

2021 AUDITED

# Financial Statements

ORBIS JAPAN  
EQUITY (US\$) FUND

## TABLE OF CONTENTS

Directory	1
Appointments	2
Independent Auditor's Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Net Assets Attributable to Holders of Redeemable Fund Shares	6
Statement of Cash Flows	7
Schedule of Derivatives	8
Notes to the Financial Statements	9 - 14
Notices	15

# DIRECTORY

## Registered office and mailing address

Orbis Japan Equity (US\$) 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<sup>1</sup>.

John C. R. Collis  
Consultant  
Bermuda

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

E. Barclay Simmons  
Rose Investment Limited  
Bermuda

E. Barclay Simmons is the Chairman and Chief Executive Officer of Rose Investment 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.

<sup>1</sup> Effective 31 December 2021, William Gray stepped down as President of Orbis Investment Management Limited. Adam R. Karr assumed this role from 1 January 2022.

## APPOINTMENTS AT 31 DECEMBER 2021

### Investment Manager

Orbis Investment Management (Guernsey) Limited<sup>1,2</sup>

Registered Address:

1st Floor, Tudor House  
Le Bordage, St. Peter Port  
Guernsey GY1 1DB

Office Address:

Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

### Investment Advisor to the Investment Manager

Orbis Investment Management Limited<sup>1</sup>

Orbis House  
25 Front Street  
Hamilton HM 11  
Bermuda

### Auditors

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

### 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

<sup>1</sup>Licensed to conduct investment business by the Bermuda Monetary Authority

<sup>2</sup>Licensed to conduct investment business by the Guernsey Financial Services Commission

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and the Members of

Orbis Japan Equity (US\$) Fund Limited (the "Fund"):

## Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable fund shares and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*

Toronto, Canada  
25 January 2022

Chartered Professional Accountants  
Licensed Public Accountants

# ORBIS JAPAN EQUITY (US\$) FUND

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

As at 31 December	2021	2020
<b>Assets</b>		
Financial assets at fair value through profit or loss		
Orbis SICAV - Japan Equity Fund	118,024	106,724
Derivatives	1,202	82
Cash and cash equivalents	565	709
	<b>119,791</b>	<b>107,515</b>
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss		
Derivatives	-	988
Payable for investments purchased	16	-
Manager's fees payable	134	103
Other payables and accrued liabilities	43	44
	<b>193</b>	<b>1,135</b>
<b>Net assets attributable to holders of redeemable Fund shares</b>	<b>119,598</b>	<b>106,380</b>



William Gray,  
on behalf of the Board of Directors  
25 January 2022

See accompanying notes on page 9

## ORBIS JAPAN EQUITY (US\$) FUND

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

For the year ended 31 December	2021	2020
<b>Income</b>		
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	20,868	(1,982)
Other foreign currency loss	(59)	(8)
Interest and other	-	1
	<b>20,809</b>	<b>(1,989)</b>
<b>Expenses</b>		
Manager's fees	1,790	1,624
Administration, professional fees and other	80	79
	<b>1,870</b>	<b>1,703</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable Fund shares</b>	<b>18,939</b>	<b>(3,692)</b>

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

For the year ended 31 December	2021	2020
<b>Balance at beginning of year</b>	<b>106,380</b>	<b>121,595</b>
Increase (decrease) in net assets attributable to holders of redeemable Fund shares from operations	18,939	(3,692)
Shareholders' activity during the year		
Subscriptions		
Shareholders	5,468	2,355
Switches between funds	1,798	4,659
Redemptions		
Shareholders	(11,589)	(12,275)
Switches between funds	(1,398)	(6,262)
<b>Balance at end of year</b>	<b>119,598</b>	<b>106,380</b>

See accompanying notes on page 9



## ORBIS JAPAN EQUITY (US\$) FUND

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

For the year ended 31 December	2021	2020
<b>Cash flows from operating activities</b>		
Proceeds from realisation of investments and currencies	18,068	21,148
Purchases of investments	(10,651)	(7,551)
Interest received	-	1
Manager's fees paid	(1,759)	(1,661)
Operating expenses paid	(81)	(78)
<b>Net cash provided by operating activities</b>	<b>5,577</b>	<b>11,859</b>
<b>Cash flows from financing activities</b>		
Proceeds from subscription of redeemable Fund shares	7,266	7,014
Payments on redemption of redeemable Fund shares	(12,987)	(18,537)
<b>Net cash used in financing activities</b>	<b>(5,721)</b>	<b>(11,523)</b>
Net increase (decrease) in cash and cash equivalents	(144)	336
Cash and cash equivalents - beginning of year	709	373
<b>Cash and cash equivalents - end of year</b>	<b>565</b>	<b>709</b>

See accompanying notes on page 9

## ORBIS JAPAN EQUITY (US\$) FUND

### SCHEDULE OF DERIVATIVES AT 31 DECEMBER 2021

#### Forward Currency Contracts

Currency	Contract Value	Contract Value	Fair Value	Unrealised Gain
	000's	US\$ 000's	US\$ 000's	US\$ 000's
JPY	(13,503,778)	(118,669)	(117,467)	1,202

See accompanying notes on page 9

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2021 AND 2020

### General information

Orbis Japan Equity (US\$) 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 higher returns in US dollars than the Japanese stockmarket hedged into US dollars, without greater risk of loss. The Fund invests substantially all of its assets in the Orbis SICAV - Japan Equity Fund (“SICAV - Japan Equity”) and hedges the resulting Japanese yen exposure into US dollars, with the result that the Fund’s returns are managed in US dollars.

Orbis Investment Management (Guernsey) 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 25 January 2022.

### 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.

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. Realised gains and losses on disposal are calculated using the average cost method.

**Classification.** The Fund’s investments are categorised under IFRS as at fair value through profit or loss as they are managed and have their performance evaluated on a fair value basis. This includes the investment in SICAV - Japan Equity and all derivatives held by the Fund, which may include forward currency and futures contracts, unless those derivatives are designated as effective hedging instruments as defined by *IFRS 9 Financial Instruments*. The Fund does not designate any of its derivative instruments as hedges for hedge accounting purposes. All gains and losses on these investments are included in profit or loss.

Cash and cash equivalents and all other receivables and payables are measured at amortised cost which approximates fair value.

**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 the 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.

**Income and expenses.** Income and expenses are recorded on an accrual basis. 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.

**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.

**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.

### **Fair value measurement**

**Fair value hierarchy.** The Fund's financial instruments measured at fair value are categorised 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.

All of the Fund's financial instruments are Level 2 investments.

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 2021 or 31 December 2020.

**Valuation techniques.** The fair value of the investment in SICAV - Japan Equity is based on the net asset value per share of the share class in which the Fund is invested at the year-end date, as this is the price at which the Fund would transact in these shares.

The fair value of investments not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques which make maximum use of market inputs and are consistent with accepted methodologies for pricing these 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.

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

For the year ended 31 December	2021	2020
	US\$ 000's	US\$ 000's
Realised gains (losses)		
SICAV - Japan Equity	2,550	4,743
Derivatives	10,736	(4,241)
Change in unrealised gains (losses)		
SICAV - Japan Equity	5,474	(1,694)
Derivatives	2,108	(790)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	20,868	(1,982)

**Derivative financial instruments.** Subject to its investment restrictions, the Fund may utilise derivative financial instruments, primarily to manage its exposure to currency risk. 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 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 2021, the gross unrealised gains and (losses) on the forward currency contracts held by the Fund were, in thousands, US\$1,252 and US\$(50) respectively (2020 - US\$96 and US\$(1,002)).

### 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 invests substantially all of its net assets in SICAV - Japan Equity which invests in a portfolio of Japanese equities. The currency exposure of the Fund is managed, principally by using forward currency contracts to sell Japanese yen against the US dollar. As a result, the Fund's returns are managed in US dollars and the Fund is not subject to a significant level of risk due to changes in foreign exchange rates.

**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 and SICAV - Japan Equity'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 indirect investments in equity securities through its holding in SICAV - Japan Equity. The investment manager of SICAV - Japan Equity 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 that fund. In constructing the portfolio, the investment manager of SICAV - Japan Equity 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. The investment manager of SICAV - Japan Equity also takes into account the composition of its performance benchmark, the TOPIX, and monitors its risk of underperforming its benchmark by comparing its weighting in each industry sector with that of the benchmark and ensuring that deviations in such weightings, which are prompted by detailed "bottom up" research, are not inconsistent with its "top down" macroeconomic view. The maximum risk resulting from the Fund's financial instruments is equal to their fair value.

Considering the historical correlation between the return of the underlying equities held by SICAV - Japan Equity at year-end and the returns of the Japanese stockmarket index, the estimated impact on the Fund's net assets of a 5% change in that market as at 31 December 2021 would have been 4.3% (2020 – 5.1%). 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 contracts and cash and cash equivalents. The maximum exposure to credit risk at the year-end is the carrying value of these financial assets.

The Investment Manager seeks to reduce the Fund's credit risk to the extent practicable by dealing only with counterparties that meet its strict contractual terms and trading practices, designed to mitigate counterparty insolvency risk 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.

The Fund invests the majority of its assets in the No Fee share class of SICAV - Japan Equity which is redeemable weekly. The majority of SICAV - Japan Equity'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.

### **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 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 2021 and 2020, the Fund's authorised share capital comprises 100 million redeemable Fund shares and 12,000 redeemable Founders' shares, each with a par value of US\$1 per share.

Fund shares may be issued in one or more classes or series of shares. At 31 December 2021, the Fund offers Investor shares and Base Refundable Reserve Fee shares, each of which may have different management fees or eligibility requirements. Within the Base Refundable Reserve Fee share class, individual share classes or individual series within a share class are issued to investors to facilitate calculation of the management fees. Fee Reserve shares are issued to the Investment Manager in relation to the performance fee.

Fund and Fee Reserve shares participate pro rata in the net assets and dividends of the Fund attributable to those classes of shares. These shares are redeemable at their Net Asset Value 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 assets, are redeemable at their par value only after all Fund and Fee Reserve shares have been redeemed, and carry the right to vote. If the Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value. All authorised Founders' shares are issued, fully paid, carried at their par value of, in thousands, US\$12 (2020 - US\$12) and included in Other payables and accrued liabilities on the Statement of Financial Position. There were no transactions in Founders' shares in 2021 or 2020.

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

	Fund shares			
	Investor		Base	
	2021	2020	2021	2020
Balance at beginning of year	1,753	2,000	35	-
Subscriptions				
Shareholders	81	41	-	-
Switches between funds	26	48	-	35
Redemptions				
Shareholders	(136)	(224)	(35)	-
Switches between funds	(20)	(112)	-	-
Balance at end of year	1,704	1,753	-	35

There were no Fee Reserve shares in issue at 31 December 2021 or 2020, and no Fee Reserve transactions during the years then ended.

The Net Asset Value per Investor share at 31 December 2021 was US\$70.18.

### Investment in SICAV - Japan Equity

The Fund meets the definition of an investment entity within *IFRS 10 Consolidated Financial Statements* and measures its investment in SICAV - Japan Equity at fair value through profit or loss. The Orbis SICAV is a Luxembourg SICAV with its domicile and principal place of business in Luxembourg.

At 31 December 2021, the Fund owned 8.8% (2020 - 11.1%) of SICAV - Japan Equity. Each share of an Orbis SICAV Fund, along with all other shares in issue irrespective of the Class or Fund to which they belong, is entitled to one vote at all general meetings of shareholders. The percentage of voting rights held by the Fund in the Orbis SICAV at 31 December 2021 was 0.3% (2020 - 0.3%).

## **Indemnification**

The Fund may enter into agreements that contain indemnifications or warranties for the benefit of service providers and others in connection with the Fund's investments. The Fund's exposure under these agreements is dependent upon future claims that may be made against the Fund. The risk of material loss from such future claims is considered remote.

## **Related party transactions**

Orbis Investment Management (Guernsey) Limited is the Investment Manager of the Fund.

The Investor shares pay the Investment Manager a fee which can vary between 0.5% and 2.5% per annum of weekly net assets, determined by the SICAV - Japan Equity class' rate of return versus its performance fee benchmark.

The Base Refundable Reserve Fee Share class pays the Investment Manager a base fee of 0.60% per annum of its net assets and a performance-related fee of 25% of the share class' rate of return versus its performance fee benchmark since the last Dealing Day. At each Dealing Day, the Investment 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 Fee Reserve shares bear no fee.

For each investor in the Base Refundable Reserve Fee Share class, when the value of the related Fee Reserve shares exceeds 3% and 7% of the total Net Asset Value of their Refundable Reserve Fee shares, the Investment Manager is paid in cash at the rate of 1% and 2% per annum, respectively, of the total Net Asset Value of those Refundable Reserve Fee shares.

The shareholders have approved Director's fees for 2021 to each of John Collis, Barclay Simmons and David Smith of US\$1,000 (2020 - US\$1,000). No other directors have received any remuneration or other direct benefit material to them.

At the year-end, 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, 26 Investor shares (2020 - 11).



## NOTICES

**Annual General Meeting.** Notice is hereby given that the Annual General Meeting of Orbis Japan Equity (US\$) 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 31 March 2022 at 10:00am. 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 2021
- Review of 2021 audited financial statements
- Appointment of the Directors of the Fund
- Approval of Director’s fees for the year to 31 December 2022
- Proposed re-appointment of Ernst & Young LLP as Auditors for the year to 31 December 2022

By Order of the Board, James Dorr, Secretary

**Notice to Persons in the European Economic Area (EEA) and the United Kingdom.** The Fund is an alternative investment fund that is neither admitted for public marketing anywhere in the EEA and the United Kingdom nor marketed in the EEA and the United Kingdom for purposes of the Alternative Investment Fund Managers Directive or its equivalent in the United Kingdom. As a result, persons located in any EEA member state or the United Kingdom 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 and Orbis Investment Management (Guernsey) Limited are licensed to conduct investment business by the Bermuda Monetary Authority.



**Orbis Investment Management Limited**

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