ORBIS ABSOLUTE RETURN FUNDS

QUARTERLY

REPORTS

31 MARCH 2003

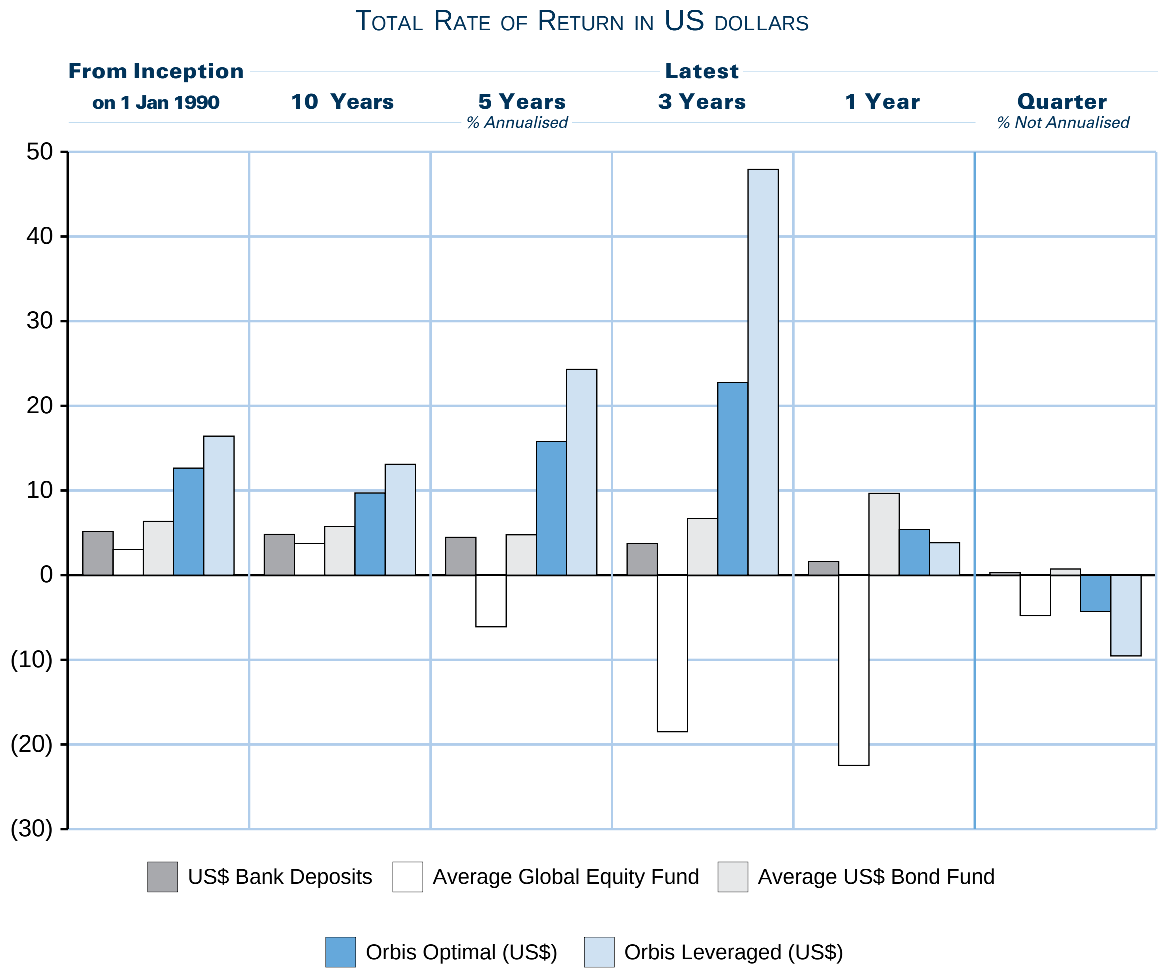
ORBIS OPTIMAL

US$ Fund / Euro Fund

ORBIS LEVERAGED

US$ Fund / Euro Fund

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 MARCH 2003



The Optimal and Leveraged (Euro) 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: Standard & Poor's Offshore Territories sector index return.

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 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 OFFSHORE FUNDS

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 based on detailed proprietary research which emphasises relative 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 with no greater risk. 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 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 Funds

The Luxembourg regulated Orbis Japan Equity Fund invests in Japanese equities. The Yen Class is fully exposed to the Japanese yen and has a Benchmark of the Tokyo Stock Price Index, including income ("TOPIX"). The Euro Class hedges its currency exposure into euro and has a Benchmark of the TOPIX, hedged into euro. The Orbis Japan Equity (US$) Fund invests in the Yen Class of the Orbis Japan Equity Fund, hedges most or all of its currency exposure into US dollars and has a Benchmark of the TOPIX, hedged into US dollars.

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.

ORBIS OPTIMAL (US$) FUND AT 31 MARCH 2003

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest 5 Years	Latest 3 Years	Latest 1 Year	Quarter
		% Annualised			% Not Annualised
Orbis Optimal (US$)	**12.6**	**15.8**	**22.8**	**5.4**	**(4.3)**
US$ Bank Deposits	5.2	4.5	3.7	1.6	0.3
Average Global Equity Fund	3.0	(6.1)	(18.5)	(22.4)	(4.8)
Average US$ Bond Fund	6.4	4.8	6.7	9.7	0.7

While no one likes losing money, those who know the Fund well will also know that its 4.3% decline in the first quarter is unsurprising. A natural consequence of the Fund's investment approach for obtaining superior investment returns is that the Fund's underlying equity holdings will differ materially from their respective stockmarket indices, on which the Fund's Portfolio Hedging is based. Being different brings with it the inevitable consequence that the Fund's equity investments will underperform their respective stockmarket indices at times, causing the Fund to incur a loss. Being right more often than we are wrong in the long term rather than being right all the time is what allows the Fund to continue its track record of superior long-term returns.

Our response to the Fund's recent performance has therefore been to further intensify our ongoing research efforts by critically re-examining the investment thesis behind some of the underperforming positions, both by the analysts originally proposing the ideas as well as other analysts with a fresh perspective. This research has added insight and understanding but has left us no less enthusiastic regarding the long-term potential for the Fund's portfolio.

It has been said that in the short run the market is a voting machine but in the long run the market is a weighing machine. In other words, the market is a popularity contest in the short term; it reflects the way people feel and behave. It is driven by sentiment and fundamental valuation does not matter much. In the long term, however, the stockmarket does behave rationally and tracks the weight of corporate profits and growth. Yet it is almost impossible to predict when the market will abandon the popularity contest and start to weigh company fundamentals in pricing shares. Like stretching an elastic band, no one can predict exactly how far the price of a share can deviate from its intrinsic value, only that it will revert to it eventually.

Our investment philosophy leads us to take a position only when short-term sentiment has taken the market price far below what we believe to be the intrinsic value of the business. In doing so, we run the risk that the voting machine continues to dominate the weighing machine in the short term. A share's price may stagnate as sentiment remains depressed and intrinsic value remains unappreciated. Or the share price may even depreciate further as the company becomes even more unpopular. Either way, we often buy a share well before its price begins rising. While we try to manage this risk, we accept it in the knowledge that, eventually, the weighing mechanism will re-establish itself and the market will price the business according to its intrinsic value. Applying this philosophy consistently is what has allowed us to maintain confidence in the Fund's ability to earn superior returns over time, even in the face of the inevitable periods of poor shorter-term returns.

ORBIS OPTIMAL (US$) FUND AT 31 MARCH 2003

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value US$ 000's	% of Fund
Orbis Global Equity Fund	952,516	65
Orbis Japan Equity (US$) Fund	326,489	22
Orbis Africa Equity (Rand) Fund	65,592	4
Orbis SICAV - Japan Core Equity Fund	22,895	2
Total Equity Exposure	1,367,492	93
Portfolio Hedging:		
Stock Index Futures Sold:		
Japan: TOPIX TSE 6/2003	(505,588)	(35)
US: S&P 500 CME 6/2003	(443,405)	(30)
UK: FTSE 100 LIFFE 6/2003	(143,591)	(10)
South Africa: JSE All Share Top 40 SAFEX 6/2003	(112,210)	(8)
Germany: DAX Eurex 6/2003	(79,589)	(5)
Korea: KOSPI 200 KSE 6/2003	(46,367)	(3)
Contract Value	1,356,319	93
Net Balances at Brokers	71,019	5
Balance Committed to Above Positions	96,588	7
Net Current Assets	1,294	-
Net Assets	**1,465,374**	**100**
Net Asset Value per Share	30,278,060 shares issued	**US$ 48.40**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	40	(35)	5	5
North America	23	(30)	(7)	(5)
Europe	17	(15)	2	-
Emerging Markets	13	(11)	2	-
Total	**93**	**(91)**	**2**	**-**

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	75
Euro	15
Canadian dollar	10
Net Assets	**100**

ORBIS OPTIMAL (EURO) FUND AT 31 MARCH 2003

Total Rate of Return in euro:	**From Inception on 30 Jun 1998**	**3 Years**	**Latest 1 Year**	**Quarter**
	% Annualised			*% Not Annualised*
Orbis Optimal (Euro)	**12.3**	**20.4**	**1.3**	**(5.2)**
Euro Bank Deposits	3.8	4.0	3.2	0.7
Average Global Equity Fund	(6.2)	(22.1)	(38.2)	(8.5)
Average Euro Bond Fund	4.3	6.1	9.1	1.4
% appreciation of the euro versus the US dollar	0.0	6.8	25.4	4.1

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 12.6% 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 75% US dollar, 15% euro and 10% Canadian dollars. If Orbis Optimal (Euro) had simply hedged 100% of net assets from US dollars into euro as usual, it would have included minus 25% 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 98% 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.

ORBIS OPTIMAL (EURO) FUND AT 31 MARCH 2003

Statement of Net Assets *(Unaudited)*

Security	Market Value € 000's	% of Fund
Orbis Optimal (US$) Fund	343,922	98
Net Current Assets	6,676	2
Net Assets	**350,598**	**100**
Net Asset Value per Share	20,207,617 shares issued	**€ 17.35**

Analysis of Stockmarket Exposure

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	40	(34)	6	5
North America	22	(29)	(7)	(5)
Europe	17	(15)	2	-
Emerging Markets	13	(11)	2	-
Total	**92**	**(89)**	**3**	**-**

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

Currency Deployment

	% of Fund
Euro	100
Net Assets	**100**

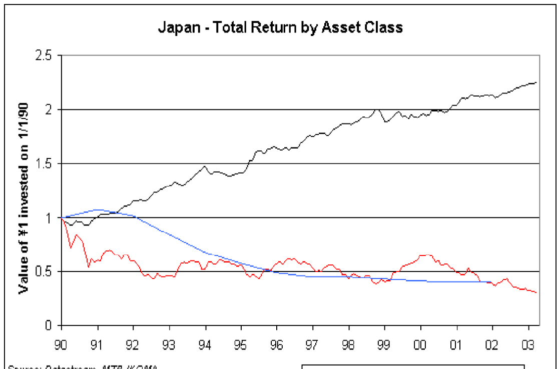
ORBIS LEVERAGED (US$) FUND AT 31 MARCH 2003

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest 5 Years	3 Years	1 Year	Quarter
		% Annualised			% Not Annualised
Orbis Leveraged (US$)	**16.4**	**24.3**	**47.9**	**3.8**	**(9.5)**
US$ Bank Deposits	5.2	4.5	3.7	1.6	0.3
Average Global Equity Fund	3.0	(6.1)	(18.5)	(22.4)	(4.8)
Average US$ Bond Fund	6.4	4.8	6.7	9.7	0.7

The primary driver of the Fund's 9.5% loss in the quarter was its geared investment in Orbis Optimal, accounting for 8.8 percentage points. The remainder of the decline resulted from the Fund's incremental positions. These incremental positions are opportunities that our research has identified but which are unsuitable for Orbis Optimal. The Fund's current short futures position in Japanese Government Bonds (JGBs) falls into this category. We believe the short JGB position has an extremely attractive risk/reward profile, with JGBs being at best substantially overvalued and more likely at the extreme of a classic momentum-driven bubble.

The 7-year JGB that underlies the notional "10-year" JGB futures contract yields a return of 0.41% per annum if held to maturity. To a pragmatic investor looking to earn a reasonable return this seems derisory, but after decade-long bear markets in real estate and equities Japanese investors see JGBs as one of the few ways of not losing money (see the chart below). We think this is a classic case of past performance being extrapolated into the future. The Bank of Japan has also become a massive buyer of JGBs, motivated not by return but a desire to stimulate the Japanese economy. Japanese banks, needing to reinvest the proceeds from a mandated reduction of their huge equity portfolios, are also large buyers.

The yield on JGBs reflects the ongoing deflation in Japan but in our opinion takes insufficient account of both the weak state of the Government's finances and the likely future return of equities. We find it incredible that an investor would prefer to hold a JGB over the shares of a world-class company such as Toyota Motor. Its shares currently pay a dividend of 1.2% pa, while the company retains the remaining 88% of its earnings to reinvest in its business.



Source: Datastream, MTB-IKOMA
Real estate data for 2002 onwards not yet available

We have been early in implementing this position and to date have lost money on it. With the price of JGBs being driven higher by strong structural and emotive factors, the timing of a peak is unpredictable. We therefore implemented the short JGB position progressively as yields declined. We completed the last stage of this process last quarter, with the Fund now effectively having sold JGBs equivalent to the full face value of its borrowings. Were yields to immediately decline to zero the Fund's losses would be 2.7% of net asset value. Should yields rise immediately to 1.0% the Fund's profit would be 3.8%. We cannot predict how long others will continue to find JGBs attractive but are convinced that their overvaluation is one of the clearest investment opportunities available at present. We have positioned the Fund to benefit from this.

ORBIS LEVERAGED (US$) FUND AT 31 MARCH 2003

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value US$ 000's	% of Fund
Orbis Optimal (US$) Fund	884,196	193
Incremental Positions:		
Bond and Stock Index Futures Sold:		
Japan: JGB 10 Year TSE 6/2003	(434,287)	(95)
US: S&P 500 CME 6/2003	(44,468)	(10)
Contract Value	477,829	105
Balances at Brokers	6,531	1
Balance Committed to Above Positions	5,605	1
Loans	(434,500)	(95)
Net Current Assets	2,155	1
Net Assets	**457,456**	**100**
Net Asset Value per Share	6,105,756 shares issued	**US$ 74.92**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	78	(67)	11	9
North America	44	(68)	(24)	(19)
Europe	34	(29)	5	(1)
Emerging Markets	25	(21)	4	1
Total	**181**	**(185)**	**(4)**	**(10)**

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	55
Euro	25
Canadian dollar	20
Net Assets	**100**

ORBIS LEVERAGED (EURO) FUND AT 31 MARCH 2003

Total Rate of Return in euro:	**From Inception on 30 Jun 1998**	**3 Years**	**Latest 1 Year**	**Quarter**
	% Annualised			% Not Annualised
Orbis Leveraged (Euro)	**21.6**	**47.0**	**5.2**	**(9.1)**
Euro Bank Deposits	3.8	4.0	3.2	0.7
Average Global Equity Fund	(6.2)	(22.1)	(38.2)	(8.5)
Average Euro Bond Fund	4.3	6.1	9.1	1.4
% appreciation of the euro versus the US dollar	0.0	6.8	25.4	4.1

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 16.4% 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 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$) at the quarter-end to present Orbis Leveraged (Euro)'s indirect exposure to stockmarkets. A comparison between this table and the corresponding one for Orbis Leveraged (US$) 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 negative 10% 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 100% of net assets.

ORBIS LEVERAGED (EURO) FUND AT 31 MARCH 2003

Statement of Net Assets *(Unaudited)*

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US$) Fund	283,058	99
Net Current Assets	2,815	1
Net Assets	**285,873**	**100**
Net Asset Value per Share	11,305,454 shares issued	**€ 25.29**

Analysis of Stockmarket Exposure

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	77	(66)	11	9
North America	44	(67)	(23)	(19)
Europe	33	(29)	4	(1)
Emerging Markets	25	(21)	4	1
Total	**179**	**(183)**	**(4)**	**(10)**

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

Currency Deployment

	% of Fund
Euro	125
US dollar	(45)
Canadian dollar	20
Net Assets	**100**

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