



Orbis Global Balanced

For something as important and ubiquitous as oil, there sure is a lot of confusion about what its price should be. Predictions range from “Tesla will make oil obsolete” to “underinvestment will send oil back to \$100 per barrel.” While we can see legitimate arguments for less extreme bullish and bearish outcomes, we find it tough to call the direction of the oil price. However, we believe we can make a decent call on the other half of the profit equation—production costs. Indeed, the more we examine costs, the more it appears that investors’ focus on the oil price is blinding them to how dramatically some companies are driving down costs. This lays open the possibility that, even if oil price bears are right, some oil companies could still do well.

We believe integrated energy company BP fits this bill. This is not because it’s been a great company historically. In fact, its historical mediocrity is part of the appeal. The oil majors, with few exceptions, have never been highly efficient. They’ve had their hands in everything—exploring for crude in far-flung places, operating fleets of tankers, building city-sized refineries, and running gas stations. As the biggest players in each segment, they have not had to push their businesses very hard. They grew complacent.

BP’s complacency ended with its 2010 Gulf of Mexico disaster. Then-CEO Tony Hayward disastrously downplayed the incident, and he was replaced with Bob Dudley. Dudley recognised that “sometimes it takes a near death experience to radically change a company,” and he immediately set out to recreate BP.

In a quirk of timing, this gave BP a head start on the rest of the industry. Four years before the oil price collapse, BP was forced to treat every decision as if the company’s life depended on it. The total cash outlay from the disaster exceeded \$60 billion, but the company survived through over \$45bn of divestments, shrewder investments, and an intense focus on improvements in operational efficiency.

That truly one-off expense has passed, but BP’s survival instincts remain. Dudley has driven a lean manufacturing ethos into the production side of the business, with a focus on deploying “big win” big data initiatives as well as practical “no brainer” technologies. Big data and predictive analytics are being used for things like taking project screening times from months to minutes. On the more mundane end, 3D printers have been deployed to offshore rigs so they can print replacement parts instead of having to locate a part, ship it, and fly it to the rig on a helicopter. BP now includes leading non-energy companies as operating performance comparisons. These efforts are starting to bear fruit in everything from well decline rates, to production costs, to expected growth rates. BP has reduced its oil price break-even from \$80 per barrel in 2014 to \$60 in 2016, with the prospect of this dropping to \$40 as a cohort of recently developed basins start producing crude.

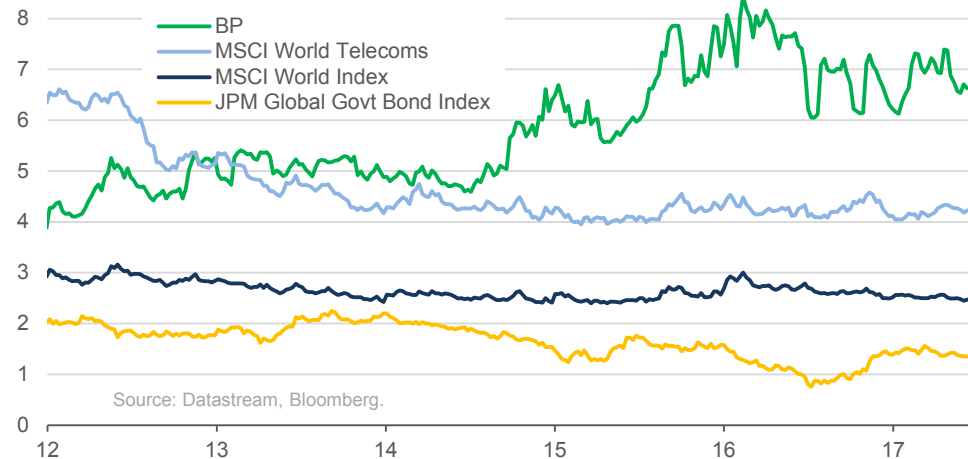
Upstream efficiency is not the only thing supporting BP’s potential profitability. The company also has huge downstream energy businesses, including transport, refining, chemicals, and retail gas stations. Many of these activities actually see profits improve when the price of oil drops—in refining and chemicals, for instance, the price of crude oil is an input cost. In these businesses, BP has focused on driving more consistent cash flow and growth, and Dudley’s improvements are starting to realise benefits. That has put the company on a more confident footing, with their own free cash flow forecasts recently revised higher, and more positive than those of most analysts.

If BP’s operational performance is anywhere close to its guidance, and energy prices hover at recent levels, the company should generate \$10bn in free cash flow next year, with more growth from there. Importantly, this would comfortably exceed what BP is expected to pay out in dividends, settling any questions about the company having to cut its distributions to shareholders. Quelling those concerns should force the market to reassess the massive spread between BP’s dividend yield and those of other stable yield investments. If we are correct and BP can maintain payouts, a re-rating from its current 7% p.a. indicated yield to the 4-5% p.a. level of a traditional high-yielding sector like telephone utilities would make for some terrific share price performance. (Put differently, BP’s price-to-dividend ratio would rise from 15 to more than 20, suggesting more than 30% upside.) In the meantime, with equity valuations and bond yields where they are, collecting 7% per year in dividends seems a good use of your fund’s capital.

Orbis Global Balanced *(continued)*

BP: higher yield than high-yield telecoms

Indicated dividend yield of BP, MSCI World Index, and MSCI World Telecommunication Services, and yield to maturity of the JPM Global Govt Bond Index, % p.a., 2012 to Jun 2017



Of course, should oil and gas prices move markedly higher, BP will do better than the discussion above implies. But it will not do nearly as well as pure exploration and production companies and feast-or-famine drillers. The fundamentals of those companies are more tightly linked to a bet on the oil price. With BP and fellow integrations Royal Dutch Shell and Woodside Petroleum, we are not making a bold oil price call. We are investing in fundamentally stable companies when they are temporarily thought to be risky.

Commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda

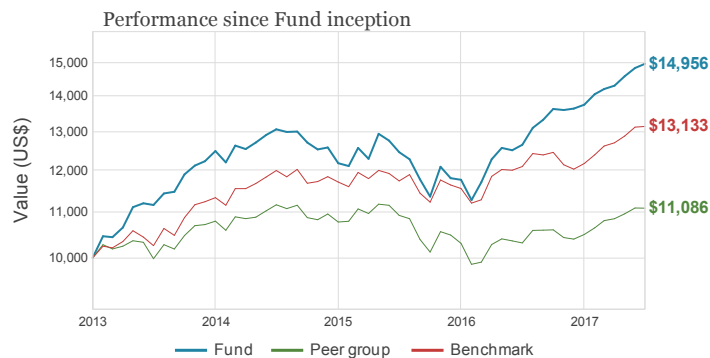
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Orbis SICAV Global Balanced Fund

The Fund seeks to balance appreciation of capital, income generation and risk of loss with a diversified global portfolio of equity, fixed income and commodity-linked instruments. It aims to earn higher long-term returns than its benchmark, which is comprised of 60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index ("60/40 Index"), each in US dollars.

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



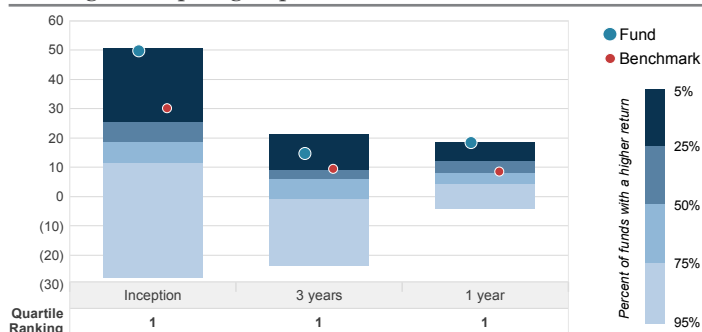
Returns (%)

	Fund	Peer group	Benchmark
Annualised		<i>Net</i>	<i>Gross</i>
Since Fund inception	9.4	2.3	6.3
3 years	4.6	(0.2)	3.1
1 year	18.3	7.5	8.7
Not annualised			
Calendar year to date	8.9	5.6	8.0
3 months	4.6	2.2	3.5
1 month	0.9		0.1
		Year	%
Best performing calendar year since Fund inception		2013	24.8
Worst performing calendar year since Fund inception		2015	(3.4)

Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	14	12	7
Months to recovery	25	>26 ¹	22
% recovered	100	93	100
Annualised monthly volatility (%)	8.4	6.4	6.7
Beta vs World Index	0.7	0.6	0.6
Tracking error vs benchmark (%)	4.5	2.2	0.0

Ranking within peer group, cumulative return (%)



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.

Price	US\$14.87	Benchmark	60/40 Index
Pricing currency	US dollars	Peer group	Average Global Balanced 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 IV compliant	Yes
Fund inception	1 January 2013	ISIN	LU0891391392
Strategy size	US\$3.1 billion		
Strategy inception	1 January 2013		

See Notices for important information about this Fact Sheet

Asset Allocation (%)

	North America	Europe	Asia ex-Japan	Japan	Other	Total
Fund						
Gross Equity	36	24	14	7	3	86
<i>Net Equity</i>	25	22	13	6	2	67
Fixed Income	11	0	0	0	0	12
Commodity-Linked						3
Total	47	25	14	8	3	100
Benchmark						
Equity	38	14	1	5	2	60
Fixed Income	16	14	0	9	0	40
Total	54	29	1	14	2	100

Currency Allocation (%)

	Fund	Benchmark
US dollar	45	51
British pound	14	7
Euro	13	18
Japanese yen	12	14
Swiss franc	4	2
Other	12	8
Total	100	100

Top 10 Holdings

	Sector	%
AbbVie	Health Care	3.7
BP	Energy	3.0
Royal Dutch Shell	Energy	2.8
XPO Logistics	Industrials	2.7
Motorola Solutions	Information Technology	2.6
Anthem	Health Care	2.5
SPDR Gold Trust	Commodity-Linked	2.5
Amazon.com	Consumer Discretionary	2.3
JD.com	Consumer Discretionary	2.1
Carnival plc	Consumer Discretionary	2.0
Total		26.4

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	51
Total number of holdings	91
12 month portfolio turnover (%)	55
12 month name turnover (%)	53

Fees & Expenses (%), for last 12 months

Management fee ²	1.89
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	0.39
Fund expenses	0.12
Total Expense Ratio (TER)	2.00

¹ Number of months since the start of the drawdown. This drawdown is not yet recovered.

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



Orbis SICAV Global Balanced 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 2013
Number of shares (Investor Share Class)	17,139,216
Income distributions during the last 12 months	None

Please note that all references to the "Investor Share Class" in this document exclude the "Institutional Investor Share Class" referred to in the Fund's Prospectus.

Fund Objective and Benchmark

The Fund seeks to balance appreciation of capital, income generation and risk of loss with a diversified global portfolio. It aims for higher long-term returns than its designated combined equity and bond performance benchmark, which is comprised of 60% MSCI World Index with net dividends reinvested and 40% JP Morgan Global Government Bond Index, each expressed in US\$ (the "60/40 Index").

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

The Fund is actively managed and invests in equities, fixed income instruments and commodity-linked instruments. Fund weightings among the different asset classes are determined based on their income, appreciation and risk of loss potential, with appropriate diversification. The Investment Manager may cause the Fund to be under or over the targets described in the remainder of this section when it considers this to be in the Fund's best interest.

Equities. The Investment Manager targets the Fund to hold 40-90% of its net asset value in a pool of global equities. The Fund invests in shares considered to offer fundamental value and dividend paying potential that is superior to its benchmark. The lower the price of a share as compared to its assessed intrinsic value, the more attractive Orbis considers the equity's fundamental value. The Investment Manager believes the main risk of investing in equities is that their prices will decline if relevant stockmarkets fall significantly. To reduce this risk, when Orbis' research suggests that stockmarkets are overvalued and vulnerable, the Investment Manager will reduce exposure to, or hedge, stockmarket risk. Similarly, when Orbis' research suggests that stockmarkets represent good value, the Investment Manager will increase exposure to stockmarket risk by decreasing the amount of any hedging. The Fund may utilise exchange-traded derivatives for investment efficiency purposes by helping the Fund to be continuously fully exposed to equities (within the Investment Manager's targets) at all times. Furthermore, the Fund may also buy and sell exchange-traded equity call and put options for investment efficiency purposes, but only to the extent the Fund is capable of meeting its payment or delivery obligations related to such options, for example, by holding the underlying security.

Fixed Income Instruments. The Investment Manager targets the Fund to hold 10-50% of its net asset value in fixed income instruments issued by corporate bodies, governments and other entities. These are selected to provide current income, liquidity and portfolio diversification for the purpose of reducing risk of loss. The Fund's fixed income selections in aggregate may differ significantly from the benchmark in duration and credit quality. In addition, the Fund may invest in money market instruments, cash and cash equivalents.

Commodity-linked Instruments. The Investment Manager targets the Fund to hold 0-10% of its net asset value in commodity-linked instruments, which may provide the Fund with indirect exposure to commodities. The Fund will gain exposure to commodities if the Investment Manager's investment research process identifies a commodity or class of commodities as being more attractive than overall equity and fixed income opportunities, taking into account any risk reduction benefits of diversification.

Exchange rate fluctuations significantly influence global investment returns. For this reason, part of Orbis' research effort is devoted to forecasting currency trends. Taking into account these expected trends, the Investment Manager actively reviews the Fund's currency exposure. Those currencies held but considered vulnerable may be sold in favour of those considered more attractive. The Fund's holdings usually differ meaningfully from the 60/40 Index.

As the Fund is less than five years old, it is too early to tell if it has met its objective. However, since inception the Fund has outperformed its benchmark net of fees, and we are confident the Fund will meet its objective over the long term. The Fund will experience periods of underperformance in pursuit of its long-term objective.

Risk/Reward Profile

- The Investment Manager aims to contain the risk of monetary loss to a level that is below the risk of loss experienced by global equity funds but higher than that experienced by government bond funds and cash deposits over the long term. Investors should be aware that this expected reduction in risk of loss comes at the expense of long-term expected return.

- Investments in the Fund may suffer capital loss.
- Investors should understand that the Investment Manager generally assesses an investment's attractiveness over a three-to-five year time horizon.

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 60/40 Index. For each percentage point of three year performance above or below that benchmark's performance, 0.04 percentage points are added to or subtracted from 1.5%, subject to the following limits:

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

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 services providers, fees and expenses involved in registering and maintaining governmental registrations, taxes, duties and all other operating expenses, including the cost of buying and selling assets. However, the Manager and the Investment Manager have agreed that in the current calendar year, except for specified exclusions, operating expenses attributable to the Fund's Investor Share Class will be capped at 0.20%. Please refer to the Fund's Prospectus for a description of the fee cap applicable to its other share classes. Each cap will be automatically extended for further successive one year periods unless terminated by the Manager or the Investment Manager at least three months prior to the end of the then current term. The operating expenses that are capped are all expenses, excluding the Manager's and Investment Managers' fees described above under "Management Fee," the cost of buying and selling assets, interest and brokerage charges.

Where an investor subscribes or redeems an amount representing 5% or more of the net asset value of the Fund, the Manager may cause the Fund to levy a fee of 0.40% of the net asset value of the Fund's shares being acquired or redeemed.

The annual management fees charged are included in the TER. The TER is a measure of the actual expenses incurred by the class over a 12 month period, excluding trading costs. Since Fund 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 March 2017	%	30 June 2017	%
BP	3.2	AbbVie	3.7
AbbVie	3.1	BP	3.0
Royal Dutch Shell	3.0	Royal Dutch Shell	2.8
SPDR Gold Trust	2.7	XPO Logistics	2.7
Motorola Solutions	2.4	Motorola Solutions	2.6
Aetna	2.1	Anthem	2.5
Amazon.com	2.1	SPDR Gold Trust	2.5
XPO Logistics	2.0	Amazon.com	2.3
Carnival plc	2.0	JD.com	2.1
Wells Fargo & Company	2.0	Carnival plc	2.0
Total	24.5	Total	26.4

Past performance is not a reliable indicator of future results. Orbis Fund share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the Funds, an investor's capital is at risk.



Orbis SICAV Global Balanced Fund

Additional Information

South African residents should contact Allan Gray Unit Trust Management (RF) Proprietary Limited at 0860 000 654 (toll free from within South Africa) or offshore_direct@allangray.co.za to receive, free of charge, additional information about a proposed investment (including prospectus, application forms, annual reports and a schedule of fees, charges and maximum commissions). The Investment Manager can be contacted at +1 441 296 3000 or clientservice@orbis.com. The Fund's 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 and Institutional 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 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.

Orbis Investment Management Limited, the Fund's Investment Manager, is licensed to conduct investment business by the Bermuda Monetary Authority.

Fund Information

The benchmark is a composite index consisting of the MSCI World Index with net dividends reinvested (60%) and the JP Morgan Global Government Bond Index (40%).

Net Equity is Gross Equity minus stockmarket hedging. Fixed Income refers to fixed income instruments issued by corporate bodies, governments and other entities, such as bonds, money market instruments and cash and cash equivalents. Fixed Income regional allocation is based on the currency denomination of the instrument.

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 Fund's exposures accordingly.

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

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