

QUARTERLY
REPORTS
30 SEPTEMBER 2004



ORBIS OPTIMAL

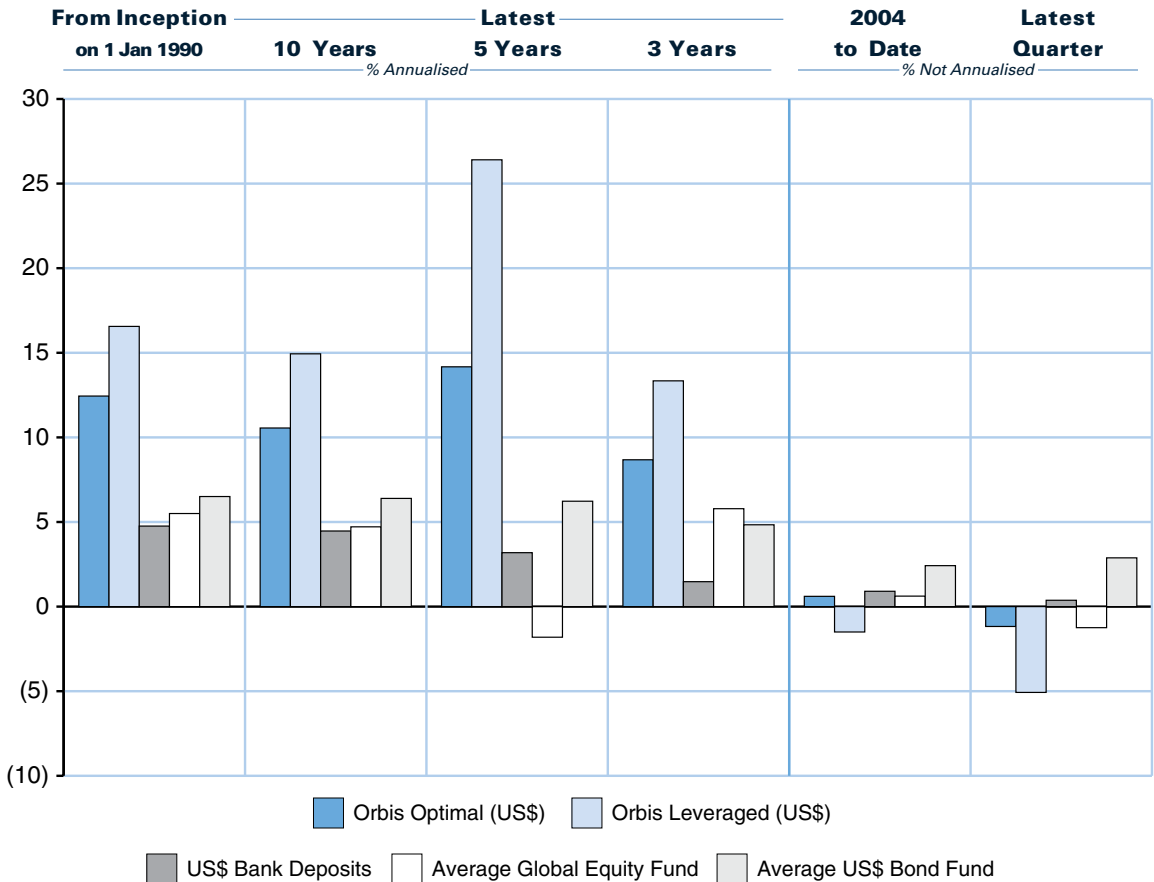
US\$ Fund / Euro Fund

ORBIS LEVERAGED

US\$ Fund / Euro Fund

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 30 SEPTEMBER 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 Internationally Marketed sector index.

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 2003. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 2004 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 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.

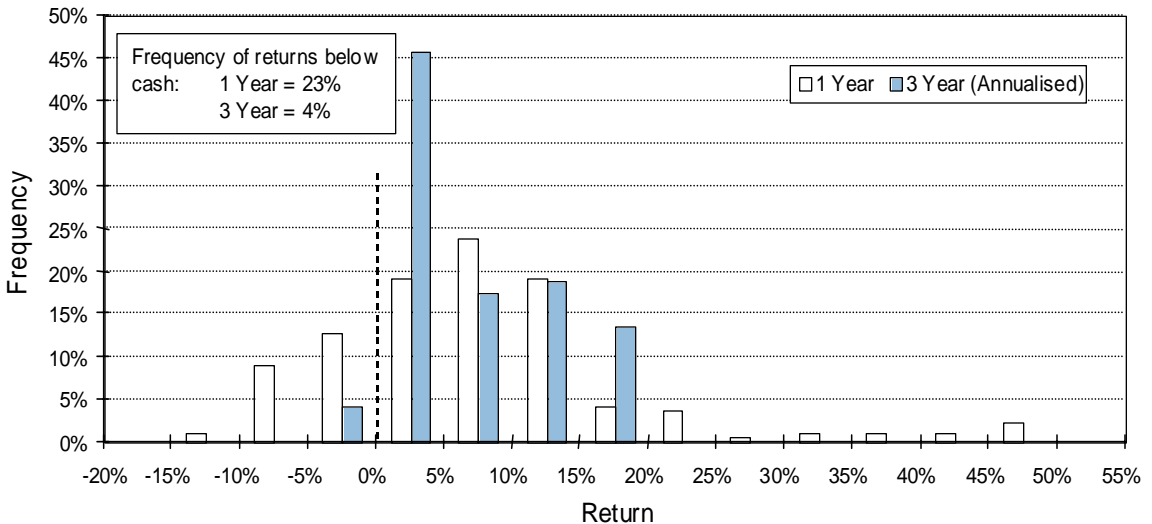
ORBIS OPTIMAL (US\$) FUND AT 30 SEPTEMBER 2004

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest		2004 to Date	Latest Quarter
		5 Years	3 Years		
	% Annualised			% Not Annualised	
Orbis Optimal (US\$)	12.4	14.2	8.7	0.6	(1.2)
US\$ Bank Deposits	4.8	3.2	1.5	0.9	0.4
Average Global Equity Fund	5.5	(1.8)	5.8	0.6	(1.2)
Average US\$ Bond Fund	6.5	6.2	4.8	2.4	2.9

The Fund aims to produce an absolute return above that on cash by owning shares which produce a higher return than the overall stockmarket. Our experience has shown that owning shares that are priced well below their intrinsic value offers a long-term investor the opportunity to do just that. Inevitably, there are reasons that cause those shares to be out of favour with investors and sell cheaply. Even if those reasons prove to be temporary, it is still difficult to predict exactly when in the short term sentiment will turn and the share price will rise. Short-term performance is often at odds with the Fund's investment objective and long-term record. Gaining an understanding of the range within which the Fund's shorter-term returns can be expected to fall while still being consistent with its long-term investment program, can put Members in a better position to evaluate the Fund's investment performance over time.

To this end, we have produced a frequency chart showing the Fund's historical investment returns over differing time horizons. The following chart shows the percentage of time any 1-year and 3-year return of the Fund in excess of cash is higher than certain annualised rates.

Frequency of historical returns above cash (%)



From the chart, it can be seen that, despite a favourable long-term track record, an investor in the Fund has historically experienced a trailing 12-month return that is slightly below the return on cash about 23% of the time. It is only when the investment time horizon is extended to 3 years and beyond that the Fund has bettered the return on cash fairly consistently. While we would obviously prefer the Fund to have more consistent short-term returns, a low or negative short-term return is not inconsistent with a disciplined application of the Fund's investment philosophy and approach nor its investment experience.

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

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INVESTMENT ADVISOR
Orbis Investment Advisory Limited

CUSTODIAN
The Bank of Bermuda Limited

ORBIS OPTIMAL (US\$) FUND AT 30 SEPTEMBER 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Global Equity Fund	3,061,668	90
Orbis Africa Equity (Rand) Fund	165,500	5
Orbis SICAV - Japan Core Equity Fund	42,222	1
Total Equity Exposure	3,269,390	96
Portfolio Hedging:		
Stock Index Futures Sold:		
US: E-mini S&P 500 CME 12/2004	(1,258,946)	(37)
Japan: TOPIX TSE 12/2004	(503,373)	(15)
Germany: DAX Eurex 12/2004	(490,138)	(14)
UK: FTSE 100 LIFFE 12/2004	(346,314)	(10)
South Africa: JSE All Share Top 40 SAFEX 12/2004	(303,618)	(9)
Korea: KOSPI 200 KSE 12/2004	(214,961)	(6)
Contract Value	3,125,611	91
Net Balances at Brokers	140,056	4
Balance Committed to Above Positions	148,317	4
Net Current Liabilities	(2,717)	-
Net Assets	3,414,990	100
Net Asset Value per Share	60,560,553 shares issued	US\$ 56.39

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Europe	26	(24)	2	-
North America	24	(37)	(13)	(15)
Japan	23	(15)	8	10
Emerging Markets	21	(15)	6	5
Total	94	(91)	3	-

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	80
Japanese yen	10
Korean won	4
Taiwan dollar and other	6
Net Assets	100

ORBIS OPTIMAL (EURO) FUND AT 30 SEPTEMBER 2004

Total Rate of Return in euro:	From Inception	Latest		2004	Latest
	on 30 Jun 1998	5 Years	3 Years	to Date	Quarter
		% Annualised		% Not Annualised	
Orbis Optimal (Euro)	11.6	12.2	6.9	1.8	(1.2)
Euro Bank Deposits	3.4	3.4	2.7	1.6	0.5
Average Global Equity Fund	(2.0)	(4.7)	(4.7)	1.9	(3.1)
Average Euro Bond Fund	4.3	5.1	5.4	3.7	2.2
% appreciation of the euro versus the US dollar	2.1	3.1	11.0	(1.2)	2.0

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 12.4% 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 80% US dollars, 10% Japanese yen, 4% Korean won and 6% Taiwan dollars and other. If Orbis Optimal (Euro) had simply hedged 100% of net assets from US dollars into euro as usual, it would have included minus 20% 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.

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

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ORBIS OPTIMAL (EURO) FUND AT 30 SEPTEMBER 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Optimal (US\$) Fund	604,716	98
Net Current Assets	11,044	2
Net Assets	615,760	100
Net Asset Value per Share	30,950,731 shares issued	€ 19.89

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Europe	25	(24)	1	-
North America	24	(36)	(12)	(15)
Japan	23	(14)	9	10
Emerging Markets	20	(15)	5	5
Total	92	(89)	3	-

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

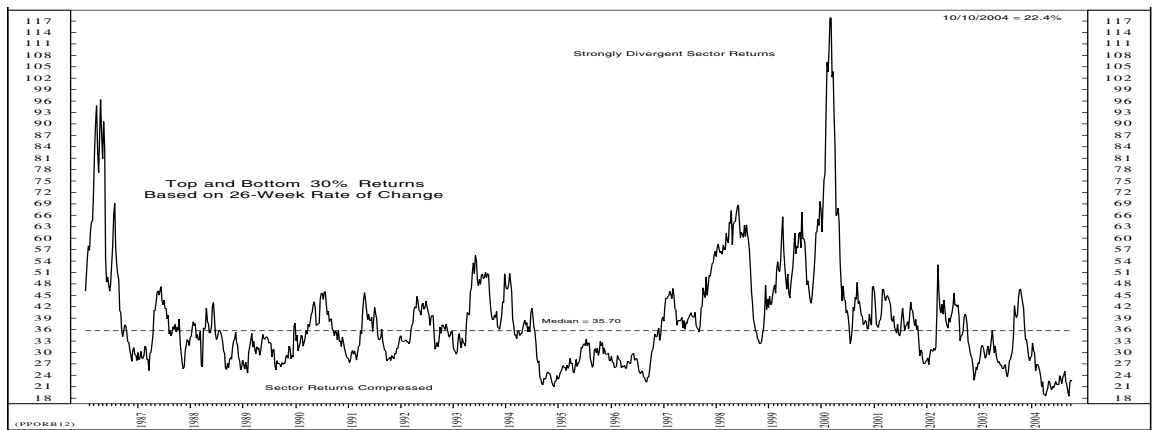
CURRENCY DEPLOYMENT

	% of Fund
Euro	90
Korean won	4
Taiwan dollar and other	6
Net Assets	100

ORBIS LEVERAGED (US\$) FUND AT 30 SEPTEMBER 2004

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest		2004 to Date	Latest Quarter
		5 Years	3 Years		
		% Annualised		% Not Annualised	
Orbis Leveraged (US\$)	16.6	26.4	13.3	(1.5)	(5.1)
US\$ Bank Deposits	4.8	3.2	1.5	0.9	0.4
Average Global Equity Fund	5.5	(1.8)	5.8	0.6	(1.2)
Average US\$ Bond Fund	6.5	6.2	4.8	2.4	2.9

The most notable characteristic of equity markets so far this year is not what has happened but what has not happened. Stockmarket indices have not only been unusually stable in absolute terms but have also experienced unusually low internal divergences. The graph below is one illustration of this. It shows the divergence between the 6-month returns of the best 30% and worst 30% of the global industry sectors going back almost 20 years. Recent divergences are the lowest over this entire period and are well below average. Similarly, low divergences are present when comparing national stockmarkets to each other. Added to that, the returns on stockmarkets overall have been much more stable than normal of late.



Average Return of Top 30% of the Sectors Minus Average Return of Bottom 30% of the Sectors

Source: Ned Davis Research, Inc.

The recent environment means the opportunity to produce superior returns has been much lower than normal. We expect this is a significant contributor to the Fund's recent lacklustre returns. As for the prospects for future returns, we have little doubt that the level of divergence within stockmarkets will revert to normal, if not rise to be slightly above-normal, in due course. If anything, we believe the current lack of movement has engendered a misplaced sense of complacency, making the risk inherent in a passive investment in equities abnormally high. After all, equity prices have already benefited from record high levels of economic growth, record low interest rates, and the stimulatory effects of loose fiscal policies and increasing debt levels. At the same time, corporate balance sheets have been undermined as the relentless pursuit of a higher return on equity is increasingly being achieved by reducing equity by way of share repurchases rather than increasing earnings by way of reinvestment.

We believe the most reliable way of ensuring that the Fund is on the right side of the future divergences that occur within equity markets is a continuous and energetic pursuit of fundamental value.

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ORBIS LEVERAGED (US\$) FUND AT 30 SEPTEMBER 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Optimal (US\$) Fund	1,607,184	193
Incremental Positions:		
Futures Sold:		
Bond: Japan; JGB 10-Year TSE 12/2004	(818,928)	(98)
Stock Index: US; E-mini S&P 500 CME 12/2004	(82,845)	(10)
Contract Value	894,237	107
Balances at Brokers	19,932	2
Balance Committed to Above Positions	12,396	1
Loans	(793,000)	(95)
Net Current Assets	6,325	1
Net Assets	832,905	100
Net Asset Value per Share	8,691,502 shares issued	US\$ 95.83

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Europe	50	(47)	3	-
North America	46	(81)	(35)	(39)
Japan	45	(29)	16	19
Emerging Markets	40	(29)	11	10
Total	181	(186)	(5)	(10)

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

CURRENCY DEPLOYMENT

	% of Fund
US dollar	71
Japanese yen	20
British pound	(10)
Korean won	8
Taiwan dollar and other	11
Net Assets	100

ORBIS LEVERAGED (EURO) FUND AT 30 SEPTEMBER 2004

Total Rate of Return in euro:	From Inception on 30 Jun 1998	Latest		2004 to Date	Latest Quarter
		5 Years	3 Years		
	% Annualised			% Not Annualised	
Orbis Leveraged (Euro)	20.8	25.6	14.3	(1.2)	(5.0)
Euro Bank Deposits	3.4	3.4	2.7	1.6	0.5
Average Global Equity Fund	(2.0)	(4.7)	(4.7)	1.9	(3.1)
Average Euro Bond Fund	4.3	5.1	5.4	3.7	2.2
% appreciation of the euro versus the US dollar	2.1	3.1	11.0	(1.2)	2.0

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 16.6% 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.

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.

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ORBIS LEVERAGED (EURO) FUND AT 30 SEPTEMBER 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US\$) Fund	399,495	99
Net Current Assets	4,778	1
Net Assets	404,273	100
Net Asset Value per Share	12,388,975 shares issued	€ 32.63

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Europe	50	(47)	3	-
North America	46	(80)	(34)	(38)
Japan	44	(28)	16	19
Emerging Markets	39	(29)	10	10
Total	179	(184)	(5)	(9)

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

CURRENCY DEPLOYMENT

	% of Fund
Euro	100
US dollar	(29)
Japanese yen	20
British pound	(10)
Korean won	8
Taiwan dollar and other	11
Net Assets	100

