

Our Thinking

We often say that we like to find shares of better-than-average companies trading at below-average valuations. Global equity markets have not made this easy in the nearly uninterrupted bull market over the past ten years. But as William Gray noted in his President's Letter in December, our investment team is more enthusiastic about prospective relative returns than they have been for some time.

How do we reconcile this greater degree of excitement with generally elevated share prices of recent years? The market in 2018 saw an increase in volatility from the historical lows seen in 2017. In search of safety, investors have flocked to traditional "defensive" stocks such as utilities and healthcare, and been ruthless when discounting the uncertainty of their more cyclical (but not necessarily lower-quality) counterparts. In our view, this has created an opportunity for stockpickers who are willing to withstand a bit more turbulence without necessarily compromising on quality. As a result, few of the shares we find attractive today can be considered "defensive". Uncomfortable as this may be at times, we believe that it will prove rewarding over the fullness of our investment horizon.

The Orbis Global Equity Strategy's holdings provide an illustration. The table below shows the portfolio's characteristics by region at year end.

Higher quality at a cheaper price

Shares in Orbis Global Equity Strategy vs shares in world stockmarkets[†]

31 Dec 2018	Price / earnings (trailing)	Price / earnings (normalised)*	Price / book value	Average revenue growth**
World	17 18	17 23	2.0 2.8	10% 6%
North America	19 20	21 25	4.2 4.2	13% 7%
Europe	14 16	14 21	1.2 1.9	4% 3%
Japan	8 13	9 21	0.7 1.3	5% 3%
Emerging Markets	17 15	12 17	3.3 2.0	14% 11%

Source: Worldscope, Orbis. 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. [†]FTSE World Index for regions except Emerging Markets, where MSCI Emerging Markets Index is used. *For non-financial companies. **Over the last ten years.

Japan stands out as one area where our stock selections are considerably cheaper—not only relative to their local peers but also to markets globally. Our favoured Japanese shares in the Strategy trade at just 9 times normalised earnings and at a 30% discount to

book value. It has also been unusual to find Japanese companies—such as the trading conglomerates Sumitomo and Mitsubishi—that are also paying high dividend yields. The average dividend yield of the Japanese stocks in Orbis Global is over 3.5%—well above the Japanese market average yield of 2.2% and significantly higher than the 0% yield available on 10-year Japanese Government Bonds. What's more, our research suggests that some of these companies can not only continue to maintain dividends at these levels, but may even increase their payouts over the medium to long-term.

Emerging markets (EM) also stand out as an interesting pocket of value on both a relative and absolute basis. Investor sentiment in these markets has generally been poor and this is reflected in depressed valuation multiples. The MSCI EM Index is currently almost 30% cheaper than its developed market counterpart despite EM shares offering equivalent returns on equity.

While one could argue that some of the discount can be attributed to the greater risk inherent in EMs, the EM universe is large and diverse and is home to a number of businesses with exceptional fundamentals that are as good as (or better than) their developed market counterparts. Naspers and Taiwan Semiconductor Manufacturing are two examples held in the Orbis Strategies. In both cases, we have taken advantage of share price weakness to increase our holdings over the past year. As a result, the EM "cluster" now accounts for approximately 30% of Orbis Global.

A final area worth highlighting is the US. The valuation statistics here look less compelling at first glance, but that hasn't stopped us from uncovering shares of superior businesses at good prices. Despite attractive long-term fundamentals, biotechnology firms such as AbbVie and Celgene (which has since announced it will be acquired by Bristol-Myers Squibb) were deeply out of favour through much of 2018. Yet both companies have a strong slate of current products and should be able to continue to diversify their drug pipelines.

This builds up to the following view of the portfolio in aggregate. Going into 2019, the average company in Orbis Global had delivered significantly better revenue growth, generated near-identical returns on equity, and had a slightly stronger balance sheet than the average world stock. Yet they are slightly cheaper on a trailing price-earnings basis, much cheaper on a normalised earning basis (because many companies in the index are earning historically high margins), and much cheaper on a price-to-book basis. Put simply, we believe the portfolio holds an above-average collection of companies trading at a far-below-average price. To us, that's cause for enthusiasm.

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.

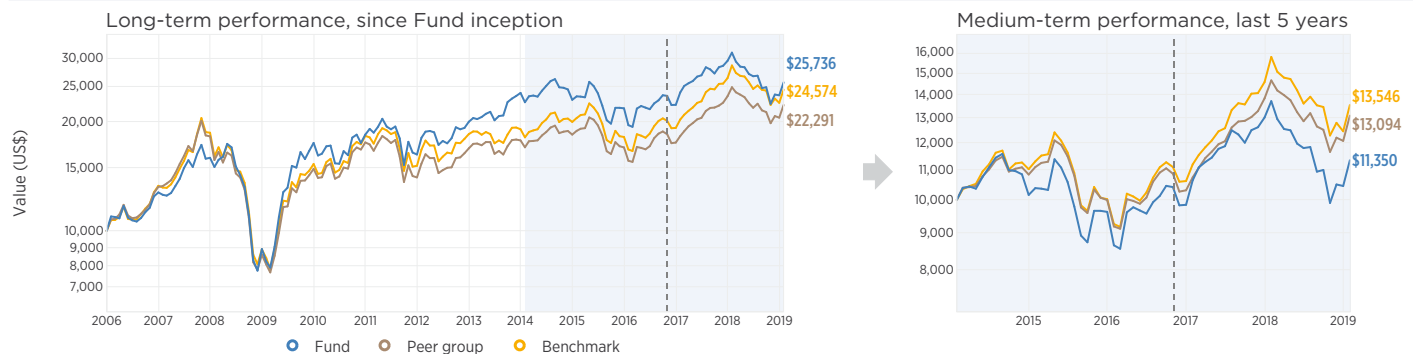
Orbis SICAV Emerging Markets Equity Fund

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\$24.30	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\$3.1 billion	UCITS compliant	Yes
Fund inception	1 January 2006	ISIN	LU0241795839
Strategy size	US\$3.2 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. The performance achieved during this period was in circumstances that no longer apply. 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	7.5	6.3	7.1
10 years	12.1	10.7	11.3
5 years	2.6	5.5	6.3
3 years	9.5	12.5	13.5
1 year	(17.2)	(10.7)	(14.2)
Not annualised			
3 months	14.6	12.3	10.2
1 month	8.6		8.8
		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	1.31
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	(0.19)
Fund expenses	0.11
Total Expense Ratio (TER)	1.42

Geographical & Currency Allocation (%)

Region	Equity	Currency	Benchmark
China/Hong Kong	29	29	31
Korea	15	15	14
Africa	13	13	6
Europe & Middle East	13	13	8
Rest of Asia	11	11	8
Taiwan	8	8	11
Latin America	3	3	13
India	2	2	8
Other	4	5	0
<i>Net Current Assets</i>	2	0	0
Total	100	100	100

Top 10 Holdings

	MSCI Sector	%
Naspers	Communication Services	10.7
NetEase	Communication Services	10.1
Tencent Holdings	Communication Services	5.8
Taiwan Semiconductor Mfg.	Information Technology	5.5
Korea Electric Power	Utilities	5.0
Kiwoom Securities	Financials	5.0
Sberbank of Russia	Financials	4.9
British American Tobacco	Consumer Staples	4.9
Jardine Matheson Holdings	Industrials	4.6
Newcrest Mining	Materials	3.5
Total		60.1

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	95
Total number of holdings	28
12 month portfolio turnover (%)	54
12 month name turnover (%)	31
Active share (%)	87

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)	34,551,379
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 taxes, is the Fund's benchmark (the "MSCI Emerging Markets Index").

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. 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, focusing, in particular, on managing the Fund's exposure to those currencies considered less likely to hold their long-term value.

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 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 October 2018	%	31 January 2019	%
Naspers	10.3	Naspers	10.7
NetEase	10.0	NetEase	10.1
Taiwan Semiconductor Mfg.	5.9	Tencent Holdings	5.8
Jardine Matheson Holdings	5.0	Taiwan Semiconductor Mfg.	5.5
Kiwoom Securities	4.9	Korea Electric Power	5.0
Korea Electric Power	4.8	Kiwoom Securities	5.0
Tencent Holdings	4.8	Sberbank of Russia	4.9
British American Tobacco	4.5	British American Tobacco	4.9
Sberbank of Russia	4.0	Jardine Matheson Holdings	4.6
Newcrest Mining	3.8	Newcrest Mining	3.5
Total	58.1	Total	60.1

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

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 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).

Average Fund data source and peer group ranking data source: © 2019 Morningstar. 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 January 2019. 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.