



Staying the Course

EAFE Equities

December 2021

www.oldfieldpartners.com

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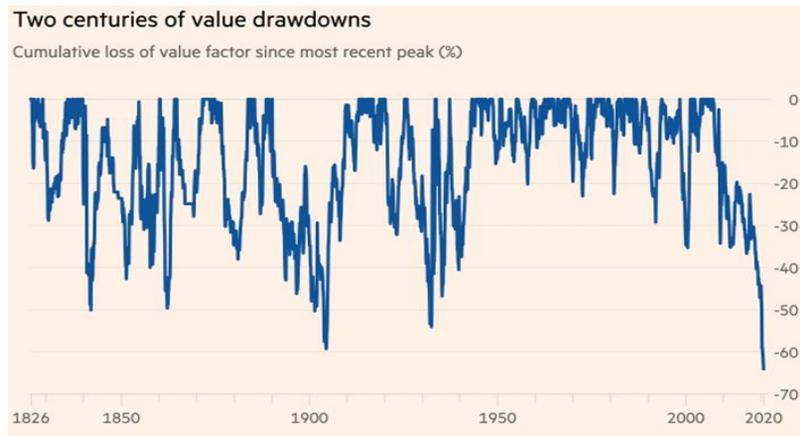
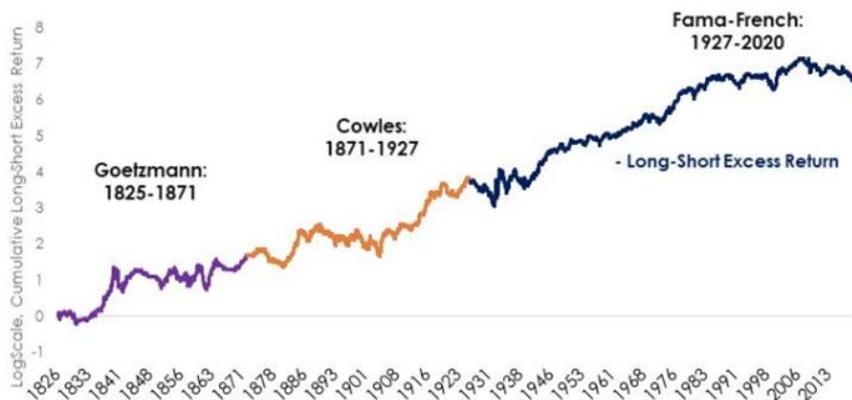
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Please read the "Important Information" section on the last page of this presentation.

Value investing – works over the long-term

- The opportunity in Value vs Growth is as great as it has been in history
- Valuations for large parts of asset markets no longer matter
- Clear signs of speculation and exuberance while Value is shunned
- How long will the Fed have your back?

Value versus Growth ¹



The opportunity in 'Value' is as great as at any time in our careers

The re-rating of the US vs international markets

Shiller P/E ratio



Value is found outside of the US market

Value vs Growth – re-rating drives Growth

Value vs Growth Return Decomposition last 5 years

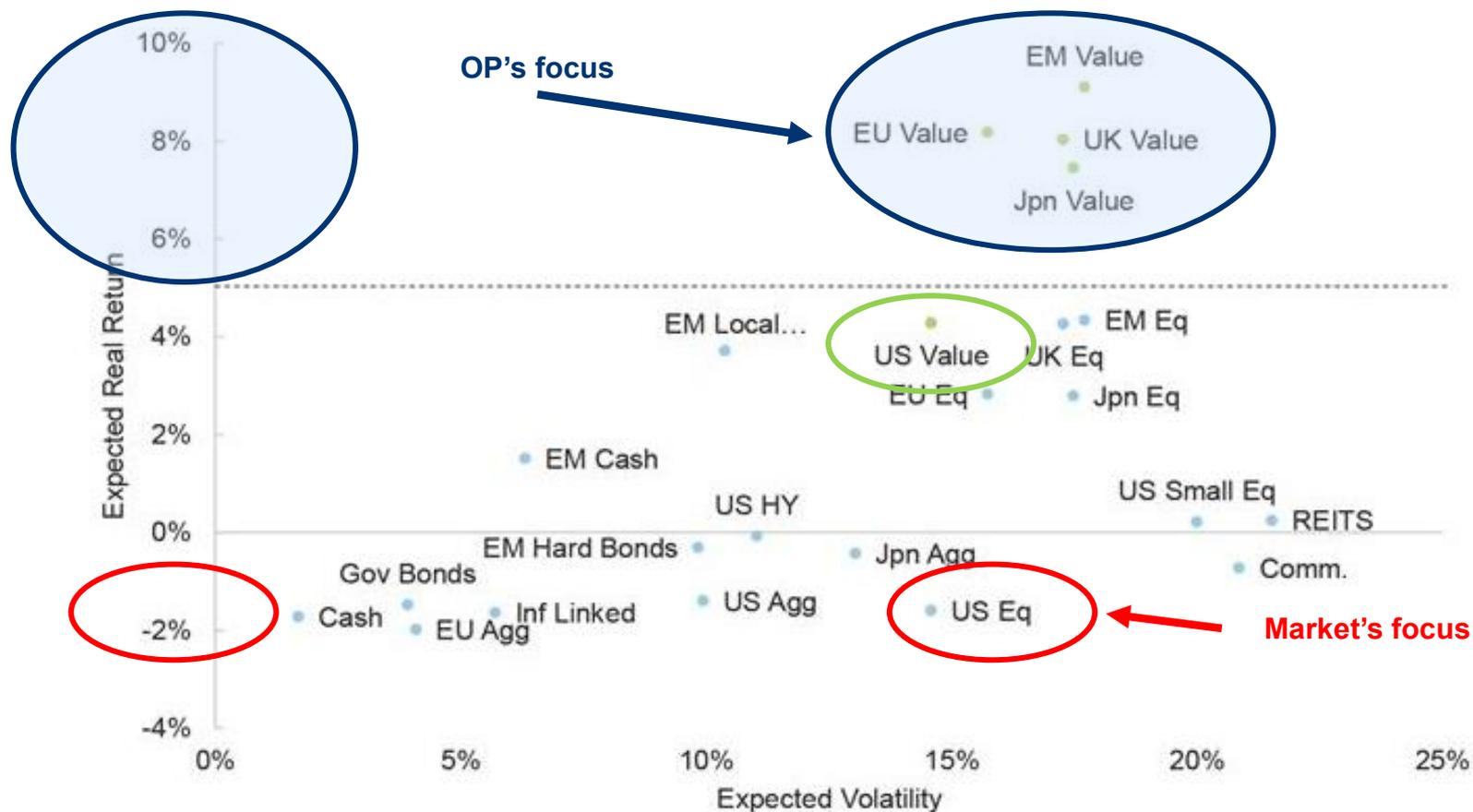
5-year annualised return attribution (Jun-16 to Jun-21)					
<u>Index</u>	<u>EPS growth</u>	<u>Dividends (incl reinvestment)</u>	<u>"Sustainable" return</u>	<u>P/E expansion</u>	<u>Total return</u>
MSCI World Value	6.9%	3.7%	10.6%	0.1%	10.7%
MSCI World Growth	6.8%	2.4%	9.2%	10.7%	19.9%

- Earnings growth same for Value and Growth over the last 5 years
- Value higher yield drives higher “sustainable return”
- P/E expansion for Value 0% vs Growth 11% per annum
- Last 5 years Value derived 0% return from multiple expansion, Growth +66%

The re-rating of Growth erodes the ‘margin of safety’

Value investing offers the highest expected real returns

10 Year Expected Real Returns for Major Asset Classes ¹



The US dominates global indices to an unprecedented degree

Money printing creates speculation and moral hazard

- Growth stocks
- US stock market at all-time highs
- Loss-making Tech IPOs
- Retail frenzy
- SPACs/ Crypto/ NFTs



Andres Guadamuz ✓ @technollama · Aug 30
Mother and Child by Picasso. \$4.13 million.
Punk #7252 \$5.5 million.



We're living in the stupidest timeline.

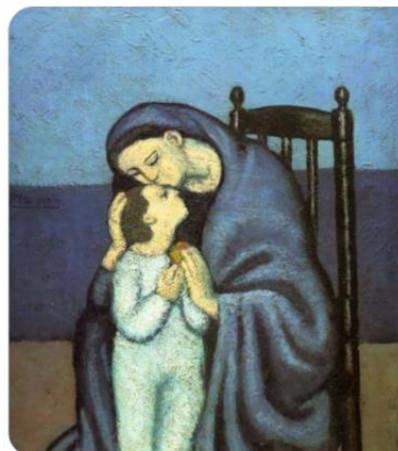
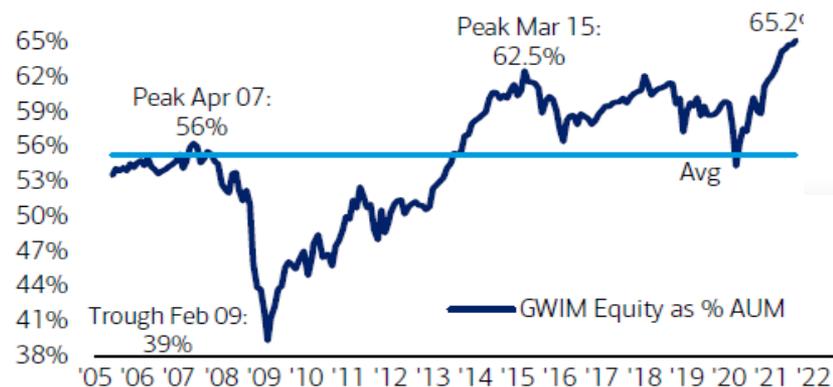


Chart 12: GWIM equity allocation at all-time high
BofA private client equity holdings as % of AUM



Value creates a margin of safety

Chart 12 source: BofA Global Research, 2nd Sep 2021,
Andres Guadamuz via Twitter – Adjusted for inflation, Picasso's initial sale in 1967 of Mother and Child netted \$4.13m at today's prices.
1. John Kenneth Galbraith, A Short History of Financial Euphoria.

What sets OP apart? – EAFE Equity Strategy

Philosophical commitment to patient, contrarian value investing



Portfolio composed of companies trading at significant discount to intrinsic worth

Experienced, cohesive team with a Global perspective



Global idea generation reinforced by specialist emerging markets skill set

Unconstrained, Conviction-based, capacity-constrained strategy



EAFE Equity strategy holds 20-25 of OP's "Best Ideas"

Investment discipline conquers emotion



Proven methodology to filter the bargains from the statistically cheap and reduce exposure to value traps

Good stewards of your capital



ESG issues including a commitment to achieving Net Zero emissions built into our investment process

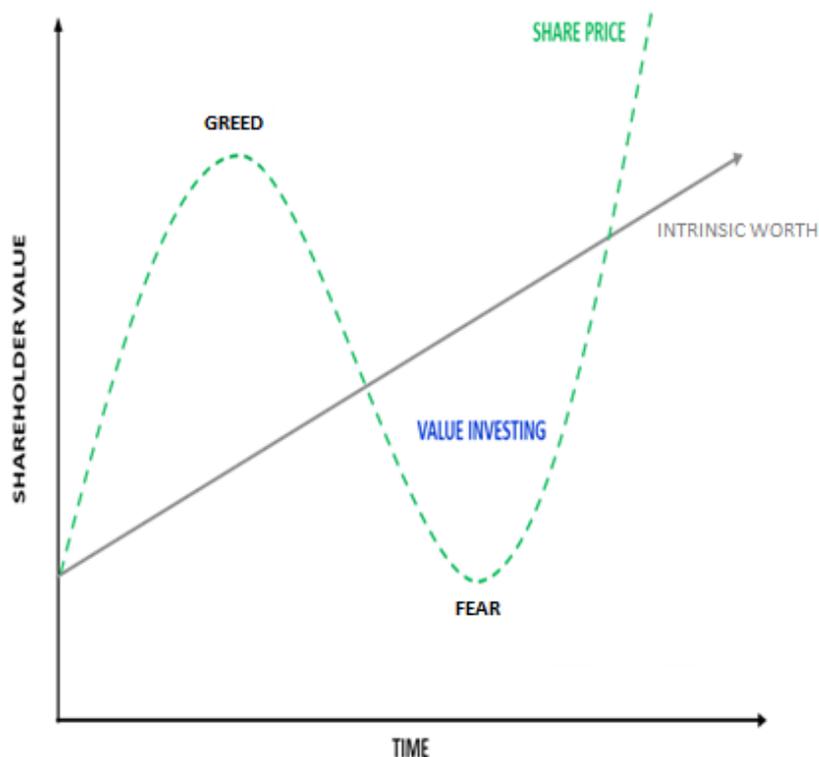
Multi-generational philosophy, time-tested investment practices



Excellent staff retention record and a consistent investment style

Unconstrained, patient, contrarian value

Our investment philosophy – Contrarian, Patient, Value Investing

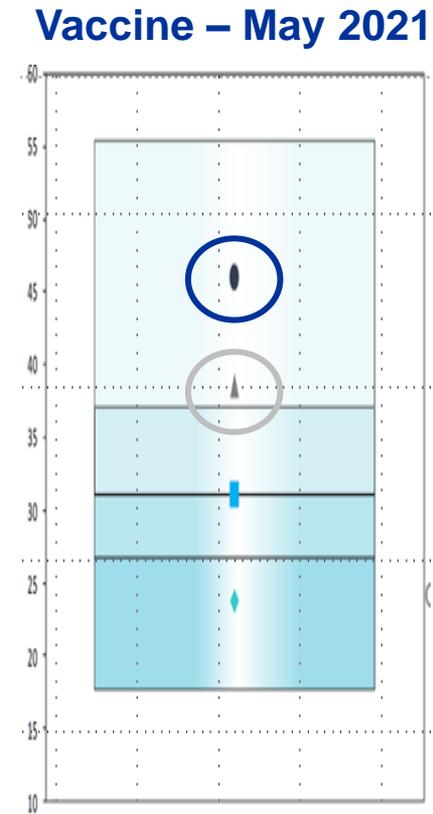
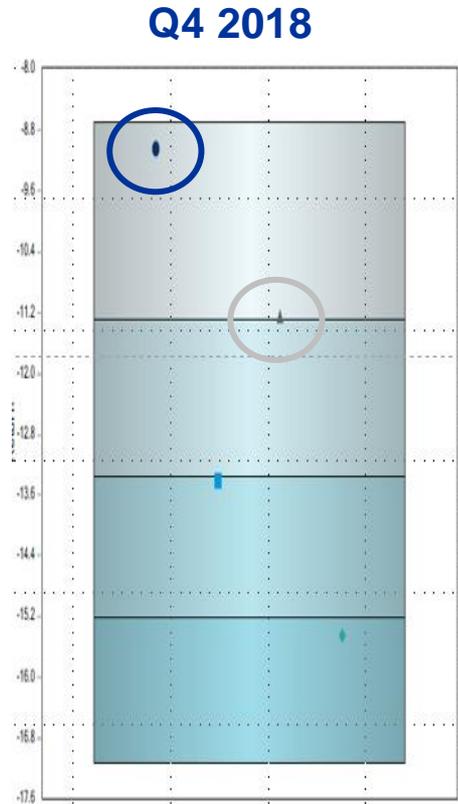
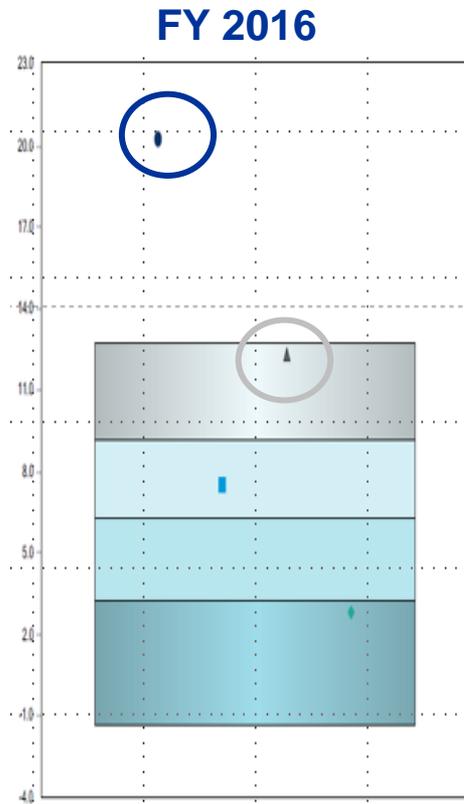


- Philosophical commitment to **contrarian value** investing. This requires **patience** and the right investment culture.
- Those who can take a long-term view and disregard index composition are at an advantage: they will be less a slave to momentum and **buy shares when they are out of favour and a bargain.**
- Modern markets are riven with **short-termism**. Share prices tend to **overreact after adversity**, providing investable opportunities. This usually means going against the tide of market opinion.
- We view risk not as volatility, or being **different** to the benchmark, but the permanent loss of capital.

“The intelligent investor is a realist who sells to optimists and buys from pessimists”

- Benjamin Graham, The Intelligent Investor

Oldfield Partners – recent periods of Value outperformance



OP Global Strategy



Global Value index

Delivering when Value works

OP investment process - Siemens vs GE in 2018

OP attracted to stocks under a cloud

- Disruption - can't rely on reversion - own work, forward view
- Price - fallen a long way - says nothing about value
- Cheap - headline metrics - importance of triangulation (EV)

Wary of combining operational and financial leverage

- Balance sheet - key driver - value leakage
- GE - high net debt - high risk (factoring, poor CF, liabilities)
- Siemens - no industrial debt - hidden value (transformed, SOTP)

Long-term - strategic transformation

- GE - 'fire sale' to deleverage = value leakage
- Siemens - growth - Digital factory and spin outs = value creation

	Annualised return*
Siemens	20%
GE	2%
MSCI EAFE Value	5%



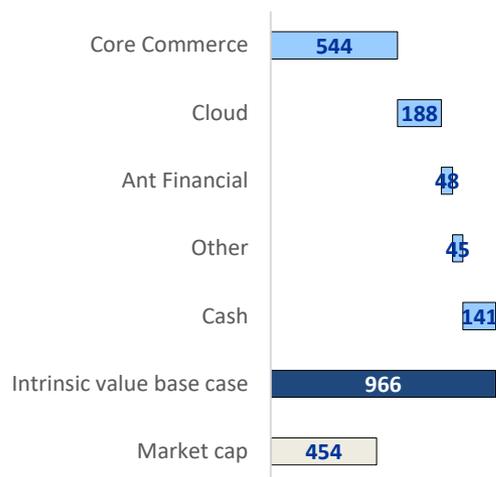
SIEMENS

Fundamental analysis is key to separate true value from the statistically cheap

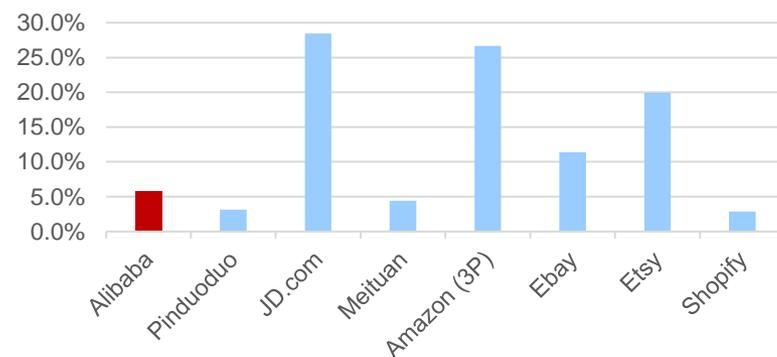
Alibaba Group – capital flight creates value opportunity

- World’s largest online marketplace
- Ad based business model expanding into connected businesses
- Growth opportunities:
 - Largest cloud operator in China
 - 265m users of platforms outside China
 - Video, Logistics and Fintech
- Founders – including Jack Ma and Joe Tsai (c.4%), Softbank 18%
- Mid-teens return on capital despite investing heavily through P&L
- PE multiple: 18.5x (median since listing = 29.5x)
- Price to sales 4x (median since listing = 12x)
- Sum of the parts >100% upside

OP Sum of the Parts (\$bn)



Take rate across ecommerce market places



Purchased on a PE of c.12x consensus forecasts for 03/24

Value Traps – the occupational hazard of the value investor

Margin of safety



- Primary research process
- Low starting multiples
- Operational and financial leverage

'3 bites'



- Price vs value
- -20% = full review = 2nd bite
- -40% = new analyst review = 3rd bite

Controls



- Limit to 3 bites
- Limit to 10% at cost
- Distance - price and time

Discipline



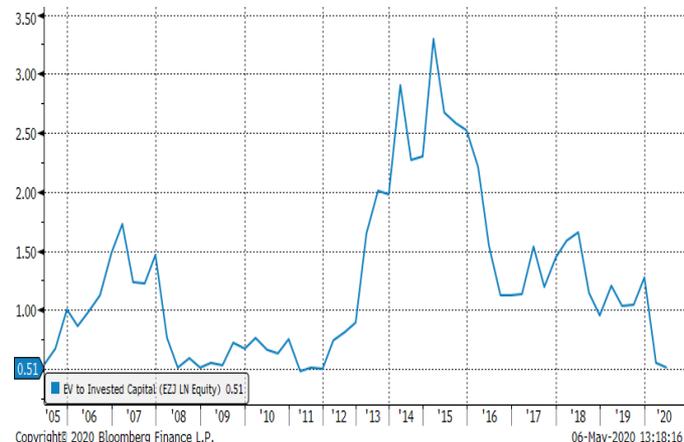
- Target valuation reached
- Thesis violation
- Reluctant sale

Without Value Traps the value investing proposition would not exist

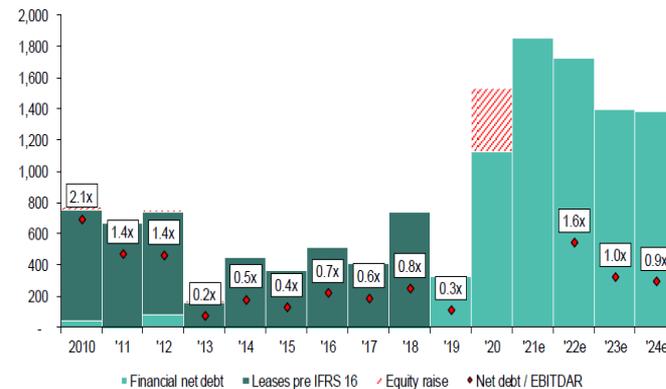
easyJet – emerging relatively stronger

- Many airlines entered the pandemic with poor balance sheets - stress tests Q2 2020
- Low cost model advantage to grow over-time
- Constrained airports = pricing power
- Relatively strong balance sheet and asset base
- First to recover - short-haul leisure
- Management incentivised to improve returns

EV to Invested Capital



Net debt / EBITDAR



Long-term industry winner

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

Global and EAFE Equity Strategies – holdings and valuation methodologies

Valuation	Target Valuation (Analyst)								
	Company Name	EAFE	Global	Share Price	Primary valuation method	Fair value	Upside	Total return (2 years)	Resp.
	SIEMENS AG-REG	6.0	5.7	136	P/E	177	30%	35%	CO
	BT GROUP PLC	5.9	5.9	151	SOTP + P/E	250	65%	75%	SZ
	LLOYDS BANKING GROUP PLC	5.6	5.4	44.80	P/TBV + P/E	66	46%	56%	RG/SZ
	EXOR NV	5.5	3.6	71	SOTP	95	34%	35%	SZ
	MITSUBISHI UFJ FINANCIAL GRO	5.0	4.5	632	P/E + P/TBV	708	12%	21%	AG
	EMBRAER SA-SPON ADR	4.8	-	17.61	P/B	19.90	13%	13%	AF
	TESCO PLC	4.5	4.6	252	P/E, P/B, P/CF, EV/EBITDA	299	19%	27%	NW
	TOYOTA MOTOR CORP	4.4	4.8	1,932	P/B	2,265	17%	24%	JM
	E.ON SE	4.4	5.6	10.89	P/E	12.60	16%	25%	SZ
	FRESENIUS SE & CO KGAA	4.3	3.3	40.62	SOTP + P/E	60	48%	52%	CO
	BAYER AG-REG	4.3	4.4	46.74	SOTP	71	52%	61%	CO
	ENI SPA	4.2	4.7	11.64	P/B	12.80	10%	24%	NW
	SANOFI	4.2	4.3	83	P/CF	108	30%	38%	SZ/RG
	KT&G CORP	4.0	-	80,800	EV/EBIT	116,155	44%	56%	JL
	EASYJET PLC	3.9	4.1	699	P/S + P/E	1,100	57%	58%	SZ
	SAMSUNG ELECTRONICS CO LTD	3.5	4.1	73,200	PE + net cash per share	94,592	29%	34%	AF
	NOMURA HOLDINGS INC	3.5	2.6	542	P/B	695	28%	39%	JM
	MITSUBISHI HEAVY INDUSTRIES	3.3	3.5	2,966	P/B	4,410	49%	55%	AG
	EAST JAPAN RAILWAY CO	3.2	-	7,871	EV/EBIT	7,879	0%	3%	JM
	ALIBABA GROUP HOLDING LTD	2.9	3.0	137	SOTP	350	155%	155%	SZ
	SVENSKA HANDELSBANKEN-A SH	2.9	-	98	P/BV	158	61%	75%	SZ/RG
	PORSCHE AUTOMOBIL HLDG-PRF	2.8	-	84	SOTP	109	30%	38%	CO
	KANSAI ELECTRIC POWER CO INC	2.6	2.2	1,083	P/B	1,863	72%	81%	AG
	NOKIA OYJ	2.0	3.0	4.77	EV/Sales	5.34	12%	15%	JL
	BARRICK GOLD CORP	-	2.6	22.95	P/B	38.10	66%	72%	RG
	BERKSHIRE HATHAWAY INC-CL B	-	5.1	274	SOTP + look through earnings + P/B	369	35%	35%	JL
	CITIGROUP INC	-	3.8	71	P/E + P/TBV	90	26%	32%	RG
	HEWLETT PACKARD ENTERPRISE	-	3.3	14.85	P/E	18.00	21%	28%	NW
	NOV INC	-	3.6	13.69	EV/EBITDA	25.00	83%	83%	HF
	Weighted average upside Global						39%		
	Weighted average upside EAFE						37%		

Source: OP.

Date: As at 4th October 2021.

Representative portfolios used.

Performance summary

	2021 to date	1 year	2 year annualised
Representative EAFE Equity portfolio (%) ¹	+15.1	+37.1	+8.7
MSCI EAFE (%)	+8.3	+25.7	+12.4
MSCI EAFE Value (%)	+9.6	+30.7	+7.3

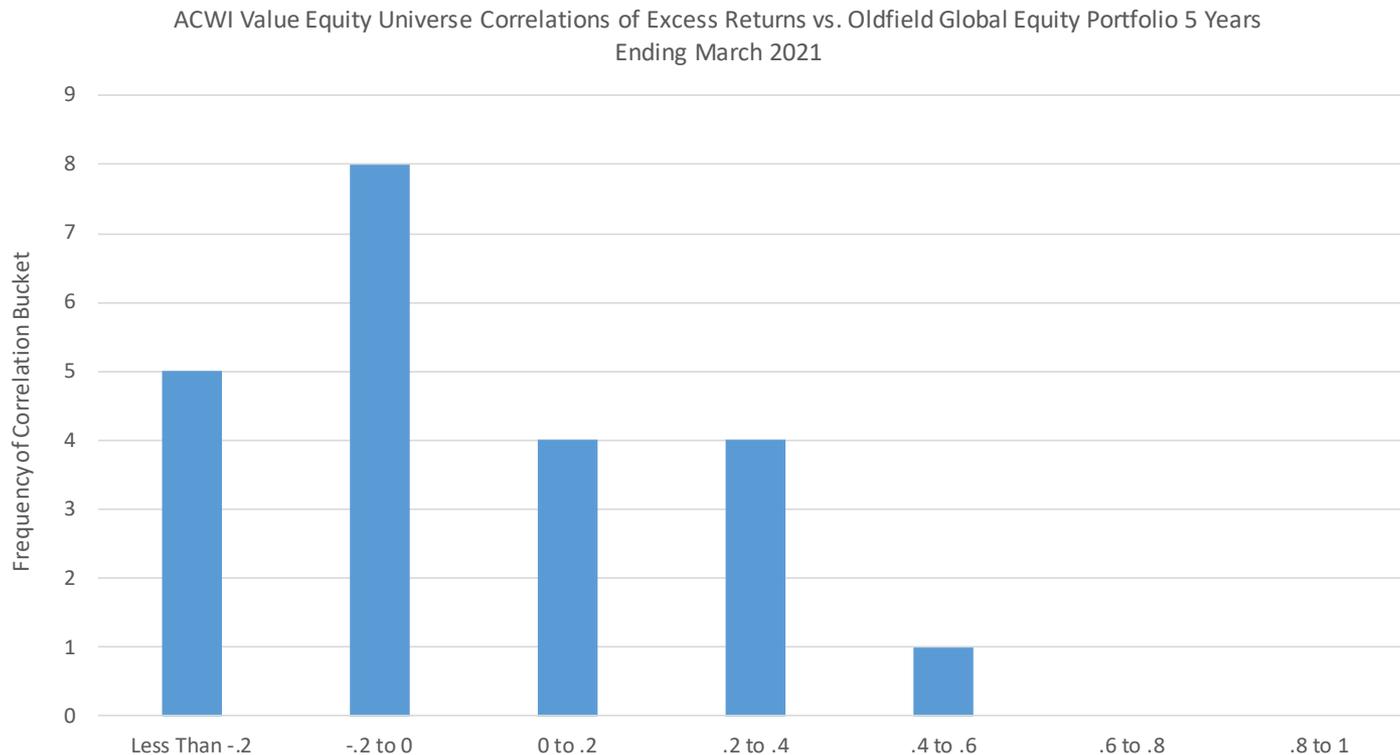
Data as at 30th September 2021. Source: OP, Bloomberg and MSCI ©.

¹Data shown is for a representative EAFE Equity portfolio.

Past performance is not a guide to future performance, please see risk warning on p.36.

Appendix

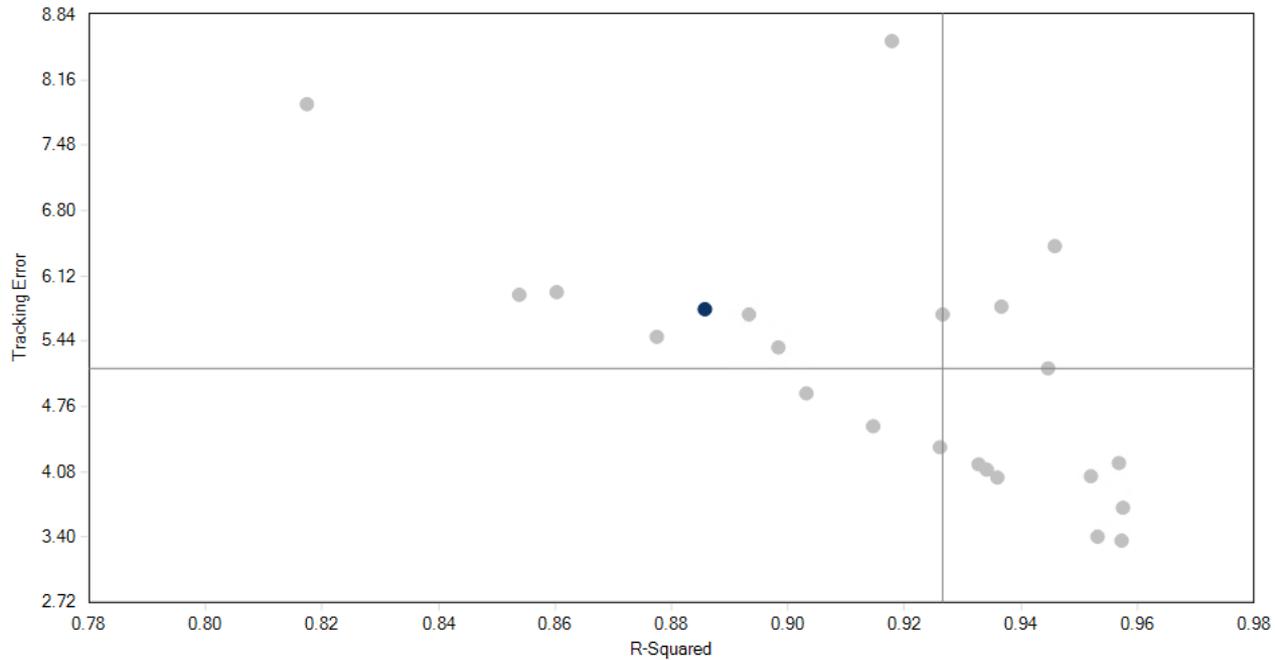
Oldfield Partners - Correlations of Excess Returns vs Intersec Value peers



Source: Intersec – value peers
Data to 31st March 2021.

Global Equity Strategy – Differentiated Product Profile - R2

Oldfield Partners LLP
 Oldfield Global Equity
 Total Fund Tracking Error and R-Squared vs Median
 5 Years Ending March 2021
 All World Value Universe



	Tracking Error	R-Squared
● Oldfield Global Equity	5.77	0.89
— Median	5.16	0.93
Population	23	23

Source: Intersec – value peers
 Data to 31st March 2021.

Performance - EAFE Equity Composite

Oldfield Partners EAFE Equity Composite 01 January 2019 through 30 September 2021 Reported in US Dollar terms									
Calendar year	Composite gross of fees (%)	Composite net of fees (%)	MSCI EAFE (NDR) (%)	Composite gross 3-Yr St Dev (%)	MSCI EAFE (NDR) 3-Yr St Dev (%)	No. of portfolios in composite	Composite dispersion (%)	Total composite assets (US\$m)	Total firm assets (US\$m)
2019	17.1%	17.0%	22.0%	N/A	N/A	1	N/A	24	4637
2020	-9.2%	-9.2%	7.8%	N/A	N/A	2	N/A	32	3840
2021 to date	15.1%	15.0%	8.3%					43	4129
Since inception per annum	7.6%	7.6%	13.8%						
Since inception cumulative	22.4%	22.2%	42.5%						

Inception of composite 1st January 2019.

NDR = Net Dividends Reinvested.

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

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 2020. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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 and a list of broad distribution pooled funds is available on request.

Composite description

The EAFE Equity Composite includes EAFE equity portfolios. They are run with essentially the same style as the accounts within the Global Equity Composite except for this exclusion. The style is: large cap, value focussed, concentrated, index ignorant and anti-short term. There is no minimum account size for inclusion. The benchmark for this composite is MSCI EAFE Net Dividends Reinvested.

Composite creation date

The composite was created in January 2019.

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.

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

The highest fee Oldfield Partners LLP charges on any account within this composite is 0.9% per annum.

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.

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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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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.

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