

## Our Thinking

It can feel strange to write about markets at a time when many people are worried about their health, their families, their livelihoods, their savings, and the physical distancing measures that have left us all feeling isolated. We share many of those concerns, and we are keenly aware of the role we have to play in addressing at least some of them. So we write about markets, and in last quarter's commentaries, we spoke at length about the opportunities we are seeing and the actions we are taking in each of the Orbis strategies.

That perspective is important, and the individual holdings in the portfolios remain our focus. When it comes to performance, however, an additional angle is helpful. We often talk about how the Strategies have fared versus their benchmarks, and our recent relative results are below the expectations we set for ourselves. But in a crisis, relative returns are only part of a greater concern—negative absolute returns.

Thirty years of investing have taught us that in the short term, the market can be fickle. Prices reflect every ray of hope and flicker of fear, whether warranted or not. The single most important lesson we have learned is to remain relentlessly focused on the long term.

It is useful to apply that long-term perspective to past drawdowns. In the charts below, we have plotted months where the market or our stock selections were down >15% from their prior peaks. The horizontal axis shows the depth of the decline, with the worst crashes on the far left. The vertical axis shows subsequent returns from that point.

History tells us that in the short term, returns after a crash are unpredictable, as the chart on the left shows. Sometimes things recover quickly, but sometimes a panic is followed by more pain. This has been true for both our stock selections and the wider market.

Taking a longer-term perspective narrows the range of outcomes dramatically. After a >15% drop, subsequent long-term returns have been positive almost all of the time for the market, and the pattern for the Orbis Global Equity Strategy has been even better. Five-year returns have been meaningfully positive after every large drawdown, with a median return of 15% per annum.

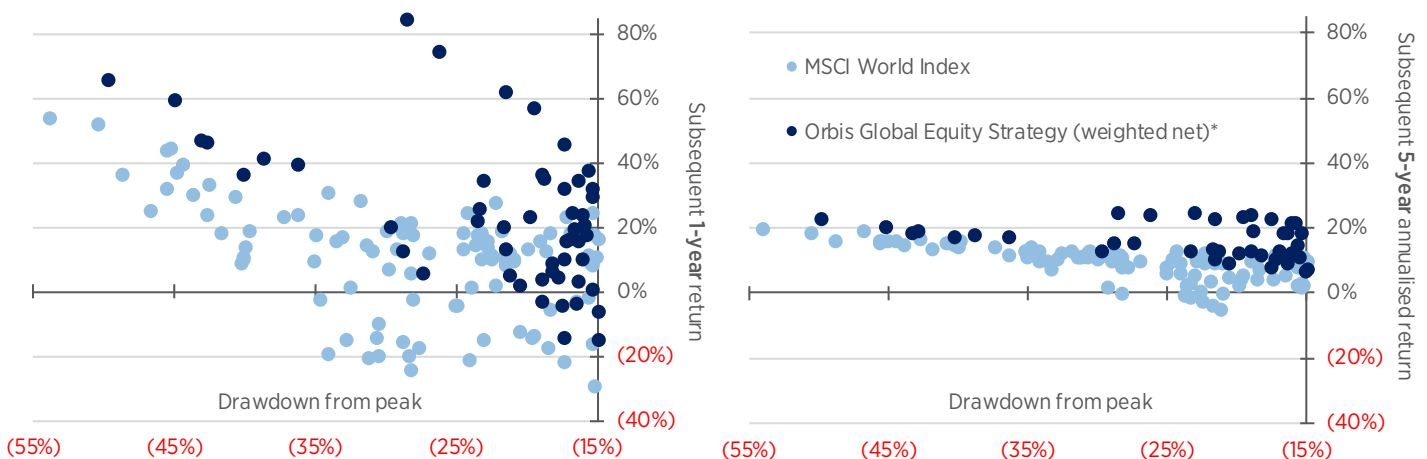
There is no guarantee that the future will be like the past, but this pattern makes sense to us. In the short term, markets can be indiscriminate, and we cannot control whether our stocks will get swept up in the selling. Prices can go from unreasonably cheap to unbelievably cheap. But over the long term, noise yields to fundamentals, and prices migrate towards true value. Over time, buying companies at a discount to their true value works better than just buying everything.

Looking at extreme periods in the past can also put the current opportunity set into context. At the top of the tech bubble in 2000, our shares traded at 11 times normalised earnings, while the market traded at a staggering price-earnings multiple of 56! The cheap absolute valuation of our shares and the yawning gap with the market set up the period of attractive absolute and relative returns that followed. At the trough of the global financial crisis in 2009, our shares again traded at 11 times normalised earnings, but the market was cheap, too, on a multiple of 13 times. Absolute returns from 2009 were strong, though relative returns were modest. At the beginning of April, the shares in the Global Equity Strategy traded at 13 times normalised earnings, with the market trading at a rich 22 times.

Those numbers suggest to us that it's a very attractive time for stockpicking. Whatever the next year brings, we think the next five will be rewarding.

### Drawdowns and future returns: uncertain in the short term, often rewarding in the long term

>15% drawdowns and subsequent returns for the MSCI World Index and Orbis Global Equity Strategy, 1990 to Apr 2020



Source: Refinitiv, Orbis. Monthly total returns in USD. Past performance is not a reliable indicator of future results.

\*The asset-weighted net-of-fee return of all share classes in the Strategy. This return may differ from the return of any individual share class.

*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.*

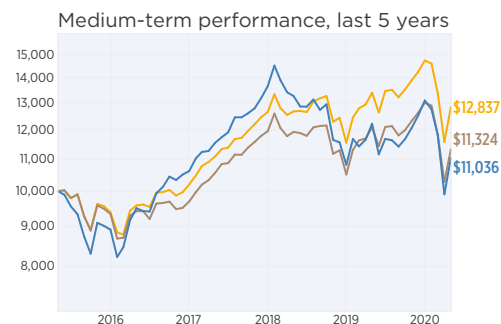
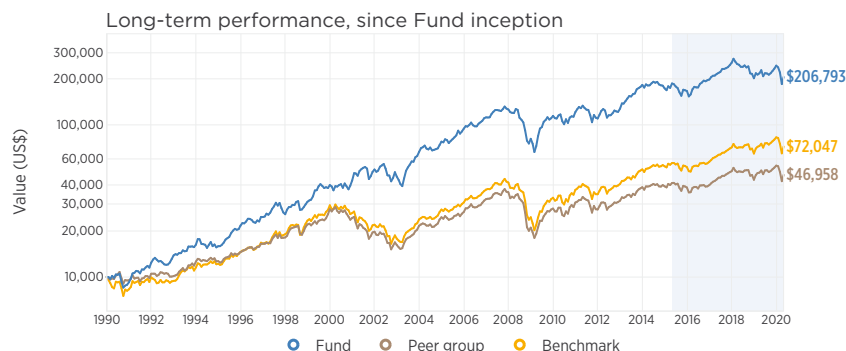
# Orbis Global Equity Fund

## Investor Share Class

The Fund is designed to be exposed to all of the risks and rewards of selected global equities. It aims to earn higher returns than world stockmarkets, without greater risk of loss. The performance fee benchmark ("Benchmark") is the FTSE World Index, including income, gross of withholding taxes ("FTSE World Index"). Currency exposure is managed separately to equity exposure.

<b>Price</b>	US\$206.66	<b>Benchmark</b>	FTSE World Index
<b>Pricing currency</b>	US dollars	<b>Peer group</b>	Average Global Equity Fund Index
<b>Domicile</b>	Bermuda	<b>Minimum investment</b>	US\$50,000
<b>Type</b>	Open-ended mutual fund	<b>Dealing</b>	Weekly (Thursdays)
<b>Fund size</b>	US\$5.0 billion	<b>Entry/exit fees</b>	None
<b>Fund inception</b>	1 January 1990	<b>ISIN</b>	BMG6766G1087
<b>Strategy size</b>	US\$18.9 billion		
<b>Strategy inception</b>	1 January 1990		

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



## Returns (%)

	Fund	Peer group	Benchmark
<b>Annualised</b>	<i>Net</i>		<i>Gross</i>
Since Fund inception	10.5	5.2	6.7
30 years	10.7	5.4	7.4
10 years	5.8	5.1	7.7
5 years	2.0	2.5	5.1
3 years	(1.5)	2.4	5.0
1 year	(9.7)	(6.3)	(4.2)
<b>Not annualised</b>			
Calendar year to date	(15.7)	(13.0)	(13.0)
3 months	(13.5)	(12.2)	(12.2)
1 month	11.4		10.9

	Year	%
Best performing calendar year since Fund inception	2003	45.7
Worst performing calendar year since Fund inception	2008	(35.9)

## Geographical & Currency Allocation (%)

Region	Equity	Currency	Benchmark
North America	31	39	64
Asia ex-Japan	21	12	5
Continental Europe	13	16	14
Japan	13	13	8
United Kingdom	11	11	5
Other	9	9	4
Net Current Assets	2	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

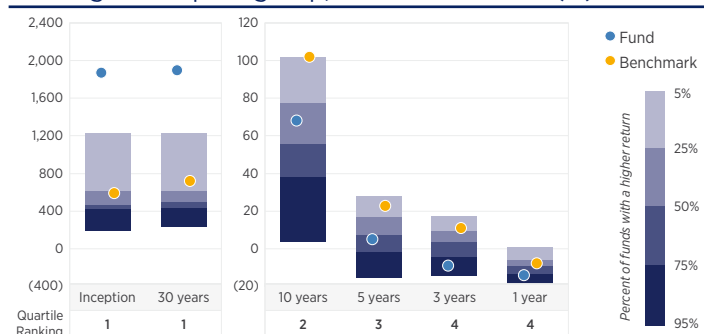
## Top 10 Holdings

	FTSE Sector	%
NetEase	Technology	9.1
British American Tobacco	Consumer Goods	7.9
XPO Logistics	Industrials	5.7
AbbVie	Health Care	4.7
Anthem	Health Care	4.0
Bayerische Motoren Werke	Consumer Goods	3.8
Honda Motor	Consumer Goods	3.7
Newcrest Mining	Basic Materials	3.4
UnitedHealth Group	Health Care	3.3
Facebook	Technology	3.1
<b>Total</b>		<b>48.6</b>

## Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	50	52	54
Months to recovery	42	73	66
Annualised monthly volatility (%)	16.5	14.3	15.2
Beta vs Benchmark	0.9	0.9	1.0
Tracking error vs Benchmark (%)	8.9	4.3	0.0

## Ranking within peer group, cumulative return (%)



## Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	78
Total number of holdings	60
12 month portfolio turnover (%)	38
12 month name turnover (%)	29
Active share (%)	91

## Fees & Expenses (%), for last 12 months

Management fee <sup>1</sup>	0.96
For 3 year performance in line with Benchmark	1.50
For 3 year outperformance/(underperformance) vs Benchmark	(0.54)
Fund expenses	0.05
<b>Total Expense Ratio (TER)</b>	<b>1.01</b>

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.  
<sup>1</sup> 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/ (underperformance) vs Benchmark.

## Orbis Global Equity Fund

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

Investment Manager	Orbis Investment Management Limited
Inception date	1 January 1990
Number of shares (Investor Share Class)	22,784,811
Income distributions during the last 12 months	None

### Fund Objective and Benchmark

The Fund is designed for investors who have made the “asset allocation” decision to invest a predetermined amount in global equities. It seeks higher returns than the average of the world’s equity markets, without greater risk of loss. The Fund aims for higher returns than a designated equity performance benchmark, namely the FTSE World Index, including income and before the deduction of withholding taxes.

### How We Aim to Achieve the Fund’s Objective/Adherence to Objective

The Fund is actively managed and seeks to remain virtually fully invested in and exposed to global stockmarkets. It invests in equities considered to offer superior fundamental value. These equities are selected using extensive proprietary investment research. Orbis devotes a substantial proportion of its business efforts to detailed “bottom up” investment research conducted with a long-term perspective, believing that such research makes superior long-term performance attainable. 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 that over the long term, equity investing based on this approach offers superior returns and reduces the risk of loss. The Fund may, to the extent permitted by its investment restrictions, also periodically hold cash and cash equivalents when the Investment Manager believes this to be consistent with the Fund’s investment objective.

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, Orbis actively reviews the Fund’s currency exposure. In doing so, Orbis places particular focus on managing the Fund’s exposure to those currencies considered less likely to hold their long-term value. The Fund’s currency deployment therefore frequently differs significantly from the geographic deployment of its selected equities.

The Fund does not seek to mirror its benchmark but may instead deviate meaningfully from it in pursuit of superior long-term capital appreciation.

Since inception, the Fund has outperformed its benchmark net of fees. The Fund will experience periods of underperformance in pursuit of its objective of creating long-term wealth for investors.

### Risk/Reward Profile

- The Fund is designed for investors who have made the “asset allocation” decision to invest a predetermined amount in global equities.
- Investments in the Fund may suffer capital loss.
- Investors should understand that the Investment Manager generally assesses an equity investment’s attractiveness using a three-to-five year time horizon.

### Management Fee

As is described in more detail in the Fund’s Prospectus, the Fund’s share classes bear different management fees. The fees are designed to align the Investment Manager’s interests with those of investors in the Fund.

With respect to the Investor Share Class, the fee is based on the net asset value of the Fund. The fee rate is calculated weekly by comparing the Fund’s performance over three years against its benchmark. 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

### Fees, Expenses and Total Expense Ratio (TER)

In addition to the fees payable to its Investment Manager, the Fund bears operating costs, including the costs of maintaining its stock exchange listing, Bermuda government fees, legal and auditing fees, reporting expenses, the cost of preparing its Prospectus and communication costs. Finally, the Fund incurs costs when buying or selling underlying investments.

Where an investor subscribes or redeems an amount representing 5% or more of the net asset value of the Fund, the Investment 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 Fund 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 January 2020	%	30 April 2020	%
NetEase	8.3	NetEase	9.1
XPO Logistics	6.3	British American Tobacco	7.9
British American Tobacco	6.1	XPO Logistics	5.7
AbbVie	4.9	AbbVie	4.7
Sberbank of Russia	3.5	Anthem	4.0
Honda Motor	3.1	Bayerische Motoren Werke	3.8
Bayerische Motoren Werke	2.8	Honda Motor	3.7
Sumitomo	2.7	Newcrest Mining	3.4
Alphabet	2.6	UnitedHealth Group	3.3
Naspers	2.5	Facebook	3.1
<b>Total</b>	<b>42.9</b>	<b>Total</b>	<b>48.6</b>

**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 Global Equity 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](mailto: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](mailto:clientservice@orbis.com). The Fund's Custodian is Citibank N.A., New York Offices, 388 Greenwich Street, New York, New York 10013, U.S.A. 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, normally as of 5:30 pm (Bermuda time) (i) each Thursday (or, if a Thursday is not a business day, the preceding business day), (ii) on the last calendar day of each month (or, if that is not a weekday, the preceding weekday) and/or (iii) any other days in addition to (or substitution for) any of the days described in (i) or (ii), as determined by the Investment 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](http://www.allangray.co.za),
- from the Orbis website at [www.orbis.com](http://www.orbis.com),
- by e-mail, by registering with Orbis for this service at the Orbis website at [www.orbis.com](http://www.orbis.com), and
- from Bloomberg.

## 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. The Investment Manager provides no 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 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](http://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

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### Average Fund and Peer Group Data Changes

Morningstar discontinued its Global Investment Fund Sectors (GIFS) on 17 April 2020, but continues to offer Morningstar Categories, which are aligned with GIFS. Prior to March 2020, Orbis reports used GIFS for Average Fund and Peer Group information. For reports dated 31 March 2020 or later we have replaced GIFS with Morningstar Categories, with the update applying retrospectively for all periods. For further information, please see the FAQ from Morningstar here: [Morningstar Release](#).

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### 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 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 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. Short-term fixed income instruments 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. Short-term fixed income instruments 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, and average net assets for the 12 month period ending 30 April 2020.