Orbis Global Equity

Japan is a big overweight in the Orbis Global Equity Strategy.

It's big in global markets, too. Japan is the world's second-largest developed stockmarket and home to over 600 companies with market values above $1 billion. That is as many sizable stocks as there are in every country in Europe combined. But despite its size, Japan is often left hanging on the periphery of investor attention.

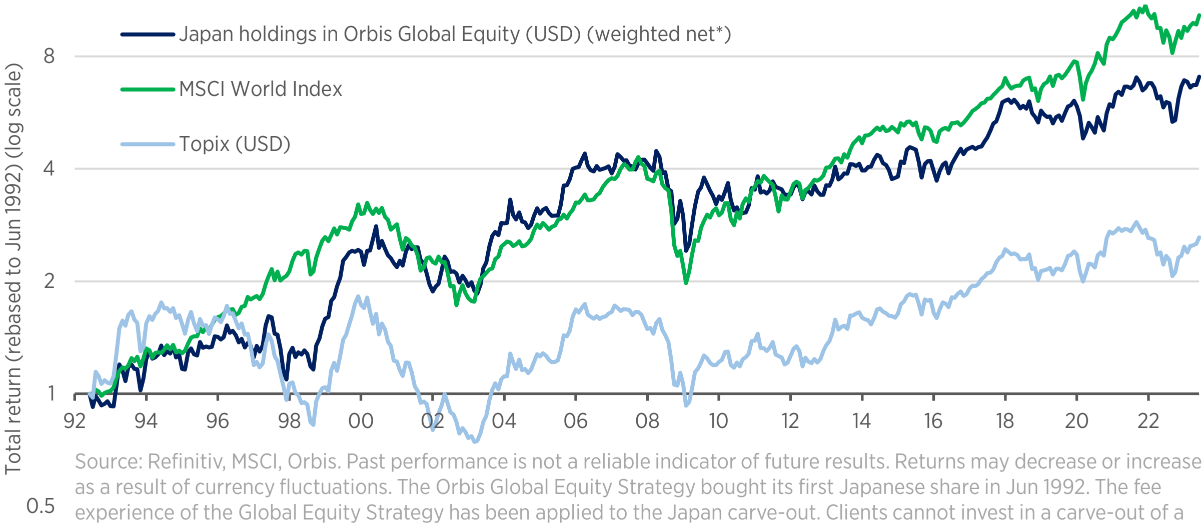
We can see why. If investors know a single thing about Japan's market, it's that Japan has been a singularly bad market for investors. Since its epic bubble burst in 1990, the Japanese benchmark has returned less than 1% per annum in dollars, compared to 9% p.a. for other developed markets.

But dismissing Japan after a glance at its passive returns would be a mistake. While Japan has been a depressing market for passive investors, it has been a tremendous hunting ground for active stockpickers. For a start, a textbook value style has worked much better in Japan than it has elsewhere. In Japan, value has beaten growth by 4% p.a. since 1975, far beyond the 1% p.a. value has delivered in other global stockmarkets. The market's cyclicality feeds big swings in greed and fear, providing a great setup for contrarians to exploit.

Indeed, contrarian stockpicking has worked much better than a simple value approach. Despite the poor returns of Japan's market, Orbis Global's Japan holdings have been competitive with world stockmarkets since we bought our first Japanese stock in 1992, and our Japan holdings have *beaten* world stockmarkets over the last 25 years.

Japan: a tough market for passive investors, but a ripe market for stockpickers

Total return in USD of Orbis Global Equity's Japan holdings, the MSCI World Index, and the Topix



Source: Refinitiv, MSCI, Orbis. Past performance is not a reliable indicator of future results. Returns may decrease or increase as a result of currency fluctuations. The Orbis Global Equity Strategy bought its first Japanese share in Jun 1992. The fee experience of the Global Equity Strategy has been applied to the Japan carve-out. Clients cannot invest in a carve-out of a portfolio. *This is the asset-weighted net-of-fees return of all share classes in the Strategy. This return may differ from the return of any individual share class.

Bottom-up stockpicking has worked better than a simple value style in part because doing our homework helps us avoid stocks that look cheap but remain cheap forever. There are plenty of such value traps in Japan. Unlike the rest of the world, the proportion of companies in Japan that trade below their book value is enormous, and many of them have traded at those low valuations persistently.

In recent years the Japanese government has made efforts to untrap some of that value. These began in earnest after the election of the late Shinzo Abe, who in 2013 laid out the "structural reform" arrow of his namesake economic strategy. In 2014, the government published the Ito Review, which took a frank look at the low capital efficiency of Japanese corporates. Japan's Stewardship Code, which encourages engagement from investors, was also adopted in 2014, and we signed it the following year. In 2015, Japan introduced its Corporate Governance Code, which aims to encourage better behaviour from companies. It has since been revised twice, amid a smattering of smaller measures.

These policies have greatly improved the quality of Japan Inc.'s investor engagement—though from a low base, and at a glacial pace.

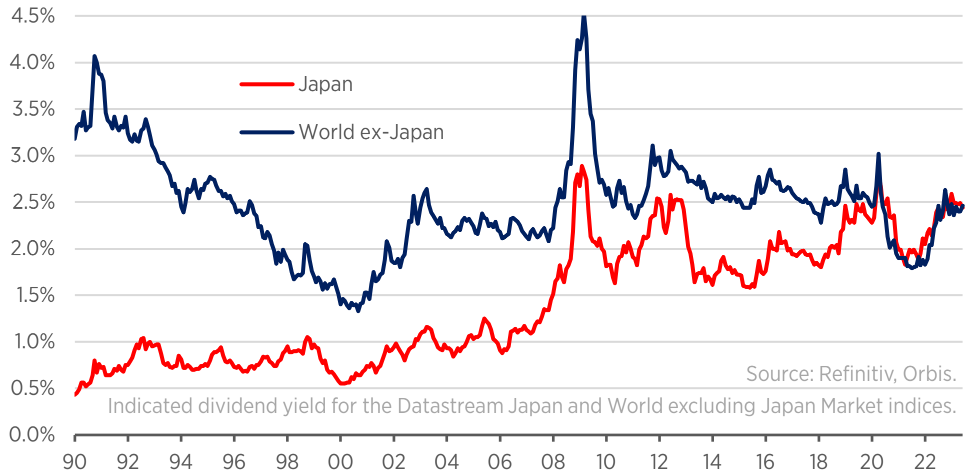
Orbis Global Equity *(continued)*

That pace changed this year, when the Tokyo Stock Exchange singled out companies whose shares trade at a price-to-book ratio (PBR) of less than 1.0, obliging them to tell investors their plans to achieve a higher valuation. This has lit a fire under management teams and opened the door to greater shareholder activism.

In short, Japan is changing, and in a good way. Helped by Warren Buffett's public enthusiasm for Japan's trading companies, investors and the press are beginning to take notice. Companies are demonstrating an increased commitment to dividend growth, minimum pay-outs and share buybacks. Dividend yields in Japan now rival those of major western markets.

Having lagged for decades, Japan's dividends are catching up

Dividend yield of Japan and world excluding Japan stockmarkets, 1990 to date



Source: Refinitiv, Orbis.
Indicated dividend yield for the Datastream Japan and World excluding Japan Market indices.

We share the enthusiasm, but we believe it pays to be selective—passive investors are likely getting exposure to more expensive stocks that have less opportunity to improve.

Some of our holdings have already started to improve. Megabanks like Sumitomo Mitsui Financial Group and Mitsubishi UFJ Financial Group continue to reduce inefficient cross-holdings of other companies' shares, have adopted progressive dividend policies, and increased share buybacks. In this, they are following the model of the trading companies Mitsubishi and Sumitomo, which have improved their capital allocation and been rewarded with much higher valuations. We know those businesses well, having owned them well before Berkshire Hathaway, and we have sold down those positions into the Buffett-induced euphoria.

Yet other companies could benefit greatly from self-help measures within their own control. Inpex, for example, is a highly cash generative oil and gas producer whose valuation has languished at 0.5 times book value. Part of the reason for that is its payouts. Although the company has bought back more than 10% of its shares over the past two years and pays out 40% of its earnings to shareholders, it can afford to do much more. Its free cash flow generation is prolific, but payouts are lower than those of international peers. Were Inpex to increase pay-outs in line with peers, it could be rewarded with a far higher valuation.

Self-help is not the only appeal of Japanese shares. In a global portfolio, currency matters too, and the setup there makes Japan look even more appealing. The policy interest rate in the US is at 5%, while the Bank of Japan has stubbornly kept rates at zero. Foreign investors looking to buy Japanese shares while hedging the currency essentially get this 5% difference, as they pay yen interest rates and receive dollar interest rates. If the exchange rate doesn't move, foreign investors can pocket this 5% in addition to the yen return of their shares.

However, in the view of our currency team, the exchange rate should move over the long term—in the yen's favour. With 144 yen per 1 dollar, our data suggests the dollar is more than 40% overvalued. When the team stacks up how buyers and sellers of the yen and dollar could change over time, it seems unlikely that the forces supporting the dollar will remain as strong as they've been in the recent past. If that analysis is right, the currency tailwind for foreign investors could exceed 5%.

But the biggest reason we find Japanese shares attractive is the simplest one—their valuations. Despite its improving fundamentals, the Japanese market remains inexpensive versus other world stockmarkets,

Orbis Global Equity *(continued)*

particularly the US. As is the case elsewhere, valuation spreads remain exceptionally wide in Japan, with a wide gulf between the prices of cheap versus expensive stocks. When we look bottom up, we can find shares that are far cheaper than the Japanese market, while still picking up a higher dividend yield.

Japan is inexpensive, and there is deep value within it

Metrics for Orbis Global Equity holdings and the FTSE World Index

Valuation	Price / book value	Price / earnings*	Dividend yield
FTSE World Index	5.0	22	1.6%
Japan stocks in FTSE World Index	1.6	16	2.2%
Japan stocks in Orbis Global Equity	0.7	10	3.9%

Source: Refinitiv, Orbis. Data is based on a representative account for the Orbis Global Equity Strategy. In each case, calculated first at the stock level and then aggregated using a weighted median. Statistics are compiled from an internal research database and are subject to subsequent revision due to changes in methodology or data cleaning. *IBES forecast forward price to earnings for the next financial year.

That is the case for Japan today. It's been a tough market for passive investors, but an outstanding stockpicker's market. Company fundamentals are improving, and a cheap currency provides additional upside potential. And above all, valuations are attractive. That sounds compelling to us, and accordingly, Japan now represents 13% of the Orbis Global Equity portfolio.

Commentary contributed by Brett Moshal, Orbis Portfolio Management (Europe) LLP, London orbis.com

Orbis
Invest Differently

Fact Sheet at 30 June 2023

Orbis Global Equity Fund

Investor Share Class

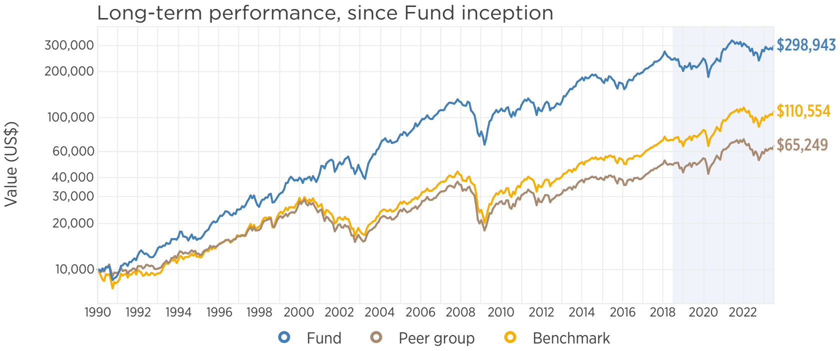
The Fund is designed to be exposed to all of the risks and rewards of selected global equities. It aims to earn higher returns than world stockmarkets, without greater risk of loss. The performance fee benchmark ("Benchmark") of the Class is the FTSE World Index, including income, gross of withholding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

Price	US$298.75
Pricing currency	US dollars
Domicile	Bermuda
Type	Open-ended mutual fund
Fund size	US$5.4 billion
Fund inception	1 January 1990
Strategy size	US$20.3 billion
Strategy inception	1 January 1990

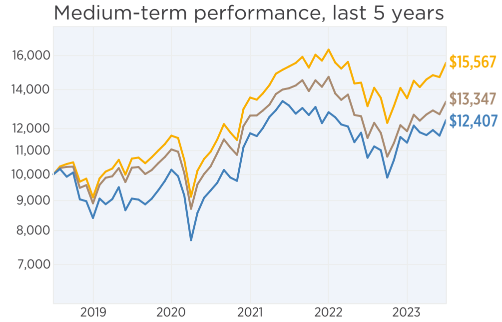
Benchmark	FTSE World Index
Peer group	Average Global Equity Fund Index
Minimum investment	US$50,000
Dealing	Weekly *(Thursdays)*
Entry/exit fees	None
ISIN	BMG6766G1087

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

Long-term performance, since Fund inception



Medium-term performance, last 5 years



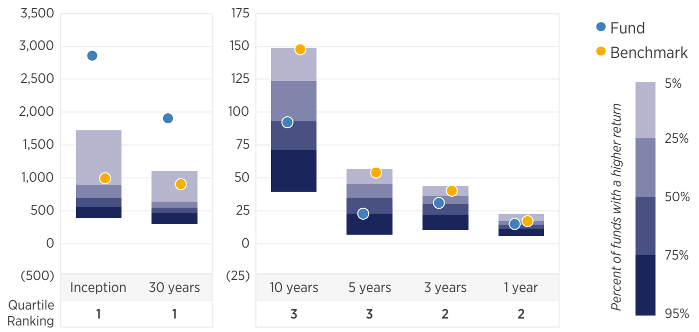
Returns (%)

	Fund	Peer group	Benchmark
Annualised	Net		*Gross*
Since Fund inception	10.7	5.8	7.4
30 years	10.6	6.1	8.0
10 years	6.9	6.9	9.7
5 years	4.4	5.9	9.3
3 years	9.8	9.0	12.5
1 year	16.2	15.5	18.8
Not annualised			
Calendar year to date	9.4	12.4	15.1
3 months	6.2	5.2	6.8
1 month	6.4		5.8

Risk Measures, since Fund inception

	Fund	Peer group	Benchmark
Historic maximum drawdown (%)	50	52	54
Months to recovery	42	73	66
Annualised monthly volatility (%)	16.6	14.5	15.4
Beta vs Benchmark	0.9	0.9	1.0
Tracking error vs Benchmark (%)	8.7	4.1	0.0

Ranking within peer group, cumulative return (%)



Geographical & Currency Allocation (%)

Region	Equity	Currency	Benchmark
Developed Markets	**84**	**92**	**95**
United States	47	43	65
Japan	13	17	7
United Kingdom	11	9	4
Continental Europe	8	13	13
Other	5	10	6
Emerging Markets	**14**	**8**	**5**
Net Current Assets	*1*	*0*	*0*
Total	**100**	**100**	**100**

Top 10 Holdings

	FTSE Sector	%
FLEETCOR Technologies	Industrials	5.9
GXO Logistics	Industrials	4.6
Sumitomo Mitsui Fin.	Financials	4.1
Global Payments	Industrials	3.5
Interactive Brokers Group	Financials	3.3
British American Tobacco	Consumer Staples	3.2
Samsung Electronics	Telecommunications	3.1
Bayerische Motoren Werke	Consumer Discretionary	2.8
Mitsubishi UFJ Financial Group	Financials	2.6
Constellation Energy	Utilities	2.4
Total		**35.4**

Portfolio Concentration & Characteristics

% of NAV in top 25 holdings	64
Total number of holdings	76
12 month portfolio turnover (%)	49
12 month name turnover (%)	36
Active share (%)	93

Fees & Expenses (%), for last 12 months

Management fee[1]	1.36
For 3 year performance in line with Benchmark	*1.50*
For 3 year outperformance/(underperformance) vs Benchmark	*(0.14)*
Fund expenses	0.04
Total Expense Ratio (TER)	**1.40**

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] 1.5% per annum ± up to 1%, based on 3 year rolling outperformance/(underperformance) vs Benchmark.

Orbis SICAV Semi-Annual Report

For SICAV funds, this report contains only some of the information included in the semi-annual report of the Orbis SICAV (the "Company") as at 30 June 2023. 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.

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 Orbis Investment Management Limited, the Funds' 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. To the maximum extent permitted by applicable law, 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.

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If you are an investor in Australia, pursuant to Regulation 7.1.33B 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 for the purposes of the Bermuda Monetary Authority's investment business rules and ESMA guidelines on marketing materials. You should consider the relevant offering documents including the Fund Prospectus and Key Information document (for a SICAV Fund) 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 2023.

Orbis Multi-Asset Class Funds: 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. Duration is calculated using the modified duration of the fixed income instruments in the portfolio, or the effective duration in the case of fixed income instruments with embedded options and real effective duration in the case of inflation-linked bonds. Yield to Maturity ("YTM") for the Fund and the JP Morgan Global Government Bond Index is the average of the portfolio's fixed income instruments' YTMs, weighted by their net asset value. Real YTM is used for inflation-linked bonds. The calculations are gross and exclude non-performing fixed income instruments.

Orbis SICAV Funds: The Fund expenses exclude 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%).

Prior to 1 November 2016 the Orbis SICAV Emerging Markets Equity Fund was named the Orbis SICAV Asia ex-Japan Equity Fund, its Benchmark was the MSCI All Country Asia ex-Japan (Net) (US$) Index, and its peer group was the Average Asia ex-Japan Equity Fund Index.

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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