

ORBIS EQUITY FUNDS

ANNUAL  
**REPORTS**  
31 DECEMBER 2013



ORBIS GLOBAL  
ORBIS ASIA EX-JAPAN  
ORBIS JAPAN

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**Annual Returns to 31 December\*:**

	<b>Currency</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Orbis Global Equity Fund	USD	41.5	6.0	(9.3)	16.2	43.2
Orbis SICAV - Global Equity Fund, Investor Shares	EUR	39.0	12.9	(6.4)	14.0	37.4
Orbis SICAV - Asia ex-Japan Equity Fund, Investor Shares	USD	96.4	5.4	(11.9)	23.2	20.1
Orbis SICAV - Japan Equity Fund - Yen Class	JPY	9.8	1.2	(6.1)	20.2	57.0
Orbis SICAV - Japan Equity Fund - Euro Class	EUR	7.7	0.2	(5.4)	18.6	54.4
Orbis Japan Equity (US\$) Fund	USD	8.9	0.5	(6.1)	20.0	54.6

\*Regulatory disclosure.

*We invite you to visit our website, [www.orbis.com](http://www.orbis.com), where you may register online to receive regular reports on our funds automatically by e-mail. We hope that this enables you to keep in better touch with us and with your investments.*

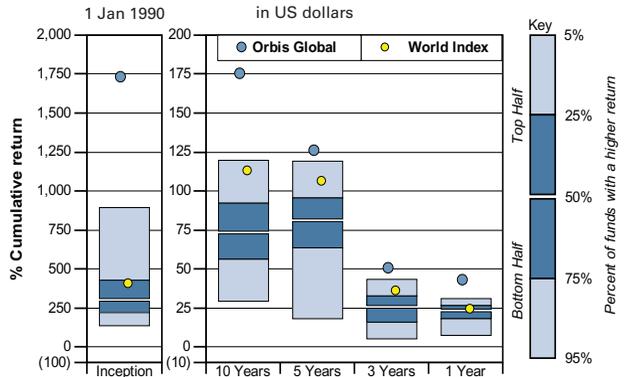
*The SICAV Funds described in this Report are admitted for public marketing in Ireland, Luxembourg, the Netherlands, Norway and the United Kingdom.*

RANKING WITHIN EQUITY FUND PEER GROUP

% Cumulative

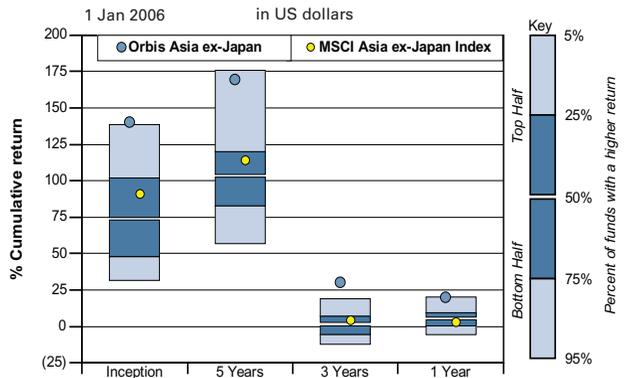
**ORBIS GLOBAL EQUITY FUND**

This Fund invests in equities globally and seeks to earn higher returns than world stockmarkets. The Fund's Benchmark is the FTSE World Index, including income ("World Index"). The Fund's currency exposure is managed relative to that of the World Index. This Fund is also available in euro through the Orbis SICAV - Global Equity Fund.



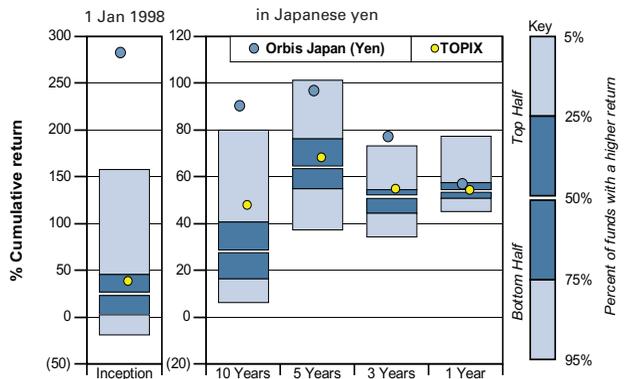
**ORBIS ASIA EX-JAPAN EQUITY FUND**

This Fund invests mainly in Asian equities outside Japan, and seeks to earn higher returns than the average of the Asia ex-Japan equity markets. The Fund's Benchmark is the MSCI All Country Asia ex Japan (Net) (US\$) Index, including income ("MSCI Asia ex-Japan Index"). The Fund's currency exposure is managed relative to that of its Benchmark.



**ORBIS JAPAN EQUITY FUND**

This Fund invests in Japanese equities. The Benchmark of the Fund's Yen Class is the Japanese stockmarket, measured by the Tokyo Stock Price Index, including income ("TOPIX"). The Yen Class does not hedge currencies, and therefore is exposed to the Japanese yen. This Fund is also available in euro and US dollars.



*Chart Data. Orbis Japan Equity Fund is the Yen Class of the Japan Equity Fund of the Orbis SICAV. The Orbis Japan Equity (US\$) Fund and the Euro Class of the Japan Equity Fund of the Orbis SICAV are based on the same equity portfolio as the Orbis Japan Equity Fund, and therefore are not shown separately. Total rate of return on each graph is in the Orbis Fund's base currency.*

## PRESIDENT'S LETTER

Dear Member,

The past year was an outstanding one for Orbis clients. In addition to very healthy relative and absolute returns, it marked the first time in the firm's 24-year history that we emerged from a notable period of disappointing performance without having experienced significant client redemptions. It is enormously fulfilling for us to see that your persistence has been rewarded and that so many Members have been able to experience the benefits of our efforts in recent years.

It is a sobering fact in our profession that investors generally achieve returns that are substantially lower than their investment managers' published track records would suggest. This happens because clients all too often "buy high and sell low" by investing with managers after periods of good performance and/or redeeming after periods of poor performance. Even managers who deliver healthy results in the fullness of time often find themselves having achieved little for their clients as a result.

Orbis was founded with the core purpose of striving to ensure that our clients do well. Of course, we cannot control their investment decisions, but we have always felt a responsibility to do what we can to help our clients avoid falling into the trap of investing (or redeeming) at the wrong time or for the wrong reasons. Many of our decisions as a firm have been made with this in mind. One example is a heavy and continuous reinvestment in our stockpicking capability. Our belief was that this would enhance not only our ability to perform on your behalf, but also your confidence in us as stewards of your capital, which in turn should make it easier for you to display persistence through our inevitable periods of sub-par performance.

While we still have room for improvement, and we are far from satisfied, there could be a deeper significance to Orbis' results in 2013. Perhaps they are a sign that the teams we have built in recent years—which together have significantly increased the number of investment opportunities that we have the capacity to analyse—are indeed capable of adding value on your behalf for many more years to come?

The fact that the recent relative performance has been particularly broad-based is a good sign in that regard. It has not merely been the case of a handful of individuals, or selected investment decisions, doing well. Taking the Orbis Global Equity Fund as an example, 70% of the Fund's capital was deployed in stocks that outperformed in 2013. Not only is that higher than the historical average, but more importantly it was achieved across a larger number of stocks—the Fund held 190 different positions during the course of 2013—and all five teams of stockpickers at Orbis have now made a meaningful contribution to performance.

To put this in perspective, 15 years ago Orbis had a single team of around seven people picking about 50 stocks for clients. Today we have five teams of, on average, about eight people each, and each team looks to select about as many stocks as the original team did in the past. This group of small teams is the result of a strategic decision made many years ago regarding how we would respond if we were faced with growing client demand for our services. Rather than coping with growth by asking our team to make a greater number of investment decisions or adding more people to the team, we planned to build a number of smaller teams, each seeded by an Orbis-trained stockpicker. The original team at Orbis was itself similarly spawned out of a successful team from our sister firm Allan Gray in South Africa.

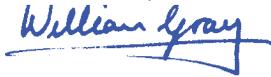
By building a collection of smaller and more nimble teams, rather than a single large team, we believe our ability to capitalise on stockpicking opportunity has been enhanced rather than diluted as we have grown. Said another way, rather than being forced to pick stocks differently due to asset growth, we simply have more people doing the same things as before. Time will tell, but we believe the results that these teams have achieved thus far are a testament to both their potential and the refinements we have made to our portfolio construction process in recent years.

Much the same can be said of our operational capabilities. In 2013, we achieved a number of important milestones, a few of which I will mention here. Following last year's external audit of controls related to operational processes

and reporting thereupon, which assessed their design, we have since received a clean opinion on the implementation of those controls—providing assurance as to their effectiveness. We also launched a new website which we believe is more effective in providing the information you need to make good decisions about your investment with Orbis. Most recently, we received regulatory approval to offer our services directly to smaller investors in the United Kingdom using an online model. You may recall that we have long endeavoured to find an effective and efficient way to empower individuals and families who have a modest amount to invest, and we believe this is an important first step. I have also previously mentioned our plans to solidify the long-term ownership structure of Orbis, and I look forward to reporting to you in that regard in the year ahead.

While we can take a moment to reflect on the investment and operational highlights of the past year, we can ill afford any hint of complacency. Our sense of purpose lies both in delivering value for money and in our clients capitalising on that. We remain focused on our role in that regard, recognising the critical part you play in exercising patience and perseverance through the inevitable setbacks along the way. We thank you for the trust and confidence you have shown in us and look forward to the future with both a sense of great enthusiasm and responsibility.

Yours sincerely,

A handwritten signature in blue ink that reads "William Gray". The signature is written in a cursive style with a long horizontal flourish extending to the right.

William B Gray

Hamilton, Bermuda  
31 December 2013

# ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2013

Total Rate of Return in US dollars, net of fees:	From Inception on 1 Jan 1990	Latest					Quarter
		20 Years	10 Years	5 Years	3 Years	1 Year	
		% Annualised					% Not Annualised
<b>Orbis Global Equity</b>	<b>12.9</b>	<b>12.9</b>	<b>10.7</b>	<b>17.7</b>	<b>14.7</b>	<b>43.2</b>	<b>6.9</b>
FTSE World Index	7.0	7.7	7.9	15.6	10.9	24.7	7.6
Average Global Equity Fund	5.4	5.0	5.0	11.4	6.8	21.1	6.4

Investors are prone to what psychologists call disposition bias. They tend to sell shares that have appreciated in order to lock in their gains, while holding onto those that have dropped in value to avoid taking a loss. This is a “path-dependent” bias, meaning that the decisions depend on how well the asset has performed in the past. A similar bias comes into play in the case of missed opportunities. Once an asset has already risen in price, a sense of regret over not buying it earlier can prevent investors from taking advantage of further upside.

Biases of this nature are particularly relevant in the current investment environment. Since early 2009, the FTSE World Index has more than doubled – about a 16% annualised return. This year has been another robust year, with the benchmark returning roughly 25% after posting a 17% return in 2012.

If you missed out on some or all of the “great asset inflation”, don’t feel bad—you’re in good company. Very few investors take full advantage of these great buying opportunities, as they occur only when many have given up on stocks and prices are extremely depressed. With a good dose of hindsight, early 2009 was indeed one of those moments that don’t come along very often. But it is still just another point in history. As hard as it may be, rational investors must leave their emotions and biases at the door and base their investment decisions on the prices that are available to them today.

It might help to note that past market performance in isolation tells us little about future performance. The following chart plots the annualised performance of the S&P 500 Index over historical five-year periods against the returns subsequently produced in the ensuing five years. It’s easy to see from the scattershot pattern that there is virtually no correlation between past and future returns. For example, the fact that the S&P 500 has risen an annualised 15% since 2009 does not imply, in and of itself, that we should expect below-average nominal returns over the next five years.

## Past performance is not indicative of future returns

5-year trailing and subsequent price returns of the S&P 500 Index, annual data since 1926

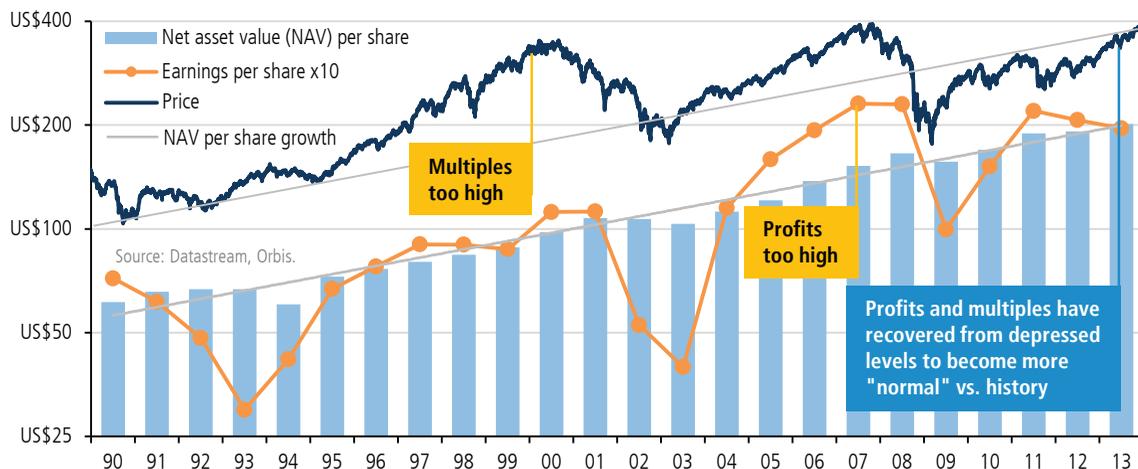


One of the reasons that strong historical returns are not necessarily indicative of weak future returns is that those strong returns tend to occur following periods of highly depressed valuations. These sharp rebounds may merely result in prices returning to “fair” levels from which we would expect “normal” returns rather than any

sharp retracement. The following chart shows that the rally since 2009 has itself been a journey from depressed multiples, on depressed earnings, back to more normal levels. Valuation multiples now sit solidly above those seen in 2009, but below the highs of the mid-to-late 1990s. Similarly, corporate returns on equity are now solidly above the lows witnessed in the last few US and worldwide recessions, but below the inflated levels seen in the mid-to-late 2000s. On this basis, one could hardly argue that global equity markets are wildly cheap at this point, but there is also a case to be made that they are not wildly expensive either. Simplistically speaking, there is both upside potential and downside risk from here.

## Equity prices and corporate profits have recovered from the depressed levels of 2009

Price, net asset value (NAV), and earnings per share for the FTSE World Index in USD, 1990 through 2013



Of course, what matters for your Fund is not the aggregate valuation of the stockmarket as a whole, but the stock selection opportunities within it. There is no doubt that many areas of the market currently look expensive and, as a result, will struggle to deliver satisfactory real returns over the medium term. However, while undervalued companies are less plentiful than they were a few years ago, we have still been able to find pockets of value that we believe offer potential for reasonable risk-adjusted returns, especially when compared to other typical alternatives such as bonds.

Despite yields on 10-Year US Treasury Bonds rising from what may prove to be a secular low of 1.4% in 2012 to 3.0% today, the bond market remains heavily distorted by the actions of the Federal Reserve and this has affected the behaviour of different types of stocks. One example is “bond-like” equities—shares of companies with highly predictable earnings and dividend streams—which, as we noted at this time last year, became inflated as a result of strong investor appetite for perceived stability and yield. As a result we were finding the majority of opportunities in stocks with almost the opposite characteristics—a high degree of economic sensitivity and, in many cases, exposure to rising bond yields.

What had therefore been a headwind for your Fund’s performance in 2012 became a moderate tailwind this past year as bond yields began to normalise. Specific examples of companies that we expect to benefit include insurers such as AIG and Aegon and managed healthcare companies such as WellPoint and Humana, which should all see the income on their investment books rise. Another example would be companies with large underfunded pension schemes such as General Motors which benefit from a higher discount rate applied to their pension liabilities.

It’s important to note that we did not hold these stocks because of any top-down view on the direction of rates or strength of any economic recovery. Instead, it was abnormally low rates that were partially responsible for creating a dislocation that led to us uncovering a concentration of attractive individual stock selections in areas of the market that had not become inflated as a result of distortions in the bond market. Despite strong performance in 2013, we continue to see value in many of these shares.

Another area to which the portfolio has reasonable exposure is Asia. Excluding Japan, the region as a whole was a standout laggard in 2013. In a world in which share prices have generally appreciated to levels well above the net asset value of the underlying businesses, it is encouraging that we can still find contrarian stocks in Asian countries such as Korea that continue to trade at very depressed levels.

## Korean shares look significantly cheaper than their increasingly expensive global peers

Median price to tangible net asset value ratio of shares in Korea and shares in the FTSE World Index, 2001 through 2013



The Basic Materials and Oil & Gas sectors have also been major laggards on a global basis, and while we are not yet seeing buckets of cheap stocks, we are starting to find a few rough gems. Apache, for example, trades at close to the value of the net assets on its balance sheet—a valuation it hasn't seen since the late 1980s—despite having one of the best track records of value creation in the oil and gas industry. The company has spent the last few years in investment mode, building a tremendous asset base that should stand it in good stead over the coming decades. Though there are near-term uncertainties, which are at least partially responsible for the depressed valuation and weak sentiment, the management team is rightly focussing on longer-term value creation. From its current valuation level, we believe the stock is poised to reap rewards over a long-term investment horizon.

Only time will tell how global stockmarkets, and your Fund's holdings, will fare in the year ahead and, more importantly, years ahead. Every investment environment has a set of risks, and this one is no different. The list is long and well documented: high levels of sovereign debt, the unintended consequences of unconventional stimulus policies, overinvestment in China and so forth. None of these should be taken lightly, but as is often the case it is the unseen risks that are most likely to have the greatest impact on markets. While everyone is on the lookout for the next 2008 or the next technology or housing bubble, the next shock may very well develop in an area where few are looking.

The broad rise in prices over the last five years has reduced the equity risk premium—the compensation that equity investors should expect in return for assuming these risks. It has also increased the likelihood of investment mistakes borne out of behavioural traits such as disposition bias. Your Fund is not immune to mistakes—far from it—but we believe our core discipline of basing decisions on a careful assessment of the intrinsic value of each business we analyse provides some insulation against common biases. Most critically, though, our process ensures that we are continually focussed on avoiding the single most important risk investors face in any environment: the risk of paying more for an asset than it is worth.

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

# ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2013

## STATEMENT OF NET ASSETS

Number Held 000's	Security	Fair Value US\$ 000's	Fund's % Equities*	Exposure to Currencies	% of World Index
<b>North America</b>			<b>49</b>	<b>48</b>	<b>54</b>
11,988	American International Group	611,990	4		
33,088	Weatherford International	512,538	3		
6,898	Motorola Solutions	465,605	3		
5,193	Apache	446,251	3		
2,286	Liberty Global - Class C	192,758	2		
1,371	and A	122,023			
5,660	eBay	310,704	2		
13,754	Micron Technology	299,292	2		
5,377	Citigroup	280,218	2		
2,259	Valeant Pharmaceuticals International	265,191	2		
8,753	Chesapeake Energy	237,563	2		
2,258	Humana	233,066	2		
2,477	WellPoint	228,844	1		
5,316	General Motors	217,260	1		
2,393	Rockwood Holdings	172,113	1		
4,129	Carnival Corporation	165,863	1		
	Positions less than 1%	2,782,779	18		
<b>Asia ex-Japan</b>			<b>19</b>	<b>18</b>	<b>6</b>
8,760	NetEase - ADR	688,555	4		
360	Samsung Electronics - Preference	346,575	2		
6,245	Korea Electric Power	206,135	1		
5,116	KB Financial Group	205,300	1		
2,428	Sohu.com	177,066	1		
6,778	SK Telecom - ADR	166,871	1		
	Positions less than 1%	1,129,080	7		
<b>Europe</b>			<b>18</b>	<b>26</b>	<b>26</b>
68,516	Barclays	308,662	2		
2,935	Actelion	247,856	2		
18,372	Telefonaktiebolaget LM Ericsson - B	224,229	1		
2,276	SAP	195,135	1		
197,800	Cable & Wireless Communications	184,312	1		
17,745	Aegon	167,526	1		
	Positions less than 1%	1,514,331	10		
<b>Japan</b>			<b>10</b>	<b>4</b>	<b>9</b>
28,446	INPEX	364,105	2		
6,056	Japan Tobacco	196,657	1		
6,846	NKSJ Holdings	190,088	1		
	Positions less than 1%	713,147	5		
<b>Other</b>			<b>4</b>	<b>4</b>	<b>5</b>
	Positions less than 1%	548,829	4		
<b>Net Current Assets</b>		48,646	-		
<b>Net Assets</b>		<b>15,367,163</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Net Asset Value per Share US\$ 183.14** 83,907,881 shares issued

(At 31 December 2012: US\$ 127.85; 89,306,558 shares issued)

\* Individual security weightings may not sum to the region totals due to rounding.

See accompanying notes on page 18

## GLOBAL EQUITY FUND AT 31 DECEMBER 2013

Total Rate of Return in euro, net of fees:	From Inception on 1 Jan 2005	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
<b>Global Equity, Investor Shares</b>	<b>9.7</b>	<b>18.1</b>	<b>13.6</b>	<b>37.4</b>	<b>4.9</b>
FTSE World Index	6.8	15.8	9.9	19.3	5.7
Average Global Equity Fund	4.0	11.7	5.8	16.1	4.6
<i>% appreciation of the euro versus the US dollar</i>	<i>0.2</i>	<i>(0.3)</i>	<i>0.9</i>	<i>4.3</i>	<i>1.7</i>

The Orbis SICAV - Global Equity Fund was formed to serve investors who are seeking a portfolio that is fully invested in, and exposed to, global equities at all times and who therefore accept exposure to trends in world stockmarkets. The financial statements of the Fund are prepared, its shares are priced and its returns and those of the World Index are presented in euro. However, the Fund adopts exposures to other currencies as shown in the Statement of Net Assets on the following page. The Fund's equity exposure, shown in the same table, comprises an approximately equal weighting of securities to that of the Orbis Global Equity Fund, shown on page 7. Given this, we refer readers to the Orbis Global Equity Fund Manager's Report on page 4. The Orbis SICAV - Global Equity Fund is Luxembourg-domiciled and regulated. The Orbis Global Equity Fund is Bermuda-domiciled and regulated.

While the Orbis SICAV - Global Equity Fund and Orbis Global Equity Fund are based on the same model, the performance of these Funds may vary.

## GLOBAL EQUITY FUND AT 31 DECEMBER 2013

## STATEMENT OF NET ASSETS

Number Held 000's	Security	Fair Value € 000's	Fund's % Equities*	Exposure to Currencies	% of World Index
	<b>North America</b>		<b>49</b>	<b>48</b>	<b>54</b>
2,405	American International Group	89,235	4		
6,612	Weatherford International	74,440	3		
1,388	Motorola Solutions	68,112	3		
1,047	Apache	65,425	3		
449	Liberty Global - Class C	27,513	2		
319	and A	20,647			
1,139	eBay	45,443	2		
2,768	Micron Technology	43,784	2		
1,082	Citigroup	40,992	2		
452	Valeant Pharmaceuticals International	38,593	2		
1,745	Chesapeake Energy	34,422	2		
455	Humana	34,173	2		
501	WellPoint	33,630	1		
1,070	General Motors	31,777	1		
484	Rockwood Holdings	25,281	1		
824	Carnival Corporation	24,059	1		
1,302	American Airlines Group	23,897	1		
	Positions less than 1%	388,556	17		
	<b>Asia ex-Japan</b>		<b>19</b>	<b>18</b>	<b>6</b>
1,723	NetEase - ADR	98,463	4		
68	Samsung Electronics - Preference	47,571	2		
1,302	Korea Electric Power - Common	31,245	1		
170	and ADR	2,054			
1,109	KB Financial Group	32,340	1		
479	Sohu.com	25,376	1		
	Positions less than 1%	196,314	9		
	<b>Europe</b>		<b>18</b>	<b>26</b>	<b>26</b>
13,619	Barclays	44,596	2		
591	Actelion	36,272	2		
3,532	Telefonaktiebolaget LM Ericsson - B	31,332	1		
484	SAP	30,142	1		
44,171	Cable & Wireless Communications	29,917	1		
3,571	Aegon	24,504	1		
	Positions less than 1%	199,607	9		
	<b>Japan</b>		<b>10</b>	<b>4</b>	<b>9</b>
5,894	INPEX	54,831	2		
1,219	Japan Tobacco	28,779	1		
1,369	NKSJ Holdings	27,632	1		
	Positions less than 1%	103,790	5		
	<b>Other</b>		<b>4</b>	<b>4</b>	<b>5</b>
	Positions less than 1%	92,226	4		
	<b>Net Current Assets</b>	5,795	-		
	<b>Net Assets</b> (Cost € 1,915,606)	<b>2,252,765</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Investor Share</b>			<b>€ 131.05</b>	

\* Individual security weightings may not sum to the region totals due to rounding.

See accompanying notes on page 22

## ASIA EX-JAPAN EQUITY FUND AT 31 DECEMBER 2013

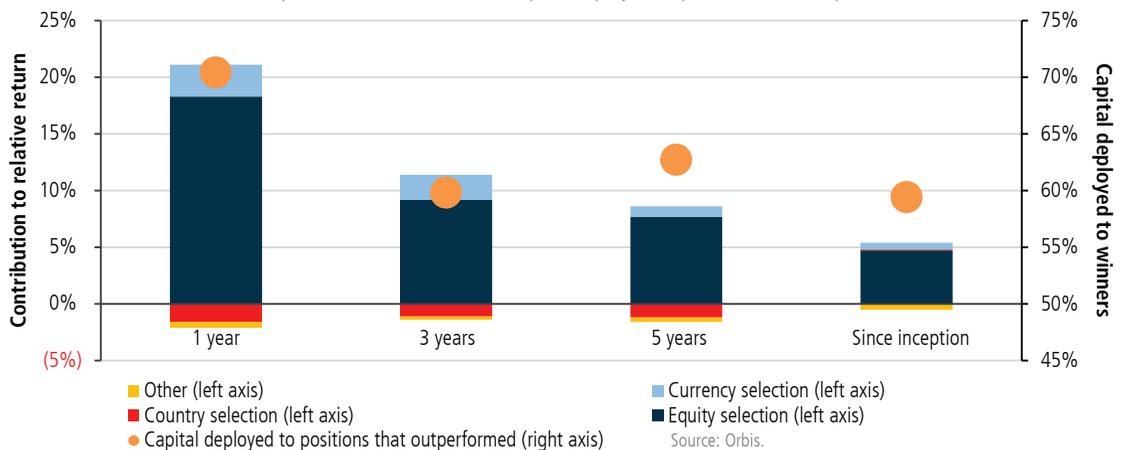
Total Rate of Return in US dollars, net of fees:	From Inception on 1 Jan 2006	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
<b>Asia ex-Japan Equity, Investor Shares</b>	<b>11.6</b>	<b>22.0</b>	<b>9.2</b>	<b>20.1</b>	<b>6.0</b>
MSCI Asia ex-Japan Index	8.4	16.5	1.4	3.1	3.4
Average Asia ex-Japan Equity Fund	7.5	15.6	0.4	5.1	3.7

As we reflect on 2013, it is thought-provoking to consider the large variation in returns among global stockmarkets during the year. Around the world, many markets surged during the year. For example, Japan rose over 50% and the US about 30% in local currency terms. A flip side was that other Asian stockmarkets, with the exception of Japan, were relatively flat. The MSCI Asia ex-Japan Index returned just over 3%, and against this backdrop it is encouraging that your Fund realised a return of just over 20% after fees. This year's relative performance is clearly a strong result, but we would caution members against reading too much into it.

As the following chart shows, your Fund's outperformance can be primarily attributed to equity selection within local stockmarkets (dark blue). During 2013 the vast majority of outperformance was derived from the allocation of capital to our best stock ideas. In fact, about 70% of your Fund's capital was invested in outperforming positions. It is also interesting to examine how much the stocks return if we are right, or lose if we are wrong. In this regard, 2013 was a good year. While 60% of your Fund's stocks were positive contributors, the median winning position outperformed their local markets by 13% while the average losing position underperformed by only 8%. This is consistent with our bottom-up stockpicking approach; we select stocks on an absolute return basis and are particularly drawn to opportunities with asymmetric risk/reward profiles.

### Performance in 2013 was unusually strong, but still driven by stocks

Contributors to Orbis Asia ex-Japan's relative returns and capital deployed to positions that outperformed at 31 December 2013



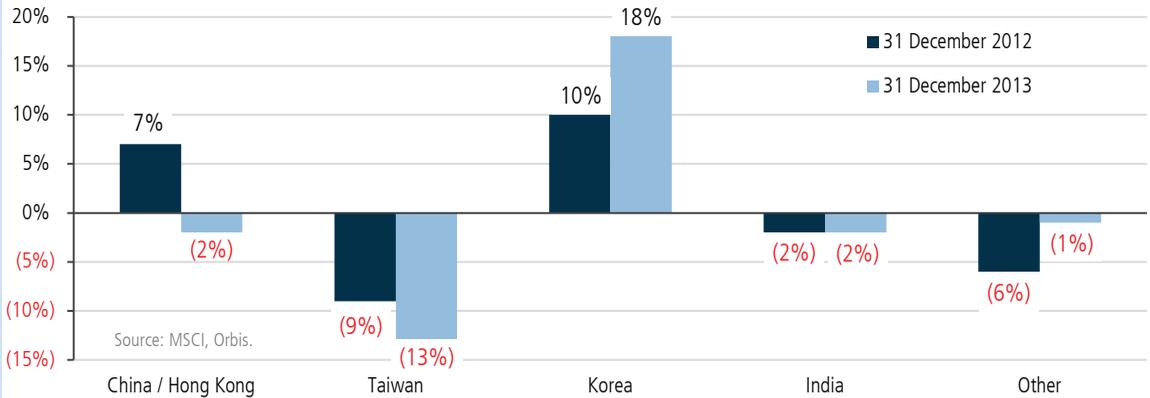
Among the top contributors to relative performance in 2013 were Chinese internet shares such as NetEase, Baidu and Sohu.com, while E-House (China) Holdings, SK Telecom, and Mindray Medical International, also made solid contributions. Partly in response to the strong performance, it is not surprising that the portfolio, which now comprises 35 stocks, experienced meaningful turnover during the year with 13 positions sold and 12 new ones established. Of note, Mindray, E-House, China Oilfield Services, and Bank of Ayudhya all exited the portfolio as their share price outperformance took them closer to our estimation of their intrinsic value. New purchases included Kunlun Energy, China Unicom (Hong Kong), GAIL (India), IDFC, and KB Financial Group.

As we consider the Fund's current positioning—which is the outcome of many decisions on individual stocks—it is noteworthy that the country positioning has changed somewhat over the past year. As the following chart shows, the exposure, relative to the benchmark, of stocks in China and Hong Kong decreased by nine percentage points and was offset by a similar rise in exposure to stocks in Korea. It is important to note that this reallocation of capital was not the result of a macroeconomic view on either country, but the fact that we sometimes find more attractive stocks in

one country than another, perhaps because specific factors in an individual market have an impact. Korea is a current example. The country is the cheapest major market in Asia as investors have been scared by the political landscape on the peninsula and the struggling domestic economy. In our view, however, these concerns are more than reflected in today's valuations. Accordingly, we have found several Korean shares trading at what we consider to be attractive valuations.

## Bottom-up stock decisions have driven change in the portfolio

Changes to Orbis Asia ex-Japan's exposure to regions relative to that of the MSCI Asia ex-Japan Index, 2012 and 2013



As is typical of our investment philosophy, your Fund maintains a high level of concentration in the shares where we find the greatest value. At the end of 2013, just over 35% of capital was invested in the top five positions:

NetEase, a 9.1% position, operates internet-based games and has a diversified profit stream, which we believe can continue to grow, driven by a strong product line-up and large investments in research and development. Moreover, growth in disposable incomes in China and the proliferation of smartphones are positive tailwinds. The stock currently trades at less than 12 times our estimate of 2014 earnings; a level we believe is favourable given its sustainable long-term growth prospects. In addition, the company is highly cash generative and has a very strong balance sheet, which offers a margin of safety in the event that intrinsic value proves to be lower than we expect.

Korea Electric Power, a 7.3% position, has been deeply out of favour as regulatory price caps (among other factors) have suppressed margins. It currently trades at a 60% discount to the value of its tangible net assets, but recent tariff increases and a government committed to industry reform give us confidence in the company's long-term outlook.

Sohu.com, a 6.8% position, is the third-largest Chinese internet video, search, and online gaming company. We feel the market doesn't appreciate the potential returns from the significant investment that management is directing towards the video and search businesses, and the potential value from the recent tie-up of the search business with Tencent. Based on a sum-of-the-parts valuation, we believe the market discounts the stock's long-term value.

Samsung Electronics, a 6.5% position, is a global consumer electronics group with a strong record of success and the capacity to increase both capital and income returns to shareholders. In addition to the ordinary stock—which trade at just 6 times our estimate of 2014 earnings—we have also purchased Samsung's preference stock which trades at a discount of 26% to the ordinary shares.

KB Financial Group, a 5.5% position, is Korea's leading consumer bank. It is well capitalised, has conservative loan exposure and is primarily exposed to a country where the housing market does not appear to be overextended. It has a return on equity of just 6% and trades at a 40% discount to its tangible book value and we believe that over the long term, its ROE will normalise and this improvement will be reflected in the market's valuation.

We can never be sure when, or if, the market will recognise the value that we see in our stock selections, but we do know what we will do: continue to apply our fundamental, long-term, and contrarian philosophy to invest your capital in the best opportunities we can find. Whether in expensive markets or cheap, we believe this approach offers the potential for superior long-term returns and a reduced risk of loss.

Commentary contributed by Stefan Magnusson, Orbis Investment Advisory (Hong Kong) Limited, Hong Kong

## ASIA EX-JAPAN EQUITY FUND AT 31 DECEMBER 2013

## STATEMENT OF NET ASSETS

Number Held 000's	Security	Fair Value US\$ 000's	Fund's % Equities*	Exposure to Currencies	% of MSCI Index
	<b>Korea</b>		<b>39</b>	<b>39</b>	<b>21</b>
5,239	Korea Electric Power	172,912	7		
108	Samsung Electronics - Preference	103,493	7		
39	and Common	50,515			
3,239	KB Financial Group	129,986	6		
255	Lotte Shopping	97,694	4		
397	Samsung Fire & Marine Insurance	97,626	4		
1,597	Kiwoom Securities	76,621	3		
2,026	SK Telecom - ADR	49,884	2		
30	Lotte Chilsung Beverage	43,535	2		
784	Hana Financial Group	32,670	1		
17	Lotte Confectionery	30,682	1		
	Positions less than 1%	40,947	2		
	<b>Greater China</b>		<b>38</b>	<b>38</b>	<b>53</b>
	<b>China</b>		30	30	25
2,732	NetEase - ADR	214,708	9		
2,191	Sohu.com	159,824	7		
663	Baidu - ADR	117,974	5		
63,887	China Unicom (Hong Kong)	95,573	4		
32,486	Kunlun Energy	57,229	2		
111,046	China Power International Development	39,526	2		
841	Youku Tudou - ADR	25,480	1		
	Positions less than 1%	4,143	-		
	<b>Hong Kong</b>		6	6	13
15,062	Hang Lung Properties	47,590	2		
909	Jardine Matheson Holdings	47,573	2		
1,455	Jardine Strategic Holdings	46,575	2		
	Positions less than 1%	1,248	-		
	<b>Taiwan</b>		2	2	15
84,844	SinoPac Financial Holdings	42,235	2		
	<b>Singapore</b>		<b>10</b>	<b>10</b>	<b>6</b>
136,861	Noble Group	115,924	5		
69,093	Olam International	83,956	4		
27,991	Genting Singapore	33,126	1		
	<b>India</b>		<b>6</b>	<b>6</b>	<b>8</b>
12,235	GAIL (India)	67,647	3		
24,433	IDFC	43,254	2		
32,991	Housing Development and Infrastructure	28,509	1		
	<b>Malaysia</b>		<b>5</b>	<b>5</b>	<b>5</b>
32,434	Genting Berhad - Common	101,500	5		
8,393	and Warrants	8,013			
	<b>Other</b>		<b>2</b>	<b>2</b>	<b>7</b>
1,935	Standard Chartered	43,589	2		
	<b>Net Current Liabilities</b>	(7,472)	-		
	<b>Net Assets</b> (Cost \$ 1,973,698)	<b>2,344,289</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Net Asset Value per Investor Share US\$ 22.72**

\* Individual security weightings may not sum to the region totals due to rounding.

See accompanying notes on page 22

## JAPAN EQUITY FUND AT 31 DECEMBER 2013

Total Rate of Return in Class Currency, net of fees:	From Inception	Latest					Quarter
		15 Years	10 Years	5 Years	3 Years	1 Year	
		% Annualised					% Not Annualised
<b>Yen Class</b> (launched 1 Jan 1998)	<b>8.7</b>	<b>7.8</b>	<b>6.6</b>	<b>14.5</b>	<b>21.0</b>	<b>57.0</b>	<b>5.1</b>
TOPIX	2.1	2.7	4.0	11.0	15.7	54.4	9.2
Average Japan Equity Fund	1.4	2.0	2.3	10.4	14.6	54.6	9.2
% appreciation of the yen versus the US dollar	1.4	0.5	0.2	(3.0)	(8.3)	(17.6)	(6.7)
<b>Euro Class</b> (launched 1 Jan 2003)	<b>8.9</b>	<b>6.8</b>	<b>13.3</b>	<b>20.1</b>	<b>54.4</b>	<b>5.0</b>	
TOPIX hedged into euro	7.2	5.2	10.5	14.5	51.9	8.9	
% appreciation of the euro versus the US dollar	2.5	0.9	(0.3)	0.9	4.3	1.7	

In 2011 we wrote that although most investors had a gloomy outlook on the Japanese economy, it is valuation—not the economic outlook—that drives stockmarket returns. Since the Abenomics-led rally began in November 2012, the Japanese market is up by over 75% and many former pessimists are optimistic about the prospects for an improvement in the Japanese economy. If valuation is what matters, it is sensible to ask: do Japan and your Fund still offer attractive potential returns after so strong a period?

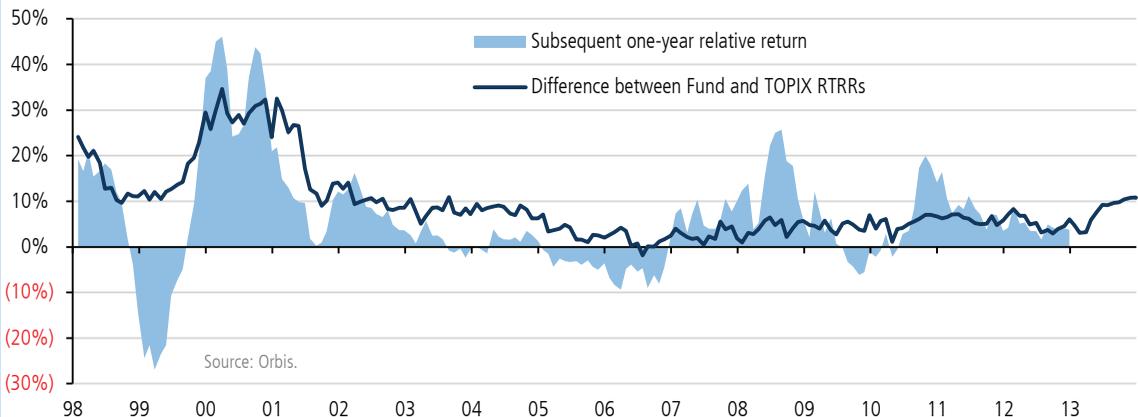
While we cannot predict the future, we do have ways to consider the prospective returns of your Fund and the broader market. We do this by looking at the share prices relative to fundamental measures such as earnings and tangible net asset value. Another tool we use to think about potential returns is a proprietary measure we call “re-rated total rate of return” or “RTRR”. As we discussed in last quarter’s Global Strategy commentary, RTRR can be thought of as the future annualised return that we might expect from a given stock—if that company’s future is like its past. Of course, this is a big “if”, which is why we spend almost all of our time on company-specific research.

We’ll look at the broader market first. Before the Abenomics-driven rally started in November 2012, the estimated RTRR for the TOPIX was 12%. Today, it is close to zero. Should the future mimic the past, the market seems priced for mediocre returns. Of course, if Abenomics succeeds, the future may diverge from the past and the market could deliver stellar returns.

So will Abenomics succeed? We don’t know, and that sort of analysis doesn’t play to our strengths. Instead, we work from the bottom up—aware of the macro environment, but not driven by top-down views. We prefer to focus on identifying individual stocks that trade at a significant discount to our assessment of their intrinsic value. This approach has allowed us to produce positive relative returns on your behalf, including during periods when the Japanese market appeared unattractive. Since its inception in 1998, the Orbis SICAV Japan Equity (Yen) Fund has delivered an average annualised return of over 8% after fees. Over the same period, the average RTRR of the TOPIX has been near zero—and the actual return of the TOPIX has been about 2% per annum.

### The difference between the estimated RTRRs of the Fund and TOPIX has widened

Difference between the estimated re-rated total rate of returns (RTRRs) of Orbis Japan and the TOPIX, and the subsequent one-year gross relative price return of Orbis Japan, 1 Jan 1998 through 2013



The preceding chart shows the difference between the estimated Fund and market RTRRs, which we can use to gauge your Fund's potential to deliver superior returns. If we think of RTRR as the absolute return we might expect, we can think of the difference between the portfolio's RTRR and that of the market as the relative return we might expect, provided the future is like the past. This difference has widened over the past year, though of course it could get wider still.

As the market has rallied, it has grown less attractive in aggregate. The same is true for many of the shares your Fund held a year ago, but unlike the market, your Fund can rotate capital into more attractive names. This is exactly what happened in 2013: our bottom-up research uncovered attractive new ideas, and as the opportunity set changed, so too did the portfolio. As a result, the RTRR of your Fund fell by less than that of the TOPIX, widening the gap between the two.

Several of our favourite stocks a year ago went on to do well in 2013. As we continued to assess the valuations of these shares, we felt that the discount to intrinsic value had narrowed in each case, so we sold these winners to free up capital for more attractive ideas. In 2013, your Fund's five largest sales were SBI Holdings, Rakuten, Toyota Industries, NTT Urban Development, and Toyota Motor. On average, these stocks outpaced the TOPIX by 33% in the last six months your Fund held them.

The reverse is true of your Fund's largest purchases. Several of our favourite stocks today did relatively poorly over the past year. Over the period, your Fund's biggest additions were Nissan Motor, Sumitomo, Mitsubishi, NEXON, and Dai-ichi Life Insurance. These stocks lagged the TOPIX by an average of 15% in the six months before your Fund bought them—despite several having foreign earnings and assets that make them meaningful beneficiaries of Abenomics.

This rotation in the portfolio is consistent with our contrarian investment philosophy. Given our approach, we expect to sell shares that trade close to our estimate of intrinsic value, while buying those that underperform and offer a more attractive discount. But what if a stock performs poorly after our initial purchase? If we believe our thesis is broken, we won't hesitate to sell. If not, we won't hesitate to use the opportunity to buy more at a better price. SBI is a good example of the former; INPEX of the latter.

Your Fund held SBI for about five years to April 2013, and over that period the stock was a significant detractor from relative performance—despite a strong run in early 2013. By that time, we believed that the thesis was broken and that other shares offered a more attractive balance of risk and reward. For those reasons, we sold SBI, though its subsequent strong performance suggests we were wrong to do so.

INPEX has been a significant holding in your Fund since late 2010, and is currently the biggest detractor ever from relative performance. Yet while SBI's weighting is now zero, INPEX's weight is close to the maximum allowed by the Fund's investment restrictions. What is the difference? Continued conviction in our thesis. While we lost conviction in SBI, we continue to believe that INPEX represents an attractive long-term opportunity that has been overlooked by the market.

In our view, the Japanese market is without question more expensive than it was at this time last year. Accordingly, we are less enthusiastic about prospective returns from current levels. But we do not invest in the market as a whole; we invest in a select group of stocks. The composition of that group has changed as the opportunity set has evolved, and we remain enthusiastic about the long-term prospects for your Fund.

Commentary contributed by Brett Moshal, Orbis Investment Advisory Limited, London

## JAPAN EQUITY FUND AT 31 DECEMBER 2013

## STATEMENT OF NET ASSETS

Number Held 000's	Security <i>(Ranked by sector)</i>	Fair Value ¥ 000's	% of Fund*	% of TOPIX
<b>Cyclicals</b>			<b>31</b>	<b>43</b>
15,291	INPEX	20,612,538	10	
14,690	Nissan Motor	12,985,721	7	
3,259	SEGA SAMMY HOLDINGS	8,725,004	4	
21,021	Mitsui Mining & Smelting	6,789,691	3	
2,026	PARK24	4,017,965	2	
515	Toyota Industries	2,444,168	1	
1,179	JSR	2,400,196	1	
	Positions less than 1%	2,852,523	1	
<b>Consumer Non-Durables</b>			<b>27</b>	<b>19</b>
2,155	Sundrug	10,137,572	5	
4,682	Mitsubishi	9,443,957	5	
6,806	Sumitomo	8,991,359	5	
2,487	Japan Tobacco	8,505,263	4	
745	TSURUHA Holdings	7,208,937	4	
818	H.I.S.	4,293,455	2	
666	ABC-MART	3,059,994	2	
	Positions less than 1%	1,307,542	1	
<b>Financials</b>			<b>22</b>	<b>16</b>
6,474	NKSJ Holdings	18,931,420	10	
1,773	Sumitomo Mitsui Financial Group	9,607,969	5	
5,445	Dai-ichi Life Insurance	9,566,798	5	
2,675	T&D Holdings	3,929,457	2	
<b>Information and Communications</b>			<b>19</b>	<b>7</b>
5,852	Nippon Television Holdings	11,112,452	6	
1,369	Nippon Telegraph and Telephone	7,748,302	4	
1,770	OBIC	5,496,868	3	
5,231	NEXON	5,084,545	3	
2,060	Fuji Media Holdings	4,429,170	2	
853	OBIC Business Consultants	2,924,517	1	
	Positions less than 1%	1,180,839	1	
<b>Technology</b>			<b>1</b>	<b>13</b>
	Positions less than 1%	1,932,746	1	
<b>Utilities</b>			<b>-</b>	<b>2</b>
<b>Net Current Assets</b>		662,500	-	
<b>Net Assets</b> (Cost ¥ 145,379,005)		<b>196,383,468</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>				
<b>Yen Class</b> <i>(Currency exposure 100% yen)</i>		<b>¥ 3,826</b>		
<b>Euro Class</b> <i>(Currency exposure 100% euro)</i>		<b>€ 25.42</b>		

\* Individual security weightings may not sum to the sector totals due to rounding.

See accompanying notes on page 22

## ORBIS JAPAN EQUITY (US\$) FUND AT 31 DECEMBER 2013

Total Rate of Return in US dollars, net of fees:	From Inception		Latest				Quarter
	on 12 Jun 1998	15 Years	10 Years	5 Years	3 Years	1 Year	
			% Annualised				% Not Annualised
<b>Orbis Japan Equity (US\$)</b>	<b>9.2</b>	<b>9.6</b>	<b>7.6</b>	<b>13.8</b>	<b>20.3</b>	<b>54.6</b>	<b>5.0</b>
TOPIX hedged into US\$	4.5	5.1	5.6	10.6	15.0	52.9	9.0
<i>% appreciation of the US dollar versus the yen</i>	<i>(2.0)</i>	<i>(0.5)</i>	<i>(0.2)</i>	<i>3.0</i>	<i>9.1</i>	<i>21.4</i>	<i>7.1</i>

Orbis Japan Equity (US\$) was formed to serve investors who wish to invest in Japanese equities while remaining exposed to the dollar. As shown in the Statement of Net Assets below, the Fund's entire equity exposure comprises shares in the Luxembourg-domiciled Orbis SICAV- Japan Equity Fund - Yen Class. Given this, we refer readers to the Orbis SICAV - Japan Equity Fund Manager's Report on page 13. The US\$ Fund is Bermuda-domiciled. The Orbis SICAV is Luxembourg-domiciled and regulated. First-time readers may also find it informative to read the text in italics below.

*The Fund's currency hedging reduces or eliminates the effect on its share price of changes in the yen/dollar exchange rate. Most Japanese equity funds do no currency hedging and therefore their returns are, when translated into dollars, directly influenced by these exchange rate fluctuations. As the statistics above show, these currency fluctuations are often large. As a result, this Fund's dollar returns above are not comparable with those of the Average Japan Equity Fund or those of Orbis SICAV - Japan Equity Fund - Yen Class, when their returns are likewise expressed in dollars. The returns on Orbis Japan Equity (US\$) in dollars approximate those on the Orbis SICAV - Japan Equity Fund - Yen Class in yen, adjusted for the short-term interest rate differential between the US and Japan.*

### STATEMENT OF NET ASSETS

Number Held 000's	Security	Fair Value US\$ 000's	% of Fund
7,549	<b>Orbis SICAV - Japan Equity Fund - Yen Class</b>	274,261	98
	Net Current Assets	4,238	2
	<b>Net Assets</b>	<b>278,499</b>	<b>100</b>
	<b>Net Asset Value per Share</b>	<b>US\$ 39.28</b>	7,090,144 shares issued
	(At 31 December 2012: US\$ 25.40; 31,864,467 shares issued)		

### DEPLOYMENT

		% of Fund
<b>Stockmarket exposure</b>	Japan	<b>98</b>
<b>Currency exposure</b>	US dollar	<b>100</b>

See accompanying notes on page 18

DIRECTORS  
MANAGER

Allan W B Gray, Chairman

John C R Collis

William B Gray

David T Smith  
CUSTODIAN  
Citibank Canada

Orbis Investment Management (B.V.I.) Limited

## STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (MILLIONS)

<b>Reporting Currency: For the Years Ended 31 December:</b>	<b>Orbis Global Equity US\$</b>		<b>Orbis Japan Equity (US\$) US\$</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Investment Income:	225	181	-	-
Dividends and Interest	225	181	-	-
Expenses:	275	155	-	-
Manager's Fees	269	150	-	-
Custodian's Fees and Other	6	5	-	-
Net Investment (Loss) Income	(50)	26	-	-
Net Gain (Loss) from Investments and Currencies:	4,825	1,629	267	154
Realised	2,379	304	286	107
Unrealised	2,446	1,325	(19)	47
Increase in Net Assets Resulting from Operations	4,775	1,655	267	154
Members' Activity During the Year:				
Subscriptions:				
Orbis Funds	530	463	-	7
Other Members	865	489	49	37
Switches Between Funds	225	492	31	59
Redemptions:				
Orbis Funds	(958)	(997)	(29)	(1)
Other Members	(1,143)	(853)	(50)	(46)
Switches Between Funds	(344)	(331)	(799)	(438)
Increase (Decrease) in Net Assets	3,950	918	(531)	(228)
Net Assets at Beginning of Year	11,417	10,499	809	1,037
Net Assets at End of Year	15,367	11,417	278	809

See accompanying notes on page 18

## General

The Orbis Equity Funds invest in equities selected from specified geographic regions. Each Fund is actively managed to outperform a benchmark index of the stockmarkets in its region without greater risk. Orbis Global Equity Fund Limited ("Orbis Global Equity") and Orbis Japan Equity (US\$) Fund Limited ("Orbis Japan Equity (US\$)") (collectively the "Funds") are Bermuda companies.

## Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada and Bermuda. The Funds' significant accounting policies are as follows:

**Investments.** Investments are recorded as of the trade date and are stated at their fair values. Investments in Orbis Funds are valued at their year-end Net Asset Value per share, while other marketable securities and forward currency contracts are valued at their closing and mid prices, respectively. If these prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations. At the year-end, the cost of investments, in millions, was for Orbis Global Equity US\$12,338 (2012 - cost US\$10,845, market US\$11,389) and for Orbis Japan Equity (US\$) US\$205 (2012 - cost US\$716, market US\$795).

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown on page 17 using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Reporting Currency at the exchange rates prevailing at the dates of the transactions. Translation exchange gains and losses are included in the Statement of Operations.

**Income and Expenses.** The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-date of the dividend, net of withholding taxes. Realised gains and losses on investments are based on average cost.

**Accounting Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Net Current Assets or Liabilities.** Net current assets or liabilities include primarily unrealised gains or losses on forward currency contracts, cash, amounts due to or from brokers, and other miscellaneous accounts receivable and payable, the individual amounts of which are not significant in relation to the total net assets of the Fund except for certain balances which will be disclosed elsewhere in these financial statements.

**Future Accounting Standards.** The Accounting Standards Board of the Canadian Institute of Chartered Accountants expect that investment companies, which includes the Funds, will be adopting International Financial Reporting Standards effective 1 January 2014.

## Taxes

There are no Bermuda income, profit, capital, capital gains, estate or inheritance taxes payable by the Funds or their Members in respect of shares in the Funds. The Bermuda Government has undertaken that in the event that any such Bermuda taxes are levied in Bermuda in the future, the Funds and their shares will be exempt from such taxes until 31 March 2035. Income and capital gains on the Funds' investments, however, may be subject to withholding or capital gains taxes in certain countries.

## Share Capital

Each Fund's authorised share capital at year-end is detailed below and is unchanged from 31 December 2012. Fund shares participate pro rata in their Fund's net assets and dividends, and are redeemable and non-voting. Founders' shares do not participate in their Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If a Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value.

	Par Value (per share)	Authorised Fund shares	Authorised and Issued Founders' shares
Orbis Global Equity	US\$ 1	200 million	12,000
Orbis Japan Equity (US\$)	US\$ 1	100 million	12,000

Fund share transactions, in thousands of shares, were as follows:

	Orbis Global Equity		Orbis Japan Equity (US\$)	
	2013	2012	2013	2012
Balance at beginning of year	89,307	95,382	31,864	48,979
Subscriptions				
Orbis Funds	3,491	3,758	1	353
Other Members	5,364	4,100	1,468	1,618
Switches Between Funds	1,521	4,199	1,032	2,548
Redemptions				
Orbis Funds	(6,208)	(8,344)	(1,005)	(52)
Other Members	(7,336)	(7,095)	(1,571)	(2,051)
Switches Between Funds	(2,231)	(2,693)	(24,699)	(19,531)
Balance at end of year	83,908	89,307	7,090	31,864

## Material Contracts - Forward Currency Contracts

At year-end, the Funds had forward currency contracts settling on 13 June 2014 having net contract and net market values as set out below. These contracts expose the Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit its risk to the amount of any net unrealised gain, each of the Funds has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

Currency	Contract Value 000's	Contract Value US\$ 000's	Market Value US\$ 000's	Unrealised Gain (Loss) US\$ 000's
Orbis Global Equity				
EUR	725,545	991,708	998,276	6,568
GBP	81,120	132,365	134,213	1,848
JPY	(94,205,273)	(917,178)	(895,352)	21,826
KRW	(160,080,000)	(149,425)	(151,004)	(1,579)
		57,470	86,133	28,663
Orbis Japan Equity (US\$)				
JPY	(28,880,206)	(278,515)	(274,485)	4,030

## Commitments

Orbis Global Equity along with the Orbis SICAV Funds - Asia ex-Japan Equity, Global Equity and Japan Equity have entered into an uncommitted multi-currency line of credit which may be drawn upon for the purpose of paying redemptions. The maximum which may be drawn across all these funds is US\$500 million and for each Fund cannot exceed 10% of its Net Asset Value. Drawdowns bear interest at market rates and cannot be outstanding for more than seven business days. The facility expires on 10 July 2014. During 2013 and 2012, no amounts were drawn upon by the Funds.

## Related Party Transactions

The contractually appointed “Manager” of Orbis Global Equity is Orbis Investment Management Limited and of Orbis Japan Equity (US\$) is Orbis Investment Management (B.V.I.) Limited. Orbis Global Equity pays a Manager’s fee which can vary between 0.5% and 2.5% per annum of weekly net assets, determined by the Fund’s rate of return versus its benchmark. Orbis Japan Equity (US\$) does not directly pay a fee to its Manager, but, because it remains substantially invested in Orbis SICAV - Japan Equity Fund, it indirectly bears a portion of that Fund’s management fee. At the year-end the management fee payable by Orbis Global Equity was, in thousands, US\$31,811 (2012 - US\$12,236).

At the year-end, other Orbis funds held, in thousands of shares, 33,829 (2012 - 36,546) in Orbis Global Equity and none (2012 - 1,004) in Orbis Japan Equity (US\$). Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis funds and of their Managers and Investment Advisors, held, in thousands of shares, 9,653 (2012 - 11,841) in Orbis Global Equity and 1,449 (2012 - 18,231) in Orbis Japan Equity (US\$), excluding their indirect holdings via other Orbis Funds.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Members of  
Orbis Global Equity Fund Limited, and  
Orbis Japan Equity (US\$) Fund Limited (the "Funds"):

We have audited the accompanying statements of net assets of the Funds (companies incorporated with limited liability in Bermuda) on pages 7 and 16 as at 31 December 2013, and the related statements of operations and changes in net assets on page 17 for the year then ended and a summary of significant accounting policies and other explanatory information on pages 18, 19 and 20.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Canada and Bermuda and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Canada and Bermuda. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the Funds as at 31 December 2013 and the results of their operations and the changes in their net assets for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

*Ernst & Young Ltd.*

Hamilton, Bermuda  
30 January 2014

Ernst & Young Ltd.  
Chartered Accountants

## STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (MILLIONS)

Base Currency: For the Years Ended 31 December:	Global Equity		Asia ex-Japan Equity		Japan Equity	
	€		\$		¥	
	2013	2012	2013	2012	2013	2012
Investment Income:	48	34	26	16	3,826	3,643
Dividends and Interest	48	34	26	16	3,826	3,643
Expenses:	91	11	76	18	4,477	3,923
Managers' Fees	89	10	74	16	4,302	3,753
Administration, Custodian's Fees and Other	2	1	2	2	175	170
Net Investment (Loss) Income	(43)	23	(50)	(2)	(651)	(280)
Net Gain from Investments and Currencies:	716	267	399	314	98,089	36,052
Realised	451	120	171	122	64,114	5,618
Unrealised	265	147	228	192	33,975	30,434
Increase in Net Assets Resulting from Operations	673	290	349	312	97,438	35,772
Shareholders' Activity During the Year:						
Subscriptions:						
Orbis Funds	-	-	223	-	26,111	52,400
Shareholders	209	130	122	96	14,257	6,473
Switches Between Funds	184	124	158	160	11,918	101
Redemptions:						
Orbis Funds	-	-	(2)	-	(123,632)	(48,801)
Shareholders	(648)	(446)	(91)	(84)	(15,935)	(8,121)
Switches Between Funds	(202)	(95)	(18)	(154)	(9,646)	(21,650)
Increase in Net Assets	216	3	741	330	511	16,174
Net Assets at Beginning of Year	2,037	2,034	1,603	1,273	195,872	179,698
Net Assets at End of Year	2,253	2,037	2,344	1,603	196,383	195,872

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2013

## General

Orbis SICAV (the "Company") qualifies as an open-ended investment company with variable capital (Société d'Investissement à Capital Variable ("SICAV")), with limited liability under Part I of the Luxembourg law of 17 December 2010 (as amended) on undertakings for collective investment.

The Company is structured as an umbrella fund, providing both individual and institutional investors with an opportunity to invest in a variety of funds. The Company's share capital consists of the Global Equity Fund - Investor, Refundable Reserve Fee and Fee Reserve shares, the Asia ex-Japan Equity Fund - Investor, Refundable Reserve Fee and Fee Reserve shares, the Japan Equity Fund - Investor - Yen and Euro classes, Refundable Reserve Fee and Fee Reserve shares, the Japan Core Equity Fund - Yen shares, the Europe Equity Fund - Investor shares, the Global Balanced Fund - Investor and Base shares and the Global Balanced AG Fund - Institutional Investor and Retail Investor shares. The Fee Reserve Shares are issued to the Portfolio Managers in relation to the performance fee.

A separate pool of assets is maintained for each Fund. A Fund is not a separate legal entity. All of the Funds together comprise the Orbis SICAV single legal entity. Under Luxembourg law, the rights of the shareholders and creditors of a Fund which arise in connection with the creation, operation or liquidation of the Fund are limited to the assets of that Fund and the assets of the Fund are exclusively available to satisfy such rights.

This abridged version of the Annual Report of Orbis SICAV - Global Equity Fund, Orbis SICAV - Asia ex-Japan Equity Fund and Orbis SICAV - Japan Equity Fund (the “Funds”) does not contain certain Luxembourg legal and regulatory disclosure requirements as included in the complete version of the Annual Report. A complete version of the Annual Report is available upon request and free of charge at the registered office of the Company 15 days prior to the Annual General Meeting of Shareholders of the Company.

### Significant Accounting Policies

These financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements applicable to investment funds:

**Investments.** Investments are recorded as of the trade date and are stated at their fair values based on their closing prices. If the closing prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations.

**Foreign Currency Translation.** Assets, liabilities and forward foreign currency contracts denominated in currencies other than the Base Currency are translated into the Base Currency shown on page 22 using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Base Currency at the exchange rates prevailing at the dates of the transactions. Translation exchange gains and losses are included in the Statement of Operations and Changes in Net Assets. The unrealised gains or losses on forward currency contracts are included in net current assets or liabilities.

**Income and Expenses.** The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-dividend date, net of withholding taxes. Realised gains and losses on investments are based on average cost. All income and expenses which can be allocated directly to individual share classes are charged to those share classes. Income and expenses which do not relate specifically to a particular share class are allocated between the share classes pro rata to their Net Asset Values.

**Accounting Estimates.** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Financial Statements.** Financial statements for each Fund are presented in the Base Currency of that Fund.

### Taxes

Under current law and practice, the Company is not liable to Luxembourg taxes on income or capital gains, nor are dividends paid by the Company liable to any Luxembourg withholding tax. Income and capital gains on the Company’s investments, however, may be subject to withholding or capital gains taxes in certain countries.

The Company is liable in Luxembourg to a tax (taxe d’abonnement) on the net assets attributable to each Fund’s Investor shares of 0.05% per annum and to each Fund’s Refundable Reserve Fee and Fee Reserve Shares of 0.01% per annum, such tax being payable quarterly and calculated on the net assets of each share class at the end of each calendar quarter.

## Share Capital

At 31 December 2013, the following shares were issued and outstanding:

	Number of Shares	Net Asset Value per Share
<b>Global Equity Fund</b>		€
Investor Shares	1,837,534	131.05
Class C-1 Refundable Reserve Fee Shares	310,124	136.71
Class C-11 Refundable Reserve Fee Shares	303,007	133.11
Class F-1 Refundable Reserve Fee Shares	654,320	134.19
Class F-2 Refundable Reserve Fee Shares	331,501	132.05
Class F-5 Refundable Reserve Fee Shares	62,599	133.09
Class J-1 Refundable Reserve Fee Shares	201,107	137.86
Class M-3 Refundable Reserve Fee Shares	556,704	136.43
Class O-1 Refundable Reserve Fee Shares	940,966	137.94
Class O-2 Refundable Reserve Fee Shares	8,303,489	140.52
Class O-7 Refundable Reserve Fee Shares	2,070,575	136.38
Class R-3 Refundable Reserve Fee Shares	153,294	133.00
Fee Reserve Shares	550,090	157.46
<b>Asia ex-Japan Equity Fund</b>		US\$
Investor Shares	36,348,056	22.72
Class A-9 Refundable Reserve Fee Shares	3,681,542	22.62
Class O-1 Refundable Reserve Fee Shares	32,222,250	25.12
Class P-3 Refundable Reserve Fee Shares	15,000,000	24.94
Class R-2 Refundable Reserve Fee Shares	5,801,618	24.87
Class U-5 Refundable Reserve Fee Shares	1,434,309	22.27
Fee Reserve Shares	2,631,822	28.65
<b>Japan Equity Fund</b>		¥
Investor Shares - Yen Class	37,725,768	3,826
Class A-9 Refundable Reserve Fee Shares	4,401,622	3,900
Class U-2 Refundable Reserve Fee Shares	3,071,910	3,834
Fee Reserve Shares	232,491	4,139
		€
Investor Shares - Euro Class	6,011,702	25.42

## Material Contracts - Forward Currency Contracts

At 31 December 2013, the following Funds held open forward currency contracts settling on 13 June 2014 having net contract and net fair values as set out on the following page. These contracts expose these Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit their risk to the amount of any net unrealised gain, these Funds have entered into agreements whereby all their currency transactions with the counterparty to that agreement can be netted. The Funds use the commitment approach to determine their global exposure related to derivative instruments.

Currency	Contract Value	Base Currency		
		Contract Value	Fair Value	Unrealised Gain (Loss)
Global Equity Fund		€	€	€
GBP	24,560,000	29,193,366	29,535,182	341,816
JPY	(18,984,100,000)	(133,288,262)	(131,147,654)	2,140,608
KRW	(32,210,000,000)	(21,853,565)	(22,086,098)	(232,533)
USD	(211,871,012)	(155,045,000)	(153,987,428)	1,057,572
		(280,993,461)	(277,685,998)	3,307,463
Japan Equity Fund		¥	¥	¥
EUR	152,901,801	21,676,797,948	22,135,047,731	458,249,783

### Commitments

Orbis SICAV - Global Equity, Asia ex-Japan Equity and Japan Equity Funds along with Orbis Global Equity Fund Limited have entered into an uncommitted multi-currency line of credit which may be drawn upon for the purpose of paying redemptions. The maximum which may be drawn across all these funds is US\$500 million and for each Fund cannot exceed 10% of its Net Asset Value. Drawdowns bear interest at market rates and cannot be outstanding for more than seven business days. The facility expires on 10 July 2014. During 2013 no amounts were drawn upon by the Funds.

### Custodian and Administrator Fees

Fees due in respect of custody, administration and other related services for the year for the Global Equity Fund amounted to €959,959 of which €283,322 was payable at year-end, for the Japan Equity Fund amounted to ¥71,972,471 of which ¥15,123,889 was payable at year-end and for the Asia ex-Japan Equity Fund amounted to US\$1,293,899 of which US\$415,874 was payable at year-end.

### Transaction Costs

Transaction costs, which include brokerage and other costs incurred in connection with the purchase and sale of investments, for the year amounted to €3,646,000 for the Global Equity Fund, ¥269,649,157 for the Japan Equity Fund and US\$4,354,449 for the Asia ex-Japan Equity Fund.

### Directors' Fees and Expenses

There are no existing or proposed service contracts between any of the Directors and the Company. The Shareholders have approved Director's fees to each of Messrs Collis, Smith, Kremer and O'Connor of US\$40,000 for 2013 before withholding tax. No other Directors have received any remuneration or other direct benefit material to them.

### Related Party Transactions

Orbis Investment Management (Luxembourg) S.A. was appointed Manager of the Company effective 1 July 2013. The previous Investment Manager, Orbis Investment Management Limited for the Global Equity Fund and Orbis Investment Management (B.V.I.) Limited for the Japan Equity Fund and the Asia ex-Japan Equity Fund was appointed Portfolio Manager effective 1 July 2013.

The Investor shares pay the Manager and the Portfolio Managers a fee which can vary between 0.5% and 2.5% per annum of weekly net assets, determined by that share class' rate of return versus its Benchmark and for the Japan Equity Fund by its Investor - Yen class' rate of return versus its Benchmark. Each class of Refundable Reserve Fee shares pays the Manager and the Portfolio Manager a base fee of between 0.30% and 0.75% per annum of net assets and pays the Portfolio Manager a performance related fee of 25% of that share class' rate of return versus its benchmark since the last Dealing Day. At each Dealing Day, the Portfolio Manager is issued Fee Reserve shares to the extent of any performance fee accrued. For each class of Refundable Reserve Fee shares, when the value of the related Fee Reserve shares in issue exceeds 3% and 7% of the Net Asset Value of that class of Refundable Reserve Fee shares, the Portfolio Manager is paid in cash at the rate of 1% and 2% per annum, respectively, of the total Net Asset Value of the Refundable Reserve Fee shares. The performance fee is partially refundable in the event of future underperformance with the refund limited to the value of the outstanding Fee Reserve shares and the fee subject to a high water mark should the available refund be exhausted.

At 31 December 2013, the value of the Fee Reserve shares in issue with respect to the following Refundable Reserve Fee share classes was, for the Global Equity Fund: C-1 – €2,207,129, C-11 – €72,107, F-1 – €3,009,869, F-2 – €1,478,543, J-1 – €1,327,017, M-3 – €3,674,702, O-1 – €3,072,465, O-2 – €57,591,159, O-7 – €13,223,619 and R-3 – €595,894, for the Asia ex-Japan Equity Fund: A-9 – US\$3,377,164, O-1 – US\$43,557,197, P-3 – US\$20,093,041, R-2 – US\$7,433,472 and U-5 – US\$967,264 and for the Japan Equity Fund: A-9 – ¥518,455,255 and U-2 – ¥442,830,651.

Performance fees (refunds) for the year amounted to, for the Global Equity Fund: C-1 – €1,650,641, C-11 – €113,166, F-1 – €3,138,865, F-2 – €1,645,697, F-5 – €9,082, G-2 – €59,824, J-1 – €928,123, M-3 – €2,561,115 O-1 – €2,918,591, O-2 – €44,411,771, O-7 – €9,641,892, R-3 – €574,905 and S-7 – €8,830,114 of which €2,199,404 were payable at year-end, for the Asia ex-Japan Equity Fund: A-9 – US\$3,256,225, O-1 – US\$31,800,552, P-3 – US\$14,672,478, R-2 – US\$5,642,064 and U-5 – US\$1,171,331, of which US\$13,122,251 were payable at year-end and for the Japan Equity Fund: A-9 – ¥112,043,528 and U-2 – ¥119,395,957, of which ¥23,115,969 were receivable at year-end. The Fee Reserve shares bear no fee.

The Manager and Portfolio Managers have agreed that for the year ended 31 December 2013 the operating expenses, excluding the Managers' fees, brokerage and transaction costs and interest, attributable to the Investor shares of the Global Equity Fund and the Japan Equity Fund will be capped at 0.20% per annum and to the Refundable Reserve Fee and Fee Reserve shares of the Global Equity Fund and the Japan Equity Fund will be capped at 0.15% per annum.

At the year-end, other Orbis funds held 12,481,497 Investor shares in the Asia ex-Japan Equity Fund and 25,616,430 Investor - Yen shares in the Japan Equity Fund. Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis funds and of their Managers and Investment Advisors, held 61,372 Investor and all the O-1, O-7 and R-3 Refundable Reserve Fee shares of the Global Equity Fund, 5,716,015 Investor and all the O-1, P-3 and R-2 Refundable Reserve Fee shares of the Asia ex-Japan Equity Fund and 3,442,858 Investor - Yen shares and 15,543 Investor - Euro shares in the Japan Equity Fund excluding their indirect holdings via other Orbis funds.

The Portfolio Managers hold all the Fee Reserve shares.

Certain of the Company's Directors also act as executives and directors of related companies.

## REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders of  
Orbis SICAV - Global Equity Fund,  
Orbis SICAV - Asia ex-Japan Equity Fund, and  
Orbis SICAV - Japan Equity Fund  
Luxembourg

We have audited the financial statements (the “full financial statements”) of Orbis SICAV and of each of its Funds (the “Company”) for the year ended 31 December 2013 from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. In our report dated 30 January 2014 we expressed an unqualified opinion on the full financial statements. These abridged financial statements on pages 9, 12, 15 and 22 - 26 comprise the statements of net assets of Orbis SICAV - Global Equity Fund, Orbis SICAV – Asia ex-Japan Equity Fund and Orbis SICAV – Japan Equity Fund as at 31 December 2013 and the statements of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Company’s and of each of its Fund’s financial position as at 31 December 2013 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

ERNST & YOUNG  
Société Anonyme  
Cabinet de révision agréé



K Nichol

Luxembourg  
30 January 2014

## NOTICES

### ANNUAL GENERAL MEETINGS

Notice is hereby given that the Annual General Meetings of Orbis Global Equity Fund Limited and Orbis Japan Equity (US\$) Fund Limited (the “Orbis Funds”) will be held at the offices of Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda on 31 March 2014 at 9:00 am. Members are invited to attend and address these meetings. The Agendas comprise the following:

- Review of Minutes of the Annual General Meetings of Members of the Orbis Funds held on 28 March 2013
- Review of audited financial statements in the 2013 Annual Reports
- Proposed re-appointment of Allan W B Gray, John C R Collis, William B Gray and David T Smith as Directors of the Orbis Funds
- Approval of proposed Director's fees for the year to 31 December 2014 to each of Messrs Collis and Smith of US\$30,000 and US\$1,000 for Orbis Global Equity Fund Limited and Orbis Japan Equity (US\$) Fund Limited, respectively
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2014

By Order of the Boards, James J Dorr, Secretary

In accordance with Luxembourg law, notice of the Annual General Meeting for the Orbis SICAV will be sent to Shareholders shortly prior to the scheduled date of the meeting on 30 April 2014.

### NOTICE TO CURRENT AND PROSPECTIVE ORBIS INVESTORS

The Orbis Global Equity, Japan Equity, Asia ex-Japan Equity and Optimal Strategies are currently accepting subscriptions from existing investors and qualified new investors. Qualified new investors must invest the minimum investment specified as follows: for the Orbis Global Equity and Optimal Strategies, US\$50 million with Orbis (across one or more funds); for the Orbis Japan Equity Strategy, US\$50,000; and for the Orbis Asia ex-Japan Equity Strategy, US\$25 million. Current Orbis Fund investors and those persons to whom we have existing commitments are not affected and may continue to make additional investments in the Orbis Funds, other than the Orbis Leveraged Funds which remain closed.

We intend to accept new subscriptions into the Funds from a wider audience when we consider it appropriate to do so, and will issue notice of such change on our website, and via our automated e-mail services facility.

If you have any questions regarding our opening, please contact the Investor Services Team at Orbis, at +1 (441) 296 3000, by e-mail at [clientservice@orbis.com](mailto:clientservice@orbis.com) or by mail to: The Investor Services Team, Orbis Group, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8604 or [clientservices.au@orbis.com](mailto:clientservices.au@orbis.com). South African residents should contact Allan Gray Unit Trust Management Limited at +27 86 000 0654 (toll free from within South Africa) or [offshore\\_direct@allangray.co.za](mailto:offshore_direct@allangray.co.za).

### NOTICE TO PERSONS IN THE EUROPEAN ECONOMIC AREA (EEA)

Each sub-fund of Orbis SICAV, a UCITS IV compliant Luxembourg fund, is admitted for public marketing in Luxembourg and the United Kingdom. In addition, the Orbis SICAV Global Equity Fund, the Orbis SICAV Japan Equity Fund and the Orbis SICAV Asia ex-Japan Equity Fund are admitted for public marketing in Ireland, the Netherlands and Norway. 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, with respect to any other Orbis Fund, under certain circumstances as determined by, and in compliance with, applicable law.

## SOURCES

Orbis Fund Returns: Orbis Investment Management Limited using single pricing.

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TOPIX Total Return Index: Tokyo Stock Exchange. TOPIX hedged into US\$ and euro are calculated by Orbis using an industry-standard methodology using the TOPIX Total Return Index which is in yen. No further distribution of the TOPIX data is permitted.

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## EU SAVINGS DIRECTIVE

Orbis' assessment is that all of the Orbis Funds are effectively exempt from the application of the European Union Savings Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. Payments from the Orbis Funds, including dividends and redemption proceeds to residents of the European Union, should not be subject to having tax withheld by paying agents under the Directive.

## REPORTING FUND STATUS

The United Kingdom HM Revenue & Customs has approved each of the Orbis Global Equity Fund, Orbis SICAV - Global Equity Fund - Investor Class, Orbis SICAV - Asia ex-Japan Equity Fund - Investor Class, Orbis SICAV - Japan Equity Fund - Yen and Euro Investor Classes and the Orbis Japan Equity (US\$) Fund as a Reporting Fund with effect from 1 January 2011. Prior to that date and from their inception, each of the Funds had received certification as a distributing fund from HM Revenue & Customs (“Distributor Status”).

As Reporting Funds, investors will not receive annual distributions from the Funds and UK investors may be liable to tax annually on their share of Fund income, without receiving a distribution of that income from the Fund. Within six months of their respective year-ends, the Funds will make available, on the website [www.orbis.com](http://www.orbis.com), a report providing relevant fund income information for UK investors' tax purposes.

Unlike Distributor Status, which was subject to a retrospective application and certification process at the end of each year, a Fund will continue to qualify as a Reporting Fund unless and until it fails to comply with the relevant requirements. The Directors intend to manage the Funds in such a way that under existing United Kingdom legislation they should continue to qualify as Reporting Funds. However, there can be no assurance that a Fund will continue to qualify as a Reporting Fund.

## **SUPPLEMENTAL DISCLOSURE UNDER THE DISTANCE MARKETING OF FINANCIAL SERVICES DIRECTIVE**

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Orbis Funds have determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Orbis Funds are required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Funds' Prospectuses, Application Form and (for Members who elect to view their account online at [www.orbis.com](http://www.orbis.com)) the terms of use of Orbis' website. These services are not a type of financial service to which cancellation rights apply.

### **RISK WARNINGS**

Past performance is not a reliable indicator of future results. The Orbis Funds do not guarantee the preservation of capital or any rate of return and when making an investment in any of the Orbis Funds, your capital is at risk. This Report provides general information only and not financial product or investment advice. You should consider the relevant Prospectus in deciding whether to acquire, or to continue to hold, your investment. Where Fund prices are based in a currency other than the currency of your country of residence, exchange rate fluctuations may impact the Fund's returns when converting back to your base currency.

### **OTHER**

The discussion topics for the Manager's and Portfolio Manager's Reports were selected, and the Reports were finalised and approved, by either Orbis Investment Management Limited or Orbis Investment Management (B.V.I) Limited, the Funds' Manager or Portfolio Manager, as the case may be. The information on pages 1-6, 8, 10-11, 13-14, 16 (except for the Statement of Net Assets) and 28-30 is based on sources believed to be accurate and reliable and provided "as is" and in good faith. While we have endeavoured to ensure the accuracy of such information, it is not guaranteed as to accuracy or completeness. Neither Orbis, its affiliates, directors and employees (together, the "Orbis Group") make any representation or warranty as to accuracy, reliability, timeliness or completeness of such information. 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 such information.

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