

Our Thinking

Think like a business owner

Say you own a small stake in a company. Every day, one of your partners tells you what he thinks the business is worth, and he offers to buy your stake or sell you another on that basis. Sometimes his idea of value seems justified by the company's prospects. But other times, his excitement or fears run away with him, and the value he suggests seems little short of silly.

This partner's name is Mr Market, and this paraphrased parable is from Benjamin Graham, the father of fundamental investing. In *The Intelligent Investor*, Graham follows this setup with a question. Should you let Mr Market's daily opinions determine *your* view of the company's value? Of course not. As a part owner, you know the business inside and out, and can make up your own mind based on its financial prospects.

Graham's insight is that investing in stocks is just like having Mr Market as your partner. You have the *option* of trading with him, but you don't have to. The market is there to be used—or ignored.

To us, this mindset makes perfect sense. When we look for investments for the Funds, we think like business owners. We generally spend hundreds of hours valuing each company based on its long-term prospects, and as best we can, we ignore Mr Market unless we want to trade with him. This year offers some good illustrations of this relationship.

Sometimes we trade with Mr Market when we agree with him. This happens when investments work well, and when they don't. The cybersecurity firm Symantec is an example. We bought the stock at a discount to what we thought it was worth, but subsequent new information led us to reduce our estimate of its value. After that, Mr Market quoted us a lower price than we paid, but it looked fair, and we sold some shares.

Sometimes we don't agree because Mr Market appears too excited. This happened with the Brazilian e-commerce firm Mercadolibre. We bought from Mr Market at a low price when we regarded it as a promising industry leader but he regarded it as a dingy eBay clone. Over time, he came to share our more positive view. Eventually he became very excited—despite growing competition for the business—and quoted us a high price. We happily sold.

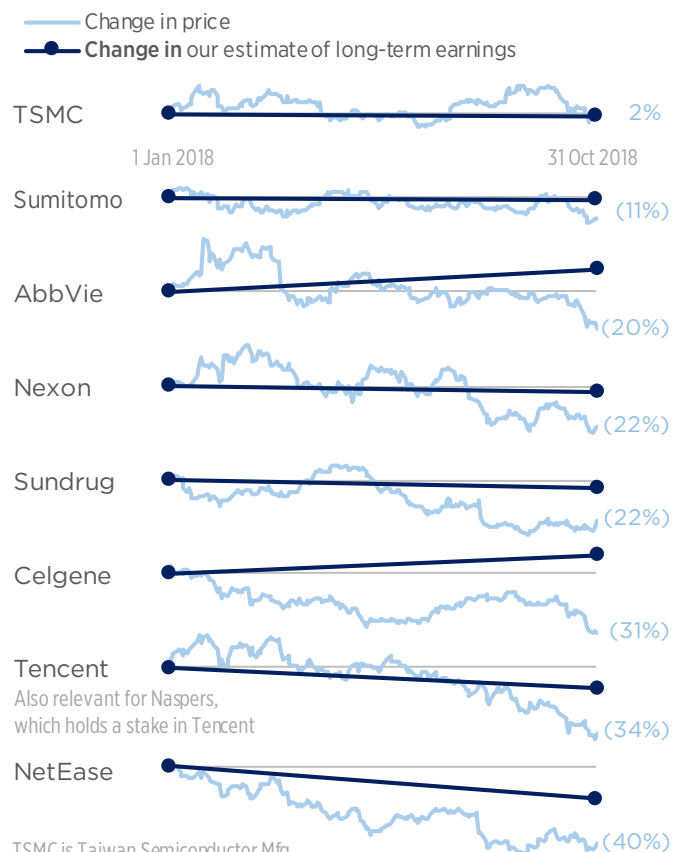
Our bread and butter, however, is buying from Mr Market when he is pessimistic, then patiently waiting for that pessimism to fade. The graphic depicts the relationship between Mr Market's view and our "business owner" view for some current companies held in the Orbis Funds. Here, the light blue lines show how each company's stock price has changed year-to-date, and the darker dots show how our long-term profit estimates have changed over roughly the same period. We remain enthusiastic about the fundamental prospects for every one of these companies, so if the dark line is going down, that doesn't mean we think earnings, or earnings growth, will be negative. It just

means our estimates aren't *quite* as bullish as they were earlier in the year. Analysing businesses is as much an art as a science, so our estimates are far from exact, but they offer a reasonable sense of how we think.

Earlier in the year, we believed all of these stocks were attractive (or they wouldn't have been considered for the Funds). In some cases, such as TSMC, neither the price nor our estimates have really changed, so we continue to find them attractive. But Mr Market is volatile. He can become fearful even if a company looks the same—or better—to a long-term business owner. That's clear for Nexon and Sundrug, where our assessments are little changed, and for AbbVie and Celgene, where our long-term estimates have risen but the companies' prices have fallen. For NetEase and Tencent, we have adjusted our view of what the businesses will earn in four years, but Mr Market's view has gone from tentative to downright despondent.

We trust our research, not Mr Market

Changes from 1 Jan to 31 Oct 2018



TSMC is Taiwan Semiconductor Mfg.

Source: Datastream, Orbis. Orbis estimates are for 2021 (or fiscal year Mar 2022) earnings per share. Changes in estimates calculated using the latest or closest available estimate for each company for Jan 2018 and Oct 2018.

We thought these companies were undervalued before, yet most of their prices have fallen. That could continue—Mr Market's mood is unpredictable. While these periods are challenging, we know what to do: stay focused on the fundamentals, and wait for Mr Market to come back to his senses.

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.

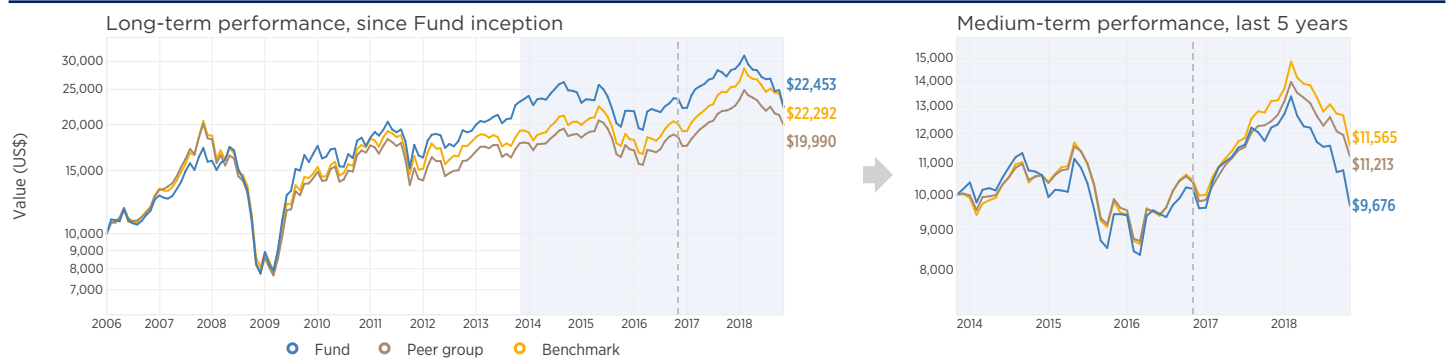
Orbis SICAV Emerging Markets Equity Fund

The Fund seeks higher returns than the average of the equity markets of the world's emerging market countries, without greater risk of loss. The benchmark is the MSCI Emerging Markets Index, including income, net of withholding taxes ("MSCI Emerging Markets Index"). Currency exposure is managed relative to that of the MSCI Emerging Markets Index.

Price	US\$21.20	Benchmark	MSCI Emerging Markets Index
Pricing currency	US dollars	Peer group	Average Global Emerging Markets Equity Fund Index
Domicile	Luxembourg	Minimum investment	US\$50,000
Type	SICAV	Dealing	Weekly (<i>Thursdays</i>)
Share class	Investor Share Class	Entry/exit fees	None
Fund size	US\$2.7 billion	UCITS compliant	Yes
Fund inception	1 January 2006	ISIN	LU0241795839
Strategy size	US\$2.7 billion		
Strategy inception	1 January 2016		

On 1 November 2016, the Fund broadened its investment strategy from Asia ex-Japan equities to Emerging Market equities. To reflect this, the Fund changed its name from the Orbis SICAV Asia ex-Japan Equity Fund to the Orbis SICAV Emerging Markets Equity Fund, its benchmark from the MSCI All Country Asia ex Japan (Net) (US\$) Index to the MSCI Emerging Markets Index and its peer group from the Average Asia ex-Japan Equity Fund Index to the Average Global Emerging Markets Equity Fund Index. Data for the period before 1 November 2016 relates to the Fund, and applicable benchmark and peer group, prior to the change in strategy. Please refer to the prospectus for further details.

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



Returns¹ (%)

	Fund	Peer group	Benchmark
Annualised	<i>Net</i>		<i>Gross</i>
Since Fund inception	6.5	5.5	6.4
10 years	10.5	9.3	10.0
5 years	(0.7)	2.3	3.0
3 years	0.8	4.4	5.6
Since SICAV EM (1 Nov 2016)	(2.5)	3.9	5.2
1 year	(20.8)	(9.9)	(12.5)
Not annualised			
Calendar year to date	(23.9)	(15.2)	(15.7)
3 months	(16.4)	(11.0)	(11.6)
1 month	(10.0)		(8.7)

	Year	%
Best performing calendar year since Fund inception	2009	96.4
Worst performing calendar year since Fund inception	2008	(44.0)

Risk Measures¹, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	55	62	62
Months to recovery	20	90	81
Annualised monthly volatility (%)	22.2	20.3	21.0
Beta vs benchmark	1.0	1.0	1.0
Tracking error vs benchmark (%)	7.7	3.1	0.0

Fees & Expenses¹ (%), for last 12 months

Management fee ²	1.41
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	(0.09)
Fund expenses	0.11
Total Expense Ratio (TER)	1.52

Geographical & Currency Allocation (%)

Region	Equity	Currency	Benchmark
China/Hong Kong	28	28	30
Korea	16	16	14
Africa	14	14	6
Europe & Middle East	13	13	9
Rest of Asia	12	12	8
Taiwan	9	9	12
Latin America	3	3	13
India	2	2	9
Other	4	4	0
Total	100	100	100

Top 10 Holdings

	MSCI Sector	%
Naspers	Consumer Discretionary	10.3
NetEase	Information Technology	10.0
Taiwan Semiconductor Mfg.	Information Technology	5.9
Jardine Matheson Holdings	Industrials	5.0
Kiwoom Securities	Financials	4.9
Korea Electric Power	Utilities	4.8
Tencent Holdings	Information Technology	4.8
British American Tobacco	Consumer Staples	4.5
Sberbank of Russia	Financials	4.0
Newcrest Mining	Materials	3.8
Total		58.1

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	96
Total number of holdings	29
12 month portfolio turnover (%)	59
12 month name turnover (%)	39
Active share (%)	88

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 Orbis SICAV Asia ex-Japan Equity Fund and its corresponding benchmark and peer group data used for the period prior to 1 November 2016.

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

Orbis SICAV Emerging Markets Equity Fund

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

Manager	Orbis Investment Management (Luxembourg) S.A.
Investment Manager	Orbis Investment Management Limited
Inception date	1 January 2006
Number of shares (Investor Share Class)	34,860,784
Income distributions during the last 12 months	None

Fund Objective and Benchmark

The Fund seeks higher returns than the average of the equity stock markets of the world's emerging market countries, without greater risk of loss. The MSCI Emerging Markets Index, including income net of withholding tax, is the Fund's benchmark (the "MSCI Emerging Markets Index"). This index also includes exposure to the currencies associated with its constituent stockmarkets. The mix of currencies in the MSCI Emerging Markets Index is the Fund's "currency benchmark". The currency benchmark represents the mix of currencies in which the Fund would invest if the Investment Manager were impartial between all currencies. In practice, the Fund's currency exposure is managed relative to the currency benchmark.

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

The Fund is actively managed and is designed to remain continuously invested in, and exposed to all the risks and rewards of, selected Emerging Market equities. The Fund expects to be not less than 90% invested in Emerging Market equity and equity-linked investments. The Fund identifies Emerging Market equity and equity-linked investments as those investments that are issued by a corporate body or other entity domiciled or primarily located in a country represented in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index (together, "Emerging Markets"), traded or listed on an exchange in an Emerging Market or issued by a corporate body or other entity whose business is significantly linked to Emerging Markets. These equities are selected using extensive proprietary investment research undertaken by the Investment Manager and its investment advisors. 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.

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 and may therefore use forward currency contracts to provide protection against exchange risks in the context of the management of its assets and liabilities.

The Fund does not seek to mirror the MSCI Emerging Markets Index and may deviate meaningfully from it in pursuit of superior long-term capital appreciation.

Since inception and over the latest ten-year period, 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 aimed at investors who are seeking a portfolio the objective of which is to be invested in, and exposed to, Emerging Market securities.
- 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 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. With respect to the Fund's Investor Share Class, the fee is structured as follows: a fee is charged based on the net asset value of the class. The fee rate is calculated weekly by comparing the class' performance over three years against the MSCI All Country Asia ex Japan (Net) (US\$) Index prior to 1 November 2016 and against the MSCI Emerging Markets Index thereafter. For each percentage point of three year performance above or below that benchmark's performance, 0.04 percentage points are added to or deducted from 1.5%, subject to the following limits:

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

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

Fees, Expenses and Total Expense Ratio (TER)

The relevant class within the Fund bears all expenses payable by such class, which shall include but not be limited to fees payable to its Manager, Investment Manager and additional service 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.

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 0.75% of the net asset value of the Fund shares being acquired or redeemed.

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

Changes in the Fund's Top 10 Holdings

31 July 2018	%	31 October 2018	%
NetEase	9.5	Naspers	10.3
Naspers	9.4	NetEase	10.0
Kiwoom Securities	5.3	Taiwan Semiconductor Mfg.	5.9
Korea Electric Power	5.3	Jardine Matheson Holdings	5.0
Jardine Matheson Holdings	5.2	Kiwoom Securities	4.9
Taiwan Semiconductor Mfg.	5.1	Korea Electric Power	4.8
British American Tobacco	4.8	Tencent Holdings	4.8
Genting Berhad	3.7	British American Tobacco	4.5
Olam International	3.6	Sberbank of Russia	4.0
JD.com	3.4	Newcrest Mining	3.8
Total	55.3	Total	58.1

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 Emerging Markets Equity Fund

Orbis SICAV Emerging Markets Equity Fund – Appointment of Allan Gray International Proprietary Limited as Investment Advisor

Effective 1 January 2017, the Orbis SICAV Emerging Markets Equity Fund's Investment Manager, Orbis Investment Management Limited, appointed its South African sister company, Allan Gray International Proprietary Limited ("AGI"), as the Fund's Sub-Portfolio Manager for African securities. Subject to regulatory approval in Luxembourg, it is anticipated that, on or about 1 December 2018, AGI will move to an investment advisory role. This change will allow Orbis to continue having access to AGI's best investment ideas and research while also evaluating these alongside opportunities in other regions. Such comparisons will help ensure that the Fund continues to hold Orbis' highest conviction investment ideas across the Emerging Markets universe.

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 Depository is Citibank Europe plc, Luxembourg Branch, 31 Z.A. Bourmicht, L-8070 Bertrange, Luxembourg. All information provided herein is subject to the more detailed information provided in the Fund's Prospectus.

Share Price and Transaction Cut Off Times

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

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

Share prices, updated weekly, are available

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

Legal Notices

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

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of an investment in the Fund may go down as well as up, and past performance is not a reliable indicator of future results. Neither the Manager nor the 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 Minimum

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

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

Sources

MSCI: The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).

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