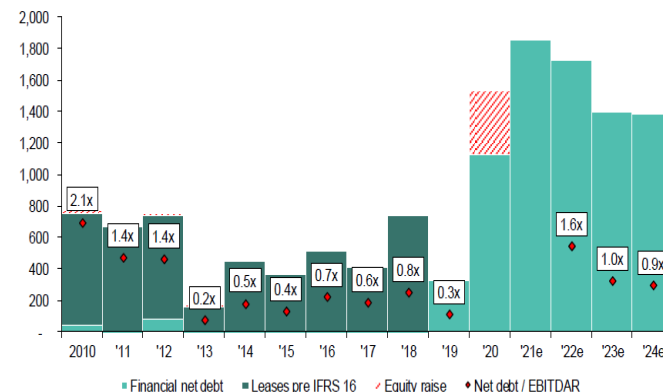
easyJet – emerging relatively stronger from vaccine recovery

- Many airlines entered crisis with poor balance sheets
- OP stress tests Q2 2020
- Low cost model deemed superior over-time
- Strong balance sheet and young fleet, 70% owned
- First to recover - 83% revenue short-haul leisure
- Constrained airports = pricing power
- Cost advantage to grow
- Management incentivised to improve returns

EV to Invested Capital



Net debt / EBITDAR



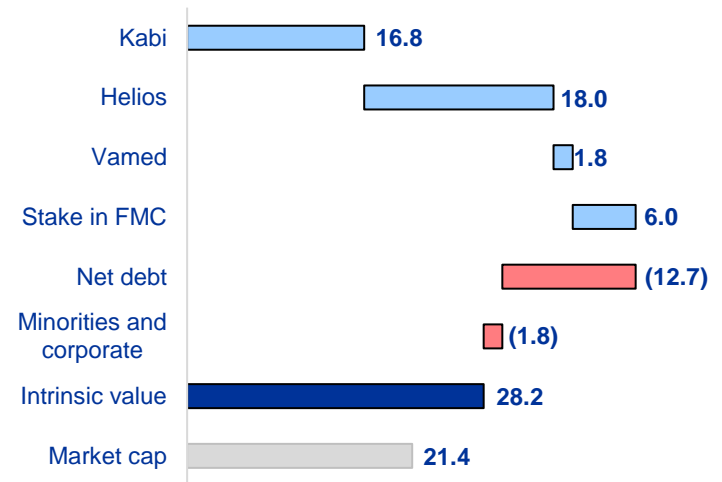
Long-term industry winner

Source: OP research, Bernstein estimates and analysis, Bloomberg.

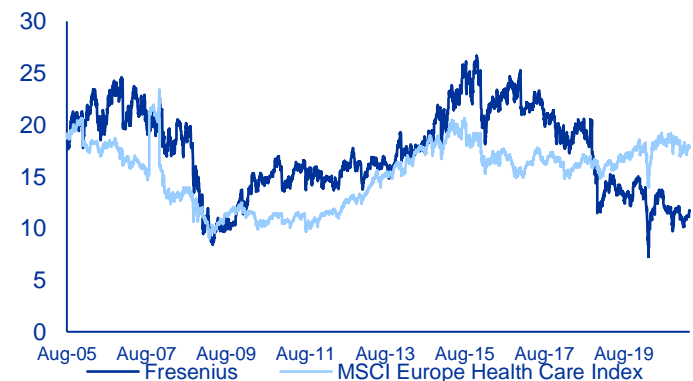
Fresenius – under-rated recovery and growth

- Diversified healthcare group
- Historic rating 18x P/E
- Helios: utility-like profits from hospital business
- Kabi: injectables and nutrition
- FMC: dialysis down, stock market listed – recovery potential
- Returns depressed due to investments in biosimilars and COVID-19
- Mid-single digit organic growth
- Initiated position at 11x P/E in March 2021

OP Sum of the Parts (€bn)



Forward P/E



Expect discount to narrow as returns improve

ESG

Climate Change



Share and gain knowledge for assessing and engaging on climate related risks

Stewardship Committee oversight

Idea generation

- Investment team have access to MSCI ESG research reports
- Investors carry out their own appraisal of material ESG issues to an investment thesis
- Dedicated ESG section in all key research notes
- Debated by the wider investment team at weekly team meetings

Include dedicated section for assessing transition risks to a low carbon economy, with scenario analysis for material risks

Active ownership

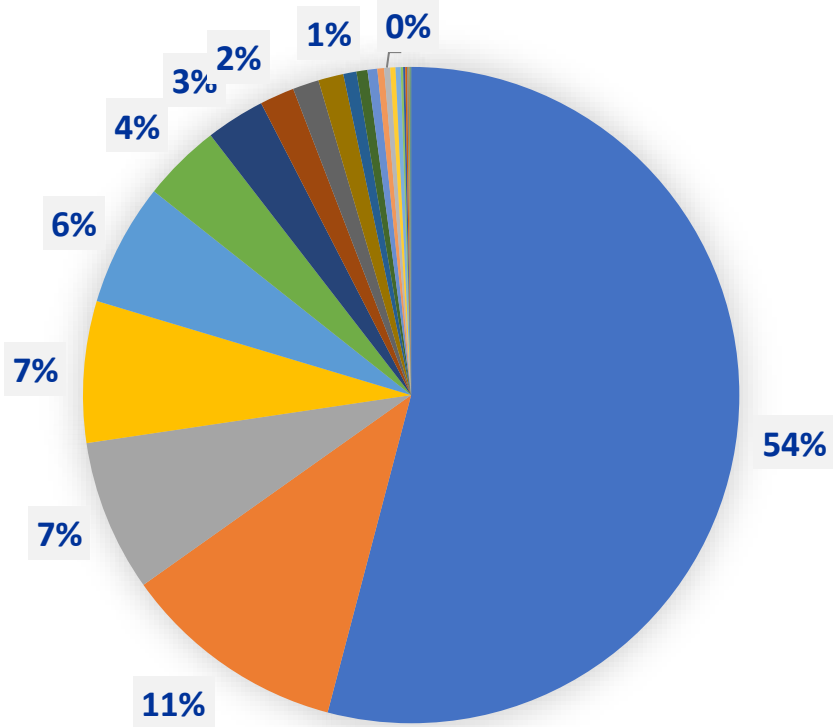
- Engage with company on material issues within the ordinary routine of interaction
- Stewardship Committee oversees progress of engagements
- MSCI Controversies Alert system to monitor new or existing controversies

Escalation process

- Withholding support or voting against management (and informing them)
- Meeting with non-executive directors or the chairman
- Collaborative intervention with other institutional investors
- Engaging with regulatory or governmental bodies

Collaborative engagement with CA 100+ signatories

Global Equity Strategy: Carbon intensity contribution



- Korea Electric Power
- Easyjet Plc
- Kansai Electric Power
- Eni
- Barrick Gold
- Berkshire Hath-B
- E.On
- Nov Inc
- Bayer
- Samsung Electronics
- Bt
- Exor
- Tesco
- Toyota
- Sanofi
- Siemens
- Mhi
- Nokia
- Fresenius Se & C
- Hewlett Packard Enterprise
- Citigroup
- Mitsubishi Ufj
- Lloyds
- Nomura

Source: OP and MSCI data
 Date: 2020 data (except EZJ 2019) as at April 2021.
 Representative global equities portfolio used.

Global Equity Strategy – holdings and valuation methodologies

Valuation		Target Valuation (Analyst)						
Company Name	% Portfolio	Share Price	Primary valuation method	Fair value	Upside	Total return (2 years)	Resp.	
BT GROUP PLC	6.1	156	SOTP + P/E	226	44%	49%	SZ	
SIEMENS AG-REG	5.9	141	P/E	155	9%	15%	CO	
LLOYDS BANKING GROUP PLC	5.2	42.77	P/TBV + P/E	66	53%	63%	RG/SZ	
E.ON SE	5.1	9.94	P/E	12.50	26%	36%	SZ	
BAYER AG-REG	5.0	53	SOTP	71	33%	41%	CO	
SAMSUNG ELECTRONICS CO LTD	4.9	85,400	PE + net cash per share	91,900	8%	12%	AF	
BERKSHIRE HATHAWAY INC-CL B	4.8	263	SOTP + look through earnings + P/B	369	40%	40%	JL	
SANOFI	4.4	84	P/CF	108	28%	36%	SZ/RG	
MITSUBISHI UFJ FINANCIAL GRO	4.3	611	P/E + P/TBV	708	16%	24%	AG	
ENI SPA	4.2	10.57	P/B	12.80	21%	34%	NW	
TOYOTA MOTOR CORP	4.2	8,461	P/B	9,700	15%	20%	JM	
TESCO PLC	4.1	228	P/E, P/B, P/CF, EV/EBITDA	299	31%	44%	NW	
MITSUBISHI HEAVY INDUSTRIES	3.9	3,400	P/B	3,939	16%	21%	AG	
CITIGROUP INC	3.8	73	P/E + P/TBV	90	24%	30%	RG	
EXOR NV	3.7	72	SOTP	95	32%	33%	SZ	
NOV INC	3.6	13.83	EV/EBITDA	25.00	81%	81%	HF	
EASYJET PLC	3.5	1,009	P/S + P/E	1,450	44%	45%	SZ	
HEWLETT PACKARD ENTERPRISE	3.5	15.91	P/E	18.00	13%	19%	NW	
NOMURA HOLDINGS INC	2.9	597	P/B	762	28%	38%	JM	
BARRICK GOLD CORP	2.8	25.83	P/B	38.10	48%	52%	RG	
KOREA ELECTRIC POWER CORP	2.7	24,000	EV/Sales + EV/IC + P/B	35,550	48%	56%	CO	
KANSAI ELECTRIC POWER CO INC	2.3	1,128	P/B	1,863	65%	74%	AG	
NOKIA OYJ	2.2	3.46	EV/Sales + P/B	3.62	5%	9%	JL	
FRESENIUS SE & CO KGAA	1.3	37.76	SOTP + P/E	51	35%	40%	CO	
Weighted Average Upside					28%			

Source: OP.

Date: As at 5th April 2021.

Representative global equities portfolio used.

Oldfield Partners – an authentic Value investor

Throughout an unprecedented drawdown in Value;

- OP remains true to its contrarian investment philosophy
- Maintained and grown our investment team
- Maintained a relatively consistent client base
- Continues to win new clients

Performance since vaccine announcement ¹

	Total return
OP Global	+38.5%
MSCI World	+19.5%
MSCI World Value	+30.2%
MSCI World Growth	+9.9%

Stable platform to capture the Value opportunity

Source: 1. Vaccine announcement after market close on 6th November 2020 to 18th May 2021, performance total return USD, source Bloomberg using a representative global equities portfolio.

Risk warning and other important information

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 necessarily a guide to future performance.

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