ORBIS ACCESS

ORBIS OEIC - GLOBAL BALANCED FUND

Interim Short Report
for the six months ended 30 June 2015

June 2015

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INTRODUCTION

We are pleased to present the Interim Short Report for the Orbis OEIC - Global Balanced Fund (the "Fund") for the six months ended 30 June 2015. All figures in this report are sourced from Orbis Investment Management Limited unless stated otherwise.

This report is also available online at www.orbisaccess.co.uk/reports-and-documents.

Profile

The Fund is a sub-fund of Orbis OEIC (the "Company"), a collective investment scheme authorised by the Financial Conduct Authority (the "FCA") as a UCITS scheme, and was launched on 1 January 2014.

The Fund is available to investors resident in the UK. Each sub-fund of the Company is separately managed, charged, accounted for and assessed for tax. The assets of each sub-fund of the Company belong exclusively to that sub-fund and cannot be used to pay the debts of another sub-fund. Shareholders are not liable for the debts of the Company.

The Company is structured as an open-ended investment company, also known as an "investment company with variable capital", or "ICVC". FCA-authorised ICVCs are required to appoint an Authorised Corporate Director ("ACD"). The ACD is responsible for the day-to-day management of the ICVC. The Company has appointed Orbis Investment Management (Luxembourg) S.A. as its ACD. The ACD is a management company licensed and regulated by Luxembourg's *Commission de Surveillance du Secteur Financier* and is located at 155, rue Cents, Luxembourg L-1319. The directors of the ACD are Alexander Cutler, James Dorr and Alireza Ziai.

Changes to the Fund during the Period

The list of eligible markets for the Fund was updated during the period, to reflect name changes, market consolidation and the introduction of some new exchanges in the United States of America and Hong Kong.

With effect from 6 April 2015, the Refundable Fee Class (income) was closed and the Refundable Fee Class (accumulation) was launched in the Fund.

For further information, the most recent Prospectus can be found online at www.orbisaccess.co.uk/reports-and-documents.

Important Information

Past performance is not a reliable indicator of future results. Values may fall as well as rise and you may get back less than you originally invested. It is therefore important that you understand the risks involved before investing. This report does not constitute advice nor an offer to sell or a solicitation to buy shares of the Fund or other securities in the companies mentioned in it ("relevant securities"). It has not been prepared in accordance with legal requirements designed to promote the independence of investment research. Entities and employees of the Orbis Group are not subject to restrictions on dealing in relevant securities ahead of the dissemination of this report.

GLOBAL BALANCED FUND

Portfolio Manager's Report[1]

Portfolio Manager: Orbis Investment Management Limited

Changes in Position Summary

For the six months ending 30 June 2015, the Global Balanced Fund, Standard Share Class, grew by 3.4%, while the benchmark, comprised of 60% MSCI World Index and 40% JP Morgan Global Government Bond Index, decreased by 0.6%.

The Fund was heavily invested in Information Technology stocks (18.7%). Among the largest holdings were Microsoft (2.4%), Samsung (2.2%) and NetEase (2.2%). Meanwhile, the Fund's exposure to shares in the Financial sector decreased from 20.8% to 14.7% of the Fund's assets. The Fund's number of equity positions in the sector declined as we are finding more attractive opportunities in other areas of the market.

The bonds held by the Fund look very different than the benchmark. The benchmark holds 40% in government bonds, while the Fund holds approximately 14% in bonds, all of them corporate. These include Alcoa (2.7%), XPO Logistics (2.4%) and Johnston Press (2.3%).

Review of the First Half of 2015

We always look for ways to take advantage of extremes in investor behaviour. When investors act under the influence of emotion, placing too much emphasis on short-term news and overlooking long-term fundamentals, the prices of unpopular securities can be well below their intrinsic value, as investors flock to other, more popular investments perceived to be 'safer'. This creates opportunities that we believe are just as common in the bond world as they are in equities.

Currently, the bonds in the Global Balanced Fund yield, on average, an effective interest rate more than three times as much as the bonds in the JP Morgan Global Government Bond Index (which makes up 40% of the Fund's benchmark). This simply means they are priced much lower relative to the cash flows promised to holders of the bonds. And just like in the equity world, the fact that the bonds are priced lower means that the market as a whole disagrees with our assessment of their true worth.

Perhaps the market is right, and these low prices and higher yields are justified because of the risk that the company or government won't pay its bills. What we aim for is the intelligent assumption of risk: if we believe the market is overestimating the risk that payments won't be met, we are happy for the Fund to get paid an attractive yield to take on this "credit risk". And in making this judgment, we do not flatly trust the ratings agencies to do our job for us—instead, we apply the same fundamental research process that has always formed the core of our investment approach.

Perhaps the best way to illustrate the way we look at risk is to compare the securities in which we have invested with those that are big in the benchmark but not in the Fund.

[1] Percentages in the Portfolio Manager's Report are calculated in accordance with the valuation policies of the Company which may apply either mid or close prices depending on the security.

The Fund's benchmark is made up of 60% equities and 40% government bonds. We aim to deliver a higher return than this benchmark without incurring undue risk, and the best way to pursue this goal depends on the market environment. In environments where equities are very expensive, the Fund might hold much less than 60% in equities and much more than 40% in bonds. But at a high enough price, even bonds can be risky, and we believe this is the case for many government bonds today. As a result, the Fund only holds approximately 14% in bonds—and all of them are issued by companies. Through our analysis, we didn't find government bonds as attractive on a risk-adjusted basis as some of the corporate bonds or higher dividend yielding shares available. We simply do not see buying low yielding (or even negative yielding!) government bonds as a low-risk proposition. We believe that the greatest risk in investing is the risk of paying too much for an asset, and with government bonds expensive in our view, we much prefer the attractive risk-adjusted returns that are available in selected corporate bonds.

One example of a corporate bond that we currently find attractive is Sprint, the US telecommunications company. Sprint has a great deal of debt, but it is also an established company with significant wireless spectrum holdings, which are electromagnetic frequency bands used in wireless telecommunications—a scarce, valuable and highly-regulated resource. What is more, Sprint is 80%-owned by Japanese wireless powerhouse Softbank, a strong company with deep pockets and significant incentives to ensure that its US investment does not get wiped out. Sprint's debt and equity have both suffered price pressure in recent months, pushing the annualised yield on its 2032 bond up to 9%, and we think the market may be underestimating the value of both its debt and equity—but we think the negative sentiment looks even less justified on the bond.

While the company may not be 'too big to fail', i.e. so large that its failure would be disastrous to the economy and therefore must be supported by the government to prevent its failure, we believe it is unlikely to be allowed by its Japanese backers or by U.S. regulators to 'fail big', wiping out the equity entirely, and failing even to pay back creditors.

By being able to hold exposure to multiple asset classes such as bonds and equities, the Fund is able to take advantage of what we see as an attractive risk-adjusted return on the bond, while also maintaining limited exposure to the high upside potential of Sprint's stock. In this way, we are able to leverage our core approach of analysis of company fundamentals to find opportunities across the entire capital structure of a contrarian investment like Sprint.

Performance Summary

	£ Highest Share Price	£ Lowest Share Price	£ per share Net Income Distributed
Standard Share Class (Income)			
2015*	11.3897	10.3112	N/A
2014	10.7826	9.7817	0.2429
Fund Management Fee Free Class (Income)			
2015*	11.3889	10.3105	N/A
2014	10.7838	9.7818	0.2447
Refundable Fee Class (Accumulation)[1]			
2015*	11.5330	11.2089	N/A
Refundable Fee Class (Income)			
2014	10.6719	9.9495	0.0000
Past performance is not a reliable indicator of future results.			

* From 1 January 2015 to 30 June 2015

[1] The Refundable Fee Class (Accumulation) is available only to the Fee Reserve Administrator and is used for investment of the Reserve. At times during the period, there were no shares in issue. The disclosed "highest price per share" and "lowest price per share" represents the highest/lowest price during periods in which there were shares in issue.

Fund Overview

Sector Exposure

	Weight	
Sector	**30 June 2015**	**31 December 2014**
Information Technology	18.7%	21.1%
Financials	14.7%	20.8%
Consumer Discretionary	14.1%	14.5%
Energy	11.5%	7.6%
Industrials	8.7%	5.8%
Health Care	8.6%	5.8%
Telecommunication Services	7.4%	6.4%
Materials	6.8%	5.7%
Consumer Staples	4.2%	5.1%
Utilities	3.1%	3.5%
Other	2.0%	3.7%

Top 10 Holdings

		Weight	
Security Name	**Asset Type**	**30 June 2015**	**31 December 2014**
Merck	Equity	3.0%	3.3%
Alere	Fixed Income	2.7%	-
Alcoa	Fixed Income	2.7%	2.7%
Carnival (UK)	Equity	2.5%	2.6%
XPO Logistics	Fixed income	2.4%	1.1%
Microsoft	Equity	2.4%	2.6%
Johnston Press	Fixed Income	2.3%	1.6%
Samsung Electronics	Equity	2.2%	3.4%
Sprint	Fixed Income	2.2%	1.5%
NetEase	Equity	2.2%	1.8%

Geographical Exposure

	Weight	
Geographical Area	**30 June 2015**	**31 December 2014**
North America	39.2%	44.7%
Asia	21.7%	23.0%
Europe ex-UK	18.4%	14.5%
United Kingdom	18.2%	16.1%
Australia and New Zealand	1.3%	-
South and Central America	0.9%	0.9%
No Geographic Region	0.4%	0.8%

Charges (for the Standard Share Class) [1]

	For the six months ended 30 June 2015
Ongoing charges[2]	0%
Performance fee	0.01%

Important Dates

	Annual	Interim
Accounting date	31 December	30 June
Income distribution date	28 February	N/A

[1] All ongoing charges were also met by Orbis Investment Management Limited for the Fund Management Fee Free Share Class and Refundable Fee Share Class. There are no performance fees charged on these share classes.

[2] All charges were met by Orbis Investment Management Limited.

Objectives and Risks

Investment Objective

The Fund seeks to balance income generation, capital growth, and risk of loss using a diversified global portfolio. The Fund's success or failure with regard to this objective is measured by comparing its returns with those of its benchmark, 60% MSCI World Index and 40% JP Morgan Global Government Bond Index (the "Benchmark"). This Benchmark combines indices which measure the performance of some of the largest companies listed on world stock exchanges and bonds issued by governments around the world.

Investment Policy

In pursuing its investment objective, the Fund will invest primarily in shares of publicly listed companies and fixed income instruments. These may be located anywhere in the world, in any industry and issued by governments, corporate entities, partnerships, business trusts or other issuers.

While the Fund aims to be fully invested in selected shares of such companies and fixed income instruments, it may, to the extent permitted by the Fund's investment restrictions, also invest indirectly in commodities such as metals through commodity-linked instruments as defined below. The Fund may also invest in other types of investments such as securities, cash, money market instruments, deposits, derivative instruments or other investment funds. The Portfolio Manager targets the portfolio to hold:

- 40 – 85% global equities
- < 50% fixed income instruments, cash and cash equivalents and
- 0 – 10% commodity-linked instruments.

For these purposes, fixed income instruments include debt securities with fixed and floating rates and money market instruments, and commodity-linked instruments are instruments and securities where an investor's return and the issuer's payment obligations are contingent on, or highly sensitive to, changes in the value of physical commodities (such as metals, energy and agricultural products), including, without limitation:

(a) exchange-traded funds that hold physical commodities or that enable investors to gain exposure to commodity indices;

(b) futures, forwards, options or swaps on a commodities index (but not on a single commodity);

but exclude exchange-traded funds that hold transferable securities, single name securities of companies that are exposed to the physical commodities sector, or futures, forwards, options or swaps on a financial index that is not linked to physical commodities.

However, the composition of the portfolio may from time to time move outside these targets in pursuit of the Fund's investment objectives. At any given time, the Portfolio Manager will invest in a limited selection of shares and fixed income instruments, from around the world, which it considers to be most undervalued compared to its assessment of what they are worth. As a result, the Fund's holdings will often be relatively concentrated in some geographic regions or industries, while at the same time having little or no exposure to others.

From time to time the Fund uses derivatives such as futures and options on broad stockmarket indices in the regions in which the Fund is invested for efficient portfolio management purposes including with the intention of reducing the risk of loss associated with the Fund's equity investments as a result of a significant decline in the stockmarkets. This risk reduction may not be achieved.

Similarly, the Portfolio Manager actively manages the Fund's currency exposure, which can also differ greatly from the currency exposures of its Benchmark and therefore may significantly influence returns. The policy of the Portfolio Manager is to avoid net short currency positions in the Fund.

Risk Profile

Investing in stocks may offer a higher rate of return than investing in short-term and longer-term debt securities. However, the risks, including the risk of loss, associated with investments in stocks may also be higher.

Currency exposure is managed relative to the Fund's Benchmark and the value of the Fund and its performance relative to the Benchmark may be affected by currency movements.

The Fund's holdings usually differ meaningfully from the Benchmark and will often be relatively concentrated in some geographic regions or industries, while at the same time having little or no exposure to others. This means that events causing a decline in the value of holdings in industries in which the Fund is invested may have a significant effect on the Fund's value and its performance may differ significantly from the Benchmark.

The Fund's derivative use may add to the Fund's returns during periods of stockmarket declines and detract from them during periods when stockmarket returns exceed those on cash. Use of derivatives generally may result in the Fund being leveraged and can result in increased volatility in the net asset value of the Fund.

The Fund offers no capital guarantee or protection. More information in relation to risks in general may be found in the "Risk Factors" section of the Prospectus which can be found online at www.orbisaccess.co.uk/reports-and-documents.

Synthetic Risk and Reward Indicator

The Risk and Reward Indicator is a simple measure of the risk associated with investing in the Fund. The higher the rank, the greater the potential reward but the greater the risk of losing money.

For periods prior to the Fund's launch where there is no performance history, the indicator is based on the Fund's Benchmark. Historical data, such as the data used in calculating this indicator may not be a reliable indicator of the future risk profile of the Fund.

The risk and reward category may shift over time and is not a target or a guarantee. The lowest category (i.e. Category 1) does not mean a risk-free investment.

The Fund is in **Category 4** because the Benchmark and performance data used have shown a medium range and frequency of price movements (volatility) of the underlying investments referenced by the Fund.

Our Client Support team is available to answer any questions that you may have. If you are contacting us about your account, we may ask you a few security questions first to ensure you are the true account owner.

The Interim Long Report for Orbis OEIC for the six months ended 30 June 2015 is available upon request. To obtain a copy, please contact our Client Support team by visiting **www.orbisaccess.co.uk/support.**