



# Product Review

## Orbis Global Equity LE (Australia Registered) Retail Class

ISSUE DATE 26-04-2023

### About this Review

ASSET CLASS REVIEWED	GLOBAL EQUITIES
SECTOR REVIEWED	GLOBAL LARGE CAP
SUB SECTOR REVIEWED	FUNDAMENTAL VALUE
TOTAL FUNDS RATED	12

### About this Fund

ASIC RG240 CLASSIFIED	NO
FUND REVIEWED	ORBIS GLOBAL EQUITY LE (AUSTRALIA REGISTERED) RETAIL CLASS
APIR CODE	ETL3523AU
PDS OBJECTIVE	HIGHER RETURNS THAN THE AVERAGE OF THE WORLD'S EQUITY MARKETS, WITHOUT GREATER RISK OF LOSS OVER THE LONG TERM AND AFTER APPLYING THE EXCLUSIONS.
INTERNAL OBJECTIVE	OUTPERFORM THE BENCHMARK (NET) OVER FIVE YEARS OR MORE
STATED RISK OBJECTIVE	TO AVOID THE RISK OF PERMANENT CAPITAL LOSS OVER THE MEDIUM-TERM
DISTRIBUTION FREQUENCY	ANNUALLY
FUND SIZE	\$17M (JANUARY 2023)
FUND INCEPTION	16-02-2021
ANNUAL FEES AND COSTS (PDS)	1.14% P.A.
PERFORMANCE FEE	25% (OF NET OUTPERFORMANCE OF THE BENCHMARK. REFUNDABLE MECHANISM IN PLACE)
RESPONSIBLE ENTITY	EQUITY TRUSTEES LIMITED

### About the Fund Manager

FUND MANAGER	ORBIS INVESTMENT MANAGEMENT LIMITED
OWNERSHIP	PRIVATELY HELD
ASSETS MANAGED IN THIS SECTOR	\$28.1BN (JANUARY 2023)
YEARS MANAGING THIS ASSET CLASS	33

### Investment Team

PORTFOLIO MANAGER	ADAM KARR, BEN PRESTON & GRAEME FORSTER
INVESTMENT TEAM SIZE	44
INVESTMENT TEAM TURNOVER	MOD-HIGH
STRUCTURE / LOCATION	REGION & SECTOR ANALYSTS/GLOBALLY

### Investment process

STYLE	VALUE
TYPICAL CAPITALISATION BIAS	LARGE
BENCHMARK	MSCI ACWI WITH SPECIAL TAX INDEX (NDR) IN AS
EXCLUSIONS	TOBACCO AND CONTROVERSIAL WEAPONS
TYPICAL STOCK NUMBERS	50-100
STOCK LIMITS	5% (10% LIMIT SUBJECT TO CONCENTRATION TEST)
SECTOR/INDUSTRY LIMITS	UNCONSTRAINED
COUNTRY/REGION LIMITS	UNCONSTRAINED (INCL. EM)
CURRENCY EXPOSURE	ACTIVELY MANAGED

### Fund rating history

APRIL 2023	RECOMMENDED
MAY 2022	RECOMMENDED

### What this Rating means

The 'Recommended' rating indicates that Lonsec has strong conviction the financial product can generate risk adjusted returns in line with relevant objectives. The financial product is considered an appropriate entry point to this asset class or strategy.

### Strengths

- Differentiated and pragmatic investment philosophy.
- The research process is based on a high degree of individual accountability and responsibility, with strong alignment to investors.
- Orbis employs a disciplined, autonomous and highly detailed fundamental bottom-up research process.

### Weaknesses

- Notwithstanding style headwinds, some inconsistency in stock selection has contributed to medium-term peer and benchmark underperformance.
- Continued periodic changes to the portfolio construction process detracts somewhat from consistency and its conviction placed on the strategy's long-term track record.
- The investment team is currently under a relatively new leadership structure, which can carry some transition risks.
- Orbis' recruitment approach creates a high level of analyst turnover resulting in tenure and experience being concentrated in senior investors.

### Fund Risk Characteristics

	LOW	MODERATE	HIGH
BUSINESS SUSTAINABILITY RISK		●	
CAPITAL VOLATILITY			●
FOREIGN CURRENCY EXPOSURE			●
SECURITY CONCENTRATION RISK		●	
SECURITY LIQUIDITY RISK	●		

Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the financial product's asset class and the risks relative to other financial products in the relevant Lonsec sector universe.

### BIometrics

#### Aggregated risks

	1	2	3	4	5	6	7
STD RISK MEASURE						●	

A Standard Risk Measure score of 6 equates to a Risk Label of 'High' and an estimated number of negative annual returns over any 20 year period of 4 to less than 6. This is a measure of expected frequency (not magnitude) of capital losses, calculated in accordance with ASFA/FSC guidelines.

	LOW	MODERATE	HIGH
RISK TO INCOME			●

**We strongly recommend that potential investors read the product disclosure statement** Lonsec Research Pty Ltd ABN 11 151 658 561 • AFSL No. 421 445 • This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports.

ANALYST: CONOR GALVIN | APPROVED BY: MATTHEW TURNBULL

# Orbis Global Equity LE (Australia Registered) Retail Class

ISSUE DATE 26-04-2023

## Features and benefits

	LOW	MODERATE	HIGH
COMPLEXITY		●	
ESG		●	

## Fee profile

	LOW	MODERATE	HIGH
FEES VS. UNIVERSE			●
FEES VS. ASSET CLASS		●	
FEES VS. SUB-SECTOR		●	

Fee BIometrics are a function of expected total fee as a percentage of expected total return.

## What is this Fund?

- The Orbis Global Equity LE (Australia Registered) Retail Class ('the Fund') is an actively managed long only, benchmark unaware global equities product. The Fund aims to outperform the MSCI ACWI With Special Tax Index (NDR) in A\$ over rolling five-years or more (gross). The overall portfolio typically contains 50-100 stock positions and portfolio turnover is expected to range between 40-60% p.a. The Fund has exclusions on companies directly involved in tobacco production and controversial weapons.
- Orbis Investment Management ('Orbis' or 'the Manager') employs a long-term focused, fundamental bottom-up investment process to identify undervalued companies. This style, at times, is contrarian in nature, buying stocks when they have fallen out-of-favour with the wider market. Lonsec highlights that such investment processes can underperform during bull-markets and in periods of short-term market stress, as the Manager tends to buy into falling stocks early.
- It is important to note, however, that the Manager does not conclusively identify with any particular style and states that the Fund's style bias relative to the benchmark will deviate through market cycles. Lonsec notes each contributing analyst will have their own perspective on what constitutes contrarian opportunities, which may also be influenced by their sector or region of coverage. This is expected to mean that the Fund should feature a blend of traditional 'deep value' stocks that are trading at heavily discounted prices (e.g. relative to their own history or peers) and stocks more conventionally considered 'Growth at a Reasonable Price' (GARP), which have solid longer-term growth prospects although trade at a discount to 'intrinsic value'. This diversity tends to impact on conventional style analysis, with the vintage of key holdings expected to dilute traditional 'deep value' characteristics.
- The Fund will not invest in companies that are:-
  - classified by either MSCI or FTSE as being a tobacco company or those regarded by the Manager as directly involved with the production of tobacco;
  - actively involved in the production of controversial weapons. The Manager undertakes a screening process semi-annually to determine whether a company produces controversial weapons and will use third party research provided by ISS/Ethix.

- Lonsec also has research coverage on Orbis Global Equity Fund — Australia Registered Retail (APIR: ETL0463AU) which is identical to the Fund without the exclusion screens. Lonsec notes a very high degree of crossover between holdings across both portfolios. As at January 2023, only 7.0% of the underlying portfolio for ETL0463AU has been excluded in the Fund. As such, Lonsec expects the Manager to be able to achieve broadly similar portfolio characteristics in both Funds.
- The Fund's PDS, dated 6 December 2022, disclosed Annual Fees and Costs ('AFC') totalling 1.14% p.a., comprising of (1) management fees and costs of 1.05% p.a.; (2) a performance fee cost of 0.00% p.a., and (3) net transaction costs of 0.09% p.a. In line with RG97, some fees and costs have been estimated by the issuer on a reasonable basis. Actual fees and costs may vary to these estimates, with performance fees having the potential to vary significantly based on the Fund's realised performance and the fee's calculation requirements.
- The Fund charges buy/sell spreads set at +/-0.25%. These spreads may be subject to change, most notably during periods of market volatility, and can be sourced from the Manager's website during such times.
- The Manager may be entitled to a refundable performance fee of 25% of the outperformance over the benchmark (net), subject to a high-water mark. The performance fee is calculated daily, with 25% of the Fund's outperformance of the benchmark paid into a reserve. Assets held in the reserve are invested into the Fund. When the Fund lags the benchmark, refunds are issued from the reserve at the same 25% rate. Orbis is only entitled to receive payment from the reserve where the reserve has positive value. This payment occurs daily and is capped at the lesser of following: one-third per annum of the value of the reserve, or 2.5% p.a. of the NAV of the Fund class. If the reserve is empty, no refund is available to investors. However, Orbis will notionally track the underperformance, representing the Fund's high-water mark whereby no further amount will be transferred into the reserve until all underperformance is fully recovered.
- Lonsec supports the concept of performance fees provided they are appropriately structured. Lonsec considers an appropriate structure to be one where the performance fee is in line with industry standard, where the fee is subject to an appropriate hurdle rate of return and a prior high-water mark. Lonsec considers the fee structure to be well-suited to the Fund's style and a potentially fairer outcome for long-term investors relative to a traditional performance fee structure. Lonsec notes however that the hurdle rate of simply outperforming the benchmark return (net) could be improved.

## Using this Fund

**This is General Advice only and should be read in conjunction with the Disclaimer, Disclosure and Warning on the final page.**

ANALYST: CONOR GALVIN | APPROVED BY: MATTHEW TURNBULL

# Orbis Global Equity LE (Australia Registered) Retail Class

ISSUE DATE 26-04-2023

- Lonsec notes that the Manager has produced a Target Market Determination ('TMD') which forms part of the Responsible Entity's Design and Distribution Obligations for the Fund. Lonsec has collected the TMD that has been provided by the Manager and notes that this should be referred to for further details on the Target Market Summary, Description of Target Market and Review Trigger.
- The Fund provides investors exposure to global equity stock markets and accordingly, may experience both positive and negative, at times sharp, movements in the value of capital invested. Lonsec recommends that equity investments, given their volatility, are best suited for investors with an investment time horizon of at least five years.
- Considering the Fund's 'benchmark unaware' and contrarian investment approach, investors should be prepared to tolerate performance that may differ significantly from a market benchmark. The portfolio may look very different from the benchmark in terms of both regional and sector weights, and as such, is expected to demonstrate a moderate-to-high Tracking Error.
- The Manager's flexible 'value' philosophy incorporates an assessment of 'intrinsic value'. As a result, the Fund may also exhibit a combination of 'deep value' contrarian characteristics, and/or display GARP characteristics at certain points in the cycle.
- As such, given the Fund's style bias, Lonsec believes the strategy is suitable to blend with 'balanced', 'core', 'style neutral' and/or other style and sector focused funds as part part of a 'growth asset' exposure in a diversified and balanced portfolio.

## Suggested Lonsec risk profile suitability



For guidance on appropriate asset allocations and risk profiles, refer to the latest Lonsec Strategic Asset Allocation Review and Risk Profile Definitions on our website.

## Changes Since Previous Lonsec Review

- In August 2022, the Manager established a Responsible Investing Team, which includes Henry Allen (Head of Responsible Investing Team) and Shane Keenaghan (Responsible Investing Analyst).
- Continued turnover within the equity analyst team with six new departures over the last 12 months. Recruitment (+9) has also occurred.
- Lonsec has not been advised of any further firm, team or process changes since the previous review.

## Lonsec Opinion of this Fund

### People and resources

- Lonsec highlights that the firm underwent a second generational transition with Adam Karr, 30 years' investment experience and 21 year's tenure, assuming the day-to-day leadership of the investment team from his predecessor, William Gray, on 31 December 2021. Karr is now ultimately accountable for portfolio construction and the performance of the strategy. Lonsec considers Karr to be highly experienced and a capable investor. Due to the short timeframe since this transition, Lonsec will continue to build conviction in overall team cohesion under Karr's leadership throughout future reviews.
- As part of this restructure, Karr now co-manages his US team responsibilities with Matt Adams. Karr retains his full investment decisions of the portfolio while Adams will be tasked with managing the US team. Adams has been with Orbis since 2009 and has incrementally taking on more team responsibilities from Karr over recent years.
- The Fund comprises of three standalone sub-portfolios, weighted equally to the Fund. Each sub-portfolio has a global remit and is the responsibility of a dedicated portfolio manager. The portfolio managers for these sub-portfolios are Karr, Ben Preston and Graeme Forster. Lonsec has previously met with all three portfolio managers in previous reviews and has found them to be suitably experienced and well credentialed investors displaying a strong buy-in to the firm's investment philosophy.
- The portfolio management structure is relatively new and untested as it was implemented in May 2022. Lonsec further highlights that this decision-making structure has been subject to continued and periodical changes over recent years. That said, Lonsec views this new process as a positive development under Karr's new leadership structure and believes investment decisions will be more efficient as a result.
- Lonsec considers the Manager to have a reasonably well-resourced team given the investment process. The underlying equity analyst team is large and numbered 44 investment professionals. The analysts are based across Europe, Asia and the Americas which is viewed positively in terms of gaining on-the-ground coverage. Orbis maintains a dual structured investment team, in contrast to many peers. This includes 26 analysts being organised by region (North America, Europe, Japan and Emerging Markets) and 8 organised by aggregate 'global sector' or globally in practice.
- Relative to most peers, Orbis has a strong focus on ensuring a high degree of individual accountability and discretion at the analyst level. This is driven by the belief that contrarian investment decisions are best made by individuals rather than as a collective. Lonsec considers the investment process and culture to be consistent with this aim and a source of relative strength compared to peers. For instance, analysts have full discretion over their research agenda and remuneration is tied to their Advisor's Recommended List (ARL), or 'paper portfolio', within their defined universe (sector or region).

ANALYST: CONOR GALVIN | APPROVED BY: MATTHEW TURNBULL

- Compared to the 'typical' fund manager assessed by Lonsec, Orbis' approach to building its investment team is relatively unconventional. The Manager typically seeks to recruit exceptional (and numerate) individuals with limited-to-no prior investment experience and then trains them in the Orbis style and philosophy. Lonsec's experience with other fund managers employing a similar unconventional approach is that it can result in a stronger investment and corporate culture, greater buy-in to the Manager's philosophy and lower staff turnover being experienced at the lower level.
- The Manager's approach to staff recruitment is also different as recent appointments are re-evaluated after two years. At the conclusion of this term, the appointee may be released subject to performance or investment culture incompatibility. Lonsec believes this structure is likely to result in relatively high staff turnover at the lower levels. Historically, the team has suffered from elevated turnover in its analyst platform with less than five years' experience. For example, of the 81 equity analysts that departed Orbis from 2001 to June 2020, over 60 had less than five years' tenure. Lonsec highlights that this may place additional stress on senior investors as they are tasked with onboarding new staff, a process which varies between 12 to 18 months, and there are fewer investors with any meaningful experience to manage the analysts within their investment sphere. Lonsec is wary these mentoring and management issues may stretch the portfolio managers and is an area which will be continually monitored.
- That said, turnover within the senior ranks has tended to be reasonably low, suggestive of acceptance of this approach. Further, personnel who reach the five-year milestone and are considered good performers may be offered participation in Orbis' equity program, further locking in the team's most experienced members. Pleasingly, the median tenure of the three portfolio managers is a strong 21 years, whilst this is 13 years for senior analysts, those with tenure greater than five years.
- The equity team is supported by six dedicated quantitative resources who are responsible for the quantitative screens and risk tools and all trades are handled by eight traders in Bermuda. The Fund also includes an active currency overlay which is suitably resourced by two currency professionals. These available resources and the separation of roles is viewed positively by Lonsec, believing it allows the equity team to focus on bottom-up stock research.
- Lonsec considers the portfolio managers' alignment with investors to be relatively strong. Portfolio managers are granted participating units of the firm's profits. Lonsec believes this to be a prudent measure ensuring that variable remuneration is more closely tied to the performance of the aggregate strategy rather than an individual's regional sleeve. That said, Lonsec would prefer direct alignment to the performance of the strategy rather than firm profits, albeit acknowledges the strategy currently represents the bulk of Orbis' assets. Further, the participation units are subject to a 12-year participation period or 'tail' on departure with no cash buy-out. This aims to ensure that departing portfolio managers remain incentivised and aligned to make decisions

that benefit the long-term prosperity of investors and the firm. Lonsec considers these measures are also in-line with the Fund's refundable performance fee, providing a longer-term incentive structure for key investors relative to many peers.

- Lonsec also considers the underlying analyst team's alignment with the process, and therefore with investors, to be relatively strong. Variable remuneration is paid on an annual rolling basis within a defined band. Orbis caps 'alpha' for bonus determination to 10% for any one year and any excess is carried over to the following year. This also holds for underperformance, with the aim to promote consistency and to smooth out any excesses. Senior analysts are also able to receive participation units in the firm's profits.
- Lonsec believes co-investment can also enhance alignment of interests. While co-investment in the strategy is optional for both analysts and portfolio managers, Lonsec notes many of the portfolio managers have made discretionary investments into the strategy.

## Research and portfolio construction

- Lonsec believes Orbis implements a disciplined, analyst-driven and highly detailed fundamental bottom-up research process. The contrarian-based investment process attempts to exploit market misunderstandings and resulting heavy share price discounts. Orbis employs an opportunistic approach to research where each analyst has the discretion to investigate any idea within their defined universe. Quantitative screens assist in the discovery process, helping to narrow and prioritise opportunities. These screens are customisable by analysts but typically include return on equity (ROE), net asset value (NAV) growth, sustainability of earnings growth and working capital adequacy metrics.
- The Fund's investment style is fluid. Orbis do not conclusively prescribe with any particular style and the Fund can deviate significantly from the benchmark through market cycles. Lonsec believes this is a function of the degree of flexibility and individualism implicit in the process. That is, the respective investing bias of each portfolio manager and the emphasis on determining their own view of 'intrinsic value' when assessing potential investments. Lonsec notes that the appropriateness of the Fund's classification in the 'value' sub-sector will continue to be reviewed.
- Lonsec considers the largely unconstrained research mandate to be a strong differentiating feature of the Fund versus peers. The requirement for each analyst to conduct their initial research individually and formulate a reasonably well-developed investment case prior to seeking broader feedback and input is found to be supportive of Orbis' individualistic contrarian philosophy.
- The research process involves three layers of self-vetting by analysts, with each stage progressively requiring deeper analysis. Lonsec believes this process helps to promote a high level of individual accountability and conviction. Analysts are considered to have ample time in which to conduct their due diligence as each analyst may only generate three-to-seven new ideas annually. That said, the



experience of the portfolio managers is considered to be critical in guiding the development of the team and quality of research output. This is particularly important given the risk of inexperienced analysts pursuing poor quality ideas, especially when compared to a more collegiate process.

- Once a stock idea has been developed by an analyst, they are then required to make a presentation to the Policy Group Meeting (PGM). Importantly, given Orbis' significant focus on individual accountability, the PGM constitutes a peer review forum only and this does not encompass any formal stock approval function. Votes are tallied, however only for accountability purposes. All stock ideas are required to be evaluated in a PGM before being potentially added to an analysts' ARL. Lonsec considers this to be a valuable and necessary step to ensure all potential candidates have been consistently evaluated given the varied experience levels across the team. This could also be enhanced further with fixed and consistent PGM membership.
- Generally, Lonsec has found the bottom-up research process to be detailed. There is an emphasis on internally built financial models and valuations, although broker research can be used to gauge market and consensus views. The primary valuation metrics are discounted cash flow (DCF) and internal rate of return (IRR) models, although analysts are free to select their own methodology and input their own assumptions. While Lonsec believes a more standardised approach to valuation and assumptions can greater assist with consistency and comparability, it believes this flexible approach is aligned with the analyst ownership of their research. Further, Lonsec notes that the valuation techniques and assumptions adopted are critically assessed at the PGM.
- Lonsec has previously expressed some concerns around the deterioration in stock selection given the team's declining success ratio (i.e. ability to select winners over losers) in recent years and the potential contribution to this from some perceived diminishment in sell discipline. Whilst these concerns still remain, Lonsec has gained some improved comfort in the robustness in the Manager's sell discipline in previous reviews (e.g. quarterly thesis reviews, actively trimming names that reach their fair value, exiting thesis breaks). The winners/losers ratio has also seen improvement towards its longer-term trend. That said, the high ownership stakes of names may ultimately challenge sell discipline if there is a need to swiftly liquidate these holdings.
- Portfolio construction pertaining to the individual portfolios remains the sole responsibility of each portfolio manager. All three portfolio managers will be involved in the same investment committee meetings and can also participate in discussions around new investments in every sector or region.
- Lonsec believes the collegiate approach may help improve the understanding of the risk/return drivers in each portfolio, alongside relative valuations between sectors and regions which can be useful in providing portfolio managers with greater context for investment decisions. Further, Lonsec notes positively the existence of a research intermediary who facilitates informal dialogue weekly between

portfolio managers to facilitate idea exchanges and capital allocation decisions.

- Given the Manager's philosophy and mindfulness of transaction costs, Lonsec understands that the capital allocations between portfolio managers have tended to not experience marked changes in the short term. That said, Lonsec highlights that the portfolio construction changes have been made to ensure flow of capital towards better risk-adjusted opportunities across all regions.
- The aggregation of three sub-portfolios can be expected to result in a diversified final portfolio although the material reduction in quantum of holdings in recent years partially offsets this. Lonsec highlights that the Fund has typically been highly concentrated within the highest conviction positions with the top 10 holdings typically between 35% and 45%. Accordingly, Lonsec emphasises that the strategy is effectively more concentrated than what is implied by the headline number of holdings.

## ESG integration

- Lonsec's ESG integration assessment considers how rigorous, robust and structured the ESG process for the Fund is as well as how well it integrates into the overall investment process and the Manager's overall policy and reporting framework. The assessment is not intended to assess the underlying holdings of the Fund's portfolio or the Manager's adherence to any form of impact, green / sustainable or ethical standards.
- At the corporate level, Lonsec views the Manager's overall ESG policy framework and disclosure as aligned with peers. The Manager has an articulated commitment to the integration of ESG within their investment process with evidence of public positioning and policy framework. The responsible investing policy, proxy voting and engagement policies are freely available on the firm's website. Pleasingly the Manager has published a climate change report providing details on the Manager's approach to climate change. The level of disclosure with respect to proxy voting and engagement policies is slightly behind peers with both policy frameworks lacking depth compared to peers. Reporting on voting and engagement outcomes is publicly available, although Lonsec would welcome further disclosure at the company level for engagement outcomes.
- The Manager has indicated that their Responsible Investment style is 'ESG Integration' and as such they take Environmental, Social and Governance factors into consideration when assessing investment opportunities. With a primary ESG style of 'Risk or Value', Managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result, this approach may mean that lower quality ESG companies may be included if the return potential is sufficient and this may conflict with some clients perception of what a strong ESG process would deliver.
- Within the management of this specific Fund Lonsec notes:
  - The Manager has an appropriately structured approach to the collection and use of ESG specific data. They access multiple data providers and

underlying data feeds into research or rating models. Data collection and storage is robust.

- There are clear signs of defined ESG element within the research process for the Fund. Research is undertaken in a structured manner and storage and sharing is robust. While the output of the process is an ESG opinion, there is no measurable output and no clear structure to calibration.
- The process by which ESG research is reflected in position sizing is a little less transparent with a less defined link between the Manager's research effort and its incorporation in stock decisions and portfolio structures.
- Portfolio level measurement or assessment of ESG risks is not evident.
- While the Manager tracks engagements, there is no clear system for prioritising engagements or for measuring success.
- There is no evidence that ESG factors form any component of the Manager's compliance framework and overall transparency to investors is light. Pleasingly, voting is controlled by the portfolio manager for the Fund.

## Risk management

- Lonsec considers the evaluation of risk to be well-featured in the Manager's bottom-up process. A stock's 'margin of safety' (or an assessment of potential downside or loss of capital) is a key element of the research. Further, each investment thesis is thoroughly tested at the Manager's PGM forum.
- The Manager has a lesser emphasis on benchmark risk management (e.g. Tracking Error, sector limits) compared to peers, although quantitative risk models are employed to monitor and measure risk exposures. On a day-to-day basis, the quantitative team will be responsible for assessing the risk within the portfolio. The aim of this process is to review the risk-return trade-offs of large exposures and reduce exposures that do not offer commensurate returns. Lonsec sees this level of portfolio risk oversight as valuable, albeit mostly for information purposes only.
- Additionally, Lonsec notes a more detailed portfolio risk report is produced by the Portfolio Risk Team on a quarterly basis. The report contains more detailed analysis such as style exposures, sector deviations, liquidity reviews and scenario analysis.
- Currency management is considered both a risk management and alpha generating function by weighting towards currencies that are expected to better preserve value over time, while also having a lower expected risk of capital loss. Equity analysts evaluate stocks in local currency, leaving a dedicated Orbis currency team based in London to manage the Fund's currency positioning. The currency team estimate the fair value of a currency using the commonly applied Purchasing Power Parity (PPP) method.
- The intention is for the Fund to manage exposures in currencies considered 20% under/overvalued relative to their estimated fair value. Lonsec considers that the dynamic currency program, which relies on a relatively simple set of rules, to be logical. Lonsec has generally observed that deriving consistent alpha from currency management is notoriously difficult,

although gains comfort that the influence of the currency component of the Fund is expected to be minimal, as reflected by the large valuation range (+/-20%). Nonetheless, Lonsec highlights that the Fund is expected to deliver returns from a mix of equity and currency related decisions.

## Capacity management

- The Manager had \$28.1bn in AUM as of January 2023 across both the global equity strategies. The Manager does not have a formal capacity limit. Although the Manager invests in stocks when they are out of favour within the market, Lonsec notes elevated AUM levels could add to liquidity concerns when trading stocks, particularly in heightened sell-offs. Lonsec notes a formal capacity study and definitive capacity figure would be welcome. Lonsec will continue to monitor the level of AUM in future reviews.

## Fees

- Lonsec notes that the Fund's AFC of 1.14% p.a. is moderately higher than its peers. The performance fee for the Fund has been nil since the inception of the Fund.

## Product

- The Fund is a relatively vanilla listed global equity strategy that invests in large cap stocks. Hence, Lonsec does not consider it to be operationally challenging to implement. Additionally, the Manager employs high quality 'tier 1' service providers. The Fund uses an independent Responsible Entity ('RE') and Lonsec notes this RE relationship has been stable since the inception of the Fund and there have been no issues. The buy/sell spread is 0.25%/0.25% and as net transaction costs disclosed under RG97 reporting regime are 0.09% p.a., Lonsec considers the spreads too narrow. This will remain a watchpoint for Lonsec.

## Performance

- The Fund aims to outperform the MSCI ACWI With Special Tax Index (NDR) in A\$ ('the Benchmark') over rolling five years (gross). However, the Fund was only launched in February 2021 and has yet to develop a meaningful performance track record. Benchmark performance data at the rear of this report references the MSCI AC World NR Index A\$.
- Over the one year period to 31 January 2023, the Fund returned -4.6%, to outperform the Benchmark by 3.5%. Lonsec prefers to use more long term data as a measure of historical performance to provide a more meaningful analysis.
- That said, Orbis also manages a longer running wholesale unit class version of the Orbis Global Equity Fund dating from June 2005. Since inception to 31 January 2023, this variant outperformed the Benchmark by 2.3 % p.a. (gross of fees).

## Overall

- Lonsec has maintained the Fund's **'Recommended'** rating. Lonsec views favourably the Manager's fundamental and long-term contrarian investment approach. The research process is based on a high degree of individual accountability with detailed bottom-up research conducted. That said, the periodic changes to the portfolio construction process evolving to a more collegiate approach, albeit this has remained unchanged of late, has resulted in the long-term investment track record being less indicative and is viewed negatively. Further, Lonsec will seek to increase its conviction and monitor this transitory phase of Adam Karr leading the investment team.
- Investors should also note that the flexible 'value' philosophy can result in the Fund exhibiting a mix of 'deep value' and 'GARP' characteristics at different points in the cycle.

## People and Resources

### Corporate overview

Orbis Investment Management Limited (Orbis) forms part of the Orbis Group which was established in 1989 by Dr. Allan Gray. Orbis managed US\$33.5bn in assets under management, of which \$28.1bn was in global equities (January 2023). Orbis has investment offices in London, Hong Kong, Tokyo, San Francisco and Bermuda.

Orbis operates separately but shares common ownership along with investment philosophy and approach with sister company Allan Gray Proprietary Limited (AGL), a South Africa-domiciled domestic asset management firm founded in 1973.

The Allan and Gill Gray Foundation ('the Foundation') has majority ownership stakes in both businesses. The Foundation was established to promote the commercial success and continuity of the Orbis and Allan Gray groups, and for philanthropic causes. Day-to-day control of the businesses has been vested in Orbis Allan Gray Limited, a holding company whose board consists of a majority of present executives and includes non-executive directors.

### Size and experience

NAME	POSITION	EXPERIENCE INDUSTRY / FIRM
ADAM KARR	PRESIDENT AND PM (GLOBAL)	30 / 21
BEN PRESTON	PM (GLOBAL)	24 / 23
GRAEME FORSTER	PM (GLOBAL)	16 / 16
ANALYST (AVERAGE)	44 (26 REGIONAL, 8 GLOBAL SECTOR)	7 / 7

Adam Karr, as President and portfolio manager, is ultimately accountable for the Fund's performance. Karr has 30 years' of industry experience and joined the Manager in 2002. Karr also is responsible for US equity investments.

The Orbis investment process is based around individual accountability and Karr's role practically revolves more around guidance and oversight. That said, Karr is responsible for selecting and appointing those analysts who contribute to the Fund's management.

## Team structure

There are total of three portfolio managers, all of whom will have a global remit. Analysts are organised along either regional or global sector lines with four regional sub-teams: North America (6), Europe (8), Emerging Markets (6) and Japan (6). Analysts are further delineated by seniority which is determined by their stock picking ability, and the median tenure for this cohort is 13 years. In addition, the multi-asset team also consists of 7 analysts, who are responsible for the research of securities across asset classes, including equities. Supporting the equity research team is also a six-person quantitative division, a currency team of two and eight traders.

The recruitment process seeks to hire individuals with academic qualifications, most notably in science, history, law and MBA backgrounds, but with no prior investment industry experience. This aims to ensure greater cultural fit and to maintain a consistent investment philosophy and process. The firm also actively manages the analysts, typically over a five-year timeframe, to ensure that only those that are performing remain with the business.

### Remuneration/Alignment of interests

Portfolio managers' variable remuneration is tied to participation units in Orbis profits. The number of units is reviewed every three-to-five years and subject to a 12-year participation period or 'tail' on departure with no cash buy-out.

Orbis has a highly structured remuneration system for the analyst team. All analysts maintain a paper portfolio of their best ideas, known as the 'Analyst Recommended List' (ARL), with performance measured against a relevant benchmark. This constitutes the most significant input into an analysts' remuneration.

Orbis has noted that there is an asymmetric element where analysts are also rewarded for their best and largest alpha ideas rather than many small alpha contributors. There is also a cap on bonuses so that analysts are only rewarded on a 0-10% alpha scale in any one year. Any alpha that falls outside of this range (positive or negative) is withheld and is carried forward to the following year. The structure is also designed to reward consistent alpha, particularly with the junior analysts. Bonuses are paid annually, with more senior analysts encouraged to convert their bonus into synthetic equity in the firm.



## Research Approach

### Overview

RESEARCH PHILOSOPHY	BOTTOM-UP WITH QUANTITATIVE AND FUNDAMENTAL RESEARCH
TARGET COMPANY	STOCKS TRADING AT A SIGNIFICANT DISCOUNT TO THEIR INTRINSIC VALUE
EXCLUSIONS	COMPANIES INVOLVED IN THE MANUFACTURING OF TOBACCO AND CONTROVERSIAL WEAPONS.
MIN. MARKET CAPITALISATION	NOT SPECIFIED
NUMBER OF STOCKS IN MANAGER'S UNIVERSE	6,000
NUMBER OF STOCKS FULLY MODELLED/ RESEARCHED	C.100 NEW STOCKS P.A.
RESEARCH INPUTS	VARIOUS – PROPRIETARY QUANTITATIVE SCREENS, COMPANY REPORTS, MANAGEMENT MEETINGS
BROKER RESEARCH	CONSIDERED AFTER CONDUCTING THROUGH ANALYSIS
VALUATION OVERVIEW	VARIOUS (DCF, IRR, SUM OF PARTS)

### Universe filtering

The investment universe officially numbers some 6,000 stocks across both developed and emerging markets. The primary sources of idea generation are internally built quantitative screens and individual watch lists. Analysts utilise two main quantitative screens: (1) a traditional value and (2) a Growth/Quality at Reasonable Price (GARP/QARP) screen. Analysts have significant control over the filtering criteria, allowing them to tailor the screens according to their own research dimension (region or sectors).

The Manager also excludes companies involved in the manufacturing of tobacco and controversial weapons.

### Research process

The Orbis research process contains three distinct stages or phases each designed to become increasingly more detailed. Research is typically conducted individually by an analyst through Phase One and Two, sourcing publicly available information. Only at Phase Three will an analyst contact company management, suppliers, competitors and other sources.

- Phase One: This is a desk-review of long-term fundamental information to gain an initial sense of the risk-reward proposition of a stock. This also includes identification of critical aspects of the thesis to explore in the next phase. Analysts often undertake Phase One research on a group of stocks concurrently.
- Phase Two: A closer examination of the key factors that are considered most critical to their assessment of a company's intrinsic value and whether or not an adequate margin of safety exists. This will typically include the development of a valuation model and conducting more extensive historical analysis. Once again, only the most promising ideas will proceed to the next phase.
- Phase Three: Involves deeper company and industry analysis to develop a detailed assessment of intrinsic value.

The end product is a detailed research report, which generally follows a common structure. Analysts may then engage with company management, competitors, suppliers and other industry sources as well as sell-side broker reports and market consensus opinions to test their investment thesis. Discount rates, and other

assumptions are at analyst discretion; these however need to be clearly articulated.

Following completion of Phase Three, the responsible analyst evaluates the merits of the stock and may present this to a Policy Group Meeting (PGM), a peer review forum. The PGM does not have a formal approval function but is influential in testing the analyst's thesis. Votes are cast and recorded. Consistent with the individual accountability philosophy throughout the investment process, analysts are free to include any name in their ARL (or paper portfolio), irrespective of the degree of support, provided these have first been discussed in a PGM. There is no fixed membership for a PGM and its composition is expected to change depending on the stock being considered (i.e. its region and sector).

An analyst's ARL comprises up to 10 stocks within their area of coverage, weighted by their conviction levels. A portfolio manager may have 10-35 stocks within their ARL as they may express their own investment ideas and include those considered to be the most promising from other analysts' ARLs.

### Valuation

The primary valuation metrics are discounted cash flow (DCF) and internal rate of return (IRR) models. Other valuation techniques (e.g. sum of the parts) may also be used depending on the stock and analyst conducting the valuation.

Analysts have flexibility to choose the methodology albeit they are required to justify this with an internally built financial model at the PGM. The timeline of the valuation is typically four years, however this again varies between analysts.

## Portfolio Construction

### Overview

FUND BENCHMARK	MSCI ACWI WITH SPECIAL TAX INDEX (NDR) IN AS
EMERGING MARKETS PERMITTED	YES
INTERNAL RETURN OBJECTIVE	O/P BENCHMARK (GROSS) OVER FIVE YEARS
INTERNAL RISK OBJECTIVE	NOT TARGETED
PORTFOLIO MANAGEMENT APPROACH	BENCHMARK UNAWARE
INVESTMENT STYLE	VALUE/CONTRARIAN
PORTFOLIO DECISION MAKING	CO-PM CAPITAL ALLOCATION DETERMINED BY PRESIDENT
STOCK SELECTION	BOTTOM-UP
TOP-DOWN INFLUENCE	MINIMAL (ONLY CURRENCY DECISIONS)
TYPICAL NUMBER OF HOLDINGS	50-100
MARKET CAPITALISATION BIAS	LARGE
EXPECTED PORTFOLIO TURNOVER	40-60% P.A.
OBSERVED ACTIVE SHARE	93.0% (MARCH 2023)
PORTFOLIO EXPOSURE IN TOP 10 HOLDINGS	34.0% (MARCH 2023)

### Decision making

The Fund represents the combination of a number of separately managed global portfolios. While appointed portfolio managers have full discretion in the management of their respective sleeves, they all need to agree on the sector and regional capital allocations for the aggregate portfolio.

This discretion also extends to the investment style that each portfolio manager subscribes to and their



perspectives on intrinsic value. The region and sector of focus can also have significant bearing on the style. The Fund is expected to be a mix of traditional 'deep value' stocks with depressed valuations to names considered more conventionally as GARP or 'growth'.

Portfolio managers are appointed by Karr as President. There are formal reviews annually in November to evaluate each portfolio manager. Responsibility for the portfolio and day-to-day capital allocation decisions rests with the portfolio managers. A desire to curtail portfolio turnover has been an important factor.

Portfolio managers consider the following factors when deciding the capital allocation decision between sectors and regions:

- The size of the opportunity set (e.g. US market is larger than Japan and would be expected to receive a larger starting weight); and
- The attractiveness of the opportunity set (the degree and volume of attractive ideas gauged from quantitative tools and themes of stocks uncovered by analysts across Orbis).

The number of stocks in the portfolio along with the stock range tends to be a function of the quantum of contributing portfolio managers. The typical stock range is 50-100 names, which has fallen since the Manager implemented greater regional and sector oversight to all the portfolio managers. The top 10 names is also expected to comprise c.35-45% of the Fund.

There is also a currency overlay that can be applied by a dedicated two-person currency team.

## Buy/sell drivers

A stock is eligible if it has been discussed at a PGM and there is enough conviction for it to be included in an analyst's ARL. Investment decisions are then based on whether a stock is considered to trade at a sufficient discount to intrinsic value.

Sells can occur for a variety of reasons including reaching or surpassing its intrinsic value, a change in fundamentals, thesis breaks or a more attractive opportunity arises.

Sell decisions will be made by the respective portfolio manager. A formal Recommended Change of Advice (RCA) is submitted to the Portfolio Construction Group to signal a sell or change to a position weight.

## Risk Management

### Risk limits

SEPARATE INVESTMENT RISK MONITORING	YES
STOCK LIMITS	5% (HOWEVER 10% POSITIONS ARE PERMITTED PROVIDING 40% OF THE FUND IS NOT REPRESENTED BY <8 STOCKS)
SECTOR / INDUSTRY LIMITS	UNCONSTRAINED
COUNTRY / REGION LIMITS	UNCONSTRAINED (INCL. EM)
CASH LIMIT	UNCONSTRAINED (TYPICALLY <5%)

The strategy is unconstrained/benchmark agnostic and hence there are no formal constraints on either stock or country exposures, including sector or market-cap limits.

## Risk monitoring

Orbis primarily utilises internally developed risk models to monitor the risk characteristics of the underlying equity portfolio. Orbis has a dedicated portfolio risk team located in London which also has access to third-party risk models from Axioma. Orbis monitors risk from both an absolute and relative basis while seeking to ensure the portfolio has a reasonable level of diversification with large deviations from the benchmark weight and being driven by the bottom-up stock selection.

Style exposures are routinely computed for all portfolios, along with ex-ante Tracking Errors and estimates of the marginal contribution to Tracking Error and absolute volatility of each stock in each portfolio.

A portfolio level report is also produced by the portfolio risk team on a quarterly basis which is distributed throughout the investment team. The report includes style exposures, sector deviations, scenario, volatility and liquidity analysis.

## Currency management

The portfolio construction process considers the currency exposures of both a stock's listing origin and aggregate currency exposure of the underlying revenue of the stocks held in the portfolio. The currency function is both a risk management and alpha generating consideration by weighting towards currencies that are expected to better preserve value over time, while also having a lower expected risk of loss of capital. This is achieved by estimating the fair value of a currency via the Purchasing Power Parity (PPP) methodology. The currency team of two, then implements their views using forward contracts to adjust the Fund's currency exposure to its respective target weight. The currency team typically implement their views when they consider a currency to be materially (>20%) under or overvalued relative to the currency team's estimate of fair value.

## Risks

**An investment in the Fund carries a number of standard investment risks associated with domestic and international investment markets. These include economic, political, legal, tax and regulatory risks. These and other risk are outlined in the PDS and should be read in full and understood by investors. Lonsec considers major risks to be:**

### Currency risk

The Fund invests in assets that are denominated in non-A\$ currencies. A rise in the relative value of the A\$ vis-à-vis the currencies in which the assets are denominated will negatively impact the market value of the assets (and vice versa) from an Australian investor's perspective. Orbis may actively manage the Fund's currency exposures as determined by their in-house Currency team from a valuation perspective (Purchasing Power Parity). The Fund therefore may alter the Fund's currency exposures from either risk or alpha perspective.

### Concentration risk

The Fund generally stocks between 50-100 different stocks and does not have any sector, country, or industry constraints. The Manager is expected to build a portfolio that may vary markedly from the benchmark (e.g.

concentration risk and/or sector, industry or country exposures). Accordingly, investors should be mindful of the potential for sharper movements in the market price of these investments.

### **Market risk**

The Fund has no formal country and regional constraints aside from broad guidelines for diversification. Stocks domiciled in emerging markets are typically associated with higher market risk, relative to those domiciled in developed markets. The Fund's 'value' bias may increase the Fund's risk profile, particularly during periods of short term market stress.

### **Liquidity risk**

Liquidity risk differs between funds depending on their style/market-cap bias. Exposures to emerging market countries can also potentially give rise to heightened liquidity risk. Stocks domiciled in emerging markets are generally considered to be less liquid than those domiciled in developed markets, particularly during times of extreme market dislocation. Small-cap stocks also have the potential to suffer from liquidity risk.

# Orbis Global Equity LE (Australia Registered) Retail Class

ISSUE DATE 26-04-2023

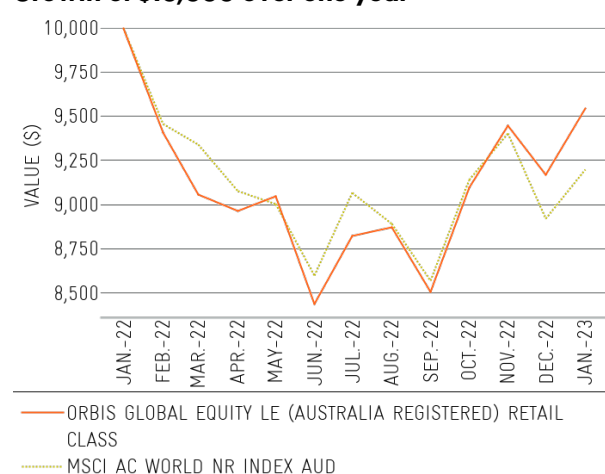
## Quantitative Performance Analysis - annualised after-fee % returns (at 31-1-2023)

### Performance metrics

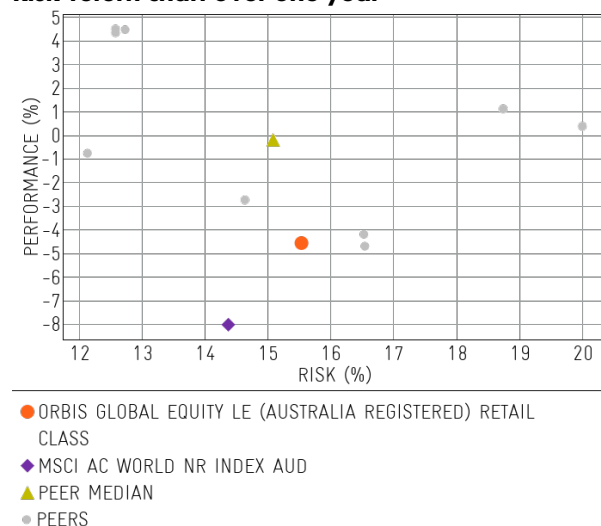
	3 MTH		6 MTH		9 MTH		12 MTH	
	FUND	PEER MEDIAN	FUND	PEER MEDIAN	FUND	PEER MEDIAN	FUND	PEER MEDIAN
PERFORMANCE (% PA)	4.91	4.74	8.19	8.74	6.50	7.34	-4.55	-0.18
STANDARD DEVIATION (% PA) *	-	-	-	-	-	-	15.53	15.08
EXCESS RETURN (% PA)	4.24	5.22	6.73	7.59	5.15	5.84	3.46	8.03
OUTPERFORMANCE RATIO (% PA)	100.00	100.00	83.33	83.33	66.67	66.67	58.33	62.50
WORST DRAWDOWN (%)	-2.91	-2.70	-4.10	-4.76	-6.72	-6.63	-15.60	-14.32
TIME TO RECOVERY (MTHS)	1	1	1	1	4	2	NR	NR
SHARPE RATIO *	-	-	-	-	-	-	-0.39	-0.12
INFORMATION RATIO *	-	-	-	-	-	-	0.60	0.82
TRACKING ERROR (% PA) *	-	-	-	-	-	-	5.77	8.10

PRODUCT: ORBIS GLOBAL EQUITY LE (AUSTRALIA REGISTERED) RETAIL CLASS  
 LONSEC PEER GROUP: GLOBAL EQUITIES - GLOBAL LARGE CAP - FUNDAMENTAL VALUE  
 PRODUCT BENCHMARK: MSCI AC WORLD NR INDEX AUD  
 CASH BENCHMARK: BLOOMBERG AUSBOND BANK BILL INDEX AUD  
 \* PERIODS LESS THAN 12 MONTHS ARE NOT CALCULATED  
 TIME TO RECOVERY: NR - NOT RECOVERED, DASH - NO DRAWDOWN DURING PERIOD

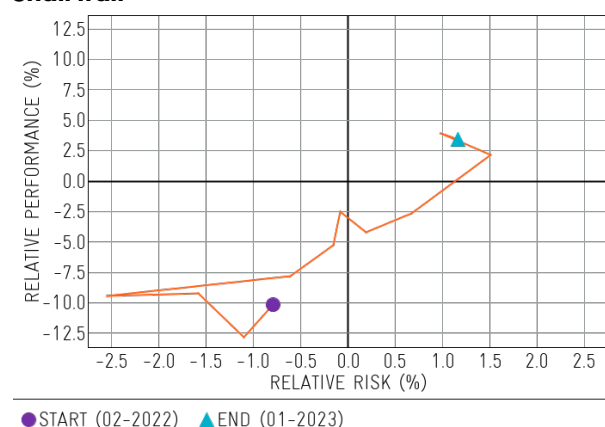
### Growth of \$10,000 over one year



### Risk-return chart over one year



### Snail trail



### Outperformance consistency



ANALYST: CONOR GALVIN | APPROVED BY: MATTHEW TURNBULL



# Orbis Global Equity LE (Australia Registered) Retail Class

ISSUE DATE 26-04-2023

ANALYST: CONOR GALVIN | APPROVED BY: MATTHEW TURNBULL

P 12-12

## Glossary

**Total return** 'Top line' actual return, after fees  
**Excess return** Return in excess of the benchmark return  
**Standard deviation** Volatility of monthly Absolute Returns  
**Tracking error** Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns)  
**Sharpe ratio** Absolute reward for absolute risk taken (outperformance of the risk free return (Bank Bills) / Standard Deviation)  
**Information ratio** Relative reward for relative risk taken (Excess Returns / Tracking Error)  
**Worst drawdown** The worst cumulative loss ('peak to trough') experienced over the period assessed  
**Time to recovery** The number of months taken to recover the Worst Drawdown  
**Snail Trail** A trailing 12-month relative performance and relative risk measurement over the benchmark. The trail is generated using a 12-month rolling window over the specified period

## About Lonsec

Lonsec Research Pty Ltd (Lonsec) is an investment research house with specialist areas of expertise, that was originally established in 1994 and the current entity was registered on 23 June 2011. From 1 July 2011, Lonsec became a fully owned subsidiary of Lonsec Fiscal Holdings Pty Ltd, a privately owned entity with a multi-brand strategy of providing leading financial services research and investment execution. Lonsec believes that professional financial advisers need informed opinions on the best investment strategies and financial products to provide real value for their clients. To meet this need, Lonsec has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of managed fund products.

## Analyst Disclosure and Certification

Analyst remuneration is not linked to the research or rating outcome. Where financial products are mentioned, the Analyst(s) may hold the financial product(s) referred to in this document, but Lonsec considers such holdings not to be sufficiently material to compromise the rating or advice. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their personal, professional opinion about the matters and financial product(s) to which this document refers.

**LONGSEC STRONGLY RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE RELEVANT PRODUCT DISCLOSURE STATEMENT. IMPORTANT NOTICE:** Issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Lonsec receives a fee from the fund manager or financial product issuer(s) for researching the financial product(s), using objective criteria and for services including research subscriptions. Lonsec's fee is not linked to the rating(s) outcome. Lonsec Investment Solutions Pty Ltd ABN 95 608 837 583 CAR (CAR: 001236821) of Lonsec receives fees under separate arrangement for providing investment consulting advice to clients, which includes model portfolios, approved product lists and other financial advice and may receive fees from this fund manager or financial product issuer for providing investment consulting services. Refer to the Conflicts of Interest Statement at: [Lonsec.com.au/important-documents](https://lonsec.com.au/important-documents) Lonsec does not hold the financial product(s) referred to in this document. Lonsec's representatives and/or their associates may hold the financial product(s) referred to in this document, but details of these holdings are not known to the Analyst(s). **Warnings:** In line with industry practice returns may be estimated, to access verified returns please refer to the product provider. Past performance is not a reliable indicator of future performance. Any advice is General Advice based on the investment merits of the financial product(s) alone, without considering the investment objectives, financial situation and particular needs of any particular person. It is not a recommendation to purchase, redeem or sell the relevant financial product(s). Before making an investment decision the reader must consider his or her financial circumstances or seek personal financial advice on its appropriateness. Read the Product Disclosure Statement for each financial product before making any decision about whether to acquire a financial product. Lonsec's research process relies upon the participation of the fund manager or financial product issuer(s). Should the fund manager or financial product issuer(s) no longer participate in Lonsec's research process, Lonsec reserves the right to withdraw the document at any time and discontinue future coverage. The product rated in this publication may have related financial products or be associated with other financial products and platforms. The rating may only be applied to the financial product outlined in this publication at first instance, seek professional advice before you make an investment decision on related or associated financial products and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated financial products and platforms may be different from the financial product specified in this publication. **Disclaimer:** This document is for the exclusive use of the person to whom it is provided by Lonsec and must not be used or relied upon by any other person. No representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this document, which is drawn from public information not verified by Lonsec. Financial conclusions, ratings and advice are reasonably held at the time of completion but subject to change without notice. Lonsec assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, Lonsec, its directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it. ©2023 Lonsec. All rights reserved. This report may also contain third party material that is subject to copyright. To the extent that copyright subsists in a third party it remains with the original owner and permission may be required to reuse the material. Any unauthorised reproduction of this information is prohibited.