

QUARTERLY
REPORTS
31 MARCH 2010

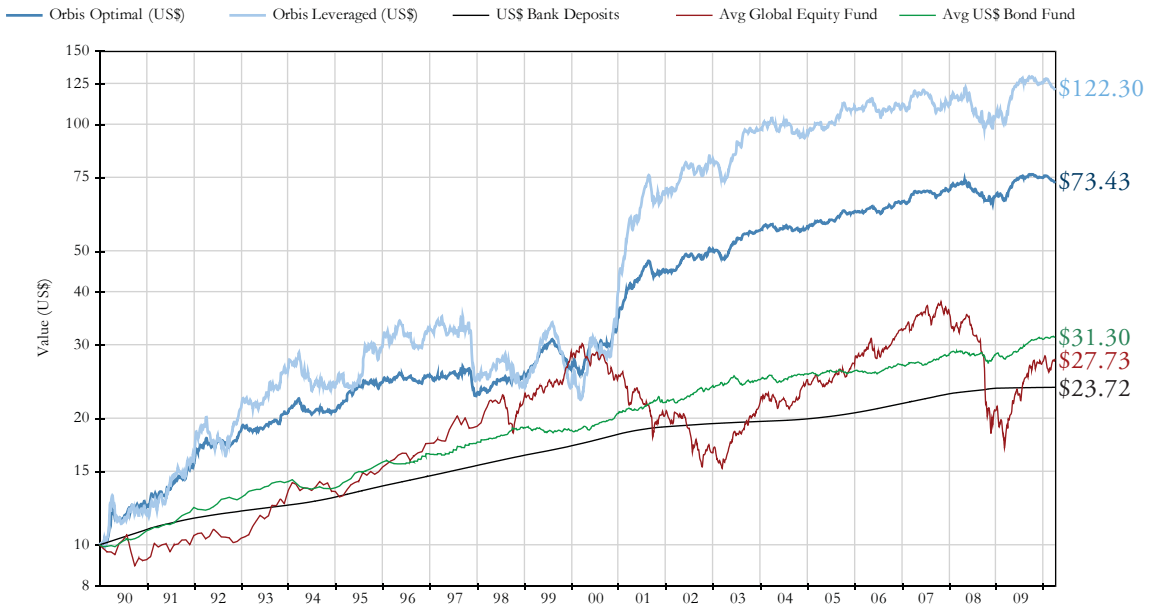


ORBIS OPTIMAL

ORBIS LEVERAGED

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 MARCH 2010

TRACK RECORD: VALUE OF US\$10 INVESTED AT INCEPTION



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					
		20Years	10Years	5 Years	3 Years	1 Year	Quarter
		% Annualised				% Not Annualised	
Optimal (US\$) Fund (launched 1 Jan 1990)	10.3	9.5	10.9	4.5	2.4	8.0	(2.0)
Leveraged (US\$) Fund (launched 1 Jan 1990)	13.2	12.0	18.1	4.1	1.4	15.0	(2.9)
US\$ Bank Deposits	4.4	4.3	3.1	3.4	2.6	0.4	0.1
Average Global Equity Fund	5.2	5.4	(0.7)	2.5	(6.0)	46.1	1.2
Average US\$ Bond Fund	5.8	5.9	5.1	4.3	4.9	11.2	1.4
Optimal (Euro) Fund (launched 30 Jun 1998)	7.9		9.5	3.6	2.2	6.7	(1.1)
Leveraged (Euro) Fund (launched 30 Jun 1998)	12.5		17.6	3.3	1.2	15.3	(2.9)
Euro Bank Deposits	3.1		3.1	2.9	2.9	0.6	0.1
Average Global Equity Fund	0.2		(4.1)	1.6	(6.4)	43.5	7.3
Average Euro Bond Fund	3.6		3.9	2.5	3.4	9.6	2.5
% appreciation of the euro versus the US dollar	1.8		3.5	0.8	0.4	1.8	(5.7)
Optimal (Yen) Fund (launched 1 Jan 2006)	0.4				(1.2)	6.2	(2.0)
Leveraged (Yen) Fund (launched 1 Jan 2006)	(0.7)				(1.1)	14.8	(2.9)
Yen Bank Deposits	0.4				0.5	0.2	0.0
Average Global Equity Fund	(4.7)				(13.0)	38.1	1.8
Average Yen Bond Fund	0.4				0.7	1.2	(0.4)
% appreciation of the yen versus the US dollar	5.6				8.0	5.8	(0.6)

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 MARCH 2010

We have always believed that focusing the firm's resources on adding value through fundamental research and bottom-up stock selection would be the most effective way to serve our clients' needs. Having said that, investing everything in shares is too risky for most people – stockmarkets can, after all, suffer significant declines at almost any time. Bonds and cash can provide great protection against equity market risk, but they are also unlikely to provide much by way of real returns in the long term. As such, we set out to find a way that we could reduce exposure to stockmarket risk without eliminating the potential to add value through stock selection – a way to shift a portfolio's asset allocation away from equities without throwing the baby out with the bath water. So the Orbis Absolute Funds were born.

Orbis Optimal, which is also the predominant holding in Orbis Leveraged, was designed to provide investors with an alternative to bonds or cash in a balanced portfolio, while retaining the potential to produce greater real returns in the long term through exposure to our core stockpicking expertise – which would have been lost when selling shares to buy bonds and cash. From its inception 20 years ago, Optimal's mechanics were designed to be simple, transparent and scalable. The Fund invests in the Orbis Family of Equity Funds, while taking offsetting short positions in listed stock index futures contracts, thereby eliminating most exposure to overall stockmarket declines. The sale of futures to hedge stockmarket risk has the effect of producing a cash-like return, plus the value (or "alpha") that we are able to add or lose through our stockpicking decisions. In addition, a residual amount of stockmarket exposure is retained, often of about 10%, because we expect it will add much more to returns than risk over time.

As investors we are always very sceptical of this type of "have your cake and eat it" opportunity, and our clients should be no different. That is why, from a structural perspective, we felt it very important to give Optimal clients a high level of transparency into a portfolio of liquid holdings, with easily observable prices and an independent custodian. Since their inception, the Global, Optimal and Leveraged Funds have been designed to work together to offer clients the ability to mix and match the Funds to suit their own individual level of stockmarket and absolute risk tolerance, while always maintaining full exposure to the value we believe we would add through Orbis' core stockpicking skills. Importantly, our Funds' structure also provides Members with the rare ability to raise and lower their stockmarket exposure very efficiently, without incurring the high transaction and transition costs normally associated with doing so.

As we well know, financial markets have an uncanny knack for finding the weakness in any new idea and eventually exposing it. Portfolio insurance was exposed by the crash of 1987 and securitisation was exposed by the financial crisis of 2008/2009 for example. Optimal's strategy was put to a severe test by the technology bubble of 1999/2000 – the most negative environment for fundamental value investing that even the most experienced practitioners could recall and it has proved resilient. Although history will be the ultimate judge of Optimal's success or failure, and we are far from complacent, it is of some comfort that the strategy has stood the test of 20 years of financial market history, including many extreme events. Through that period, Optimal's relatively smooth pattern of long-term returns – which have been uncorrelated with virtually any traditional asset class – has allowed the Fund to be a compelling diversification tool and a complement to the Orbis Equity Funds.

Correlation since Orbis Optimal (US\$) Fund's Inception at 1 January 1990

	Orbis Optimal (US\$) Fund	Orbis Global's Relative Return	FTSE World Index	Avg Global Equity Fund	Avg US\$ Bond Fund	Hedge Fund (Market Neutral)
Orbis Optimal (US\$) Fund	1.0					
Orbis Global's Relative Return	0.8	1.0				
FTSE World Index	0.0	(0.2)	1.0			
Avg Global Equity Fund	0.1	(0.1)	0.9	1.0		
Avg US\$ Bond Fund	0.1	0.0	0.2	0.2	1.0	
Hedge Fund (Market Neutral)	0.0	(0.1)	0.2	0.2	0.2	1.0

Source: See Sources notice on page 8.

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 MARCH 2010

As the matrix on the previous page shows, Optimal's returns have historically borne little relation to the returns on stocks, as measured by the FTSE World Index, and minimal correlation with the Average US\$ Bond Fund or the Average Global Equity Fund. It has also been entirely uncorrelated with market neutral hedge funds. Optimal's returns have shown no meaningful correlation to any investment (other than Orbis Leveraged), being correlated only with the relative return (as opposed to absolute return) generated by the Orbis Global Equity Fund, precisely what one would expect. Optimal's returns can be explained largely by our stockpicking success or failure in the underlying Orbis Equity Funds.

Optimal's reasonable returns coupled with its lack of correlation with other major asset classes is a powerful combination for portfolio management purposes. The table below shows the returns of several hypothetical portfolio combinations since the inception of Orbis Optimal. Introducing just a 20% allocation to Optimal into a traditional balanced portfolio would have boosted total return by 1.1 percentage points per annum, while reducing annualised volatility by 1.4 percentage points and lowering maximum loss. At the extreme, as noted below, a combination of 60% equities and 40% Optimal would have added further to returns, but did so at the cost of a slightly higher risk experience.

	Total Cumulative Returns %	Total Return % p.a.	Maximum Loss %	Annualised Monthly Volatility %	Correlation vs World Index
Orbis Optimal (US\$) Fund	634	10.3	17.0	8.7	0.0
US\$ Bank Deposits	137	4.4	0.0	0.6	0.0
Avg Global Equity Fund	177	5.2	54.8	15.9	0.9
Avg US\$ Bond Fund	213	5.8	6.2	3.5	0.2
Traditional Balanced Portfolio*	197	5.5	35.3	8.7	0.9
80% Balanced Portfolio, 20% Optimal*	264	6.6	29.7	7.3	0.9
60% Equities, 40% Optimal*	335	7.5	36.3	9.3	0.9

* Traditional Balanced Portfolio equates to 60% Average Global Equity Fund, 30% Average US\$ Bond Fund and 10% US\$ Bank Deposits. Portfolio returns assume monthly rebalancing.

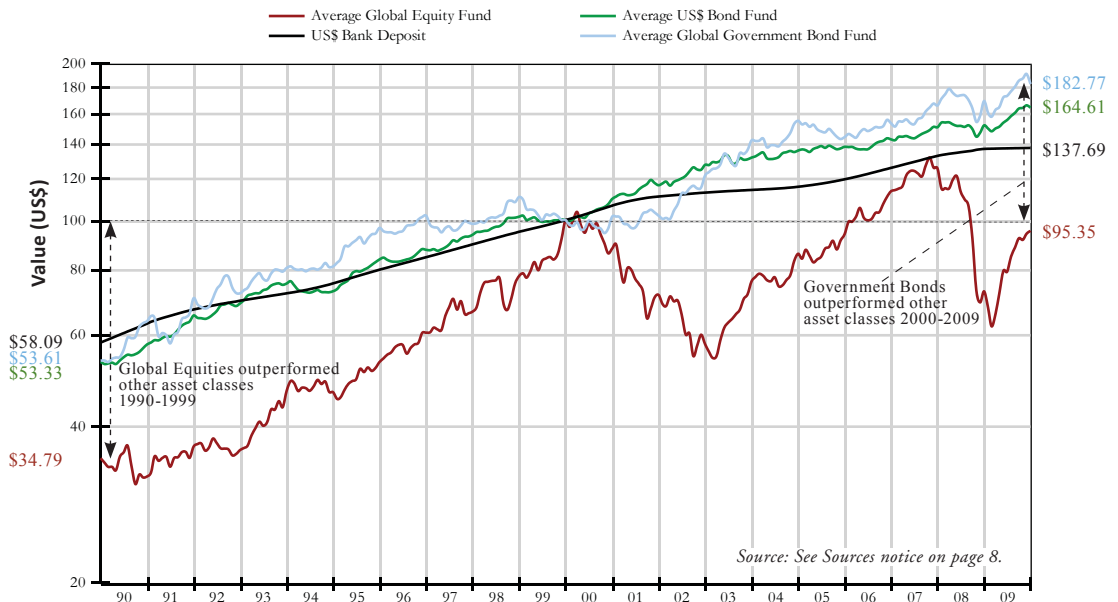
Note: the above data is based on performance information from 1 January 1990 to 31 March 2010.

Source: See Sources notice on page 8.

Our crystal ball is no better than anyone else's. In our opinion, predicting the performance of one asset class versus another is entertaining but usually not very productive. But asset classes do tend to have long, extended cycles that reach extremes, presenting extraordinary but rare opportunities. How extreme the cycle will become before reversing is impossible to tell but investors with courage and a long-term perspective can reap handsome rewards by either avoiding extremely over-valued asset classes and/or investing in extremely under-valued ones. This is not to say that we believe Optimal is extraordinarily attractive today – those times come when there are exceptionally large dislocations within an equity market and the Fund is positioned accordingly, as was the case in 2000 and 2001. But we do expect that now is an unattractive time to invest in bonds, one of the asset classes Optimal is designed to substitute for in a balanced portfolio, making Optimal a compelling alternative at the current time.

In particular, we believe government bonds, which make up the bulk of bond funds in aggregate, are very unattractive. We have found the most reliable indicator of the attraction of an asset, or asset class, is their valuation at the time of purchase. Valuations of government bonds are currently very high, or put another way, the returns they offer in the form of yield are very low. In times of financial crisis, investors become keenly aware of the risk of nominal loss. Government bonds offer protection against nominal loss (absent the risk of default), but they are far from free of risk. If the objective is to increase the future purchasing power of one's savings, government bonds look risky to us given the high risk of real loss.

Comparative Performance from 1 January 1990 to 31 December 2009



As the chart above shows, the Average Global Government Bond Fund has outperformed US\$ Bank Deposits and the Average Global Equity Fund by a wide margin over the past decade, and to a lesser extent over the past two decades. Asset classes typically move in and out of favour over long periods of time only to revert to their long-term average performance. The best asset class in the past decade very rarely proves to be the best performer in the ensuing decade. Investor sentiment is also cyclical. Over the past two years, net investment inflows into fixed income securities have been massive. While investors appear to be somewhat less risk-averse of late, the appetite for bonds remains unusually strong and yields correspondingly low.

There is an even more intuitive argument against investing in bonds at this stage – the investment proposition that most major governments around the world are offering investors is simply not compelling. Think about it this way: in exchange for owning government bonds for 10 years, investors are being compensated with nominal yields of only 3.8% per annum in the US, 3.9% in the UK and 1.4% in Japan. At the same time, those governments have every incentive to ensure that investors’ nominal capital is worth even less in real terms in the future. In some ways, it’s akin to lending to a spendthrift who has his own currency and a printing press. You will get your money back but it’s likely to be worth a lot less after taking account of inflation.

Of course, we are the first to concede that now is probably the last time that investors want to be thinking about the inner workings of Orbis Optimal, or even hedge funds in general, as an alternative to “safe and secure” government bonds. But we remind investors that the contrarian mindset doesn’t just apply to stockpicking. It applies to just about everything in investing. We believe the apparent safety of government fixed income instruments is exactly what makes them so risky at the moment. It is precisely at a time like this that Optimal’s characteristics make it a particularly attractive investment alternative.

DIRECTORS Allan WB Gray, Chairman John CR Collis Geoffrey M Gardner William B Gray William D Thomson

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Orbis Investment Management Limited

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Orbis Investment Advisory Limited

CUSTODIAN
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ORBIS OPTIMAL FUNDS AT 31 MARCH 2010

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	33	(35)	(2)	-
Europe	18	(17)	1	-
Japan	16	(16)	-	-
Asia ex-Japan	15	(9)	6	5
Other	6	(5)	1	-
Total	88	(82)	6	5

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

CURRENCY DEPLOYMENT

	US\$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	80	-	-
Euro	-	85	-
Japanese yen	-	-	84
Greater China currencies	10	9	9
Korean won	4	4	4
Other	3	2	3
Canadian dollar	3	-	-
Net Assets	100	100	100

ORBIS LEVERAGED FUNDS AT 31 MARCH 2010

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	65	(69)	(4)	-
Europe	37	(34)	3	-
Japan	31	(32)	(1)	-
Asia ex-Japan	29	(17)	12	10
Other	10	(9)	1	-
Total	172	(161)	11	10

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

CURRENCY DEPLOYMENT

	US\$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	80	(20)	(21)
Euro	(19)	80	(20)
Japanese yen	-	-	100
Greater China currencies	20	20	20
Korean won	8	8	9
Other	6	7	7
Canadian dollar	5	5	5
Net Assets	100	100	100

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 31 MARCH 2010

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Global Equity Fund	2,850,025	78
Orbis SICAV - Europe Equity Fund	174,099	5
Orbis Africa Equity (Rand) Fund	158,216	4
Orbis SICAV - Japan Core Equity Fund	52,137	1
Total Equity Exposure	3,234,477	88
Portfolio Hedging:		
Stock Index Futures Sold:		
US: E-mini S&P 500 6/2010	(903,651)	(35)
E-mini Russell 2000 6/2010	(394,411)	
Japan: TOPIX 6/2010	(585,580)	(16)
UK: FTSE 100 6/2010	(217,993)	(6)
Germany: DAX 6/2010	(189,805)	(5)
South Africa: FTSE/JSE Top 40 6/2010	(129,570)	(4)
China: H shares 4/2010	(116,301)	(3)
France: CAC40 4/2010	(114,665)	(3)
Europe: Dow Jones Euro STOXX 50 6/2010	(105,617)	(3)
Taiwan: MSCI Taiwan 4/2010	(70,973)	(2)
Hong Kong: Hang Seng 4/2010	(55,371)	(2)
Singapore: MSCI Singapore 4/2010	(41,364)	(1)
Australia: SPI 200 6/2010	(39,854)	(1)
Korea: KOSPI 200 6/2010	(34,829)	(1)
Contract Value	2,922,492	79
Balances at Brokers	277,333	8
Balance Committed to Above Positions	199,841	5
Net Current Assets	240,978	7
Net Assets	3,675,296	100
Net Asset Value per Share	US\$ 73.43	50,049,193 shares issued

ORBIS OPTIMAL (EURO) AND (YEN) FUNDS AT 31 MARCH 2010

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Optimal (US\$) Fund	581,898	101
Net Current Liabilities	(7,486)	(1)
Net Assets	574,412	100
Net Asset Value per Share		
Euro Class	€ 24.56	22,447,462 shares issued
Yen Class	¥ 1,018	2,878,740 shares issued

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 31 MARCH 2010

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis Optimal (US\$) Fund	791,131	197
Loans	(389,000)	(97)
Net Current Liabilities	(119)	-
Net Assets	402,012	100
Net Asset Value per Share	US\$ 122.30	3,286,990 shares issued

ORBIS LEVERAGED (EURO) AND (YEN) FUNDS AT 31 MARCH 2010

STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value € 000's	% of Fund
Orbis Leveraged (US\$) Fund	118,246	102
Net Current Liabilities	(1,955)	(2)
Net Assets	116,291	100
Net Asset Value per Share		
Euro Class	€ 40.11	2,362,468 shares issued
Yen Class	¥ 969	2,804,185 shares issued

NOTICES

Notice to Current and Prospective Orbis Investors. *The Orbis Global Equity Strategy and the Orbis Optimal Strategy are open to new investors. New investors must be qualified, non-US and subscribe at least US\$50 million to the Orbis Funds. Current Orbis Funds investors and those persons to whom we have existing commitments are not affected and may continue to make additional investments in the Orbis Funds, other than the Orbis Leveraged Funds which remain closed.*

We intend to accept new subscriptions into the Funds from a wider audience when we consider it appropriate to do so, and will issue notice of such change on our website, and via our automated e-mail services facility.

If you have any questions regarding our opening, 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, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8600 or clientservices@orbisfunds.com.au. South African residents should contact Allan Gray Unit Trust Limited at +27 86 000 0654 (toll free from within South Africa) or clientservice@orbisfunds.co.za.

Sources. *Orbis Fund Returns: Orbis Investment Management Limited using single pricing; FTSE World Index: FTSE International Limited; Hedge Fund Research Equity Market Neutral Index: Bloomberg and 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 2008. Beginning in 2011, certification as a distributing fund will no longer be available and will be replaced by the UK Government with a new reporting fund regime. It is intended that the Funds will apply to be certified as distributing funds for the Funds' 2009 and 2010 accounting periods. Certification is granted retrospectively, therefore, there can be no assurance that the Funds will be certified as distributing funds for 2009 or 2010.*

Risk Warnings. *Past performance is not a reliable indicator of future results. Where Fund prices are based in a currency other than the currency of your country of residence, exchange rate fluctuations may impact the Fund's returns when converting back to your base currency. 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. Approved for issue in the United Kingdom by Orbis Investment Advisory Limited, Orbis House, 5 Mansfield Street, London England W1G 9NG; a firm authorised and regulated by the Financial Services Authority.*

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