

## Orbis Japan Equity

The textbook approach to capital allocation is straightforward. Company managers raise capital as cheaply as they can, deploy that capital into the best opportunities they can find, and if they can't find sufficiently attractive opportunities, they return the capital. Or at least, that's what most MBA programmes would have you believe.

Things often work differently in Japan. Historically, many Japanese companies have suffered from poor capital allocation—splurging cash on ill-considered foreign acquisitions, raising cash on unattractive terms, or hoarding cash to weather as-yet-undefined rainy days. When we analyse companies, excess cash does not impress us. A lazy balance sheet can weigh down the growth, returns, and valuation of even a good operating business. But occasionally in Japan, a company's valuation gets so extreme that you can buy the operating business cheaply with a pile of other assets for free. An example of this sort of striking value is Japan Petroleum Exploration, or Japex, a substantial holding in the Orbis Japan portfolio.

Japex is Japan's second-largest oil and gas producer, initially founded as a government entity to enhance Japan's energy self-sufficiency. As we discussed in March 2019, we initially bought Japex as a way to increase our exposure to Inpex, Japan's largest oil and gas producer and another holding in Orbis Japan. The two shares track each other closely, largely due to the fact that Japex owns about 7% of Inpex and Inpex owns 5% of Japex. Inpex is ten times the size of Japex, making the shareholding a small part of the larger company, but a large part of the smaller company. Currently, the value of the Inpex stake represents around 75% of Japex's market value, assigning very little value to its other assets and projects. At times, this ratio has been over 100%—giving Japex's operations little (or even a negative!) value.

Today Japex is best understood in three parts: unprofitable projects, profitable projects, and non-operating assets.

The company has a patchy track record in investments, and much of the ill sentiment toward the stock has been focused on its oil sands and shale gas projects in Canada. Both projects were initiated in the early 2010s when oil prices were above \$100 a barrel. Japex ploughed capital into the projects, but by the time both projects finally came online in 2017, oil prices had nearly halved, and the projects consistently reported losses.

Japex's other operations—among which a stake in Russia's Sakhalin I oil and gas project and legacy domestic oil and gas operations are the most substantial—generate a steady stream of profit, but are not set to grow significantly. One can debate their long-term value, but with the shares trading at just six times recurring profits, we are paying very little for them.

The key non-operating assets for Japex are the Inpex stake and net cash. Japex's stake in Inpex represents a large part of its market value. We find Inpex itself attractive at 0.5 times book value and less than eight times earnings, and hold a position in the stock directly—currently 4% of Orbis Japan. Viewed this way, Japex offers a “discount on a discount” on Inpex. However, the value of that stake does not show up in Japex's financial statements. Because Japex owns just 7% of Inpex, only dividends from the larger company—not earnings—show up on the income statement. If we instead view the stake on a “look-through” basis, we are paying four times recurring earnings and 0.3 times tangible book value for Japex today. To us this looks to be stunningly cheap, and almost unheard of outside Japan.

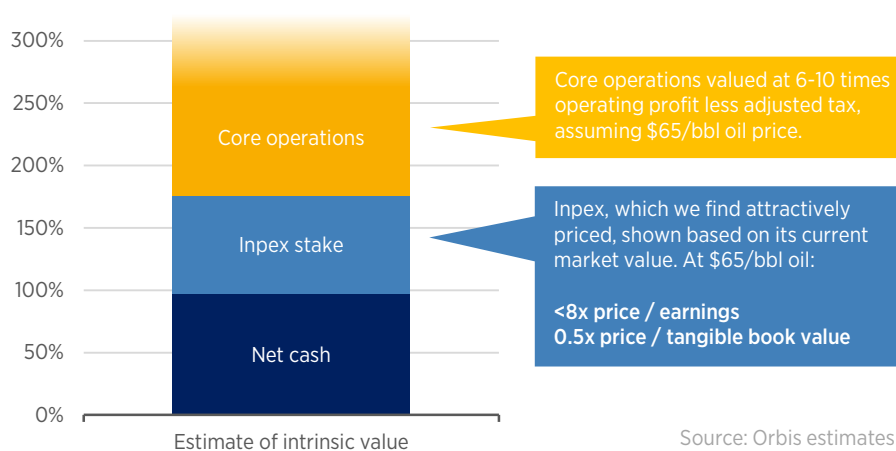
Little above will come as news to readers of our March 2019 report, but what has changed is the announcement earlier this year that Japex would be exiting their Canadian projects. In our view, the market is fundamentally underestimating the impact of these transactions on the company's net cash position.

When the sales complete, Japex expects to record extraordinary losses of more than ¥130bn on the Canadian projects, and the sales will generate some cash, but not much. Yet they will remove a huge proportion of the debt from Japex's balance sheet. In March, Japex reported a net cash position of around ¥50bn, or over 40% of its market capitalisation. Following the sale of the Canadian assets, Japex has guided that net cash will rise only slightly (due to loan guarantee payments). Our analysis suggests that management is taking a very conservative approach and meaningfully understating the coming reduction in debt. The total debt in both Canadian projects is over ¥110bn, accounting for almost all of the company's consolidated debt. With the elimination of these projects, Japex's net cash position could be close to ¥120bn, or nearly 100% of current market cap!

## Orbis Japan Equity (*continued*)

### Japex: compelling discount even if we assign no value to cash

Sum of the parts valuation, % of Japex market cap



The potential to unlock value here is enormous, for both Japex and Inpex.

If Japex were to bring the net cash position back to pre-deal levels, its current cash pile alone could support an 11% dividend yield for the next five years—which would also mean roughly ¥19bn of distributions to the Japanese government given their stake in the company. If instead the company pursued share buybacks, this could greatly lift both earnings and book value per share.

For Inpex, were they to take Japex private, it would amount to an incredibly cheap share buyback. At current prices Inpex could essentially buy back 7% of its shares for free. Even if Inpex paid an enormous premium, say 100%, the transaction would still result in a material boost to earnings per share from the share count reduction alone. If we also consider earnings from Japex, the increase to earnings per share for Inpex could easily be 15% or more. An acquisition would boost cash flow as well, as the savings from no longer paying dividends to Japex would be triple the likely cost of debt to finance the acquisition. A combined, stronger business would also be better placed to help steer Japan’s energy transition.

Whether that value will be unlocked is a harder question. Without action to close the discount on Japex, the stock could well be a value trap.

That is partly due to the composition of the company’s shareholder base. Against a backdrop of enhanced corporate governance, stewardship, board independence, investor engagement, and capital allocation at some Japanese companies, Japex and Inpex are relatively insulated from shareholder pressure. Japan’s Ministry of Economy, Trade, and Industry (METI) owns 34% of Japex and 19% of Inpex. Japex also has a “poison pill” to deter hostile takeovers, and METI holds a “golden share” in Inpex that gives the government a veto over any attempted takeover. Any action to unlock value will be METI’s to take.

To be clear, we think the probability of big distributions from Japex or a takeover by Inpex is low. But if we consider Japex’s potential net cash position along with the Inpex stake, we think those two assets could easily be worth double the company’s current market value. Even if we assign no value to the cash, and look just at the operating assets and the Inpex stake, the value proposition looks to be highly compelling. In our view, such an extreme discount should not persist.

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

*This report does not constitute a recommendation to buy, sell or hold any interests, shares or other securities in the companies mentioned in it nor does it constitute financial advice.*

# 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	8.5	4.2	4.0
20 years	7.1	5.2	5.4
10 years	12.6	12.6	12.7
5 years	10.6	11.6	11.3
3 years	6.1	6.6	6.1
	<b>Class</b>	<b>Peer group</b>	<b>Benchmark</b>
Since Class inception	32.1	33.2	30.3
1 year	33.6	29.7	27.1
<b>Not annualised</b>			
Calendar year to date	23.3	15.3	14.3
3 months	4.6	6.0	5.2
1 month	4.0		4.2
		<b>Year</b>	<b>Net %</b>
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 (%)	18.2	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	0.35
<b>Total Expense Ratio (TER)</b>	<b>1.25</b>

<b>Price</b>	¥6,927	<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>	¥146 billion
<b>Type</b>	SICAV	<b>Fund inception</b>	1 January 1998
<b>Minimum investment</b>	US\$50,000	<b>Strategy size</b>	¥278 billion
<b>Dealing</b>	Weekly (Thursdays)	<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

### Sector Allocation (%)

Sector	Fund	Benchmark
Consumer Non-Durables	41	24
Cyclicals	39	36
Financials	11	9
Information and Communications	8	8
Technology	0	22
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	7.3
Mitsubishi	Consumer Non-Durables	6.7
Sugi Holdings	Consumer Non-Durables	5.8
Daiwa House Industry	Cyclicals	5.1
Sumitomo Electric Industries	Cyclicals	4.9
Honda Motor	Cyclicals	4.5
Nippon Telegraph and Telephone	Information and Communications	4.4
Asahi Group Holdings	Consumer Non-Durables	4.4
INPEX	Cyclicals	4.4
Kusuri no Aoki Holdings	Consumer Non-Durables	4.2
<b>Total</b>		<b>51.7</b>

### Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	89
Total number of holdings	42
12 month portfolio turnover (%)	57
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>	188,647
<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

30 June 2021	%	30 September 2021	%
Sumitomo Mitsui Fin.	7.4	Sumitomo Mitsui Fin.	7.3
Sugi Holdings	6.2	Mitsubishi	6.7
Asahi Group Holdings	6.1	Sugi Holdings	5.8
Honda Motor	5.9	Daiwa House Industry	5.1
Mitsubishi	5.9	Sumitomo Electric Industries	4.9
Nippon Telegraph and Telephone	5.4	Honda Motor	4.5
Sumitomo Electric Industries	4.8	Nippon Telegraph and Telephone	4.4
Kusuri no Aoki Holdings	4.5	Asahi Group Holdings	4.4
Toyo Tire	4.5	INPEX	4.4
TSURUHA Holdings	4.3	Kusuri no Aoki Holdings	4.2
<b>Total</b>	<b>54.9</b>	<b>Total</b>	<b>51.7</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 (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 an Orbis SICAV Fund must be submitted by 5:30 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is also not an Orbis SICAV Fund must be submitted by 12 noon; requests to switch from an Orbis SICAV Fund into a different Orbis Fund that is not an Orbis SICAV Fund must be submitted by 5:00 pm; requests to switch from an Orbis Fund that is not an Orbis SICAV Fund to a different Orbis Fund that is an Orbis SICAV Fund must be submitted by 12 noon; and requests to switch from an Orbis Fund that is an Orbis SICAV Fund to a different Orbis Fund that is also an Orbis SICAV Fund must be submitted by 5:30 pm. All times given are Bermuda time, and all requests must be properly completed and accompanied by any required funds and/or information.

Share prices, updated weekly, are available:

- 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 23 September 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 September 2021.