

ANNUAL  
**REPORTS**  
31 DECEMBER 2009



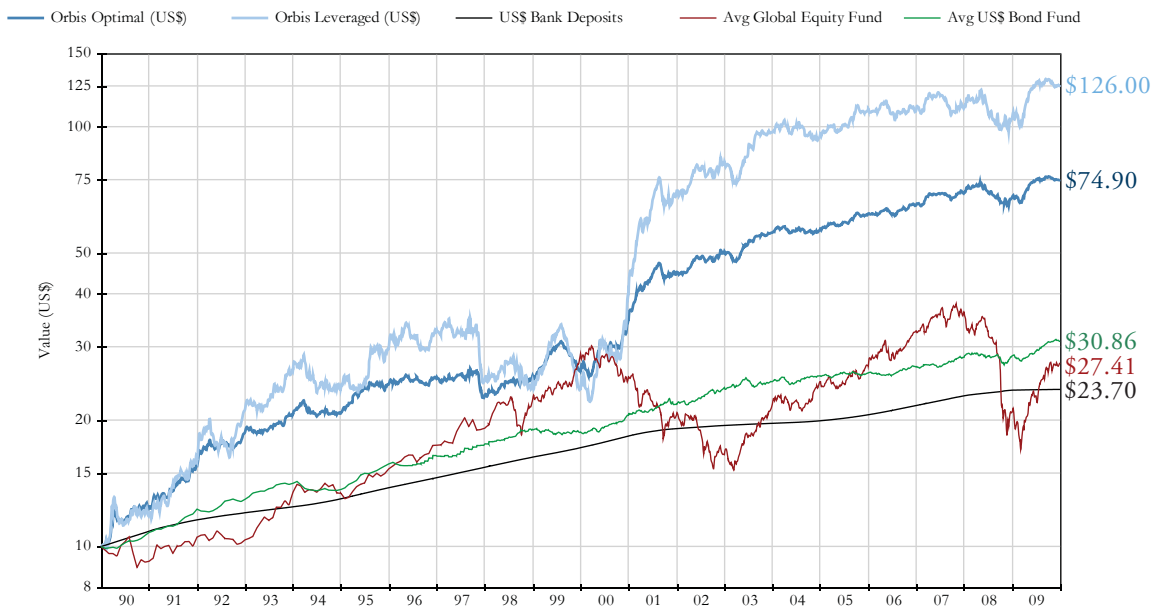
ORBIS OPTIMAL

ORBIS LEVERAGED



# ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 DECEMBER 2009

## TRACK RECORD: VALUE OF US\$10 INVESTED AT INCEPTION



The Optimal and Leveraged (Euro) and (Yen) Funds are based on the same portfolios as the Optimal and Leveraged (US\$) Funds, respectively, and are therefore not shown separately above. Average Global Equity Fund and Average US\$ Bond Fund source: Morningstar, Inc.

Total Rate of Return in Fund Currency:	From Inception	Latest				Latest Quarter
		10 Years	5 Years	3 Years	1 Year	
		% Annualised				% Not Annualised
<b>Optimal (US\$) Fund</b> (launched 1 Jan 1990)	<b>10.6</b>	<b>11.0</b>	<b>5.5</b>	<b>4.7</b>	<b>9.9</b>	<b>(1.6)</b>
<b>Leveraged (US\$) Fund</b> (launched 1 Jan 1990)	<b>13.5</b>	<b>18.1</b>	<b>5.4</b>	<b>4.6</b>	<b>19.3</b>	<b>(3.1)</b>
US\$ Bank Deposits	4.4	3.2	3.5	3.0	0.4	0.1
Average Global Equity Fund	5.2	(0.5)	2.1	(5.7)	30.8	3.4
Average US\$ Bond Fund	5.8	5.1	3.9	4.8	8.2	0.4
<b>Optimal (Euro) Fund</b> (launched 30 Jun 1998)	<b>8.2</b>	<b>9.4</b>	<b>4.5</b>	<b>3.9</b>	<b>9.3</b>	<b>(1.0)</b>
<b>Leveraged (Euro) Fund</b> (launched 30 Jun 1998)	<b>13.1</b>	<b>17.5</b>	<b>4.6</b>	<b>4.3</b>	<b>19.8</b>	<b>(3.0)</b>
Euro Bank Deposits	3.2	3.1	2.9	3.2	1.0	0.1
Average Global Equity Fund	(0.4)	(3.9)	0.9	(8.2)	27.7	5.6
Average Euro Bond Fund	3.4	3.8	2.1	2.6	6.1	0.6
% appreciation of the euro versus the US dollar	2.4	3.6	1.1	2.8	2.5	(2.1)
<b>Optimal (Yen) Fund</b> (launched 1 Jan 2006)	<b>1.0</b>			<b>0.6</b>	<b>10.1</b>	<b>(0.7)</b>
<b>Leveraged (Yen) Fund</b> (launched 1 Jan 2006)	<b>(0.1)</b>			<b>1.6</b>	<b>18.5</b>	<b>(2.9)</b>
Yen Bank Deposits	0.5			0.6	0.2	0.0
Average Global Equity Fund	(5.4)			(13.1)	34.1	7.0
Average Yen Bond Fund	0.5			0.9	1.1	0.5
% appreciation of the yen versus the US dollar	6.1			8.6	(2.4)	(3.4)

## PRESIDENT'S LETTER

Dear Member,

Thanks to you, 2009 was a gratifying year for Orbis. At a time when many investors were overcome with extreme pessimism, our Members demonstrated extraordinary resolve. Even as global equity markets collapsed, gross redemptions from the Orbis Fund Family were no higher than in normal times and the Funds actually experienced small net inflows. For us, there is no greater compliment than the trust and confidence you showed in us through such a challenging period. We owe you an enormous debt of gratitude, and hopefully some good long-term returns.

1 January 2010 was Orbis' 20th anniversary. We are cautious about celebrating such milestones, knowing that complacency can be our greatest enemy, but they do provide an occasion to reflect on how the firm has evolved. Since inception, we have always taken a global approach. In 1989 this was a particularly ambitious goal, with only a handful of people and so many investment opportunities to evaluate. Empowered by your valued support, we were able to progressively expand the firm's resources over the years. Although we have never advertised or employed a sales force, the Orbis Funds experienced a nine-fold increase in the number of registered Members between 2001 and 2006.

As the Funds' external service providers struggled to keep pace with that growth, it became obvious that we would need to bring certain operational aspects in-house in order to maintain our desired standard of service on your behalf. While our investment performance and capability remained strong, we decided to limit new client flow in March 2006 and embarked on a massive investment initiative to build-out our fund administration, operations, technology, systems and client service capabilities.

Since then, Orbis' total staff has grown from 90 to 274. Sixty of these new hires work in technology and many others are engaged in creating original systems and processes. We appointed Citigroup as the Funds' Administrator and strengthened our internal fund operations team by doubling the number of accounting professionals. Our client service resources have more than trebled, with technology and process improvement at the heart of the initiative. We have also opened a research and investment office in San Francisco, a fund operations centre in Vancouver and a second UK location.

Perhaps the greatest challenge for any performance-driven asset management organisation is continuity. Reduced new client flow, coupled with the emergence of a new generation of internally developed investment leadership, has allowed us to realise our 20-year-old dream of building complementary national and global industry research teams. We now have 65 investment professionals, 50 of whom are analysts – about twice as many as four years ago. Most importantly, we have done so while preserving our culture of small, interdependent analyst teams. Newly formed teams, led by experienced Orbis-bred stockpickers, in the US, Europe and Asia ex-Japan are but one illustration of this process.

Orbis' founding family also believes in taking a long-term perspective and being innovative in providing for continuity. In pursuit of this, my family is in the process of implementing plans to provide for the continued independence of the firm by vesting voting control in an independent body, while simultaneously dedicating the economic benefits from their controlling interest to the separately governed Orbis Founders Philanthropies in an effort to help those less fortunate in our society realise their full potential.

It would have been easy for us to simply continue to accept new clients and not make some of these key investments in the firm. It certainly would have been more lucrative from a short-term profit perspective. But it would have been the wrong thing to do. We consider what we do a profession more than a business. It is a subtle distinction, but an important one. In the same way that the Hippocratic Oath guides a doctor to put a patient's needs first, our Core Values guide us to do what we believe is best for you and future Orbis Members. If we can do that, we believe the profitability of the firm will take care of itself over the long run.

Our mission is to empower our clients by enhancing their savings and wealth. Money empowers by affording greater choice, and enhanced choice has the greatest impact on the lives of those who have little. Serving the needs of large investors such as pension plans, educational institutions and foundations helps empower a large number of their ultimate beneficiaries, but we can do more. Our goal is to also provide small investors with direct access to the best of what Orbis has to offer, but in a way that meets their needs effectively and economically. It is a challenging goal that we are pursuing passionately, but it will take time.

We will, however, have soon completed the work necessary to begin accepting subscriptions from new large investors. Effective 31 March 2010, the Orbis Global Equity and Optimal Strategies will accept investments of US\$50 million or more from new, qualified non-US investors<sup>1</sup>.

None of this is possible without your support. On behalf of us all, allow me to thank you again for your patience, for your fortitude during the turbulent markets of 2008 and 2009, for making Orbis' first two decades a success – and for filling us with such enthusiasm for the future. Your entrusting us to serve your needs with your hard-won savings gives us an inspiring sense of purpose. It is a constant source of fulfilment for us, and a great honour.

Yours sincerely,



William B Gray

Hamilton, Bermuda

22 January 2010

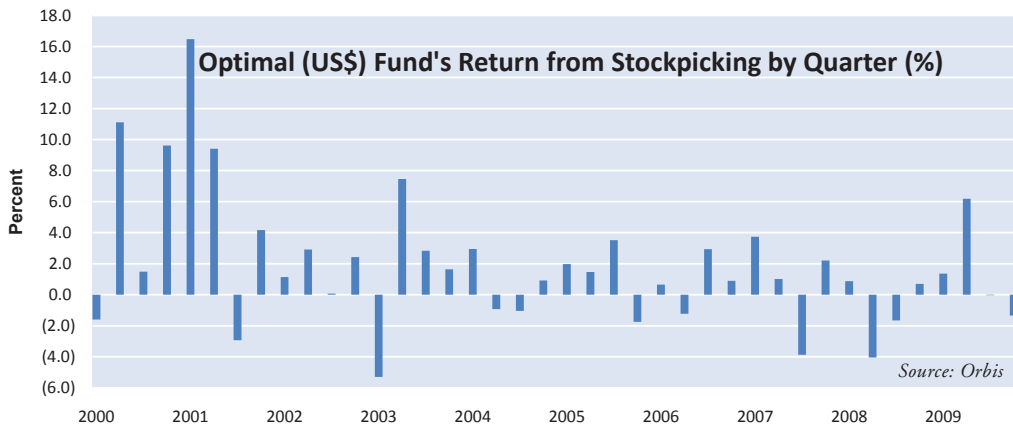
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<sup>1</sup> For complete details, please visit our website at [www.orbisfunds.com](http://www.orbisfunds.com).

## ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 DECEMBER 2009

The past decade brought its fair share of extremes to equity markets, from the technology sector's spectacular bust in 2000-2001, through the sharp rise and fall of the energy sector in 2007-2009, to the near collapse of the financial system in 2009. Although these wild swings provide the astute investor with significant opportunities to add value, they all tend to be the exception rather than the rule.

The normal reality is more pedestrian. While the market occasionally presents investors with historic buying or selling opportunities, the vast majority of the time the opportunities are less obvious and more isolated. The challenge for the stockpicker is to be able to generate better-than-average returns without the benefit of extreme disparities between market prices and intrinsic value. The chart below shows the impact of a historic opportunity, last seen in 2000-2001, in the context of a rather normal following nine years.



At Orbis, we have attempted to tackle the challenge as one might expect from a firm of stockpickers by continuing to strengthen our investment research team. We believe that a combination of the global perspective and industry expertise brought by our global industry analysts on the one hand and the on-the-ground, cross-industry local perspective brought by our national analysts on the other hand will ultimately help us uncover and more frequently develop a higher level of conviction in the less obvious investment opportunities. While we still look to take advantage of once-in-a-decade opportunities like holding value stocks during the technology crash, we can't count on them happening very often.

Instead we hope to develop a steady pipeline of above-average ideas across a wide range of industries and throughout the market cycle, from which we can maintain portfolios with potential to outperform. The ability to do this is, we hope and expect, considerably enhanced by building out the research team as described above, and we believe the investments we have made in this regard are starting to pay off. Some notable examples from the past year include Chinese Internet stocks, technology shares and memory semiconductor producers. While none of those investments should be construed as extraordinary, we believe they are a testament to the team's growing ability to spot solid opportunities.

Over time, a larger pool of such opportunities should translate into a more stable pattern of returns at both current and higher assets under management. As "alpha transport" vehicles, Optimal and Leveraged depend on our ability to add value through stockpicking in our underlying equity funds. Improving the shorter-term pattern of returns depends on having a diverse supply of opportunities to add value on a regular basis. We believe our growing research capacity has put us in a position to do this more consistently for much larger assets than we would otherwise be able to. We look forward to delivering on that potential on your behalf.

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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	CUSTODIAN
				Orbis Investment Advisory Limited	Citibank Canada

## ORBIS OPTIMAL FUNDS AT 31 DECEMBER 2009

### ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	35	(38)	(3)	-
Europe	17	(16)	1	-
Asia ex-Japan	15	(9)	6	5
Japan	14	(14)	-	-
Other	6	(5)	1	-
<b>Total</b>	<b>87</b>	<b>(82)</b>	<b>5</b>	<b>5</b>

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

### CURRENCY DEPLOYMENT

	US\$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	79	-	-
Euro	-	85	-
Japanese yen	-	-	84
Greater China currencies	10	9	9
Korean won	4	4	4
Other	4	2	3
Canadian dollar	3	-	-
<b>Net Assets</b>	<b>100</b>	<b>100</b>	<b>100</b>

## ORBIS LEVERAGED FUNDS AT 31 DECEMBER 2009

### ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	70	(75)	(5)	-
Europe	34	(32)	2	-
Asia ex-Japan	29	(17)	12	10
Japan	26	(26)	-	-
Other	11	(10)	1	-
<b>Total</b>	<b>170</b>	<b>(160)</b>	<b>10</b>	<b>10</b>

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

### CURRENCY DEPLOYMENT

	US\$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	81	(20)	(19)
Euro	(21)	79	(21)
Japanese yen	-	-	99
Greater China currencies	20	20	20
Korean won	8	8	8
Other	7	8	8
Canadian dollar	5	5	5
<b>Net Assets</b>	<b>100</b>	<b>100</b>	<b>100</b>

See accompanying notes

## ORBIS OPTIMAL FUNDS

The Orbis Optimal Funds seek capital appreciation on a low risk global investment portfolio and are offered in a choice of dollars, euro or yen. The Orbis Optimal (US\$) Fund invests principally in selected Orbis equity mutual funds and seeks to substantially reduce the stockmarket exposure inherent in these investments through stockmarket hedging. The Orbis Optimal (Euro) and (Yen) Funds seek capital appreciation in their base currencies by investing substantially all of their assets in the Orbis Optimal (US\$) Fund and hedging most or all of their currency exposure into their base currencies by selling forward dollars into their base currencies.

### ORBIS OPTIMAL (US\$) FUND AT 31 DECEMBER 2009

#### STATEMENT OF NET ASSETS

Number Held	Security	Market Value US\$ 000's	% of Fund
24,328,169	<b>Orbis Global Equity Fund</b>	2,786,792	78
1,174,463	<b>Orbis Africa Equity (Rand) Fund</b>	151,288	4
11,959,865	<b>Orbis SICAV - Europe Equity Fund</b>	128,679	4
4,252,406	<b>Orbis SICAV - Japan Core Equity Fund</b>	47,915	1
	<b>Total Equity Exposure</b>	<b>3,114,674</b>	<b>87</b>
	<b>Portfolio Hedging:</b>		
	<b>Stock Index Futures Sold:</b>		
(17,393)	US: E-mini S&P 500 3/2010	(965,964)	(38)
(6,398)	E-mini Russell 2000 3/2010	(399,171)	
(4,985)	Japan: TOPIX 3/2010	(485,249)	(14)
(877)	Germany: DAX 3/2010	(187,193)	(5)
(1,996)	UK: FTSE 100 3/2010	(172,953)	(5)
(3,628)	South Africa: FTSE/JSE Top 40 3/2010	(123,267)	(4)
(2,742)	Europe: Dow Jones Euro STOXX 50 3/2010	(116,750)	(3)
(1,827)	France: CAC40 1/2010	(103,167)	(3)
(1,239)	China: H shares 1/2010	(102,162)	(3)
(2,915)	Taiwan: MSCI Taiwan 1/2010	(86,167)	(3)
(1,001)	Singapore: MSCI Singapore 1/2010	(49,783)	(1)
(454)	Australia: SPI 200 3/2010	(49,628)	(1)
(349)	Hong Kong: Hang Seng 1/2010	(49,334)	(1)
(354)	Korea: KOSPI 200 3/2010	(33,812)	(1)
	Contract Value	2,861,192	80
	Balances at Brokers	275,298	8
	Balance Committed to Above Positions	211,890	6
	Net Current Assets	264,478	7
	<b>Net Assets</b>	<b>3,591,042</b>	<b>100</b>
	<b>Net Asset Value per Share US\$ 74.90</b>	47,942,756 shares issued	
	(At 31 December 2008: US\$ 68.14; 45,555,162 shares issued)		

### ORBIS OPTIMAL (EURO) AND (YEN) FUNDS AT 31 DECEMBER 2009

#### STATEMENT OF NET ASSETS

Number Held	Security	Market Value € 000's	% of Fund
11,038,730	<b>Orbis Optimal (US\$) Fund</b>	577,113	101
	Net Current Liabilities	(7,778)	(1)
	<b>Net Assets</b>	<b>569,335</b>	<b>100</b>
	<b>Net Asset Value per Share</b>		
	<b>Euro Class</b>	<b>€ 24.84</b>	21,762,242 shares issued
	<b>Yen Class</b>	<b>¥ 1,039</b>	3,694,264 shares issued
	(At 31 December 2008: Euro Class € 22.72; 20,911,391 shares issued)		
	Yen Class ¥ 944; 27,284,748 shares issued)		

See accompanying notes

## ORBIS LEVERAGED FUNDS

The Orbis Leveraged Funds seek capital appreciation on a leveraged global investment portfolio and are offered in a choice of dollars, euro or yen. The Orbis Leveraged (US\$) Fund uses financial leverage to invest up to 200% of its net assets, principally in selected Orbis Funds, and manages its currency and stockmarket exposure. It maintains a core position in the risk-averse Orbis Optimal (US\$) Fund. The Orbis Leveraged (Euro) and (Yen) Funds invest substantially all of their assets in the Orbis Leveraged (US\$) Fund and, by selling forward dollars into their base currencies, hedge most or all of their currency exposure into their base currencies.

### ORBIS LEVERAGED (US\$) FUND AT 31 DECEMBER 2009

#### STATEMENT OF NET ASSETS

Number Held	Security	Market Value US\$ 000's	% of Fund
11,547,782	<b>Orbis Optimal (US\$) Fund</b>	864,929	197
	<b>Loans</b>	(435,500)	(99)
	Net Current Assets	10,588	2
	<b>Net Assets</b>	<b>440,017</b>	<b>100</b>
<b>Net Asset Value per Share US\$ 126.00</b>		3,492,277 shares issued	
(At 31 December 2008: US\$ 105.62; 4,021,450 shares issued)			

### ORBIS LEVERAGED (EURO) AND (YEN) FUNDS AT 31 DECEMBER 2009

#### STATEMENT OF NET ASSETS

Number Held	Security	Market Value € 000's	% of Fund
1,547,697	<b>Orbis Leveraged (US\$) Fund</b>	136,118	102
	Net Current Liabilities	(2,352)	(2)
	<b>Net Assets</b>	<b>133,766</b>	<b>100</b>
<b>Net Asset Value per Share</b>			
	<b>Euro Class</b>	<b>€ 41.31</b>	2,473,823 shares issued
	<b>Yen Class</b>	<b>¥ 998</b>	4,214,290 shares issued
(At 31 December 2008: Euro Class € 34.48; 2,708,941 shares issued)			
Yen Class ¥ 842; 12,414,154 shares issued)			

See accompanying notes

# ORBIS LEVERAGED (US\$) FUND

## STATEMENT OF CASH FLOWS

	<b>US\$ 000's</b>	
<b>For the Years Ended 31 December:</b>	<b>2009</b>	<b>2008</b>
<b>Cash Flows from Operating Activities:</b>		
Proceeds from sale of investments and currencies	154,557	1,520,828
Purchases of investments	(138,591)	(225,235)
Decrease in margin deposits at brokers	4,838	7,470
Interest and other borrowing costs	(4,986)	(36,993)
Other expenses	(175)	(371)
Net Cash Provided by Operating Activities	15,643	1,265,699
<b>Cash Flows from Financing Activities:</b>		
Net redemptions paid	(55,879)	(605,927)
Loan drawdowns	17,402,000	10,959,000
Loan repayments	(17,361,800)	(11,618,200)
Net Cash Used In Financing Activities	(15,679)	(1,265,127)
<b>Net (Decrease) Increase in Cash</b>	<b>(36)</b>	<b>572</b>
<b>Cash - Beginning of Year</b>	<b>5,722</b>	<b>5,150</b>
<b>Cash - End of Year</b>	<b>5,686</b>	<b>5,722</b>

See accompanying notes

## STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

Reporting Currency (MILLIONS): For the Years Ended 31 December:	Orbis Optimal				Orbis Leveraged			
	(US\$)		(Euro) and (Yen)		(US\$)		(Euro) and (Yen)	
	US\$	€	€	¥	US\$	€	€	¥
	2009	2008	2009	2008	2009	2008	2009	2008
Investment Income:	8	9	-	-	-	5	-	-
Interest and Dividends	8	9	-	-	-	5	-	-
Expenses:	9	4	-	-	5	38	-	-
Manager's Fees	8	-	-	-	-	-	-	-
Interest and Other Borrowing Costs	-	3	-	-	5	37	-	-
Other	1	1	-	-	-	1	-	-
Net Investment (Loss) Income	(1)	5	-	-	(5)	(33)	-	-
Net Gain (Loss) from								
Investments and Currencies:	268	(150)	56	26	76	(22)	27	31
Realised	(665)	1,789	49	-	22	352	17	50
Unrealised	933	(1,939)	7	26	54	(374)	10	(19)
Increase (Decrease) in Net Assets Resulting from Operations	267	(145)	56	26	71	(55)	27	31
Members' Activity During the Year:								
Subscriptions:								
Orbis Funds	367	753	6	4	28	107	-	-
Other Members	221	228	76	90	-	17	-	10
Switches Between Funds	495	133	88	284	52	24	5	12
Redemptions:								
Orbis Funds	(574)	(1,921)	(6)	(36)	(111)	(678)	-	-
Other Members	(173)	(501)	(77)	(104)	(11)	(57)	(17)	(80)
Switches Between Funds	(116)	(301)	(252)	(178)	(14)	(23)	(57)	(380)
Increase (Decrease) in Net Assets	487	(1,754)	(109)	86	15	(665)	(42)	(407)
Net Assets at Beginning of Year	3,104	4,858	678	592	425	1,090	176	583
Net Assets at End of Year	3,591	3,104	569	678	440	425	134	176

See accompanying notes

## General

The Orbis Absolute Return Funds seek absolute returns regardless of stockmarket trends by investing directly or indirectly in the Manager's optimal mix of hedged Orbis Equity Funds. The Orbis Optimal Funds seek capital appreciation through a low risk global portfolio and are managed in US dollar, euro or Japanese yen through two Bermuda companies, Orbis Optimal (US\$) Fund Limited ("Optimal (US\$)") and Orbis Optimal Overlay Funds Limited ("Optimal Overlay"). The Orbis Leveraged Funds seek capital appreciation on a leveraged global portfolio and are also managed in US dollar, euro or Japanese yen through two Bermuda companies, Orbis Leveraged (US\$) Fund Limited ("Leveraged (US\$)") and Orbis Leveraged Overlay Funds Limited ("Leveraged Overlay").

On 1 January 2006, Orbis Optimal (Euro) Fund Limited and Orbis Leveraged (Euro) Fund Limited each launched a Japanese Yen share class and were renamed Orbis Optimal Overlay Funds Limited and Orbis Leveraged Overlay Funds Limited, respectively. Throughout this report these Funds may also be referred to as "Optimal (Euro) and (Yen)" or "Leveraged (Euro) and (Yen)", respectively.

## Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles 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 values. Investments in Orbis Funds are valued at their year-end Net Asset Value per share, while other marketable securities, including futures and options, are valued at their closing prices and forward currency contracts at their mid prices. If these prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. Futures contracts are stated at their full face market value with the net of the market and contract values representing their unrealised gain or loss. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations. At the year-end, the cost of investments, in millions, was for Optimal (US\$) US\$2,302 (2008 - cost US\$2,816, market US\$2,709), for Optimal Overlay €538 (2008 - cost €653, market €666), for Leveraged (US\$) US\$661 (2008 - cost US\$654, market US\$816) and for Leveraged Overlay €116 (2008 - cost €167, market €172).

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown on page 9 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. Translation exchange gains and losses are included in the Statement of Operations.

**Income and Expenses.** The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-date of the dividend, net of withholding taxes. Realised gains and losses on investments are based on average cost. All income and expenses which can be allocated directly to individual share classes are charged to those share classes. Income and expenses which do not relate specifically to a particular share class are allocated between the share classes pro rata to their Net Asset Values.

**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.

**Net Current Assets or Liabilities.** Net current assets or liabilities include primarily unrealised gains or losses on forward currency contracts, cash including US\$246 million in Optimal (US\$), amounts due to shareholders and other miscellaneous accounts receivable and payable, the individual amounts of which are not significant in relation to the total net assets of the Fund except for certain balances which will be disclosed elsewhere in these financial statements.

## 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

Optimal (US\$)'s authorised share capital comprises 200 million Fund shares and 12,000 issued Founders' shares, all with a US\$1 par value. Each of the other Funds' authorised share capital comprises 100 million Fund shares and 12,000 issued Founders' shares, all with a US\$1 par value. Each Fund's authorised share capital remains unchanged from 31 December 2008. 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.

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

	Optimal (US\$)		Optimal Overlay			
			(Euro)		(Yen)	
	2009	2008	2009	2008	2009	2008
Balance at beginning of year	45,555	69,517	20,911	24,400	27,285	5,839
Subscriptions						
Orbis Funds	5,055	10,669	46	184	623	-
Other Members	2,976	3,254	2,956	3,691	421	976
Switches Between Funds	6,651	1,877	3,454	5,110	714	25,723
Redemptions						
Orbis Funds	(8,268)	(27,980)	(270)	(422)	-	(3,767)
Other Members	(2,365)	(7,314)	(2,890)	(4,231)	(772)	(1,128)
Switches Between Funds	(1,661)	(4,468)	(2,445)	(7,821)	(24,577)	(358)
Balance at end of year	47,943	45,555	21,762	20,911	3,694	27,285
	Leveraged (US\$)		Leveraged Overlay			
			(Euro)		(Yen)	
	2009	2008	2009	2008	2009	2008
Balance at beginning of year	4,021	9,745	2,709	5,946	12,414	64,552
Subscriptions						
Orbis Funds	226	952	-	-	-	-
Other Members	-	145	-	76	-	1,250
Switches Between Funds	424	209	103	77	119	1,615
Redemptions						
Orbis Funds	(960)	(6,267)	-	-	-	-
Other Members	(93)	(543)	(230)	(1,076)	(1,179)	(6,830)
Switches Between Funds	(126)	(220)	(108)	(2,314)	(7,140)	(48,173)
Balance at end of year	3,492	4,021	2,474	2,709	4,214	12,414

## Material Contracts

At year-end, the following Funds had forward currency contracts settling on 4 June 2010 having net contract and net market values as set out below. These contracts expose the Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit its risk to the amount of any net unrealised gain, each Fund has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

Currency	Contract Value	Base Currency		
		Contract Value	Market Value	Unrealised Gain (Loss)
Optimal (US\$)	000's	US\$ 000's	US\$ 000's	US\$ 000's
AUD	(51,990)	(47,058)	(45,837)	1,221
EUR	(281,278)	(416,579)	(402,810)	13,769
GBP	(186,910)	(301,576)	(301,806)	(230)
JPY	(46,814,272)	(514,427)	(504,364)	10,063
ZAR	(1,158,450)	(152,330)	(151,885)	445
		(1,431,970)	(1,406,702)	25,268
Optimal Overlay		€ 000's	€ 000's	€ 000's
CAD	(22,330)	(14,792)	(14,814)	(22)
HKD	(74,415)	(6,714)	(6,705)	9
JPY	3,216,488	21,920	24,188	2,268
SGD	(16,815)	(8,511)	(8,340)	171
USD	(685,175)	(467,994)	(478,451)	(10,457)
		(476,091)	(484,122)	(8,031)
Leveraged (US\$)		US\$ 000's	US\$ 000's	US\$ 000's
EUR	(64,765)	(97,799)	(92,748)	5,051
GBP	(1,059)	(1,756)	(1,709)	47
JPY	3,540	239	38	(201)
		(99,316)	(94,419)	4,897
Leveraged Overlay		€ 000's	€ 000's	€ 000's
GBP	452	594	509	(85)
JPY	4,162,100	32,164	31,298	(866)
USD	(145,678)	(100,314)	(101,726)	(1,412)
		(67,556)	(69,919)	(2,363)

## Commitments

Leveraged (US\$) has a multi-currency line of credit, secured by a pledge of its assets, that may be drawn in two tranches. At 31 December 2009, (i) the first tranche of US\$450 million expiring on 10 June 2010 had drawn US\$435.5 million (2008 - 395.3 million), was charged interest at LIBOR plus 0.85%, totaling 1.07% per annum, and bore a commitment fee of 0.15% per annum on undrawn balances, and (ii) the second tranche of US\$10 million (2008 - US\$50 million) expiring on 24 May 2010 was undrawn, was charged interest at LIBOR plus 0.65%, and bore a commitment fee of 0.10% per annum on undrawn balances.

During 2008, the margin balances supporting Optimal (US\$)'s Portfolio Hedging were at times funded partly by an uncommitted margin facility which was secured by, and was not permitted to exceed, a maximum of 10% of the Fund's net asset value. The margin facility was terminated on 15 October 2008.

## Related Party Transactions

Orbis Investment Management Limited has been contractually appointed as "Manager" of the Funds. Optimal (US\$) pays the Manager a performance-based fee of up to 0.5% per annum 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%. Optimal (Euro) and (Yen), Leveraged (US\$) and Leveraged (Euro) and (Yen) 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. At 31 December 2009, the management fee payable, in thousands, by Optimal (US\$), was \$1,726 (2008 - none).

At the year-end, other Orbis funds held, in thousands of shares, 26,011 (2008 - 29,224) in Optimal (US\$), 2,726 (2008 - 2,950) in Optimal (Euro), 973 (2008 - 350) in Optimal (Yen) and 1,548 (2008 - 2,282) in Leveraged (US\$). Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis funds and of their Managers and Investment Advisors, held, in thousands of shares, 10,364 (2008 - 5,006) in Optimal (US\$), 12,614 (2008 - 12,317) in Optimal (Euro), 666 (2008 - 24,725) in Optimal (Yen), 559 (2008 - 276) in Leveraged (US\$), 40 (2008 - 28) in Leveraged (Euro) and 1,101 (2008 - 7,465) in Leveraged (Yen).

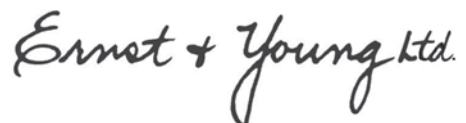
## AUDITORS' REPORT

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

We have audited the Statements of Net Assets of the Funds (companies incorporated with limited liability in Bermuda) on pages 6 and 7 as at 31 December 2009, the Statement of Cash Flows for Leveraged (US\$) on page 8, the related Statements of Operations and Changes in Net Assets on page 9 and the accompanying notes on pages 10 to 13 for the year 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. 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 2009 and the results of their operations and the changes in their net assets and the cash flows for Leveraged (US\$) for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

The signature of Ernst & Young Ltd. is written in a cursive, handwritten style.

Hamilton, Bermuda  
22 January 2010

Ernst & Young Ltd.  
Chartered Accountants

## NOTICES

### ANNUAL GENERAL MEETINGS

Notice is hereby given that the Annual General Meetings of Orbis Optimal (US\$) Fund Limited, Orbis Optimal Overlay Funds Limited, Orbis Leveraged (US\$) Fund Limited and Orbis Leveraged Overlay Funds Limited (the “Orbis Funds”) will be held at the offices of Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda on 21 April 2010 at 10:30 a.m. 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 22 April 2009
- Review of audited financial statements in the 2009 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 2010 to each of Messrs Collis and Thomson of US\$10,000 for each of Orbis Optimal (US\$) Fund Limited and Orbis Leveraged (US\$) Fund Limited, and US\$1,000 for each of Orbis Optimal Overlay Funds Limited and Orbis Leveraged Overlay Funds Limited
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2010

By Order of the Boards, James J Dorr, Secretary

### NOTICE TO CURRENT AND PROSPECTIVE ORBIS INVESTORS

The Orbis Global Equity Strategy and the Orbis Optimal Strategy will open to new investors effective 31 March 2010. New investors must be qualified, non-US and subscribe at least US\$50 million to the Orbis Funds. Current Orbis Funds investors and those persons to whom we have existing commitments are not affected and may continue to make additional investments in the Orbis Funds, other than the Orbis Leveraged Funds which remain closed.

We intend to accept new subscriptions into the Funds from a wider audience when we consider it appropriate to do so, and will issue notice of such change on our website, and via our automated e-mail services facility.

If you have any questions regarding our opening, please contact the Investor Services Team at Orbis, at +1 441 296 3000, by e-mail at [clientservice@orbisfunds.com](mailto:clientservice@orbisfunds.com) or by mail to: The Investor Services Team, Orbis Group, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8600 or [clientservices@orbisfunds.com.au](mailto:clientservices@orbisfunds.com.au). South African residents should contact Allan Gray Unit Trust Limited at +27 86 000 0654 (toll free from within South Africa) or [clientservice@orbisfunds.co.za](mailto:clientservice@orbisfunds.co.za).

### SOURCES

Orbis Fund Returns: Orbis Investment Management Limited using single pricing; Average Fund: Morningstar, Inc. All rights reserved. Average Fund data (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from the use of this information. Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency.

## EU SAVINGS DIRECTIVE

Orbis' assessment is that all of the Orbis Funds are effectively exempt from the application of the European Union Savings Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. Payments from the Orbis Funds, including dividends and redemption proceeds, to residents of the European Union should not be subject to having tax withheld by paying agents under the Directive.

## UK DISTRIBUTOR STATUS

HM Revenue & Customs 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 2008. Beginning in 2011, certification as a distributing fund will no longer be available and will be replaced by the UK Government with a new reporting fund regime. It is intended that the Funds will apply to be certified as distributing funds for the Funds' 2009 and 2010 accounting periods. Certification is granted retrospectively, therefore, there can be no assurance that the Funds will be certified as distributing funds for 2009 or 2010.

## SUPPLEMENTAL DISCLOSURE UNDER THE DISTANCE MARKETING OF FINANCIAL SERVICES DIRECTIVE

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Orbis Funds have determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Orbis Funds are required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Funds' Prospectuses, Application Form and (for Members who sign up for Orbis' on-line portfolio services facility at [www.orbisfunds.com](http://www.orbisfunds.com)) the Orbis Funds Portfolio Services Agreement. These services are not a type of financial service to which cancellation rights apply.

## RISK WARNINGS

Past performance is not a reliable indicator of future results. Where Fund prices are based in a currency other than the currency of your country of residence, exchange rate fluctuations may impact the Fund's returns when converting back to your base currency. Orbis Fund share prices fluctuate and are not guaranteed. When making an investment in the Funds, an investor's capital is at risk.

## OTHER

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. Orbis Investment Management Limited is licensed to conduct investment business by the Bermuda Monetary Authority. Approved for issue in the United Kingdom by Orbis Investment Advisory Limited, Orbis House, 5 Mansfield Street, London England W1G 9NG; a firm authorised and regulated by the Financial Services Authority.

*We invite you to visit our website, [www.orbisfunds.com](http://www.orbisfunds.com), where you may register on-line to receive regular reports on our funds automatically by e-mail. We hope that this enables you to keep in better touch with us and with your investments.*



