

QUARTERLY
REPORTS
30 SEPTEMBER 2008



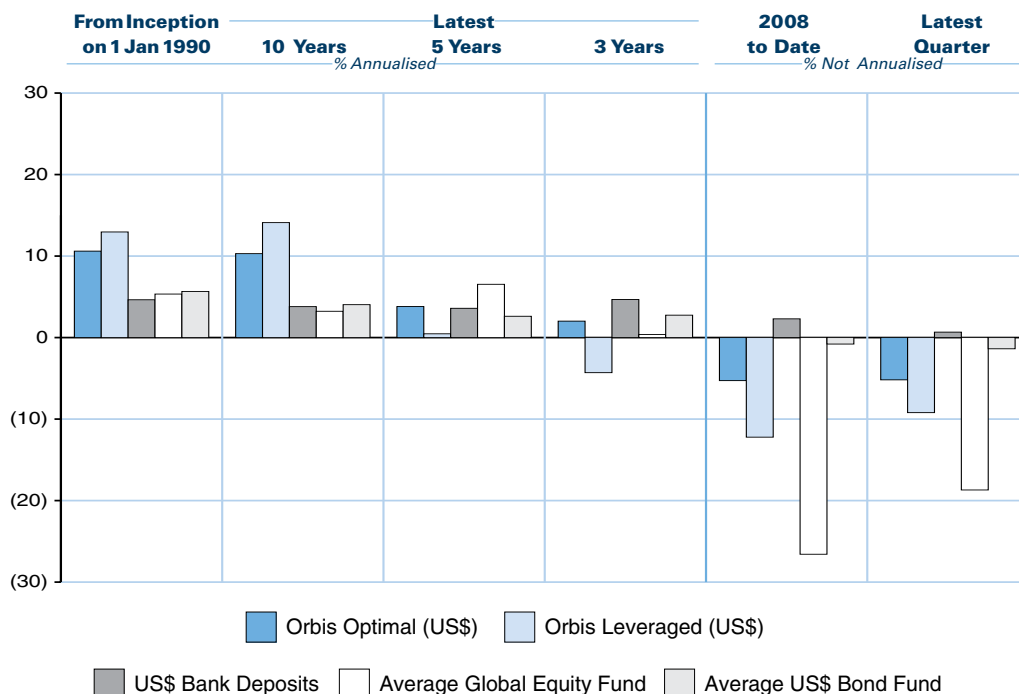
ORBIS OPTIMAL

ORBIS LEVERAGED

We invite you to visit our website, 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.

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 30 SEPTEMBER 2008

TOTAL RATE OF RETURN IN US DOLLARS



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.

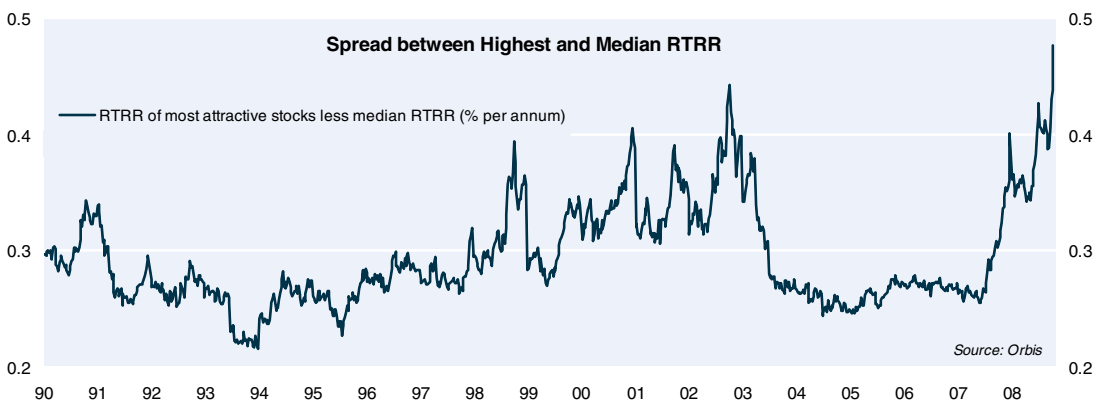
Total Rate of Return in Fund Currency:	From Inception	Latest		2008 to Date	Latest Quarter
		5 Years	3 Years		
		% Annualised		% Not Annualised	
Optimal (US\$) Fund (launched 1 Jan 1990)	10.6	3.8	2.0	(5.3)	(5.2)
Leveraged (US\$) Fund (launched 1 Jan 1990)	13.0	0.5	(4.3)	(12.2)	(9.2)
US\$ Bank Deposits	4.6	3.6	4.7	2.3	0.7
Average Global Equity Fund	5.3	6.5	0.4	(26.6)	(18.7)
Average US\$ Bond Fund	5.7	2.6	2.7	(0.8)	(1.4)
Optimal (Euro) Fund (launched 30 Jun 1998)	8.0	2.6	(0.2)	(3.4)	(1.3)
Leveraged (Euro) Fund (launched 30 Jun 1998)	12.2	0.0	(5.1)	(11.0)	(8.2)
Euro Bank Deposits	3.3	3.0	3.7	3.4	1.1
Average Global Equity Fund	(0.6)	2.6	(4.8)	(23.9)	(9.1)
Average Euro Bond Fund	3.1	1.6	(0.5)	(0.5)	1.0
% appreciation of the euro versus the US dollar	2.5	3.8	5.4	(3.5)	(10.6)
Optimal (Yen) Fund (launched 1 Jan 2006)	(1.4)			(7.3)	(4.9)
Leveraged (Yen) Fund (launched 1 Jan 2006)	(8.0)			(13.6)	(9.0)
Yen Bank Deposits	0.5			0.5	0.2
Average Global Equity Fund	(4.3)			(30.0)	(18.6)
Average Yen Bond Fund	0.0			(0.3)	0.1
% appreciation of the yen versus the US dollar	3.8			4.9	(0.2)

Although the Orbis Absolute Funds have lost a lot less than the Equity Funds they are designed to complement, thus far this year they have still produced losses and failed to distinguish themselves to our satisfaction. Particularly disappointing is that this year's losses follow two years of mediocre results.

While the vast majority of losses for the year to date stem directly from the Optimal Fund's normal 10% exposure to stockmarkets, common to all three years is stock picking performance—the long-term lifeblood of the Orbis Absolute Funds, that has been well below our standard. This subpar stock picking could have arisen from two sources: first, our execution, and second, the degree of opportunity presented by the market. On the first, the bottom line is that we haven't delivered, but the past three years don't cover a full cycle and we see no reason that our future performance cannot match more reasonable expectations in regard to picking stocks with the potential to beat the market. The second is uncontrollable and more akin to how many ducks decide to fly over our hunting blind. As can be seen in the chart below, the opportunity set for adding value by stock picking has been subdued over the past few years. The chart shows the difference in RTRR, re-rated total rate of return, between the top 10% (most attractive shares) and the average (measured as median) stock. RTRR is one of the proprietary metrics that Orbis uses to screen stocks for attractiveness, which factors in not only the valuation level of a particular stock, but also the growth rate and quality of its fundamentals. It is a very blunt instrument, but a low number on the chart below suggests smaller differentiation between the most attractive shares and the average share and thus a smaller opportunity to add value through stock picking. This supports our opinion that the results of the past three years may not be representative of the potential for the Funds and that we can once again produce stock picking performance we are proud of and drive more satisfactory performance of the Absolute Funds. We would caution that despite the current extremely elevated level of this measure we don't believe the current environment presents the level of extraordinary stock picking opportunity that was present in the early 2000s. This measure is based on a static computerised model which assumes a company's financial performance will revert to its historic average. Yet we believe the economic and financial environment has changed dramatically. Much of the apparent extraordinary stock picking opportunity is therefore, in our opinion, likely to be illusory.

On a different matter, recent global financial market turmoil and high profile bank and hedge fund failures have prompted enquiries from Fund Members concerned as to how all of this might affect them through the Funds. To answer the obvious question, no Orbis Fund has lost value related to counterparty failure, had any assets frozen, or been forced to liquidate for any reason at any time in the firm's history—long may it last.

We view the Optimal and Leveraged Funds primarily as risk-controlling complements to the Orbis Equity Funds, not marquee destination funds. This focus on risk control has left them open to being thought of as rather stodgy or old fashioned, but we believe the decisions made some 19 years ago at the time of their founding have thus far held them in good stead, enabling them to carry out their roles in the Fund family.



What were these decisions? First, we chose the unorthodox route of establishing commercial bank term-committed lending facilities for the Orbis Leveraged (US\$) Fund instead of going the usual route of using a prime broker. While a little more expensive and certainly more difficult to set up, we believe very strongly that as managers we should ensure that the Leveraged Fund is in control of its own destiny, and not beholden to a prime brokerage arrangement. In prime brokerage arrangements, loans can normally be pulled and/or rates changed without notice, and the failure of the prime broker could tie up a fund's assets, and threaten the liquidity, or even the solvency, of a fund as happened recently with the Lehman Brothers collapse. We also limited the extent of leverage used to 50% of total assets, taking the lead from the limits set up after the 1929 stockmarket crash. Second, we view hedging as a risk reduction tool, thus the Funds hedge against declining stockmarkets by shorting liquid stockmarket index futures instead of individual stocks. Fortuitously, this has helped the Funds avoid the impact of the recent imposition of shorting bans that has roiled the hedge fund community. Third, we declined what we saw as the relatively small payment offered for allowing the custodian to lend out the Funds' underlying equities to others as not worth the risk, however remote, that they fail to deliver them back when needed, which has in fact happened in the industry recently. Finally, it is all well and good if we are confident the Funds are sound and have adequate protections, but we believe that if we are to effectively serve our clients, our Fund Members must also have trust and confidence in the soundness of the Funds and how they are being managed. Thus, Optimal and to a lesser extent Leveraged strategies are simple, perhaps even boring, and we put a premium on creating transparency; these are anything but black boxes. We sincerely hope that from reading the quarterly reports and viewing the Statements of Net Assets and other disclosures, Members can see for themselves and understand how their hard earned money is being invested.

As is mentioned above, the Orbis Leveraged (US\$) Fund uses term-committed loan facilities instead of a prime broker for its borrowings. The main advantage of this is that the Fund and its Members are protected from instantaneous increases in borrowing cost (or more accurately borrowing spread) or repayment on demand as can occur with prime brokerage agreements. However, we as the Fund's manager must still negotiate renewal of the lending facilities from time to time and thus make a determination as to whether prevailing borrowing spreads are acceptable. One of Leveraged's lending facilities is due for renewal at the end of November and the Fund has the option to either enter into a new facility or term out the existing facility for another ten months, at the same or lower borrowing spreads.

We would not find entering into a new facility at the high borrowing spreads currently available attractive. So, rather than lock the Fund and its Members into a new loan facility at what we think are unattractive rates, we have sought to extend this facility by offering to shift related party investments from Leveraged to the Orbis Equity Funds in exchange for the lenders giving the Orbis Leveraged (US\$) Fund the ability to maintain headroom in its borrowing facilities at attractive spreads until June 2010, when the Fund's other facility expires. We believe the terms are attractive to both the Fund and its lenders, but should we fail to reach agreement the Fund has the option to extend loans outstanding under the expiring facility until September 2009, while also retaining separate borrowing facilities adequate for current levels of non-related party investment extending to June 2010. Regardless, this means that, with immediate effect and until further notice, no new investments will be accepted into the Leveraged Funds, including from existing Members. Current Leveraged Fund Members will remain free to switch at no cost to other Orbis Funds, including among the Leveraged Funds.

We regret limiting Members' ability to initiate or add to their investment in the Leveraged Funds, but we don't believe renewing the Orbis Leveraged (US\$) Fund's loan facilities at current market rates is in Members' best interest. Going forward, we will continue to evaluate interest rate conditions and access to the Leveraged Funds. As for the firm, the impact of limiting the growth of the Leveraged Funds will be muted as they currently make up just over 4% of total client assets under management.

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
Citibank Canada

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 30 SEPTEMBER 2008

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Global Equity Fund	3,011,405	74
Orbis Japan Equity (US\$) Fund	288,228	7
Orbis SICAV - Europe Equity Fund	111,094	3
Orbis Africa Equity (Rand) Fund	110,850	3
Orbis SICAV - Japan Core Equity Fund	46,698	1
Total Equity Exposure	3,568,275	88
Portfolio Hedging:		
Stock Index Futures Sold:		
US: E-mini S&P 500 12/2008	(558,182)	(23)
E-mini Russell 2000 12/2008	(377,202)	
Japan: TOPIX 12/2008	(612,636)	(15)
Germany: DAX 12/2008	(280,705)	(7)
UK: FTSE 100 12/2008	(204,446)	(5)
France: CAC40 10/2008	(200,067)	(5)
Korea: KOSPI 200 12/2008	(165,768)	(4)
South Africa: FTSE/JSE Top 40 12/2008	(132,481)	(3)
Europe: Dow Jones Euro STOXX 50 12/2008	(92,133)	(2)
Hong Kong: Hang Seng 10/2008	(55,072)	(2)
Singapore: MSCI Singapore 10/2008	(53,365)	(1)
Australia: SPI 200 12/2008	(39,800)	(1)
China: H shares 10/2008	(30,874)	(1)
Contract Value	2,916,816	72
Net Balances at Brokers	151,445	4
Balance Committed to Above Positions	265,530	7
Net Current Assets	221,087	5
Net Assets	4,054,892	100
Net Asset Value per Share	US\$ 66.19	61,258,658 shares issued

ORBIS OPTIMAL (EURO) AND (YEN) FUNDS AT 30 SEPTEMBER 2008

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Optimal (US\$) Fund	691,588	100
Net Current Assets	3,420	-
Net Assets	695,008	100
Net Asset Value per Share		
Euro Class	€ 21.96	23,140,021 shares issued
Yen Class	¥ 961	29,094,392 shares issued

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	26	(15)	11	11
North America	24	(23)	1	-
Europe	20	(19)	1	-
Asia ex-Japan	13	(8)	5	4
Other	5	(4)	1	-
Total	88	(69)	19	15

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

CURRENCY DEPLOYMENT

	% of US\$ Fund	% of Euro Fund	% of Yen Fund
US dollar	71	-	-
Euro	-	74	-
Japanese yen	20	20	94
Asia ex-Japan and other currencies	9	6	6
Net Assets	100	100	100

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 30 SEPTEMBER 2008

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Optimal (US\$) Fund	1,339,378	198
Incremental Position:		
Bond Futures Sold:		
Japan: JGB 10-Year 12/2008	(672,441)	(99)
Contract Value	670,912	99
Balances at Brokers	8,814	1
Balance Committed to Above Position	7,285	1
Loans	(691,000)	(102)
Net Current Assets	21,867	3
Net Assets	677,530	100
Net Asset Value per Share	US\$ 98.20	6,899,755 shares issued

ORBIS LEVERAGED (EURO) AND (YEN) FUNDS AT 30 SEPTEMBER 2008

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US\$) Fund	330,458	97
Net Current Assets	10,067	3
Net Assets	340,525	100
Net Asset Value per Share		
Euro Class	€ 32,52	3,343,589 shares issued
Yen Class	¥ 796	43,567,979 shares issued

ORBIS LEVERAGED FUNDS AT 30 SEPTEMBER 2008

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
Japan	51	(30)	21	23
North America	48	(45)	3	-
Europe	39	(38)	1	-
Asia ex-Japan	25	(15)	10	7
Other	11	(9)	2	-
Total	174	(137)	37	30

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

CURRENCY DEPLOYMENT

	% of US\$ Fund	% of Euro Fund	% of Yen Fund
US dollar	67	(33)	(32)
Japanese yen	49	50	149
Asia ex-Japan and other currencies	19	18	18
Euro	(18)	82	(18)
British pound	(17)	(17)	(17)
Net Assets	100	100	100

NOTICES

New Investors. *Some of the Orbis Funds are temporarily not accepting new investors and new investments. For details, see the current Orbis Funds Subscription and Switch Form, a copy of which is available on our website, www.orbisfunds.com. We will reopen the Orbis Funds to new investors when we consider it appropriate to do so, and will post notice of the reopening on our website and via our automated e-mail services facility. If you have any questions or wish to discuss how we define new investors, and how this will be administered, please contact the Investor Services Team at Orbis, at +1 (441) 296 3000, by e-mail at clientservice@orbisfunds.com, or by mail to: The Investor Services Team, Orbis Group, 34 Bermudiana Road, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8600 or e-mail clientservice@orbisfunds.com.au. South African residents should contact Allan Gray Unit Trust Limited at 0860 000 654 (toll free from within South Africa) or e-mail clientservice@orbisfunds.co.za.*

Sources. *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 2007. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 2008 or for future accounting periods.*

Risk Warnings. *Past performance is not indicative of future performance. 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.*

