Orbis Global Balanced

Sixty percent equities and forty percent bonds—the "60/40" fund. It has become such a standard for "moderate risk" that any other allocation raises eyebrows. The idea behind the 60/40 goes back to the 1950s, when economists like Harry Markowitz and William Sharpe proposed that imperfect correlation between equities and bonds meant that combining the two would reduce risk. When equities went down, bonds would go up, so the stocks could provide long-term upside while the bonds protected against a market crash.

That theory remains popular, but the facts have changed. Since the global financial crisis, central banks have been buying up bonds, increasing their prices. By effectively printing currency to complete the purchases, the government added more money to the economy, which was supposed to promote bank lending. At the same time, since higher bond prices result in lower yields, investors were incentivised to put their money into stocks in search of returns. So as governments added money into the economy in an attempt to promote growth, investors used this money to buy up equities—at the same time that central bankers were themselves pushing bond prices to record highs. In other words, the financial wizards have broken the historically negative correlation between bonds and equities. They may well have (at least temporarily) broken the old method of risk protection along with it. Bonds and equities have run up together, and they could crash together.

Because of this, we don't believe that filling 40% of the portfolio today with overvalued sovereign bonds is an effective way to protect clients from risk. And when we look closer at the equity market, the picture looks even more unlike the past. As Jeremie Teboul and William Gray discuss in the Global Equity commentary, stockmarkets are entering the ninth year of a bull market and look expensive. At the top of an equity market cycle, it is typically the "cyclical" stocks that look overvalued. This time, however, it is "defensive" names that have driven the market upwards.

This makes sense: central banks suppressed the prospective returns on bonds by bidding up their prices, so investors who had previously held bonds were forced into equities. As reluctant equity investors, they went for the most bond-like stocks they could find, at a time when other equity investors lacked confidence in growth. Amid continued uncertainty, cyclicals like banks, industrials, and energy remained cheap. So not only do we have a situation where bond and equity markets have run together—we also have a situation where the market, particularly the US, looks expensive, and yet cyclicals look attractive.

As a result, the portfolio's asset allocation may look counterintuitive. We are worried about rich stockmarket valuations, but have invested roughly 85% of the portfolio in selected stocks. We are particularly worried about valuations in the US, but our bottom-up research process has led the portfolio to be overweight energy, bank, and healthcare shares that should perform well if US growth accelerates. We are seeking protection from a downswing in equities, but only about 15% of the portfolio is in fixed income, and all of that is also geared to accelerating growth—selected high yield credits and certain fix-to-float bonds are the only fixed income securities we have found attractive enough to win the bottom-up competition for the Strategy's capital.

Investing 85% of the portfolio in selected stocks is certainly different from the 60/40 standard, so we need to find a way to reduce stockmarket risk. Our solution has been to employ equity hedging, bringing the net stockmarket exposure to about 65%—a similar destination to the 60/40, but through a very different path. As a result of this hedging, part of the portfolio is not exposed to either stockmarkets or to bonds. Instead, this portion of the portfolio should capture the difference in returns between our selected equities and the stockmarket indices we use to hedge.

Through this hedging, we have meaningfully reduced our exposure to the expensive US market, but at the same time continue to hold assets that should perform well if the US economy experiences growth. This is an uncomfortable position if one anchors on the risks of the past, but in light of today's risks, we think it makes sense. Facing a range of possible scenarios, we want to position the portfolio to offer some protection against the risks we fear most. Just as the securities we are most interested in are often those others like least, the risks we fear most are often those that may be underappreciated by the market. Today, we think two key risks are inflation and a geopolitical tail event, and markets seem complacent about both.

First, let's look at inflation. Central bankers have a lot less power to promote growth than their recent rock-star status would imply. They can keep suppressing interest rates, but until enough confidence returns to the market to prompt investment, growth will not come. On the other hand, once uncertainty wanes and sentiment begins improving, a virtuous cycle can take over: as spending and investment improve, both inflation and growth result, feeding further notches up in the cycle.

We appear to be on the cusp of this change. Wages are finally rising in the US. And even if we assume this raise is nominal, we should never underestimate the power of an American with a few more dollars in his hand. If these extra dollars are used for consumption and investment, a growth and inflation cycle could easily follow, pushing rates higher. In this environment,

Contact details for Allan Gray | Tel 0860 000 654 or +27 (0)21 415 2301 | Fax 0860 000 655 or +27 (0)21 415 2492 | info@allangray.co.za | www.allangray.co.za

Orbis Global Balanced *(continued)*

selected energy shares like Royal Dutch Shell and BP, selected banks such as Wells Fargo & Company, and selected high yield credit such as Arconic's 2037 bond look attractive—yet we can purchase these securities at discounts to our assessment of their intrinsic value. And after years of using it as a "risk off" proxy, investors are starting to remember that gold has historically been an effective inflation hedge. We saw this in the metal's price move after the Fed raised rates earlier this month.

The second risk that appears underappreciated is war. The world has no shortage of trouble spots—from Syria to North Korea, from Iran to Ukraine, from Turkey to the South China Sea. Perhaps none of these hotspots will spark a wider conflict, but we still see plenty of kindling. Yet markets are pricing in a Goldilocks scenario—not too hot, not too cold.

As is almost always the case, fundamentally undervalued securities that merit a place in the portfolio are also linked to underappreciated global risks. Thankfully, many of the same underpriced assets that will protect investors from inflation can also afford protection against geopolitical risk. Gold, apart from being a classic inflation hedge, tends to protect from war-related volatility. War in the Middle East could also reduce oil supplies, driving up the price of energy assets.

Every day, we work from the bottom up, assessing security valuations and risks, to build the best portfolios we can to meet our Strategies' investment objectives. Every day the risks are new, but the logic is old: if you buy things for more than they are worth, whatever the asset class, you increase your risk of loss. There will be times when government bonds look attractive, but in today's market they look overpriced. Filling 40% of a portfolio with expensive government bonds simply does not meet our standard for risk reduction, so we don't hold any. That's not the common approach, but we think it's common sense.

Commentary contributed by Ashley Lynn, Orbis Investment Management Limited, Bermuda

This report does not constitute a recommendation to buy, sell or hold any interests, shares or other securities in the companies mentioned in it nor does it constitute financial advice.

Orbis SICAV Global Balanced Fund

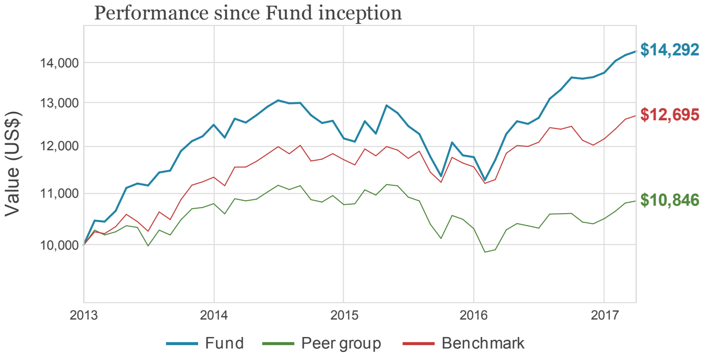
The Fund seeks to balance appreciation of capital, income generation and risk of loss with a diversified global portfolio of equity, fixed income and commodity-linked instruments. It aims to earn higher long-term returns than its benchmark, which is comprised of 60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index ("60/40 Index"), each in US dollars.

Price	US$14.21
Pricing currency	US dollars
Domicile	Luxembourg
Type	SICAV
Share class	Investor Share Class
Fund size	US$2.9 billion
Fund inception	1 January 2013
Strategy size	US$3.0 billion
Strategy inception	1 January 2013

Benchmark	60/40 Index
Peer group	Average Global Balanced Fund Index
Minimum investment	US$50,000
Dealing	Weekly *(Thursdays)*
Entry/exit fees	None
UCITS IV compliant	Yes
ISIN	LU0891391392

See Notices for important information about this Fact Sheet

Growth of US$10,000 investment, net of fees, dividends reinvested



Asset Allocation (%)

	North America	Europe	Asia ex-Japan	Japan	Other	Total
Fund						
Gross Equity	36	24	14	7	4	84
Net Equity	*25*	*18*	*13*	*6*	*4*	*66*
Fixed Income	11	1	0	0	0	13
Commodity-Linked						3
Total	**47**	**25**	**14**	**7**	**4**	**100**
Benchmark						
Equity	38	14	1	5	2	60
Fixed Income	16	14	0	9	0	40
Total	**54**	**28**	**1**	**14**	**2**	**100**

Returns (%)

	Fund	Peer group	Benchmark
Annualised	*Net*		*Gross*
Since Fund inception	8.8	1.9	5.8
3 years	4.5	0.0	3.2
1 year	16.5	5.5	7.2
Not annualised			
3 months	4.0	3.3	4.4
1 month	0.7		0.7

	Year	%
Best performing calendar year since Fund inception	2013	24.8
Worst performing calendar year since Fund inception	2015	(3.4)

Currency Allocation (%)

	Fund	Benchmark
US dollar	45	52
Euro	14	18
Japanese yen	12	14
British pound	11	7
Other	18	10
Total	**100**	**100**

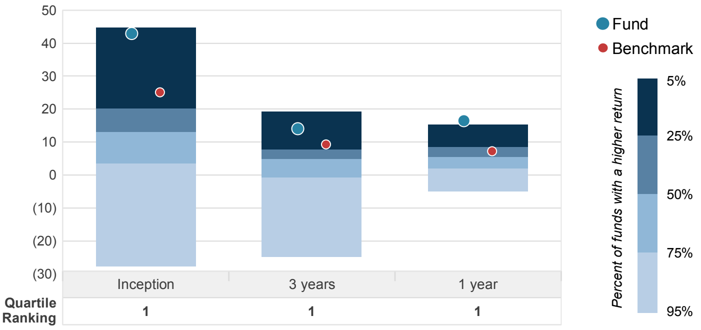
Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	14	12	7
Months to recovery	25	>23[1]	22
% recovered	100	75	100
Annualised monthly volatility (%)	8.6	6.6	6.9
Beta vs World Index	0.7	0.6	0.6
Tracking error vs benchmark (%)	4.6	2.2	0.0

Top 10 Holdings

	Sector	%
BP	Energy	3.2
AbbVie	Health Care	3.1
Royal Dutch Shell	Energy	3.0
SPDR Gold Trust	Commodity-Linked	2.7
Motorola Solutions	Information Technology	2.4
Aetna	Health Care	2.1
Amazon.com	Consumer Discretionary	2.1
XPO Logistics	Industrials	2.0
Carnival plc	Consumer Discretionary	2.0
Wells Fargo & Company	Financials	2.0
Total		**24.5**

Ranking within peer group, cumulative return (%)



Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	49
Total number of holdings	93
12 month portfolio turnover (%)	56
12 month name turnover (%)	48

Fees & Expenses (%), for last 12 months

Management fee[2]	1.82
For 3 year performance in line with benchmark	*1.50*
For 3 year outperformance/(underperformance) vs benchmark	*0.32*
Fund expenses	0.11
Total Expense Ratio (TER)	**1.93**

Past performance is not a reliable indicator of future results. Orbis Fund 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.

[1] Number of months since the start of the drawdown. This drawdown is not yet recovered.

[2] 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/(underperformance) vs benchmark.

Contact details for Allan Gray | **Tel** 0860 000 654 or +27 (0)21 415 2301 | **Fax** 0860 000 655 or +27 (0)21 415 2492 | info@allangray.co.za | **www.allangray.co.za**

Orbis SICAV Global Balanced Fund

This Fact Sheet is a Minimum Disclosure Document and a monthly General Investor Report as required by the South African Financial Services Board.

Manager	Orbis Investment Management (Luxembourg) S.A.
Portfolio Manager	Orbis Investment Management Limited
Inception date	1 January 2013
Number of shares (Investor Share Class)	14,775,855
Income distributions during the last 12 months	None

Please note that all references to the "Investor Share Class" in this document exclude the "Institutional Investor Share Class" referred to in the Fund's Prospectus.

Fund Objective and Benchmark

The Fund seeks to balance appreciation of capital, income generation and risk of loss with a diversified global portfolio. It aims for higher long-term returns than its designated combined equity and bond performance benchmark, which is comprised of 60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index, each expressed in US$ (the "60/40 Index").

How We Aim to Achieve the Fund's Objective/Adherence to Objective

The Fund is actively managed and invests in equities, fixed income instruments and commodity-linked instruments. Fund weightings among the different asset classes are determined based on their income, appreciation and risk of loss potential, with appropriate diversification. The Portfolio Manager may cause the Fund to be under or over the targets described in the remainder of this section when it considers this to be in the Fund's best interest.

Equities. The Portfolio Manager targets the Fund to hold 40-90% of its net asset value in a pool of global equities. The Fund invests in shares considered to offer fundamental value and dividend paying potential that is superior to its benchmark. The lower the price of a share as compared to its assessed intrinsic value, the more attractive Orbis considers the equity's fundamental value. The Portfolio Manager believes the main risk of investing in equities is that their prices will decline if relevant stockmarkets fall significantly. To reduce this risk, when Orbis' research suggests that stockmarkets are overvalued and vulnerable, the Portfolio Manager will reduce exposure to, or hedge, stockmarket risk. Similarly, when Orbis' research suggests that stockmarkets represent good value, the Portfolio Manager will increase exposure to stockmarket risk by decreasing the amount of any hedging. The Fund may utilise exchange-traded derivatives for investment efficiency purposes by helping the Fund to be continuously fully exposed to equities (within the Portfolio Manager's targets) at all times. Furthermore, the Fund may also buy and sell exchange-traded equity call and put options for investment efficiency purposes, but only to the extent the Fund is capable of meeting its payment or delivery obligations related to such options, for example, by holding the underlying security.

Fixed Income Instruments. The Portfolio Manager targets the Fund to hold 10-50% of its net asset value in fixed income instruments issued by corporate bodies, governments and other entities. These are selected to provide current income, liquidity and portfolio diversification for the purpose of reducing risk of loss. The Fund's fixed income selections in aggregate may differ significantly from the benchmark in duration and credit quality. In addition, the Fund may invest in money market instruments, cash and cash equivalents.

Commodity-linked Instruments. The Portfolio Manager targets the Fund to hold 0-10% of its net asset value in commodity-linked instruments, which may provide the Fund with indirect exposure to commodities. The Fund will gain exposure to commodities if the Portfolio Manager's investment research process identifies a commodity or class of commodities as being more attractive than overall equity and fixed income opportunities, taking into account any risk reduction benefits of diversification.

Exchange rate fluctuations significantly influence global investment returns. For this reason, part of Orbis' research effort is devoted to forecasting currency trends. Taking into account these expected trends, the Portfolio Manager actively reviews the Fund's currency exposure. Those currencies held but considered vulnerable may be sold in favour of those considered more attractive.

The Fund's holdings usually differ meaningfully from the 60/40 Index.

As the Fund is less than five years old, it is too early to tell if it has met its objective. However, since inception the Fund has outperformed its benchmark net of fees, and we are confident the Fund will meet its objective over the long term. The Fund will experience periods of underperformance in pursuit of its long-term objective.

Risk/Reward Profile

- The Portfolio Manager aims to contain the risk of monetary loss to a level that is below the risk of loss experienced by global equity funds but higher than that experienced by government bond funds and cash deposits over the long term. Investors should be aware that this expected reduction in risk of loss comes at the expense of long-term expected return.
- Investments in the Fund may suffer capital loss.
- Investors should understand that the Portfolio Manager generally assesses an investment's attractiveness over a three-to-five year time horizon.

Management Fee

As is described in more detail in the Fund's Prospectus, the Fund's various share classes bear different management fees. The fees are designed to align the Manager's and Portfolio Manager's interests with those of investors in the Fund. With respect to the Fund's Investor Share Class, the fee is structured as follows: a fee is charged based on the net asset value of the class. The fee rate is calculated weekly by comparing the class' performance over three years against the 60/40 Index. For each percentage point of three year performance above or below that benchmark's performance, 0.04 percentage points are added to or subtracted from 1.5%, subject to the following limits:

- Maximum fee: 2.5% per annum
- Minimum fee: 0.5% per annum

For a description of the management fee borne by the Fund's other share classes, please refer to the Fund's Prospectus.

Fees, Expenses and Total Expense Ratio (TER)

The relevant class within the Fund bears all expenses payable by such class, which shall include but not be limited to fees payable to its Manager, Portfolio Manager and additional services providers, fees and expenses involved in registering and maintaining governmental registrations, taxes, duties and all other operating expenses, including the cost of buying and selling assets. However, the Manager and the Portfolio Manager have agreed that in the current calendar year, except for specified exclusions, operating expenses attributable to the Fund's Investor Share Class will be capped at 0.20%. Please refer to the Fund's Prospectus for a description of the fee cap applicable to its other share classes. Each cap will be automatically extended for further successive one year periods unless terminated by the Manager or the Portfolio Manager at least three months prior to the end of the then current term. The operating expenses that are capped are all expenses, excluding the Manager's and Portfolio Managers' fees described above under "Management Fee," the cost of buying and selling assets, interest and brokerage charges.

Where an investor subscribes or redeems an amount representing 5% or more of the net asset value of the Fund, the Manager may cause the Fund to levy a fee of 0.40% of the net asset value of the Fund's shares being acquired or redeemed.

The annual management fees charged are included in the TER. The TER is a measure of the actual expenses incurred by the class over a 12 month period, excluding trading costs. Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns. Expenses may vary, so the current TER is not a reliable indicator of future TERs.

Changes in the Fund's Top 10 Holdings

31 December 2016	%	31 March 2017	%
Royal Dutch Shell	3.2	BP	3.2
AbbVie	3.2	AbbVie	3.1
QUALCOMM	3.0	Royal Dutch Shell	3.0
BP	2.7	SPDR Gold Trust	2.7
Wells Fargo & Company	2.4	Motorola Solutions	2.4
SPDR Gold Trust	2.1	Aetna	2.1
Motorola Solutions	2.1	Amazon.com	2.1
XPO Logistics	2.1	XPO Logistics	2.0
Carnival plc	2.0	Carnival plc	2.0
Samsung Electronics	2.0	Wells Fargo & Company	2.0
Total	**25.0**	**Total**	**24.5**

Past performance is not a reliable indicator of future results. Orbis Fund 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.

Contact details for Allan Gray | **Tel** 0860 000 654 or +27 (0)21 415 2301 | **Fax** 0860 000 655 or +27 (0)21 415 2492 | info@allangray.co.za | www.allangray.co.za

Orbis SICAV Global Balanced Fund

Additional Information

South African residents should contact Allan Gray Unit Trust Management (RF) Proprietary Limited at 0860 000 654 (toll free from within South Africa) or offshore_direct@allangray.co.za to receive, free of charge, additional information about a proposed investment (including prospectus, application forms, annual reports and a schedule of fees, charges and maximum commissions). The Portfolio Manager can be contacted at +1 441 296 3000 or clientservice@orbis.com. The Fund's Depositary is Citibank Europe plc, Luxembourg Branch, 31 Z.A. Bourmicht, L-8070 Bertrange, Luxembourg. All information provided herein is subject to the more detailed information provided in the Fund's Prospectus.

Share Price and Transaction Cut Off Times

Share prices are calculated on a net asset value basis by share class, normally as of 5:30 pm (Bermuda time) (i) in the case of the Investor Share Class and Institutional Investor Share Class, each Thursday (or, if a Thursday is not a business day, the preceding business day), (ii) in the case of the Refundable Reserve Fee Share Classes, the first Thursday of each calendar month and any other Thursday on which an investor transacts in such class (or, if a Thursday is not a business day, the preceding business day), (iii) on the last calendar day of each month (or, if that is not a weekday, the preceding weekday) and/or (iv) any other days in addition to (or substitution for) any of the days described in (i), (ii) or (iii), as determined by the Manager without notice.

Subscriptions are only valid if made on the basis of the Fund's current Prospectus. To be processed on a given dealing day: subscription requests into an Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm on that dealing day; subscription requests into an Orbis Fund that is an Orbis SICAV Fund must be submitted by 5:30 pm; redemption requests from an Orbis Fund that is not an Orbis SICAV Fund must be submitted by 12 noon; redemption requests from an Orbis Fund that is an Orbis SICAV Fund must be submitted by 5:30 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is also not an Orbis SICAV Fund must be submitted by 12 noon; requests to switch from an Orbis SICAV Fund into a different Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is an Orbis SICAV Fund must be submitted by 12 noon; and requests to switch from an Orbis Fund that is an Orbis SICAV Fund to a different Orbis Fund that is also an Orbis SICAV Fund must be submitted by 5:30 pm. All times given are Bermuda time, and all requests must be properly completed and accompanied by any required funds and/or information.

Share prices, updated weekly, are available

- from the Allan Gray Unit Trust Management (RF) Proprietary Limited's website at www.allangray.co.za,
- from the Orbis website at www.orbis.com,
- by e-mail, by registering with Orbis for this service at the Orbis website at www.orbis.com, and
- from Bloomberg.

Legal Notices

Returns are net of Investor Share Class fees, include income and assume reinvestment of dividends. Figures quoted are for the periods indicated for a $10,000 investment (lump sum, for illustrative purposes only). Annualised returns show the average amount earned on an investment in the Fund/share class each year over the given time period. This Report does not constitute advice nor a recommendation to buy, sell or hold, nor an offer to sell or a solicitation to buy interests or shares in the Orbis Funds or other securities in the companies mentioned in it.

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of an investment in the Fund may go down as well as up, and past performance is not a reliable indicator of future results. Neither the Manager nor the Portfolio Manager provides any guarantee with respect to capital or the Fund's returns. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Commission and incentives may be paid by investors to third parties and, if so, would be included in the overall costs. Individual investors' performance may differ as a result of investment date, reinvestment date and dividend withholding tax, as well as a levy that may apply in the case of transactions representing more than 5% of the Fund's net asset value. The Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. The Fund invests in foreign securities. Depending on their markets, trading in those securities may carry risks relating to, among others, macroeconomic and political circumstances, constraints on liquidity or the repatriation of funds, foreign exchange rate fluctuations, taxation and trade settlement.

The discussion topics for the commentaries were selected, and the commentaries were finalised and approved, by Orbis Investment Management Limited, the Fund's Manager. Information in this Report is based on sources believed to be accurate and reliable and provided "as is" and in good faith. The Orbis Group does not make any representation or warranty as to accuracy, reliability, timeliness or completeness of the information in this Report. The Orbis Group disclaims all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise) in connection with the information in this Report.

Orbis Investment Management Limited, the Fund's Manager, is licensed to conduct investment business by the Bermuda Monetary Authority.

Fund Information

The benchmark is a composite index consisting of the MSCI World Index with net dividends reinvested (60%) and the JP Morgan Global Government Bond Index (40%).

Net Equity is Gross Equity minus stockmarket hedging. Fixed Income refers to fixed income instruments issued by corporate bodies, governments and other entities, such as bonds, money market instruments and cash and cash equivalents. Fixed Income regional allocation is based on the currency denomination of the instrument.

The country and currency classification for equity securities follows that of third party benchmark providers for comparability purposes. Based on a number of factors including the location of the underlying business, Orbis may consider a security's classification to be different and manage the Fund's exposures accordingly.

Fund Minimum

Minimum investment amounts in the Fund are specified in the Fund's Prospectus, provided that a new investor in the Orbis Funds must open an investment account with Orbis, which may be subject to minimum investment restrictions, country restrictions and/or other terms and conditions. For more information on opening an Orbis investment account, please visit www.orbis.com.

Clients investing via Allan Gray, which includes the Allan Gray Investment Platform, an Allan Gray investment pool or otherwise through Allan Gray Nominees, remain subject to the investment minimums specified by the applicable terms and conditions.

Sources

MSCI World Index data source is MSCI Inc. "MSCI" is a trademark of MSCI Inc. and is used by Orbis Investment Management Limited under license. 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 composite 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).

 The latest average fund indices provided by Morningstar are for 23 March 2017. To allow comparison of returns to a common date we have extended the average equity and multi-asset class fund indices to reflect the subsequent movement of the applicable benchmark indices. Average fund returns are not shown for periods of a month or less as high price volatility and late fund reporting regularly cause them to be significantly restated by Morningstar.