ORBIS ABSOLUTE RETURN FUNDS

QUARTERLY

REPORTS

31 MARCH 2004

ORBIS OPTIMAL

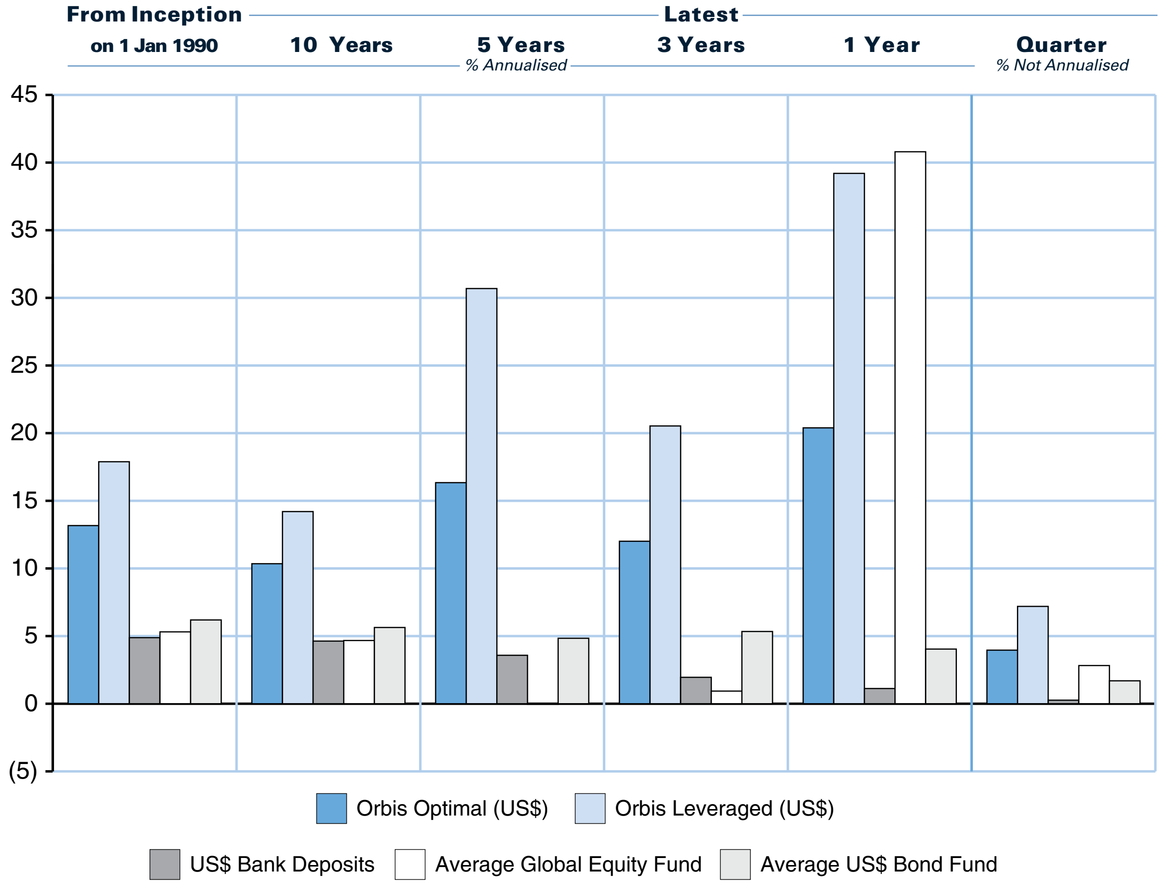
US$ Fund / Euro Fund

ORBIS LEVERAGED

US$ Fund / Euro Fund

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 MARCH 2004

TOTAL RATE OF RETURN IN US DOLLARS



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.

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.

Privacy Policy. Our relationship with our clients is our most important asset. We understand that clients entrust us with their private information. Please take a moment to read about the steps we take to maintain that trust and our approach to privacy.

In order to provide financial products and services to our clients efficiently and accurately, we may collect non-public personal information about our clients and former clients from the following sources: (1) information we receive from Orbis Fund documentation, including applications or other forms and (2) information about clients' transactions with the Orbis Group and others (including information such as clients' holdings and transaction activity).

We maintain physical, electronic, and procedural safeguards to protect clients' non-public personal information. We will not sell clients' non-public personal information to anyone. It is our policy not to disclose this information except within the Orbis Group, or to others as required by law. We may also disclose this information to fulfill client instructions, or with clients' express consent. From time to time, Orbis may disclose clients' non-public personal information to third parties that perform processing or servicing functions or client relationship services on our behalf (such as the Fund's administrator or auditors). They are required to maintain the confidentiality of such information to the extent they receive it, and to use the information only in the course of providing such services.

As a continuing Member of the Orbis Funds, you consent to this policy. If you have any questions or concerns, please contact Geoffrey Gardner, Director of Fund Management, at +1 441 296 3000, or by e-mail at g.gardner@orbisfunds.com or by mail to: Geoffrey Gardner, Orbis Group, 34 Bermudiana Road, Hamilton HM 11, Bermuda.

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 in equities 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 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.

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.

ORBIS OPTIMAL (US$) FUND AT 31 MARCH 2004

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$)	**13.2**	**16.3**	**12.0**	**20.4**	**4.0**
US$ Bank Deposits	4.9	3.6	2.0	1.1	0.3
Average Global Equity Fund	5.3	0.0	0.9	40.9	2.8
Average US$ Bond Fund	6.2	4.8	5.3	4.0	1.7

Even though Optimal has both long and short positions, it has important qualitative differences from other typical equity long-short absolute return funds. The vast majority of other equity long-short funds build up their short exposure by selling individual stocks. Optimal, however, sells the overall market using futures contracts on stockmarket indices. This hedging approach not only provides Members with greater transparency and simplicity, as we have explained before, but also leaves us with higher confidence in the Fund's ability to sustain the same investment approach with a much larger pool of assets.

As discussed in this quarter's Report on Orbis Global, Orbis looks to buy stocks that sell at a significant discount to their intrinsic value. The lower the share price falls, the bigger the discount, and the more attractive the stock is to a long-term investor like Orbis. So when other investors are selling the shares down, we often find ourselves the willing buyers. The investment philosophy that leads us to identify opportunities in neglected or out-of-favour areas also leads us to take the opposite position to the rest of the market in our trades, rather than to compete for the same opportunities. This enables us to establish large positions more easily and manage larger pools of capital. In fact, within reason, a larger pool can be beneficial. Since we tend to be early in both our purchase and sale decisions, a larger pool means a longer accumulation and disposal period and a more favourable average price, which ultimately benefits Members.

Selling short individual stocks has the opposite dynamic. While the key to our success in picking longs is assessing intrinsic value, the key to picking shorts is assessing short-term sentiment. In the short term, share prices may deviate significantly from their intrinsic value both on the upside and the downside. But irrational investor behaviour can take share prices much further above their intrinsic value than pessimism can take them below. Shorting a stock on the basis of valuation alone, without anticipating when speculation will begin reversing, is therefore particularly risky. To be successful in shorting, one must try to time the entry point much closer to when other investors will stop buying the share or sell it. But this implies joining the flow with other market participants, which makes it more difficult to secure the trading volume to establish a sizeable position. Making matters worse, one needs to borrow stock to short, which is in limited supply. Competition among borrowers increases the cost of borrowing. A reduced ability to trade in size and a higher cost to borrow means that the pool of assets one can manage while shorting individual stocks is much smaller than while buying individual stocks on a fundamental basis.

We hope Members will appreciate why, despite the significant growth in the size of the Fund, we believe capacity is not going to be a problem for Optimal in the foreseeable future. Our focus on long-term intrinsic value in picking stocks can support a larger pool of assets, as can our use of stock index futures in hedging the market risk.

ORBIS OPTIMAL (US$) FUND AT 31 MARCH 2004

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value US$ 000's	% of Fund
Orbis Global Equity Fund	2,291,120	76
Orbis SICAV - Japan Equity Fund - Yen Class	415,078	14
Orbis Africa Equity (Rand) Fund	127,576	4
Orbis SICAV - Japan Core Equity Fund	40,589	1
Total Equity Exposure	2,874,363	95
Portfolio Hedging:		
Stock Index Futures Sold:		
Japan: TOPIX TSE 6/2004	(992,632)	(33)
US: E-mini S&P 500 CME 6/2004	(741,994)	(24)
Germany: DAX Eurex 6/2004	(340,587)	(11)
UK: FTSE 100 LIFFE 6/2004	(305,729)	(10)
Korea: KOSPI 200 KSE 6/2004	(252,275)	(8)
South Africa: JSE All Share Top 40 SAFEX 6/2004	(200,127)	(7)
Contract Value	2,801,025	92
Net Balances at Brokers	187,943	6
Balance Committed to Above Positions	155,624	5
Net Current Assets	5,576	-
Net Assets	**3,035,563**	**100**
Net Asset Value per Share	52,096,252 shares issued	**US$ 58.27**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	37	(33)	4	7
Europe	23	(21)	2	-
North America	19	(24)	(5)	(7)
Emerging Markets	16	(15)	1	-
Total	**95**	**(93)**	**2**	**-**

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	70
Japanese yen	12
Canadian dollar	10
Korean won	5
Taiwan dollar	3
Net Assets	**100**

ORBIS OPTIMAL (EURO) FUND AT 31 MARCH 2004

Total Rate of Return in euro:	**From Inception on 30 Jun 1998**	**Latest 5 Years**	**3 Years**	**1 Year**	**Quarter**
		% Annualised			% Not Annualised
Orbis Optimal (Euro)	**13.2**	**13.8**	**9.8**	**17.9**	**4.7**
Euro Bank Deposits	3.5	3.4	3.2	2.2	0.5
Average Global Equity Fund	(1.4)	(2.7)	(9.8)	25.0	5.1
Average Euro Bond Fund	4.4	4.1	5.5	5.0	2.3
% appreciation of the euro versus the US dollar	*2.1*	*2.7*	*11.9*	*12.7*	*(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 13.2% per annum 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 70% US dollars, 12% Japanese yen, 10% Canadian dollars, 5% Korean won and 3% Taiwan dollars. If Orbis Optimal (Euro) had simply hedged 100% of net assets from US dollars into euro as usual, it would have included minus 30% 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 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$) at the quarter-end to present Orbis Optimal (Euro)'s indirect exposure to stockmarkets. A comparison between this table and the corresponding one for Orbis Optimal (US$) 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 2004

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value € 000's	% of Fund
Orbis Optimal (US$) Fund	483,338	99
Net Current Assets	5,580	1
Net Assets	**488,918**	**100**
Net Asset Value per Share	23,906,117 shares issued	**€ 20.45**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	36	(32)	4	7
Europe	22	(21)	1	-
North America	19	(24)	(5)	(7)
Emerging Markets	16	(15)	1	-
Total	**93**	**(92)**	**1**	**-**

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

CURRENCY DEPLOYMENT

	% of Fund
Euro	75
Japanese yen	12
Canadian dollar	5
Korean won	5
Taiwan dollar	3
Net Assets	**100**

ORBIS LEVERAGED (US$) FUND AT 31 MARCH 2004

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$)	**17.9**	**30.7**	**20.5**	**39.2**	**7.2**
US$ Bank Deposits	4.9	3.6	2.0	1.1	0.3
Average Global Equity Fund	5.3	0.0	0.9	40.9	2.8
Average US$ Bond Fund	6.2	4.8	5.3	4.0	1.7

Orbis Leveraged's ability to generate returns is based primarily on the skill of the Manager, rather than movements in stockmarkets or interest rates. In that sense, the Fund is similar to most other equity-based absolute return funds. But the similarity doesn't extend far beyond there.

Our approach to adding value, which we have illustrated with an example in this quarter's Orbis Global Report, is different from most long-short equity funds. We focus on maximising the risk-reward prospects in the long term, not the short term. We are happy to bear higher short-term volatility in exchange for greater confidence of producing satisfactory returns in the long term. In addition, as explained in the Orbis Optimal Report on page 2, we differ from others in using stock index futures, rather than individual equity short positions, to manage stockmarket exposure. Both factors are important reasons why the return on the Fund has had, and is expected to have, very little correlation to the returns of other equity-based absolute return funds.

As a result of the differences in approach, the Fund is also structured differently in the manner it leverages the skill of the Manager. Orbis' most demonstrable skill is the selection of equities that outperform equity markets over the long term. The Fund is therefore structured to add value by focusing on capturing that skill and gearing it, rather than supplementing it with returns on the short positions as most long-short equity absolute return funds do. Despite the single focus, the Fund's capacity to add value is similar. After all, the amount of value a manager can add in a fund through his skill depends not on the type of skill or the investment approach of the manager, but on the level of skill and the amount of assets that skill is applied to. For example, for a long-short equity fund with 80% long assets and 50% short assets, the fund's return depends on the manager's stock-picking skill on the 80% long assets and 50% short assets, and on the market return on 30% of net assets. The value added therefore depends on the 160% total gross exposure, which is made up of the 130% exposure to skill (80% long and 50% short) plus the residual 30% market exposure. The bigger the gross exposure that a skill set is applied to, the bigger the scope for the manager to add value through skill. Most long-short equity funds do not have high levels of gearing, so the gross exposures are usually under 200%. So even though Orbis Leveraged captures the value added on the long assets without selling short individual stocks, its 175% gross equity exposure shown opposite means it is utilising about the same size of asset base in adding value through skill.

Orbis Leveraged is different from other absolute return funds in its long-term focus, stockmarket hedging and fund structure. We believe the differences play to Orbis' demonstrable strength in investment research and in picking the stocks that outperform the market over the long term, and ultimately bring the most benefits to Members.

ORBIS LEVERAGED (US$) FUND AT 31 MARCH 2004

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value US$ 000's	% of Fund
Orbis Optimal (US$) Fund	1,609,463	185
Incremental Positions:		
Index Futures Sold:		
Bond: Japan; JGB 10 Year TSE 6/2004	(784,644)	(90)
Stock: US; E-mini S&P 500 CME 6/2004	(87,131)	(10)
Contract Value	879,892	101
Balances at Brokers	5,303	1
Balance Committed to Above Positions	13,420	2
Loans	(773,000)	(89)
Net Current Assets	17,744	2
Net Assets	**867,627**	**100**
Net Asset Value per Share	8,319,719 shares issued	**US$ 104.29**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	68	(61)	7	13
Europe	42	(39)	3	-
North America	35	(55)	(20)	(23)
Emerging Markets	30	(28)	2	1
Total	**175**	**(183)**	**(8)**	**(9)**

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	60
Japanese yen	25
Canadian dollar	20
Euro	(20)
Korean won	8
Taiwan dollar and other	7
Net Assets	**100**

ORBIS LEVERAGED (EURO) FUND AT 31 MARCH 2004

Total Rate of Return in euro:	**From Inception on 30 Jun 1998**	**Latest 5 Years** % Annualised	**3 Years**	**1 Year**	**Quarter** % Not Annualised
Orbis Leveraged (Euro)	**24.6**	**29.5**	**21.2**	**40.3**	**7.4**
Euro Bank Deposits	3.5	3.4	3.2	2.2	0.5
Average Global Equity Fund	(1.4)	(2.7)	(9.8)	25.0	5.1
Average Euro Bond Fund	4.4	4.1	5.5	5.0	2.3
% appreciation of the euro versus the US dollar	*2.1*	*2.7*	*11.9*	*12.7*	*(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 17.9% per annum 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 negative 9% 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 2004

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US$) Fund	426,974	99
Net Current Assets	5,325	1
Net Assets	**432,299**	**100**
Net Asset Value per Share	12,187,747 shares issued	**€ 35.47**

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	67	(60)	7	13
Europe	42	(39)	3	-
North America	34	(55)	(21)	(23)
Emerging Markets	30	(27)	3	1
Total	**173**	**(181)**	**(8)**	**(9)**

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

CURRENCY DEPLOYMENT

	% of Fund
Euro	80
US dollar	(39)
Japanese yen	25
Canadian dollar	20
Korean won	8
Taiwan dollar and other	6
Net Assets	**100**

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