

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.

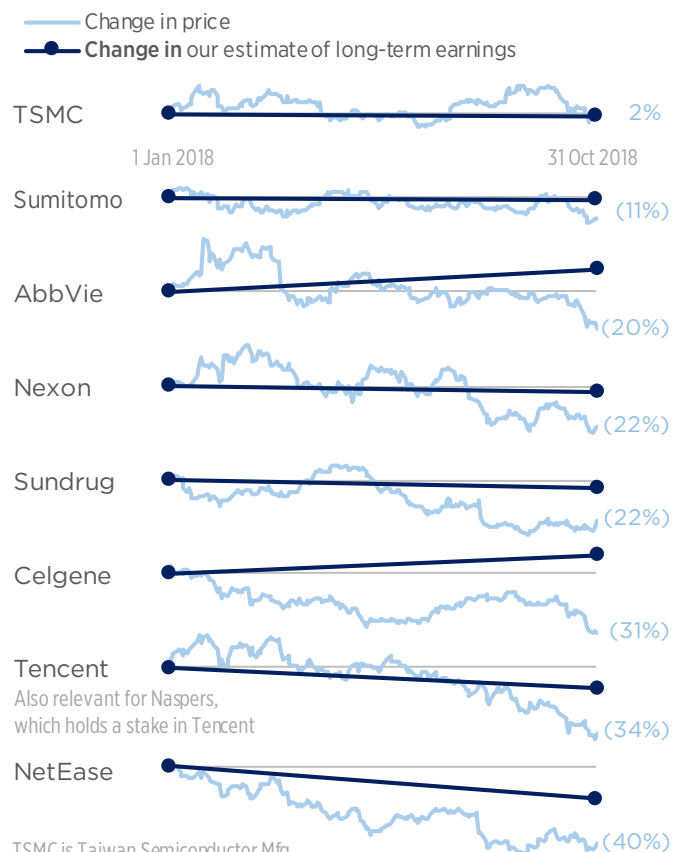
Our bread and butter, however, is buying from Mr Market when he is pessimistic, then patiently waiting for that pessimism to fade. The graphic depicts the relationship between Mr Market's view and our "business owner" view for some current companies held in the Orbis Funds. Here, the light blue lines 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.

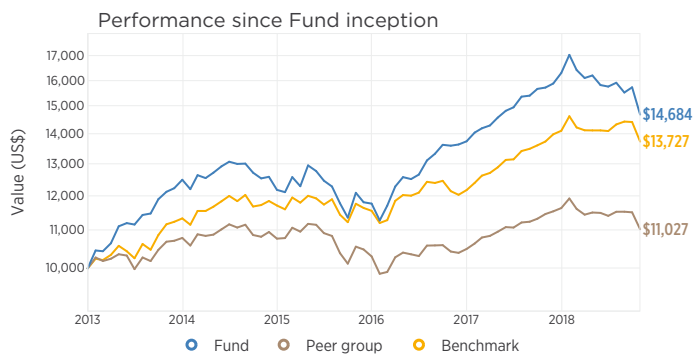
We thought these companies were undervalued before, yet most of their prices have fallen. That could continue—Mr Market's mood is unpredictable. While these periods are challenging, we know what to do: stay focused on the fundamentals, and wait for Mr Market to come back to his senses.

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 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 (%)

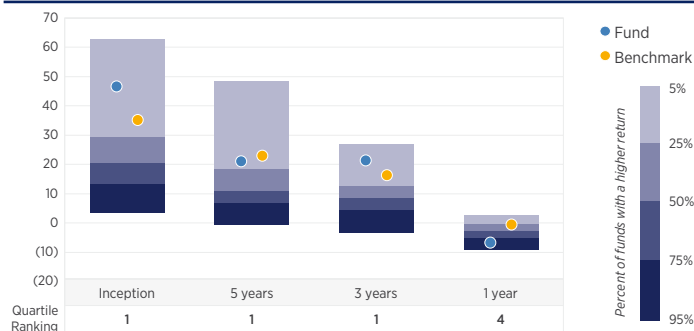
	Fund	Peer group	Benchmark
Annualised			
Since Fund inception	6.8	1.7	5.6
5 years	3.9	0.6	4.2
3 years	6.7	1.5	5.3
1 year	(6.5)	(3.8)	0.0
Not annualised			
Calendar year to date	(9.9)	(5.2)	(2.7)
3 months	(7.7)	(4.3)	(4.2)
1 month	(6.6)		(4.8)

	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	>9 ¹	27	22
% recovered	0	100	100
Annualised monthly volatility (%)	8.7	6.2	6.7
Beta vs World Index	0.7	0.6	0.6
Tracking error vs benchmark (%)	4.6	2.1	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. See Notices for important information about this Fact Sheet.

Price	US\$14.60	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 (Thursdays)
Share class	Investor Share Class	Entry/exit fees	None
Fund size	US\$3.9 billion	UCITS compliant	Yes
Fund inception	1 January 2013	ISIN	LU0891391392
Strategy size	US\$4.0 billion		
Strategy inception	1 January 2013		

Asset Allocation (%)

	North America	Europe	Asia ex-Japan	Japan	Other	Total
Fund						
Gross Equity	27	23	13	7	5	75
Net Equity	12	19	11	7	4	53
Gross Fixed Income	20	0	0	0	0	21
Net Fixed Income	20	0	0	0	0	21
Commodity-Linked						4
Total	47	23	13	7	5	100
Benchmark						
Equity	39	13	1	5	2	60
Fixed Income	17	14	0	8	1	40
Total	57	27	1	13	2	100

Currency Allocation (%)

	Fund	Benchmark
US dollar	50	54
Euro	13	18
British pound	13	6
Japanese yen	11	13
New Taiwan dollar	4	0
Other	8	9
Total	100	100

Top 10 Holdings

	Sector	%
BP	Energy	4.8
Treasury Note 1.125% 28 Feb 2019	Government Bond	4.2
AbbVie	Health Care	4.1
SPDR Gold Trust	Commodity-Linked	4.1
Taiwan Semiconductor Mfg.	Information Technology	4.0
Royal Dutch Shell	Energy	3.7
Bristol-Myers Squibb	Health Care	3.5
PG&E	Utilities	3.3
NetEase	Information Technology	2.9
Treasury Note 1.75% 30 Sep 2019	Government Bond	2.8
Total		37.5

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	66
Total number of holdings	82
12 month portfolio turnover (%)	58
12 month name turnover (%)	43

Fees & Expenses (%), for last 12 months

Management fee ²	2.17
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	0.67
Fund expenses	0.10
Total Expense Ratio (TER)	2.26

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. 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.

Manager	Orbis Investment Management (Luxembourg) S.A.
Investment Manager	Orbis Investment Management Limited
Inception date	1 January 2013
Number of shares (Investor Share Class)	27,624,717
Income distributions during the last 12 months	None

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. 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 buy and sell exchange-traded equity 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. When Orbis' research suggests that bond markets are overvalued and vulnerable, the Investment Manager will reduce exposure to, or hedge, bond market risk. When Orbis' research suggests that bond markets represent good value, the Investment Manager will increase exposure to bond market risk by decreasing the amount of that hedging. 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.

Since inception, the Fund has outperformed its benchmark net of fees. The Fund will experience periods of underperformance in pursuit of its objective of creating long-term wealth for investors. The Fund's holdings usually differ meaningfully from the 60/40 Index.

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 July 2018	%	31 October 2018	%
AbbVie	4.5	BP	4.8
BP	4.4	Treasury Note 1.125% 28 Feb 2019	4.2
Treasury Note 1.125% 28 Feb 2019	4.1	AbbVie	4.1
Royal Dutch Shell	3.7	SPDR Gold Trust	4.1
SPDR Gold Trust	3.5	Taiwan Semiconductor Mfg.	4.0
Bristol-Myers Squibb	3.2	Royal Dutch Shell	3.7
Taiwan Semiconductor Mfg.	2.9	Bristol-Myers Squibb	3.5
NetEase	2.8	PG&E	3.3
XPO Logistics	2.7	NetEase	2.9
Alphabet	2.4	Treasury Note 1.75% 30 Sep 2019	2.8
Total	34.2	Total	37.5

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 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 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. Net Fixed Income is Gross Fixed Income minus bond market hedging.

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

The 60/40 Index returns are calculated by Orbis using end of day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "as is" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information. JP Morgan Global Government Bond Index (the "GBI"): Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The GBI is used with permission. Copyright 2018, J.P. Morgan Chase & Co. All rights reserved. The 60/40 Index may not be copied, used, or distributed without prior written approval.

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