



Global Equity Income

November 2020

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

Agenda

- Performance
- Valuation matters
- Process
- New holdings
- Conclusion
- Q&A

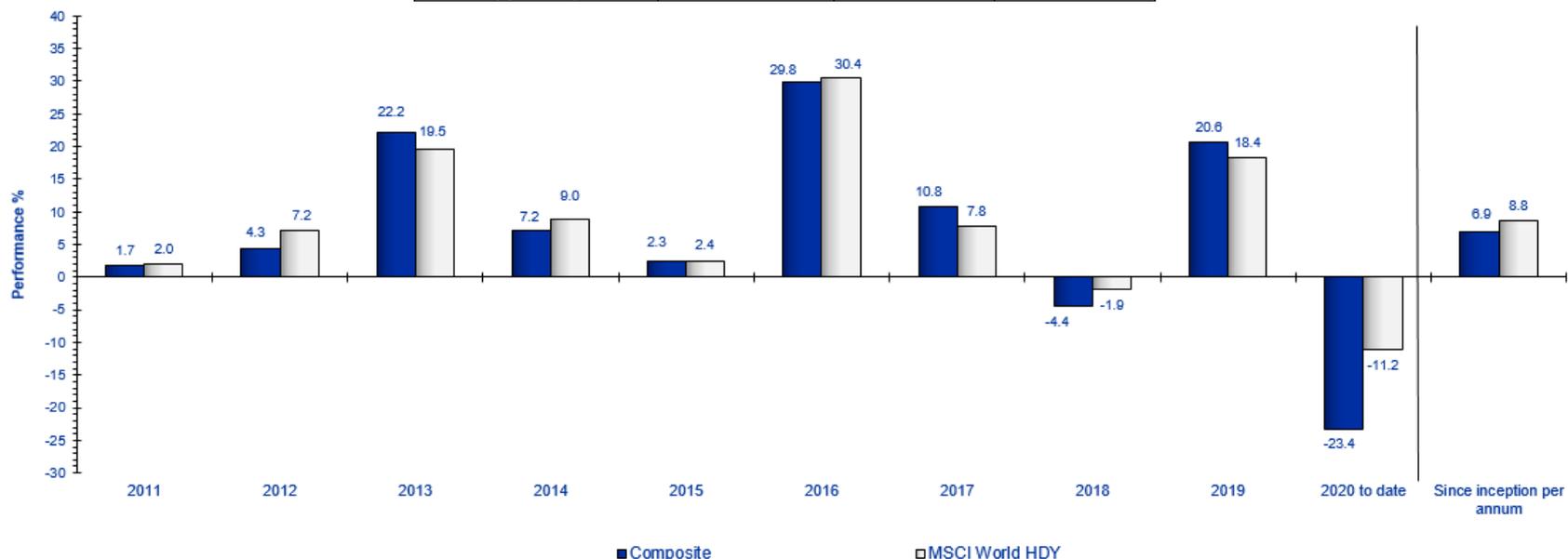
Grow capital over time

Provide sustainable and rising income

Performance summary

Global Income Composite* & MSCI World High Dividend Yield (Net Dividends Reinvested) Annual Performance (£ terms)

GBP terms	1 year	3 years ann.	5 years ann.
Global Equity Income Composite (%)	-19.3	-3.3	4.6
MSCI World High Dividend Yield (%)	-9.4	1.4	8.1
I A Sector Ranking (quartile)	4	4	3



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

Source: OP 31st October 2020 and FE Analytics. IA Sector ranking is Overstone Global Equity Income Fund vs. IA Global Equity Income Sector.

*Composite = Oldfield Partners Global Income Composite from 2012 onwards and the J Accumulation shares of the Overstone Global Equity Income Fund from 6th Dec – 31st Dec 2011.

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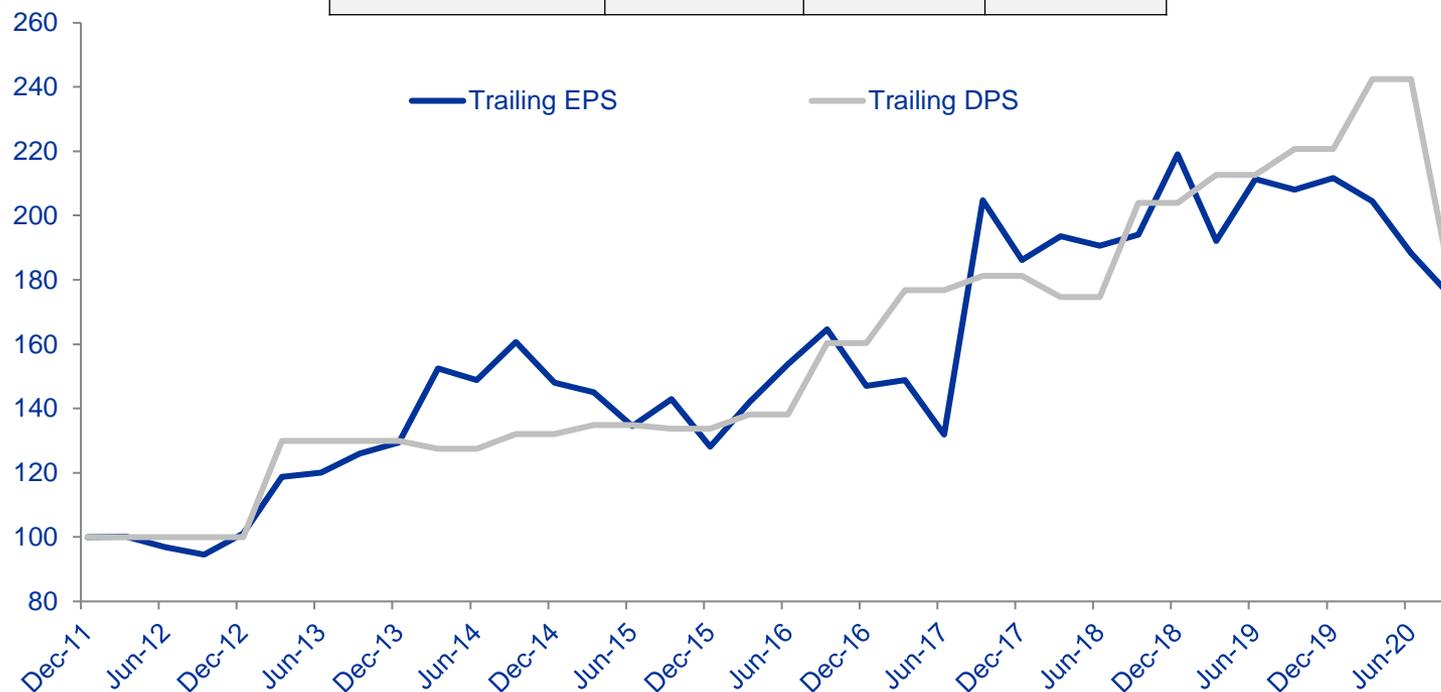
Please refer to disclosures on page 41.

Past performance is not a guide to future performance, please see risk warning on p.42.

Performance summary – since inception in GBP

Contribution to returns¹

GBP terms per annum	Overstone Income	MSCI High Dividend	MSCI World
Trailing EPS (%)	7	5	3
Trailing PE multiple (%)	1	4	9
Total Return (%)	7	9	13



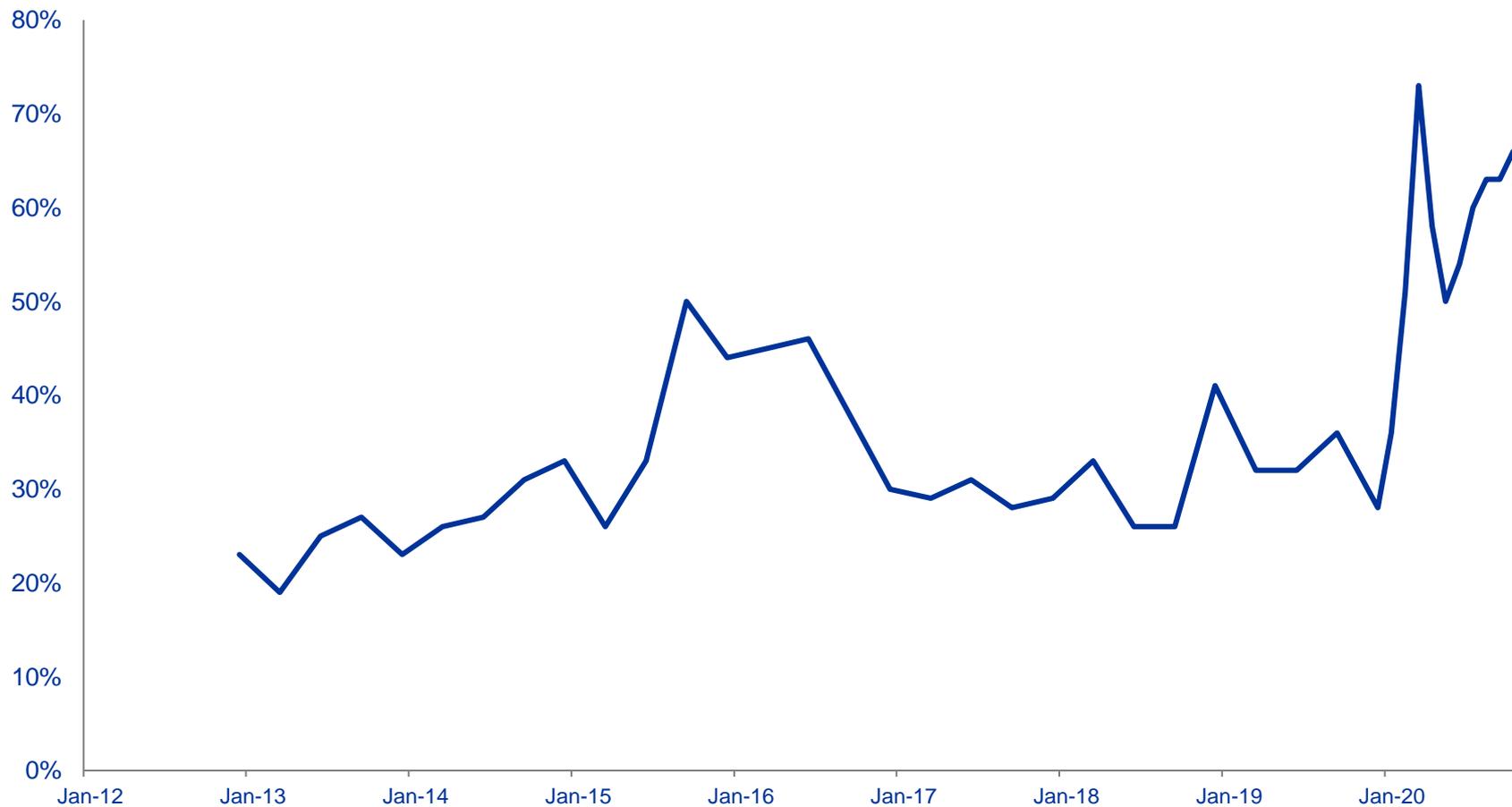
Source: Bloomberg and OP.

Date: 30th September 2020.

¹ Assumes dividends reinvested, rebased to 100.

Average upside - Overstone Global Equity Income

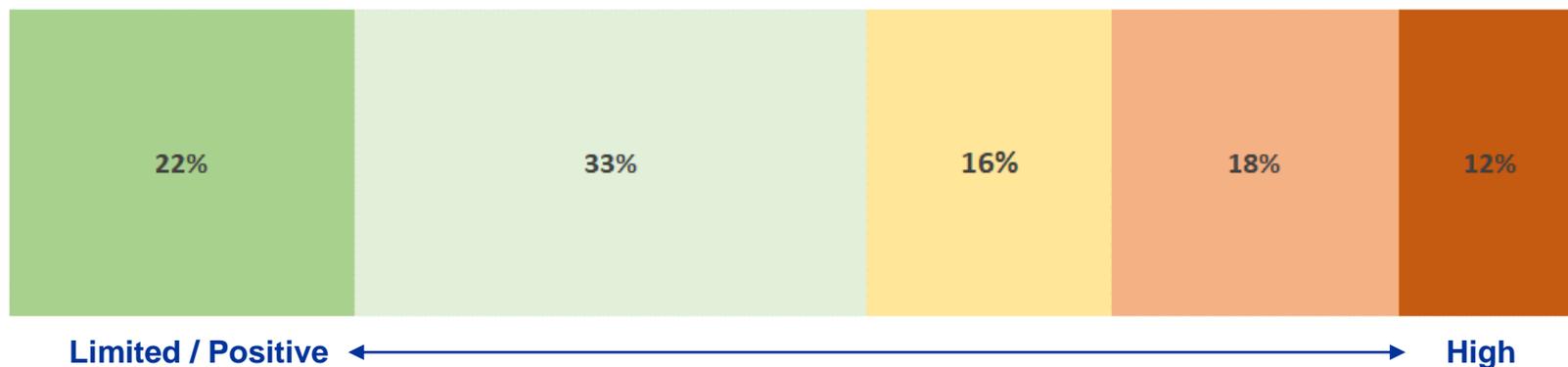
Weighted Average Upside Overstone Global Equity Income(%)



Source: OP, Bloomberg.
Date: As at 15th October 2020.

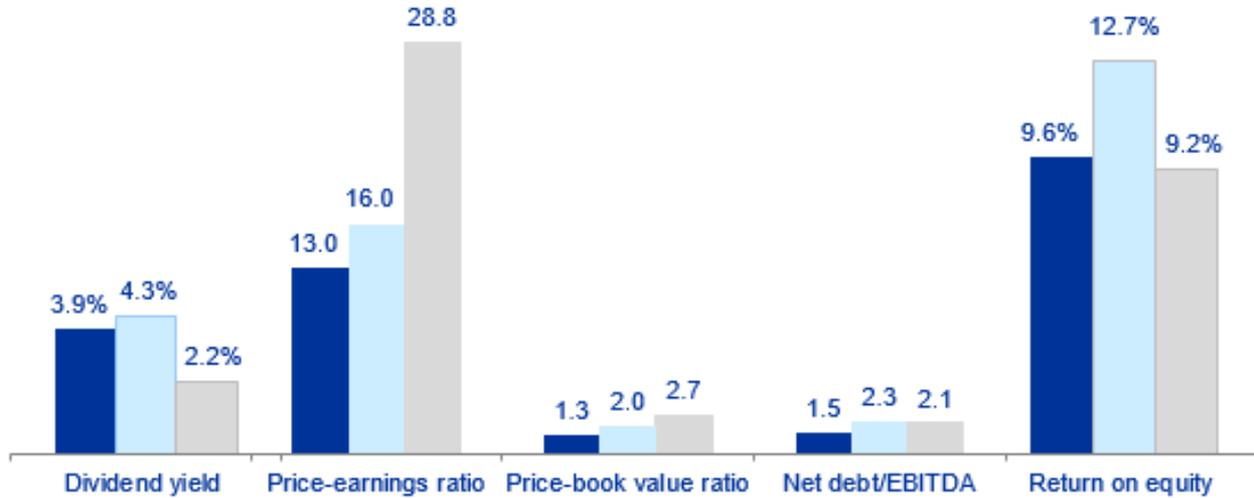
Current portfolio

Impact of Coronavirus on Portfolio Holdings



	Limited / Positive Impact	Low Impact	Medium Impact	Medium / High Impact	High Impact
Total Weight	22%	33%	16%	18%	12%
YTD Return (GBP)	2%	-15%	-16%	-47%	-37%
Expected Dividend Yield	3.5%	3.9%	3.6%	3.5%	1.3%
Examples	Sanofi Tesco E.ON Samsung	Philip Morris Rio Tinto Siemens Exor	Toyota Handelsbanken Britvic Yue Yuen	IWG Lloyds Lukoil, BP & ENI	Synchrony JD Wetherspoon EasyJet

Portfolio characteristics



■ Oldfield Partners
 ■ MSCI World High Dividend Yield
 ■ MSCI World

Source: OP, Bloomberg.

Date: As at 30th September 2020.

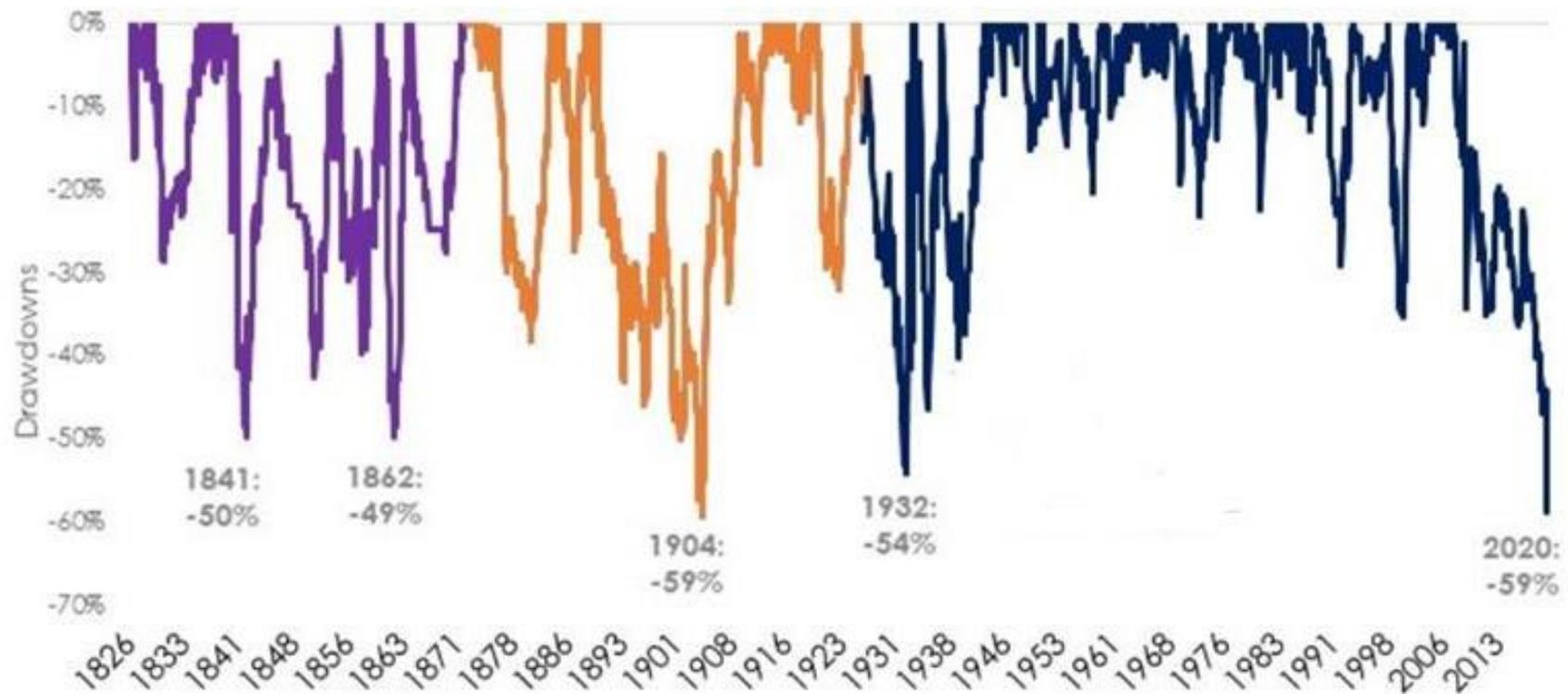
Representative portfolio used. Based on weighted harmonic mean method. Dividend yield is before withholding tax. Net debt/EBITDA excludes financials and only includes industrial net debt where applicable.

The dividend, earnings, book value and ROE use historic values.

Valuation Matters

Value suffering much worse than 2000

US Value versus Growth, drawdowns



Source: Two Centuries Investments

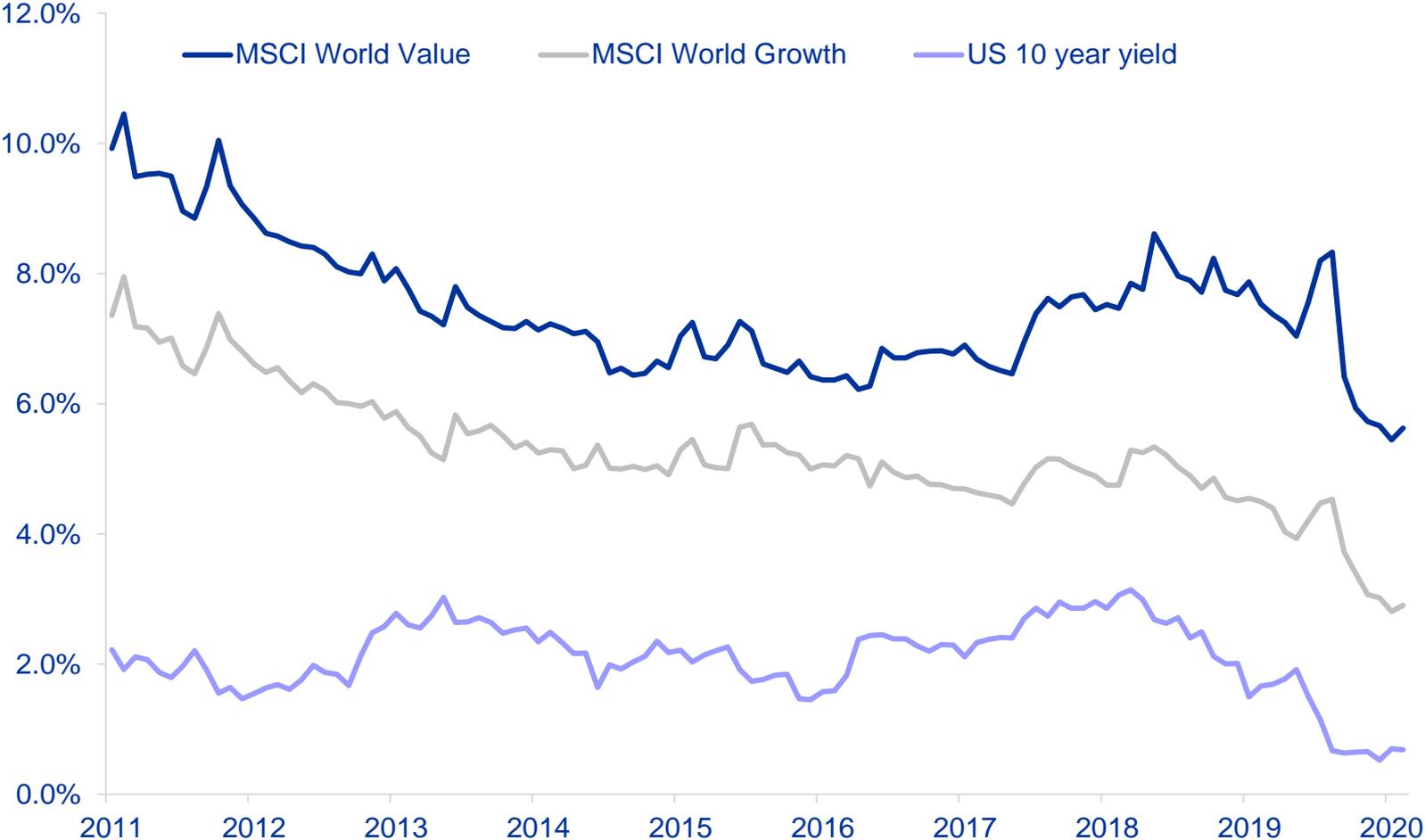
10 year US government bond yield



Source: Bloomberg 22nd October 2020.

Falling rates have led to higher valuations

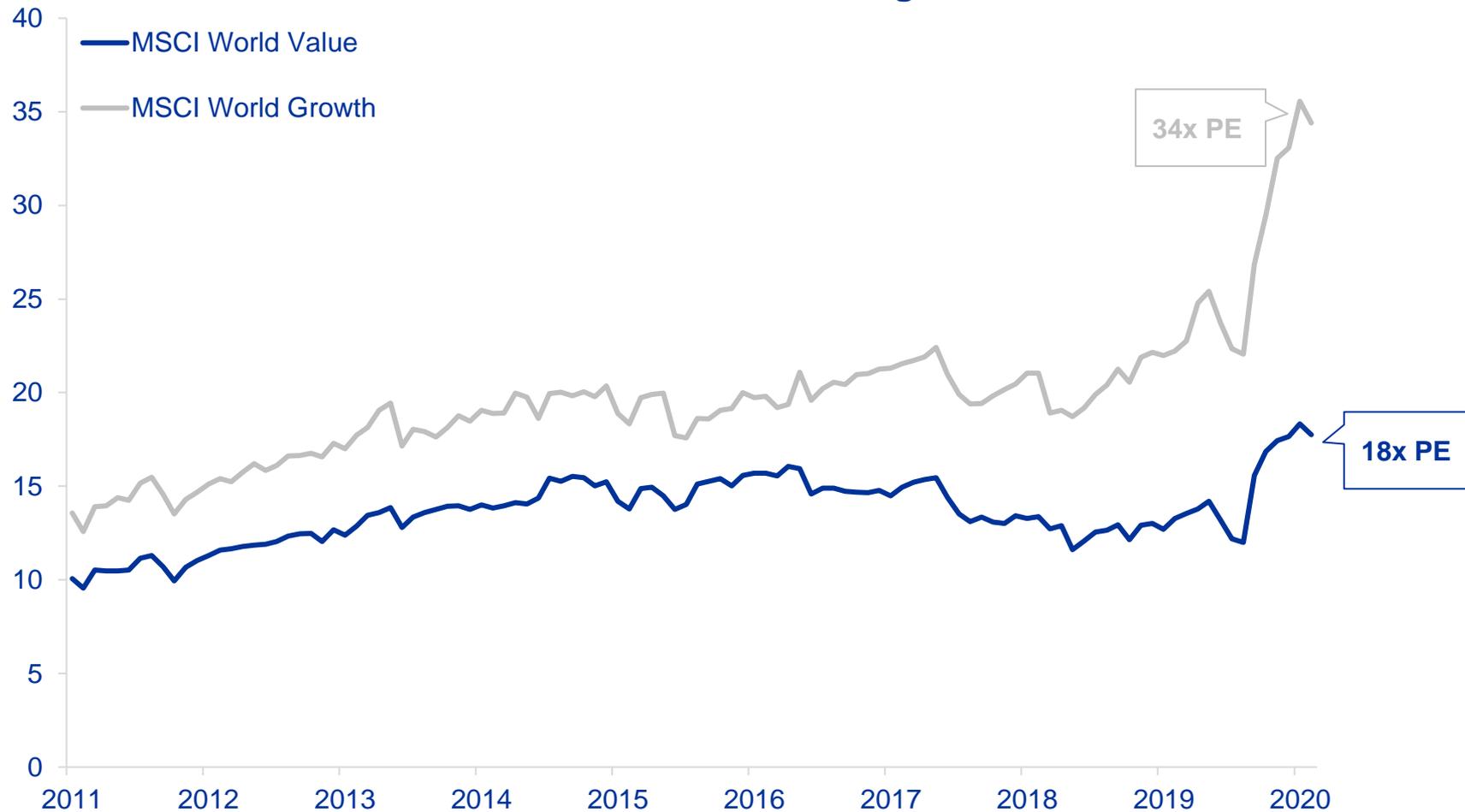
Earnings yield and interest rates



Source: Bloomberg 22nd October 2020.
Note: Earnings yield calculated as the inverse of the forward PE.

Multiple expansion driving Growth outperformance

Price to forward earnings



Source: Bloomberg 22nd October 2020.

With growth stocks benefitting the most from re-ratings

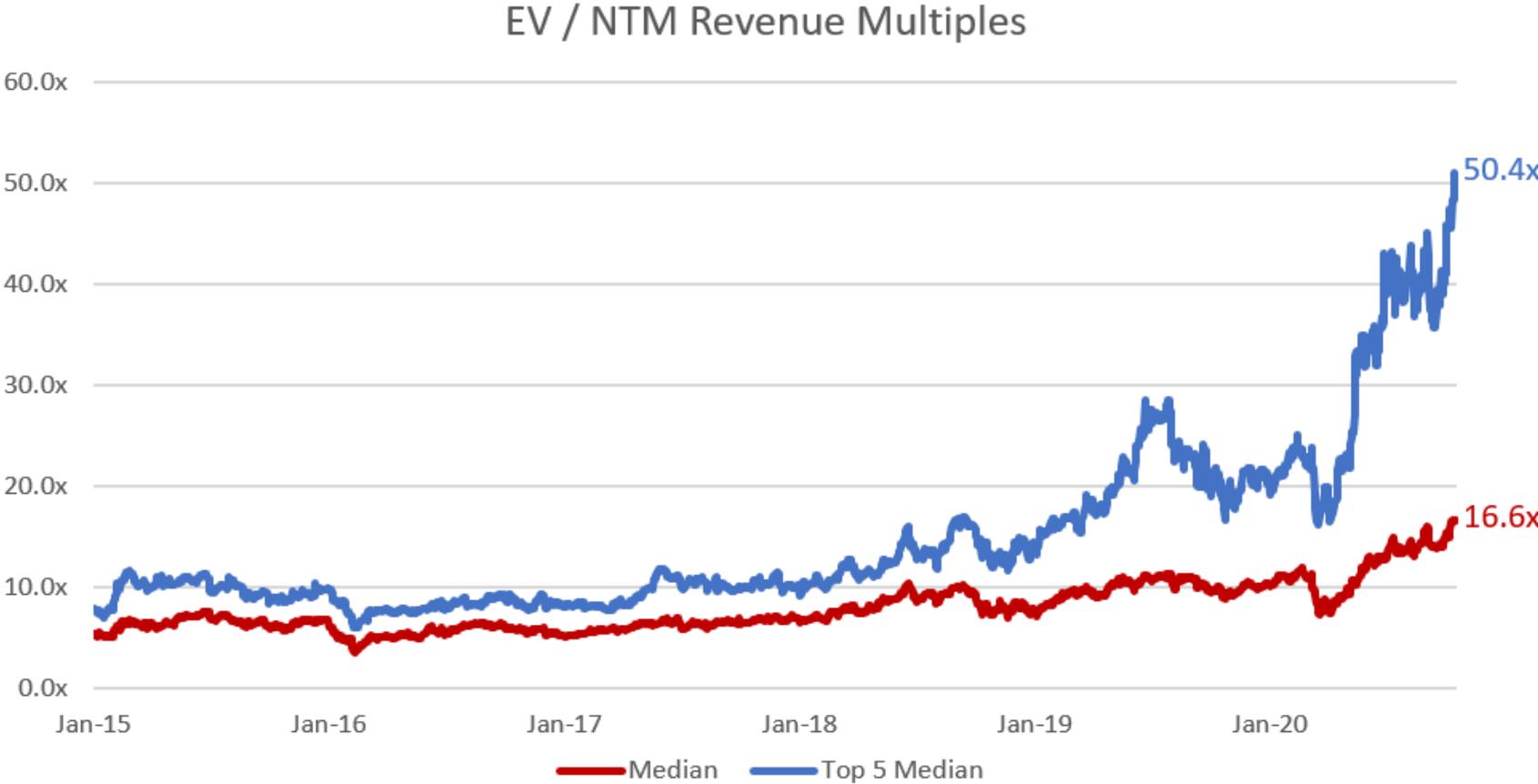
PE Multiple	MSCI World Growth	MSCI World Value
August 2011	14	10
Today	34	18
Re-rating	153%	76%

Returns (since August 2011)	MSCI World Growth	MSCI World Value
Total Return	198%	79%
Re-rating	153%	76%
EPS Growth	17%	2%

Source: Bloomberg 29th October 2020.

Note: Earnings yield calculated as the inverse of the forward PE, EPS Growth includes dividends reinvested

Software multiples



Source: ClouDED Judgement 9th October 2020.
Note: Median is based on 69 listed SAAS companies

The Nifty Fifty was the last time we saw businesses being valued in this way

"Cheap" Nifty Fifty Stocks

<u>Company</u>	<u>Symbol</u>	<u>Starting P/E</u>	<u>Subsequent Annualized Total Returns</u>			
			<u>10-yr</u>	<u>20-yr</u>	<u>30-yr</u>	<u>40-yr</u>
Philip Morris	MO	25.9	6.85%	18.71%	16.94%	16.53%
Bristol-Myers	BMJ	27.6	5.35%	13.10%	11.76%	10.17%
Pfizer	PFE	29	2.63%	11.41%	14.45%	10.40%
Pepsico	PEP	29.3	2.83%	13.55%	13.63%	11.42%
Procter & Gamble	PG	32	-1.59%	8.57%	10.76%	9.50%
IBM	IBM	37.4	-2.53%	1.95%	6.14%	7.20%
Dow Chemical	DWDP	25.5	-0.85%	8.50%	8.74%	7.22%

"Expensive" Nifty Fifty Stocks

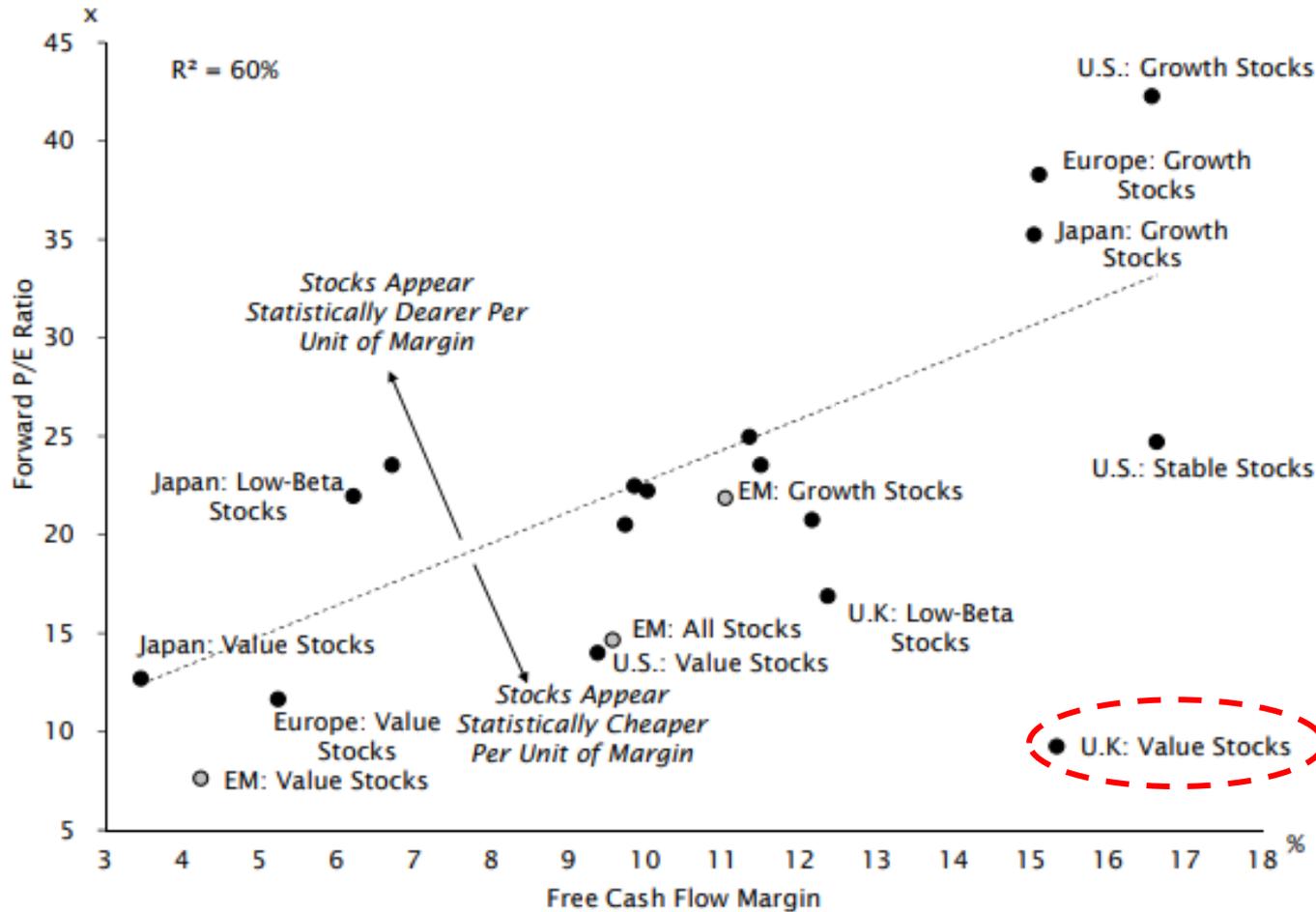
<u>Company</u>	<u>Symbol</u>	<u>Starting P/E</u>	<u>Subsequent Annualized Total Returns</u>			
			<u>10-yr</u>	<u>20-yr</u>	<u>30-yr</u>	<u>40-yr</u>
McDonald's	MCD	85.7	1.75%	12.06%	11.53%	12.17%
Int'l Flavors & Fragrances	IFF	75.8	-5.24%	6.93%	5.50%	5.87%
Walt Disney	DIS	81.6	-3.78%	10.81%	9.40%	9.12%
Johnson & Johnson	JNJ	61.9	1.72%	10.48%	13.38%	10.62%
Coca Cola	KO	47.6	-6.93%	11.83%	11.52%	9.98%
Eli Lilly	LLY	46	-0.72%	8.26%	11.17%	7.99%
Merck	MRK	45.9	-0.23%	14.31%	13.11%	9.75%

Start date 6/1/72

Sources: Brooklyn Investor; Morningstar

Inconsistent valuation across markets

Large- capitalisation stocks forward P/E ratio vs Free cash flow margin¹



Source: Empirical Research Partners Analysis.

Date: As at 31st August 2020.

¹Stock characteristics based on the equally-weighted average in each cohort. Line of best fit based on U.S., European and Japanese stocks.

²Regression model estimated over U.S., European, and Japanese stocks.

Process

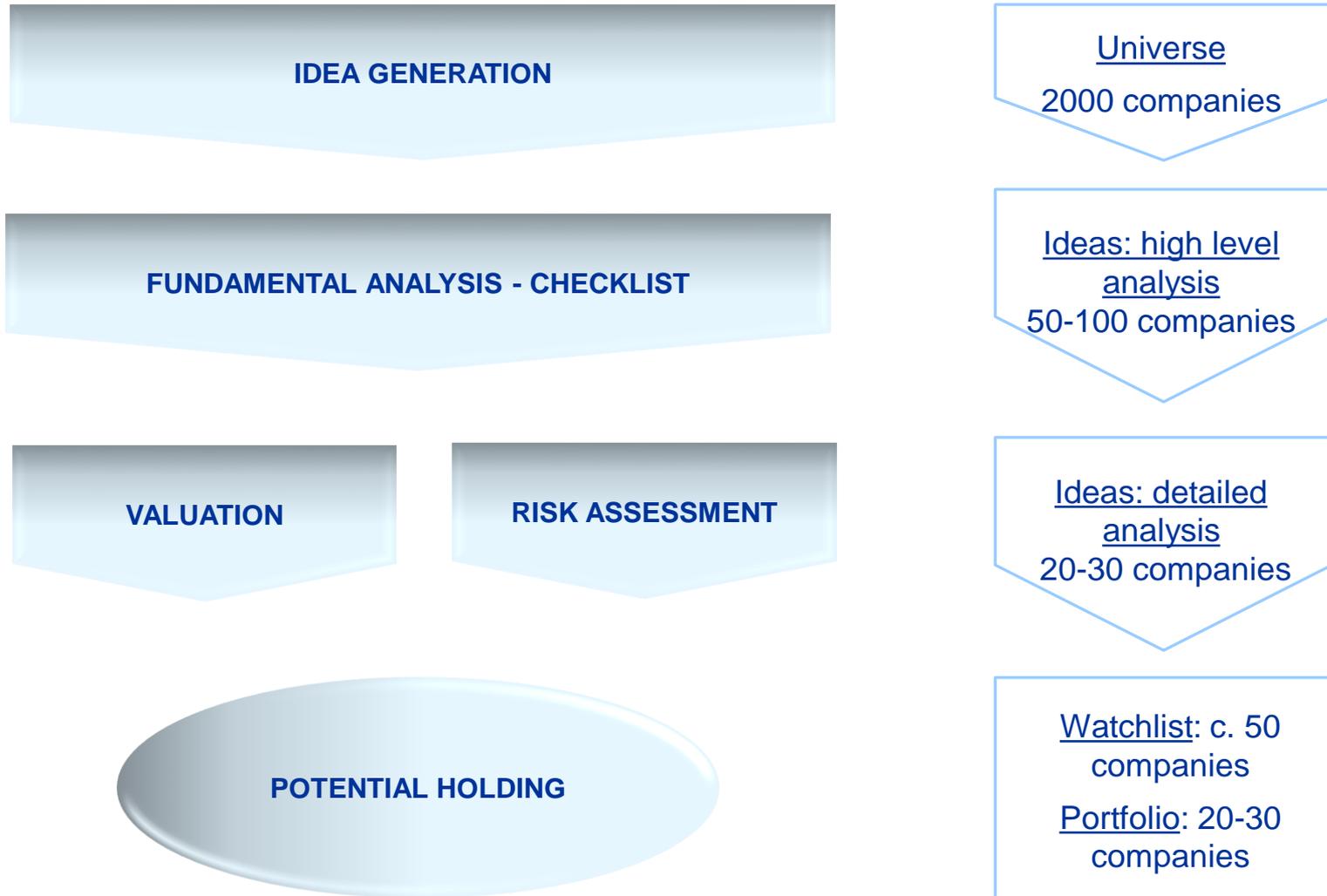
The Oldfield Partners approach

- Value
- Concentrated
- Unconstrained
- Contrarian
- Long-term



Paid to wait for value to be realised

Investment process: research driven, bottom-up approach



The investment team



Alexandra Christiansen



Abri Fourie



Harry Fraser



Richard Garstang



Andrew Goodwin



Juliet Marber



Jacob Laursen



Christoph Ohm



Richard Oldfield



Tom Taylor



Nigel Waller



Sam Ziff

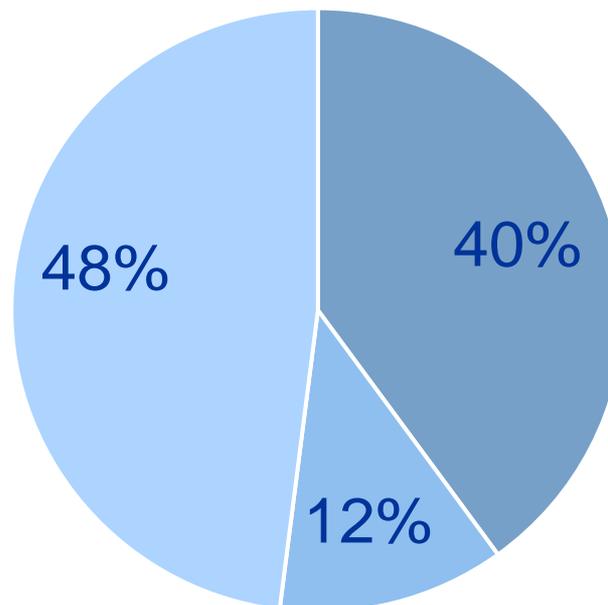
The checklist

- Industry profile
- Business profile
- Growth potential
- Good returns on tangible assets
- Able and high grade management
- Other stakeholders

Able and high grade management

- Alignment
- Stability
- Qualitative aspects
- Capital allocation

Type of management ownership of the Income Strategy



■ Insider Owner ■ Close alignment ■ Other

“Show me the incentive and I’ll show you the outcome”

2018 Management Incentive Scorecard

Strategic & Business Objectives (25.00%)	Metric Weight	Target Range					Component Payout Percentage	
		(Subjective: 0-150%)						
Technology Initiatives	5.00%	(Subjective: 0-150%)					125.0%	
Infrastructure Construction Programs	5.00%	(Subjective: 0-150%)					110.0%	
Reliability & Efficiency	5.00%	(Subjective: 0-150%)					110.0%	
Hospitality & Teamwork	5.00%	(Subjective: 0-150%)					125.0%	
Fleet Modernization	5.00%	(Subjective: 0-150%)					100.0%	
Most Profitable (50.00%)	Metric Weight	Target Range					2018 Actual	% of Target
		0% Threshold	50% Award	75% Award	100% Target	150% Max		
RASM(1)	16.66%	13.09¢	13.23¢	13.36¢	13.80¢	14.05¢	13.75¢	97.0%
CASM ex Fuel & Profitsharing(2)	16.66%	8.55¢	8.50¢	8.47¢	8.44¢	8.35¢	8.53¢	23.7%
Return on Invested Capital, After-Tax ("ROIC")(3)	16.66%	9.5%	12.0%	14.0%	17.0%	20.0%	18.4%	123.7%
Most Flown (8.33%)								
Ontime Performance(4)	8.33%	75.9%	78.7%	80.3%	81.2%	83.5%	79.2%	57.4%
Most Loved (16.66%)								
Net Promotor Score(5)	8.33%	60.0%	62.0%	64.0%	66.0%	70.0%	64.4%	79.7%
Voluntary Turnover(6)	8.33%	3.00%	2.72%	2.69%	2.66%	2.44%	2.42%	150.0%
Total Payout (Percentage of Target) for Company Performance								93.2%

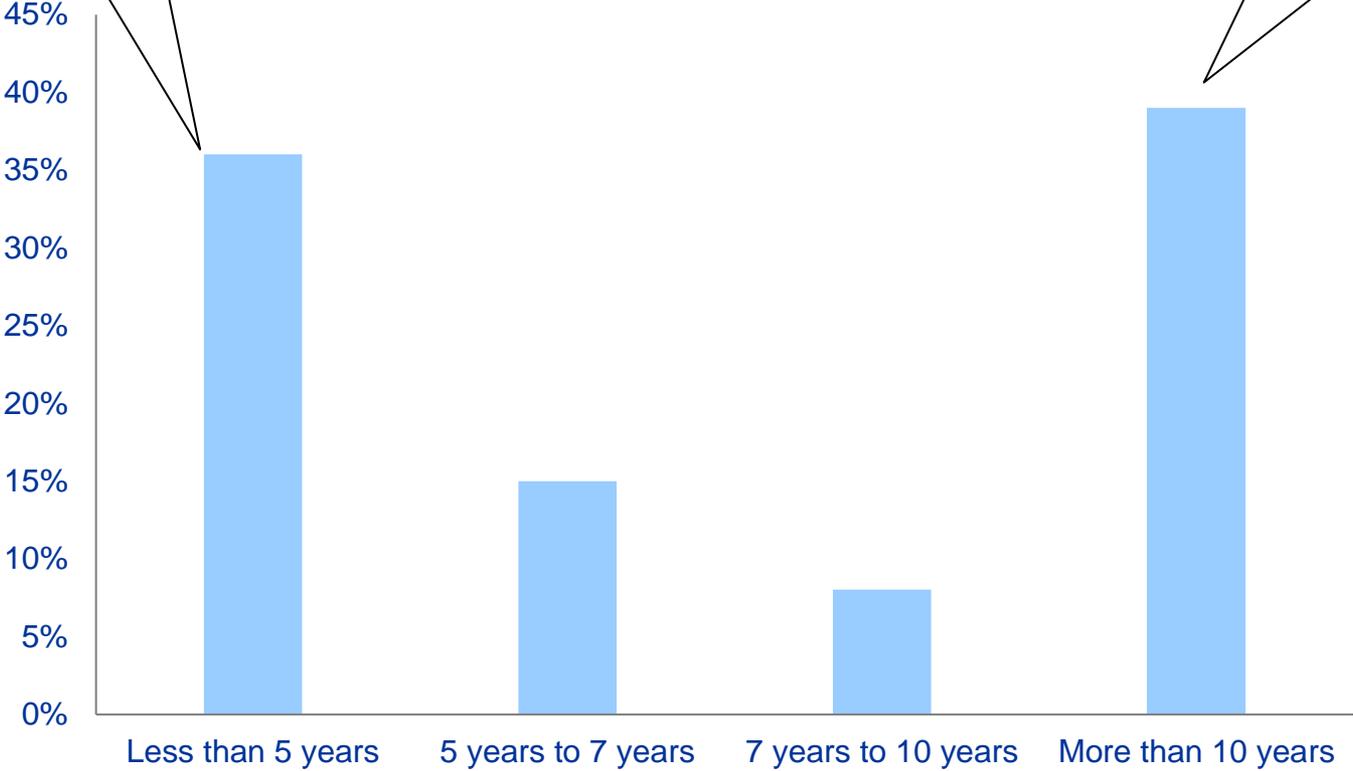
Southwest's Vision: "To be the world's most loved, most efficient, and most profitable airline."

Source: Southwest Annual Report

Median CEO tenure is 5 years

Prem Watsa has been CEO of Fairfax since 1985

CEO tenure of the Income Strategy holdings



Source: OP, Annual reports, Bloomberg; PWC CEO success study

Exor Annual Report 2019:

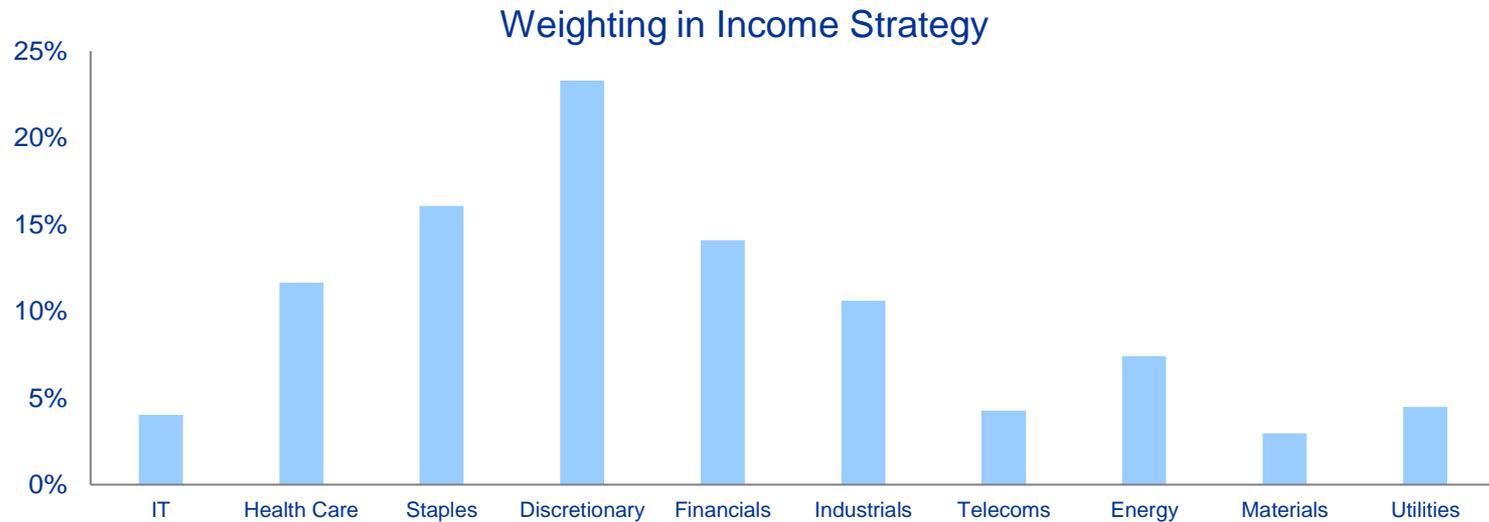
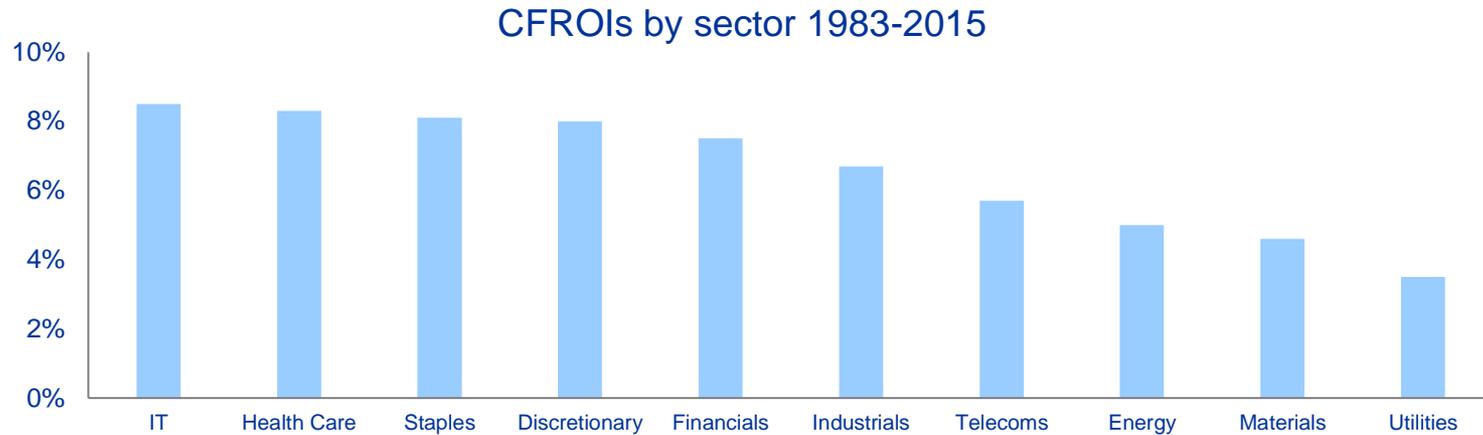
“In our first decade we achieved our objective of beating the MSCI World Index.”

Exor’s compound annual growth rate of NAV per share was, in aggregate, 18.9% compared to the MSCI’s 10.8%”

Annual percentage change				
In USD	Year	NAV/Share	MSCI World Index	Delta
	2009 ¹	113.2	55.6	57.6
	2010	33.7	9.6	24.1
	2011	(26.2)	(7.6)	(18.6)
	2012	21.6	13.2	8.4
	2013	21.0	24.1	(3.1)
	2014	0.8	2.9	(2.1)
	2015	8.4	(2.7)	11.1
	2016	9.6	5.3	4.3
	2017	56.9	20.1	36.8
	2018	(13.6)	(10.4)	(3.2)
	2019 ¹	12.0	11.3	1.3
	Compound Annual Rate	18.9	10.8	8.1
Total percentage change				
	2009 - 2019¹ (10 years)	465.9	179.2	286.7

1) Data in 2009 starts from March 1st, the date before Exor's listing on Borsa Italiana. Data in 2019 up to March 1st.

Source: Exor Annual Report



Source: Credit Suisse - The Base Rate Book; NB: Exor included in Discretionary and Investor in Healthcare

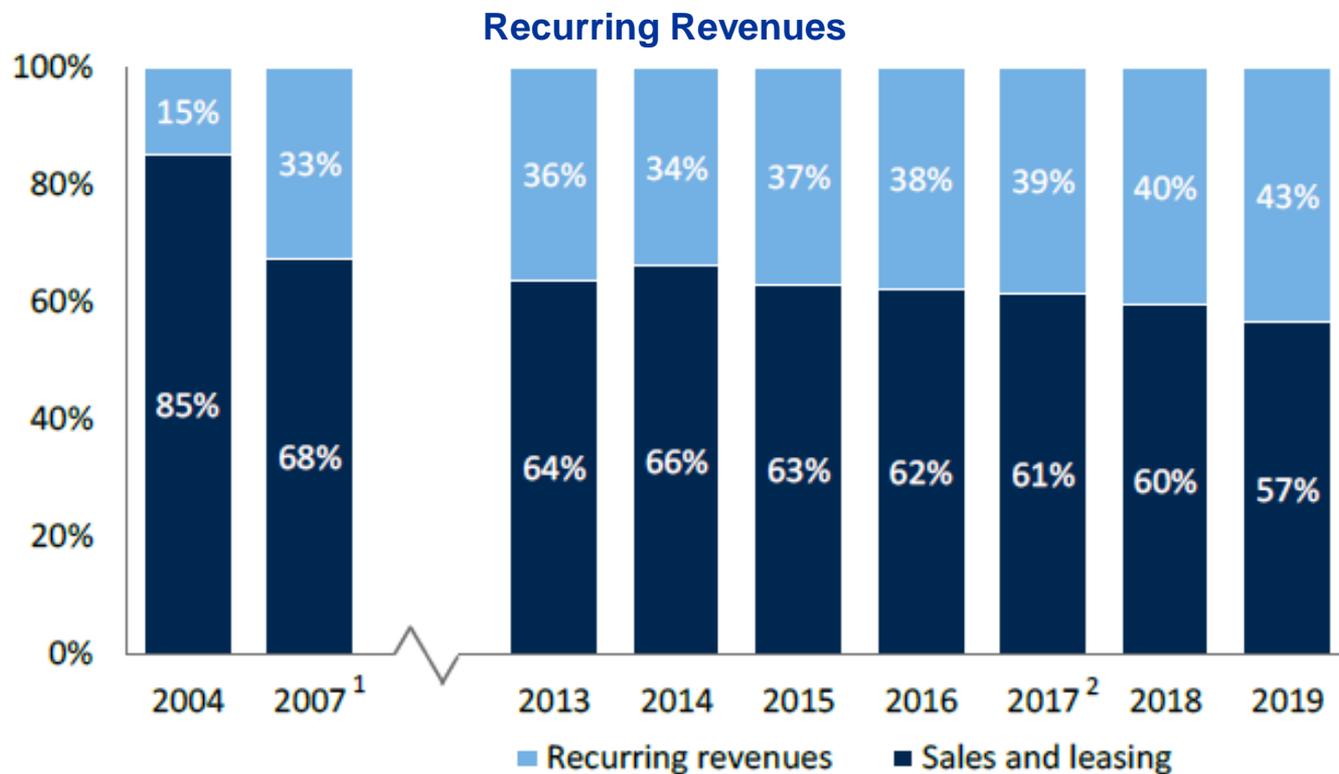
New Holdings

Key purchases and sales

	Purchases	Sales
Q1 2020	EasyJet, Samsung Electronics, Exor, J D Wetherspoon	EasyJet, DXC Technology, Seritage Growth Properties
Q2 2020	-	Stagecoach
Q3 2020	-	-
Q4 2020 to date	Allegiant, Colliers	-

Business model

- Global leader in Commercial Real Estate services & Investment Management
- Asset-light model
- Increasing recurring earnings



Source: Royal Bank of Canada, May 2020.

Growth opportunities

- Organic & inorganic opportunities
- Industry consolidation
- New service offerings

Consolidation Potential

\$240B+

Real Estate Services Market Size



\$100B+

Engineering Services Market Size



Source: Colliers

Colliers

Management

- Jay Hennick - Founder, Chairman, CEO and largest owner (18%)
- Inside ownership closer to 40%
- “Partnership philosophy”

Returns

- Mid-teens return on equity over the cycle

Valuation

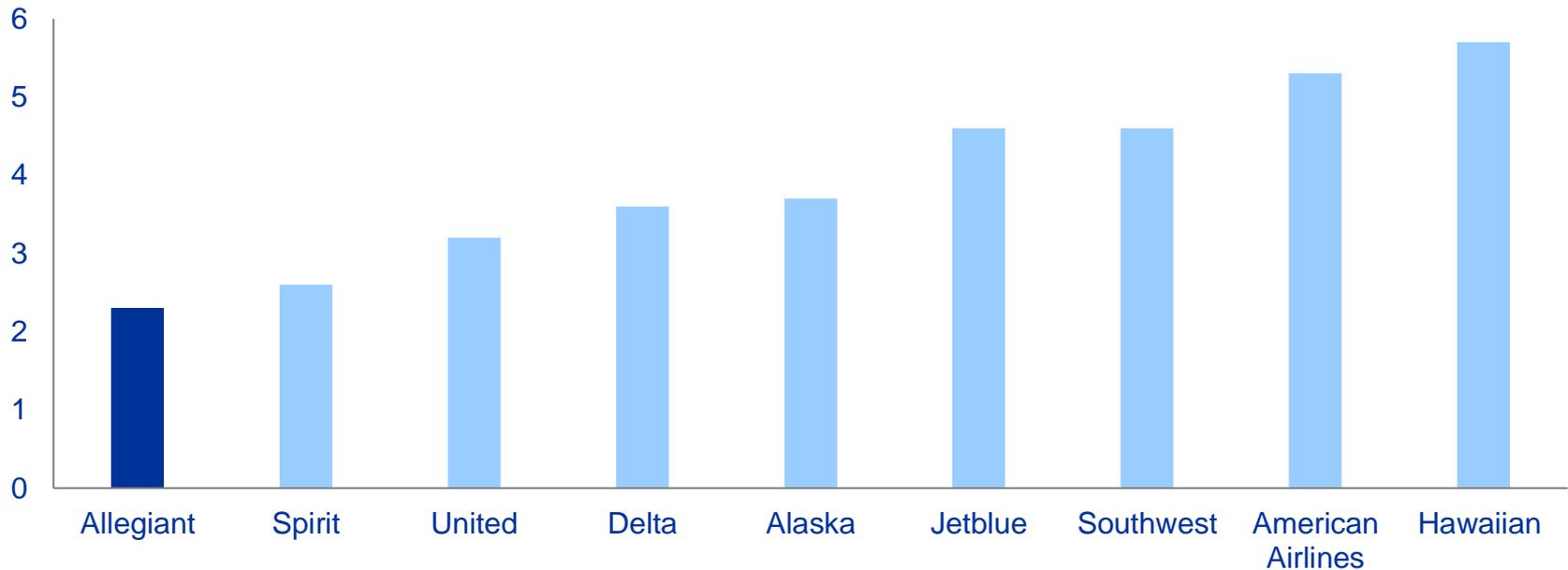
- 2021E PE multiple: 13.5x (20yr median = 17x)

Allegiant

Business model

- Low cost airline
- Focus on leisure travel
- Point-to-point operator

Cash burn per Available Seat Miles (¢)



Source: Spirit. Cash burn based on Q3est. or the most recent reported number on an annualised basis divided by 2019 ASMs; Spirit based on current cash burn of \$3mm/day.

Growth opportunities

- Network expansion on routes with limited competition
- Purchasing planes at exceptional prices
- New service lines

Historic level of non-competitive routes



Competitors – overlapping routes			
Legacy carriers	78	Brand/lower cost carriers	7
		ULCC's	58

Source: Allegiant

Allegiant

Management

- Maurice Gallagher - Chairman, CEO and largest owner (15%)
- Strong track record

Returns

- Mid-teens return on capital over the cycle

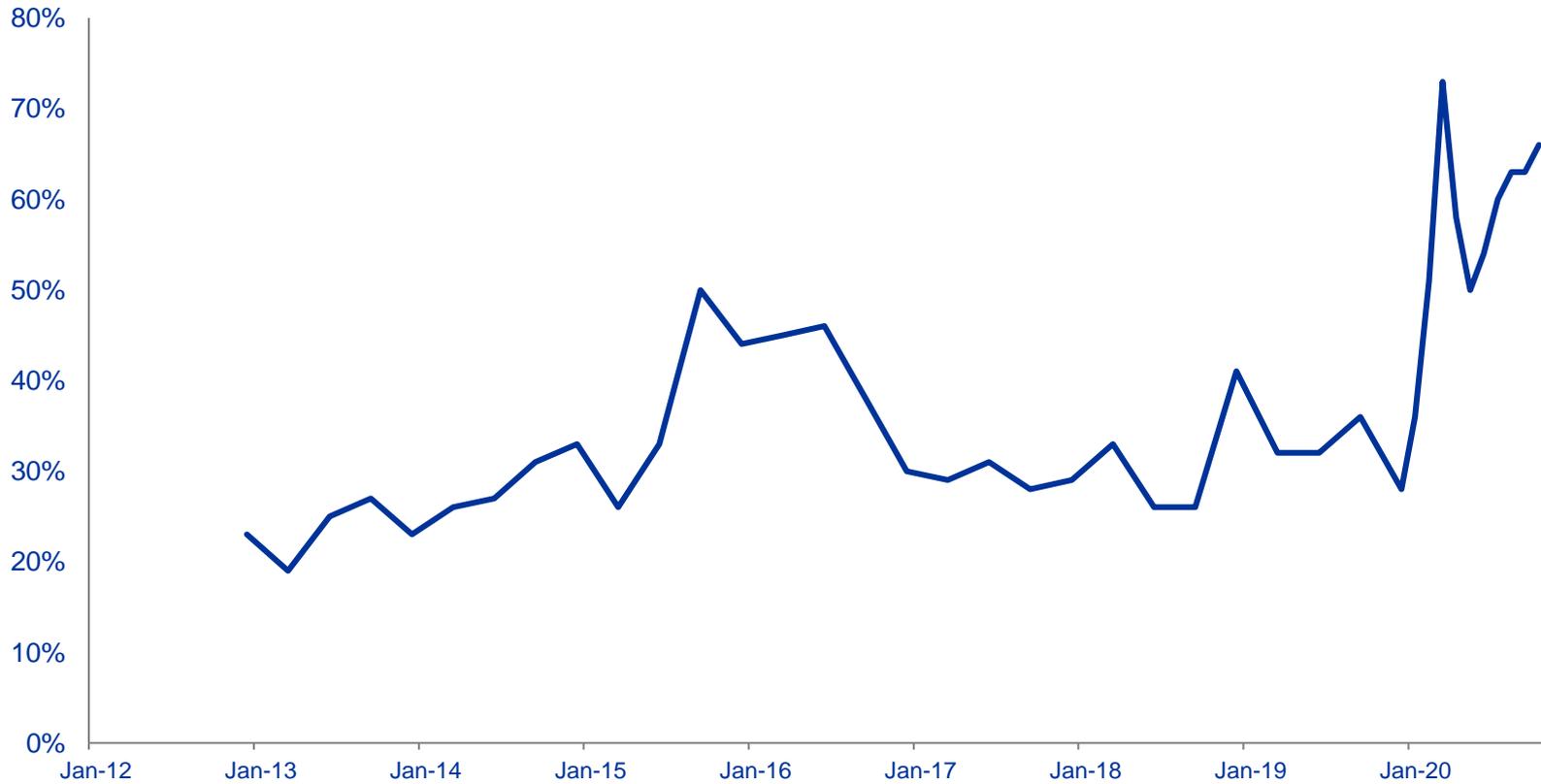
Valuation

- Trailing PE multiple: 9x (10yr median = 14x)

Conclusion

Conclusion

Weighted Average Upside Overstone Global Equity Income(%)



Source: OP, Bloomberg.
Date: As at 15th October 2020.

Portfolio holdings

	Portfolio %		Portfolio %
IWG	7.2	Britvic	3.7
Investor AB	5.9	Scandinavian Tobacco	3.4
Siemens	5.8	Lloyds	3.2
Philip Morris	5.7	Synchrony Financial	3.0
Exor	5.5	Rio Tinto	3.0
Sanofi	4.8	Allegiant Travel	2.9
BT	4.6	Tesco	2.7
J D Wetherspoon	4.5	Colliers International	2.7
E.ON	4.3	Eni	2.1
Handelsbanken	4.1	BP	2.0
Toyota	4.1	EasyJet	1.2
Samsung Electronics	4.0	Yue Yuen Industrial	0.9
Fairfax	3.9	Siemens Energy	0.7
Lukoil	3.8		

Source: OP.
 Date: As at 31st October 2020.
 Representative portfolio used.

Performance – Global Income Composite

Oldfield Partners
Global Income Composite
01 January 2012 through 31 October 2020
Reported in GBP terms

Calendar year	Composite gross of fees (%)	Composite net of fees (%)	MSCI World High Dividend Yield (NDR) (%)	MSCI World (NDR) (%)	Composite gross 3-Yr St Dev (%)	MSCI World High Dividend Yield (NDR) 3-Yr St Dev (%)	MSCI World (NDR) 3-Yr St Dev (%)	No. of portfolios in composite	Composite dispersion (%)	Total composite assets (GBPm)*	Total firm assets (GBPm)
2012	5.1%	4.3%	7.2%	10.6%	N/A	N/A	N/A	1	N/A	29	3507
2013	23.5%	22.2%	19.5%	24.2%	N/A	N/A	N/A	1	N/A	37	3983
2014	8.2%	7.2%	9.0%	11.6%	8.1%	9.2%	9.1%	1	N/A	32	3308
2015	3.4%	2.3%	2.4%	4.8%	10.1%	10.3%	10.2%	1	N/A	29	2879
2016	31.0%	29.8%	30.4%	28.3%	9.9%	10.0%	9.7%	1	N/A	37	3989
2017	11.4%	10.8%	7.8%	11.7%	9.8%	9.8%	9.3%	1	N/A	74	3795
2018	-3.9%	-4.4%	-1.9%	-3.1%	9.2%	9.9%	10.1%	1	N/A	82	2867
2019	21.3%	20.6%	18.4%	22.7%	9.3%	8.7%	10.0%	1	N/A	118	3501
2020 to date	-23.0%	-23.4%	-11.2%	1.0%						79	2368
3yrs per annum	-2.8%	-3.3%	1.4%	6.9%							
5yrs per annum	5.3%	4.6%	8.1%	12.0%							
Since inception per annum	7.5%	6.7%	8.6%	12.2%							
Since inception cumulative	90.2%	77.5%	107.2%	176.5%							

Inception of composite 1st January 2012.

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.

Performance disclosures – Global Income Composite

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 2019. 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 Income Composite includes global portfolios run with the following style: large cap, value driven, income focussed, concentrated, index ignorant and anti-short term. The benchmark for this composite is MSCI World High Dividend Yield Reinvested Net Dividends Reinvested.

Composite creation date

The composite was created in January 2012.

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 presented for calendar years 2012 and 2013 because 36 monthly returns are not available.

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. For some constituent portfolios, returns are calculated gross of administration and custodial fees. Returns are net of all trading expenses. 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 1.25% per annum.

Currency of results

The results are presented in GBP 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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