

## Orbis Japan Equity

In March 2020, Covid case counts raged, markets crashed, and bars shuttered. By mid-month, shares of Asahi Group Holdings had collapsed 40%. By the end of the month, the stock traded at less than 9 times its normal free cash flow—an exceptional bargain for a cash generating consumer staples franchise. As stockmarkets reached their nadir, investors' loathing of Asahi reached its apex. But investor scepticism on the brewer predated Covid by years, especially when Asahi engaged in mergers and acquisitions.

### Growing abroad

Before 2016, Asahi was a Japan-focused brewery with a small loss-making international business. In 2016, it began an M&A driven transformation. First they acquired the Peroni, Grolsch, and Meantime brands from Anheuser-Busch InBev (ABI) in Western Europe. At 15 times earnings before interest, tax, depreciation, and amortisation (EBITDA), the deal was slightly expensive, but brought in global brands like Grolsch and Peroni with pedigrees stretching back over 400 and 150 years, respectively. The strength of the brands made the deal look reasonable.

The second key transformational deal was announced just a few months later. In December 2016, Asahi bought eight brands in Central and Eastern Europe, again from ABI, which had to put on a yard sale to address anti-trust concerns after acquiring SABMiller. Key among the brands were Pilsner Urquell and Tyskie, leading brands in the Czech Republic and Poland, respectively. The deal was both larger and more expensive (15 times EBITDA) than expected, leading to lots of debt. The brands also offered weaker historical growth than those in Western Europe, while also being exposed to markets that were already heavy beer drinkers. Investors balked, and Asahi substantially lagged the Topix between Nikkei reports of the potential deal terms and the final announcement. We too watched sceptically from the sidelines.

Despite our scepticism, Asahi delivered impressive improvements with the businesses they acquired. The Western Europe business grew operating profits by 16% per annum over the following three years, and the Central Europe business by 11% p.a., both easily exceeding the company's initial targets.

Asahi accomplished this through a few steps. On the pricing side, the company reduced rebates and hiked prices. On the sales side, Asahi bought Fullers' beer business, brewer of London Pride, then leveraged the company's distributor relationships to expand its bar-and-restaurant, or "on trade", business in the UK. And globally, the company expanded the reach of their premium brands Peroni Nastro Azzurro and Asahi Super Dry.

The improvements made the deals look much cheaper in hindsight, and the resulting cash flow helped Asahi pay down the debt it had borrowed to fund the deals. This is in large part due to Asahi's phenomenal cash flow generation. At many companies, accounting profits exceed free cash flow, but for Asahi, free cash flow averages 120% of after-tax operating profits.

The company's good execution on its acquisitions piqued our interest, and in 2019 we met with the company numerous times—building on research previous Orbis analysts had done before in 2002, 2009, 2010, 2011, and 2015. We were drawn to the stock's above-average free cash flow yield, which, at close to 7%, was above that of other global brewers. But we remained cautious on the potential for further big expensive deals. We waited, preferring to invest in areas such as the drugstores which were unusually cheap at the time.

### The deal that broke the market's back

Fortunately for us, our patience paid off. Asahi announced another deal, and the market hated it.

In July 2019 Asahi announced that it would buy yet another stable of brands from ABI, this time Carlton and United Breweries (CUB) in Australia. The deal was as large as both European purchases put together, just as expensive on an accounting basis (15 times EBITDA), and selling beer in the Antipodes offered no obvious synergies with selling beer on the Old Continent. The Australian market had grown only slowly, and the deal required so much debt that Asahi had to issue equity to maintain its investment grade credit rating.

The combination of a high headline valuation, substantial debt, and anticipated 9% equity dilution led Asahi to crater by 9% on the day after the announcement, and the overhang persisted as the market looked to consolidation in early 2020. As Covid and its attendant lockdowns spread, it looked like an especially foolish time to borrow for an acquisition.

On first glance, we shared the market's scepticism of the CUB deal. But knowing Asahi's track record in Europe, we decided to dig deeper and continue to monitor the stock. The more we dug, the better the deal looked, and we came to view Asahi's 5% operating profit growth assumption for Australia as very achievable.

## Orbis Japan Equity (continued)

But it wasn't until July 2020, when we received the equity issuance prospectus, that we realised just how cash generative CUB was. It had matched Asahi's stellar 120% conversion of after-tax operating profit to free cash flow, meaning the deal looked much less expensive on a cash flow basis. Including debt, Asahi bought CUB at a 6% free cash flow yield, which was itself depressed due to Australia's worst-ever bushfire season. We're not sure if other investors got to page 278 of the prospectus, however we certainly found it a fascinating read!

The potential scope for synergies with CUB also appeared misunderstood by the market.

### Perfecting the brew

Asahi's existing Oceania business was on a similar scale to CUB, each with around ¥160bn of net sales, 13 distribution centres, and about 2,000 employees. Both had numerous production bases with Asahi's 11 to CUB's 6. But due to Asahi's lower profitability in Oceania—a product of being more focused on soft drinks and pre-mixed alcohol—the market appeared to be missing the potential for cost synergies.

Integrating and optimising distribution centres that overlapped was a key driver on the cost side, and having doubled in size as a customer, Asahi also negotiated better pricing from bottle suppliers. We were encouraged that Asahi announced plans to exceed ¥10bn of cost-synergies (around 6% of net sales) after the CUB acquisition, with ¥5-6bn in 2021 alone. The progress so far appears on track.

It was also clear that Asahi could finance the deal at incredibly low rates, issuing 60-year (!) bonds yielding just 0.97% and 3-year bonds yielding just one one-thousandth of one percent. Borrowing at less than 1% to buy a portfolio of strong brands at a 6% free cash flow yield looked like a great deal.

### Where are we now?

Asahi is now a global brand, with operations in three continents generating \$20bn in revenues, making it the world's 7th largest brewer. While sales in all countries were impacted by the pandemic to some extent, Asahi's global reach has helped them to weather this storm successfully.

### Asahi: a global brewer with a portfolio of leading brands

Core operating profit split by region



Source: Company Reports, Orbis. Map image: Wikimedia Commons. Based on 2021 estimates. Brands shown represent key Asahi Group-owned brewers in each region. Core operating profit split calculated as a share of the sum (¥276bn) of the four categories shown. Corporate level adjustments to operating profit and amortisation expense (total ¥57bn) not shown.

In most markets, sales in bars and restaurants (on trade) are more profitable than sales for people to drink at home (off trade). That stung global brewers as lockdowns closed bars. But in Japan, off-trade sales are more profitable than on-trade sales, leaving Asahi relatively less scathed than its global peers.

As lockdowns eased across Europe in 2020, we saw on-trade volumes recover significantly. Some regions even saw increases in year-on-year sales as pub-goers craving their first pint made up for lost time. Certainly drinkers in the UK came back with a bang! Despite on-trade restrictions only being (slightly) relaxed from April 12th, and only outdoors in the cold at that, Asahi's April on-trade volumes exceeded 2019, and the Brits have surely continued to raise the bar since then.

Investors have noticed. Since the end of March 2020, Asahi has modestly outperformed the Topix. That leaves the stock trading at a roughly 7% free cash flow yield—still reasonable, though less strikingly cheap than a year ago.

## Orbis Japan Equity (*continued*)

Looking ahead, we still think the company can grow.

At home, Asahi faces challenges as the Japanese workforce starts to embrace working from home. Work drinks represent a huge part of on-trade sales in Japan, but you can't go out for drinks after work if you don't go into the office for work.

A product innovation in the off-trade market might help. Asahi has sometimes been a laggard in Japan's curious beer market, which features a range of beer-like drinks that are taxed according to their malt content. Asahi has fallen behind arch rivals Kirin and Suntory in the faster-growing happoshu (low-malt) and new genre (no-malt) categories, and even in full-malt beer, where Super Dry long reigned supreme, Asahi is ceding share to zero-sugar options from its competitors. But a new patent-pending product, Asahi Super Dry Nama Jockey, promises draft beer in a can, an enticing proposition to workers missing their pub outings. The first few months of supply have already sold out.

Internationally, the on-trade business looks brighter. If Asahi can continue to extend the reach of its key brands, while continuing to execute on cost controls, the group as a whole should be able to grow its earnings and free cash flow per share by perhaps 8% p.a. over the long term. In our view, that makes Asahi a good business at a good price.

Commentary contributed by Samuel Dolton, 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 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. This Share Class is predominantly exposed to the Japanese yen. Its performance fee benchmark ("Benchmark") is the Tokyo Stock Price Index, including income, net of withholding taxes ("TOPIX (net)").

### 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	8.4	4.0	3.9
20 years	6.2	3.6	3.9
10 years	12.0	10.6	11.0
5 years	12.0	11.7	11.7
3 years	5.3	6.5	6.3
	Class	Peer group	Benchmark
Since Class inception	35.1	34.7	32.1
1 year	31.2	28.7	26.9
<b>Not annualised</b>			
Calendar year to date	17.9	8.7	8.7
3 months	1.0	0.0	(0.4)
1 month	1.5		1.2
	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 (%)	18.3	18.2	17.5
Beta vs Benchmark	0.9	1.0	1.0
Tracking error vs Benchmark (%)	9.2	2.6	0.0

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

Ongoing charges	0.90
<i>Fixed management fee</i>	<i>0.80</i>
<i>Fund expenses</i>	<i>0.10</i>
Performance related management fee	0.68
<b>Total Expense Ratio (TER)</b>	<b>1.58</b>

Price	¥6,623	<b>Benchmark</b>	TOPIX (net)
Pricing currency	Japanese yen	<b>Peer group</b>	Average Japan Equity Fund Index
Domicile	Luxembourg	<b>Fund size</b>	¥142 billion
Type	SICAV	<b>Fund inception</b>	1 January 1998
Minimum investment	US\$50,000	<b>Strategy size</b>	¥268 billion
Dealing	Weekly (Thursdays)	<b>Strategy inception</b>	1 January 1998
Entry/exit fees	None	<b>Class inception</b>	14 May 2020
ISIN	LU2122431245	<b>UCITS compliant</b>	Yes

### Sector Allocation (%)

Sector	Fund	Benchmark
Consumer Non-Durables	45	24
Cyclicals	38	37
Financials	9	9
Information and Communications	7	9
Technology	0	21
Utilities	0	1
<i>Net Current Assets</i>	<i>1</i>	<i>0</i>
<b>Total</b>	<b>100</b>	<b>100</b>

### Top 10 Holdings

	Sector	%
Sumitomo Mitsui Fin.	Financials	7.4
Sugi Holdings	Consumer Non-Durables	6.2
Asahi Group Holdings	Consumer Non-Durables	6.1
Honda Motor	Cyclicals	5.9
Mitsubishi	Consumer Non-Durables	5.9
Nippon Telegraph and Telephone	Information and Communications	5.4
Sumitomo Electric Industries	Cyclicals	4.8
Kusuri no Aoki Holdings	Consumer Non-Durables	4.5
Toyo Tire	Cyclicals	4.5
TSURUHA Holdings	Consumer Non-Durables	4.3
<b>Total</b>		<b>54.9</b>

### Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	91
Total number of holdings	36
12 month portfolio turnover (%)	62
12 month name turnover (%)	35
Active share (%)	91

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>	187,064
<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)).

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.

### 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. In addition, the Fund may, to the extent permitted by its investment restrictions, also periodically hold cash and cash equivalents when the Investment Manager believes this to be consistent with the Fund’s investment objective.

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.

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 weekly 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 mark 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 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

31 March 2021	%	30 June 2021	%
Sumitomo Mitsui Fin.	7.9	Sumitomo Mitsui Fin.	7.4
Sugi Holdings	6.9	Sugi Holdings	6.2
Mitsubishi	6.0	Asahi Group Holdings	6.1
Honda Motor	5.6	Honda Motor	5.9
Asahi Group Holdings	5.6	Mitsubishi	5.9
Nippon Telegraph and Telephone	5.5	Nippon Telegraph and Telephone	5.4
Toyo Tire	4.5	Sumitomo Electric Industries	4.8
TSURUHA Holdings	4.4	Kusuri no Aoki Holdings	4.5
Kusuri no Aoki Holdings	4.3	Toyo Tire	4.5
Sumitomo Electric Industries	4.0	TSURUHA Holdings	4.3
<b>Total</b>	<b>54.6</b>	<b>Total</b>	<b>54.9</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

## Orbis SICAV Semi-Annual Report

This report contains only some of the information included in the semi-annual report of the Orbis SICAV (the “Company”) as at 30 June 2021. The semi-annual report will be available upon request and free of charge at the registered office of the Company within two months following 30 June.

### 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 (i) Investor Share Class(es), (ii) Shared Investor Refundable Reserve Fee Share Class(es), (iii) Shared Investor Refundable Reserve Fee Share Class(es) (A), (iv) Standard Share Class(es) and (v) Standard Share Class(es) (A) 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.

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; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is also not an Orbis SICAV Fund must be submitted by 12 noon; requests to switch from an Orbis SICAV Fund into a different Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is an Orbis SICAV Fund must be submitted by 12 noon; and requests to switch from an Orbis Fund that is an Orbis SICAV Fund to a different Orbis Fund that is also an Orbis SICAV Fund must be submitted by 5:30 pm. All times given are Bermuda time, and all requests must be properly completed and accompanied by any required funds and/or information.

Share prices, updated weekly, are available:

- by e-mail, by registering with Orbis for this service at the Orbis website at [www.orbis.com](http://www.orbis.com),
- 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).

### 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. 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 Orbis SICAV Japan Equity Fund—Yen class 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.

Average Fund data source and peer group ranking data source: © 2021 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 24 June 2021. 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.

### 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. Cash and cash equivalents 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. Cash and cash equivalents 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.

The total expense ratio has been calculated using the expenses, excluding trading costs, for the 12 month period ending 30 June 2021.