Emerging Market Outperformance:

Public-traded Affiliates of Multinational Corporations

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Abstract

Publicly-traded emerging market affiliates of large multinational corporations (headquartered and mostly also listed in developed markets) have shown remarkably good performance over the last 14 years. These affiliates combined high performance with lower volatility, outperforming both their local market and the wider emerging markets, but not at the expense of significant greater down-side volatility. Their performance during the financial crisis was particularly good, compared to both their local markets and the developed markets, and especially so in Asia. In our analysis, we suggest two main reasons for this outperformance: improved corporate governance and a stabilizing role of the parent companies. Both seem critical specifically in financial crises. These may give these affiliates a clear comparative advantage over their local competitors that should endure in the foreseeable future.

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Introduction

Over the last 14 years (June 1998 – June 2011), emerging markets stocks have significantly outperformed developed markets. This is illustrated in Figure 1, which plots the cumulative total return (with dividends and all other payouts reinvested) over this period.

One dollar invested in the MSCI index tracking emerging markets in Asia (EM-ASIA) in June 1998 was worth $4.51 at the end of June 2011. For the MSCI index tracking emerging markets in Eastern Europe, the Middle East and Africa (EMEA), the dollar would have grown to $4.07. Latin American (LatAM) equity markets also did markedly well, with one dollar investment in the MSCI Latin America index growing to $6.32 over this 14 year period.

However, the performance in developed markets as tracked by the MSCI World index (WORLD) over this period was markedly lower, with the one dollar investment growing to $1.63 over this period. This translates into an average, annualized rate of return for EM-Asia, EMEA, LatAM and WORLD of 15.1%, 14.6%, 19.0% and 5.2%, respectively (see the first tow of Table 1).

The higher performance of emerging equity markets came with considerably higher volatility. The annualized volatility of equity returns was about 26% in the emerging markets versus 17% in developed markets (see the second row of Table 1). Emerging markets also exhibited greater downside volatility, as can be seen by the precipitous drop in prices during the financial / credit crisis at the end of 2007 through the end of 2008. The extent of the largest drop from peak to bottom can be expressed in terms of the amount of wealth left at the trough if one dollar was invested at the peak. This 'peak-to-bottom performance' of a $1 investment at the peak equaled about $0.37 for the emerging market indices, compared to $0.46 for developed markets (see the third row of Table 1).

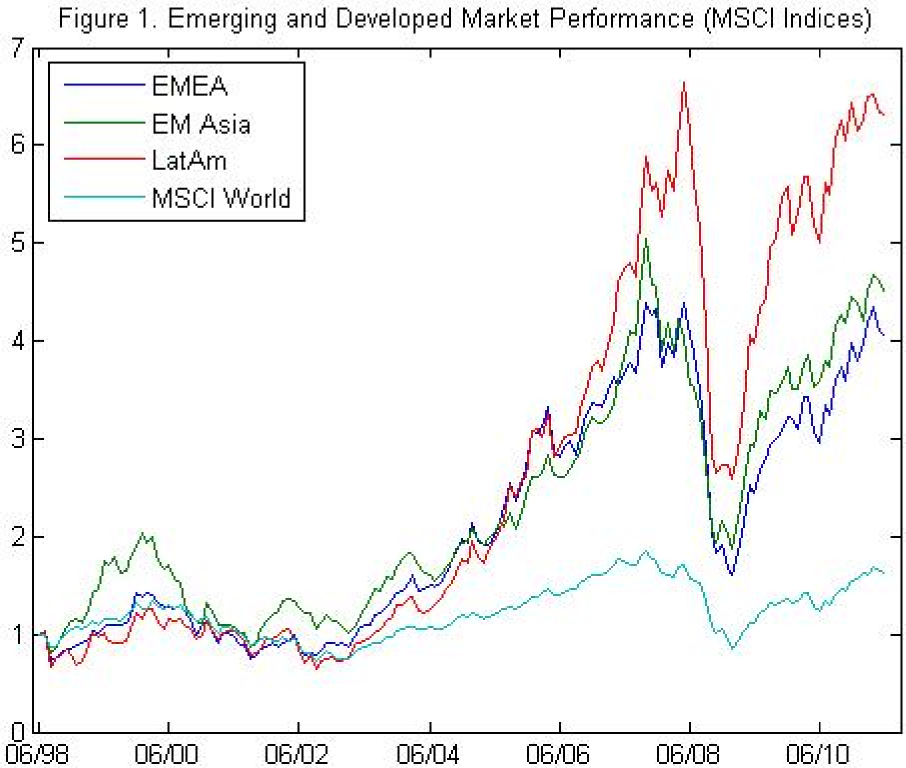


Table 1.
Return, Volatility and Peak-to-Bottom Performance of MSCI indices, June 1998 – June 2011.

	EMEA	EM-Asia	LatAm	World
Average, Annualized Return	14.6%	15.1%	19.0%	5.2%
Annualized Volatility	26.7%	26.1%	30.0%	16.8%
Peak-to-Bottom $1 Performance	$0.37	$0.37	$0.39	$0.46

These results point to the general trade-off between higher long-term performance and its cost of greater (short-term) volatility. The goal of this note, however, is to point to a select group of emerging market investments that managed to combine even better performance without greater down-side volatility, and in the case of Asian emerging markets, without greater total volatility too. The emerging market equities that combined high performance and lower volatility consisted of publicly-traded affiliates (all listed and operating in emerging markets) in which large multinational corporations (all headquartered and mostly also listed in developed markets) have very significant ownership stakes. This note documents that these affiliated emerging market stocks outperformed their local market and the wider emerging markets, but not at the expense of significant greater volatility. Their performance during the financial crisis was particularly good, compared to both their local markets and the developed markets.

The reason that these affiliates outperformed their local emerging stock markets without greater volatility may be twofold. First, they may have benefitted from improved corporate governance through the large stakes of the multinational corporations. Investor preference for increased transparency and accountability is especially important in emerging markets (see McKinsey (2000)), where local minimum corporate governance requirements are typically far short of those in developed markets (see Aggarwal, Erel, Stulz and Williamson (2008)). Second, the affiliates can benefit from the support from their 'parent' companies, which provide a stabilizing role, especially during the crisis (see Wang (2007) and Li, Nguyen, Pham and Wei (2011)).

Data

The time period was chosen to balance sample size and history length, and further depended on the available ownership history data. Over our time period, we identified a total of 92 affiliates, 24 in Asia (8 in India, 4 in Indonesia, 6 in Malaysia, 3 in Pakistan and 2 in Thailand), 15 in Eastern Europe (2 in Czech Republic, 1 in Hungary, 6 in Poland and 4 in Russia), 22 in the Middle East (2 in Egypt and 20 in Turkey), 9 in Africa (all in South Africa), and finally 22 in Latin America (2 each in Argentina and Chile, 3 in Mexico and 15 in Brazil).

The affiliates are chosen based on having large ownership stakes by a multinational corporation. Many of the affiliates are subsidiaries of a multinational corporation, though in other cases the ownership reflects a major direct investment. We label the multinational corporations with significant ownership in the affiliates as their 'parent' company. In our sample, median ownership of the parent equals 56%, with three-quarters of the parents owning at least 40% of the affiliates. The parent companies are listed in various developed markets, with the most frequent countries being the U.K. (15), the U.S. (13), France (10), Germany (10), Italy (7), Japan (7) and Spain (7). Some parent companies have multiple publicly traded affiliates, such as U.K.-listed Unilever (with affiliates in India, Pakistan and Indonesia), U.S.-listed AES Corporation (affiliates in Brazil and Chile), Netherlands-listed ING Groep (affiliates in Poland and India) and Swiss Nestle (affiliates in India and Malaysia).

Affiliates, Parents and Country Performance

Figure 2. Affiliate (in Emerging Markets) and Parent (in Developed Markets) Performance

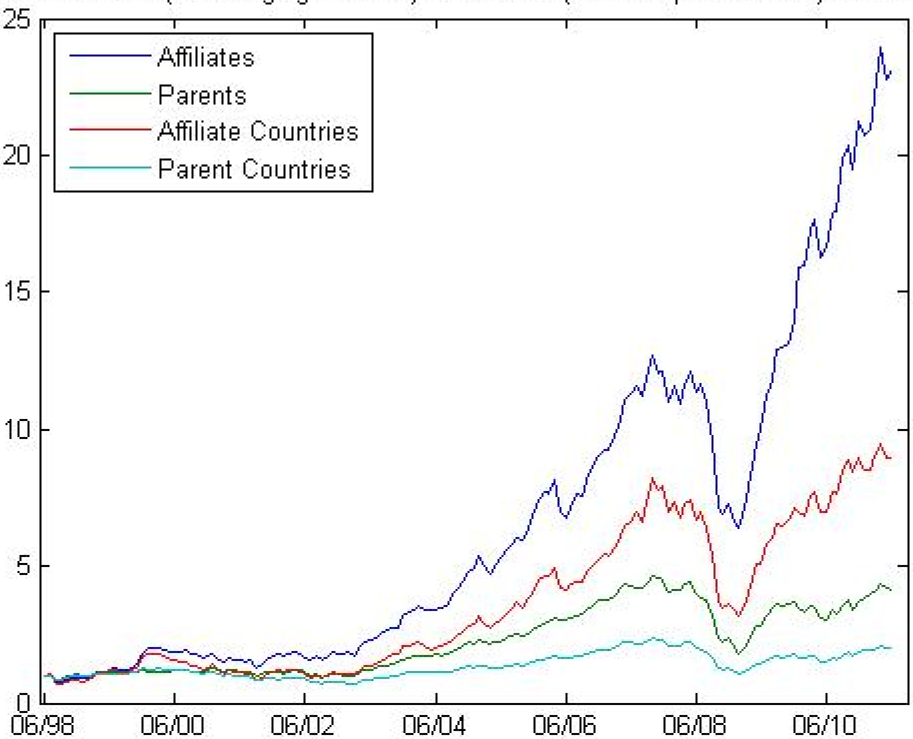


Figure 2 presents the cumulative performance of the group of affiliates, their parents and their respective countries. All results use equally-weighted equity portfolios of the group of affiliates, their parents, or the MSCI indices of the respective countries in which the affiliate or parent is listed.

One dollar invested in the group of affiliates in June 1998 would have grown to $23.03 in June 2011. For each affiliate, we take the MSCI index of the country in which it is listed as its match. We then form a portfolio of all those matches, which we call the 'Affiliate Countries' portfolio. Each dollar invested in this portfolio in June 1998 would have been worth $8.92 in June 2011. The affiliates thus clearly outperformed their local markets.

Next, for each affiliate, we also calculate the return of its parent equity, if it is publicly listed (which is the case for all but 6 of the affiliates). A portfolio consisting of all the parents (with parents that have multiple affiliates appearing multiple times in the portfolio) is called the 'Parents' portfolio. One dollar invested in the Parent portfolio in June 1998 would have grown to $4.15 in June 2011.

Finally, for each parent we also take the MSCI index of the country in which the parent is listed, and the portfolio of those country indices is called the 'Parents Countries' portfolio. Each dollar invested in this portfolio in June 1998 would have been worth $2.00 in June 2011. The parents thus outperformed both their local markets and the MSCI World index (where the one dollar investment would have grown to $1.63 over this period).

Table 2 indicates that the superior performance of the affiliates did not arise as a result of them being more volatile. The annualized volatility of the portfolio of affiliates equals 24.6%, which is lower than that of their country indices (volatility of 29.7%) and only slightly above that of the portfolio of their parents (volatility of 21.4%). Most interestingly, the affiliates performed remarkably well during the recent financial crisis. Each dollar invested at the peak would have resulted in a trough investment worth only $0.50, but that is still considerably better than the corresponding peak-to-trough performance results for the portfolio of parents ($0.39) or the MSCI indices of the countries in which those parents are listed ($0.44).

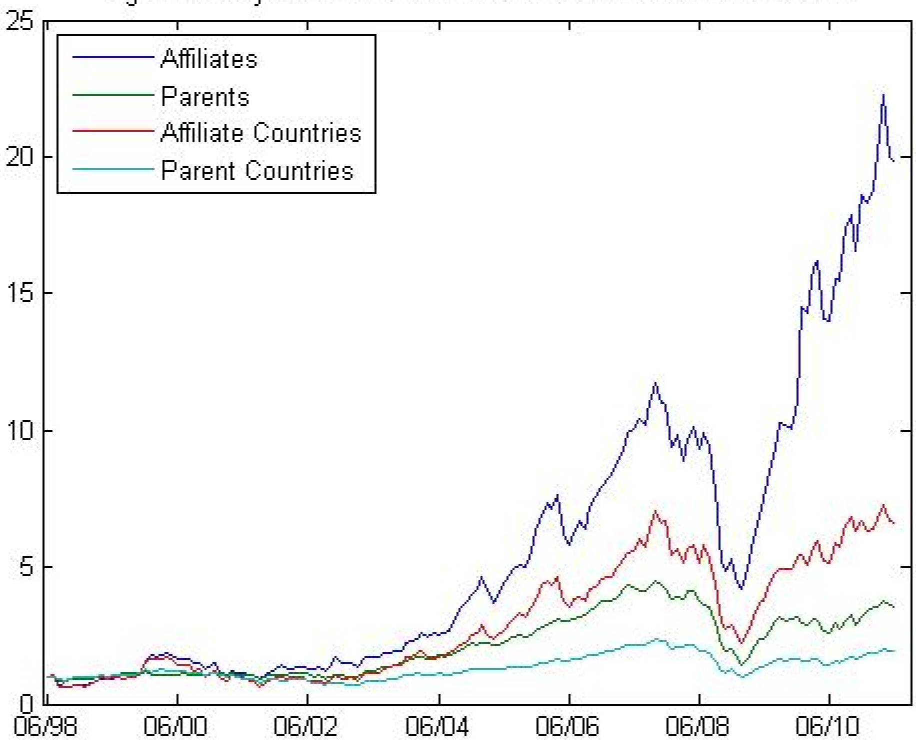
Table 2.
Return, Volatility and Peak-to-Bottom Performance of Affiliates, Parents and their Countries, June 1998 – June 2011.

	Affiliates	Parents	Affiliate Countries	Parent Countries
Average, Annualized Return	27.4%	13.3%	21.5%	7.2%
Annualized Volatility	24.6%	21.4%	29.7%	19.0%
Peak-to-Bottom $1 Performance	$0.50	$0.39	$0.38	$0.44

Performance Across Regional Emerging Markets

The affiliates with very large ownership by the multinational corporations are listed in three different regional emerging markets, which we analyze in separate samples. In each of these regional markets, we find that these affiliates have clearly outperformed their local market, while their parents have outperformed their local developed market as well. Figure 3, 4 and 5 present, for EMEA, EM-Asia and Latin America, respectively, the cumulative returns of $1 invested in the portfolio of affiliates, their parents or the respective MSCI indices of their local markets.

Figure 3. Only EMEA Affiliates: Affiliate and Parent Performance



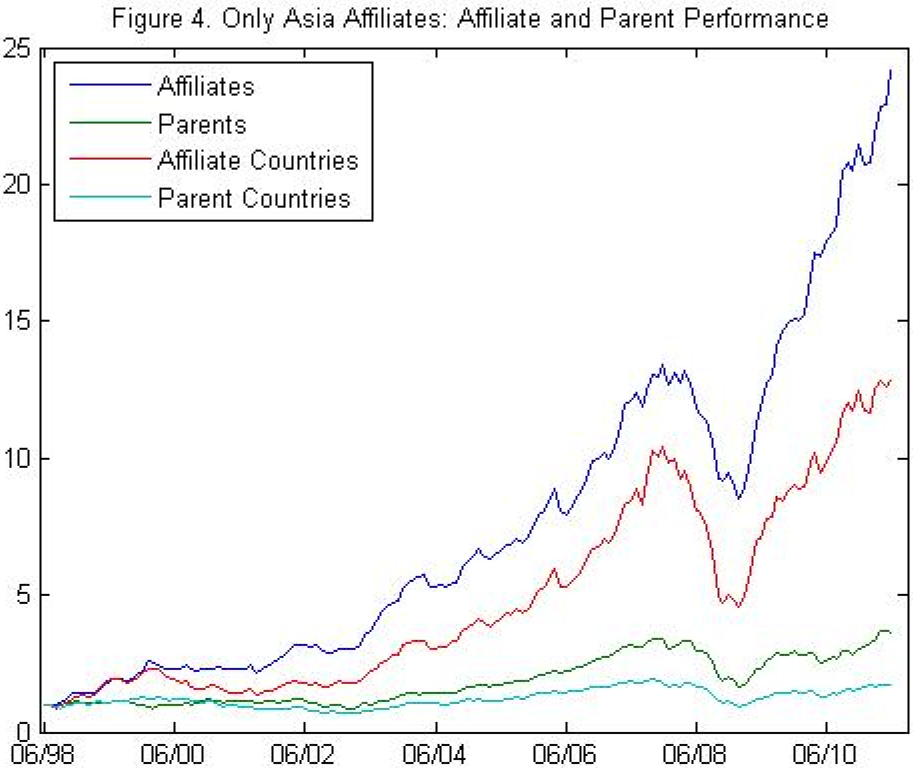


Figure 4. Only Asia Affiliates: Affiliate and Parent Performance
Affiliates
Parents
Affiliate Countries
Parent Countries
25
20
15
10
5
0
06/98
06/00
06/02
06/04
06/06
06/08
06/10

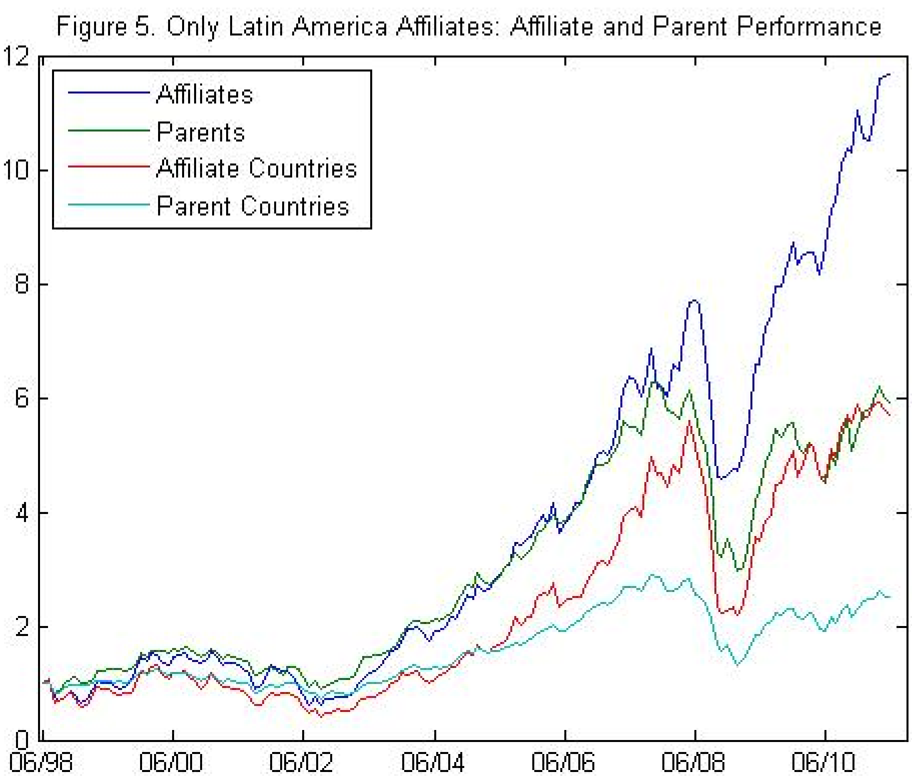


Figure 5. Only Latin America Affiliates: Affiliate and Parent Performance
Affiliates
Parents
Affiliate Countries
Parent Countries
12
10
8
6
4
2
0
06/98
06/00
06/02
06/04
06/06
06/08
06/10

Table 3 presents the average return, the volatility and the peak-to-trough performance of the various portfolios in each of the three samples. The results indicate that the affiliates combined this outperformance with lower volatility across the three samples. This holds for lower total volatility, but also for better peak-to-trough performance. As a result, the main result that this note aims to document, that these emerging market affiliates with large multinational corporation ownership have performed remarkably well over the last 14 years, is robust to widely varying regions.

The performance of the Asian affiliates has been particularly noteworthy. While the total return of EMEA affiliates has been slightly higher (29.8% per year in EMEA versus 26.2% per year in Asia), the Asian affiliates combined high performance with markedly low volatility. The annualized volatility of the portfolio of Asian affiliates is only 17%, which is almost identical to the volatility of developed markets over this period (e.g. 16.8% annualized volatility for the MSCI World index). Finally, the peak-to-trough performance of the Asian affiliates shows that these stocks suffered considerably less downward volatility than either their local emerging markets or the developed markets.

Table 3.
Return, Volatility and Peak-to-Bottom Performance of Affiliates, Parents and their Countries, June 1998 – June 2011, for three regional emerging market samples.

Panel A. EMEA

	Affiliates	Parents	Affiliate Countries	Parent Countries
Average, Annualized Return	29.8%	12.6%	21.6%	7.1%
Annualized Volatility	35.8%	23.6%	36.9%	20.0%
Peak-to-Bottom $1 Performance	$0.36	$0.32	$0.32	$0.42

Panel B. Asia

	Affiliates	Parents	Affiliate Countries	Parent Countries
Average, Annualized Return	26.2%	11.8%	22.3%	5.6%
Annualized Volatility	17.0%	19.3%	22.6%	17.4%
Peak-to-Bottom $1 Performance	$0.63	$0.48	$0.44	$0.47

Panel C. Latin America

	Affiliates	Parents	Affiliate Countries	Parent Countries
Average, Annualized Return	23.5%	16.6%	20.3%	9.1%
Annualized Volatility	29.5%	23.6%	36.5%	20.0%
Peak-to-Bottom $1 Performance	$0.40	$0.48	$0.30	$0.45

Price-to-Book Ratios

It is possible that a material portion of the outperformance of the affiliates over our time period was due to a rise in their relative valuations. To investigate this, we calculate the price-to-book ratio of all affiliates, their parent companies, and their respective countries. Next, we normalize each price-to-book ratio series to start one at the beginning of the time period, and each month, we calculate the average normalized price-to-book ratio of each group. This will help in clarifying what part of the cumulative stocks returns can be ascribed to changes in valuations, and could help assessing whether, for example, the affiliates are currently priced in a way that already assumes very large future earnings growth rates.

Figure 6. Affiliate (in Emerging Markets) & Parent (in Developed Markets) Normalized P/B

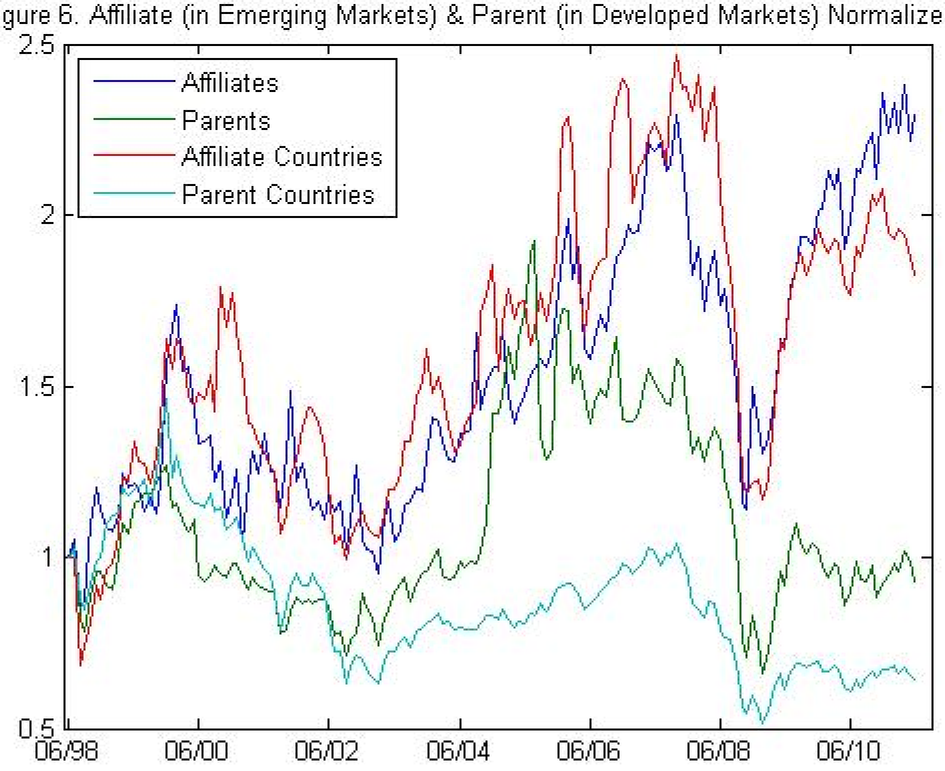
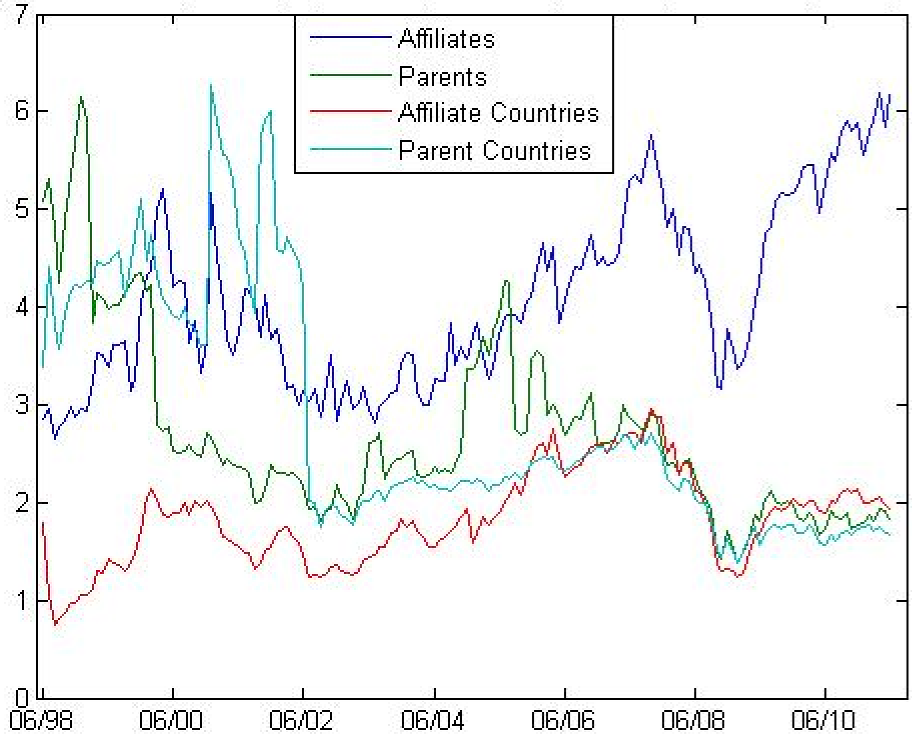


Figure 6 shows that only a small part of the 2,303% increase in the stock price of the Affiliates portfolios of over our time period can be explained by a rise in valuations. Specifically, the price-to-book ratio of the affiliates has gone up by a factor of 2.29. Further, the price-to-book ratios of affiliates and their countries are quite similar. The group of parent companies has seen no increase in the price-to-book ratio, while their parents have seen declining valuation ratios.

Figure 7. Affiliate (in Emerging Markets) & Parent (in Developed Markets) Average P/B



Finally, figure 7 presents the average (thus not normalized) price-to-book ratio of the group of affiliates, parents and their respective countries. Starting our time period with higher valuations, the figure shows that the developed parents countries have seen a general decline in valuations and have valuations very similar to those of the emerging markets. The valuations of these latter emerging markets are about the same at the beginning and the end of the time period. Finally, the affiliates are trading at valuations that are about three times higher, suggesting that investors view the growth prospects of affiliates as more promising.

Industry Exposure

Another possibility is that the affiliated companies outperformed due to their industry exposure. We consider this by calculating a custom designed industry index for each region, which exactly matches the industry exposure of the affiliates in our sample, using the following steps. First, for each of the three emerging market regions, we take the GICS industry sector of each affiliate, and calculate the return on its (region-specific) MSCI sector index. This data starts at the end of 1998. Second, we calculate the equally-weighted portfolio of these MSCI sector index returns for each of the separate regions.

Table 4 provides summary statistics of the performance of the resulting emerging market industry indices, which are custom-designed to match the industry exposure of the affiliates in the respective regions. The cumulative total returns (with dividends and all other payouts reinvested) of $1 are given in Figure 8.

Table 4.
Return, Volatility and Peak-to-Bottom Performance of Emerging Markets Custom-designed Industry Indices, January 1999 – June 2011.

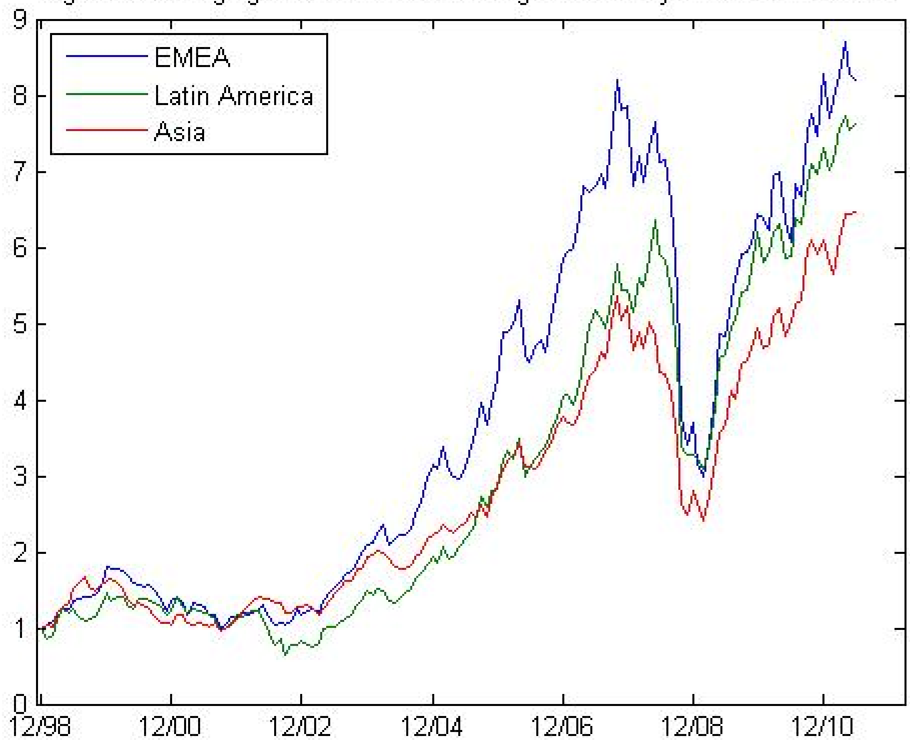
	EMEA	Asia	Latin America
Average, Annualized Return	20.4%	17.5%	20.1%
Annualized Volatility	26.1%	22.1%	27.4%
Peak-to-Bottom $1 Performance	$0.36	$0.45	$0.45

Compared to the performance of the MSCI regional indices (see Table 1 and Figure 1), the industry-matched indices do better, especially for the EMEA region. For example, a $1 investment in the MSCI EMEA index would have grown to $4.1 from January 1999 to June 2011, while a $1 investment in the custom-designed EMEA industry index would have grown to $8.2 over this period.

However, the performance of the emerging market industry indices still falls far short of the performance of the affiliates. For example, a $1 investment in the portfolio of EMEA affiliates would have grown to $19.8 from January 1999 to June 2011, far better than its industry-matched portfolio. Results are similar for the other regions. A comparison of Table 3 and Table

4 shows that affiliates generally outperformed their regional industry sectors without significantly greater volatility or down-side risk. We thus conclude that industry exposure cannot explain their outperformance either.

Figure 8. Emerging Markets Custom-designed Industry Index Performance



Analysis

What factors can explain the outperformance (with both lower total and downside volatility) of the emerging market affiliates in our sample? We can identify two distinct but related ways of how these affiliates benefit from their parents (and, obviously, vice versa): through improved corporate governance and through a stabilizing influence.

First, the affiliates may have benefitted from improved corporate governance through the controlling stakes of their parents, the multinational corporations. Such improved corporate governance can result in improved investor protection and operating performance. McKinsey surveys (see Coombes and Watson (2000)) indicate that investors put a higher premium on good corporate governance in emerging markets than in developed markets, while governance matters greatly in both. For example, the large institutional investors surveyed responded that they would be willing to pay a 18% premium for a well-governed U.K. company, versus a 26% premium for a well-governed firm in Thailand.

The benefits from improved corporate governance could arise either directly or indirectly. The direct route includes situations where the multinational parent company is monitoring management at the affiliate closely, and intervening when necessary to protect their significant investment. This may involve placing directors on the board and having a say in managerial appointments, but also providing technology and human capital training. Their large stakes give the foreign parent strong incentives to exert efforts to monitor, allowing all other shareholders to benefit. As emerging markets typically have much weaker investor and creditor protection, lower judicial efficiency and weaker accounting standards than developed markets (see e.g. La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998, 2002)), this can significantly improve the efficiency of the use of firm resources.

Further, the presence of the multinational parent may enable the affiliate to raise capital more easily. Much of this can come from direct investment by the parent, but easier access to capital markets by the affiliate may play a role as well. For example, Desai, Foley and Hines (2004) study the internal capital market of multinational corporations, and compare their emerging market affiliates to the affiliates' local, stand-alone competitors. They conclude that multinational firms are able to create financing opportunities not available to the local competitors by structuring their finances in response to tax and capital market conditions. The flexibility of the large internal market within the multinational corporation, with presumably better information than external market participants, can thus provide a real advantage. Likewise, Kelley and Woidtke (2006) study a sample of U.S. multinationals, and also find evidence that these have a clear comparative advantage in real investment, especially when investor and creditor protection is relatively poor.

The indirect role of improved corporate governance can come through better incentives for the management of the affiliates. Having their stock traded separately allows them to benefit directly from their own efforts. At the same time, the presence of the multinational parent may attract more foreign institutional investors, whose presence may provide a disciplinary effect. These global institutional investors can with relative ease move their money elsewhere. Ferreira and Matos (2008) corroborate this. They study the role of institutional investors across

27 countries, and find that firms with higher ownership by these institutions have higher firm valuations and better operating performance.

Second, the parent can provide a critical stabilizing role, especially in the context of a financial crisis. The main academic evidence here is from the 1997 Asian financial crisis. E.g., Baek, Kang and Park (2004) find that Asian firms with higher ownership by foreign investors experienced significantly smaller reductions in stock prices in the Korean financial crisis. Blalock, Gertler and Levine (2005) document how direct foreign investment supported and shielded Indonesian firms from liquidity constraints during the 1997 Asian crisis.

A recent academic paper, Li, Nguyen, Pham and Wei (2011), is an especially closely related academic study. This paper considers a sample of companies with large foreign ownership in 31 emerging markets, with a focus on volatility. They find that emerging market firms with large foreign ownership has considerably lower volatility, and argue that this suggests a stabilizing role of the foreign parents. A comparison of our sample size to theirs indicates that our sample seems quite inclusive.

Conclusion

Publicly-traded emerging market affiliates of large multinational corporations (headquartered and mostly also listed in developed markets) have outperformed both their local market and the wider emerging markets over the last 14 years. These affiliates combined the higher performance with lower volatility, and especially lower down-side volatility. Their performance during the financial crisis was particularly good, compared to both their local markets and the developed markets, and especially so in Asia. We offer two main reasons for this outperformance: improved corporate governance and a stabilizing role of the parent companies. Both seem critical specifically in financial crises. These seem to provide affiliates a clear comparative advantage over their local competitors that should endure in the foreseeable future.

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Appendix 1 : List of Multinational Companies

Affiliate	Country	Parent	Country	Current % ownership	Date
Asia					
Hero Honda Motors Ltd	India	Honda Motor Co Ltd	Japan	26%	31st Dec 2009
Castrol India Ltd	India	Castrol Ltd		70.92%	31st Dec 2009
Abb Ltd	India	Abb Ltd-Reg	Switzerland	52.11%	31st Dec 2011
Itc Ltd	India	British American Tobacco Plc	Britain	26%	31st Jan 2011
Glaxosmithkline Pharmaceutic	India	Glaxosmithkline Plc	Britain	35.99%	31st Mar 2010
Ing Vysya Bank Ltd	India	Ing Groep Nv-Cva	Netherlands	33.70%	31st Mar 2010
Nestle India Ltd	India	Nestle Sa-Reg	Switzerland	34.28%	17th Mar 2010
Aventis Pharma Ltd	India	Sanofi	France	60.40%	30th July 2009
Hindustan Unilever Ltd	India	Unilever Plc	Britain	36.81%	27th Nov 2009
Mandom Indonesia Tbk Pt	Indonesia	Mandom Corp	Japan	60.80%	31st Dec 2009
Multi Bintang Indonesia Pt	Indonesia	Heineken Nv	Netherlands	7%	22nd April 2010
Merck Tbk Pt	Indonesia	Merck Kgaa	Germany	74%	31st Mar 2010
Unilever Indonesia Tbk Pt	Indonesia	Unilever Plc	Britain	84.99%	1st Mar 2011
Panasonic Manufacturing Mala	Malaysia	Panasonic Corp	Japan	47.45%	31st Dec 2009
Shangri-La Hotels (Mal) Bhd	Malaysia	Shangri-La Asia Ltd	Hong Kong	52.78%	31st Dec 2010
Aeon Co (M) Bhd	Malaysia	Aeon Co Ltd	Japan	51%	8th April 2010
Allianz Malaysia Bhd	Malaysia	Allianz Se-Reg	Germany	74.97%	28th Feb 2011
Aeon Credit Service M Bhd	Malaysia	Aeon Credit Service Co Ltd	Japan	58.20%	24th Dec 2010
British American Tobacco Bhd	Malaysia	British American Tobacco Plc	Britain	50%	31st Dec 2010
Digi.Com Bhd	Malaysia	Telenor Asa	Norway	49%	18th Mar 2010
Lafarge Malayan Cement Bhd	Malaysia	Lafarge Sa	France	51%	17th Mar 2011
Nestle (Malaysia) Berhad	Malaysia	Nestle Sa-Reg	Switzerland	72.61%	28th Feb 2011
Orix Leasing Pakistan Limite	Pakistan	Orix Corp	Japan	49.59%	31st Dec 2010
Boc Pakistan Ltd	Pakistan	Boc Group Ltd/The	Britain	60%	24th Feb 2011

Affiliate	Country	Parent	Country	Current % ownership	Date
Unilever Pakistan Ltd	Pakistan	Unilever Plc	Britain	75.34%	31st Mar 2010
Capital Nomura Secs Pcl	Thailand	Nomura Holdings Inc	Japan	25.11%	31st Dec 2010
Goodyear Thailand Pcl	Thailand	Goodyear Tire & Rubber Co	United States	66.79%	28th Feb 2011
EMEA					
Coca-Cola Icecek As	Turkey	Coca-Cola Co/The	United States	20.09%	30th Sept 2009
Tofas Turk Otomobil Fabrika	Turkey	Fiat Spa	Italy	37.86%	31st Dec 2009
Akcansa Cimento	Turkey	Heidelbergcement Ag	Germany	40%	31st Dec 2009
Alcatel Lucent Teletas	Turkey	Alcatel-Lucent	France	65%	31st Dec 2009
Afyon Cimento	Turkey	Ciments Francais	France	51%	31st May 2009
Alarko Carrier Sanayi Ve Tic	Turkey	United Technologies Corp	United States	42%	31st Dec 2009
Akenerji Elektrik Uretim As	Turkey	Cez As	Czech	37%	31st May 2009
Bosch Fren Sistemleri	Turkey	Robert Bosch Gmbh	Germany	85%	31st Dec 2007
Goodyear Lastikleri Turk As	Turkey	Goodyear Tire & Rubber Co	United States	75%	30th Sept 2009
Kaplamin Ambalaj Sanayi	Turkey	Svenska Cellulosa Ab-B Shs	Sweden	29%	31st Dec 2008
Turk Prysmian Kablo Ve Siste	Turkey	Prysmian Spa	Italy	84%	31st Dec 2008
Mondi Tire Kutsan Kagit Ve	Turkey	Mondi Plc	Britain	63%	31st Dec 2009
Olmuksa Int'L Paper Sabanci	Turkey	International Paper Co	United States	44%	31st Dec 2009
Omv Petrol Ofisi As-A Sh	Turkey	Omv Ag	Austria	97%	31st Dec 2009
Tesco Kipa Kitle Pazarlama	Turkey	Tesco Plc	Britain	93%	30th Nov 2009
Komercni Banka As	Czech	Societe Generale	France	60%	31st Dec 2010
Magyar Telekom Telecommunica	Hungary	Deutsche Telekom Ag-Reg	Germany	59.21%	31st Dec 2010
Bank Pekao Sa	Poland	Unicredit Spa	Italy	59%	31st July 2011
Bre Bank Sa	Poland	Commerzbank Ag	Germany	70%	31st July 2011
Ing Bank Slaski Sa	Poland	Ing Groep Nv-Cva	Netherlands	75%	31st July 2011
Bank Handlowy W Warszawie Sa	Poland	Citigroup Inc	United States	75%	31st July 2011
Kredyt Bank Sa	Poland	Kbc Groep Nv	Belgium	80%	31st July 2011

Affiliate	Country	Parent	Country	Current % ownership	Date
E.On Russia Jsc	Russia	E.On Ag	Germany	78.30%	31st March 2010
Enel Ogk-5 Ojsc	Russia	Enel Spa	Italy	56.36%	30th April 2010
Tgk-1	Russia	Fortum Oyj	Finland	25.66%	31st Dec 2010
Fortum	Russia	Fortum Oyj	Finland	95.40%	30th April 2008
Massmart Holdings Ltd	South Africa	Wal-Mart Stores Inc	United States	51%	30th June 2011
Anglo American Platinum Ltd	South Africa	Anglo American Plc	Britain	81%	31st Mar 2011
Illovo Sugar Ltd	South Africa	Associated British Foods Plc	Britain	51%	30th June 2010
Absa Group Ltd	South Africa	Barclays Plc	Britain	53%	31st May 2011
Vodacom Group Ltd	South Africa	Vodafone Group Plc	Britain	65%	31st July 2011
Kumba Iron Ore Ltd	South Africa	Anglo American Plc	Britain	65.30%	30th April 2011
Exxaro Resources Ltd	South Africa	Anglo American Plc	Britain	10%	30th April 2011
Standard Bank Group Ltd	South Africa	Ind & Comm Bk Of China-A	China	20%	31st May 2011
Latin America					
Tim Participacoes Sa	Brazil	Telecom Italia Spa	Italy	77.08%	30th April 2011
Vivo Participacoes Sa-Pref	Brazil	Telefonica Sa	Spain	34.56%	30th April 2011
Telecomunicacoes De Sao-Pref	Brazil	Telefonica Sa	Spain	36.52%	31st Mar 2011
Tractebel Energia Sa	Brazil	Gdf Suez	France	68.71%	31st Mar 2011
Aes Tiete Sa-Pref	Brazil	Aes Corp	United States	32.34%	31st Mar 2011
Cia De Transmissao De Ene-Pf	Brazil	Interconexion Electrica Sa	Colombia	53.74%	31st Aug 2011
Empresa Nacional De Electric	Chile	Enel Spa	Italy	59.98	31st Mar 2011
Aes Gener Sa	Chile	Aes Corp	United States	53.74%	31st Oct 2010
Ypf S.A.-D	Argentina	Repsol Ypf Sa	Spain	58.23%	31st May 2011
Petrobras Argentina Sa-B	Argentina	Petrobras - Petroleo Bras-Pr	Brazil	67.19%	30th April 2011
Walmart De Mexico-Ser V	Mexico	Wal-Mart Stores Inc	United States	65.27%	31st Dec 2010