

2016 ABRIDGED  
Financial  
Statements



ORBIS SICAV  
JAPAN EQUITY  
*Fund*

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**Registered office and mailing address**

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

**Directors**

William B Gray  
Orbis Investment Management Limited  
Bermuda

William B Gray is the President and a Director of the Orbis Funds and Orbis Investment Management Limited and Chief Investment Officer of Orbis Investment Management Limited and Orbis Investment Management (B.V.I.) Limited.

John C R Collis  
Consultant  
Bermuda

John C R Collis is a Director of the Orbis Funds.

Claude Kremer  
Arendt & Medernach  
Luxembourg

Claude Kremer is a Partner of Arendt & Medernach in Luxembourg.

Austin J O'Connor  
Consultant  
Luxembourg

Austin J O'Connor is an independent consultant in Luxembourg.

David T Smith  
Ecosse Limited  
Bermuda

David T Smith is the Managing Director of Ecosse Limited and a Director of the Orbis Funds.

**APPOINTMENTS** AT 31 DECEMBER 2016

**Manager**

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

**Portfolio Manager**

Orbis Investment Management (B.V.I.) Limited  
Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

**Placing Agent**

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

**Depository, Administrator, Paying Agent,  
Domiciliary, Registrar and Transfer Agent**

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

**Legal Adviser in Luxembourg**

Arendt & Medernach  
41A, Avenue John F. Kennedy  
L-2082 Luxembourg  
Luxembourg

**Investment Advisor**

*In relation to Orbis Investment Management (B.V.I.) Limited:*  
Orbis Investment Management Limited  
Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

**Auditor**

Ernst & Young, Société anonyme  
35E, Avenue John F. Kennedy  
L-1855 Luxembourg  
Luxembourg

## REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders of  
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 2016 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 24 January 2017 we expressed an unqualified opinion on the full financial statements. These abridged financial statements on pages 4 - 10 comprise the statement of net assets of Orbis SICAV - Japan Equity Fund as at 31 December 2016, the statement of operations and changes in net assets for the year then ended, the schedule of investments as at 31 December 2016, 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 2016 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



Michael Ferguson

Luxembourg  
25 January 2017

## JAPAN EQUITY FUND

## STATEMENT OF NET ASSETS (¥ MILLIONS)

As at 31 December	2016
Assets	
Investments in Transferable Securities at Cost	182,357
Unrealised Appreciation	39,686
Investments in Transferable Securities at Fair Value	222,043
Other Assets	
Cash and Cash Equivalents	2,103
Accounts Receivable and Accrued Income	336
Net Unrealised Gain on Forward Currency Contracts	342
Total Other Assets	2,781
<b>Total Assets</b>	<b>224,824</b>
Liabilities	
Due to Shareholders	951
Due to Brokers	80
Accounts Payable and Accrued Expenses	314
<b>Total Liabilities</b>	<b>1,345</b>
<b>Net Assets</b>	<b>223,479</b>

See accompanying notes on page 7

## JAPAN EQUITY FUND

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (¥ MILLIONS)

For the Year Ended 31 December	2016
Investment Income	4,289
Dividends and Interest	4,289
Expenses	3,832
Manager's Fees	3,675
Administration, Custody Fees and Other	157
Net Investment Income	457
Net Gain (Loss) from Investments and Currencies	18,284
Realised	9,861
Unrealised	8,423
Increase in Net Assets Resulting from Operations	18,741
Shareholders' Activity During the Year	
Subscriptions	
Orbis Funds	15,540
Other Shareholders	14,746
Switches Between Funds	1,821
Redemptions	
Orbis Funds	(25,452)
Other Shareholders	(22,098)
Switches Between Funds	(3,745)
Decrease in Net Assets	(447)
Net Assets at Beginning of Year	223,926
<b>Net Assets at End of Year</b>	<b>223,479</b>

See accompanying notes on page 7

## JAPAN EQUITY FUND

## SCHEDULE OF INVESTMENTS AT 31 DECEMBER 2016 (¥ MILLIONS)

## Transferable Securities

<b>Security</b> <i>(Ranked by sector)</i>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>Cyclicals</b>		<b>47</b>
Nissan Motor	16,597	7
Daito Trust Construction	15,320	7
Honda Motor	12,850	6
INPEX	10,095	5
Toyota Motor	9,700	4
SEGA SAMMY HOLDINGS	8,962	4
Toyo Tire & Rubber	7,390	3
Sumitomo Rubber Industries	6,560	3
NGK Insulators	5,020	2
NGK Spark Plug	4,942	2
DENSO	3,896	2
Mitsui Mining and Smelting	2,406	1
Unipres	2,372	1
<b>Consumer Non-Durables</b>		<b>26</b>
Mitsubishi	18,365	8
Sumitomo	10,586	5
Ship Healthcare Holdings	8,921	4
TSURUHA Holdings	5,631	3
Sundrug	5,569	2
Valor Holdings	3,657	2
H.I.S.	3,180	1
Positions less than 1%	3,196	1
<b>Information and Communication</b>		<b>17</b>
NEXON	16,904	8
Nippon Television Holdings	11,117	5
Yahoo Japan	7,919	4
Positions less than 1%	1,384	1
<b>Financials</b>		<b>9</b>
Sumitomo Mitsui Financial Group - Common and ADR	10,406	5
Mitsubishi UFJ Financial Group	2,687	1
J Trust	2,497	1
Sompo Holdings	2,357	1
Positions less than 1%	1,557	1
	<b>222,043</b>	<b>99</b>

*May not sum due to rounding*

See accompanying notes on page 7

## 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 currently offers shares in the Emerging Markets Equity Fund, the Global Balanced Fund, the Global Equity Fund, the International Equity Fund, the Japan Core Equity Fund and the Japan Equity Fund. Each Fund’s share capital consists of one or more of the following share classes: Base Refundable Reserve Fee, Core Refundable Reserve Fee, Fee Reserve, Fixed Fee, Founding Refundable Reserve Fee, Institutional Investor, Investor, No Fee, Yen and Zero Base Refundable Reserve Fee. These share classes may differ with respect to their eligibility requirements and the management fees applied.

A separate pool of assets is maintained for each Fund. A Fund is not a separate legal entity. All of these 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 - Japan Equity Fund (the “Fund”) 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 and presented 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. Investments in marketable securities are valued at their closing prices and forward currency contracts at their mid prices. 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.

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into Japanese yen using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into Japanese yen 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 the Statement of Net Assets and the movement in the unrealised gains or losses is included in the Statement of Operations and Changes in Net Assets.

**Income and Expenses.** The accrual basis is used to recognise income and expenses. Dividends are accrued, net of withholding taxes, on the ex-date of the dividend once the ex-date and amount are known with reasonable certainty. 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.

## 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 Fund is subject to a tax (taxe d'abonnement) in Luxembourg on the net assets attributable to its Investor share classes of 0.05% per annum and to its Fixed Fee, No Fee, Refundable Reserve Fee and Fee Reserve share classes 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 2016, the Fund offers Investor shares in Japanese yen and in euro, Fixed Fee, No Fee, and Core, Founding and Zero Base Refundable Reserve Fee in Japanese yen. The Fixed Fee shares are offered to collective investment schemes portfolio managed by Allan Gray Proprietary Limited or one of its affiliates, commencing from April 2016. The No Fee shares are offered to collective investment schemes portfolio-managed by the Portfolio Manager or one of its affiliates. Fee Reserve shares are issued to the Portfolio Manager in relation to the performance fee.

At 31 December 2016, the following shares were issued and outstanding:

	Number of Shares	Net Asset Value per Share
		¥
Investor Shares - Yen Class	20,269,523	4,886
Fixed Fee Shares	1,495	4,888
No Fee Shares	4,413,206	7,234
Class E-9 Core Refundable Reserve Fee Shares	1,510,547	4,900
Class S-11 Founding Refundable Reserve Fee Shares	5,294,971	4,918
Class S-12 Founding Refundable Reserve Fee Shares	193,282	4,918
Class U-2 Founding Refundable Reserve Fee Shares	1,965,518	5,024
Class A-9 Zero Base Refundable Reserve Fee Shares	4,097,871	5,108
Fee Reserve Shares	310,148	5,594
		€
Investor Shares - Euro Class	6,528,675	31.87

## Material Contracts - Forward Currency Contracts

At 31 December 2016, the Fund held open forward currency contracts settling on or before 9 June 2017 having net contract and net fair values as set out below. These contracts expose the Fund 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, the Fund has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted. The Fund uses the commitment approach to determine its global exposure related to derivative instruments.

Currency	Contract Value	Contract Value ¥	Fair Value ¥	Unrealised Gain ¥
EUR	208,264,736	25,269,339,853	25,611,677,398	342,337,545

## **Commitments**

Orbis SICAV - Emerging Markets Equity, Global Balanced, Global Equity, International Equity and Japan Equity Funds along with eight other Orbis funds 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 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 22 November 2017. During 2016 no amounts were drawn upon by the Fund.

## **Custodian and Administrator Fees**

Fees due in respect of custody, administration and other related services for the year amounted to ¥78,264,445 of which ¥18,732,526 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 ¥175,981,103 and are recorded as part of Realised Net Gain (Loss) from Investments and Currencies in the Statement of Operations and Changes in Net Assets.

## **Directors' Fees and Expenses**

There are no existing or proposed service contracts between any of the Directors and the Company. The Shareholders of the Company have approved Director's fees for 2016 to each of Messrs Collis, Kremer, O'Connor and Smith of US\$40,000 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. is the Manager, and Orbis Investment Management (B.V.I.) Limited is the Portfolio Manager of the Fund.

The Investor shares pay the Manager and the Portfolio Manager a fee which can vary between 0.5% and 2.5% per annum of weekly net assets, determined by the Investor-Yen class' rate of return versus its performance fee hurdle. The Fixed Fee shares pay the Manager and the Portfolio Manager a fee of 1.7% per annum of their net assets.

The Manager and Portfolio Manager are paid a base fee by each of the Core and Founding Refundable Reserve Fee shares of between 0.30% and 0.45% per annum of their net assets. The Zero Base Refundable Reserve Fee shares do not pay a base fee. The Core and Founding Refundable Reserve Fee shares each pay the Portfolio Manager a performance related fee of 25%, and for the Zero Base Refundable Reserve Fee shares, a fee of 33%, of the share class' rate of return versus its performance fee hurdle 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. The performance fee is partially refundable in the event of future underperformance, with the refund limited to the value of the Fee Reserve shares related to each investor's Refundable Reserve Fee shares and the fee subject to a high water mark should the available refund be exhausted. The No Fee shares and the Fee Reserve shares bear no fee.

For each investor in the Core and Founding Refundable Reserve Fee share classes, when the value of their related Fee Reserve shares exceeds 3% and 7% of the total Net Asset Value of their Refundable Reserve Fee shares, the Portfolio Manager is paid in cash at an annualised rate of 1% and 2%, respectively, of the total Net Asset Value of those Refundable Reserve Fee shares. For each investor in the Zero Base Refundable Reserve Fee share class, payment is made at an annualised rate of 0.75% of the total Net Asset Value of their Refundable Reserve Fee shares when there is value in their related Fee Reserve shares, and is increased to an annualised rate of 1.75% and 2.75% when the value of the related Fee Reserve shares exceeds 3% and 7%, respectively, of the total Net Asset Value of their Refundable Reserve Fee shares.

At 31 December 2016, the value of the Fee Reserve shares in issue with respect to the following Founding Refundable Reserve Fee share classes was: S-11 – ¥551,674,808, S-12 – ¥20,634,276 and U-2 – ¥406,792,766, and to the Zero Base Refundable Reserve Fee share class A-9 was ¥755,287,127.

Performance fees for the year for the following Founding Refundable Reserve Fee share classes amounted to: A-9 – ¥483,118,732, S-11 – ¥481,736,429, S-12 – ¥17,971,506, and U-2 – ¥248,887,560, and for the Zero Base Refundable Reserve Fee share class A-9 was ¥184,858,005. Fees totalling ¥55,217,234 were payable at year-end.

The Manager and Portfolio Manager have agreed that for the year ended 31 December 2016 the operating expenses, excluding the Manager's fees, brokerage and transaction costs and interest, attributable to the Investor shares will be capped at 0.20% per annum and to each of the Fixed Fee, No Fee, Refundable Reserve Fee and Fee Reserve share classes will be capped at 0.15% per annum.

At the year-end, other Orbis funds held 13,742,672 Investor-Yen shares and all the No Fee shares in the 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 all the Fixed Fee shares, 891,074 Investor-Yen shares and 10,369 Investor-Euro shares in the Fund excluding their indirect holdings via other Orbis funds.

The Portfolio Manager holds all the Fee Reserve shares.

Certain of the Company's Directors also act as executives and directors of related companies, details of which are provided on page 1 of this report.

## NOTICES

**Annual General Meeting.** In accordance with Luxembourg law, notice of the Annual General Meeting of Orbis SICAV - Japan Equity Fund (the “Fund”) will be sent to Shareholders shortly prior to the scheduled date of the meeting on 1 May 2017.

**Notice to Persons in the European Economic Area (EEA).** The Fund, a sub-fund of Orbis SICAV, a UCITS IV compliant Luxembourg collective investment scheme, is admitted for public marketing in Ireland, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom. Persons located in any EEA member state will only be permitted to subscribe for shares in the Fund under certain circumstances as determined by, and in compliance with, applicable law.

**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 Fund has 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 Shareholders entitled to the benefit of the Directive. The Fund is required to provide specified information to prospective and current Shareholders. This specified information, which is provided in English, is contained in the Fund's Prospectus, the account opening form, the subscription form and (for Shareholders who elect to view their account online at [www.orbis.com](http://www.orbis.com)) the Orbis Funds Portfolio Services Agreement. These services are not a type of financial service to which cancellation rights apply.

**Other.** This Report does not constitute a financial promotion, a recommendation, an offer to sell or a solicitation to buy shares of the Fund. Subscriptions are only valid if made on the basis of the current Prospectus of the Fund. Certain capitalised terms are defined in the Glossary section of the Fund's Prospectus, a copy of which is available upon request. Orbis Investment Management Limited is licensed to conduct investment business by the Bermuda Monetary Authority. This Report is approved for issue in the United Kingdom by Orbis Investment Advisory Limited, 28 Dorset Square, London, England NW1 6QG; a firm authorised and regulated by the Financial Conduct Authority.

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