

QUARTERLY
REPORTS
30 JUNE 2010

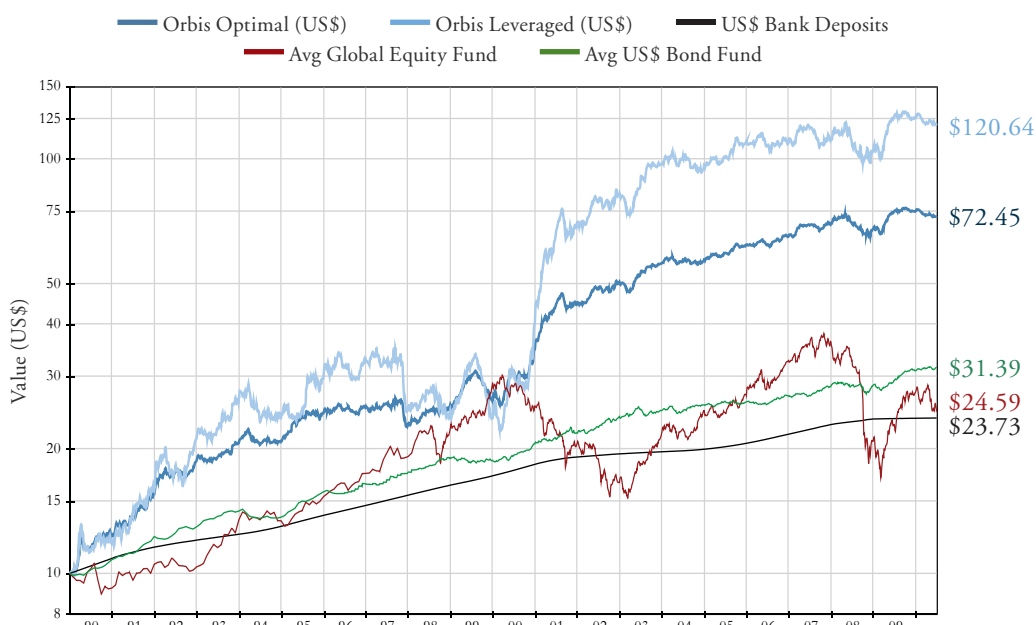


ORBIS OPTIMAL

ORBIS LEVERAGED

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 30 JUNE 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 | | | | 2010 to Date | Latest Quarter |
|---|-------------------|-------------|-------------|------------|--------------|-----------------|-------------------|
| | | 20Years | 10Years | 5 Years | 3 Years | | |
| Optimal (US\$) Fund (launched 1 Jan 1990) | 10.1 | 9.6 | 9.1 | 4.1 | 1.5 | (3.3) | (1.3) |
| Leveraged (US\$) Fund (launched 1 Jan 1990) | 12.9 | 12.5 | 14.9 | 3.6 | 0.5 | (4.3) | (1.4) |
| US\$ Bank Deposits | 4.3 | 4.2 | 3.0 | 3.2 | 2.1 | 0.1 | 0.1 |
| Average Global Equity Fund | 4.5 | 4.5 | (1.4) | 0.1 | (11.7) | (10.3) | (11.3) |
| Average US\$ Bond Fund | 5.8 | 5.8 | 5.0 | 3.9 | 5.4 | 2.2 | 0.7 |
| Optimal (Euro) Fund (launched 30 Jun 1998) | 7.8 | | 8.0 | 3.2 | 2.2 | (0.9) | 0.2 |
| Leveraged (Euro) Fund (launched 30 Jun 1998) | 12.1 | | 14.4 | 2.9 | 0.6 | (4.2) | (1.3) |
| Euro Bank Deposits | 3.0 | | 3.0 | 2.8 | 2.6 | 0.2 | 0.1 |
| Average Global Equity Fund | 0.0 | | (3.8) | (0.1) | (8.7) | 5.0 | (2.1) |
| Average Euro Bond Fund | 3.7 | | 4.1 | 2.3 | 4.5 | 4.4 | 1.8 |
| % appreciation of the euro versus the US dollar | 0.9 | | 2.5 | 0.2 | (3.3) | (14.6) | (9.4) |
| Optimal (Yen) Fund (launched 1 Jan 2006) | (0.1) | | | | (2.5) | (4.2) | (2.3) |
| Leveraged (Yen) Fund (launched 1 Jan 2006) | (1.0) | | | | (1.5) | (4.2) | (1.3) |
| Yen Bank Deposits | 0.4 | | | | 0.5 | 0.1 | 0.0 |
| Average Global Equity Fund | (8.1) | | | | (21.0) | (14.6) | (16.1) |
| Average Yen Bond Fund | 0.1 | | | | 0.6 | (1.7) | (1.3) |
| % appreciation of the yen versus the US dollar | 6.6 | | | | 11.7 | 5.0 | 5.7 |

To say that the current investing environment is challenging would be an understatement. Granted, it's an environment that feels much better than the one in March of last year did, when many global markets were experiencing bear market corrections of historic proportions and fear – bordering on panic – was widespread. Although there is still plenty to worry about, investor sentiment has clearly improved.

But an increased sense of comfort often has an inverse relationship to the attractiveness of investments. While the world's investors have found some relief in the recovery of share prices, it may prove difficult to hold on to those gains. Governments, led by the US, have taken unusually aggressive policy measures to combat deflationary forces. Although this may or may not result in higher headline inflation figures, we believe this massive injection of money into the system will almost certainly make it harder for investors to preserve the long-term purchasing power of their capital from this point forward. The combination of higher asset prices, lower prospective returns and the risk of higher inflation is hardly an ideal formula for wealth creation.

We remind Members that the Orbis Absolute Return Funds are designed to produce returns that are greater than long-term inflation, yet are not correlated with traditional asset classes. In our view, this makes the Absolute Return Funds relatively more attractive than other options that long-term savers can choose from, if only because the other choices are significantly less attractive than normal. Although we cannot predict the future, we see no reason why we cannot continue to generate value by making stock selection decisions that will ultimately benefit your Fund.

Admittedly, we have painted a rather bleak picture of the general market environment. But it is not hopeless. Members can rest assured that we will continue to be proactive with respect to the many things that do remain under our control. And thanks in large part to your support over the years, we have been fortunate to have been able to add breadth and depth to our national and global industry research teams. As a result, we have never had a stronger organisational structure in place to identify and capitalise on what we believe are selected undervalued investment ideas.

A review of our portfolios shows where we have identified such ideas across the Orbis Funds. These include Chinese growth companies and companies exposed to US natural gas prices, financial services companies in Japan and Asia ex-Japan, and classic contrarian plays such as the US health insurers and homebuilder Pulte just to name a few. Of course, only time will tell if these are good ideas or not, and we are constantly mindful that we would be doing well if 60% of our ideas eventually prove to be right. We mention them merely to underscore the point that a rich set of investment opportunities can be found in the current environment. It may be more difficult to find them than at other times, but with the world to choose from, we believe there are still plenty to be found.



ORBIS OPTIMAL FUNDS AT 30 JUNE 2010

ANALYSIS OF STOCKMARKET EXPOSURE

| Region | Equity Exposure | Portfolio Hedging | Accounting Exposure | Beta Adjusted Exposure* |
|---------------|-----------------|-------------------|---------------------|-------------------------|
| | % | % | % | % |
| North America | 32 | (35) | (3) | - |
| Europe | 18 | (17) | 1 | - |
| Japan | 14 | (14) | - | - |
| Asia ex-Japan | 12 | (7) | 5 | 5 |
| Other | 6 | (5) | 1 | - |
| Total | 82 | (78) | 4 | 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 | 82 | - | 1 |
| Euro | - | 85 | - |
| Japanese yen | - | - | 85 |
| Greater China currencies | 10 | 9 | 8 |
| Korean won | 4 | 4 | 4 |
| Canadian dollar | 2 | - | - |
| Other | 2 | 2 | 2 |
| Total | 100 | 100 | 100 |

ORBIS LEVERAGED FUNDS AT 30 JUNE 2010

ANALYSIS OF STOCKMARKET EXPOSURE

| Region | Equity Exposure | Stockmarket Positions | Accounting Exposure | Beta Adjusted Exposure* |
|---------------|-----------------|-----------------------|---------------------|-------------------------|
| | % | % | % | % |
| North America | 62 | (68) | (6) | - |
| Europe | 36 | (34) | 2 | - |
| Japan | 28 | (28) | - | - |
| Asia ex-Japan | 25 | (14) | 11 | 10 |
| Other | 11 | (9) | 2 | - |
| Total | 162 | (153) | 9 | 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 | 82 | (18) | (18) |
| Euro | (18) | 82 | (18) |
| Japanese yen | - | - | 100 |
| Greater China currencies | 19 | 19 | 18 |
| Korean won | 8 | 8 | 8 |
| Canadian dollar | 5 | 5 | 5 |
| Other | 4 | 4 | 5 |
| Total | 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 30 JUNE 2010

STATEMENT OF NET ASSETS (UNAUDITED)

| Security | Market Value | |
|---|-------------------|--------------------------|
| | US\$ 000's | Fund |
| Orbis Global Equity Fund | 2,547,287 | 72 |
| Orbis SICAV - Europe Equity Fund | 173,611 | 5 |
| Orbis Africa Equity (Rand) Fund | 148,082 | 4 |
| Orbis SICAV - Japan Core Equity Fund | 49,163 | 1 |
| Total Equity Exposure | 2,918,143 | 82 |
| Portfolio Hedging: | | |
| Stock Index Futures Sold: | | |
| US: E-mini S&P 500 9/2010 | (856,460) | (35) |
| E-mini Russell 2000 9/2010 | (372,156) | |
| Japan: TOPIX 9/2010 | (497,356) | (14) |
| UK: FTSE 100 9/2010 | (193,978) | (5) |
| Europe: Dow Jones Euro STOXX 50 9/2010 | (161,101) | (5) |
| Germany: DAX 9/2010 | (145,890) | (4) |
| South Africa: FTSE/JSE Top 40 9/2010 | (109,180) | (3) |
| China: H shares 7/2010 | (106,777) | (3) |
| France: CAC40 7/2010 | (104,827) | (3) |
| Taiwan: MSCI Taiwan 7/2010 | (63,428) | (2) |
| Australia: SPI 200 9/2010 | (56,267) | (2) |
| Hong Kong: Hang Seng 7/2010 | (52,209) | (1) |
| Korea: KOSPI 200 9/2010 | (31,967) | (1) |
| Contract Value | 2,834,758 | 80 |
| Balances at Brokers | 147,371 | 4 |
| Balance Committed to Above Positions | 230,533 | 6 |
| Net Current Assets | 408,945 | 12 |
| Net Assets | 3,557,621 | 100 |
| Net Asset Value per Share | US\$ 72.45 | 49,106,627 shares issued |

ORBIS OPTIMAL (EURO) AND (YEN) FUNDS AT 30 JUNE 2010

STATEMENT OF NET ASSETS (UNAUDITED)

| Security | Market Value | |
|----------------------------------|----------------|--------------------------|
| | € 000's | Fund |
| Orbis Optimal (US\$) Fund | 663,424 | 100 |
| Net Current Liabilities | (2,835) | - |
| Net Assets | 660,589 | 100 |
| Net Asset Value per Share | | |
| Euro Class | € 24.61 | 25,909,908 shares issued |
| Yen Class | ¥ 995 | 2,496,115 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 30 JUNE 2010

STATEMENT OF NET ASSETS (UNAUDITED)

| Security | Market Value US\$ 000's | % of Fund |
|----------------------------------|------------------------------------|-------------------------|
| Orbis Optimal (US\$) Fund | 643,639 | 197 |
| Loans* | (323,500) | (99) |
| Net Current Assets | 5,558 | 2 |
| Net Assets | 325,697 | 100 |
| Net Asset Value per Share | US\$ 120.64 | 2,699,775 shares issued |

*The effective interest rate that the Fund is bearing on its outstanding borrowings at quarter end is 2.05% per annum. The Fund is charged interest at LIBOR plus 1.65%.

ORBIS LEVERAGED (EURO) AND (YEN) FUNDS AT 30 JUNE 2010

STATEMENT OF NET ASSETS (UNAUDITED)

| Security | Market Value € 000's | % of Fund |
|------------------------------------|---------------------------------|-------------------------|
| Orbis Leveraged (US\$) Fund | 100,666 | 100 |
| Net Current Liabilities | (111) | - |
| Net Assets | 100,555 | 100 |
| Net Asset Value per Share | | |
| Euro Class | € 39.58 | 2,092,943 shares issued |
| Yen Class | ¥ 956 | 2,006,178 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 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. *The UK HM Revenue & Customs has certified each of the Orbis Leveraged (US\$) Fund, Orbis Optimal (US\$) Fund, Orbis Optimal Overlay Funds Limited (previously Orbis Optimal (Euro) Fund Limited - Euro and Yen Classes) and Orbis Leveraged Overlay Funds Limited (previously Orbis Leveraged (Euro) Fund Limited - Euro and Yen Classes) 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 2009. 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' 2010 accounting periods. Certification is granted retrospectively, therefore, there can be no assurance that the Funds will be certified as distributing funds for 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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