



# Emerging Markets Equities

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*June 2016*

[www.oldfieldpartners.com](http://www.oldfieldpartners.com)

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

## Introduction to Oldfield Partners

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- Oldfield Partners (“OP”), founded in 2005, is owned by the executive partners (79%); others (21%) including Lisbet Rausing, Sigrid Rausing, and interests of Lord Rothschild.
  - US\$4.2bn under management for family offices, individuals, trusts, charities, endowments and pension funds.
  - OP manages 6 types of direct equities:
    - Global & Global ex US Equities
    - Global Equity Income
    - European Equities
    - Smaller Companies Equities
    - Japanese Equities
    - Emerging Markets Equities
- And an opportunistic manager of managers strategy.

## The manager

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- Managed by Tom Taylor.
- Tom has been investing in emerging markets for the last 15 years with a long only, value bias, high conviction stock picking approach based on fundamental research.
- June 2008: joined Oldfield Partners to manage EM equity portfolios.
- October 1999 – June 2008: worked alongside Richard Oldfield at Alta Advisers Ltd and from 2001 managed the in-house Alta Emerging portfolio.
- September 1997 – September 1999: worked as an equity analyst for Adam & Co Investment Management.
- MSc Investment Analysis (1997), MA Economics – Economic & Social History (1993), ASIP / Associate of the CFA Society of the UK (2000).

## What we believe in

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- **Independent:** Carefully weigh information flows from a detached viewpoint to arrive at an independent investment conclusion. Exercise investment common sense.
- **Longer term:** Maintain a patient and longer term view of sentiment driven markets.
- **Concentrated:** A concentrated portfolio of 15-25 holdings, diversified across countries, sectors and ideas. A concentrated portfolio concentrates the mind.
- **Index insensitive:** We are not compelled to invest in areas we find unattractive. Our country and sector weights come from our bottom up stock selection.
- **Valuation:** We are only interested in stocks with attractive valuations. We are value investors.

Invest in businesses we can understand, within industries that are attractive, and with compelling valuations

# Risk management

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We do not seek to avoid or mitigate market risk but we believe our investment philosophy and approach help to reduce risk:

## Portfolio

- Broad principle of diversification across countries, sectors and ideas.
- Individual country & sector exposure rarely exceeds one third of the portfolio.
- Diversification across 15 – 25 holdings.
- Maximum 10% of portfolio in any one stock.
- An eye to major political & economic developments globally.

## Individual stock

- Risk is best addressed at the company level.
- Low valuations = low expectations = margin of safety.
- Review balance sheets and avoid exposure to highly leveraged companies.

We do not monitor or manage “active risk” versus the benchmark index

## Index insensitive : Why let the index choose your portfolio?

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We do **not** use the weightings of the index as the starting point for our portfolio ....

| Country          | Portfolio % | MSCI EM %  | Sector                 | Portfolio % | MSCI EM %  |
|------------------|-------------|------------|------------------------|-------------|------------|
| Brazil           | 9.0         | 6.5        | Consumer Discretionary | 8.2         | 9.8        |
| China/ Hong Kong | 16.2        | 24.4       | Consumer Staples       | 11.4        | 8.6        |
| India            | 7.0         | 8.6        | Energy                 | 8.6         | 7.7        |
| Indonesia        | 10.3        | 2.6        | Financials             | 6.9         | 27.1       |
| Malaysia         | 2.3         | 3.2        | Health Care            | 2.3         | 2.7        |
| Mexico           | 6.8         | 4.3        | Industrials            | 6.4         | 6.2        |
| Peru             | 7.5         | 0.4        | Information Technology | 13.5        | 21.3       |
| Russia           | 6.1         | 3.9        | Materials              | 20.0        | 6.6        |
| South Africa     | 2.7         | 7.2        | Telecoms               | 18.0        | 6.8        |
| South Korea      | 16.0        | 15.3       | Utilities              | -           | 3.2        |
| Thailand         | 7.2         | 2.3        | Cash                   | 4.8         | -          |
| Turkey           | 4.3         | 1.4        |                        |             |            |
| Other            | -           | 19.8       |                        |             |            |
| Cash             | 4.8         | -          |                        |             |            |
| <b>Total</b>     | <b>100</b>  | <b>100</b> | <b>Total</b>           | <b>100</b>  | <b>100</b> |

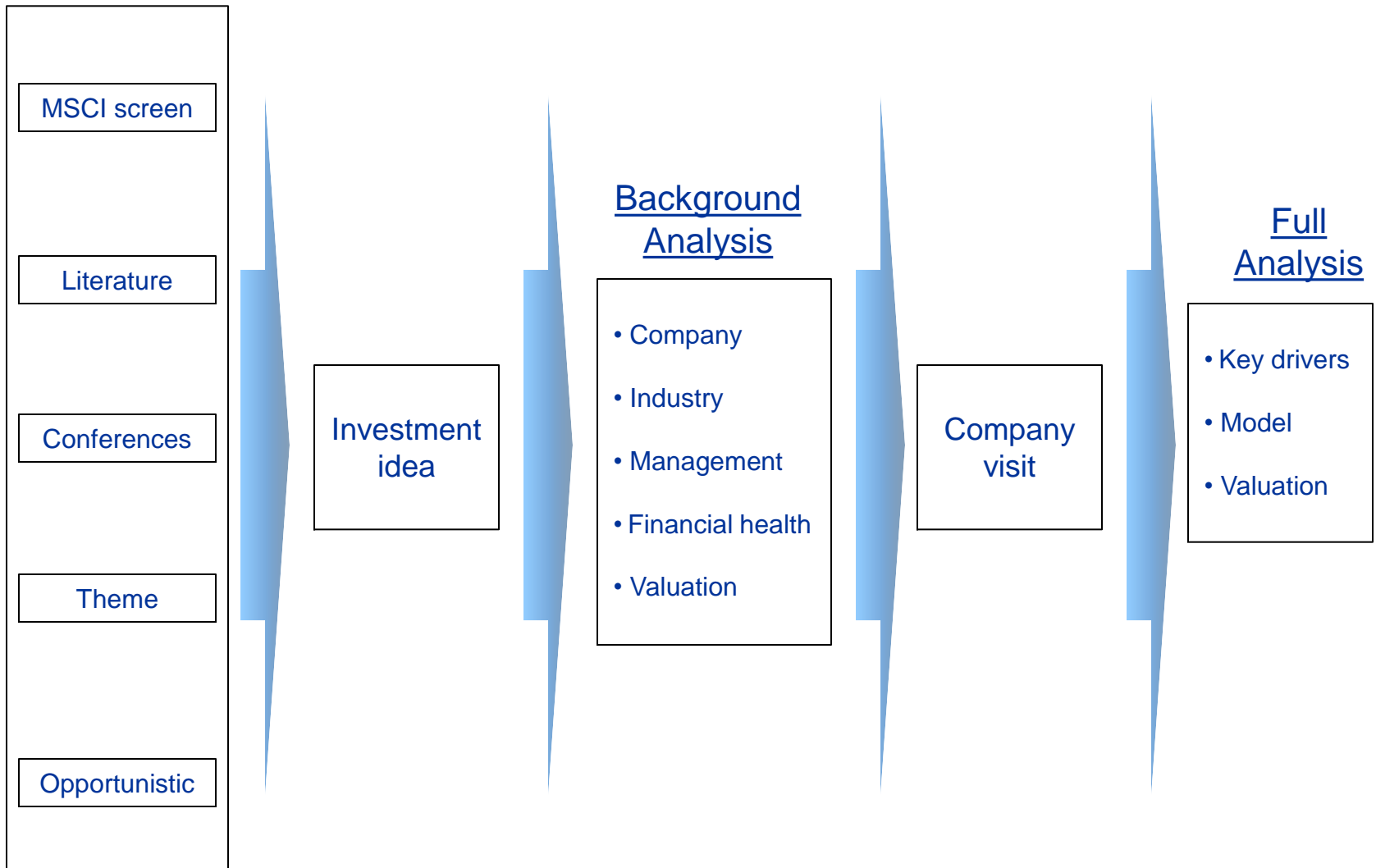
Source: Oldfield Partners, MSCI ©.

Data as at 31<sup>st</sup> May 2016.

... little attention is paid to country or sectors weightings so they are a by-product of stock selection.

# Investment process: Research driven approach

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# Investment process: Judgement & action

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## Buy Decision

- Valuation/ Financial health
- Conviction/ Margin of safety
- Competitive / Industry risk
- Shareholder sensitive
- Catalyst adds comfort

## Manager Decision

- Portfolio holding
- Watch list holding

## Sell Decision

- Valuation/ Financial health
- Corporate governance
- Management issues
- Competitive / Industry risk
- Change in business model
- Loss of focus
- Major country risk

## Execution

Portfolio weighting  
( 2.5%, 5%, 7.5%)



## Top 15 holdings

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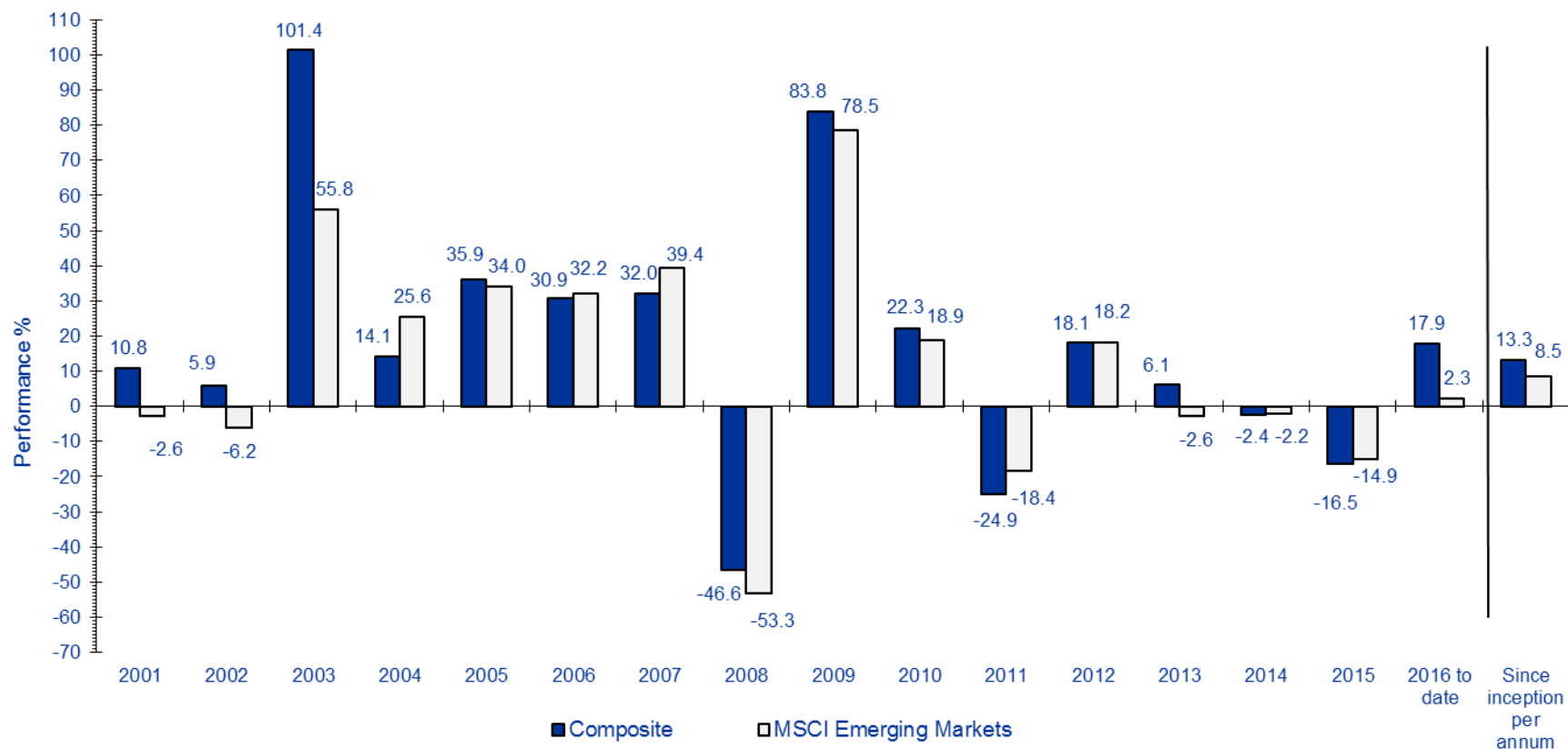
| Portfolio %         |     | Portfolio %     |     |
|---------------------|-----|-----------------|-----|
| Samsung Electronics | 8.3 | Lukoil          | 6.1 |
| SK Telecom          | 7.7 | Lee & Man Paper | 5.7 |
| Buenaventura        | 7.5 | Infosys         | 5.2 |
| Thai Beverage       | 7.2 | Turkcell        | 4.3 |
| Ternium             | 6.8 | Indofood        | 4.2 |
| Embraer             | 6.4 | First Pacific   | 4.2 |
| Yue Yuen Industrial | 6.3 | JSE             | 2.7 |
| Telkom Indonesia    | 6.1 |                 |     |

Representative portfolio used. Data as at 31<sup>st</sup> May 2016.

Source: Oldfield Partners.

# Performance summary

Emerging Markets Equity Composite & MSCI Emerging Markets (Net Dividends Reinvested)  
Annual Performance (US\$ terms)



Supplemental information – this performance information is supplemental to the GIPS® compliant presentation and is for reference only

Data as at 31<sup>st</sup> May 2016. Source: Oldfield Partners, Bloomberg and MSCI ©.

Data shown is that of the Oldfield Partners Emerging Markets Equity Composite. Oldfield Partners Emerging Markets Equity Composite includes performance of portfolios transferred from Alta Advisers Ltd to Oldfield Partners in June 2008.

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# Performance – Emerging Markets Composite

| <b>Oldfield Partners</b><br><b>Emerging Markets Equity Composite</b><br><b>1 January 2001 through 31 May 2016</b><br><b>Reported in US Dollar terms</b> |                             |                           |                               |                                 |   |                                |                          |                                |                           |
|---|-----------------------------|---------------------------|-------------------------------|---------------------------------|---|--------------------------------|--------------------------|--------------------------------|---------------------------|
| Calendar year   | Composite gross of fees (%) | Composite net of fees (%) | MSCI Emerging Markets (NDR) % | Composite gross 3-Yr St Dev (%) | MSCI Emerging Markets (NDR) 3-Yr St Dev (%) | No. of portfolios in composite | Composite dispersion (%) | Total composite assets (US\$m) | Total firm assets (US\$m) |
| 2001  | 10.8%                       | 10.8%                     | -2.6%                         |                                 |   | 1                              | N/A                      | 64                             | 416                       |
| 2002  | 5.9%                        | 5.9%                      | -6.2%                         |                                 |   | 1                              | N/A                      | 79                             | 617                       |
| 2003  | 101.4%                      | 101.4%                    | 55.8%                         |                                 |   | 5                              | N/A                      | 262                            | 1134                      |
| 2004  | 14.1%                       | 14.1%                     | 25.6%                         |                                 |   | 5                              | N/A                      | 310                            | 1480                      |
| 2005  | 35.9%                       | 35.9%                     | 34.0%                         |                                 |   | 5                              | N/A                      | 522                            | 1972                      |
| 2006  | 30.9%                       | 30.9%                     | 32.2%                         |                                 |   | 4                              | N/A                      | 418                            | 2342                      |
| 2007  | 32.0%                       | 32.0%                     | 39.4%                         |                                 |   | 4                              | N/A                      | 402                            | 2652                      |
| 2008  | -46.4%                      | -46.6%                    | -53.3%                        |                                 |   | 2                              | N/A                      | 35                             | 1586                      |
| 2009  | 85.1%                       | 83.8%                     | 78.5%                         |                                 |   | 2                              | N/A                      | 74                             | 2567                      |
| 2010  | 23.6%                       | 22.3%                     | 18.9%                         |                                 |   | 2                              | N/A                      | 330                            | 3400                      |
| 2011  | -23.9%                      | -24.9%                    | -18.4%                        | 22.6%                           | 25.8%                                       | 3                              | N/A                      | 367                            | 4236                      |
| 2012  | 19.0%                       | 18.1%                     | 18.2%                         | 20.3%                           | 21.5%                                       | 5                              | N/A                      | 566                            | 5697                      |
| 2013  | 7.0%                        | 6.1%                      | -2.6%                         | 18.3%                           | 19.0%                                       | 5                              | N/A                      | 710                            | 6602                      |
| 2014  | -1.6%                       | -2.4%                     | -2.2%                         | 15.1%                           | 15.0%                                       | 5                              | N/A                      | 712                            | 5155                      |
| 2015  | -15.7%                      | -16.5%                    | -14.9%                        | 13.1%                           | 14.1%                                       | 5                              | N/A                      | 403                            | 4246                      |
| 2016 to date  | 18.2%                       | 17.9%                     | 2.3%                          |                                 |   |                                |                          | 490                            | 4197                      |
| 3yrs per annum  | 0.0%                        | -0.9%                     | -4.9%                         |                                 |   |                                |                          |                                |                           |
| 5yrs per annum  | -0.2%                       | -1.1%                     | -4.8%                         |                                 |   |                                |                          |                                |                           |
| Since inception per annum   | 13.8%                       | 13.3%                     | 8.5%                          |                                 |   |                                |                          |                                |                           |
| Since inception cumulative  | 637.1%                      | 585.8%                    | 249.6%                        |                                 |   |                                |                          |                                |                           |

Inception of composite 1st January 2001.  
NDR = Net Dividends Reinvested.

Source: Oldfield Partners and MSCI Emerging Markets Net Dividends Reinvested ©.

Please refer to disclosures on the next page.

# Performance disclosures – Emerging Markets 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 2015. 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 Emerging Markets Equity Composite includes global emerging markets equity portfolios run with the following style: value focussed, concentrated, index ignorant and anti-short term. The benchmark for this composite is MSCI Emerging Markets Net Dividends Reinvested, calculated net of withholding taxes from the perspective of a Luxembourg-based investor.

### Composite creation date

The composite was created in June 2008, the date when the emerging markets assets transferred to Oldfield Partners.

### 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 as a rule net of custodial and administrative fees. Net of fees performance is presented net of actual investment management fees. 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 2001 to June 2008 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

The portfolios contained in this composite do not use leverage or derivatives.

### 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. For the month of January 2001 only, the Emerging Markets Equity Composite includes the emerging markets segment from a larger portfolio. Cash is allocated to the carve-out segment return on a pro-rata basis depending on the proportion of emerging markets assets to the total portfolio based on the beginning of period market value.

### Disclaimer

Source: Oldfield Partners LLP, Bloomberg and MSCI ©. The degree of underperformance in the future may be as great as or greater than the degree of past outperformance. Investment values may fall and investors may not get back the amount they invest. Income from investments may fluctuate, and both the value of and the income from investments may be adversely affected by exchange rate movements. © Oldfield Partners LLP 2016. This publication has been issued and approved for private circulation only by Oldfield Partners LLP which is authorised and regulated by the Financial Conduct Authority.

## Investor alignment

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- Limited capacity.
  - We will only raise assets to the extent that these assets can be invested sensibly given the philosophy of the manager.
  - Ability to access smaller, medium, and large capitalisation companies.
  - Performance is more important to us than AUM.
- Manager & staff invested alongside you.

# Overstone Emerging Markets Equity Fund

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- An Irish listed Qualifying Investor Alternative Investment Fund.
- AIFM - Oldfield Partners.
- US\$193m AUM, with around 40 investors.
- The custodian, depositary and fund administrator - Northern Trust.
- Auditor – Deloitte.
- UK reporting fund status.
- Overstone investment management fees 1.25% per annum, reduced to 0.9% per annum for institutional investors (>US\$3m).
- Other expenses (including legal, custody, administration, depositary) approximately 0.24% per annum.
- Daily dealing.
- Minimum investment is €100,000.

# Supplemental Information

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## Investment team

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**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.



**Abri Fourie** joined OP in June 2008 from Alta Advisers Ltd. where he was employed as an analyst covering asset allocation and performance analysis. Before 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.



**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 team; and earlier a member of the global team headed by Richard Oldfield. He attended Handelsskolen, Copenhagen. He manages European equity portfolios and contributes to the overall investment selection.



**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 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 is a portfolio manager 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 and Drew Fund Management. He graduated from Cambridge University. He is a portfolio manager 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 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 manages global portfolios and, together with Eu-Gene Toh, the manager of managers strategy.

## Investment team

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**Eu-Gene Toh** joined OP in August 2012, having worked as an intern in the summer of 2011. 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 assists Richard Oldfield with the manager of managers strategy 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. Previously he had been a member of the global team in 1994 when Richard Oldfield was its head. During his time 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 head of research, manages the global equity income portfolio 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 runs 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 is an analyst 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 where he was employed in a number of operational roles and later as a product specialist, responsible for the sales, marketing and client relationships of the global equity team. He graduated from Loughborough University. He is Chief Executive, responsible for all non-investment matters, in particular client relationships and business development.



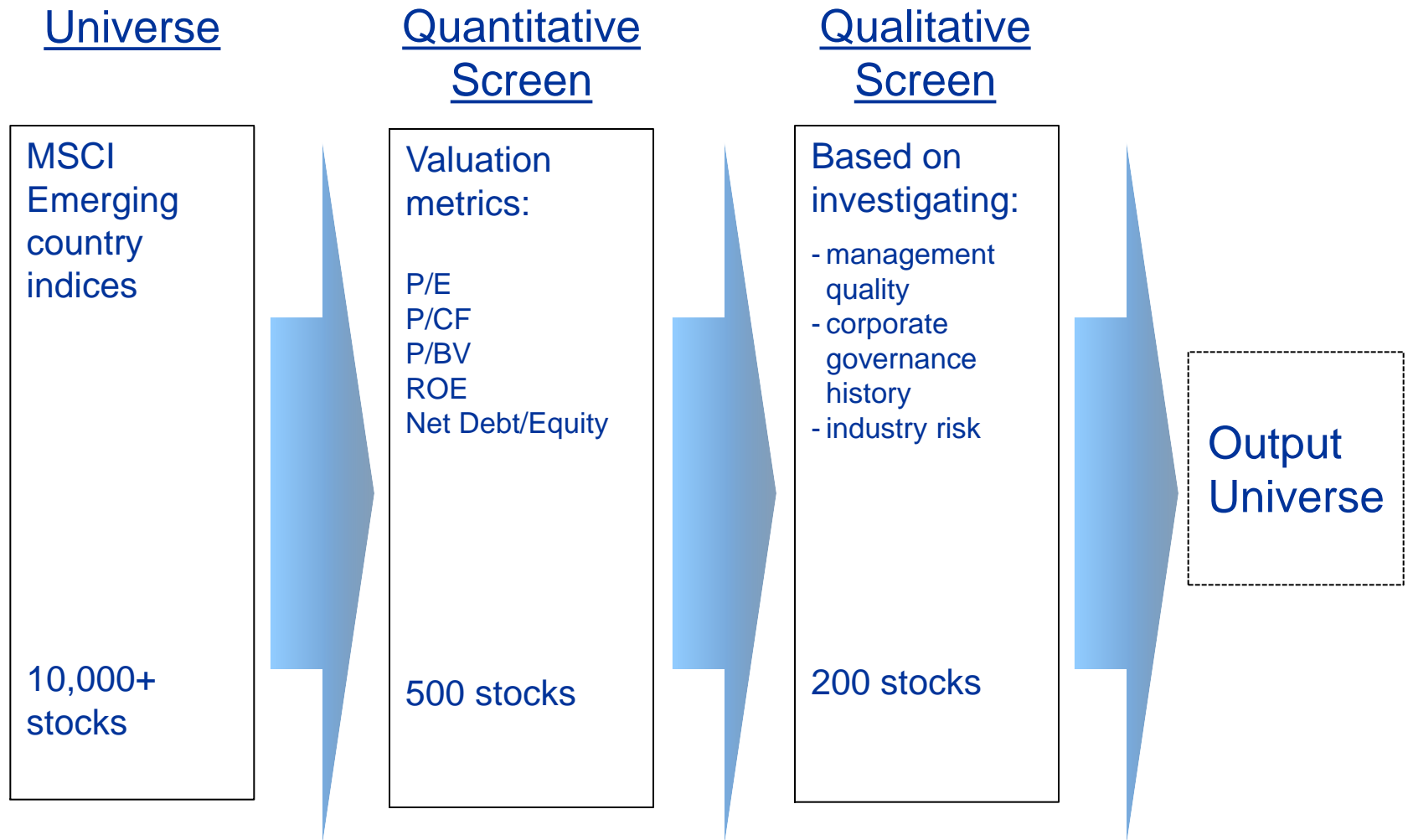
**David Jones** joined OP in March 2008. He was previously a Managing Director at UBS. Other roles have included Head of US Equities for S.G. Warburg New York, Global Co-head of Communications and Marketing at S.B.C Warburg and Global C.O.O., Equities Research at UBS. He graduated from Cambridge University.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



**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 a Pacific Basin Equity manager. He graduated from St Andrews University. He is responsible for client relationships and marketing.

# Investment process: From the universe to 25 stocks

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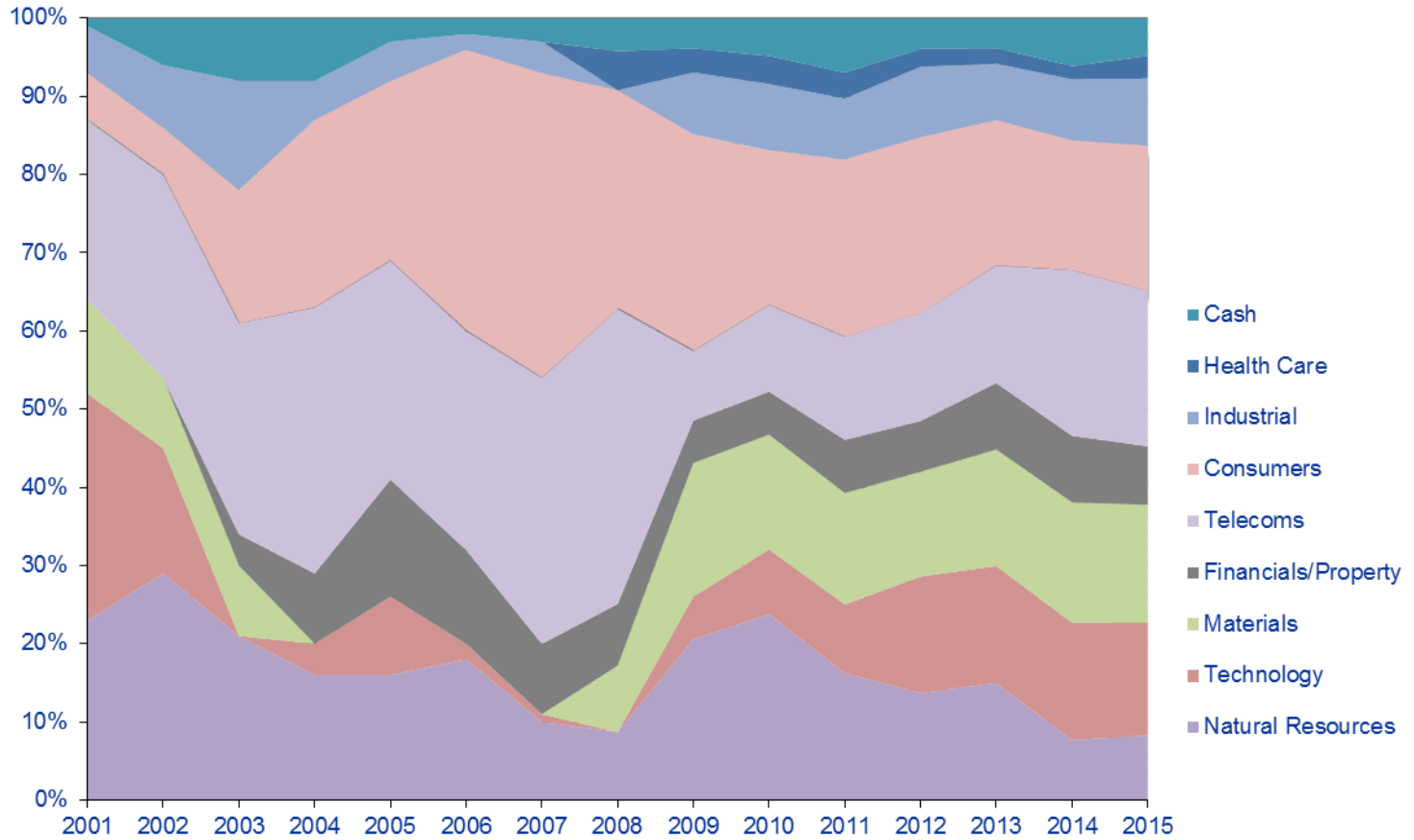


## Top 10 holdings

| Top 10                   | Description                | Weighting    | P/E          | P/BV        | ROE          | Net Debt/Equity |
|--------------------------|----------------------------|--------------|--------------|-------------|--------------|-----------------|
| Samsung Electronics      | Electronics, South Korea   | 8.3%         | 9.7          | 1.0         | 10.6         | -33%            |
| SK Telecom               | Telecom, South Korea       | 7.7%         | 10.9         | 1.1         | 10.4         | 40%             |
| Buenaventura             | Mining, Peru               | 7.5%         | 17.5         | 0.7         | 4.0          | 9%              |
| Thai Beverage            | Beverages, Thailand        | 7.2%         | 24.3         | 5.4         | 22.1         | 45%             |
| Ternium                  | Steel, Mexico              | 6.8%         | 8.8          | 0.7         | 8.8          | 31%             |
| Embraer                  | Aerospace, Brazil          | 6.4%         | 9.3          | 1.0         | 11.1         | 13%             |
| Yue Yuen                 | Consumer, China/Hong Kong  | 6.3%         | 19.0         | 1.4         | 7.5          | 0%              |
| Telkom Indonesia         | Telecom, Indonesia         | 6.1%         | 23.1         | 4.9         | 25.5         | 4%              |
| Lukoil                   | Oil & Gas, Russia          | 6.1%         | 4.5          | 0.4         | 7.9          | 13%             |
| Lee & Man                | Packaging, China/Hong Kong | 5.7%         | 12.6         | 1.4         | 10.9         | 62%             |
| <b>Total / Portfolio</b> |                            | <b>68.0%</b> | <b>13.4*</b> | <b>1.9*</b> | <b>12.2*</b> | <b>11%*</b>     |
| <b>MSCI EM</b>           |                            |              | <b>13.3</b>  | <b>1.4</b>  | <b>10.5</b>  | <b>19%</b>      |

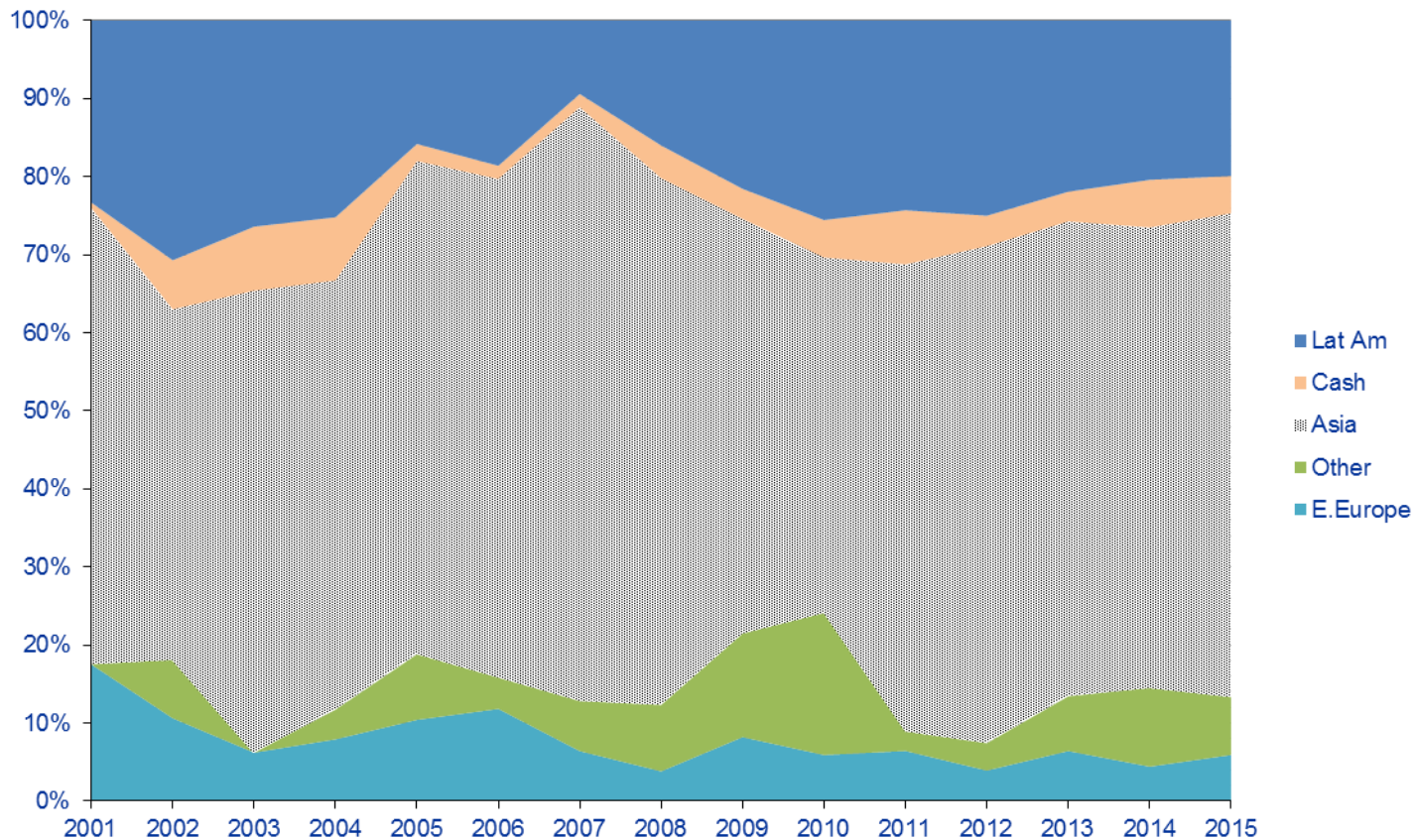
\* Weighted average using historic data as at 31<sup>st</sup> May 2016.  
Source: Oldfield Partners, MSCI (Copyright), Bloomberg.

# Sector exposure



Source: Oldfield Partners.

# Regional exposure



Source: Oldfield Partners.

# 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.

**United States:** Shares in the Funds have not been and will not be registered under the Securities Act 1933 of the United States (as amended), the Investment Company Act (1940) or the securities laws of any of the States of the United States. Shares in the Funds may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" as defined in Regulation S under the 1933 Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable State laws.

**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.

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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.

Oldfield Partners LLP  
11 Grosvenor Place  
London, SW1X 7HH,  
United Kingdom  
Partnership No. OC309959.