

2017 AUDITED  
Financial  
Statements



ORBIS GLOBAL  
EQUITY  
*Fund*

## TABLE OF CONTENTS

Directory	1
Appointments	2
Independent Auditors' Report	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Net Assets Attributable to Holders of Redeemable Fund Shares	5
Statement of Cash Flows	6
Schedule of Investments	7 - 8
Notes to the Financial Statements	9 - 16
Notices	17

# DIRECTORY

## Registered office and mailing address

Orbis Global Equity Fund Limited  
Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

## Directors

William Gray (Chairman)  
Orbis Investment Management Limited  
Bermuda

William Gray is the President and a Director of the Orbis Funds and President of Orbis Investment Management Limited.

John C. R. Collis  
Consultant  
Bermuda

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

E. Barclay Simmons  
ASW Law Limited  
Bermuda

E. Barclay Simmons is the Chief Executive Officer of ASW Law Limited and a Director of the Orbis Funds.

David T. Smith  
Ecosse Limited  
Bermuda

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



## APPOINTMENTS

### **Investment Manager**

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

### **Sub-Portfolio Managers**

Orbis Investment Management (Hong Kong) Limited\*\*  
Suites 1802-1805  
18th Floor, Chater House  
8 Connaught Road  
Central, Hong Kong

Orbis Portfolio Management (Europe) LLP  
28 Dorset Square  
London NW1 6QG  
United Kingdom

### **Investment Advisors to the Investment Manager**

Orbis Investment Advisory Limited  
28 Dorset Square  
London NW1 6QG  
United Kingdom

Orbis Portfolio Management (Europe) LLP  
28 Dorset Square  
London NW1 6QG  
United Kingdom

Orbis Investment Management (U.S.), LLC  
600 Montgomery Street, Suite 3800  
San Francisco, CA 94111  
United States of America

### **Auditors**

Ernst & Young LLP  
EY Tower  
100 Adelaide Street West, PO Box 1  
Toronto, Ontario  
Canada M5H 0B3

### **Custodian**

Citibank N.A., New York Offices  
390 Greenwich Street  
New York, New York 10013  
United States of America

### **Administrator and Registrar**

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

\* Licensed to conduct investment business by the Bermuda Monetary Authority

\*\* Formerly Orbis Investment Advisory (Hong Kong) Limited

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Members of

Orbis Global Equity Fund Limited (the "Fund"):

We have audited the accompanying financial statements of the Fund, which comprise the statement of financial position as at 31 December 2017, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable fund shares and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information on pages 7 to 16.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 auditors' 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 auditors consider internal control relevant to the Fund's 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 Fund's 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, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*Ernst & Young LLP*

Toronto, Canada  
23 January 2018

Chartered Professional Accountants  
Licensed Public Accountants

# ORBIS GLOBAL EQUITY FUND

## STATEMENT OF FINANCIAL POSITION (US\$ 000's)

As at 31 December	2017	2016
<b>Assets</b>		
Financial assets at fair value through profit or loss		
Securities	7,701,067	7,485,151
Derivatives	6,814	22,714
Cash and cash equivalents	56,581	87,314
Subscriptions receivable	-	1,883
Due from brokers	24,086	13,988
Margin balances paid	7,550	-
Dividends and other receivables	13,504	12,706
	<b>7,809,602</b>	<b>7,623,756</b>
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss		
Derivatives	9,572	19,426
Redemptions payable	1,207	666
Due to brokers	20,608	51,805
Manager's fee payable	11,715	10,410
Other payables and accrued liabilities	3,373	2,558
	<b>46,475</b>	<b>84,865</b>
<b>Net assets attributable to holders of redeemable Fund shares</b>	<b>7,763,127</b>	<b>7,538,891</b>



William Gray,  
on behalf of the Board of Directors  
23 January 2018

See accompanying notes on page 9

# ORBIS GLOBAL EQUITY FUND

## STATEMENT OF COMPREHENSIVE INCOME (US\$ 000's)

For the year ended 31 December	2017	2016
<b>Income</b>		
Net gain on financial assets and liabilities at fair value through profit or loss	1,903,500	1,246,763
Other foreign currency gain (loss)	1,164	(718)
Dividends and other	121,198	150,392
	<b>2,025,862</b>	<b>1,396,437</b>
<b>Expenses</b>		
Manager's fee	133,322	116,783
Transaction costs	13,183	7,580
Administration, custody fees and other	3,023	3,411
	<b>149,528</b>	<b>127,774</b>
<b>Profit before taxes</b>	<b>1,876,334</b>	<b>1,268,663</b>
Withholding and other taxes	22,158	43,482
<b>Increase in net assets attributable to holders of redeemable Fund shares</b>	<b>1,854,176</b>	<b>1,225,181</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE FUND SHARES (US\$ 000's)

For the year ended 31 December	2017	2016
<b>Balance at beginning of year</b>	<b>7,538,891</b>	<b>6,943,342</b>
Increase in net assets attributable to holders of redeemable Fund shares from operations	1,854,176	1,225,181
Shareholders' activity during the year		
Subscriptions		
Orbis funds	7,986	96,303
Other shareholders	592,190	424,832
Switches between funds	28,110	137,652
Redemptions		
Orbis funds	(1,410,035)	(342,325)
Other shareholders	(489,654)	(863,521)
Switches between funds	(358,537)	(82,573)
<b>Balance at end of year</b>	<b>7,763,127</b>	<b>7,538,891</b>

See accompanying notes on page 9

# ORBIS GLOBAL EQUITY FUND

## STATEMENT OF CASH FLOWS (US\$ 000's)

For the year ended 31 December	2017	2016
<b>Cash flows from operating activities</b>		
Proceeds from realisation of investments and currencies	5,584,653	3,872,900
Purchases of investments	(5,010,951)	(3,197,060)
Increase in net margin balances paid	(7,550)	-
Dividends and other income received, net of withholding tax	96,919	104,841
Manager's fee paid	(132,017)	(119,881)
Transaction costs paid	(13,183)	(7,580)
Other expenses paid	(3,238)	(4,429)
<b>Net cash provided by operating activities</b>	<b>514,633</b>	<b>648,791</b>
<b>Cash flows from financing activities</b>		
Proceeds from subscription of redeemable Fund shares	630,169	656,904
Payments on redemption of redeemable Fund shares	(1,175,535)	(1,287,753)
<b>Net cash used in financing activities</b>	<b>(545,366)</b>	<b>(630,849)</b>
Net increase (decrease) in cash and cash equivalents	(30,733)	17,942
Cash and cash equivalents – beginning of year	87,314	69,372
<b>Cash and cash equivalents – end of year</b>	<b>56,581</b>	<b>87,314</b>

See accompanying notes on page 9

# ORBIS GLOBAL EQUITY FUND

## SCHEDULE OF INVESTMENTS AT 31 DECEMBER 2017 (US\$ 000's)

### Securities

Security	Fair Value	% of Net Assets
<b>North America</b>		<b>49</b>
XPO Logistics	498,328	6
AbbVie	324,833	4
Charter Communications	283,506	4
Arconic	257,338	3
Symantec	249,669	3
NIKE	185,178	2
Anthem	176,469	2
Apache	170,491	2
Motorola Solutions	164,306	2
Alphabet - C	163,454	2
MercadoLibre	155,480	2
Wells Fargo & Company	144,444	2
American International Group	134,388	2
PayPal Holdings	107,366	1
Bristol-Myers Squibb	99,313	1
Air Products and Chemicals	97,596	1
Berkshire Hathaway - B	87,284	1
Dell Technologies - V	84,398	1
Positions less than 1%	430,277	6
<b>Asia ex-Japan</b>		<b>18</b>
NetEase - ADR	279,308	4
KB Financial Group	172,064	2
JD.com - ADR	128,556	2
Korea Electric Power	96,658	1
Positions less than 1%	695,230	9
<b>Europe</b>		<b>15</b>
Sberbank of Russia	252,774	3
Imperial Brands	215,148	3
British American Tobacco	193,428	2
SAP	108,274	1
L'Air Liquide	103,662	1
The Swatch Group	99,583	1
Positions less than 1%	173,448	2
<b>Japan</b>		<b>12</b>
Mitsubishi	214,842	3
Honda Motor	189,358	2
Sumitomo Mitsui Financial Group	124,136	2
Daito Trust Construction	113,102	1
INPEX	109,812	1
Positions less than 1%	219,105	3

See accompanying notes on page 9

# ORBIS GLOBAL EQUITY FUND

## SCHEDULE OF INVESTMENTS AT 31 DECEMBER 2017 (US\$ 000's) (CONTINUED)

### Securities (Continued)

Security	Fair Value	% of Net Assets
<b>Other</b>		<b>5</b>
Naspers	166,954	2
Newcrest Mining	80,890	1
Positions less than 1%	150,617	2
	<b>7,701,067</b>	<b>99</b>

May not sum due to rounding

### Derivatives

	Unrealised Gain (Loss)
Forward currency contracts gain	6,814
Forward currency contracts loss	(9,572)

### Forward Currency Contracts

Currency	Contract Value	Contract Value	Fair Value	Unrealised Gain (Loss)
	000's	US\$ 000's	US\$ 000's	US\$ 000's
CAD	289,810	227,700	230,580	2,880
CNH	(3,291,300)	(493,175)	(502,074)	(8,899)
DKK	863,933	138,702	140,203	1,501
EUR	562,283	664,309	679,111	14,801
GBP	6,010	8,752	8,126	(626)
JPY	(26,446,253)	(236,649)	(236,034)	615
KRW	(195,124,087)	(174,545)	(183,018)	(8,473)
MXN	3,189,000	164,321	159,764	(4,558)
		<b>299,416</b>	<b>296,659</b>	<b>(2,758)</b>

May not sum due to rounding

See accompanying notes on page 9

## General information

Orbis Global Equity Fund Limited (the “Fund”) is an open-ended mutual fund company incorporated in Bermuda, with its registered office located at Orbis House, 25 Front Street, Hamilton, HM 11, Bermuda.

The Fund seeks to be fully invested in a portfolio of global equities and to earn higher returns than the average of the world's equity markets.

Orbis Investment Management Limited has been contractually appointed as the Investment Manager of the Fund.

These financial statements were authorised for issue by the Board of Directors on 23 January 2018.

## Summary of significant accounting policies

**Basis of preparation.** These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

All references to net assets throughout this document refer to net assets attributable to holders of redeemable Fund shares.

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities held at fair value through profit or loss, which are measured at fair value.

### Financial instruments.

**Recognition.** Financial assets and financial liabilities are recognised when the Fund becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the asset have expired or the Fund has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expired.

**Measurement.** The Fund's investments are initially recognised at fair value on the trade date. Transaction costs are expensed as incurred. Subsequent to initial recognition, investments are measured at fair value. Changes in their fair value, together with realised gains and losses on disposal calculated using the average cost method, are included in the Statement of Comprehensive Income as Net gain (loss) on financial assets and liabilities at fair value through profit or loss.

The fair value of investments traded in active markets is based on their quoted market price, where it falls within the bid-ask spread, at the Fund's valuation point. Should the price not fall within the bid-ask spread, the Investment Manager may determine the point within the bid-ask spread that is most representative of fair value. The fair value of investments not traded in an active market, including over-the-counter derivatives or securities currently or temporarily unlisted, is determined using valuation techniques which include consideration of recent arm's length transactions, the fair value or indicative quotes of other instruments substantially the same, projected earnings and trading multiples, option pricing models and company-specific facts and circumstances, adjusted to reflect illiquidity or restrictions on sale. The valuation techniques employed make maximum use of market inputs and are consistent with accepted methodologies for pricing financial instruments. Should any price be unavailable or be considered unrepresentative of fair value, a price considered fair by the Investment Manager will be used.

Cash and cash equivalents and all other receivables and payables are classified under IFRS as loans and receivables and other financial liabilities, which are short-term in nature, are measured at amortised cost which approximates fair value.

**Classification.** The Fund's investments are categorised under IFRS as at fair value through profit or loss as follows:

**(i) Designated as at fair value through profit or loss upon initial recognition**

Financial instruments designated upon initial recognition as being managed and having their performance evaluated on a fair value basis in accordance with the Fund's investment strategy, which includes equity securities held by the Fund.

**(ii) Held for trading**

Derivatives held by the Fund, which may include forward currency and futures contracts, are classified as held for trading unless they are designated as effective hedging instruments as defined by *International Accounting Standard ("IAS") 39 Financial Instruments: Recognition and Measurement*. The Fund does not designate any of its derivative instruments as hedges for hedge accounting purposes.

**Offsetting.** Financial assets and financial liabilities are offset when the Fund has a legally enforceable right to offset recognised amounts and either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Foreign currency translation.** These financial statements are presented in US dollars, the Fund's functional and presentation currency, being the currency in which performance is measured and reported and in which shares are issued and redeemed.

Transactions in foreign currencies are translated using exchange rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated using exchange rates prevailing at the year-end.

In the Statement of Comprehensive Income, translation gains and losses on financial instruments at fair value through profit or loss are included in Net gain (loss) on financial assets and liabilities at fair value through profit or loss. Other translation gains and losses are included in Other foreign currency gain (loss).

**Cash and cash equivalents.** Cash and cash equivalents include cash and other highly liquid investments held for meeting short-term cash commitments.

**Margin balances paid and received.** Margin balances represent cash variation margin paid or received in respect of forward currency contracts.

**Due from and due to brokers.** Amounts due from brokers represent receivables for securities contractually sold but not yet settled while amounts due to brokers represent payables for securities contractually purchased but not yet settled.

**Income and expenses.** Income and expenses are recorded on an accrual basis. Dividends are accrued on the ex-dividend date once the ex-date and amount are known with reasonable certainty.

**Taxes.** There are no Bermuda income, profit, capital, capital gains, estate or inheritance taxes payable by the Fund or its shareholders in respect of shares in the Fund. The Bermuda Government has undertaken that, in the event that any such Bermuda taxes are levied in Bermuda in the future, the Fund and its shares will be exempt from such taxes until 31 March 2035. Income and capital gains on the Fund's investments, however, may be subject to withholding or capital gains taxes in certain countries. In the Statement of Comprehensive Income, income and gains are recorded gross of tax with taxes shown separately.

**Accounting estimates and assumptions.** The preparation of financial statements requires management to make estimates and assumptions concerning the future. Actual results may differ from these estimates.

The most significant use of assumptions and estimation applied in preparing these financial statements relate to the determination of the fair value of financial instruments. The Fund may hold financial instruments which are not quoted in active markets, such as over-the-counter derivatives. The fair value of these instruments may be determined using valuation techniques based on observable market prices from reputable pricing sources or indicative pricing. Where such valuation techniques have been applied, they are validated and periodically reviewed. Changes in relevant assumptions could affect the fair values reported in the financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and changes in tax laws on withholding or capital gain taxes. Differences in the assumptions made, or changes to such assumptions, could necessitate future adjustments to taxes already recorded.

**Standards issued but not yet effective.** *IFRS 9 Financial Instruments* will replace *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting and is effective beginning 1 January 2018. The Fund has determined there will be no material implications to the Fund's financial statements from adopting IFRS 9.

## Fair value measurement

**Fair value hierarchy.** The table below categorises the Fund's financial instruments measured at fair value within a three-level fair value hierarchy, based on the lowest level input significant to the fair value measurement.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input significant to the fair value measurement is unobservable.

	Level 1 US\$ 000's	Level 2 US\$ 000's	Total US\$ 000's
<b>31 December 2017</b>			
Financial assets at fair value through profit or loss			
Securities	7,701,067	-	7,701,067
Forward currency contracts	-	6,814	6,814
Financial liabilities at fair value through profit or loss			
Forward currency contracts	-	(9,572)	(9,572)
<b>31 December 2016</b>			
Financial assets at fair value through profit or loss			
Securities	7,485,151	-	7,485,151
Forward currency contracts	-	22,714	22,714
Financial liabilities at fair value through profit or loss			
Forward currency contracts	-	(19,426)	(19,426)

**Valuation techniques.** Listed equities and derivatives whose fair value is based on quoted market prices are classified as Level 1 investments. Forward currency contracts are valued at their mid-market prices, determined using valuation techniques that incorporate market observable inputs including foreign exchange spot and forward rates, and are classified as Level 2 investments.

The Fund may occasionally invest in securities which are currently or temporarily unlisted. In determining their fair value, the Investment Manager employs valuation techniques which make maximum use of market inputs and are consistent with accepted methodologies for pricing financial instruments. These securities may be classified as either Level 2 or Level 3 based on whether the lowest level input significant to the fair value measurement is observable or unobservable.

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period. There were no transfers between levels during the year ended 31 December 2017 or 31 December 2016.

**Net gain (loss) on financial assets and liabilities at fair value through profit or loss**

<b>For the year ended 31 December</b>	<b>2017</b>	<b>2016</b>
	US\$ 000's	US\$ 000's
Realised gains (losses)		
Securities	734,409	419,444
Derivatives	23,173	(22,505)
Change in unrealised gains (losses)		
Securities	1,151,964	848,944
Derivatives	(6,046)	880
Net gain on financial assets and liabilities at fair value through profit or loss	1,903,500	1,246,763

**Derivative financial instruments.** Subject to its investment restrictions, the Fund may utilise derivative financial instruments. The Fund only invests in such instruments if they are sufficiently marketable such that an objective market price may be obtained from a third party and they can be realised within a period considered acceptable. Thus, the instruments used are usually exchange traded stock index futures or options, and forward currency contracts.

The Fund has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted in various events of default. On the Statement of Financial Position, unrealised gains and losses on forward currency contracts are offset only when they share the same maturity date, settle in the same currency and are held with the same counterparty. At 31 December 2017, the gross unrealised gains and (losses) on the forward currency contracts held by the Fund were, in thousands, US\$27,141 and US\$(29,899) respectively (2016 – US\$58,334 and US\$(55,046)).

**Financial risk management**

The Fund's investment activities expose it to a variety of financial risks: market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The investments of the Fund are managed by the Investment Manager in accordance with the investment policy and investment restrictions of the Fund described in the Fund's prospectus.

## Market risk.

**Currency risk.** Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund holds securities denominated in foreign currencies whose value will fluctuate due to changes in exchange rates. For this reason, part of Orbis' research effort is devoted to forecasting currency trends. Taking into account these expected trends, Orbis actively reviews and may adjust the Fund's currency exposure, generally using forward currency contracts, to assist in achieving the Fund's investment objective. In doing so, particular focus is placed on managing the Fund's exposure to those currencies considered less likely to hold their long-term value. The Fund's currency deployment therefore frequently differs significantly from the geographic deployment of its selected equities.

The table below summarises the main foreign currencies to which the Fund had exposure at the year-end:

	% of net assets	
	2017	2016
Euro	12	11
Japanese yen	9	9
British pound	6	6
Russian rouble	3	5

The impact on the Fund's net assets of a 5% movement against the US dollar in all currencies to which the Fund was exposed as at 31 December 2017 would have been 2.7% (2016 – 2.6%).

**Interest rate risk.** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant levels of risk due to fluctuations in the prevailing levels of market interest rates.

**Price risk.** Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from currency or interest rate risk.

The Fund is exposed to price risk arising from its investments in equity securities. Orbis attempts to mitigate price risk through the use of a consistent and carefully considered investment approach, based on extensive proprietary investment research, appropriate diversification of investments and equity selection in accordance with the investment guidelines of the Fund. In constructing the portfolio, Orbis assesses not only each equity's perceived risk and reward but also, in order to manage risk further by appropriate diversification, its correlation with the rest of the portfolio. Orbis also monitors the Fund's risk of underperforming the average of the world's equity markets from its weightings in each relevant industry, stockmarket and currency and seeks to ensure that deviations in such weightings, which are prompted by detailed "bottom up" research, are not inconsistent with Orbis' "top down" macroeconomic view. The maximum risk resulting from the Fund's financial instruments is equal to their fair value.

The following table details the Fund's equity exposure by geographic region at the year-end:

	% of net assets	
	2017	2016
North America	49	51
Asia ex-Japan	18	17
Europe	15	18
Japan	12	8
Other	5	5
<b>Total</b>	<b>99</b>	<b>99</b>

*May not sum due to rounding*

Considering the historical correlation between the returns of the equities held by the Fund at year-end and the returns of their respective stockmarket indices, the estimated impact on the Fund's net assets of a 5% change in those markets as at 31 December 2017 would have been 5.2% (2016 – 4.9%). Historical correlation may not be representative of future correlation. Actual results may differ and those differences could be material.

**Credit risk.** Credit or counterparty risk arises from the potential inability of a counterparty to a financial instrument to perform its contractual obligations, resulting in a financial loss to the Fund.

Credit risk arises primarily from the Fund's forward currency, cash and cash equivalents, margin balances paid and amounts due from brokers. The maximum exposure to credit risk at the year-end is the carrying value of these financial assets net of any variation margins received.

The Investment Manager seeks to reduce the Fund's credit risk to the extent practicable by dealing only with counterparties that meet our strict contractual terms and trading practices, designed to mitigate counterparty insolvency risk; arranging for equity transactions to be settled "delivery versus payment" whenever possible; and, to limit its risk to the amount of any net unrealised gain, by entering into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

**Liquidity risk.** Liquidity risk is the risk that the Fund will not be able to generate sufficient cash resources to meet its obligations as they fall due.

For the Fund, exposure to liquidity risk may arise from the requirement to meet cash redemption requests, normally payable within five business days of any weekly Dealing Day and daily margin calls on forward contracts for specified currencies. The Fund, along with twelve other Orbis funds, has 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 21 November 2018.

The majority of the Fund's investments are actively traded on a stock exchange and can be readily disposed of. The Fund also invests in derivative contracts traded over-the-counter. These may not be able to be liquidated quickly at an amount close to their fair value to meet liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Fund shares are redeemable weekly on demand at the holder's option. Financial liabilities at fair value through profit or loss include forward currency contracts which mature within six months of the year-end, and all other payables are due within one month.

## Cash and cash equivalents

At the year-end cash and cash equivalents are comprised of:

	2017 US\$ 000's	2016 US\$ 000's
Cash	45,593	57,842
USTreasury bills	10,988	29,472
Total cash and cash equivalents	56,581	87,314

## Net assets attributable to holders of redeemable shares

The Fund issues two classes of redeemable shares, Fund and Founders' shares, both of which are classified as financial liabilities. Notwithstanding that the net assets attributable to holders of redeemable Fund shares are classified as a liability in these financial statements, the Investment Manager considers those net assets to represent the Fund's capital. The amount of such net assets can change significantly due to changes in the value of the Fund's investments and from weekly subscriptions or redemptions placed at the discretion of the holders of the redeemable Fund shares. The Fund is not subject to any externally imposed capital requirements.

At 31 December 2017 and 2016, the Fund's authorised share capital comprises 200 million redeemable Fund shares and 12,000 redeemable Founders' shares, each with a par value of US\$1 per share. Fund shares participate pro rata in the Fund's net assets and dividends, are redeemable at the holder's option at their net asset value per share on any weekly Dealing Day and are non-voting. At the year-end they are carried at their redemption value which is equivalent to their net asset value. Founders' shares do not participate in the Fund's net assets, are redeemable at the holder's option at par value only after all Fund shares have been redeemed and carry the right to vote. All authorised Founders' shares are issued, fully paid, carried at their par value of, in thousands, US\$12 (2016 – US\$12) and are included in Other payables and accrued liabilities on the Statement of Financial Position. There were no transactions in Founders' shares in 2017 or 2016.

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

	2017	2016
Balance at beginning of year	37,926	41,605
Subscriptions		
Orbis funds	35	604
Other shareholders	2,680	2,330
Switches between funds	123	772
Redemptions		
Orbis funds	(6,779)	(1,989)
Other shareholders	(2,158)	(4,914)
Switches between funds	(1,508)	(482)
Balance at end of year	30,319	37,926

The Net Asset Value per Fund share at 31 December 2017 was US\$256.05.

During the year ended 31 December 2017, redemptions of US\$1,226,470 thousand were settled partly through the delivery of equity investments.

**Related party transactions**

The Investment Manager of the Fund, Orbis Investment Management Limited, is paid a fee which can vary between 0.5% to 2.5% per annum of weekly net assets, determined by the Fund's rate of return versus its benchmark.

The shareholders have approved Director's fees for 2017 to each of John Collis, Barclay Simmons and David Smith of US\$30,000 (2016 – US\$30,000). No other directors have received any remuneration or other direct benefit material to them.

At the year-end, other Orbis funds held, in thousands of shares, 1,298 (2016 – 7,794) 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 Investment and Sub-Portfolio Managers and Investment Advisors, held, in thousands of shares, 5,201 (2016 – 5,664) in the Fund, excluding their indirect holdings via other Orbis Funds.

## NOTICES

**Annual General Meeting.** Notice is hereby given that the Annual General Meeting of Orbis Global Equity Fund Limited (the “Fund”) will be held at the offices of Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda on 29 March 2018 at 10:00 am. Members are invited to attend and address the meeting. The Agenda will comprise the following:

- Review of Minutes of the Annual General Meeting of Members of the Fund held on 31 March 2017
- Review of 2017 audited financial statements
- Appointment of the Directors of the Fund
- Approval of Director's fees for the year to 31 December 2018
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2018

By Order of the Board, James Dorr, Secretary

**Notice to Persons in the European Economic Area (EEA).** The Fund is an alternative investment fund that is 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 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 Members entitled to the benefit of the Directive. The Fund is required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Fund's Prospectus, account opening form, application form and (for Members 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.



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