

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.

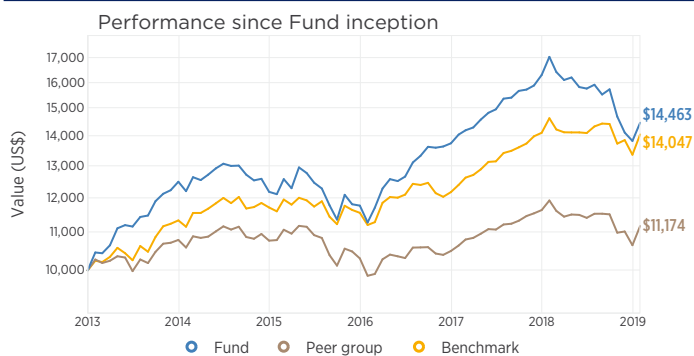
This builds up to the following view of the portfolio in aggregate. Going into 2019, the average company in Orbis Global had delivered significantly better revenue growth, generated near-identical returns on equity, and had a slightly stronger balance sheet than the average world stock. Yet they are 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 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



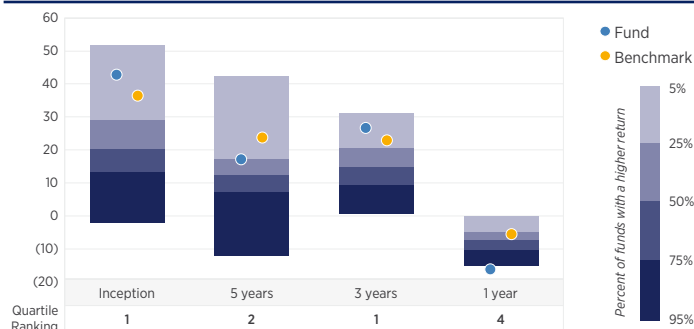
Returns (%)

	Fund	Peer group	Benchmark
Annualised	<i>Net</i>		<i>Gross</i>
Since Fund inception	6.3	1.8	5.7
5 years	3.5	1.1	4.7
3 years	8.7	4.2	7.8
1 year	(15.2)	(6.2)	(4.0)
Not annualised			
3 months	(1.5)	1.7	2.3
1 month	4.7		5.2
		Year	%
Best performing calendar year since Fund inception		2013	24.8
Worst performing calendar year since Fund inception		2018	(15.2)

Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	19	12	9
Months to recovery	>12 ¹	27	>12 ¹
% recovered	20	100	55
Annualised monthly volatility (%)	9.0	6.6	7.0
Beta vs World Index	0.7	0.6	0.6
Tracking error vs benchmark (%)	5.0	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\$14.38	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\$4.1 billion	UCITS compliant	Yes
Fund inception	1 January 2013	ISIN	LU0891391392
Strategy size	US\$4.1 billion		
Strategy inception	1 January 2013		

Asset Allocation (%)

	North America	Europe	Asia ex-Japan	Japan	Other	Total
Fund						
Gross Equity	25	25	16	8	5	78
<i>Net Equity</i>	<i>14</i>	<i>22</i>	<i>14</i>	<i>8</i>	<i>4</i>	<i>61</i>
Gross Fixed Income	17	0	0	0	0	17
<i>Net Fixed Income</i>	<i>17</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>17</i>
Commodity-Linked						5
Total	41	25	16	8	5	100
Benchmark						
Equity	39	13	1	5	2	60
Fixed Income	17	14	0	8	1	40
Total	56	27	1	13	2	100

Currency Allocation (%)

	Fund	Benchmark
US dollar	44	54
British pound	15	6
Euro	13	18
Japanese yen	11	13
New Taiwan dollar	5	0
Other	12	9
Total	100	100

Top 10 Holdings

	Sector	%
BP	Energy	4.6
SPDR Gold Trust	Commodity-Linked	4.5
AbbVie	Health Care	4.5
Taiwan Semiconductor Mfg.	Information Technology	4.2
NetEase	Communication Services	4.0
Bristol-Myers Squibb	Health Care	3.8
Royal Dutch Shell	Energy	3.5
Celgene	Health Care	3.3
Samsung Electronics	Information Technology	2.6
Alphabet	Communication Services	2.4
Total		37.5

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	66
Total number of holdings	83
12 month portfolio turnover (%)	53
12 month name turnover (%)	34

Fees & Expenses (%), for last 12 months

Management fee ²	2.07
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	0.57
Fund expenses	0.09
Total Expense Ratio (TER)	2.17

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)	29,036,221
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" or "benchmark").

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. 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. In doing so, it places particular focus on managing the Fund's exposure to those currencies less likely to hold their long-term value.

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 October 2018	%	31 January 2019	%
BP	4.8	BP	4.6
Treasury Note 1.125% 28 Feb 2019	4.2	SPDR Gold Trust	4.5
AbbVie	4.1	AbbVie	4.5
SPDR Gold Trust	4.1	Taiwan Semiconductor Mfg.	4.2
Taiwan Semiconductor Mfg.	4.0	NetEase	4.0
Royal Dutch Shell	3.7	Bristol-Myers Squibb	3.8
Bristol-Myers Squibb	3.5	Royal Dutch Shell	3.5
PG&E	3.3	Celgene	3.3
NetEase	2.9	Samsung Electronics	2.6
Treasury Note 1.75% 30 Sep 2019	2.8	Alphabet	2.4
Total	37.5	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 2019, 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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