



# Investing with Orbis

A Guide for Institutional Investors  
31 December 2017



## TABLE OF CONTENTS

### ORBIS OVERVIEW

Who We Are . . . . .	4
Our Investment Beliefs . . . . .	4
One Core Skill, Different Strategies . . . . .	5

### OUR PHILOSOPHY

Our Investment Philosophy . . . . .	6
Our Organisational Philosophy . . . . .	7
What Clients Can Expect . . . . .	8

### OUR INVESTMENT PROCESS

Stock Selection . . . . .	10
Portfolio Management . . . . .	11

### OUR CAPABILITIES

Investment Capabilities . . . . .	13
Operational Capabilities . . . . .	14

### OUR REFUNDABLE FEES

Refundable Reserve Fee Share Classes . . . . .	15
--	----

### APPENDIX

I. Our Core Values . . . . .	16
II. Our Teams . . . . .	17
III. Regulatory Information . . . . .	18
IV. Assets Managed . . . . .	19
V. Long-Term Performance . . . . .	20
VI. Notices . . . . .	21
VII. Contact Information . . . . .	22

# ORBIS OVERVIEW

## WHO WE ARE

Founded in 1989, Orbis has been investing globally for over 25 years. Since the firm's inception, our purpose has been straightforward: to empower our clients by enhancing their savings and wealth.

We believe we can do this is by applying our fundamental, long-term and contrarian investment philosophy that reflects our investment beliefs (see below). To support this mission, we have structured our firm in a way that requires us to deliver meaningful value-for-money to our clients. We also recognise that without our clients' trust and confidence, our firm cannot—and should not—survive.

Our firm's Core Values (see Appendix I) and our approach to investment management can be traced directly to the vision of our founder Allan W B Gray. A graduate of Harvard Business School, Allan began his investment career in 1965 at Fidelity Management and Research in Boston. After eight years at Fidelity, he returned to his native South Africa to start his own firm, which later became Allan Gray Proprietary Limited. With \$45 billion under management, that firm is now the largest privately owned and independent asset manager in Southern Africa. Orbis was subsequently formed to develop a global investment capability by applying the same investment and organisational philosophies.

## OUR INVESTMENT BELIEFS

- Investment decisions are better driven by fundamental, bottom-up research rather than macro forecasting.
- For superior long-term returns, we must be prepared to build portfolios that differ significantly from their benchmarks.
- The best long-term investment ideas are often in areas of the market which are out of favour with most investors.
- Contrarian investment decisions are best made by individuals, not groups or committees.
- Risk is the chance that we permanently lose our clients' capital, not being different.

Figure 1 | Orbis offices worldwide and their key functions - including Allan Gray Group



Permanent Orbis employees only.

\*Allan Gray Proprietary Limited was founded in 1973 and began investing on behalf of clients in 1974.

## ORBIS OVERVIEW

### ONE CORE SKILL, DIFFERENT STRATEGIES

Our primary skill is bottom-up stockpicking based on fundamental, long-term and contrarian thinking. Investors’ needs, however, are multiple. We therefore package our core skill in different ways: long-only equity, multi-asset class, and absolute return Strategies. The Strategies are designed to either stand alone or to complement one another within the context of a diversified investment portfolio.

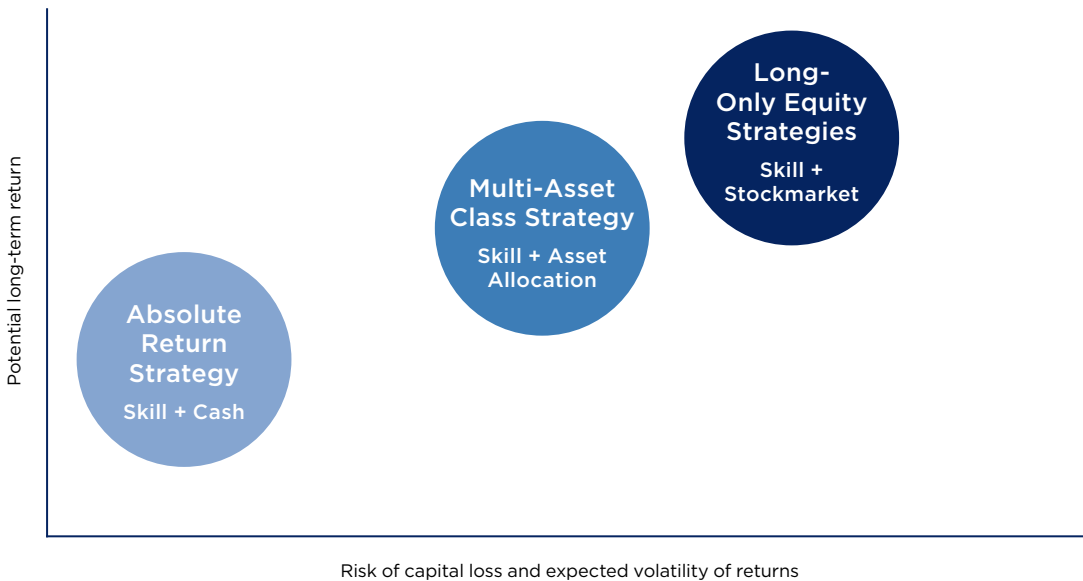
Appendix IV lists the firm’s assets under management by Strategy since its inception. We have selectively added and closed Strategies when we believed that doing so served the best interests of our clients.

Given our purpose and our emphasis on alignment of interests with clients, our focus is on investment performance rather than asset gathering.

As a firm we believe that discipline and focus are absolutely critical if we expect to fulfil our purpose. For that reason, we have an overwhelming preference to use pooled vehicles. Doing so not only gives our investment professionals the freedom to focus on making a relatively small number of high-quality decisions, but it also allows us to provide clients with insightful reporting in a very timely manner. Above all, clients can be certain that they are investing in exactly the same investment vehicles—and on the same terms—as the owners, executives and employees of the firm.

Figure 2 | Primary Orbis Strategies offered to new, qualified clients

- Orbis Optimal**  
 1 Jan 1990 inception  
 US\$4.7bn AUM
- Orbis Global Balanced**  
 1 Jan 2013  
 US\$3.5bn
- Orbis Global**  
 1 Jan 1990  
 US\$24.1bn
- Orbis Emerging Markets**  
 1 Jan 2016  
 US\$3.6bn
- Orbis Japan**  
 1 Jan 1998  
 US\$2.1bn
- Orbis International**  
 1 Jan 2009  
 US\$2.2bn



Note: This graphic is an illustration only. The actual risk and return experience of each Strategy may differ from what is suggested here.

## OUR PHILOSOPHY

### OUR INVESTMENT PHILOSOPHY

We aim to invest in shares of companies that trade at a significant discount to our assessment of the intrinsic value of the business—intrinsic value being what a prudent businessperson would pay for the company. Put simply, we want to buy shares for much less than they are worth. When executed in a disciplined and consistent manner, we believe that this investment approach offers the potential for superior returns and reduced risk of permanent capital loss.

Why do discounts to intrinsic value arise? History shows that investors are often driven by their emotions, particularly fear and greed. It is human nature to succumb to the instincts of the herd and place too much emphasis on short-term developments at the expense of long-term fundamentals. This leads to excessive optimism in good times and excessive pessimism in bad times.

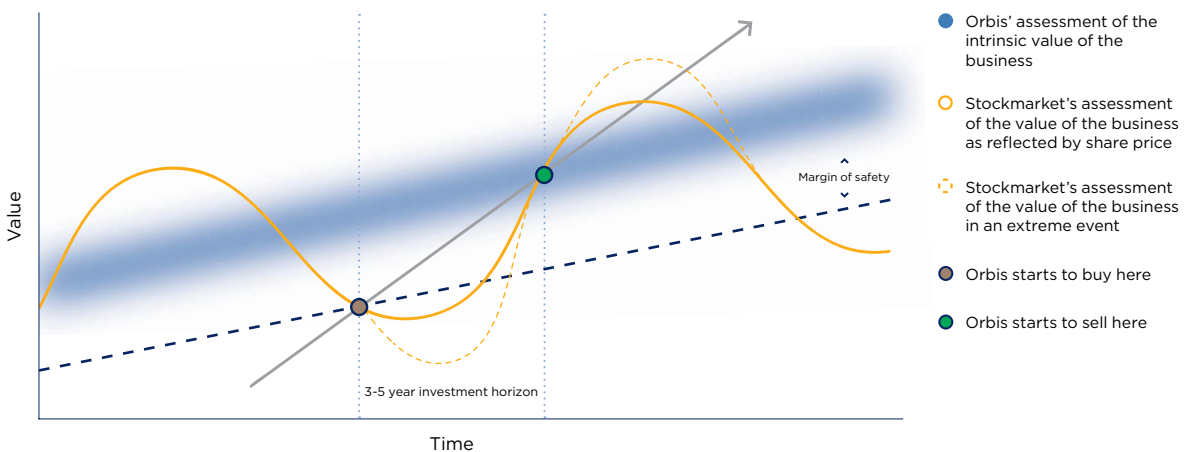
We recognise that even the best stockpickers are often wrong, so we seek to mitigate permanent losses of our clients' capital when this occurs by looking for a margin of safety in each of our investments. We are looking for opportunities where the gap between the current share price and our assessment of intrinsic value is unusually wide.

We believe the share prices of such companies will eventually reflect their intrinsic value. But it is hard to predict the timing—it could take years or just a few months—and so we are patient investors, taking a long-term perspective with each investment opportunity.

Our sell discipline is based on several factors. We may decide to sell a stock when it has reached our estimate of intrinsic value. Alternatively, our investment thesis may still be playing out but we come across other ideas that offer a more compelling risk/reward trade-off. We would also sell a stock in favour of better ideas in the event that we lose conviction in our investment thesis. In all cases, the decision to sell is not driven by specific target prices or returns at which stocks are automatically sold. Instead, it is driven by an ongoing assessment of the discount to intrinsic value of all the stocks in the portfolio.

While this investment approach is relatively simple to grasp, it is much more difficult to execute. At Orbis, our research and investment process has been carefully designed to give our analysts a sophisticated set of tools and a systematic analytical framework to take advantage of these opportunities. Even more importantly, our organisational principles are designed to support the implementation of our investment philosophy.

Figure 3 | Illustration of our fundamental, long-term and contrarian investment approach



## OUR PHILOSOPHY

### OUR ORGANISATIONAL PHILOSOPHY

Investment managers—as firms and as individuals—tend to make a few classic mistakes. These include: growing assets under management beyond their ability to perform, over-reacting or panicking when the investment cycle goes against them, and not taking action when they should. Finally, if they are lucky enough to navigate successfully through those pitfalls, their success very often breeds their own demise.

All of these mistakes are part of human nature and it is very hard to avoid them. Rather than fight human nature, we try to put it to work in our favour, with structural design elements that provide natural incentives that counteract the tendency to make these big “unforced errors”. While we still make plenty of mistakes of our own, we try to make it as easy as possible to avoid them.

#### Continuity of Private Ownership

A controlling interest in Orbis is held by Allan & Gill Gray Foundation, which has no owners in the traditional sense and is instead designed to exist in perpetuity and to serve two equally important purposes: (1) to promote the commercial success, continuity and independence of the Orbis and Allan Gray groups, and (2) to ensure that the distributable profits the Foundation receives from these firms are ultimately devoted exclusively to philanthropy.

Importantly, the Foundation does not directly manage Orbis or the Allan Gray groups, but rather delegates oversight and support of the firms to Orbis Allan Gray Limited, a holding company whose board consists of a majority of present executives and includes non-executive directors. With perpetual ownership in strong hands, the management of Orbis can focus entirely on adding value for clients for generations to come.

Our ownership structure is designed to give our people the freedom to make tough, unpopular decisions and stick with them. We believe our ability, as a firm and as individuals, to focus on the very long term without the pressure to produce short-term results is an enduring competitive advantage in this industry. As an example, during the technology bubble of the late-1990s, our funds had almost no exposure to the sector. Although we were ultimately vindicated when the bubble burst, the decision to avoid overvalued technology shares initially came at an enormous cost in terms of relative performance, and we lost a significant number of clients. Without the commitment of our investor-owners, it would have been extremely difficult to stay the course during this period.

#### Alignment of Interests

One of our most important objectives when we started Orbis was to maintain a clear alignment of interests with our clients. To that end, our fees have always been designed to reward us for superior performance as well as penalise us for underperformance. As a result, the firm’s profitability depends far more on investment performance than growth in assets under management. Under our Refundable Reserve Fee structure, we refund performance fees to our clients in periods of subsequent underperformance. We also offer larger investors a fee structure that solely comprises a refundable performance fee—in other words, we only get paid if we outperform.

Exceptional performers are offered the opportunity to participate in the profits of the firm. The firm’s founders, owners, management and employees, and their family members co-invest in the Orbis Funds along with our clients, and pay the same fees. Indeed, as a group they are one of the largest investors in our Funds. We therefore have powerful incentives to be responsible stewards of our clients’ capital.

#### Individual Accountability

We believe contrarian investment decisions are best made by individuals, not groups, and have therefore always designed our investment process to encourage individual thinking and accountability. Our paper portfolio system enables our analysts to express unequivocally their best investment ideas and to be held accountable for them. Our performance evaluation process allows us to objectively assess the quality of our investment decision makers. Over time, analysts who have demonstrated superior stockpicking ability are given additional responsibility, and remain subject to a rigorous evaluation process in order to retain that responsibility.

#### Building Sustainability

The reality is that great stockpickers are rare—and mortal. As such we cannot rely on one set of individuals to deliver superior performance now as well as a quarter century from now. Should we prove successful, future generations of Orbis stockpickers will be required to deploy an increasingly large pool of capital over time, so we will also need more of them. It is clear that in order to deliver sustained long-term superior performance we must master not only stockpicking itself but the ability to regenerate and grow our stockpicking capability. Fortunately this challenge is nothing new for us and we have applied a number of key principles that draw on more than two decades of experience at Orbis and over four decades at our sister firm, Allan Gray Proprietary Limited in South Africa.

## OUR PHILOSOPHY

### WHAT CLIENTS CAN EXPECT

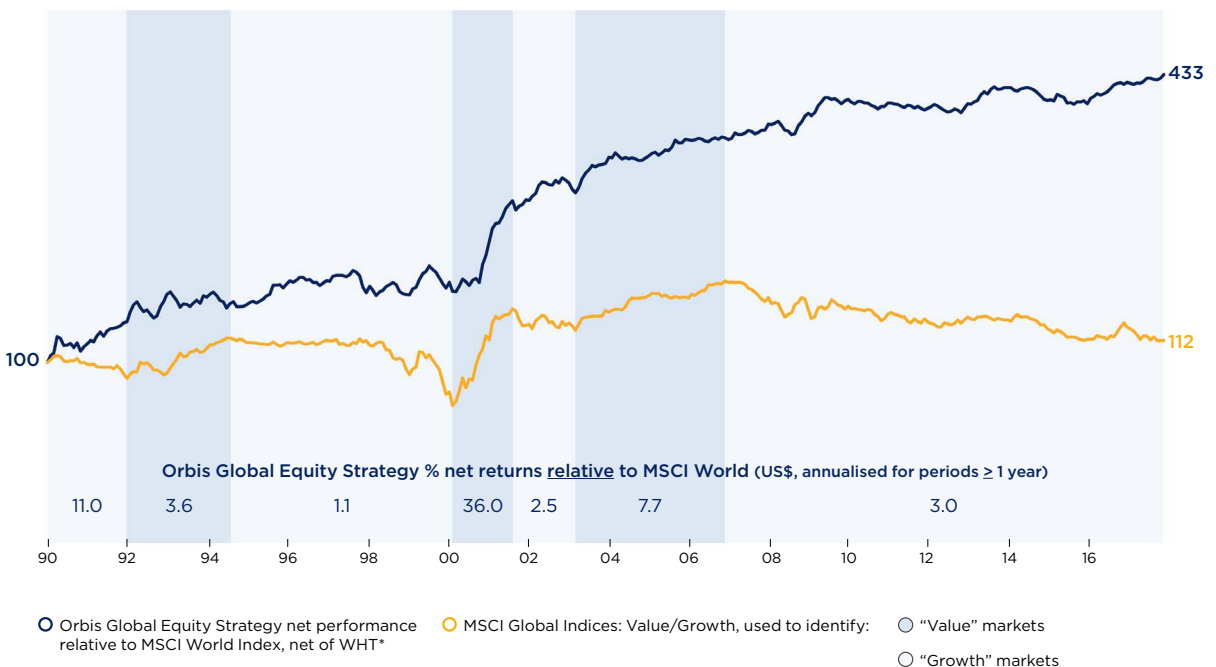
#### Different Portfolios

You can't expect to outperform the crowd if you are doing the same thing as everyone else. Stocks tend to have their biggest weighting in the benchmark when they are most expensive, effectively causing investors in a benchmark-driven approach to buy high and sell low. We seek to do the opposite. Driven by "bottom-up" stock selection decisions, our allocations to countries, regions and sectors can often deviate substantially from their benchmarks. As a result, the Orbis Funds typically have high tracking errors and high active shares. For example, the Orbis Global Equity Fund's active share relative to the FTSE World Index has consistently exceeded 85% since its inception in 1990.

#### Different Style Exposures (See Figure 4)

Our investment philosophy has never been about investing in fast or slow growth, in big or small companies, or high or low quality. As a result, our style does not fit neatly into any of the traditional "boxes" used to classify investment managers. While we have always been obsessed with value, we are not "Value" managers in the sense of limiting our search to shares with low price-to-earnings or price-to-book value multiples, or necessarily avoiding shares with higher valuation multiples. Instead, we always try to buy the most attractive shares in relation to their intrinsic value. As the opportunity set offered by the stockmarket changes, we may gravitate toward what others might call "Growth" or "Value", but this is always an outcome of our process rather than our intent to favour one style over another.

Figure 4 | Orbis Global Equity Strategy: performance in "Value" and "Growth" markets from inception to 31 December 2017



Net returns are for the Core Refundable Reserve Fee.

\*WHT stands for withholding tax.

"Value" markets are identified when the MSCI Global Value Index outperforms the MSCI Global Growth Index; the opposite is true to identify "Growth" markets.

OUR PHILOSOPHY

WHAT CLIENTS CAN EXPECT (CONTINUED)

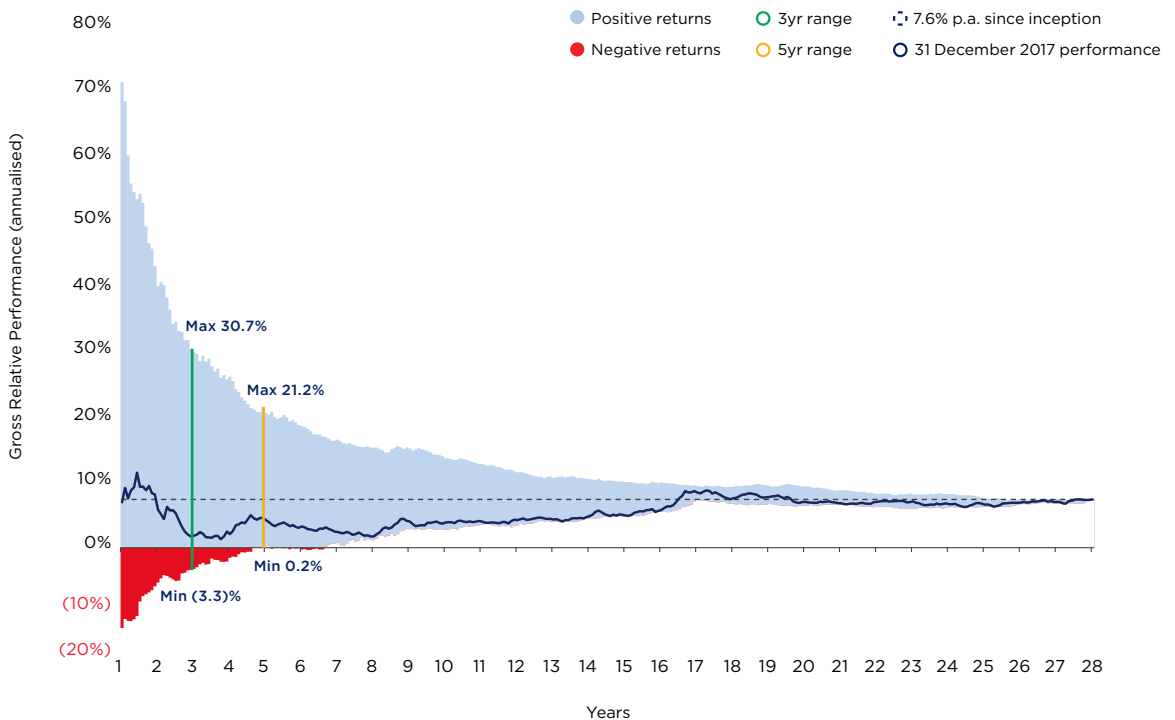
**Different Performance** (See Figure 5)

While Orbis Global's long-term outperformance averages more than 7 percentage points per annum before fees (relative to the MSCI World Index, net of withholding tax), it has been dramatically higher or lower in the short term. One reason for this is that we try to identify shares that are temporarily out of favour, often due to highly visible short-term problems, yet we can never know how long it will take for those issues to be resolved or how the stockmarket will behave in the meantime. We also think it is futile to try to time the pattern of our relative performance. Clients should expect relative performance to be volatile in the short and medium term, while stabilising in a tighter range over longer holding periods. We view periods of underperformance, some of which can be painfully long, as the inevitable price we must pay for seeking attractive long-term returns on our clients' behalf.

**Different Fees** (See Page 15)

We believe that performance-based fees are central to maintaining a clear alignment of interest between us and our clients. It is all too common in our industry for managers to be rewarded merely for holding assets rather than adding value over time. Our fee structures are different, rewarding us for outperformance but penalising us when we underperform. Under our Refundable Reserve Fee structure, performance fees are not paid directly to Orbis but into a separate Fee Reserve, which is available for refund during subsequent periods of underperformance. For larger investors we also offer a fee structure that solely comprises a refundable performance fee—in other words, we only get paid if we outperform.

Figure 5 | Orbis Global Equity Strategy: historical ranges of gross relative performance vs MSCI World Index, net of WHT\*



\*WHT stands for withholding tax.

For any given period, the shaded area shows the range of historical annualised relative returns of the Orbis Global Equity Strategy before fees. For example, the five-year relative returns have ranged from 0.2% to 21.2% per annum before fees.

Similarly the solid line shows the performance to 31 December 2017 over the various time periods, again before fees. For example for the five years ending 31 December 2017 the relative return was 5.0% per annum before fees.

## OUR INVESTMENT PROCESS

### STOCK SELECTION

Figure 6



Stock selection is the lifeblood of our investment process. Our equity analysts use a highly structured research process to filter out unattractive ideas in the early stages and focus their time on only the most promising ideas.

#### Idea Generation

Our analysts typically begin their search for investment ideas by using a variety of qualitative and quantitative tools to identify stocks that are potentially trading well below intrinsic value. Quantitative analysis harnesses our investment philosophy in a systematic and scalable way. Such tools include our internally-developed models and flexible screening tools that each analyst can tailor to their specific needs.

#### Fundamental Research

Once the decision has been made to pursue an investment idea, the research process will typically proceed in three phases. As a rule of thumb, analysts should expect to reject at least half of their ideas at each phase.

When Phase Three research is completed, a decision will then be made as to whether or not the idea should be considered for purchase in the Orbis Funds. If so, a Policy Group Meeting (PGM) will be convened. This is not a decision-making body but rather a forum for rigorous peer review. As such, the aim of the PGM is to raise the probability as high as reasonably possible that our analysts ultimately make the right investment decisions.

#### Recommendations

In the early years of their careers, analysts communicate their recommendations through the use of a paper portfolio which simulates investment decisions in the actual stockmarket. This is a list of stock recommendations that have been weighted to reflect the analyst's degree of conviction in each idea.

Our analysts' paper portfolios enable them to express unequivocally their best investment ideas. The performance of each analyst's paper portfolio, relative to a relevant benchmark, provides the most significant input to their remuneration, meaning that they are assessed on the basis of their own decisions, not those of others. As a result, paper portfolios reinforce the principle of individual accountability.

In addition to acting as a feedback mechanism that helps analysts to learn and improve, our paper portfolio system enables us to objectively assess the quality of their investment decisions. Analysts who demonstrate superior stockpicking ability are given additional responsibility.

#### Monitoring Positions

Analysts must not only search for new ideas, but also continue to monitor stocks they currently recommend. Since an analyst's remuneration is driven primarily by the performance of their own recommendations, they have a strong incentive to keep them up to date. Any change to a recommendation is communicated in real time to other members of the investment team who can incorporate this information into their decisions.

## OUR INVESTMENT PROCESS

### PORTFOLIO MANAGEMENT

Our approach to portfolio management is different from the traditional approach. Rather than a “star manager” or team-based approach, our process is designed to harness the best ideas of our best analysts.

Central to this process is our performance attribution system, which allows us to better identify those analysts with demonstrated skill. Greater weight is given to the ideas of those analysts in whom we have the greatest confidence.

Throughout this process, we seek to combine the stock ideas into a portfolio that also reflects broader market and portfolio-level considerations, and also consider the input of our risk and currency analysts.

We believe this approach not only creates a deeper and more sustainable investment capability, but also provides an exciting opportunity for future generations of stockpickers to take on greater responsibility over time.

#### Currency Management

Movements in the value of currencies can have a pronounced impact on a global investor’s returns and currency risk is unavoidable when managing portfolios globally.

We actively manage the Orbis Funds’ currency exposure with the objective of delivering the return from our bottom-up stockpicking in a mix of currencies that are a good store of purchasing power for clients. In doing so, our primary focus is to avoid exposure to those currencies where we believe there is a risk of permanent capital loss and instead to seek exposure to those we believe are the best long-term stores of value. The risk to an investor’s long-term wealth does not come from a currency that has the potential to fall, but one that falls and has no reason to rise again.

Of course, we recognise that determining the fair value of a currency is difficult. As a result, we focus most of our efforts on identifying currencies that are at least 20% over- or undervalued relative to our estimate of fair value. It is in these extreme instances that we believe our currency decision-making process can add the most value or, at the very least, avoid serious risk of a permanent loss of purchasing power.

#### Trading

Our traders are responsible for the final implementation of investment ideas. Traders are expected to add value to overall performance with error-free trading and superior execution skill.

We view trading primarily as an exercise in risk management in that there can be tremendous downside if you make mistakes; small mistakes can potentially cost our clients a lot of money; large ones can put us out of business. We therefore go to great lengths to ensure that mistakes have a low chance of occurring. If they do, ideally they are detected quickly and processes are put in place to limit their chance of recurring.

Consistent with our belief in individual accountability, the majority of each trader’s year-end compensation is determined by his or her success in not making mistakes. We also have analysts who focus exclusively on trade analysis and making recommendations to minimise trading mistakes. The balance of trader compensation comprises the individual’s value-added contribution to the trading and portfolio management process.

#### Portfolio Risk Management

We define risk as the permanent loss of capital rather than short-term price volatility or the risk of underperforming our benchmarks over the short term. In many cases, the risk of permanent capital loss stems from overpaying for shares, which leads naturally to disappointing long-term returns. Our investment process seeks to identify undervalued companies with a significant margin of safety, thereby providing an important first line of defence against both the risk of loss and the risk of relative underperformance over the long term.

In managing portfolio risk, we do not set automatic stop-loss limits against adverse share price movements. In our view, a drop in price that is not accompanied by deterioration in the intrinsic value of the business presents opportunity, not risk. To manage the risk of deterioration in the intrinsic value, our equity analysts closely monitor business fundamentals and industry developments, and the investment case is regularly reviewed by senior investment professionals.

## OUR INVESTMENT PROCESS

### PORTFOLIO MANAGEMENT (CONTINUED)

Although we do not take a top-down approach in picking shares, we recognise that our approach could result in concentration in certain sectors, countries or other characteristics. Our risk management process is designed to identify and quantify these exposures, and to alert the investment team in a structured, systematic way.

A formal risk report is delivered to the portfolio construction team periodically, detailing key exposures and including recommendations to improve the risk profile of the portfolios. Importantly, these reports highlight where the Fund may be taking too much or too little risk. Our quantitative analysts also provide proprietary tools and analysis to the portfolio construction process.

#### Tracking Error

The Orbis Funds' portfolios can deviate from their benchmarks, often quite substantially. As a result, clients can expect that portfolio volatility and tracking error will normally be higher at Orbis than at the average fund manager. Since inception, the three-year rolling monthly annualised tracking error of the Orbis Global Equity Strategy, Core RRF (net of fees) against the MSCI World Index, has ranged from 3% to 12%. We do not target a specific level of tracking error, but our risk management tools provide the portfolio construction team with the ability to monitor the marginal contribution of each share to overall tracking error. While this provides a rigorous framework to evaluate the dynamics of the portfolio's tracking error, it is usually a minor consideration.

That said, there are times when it can be in the best interest of our clients to have a larger tracking error than usual. For example, we are inclined to have large tracking errors when unprecedented valuation gaps emerge, as was the case in the run-up to the technology bubble in the late 1990s.

At the time, we couldn't find any technology shares that met our criteria, but those sectors had swelled to represent a lopsided proportion of the benchmark. In that case, we were happy to be sharply at odds with the benchmark as our focus on absolute risk of loss rather than on the risk of underperforming the index ultimately proved to be very rewarding for our clients.

#### Name Turnover

Although we analyse shares with a three- to five-year time horizon in mind, implying annual turnover of 20-33%, we generally do not need to wait an average of four years before either the share prices appreciate significantly to reflect intrinsic value or we identify a better opportunity. "Name turnover" measures the proportion of stocks that were in the Fund at the beginning of the period, but were not included in the Fund at calculation date. From inception to December 2017, the average name turnover for the Orbis Global Equity Fund has been 38%, (calculated from inception to December 2017 by averaging the name turnover recorded at the end of each calendar year). In periods when valuations are changing dramatically, as was the case from 1998 to 2001, the Fund's turnover was notably higher.

## OUR CAPABILITIES

### INVESTMENT CAPABILITIES

There are many ways to build an outstanding investment capability. Our purpose is to empower our clients by enhancing their savings and wealth. You make a real difference for clients is by compounding returns over very long periods of time.

We recognise we are unlikely to have the same team in place for an extended period of time. For this reason, we aim to create strength and redundancy in our stockpicking process. By developing talent from within, identifying multiple decision-makers with different areas of focus, and having breadth and depth of investment knowledge, we aim to ensure that our investment capability is enhanced over time.

#### Developing Talent From Within

Outstanding investment decision-makers are rare. To find them, we aim to hire individuals with high potential but little or no investment experience, and to provide them with the opportunity to learn our investment process from scratch. Rather than build one large team, we have expanded the number of teams each of which is led by a seasoned, Orbis-bred individual.

As a result, our investment team is bigger than if we followed a different approach, but with a pyramid structure. Turnover is high at the bottom of the pyramid as we identify those who can translate their potential into performance. Our performance evaluation system helps us to identify individuals who direct client capital, and all team members are subject to constant development, training and evaluation.

#### Multiple Decision Makers

In investing, it is important to plan for the possibility of success or it can be the source of a firm's demise. Investment managers who establish a strong long-term performance track record can experience rapid growth in the funds they manage. We believe there is a limit to the number of effective investment decisions that one person can make without diluting the quality of those decisions.

Rather than coping with growth by asking each decision-maker to recommend more shares or to focus increasingly on the largest stocks in the investible universe, we have chosen to expand gradually the number of decision-makers, assisted by our robust performance evaluation system. In doing so, we have created specialisation, with stockpickers focusing either on particular markets (e.g. our regional teams) or on looking across sectors globally. We believe such an approach is more sustainable than a "star system" focused on a high-performing individual.

#### Combining Breadth and Depth of Knowledge

One of the benefits of investing globally is that it provides more opportunity to invest in the parts of the market where stocks are most mispriced. We think it is very valuable to be able to combine the breadth of a global perspective with the insights of local teams who know those areas very well. By looking at stocks from different perspectives, we can also compare and contrast investment ideas in allocating our clients' capital globally.

#### Performance Analysts

Our team of performance analysts serves the needs of both internal and external users of performance information. Its goal is to transform data into information that helps us to thoroughly assess past decisions and improve future ones. In addition to acting as a feedback mechanism that helps each analyst to learn and improve, and attracting people with such a mindset, our performance evaluation process enables us to objectively assess the quality of our investment decision makers.

#### Investment Counsellors

Our team of investment counsellors is uniquely qualified to serve as the primary point of contact for our clients. They are evaluated primarily on their ability to deliver a superior level of client service. The group includes CFA Charterholders and those with experience as equity analysts, traders and quantitative analysts. They develop a detailed understanding of our fund holdings and respond to client queries, both in depth and with a sense of perspective.

Figure 7 | Building sustainability via small independent investment teams

Tenure	Regional Teams				Global Sector (10 in London)
	US (9 in San Francisco)	Europe (8 in London)	Emerging Markets (8 in Hong Kong)	Japan (6 in London)	
>10	1	-	2	1	1
5-10	3	3	4	4	2
<5	5	5	2	1	7

Permanent Orbis employees only.

## OUR CAPABILITIES

### OPERATIONAL CAPABILITIES

In order to deliver excellent service to our clients, we need experts in a wide range of disciplines in addition to investment management. We seek to attract highly motivated individuals who share our values, and have outstanding academic credentials and a demonstrated track record of success.

#### Fund Operations

Fund Operations is divided into four main functional areas—Fund Accounting, Client Reporting, Client Services and Security Settlements. Our Fund Accounting team mirrors and double-checks our external custodian's and administrator's calculations, from the pricing of securities to the Fund NAVs. They also verify cash balances, portfolio holdings, investment income, and portfolio expenses.

#### Assurance and Advisory

In addition to its Legal team, Orbis has three assurance and advisory functions. They ensure that the firm understands and complies with the laws and regulations of all jurisdictions in which it operates, and markets in which we invest. Further, Orbis undergoes an external audit of its control environment and issues an annual report under the ISAE 3402 standard.

#### Compliance

Like other investment managers, we are registered with regulators in the various jurisdictions in which we operate. We need to ensure that our activities comply with each regulator's rules and regulations. This is the responsibility of our Compliance team.

#### Risk

Orbis believes that a strong internal control environment requires layered lines of defence, with people at all organisational levels aware of and accountable for their part of the risk of doing business. Our Risk team acts as an independent, specialist advisor—helping to optimise business processes and promote appropriate redundancy, consistency, security and control in all operations.

The head of the team, our Global Risk Manager, sits on our Global Risk Committee (GRC) which also includes the heads of other Legal, Compliance, and operational teams. The GRC meets quarterly, or more frequently if required, and a summary of any significant findings and recommendations is shared with the relevant Orbis boards.

Orbis also has a dedicated Information Security team of security experts. Its aim is to ensure the confidentiality, integrity and availability of the firm's information and services. This includes information about our clients and our employees, as well as the firm's business and intellectual property. Focus areas include policies, consulting, training, security infrastructure, secure software development techniques and testing with a remit ranging across all aspects of application, infrastructure and data security. The Information Security team reports to the Global Risk Manager and provides regular updates to senior management at the Global Risk committee meetings.

#### Internal Audit

The Internal Audit team provides independent assurance on the risks and controls surrounding critical business processes, highlighting control weaknesses and suggesting pragmatic control solutions. It also provides independent assurance in relation to management's assertions to the boards surrounding the adequacy and effectiveness of governance, risk management, compliance and control.

#### Security of Assets

An independent custodian holds the assets of the Funds and Orbis never holds client money. All Funds are audited annually. Orbis only deals with independent stockbrokers when placing trades on behalf of the Funds.

## OUR REFUNDABLE FEES

### REFUNDABLE RESERVE FEE SHARE CLASSES

One of our most important objectives when we started Orbis was to maintain a clear alignment of interests with our clients. To that end, the key principles shaping our fees are:

- They are all inclusive in that they are the only compensation we receive for managing our clients' assets.
- They vary based on the value added or detracted for our clients.
- They are designed to focus our attention on adding value for our clients over the long term.

We use refundable performance fees to maximise the chances that clients pay fees that are proportionate to the value we add (or don't add) on their behalf over the long term. After all, while only one scenario will happen, a range could—and such a structure stacks the odds in favour of the client.

Our Refundable Reserve Fee (RRF) Share Classes charge a performance fee which equates directly to the relative performance experienced by each individual client. That performance fee is not paid directly to Orbis, but rather goes into a separate Fee Reserve that is available to be refunded in case of subsequent underperformance.

In the event that the Fund underperforms when there is no balance in the Fee Reserve, any losses must be recovered before any performance fees accrue to the Fee Reserve.

All payments into and out of, and refunds from, the Fee Reserve are calculated and made on each dealing day. Although the balance in the Fee Reserve is available for refund to the client, the Reserve is owned by Orbis and is reinvested in the underlying Fund.

Payments are made to Orbis from the Fee Reserve at a predetermined annual rate, and differ based on the balance of the Reserve. Upon client redemption, the Fee Reserve is paid to Orbis. This is done on a pro rata basis for partial redemptions.

Figure 8 | The mechanics of the RRF



A: Performance fees charged, B: Performance fees refunded, C: Performance fees paid

Figure 9 | Three RRF choices

Share Classes	Minimum	Total Fee	
		Non-Refundable Base Fee	Refundable Performance Fee
1. Base RRF*	\$5 million per fund	0.6%	25%
2. Core RRF**	\$20 million per fund	0.45%– 0.3%	25%
3. Zero Base RRF	\$100 million per fund	0.0%	33%

For investors in the Core RRF and Base RRF classes of Orbis Institutional Global Equity LP, the General Partner has agreed to waive the base fee by 0.07%. This waiver may be increased or decreased by the General Partner on two months' notice annually to investors.

\*Only available as described in Orbis' LP vehicles.

\*\*The Optimal vehicles have a Non-Refundable Base fee of 0.75%.

## APPENDIX

### I. OUR CORE VALUES

We have always adhered to a set of guiding principles that can be traced back to the beginning of the firm. As Orbis became a larger, global organisation we saw the need to codify these ideas more formally. Our Core Values, shown below, were first published in early 2008 and designed to help embed these values in the culture of the firm. The “culture” of a firm is very hard to define and measure, yet it is the most critical variable underpinning any organisation. Read in isolation, our Core Values sound like platitudes, so we have added an explanation of what each one means to us. Our hope is that these will help all employees, new recruits, clients, service providers or anyone else who interacts with Orbis to understand the principles that guide our decisions as a firm and the way we strive to conduct ourselves as individuals.

#### 1. Earn the Trust and Confidence of Our Clients

Our clients come first; always. Not only is it the right thing to do but it is best for our clients and best for us in the long term. If we do what is best for clients, we will earn their trust, and if we excel at what we do, their confidence. If we earn our clients' trust and confidence, our services will be sought out rather than need to be sold, allowing us to provide better value for money. If we act accordingly and create client awareness, they will have a more rewarding experience with us and entrust us with their savings and investments. If we don't, they won't and the firm will die, as it should.

#### 2. Excel in All That We Do

To excel is the best way for us to earn our clients' trust and confidence. It is also inherently gratifying. While not always succeeding, we continually strive for excellence in servicing our clients effectively and efficiently. Producing an excellent investment track record is critical, but not nearly enough. Clients' trust and confidence is engendered by the totality of their experience with us including how we communicate and conduct ourselves, even how we answer the phone. If we demonstrate excellence in such areas, clients can more easily generate and sustain the confidence to invest with us, particularly through the trough of our investment performance cycle when they have the most to gain.

#### 3. Foster a Purposeful and Fulfilling Work Environment

We seek to provide a working environment that appeals to those who excel. Most people who excel have a sense of purpose, take initiative and pursue excellence with a passion. They seek responsibility, authority

and accountability for their actions. They thrive in an environment that offers stimulation, innovation, challenge, hard work, the ability to earn opportunity and reward commensurate with performance, as well as the satisfaction that comes from belonging to a firm that demands and achieves excellence. Our work environment causes most of those who excel and share our values to stay and most of those who leave to be happy they joined in the first place.

#### 4. Recruit and Reward Based on Value Creation for Clients

We strive to recruit and reward based on both past and demonstrable future potential value creation for clients. We hire people who have exceptional but often unproven potential. We offer them extraordinary opportunity and reward them commensurately with their performance. Value is created for clients in many ways. Every member of the firm is aware of how they create value for clients and each member's performance drives their reward, including by affording them authority and responsibility that plays to their strengths. Ideas are judged based on merit and merit alone irrespective of seniority or tenure. Favouritism and politics should not be tolerated.

#### 5. Take a Long-Term Perspective

Always think long term. Do what is in the best long-term interests of clients, even when in conflict with short- or medium-term expedience, growth or profitability. Invest to produce the best long-term results and offer products and services that are best for clients, even if in conflict with what they currently desire. Carefully considered decisions made with a long-term perspective are more enduring, reducing time spent fixing past mistakes and freeing us to make better decisions in future.

#### 6. Act Responsibly

Each of us has responsibilities to our clients, the firm, our colleagues and ourselves, and the firm has responsibilities to its people and the societies in which it operates. We are mindful of the responsibilities we have as individuals and on behalf of the firm and how they are changing. We are all ambassadors of Orbis and we must conduct ourselves accordingly. We act in fulfilment of our responsibilities, consistent with our Core Values and the priorities set out therein. We are each individually responsible for holding each other and the firm accountable.

## APPENDIX

## II. OUR TEAMS

Teams	Total	Including	CFA Charterholders	Chartered Accountants	MBA's	Doctorates
Investment Professionals	65	42 Equity Analysts	32	3	14	9
		6 Multi-Asset Analysts				
		7 Traders				
		8 Quant Analysts				
		2 Currency Analysts				
Investment Support	41	19 Technology Professionals	6	2	3	2
		17 Research Support and Trading Analysts				
		5 Performance Analysts				
Investment Counsellors	31	31 Client Investment Professionals and Infrastructure	9	5	3	1
Fund Operations	111	66 Fund Accounting, Client Services and Reporting	5	21	4	1
		45 Technology Professionals				
Legal	15	12 Lawyers	-	1	1	-
		3 Administration				
Compliance, Risk & Internal Audit	18	18 Compliance, Risk and Internal Audit	1	4	1	-
Business Operations	113	51 Finance and Administration	5	11	5	7
		55 Technology Professionals				
		7 Proprietary Insights				
UK Retail	6	6 Business and Operations Development	-	-	-	-
<b>Total</b>	<b>400</b>		<b>58</b>	<b>47</b>	<b>31</b>	<b>20</b>

## Equity Analyst Turnover

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
New Joiners	14	16	8	7	3	7	8	3	6	5
Departures	5	1	4	8	8	8	4	6	8	3
As a % of total at start of year	22%	3%	9%	16%	16%	18%	9%	13%	18%	7%
Years at Orbis <sup>1</sup>	>10 years	-	-	1	1	-	-	-	3	-
	5-10 years	-	-	-	-	3	1	3	1	1
	3-5 years	2	-	-	2	5	4	2	1	1
	<3 years	3	1	4	5	2	1	1	3	1

According to our internal records as at the end of the period. Excludes Allan Gray Australia Pty Limited (formerly Orbis Investment Management (Australia) Pty Limited) analysts.

<sup>1</sup>Years at Orbis includes time spent as an investment professional at Orbis and Allan Gray Proprietary Limited, and its predecessors, where applicable.

## APPENDIX

## III. REGULATORY INFORMATION

**Australia.** Orbis Investment Advisory Pty Limited holds an Australian Financial Services License and is regulated by the Australian Securities & Investments Commission. The Orbis Global Equity Fund (Australia Registered) is a managed investment scheme/unit trust registered with the Australian Securities & Investments Commission.

**Bermuda.** Orbis Investment Management Limited and Orbis Investment Management (B.V.I.) Limited are licensed to conduct investment business by the Bermuda Monetary Authority. The following Fund companies are authorised as Standard Schemes under the Bermuda Investment Funds Act 2006 and are regulated by the Bermuda Monetary Authority:

- Orbis Global Equity Fund Limited
- Orbis Japan Equity (US\$) Fund Limited
- Orbis Optimal (US\$) Fund Limited
- Orbis Optimal Overlay Funds Limited
- Orbis Optimal SA Fund Limited
- Selection of Orbis Funds Limited
- Orbis Institutional Funds Limited

**British Virgin Islands.** Orbis Investment Management (B.V.I.) Limited is licensed by the British Virgin Islands Financial Services Commission under sub-categories 3B (Managing Mutual Funds) and 6B (Administration of Investments (Mutual Funds)) of the Securities and Investment Business Act, 2010.

**Canada.** Orbis Investment Advisory (Canada) Limited is registered as an exempt market dealer in all ten Canadian Provinces. The British Columbia Securities Commission is its primary regulator.

**Hong Kong.** Orbis Investment Management (Hong Kong) Limited is licensed by the Hong Kong Securities and Futures Commission to deal in securities and to conduct asset management activities.

**Japan.** Orbis Investments K.K. is registered with the Financial Services Agency of Japan as a Type-1 Financial Instruments Business Operator. It is regulated by the Kanto Local Finance Bureau of Japan and is able to distribute Orbis Funds by private placement to institutional investors.

**Luxembourg.** Orbis SICAV is regulated by the Luxembourg Commission de Surveillance du Secteur Financier as an umbrella SICAV organised under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment. Orbis Investment Management (Luxembourg) S.A. ("OIMX") is licensed by the Luxembourg Commission de Surveillance du Secteur Financier as a management company of undertakings for collective investment in transferable securities (UCITS) in accordance with Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment. OIMX is also subject to limited regulation by the Financial Conduct Authority as it passports its management of investment companies services into the UK under the UCITS directive.

**South Africa.** The following Funds have been approved for public promotion in South Africa pursuant to section 65 of the Collective Investment Schemes Control Act, 2002:

- Orbis Global Equity Fund Limited
- Orbis SICAV Japan Equity Fund
- Orbis SICAV Emerging Markets Equity Fund
- Orbis SICAV Global Balanced Fund
- Orbis Optimal SA Fund Limited

**United Kingdom.** Orbis Investment Advisory Limited, Orbis Portfolio Management (Europe) LLP and Orbis Access (UK) Limited are authorised and regulated by the United Kingdom's Financial Conduct Authority to conduct investment business in the United Kingdom. Orbis Investment Management (Luxembourg) S.A., the Authorised Corporate Director of Orbis OEIC, has passported its management company services into the United Kingdom under the UCITS Directive.

Orbis OEIC is a UCITS collective investment scheme authorised as an umbrella company under regulation 142 of the Open-Ended Investment Companies Regulations 2001 by the Financial Conduct Authority. Orbis SICAV is a recognised scheme under Section 264 of the United Kingdom's Financial Services and Markets Act 2000.

**United States of America.** Orbis Investment Management Limited and Orbis Investment Management (U.S.), LLC have filed as 'exempt reporting advisers' with the Securities and Exchange Commission. Orbis Investments (U.S.), LLC is registered as a broker dealer with the SEC and FINRA and in all 50 states.

## IV. ASSETS MANAGED

### Assets under management by strategy (millions of US dollars)

Year end	Assets under Management	Number of Accounts	Long-Only Equity							Multi-Asset Class			Absolute Return		
			Global	International	Japan	Africa <sup>1</sup>	Asia ex-Japan <sup>2</sup>	Emerging Markets	Australia <sup>3</sup>	Europe <sup>4</sup>	Selection	Global Balanced	Optimal	Leveraged <sup>5</sup>	Japan Opportunity <sup>6</sup>
1989	55	17	67										67	28	
1990	79	74	80										99	42	
1991	177	209	193										210	64	
1992	366	471	409										458	154	
1993	518	640	616										682	253	
1994	503	689	617										680	275	
1995	631	720	756										855	355	
1996	749	812	885										1,045	468	
1997	620	700	784										748	372	
1998	493	437	430			143	34						520	236	
1999	541	431	450			145	55						474	205	
2000	670	333	723			124	37						766	381	
2001	1,114	695	1,028			322	59						1,125	480	4
2002	1,792	1,317	1,356			680	92						1,565	506	56
2003	3,448	1,974	2,466			1,636	145						2,590	821	283
2004	6,332	2,770	4,856			1,952	280					64	3,799	928	371
2005	10,516	3,253	7,740			3,143	338					72	4,392	1,012	469
2006	17,445	3,478	13,028			3,098	366	1,269				195	4,784	1,034	461
2007	20,776	3,189	15,587			2,903	402	1,051				679	6,007	1,134	355
2008	15,012	2,943	10,377			2,684	156	503				542	3,974	434	302
2009	21,147	2,909	14,299			2,509	186	1,202				1,263	5,090	441	-
2010	24,592	2,848	15,810			2,897	-	1,351				2,152	5,311	301	-
2011	23,415	2,700	14,929			2,374	-	1,273				2,199	5,305	187	-
2012	24,136	2,261	16,867			2,328	-	1,603				-	5,683	153	-
2013	30,578	2,210	22,489			1,941	-	2,344				-	6,887	171	-
2014	29,071	2,161	19,550			1,840	-	2,644				-	6,218	-	-
2015	27,012	2,101	17,035			828	1,925	2,598				-	4,691	-	-
2016	29,776	2,058	18,998			1,296	1,946	-	2,789			-	4,281	-	-
2017	37,840	2,443	24,081			2,250	2,124	-	3,575			-	4,720	-	-

The Orbis Funds were temporarily closed to new investors in March 2006, with the exception of those in South Africa and Australia. The Orbis Funds re-opened to all new, eligible investors in August 2015.

Assets managed under strategies do not sum to assets placed with Orbis primarily due to borrowings in the leveraged strategies and investments between strategies.<sup>1</sup>The investment management of the Orbis Africa Equity (Rand) Fund was transferred to Allan Gray Proprietary Limited and the Fund was renamed the Allan Gray Africa Equity (Rand) Fund Limited on 1 October 2010. Subsequently, the Fund was renamed the Allan Gray Africa Equity Fund.<sup>2</sup>On 1 November 2016 the investment mandate of the Orbis SICAV Asia ex-Japan Equity Fund was broadened to include all emerging markets. To reflect this, the Fund was renamed the Orbis SICAV Emerging Markets Equity Fund.<sup>3</sup>The investment management company, Orbis Investment Management (Australia) Pty Limited, changed its name to Allan Gray Australia Pty Limited, effective from 2 April 2012 and the Australia Equity Strategy assets managed by the company are not reflected here after that date.<sup>4</sup>The Orbis Europe Equity Strategy was closed on 6 October 2016.<sup>5</sup>The Orbis Leveraged Strategy was closed on 29 October 2014.<sup>6</sup>The Orbis Japan Opportunity Strategy was closed on 30 June 2009.

## APPENDIX

## V. LONG-TERM PERFORMANCE

Total rates of return per annum (%) as at 31 December 2017

			Since Inception	Last 25 years	Last 10 years	Last 5 years	Last 3 years	Latest year
<b>Long-Only Equity Strategies</b>								
<b>Orbis Global</b>			<b>14.8</b>	<b>14.8</b>	<b>9.5</b>	<b>17.2</b>	<b>15.9</b>	<b>31.1</b>
<b>Orbis Global</b> Inception: 1 Jan 1990	Gross	MSCI World Index	6.7	7.8	5.0	11.6	9.3	22.4
		Relative return	7.6	6.5	4.2	5.0	6.1	7.1
Currency: USD	Net	<b>Orbis Global</b>	<b>12.4</b>	<b>12.7</b>	<b>8.0</b>	<b>15.5</b>	<b>13.9</b>	<b>28.6</b>
		Average Global Equity Fund	5.4	6.0	2.0	8.4	7.2	23.0
<b>Orbis International</b>			<b>15.6</b>			<b>13.9</b>	<b>16.5</b>	<b>31.6</b>
<b>Orbis International</b> Inception: 1 Jan 2009	Gross	MSCI World ex-USA Index	9.2			6.8	7.8	27.2
		Relative return	5.9			6.6	8.0	3.4
Currency: USD	Net	<b>Orbis International</b>	<b>13.6</b>			<b>11.7</b>	<b>13.9</b>	<b>30.1</b>
		Average International Equity Fund	8.4			7.1	7.5	25.4
<b>Orbis Japan (Yen)</b>			<b>11.7</b>		<b>9.8</b>	<b>22.1</b>	<b>17.1</b>	<b>25.1</b>
<b>Orbis Japan</b> Inception: 1 Jan 1998	Gross	TOPIX	3.6		4.0	18.2	10.8	21.8
		Relative return	7.8		5.6	3.3	5.6	2.7
Currency: JPY	Net	<b>Orbis Japan (Yen)</b>	<b>9.3</b>		<b>8.0</b>	<b>20.8</b>	<b>15.1</b>	<b>23.9</b>
		Average Japan Equity Fund	3.0		2.8	17.4	10.2	22.3
<b>Orbis Emerging Markets SICAV Fund (incl. Asia ex-Japan Strategy)*</b>			<b>11.6</b>		<b>8.6</b>	<b>10.3</b>	<b>10.6</b>	<b>34.3</b>
Inception: 1 Jan 2006	Gross	Relevant MSCI Benchmark	8.4		3.5	7.4	9.7	37.3
		Relative return	2.9		4.9	2.7	0.8	(2.2)
Currency: USD	Net	<b>Orbis Emerging Markets</b>	<b>10.5</b>		<b>7.4</b>	<b>9.2</b>	<b>10.1</b>	<b>34.6</b>
		Relevant Peer Group	7.4		2.6	6.8	8.5	34.2
<b>Multi-Asset Class Strategy</b>								
<b>Orbis Global Balanced</b>			<b>12.4</b>			<b>12.4</b>	<b>12.4</b>	<b>21.1</b>
Inception: 1 Jan 2013	Gross	60/40 Index*	7.1			7.1	6.4	16.0
		Relative return	4.9			4.9	5.6	4.4
Currency: USD	Net	<b>Orbis Global Balanced</b>	<b>10.7</b>			<b>10.7</b>	<b>10.5</b>	<b>19.4</b>
		Average Global Balanced Fund	3.1			3.1	2.6	10.7
<b>Absolute Return Strategy</b>								
<b>Orbis Optimal</b>			<b>10.5</b>	<b>8.8</b>	<b>4.1</b>	<b>5.5</b>	<b>6.6</b>	<b>8.6</b>
Inception: 1 Jan 1990	Gross	US\$ Bank Deposits	3.2	2.9	0.7	0.5	0.7	1.1
		Relative return	8.1	6.7	2.7	3.6	4.5	6.1
Currency: USD	Net	<b>Orbis Optimal</b>	<b>8.1</b>	<b>6.7</b>	<b>2.7</b>	<b>3.6</b>	<b>4.5</b>	<b>6.1</b>
		Average US\$ Bond Fund	4.6	4.1	2.9	1.3	1.6	3.8

Net returns are based on the Core Refundable Reserve Fee. Unless specified otherwise, index returns are net of withholding tax (WHT).

**Past performance is not a reliable indicator of future results. Orbis Funds' share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor's capital is at risk.** Returns are calculated gross of all income, assume reinvestment of dividends and are net of all expenses. Gross returns are net of all expenses (i.e. before the deduction of all management and performance fees). Net returns are net of all fees and expenses. Please refer to Appendix VI for further details on the non client-specific results.

†The information presented in these rows is for the largest Fund in Orbis Emerging Markets Equity Strategy. On 1 November 2016, this fund broadened its investment mandate from Asia ex-Japan equities to Emerging Market equities. To reflect this, the Fund changed its name from the Orbis SICAV Asia ex-Japan Equity Fund to the Orbis SICAV Emerging Markets Equity Fund, its benchmark from the MSCI All Country Asia ex-Japan (Net) (US\$) index to the MSCI Emerging Markets Index and its peer group from the Average Asia ex-Japan Fund to the Average Global Emerging Markets Equity Fund.

\*60/40 Index: composite index consisting of the MSCI World Index with net dividends reinvested (60%) and the JP Morgan Global Government Bond Index (40%).

Relative return is calculated geometrically and is the best measure of gross value contributed by Orbis active management for the equity and multi-asset class strategies.

## APPENDIX

### VI. NOTICES

#### Notice to Current and Prospective Orbis Investors

Please note that not all Funds and share classes are available to all investors in all jurisdictions. Please visit [www.orbis.com](http://www.orbis.com) to view the Funds and share classes available in your jurisdiction and the applicable minimum investment required to open an account. Persons will only be permitted to subscribe for shares in the Orbis Funds under certain circumstances as determined by, and in compliance with, applicable law.

#### Sources

FTSE World Index: FTSE International Limited (“FTSE”) © FTSE 2018. FTSE is a trademark of the London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE’s express written consent.

Tokyo Stock Price Index, including income (“TOPIX”): Tokyo Stock Exchange. No further distribution of the TOPIX data is permitted.

MSCI Emerging Markets Index, MSCI All Country Asia ex Japan (Net) (US\$) Index, MSCI World Net Total Return Index (“MSCI World Index”), and MSCI All Country World ex-USA Index: MSCI Inc. “MSCI” is a trademark of MSCI Inc. and is used by Orbis Investment Management Limited under licence. The JP Morgan Global Government Bond Index data source is J.P. Morgan Securities LLC. “JP Morgan” is a trademark of JPMorgan Chase & Co and is used by Orbis Investment Management Limited with permission. The MSCI information and the 60/40 Index (1) may not be redistributed or used as a component of a financial product or index; (2) does not constitute investment advice; and (3) is provided on an “as is” basis with each of its users assuming the risk of his/her use. MSCI, JP Morgan and their related parties expressly disclaim all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. None of those parties shall have any liability for any damages (whether direct or otherwise).

S&P 500 Total Return Index (“S&P 500 Index”): Standard & Poor’s (S&P) (and its affiliates, as applicable) © 2018. None of S&P, its affiliates or their third-party information providers guarantee the accuracy, adequacy, completeness or availability of any

information or is responsible for any errors or omissions, regardless of the cause or for the results obtained from the use of such information. In no event shall any such party be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with others’ use of S&P content.

Average Fund data: © 2018 Morningstar, Inc. All Rights Reserved. Average Fund data (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

#### European Economic Area (EEA)

Each sub-fund of Orbis SICAV, a UCITS IV compliant Luxembourg fund, included in this report is admitted for public marketing in Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom. The Orbis Funds that are not Orbis SICAV funds are Alternative Investment Funds that are neither admitted for public marketing anywhere in the EEA nor marketed in the EEA for purposes of the Alternative Investment Fund Managers Directive. As a result, persons located in any EEA member state will only be permitted to subscribe for shares in the Orbis Funds that are admitted for public marketing in that member state or, with respect to any other Orbis Fund, under certain circumstances as determined by, and in compliance with, applicable law.

#### UK Investors

Except in regards to the Orbis SICAV, a UK recognised scheme available to all UK resident investors, this communication is directed at professional clients (as defined in the Financial Conduct Authority Handbook). Any investment or investment activity to which this communication relates is available only to such persons. Persons who are not professional clients should not rely on this communication.

#### RRF Share Classes

Non-client specific Orbis RRF share class returns are based on an assumed investment of US\$20 million in the Core RRF fee structure, with no subsequent transactions.

## APPENDIX

## VI. NOTICES (CONTINUED)

The returns of an actual Member may vary depending on the timing and value of that Member's transactions in a particular Fund. Please note that non-client specific RRF net of fee returns are calculated using current fee rates as detailed in the relevant prospectus or offering document.

**Strategy Returns**

Strategy returns represent the asset-weighted combined returns of all Orbis Funds following the same investment objective. RRF net returns have been calculated based on an assumed investment of the minimum initial investment required for the specified RRF fee structure (see above) at the inception of the Strategy with no subsequent transactions. The returns of an actual Member may vary depending on the timing and value of that Member's transactions in a particular Fund.

**Other**

This document does not constitute an offer or solicitation to invest in the Orbis Funds. Subscriptions are only valid if made on the basis of the current prospectus or offering memorandum of an Orbis Fund. Past performance is not a reliable indicator of future results. Values may fall as well as rise and you may get back less than you originally invested. It is therefore important that you understand the risks involved before investing. While we have endeavoured to ensure the accuracy of the information herein, such information is not guaranteed as to accuracy or completeness. This document has been prepared solely for the information of the person to whom it has been delivered and may not be reproduced or used for any other purpose. Persons who are not permitted to receive this communication should not rely on it. All rights reserved.

## VII CONTACT INFORMATION

<b>Website</b>	orbis.com	<b>E mail</b>	clientservice@orbis.com
<b>Bermuda</b>	Orbis House, 25 Front Street Hamilton HM11 +1 441 296 3000	<b>San Francisco</b>	600 Montgomery Street, Suite 3800 San Francisco, CA 94111 +1 415 489 3600
<b>Hong Kong</b>	Suites 1802-1805 18th Floor Chater House 8 Connaught Road Central Hong Kong +81 3 5293 0131	<b>Sydney</b>	Level 2, Challis House 4 Martin Place Sydney NSW 2000 +61 2 8224 8600
<b>Tokyo</b>	Otemachi First Square, 1-5-1 Otemachi, Chiyoda-ku Tokyo 100 0004 +81 3 4572 1100	<b>Vancouver</b>	Suite 2600, Metrotower I 4710 Kingsway, Burnaby British Columbia V5H 4M2 +1 778 331 3000
<b>London</b>	28 Dorset Square London, NW1 6QG +44 20 7042 2000		





**Orbis Investment Management Limited**

Orbis House, 25 Front Street, Hamilton HM 11, Bermuda  
+1 441 296 3000 • [clientservice@orbis.com](mailto:clientservice@orbis.com) • [orbis.com](http://orbis.com)

Licensed to conduct investment business by the Bermuda Monetary Authority