

Orbis Optimal

The first half of 2022 has been a difficult time for major asset classes. Global equities are now in bear market territory and bonds are on track for their worst year in decades. Still, asset prices remain near historical highs and valuation dispersions within markets (e.g. value versus growth) remain wide. In this environment, we continue to believe that the Optimal Strategy represents a compelling alternative, offering both protection against broader market declines through stockmarket hedging as well as exposure to our highest conviction stock selections.

B&M European Value Retail is one such stock. The company may be familiar to some readers in the UK, but it is generally not a household name for many investors. B&M is a low-price retailer in the UK that sits at the intersection of specialist retailers, grocery stores and deep discounters. The chart to the right shows where B&M sits relative to some of its major competitors in the UK. Customers are attracted to B&M for their branded groceries, which are typically priced at a 15% discount to the mainstream grocers, and for bargain hunting opportunities in the general merchandise category, which includes toys, gardening, home, and do-it-yourself products.

B&M's strategy is to go wide and narrow on its inventory. That means they stock only the fastest-selling items in any given category. This strategy gives them bargaining power with their suppliers due to the high volumes purchased of each product and ensures healthy product margins since they don't need to unload unpopular items at even steeper discounts. Shelf space is rotated across seasonal products such as gardening and Christmas decorations to ensure a high return on investment. If a certain product is seeing price increases from the supplier, B&M can just choose to stock another product instead. For example, if Kellogg's wants to increase the price of Corn Flakes, B&M can simply buy cereal from another brand instead. A traditional supermarket like Tesco, on the other hand, needs to keep both brands on the shelf to avoid disappointing its less price conscious customers. B&M also has decades of experience sourcing cheap goods directly from China, cutting out the distributors such that it can get lower prices and pass on the benefits directly to consumers.

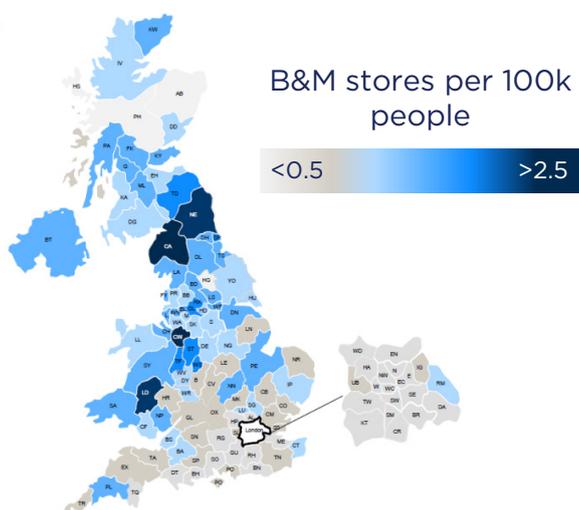
B&M: attractively positioned against competition



Source: Company reports, Orbis.

Years of growth and expansion still ahead

Regional analysis of B&M store count vs population based on postal code



Source: Company reports, September 2021.

Based in Liverpool, B&M currently has about 700 stores in the UK. As shown in the map to the left, the greatest concentration of stores still tends to be in the north and northwest parts of England. This suggests that there is still plenty of room for growth in the south and southwest. Based on our analysis, we believe B&M could add another 400 to 500 stores in the UK without cannibalising its existing stores. As a result, we think it's reasonable to assume that B&M can deliver earnings growth of about 8% per annum over the course of our investment horizon. More importantly, we expect that B&M can return the vast majority of these earnings in the form of dividends because new stores tend to earn back the initial investment quickly. Said differently, growth doesn't require large amounts of capital and a large proportion of earnings are free to be distributed back to shareholders.

"Mr. Market" is currently panicking about the state of the UK consumer, providing investment opportunities amid uncertainty. British consumers are under enormous

Orbis Optimal *(continued)*

pressure due to rising energy and food costs, and consumer confidence is currently at all-time lows. We believe our position in B&M offers compelling value relative to local stockmarkets. UK shares in the FTSE 100 trade at a forward earnings multiple of 13 but traded as high as 16 at the start of the year. B&M is not only trading at a more attractive valuation—currently just 11 times our estimate of earnings for the fiscal year that ends in March 2023—but we think it is in a better position than many businesses in the UK amid this challenging environment.

Consumer confidence in the United Kingdom falls to lowest point on record

Economic and financial UK consumer outlook 1974 to May 2022



While the near-term is uncertain—and the consumer’s pain is very real—discount retailers typically outperform during recessions as customers are more in need of a bargain than usual. Children will still need toys for their birthdays and Christmas presents will continue to need wrapping paper. History also shows that B&M has held up well during past periods of extreme consumer distress. For example, B&M posted like-for-like growth (existing store revenue growth without the impact of new stores opening) of -10% during the global financial crisis in 2008-2010. The vast majority of what B&M sells costs £2-5 per item and only 2-3% of the revenues come from items that cost more than £20. B&M provides great value for money irrespective of the macro environment and especially so when budgets are stretched.

We think B&M has a winning retail format with excellent unit economics. While the near term is cloudy, its long-term competitive advantage remains intact and our confidence in the business model remains strong. The quality of the business is much superior to that of the average stock in the local market, and we see it as an attractively priced and hopefully defensive opportunity in a highly uncertain environment.

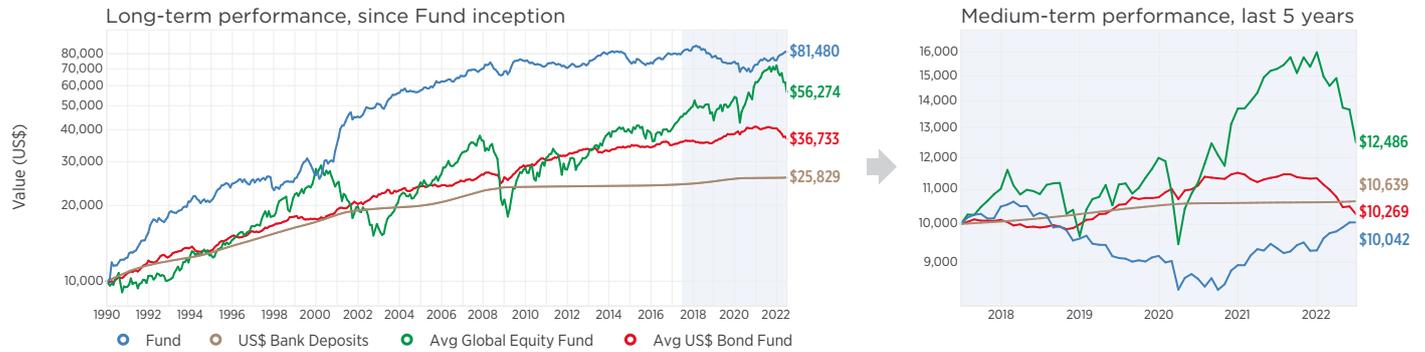
Commentary contributed by Neha Aggarwal, Orbis Portfolio Management (Europe) LLP

Orbis Optimal (US\$) Fund

The Fund seeks capital appreciation in US dollars on a low risk global portfolio. It invests in Orbis' preferred mix of equities principally via investment in Orbis' equity strategies. The risk of loss is managed with stockmarket and currency hedging. The Fund's currency benchmark is 100% US dollars.

Price	US\$81.48	Comparators	US\$ Bank Deposits
Pricing currency	US dollars		Average Global Equity Fund Index
Domicile	Bermuda		Average US\$ Bond Fund Index
Type	Open-ended mutual fund	Minimum investment	US\$50,000
Fund size	US\$1,768 million	Dealing	Weekly (Thursdays)
Fund inception	1 January 1990	Entry/exit fees	None
Strategy size	US\$2.8 billion	ISIN	BMG6766M1055
Strategy inception	1 January 1990		

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



Returns (%)

	Fund	US\$ Bank Deposits	Avg Global Equity Fund	Avg US\$ Bond Fund
Annualised	<i>Net</i>		<i>Net</i>	
Since Fund inception	6.7	3.0	5.5	4.1
30 years	5.2	2.6	5.7	3.7
10 years	1.4	0.8	6.9	1.2
5 years	0.1	1.2	4.5	0.5
3 years	3.3	0.8	3.9	(0.9)
1 year	7.3	0.4	(18.2)	(9.7)
Not annualised				
Calendar year to date	7.9	0.3	(21.8)	(9.3)
3 months	2.5	0.2	(16.1)	(4.6)
1 month	0.0	0.1		

Stockmarket Exposure (%)

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure
Developed Markets	69	(67)	1	(3)
United States	23	(26)	(3)	(3)
Japan	18	(17)	2	1
United Kingdom	14	(5)	8	6
Continental Europe	7	(13)	(6)	(7)
Other	7	(7)	0	0
Emerging Markets	15	(8)	7	4
Total	83	(75)	8	1

Risk Measures, since Fund inception

	Fund	US\$ Bank Deposits	Avg Global Equity Fund	Avg US\$ Bond Fund
Historic maximum drawdown (%)	21	0	52	11
Months to recovery	>52 ¹	n/a	73	>18 ¹
% recovered	74	n/a	100	0
Annualised monthly volatility (%)	7.7	0.7	14.4	3.5
Correlation vs FTSE World Index	0.1	0.0	1.0	0.3
Correlation vs Orbis Global Equity Fund relative return	0.8	0.1	(0.1)	0.0

Currency Allocation (%)

US dollar	97
Other	3
Total	100

Top 10 Holdings, looking through to the underlying securities

	FTSE Sector	%
British American Tobacco	Consumer Staples	4.5
Shell	Energy	3.2
Golar LNG	Energy	2.4
FLEETCOR Technologies	Industrials	2.1
Motorola Solutions	Telecommunications	2.0
Woodside Energy Group	Energy	1.9
INPEX	Energy	1.9
Sumitomo	Industrials	1.7
Mitsubishi	Industrials	1.6
GXO Logistics	Industrials	1.5
Total		22.7

Fees & Expenses (%), for last 12 months

Management fees (from the underlying funds) ²	1.03
<i>For performance in line with the performance fee benchmark</i>	<i>1.17</i>
<i>For out/(under)performance vs performance fee benchmark</i>	<i>(0.14)</i>
Performance fee (for the Orbis Optimal (US\$) Fund) ³	0.00
Fund expenses	0.09
Total Expense Ratio (TER)	1.12

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 Number of months since the start of the drawdown. This drawdown is not yet recovered.

² The Fund indirectly bears the fees of the funds in which its assets are ultimately invested.

³ The Fund pays a performance-based fee of up to 0.5% per annum of the Fund's weekly net assets whenever the Fund's share price is greater than its high of more than one year earlier and the Fund's trailing one-year return exceeds that of Bank Deposits plus 5 percentage points.



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 2022. 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.

Orbis SICAV Global Equity Fund

As described in further detail in the prospectus of the Orbis SICAV, Orbis Investment Management (Hong Kong) Limited (“Orbis Hong Kong”) acts as a Sub-Portfolio Manager to the Orbis SICAV Global Equity Fund (the “Fund”) for investment decisions and advice, primarily for emerging markets securities, subject to the control and supervision of Orbis Investment Management Limited (“Orbis Bermuda”).

It is intended that, effective 1 May 2022, Orbis Hong Kong will cease to make investment decisions with regards to the Fund but will nevertheless continue to provide investment advice to Orbis Bermuda, primarily for emerging markets securities. All remuneration paid to Orbis Hong Kong will continue to be paid by Orbis Bermuda out of its own assets and not out of the assets of the Fund.

The Orbis SICAV prospectus provides further details regarding Orbis Bermuda, which is currently the Investment Manager of all six of the Orbis SICAV Funds.

The Orbis SICAV prospectus is available at www.orbis.com and/or free of charge upon request at clientservice@orbis.com.

Legal Notices

Past performance is not a reliable indicator of future results. 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. 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. Subscriptions are only valid if made on the basis of the current Prospectus of an Orbis Fund. Please refer to the respective Fund’s Prospectus for full information on the risks associated with investing.

The discussion topics for the commentaries were selected, and the commentaries were finalised and approved, by either Orbis Investment Management Limited or Orbis Investment Management (Guernsey) Limited, the Funds’ Manager or Investment Manager, as the case may be. 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.

This Report has been approved for issue in the United Kingdom by Orbis Investment Advisory Limited, 28 Dorset Square, London, England NW1 6QG; a firm authorised and regulated by the Financial Conduct Authority. Orbis Investment Management Limited is licensed to conduct investment business by the Bermuda Monetary Authority. Orbis Investment Management (Guernsey) Limited is licensed to conduct investment business by the Guernsey Financial Services Commission.

If you are an investor in Australia, pursuant to Regulation 71.33B of the Corporations Regulations, this document is provided to you on behalf of the relevant Orbis Funds by Orbis Investment Advisory Pty Ltd, Australia Financial Services Licence No. 237862, Australia Business Number 15 101 387 964.

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).

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.

Fees charged reduce the potential growth of your investment. Please refer to the relevant Fund’s Prospectus for detailed information on the fees and expenses attributable to the Fund and for information on date of payment of the performance fee as applicable.

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.

Notice to Persons in the European Economic Area (EEA)

Each sub-fund of Orbis SICAV, a UCITS compliant Luxembourg fund, described in this Report is admitted for public marketing in Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom. The Orbis Funds that are not Orbis SICAV Funds are alternative investment funds that are neither admitted for public marketing anywhere in the EEA nor marketed in the EEA for purposes of the Alternative Investment Fund Managers Directive. As a result, persons located in any EEA member state will only be permitted to subscribe for shares in the Orbis Funds that are admitted for public marketing in that member state or under certain circumstances as determined by, and in compliance with, applicable law.

Orbis may decide to terminate the arrangements made for marketing the shares of the Orbis SICAV in the EU Member States where the Orbis SICAV is admitted for marketing under Directive 2009/65/EC (UCITS Directive).

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 on our website (www.orbis.com). Returns are net of fees, include income and assume reinvestment of dividends/distributions. Annualised returns show the average amount earned on an investment in the Fund/share class each year over the given time period. The country and currency classification for securities follows that of third-party providers for comparability purposes. Emerging Markets follows MSCI classification when available and includes Frontier Markets. Emerging Markets currency exposure is based on currency denomination. Based on a number of factors including the location of the underlying business, Orbis may consider a security’s classification to be different and manage the Funds’ exposures accordingly. Totals presented in this Report may not sum due to rounding.

Risk measures are ex-post and calculated on a monthly return series. Months to recovery measures the number of months from the preceding peak in performance to recovery of that level of performance.

12 month portfolio turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the lesser of total security purchases or sales in the Fund over the period, divided by the average net asset value (NAV) of the Fund. Short-term fixed income instruments and net current assets are not included.

12 month name turnover for the Orbis Equity and Multi-Asset Class Funds is calculated as the number of positions held by the Fund at the start of the period but no longer held at the end of the period, divided by the total number of positions held by the Fund at the start of the period. Net current assets are not included.



Active share is a measure of the extent to which the holdings of the Orbis Equity and Multi-Asset Class Funds differ from their respective benchmark's holdings. It is calculated by summing the absolute value of the differences of the weight of each individual security in the specific Orbis Fund, versus the weight of each holding in the respective benchmark index, and dividing by two. For the Multi-Asset Class Funds, three calculations of active share are disclosed. The Portfolio active share incorporates the equity, fixed income, commodity-linked and other securities (as applicable) held by the Orbis Fund and compares those to the holdings of the composite benchmark. The Equity and Fixed Income active shares are calculated as if the equity and fixed income portions of the Orbis Funds are independent funds; each of those two sets of holdings is separately compared to the fully-weighted holdings in the appropriate component of the composite benchmark. Although the Multi-Asset Class Funds hedge stock and bond market exposure, the active share calculations are "gross" and not adjusted to reflect the hedging in place at any point in time.

Benchmark related information is as at the date of production based on data provided by the official benchmark and/or third party data providers. There may be timing differences between the date at which data is captured and reported.

The total expense ratio has been calculated using the expenses, excluding trading costs, and average net assets for the 12 month period ending 30 June 2022.

Orbis SICAV Funds: The ongoing charges exclude performance fees and portfolio transaction costs. The performance related management fee becomes payable to Orbis on each Dealing Day as defined in the Funds' Prospectus.

Orbis Optimal Funds: Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency. Beta Adjusted Exposure is calculated as Equity Exposure multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.

Fund Information

Orbis SICAV Global Balanced Fund: The benchmark is a composite index consisting of the MSCI World Index with net dividends reinvested (60%) and the JP Morgan Global Government Bond Index (40%). Net Equity is Gross Equity minus stockmarket hedging. Fixed Income refers to fixed income instruments issued by corporate bodies, governments and other entities, such as bonds, money market instruments and cash. Fixed Income regional allocation is based on the currency denomination of the instrument. Net Fixed Income is Gross Fixed Income minus bond market hedging. Except where otherwise noted, government fixed income securities are aggregated by time to maturity and issuer. TIPS are not aggregated with ordinary treasuries.

Prior to 29 November 2002 the Investor Share Class of the Orbis SICAV Japan Equity (Yen) Fund was a British Virgin Islands investment company, Orbis Japan Equity (Yen) Fund Limited.

Prior to 1 July 1998 Orbis Optimal (US\$) was managed with a currency benchmark of 40% US dollars, 40% European currency units and 20% Japanese yen. On 1 July 1998 this was changed to 100% US dollars and the euro denominated Fund was launched.

Fund Minimums

Minimum investment amounts in the Orbis Funds are specified in the respective Fund's Prospectus. New investors in the Orbis Funds must open an investment account with Orbis, which is subject to a US\$100,000 minimum investment, country restrictions and/or other terms and conditions. For more information on opening an Orbis investment account, please visit www.orbis.com.

Sources

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TOPIX Stock Price Index, including income ("TOPIX"): Tokyo Stock Exchange. TOPIX hedged into US\$ and euro are calculated by Orbis using an industry-standard methodology using the TOPIX which is in yen. No further distribution of the TOPIX data is permitted.

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