

QUARTERLY
REPORTS
30 JUNE 2002



ORBIS OPTIMAL

US\$ Fund / Euro Fund

ORBIS LEVERAGED

US\$ Fund / Euro Fund

NOTICES

UK 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 2001. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 2002 or for future accounting periods.*

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. Past performance is not necessarily indicative of future performance. Orbis Fund share prices will 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.

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 FTSE/JSE Africa 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.

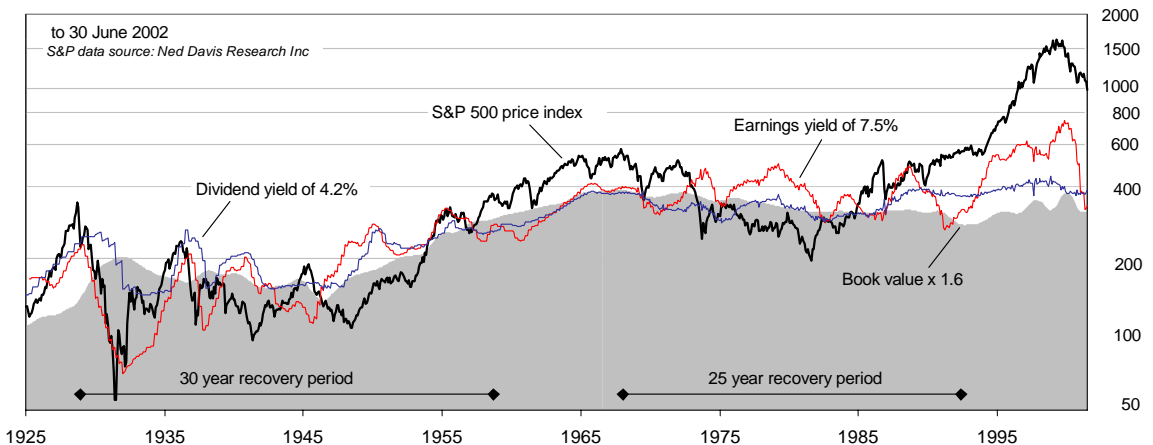
ORBIS JAPAN EQUITY (US\$) FUND

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.

ORBIS OPTIMAL (US\$) FUND AT 30 JUNE 2002

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest		2002 to Date	Latest Quarter
		5 Years	3 Years		
		% Annualised		% Not Annualised	
Orbis Optimal (US\$)	13.5	13.6	17.7	8.1	6.2
US\$ Bank Deposits	5.4	5.1	4.8	0.9	0.4
Average Global Equity Fund	4.7	(1.0)	(6.9)	(7.5)	(7.4)
Average US\$ Bond Fund	6.2	4.7	5.0	2.3	2.9

The S&P 500 is down about 40% from its March 2000 peak. Most western stockmarkets have suffered similar declines. Investors are questioning the wisdom of a heavy exposure to equities in their portfolios. We share their concerns despite the decline in stockmarkets to date. One way we judge the long-term prospects for equities is to view their current price in relation to the underlying fundamentals and putting them in historical context. The chart below plots the price of the US stockmarket, as represented by the S&P 500 price index, in the context of its average historical relationship to the earnings, dividends and book value of the underlying companies. Each measure is plotted in inflation-adjusted terms.



Note that at its peak in 2000, the S&P 500 was priced higher relative to its underlying earnings, dividends and book value than it was in 1929. Even after a close to 40% decline from the March 2000 peak, the chart supports our opinion that the broad US stockmarket does not represent an attractive long-term investment. A similar picture holds for most other major stockmarkets, with Japan being the notable exception. Also noteworthy is that it took the S&P 500 more than 25 years to recover following past bull market peaks, falling to a much greater extent in the interim than the decline that the S&P 500 has experienced since March 2000. In this context and in a low interest rate environment, investors need alternatives and we are therefore pleased to have Orbis Optimal as part of the family of Orbis Funds. The period during which stockmarket prices return to more rational levels after bull market peaks normally presents significant opportunity for fundamentally orientated active managers to add value. The Fund's stockmarket hedging translates this added value into absolute returns. Since declining massively from its 1989 peak, Japan has been the most consistently rewarding market for the Fund over the past few years and now represents about 40% of its equity portfolio. If the chart above is anything to judge by, western stockmarkets will present similarly fertile ground for the Fund in the years to come.

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 30 JUNE 2002

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Global Equity Fund	873,026	64
Orbis Japan Equity (US\$) Fund	267,956	20
Orbis Africa Equity (Rand) Fund	72,702	5
Orbis Japan Core Equity Fund	27,896	2
Total Equity Exposure	1,241,580	91
Portfolio Hedging:		
Stock Index Futures Sold:		
US: S&P 500 CME 9/2002	(294,722)	(25)
DJIA CBOT 9/2002	(44,838)	
Japan: TOPIX TSE 9/2002	(427,934)	(31)
UK: FTSE 100 LIFFE 9/2002	(166,826)	(12)
South Africa: JSE All Share Top 40 SAFEX 9/2002	(88,116)	(7)
Germany: DAX Eurex 9/2002	(52,064)	(4)
Korea: KOSPI 200 KSE 9/2002	(45,957)	(3)
Contract Value	1,160,802	85
Net Balances at Brokers	37,485	3
Balance Committed to Above Positions	77,830	6
Net Current Assets	42,786	3
Net Assets	1,362,196	100
Net Asset Value per Share	27,935,698 shares issued	US\$ 48.76

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	37	(31)	6	-
US	22	(25)	(3)	-
Europe	20	(16)	4	-
Emerging Markets	12	(10)	2	-
Total	91	(82)	9	-

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	85
Euro	15
Net Assets	100

ORBIS OPTIMAL (EURO) FUND AT 30 JUNE 2002

Total Rate of Return in euro:	From Inception on 30 Jun 1998 % Annualised	Latest 3 Years	2002 to Date % Not Annualised	Latest Quarter
Orbis Optimal (Euro)	15.3	14.8	5.4	3.2
Euro Bank Deposits	3.9	4.0	1.7	0.8
Average Global Equity Fund	(0.7)	(5.6)	(17.0)	(18.7)
Average Euro Bond Fund	3.5	3.3	1.8	2.5
% change in the US dollar value of the euro	(2.4)	(1.4)	11.5	13.8

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 13.5% 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 quarter-end the Currency Deployment of Orbis Optimal (US\$) comprised 85% US dollars and 15% euro. If Orbis Optimal (Euro) had simply hedged 100% of net assets from US dollars into euro as usual, it would have included minus 15% exposure to the US dollar. Instead, as shown opposite, 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 quarter-end is shown opposite. The Statement of Net Assets shows that 100% 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 quarter-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.

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 (EURO) FUND AT 30 JUNE 2002

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value € 000's	% of Fund
Orbis Optimal (US\$) Fund	242,593	100
Net Current Assets	998	-
Net Assets	243,591	100
Net Asset Value per Share	13,778,071 shares issued	€ 17.68

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	37	(31)	6	-
US	22	(25)	(3)	-
Europe	20	(16)	4	-
Emerging Markets	12	(10)	2	-
Total	91	(82)	9	-

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

CURRENCY DEPLOYMENT

	% of Fund
Euro	99
Other	1
Net Assets	100

ORBIS LEVERAGED (US\$) FUND AT 30 JUNE 2002

Total Rate of Return in US dollars:	From Inception	Latest		2002 to Date	Latest Quarter
	on 1 Jan 1990	5 Years	3 Years		
	% Annualised			% Not Annualised	
Orbis Leveraged (US\$)	18.0	19.5	35.3	13.0	10.0
US\$ Bank Deposits	5.4	5.1	4.8	0.9	0.4
Average Global Equity Fund	4.7	(1.0)	(6.9)	(7.5)	(7.4)
Average US\$ Bond Fund	6.2	4.7	5.0	2.3	2.9

Since their peak in 2000, western stockmarkets have declined very substantially. Despite the correction to date, prices are still historically high and speculative interest in those markets remains widespread. In our opinion, the adjustment process is not over, both in terms of length of time and in terms of the extent of decline before the eventual bottom is reached. This is discussed in greater detail in the report for Orbis Optimal on page 2.

In view of our outlook for equities, we are pleased that Orbis Leveraged provides an alternative for those investors who are willing to accept a *level* of risk similar to that normally inherent in equities but who do not wish exposure to the risk of stockmarkets declining further. An investment in the Fund affords these investors a leveraged exposure to Orbis' ability to generate an ongoing outperformance in stockpicking without assuming significant stockmarket risk.

In 2000, the western stockmarkets presented an extraordinary opportunity for the Fund due to the massive internal divergence that existed between the pricing of the technology, media and telecommunication companies and the rest of the market. High levels of speculative interest created the possibility that the Fund's fundamentally driven positions would underperform in the short term but we believed the potential reward was sufficiently attractive to compensate for this risk. This dislocation has now largely corrected although speculation within the US market remains high. We consequently reduced the Fund's level of investment in the US stockmarket in the second quarter. The aftermath of bull markets historically presents attractive opportunities for fundamentally oriented equity managers to add value over a period of many years, as has been the case in Japan. We expect that will hold true for the US stockmarket which after all is only just over two years into what is normally a many year adjustment process following a bull market of such magnitude. We look forward to increasing the Fund's hedged exposure to US equities again when either speculative influences wane or greater opportunities present themselves.

While the Fund's aggregate holdings in western markets in the second quarter have been reduced, its level of investment in Japanese equities remained largely unchanged. Japan has been a consistently fruitful market for the Fund over the past years as that market works through the after-effects of its speculative bubble in the late 1980s. Our proprietary fundamental research leads us to believe that will continue to be the case. The South African and other emerging markets also present significant opportunities. Together, these markets represent over 50% of the Fund's hedged equity portfolio.

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 LEVERAGED (US\$) FUND AT 30 JUNE 2002

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Optimal (US\$) Fund	869,806	175
Incremental Position:		
Bond Futures Sold:		
Japan: JGB 10 Year TSE 9/2002	(228,098)	(46)
Contract Value	226,693	46
Balances at Broker	2,340	1
Balance Committed to Above Position	935	1
Loans	(391,000)	(79)
Net Current Assets	16,541	3
Net Assets	496,282	100
Net Asset Value per Share	6,250,887 shares issued	US\$ 79.39

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	65	(55)	10	-
US	38	(44)	(6)	1
Europe	35	(28)	7	-
Emerging Markets	21	(17)	4	-
Total	159	(144)	15	1

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	74
Euro	25
Other	1
Net Assets	100

ORBIS LEVERAGED (EURO) FUND AT 30 JUNE 2002

Total Rate of Return in euro:	From Inception on 30 Jun 1998 <i>% Annualised</i>	Latest 3 Years	2002 to Date <i>% Not Annualised</i>	Latest Quarter
Orbis Leveraged (Euro)	27.6	32.5	13.3	10.1
Euro Bank Deposits	3.9	4.0	1.7	0.8
Average Global Equity Fund	(0.7)	(5.6)	(17.0)	(18.7)
Average Euro Bond Fund	3.5	3.3	1.8	2.5
<i>% change in the US dollar value of the euro</i>	<i>(2.4)</i>	<i>(1.4)</i>	<i>11.5</i>	<i>13.8</i>

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 18.0% 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 quarter-end is shown opposite. The Statement of Net Assets shows that 100% 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 quarter-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 quarter-end, both Funds had a total of 1% 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 quarter-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
Orbis Investment Management Limited

INVESTMENT ADVISOR
Orbis Investment Advisory Limited

CUSTODIAN
The Bank of Bermuda Limited

ORBIS LEVERAGED (EURO) FUND AT 30 JUNE 2002

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US\$) Fund	356,000	100
Net Current Assets	1,697	-
Net Assets	357,697	100
Net Asset Value per Share	13,500,680 shares issued	€ 26.49

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	65	(55)	10	-
US	38	(44)	(6)	1
Europe	35	(28)	7	-
Emerging Markets	21	(17)	4	-
Total	159	(144)	15	1

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

CURRENCY DEPLOYMENT

	% of Fund
Euro	124
US dollar	(25)
Other	1
Net Assets	100

