



# Global Equities

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*14<sup>th</sup> March 2018*

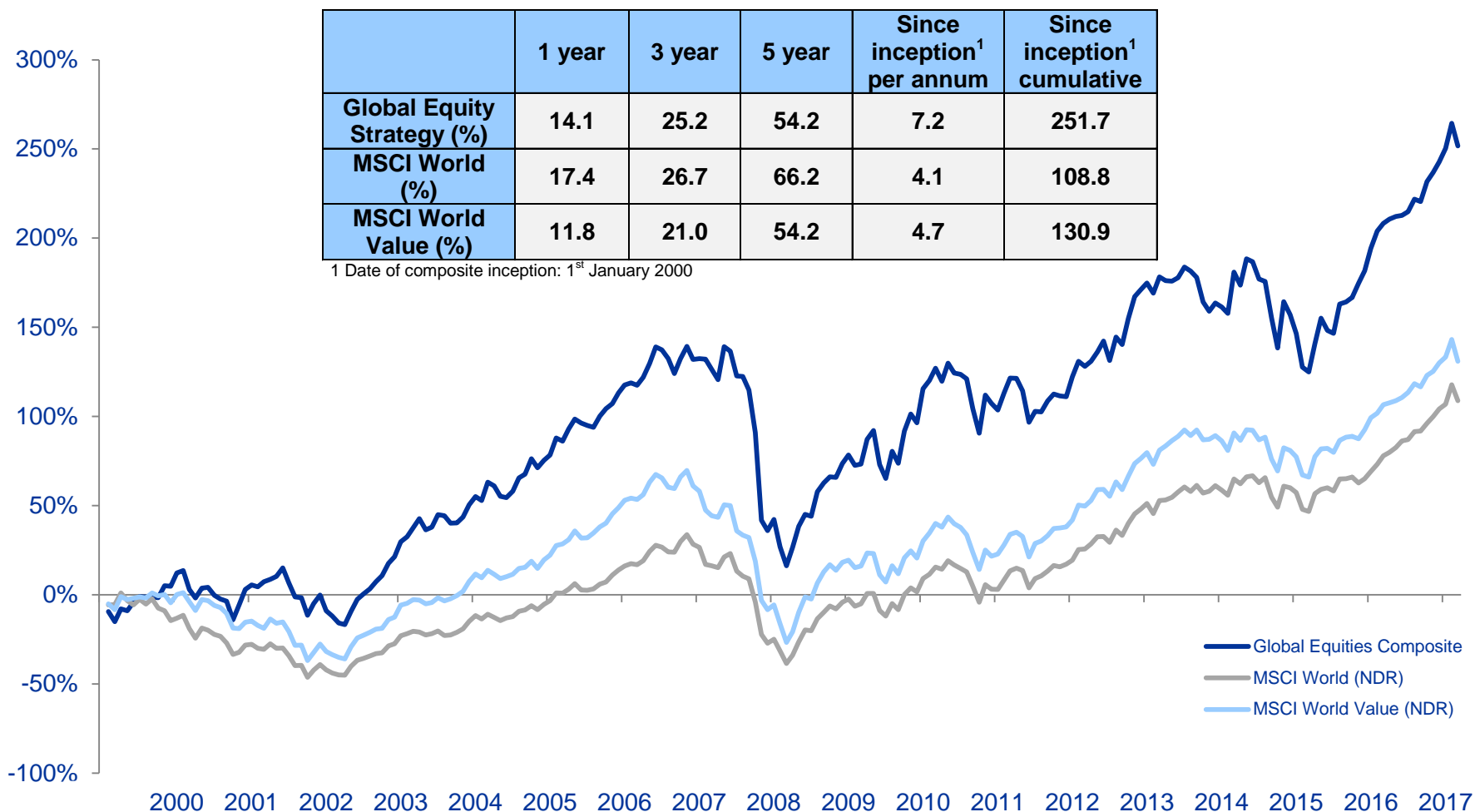
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*Please read the "Important Information" section on the last page of this presentation.*

# Global Equities composite performance (USD terms)



Supplemental Information – Net dividends re-invested. this performance information is supplemental to the GIPS® compliant presentation and is for reference only

Source: Oldfield Partners, Bloomberg and MSCI ©

Date: As at 28<sup>th</sup> February 2018.

Global Equity Strategy = Data shown is of the Oldfield Partners Global Equity Composite (which includes the performance of portfolios transferred from Alta Advisers Ltd. to Oldfield Partners LLP in March 2005) from 2000 onwards.

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Please refer to disclosure on page 34.

## Fund performance

	£			\$		
	Overstone Global Equity Fund	MSCI World	MSCI World Value	Overstone Global Equity Fund	MSCI World	MSCI World Value
2018 to date	-1.7%	-1.0%	-2.9%	+0.2%	+0.9%	-1.0%
2017	+7.8%	+11.7%	+6.9%	+18.2%	+22.4%	+17.1%
2016	+44.6%	+28.3%	+34.1%	+21.1%	+7.5%	+12.3%
Since inception annualised*	+9.0%	+9.5%	+8.3%	+6.7%	+7.1%	+6.0%

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).

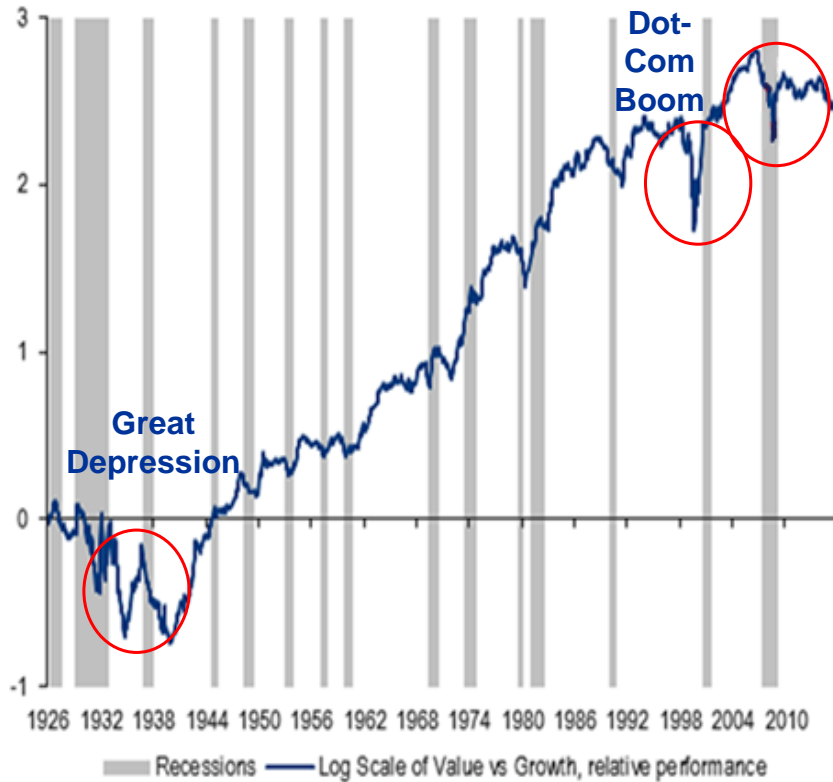
Source: OP, Bloomberg, Northern Trust Ireland and MSCI ©.

Data as at 28<sup>th</sup> February 2018.

\* Inception Date is 1<sup>st</sup> June 2005.

# The performance of Value - “This time it’s different” ...?

## US Value versus Growth since 1926



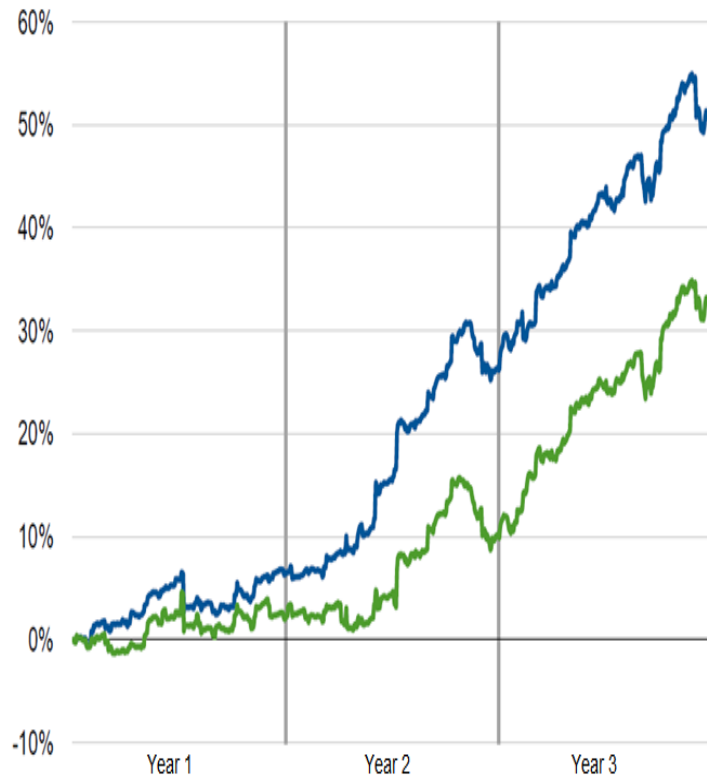
## Value vs Growth since 1979



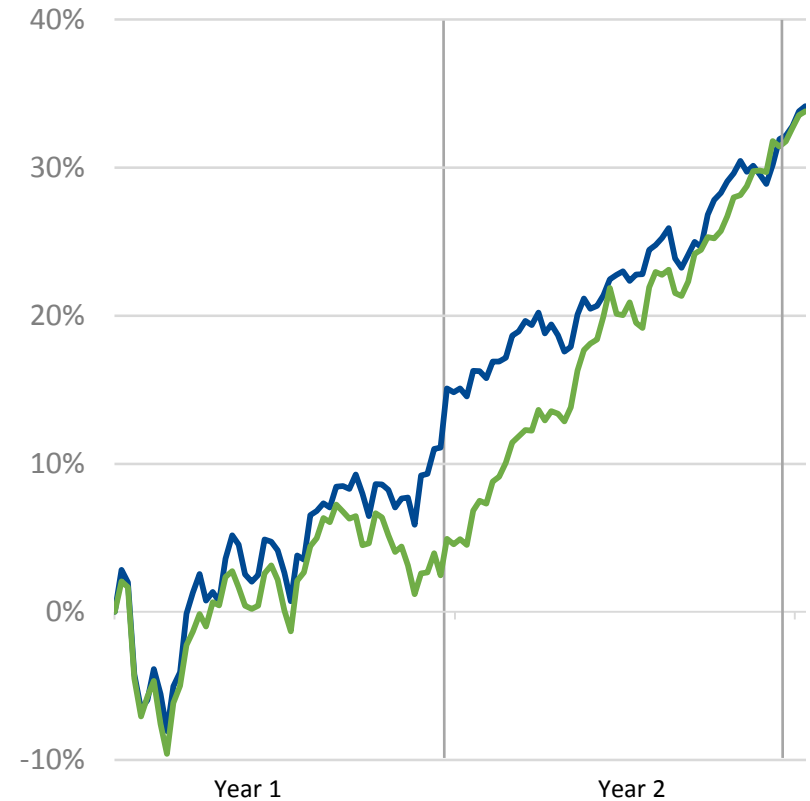
Value investing works but not in recent years

# A catalyst for Value investing – interest rates

## Cumulative 3 year return after first Fed. Funds rise (average of 6 periods 1975-2007)



## Total return following this first Fed. Funds rise (Dec 2015)



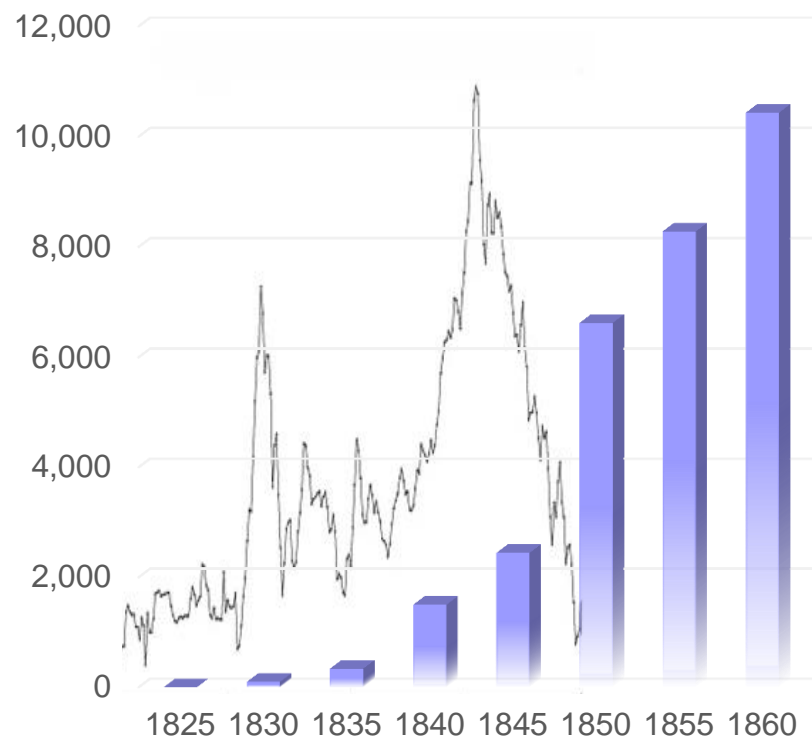
MSCI World Growth Index —

MSCI World Value Index —

Source: Calculations by Franklin Templeton Investments using data sourced from FactSet and Bloomberg as at 31<sup>st</sup> December 2017.

# Valuation matters – height of optimism often coincides with peak of speculation

## Total miles of railway track in the UK and Index of British railway share prices



## Nasdaq Index



Source: "Collective hallucinations and inefficient markets: The British Railway Mania of the 1840s" Andrew Odlyzko, University of Minnesota, 15<sup>th</sup> January 2010.

# Hewlett Packard – opportunities presented when markets are overly pessimistic

**October 2012**

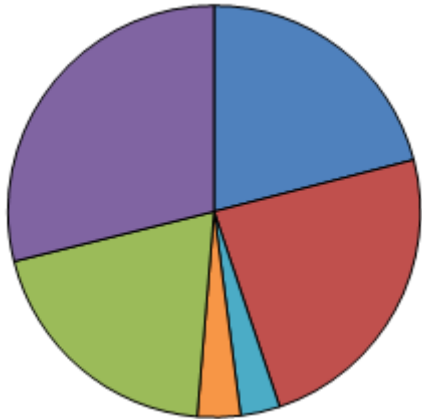
Gross sales: \$124bn

**September 2017**

Gross sales: \$100bn

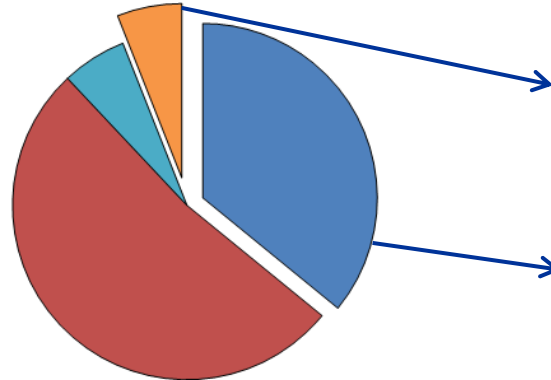
**Mkt Cap**

**The Hewlett-Packard Company**



- Enterprise Services ■ Enterprise Group
- Financial Services ■ Software
- Imaging & Printing ■ Personal Systems

**Hewlett Packard Enterprise**



**HP Inc**



**\$22bn**

**+**

**50%  
MicroFocus\*  
\$7bn**

**+**

**50%  
DXC\*  
\$12bn**

**+**

**\$29bn\***

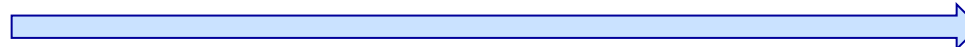
-----  
**Capital Value  
\$70bn**

**+**

**Dividends  
\$4bn**

-----  
**Grand total  
\$74bn**

**Mkt Cap  
\$27bn**



Source: OP.

\* - at sale price

Buybacks over the period: \$11bn

## Top contributors and detractors – relative attribution

2018 to date

Top 5 Contributors	%	Top 5 Detractors	%
Hewlett Packard Enterprise	+1.0	Barrick Gold	-0.6
Lukoil	+0.8	BT	-0.5
Mitsubishi Heavy Industries	+0.5	Korea Electric Power	-0.5
Viacom	+0.4	Samsung Electronics	-0.4
Toyota	+0.3	E.ON	-0.4

2017

Top 5 Contributors	%	Top 5 Detractors	%
Samsung Electronics	+2.4	Viacom	-2.3
E.ON	+2.0	Mitsubishi Heavy Industries	-1.1
Rio Tinto	+1.6	Barrick Gold	-1.0
Kyocera	+0.9	Korea Electric Power	-1.0
HP Inc	+0.5	Nomura	-0.8

Source: OP, Bloomberg and MSCI ©.

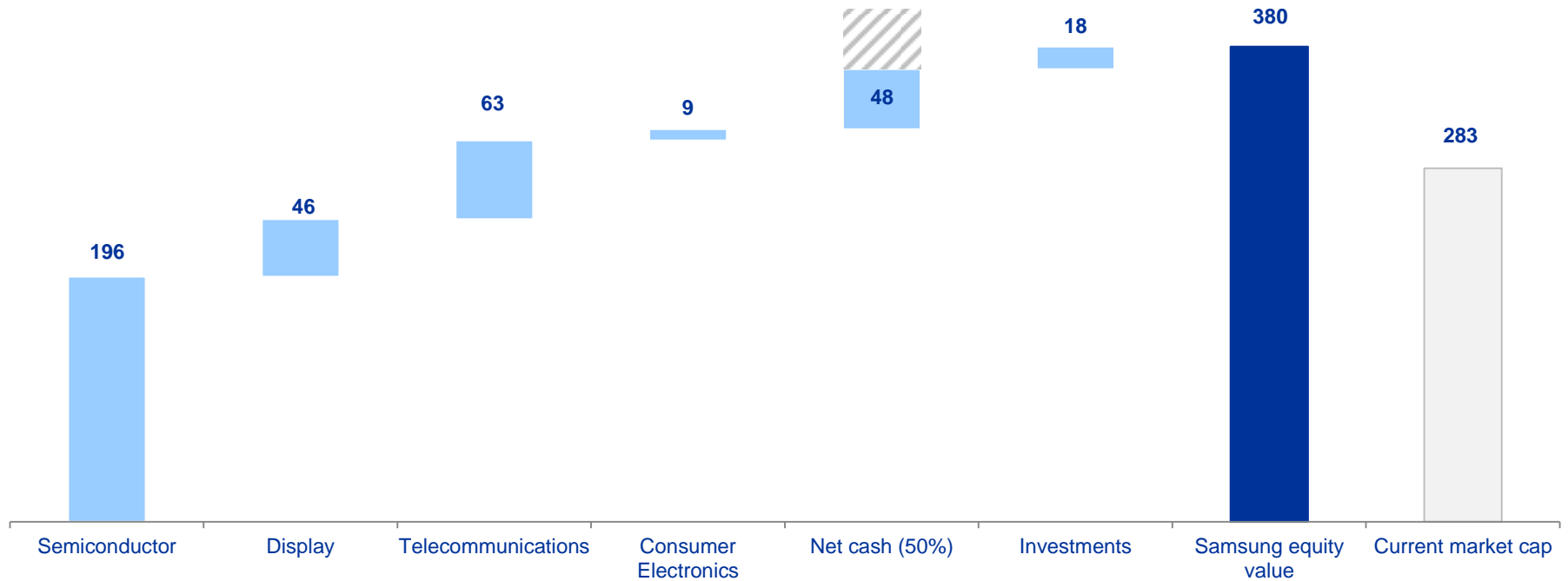
Date: As at 28<sup>th</sup> February 2018.

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



# Top contributor to 2017 performance - Samsung Electronics

Sum of the parts (₩ tn)



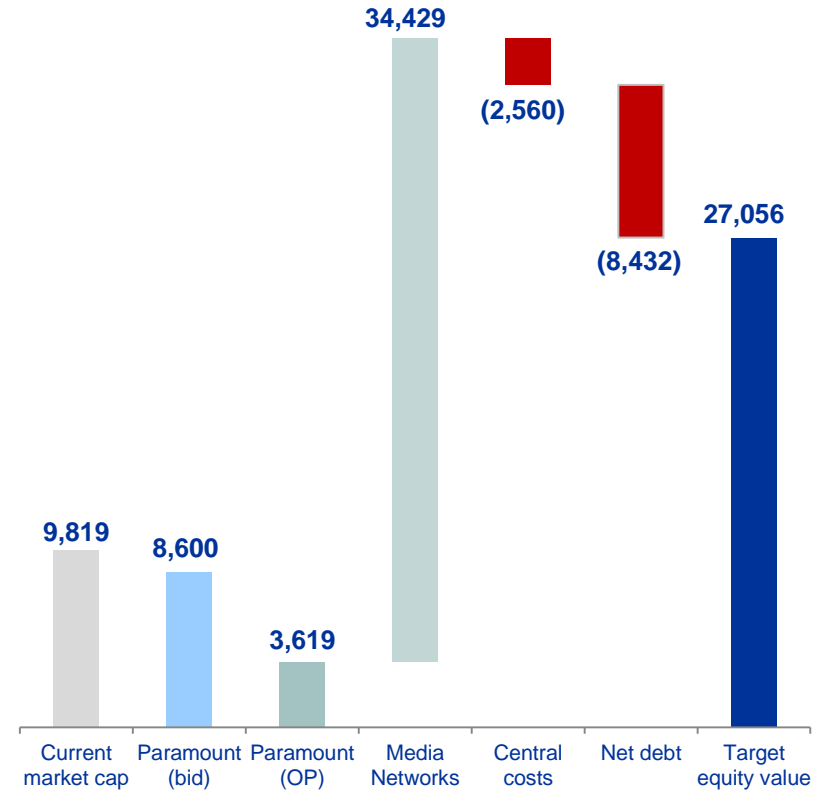
Source: OP, Bloomberg market value as at 9<sup>th</sup> March 2017.

# The main detractor in 2017 - Viacom

Share price (\$)



2019 Sum of the parts (\$m)



Source: OP, Bloomberg data as at 30<sup>th</sup> September 2017.





# Viacom – Media Networks

- Traditional Pay TV market declining – rate?
- Content consumption growing
- Growth opportunities
  - International
  - 3<sup>rd</sup> party content licencing
  - Direct to consumer

Charter's  
Spectrum:

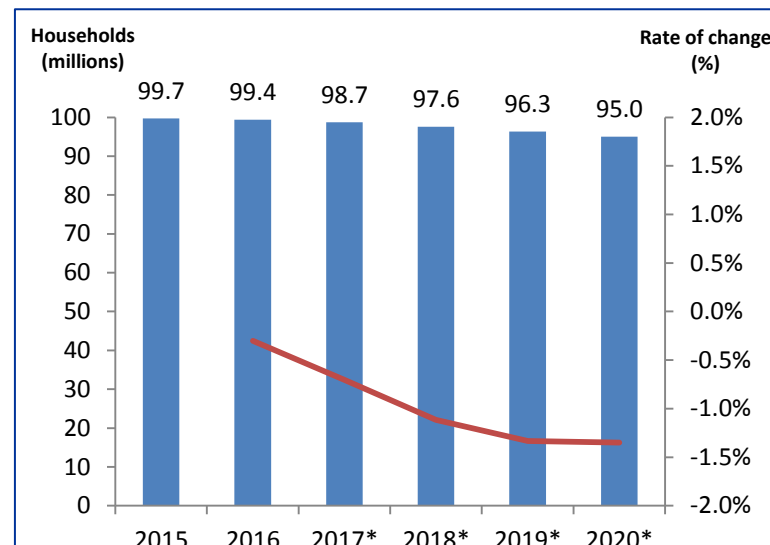
**TRIPLE PLAY SELECT**  
TV + INTERNET + VOICE

From **\$29<sup>99</sup>**/mo  
each for 12 mos  
when bundled\*

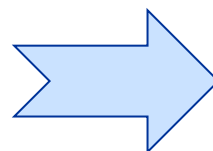
	TV Select + Internet	from <b>\$59<sup>99</sup></b> /mo for 12 mos* + <b>\$29<sup>99</sup></b> /mo for 12 mos* <small>was \$64.99</small> <small>was \$64.99</small>	SEE DETAILS + CHOOSE
	Internet + Phone	<b>\$44<sup>99</sup></b> /mo for 12 mos* + <b>\$19<sup>99</sup></b> /mo for 12 mos* <small>was \$64.99</small> <small>was \$29.99</small>	SEE DETAILS + CHOOSE
	TV Select	from <b>\$64<sup>99</sup></b> /mo for 12 mos*	SEE DETAILS + CHOOSE
	Internet	<b>\$44<sup>99</sup></b> /mo for 12 mos* <small>was \$64.99</small>	SEE DETAILS + CHOOSE

Source: www.spectrum.com as of 29<sup>th</sup> November 2017.

## Number of traditional pay TV households in the U.S. 2015-2020



Source: eMarketeer, Statista 2017

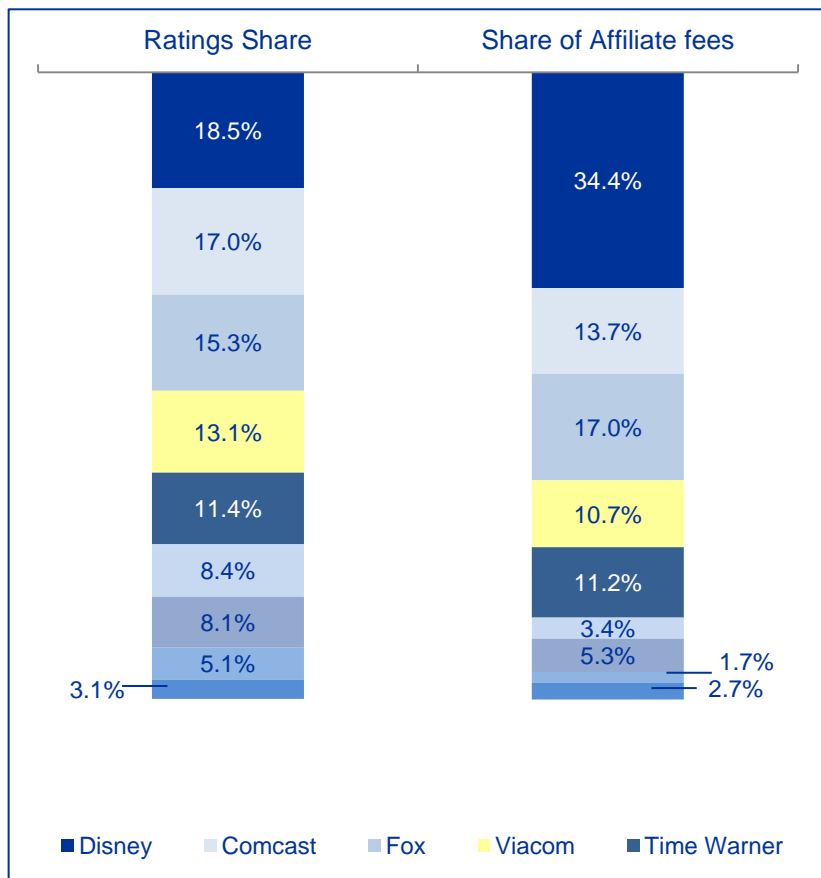


## Breaking the bundle not a panacea



# Viacom – Media Networks – Affiliate fees

## 2016 share of ratings and Affiliate fees



## OP Affiliate fee drivers

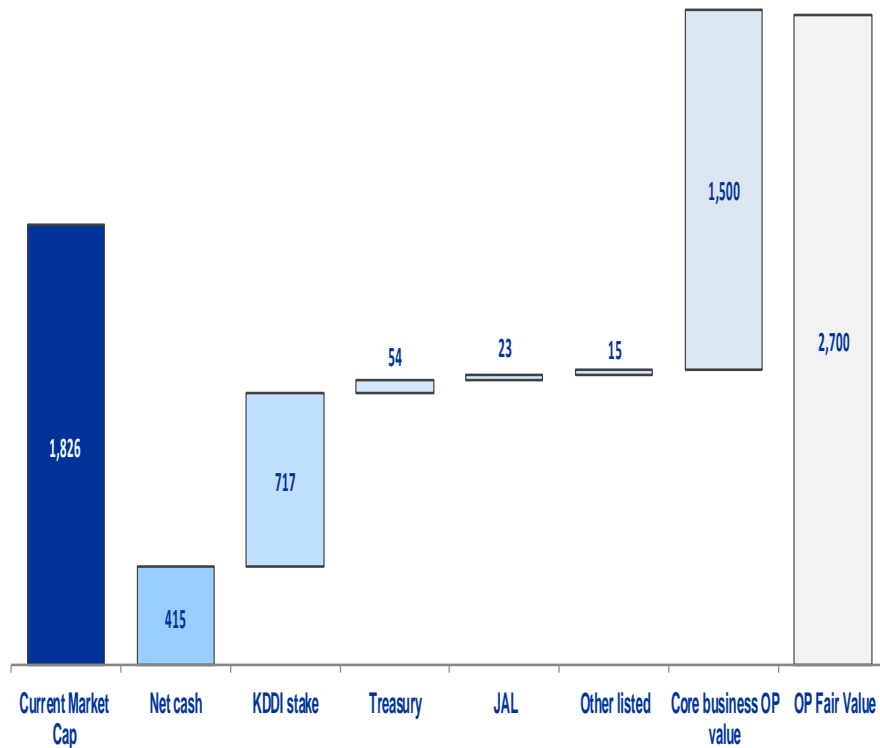
Media Networks - Affiliate Fees	FY9/17a	FY9/18e	FY9/19e	FY9/20e
<b>Domestic</b>				
Sales Domestic	3,920	3,744	3,762	3,781
Sales growth %	1.0%	-4.5%	0.5%	0.5%
Affiliate fee rate growth %	4.0%	4.0%	4.0%	4.0%
Subscriber growth %	-3.2%	-3.5%	-3.5%	-3.5%
Charter reset	0.0%	-5.0%	0.0%	0.0%
<b>International</b>				
Sales International	718	754	792	831
Sales growth %	6.4%	5.0%	5.0%	5.0%
<b>Sales - Media Networks Affiliate Fees</b>	<b>4,638</b>	<b>4,498</b>	<b>4,554</b>	<b>4,612</b>
growth		-3.0%	1.3%	1.3%

## Stable cash flows

Viacom market forecasts (EBITDA \$m)	2018e	2019e
Market consensus	3,048	3,030
<b>OP</b>	<b>2,880</b>	<b>3,072</b>
High	3,227	3,316
Low	2,780	2,830
range	15%	16%

# Most recent sale (Q4 2017) - Kyocera

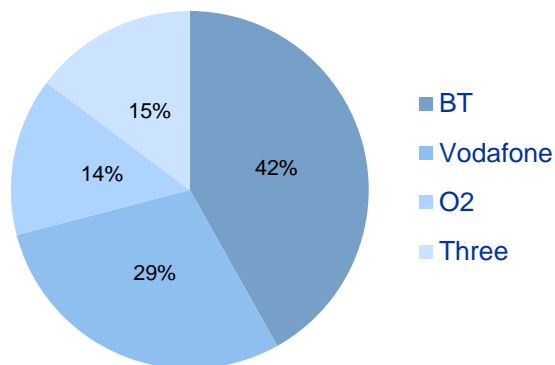
## Original sum of the parts valuation (¥bn)



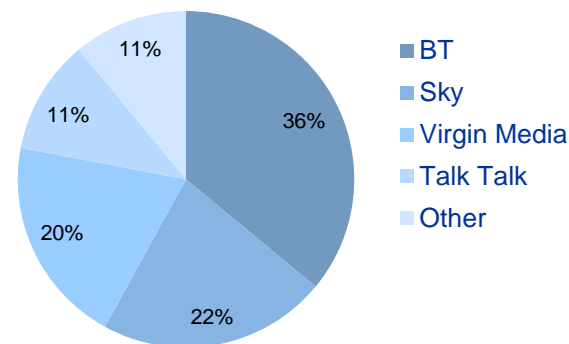
- Bought Oct 2014
- Share price achieve our valuation target
- Review and meeting with new CEO
- Investment realised
- Price +79% vs 36% for benchmark

# Recent purchase – BT Group

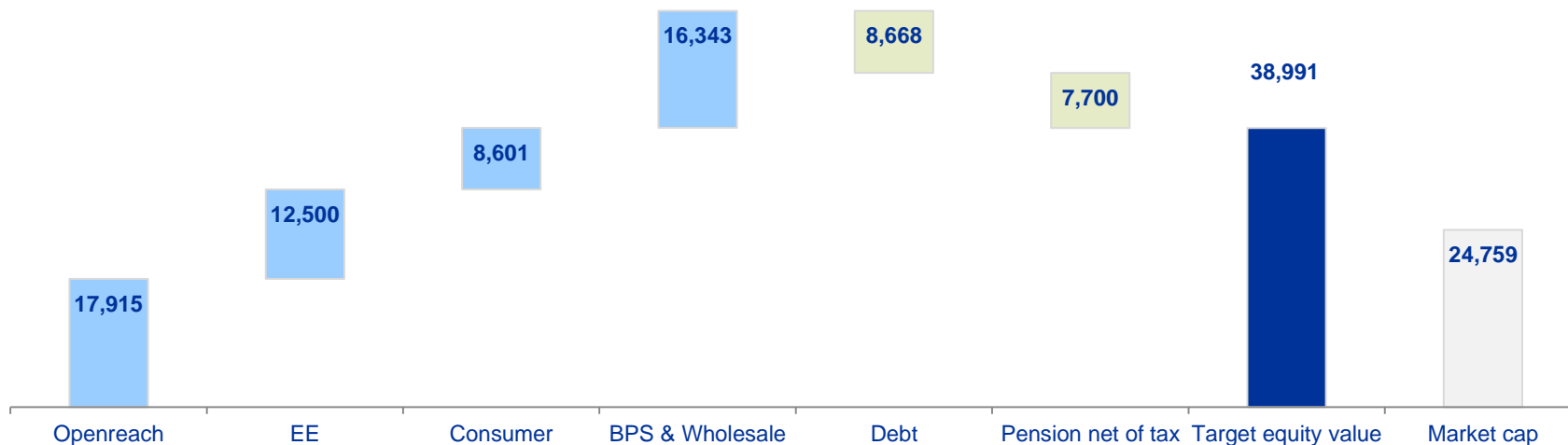
## Spectrum market share 2016



## Internet Service Provider market share 2017



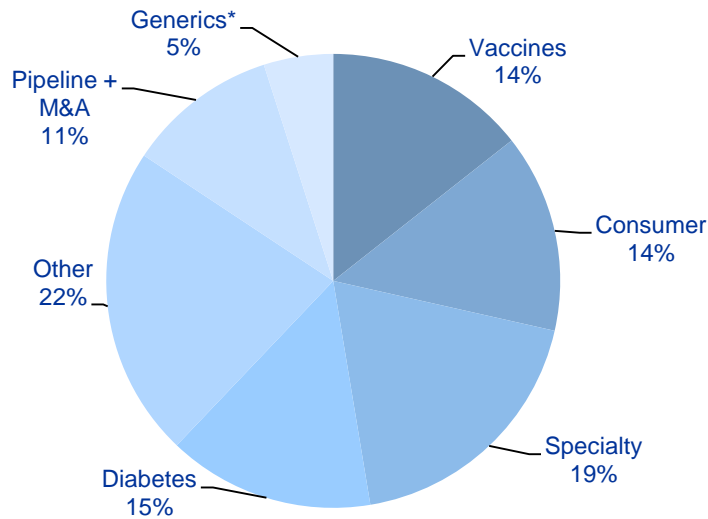
## 2019 Sum of the parts (£m)



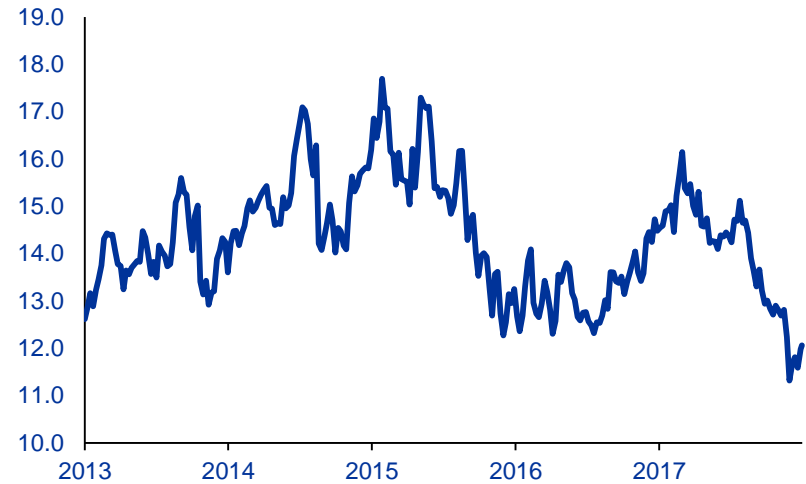
Source: OP, J.P. Morgan, Ofcom and Bloomberg data as at 17<sup>th</sup> November 2017.

# Recent purchase – Sanofi

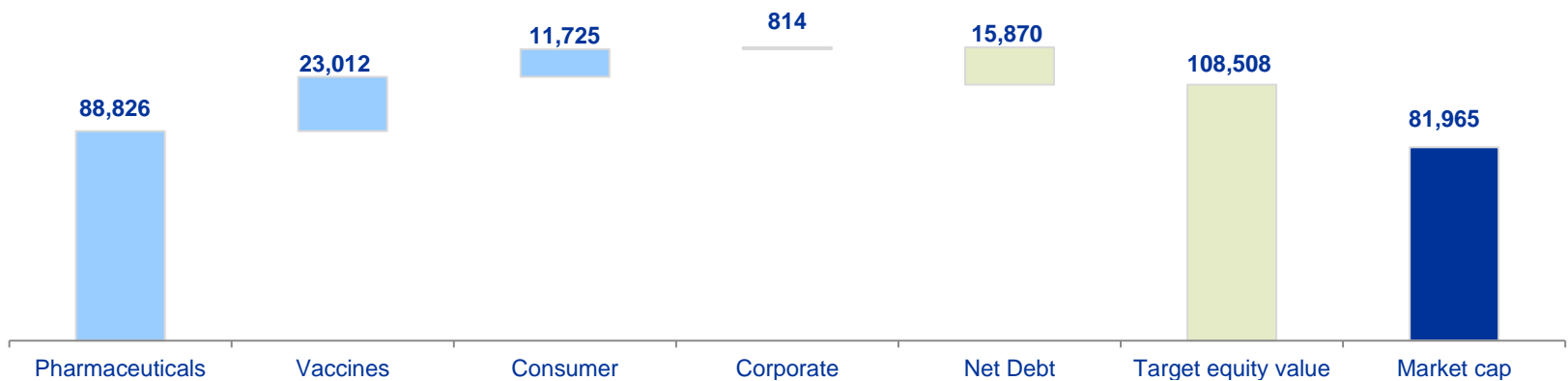
## Diversified product sales



## Forward Price to Earnings



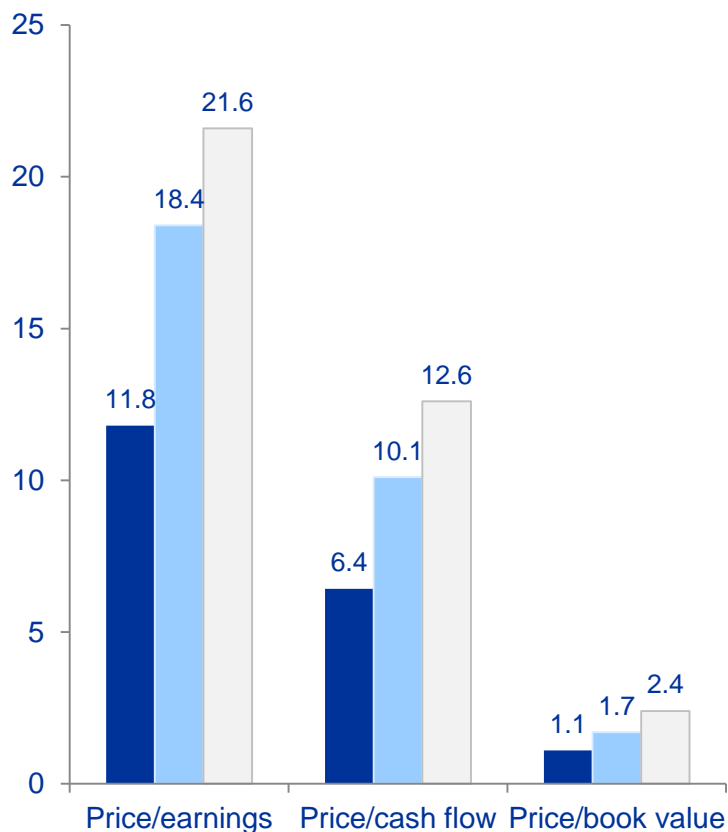
## 2019 Sum of the parts (€m)



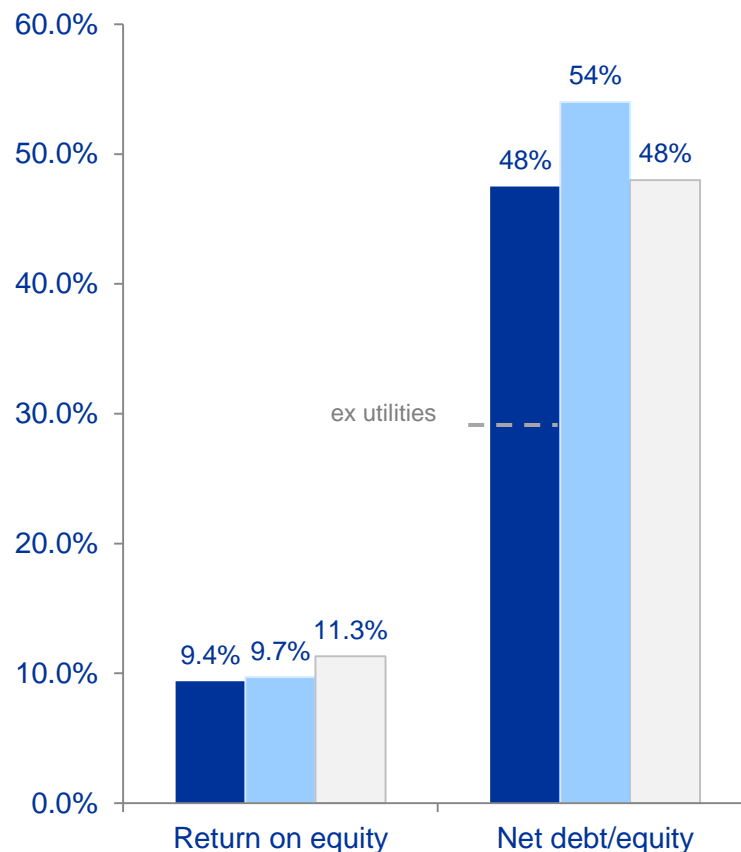
Source: OP, Sanofi and Bloomberg data as at 13<sup>th</sup> March 2018. \*Sanofi has agreed terms on sale of European part of Generics.

# Portfolio characteristics

## Valuation



## Fundamentals



■ OP   ■ MSCI World Value   ■ MSCI World

Source: OP, Bloomberg.

Date: As at 31<sup>st</sup> December 2017.

Representative global portfolio used. Based on MSCI method. Net debt/equity excludes financials and includes only industrial net debt where applicable. The grey dotted line represents the net debt/equity figure for the portfolio excluding both financials and utilities.



## Country and sector weightings

	Portfolio %	MSCI World %		Portfolio %	MSCI World %
Canada	2.2	3.3	Consumer Discretionary	12.9	12.7
France	4.0	4.0	Consumer Staples	6.2	8.5
Germany	6.1	3.6	Energy	8.3	5.8
Italy	4.2	0.9	Financials	20.2	18.3
Japan	29.1	9.2	Health Care	4.0	11.7
Russia	4.1	-	Industrials	10.7	11.6
South Korea	7.7	-	Information Technology	8.7	17.8
UK	21.9	6.3	Materials	7.3	5.2
US	16.1	59.7	Real Estate	-	2.9
Others	-	13.1	Telecoms	4.8	2.6
			Utilities	12.3	2.8

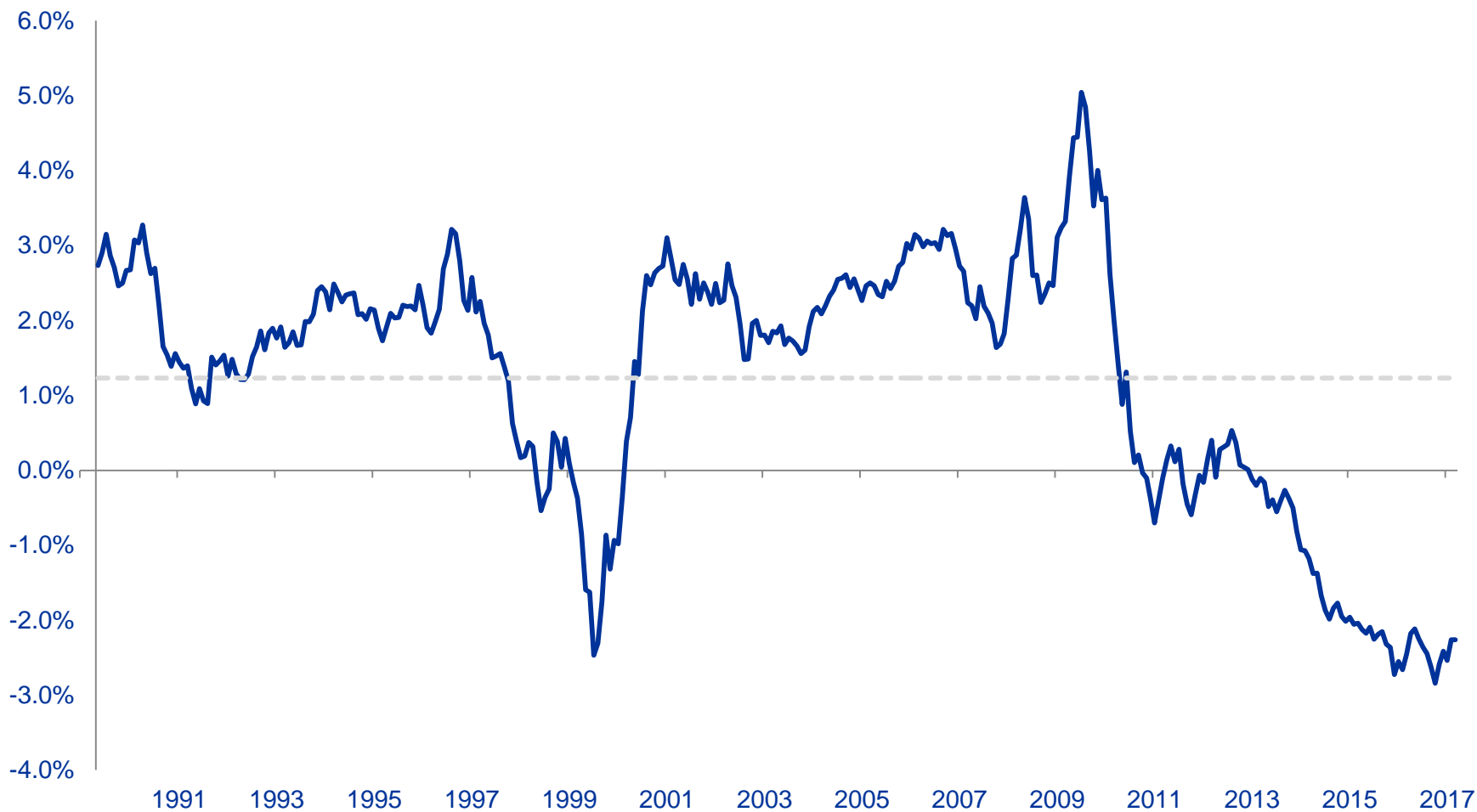
Source: OP. Source for MSCI World: Bloomberg.  
 Date: As at 28<sup>th</sup> February 2018.  
 Representative global portfolio used.

## Global portfolio holdings

	Portfolio %		Portfolio %
Mitsubishi UFJ	6.5	Hewlett Packard Enterprise	4.4
Tesco	6.2	Eni	4.2
E.ON	6.1	Lukoil	4.1
Viacom	5.8	Toyota	4.0
Lloyds	5.8	Sanofi	4.0
Mitsubishi Heavy Industries	5.4	Korea Electric Power	3.3
East Japan Railway	5.3	General Motors	3.0
Rio Tinto	5.0	Citigroup	3.0
Nomura	5.0	Kansai Electric Power	2.9
BT	4.8	Barrick Gold	2.2
Samsung Electronics	4.4		

Weighted average portfolio upside = +33%

# 10 year rolling performance of Value minus Growth (% per annum)



Source: Bloomberg.  
Date: As at 28<sup>th</sup> February 2018.  
Indices: MSCI World Value and Growth.

# Appendix

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Risk is permanent loss of capital

Volatility is an opportunity

We do not manage “active risk” vs the benchmark

## Portfolio level

- Diversification
- Country exposure rarely exceeds 40%
- Sector exposure rarely exceeds 33%
- Maximum 10% of portfolio in any one stock
- No more than 15% outside developed markets
- Diversification across 15 – 25 holdings

## Stock level

- Risk is best addressed at the company level
- Low valuations = low expectations = margin of safety
- Balance sheet focus and limit exposure to highly leveraged companies

Risk management is embedded within the investment process

OP Stewardship  
Committee

UNPRI signatory

UK Stewardship  
Code  
Tier 1 respondent

## Integration into process

- Company analysis
- External expertise and data (MSCI, ISS, GES)
- Vote on all proxies
- No negative screening
- OP Stewardship Committee
- Engagement

## Engagement

- Stock specific
  - Reactive, e.g. Barrick Gold, ENI, Rio Tinto, Tesco
  - Proactive, e.g. Nintendo, Kyocera, HP.
- Thematic
  - Board structure and composition
  - Remuneration
  - Cyber security
  - Child labour

We have a responsibility to be good stewards of our clients' capital

## What we do

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- Concentrated
- Index-agnostic
- Valuation-driven
- Detached and anti-short term

# Investment process

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# U.S. valuation

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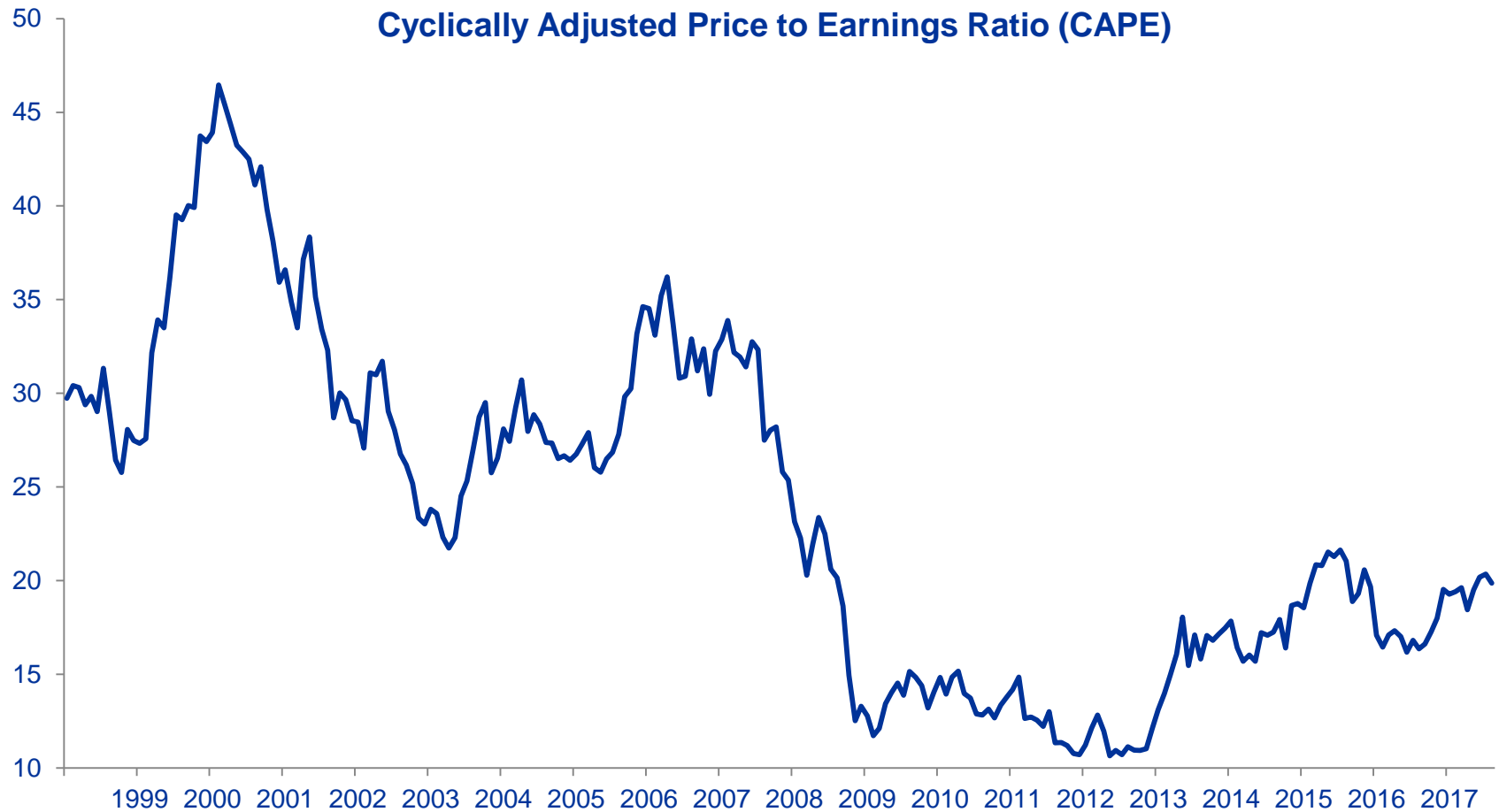
## S&P 500 - Shiller Price to Earnings



Source: Yale University.  
Date: As at 28<sup>th</sup> February 2018.

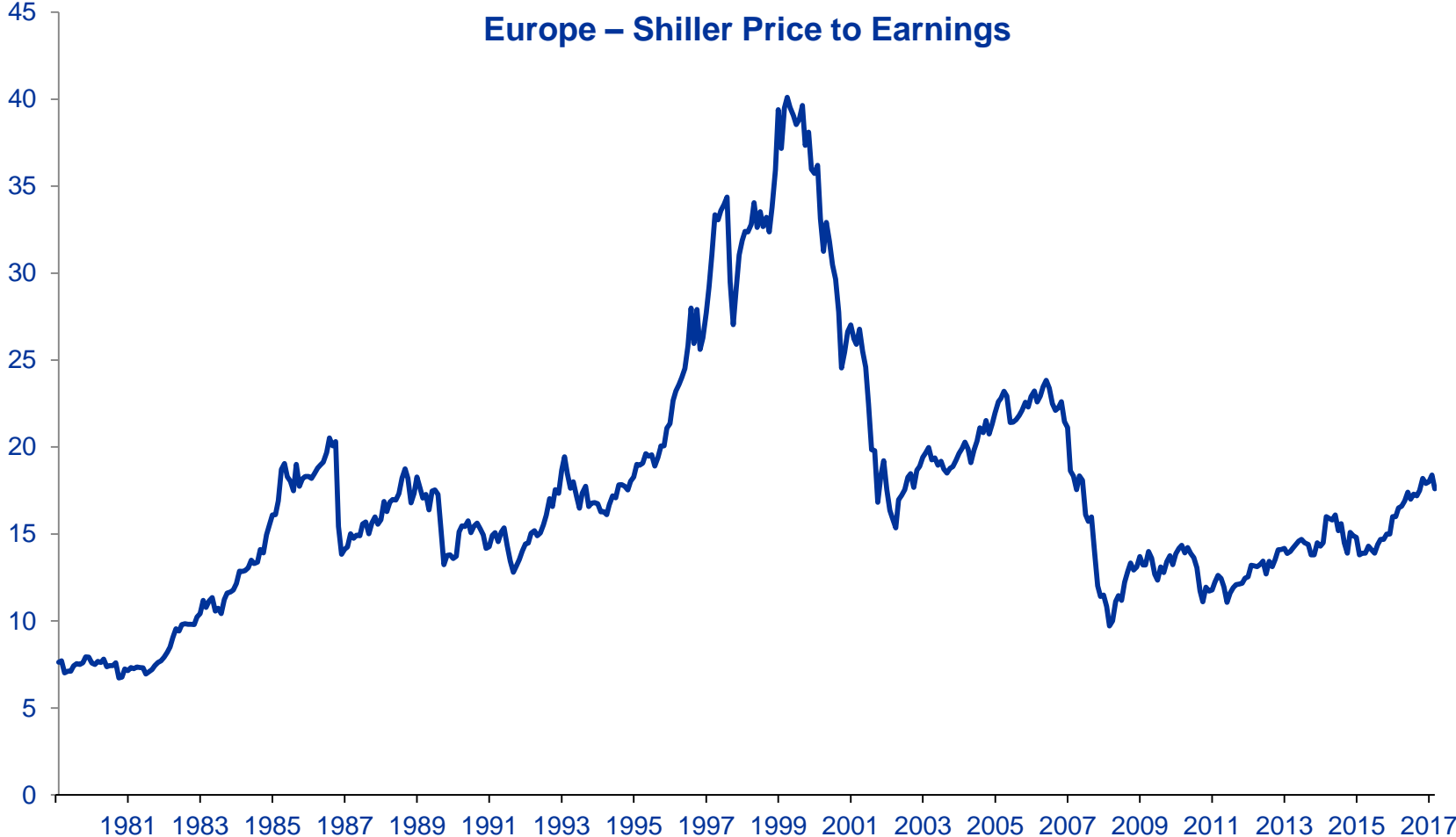
# Japan valuation

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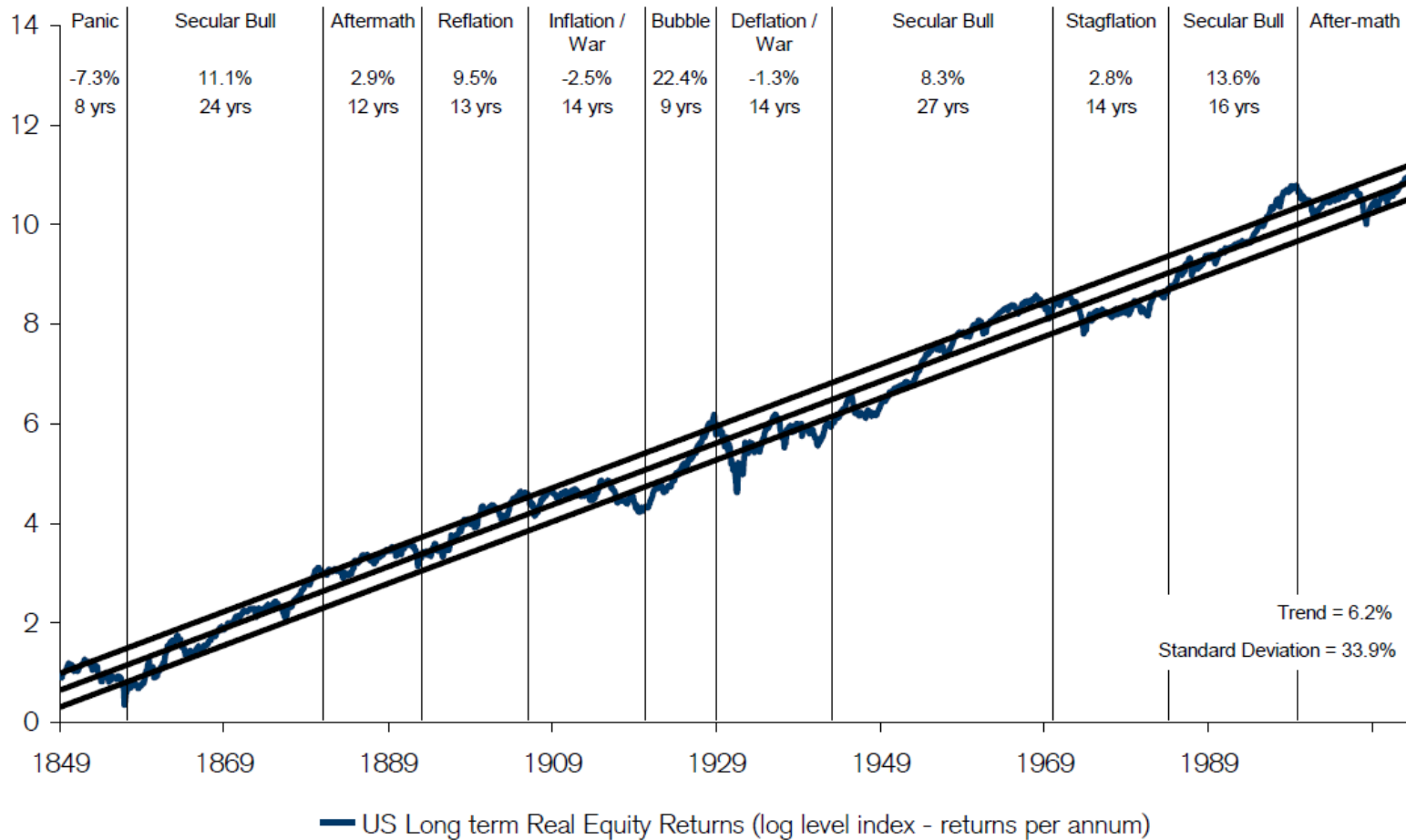
Note: TOPIX-CAPE is TOPIX divided by 10-year average of 12 month forward EPS.  
Source: JP Morgan. Data as at 20<sup>th</sup> August 2017.

# Europe valuation



Data as at 28<sup>th</sup> February 2018.  
Source: FTSE, MSCI, Various National Sources, Global Financial Data, Morgan Stanley Research.  
Note: Shiller PE defined as inflation adjusted price to 10Y average EPS.

# U.S. long-term real equity returns



Source: Datastream, CS Global Strategy / IDC.

Date: As at 23.06.2014.

## Investment team

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**Claus Anthon** is one of the founding partners of OP. He was previously at Merrill Lynch Investment Managers (“MLIM”), formerly Mercury Asset Management, for 17 years. He was a director and European portfolio manager, and a member of the specialist and global teams. He attended Handelsskolen, Copenhagen. He co-manages the European equity portfolios and contributes to the overall investment selection.



**Alexandra Christiansen** joined OP in December 2017. She previously worked as an analyst in the European Equity team at Nordea and before that on the Global Equity team at BlackRock, where she covered Energy, Materials and Utilities for 6 years. She began her career at Lehman Brothers in the Global Finance division. She graduated from Cambridge University. She is an analyst and contributes to the overall investment selection.



**Abri Fourie** joined OP in June 2008 from Alta Advisers Ltd. where he was employed as an analyst covering asset allocation and performance analysis. Prior to joining Alta in 2006, he worked as a credit portfolio analyst for Moody's KMV and Nedbank Ltd. for a total of 4 years. He graduated from the University of Pretoria. He is an analyst and contributes to the overall investment selection, focussing on emerging markets.



**Harry Fraser** joined OP in August 2011. He was previously employed by Herald Investment Management as a research analyst covering the media sector for a total of 5 years. He graduated from Newcastle University. He manages global smaller companies portfolios and contributes to the overall investment selection.



**Richard Garstang** joined OP in November 2006. He was previously employed by Man Securities as a research analyst covering the banking and specialty finance sector. Richard has also worked as a consultant for Deloitte in London and San Francisco. He graduated from St. Andrews University. He co-manages the global equity income and global ex US portfolios and contributes to the overall investment selection.

## Investment team

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**Andrew Goodwin** joined OP in March 2013. He had previously been employed by SVG Capital in London for seven years managing mainly European equity portfolios. Prior to joining SVG, he held portfolio management positions at Sovereign Asset Management, American Express Asset Management and Phillips & Drew Fund Management. He graduated from Cambridge University. He co-manages the global equity portfolios and contributes to the overall investment selection.



**Juliet Marber** joined OP in January 2013. She was previously a director and portfolio manager at MLIM where she was employed for 16 years, latterly as part of the global equity team and before that responsible for managing Japanese equity portfolios. She left MLIM in 2002 and co-founded FM Capital Management, a boutique Japanese equity management firm. She graduated from Oxford University. She co-manages Japanese equity portfolios and contributes to the overall investment selection.



**Christoph Ohm** joined OP in August 2015. He previously worked as an analyst at Marlborough Partners, providing financing advice to private equity firms. Before that, he worked in the valuation team at Duff & Phelps. He graduated from Aston Business School and Free University of Berlin. He is an analyst and contributes to the overall investment selection.



**Richard Oldfield** was chief executive of Alta Advisers Ltd. from 1997 to March, 2005. Before joining Alta in 1996 he was a director of Mercury Asset Management plc and head of the global team. He joined the S.G. Warburg & Co./Mercury group in 1977 on graduating from Oxford. He is chairman of OP, manages the global ex US portfolios and the manager of managers strategy, and contributes to the overall investment selection.



**Tom Taylor** joined OP in June 2008 from Alta Advisers Ltd. In 1999 he joined Alta Advisers, then headed by Richard Oldfield, and was responsible for managing emerging market equities portfolios. Before this he was an investment analyst at Adam & Co., based in Edinburgh. He graduated from St. Andrews University and Stirling University. He manages the emerging market portfolios and contributes to the overall investment selection.

## Investment team

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**Eu-Gene Toh** joined OP in August 2012. He previously worked in the investment team at Stanhope Capital, a multi-family office, and before that as an investment consultant at Towers Watson. He graduated from Oxford University and Cambridge University. He co-manages the manager of managers portfolios and contributes to the overall investment selection.



**Nigel Waller** is one of the founding partners of OP. He was previously at MLIM for 13 years. He was a director and portfolio manager on the global team. At MLIM he was also a member of the emerging markets and European teams in London and, from 1997 to 1999, the Asia team in Singapore. He graduated from City University. He is Chief Investment Officer. He co-manages the global equity portfolios and contributes to the overall investment selection.



**Robert White** joined OP in August 2007 from Dalton Strategic Partnership. During a career that began at S.G. Warburg & Co./Mercury group in 1976, he has held various senior positions in the securities and investment industry all dealing with the Japanese market. He has a degree in Japanese and economics from Sheffield University and has lived in Japan on five separate occasions. He is a director of the J.P. Morgan Japanese Smaller Companies Trust Plc. He co-manages the Japanese equity portfolios and contributes to the overall investment selection.



**Samuel Ziff** joined OP in April 2013. He was previously employed by J.P. Morgan Cazenove working in the UK Industrials Corporate Finance team for a total of 4 years. He graduated from Oxford University. He co-manages the European equity and global equity income portfolios and contributes to the overall investment selection.

## Client relations team

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**Jamie Carter** is one of the founding partners of OP. He was previously at MLIM in a number of operational, marketing and client relationship roles for the global equity team. He graduated from Loughborough University and has an MBA from the University of Cambridge. He is Chief Executive, responsible for all non-investment matters, in particular client relationships and business development.



**Madeline Fairhurst** joined OP in March 2011, having previously worked in communications at the Pistoletto Foundation, Italy, and graduated from Exeter University. She originally worked in finance and administration before moving to her current role focusing on client relationships and marketing.



**David Jones** joined OP in March 2008. He was previously a Managing Director at UBS. Other roles have included Head of US Equities for S.G. Warburg New York, Global Co-head of Communications and Marketing at S.B.C Warburg and Global C.O.O., Equities Research at UBS. He graduated from Cambridge University. He is responsible for client relationships and marketing.



**Rati Patel** joined OP in July 2007. She worked in various roles at Dresdner Kleinwort, having graduated from Brunel University. She joined the operations team, becoming deputy head of operations, before moving to focus on her current role of client relationships and marketing.



**Edward Troughton** joined OP in April 2016. He was previously with BLME in Dubai and before that was Managing Director of Alliance Trust Investments for 7 years and Managing Director at BlackRock with various responsibilities including Head of Institutional Business Development and Head of Asia, based in Hong Kong. He started his career at Barings Asset Management as an Asian Equity portfolio manager. He graduated from St Andrews University. He is responsible for client relationships and marketing.



# Performance - Global Equity Composite

Oldfield Partners Global Equity Composite 1 January 2000 through 28 February 2018 Reported in US Dollar terms									
Calendar year	Composite gross of fees (%)	Composite net of fees (%)	MSCI World (NDR) (%)	Composite gross 3-Yr St Dev (%)	MSCI World (NDR) 3-Yr St Dev (%)	No. of portfolios in composite	Composite dispersion (%)	Total composite assets (US\$m)*	Total firm assets (US\$m)
2000	12.2%	12.2%	-13.2%			3	N/A	630	662
2001	-6.0%	-6.0%	-16.8%			3	N/A	352	416
2002	-13.7%	-13.7%	-19.9%			3	N/A	538	617
2003	42.5%	42.5%	33.1%			3	N/A	872	1134
2004	19.5%	19.5%	14.7%			4	N/A	1128	1480
2005	15.6%	15.1%	9.5%			6	N/A	1294	1972
2006	22.9%	22.0%	20.1%			8	0.7%	1736	2342
2007	7.7%	6.8%	9.0%			9	2.1%	1977	2652
2008	-38.3%	-38.8%	-40.7%			8	2.1%	1365	1586
2009	26.5%	25.4%	30.0%			10	1.8%	2282	2567
2010	21.9%	20.8%	11.8%			12	3.7%	2818	3400
2011	-4.7%	-5.5%	-5.5%	20.7%	20.2%	12	2.3%	2975	4236
2012	10.1%	9.1%	15.8%	17.9%	16.7%	11	3.2%	3507	5697
2013	24.7%	23.7%	26.7%	13.9%	13.5%	12	7.0%	4237	6598
2014	-4.1%	-4.9%	4.9%	10.8%	10.2%	12	4.1%	3870	5152
2015	-5.0%	-5.7%	-0.9%	13.8%	10.8%	9	1.0%	3352	4242
2016	20.2%	19.4%	7.5%	14.8%	10.9%	7	4.1%	3915	4922
2017	19.9%	19.1%	22.4%	14.3%	10.2%	7	1.5%	3753	5132
2018 to date	0.5%	0.4%	0.9%					3455	4860
3yrs per annum	8.5%	7.8%	8.2%						
5yrs per annum	9.9%	9.0%	10.7%						
Since inception per annum	7.8%	7.2%	4.1%						
Since inception cumulative	289.7%	251.7%	108.8%						

Inception of composite 1st January 2000.

NDR = Net Dividends Reinvested.

\*Part of the composite AUM may include currency-hedged assets.

**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.**

Source: OP and MSCI ©.

Please refer to disclosures on the next page.

# Performance disclosures - Global Equity Composite

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## **Disclosures**

### **Compliance statement**

Oldfield Partners LLP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Oldfield Partners LLP has been independently verified for the periods 1st January 2001 to 31st December 2016. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

### **Definition of the firm**

Oldfield Partners LLP is an independent investment management firm established in December 2004, authorised by the FCA in January 2005, and beginning operations in March 2005. For the purposes of compliance with GIPS, the firm is defined as all assets managed by Oldfield Partners LLP. The firm also includes assets that were previously managed by Alta Advisers Ltd and were subsequently transferred to Oldfield Partners LLP. The historical performance record from Alta Advisers Ltd is linked to the performance of Oldfield Partners LLP.

### **List of composites**

A complete listing and description of all composites is available on request.

### **Composite description**

The Global Equity Composite includes global portfolios managed for external clients run with the following style: large cap, value focussed, concentrated, index ignorant and anti-short term. There is no minimum account size and the benchmark for this composite is MSCI World Net Dividends Reinvested, calculated net of withholding taxes from the perspective of a Luxembourg-based investor.

### **Composite creation date**

The composite was created when Oldfield Partners achieved GIPS compliance in June 2007.

### **Ex-post standard deviation**

The three year annualised standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 months. Standard deviation measures are not required for periods prior to 2011.

### **Fees**

Gross of fees performance is calculated gross of investment management fees and, where applicable, net of custodial and administrative fees. Net of fees performance is presented net of actual investment management fees and where we operate as a sub-advisor it also includes the advisor's manager fees. Returns are net of all trading expenses. Investment advisory fees are described in Oldfield Partners LLP's Form ADV Part 2A.

### **Fee schedule**

Fees vary between accounts contained within the composite, in particular between segregated accounts and pooled vehicles. Oldfield Partners LLP currently charges a standard management fee of 1.25% per annum on its pooled portfolios and on segregated accounts 0.75% per annum.

### **Historic net/gross returns**

Net and gross returns are the same from 2000 to March 2005 as the investment management fees charged on the portfolios during this period were so low as to have an insignificant impact on performance and the decision was taken not to gross up the net returns.

### **Currency of results**

The results are presented in US Dollar terms.

### **Exchange rates**

Sources of exchange rates and share prices may differ between the benchmark and the individual portfolios contained within the composite.

### **Composite dispersion**

Composite dispersion is only calculated if there are more than five accounts included in the composite for the full year. Dispersion is calculated as the highest return achieved for an account included in the composite minus the lowest return achieved for an account included in the composite. The calculation uses the gross of fees annual returns.

### **Leverage/Derivatives**

From time to time portfolios may use Currency Forwards to hedge currency.

### **Withholding and capital gains taxes**

Performance is calculated net of all non-recoverable withholding taxes and where applicable, net of capital gains taxes.

### **Additional information**

Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

### **Disclaimer**

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# Important information

This document is issued by Oldfield Partners LLP ("OP") which is authorised and regulated by the Financial Conduct Authority in the United Kingdom (the "FCA"). The investment products and services of OP are only available to persons who are Professional Clients for the purposes of the FCA's rules. They are not available to Retail Clients. OP has taken all reasonable care to ensure that the information contained in this document is accurate at the time of publication, however it does not make any guarantee as to the accuracy of the information provided. Comparison to the index where shown is for information only and should not be interpreted to mean that there is a correlation between the portfolio and the index. While many of the thoughts expressed in this document are presented in a factual manner, the discussion reflects only OP's beliefs and opinions about the financial markets in which it invests and these beliefs and opinions are subject to change at any time.

The Overstone Fund PLC (the "Company") is an investment company with variable capital incorporated with limited liability in Ireland and is organised in the form of an umbrella Fund. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as an investment company pursuant to Part XIII of the Companies Act, 1990. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank. Authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the scheme and the Central Bank shall not be liable by virtue of that authorisation or by reason of its exercise of the functions conferred on it by legislation in relation to this Company for any default of the Company.

The Company has been authorised by the Central Bank of Ireland as a Qualifying Investor Alternative Investment Fund ("AIF") pursuant to Chapter 2 of the Central Bank's AIF Rulebook. OP has been authorised and regulated by the FCA in the U.K. as a full-scope U.K. Alternative Investment Fund Manager ("AIFM") pursuant to Part 2 of the Alternative Investment Fund Managers Regulations 2013 and acts as the external AIFM of the Company.

The Company is an open-ended investment company incorporated with limited liability under the laws of Ireland and is organised in the form of an umbrella fund with segregated liability between Funds. Its share capital may be divided into a number of Classes each representing interests in a Fund. The distribution of Prospectuses relating to Funds established by the Company is restricted in certain jurisdictions and accordingly it is the responsibility of any person or persons wishing to make an application for Shares to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

**United Kingdom:** Funds established under the umbrella of the Company are not recognised collective investment schemes for the purposes of the Financial Services and Markets Act 2000 and the Funds may not be promoted to the general public. The Funds' Prospectuses may only be issued and the shares in the Funds may only be promoted in compliance with the Financial Services and Markets Act 2000 (promotion of Collective Investment Schemes) (Exemptions) Order 2001, as from time to time amended. Many of the protections provided by the United Kingdom's regulatory regime will not apply to investments in the Funds referred to in this communication including access to the Financial Ombudsman Service and the Financial Services Compensation Scheme.

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**Ireland:** The Funds will not be marketed publicly in the Republic of Ireland without the prior approval in writing of the Central Bank. The Funds have not been approved by, and are not regulated by, the Central Bank of Ireland.

**Canada:** The Overstone Fund plc (Canadian Offering Memorandum) prospectus should be read in the context of and in conjunction with the Foreign Prospectus (together called the "Memorandum"). The offering in Canada of shares in the Funds is being made solely by the Memorandum and any decision to purchase shares in the Funds should be based solely on the information contained therein. No person has been authorised to give any information or to make any representations other than those contained in the Memorandum. The offering in Canada of shares in the Funds is being made solely to subscribers resident in the Provinces of Ontario, Québec, Nova Scotia, British Columbia and Alberta in reliance on exemptions from the prospectus and dealer registration requirements contained in applicable Canadian securities laws.

**Australia:** OP is exempt from the requirement to hold an Australian financial services licence under the Corporation Act in respect of financial services. OP is regulated by the Financial Conduct Authority under UK laws, which differ from Australian laws.

This document does not constitute an offer to buy or sell shares in the Funds. The offering materials of the Funds are the only authorised documents for offering of shares of the Funds. The offering materials may only be distributed in accordance with the laws and regulations of each appropriate jurisdiction in which any potential investor resides. In making a decision to invest in the Funds, prospective investors may not rely on the information in this document. Such information is subject to change and does not constitute all the information necessary to adequately evaluate the consequences of investing in the Funds. The Funds are only intended for sophisticated investors and an investment in them presents certain risks which are more fully described in the offering materials under "Risk Factors". Nothing described herein is intended to imply that an investment in the Funds is "safe", "conservative", "risk free" or "risk averse". Investors are also reminded that past performance is not indicative of future performance and that they might not get back the amount that they originally invested. Investors in the UK are reminded that they will not benefit from the UK investors compensation scheme.

Nothing in these materials should be construed as a recommendation to invest in the Funds or as legal, regulatory, tax, accounting, investment or other advice. Potential investors in the Funds should seek their own independent financial advice. OP neither provides investment advice to, nor receives and transmits orders from, investors in the Funds nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FCA's rules. OP may provide advisory or other services relating to, and connected persons may take positions in, investments mentioned herein.

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The following is a brief summary of only some of the risk factors which may apply to each of the Funds: An investment in a Fund carries with it a significant degree of risk. The value of shares in the Funds may fall as well as rise and investors may not get back the amount originally invested. Accordingly, an investment in a Fund should only be made by persons who are able to bear the risk of loss of all the capital invested. Investment Risk - An investment in a Fund involves investment risks, including possible loss of the amount invested. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Currency Risk - Each Fund is denominated in either U.S. Dollars, Euro or Sterling but the investments of a Fund may be acquired in a wide range of currencies and this will create currency exposure. Political Risks - The value of a Fund's assets may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation and restrictions on foreign investment in some of the countries in which the Funds may invest. Counterparty and Settlement Risks - The Funds will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks. Emerging Markets - Where a Fund invests in equities or securities of companies incorporated in or whose principal operations are based in emerging markets additional risks may be encountered. These include: (a) Currency Risk: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible; (b) Country Risk: the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties within the emerging markets; (c) Market Characteristics: some emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated; (d) Custody Risk: in some markets custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that are available in more developed markets; and (e) Disclosure: less complete and reliable fiscal and other information may be available to investors and accounting standards may not provide the same degree of shareholder protection as would generally apply internationally. Substantial Repurchases - If there are substantial repurchases within a limited period of time, it may be difficult for a Fund to provide sufficient funds to meet such repurchases without liquidating positions prematurely at an inappropriate time or on unfavourable terms. Investment in Other Collective Investment Schemes - Each Fund may invest in other collective investment schemes and management fees and performance fees (if applicable) will be in addition to each Fund's charges.

The foregoing summary list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors must read the entire Offering Memorandum of the Company and consult with their own legal, tax and financial advisers before deciding to invest in a Fund.

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