



Orbis Asia ex-Japan Equity

The recent dramatic volatility in China's stockmarket has served investors with a timely reminder that investing is not without its risks. Chinese shares have fallen precipitously since mid-June, after more than doubling in value in the preceding twelve months. The government's efforts to boost the stockmarket have appeared to be largely in vain, but we believe that to indiscriminately join the sell-off would be a mistake.

Your Fund does not invest in stockmarkets, but rather in individual shares. As we noted in last quarter's commentary, your Fund has no exposure to China's domestic A-shares, which have since experienced the most severe price movements, and we continue to find these shares expensive. By contrast, we have identified attractive opportunities among the US and Hong Kong-listed shares of selected Chinese companies. In times like these, when the impact to companies' share prices is disproportionate to changes in fundamental value, we can find attractive buying opportunities. We are pleased to add to our highest-conviction ideas when they are available at lower prices, and take advantage of weakened sentiment to buy high-quality businesses.

In the last quarter, we increased the Fund's position size in Baidu, a major Chinese internet company. While 25% was knocked off Baidu's market value in the months of July and August, we are confident that the long-term value of the business did not experience any commensurate decline. Like other internet businesses, which in aggregate comprise 75% of your Fund's investments in China, Baidu's long-term profitability is largely supported by secular trends, such as increased mobile penetration and the proliferation of quality online services. We expect a slowdown in GDP growth to have little directional bearing on these trends.

Trading at 27 times our estimate of 2015 earnings, Baidu may not appear inexpensive. But, in our view, this is largely because it has prioritised innovation and long-term investments over short-term profit. If we exclude currently loss-making ventures and only include the profits from Baidu's core search business, which we expect to grow in excess of 20% annually, the stock trades at only ten times earnings. Newer segments include online video, where Baidu holds the #1 market position and online travel, where it is #2. One notable new venture is its ambitious online-to-offline (O2O) initiative, which broadly involves connecting online users with offline services. For example, a company may use online user data to inform its offline, 'storefront' strategy, or allow customers to purchase goods online, for pick-up in stores. While O2O holds considerable long-term potential, it is currently loss-making, and investor sentiment on this initiative remains weak.

Likewise, NetEase, your Fund's largest investment in China and one of the country's leading online game operators, stands to benefit from long-term secular trends, and we believe its shares have been overly punished amidst the recent market volatility. Trading at around ten times forward earnings ex-cash, we have taken advantage of its weaker share price to modestly increase the Fund's position size. A stockmarket correction is unlikely to cause people to stop playing NetEase's games, and with over 20% of its market capitalisation held in cash, it is well-positioned to withstand short-term headwinds. Having owned NetEase for over seven years, we remain confident in the company's founder, William Ding, who has led the company from strength to strength and achieved a five-fold increase in earnings over this period.

It is exciting when short-term volatility opens up an opportunity to buy a long-term winner—which we believe sums up your Fund's recent purchase of JD.com. Affiliated with Tencent, JD is China's second largest e-commerce player and its largest retailer. Its operations are comparable to Amazon's, with self-managed logistics, services and infrastructure (e.g. warehouses) supporting the sale and delivery of goods directly to consumers. Thanks to JD's scale and business model, whereby it sells and generates cash on products prior to paying related costs, its rapid expansion could be entirely self-funded, which is a very attractive characteristic. Moreover, as an e-commerce company, much of JD's growth capital expenditure (capex) is effectively recorded as marketing expenses in its income statement, which, in our view, causes earnings to be understated. JD's earnings are also affected by its keeping prices low in an effort to compete for market share. If the company continues to grab market share, it should be rewarded with rising profit margins as economies of scale lower procurement costs, while increasing the industry's barriers to entry.

Since the earnings gestation period for internet businesses can be prolonged, we generally find that valuation multiples based on earnings are less useful. For e-commerce retailers, Gross Merchandise Value (GMV)—the total value of goods sold through the site—is a helpful measure in assessing long-term fundamental value. On an Enterprise Value (EV)-to-GMV basis, JD's discount relative to its peers becomes most apparent. Its EV is less than 0.5 times this year's expected GMV, while Amazon trades at around one times EV/GMV. If JD can indeed deliver on our expectations of 40% annual GMV growth through 2019—and better yet, cement a dominant position in Chinese retail—it may present an extraordinary long-term investment opportunity.

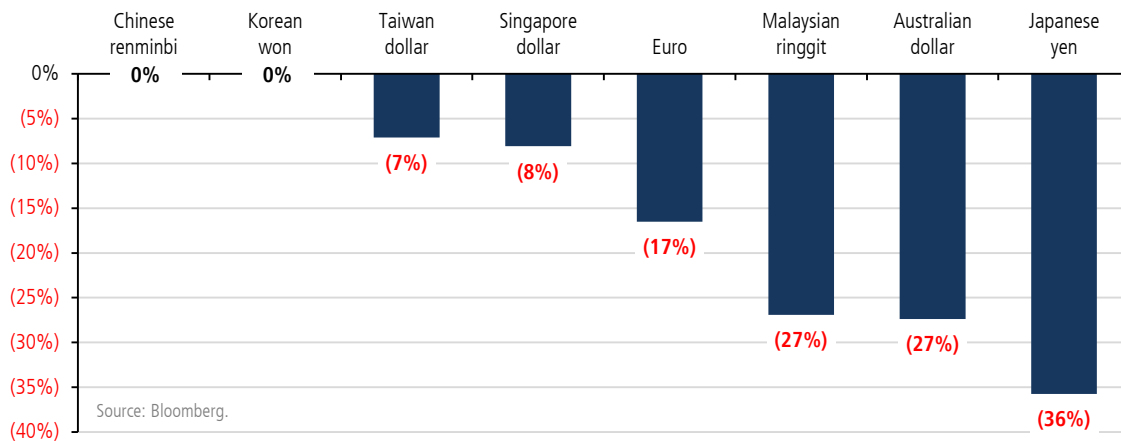
Orbis Asia ex-Japan Equity *(continued)*

Our enthusiasm for the individual companies your Fund owns does not necessarily extend to the overall Chinese economy. While we have taken note of exciting developments in China's service economy, where mobile internet and e-commerce are bolstering economic growth and employment, the fault lines in its wider macroeconomic environment have been apparent for some time. High GDP growth on the back of debt-fuelled spending and sometimes-misguided large-scale industrial projects led by state-owned enterprises (SOE) is unlikely to be sustainable.

The recent devaluation of China's renminbi (RMB) has also compounded the market's jitters, though it has declined by less than 5% against the US dollar in the last year. Examined over four years, the RMB is unchanged against the US dollar, despite Chinese wages increasing at 10% per annum over that time, and other regional currencies performing weakly. Taking into account cyclical pressures and the high leverage resulting from China's years of credit expansion, there is the potential for the RMB to decline further. The Fund has used forward contracts to sell the RMB, reducing the exposure inherited through its holdings in Chinese equities to 19%, compared with the benchmark's weight of 28%.

China's currency has not weakened versus the US dollar as many other currencies have

Percent change in the US dollar prices of selected currencies, September 2011 through September 2015



While China's currency may see further depreciation and GDP growth is slowing, we still see attractive bottom-up investment opportunities. As long-term business owners, we must remember that macroeconomic concerns are important only to the extent that they represent deterioration in an investment's fundamental value. As we are in the business of owning companies, not lines on a price graph, short-term fluctuations are less of an issue. We remain focused on the gap between businesses' long-term fundamental value and their share prices, and are optimistic about the potential for attractive long-term returns from your Fund's Chinese investments.

Commentary contributed by Stefan Magnusson, Orbis Investment Advisory (Hong Kong) Limited, Hong Kong

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Orbis SICAV Asia ex-Japan Equity Fund

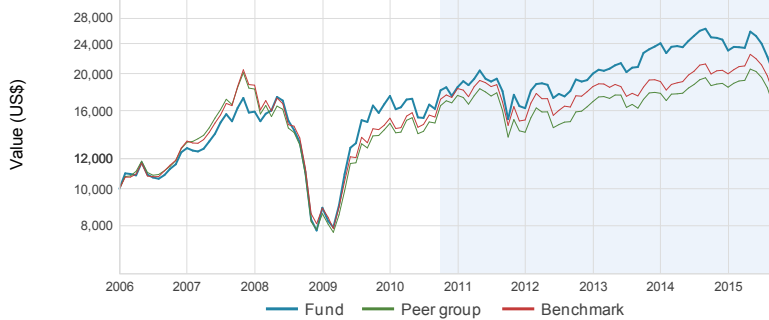
The Fund seeks higher returns than the average of the Asia ex-Japan equity markets, without greater risk of loss. The benchmark is the MSCI All Country Asia ex Japan (Net) (US\$) Index, including income ("MSCI Asia ex-Japan Index"). Currency exposure is managed separately to equity exposure. The Fund may be long in benchmark or non-benchmark currencies without holding underlying assets in those currencies.

Growth of US\$10,000 investment, dividends reinvested

Price	US\$18.69	Benchmark	MSCI Asia ex-Japan Index
Pricing currency	US dollars	Peer group	Average Asia ex-Japan Equity Fund Index
Domicile	Luxembourg	Minimum investment	US\$50,000 (Existing Orbis investors)
Type	SICAV	Dealing	Weekly (Thursdays)
Share class	Investor Share Class	Entry/exit fees	None
Fund size	US\$2.4 billion	UCITS IV compliant	Yes
Fund inception	1 January 2006	ISIN	LU0241795839
Strategy size	US\$2.4 billion		
Strategy inception	1 January 2006		

See Notices for important information about this Fact Sheet

Long-term performance, since Fund inception



Medium-term performance, last 5 years



Returns (%)

	Fund	Peer group	Benchmark
Annualised		<i>Net</i>	<i>Gross</i>
Since Fund inception	7.3	5.2	5.9
5 years	1.8	(0.1)	0.4
3 years	0.8	1.2	0.0
1 year	(20.6)	(11.7)	(12.4)
Not annualised			
Calendar year to date	(14.1)	(10.9)	(12.5)
3 months	(17.6)	(15.9)	(17.0)
1 month	(2.1)		(1.8)
		Year	%
Best performing calendar year since inception		2009	96.4
Worst performing calendar year since inception		2008	(44.0)

Geographical & Currency Allocation (%)

Country	Equity	Currency	Benchmark
China	36	19	28
Korea	33	18	18
India	7	11	11
Hong Kong	7	19	13
Singapore	7	7	5
Russia	6	5	0
Malaysia	2	4	4
Taiwan	1	15	15
Other	0	2	7
Net Current Assets	1	0	0
Total	100	100	100

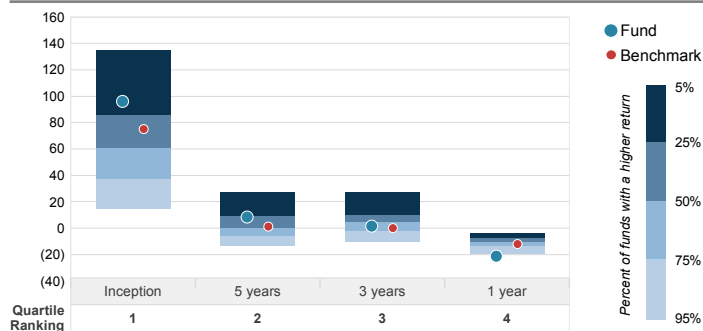
Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	55	62	62
Months to recovery	20	90	81
Annualised monthly volatility (%)	23.8	22.1	22.7
Beta vs benchmark	1.0	1.0	1.0
Tracking error vs benchmark (%)	8.0	3.0	0.0

Top 10 Holdings (%)

	MSCI Sector	%
NetEase	Information Technology	10.0
Baidu	Information Technology	6.7
Korea Electric Power	Utilities	6.4
KB Financial Group	Financials	5.9
Sohu.com	Information Technology	5.5
Lotte Shopping	Consumer Discretionary	4.9
JD.com	Information Technology	4.6
Samsung Electronics	Information Technology	4.6
Uni-President China Holdings	Consumer Staples	4.1
Kiwoom Securities	Financials	3.9
Total		56.6

Ranking within peer group, cumulative return (%)



Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	88
Total number of holdings	40
12 month portfolio turnover (%)	44
12 month name turnover (%)	23
Active share (%)	91
Fees & Expenses (%), for last 12 months	
Management fee ¹	2.19
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	0.69
Fund expenses	0.12
Total Expense Ratio (TER)	2.31

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



Notice regarding a change in the Citigroup entities providing administration and custody services to Orbis Global Equity Fund Limited, Orbis Institutional Funds Limited, Orbis Japan Equity (US\$) Fund Limited, Orbis Optimal SA Fund Limited, Orbis Optimal (US\$) Fund Limited, Orbis Optimal Overlay Limited and Selection of Orbis Funds Limited.

In light of Citigroup's announcement of the pending sale of its hedge fund services business, including Citi Fund Services (Bermuda), Ltd., the above-named Funds have agreed that on or about 16 November 2015, Citibank International Limited, Luxembourg Branch will replace Citi Fund Services (Bermuda), Ltd. as the above-named Funds' administrator, registrar, transfer agent and accountant and Citibank, N.A., New York will replace Citibank Canada as the above-named Funds' custodian.

We believe that with these changes Citigroup will continue to provide its high quality of service to the Funds. The updated contact details (including new fax number and postal address) for each of the administrator and the custodian will be set out in the prospectus of each Fund and in the Orbis transactions forms at the time of the change.

If you have any questions about how the above may affect you please contact the Orbis Client Services Team at clientservice@orbis.com.

Legal Notices

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The discussion topics for the commentaries were selected, and the commentaries were finalised and approved, by either Orbis Investment Management Limited or Orbis Investment Management (B.V.I) Limited, the Funds' Manager or Portfolio Manager, as the case may be. 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 and Orbis Investment Management (B.V.I) Limited, the Funds' Manager or Portfolio Manager, are licensed to conduct investment business by the Bermuda Monetary Authority.

Returns are net of fees, include income and assume reinvestment of dividends. Figures quoted are for the periods indicated for a \$10,000, ¥10,000 and €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.

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of an investment in the Funds may go down as well as up, and past performance is not a reliable indicator of future results. No Manager or Portfolio Manager provides any guarantee with respect to capital or the Funds' 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. Performance shown is for the Fund or share class indicated. 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 a Fund's net asset value. Any Fund may be closed to new investments at any time in order to be managed in accordance with its mandate. The Funds invest 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.

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.

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 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 how actively managed the Orbis Equity Funds are. It is calculated by summing the absolute value of the differences of the weight of each individual stock in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two.

The total expense ratio has been calculated using the expenses, excluding trading costs, and average net assets for the 12 month period ending 30 September 2015.

Orbis Optimal SA Fund: Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency. Beta Adjusted Exposure is calculated as Equity Exposure multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.

Fund Information

Orbis SICAV Global Balanced Fund: 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.

Prior to 29 November 2002, the Yen Class of the Orbis SICAV Japan Equity Fund was a British Virgin Islands investment company, Orbis Japan Equity (Yen) Fund Limited.

Fund Minimums

Minimum investment amounts in the Orbis Funds are specified in the respective 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.



Fees and Charges

The management fees associated with the Funds vary depending upon the share class an investor purchases. Not all share classes are offered by each Fund, and the eligibility criteria for different share classes and/or different Funds vary. Each Orbis Fund's Prospectus (available on www.orbis.com) describes the management fees, share classes and eligibility criteria of that Fund. Immediately below are descriptions of the fees borne by the Funds and share classes specified, which are subject to the lengthier descriptions in the relevant Fund's Prospectus:

Shares of Orbis Global Equity Fund and Investor Share Classes of the Orbis SICAV Funds (Global Balanced, Asia ex-Japan Equity and Japan Equity): The Funds pay a performance-based fee. The fee is based on the net asset value of the Fund (share class, in the case of the Orbis SICAV Funds). The fee rate is calculated weekly by comparing the Fund's (share class, in the case of the Orbis SICAV Funds) 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 (a) a maximum fee of 2.5% per annum and (b) a minimum fee of 0.5% per annum. Note: During the first three years of the Global Balanced Fund's existence, (a) returns will be calculated from the launch of the class and grossed up to represent returns over three years and (b) a portion of the fee may be refunded to the Fund pursuant to predetermined conditions.

Shares of Orbis Optimal SA Fund Limited: There are two parts to the fee: (a) a base fee of 1.0% per annum, paid monthly, of the total net assets of each share class; plus (b) a performance fee of 20% of the outperformance of each class of Fund share's weekly rate of return relative to its performance fee hurdle, calculated and accrued on each dealing day and paid monthly. The performance fee incorporates a high water mark.

A schedule of fees and charges and maximum commissions is available on request from the appropriate Manager.

Sources

FTSE World Index: FTSE International Limited ("FTSE") © FTSE 2015. FTSE is a trademark of the London Stock Exchange Group companies and is used by FTSE under licence. All rights in the FTSE indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

TOPIX Stock Price Index, including income ("TOPIX"): Tokyo Stock Exchange. TOPIX hedged into US\$ and euro are calculated by Orbis using an industry-standard methodology using the TOPIX which is in yen. No further distribution of the TOPIX data is permitted.

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