



# Introductory Booklet

Orbis SICAV  
Emerging Markets Equity Fund

## ORBIS SICAV

Société d'Investissement à Capital Variable, R.C.S. Luxembourg B 90 049

### REGISTERED OFFICE

Orbis SICAV  
31, Z.A. Bourmicht  
L-8070 Bertrange  
Luxembourg

### MANAGER - EMERGING MARKETS EQUITY FUND

Orbis Investment Management  
(Luxembourg) S.A.  
155, rue Cents  
L-1319 Luxembourg  
Luxembourg

### INVESTMENT MANAGER - EMERGING MARKETS EQUITY FUND

Orbis Investment Management Limited  
Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

Telephone: +1 441 296 3000  
Facsimile: +1 441 296 3001  
E-mail: [clientservice@orbis.com](mailto:clientservice@orbis.com)  
Attention: Investor Services Team

### PORTFOLIO MANAGER - EMERGING MARKETS EQUITY FUND

Orbis Investment Management  
(Hong Kong) Limited  
Suites 1802-1805  
18th Floor, Chater House  
8 Connaught Road  
Central, Hong Kong

Telephone: +1 441 296 3000  
Facsimile: +1 441 296 3001  
E-mail: [clientservice@orbis.com](mailto:clientservice@orbis.com)  
Attention: Investor Services Team

### SUB-PORTFOLIO MANAGER - EMERGING MARKETS EQUITY FUND

Allan Gray International  
Proprietary Limited  
1 Silo Square  
V&A Waterfront  
Cape Town, 8001  
South Africa

Telephone: +1 441 296 3000  
Facsimile: +1 441 296 3001  
E-mail: [clientservice@orbis.com](mailto:clientservice@orbis.com)  
Attention: Investor Services Team

### DEPOSITARY, ADMINISTRATOR, DOMICILIARY, REGISTRAR AND TRANSFER AGENT

PLEASE FORWARD ORBIS FORMS TO

Citibank Europe plc,  
Luxembourg Branch  
31, Z.A. Bourmicht  
L-8070 Bertrange  
Luxembourg

Telephone: +353 1622 4040  
Facsimile: +353 1622 4034  
Attention: The Orbis Service Team

For further assistance, please contact the Orbis Client Services Team at +1 441 296 3000 or by e-mail at [clientservice@orbis.com](mailto:clientservice@orbis.com).

*Dated: June 2018*

## INTRODUCTION

This booklet sets out information which is specific to the Orbis SICAV Emerging Markets Equity Fund. The Prospectus of the Fund consists of this booklet and the Orbis SICAV General Information document. The Prospectus for the Orbis SICAV consists of these two documents and the Introductory Booklets for the other Orbis SICAV Funds. Applications for Shares of the Fund are valid only if made on the basis of the Prospectus of the Fund or the Orbis SICAV. The Orbis SICAV General Information document, other Introductory Booklets and latest annual and semi-annual reports are available from the Investment Manager and the Fund's Administrator at the locations identified in the Orbis SICAV General Information document. Certain capitalised terms used herein are defined in the Orbis SICAV General Information document.

The Fund is not a separate legal entity. All of the Orbis SICAV Funds together comprise the Orbis SICAV, a single legal entity. A separate pool of assets is maintained for each Fund and the exclusive benefit of Shareholders of that Fund and not Shareholders of other Orbis SICAV Funds. Third party liabilities attributable to a Fund are segregated and will be met only from the assets of that Fund.

This Fund offers in U.S. dollars (i) for all types of investors, the Investor Share Class, (ii) for qualified Institutional Investors only, a separate Core Refundable Reserve Fee Share Class for each registered Shareholder, (iii) for qualified Institutional Investors only, a separate Zero Base Refundable Reserve Fee Share Class for each registered Shareholder, (iv) for certain eligible investors (as described in the Orbis SICAV General Information document), separate Base Refundable Reserve Fee Share Classes for each registered Shareholder, (v) for collective investment schemes portfolio-managed by the Investment Manager, Allan Gray Proprietary Limited or one of their affiliates only, as well as eligible South African tax free savings account providers who invest via Allan Gray Proprietary Limited or one of its subsidiaries, a Fixed Fee Share Class, and (vi) for collective investment schemes portfolio-managed by the Investment Manager or one of its affiliates, a separate No Fee Share Class. The Reference Currency of the Fund is U.S. dollars.

## KEY INFORMATION

### ALL SHARE CLASSES

<b>Manager</b>	Orbis Investment Management (Luxembourg) S.A.
<b>Investment Manager</b>	Orbis Investment Management Limited.
<b>Portfolio Manager</b>	Orbis Investment Management (Hong Kong) Limited (for emerging markets securities).
<b>Sub-Portfolio Manager</b>	Allan Gray International Proprietary Limited (for certain African securities).
<b>Substantial transactions</b>	In order to protect the interests of existing Shareholders in the Fund, a 0.75% levy with respect to substantial subscriptions, redemptions or conversions of Shares may be levied by the Fund in accordance with the published policy of the Investment Manager, a copy of which is available upon request and on the website <a href="http://www.orbis.com">www.orbis.com</a> .
<b>Reference currency</b>	US\$.
<b>Reporting</b>	Comprehensive reports are made available to Shareholders each quarter.
<b>For more information contact</b>	The Client Services Team of the Investment Manager at +1 441 296 3000 or <a href="mailto:clientservice@orbis.com">clientservice@orbis.com</a> .
<b>Initial subscription date</b>	On the date of the first subscription in such Class.

The Fund offers the Share Classes listed below. For more information about the fees borne by these Share Classes and the eligibility requirements for investing, please refer to the Orbis SICAV General Information document.

### INVESTOR SHARE CLASS

<b>Management fee</b>	1.5% per annum +/- up to 1.0%, based on the 3-year rolling performance of the Class versus its Performance Fee Hurdle.
<b>Performance Fee Hurdle</b>	MSCI Emerging Markets Index, Net (including income and after deduction of withholding taxes).
<b>Minimum initial investment</b>	US\$50,000 (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$1,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$1,000.
<b>Dealing days</b>	Weekly each Thursday.
<b>Valuations</b>	Weekly on Thursday and on the last day of each calendar month.

The management fee for the Investor Share Class of the Fund is calculated using the cumulative three-year historical performance of the Investor Share Class of the Fund's predecessor fund, the Asia ex-Japan Equity Fund, relative to the relevant Performance Fee Hurdle. Over the course of the three-year period commencing 1 November 2016, the calculation of the performance of the Investor Share Class each successive week will use one additional week's performance relative to the MSCI Emerging Markets Index, Net and one fewer week's performance relative to the MSCI All Country Asia ex-Japan (Net) (US\$) Index (the Performance Fee Hurdle of the Investor Share Class of the Asia ex-Japan Equity Fund). From 1 November 2019, the Fee will be calculated entirely by reference to the MSCI Emerging Markets Index, Net.

## ALL REFUNDABLE RESERVE FEE SHARE CLASSES

<b>Dealing days</b>	The first Thursday of each calendar month and any other Thursday on which an existing or prospective investor submits valid dealing instructions.
<b>Valuations</b>	The first Thursday and the last day of each calendar month plus any additional Dealing Day.

## CORE REFUNDABLE RESERVE FEE SHARE CLASSES

<b>Management fee</b>	Base fee: 0.45% per annum, reducing to 0.30% per annum for larger amounts. Refundable performance fee: 25% of outperformance of the Class versus the Performance Fee Hurdle.
<b>Performance Fee Hurdle</b>	MSCI Emerging Markets Index, Net (including income and after deduction of withholding taxes).
<b>Minimum initial investment</b>	US\$20 million (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$250,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$250,000.

## ZERO BASE REFUNDABLE RESERVE FEE SHARE CLASSES

<b>Management fee</b>	Base fee: none. Refundable performance fee: 33% of outperformance of the Class versus the Performance Fee Hurdle.
<b>Performance Fee Hurdle</b>	MSCI Emerging Markets Index, Net (including income and after deduction of withholding taxes).
<b>Minimum initial investment</b>	US\$100 million (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$250,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$250,000.

## BASE REFUNDABLE RESERVE FEE SHARE CLASSES

<b>Management fee</b>	Base fee: 0.60% per annum. Refundable performance fee: 25% of outperformance of the Class versus the Performance Fee Hurdle.
<b>Performance Fee Hurdle</b>	MSCI Emerging Markets Index, Net (including income and after deduction of withholding taxes).
<b>Minimum initial investment</b>	US\$1 million (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$25,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$25,000.

## FIXED FEE SHARE CLASS

<b>Management fee</b>	1.7% per annum.
<b>Performance Fee Hurdle</b>	Not applicable.
<b>Minimum initial investment</b>	US\$50,000 (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$1,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$1,000.
<b>Dealing days</b>	Weekly each Thursday.
<b>Valuations</b>	Weekly on Thursday and on the last day of each calendar month.

## NO FEE SHARE CLASS

<b>Management fee</b>	None.
<b>Performance Fee Hurdle</b>	Not applicable.
<b>Minimum initial investment</b>	US\$50,000 (or its equivalent in any Eligible Currency).
<b>Minimum subsequent investment and redemption</b>	US\$1,000 (or its equivalent in any Eligible Currency) but does not need to be in multiples of US\$1,000.
<b>Dealing days</b>	Weekly each Thursday.
<b>Valuations</b>	Weekly on Thursday and on the last day of each calendar month.

## INVESTOR PROFILE

The Fund is aimed at investors who are seeking a portfolio the objective of which is to be invested in, and exposed to, Emerging Market securities and who therefore accept exposure to trends in such stock markets. The Refundable Reserve Fee Share Classes are offered only to eligible Institutional Investors and may be transferred to other investors only with the prior consent of the Board of Directors. The No Fee Share Class is offered to collective investment schemes portfolio-managed by the Investment Manager or one of its affiliates. The Fixed Fee Share Class is offered to collective investment schemes portfolio-managed by the Investment Manager, Allan Gray Proprietary Limited or one of their affiliates, as well as to eligible South African tax free savings account providers who invest via Allan Gray Proprietary Limited or one of its affiliates.

## INVESTMENT OBJECTIVE

The Fund seeks higher returns than the average of the Emerging Markets equity markets, without greater risk of loss.

## INVESTMENT APPROACH

**Research Driven.** The Fund is designed to remain continuously invested in, and exposed to all the risks and rewards of, selected Emerging Market equities. The Fund expects to be not less than 90% invested in Emerging Market equity and equity-linked investments. The Fund identifies Emerging Market equity and equity-linked investments as those investments that are:

- (1) issued by a corporate body or other entity domiciled or primarily located in a country represented in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index (together, "Emerging Markets"), or
- (2) traded or listed on an exchange in an Emerging Market, or

- (3) issued by a corporate body or other entity whose business is significantly linked to Emerging Markets, which Orbis considers to be entities that: (a) are listed on the MSCI World with EM Exposure Index, or (b) derive a significant portion of their sales, revenue or profits from Emerging Markets, or (c) have a significant portion of their assets or operations in Emerging Markets, or (d) provide a significant portion of their services or goods to people living in Emerging Markets;

in each case, as measured at the time of the Fund's opening position in the respective investment.

The Fund's portfolio is selected using extensive proprietary investment research undertaken by Orbis and the Sub-Portfolio Manager. 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.

**Value Orientation.** This research is intended to enable Orbis and the Sub-Portfolio Manager to invest the Fund in equities which it believes offer superior fundamental value. Orbis determines whether an equity offers superior fundamental value by comparing the *share price* with an assessment of the equity's *intrinsic value*. The lower the price of a share as compared to its assessed intrinsic value, the more attractive Orbis considers the equity's fundamental value. Orbis believes that over the long term equity investing based on this approach offers superior returns and reduces the risk of loss. Orbis generally assesses an investment's attractiveness using a three-to-five year time horizon.

**Share Selection.** Orbis aims to focus its research efforts on the most promising investment opportunities. This is facilitated, amongst other means, by using a proprietary equities screening tool based on quantitative considerations. Orbis maintains a database of key information, including company fundamentals and share prices, on approximately 13,000 of the world's most marketable stocks. The database tracks fundamental data which, wherever possible, extends back over multiple decades in keeping with the long-term orientation of Orbis' research, and it includes share prices which are updated daily.

Orbis has developed quantitative techniques which use this database to produce a projected total rate of return offered by each equity for the next three to five years, and often longer, based on the prevailing share price. This estimate, together with an analysis of macro-economic and investment trends, provides a preliminary assessment of those areas of research that seem most fruitful. Additional equities which appear intriguing are identified by anticipating economic and corporate developments.

This approach helps Orbis to focus its more time-consuming, non-quantitative equity research on the most promising sectors, themes and equities. Equities that are considered promising are subjected to "bottom up" investment analysis. The starting point is to eliminate those equities that have fallen out of favour for sound and enduring reasons (for example, the shares of companies which Orbis believes are poorly managed or vulnerable).

Those equities that are not eliminated by this pre-screening are subjected to intensive qualitative investment research. This entails evaluation of factors such as the company's perceived ability to generate superior growth in cash flow, earnings and dividends in the projected economic environment, the quality of management, its historical record, the company's competitive environment, the strength of its balance sheet, and, most importantly, the extent to which the share price already reflects these factors.

The result of this research process is a continuously monitored group of equities whose share prices Orbis considers most fundamentally attractive. These selected equities are included in the portfolio for the Fund. The Portfolio Manager emphasises each equity's perceived risk and reward, but also monitors the correlation between the selected equities to control diversification.

The Fund will not usually aim to trade for short-term gains, although established positions may be reduced when the Portfolio Manager believes that a share is overbought or added to when a share is considered to be oversold.

**Other Instruments.** Subject to the Fund's expectation that it will be not less than 90% invested in Emerging Market equity and equity-linked investments, the Fund's investments may include other instruments, including fixed income instruments, derivatives and participatory notes.

The Fund may invest in covered exchange traded equity derivative transactions. This means the Fund must hold enough liquid assets (for example, cash or securities) to allow it to make the contractually required payments when due.

The Fund is permitted to hold securities or other instruments that are received due to corporate actions or corporate restructurings (for example, warrants or options offered or issued as a result of a rights issuance or placement). From time to time, the Fund may invest in unlisted equities, such as when the Fund acquires a listed equity that is subsequently delisted, or when an equity has not been listed yet but is expected to be listed publicly in the future.

The Fund's expectation of being not less than 90% invested in Emerging Market equity and equity-linked investments is measured at the time of the Fund's opening position in the respective investment. For example, if a country is included in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index at the time of investment but this subsequently changes, the Fund may continue to consider such security an Emerging Market equity. In addition, if a country that is included in the MSCI Emerging Markets Index or the MSCI Frontier Markets Index is subsequently categorised as a "developed market" by MSCI, the Fund may continue to deem such country to be an Emerging Market for up to ten years following the change in categorisation.

Additionally, the Fund may be over or under the 90% target when the Investment Manager and the Portfolio Manager consider this to be in the best interest of the Fund. For example, the Fund may be under this 90% target due to holding cash for reasons described below. In these instances, the Fund may equitise cash using exchange-traded derivatives (for example, futures representing broad stock-market indices in regions in which the Fund is invested) or exchange traded funds that provide exposure to companies in emerging markets. Similarly, the Fund may use derivatives to hedge excess stock market exposure when it has received a significant redemption request.

**Currency Management.** Exchange rate fluctuations significantly influence global investment returns. For this reason, part of Orbis' research effort is devoted to forecasting currency trends. Taking into account these expected trends, Orbis actively reviews the Fund's currency exposure. Orbis may adjust the currency exposure, generally using forward contracts, to assist in achieving the Fund's investment objective. In doing so, Orbis places particular focus on managing the Fund's exposure to those currencies considered less likely to hold their long-term value. The Fund may be long in Benchmark or non-Benchmark currencies, without holding underlying assets in those currencies. The Fund's currency deployment may therefore differ significantly from the geographic deployment of its selected equities. Both are disclosed in the Fund's monthly reports.

**Exchange-Traded Derivatives.** The Fund may hold cash and cash equivalents to meet calls for variation margin related to currency management or as a result of one or more subscriptions or redemptions or for other liquidity purposes. In doing so, the Fund may purchase exchange-traded derivatives, for example futures and options on broad stockmarket indices, for investment efficiency purposes.

**Performance Benchmark.** The Fund does not track stock markets passively, but instead aims for superior long-term returns relative to a benchmark of emerging market equities. The Fund has designated the MSCI Emerging Markets Index, including income and after withholding taxes (the "MSCI Emerging Markets Index" or the "Benchmark"), as this performance benchmark. The MSCI Emerging Markets Index measures the weighted average of the investible market capitalisations of equities in more than 20 emerging market countries. The geographic composition and weightings of the MSCI Emerging Markets Index are available from the Investment Manager upon request. The Fund does not seek to mirror the Benchmark and may deviate meaningfully from the Benchmark in pursuit of superior long-term capital appreciation.

**Risk Management.** Orbis and Sub-Portfolio Manager invest the Fund in shares whose prices are below their assessment of their intrinsic value in the conviction that they offer the highest prospective returns and lowest risk of loss. A result of this investment approach is that the Fund's



portfolio, and consequently its short-term returns, may differ markedly from the Benchmark. However, Orbis monitors the Fund's risk of underperforming its Benchmark by comparing the Fund's weighting in each industry, stock market and currency with that in the MSCI Emerging Markets Index and ensuring that deviations in such weightings, which are prompted by detailed "bottom up" investment research, are consistent with Orbis' "top down" macroeconomic views.

**Risk Factors.** Shareholders in the Fund are exposed to the local stock markets in which the Fund invests and the associated currencies. An investment in the Fund involves economic and political risks typically found with investments in emerging or frontier markets. These risks include political and social instability, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls, which may include the suspension of the ability to transfer currency from a given country.

**Performance Evaluation.** The Fund is a relative return fund in that it aims for higher long-term returns than its Benchmark. The Fund's success in achieving this objective cannot be appraised simply by evaluating the Fund's returns in isolation. Instead, it is necessary to compare the Fund's returns with those of the Benchmark. This comparison can be made using returns in any currency, as long as the returns on both the Fund and the Benchmark are presented in the same currency. The financial statements of the Fund are prepared, its shares are priced and its returns and those of the Benchmark are presented in US dollars. Performance statistics for the Fund and its Benchmark calculated in other major currencies are available upon request.

## INVESTMENT RESTRICTIONS

The Fund shall adhere to investment restrictions at least as restrictive as those prescribed under Part I of the Law of 2010 which are summarised under Appendix II of the Orbis SICAV General Information document. The following is a summary of the key investment restrictions observed by the Fund:

1. no more than 5% of the net assets of the Fund may be invested in securities issued by one issuer except that positions of up to 10% are allowed as long as not more than 40% in total is invested in positions of more than 5%;
2. the Fund's investments may not include more than 10% of the outstanding shares of a company;
3. no more than 10% of the net assets of the Fund may be invested in non-investment grade, interest bearing non-equity linked securities;
4. no more than 10% of the net assets of the Fund may be invested in collective investment schemes;
5. no more than 5% of the net assets of the Fund may be invested in call warrants or call options on transferable securities unless sufficient cash or near cash to provide for the aggregate exercise price of such warrants and options is set aside;
6. the Fund may not enter into over the counter or uncovered equity derivative transactions;
7. the Fund may not enter into derivatives transactions for the purpose of causing net negative currency exposures. Net negative currency exposures which arise as a result of the Fund's regular portfolio management activities are eliminated taking due account of the interests of shareholders; and
8. the Fund may not borrow other than to meet redemptions. Such borrowing is limited to 10% of the Fund's net assets and must be repaid within 90 days.



**ORBIS SICAV**

31, Z.A. Bourmicht, L-8070 Bertrange, Luxembourg  
clientservice@orbis.com • orbis.com