# Orbis Global Equity

As painful as the first six months of 2022 have been for global stockmarkets, it's worth keeping the decline in perspective. Since 2009, global equities have returned 12.5% per annum at a time when the yield on safe cash has collapsed to near zero. The difference between the two—the compensation that investors receive for buying risky assets—has been unusually wide, thanks in no small part to unprecedented support from central bank actions. Those actions have led the financial world to a strange and precarious place.

Today, we see three giant sources of risk and opportunity in global stockmarkets. First, and most importantly for us, valuation dislocations are extremely stretched and should unwind. Second, economic conditions may look extremely different from those of the last decade. Third, many industries may face a future that is extremely different from their recent past. And crucially, these three forces feed on each other.

Our job is to search around the world for the most attractively valued individual companies we can find. That leads us fairly naturally to be on the cheap side of valuation dislocations. Today, we are finding that many of the shares that look most attractively priced to us are *also* on the right side of the other two forces. The energy sector offers some of the clearest examples, and serves as an excellent illustration of how we see markets today.

We will start by touching on the distortions in economic conditions and valuations, then we will walk through the current opportunity in energy to show how the three forces come together.

**Duration dislocation**

Since 2009, central banks have suppressed interest rates and bond yields, distorting the signals that interest rates usually provide. Normally, cash today should be more valuable than the promise of cash later, and normally one would expect compensation for the "time risk" of locking up money for a long time.

The past decade has not been normal. In this strange world, investors have been happy to pay up for the promise of potential profits in the distant future, sometimes even valuing far-away cash flows at a *premium* to more immediate cash flows. We call this the "duration dislocation", and it seems to defy both conventional financial theory and common sense.

Within equities, it has—until the last few months—been fantastic for the valuations of speculative growth companies which lose money now but promise untold riches later, and it has been painful for the valuations of boring old economy companies that make plenty of cash now. The duration dislocation explains much of the valuation gap between "value" and "growth" shares, which has only begun to unwind after reaching levels rarely seen in history, as well as wide valuation gaps between US and ex-US shares and between the technology and energy sectors.

While the duration dislocation is unusual, it is not unprecedented. Similar conditions in the 1960s and the 1990s led to highly dislocated markets—the "Nifty Fifty" bubble in the early 1970s and the dotcom bubble in 2000. These valuation distortions did not just affect the performance of stock prices—they also had a profound impact on how capital was allocated in the real economy.

The same thing is happening now, and the energy sector offers a timely illustration.

**Underinvesting into an energy crunch**

As a society, we have gone through a remarkable transformation over the past two centuries. It wasn't long ago that we relied almost entirely on human and animal muscle for farming, construction, and manufacturing. The energy in the economy came largely from people and animals literally pushing things around. Modern machinery is far more efficient and powerful—as is the fuel that powers it.

Harnessing fossil fuels has been an enormous windfall for growth and productivity, as Vaclav Smil's latest book, *How the World Really Works*, explains. Smil quantifies the "surplus" energy available to people today compared to pre-industrial levels. In the developed world, each person enjoys surplus energy equivalent to 60 adults working for you non-stop day and night, allowing for vast improvements in living conditions. In richer countries like the US, surplus energy is more like 240 workers per person. But one of humanity's greatest challenges is how unequally our energy windfall has been distributed—over 1 billion people in the world remain in energy poverty, consuming less than the average American fridge.

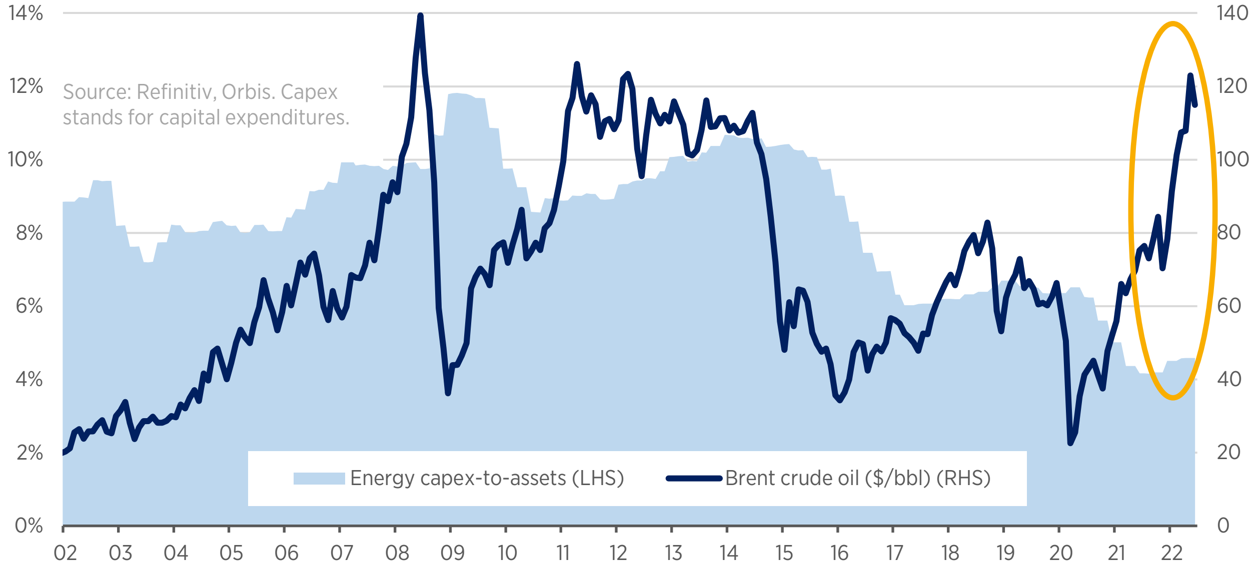
# Orbis Global Equity *(continued)*

Given the importance of energy in our modern economy, we should expect to see steady capital investment over time to drive further gains in productivity and quality of life. It's striking, therefore, that capital investment in primary energy has *dropped* significantly in recent years.

There's nothing new about capital cycles. High energy prices ultimately cure high prices by attracting new investment and greater supply that brings prices back down. This typically takes 5-10 years to play out in full. In the current environment, however, a longer and less efficient capital cycle heightens the possibility that we see long-lasting volatility and scarcity of energy. The recent dip in capital spending has been bigger than in prior cycles, so it will likely take longer to recover.

### High prices are not currently a cure for high prices

Capex-to-assets ratio for developed market energy companies, with Brent oil price




The current underinvestment is partly due to the duration dislocation. When investors value far-away cash as highly as cash today, they pour capital into startups that burn money to grow quickly, and they drain capital from old economy businesses that make money but grow slowly.

The falling investment in energy has also been driven by increasingly urgent climate concerns. *For the first time in history, we are faced with the challenge of optimising our energy system not just for cost, but also for carbon.* As stewards of our clients' capital, our challenge is to understand how much of this energy transition is priced into current valuations while also acting as responsible shareholders. As we look across businesses exposed both negatively and positively to longer-term energy prices, we don't think the risk of prolonged energy scarcity is sufficiently appreciated.

Consider Shell, a roughly 2% position in the Orbis Global Equity portfolio. Most people see Shell as a fossil fuel company, but we see it more as a diversified energy business that is well-positioned to aid the transition by delivering various forms of energy to customers in an efficient and increasingly clean way. Shell has committed to net-zero emissions by 2050—a target that includes not only its own emissions but also the impact of the energy products it sells to customers.

A key part of this is through Shell's exposure to natural gas—a fuel that we see as key to facilitate the transition—but also through renewables, infrastructure and retail operations (refuelling stations). Shell's trading arm, which plays a critical role in matching supply and demand for energy around the world, is unique in scale and likely to be increasingly valuable in a volatile and scarce energy environment.

One would expect Shell—as well as other critical energy infrastructure holdings such as Sunrun (solar), Vestas Wind Systems (wind), Constellation Energy (nuclear) and Kinder Morgan (pipelines)—to trade at a premium given the concerns around energy security that are beginning to emerge in all corners of the global economy. Rather than offering the promise of cash flows in the distant future, Shell is returning hard cash to

# Orbis Global Equity *(continued)*

investors today in the form of dividends and share buybacks, as well as increasing capital expenditures to more sustainable levels. On top of that, it offers longer-term inflation protection and resilience against energy shocks. But like many cash-producing businesses, Shell is still very conservatively priced, offering a mid-teens free cash flow yield.

Shell is just one example, but there are other companies in the Orbis Global Equity portfolio that we believe will benefit from the unwinding of what, in our view, is a historic valuation dislocation. Today's misallocation of capital has echoes of those in the 1960s and 1990s, but to us looks even more extreme. The current dislocation, coupled with the critical need to reduce carbon emissions, will likely drive higher and more volatile energy prices in the coming decade, improving fundamentals for businesses like Shell. It is also likely that the resulting inflationary environment will force central banks away from manipulating bond yields, providing an additional tailwind as cash today once again becomes more highly valued. In time, we should expect to end up in a world where capital efficiency is restored, bringing things back into balance, but it looks set to be a bumpy ride.

Commentary contributed by Graeme Forster, Orbis Investment Management Limited, Bermuda

*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 Global Equity Fund

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

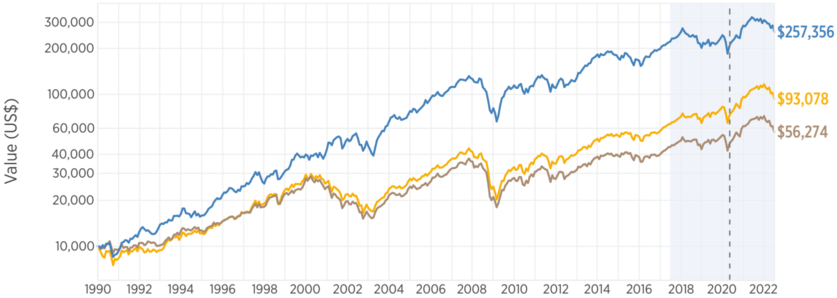
The Fund is designed to be exposed to all of the risks and rewards of selected global equities. It aims to earn higher returns than world stockmarkets, without greater risk of loss. The performance fee benchmark (“Benchmark”) of the Class is the MSCI World Index, including income, after withholding taxes (“MSCI World Index”). Currency exposure is managed separately to equity exposure.

| | | | |
|---|---|---|---|
| **Price** | US$257.19 | **Benchmark** | MSCI World Index |
| **Pricing currency** | US dollars | **Peer group** | Average Global Equity Fund Index |
| **Domicile** | Bermuda | | |
| **Type** | Open-ended mutual fund | **Fund size** | US$4.9 billion |
| **Minimum investment** | US$50,000 | **Fund inception** | 1 January 1990 |
| **Dealing** | Weekly *(Thursdays)* | **Strategy size** | US$17.6 billion |
| **Entry/exit fees** | None | **Strategy inception** | 1 January 1990 |
| **ISIN** | BMG6766G1327 | **Class inception** | 14 May 2020 |

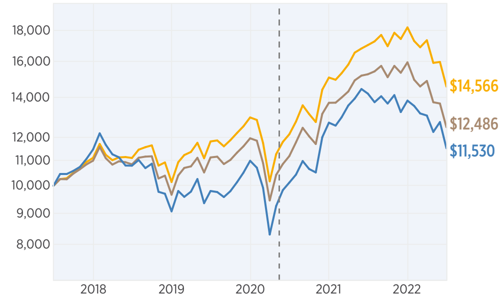
For an initial period of time,* the Shared Investor RRF Class is charging the fee of the Investor Share Class with reference to the FTSE World Index, including income, before withholding taxes (“FTSE World Index”). Numerous investors have switched to the Shared Investor RRF Class from the Investor Share Class. This temporary measure will ensure that the fees paid by investors account for underperformance experienced by the Investor Share Class before the inception date of the Shared Investor RRF Class. The FTSE World Index is being reported in the relevant sections below during this period.

## Growth of US$10,000 investment, net of fees, dividends reinvested

Long-term performance,[1] since Fund inception




Medium-term performance,[1] last 5 years




Fund   Peer group   FTSE World Index

Information for the period before the inception of the Shared Investor RRF Class on 14 May 2020 (date indicated by dashed line above) relates to the Investor Share Class.

## Returns[1] (%)

| | Fund | Peer group | FTSE World Index |
|---|---|---|---|
| **Annualised** | *Net* | *Net* | *Gross* |
| Since Fund inception | 10.5 | 5.5 | 7.1 |
| 30 years | 10.6 | 5.7 | 8.0 |
| 10 years | 8.3 | 6.9 | 9.6 |
| 5 years | 2.9 | 4.5 | 7.8 |
| 3 years | 5.5 | 3.9 | 7.2 |
| | **Class** | **Peer group** | **FTSE World Index** |
| Since Class inception | 11.8 | 10.4 | 14.2 |
| 1 year | (18.7) | (18.2) | (14.6) |
| **Not annualised** | | | |
| Calendar year to date | (16.5) | (21.8) | (20.1) |
| 3 months | (11.7) | (16.1) | (16.1) |
| 1 month | (9.5) | | (8.9) |

| | Year | Net % |
|---|---|---|
| Best performing calendar year since Fund inception | 2003 | 45.7 |
| Worst performing calendar year since Fund inception | 2008 | (35.9) |

## Risk Measures,[1] since Fund inception

| | Fund | Peer group | FTSE World Index |
|---|---|---|---|
| Historic maximum drawdown (%) | 50 | 52 | 54 |
| Months to recovery | 42 | 73 | 66 |
| Annualised monthly volatility (%) | 16.5 | 14.4 | 15.3 |
| Beta vs FTSE World Index | 0.9 | 0.9 | 1.0 |
| Tracking error vs FTSE World Index (%) | 8.8 | 4.2 | 0.0 |

## Portfolio Concentration & Characteristics

| | |
|---|---|
| % of NAV in top 25 holdings | 63 |
| Total number of holdings | 84 |
| 12 month portfolio turnover (%) | 61 |
| 12 month name turnover (%) | 38 |
| Active share[2] (%) | 91 |

## Geographical & Currency Allocation (%)

| Region | Equity | Currency | FTSE World Index |
|---|---|---|---|
| **Developed Markets** | **84** | **92** | **94** |
| United States | 43 | 44 | 64 |
| United Kingdom | 16 | 15 | 4 |
| Japan | 10 | 12 | 7 |
| Continental Europe | 7 | 11 | 13 |
| Other | 8 | 10 | 7 |
| **Emerging Markets** | **13** | **8** | **6** |
| *Net Current Assets* | *2* | *0* | *0* |
| **Total** | **100** | **100** | **100** |

## Top 10 Holdings

| | FTSE Sector | % |
|---|---|---|
| British American Tobacco | Consumer Staples | 8.0 |
| FLEETCOR Technologies | Industrials | 3.8 |
| Global Payments | Industrials | 3.5 |
| Progressive | Financials | 3.0 |
| Howmet Aerospace | Industrials | 2.8 |
| Samsung Electronics | Technology | 2.8 |
| XPO Logistics | Industrials | 2.6 |
| GXO Logistics | Industrials | 2.6 |
| UnitedHealth Group | Health Care | 2.5 |
| Shell | Energy | 2.4 |
| **Total** | | **33.9** |

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

| | |
|---|---|
| Ongoing charges | 1.54 |
| *Fixed management fee[3]* | *1.50* |
| *Fund expenses* | *0.04* |
| Performance related management fee[3] | (0.63) |
| **Total Expense Ratio (TER)** | **0.92** |

The average management fee* charged by the Investor Share Class is 0.87% per annum.

*The Shared Investor RRF Class will continue to charge the fee of the Investor Share Class with reference to the FTSE World Index until the earlier of the first dealing day (a) on or after 14 May 2023, or (b) on which the average management fee charged by the Investor Share Class equals or exceeds 1.5% per annum of the Investor Share Class' net assets for the period ending on that dealing day and beginning on the later of (i) 12 months prior to that dealing day, or (ii) 14 May 2020. Please refer to the Fund's prospectus for more details.

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

[1] Fund data for the period before 14 May 2020 relates to the Investor Share Class.
[2] Active share is temporarily calculated in reference to the FTSE World Index.
[3] Total management fee consists of 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/(underperformance) vs the FTSE World Index.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# Orbis Global Equity Fund

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

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

| | |
|---|---|
| **Investment Manager** | Orbis Investment Management Limited |
| **Fund Inception date** | 1 January 1990 |
| **Class Inception date (Shared Investor RRF Class)** | 14 May 2020 |
| **Number of shares (Shared Investor RRF Class)** | 7,898,950 |
| **Income distributions during the last 12 months** | None |

### Fund Objective and Benchmark

The Fund is designed for investors who have made the “asset allocation” decision to invest a predetermined amount in global equities. It seeks higher returns than the average of the world’s equity markets, 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 FTSE World Index, including income, before the deduction of withholding taxes (“FTSE World Index”). The Performance Fee Benchmark of the Shared Investor RRF Class is the MSCI World Index, including income and after deduction of withholding taxes.

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

The Fund is actively managed and seeks to remain virtually fully invested in and exposed to global stockmarkets. It invests in equities considered to offer superior fundamental value. These equities are selected using extensive proprietary investment research. 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. 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.

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. 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’s currency deployment therefore frequently differs significantly from the geographic deployment of its selected equities.

The Fund does not seek to mirror the Fund Benchmark but may instead deviate meaningfully from it in pursuit of superior long-term capital appreciation.

The net returns of the Shared Investor RRF Class 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 designed for investors who have made the “asset allocation” decision to invest a predetermined amount in global 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 Investment Manager’s interests with those of investors in the Fund.

For an initial period of time, the Shared Investor RRF Class is charging the fee of the Investor Share Class with reference to the FTSE World Index. Numerous investors have switched to the Shared Investor RRF Class from the Investor Share Class. This temporary measure will ensure that the fees paid by investors account for underperformance experienced by the Investor Share Class before the inception date of the Shared Investor RRF Class. The fee of the Investor Share Class that is currently being charged to the Shared Investor RRF Class is calculated as follows:

The fee rate is calculated weekly by comparing the Class’ performance over three years against the FTSE World Index. For each percentage point of three year performance above or below that benchmark’s performance, 0.04 percentage points are added to or deducted from 1.5%, subject to the following limits:

- Maximum fee: 2.5% per annum
- Minimum fee: 0.5% per annum

The Shared Investor RRF Class will continue to charge the fee of the Investor Share Class with reference to the FTSE World Index until the earlier of the first dealing day (a) on or after 14 May 2023, or (b) on which the average management fee charged by the Investor Share Class equals or exceeds 1.5% per annum of the Investor Share Class’ net assets for the period ending on that dealing day and beginning on the later of (i) 12 months prior to that dealing day, or (ii) 14 May 2020. After this point, the Class’ management fee will instead be charged as follows:

- *Base Fee:* Calculated and accrued weekly at a rate of 1.1% per annum of the Class’ net asset value.
- *Refundable Performance Fee:* When the performance of the Shared Investor RRF Class (after deducting the Base 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. 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 (after deducting the Base Fee) 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. 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 relative 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.


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# Orbis Global Equity Fund

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

### Fees, Expenses and Total Expense Ratio (TER)

In addition to the fees payable to its Investment Manager, the Fund bears operating costs, including the costs of maintaining its stock exchange listing, Bermuda government fees, legal and auditing fees, reporting expenses, the cost of preparing its Prospectus and communication costs. Finally, the Fund incurs costs when buying or selling underlying investments. Operating costs (excluding the Investment Manager's fees, the cost of buying and selling assets, interest and brokerage charges and certain taxes) attributable to the Fund's Shared Investor RRF Class are currently capped at 0.15% per annum of the net asset value of that class.

Where an investor subscribes or redeems an amount representing 5% or more of the net asset value of the Fund, the Investment Manager may cause the Fund to levy a fee of 0.40% 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

| 31 March 2022 | % | 30 June 2022 | % |
|---|---|---|---|
| British American Tobacco | 7.8 | British American Tobacco | 8.0 |
| FLEETCOR Technologies | 3.6 | FLEETCOR Technologies | 3.8 |
| Global Payments | 3.6 | Global Payments | 3.5 |
| UnitedHealth Group | 3.4 | Progressive | 3.0 |
| XPO Logistics | 3.4 | Howmet Aerospace | 2.8 |
| Elevance Health (was Anthem) | 3.1 | Samsung Electronics | 2.8 |
| Newcrest Mining | 3.0 | XPO Logistics | 2.6 |
| Howmet Aerospace | 2.9 | GXO Logistics | 2.6 |
| Progressive | 2.8 | UnitedHealth Group | 2.5 |
| GXO Logistics | 2.7 | Shell | 2.4 |
| **Total** | **36.2** | **Total** | **33.9** |

**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 Global Equity Fund

## Additional Information

South African residents should contact Allan Gray Unit Trust Management (RF) Proprietary Limited at 0860 000 654 (toll free from within South Africa) or offshore_direct@allangray.co.za to receive, free of charge, additional information about a proposed investment (including Prospectus, application forms, annual reports and a schedule of fees, charges and maximum commissions). The Investment Manager can be contacted at +1 441 296 3000 or clientservice@orbis.com. The Fund's Custodian is Citibank N.A., New York Offices, 388 Greenwich Street, New York, New York 10013, U.S.A. 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; 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,
- for the Shared Investor RRF Share Class(es) (A) and Standard Share Class(es) (A), from the Allan Gray Unit Trust Management (RF) Proprietary Limited's website at www.allangray.co.za, and
- for the Shared Investor RRF Share Class(es), Standard Share Class(es), and Investor Share Class(es), from the Orbis website at www.orbis.com.

## 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 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. The Investment Manager provides no guarantee with respect to capital or the Fund's returns. 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 of 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 Minimum

Minimum investment amounts in the Fund are specified in the Fund's Prospectus, provided that a new investor in the Orbis Funds must open an investment account with Orbis, which may be subject to minimum investment restrictions, country restrictions and/or other terms and conditions. For more information on opening an Orbis investment account, please visit www.orbis.com.

Clients investing via Allan Gray, which includes the Allan Gray Investment Platform, an Allan Gray investment pool or otherwise through Allan Gray Nominees, remain subject to the investment minimums specified by the applicable terms and conditions.

## Sources

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## 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, for the 12 month period ending 30 June 2022.

## Additional Notices for Orbis SICAV Funds

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

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

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