

Orbis Japan Equity

The world was a different place in 1998. Titanic was topping the box office, Google was starting in a California garage, and a Tokyo metro fare was about \$1.25 (as it is today—so maybe some things don’t change). 1998 also hosted another event that is lesser known, but dear to us.

25 years ago, on 1 Jan 1998, we launched the Orbis Japan Equity Strategy. At the time, clients were enthusiastic about our stockpicking ability in the country, and we were enthusiastic about the value on offer in “carefully chosen Japanese shares”.

We were right—but only for carefully chosen shares. For the market as a whole, returns have been a paltry 3.7% per annum, but the stockpicking opportunities have been so rich that the Orbis Japan Equity Strategy has generated 8.4% p.a. after fees, comfortably beating not just the Topix, but also the 6.1% p.a. return of the MSCI World Index measured in yen.

Orbis Japan has comfortably beaten both Japanese and world stockmarkets

Total returns in JPY from 1 Jan 1998, rebased to 100



Japan has been a dream market for investors who like cheap stocks. Since 1998, low-priced “value” shares have beaten high-priced “growth” shares by 2.8% p.a. in Japan, while elsewhere, they have lagged their pricier peers by 0.6% p.a.

Of course, we do not simply buy stocks with low price multiples, and Orbis Japan has significantly outpaced the 4.8% p.a. return of the MSCI Japan Value Index. We’ve done that by being flexible, as we’ll discuss later, and by concentrating our efforts and our clients’ capital in a few dozen carefully selected stocks at a time.

Over the Strategy’s history, about 60% of our stock selections have outperformed. That is far from superhuman, but it is enough to drive highly rewarding outcomes. We have thrived when cheap shares lead the market, kept pace when rich shares do better, protected returns when markets fall, and held our own when markets rise. Being able to perform across a range of environments has been essential over the decade through 2021, with growth trouncing value by over 50% cumulatively before relenting recently.

So how did we do it? While we’d like to say it’s down to our oracle-like ability to forecast the future, the Strategy has been successful because we have rigorously applied Orbis’ decades-old investment philosophy—long-term, contrarian, fundamental investing.

Long-term

In a country with almost 40,000 century-old companies, where the oldest listed business was founded in 1586, “long-term” is a relative concept.

Our database only stretches as far as 1964. Still, that lets us assess companies and industries over a helpfully long horizon. Short-term thinking can be dangerous—an analyst who looks at five years of “long-term” history for a business may later find they were focusing on just one half of one cycle.

Orbis Japan Equity (*continued*)

We look forward with a long horizon, too. We've owned drugstores like Tsuruha and Sundrug for almost the whole history of the Strategy, and they have been the largest contributors to its relative returns. They have simply kept growing, and until very recently their market valuations rarely reflected their true growth potential, allowing for excellent returns. To put the growth in perspective—when we first bought Sundrug it had 84 stores, and it now has a thousand. Over that time, its share price has gone from ¥170 to ¥3,915. Patience pays.

Contrarian

Anyone with a web browser can find stocks with low price multiples. The harder task is to buy companies for less than they are worth. There, it helps to be contrarian. Provided your analysis is sound, this largely comes down to having a strong stomach—being willing to glance askew at things “everybody knows”, to buy shares others loathe, to accept being wrong four times in ten, and to endure the inevitable periods of looking clueless or crazy when you are out of step with the market.

Memorable opportunities emerge when there are scary headlines about a company. We've participated in more than a few of these.

Some have worked well. In 2015, shares of Asahi Kasei were under a cloud due to a data falsification scandal in its concrete piling business—a small subset of its wider housing unit, which accounted for 30% of the company's profits at the time. We believed the market was overreacting. In most regions, the company had stopped selling precast concrete piles in 2013, and the company's main housing brands used an entirely different construction method to the houses affected by the scandal. Leaning against the pessimism, we were able to buy the company at near-record low valuations relative to the Japanese market, which was rewarding as the clouds lifted in time.

But the market's fear is not always excessive, as we found with Suruga Bank, which had been a highly profitable and differentiated lender. In 2017 and 2018 it emerged that one of Suruga's branches had provided most of the financing to investors in a sham shared house scheme. We bought into the pessimism, believing the market had overextrapolated the poor practices of one branch. We soon found we were wrong, and a company-wide investigation led to multiple executive resignations, leading us to sell the shares at a steep loss.

It's humbling to know that—even if we are successful—four in ten of our stock picks have been losers. But that is very useful knowledge, as it gives us the discipline to stick with our approach through the inevitable periods of short-term underperformance. Over its history, the Japan Strategy's weighted net returns have lagged in 32 quarters, so about a third of the time. Yet it has never had a negative relative return over five calendar years.

Fundamental

Japan has been a terrific market for value investors, and for much of the history of the Strategy, we have favoured shares trading at lower price multiples than the Topix. But we are not textbook value investors—we are value oriented. We like to buy decent businesses at great prices and great businesses at decent prices. That flexibility has been important over the Strategy's history.

In the early days of the Strategy, we avoided the excesses of the tech bubble by preferring unexciting businesses like Coca-Cola bottlers and construction companies trading at low valuations. This proved rewarding as the tech bubble burst.

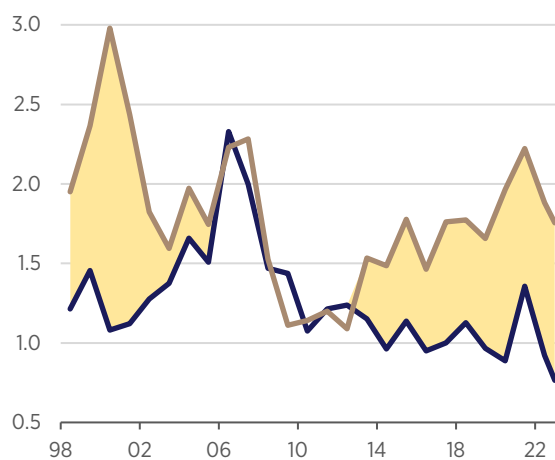
In the period surrounding the global financial crisis, we preferred drugstores, internet platforms, telecommunications firms, and media companies trading at similar multiples to the market, but with higher growth potential. As we wrote at the time—growth usually comes with a high price tag. But as value investing pioneer Francis Nicholson once said, “It is okay to buy growth stocks, as long as you don't have to pay for them.”

Over the years, we have been happy to own “growth” businesses like e-commerce platform Rakuten, internet portal Yahoo Japan (now part of Z Holdings), game developer Nexon, business software producer Obic, one-time fast-growing physical electronics retailer Yamada Denki, internet fashion retailer Start Today (now Zozo), factory automation names like Keyence and Misumi Group, and the drugstores. Though not all of these shares have performed well, this willingness has been a key reason why Orbis Japan has been able to deliver better returns than a textbook value strategy.

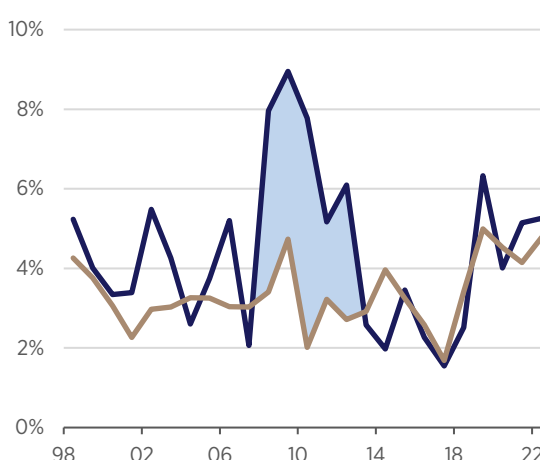
Orbis Japan Equity (continued)

Orbis Japan Equity has been flexible over time

Price / tangible net asset value



Average revenue growth, last 10 years[†]



— Orbis Japan — TOPIX — Portfolio favouring “value” — Portfolio favouring “growth”

Source: Refinitiv, Orbis. Data is based on a representative account for the Orbis Japan Equity Strategy. In each case, calculated first at the stock level and then aggregated using a weighted median. Statistics are compiled from an internal research database and are subject to subsequent revision due to changes in methodology or data cleaning.[†]For non-financial companies. In “favouring value” periods, the companies in the Orbis Japan portfolio, in aggregate, offered similar revenue growth to the typical Japanese stock, but traded at a steep discount. In “favouring growth” periods, the companies in the portfolio, in aggregate, traded at similar valuations to the typical Japanese stock, but with better revenue growth.

And since the start of the Abenomics era in 2013, we have again preferred businesses, like trading companies, commodity producers, non-life insurers, automakers, and auto parts companies, which have offered decent fundamental quality at a big discount.

Where are we now?

Over the last 25 years, our long-term, contrarian, fundamental philosophy has served clients well. So where are we now, and what can we expect from the next 25 years?

Regular readers will have seen the below chart on numerous occasions—we think it still best summarises the opportunity set in Japan today.

As a reminder, the chart shows the valuation gap between the most expensive shares, and the cheapest shares in the market. The higher the dark blue line, the more expensive “growth” shares have become relative to their “value” counterparts. And, while its clear to see the dark blue line has come down from its 2020 peak, we are only just back to 2019 levels, and still higher than any other point in history.

Valuation gap *still* near an all-time record

Relative attractiveness of value shares vs growth shares in the TOPIX 500, 1984 to Dec 2022



Source: Datastream, Orbis. Relative attractiveness is the book-to-price ratio of value shares divided by the book-to-price ratio of growth shares. Value (growth) shares are defined as stocks with low (high) price-to-book ratios.

Orbis Japan Equity (*continued*)

Given the current environment, it shouldn't be surprising to see that the Orbis Japan portfolio currently has a larger weighting to stocks with a "value" tilt—trading, on average, at a discount to tangible book value, and much cheaper on a price to earnings basis than the benchmark. Many of these holdings reached these low valuations through poor past performance, including oil and gas producers Inpex and Japex and financials SMFG and SMTH. Others, like Sumitomo and construction companies, have held up better.

From here, we can't predict what path the Japanese economy, stock market, or Strategy performance will take over the next quarter century. The good news is, we don't need to. The Japanese stock market is the largest developed market outside of the US, with thousands of stocks to choose from—and as active stock pickers, we only need a few dozen. From that perspective, what we see excites us. We are enthusiastic that the opportunity to deliver market-beating performance in the next 25 years is as bright as it was 25 years ago when we first launched the Strategy.

Commentary contributed by Brett Moshal, 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.

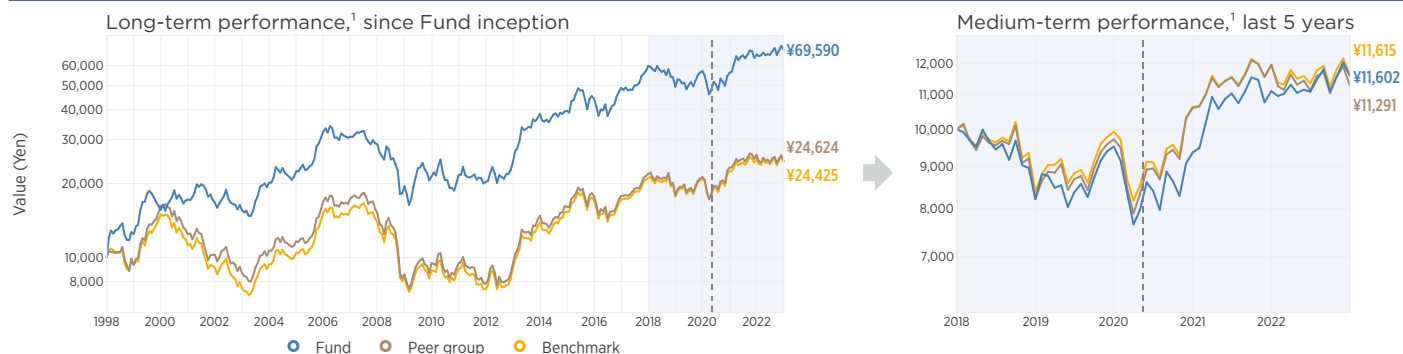
Orbis SICAV Japan Equity (Yen) Fund

Shared Investor Refundable Reserve Fee Share Class (A) ("Shared Investor RRF Class (A)")

The Fund is actively managed and designed to be exposed to all of the risks and rewards of selected Japanese equities and seeks higher returns than the Japanese stockmarket, without greater risk of loss. It is predominantly exposed to the Japanese yen. The performance fee benchmark ("Benchmark") of the Class is the Tokyo Stock Price Index, including income, net of withholding taxes ("TOPIX (net)").

Price	¥6,959	Benchmark	TOPIX (net)
Pricing currency	Japanese yen	Peer group	Average Japan Equity Fund Index
Domicile	Luxembourg	Fund size	¥179 billion
Type	SICAV	Fund inception	1 January 1998
Minimum investment	US\$50,000	Strategy size	¥335 billion
Dealing	Each Business Day	Strategy inception	1 January 1998
Entry/exit fees	None	Class inception	14 May 2020
ISIN	LU2122431245	UCITS compliant	Yes

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



The Shared Investor RRF Class (A) inception on 14 May 2020 (date indicated by dashed line above). Information for the period before the inception of the Shared Investor RRF Class (A) relates to the Investor Share Class and its relevant benchmark, the Tokyo Stock Price Index, including income, gross of withholding taxes ("TOPIX (gross)").

Returns¹ (%)

	Fund	Peer group	Benchmark
Annualised	<i>Net</i>		<i>Gross</i>
Since Fund inception	8.1	3.7	3.6
20 years	7.8	5.4	6.1
10 years	11.1	10.1	10.5
5 years	3.0	2.5	3.0
3 years	6.8	5.1	5.4
	Class	Peer group	Benchmark
Since Class inception	15.9	12.7	12.9
1 year	4.3	(5.7)	(2.9)
Not annualised			
3 months	4.5	2.2	3.2
1 month	(3.7)		(4.6)
		Year	Net %
Best performing calendar year since Fund inception		2013	57.0
Worst performing calendar year since Fund inception		2008	(32.4)

Risk Measures,¹ since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	52	59	56
Months to recovery	90	95	93
Annualised monthly volatility (%)	17.9	17.9	17.2
Beta vs Benchmark	0.9	1.0	1.0
Tracking error vs Benchmark (%)	9.0	2.5	0.0

Fees & Expenses (%), for last 12 months

Ongoing charges	0.90
Fixed management fee	0.80
Fund expenses	0.10
Performance related management fee	1.76
Total Expense Ratio (TER)	2.66

Sector Allocation (%)

Sector	Fund	Benchmark
Cyclicals	49	34
Consumer Non-Durables	25	26
Financials	19	11
Information and Communications	4	9
Technology	3	19
Utilities	0	1
Net Current Assets	1	0
Total	100	100

Top 10 Holdings

	Sector	%
INPEX	Cyclicals	9.5
Sumitomo Mitsui Fin.	Financials	8.5
Sumitomo Mitsui Trust Holdings	Financials	5.3
Asahi Group Holdings	Consumer Non-Durables	5.2
Sumitomo	Consumer Non-Durables	5.1
Asahi Kasei	Cyclicals	4.9
Sumitomo Electric Industries	Cyclicals	4.8
Japan Petroleum Exploration	Cyclicals	4.6
Toyo Tire	Cyclicals	4.4
Daiwa House Industry	Cyclicals	4.1
Total		56.3

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	90
Total number of holdings	40
12 month portfolio turnover (%)	38
12 month name turnover (%)	15
Active share (%)	93

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

See Notices for important information about this Fact Sheet.

¹ Data for the period before 14 May 2020 relates to the Investor Share Class and its relevant benchmark, the TOPIX (gross).

Orbis SICAV Japan Equity (Yen) Fund

Shared Investor Refundable Reserve Fee Share Class (A) (“Shared Investor RRF Class (A)”)

This Fact Sheet is a Minimum Disclosure Document and a monthly General Investor Report as required by the South African Financial Sector Conduct Authority.

Manager	Orbis Investment Management (Luxembourg) S.A.
Investment Manager	Orbis Investment Management Limited
Fund Inception date	1 January 1998
Class Inception date (Shared Investor RRF Class (A))	14 May 2020
Number of shares (Shared Investor RRF Class (A))	221,124
Income distributions during the last 12 months	None

Fund Objective and Benchmark

The Yen Classes of the Fund seek higher returns in yen than the Japanese stockmarket, without greater risk of loss. A benchmark is used by the Fund for two purposes: performance comparison (the “Fund Benchmark”) and performance fee calculation (the “Performance Fee Benchmark”). The Fund Benchmark is the Tokyo Stock Price Index, including income, gross of withholding taxes (“TOPIX (gross)”). The Performance Fee Benchmark of the Shared Investor RRF Class (A) is the Tokyo Stock Price Index, including income, net of withholding taxes (“TOPIX (net)”).

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

The Fund is actively managed and is designed to be 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. The currency exposure of the Shared Investor RRF Class (A) remains as fully exposed to the yen as practicable. In addition, the Fund may, to the extent permitted by its investment restrictions, also periodically hold cash and cash equivalents when Orbis believes this to be consistent with the Fund’s investment objective.

The Fund does not seek to mirror the TOPIX (gross)/(net) and may deviate meaningfully from them in pursuit of superior long-term capital appreciation.

The net returns of the Shared Investor RRF Class (A) from its inception on 14 May 2020, stitched with the net returns of the Investor Share Class from the Fund’s inception to 14 May 2020, have outperformed the stitched Performance Fee Benchmarks of the respective classes. The Fund will experience periods of underperformance in pursuit of its long-term objective.

Risk/Reward Profile

- The Fund is aimed at investors who are seeking a portfolio the objective of which is to invest in, and be exposed to, Japanese equities.
- 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.

The Shared Investor RRF Class (A)’s management fee is charged as follows:

- **Base Fee:** Calculated and accrued daily at a rate of 0.8% per annum of the Class’ net asset value. Investors separately pay an administrative fee directly to Allan Gray Proprietary Limited or one of its affiliates. The Investment Manager or one of its affiliates is entitled to receive a separate fee from Allan Gray Proprietary Limited or one of its affiliates in connection with this administrative fee, related to services the Investment Manager and its affiliates provide to Allan Gray Proprietary Limited or its affiliates.
- **Refundable Performance Fee:** When the performance of the Shared Investor RRF Class (A) (after deducting the Base Fee and an additional 0.3% per annum, which is deemed to be representative of the aforementioned administrative fee) beats the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the outperformance is paid into a reserve and reinvested into the Fund. If the value of the reserve is positive on any dealing day, the Investment Manager is entitled to a performance fee in an amount capped at the lesser of an annualised rate of (a) one-third of the reserve’s net asset value and (b) 2.5% of the net asset value of the Shared Investor RRF Class (A). Fees paid from the reserve to the Investment Manager are not available to be refunded as described below.

When the performance of the Shared Investor RRF Class (A) (after deducting the Base Fee and the aforementioned additional 0.3% per annum) trails the Performance Fee Benchmark over the period from one dealing day to the next, 25% of the value of the underperformance is refunded from the reserve to the Shared Investor RRF Class (A). If at any time sufficient value does not exist in the reserve to provide the refund, a reserve recovery mark is set, and subsequent underperformance is tracked. Such related losses must be recovered before any outperformance results in any payment to the reserve.

Please review the Fund’s prospectus for additional detail and for a description of the management fee borne by the Fund’s other share classes.

Orbis SICAV Japan Equity (Yen) Fund

Shared Investor Refundable Reserve Fee Share Class (A) (“Shared Investor RRF Class (A)”)

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 Shared Investor RRF Class (A) 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, and certain taxes.

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 0.25% 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 and Class 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

30 September 2022	%	31 December 2022	%
INPEX	9.6	INPEX	9.5
Sumitomo Mitsui Fin.	6.4	Sumitomo Mitsui Fin.	8.5
Asahi Kasei	5.6	Sumitomo Mitsui Trust Holdings	5.3
Daiwa House Industry	5.1	Asahi Group Holdings	5.2
Toyo Tire	4.6	Sumitomo	5.1
Yamato Kogyo	4.6	Asahi Kasei	4.9
Sumitomo Electric Industries	4.4	Sumitomo Electric Industries	4.8
Asahi Group Holdings	4.4	Japan Petroleum Exploration	4.6
Japan Petroleum Exploration	4.3	Toyo Tire	4.4
Sumitomo	4.2	Daiwa House Industry	4.1
Total	53.3	Total	56.3

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 for the Investor Share Class(es), on a net asset value basis by share class, normally as of 5:30 pm (Bermuda time), (a) each Thursday (or, if a Thursday is not a business day, the preceding business day), (b) on the last business day of each month and/or (c) any other days in addition to (or substitution for) any of the days described in (a) or (b), as determined by the Investment Manager or Manager (as indicated in the Fund's prospectus) without notice. Share prices are calculated for the (i) Standard Share Class(es), (ii) Standard Share Class(es) (A), (iii) Shared Investor Refundable Reserve Fee Share Class(es) and (iv) Shared Investor Refundable Reserve Fee Share Class(es) (A) on a net asset value basis by share class, normally as of 5:30 pm (Bermuda time), (a) each business day and/or (b) any other days in addition to (or substitution for) any of the days described in (a), as determined by the Investment Manager or Manager (as indicated in the Fund's prospectus) 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 every dealing day, are available:

- for the Shared Investor RRF Share Class(es) (A) and Standard Share Class(es) (A), from the Allan Gray Unit Trust Management (RF) Proprietary Limited's website at www.allangray.co.za, and
- for the Shared Investor RRF Share Class(es), Standard Share Class(es), and Investor Share Class(es), from the Orbis website at www.orbis.com.

Weekly prices can be obtained via e-mail, by registering with Orbis for this service at the Orbis website at www.orbis.com.

Legal Notices

Returns are net of 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 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. To the maximum extent permitted by applicable law, 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

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

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

Tokyo 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: © 2023 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 December 2022. 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.

Notice regarding appointment of a director of Orbis Investment Management Limited (the “Company”)

On 1 January 2023, Mark Dunley-Owen was appointed as a Director of the Company. Mr. Dunley-Owen joins the existing Directors, Alexander Cutler, Matthew Furr, Darren Johnston, Ashley Lynn, Anne Marwick and Garth Rempel on the Board of Directors of the Company.

Notes to Help You Understand This Report

Certain capitalised terms are defined in the Glossary section of the Orbis Funds’ respective Prospectuses, copies of which are available upon request from Allan Gray Unit Trust Management (RF) Proprietary Limited, a Member of the Association for Savings & Investments SA. The country and currency classification for securities follows that of third-party providers for comparability purposes. Emerging Markets follows MSCI classification when available and includes Frontier Markets. Emerging Markets currency exposure is based on currency denomination. 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 Funds’ exposures accordingly. Totals presented in this Report may not sum due to rounding.

Risk measures are ex-post and calculated on a monthly return series. Months to recovery measures the number of months from the preceding peak in performance to recovery of that level of performance.

12 month portfolio turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the lesser of total security purchases or sales in the Fund over the period, divided by the average net asset value (NAV) of the Fund. Short-term fixed income instruments and net current assets are not included.

12 month name turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the number of positions held by the Fund at the start of the period but no longer held at the end of the period, divided by the total number of positions held by the Fund at the start of the period. Net current assets are not included.

Active share is a measure of the extent to which the holdings of the Orbis Equity and Multi-Asset Class Funds differ from their respective benchmark’s holdings. It is calculated by summing the absolute value of the differences of the weight of each individual security in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two. For the Multi-Asset Class Funds, three calculations of active share are disclosed. The Portfolio active share incorporates the equity, fixed income, commodity-linked and other securities (as applicable) held by the Orbis Fund and compares those to the holdings of the composite benchmark. The Equity and Fixed Income active shares are calculated as if the equity and fixed income portions of the Orbis Funds are independent funds; each of those two sets of holdings is separately compared to the fully-weighted holdings in the appropriate component of the composite benchmark. Although the Multi-Asset Class Funds hedge stock and bond market exposure, the active share calculations are “gross” and not adjusted to reflect the hedging in place at any point in time.

Benchmark related information is as at the date of production based on data provided by the official benchmark and/or third party data providers. There may be timing differences between the date at which data is captured and reported.

The total expense ratio has been calculated using the expenses, excluding trading costs, and average net assets for the 12 month period ending 31 December 2022.

Orbis SICAV Funds: The Fund expenses exclude portfolio transaction costs. The performance related management fee becomes payable to Orbis on each Dealing Day as defined in the Funds’ Prospectus.

Additional Notices for Orbis SICAV Funds

This is a marketing communication as defined by the ESMA guidelines on marketing materials. You should consider the relevant offering documents including the Fund Prospectus and Key Investor Information document before making any final investment decisions. These offering documents are available in English on our website (www.orbis.com). Please refer to the respective Fund’s Prospectus for full information on the risks associated with investing.

Investors in a SICAV Fund can obtain a summary of their investor rights in English on our website (www.orbis.com). When investing in the Orbis Funds an investor acquires shares within the Fund and not in the underlying assets held within the Fund. The return of your investment may change as a result of currency fluctuations if the return is calculated in a currency different from the currency shown in this Report.

Notice on Dealing Day Changes

As of 7 Nov 2022, the Shared Investor RRF and Shared Investor RRF (A) classes of the Orbis Global Equity Fund, the Orbis SICAV Global Balanced Fund, the Orbis SICAV Emerging Markets Equity Fund, and the Orbis SICAV Japan Equity Yen Fund, and the US\$ and Euro Standard and Standard (A) classes of the Orbis Optimal SA Fund, deal on each business day.