

Orbis Japan Equity

We aim to buy shares that trade at a discount to intrinsic value—the price a prudent businessperson would pay for the whole company. Sometimes these discounts are reflected in low valuation multiples, and sometimes they arise because the market underappreciates a company’s growth potential. Occasionally, we’re even able to find companies with both above-average prospects and below-average valuations. At all times, we focus on the relationship between the price and fundamentals of individual companies, and while we are not “value investors”, we have historically found many attractive ideas among value shares in Japan. This has given the portfolio a bias towards that style historically.

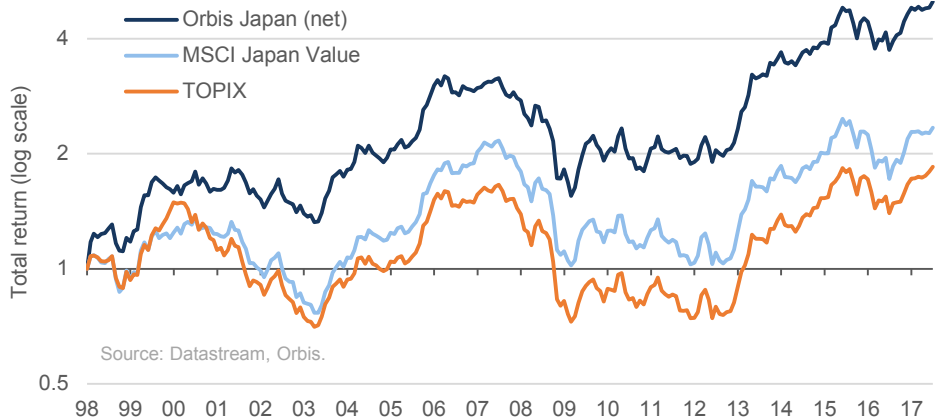
In Japan, the value style has worked well. Blindly buying cheap shares has beaten the TOPIX by 1.2% p.a. since 1998—a better relative return than the 0.1% p.a. delivered by value shares globally over the same period. Our fundamental approach has delivered still better results, driven in part by successfully investing in “growth” shares. We have also been able to rotate more heavily into different types of shares when our bottom-up research suggests they are unusually attractive.

For value shares, mid-2016 was one of those times. Having underperformed since 2010, value shares grew cheaper compared to the rest of the market, and by the middle of last year, they looked relatively more attractive than at any point since the 2000 technology bubble. We increased the portfolio’s exposure to value shares, a decision that bore fruit as they outperformed in late 2016.

So far, 2017 has seen a reversal of the trends of late 2016. Value shares have lagged the TOPIX by about 5%, in line with Orbis Japan’s relative return. Sharp underperformance like this is painful—we feel it as both managers of and co-investors in the strategy. But our job is to remain focused on the relationship between the price and fundamentals of our favoured stocks. If a price decline reflects (or understates) deteriorating fundamentals, our investment thesis is broken and we should sell. But if a business remains sound, a falling price represents a wider discount to intrinsic value, providing an opportunity to buy more.

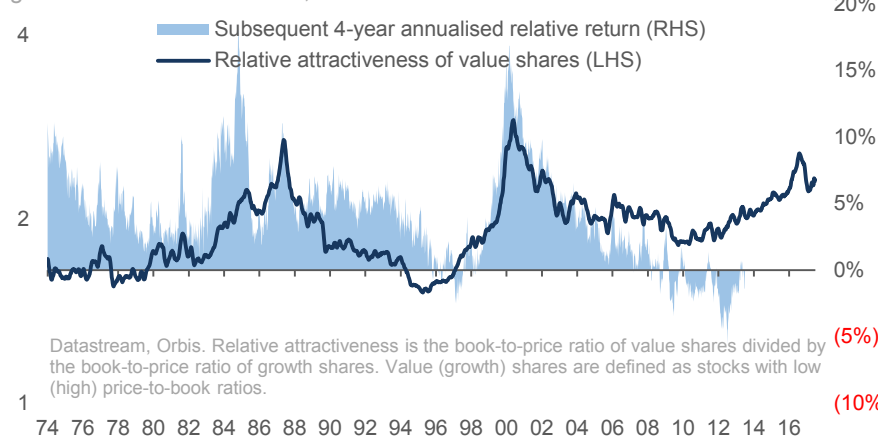
Value has done well in Japan, and Orbis Japan has done better still

Total return of Orbis SICAV Japan Equity (ICF net), MSCI Japan Value, and TOPIX, all in JPY, 1998 to June 2017



Value shares look unusually attractive in Japan

Relative attractiveness and subsequent 4-year relative return of value shares vs growth shares in the TOPIX, 1974 to June 2017



Broadly, we continue to have conviction in the portfolio’s value shares, and the value “bucket” continues to look unusually attractive. We don’t buy exposure to buckets, however. We buy individual stocks, and as you break down groups like “value stocks” and “cyclicals”, differences emerge. Consider cyclicals, which we discussed last year. That group has risen and fallen in sympathy with value shares. But as the following chart shows, the market has been kinder to some cyclicals than to others.

Orbis Japan Equity (continued)

Chemical companies and Electric Appliances stocks have seen their valuations return to pre-crisis levels, while Transport Equipment, Wholesale Trade, and Mining companies remain cheap. This seems surprising, and when we consider our individual holdings in the Mining, Wholesale Trade, and Transport Equipment sectors, things look even more extreme.

Of the sectors in the chart, Mining (energy) is the cheapest. Our lone holding there is Inpex, Japan's largest oil and gas production company. Earnings for energy firms are depressed, and there is no guarantee that oil prices will rebound. But focusing on short-term profits makes little sense for Inpex, because most of the company's value is in Ichthys, a natural gas project off the coast of

Australia. The project is massive, with a 40-year life and excellent cash flow characteristics. It can break even with an oil price of \$35, and it is cash generative even at much lower prices. Ichthys has been in development since we first bought Inpex in 2010, and the market has always doubted the company's ability to pull it off. There have been minor delays, but with each milestone, the project's risk declines. We believe it will start producing before March 2018, and by 2020 we expect Ichthys to generate over half of Inpex's profits. In our view, the stock's current valuation of 0.5 times book value almost completely ignores this contribution.

In the Wholesale Trade sector, Orbis Japan holds the trading companies Mitsubishi and Sumitomo. Our thesis for each is similar: as resource-related profits recover from depressed levels and stable non-resource businesses continue to generate cash, a more disciplined approach to capital allocation will let the companies improve shareholder returns, which the market should reward with higher valuations. Resource-related profits have recovered, particularly for Mitsubishi's coking coal venture—in the March 2016 fiscal year it lost about ¥30bn; in fiscal year March 2017 it made roughly ¥150bn. Non-resource businesses have continued to generate cash. And both companies have improved their capital allocation: they plan to divest mediocre projects, they have set a tougher bar for new ones, they have raised their dividends (indicated yields now near 3.5% p.a.), and they have put a floor on future payouts. Despite these fundamental improvements, their valuations have languished near 0.8 times book value and 8 times earnings. Over our long-term investment horizon, as Mitsubishi and Sumitomo demonstrate that they can sustainably earn their cost of capital, we believe they should trade at 1.0 times a growing book value—if not higher.

Transport Equipment is the largest cluster in the portfolio, and it includes the automakers Nissan Motor, Honda Motor, and Toyota Motor. The debate over the auto industry is complicated, and has been an intense focus of our research over the past year. The simpler part is the companies' extreme valuations. Each of the three trades at a greater than 40% discount to the TOPIX on a price-earnings basis, despite having middling margins at a time when the average Japanese firm is overearning. Each of the three sells more than 40% of its vehicles in emerging markets, where car ownership rates remain extremely low compared to rich countries. Each offers a much higher indicated dividend yield than the TOPIX, with Nissan's near 5% p.a. Each trades at or below its book value, despite higher long-term returns on equity than the market. And each has company-specific factors which should support profitability and earnings growth. In Nissan, Honda, and Toyota, we believe we are getting these businesses at junkyard prices. They are simply too cheap.

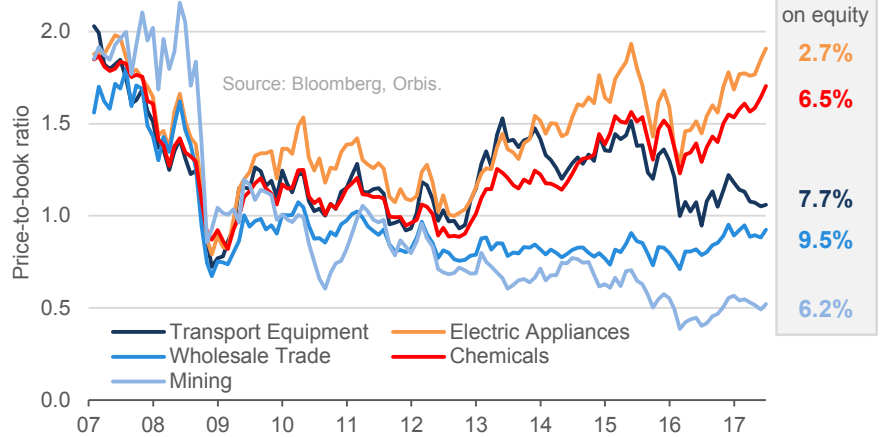
At a time when the value style looks attractive, certain sectors look especially out of favour, and within those sectors, we believe our selected stocks offer steep discounts to intrinsic value. To these value shares, we add growth businesses like game developer NEXON and apartment developer Daito Trust Construction, which we believe have above-average growth potential but trade at average valuations. Short-term performance for any of our favoured shares could be volatile, and we could be wrong about any of them. But by continuing to uncover both "value" and "growth" shares at attractive prices, we believe we can deliver superior long-term returns on your behalf.

Commentary contributed by Brett Moshal and Alex Bowles, Orbis Portfolio Management (Europe) LLP, London

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.

Cyclical sectors: a diverse bunch

TOPIX Electric Appliances, Chemicals, Transport Equipment, Wholesale Trade, and Mining indices, 2007 to June 2017





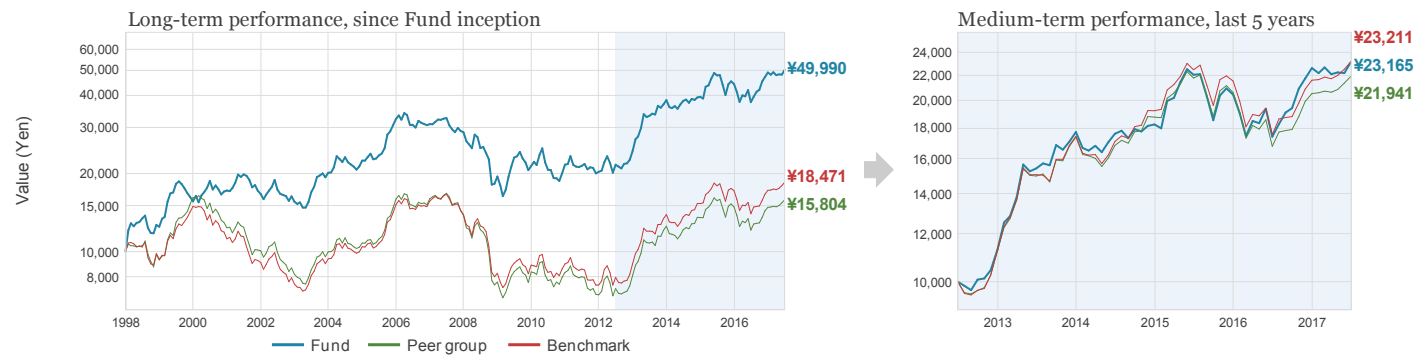
Orbis SICAV Japan Equity (Yen) Fund

The Fund is designed to remain fully invested in Japanese equities and seeks higher returns than the Japanese stockmarket, without greater risk of loss. It is predominantly exposed to the Japanese yen. The benchmark is the Tokyo Stock Price Index, including income, gross of withholding taxes ("TOPIX").

Price	¥4,999	Benchmark	TOPIX
Pricing currency	Japanese yen	Peer group	Average Japan 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	¥197 billion	UCITS IV compliant	Yes
Fund inception	1 January 1998	ISIN	LU0160128079
Strategy size	¥228 billion		
Strategy inception	1 January 1998		

See Notices for important information about this Fact Sheet

Growth of ¥10,000 investment, net of fees, dividends reinvested



Returns (%)

	Fund	Peer group	Benchmark
Annualised			
	<i>Net</i>		<i>Gross</i>
Since Fund inception	8.6	2.4	3.2
15 years	7.3	3.1	4.9
10 years	4.4	(0.6)	1.1
5 years	18.3	17.0	18.3
3 years	9.6	9.2	10.7
1 year	33.0	30.7	32.2
Not annualised			
Calendar year to date	2.3	6.9	7.4
3 months	4.7	6.3	6.8
1 month	4.3		3.0

	Year	%
Best performing calendar year since Fund inception	2013	57.0
Worst performing calendar year since Fund inception	2008	(32.4)

Sector Allocation (%)

Sector	Fund	Benchmark
Cyclicals	48	40
Consumer Non-Durables	28	22
Information and Communications	14	8
Financials	9	13
Technology	0	15
Utilities	0	2
<i>Net Current Assets</i>	2	0
Total	100	100

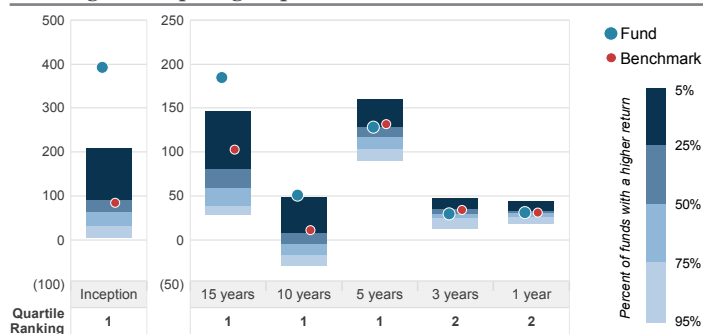
Top 10 Holdings

	Sector	%
Mitsubishi	Consumer Non-Durables	8.3
NEXON	Information and Communications	8.2
Daito Trust Construction	Cyclicals	8.1
Nissan Motor	Cyclicals	8.0
Honda Motor	Cyclicals	5.9
Sumitomo Mitsui Fin.	Financials	5.0
INPEX	Cyclicals	4.9
Sumitomo	Consumer Non-Durables	4.6
Ship Healthcare Holdings	Consumer Non-Durables	4.4
Nippon Television Holdings	Information and Communications	4.3
Total		61.7

Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Largest drawdown (%)	52	60	56
Months to recovery	90	>120 ¹	93
% recovered	100	91	100
Annualised monthly volatility (%)	18.6	18.4	17.9
Beta vs benchmark	0.9	1.0	1.0
Tracking error vs benchmark (%)	9.6	2.7	0.0

Ranking within peer group, cumulative return (%)



Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	95
Total number of holdings	31
12 month portfolio turnover (%)	48
12 month name turnover (%)	37
Active share (%)	87

Fees & Expenses (%), for last 12 months

Management fee ²	1.74
For 3 year performance in line with benchmark	1.50
For 3 year outperformance/(underperformance) vs benchmark	0.24
Fund expenses	0.10
Total Expense Ratio (TER)	1.83

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.

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 Japan 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 (B.V.I.) Limited		
Inception date	1 January 1998		
Number of shares (Investor Share Class)	Yen Class:	19,732,620	Euro Class: 6,421,031
Income distributions during the last 12 months	None		

Fund Objective and Benchmarks

The Yen Classes of the Fund seek higher returns in yen than the Japanese stockmarket, without greater risk of loss. The Euro Class of the Fund seeks higher returns than the Japanese stockmarket hedged into euro, without greater risk of loss. The TOPIX (gross) (the "TOPIX Yen") is the Yen Class' benchmark, while the TOPIX (gross) hedged in euro (the "TOPIX Euro") is the benchmark of the Euro Class.

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

The Fund is actively managed and is designed to remain continuously fully invested in, and exposed to all the risks and rewards of, selected Japanese equities. The Fund identifies as Japanese equities those equities of companies which are domiciled in Japan, whose securities trade on a Japanese stockmarket or whose business is primarily located in or linked to Japan. These equities are selected using extensive proprietary investment research undertaken by the Investment Manager and its investment advisors. Orbis devotes a substantial proportion of its business efforts to detailed "bottom up" investment research conducted with a long-term perspective, believing that such research makes superior long-term performance attainable. The lower the price of a share as compared to its assessed intrinsic value, the more attractive Orbis considers the equity's fundamental value. The Investment Manager believes that over the long term, equity investing based on this approach offers superior returns and reduces the risk of loss.

All share classes invest in a portfolio of Japanese equities selected by the Investment Manager. However, while the currency exposure of the Yen Classes remains as fully exposed to the yen as practicable, the Euro Class is hedged into, and therefore largely exposed to, the euro. The Euro Class is designed for investors who measure their returns in euro and who wish to be invested in Japanese equities without being exposed to fluctuations in the yen-euro exchange rate.

The Fund does not seek to mirror the TOPIX Yen/TOPIX Euro and may deviate meaningfully from it in pursuit of superior long-term capital appreciation.

Since inception and over the latest 10 year period, both the Yen and Euro Classes have outperformed their respective benchmarks 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 fully invested in, and exposed to, Japanese equities at all times.
- 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 Classes, 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 TOPIX Yen or TOPIX Euro, as applicable. For each percentage point of three year performance above or below that benchmark's performance, 0.04 percentage points are added to or deducted from 1.5%, subject to the following limits:

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

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

Fees, Expenses and Total Expense Ratio (TER)

The relevant class within the Fund bears all expenses payable by such class, which shall include but not be limited to fees payable to its Manager, Investment Manager and additional service providers, fees and expenses involved in registering and maintaining governmental registrations, taxes, duties and all other operating expenses, including the cost of buying and selling assets. 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 Classes 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 Investment Manager may cause the Fund to levy a fee of 0.25% 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 March 2017	%	30 June 2017	%
Daito Trust Construction	8.3	Mitsubishi	8.3
Mitsubishi	8.3	NEXON	8.2
NEXON	8.3	Daito Trust Construction	8.1
Nissan Motor	8.0	Nissan Motor	8.0
Honda Motor	6.8	Honda Motor	5.9
INPEX	4.9	Sumitomo Mitsui Fin.	5.0
Sumitomo Mitsui Fin.	4.9	INPEX	4.9
Sumitomo	4.9	Sumitomo	4.6
Nippon Television Holdings	4.6	Ship Healthcare Holdings	4.4
Ship Healthcare Holdings	4.1	Nippon Television Holdings	4.3
Total	63.1	Total	61.7

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 Japan 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 Classes, 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 or €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. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. 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 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 (B.V.I.) 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 (B.V.I.) Limited, the Fund's Investment Manager, is licensed to conduct investment business by the Bermuda Monetary Authority.

Fund Information

Prior to 29 November 2002 the Orbis SICAV Japan Equity Fund—Yen class was a British Virgin Islands investment company, Orbis Japan Equity (Yen) Fund Limited.

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

TOPIX Stock Price Index, including income ("TOPIX"): Tokyo Stock Exchange. TOPIX hedged into euro is calculated by Orbis using an industry-standard methodology using the TOPIX which is in yen. No further distribution of the TOPIX data is permitted.

Average Fund data source and peer group ranking data source: © 2017 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 22 June 2017. 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.