

ORBIS ABSOLUTE RETURN FUNDS

ANNUAL
REPORTS
31 DECEMBER 2001



ORBIS OPTIMAL

US\$ Fund / Euro Fund

ORBIS LEVERAGED

US\$ Fund / Euro Fund

THE FAMILY OF ORBIS FUNDS

ABSOLUTE RETURN FUNDS

- These Funds seek absolute (*ie positive*) returns regardless of stockmarket trends
- They invest directly or indirectly in the Manager's optimal mix of hedged Orbis Equity Funds
- They manage risk of loss with stockmarket hedging
- They are able to have no net exposure to stockmarket trends
- They are differentiated from each other by their risk levels and their base currencies

ORBIS OPTIMAL (US\$) FUND

This Fund seeks capital appreciation in its base currency, the US dollar, while offering a low risk global portfolio. The Fund invests in selected Orbis Equity Funds. The risk of loss of the Fund is managed with stockmarket hedging.

ORBIS OPTIMAL (EURO) FUND

This Fund seeks capital appreciation in euro on a low risk global portfolio. The Fund supplements its sole investment, the Orbis Optimal (US\$) Fund, with currency hedging enabling the Fund to be managed in its base currency, the euro.

ORBIS LEVERAGED (US\$) FUND

This Fund seeks capital appreciation in US dollars on a leveraged global portfolio. The Fund invests up to 200% of its net assets, primarily in the Orbis Optimal (US\$) Fund. The stockmarket and currency exposures of the Fund are actively managed.

ORBIS LEVERAGED (EURO) FUND

This Fund seeks capital appreciation in euro on a leveraged global portfolio. The Fund supplements its sole investment, the Orbis Leveraged (US\$) Fund, with currency hedging enabling the Fund to be managed in its base currency, the euro.

EQUITY FUNDS

- Each Fund remains fully invested in equities selected from a specified geographic region
- Each is actively managed to outperform a "Benchmark" index of the stockmarkets in its region
- The equities are selected using detailed proprietary research which emphasises fundamental value
- A Fund's portfolio may be focused and, unlike an index fund, notably different from its Benchmark
- However, the resulting risk of underperforming the Benchmark is regularly monitored

ORBIS GLOBAL EQUITY FUND

This Fund invests globally and seeks to earn higher returns than world stockmarkets. The Fund's Benchmark is the FTSE World Index, including income. The Fund's currency exposure is managed relative to that of the World Index.

ORBIS AFRICA EQUITY (RAND) FUND

This Fund invests in African, usually South African, equities. The Fund's Benchmark is the Johannesburg Stock Exchange/Actuaries All Share Index, including income. The Fund does not hedge currencies, and thus is exposed to the rand.

ORBIS JAPAN EQUITY (YEN) FUND

This Fund invests in Japanese equities. The Fund's Benchmark is the Japanese stockmarket, measured by the Tokyo Stock Price Index, including income ("TOPIX"). The Fund does not hedge currencies, and therefore is exposed to the Japanese yen.

ORBIS JAPAN EQUITY (US\$) FUND

This Fund invests in the Orbis Japan Equity (Yen) Fund. The Fund hedges most or all of its currency exposure into US dollars. The Fund's Benchmark is the Japanese stockmarket, measured by the TOPIX hedged into US dollars, including income.

PRESIDENT'S LETTER

Dear Member,

The Orbis Funds had an outstanding year in 2001. The Orbis Optimal US\$ and Euro Funds rose by 29.0% and 29.7%, respectively, in 2001 while the Orbis Leveraged US\$ and Euro Funds gained 72.3% and 70.9%, respectively. In the 12 years since their inception, Orbis Optimal (US\$) and Orbis Leveraged (US\$) have risen by 13.4% and 17.6% per annum, respectively – both well ahead of their respective performance comparisons as shown in the Manager's Reports that follow.

The returns of the Orbis Optimal and Leveraged Funds in 2000 and 2001 were highly exceptional. They are clearly not sustainable or indicative of what investors can expect looking forward over any reasonable length of time. However, this statement should not be misconstrued. While the extent of the returns is clearly not sustainable, we believe their underlying source and therefore the potential to add value in future is. The distinction is subtle but important.

The Funds continue to generate the lion's share of their returns from Orbis' stock-picking capability. For example, over the past two years, 93% of the Orbis Optimal (US\$) Fund's return came from its hedged exposure to the superior stock selection in the underlying Orbis Equity Funds. The sustainability of that stock-picking skill is based on it being grounded on a common sense, fundamental investment approach, and on leveraging the opportunities presented by the instinctive herd mentality of most investors.

So how do we reconcile that with the Funds' recent outsized returns? An appropriate analogy might be that of a swimmer with a good stroke swimming in the ocean. At times, the swimmer will be swimming against a strong tide – possibly to the extent that no forward progress is discernable at all. Inevitably, the tide turns and the swimmer will all of a sudden appear to make extraordinarily rapid forward progress. All the time, however, the swimmer's stroke has remained unchanged – it is only the environment that has changed. Similarly, the Funds' fundamental value investment approach caused them to swim against the tide of speculative investor sentiment for the period that ended in March 2000 with the bursting of the technology-led stockmarket bubble. The tide has since turned dramatically magnifying the Funds' recent returns. This shift in tides makes it difficult to identify the Funds' underlying "true stroke" except over long-term periods.

Unfortunately, the tides in global stockmarkets are not as predictable or clearly discernable as those in the ocean, other than with the benefit of hindsight. Investors are faced with the task of identifying those managers with a good stroke and sticking with them through the ebb and flow of global markets while having their visibility blurred by the constantly shifting tides. To be successful, investors need to observe managers' behaviour through good and bad times in order to discern their true skill. Forming long-term return expectations based on the recent results of Orbis Optimal and Orbis Leveraged is unwise. Encouragingly, the dollar versions of Orbis Optimal and Orbis Leveraged have 12-year track records which are a better indicator of the Funds' long-term potential.

Rest assured of our continued best efforts on your behalf.

Yours sincerely,



William B Gray

Hamilton, Bermuda
21 January 2002

ORBIS OPTIMAL (US\$) FUND AT 31 DECEMBER 2001

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
Orbis Optimal (US\$)	13.4	12.2	20.8	29.0	2.6
US\$ Bank Deposits	5.5	5.5	5.4	4.1	0.6
Average Global Equity Fund	5.6	2.7	(1.9)	(17.9)	10.9
Average US\$ Bond Fund	6.3	4.8	3.5	4.9	(0.4)

During 2001, the Fund gained 29.0%, Bank Deposits gained 4.1%, the Average Global Equity Fund fell 17.9% and the Average US\$ Bond Fund gained 4.9%. In the 12 years since the Fund's inception, \$10 invested in the Fund has grown to \$45.09, compared to \$19.11 in Bank Deposits, \$19.15 in the Average Global Equity Fund, and \$20.76 in the Average US\$ Bond Fund.

In the last 12 years, we have learnt a tremendous amount and made significant refinements in how we manage the Fund, and we are certain there are many lessons still to learn. We have also come to appreciate a number of less obvious yet important attributes of the Fund that have contributed to its success to date. Some of these are highlighted below.

The Fund's 13.4% compound annual return since inception is attractive in its own right, but it is the pattern of those returns that makes the performance even more attractive when viewed in the context of a balanced portfolio. The Fund's returns have had a very low correlation with those of the traditional asset classes and the vast majority of other hedge funds. More interestingly, the Fund has most often had a meaningfully negative correlation at times of extreme stockmarket movements. This potential attribute makes the Fund useful for diversification purposes.

The Fund benefits significantly from its ability to take a truly global perspective in its investment portfolio. This wide ambit allows us to shift the Fund's portfolio in favour of regions where we identify the greatest opportunity, rather than being restricted to one particular region or market. We can also apply the investment insights we learn across borders, spotting opportunities that are not obvious to regional managers. The Fund's ability to allocate assets across markets also allows us to conduct our research on a global basis, enhancing its effectiveness. Having a global perspective therefore not only reduces risk through diversification but also increases the opportunity for return.

As a direct result of its portfolio hedging, the Fund is not concerned with the direction of stockmarkets and in fact generates liquidity inflows when stockmarkets decline. At times when many other funds are suffering outflows and are constrained in their ability to buy shares at depressed prices, the Fund has an additional source of liquidity that enables it to invest in the underlying Orbis Equity Funds which in turn can take advantage of the market conditions by purchasing attractively priced stocks. The generation of cash flows opposite in direction to the prevailing market sentiment also complements our contrarian investment approach. It focuses our research on buying attractive shares when the markets are weak and vice versa.

We continue to believe that the stockmarket presents attractive opportunities for fundamental value-based investors such as Orbis. This environment coupled with the Fund's basic attributes makes us enthusiastic for its future.

DIRECTORS Allan W B Gray, Chairman John C R Collis Geoffrey M Gardner William B Gray William D Thomson

MANAGER
Orbis Investment Management Limited

INVESTMENT ADVISOR
Orbis Investment Advisory Limited

CUSTODIAN
The Bank of Bermuda Limited

ORBIS OPTIMAL (US\$) FUND AT 31 DECEMBER 2001

STATEMENT OF NET ASSETS

Number Held	Security	Market Value US\$ 000's	% of Fund
14,350,000	Orbis Global Equity Fund	730,128	68
12,790,000	Orbis Japan Equity (US\$) Fund	195,431	18
3,000,000	Orbis Africa Equity (Rand) Fund	43,659	4
3,600,000	Orbis Japan Core Equity Fund	24,155	2
	Total Equity Exposure	993,373	92
	Portfolio Hedging:		
	Stock Index Futures Sold:		
(1,207)	US: S&P 500 CME 3/2002	(344,659)	(38)
(697)	DJIA CBOT 3/2002	(69,456)	
(2,983)	Japan: TOPIX TSE 3/2002	(231,659)	(22)
(1,518)	UK: FTSE 100 LIFFE 3/2002	(115,055)	(11)
(7,410)	South Africa: JSE All Share Top 40 SAFEX 3/2002	(62,771)	(6)
(360)	Germany: DAX Eurex 3/2002	(41,544)	(4)
	Contract Value	856,935	80
	Net Balances at Brokers	59,876	6
	Balance Committed to Above Positions	51,667	5
	Net Current Assets	33,197	3
	Net Assets (Cost US\$ 923,560)	1,078,237	100

Net Asset Value per Share 23,910,731 shares issued **US\$ 45.09**
 (At 31 December 2000: 21,016,603 shares issued; US\$ 34.95)

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	34	(22)	12	5
US	30	(38)	(8)	(7)
Europe	19	(15)	4	-
Emerging Markets	9	(6)	3	2
Total	92	(81)	11	-

* Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.

CURRENCY DEPLOYMENT

	% of Fund
US dollar	70
Euro	20
Australian dollar	8
Other	2
Net Assets	100

See accompanying notes

ORBIS OPTIMAL (EURO) FUND AT 31 DECEMBER 2001

Total Rate of Return in euro:	From Inception	3 Years	Latest	Quarter
	on 30 Jun 1998	% Annualised		% Not Annualised
			1 Year	
Orbis Optimal (Euro)	15.9	18.5	29.7	2.9
Euro Bank Deposits	3.9	3.9	4.5	0.9
Average Global Equity Fund	4.6	7.6	(13.0)	13.4
Average Euro Bond Fund	3.5	2.4	5.0	0.5
% change in the US dollar value of the euro	(5.8)	(8.8)	(5.6)	(2.2)

In effect, apart from its currency exposure, Orbis Optimal (Euro) is the same investment as Orbis Optimal (US\$). Given this, we refer regular readers to the Orbis Optimal (US\$) Fund report on page 2. First time readers may find it informative to also read the text below in italics.

This Fund seeks capital appreciation in euro on a low risk global portfolio. It invests in the Orbis Optimal (US\$) Fund and hedges most or all of its currency exposure from US dollars into euro. The result is that this Fund may be expected to earn returns in euro which usually approximate those on Orbis Optimal (US\$) in dollars, adjusted by the short-term interest rate differential between the euro and the dollar. Page 2 shows the returns on Orbis Optimal (US\$) in dollars for various periods, including 13.4% pa for the period since that Fund's inception on 1 January 1990.

The returns of Orbis Optimal (Euro) may also differ from those of Orbis Optimal (US\$) because the policy of these Funds is to avoid net short currency positions. For example, page 3 shows that at the year-end the Currency Deployment of Orbis Optimal (US\$) comprised 70% US dollars, 20% euro, 8% Australian dollars and 2% other. If Orbis Optimal (Euro) had simply hedged 100% of net assets into euro as usual, it would have included minus 30% exposure to the US dollar. Instead, as the Currency Deployment opposite shows, this Fund's hedging into euro was adjusted in order to avoid a negative dollar position.

Your choice between this Fund and Orbis Optimal (US\$) should be dictated by the base currency in which you wish us to manage your investment. The above table shows the fluctuations in the exchange rate between the euro and the dollar for various periods (the ecu was used prior to 1 January 1999). The table highlights that these exchange rate fluctuations can be substantial and that it is therefore important to select an investment managed in the base currency best suited to your needs.

The Fund's deployment at the year-end is shown opposite. The Statement of Net Assets shows that 99% of Orbis Optimal (Euro) was invested in Orbis Optimal (US\$). Details of the portfolio of Orbis Optimal (US\$) are in turn disclosed on page 3.

Note that Orbis Optimal (US\$), and therefore Orbis Optimal (Euro), can include sufficient stockmarket hedging to materially reduce or even eliminate all stockmarket exposure, and thus can target positive returns regardless of the current trend in stockmarkets (or any other asset class). This is why we refer to the Orbis Optimal Funds as "Absolute Return Funds".

Finally, the Analysis of Stockmarket Exposure opposite looks through the investment in Orbis Optimal (US\$) at the year-end to present Orbis Optimal (Euro)'s indirect exposure to stockmarkets. A comparison between this table and the corresponding one for Orbis Optimal (US\$) on page 3 confirms that, aside from currency exposure, the investment exposure of the two Funds was virtually identical. For example, at the year-end both Funds had no Beta Adjusted Exposure to stockmarkets.

DIRECTORS Allan W B Gray, Chairman John C R Collis Geoffrey M Gardner William B Gray William D Thomson

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INVESTMENT ADVISOR
Orbis Investment Advisory Limited

CUSTODIAN
The Bank of Bermuda Limited

ORBIS OPTIMAL (EURO) FUND AT 31 DECEMBER 2001

STATEMENT OF NET ASSETS

Shares Held	Security	Market Value € 000's	% of Fund
1,640,000	Orbis Optimal (US\$) Fund	83,143	99
	Net Current Assets	502	1
	Net Assets (Cost € 70,194)	83,645	100
	Net Asset Value per Share	4,986,426 shares issued	€ 16.77
	(At 31 December 2000: 915,374 shares issued; € 12.93)		

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	33	(21)	12	5
US	30	(38)	(8)	(7)
Europe	19	(15)	4	-
Emerging Markets	9	(6)	3	2
Total	91	(80)	11	-

* Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.

CURRENCY DEPLOYMENT

	% of Fund
Euro	98
Other	2
Net Assets	100

See accompanying notes

ORBIS LEVERAGED (US\$) FUND AT 31 DECEMBER 2001

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
Orbis Leveraged (US\$)	17.6	16.5	41.5	72.3	6.8
US\$ Bank Deposits	5.5	5.5	5.4	4.1	0.6
Average Global Equity Fund	5.6	2.7	(1.9)	(17.9)	10.9
Average US\$ Bond Fund	6.3	4.8	3.5	4.9	(0.4)

In 2001, the Fund gained 72.3%, while Bank Deposits gained 4.1%, the Average Global Equity Fund fell 17.9% and the Average US\$ Bond Fund gained 4.9%. Since inception, \$10 invested in the Fund has grown to \$70.28, compared to \$19.11 in Bank Deposits, \$19.15 in the Average Global Equity Fund, and \$20.76 in the Average US\$ Bond Fund.

The Fund's return in 2001 was driven predominantly by the performance of the underlying Orbis Optimal (US\$) Fund, which had an outstanding return of 29.0%. This in turn was derived almost entirely from the extraordinary performance of the underlying Orbis Equity Funds where our selected equities produced high returns relative to their respective stockmarket indices in all regions. While the source of the Fund's 2001 return was as expected, the magnitude was clearly extraordinary. Yet viewed with a longer-term perspective, the Fund's returns in 2000 and 2001 have only restored its long-term track record, which had been suppressed by the speculative bubble in major stockmarkets leading into March of 2000. The bursting of that bubble has only served to return the stockmarket environment to what is now a more normal situation.

The Orbis Optimal (US\$) Fund report on page 2 discusses the benefits that Fund derives from its ability to manage assets on a global basis. A comparison of the geographic diversification of the Fund at the end of 2001, as shown opposite, to that one year earlier is a good illustration of this. In early 2001, the Fund had 76% of its net assets invested in US equities – where we saw the greatest opportunity – and had 44% invested in Japanese equities, all largely on a hedged basis. We have since shifted the Fund to be invested 64% in Japan and 57% in the US in response to changes in our perception of investment opportunities. The Fund's exposure to the US has been reduced because we believe the relative valuations within that market have returned to a more normal environment – the massive relative valuation dislocations of 2000 have been substantially reduced. At the same time, we believe Japan has become more intriguing.

With the crisis in Japan comes danger and opportunity. The pervasive pessimism in the stockmarket has led to neglect, creating a very attractive environment for our bottom-up investment approach. The recent market weakness has broadened the investment opportunities to now include some well-managed large-capitalisation industry leaders. Previously these opportunities were mostly confined to highly select, mid- and small-capitalisation companies. These new opportunities have led us to increase substantially the Fund's Japanese equity exposure, though it remains largely hedged.

Incremental currency positions contributed 9 percentage points to the Fund's return in 2001. The Fund had re-denominated about half of its borrowings in yen. This allowed the Fund to take advantage of the near zero short-term interest rates in Japan and benefit from recent policies to promote yen weakness to stimulate the economy. The Fund holds a long position in the euro against this.

DIRECTORS Allan W B Gray, Chairman John C R Collis Geoffrey M Gardner William B Gray William D Thomson

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ORBIS LEVERAGED (US\$) FUND AT 31 DECEMBER 2001

STATEMENT OF NET ASSETS

Shares Held	Security	Market Value US\$ 000's	% of Fund
19,450,000	Orbis Optimal (US\$) Fund	877,001	191
	Loans	(428,000)	(93)
	Net Current Assets	11,303	2
	Net Assets (Cost US\$ 615,559)	460,304	100
	Net Asset Value per Share	6,549,227 shares issued	US\$ 70.28
	(At 31 December 2000: 8,940,792 shares issued; US\$ 40.78)		

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	64	(41)	23	9
US	57	(73)	(16)	(13)
Europe	36	(28)	8	-
Emerging Markets	18	(11)	7	4
Total	175	(153)	22	-

* Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Stockmarket Positions.

CURRENCY DEPLOYMENT

	% of Fund
US dollar	72
Euro	60
Japanese yen	(50)
Australian dollar	15
Other	3
Net Assets	100

See accompanying notes

ORBIS LEVERAGED (EURO) FUND AT 31 DECEMBER 2001

Total Rate of Return in euro:	From Inception	3 Years	Latest	Quarter
	on 30 Jun 1998	% Annualised		% Not Annualised
	27.4	38.0	70.9	7.1
Orbis Leveraged (Euro)	27.4	38.0	70.9	7.1
Euro Bank Deposits	3.9	3.9	4.5	0.9
Average Global Equity Fund	4.6	7.6	(13.0)	13.4
Average Euro Bond Fund	3.5	2.4	5.0	0.5
% change in the US dollar value of the euro	(5.8)	(8.8)	(5.6)	(2.2)

In effect, apart from its currency exposure, Orbis Leveraged (Euro) is the same investment as Orbis Leveraged (US\$). Given this, we refer regular readers to the Orbis Leveraged (US\$) Fund report on page 6. First time readers may find it informative to also read the text below in italics.

This Fund seeks capital appreciation in euro on a leveraged global portfolio. It invests in the Orbis Leveraged (US\$) Fund and hedges most or all of its currency exposure from US dollars into euro. The result is that this Fund may be expected to earn returns in euro which approximate those on Orbis Leveraged (US\$) in dollars, adjusted by the short-term interest rate differential between the euro and the dollar. Page 6 shows the returns on Orbis Leveraged (US\$) in dollars for various periods, including 17.6% pa for the period since that Fund's inception on 1 January 1990.

Your choice between this Fund and Orbis Leveraged (US\$) should be dictated by the base currency in which you wish us to manage your investment. The above table shows the fluctuations in the exchange rate between the euro and the dollar for various periods (the ecu was used prior to 1 January 1999). The table highlights that these exchange rate fluctuations can be substantial and that it is therefore important to select an investment managed in the base currency best suited to your needs.

The Fund's deployment at the year-end is shown opposite. The Statement of Net Assets shows that 99% of Orbis Leveraged (Euro) was invested in Orbis Leveraged (US\$). Details of the portfolio of Orbis Leveraged (US\$) are in turn disclosed on page 7.

Note that Orbis Leveraged (US\$), and therefore Orbis Leveraged (Euro), can include sufficient stockmarket hedging to materially reduce or even eliminate all stockmarket exposure, and thus can target positive returns regardless of the current trend in stockmarkets (or any other asset class). This is why we refer to the Orbis Leveraged Funds as "Absolute Return Funds".

The Analysis of Stockmarket Exposure opposite looks through the investment in Orbis Leveraged (US\$) at the year-end to present Orbis Leveraged (Euro)'s indirect exposure to stockmarkets. A comparison between this table and the corresponding one for Orbis Leveraged (US\$) on page 7 confirms that, aside from currency exposure, the investment exposure of the two Funds was virtually identical. For example at the year-end, both Funds had no Beta Adjusted Exposure to stockmarkets.

Finally, this Fund's Currency Deployment is shown at the foot of the opposite page, while that for Orbis Leveraged (US\$) is on page 7. A comparison of the two shows that at the year-end Orbis Leveraged (Euro) had modified the currency exposure it derived from Orbis Leveraged (US\$) by selling dollars and buying euro amounting to 99% of net assets.

DIRECTORS	Allan W B Gray, Chairman	John C R Collis	Geoffrey M Gardner	William B Gray	William D Thomson
MANAGER	INVESTMENT ADVISOR		CUSTODIAN		
Orbis Investment Management Limited	Orbis Investment Advisory Limited		The Bank of Bermuda Limited		

ORBIS LEVERAGED (EURO) FUND AT 31 DECEMBER 2001

STATEMENT OF NET ASSETS

Shares Held	Security	Market Value € 000's	% of Fund
4,275,000	Orbis Leveraged (US\$) Fund	337,809	99
	Net Current Assets	1,964	1
	Net Assets (Cost € 154,018)	339,773	100
	Net Asset Value per Share	14,525,609 shares issued	€ 23.39
	(At 31 December 2000: 19,546,763 shares issued; € 13.69)		

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	64	(41)	23	9
US	57	(73)	(16)	(13)
Europe	35	(27)	8	-
Emerging Markets	18	(11)	7	4
Total	174	(152)	22	-

* Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Stockmarket Positions.

CURRENCY DEPLOYMENT

	% of Fund
Euro	159
Japanese yen	(50)
US dollar	(27)
Australian dollar	15
Other	3
Net Assets	100

See accompanying notes

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (MILLIONS)

Reporting Currency:	Orbis Optimal				Orbis Leveraged			
	(US\$)		(Euro)		(US\$)		(Euro)	
For the Years Ended 31 December:	US\$	€	US\$	€	US\$	€	US\$	€
2001	2001	2000	2001	2000	2001	2000	2001	2000
Investment Income:	2	1	-	-	-	-	-	-
Interest	2	1	-	-	-	-	-	-
Expenses:	(6)	(1)	-	-	(22)	(17)	-	-
Manager's Fees	5	-	-	-	-	-	-	-
Interest and Other Borrowing Costs	1	1	-	-	22	17	-	-
Net Investment Income	(4)	-	-	-	(22)	(17)	-	-
Net Gain (Loss) from								
Investments and Currencies:	227	149	11	2	254	161	175	87
Realised	249	113	1	-	151	42	72	(5)
Unrealised	(22)	36	10	2	103	119	103	92
Net Increase in Net Assets Resulting from Operations	223	149	11	2	232	144	175	87
Members' Activity During the Year:								
Subscriptions:								
Orbis Funds	378	324	-	-	34	116	-	-
Other Members	33	1	14	1	33	17	20	49
Switches Between Funds	51	-	57	3	12	2	34	72
Redemptions:								
Orbis Funds	(325)	(130)	-	-	(140)	(16)	-	-
Other Members	(6)	(38)	-	(1)	(7)	(44)	(2)	(3)
Switches Between Funds	(11)	(3)	(10)	-	(69)	(46)	(155)	(2)
Increase in Net Assets	343	303	72	5	95	173	72	203
Net Assets at Beginning of Year	735	432	12	7	365	192	268	65
Net Assets at End of Year	1,078	735	84	12	460	365	340	268

NOTES TO THE AUDITED FINANCIAL STATEMENTS AT 31 DECEMBER 2001 AND 2000

Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada and Bermuda. The Funds' significant accounting policies are as follows:

Investments. Investments are recorded as of the trade date and are stated at their fair market values. Investments in Orbis Funds are valued at Net Asset Value, while other marketable securities, including futures and options, are valued at the last reported sale price. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations.

Foreign Currency Translation. Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown above using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Reporting Currency at the exchange rates prevailing at the dates of the transactions.

Income and Expenses. The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-dividend date, net of withholding taxes. Realised gains and losses on investments are based on average cost.

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Taxes

There are no Bermuda income, profit, capital, capital gains, estate or inheritance taxes payable by the Funds or their Members in respect of shares in the Funds. The Bermuda Government has undertaken that in the event that any such taxes are levied in the future, the Funds and their shares will be exempt from such taxes until 28 March 2016.

Share Capital

Each Fund's authorised share capital comprises 100 million Fund shares (2000 - 100 million) and 12,000 issued Founders' shares (2000 - 12,000), all with a US\$1 par value. Fund shares participate pro rata in their Fund's net assets and dividends, are redeemable, and are non-voting. Founders' shares do not participate in their Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If a Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value.

Material Contracts

At year-end the following Funds had forward currency contracts having net contract values and net market values as set out below. The net unrealised gain/(loss) is included in net current assets. To limit its risk to the amount of any net unrealised gain, each Fund has entered into an agreement whereby all its currency transactions can be netted.

	Contract Value	Market Value	Unrealised Gain (Loss)
Orbis Optimal (US\$)	US\$ (198,085,260)	US\$ (196,247,009)	US\$ 1,838,251
Orbis Optimal (Euro)	€ (70,443,402)	€ (70,673,033)	€ (229,631)
Orbis Leveraged (US\$)	US\$ (148,598,470)	US\$ (139,650,107)	US\$ 8,948,363
Orbis Leveraged (Euro)	€ (339,177,000)	€ (340,977,837)	€ (1,800,837)

Commitments

Orbis Leveraged (US\$) has a multi-currency line of credit, scheduled to expire on 11 June 2004 secured by a pledge of its assets. At 31 December 2001, US\$428 million (2000 - US\$325 million) of the available facility, currently US\$600 million (2000 - US\$400 million) was drawn in US dollars and interest, charged at LIBOR plus 0.85%, totalled 3.0% pa. The Fund pays a commitment fee of 0.15% pa on undrawn balances.

The margin balances supporting Orbis Optimal (US\$)'s Portfolio Hedging are at times funded partly by an uncommitted margin facility which is secured by, and may not exceed, a maximum of 10% of the Funds net asset value. At year-end the margin facility was not utilised and no assets were pledged.

Related Party Transactions

Orbis Investment Management Limited has been contractually appointed as "Manager" of the Funds. Effective 21 December 2000 Orbis Optimal (US\$) pays the Manager a performance-based fee of up to 0.5% pa of weekly net assets whenever that Fund's price exceeds its maximum price in the period from the date of inception to the date one year prior to the date of calculation and its trailing one year return exceeds that of Bank Deposits plus 5%. Orbis Optimal (Euro), Orbis Leveraged (US\$) and Orbis Leveraged (Euro) do not directly pay a fee to the Manager. To the extent that they directly or indirectly invest in other Orbis funds, these Funds indirectly bear the management fees paid by such other funds. Each Orbis Equity Fund directly or indirectly pays a performance-based fee. From 17 March to 20 December 2000 the Manager waived its former fee of 0.5% pa from Orbis Optimal (US\$).

Related party holdings at year-end were 32,013 shares in Orbis Optimal (US\$) (2000 - 29,934), 19,589 shares in Orbis Optimal (Euro) (2000 - 473,058), 342,565 shares in Orbis Leveraged (US\$) (2000 - 418,604) and 10,619,868 shares in Orbis Leveraged (Euro) (2000 - 14,714,321).

AUDITORS' REPORT

To the Members of
Orbis Optimal (US\$) Fund Limited,
Orbis Optimal (Euro) Fund Limited,
Orbis Leveraged (US\$) Fund Limited, and
Orbis Leveraged (Euro) Fund Limited (the "Funds"):

We have audited the Statements of Net Assets of the Funds (companies incorporated with limited liability in Bermuda) on pages 3, 5, 7 and 9 as at 31 December 2001. We have audited the related Statements of Operations and Changes in Net Assets on page 10 for each of the two years in the period then ended. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada and Bermuda. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of all securities and cash owned as at 31 December 2001, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the Funds as at 31 December 2001 and the results of their operations and the changes in their net assets for each of the two years in the period then ended in accordance with accounting principles generally accepted in Canada and Bermuda.



Arthur Andersen

Hamilton, Bermuda
21 January 2002

NOTICES

ANNUAL GENERAL MEETINGS

Notice is hereby given that the Annual General Meetings of Orbis Optimal (US\$) Fund Limited, Orbis Optimal (Euro) Fund Limited, Orbis Leveraged (US\$) Fund Limited and Orbis Leveraged (Euro) Fund Limited (the “Orbis Funds”) will be held at the offices of Orbis Investment Management Limited, 34 Bermudiana Road, Hamilton, Bermuda on 23 April 2002 at 11:00 am. Members are invited to attend and address these meetings. The Agendas comprise the following:

- Review of Minutes of the Annual General Meetings of Members of the Orbis Funds held on 19 April 2001
- Review of audited financial statements in the 2001 Annual Reports
- Proposed re-appointment of the present Directors as shown in the Manager’s Reports
- Approval of proposed Directors’ fees for the year to 31 December 2002 to each of Messrs Collis and Thomson of US\$7,500 for each of Orbis Optimal (US\$) and Orbis Leveraged (US\$), and US\$1,000 for each of Orbis Optimal (Euro) and Orbis Leveraged (Euro)
- Proposed re-appointment of Arthur Andersen as Auditors for the year to 31 December 2002

By Order of the Boards, James J Dorr, Secretary

UNITED KINGDOM DISTRIBUTOR STATUS

The Board of Inland Revenue has certified each of the Orbis Funds as a distributing fund for the purposes of Chapter V of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 from the Fund’s inception until 31 December 2000. The Directors intend to apply for such certification for fiscal 2001 for all of the Orbis Funds. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 2001 or for future accounting periods.

This Report does not constitute an offer to sell, or a solicitation to buy, shares of Orbis Funds. Subscriptions are only valid if made on the basis of the current prospectus of an Orbis Fund. Certain capitalised terms are defined in the Glossary section of the Orbis Funds General Information document, copies of which are available upon request from the Manager. Past performance is not necessarily indicative of future performance. Orbis Fund share prices fluctuate and are not guaranteed.

We invite you to visit our website, orbisfunds.com, where you may register on-line to automatically receive regular reports on our funds by e-mail. We hope that it enables you to keep in better touch with us and your investments.



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