

## Orbis Japan Equity

Much of the focus recently in Japan has been on the changing fortunes of “value” stocks, or companies that trade at low price multiples. Some of that focus has been from us, and we’ve written repeatedly about our value holdings over the past several quarters.

Value shares in Japan have performed strongly since the beginning of 2021, beating their growth peers by over 60%. That performance has been helped by the Tokyo Stock Exchange’s (TSE) recent push to get companies to improve their returns on equity. The announcement has already prompted a raft of large buybacks and dividend hikes, providing a welcome catalyst for the re-rating of value names. Yet some 70% of companies listed on the TSE’s main board have yet to publish their improvement plans. That leaves a lot of low hanging fruit, and it leaves us excited about the potential improvements to come.

More excitingly—we’ll spare you our favourite chart—the valuation gap between the cheapest and most expensive shares in Japan remains unusually wide. The Orbis Japan portfolio reflects this environment—most of our best ideas are squarely in the value bucket, and many growth shares in Japan still trade at multiples we consider unreasonable.

That does not mean that we have neglected better businesses trading at slightly higher valuations. In fact, the portfolio’s largest sector overweight is to the retail trade sector, where the portfolio has 25% of its assets compared to 4% for the TOPIX.

At first glance, retail doesn’t look like a fruitful hunting ground for us, being one of Japan’s most richly valued sectors. The sector is dominated by Uniqlo operator Fast Retailing—one of Japan’s largest companies—which trades at a lofty 35 times earnings.

As is typical, our portfolio looks nothing like the index. Instead of heavyweights like Fast Retailing, we hold Zozo, an online fashion retailer, Izumi, a supermarket and shopping centre operator, and close to 18% of the portfolio in six drugstore operators. Each of these companies trades at much more reasonable valuations than the broader retail sector, especially when we consider the growth opportunities available to each.

Our enthusiasm for the drugstore names in particular stems from two major pockets of opportunity. First, the changing structure of the industry, driven by increased shareholder engagement, and second, the current weakness of the Japanese yen.

The drugstores are stocks that we know well, having owned shares in the sector since the inception of the Orbis Japan Equity Strategy in 1998. Two of our current holdings, Tsuruha and Sundrug, have been held for over 20 of those nearly 26 years. Over this time, these companies have been the largest individual contributors to relative returns, driven by steady earnings growth. Today, Tsuruha and Sundrug account for around 10% of the portfolio.

Throughout the time that we have invested in the drugstores, they have tended to trade at a premium to the market. In our view, this was justified given their fantastic ability to grow and compound earnings, and we were happy to pay a smaller premium to market multiples than we thought they deserved. For the last 20 years, the playbook for growth has been straightforward—roll out new stores and crowd out the competition that are less efficiently run and unable to match the major chains on pricing. This has proven to be a great strategy so far, but with creeping concerns around market saturation, the market fears that the growth of the last 20 years is unlikely to last for the next 20.

But we think there’s another way that the drugstores can continue to keep growing—industry consolidation.

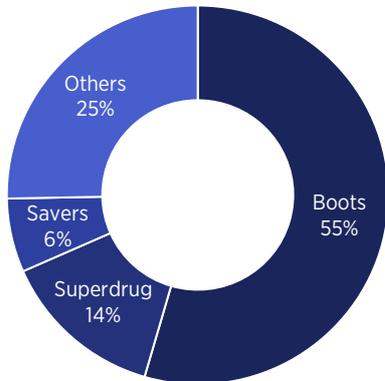
In the US and the UK, the drugstore industry is dominated by a few large players such as CVS and Boots, which earn very healthy profits. In Japan, the top five chains control only half of the market.

Consolidation in fragmented industries can be rewarding. Fixed overhead costs on supply chains, distribution networks and headquarters can be shared across a larger store footprint, and a company with more stores can also exert greater pricing power with suppliers, providing scope to earn higher margins or to take market share with lower prices.

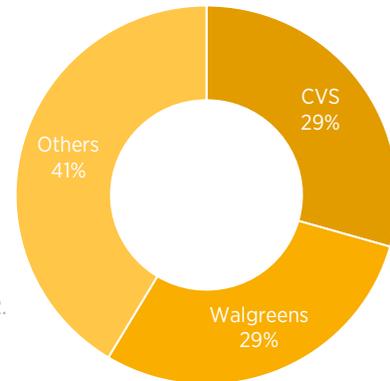
## Orbis Japan Equity (continued)

### In the UK and US, the drugstore industry is much more consolidated

Market share of major drugstores in the UK



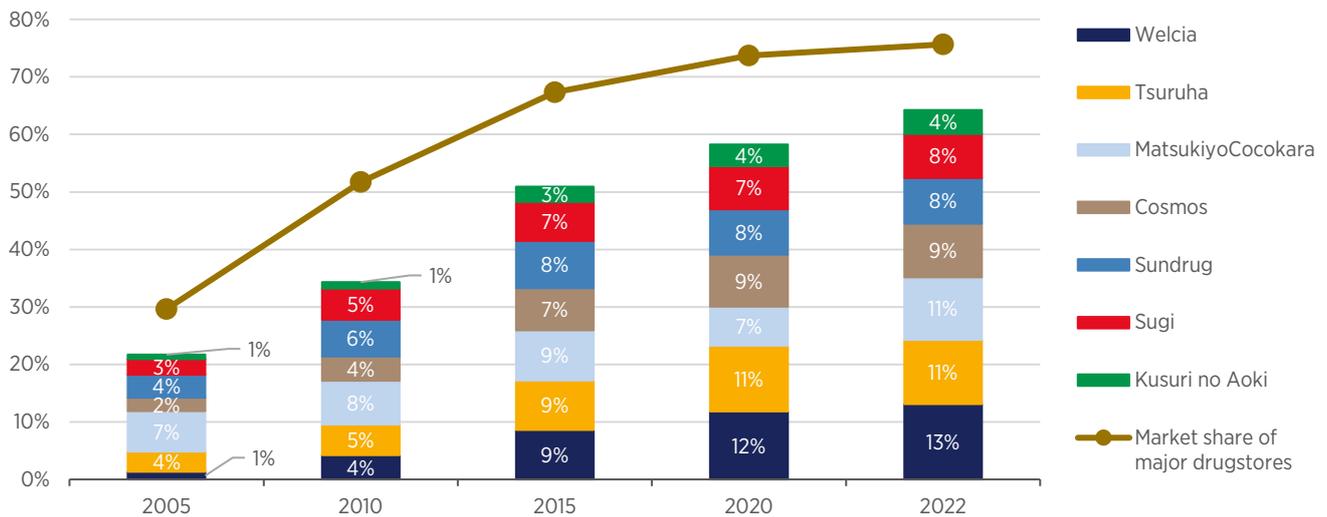
Market share of major drugstores in the US



Source: Euromonitor. At 31 Dec 2022.

### Japanese drugstores have taken market share, but the industry remains fragmented

Market share by drugstore chain, and for major drugstores overall



Source: JP Morgan, Orbis. "Market share of major drugstores" shows the total market share of the following eleven companies: Welcia, Tsuruha, MatsukiyoCocokara, Cosmos, Sundrug, Sugi, Kusuri no Aoki, Create SD, Cawachi, Genky Drugstores, and Yakuodo.

While we have seen steady growth in market share for the big drugstores over the years, their acquisitions have principally focused on buying up much smaller chains. But 2021 saw the first merger of two leading chains, Matsumotokiyoshi and Cocokara Fine. (We held both in the Orbis Japan portfolio until just prior to the merger.) The combined company became one of the largest and longest-named players in the sector, MatsukiyoCocokara. While the merger was initially viewed with some scepticism—the share price fell by close to 25% following its completion—the newly consolidated company has since gone from strength to strength, outperforming the TOPIX by more than 30% since the share exchange.

MatsukiyoCocokara has reaped the benefits of consolidation, integrating the two companies' procurement function to cut costs, and unlocking roughly ¥20bn p.a. of synergies. Management expects to achieve another ¥10bn p.a. of synergies by integrating logistics chains, and improving store operations and productivity. With operating profits currently sitting near ¥70bn, those synergies are material.

The success of the MatsukiyoCocokara merger is hard to ignore. With foreign investors once again looking at Japan, and activism and engagement starting to gain a foothold, we think the drugstore sector is ripe for further major mergers and acquisitions.

That said, we don't think this is the only route to success for the drugstores. Many drugstores are increasingly selling fresh food items, and for some, food is now the biggest chunk of their sales. While selling fresh food is generally less profitable than selling cosmetics and over-the-counter drugs, food attracts lots of store traffic.

## Orbis Japan Equity (*continued*)

The drugstores are able to beat the supermarkets on both price and convenience, stealing market share and expanding their growth potential.

Another route to growth travels through airports. Pre-pandemic, foreign visitors to Japan grew from 7 million in 2009 to over 30 million in 2019, with some 8.5 million Chinese tourists. These visitors were key customers for the drugstores. Shoppers from China were a particular tailwind for the drugstores, as many spent on Japanese health and beauty products perceived as higher quality than those back home.

But both Japan and China have been slow to open their airport gates. Japan only lifted the last of their travel restrictions in April 2023, and the Chinese government had kept restrictions on tour groups to Japan until as recently as last month.

Finally, while our approach to stockpicking is bottom up, rigorously focused on company fundamentals and valuations, there are times when we must be mindful of macroeconomic factors. Predicting the path of macroeconomic variables is hard, and we certainly don't have any edge in this area, but when variables reach extremes, extra vigilance is needed—both to reduce the risk of permanent capital loss, and to take advantage of opportunities when they arise. With the yen currently trading at multi-decade extremes, this is one such time.

While we cannot predict where the yen might go next, it seems reasonable to us that the risk is more likely to the upside, and that at some point, the yen could strengthen significantly. The yield differential (the

difference in interest rates between Japan and the US) which looks to be a key driver of recent Yen weakness, looks more likely to narrow than widen. Inflation in the US is no longer out of control, and further rate hikes, while possible, look less likely. Conversely, in Japan, the Bank of Japan has been allowing yields to slowly drift upwards, and the scene looks set for an eventual normalisation of interest rates.

Additionally, visitors coming to Japan to spend their dollars or euros will find a much-weakened yen has made a holiday far more affordable than it was 4 or 5 years ago. As the numbers show—Japan was becoming an increasingly popular destination pre-pandemic. So should we see a return to the tourism figures of 2019, and in particular a recovery of Chinese tourist arrivals, a surge in foreign buyers of the yen could provide another boost to yen strength.

While a strengthening yen could be a negative for the TOPIX overall, with the index packed full of exporting companies earning revenues overseas, we would expect companies which earn most of their revenues in yen (the domestically-oriented stocks) to outperform. The stocks that we hold in Japan's retail sector generate practically all their revenues in yen, and in our view, would be exceptionally well placed should the yen strengthen. Indeed, guided by our Risk team's continued assessment of the portfolio, we believe that the portfolio as a whole is positioned to outperform, should we see a period of meaningful yen strength.

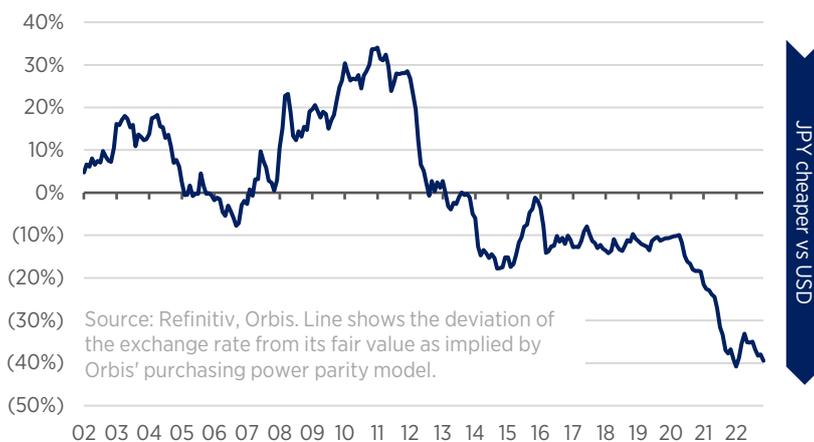
In summary, we think the Orbis Japan portfolio is well placed to benefit from a number of structural tailwinds. Our value-oriented shares should continue to perform well, having been put on notice by the TSE, and from the continued closing of the valuation gap versus their growth counterparts. Our growth-oriented names in Japan's retail sector should be able to continue growing into the future, through further industry consolidation and improved product offerings. Companies across the board should continue to benefit from an increased focus on good corporate governance and improved shareholder returns. Finally, a strengthening yen will likely see those companies earning revenues domestically outperform Japan's exporters. Without having a singular view on the future, we see multiple ways to win in Japan.

Commentary contributed by Brett Moshal and Yixuan Yang, 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.*

### The yen has not been this cheap in decades

Deviation from purchasing power parity value, JPY vs USD



Source: Refinitiv, Orbis. Line shows the deviation of the exchange rate from its fair value as implied by Orbis' purchasing power parity model.

# 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)").

<b>Price</b>	¥9,170	<b>Benchmark</b>	TOPIX (net)
<b>Pricing currency</b>	Japanese yen	<b>Peer group</b>	Average Japan Equity Fund Index
<b>Domicile</b>	Luxembourg	<b>Fund size</b>	¥252 billion
<b>Type</b>	SICAV	<b>Fund inception</b>	1 January 1998
<b>Minimum investment</b>	US\$50,000	<b>Strategy size</b>	¥463 billion
<b>Dealing</b>	Each Business Day	<b>Strategy inception</b>	1 January 1998
<b>Entry/exit fees</b>	None	<b>Class inception</b>	14 May 2020
<b>ISIN</b>	LU2122431245	<b>UCITS compliant</b>	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)").

### Returns<sup>1</sup> (%)

	Fund	Peer group	Benchmark
<b>Annualised</b>	<i>Net</i>		<i>Gross</i>
Since Fund inception	9.0	4.4	4.4
25 years	8.6	4.9	5.0
10 years	9.7	8.5	9.2
5 years	9.6	6.7	7.4
<b>Class</b>	<b>Peer group</b>	<b>Benchmark</b>	
Since Class inception	21.7	16.9	17.5
3 years	20.9	13.9	15.0
1 year	37.7	26.2	29.3
<b>Not annualised</b>			
Calendar year to date	31.8	23.7	25.3
3 months	7.8	0.5	2.3
1 month	1.8		0.4

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

### Risk Measures,<sup>1</sup> since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	52	59	56
Months to recovery	90	95	93
Annualised monthly volatility (%)	17.8	17.8	17.1
Beta vs Benchmark	0.9	1.0	1.0
Tracking error vs Benchmark (%)	8.9	2.5	0.0

### Fees & Expenses (%), for last 12 months

Ongoing charges	0.91
Fixed management fee	0.80
Fund expenses	0.11
Performance related management fee	2.28
<b>Total Expense Ratio (TER)</b>	<b>3.19</b>

### Sector Allocation (%)

Sector	Fund	Benchmark
Cyclicals	41	36
Consumer Non-Durables	32	24
Financials	17	12
Information and Communications	5	8
Technology	3	19
Utilities	0	1
Net Current Assets	1	0
<b>Total</b>	<b>100</b>	<b>100</b>

### Top 10 Holdings

Company	Sector	%
Asahi Group Holdings	Consumer Non-Durables	5.3
ZOZO	Consumer Non-Durables	5.3
TSURUHA Holdings	Consumer Non-Durables	4.9
Daiwa House Industry	Cyclicals	4.9
Sundrug	Consumer Non-Durables	4.8
Japan Petroleum Exploration	Cyclicals	4.1
Toyo Tire	Cyclicals	4.0
Yamato Kogyo	Cyclicals	3.9
Sumitomo Mitsui Fin.	Financials	3.8
Sompo Holdings	Financials	3.7
<b>Total</b>		<b>44.6</b>

### Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	87
Total number of holdings	40
12 month portfolio turnover (%)	51
12 month name turnover (%)	19
Active share (%)	92

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.

<sup>1</sup> 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.

<b>Manager</b>	Orbis Investment Management (Luxembourg) S.A.
<b>Investment Manager</b>	Orbis Investment Management Limited
<b>Fund Inception date</b>	1 January 1998
<b>Class Inception date (Shared Investor RRF Class (A))</b>	14 May 2020
<b>Number of shares (Shared Investor RRF Class (A))</b>	242,766
<b>Income distributions during the last 12 months</b>	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 June 2023	%	30 September 2023	%
INPEX	9.6	Asahi Group Holdings	5.3
Sumitomo Mitsui Trust Holdings	5.0	ZOZO	5.3
Sompo Holdings	4.9	TSURUHA Holdings	4.9
Asahi Group Holdings	4.6	Daiwa House Industry	4.9
Daiwa House Industry	4.4	Sundrug	4.8
Toyo Tire	4.2	Japan Petroleum Exploration	4.1
Sumitomo Mitsui Fin.	4.0	Toyo Tire	4.0
Japan Petroleum Exploration	4.0	Yamato Kogyo	3.9
TSURUHA Holdings	3.8	Sumitomo Mitsui Fin.	3.8
Sundrug	3.8	Sompo Holdings	3.7
<b>Total</b>	<b>48.3</b>	<b>Total</b>	<b>44.6</b>

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](mailto: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](mailto: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](http://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](http://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](http://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](http://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.

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### Investor Notification regarding Prospectus Amendments

The Prospectuses of the following Orbis Funds have been updated on or about 2 October 2023: Orbis Global Equity Fund Limited, Orbis Institutional Funds Limited, Orbis Japan Equity (US\$) Fund Limited, Orbis Optimal (US\$) Fund Limited, Orbis Optimal Overlay Funds Limited and Orbis Optimal SA Fund Limited. The updates include the addition of Mark Dunley-Owen to the board of directors of Orbis Investment Management Limited. The details of the remaining amendments can be reviewed in the updated prospectuses on <https://www.orbis.com/fund-documents>.

### 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 30 September 2023.

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

This is a marketing communication for the purposes of the Bermuda Monetary Authority's investment business rules and ESMA guidelines on marketing materials. You should consider the relevant offering documents including the Fund Prospectus and Key Information document (for a SICAV Fund) before making any final investment decisions. These offering documents are available in English on our website ([www.orbis.com](http://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](http://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.