President's Letter

Our purpose at Orbis is to empower our clients by enhancing their savings and wealth. We are convinced that if we focus on earning and retaining the trust and confidence of our clients—by adding value through our investment decisions and aligning our interests with theirs—we can translate our passion for investing into making a meaningful difference for our clients, ourselves and our communities over the long term. By design, we are also careful to ensure that our interests are similarly aligned at times when we fail to deliver on our aspirations.

2020 was another such occasion. On an asset-weighted basis, blending net-of-fee returns across share classes, the Orbis Funds returned 12.7% in 2020 versus 15.0% for their benchmarks. We personally share these tough times with you, as substantial co-investors in the Funds, through very low firm profitability/small losses due to our performance-based fee structures, and through lower individual remuneration—and that's exactly how it should be.

Falling short of our objective is not unusual and at times it can last for an extended period. In fact, it's not just normal—it's *necessary*. Investment approaches swing in and out of favour. Any approach that makes sense and works long enough will inevitably become so popular and pervasive that it will *stop* working long enough to convince many investors that it will never work again.

It's a pattern that we have seen before. Value-oriented investing worked spectacularly well for decades—until it stopped working in the late 1990s and even put some of its best practitioners out of business. The approach came roaring back into fashion in the wake of the dotcom bust, yet now finds itself being similarly tested once again.

We aren't smart enough to predict the timing or duration of these changes, but we *do* know that they have been cyclical in the past. The familiar saying that "past performance is no guarantee of future returns" isn't just legalese; it is a wise and time-tested warning that the market's favourite stocks can and often do fall out of favour. But paying substantially less for an asset than it is worth is a timeless recipe for investment success—even if it means waiting an uncomfortably long time. The best thing we can do is to ensure that we build a sustainable firm with an aligned client base that can live to fight another day and be prepared to take advantage when the opportunities present themselves.

In thinking about investing, an analogy I've used before is playing a "loser's game", which comes from the work of Dr Simon Ramo, an engineer who studied amateur tennis players and wrote a popular book on the subject in the 1970s. Ramo found that approximately 80% of points are decided by mistakes rather than skilled shot-making. I think of investing the same way. Rather than relying on a "winner's game" consisting of spectacular streaks of brilliance, a better approach is to contain mistakes and invest with controlled conviction. While it may not be the most fun to play, it is a winning strategy for those who have the discipline, patience and humility to stick with it.

This also explains why the "loser's game" of low-cost index-based investing beats most active managers over the long term, particularly those with the additional headwind of excessive "heads-we-win, tails-you-lose" fee structures. Interestingly, however, it is now the passive approach that suddenly finds itself playing the winner's game. In recent years, benchmark indices have become abnormally concentrated in a relatively small number of big winners, many of which have online and network-based "winner takes most" business models that are almost tailor-made for a world forced to stay at home. These companies delivered unusually strong fundamental performance in 2020 and investors have been unsurprisingly enthusiastic about their prospects.

As always, we don't know how long it will continue and we can make no promises about the future, but it looks increasingly likely to us that an end to this trend is within sight. The improvement in our investment performance over the last two months of the year, coincident with news of several effective Covid-19 vaccines, is encouraging in that regard. Even so, the extent of that move barely registers as a blip on a longer-term chart. It is exciting to think what might be possible if current valuation gaps begin to close in earnest. Personally, I find it an even more compelling indicator that our investment professionals within Orbis are expressing ever-greater conviction in the future opportunity for added value—more than I have seen in years, with the possible exception of March of this year—and I think you will see that reflected in the commentaries that follow.

President's Letter *(continued)*

In addition to the commentaries that follow, I thought it might be interesting to share some of the team commitments that we make to each other for our Global Strategy Meetings to ensure that we remain grounded and prepared for the opportunity in front of us:

- *I will own my feelings and be vigilant in recognising and countering my unconscious bias*
- *I will own my judgements and opinions—they may or may not be true*
- *I will aspire to humility, including the humility to change my mind*
- *I will listen with openness and curiosity*
- *I will view all feedback as an opportunity to grow*
- *I will hold myself to a higher standard than I expect of others*
- *I will be "all in", especially when times get tough*
- *I will do what is best for the whole: clients, firm, team, me*

As a colleague said recently, what defines a winning team is how they conduct themselves when they are behind. While producing outcomes well below one's standards is never any fun, it is a process that we have been through periodically in our history, and we have always emerged stronger and better prepared to deliver on your behalf. I am enormously grateful that our clients have stayed the course thus far, and I look forward to 2021 with a renewed sense of purpose and determination.

William Gray

William B Gray

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 Global Balanced

It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair...

Dickens could have been writing about 2020. It was an unimaginably painful year for those who lost loved ones to the pandemic or their jobs to the resulting lockdowns. Focusing narrowly on markets, it was a disappointing year for the performance of Orbis Global Balanced, particularly in the first quarter. Yet in some parts of the capital markets, 2020 was the best of times.

It was the best of times for passive investors in the classic portfolio of 60% global stocks and 40% global government bonds—the "60/40".

As central banks around the world fired up their printing presses in March, bond yields fell, and those falling bond yields benefitted passive 60/40 investors in three big ways. First, falling yields pushed global government bonds to an astonishing 10% return, despite starting the year with an average yield of just 1%. Second, falling yields helped bonds to cushion the blow from crashing equities in March, improving the risk experience of the 60/40. Third, falling yields made equities look more attractive compared to bonds, inflating valuations for equities and helping the MSCI World Index deliver a 16% return despite deteriorating corporate profits.

It was the best of times for the 60/40. *Was*. The times ahead could prove much more challenging for the classic passive strategy.

While the headline on bonds this year is that yields fell, they only fell w*here they had room to fall*. Bond yields fell in the US and in the UK, because they had room to fall in the US and the UK. In markets like Japan and Germany where yields were already at or below zero, yields today are higher than at some points in 2019.

Without falling bond yields to flatter equity valuations, stockmarkets will lose an important tailwind to their recent returns, hurting the return prospects on the "60" side. The "40" side will struggle to generate any returns at all. Even if yields never rise a single basis point, even if today's record-low interest rates persist forever, the return on global government bonds will be just 0.6% per annum. And if yields were to rise by just 1% today, bond prices would decline by 9%. That trade-off scares us, so we have avoided traditional government bonds in favour of gold, cash, inflation-linked bonds, and hedged equity.

From here, the 60/40 looks dangerous to us. The best way to see this is to look at its valuation. By flipping the yield on bonds upside down, we can create a "price-earnings ratio for bonds" to combine with the P/E on stocks. When we do that, we see that the 60/40 today trades at 32 times earnings—its worst, most expensive valuation ever, worse even than its valuation at the peak of the tech bubble in 2000. The fear of losing money has given way to the fear of missing out. High starting prices reduce future return potential and increase the risk of permanently losing money. That sums up our view of the 60/40 today: lower prospective returns with greater risk.

The passive 60/40 portfolio trades at its most expensive level ever

Blended "P/E" ratio of 60% developed world stocks and 40% global government bonds

Source: Refinitiv, Factset, Orbis. 60% Datastream Total Developed Markets Index, 40% JP Morgan Global Govt Bond Index. Price-earnings ratio for equities uses 1-year forward I/B/E/S estimates. "P/E" for bonds is the inverse of yield to maturity. Datastream index used as a proxy for the MSCI World Index, which has a shorter valuation history.

Orbis Global Balanced *(continued)*

2020 was also the best of times for growth investors within equities. Growth does well when growth is scarce, and it was incredibly scarce this year. Whole industries ground to a halt, while a relative handful of technology businesses saw their earnings growth accelerate.

We have owned some of those tech companies—including **NetEase**, which benefits as an online game developer from people playing games at home, and **Taiwan Semiconductor Manufacturing Company**, which has benefitted from robust demand for semiconductors to feed the devices and cloud servers that allow people to work at home. Amid the bizarre conditions of 2020, being *intrinsic* value investors rather than textbook value investors has been beneficial.

Coming into the year, however, we were increasingly enthusiastic about the gap between the rich prices of the most popular shares and the bargain prices of the most neglected ones. Over the year, that gap has gone from unreasonably wide to unbelievably wide, which has hurt our performance. The silver lining is that the neglected shares continue to trade at very compelling valuations. So having spent the crash period playing defence and stress testing our businesses, we are now playing offence, trying to weigh up which of our bottom-up stock selections offer the best risk-adjusted returns. The best way to understand the portfolio is to take a tour of the individual stocks. Many of those opportunities are in the cheaper parts of the market, and most are outside the US.

As my colleagues discuss in this quarter's Global Equity commentary, BMW in Europe and Japanese trading company Mitsubishi are perfect examples.

Mitsubishi is a conglomerate with hundreds of subsidiaries spanning from commodities to food distribution to convenience stores. It is a bit like a private equity fund, or a Japanese Berkshire Hathaway. Berkshire seems to recognise the resemblance, as it announced a 5% stake in Mitsubishi and four peers this August. We have long seen the appeal. Mitsubishi has grown its book value by around 7% per annum over forty years, has only once made an annual loss, and today earns higher returns on equity than the Japanese average—yet it trades at about half the price. While we wait for the market to recognise its value, we collect a 5% dividend yield.

BMW has been weighed down by concerns about the transition to electric vehicles, even though it has a higher market share in electrified cars than it does in the overall auto market, will have 20 different plug-in models available next year, and as a premium brand, can charge a premium price to maintain its margins during the transition. On the strength of that brand, BMW is one of a rare few companies that have sustained average returns on tangible equity of 15% per year over multiple decades. With its shares trading at less than 1.0 times book value, BMW's future does not need to be anywhere near that bright to greatly exceed the depressed expectations embedded in its current price.

In Europe, we have also found a number of opportunities among banks. While it's been a torrid period for European banks, going seamlessly from the euro crisis to tighter capital controls and then to the Covid-19 pandemic, it would not take much to make the decade ahead kinder than the one just past. Yet even the good banks are priced for continued punishment—**ING Group** trades at about 0.6 times book value, despite being profitable, prudently run, and well-capitalised. ING's balance sheet is strong enough that it could (if allowed) pay out 100% of its profits over the next few years while maintaining its required capital buffer. If the company can hit the bottom end of its 10-12% return on equity target, as we think it can, it could generate a more than 8% shareholder return yield on its current share price—and likely earn a substantial re-rating in the process.

Banks may be scorned, but energy companies are downright hated, and **BP** and **Royal Dutch Shell** have been painful stocks to own this year. The pandemic crimped global oil demand, and amid discussions of the broader energy transition, the demand outlook continues to dominate headlines. What gets far less attention is the supply side of the equation. Since 2016, capital investment in oil has been restrained, and in 2020 that restraint turned to austerity. Every oil major in the world, even Saudi Aramco, cut investment to the bone—over $100bn of cuts in total. That capital starvation should lead to much tighter supply in the years ahead, supporting a recovery in the oil price to the $60/bbl needed to spur adequate investment. At that oil price, BP and Shell would generate free cash flow equivalent to >15% of their current market value every year. Said another way, if you bought either business outright, you'd get all of your money back in less than 7 years! Even without an oil price recovery, both stocks offer free cash flow yields of >10% on a forward-looking basis.

BP and Shell are not the only UK shares loathed by investors. UK mid-caps have been rendered untouchable by Brexit, and plenty of good businesses have been thrown out with the Brexit bathwater. Two opportunities we have found are Drax and Balfour Beatty.

Orbis Global Balanced *(continued)*

Drax runs a power plant that once burned coal. Today over 90% of the electricity that Drax generates is from burning wood pellets, or biomass, and that generation is subsidised through 2027. We estimate that cash flows through 2027 should exceed the company's current enterprise value, and we believe Drax has a promising future beyond that. Outside of power generation, Drax is one of the world's largest producers of wood pellets (using scraps from other industries), and it also operates a system that pumps water up into a reservoir to store energy. Most importantly, Drax has been leading the UK in developing bioenergy carbon capture and storage technology. This is a process in which trees would soak up carbon from the atmosphere, Drax would burn the wood to make electricity, and Drax then would capture and safely store the resulting carbon—holding the promise of being the first carbon *negative* source of electricity. With Drax's current valuation, we pay nothing today to participate in that potential breakthrough. Though these attractions have been in place for some time, the stock is roughly flat over the last two years, so any rewards could take time. We are prepared to be patient.

Balfour Beatty is quite the turnaround story, having gone from being a hopelessly over-leveraged builder with unprofitable contracts to being the premier construction firm in the UK today. Despite the turnaround, the stock has languished. But the improvement continues. The bad contracts have rolled off, and with competitors going bust, Balfour is the financially strongest contractor in the UK. It is poised to benefit from any boost to infrastructure spending there—or in the US, where the company generates roughly half its construction profits. In addition to the healthy cash pile on its balance sheet, Balfour also owns a portfolio of infrastructure assets worth more than £1bn. Putting fair values on each of Balfour's parts suggests a value that towers above its current share price, and as the clouds and pessimism continue to fade, that discount should close.

Taken together, the nine companies highlighted in this report represent a quarter of the portfolio, and the clusters represented by each share—Chinese internet, semiconductors, trading companies, automakers, banks, energy, and UK mid-caps—represent nearly half of the portfolio in total. Those bottom-up ideas build up to a portfolio that is very different from the 60/40 Index, with an active share of over 90%, and starkly different equity characteristics.

Our shares trade at a steep discount to the market

Metrics for equities in Orbis Global Balanced and MSCI World

	Price / earnings (normal)*†	Revenue growth**†
Equities in Orbis Global Balanced	20	6.5%
MSCI World Index	36	7.5%

Source: Worldscope, Orbis. In each case, numbers are calculated first at the stock level and then aggregated using a weighted median. *Earnings are normalised by multiplying each company's trailing revenue-to-price multiple by its median 10 year net profit margin. **Last 10 years. †Non-financial companies.

Valuations for both global stockmarkets and our shares are significantly less cheap than they were in March, and on almost any measure, global stockmarkets trade at their most expensive levels in decades. The relative picture is more encouraging, however, because the discount between our shares and the market is exceptional. Today our selected equities trade at a 40% discount to the wider market, despite having similar growth rates. That discount is unusually wide, and is comparable to what we saw at the inception of the Global Balanced Strategy in early 2013.

As a parting shot, it is worth noting that this is the discount *after* the relative recovery of many cyclical shares following Pfizer's vaccine announcement in November. In our view, the prices of our securities remain miles away from the values justified by their fundamentals. We never know what our performance will look like in a given month, quarter, or even year. But the behaviour of markets since November has provided a taste of how the Strategy could perform if the world returns to any semblance of normality.

Commentary contributed by Alec Cutler, 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

Shared Investor Refundable Reserve Fee Share Class (A) (“Shared Investor RRF Class (A)”)

The Fund seeks to balance investment returns 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 (“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.

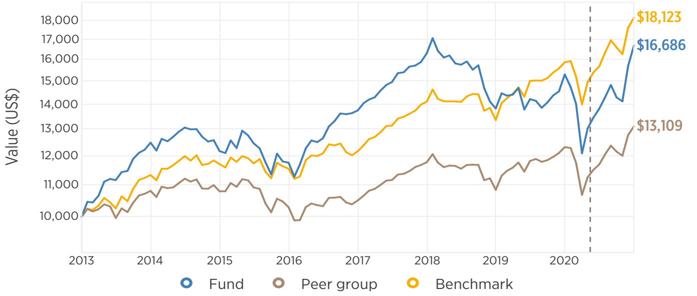
Price	US$16.59
Pricing currency	US dollars
Domicile	Luxembourg
Type	SICAV
Minimum investment	US$50,000
Dealing	Weekly *(Thursdays)*
Entry/exit fees	None
ISIN	LU2122430783

Benchmark	60/40 Index
Peer group	Average Global Balanced Fund Index
Fund size	US$3.3 billion
Fund inception	1 January 2013
Strategy size	US$3.4 billion
Strategy inception	1 January 2013
Class inception	14 May 2020
UCITS compliant	Yes

For an initial period of time,* the Shared Investor RRF Class (A) is charging the fee of the Investor Share Class, reduced by 0.3% per annum.† Numerous investors have switched to the Shared Investor RRF Class (A) from the Investor Share Class. This temporary measure will ensure that the fees paid by investors account for underperformance experienced by the Investor Share Class before the inception date of the Shared Investor RRF Class (A).

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

Performance since Fund inception[1]



Information for the period before the inception of the Shared Investor RRF Class (A) on 14 May 2020 (date indicated by dashed line above) relates to the Investor Share Class.

Returns[1] (%)

	Fund	Peer group	Benchmark
Annualised	Net	Net	Gross
Since Fund inception	6.6	3.4	7.7
5 years	7.2	5.0	9.4
3 years	0.8	3.7	8.7
1 year	9.1	6.5	14.2
	Class	**Peer group**	**Benchmark**
Not annualised			
Since Class inception	29.8	17.8	23.3
3 months	16.8	7.9	9.3
1 month	6.3		3.0

	Year	Net %
Best performing calendar year since Fund inception	2013	24.8
Worst performing calendar year since Fund inception	2018	(15.2)

Risk Measures,[1] since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	29	13	12
Months to recovery	>35[2]	8	6
% recovered	93	100	100
Annualised monthly volatility (%)	11.6	7.8	8.6
Beta vs World Index	0.8	0.6	0.6
Tracking error vs Benchmark (%)	5.8	2.0	0.0

Fees & Expenses[1] (%), for last 12 months

Ongoing charges	1.41
Fixed management fee[3]	*1.31*
Fund expenses	*0.10*
Performance related management fee[3]	(0.85)
Total Expense Ratio (TER)	**0.56**

The average management fee* charged by the Investor Share Class is 0.59% per annum.

Asset Allocation[4] (%)

	United States	UK	Europe ex-UK	Japan	Other	Emerging Markets	Total
Fund							
Gross Equity	20	14	14	8	4	21	82
Net Equity	*10*	*13*	*10*	*8*	*1*	*20*	*63*
Gross Fixed Income	9	0	0	0	0	2	12
Net Fixed Income	*9*	*0*	*0*	*0*	*0*	*2*	*12*
Commodity-Linked							6
Total	**29**	**14**	**14**	**9**	**5**	**23**	**100**
Benchmark							
Equity	40	3	9	5	4	0	60
Fixed Income	17	3	11	8	1	0	40
Total	**56**	**6**	**20**	**12**	**6**	**0**	**100**

Currency Allocation (%)

	Fund	Benchmark
US dollar	37	56
British pound	15	6
Euro	14	17
Japanese yen	11	12
Korean won	7	0
Other	17	9
Total	**100**	**100**

Top 10 Holdings

	Sector	%
Taiwan Semiconductor Mfg.	Information Technology	6.5
SPDR Gold Trust	Commodity-Linked	6.2
Samsung Electronics	Information Technology	6.0
AbbVie	Health Care	3.8
British American Tobacco	Consumer Staples	3.6
NetEase	Communication Services	3.5
BP	Energy	2.9
Bayerische Motoren Werke	Consumer Discretionary	2.7
XPO Logistics	Industrials	2.7
Royal Dutch Shell	Energy	2.5
Total		**40.3**

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	66
Total number of holdings	88
12 month portfolio turnover (%)	34
12 month name turnover (%)	31

	Portfolio	Equity	Fixed Income
Active Share (%)	96	93	100

*The Shared Investor RRF Class (A) will continue to charge the fee of the Investor Share Class, reduced by 0.3% per annum,† until the earlier of the first dealing day (a) on or after 14 May 2023, or (b) on which the average management fee charged by the Investor Share Class equals or exceeds 1.5% per annum of the Investor Share Class' net assets for the period ending on that dealing day and beginning on the later of (i) 12 months prior to that dealing day, or (ii) 14 May 2020. Please refer to the Fund's prospectus for more details.

† This 0.3% per annum reduction is provided because investors in the Shared Investor RRF Class (A) are subject to an additional administrative fee, as they separately agree with Allan Gray Proprietary Limited (or one of its affiliates) from time to time.

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.

See Notices for important information about this Fact Sheet.

[1] Fund data and Fees & Expenses for the period before 14 May 2020 relate to the Investor Share Class.

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

[3] Full management fee consists of 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/(underperformance) vs Benchmark. Beginning 14 May 2020, for its application to the Shared Investor RRF Class (A), this fee is reduced by 0.3% per annum.†

[4] Regions other than Emerging Markets include only Developed countries.

Orbis SICAV Global Balanced Fund

Shared Investor Refundable Reserve Fee Share Class (A) ("Shared Investor RRF Class (A)")

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

Manager	Orbis Investment Management (Luxembourg) S.A.
Investment Manager	Orbis Investment Management Limited
Fund Inception date	1 January 2013
Class Inception date (Shared Investor RRF Class (A))	14 May 2020
Number of shares (Shared Investor RRF Class (A))	15,196,257
Income distributions during the last 12 months	None

Fund Objective and Benchmark

The Fund seeks to balance investment returns and risk of loss with a diversified global portfolio of equities, fixed income instruments and commodity-linked instruments. 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" or "benchmark").

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 appreciation, income and risk of loss potential, with appropriate diversification.

Equities. The Investment Manager targets the Fund to hold 40-90% of its net asset value in a pool of global equities, including some which may provide exposure to real estate. 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 Investment 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 Investment Manager may reduce exposure to, or hedge, stockmarket risk. When Orbis' research suggests that stockmarkets represent good value, the Investment Manager may increase exposure to stockmarket risk by decreasing the amount of that hedging. The Investment Manager intends to limit the Fund's exposure to stockmarkets net of hedging to 75% of its net asset value. Furthermore, the Fund may 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 Investment 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 – like equities – with the aim of increasing the Fund's overall risk-adjusted return. Characteristics such as yield, liquidity and potential diversification benefits are viewed in the context of the risk and reward of the portfolio as a whole. When Orbis' research suggests that bond markets are overvalued and vulnerable, the Investment Manager may reduce exposure to, or hedge, bond market risk. When Orbis' research suggests that bond markets represent stronger value, the Investment Manager may increase exposure to bond market risk by decreasing the amount of that hedging. The Investment Manager intends to limit aggregate hedging of the Fund's stockmarket and bond market exposure to no more than 30% of its net asset value. Importantly, the Investment Manager may cause the Fund to be over this hedging target, at times meaningfully so and/or for extended periods of time where it considers this to be in the best interest of the Fund. The Fund's fixed income selections in aggregate may differ significantly from the benchmark in duration and credit quality and may include securities of issuers that are under bankruptcy or similar judicial reorganisation, notably distressed debt. In addition, the Fund may invest in money market instruments, cash, cash equivalents and high yield bonds.

Commodity-linked Instruments. The Investment 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 Investment 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 Investment Manager actively reviews the Fund's currency exposure. In doing so, it places particular focus on managing the Fund's exposure to those currencies less likely to hold their long-term value.

The Investment Manager may cause the Fund to be under or over the asset allocation and hedging targets and limits described above where it considers this to be in the best interest of the Fund. The Fund's holdings may deviate meaningfully from the 60/40 Index.

The net returns of the Shared Investor RRF Class (A) from its inception on 14 May 2020, stitched with the net returns of the Investor Share Class from the Fund's inception to 14 May 2020, have underperformed the Performance Fee Benchmark of the classes. The Fund will experience periods of underperformance in pursuit of its long-term objective.

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 Investment Manager's interests with those of investors in the Fund.

For an initial period of time, the Shared Investor RRF Class (A) is charging the fee of the Investor Share Class, reduced by 0.3% per annum. Numerous investors have switched to the Shared Investor RRF Class (A) from the Investor Share Class. This temporary measure will ensure that the fees paid by investors account for underperformance experienced by the Investor Share Class before the inception date of the Shared Investor RRF Class (A). The fee of the Investor Share Class that is currently being charged to the Shared Investor RRF Class (A) is calculated as follows:

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

This fee is then reduced by 0.3% per annum. This 0.3% per annum reduction is provided because investors in the Shared Investor RRF Class (A) are subject to an additional administrative fee, as they separately agree with Allan Gray Proprietary Limited (or one of its affiliates) from time to time.

The Shared Investor RRF Class (A) will continue to charge the fee of the Investor Share Class, reduced by 0.3% per annum, until the earlier of the first dealing day (a) on or after 14 May 2023, or (b) on which the average management fee charged by the Investor Share Class equals or exceeds 1.5% per annum of the Investor Share Class' net assets for the period ending on that dealing day and beginning on the later of (i) 12 months prior to that dealing day, or (ii) 14 May 2020. After this point, the Class' management fee will instead be charged as follows:

- *Base Fee:* Calculated and accrued weekly at a rate of 0.8% per annum of the Class' net asset value. Investors separately pay an administrative fee directly to Allan Gray Proprietary Limited or one of its affiliates. The Investment Manager or one of its affiliates is entitled to receive a separate fee from Allan Gray Proprietary Limited or one of its affiliates in connection with this administrative fee, related to services the Investment Manager and its affiliates provide to Allan Gray Proprietary Limited or its affiliates.
- *Refundable Performance Fee:* When the performance of the Shared Investor RRF Class (A) (after deducting the Base Fee and an additional 0.3% per annum, which is deemed to be representative of the aforementioned administrative fee) beats the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the outperformance is paid into a reserve and reinvested into the Fund. If the value of the reserve is positive on any dealing day, the Investment Manager is entitled to a performance fee in an amount capped at the lesser of an annualised rate of (a) one-third of the reserve's net asset value and (b) 2.5% of the net asset value of the Shared Investor RRF Class (A). Fees paid from the reserve to the Investment Manager are not available to be refunded as described below.

  When the performance of the Shared Investor RRF Class (A) (after deducting the Base Fee and the aforementioned additional 0.3% per annum) trails the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the underperformance is refunded from the reserve to the Shared Investor RRF Class (A). If at any time sufficient value does not exist in the reserve to provide the refund, a reserve recovery mark is set, and subsequent underperformance is tracked. Such relative losses must be recovered before any outperformance results in any payment to the reserve.

Please review the Fund's prospectus for additional detail and for a description of the management fee borne by the Fund's other share classes.

Orbis SICAV Global Balanced Fund

Shared Investor Refundable Reserve Fee Share Class (A) ("Shared Investor RRF Class (A)")

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, Investment 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 Investment Manager have agreed that in the current calendar year, except for specified exclusions, operating expenses attributable to the Fund's Shared Investor RRF Class (A) 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 Investment 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 Investment Managers' fees described above under "Management Fee," the cost of buying and selling assets, interest and brokerage charges, and certain taxes.

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 and Class 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.

Risk/Reward Profile

- The Investment 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.
- While the Investment Manager expects the Fund's investment approach to result in volatility below that of a typical global equity fund, the Fund's net asset value will fluctuate, and the Fund will experience periods of volatility and negative returns; investments in the Fund may suffer capital loss.
- Investors should understand that the Investment Manager generally assesses an investment's attractiveness over a three-to-five year time horizon.

Changes in the Fund's Top 10 Holdings

30 September 2020	%	31 December 2020	%
Taiwan Semiconductor Mfg.	7.5	Taiwan Semiconductor Mfg.	6.5
SPDR Gold Trust	6.7	SPDR Gold Trust	6.2
Samsung Electronics	4.3	Samsung Electronics	6.0
AbbVie	4.1	AbbVie	3.8
British American Tobacco	3.7	British American Tobacco	3.6
NetEase	3.7	NetEase	3.5
BP	3.0	BP	2.9
XPO Logistics	2.8	Bayerische Motoren Werke	2.7
TIPS 0.125% 15 Jan 2030	2.4	XPO Logistics	2.7
Comcast	2.3	Royal Dutch Shell	2.5
Total	**40.6**	**Total**	**40.3**

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.

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 Investment 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 for the (i) Investor Share Class(es), (ii) Shared Investor Refundable Reserve Fee Share Class(es), (iii) Shared Investor Refundable Reserve Fee Share Class(es) (A), (iv) Standard Share Class(es) and (v) Standard Share Class(es) (A) on a net asset value basis by share class, normally as of 5:30 pm (Bermuda time), (a) each Thursday (or, if a Thursday is not a business day, the preceding business day), (b) on the last business day of each month and/or (c) any other days in addition to (or substitution for) any of the days described in (a) or (b), as determined by the Investment Manager or Manager (as indicated in the Fund's prospectus) 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:

- by e-mail, by registering with Orbis for this service at the Orbis website at www.orbis.com,
- for the Shared Investor RRF Share Class(es) (A) and Standard Share Class(es) (A), from the Allan Gray Unit Trust Management (RF) Proprietary Limited's website at www.allangray.co.za, and
- for the Shared Investor RRF Share Class(es), Standard Share Class(es), and Investor Share Class(es), from the Orbis website at www.orbis.com.

Legal Notices

Returns are net of 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 Investment 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 Investment 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.

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. Net Fixed Income is Gross Fixed Income minus bond market hedging.

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

The 60/40 Index values are calculated by Orbis using end of day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "as is" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information. JP Morgan Global Government Bond Index (the "GBI"): Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The GBI is used with permission. Copyright 2021, J.P. Morgan Chase & Co. All rights reserved. The 60/40 Index may not be copied, used, or distributed without prior written approval.

Average Fund data source: © 2021 Morningstar, Inc. All rights Reserved. Such information (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. The latest average fund indices provided by Morningstar are for 24 December 2020. 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.

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

Investor Notification regarding Prospectus Amendments

The Prospectuses of the Orbis Funds (the "Funds") will be updated in January 2021 to include:

(1) Liquidity Risk Factor: a risk warning in relation to possible liquidity constraints relating to the investments made by the Funds. This update results from the implementation of new rules in Luxembourg on liquidity risk management of open-ended undertakings for collective investment and not from any change in the Funds' policies or procedures;

(2) Emerging Markets Equity Fund Update: a clarification that, while the Emerging Markets Equity Fund expects to be not less than 90% invested in Emerging Market equities, equity-linked investments and collective investment schemes, the remainder of the portfolio may be invested in other global markets and/or instruments, including Commodity-linked Instruments;

(3) Additional Base Fee Tiers: for Institutional Investors in the Core, Founding and Transition Refundable Reserve Fee Share Classes with holdings in excess of US$800 million and US$1.2 billion, the introduction of additional base fee tiers of 0.25% and 0.20% per annum, respectively, in certain limited circumstances; and,

(4) Other Updates: a number of non-material items, including the additional licensing of Orbis Investment Management (Luxembourg) S.A. as an Alternative Investment Fund Manager and changes to its Conducting Persons; additional anti-money laundering disclosure; additional benchmark disclosure; investments by the Orbis SICAV Global Balanced Fund and Orbis SICAV Global Cautious Fund in government-issued inflation-linked bonds, such as U.S. Treasury Inflation Protected Securities (U.S. TIPS); and the German Equity Fund Status of the Orbis SICAV Japan Equity Fund.

Sustainability-Related Prospectus Updates

Additionally, the Prospectuses of Orbis' Bermuda Funds, U.S. limited partnerships and the Orbis SICAV (together, the "Funds") will be updated in January 2021 to clarify our existing approach to sustainability and how it is integrated into our investment decision-making process.

Importantly, these amendments do not impact the way the Funds are managed. Rather, the additional disclosure explains that, as of the date of each updated Prospectus: (a) Orbis considers relevant Sustainability Risks (as defined in the updated Prospectus) as part of our fundamental investment analysis, alongside factors that may have an actual or potential material impact, positive or negative, on the long-term value of an investment, (b) no single environmental, social or governance factor ("Sustainability Factor") precludes Orbis from making an investment decision, unless otherwise restricted by a Fund's investment policy or investment restrictions, and (c) Orbis does not consider the "principal adverse impacts", if any, of our investment decisions on Sustainability Factors as part of our investment decision-making process.

Additionally, a discussion of Sustainability Risk has been included in the Risk Factors section of each updated Prospectus as a Fund may, from time to time, hold investments that are exposed to such risks, which could adversely impact a Fund's net asset value. As of the date of each updated Prospectus, Orbis believes that the likely impact of Sustainability Risks on the returns of the Fund is low.

The above descriptions are for information purposes only. Please review the full details of these amendments in the updated Prospectus on orbis.com.

Please contact the Orbis Client Services Team at clientservice@orbis.com or +1 441 296 3000 if you have any questions.

Notes to Help You Understand This Report

Certain capitalised terms are defined in the Glossary section of the Orbis Funds' respective Prospectuses, copies of which are available upon request from Allan Gray Unit Trust Management (RF) Proprietary Limited, a Member of the Association for Savings & Investments SA. The country and currency classification for securities follows that of third-party providers for comparability purposes. Emerging Markets follows MSCI classification when available and includes Frontier Markets. Emerging Markets currency exposure is based on currency denomination. 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 Funds' exposures accordingly. Totals presented in this Report may not sum due to rounding.

Risk measures are ex-post and calculated on a monthly return series. Months to recovery measures the number of months from the preceding peak in performance to recovery of that level of performance.

12 month portfolio turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the lesser of total security purchases or sales in the Fund over the period, divided by the average net asset value (NAV) of the Fund. Cash and cash equivalents are not included.

12 month name turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the number of positions held by the Fund at the start of the period but no longer held at the end of the period, divided by the total number of positions held by the Fund at the start of the period. Cash and cash equivalents are not included.

Active share is a measure of the extent to which the holdings of the Orbis Equity and Multi-Asset Class Funds differ from their respective benchmark's holdings. It is calculated by summing the absolute value of the differences of the weight of each individual security in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two. For the Multi-Asset Class Funds, three calculations of active share are disclosed. The Portfolio active share incorporates the equity, fixed income, commodity-linked and other securities (as applicable) held by the Orbis Fund and compares those to the holdings of the composite benchmark. The Equity and Fixed Income active shares are calculated as if the equity and fixed income portions of the Orbis Funds are independent funds; each of those two sets of holdings is separately compared to the fully-weighted holdings in the appropriate component of the composite benchmark. Although the Multi-Asset Class Funds hedge stock and bond market exposure, the active share calculations are "gross" and not adjusted to reflect the hedging in place at any point in time.

The total expense ratio has been calculated using the expenses, excluding trading costs, for the 12 month period ending 31 December 2020.