

ORBIS EQUITY FUNDS

1999  
**Annual**  
REPORTS



ORBIS GLOBAL EQUITY  
*Fund*

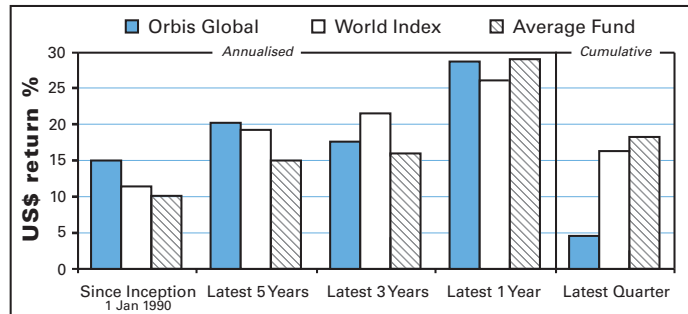
ORBIS AFRICA EQUITY  
*Rand Fund*

ORBIS JAPAN EQUITY  
*Yen Fund / US\$ Fund*

## ORBIS OFFSHORE EQUITY FUNDS

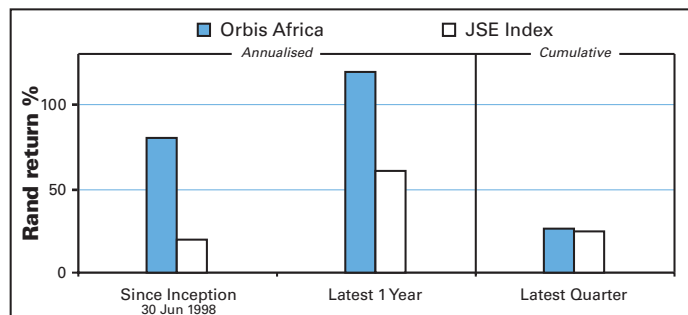
### ORBIS GLOBAL EQUITY FUND

This Fund invests globally and seeks to earn higher returns than world stockmarkets. The Fund's Benchmark is the FTSE World Index, including income ("World Index"). The Fund's currency exposure is managed relative to that of the World Index.



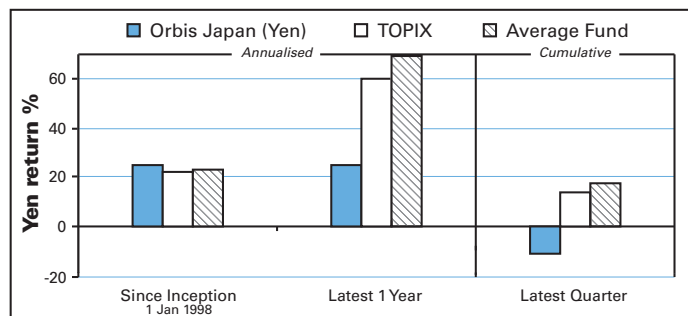
### ORBIS AFRICA EQUITY (RAND) FUND

This Fund invests in African, usually South African, equities. The Fund's Benchmark is the Johannesburg Stock Exchange/Actuaries All Share Index, including income ("JSE Index"). The Fund does not hedge currencies, and thus is exposed to the rand.



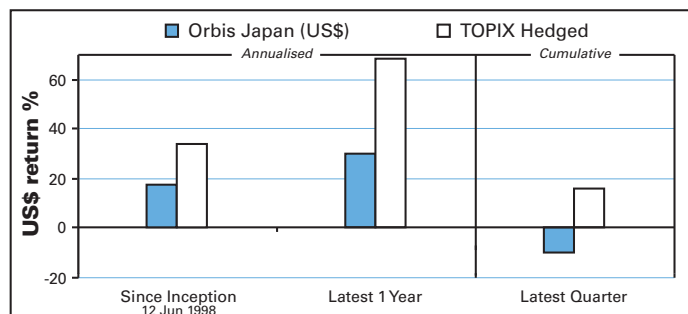
### ORBIS JAPAN EQUITY (YEN) FUND

This Fund invests in Japanese equities. The Fund's Benchmark is the Japanese stockmarket, measured by the Tokyo Stock Price Index, including income ("TOPIX"). The Fund does not hedge currencies, and therefore is exposed to the Japanese yen.



### ORBIS JAPAN EQUITY (US\$) FUND

This Fund invests in the Orbis Japan Equity (Yen) Fund. The Fund hedges most or all of its currency exposure into US dollars. The Fund's Benchmark is the Japanese stockmarket, measured by the TOPIX hedged into US dollars ("TOPIX Hedged").



References to the "Average Fund" are to the Average Global Equity Fund and the Average Japan Equity Fund, as applicable. Average Fund source: Standard & Poor's Micropal sector index return for the respective sector. Orbis Japan Equity (US\$) is not comparable with the Average Japan Equity Fund in dollars for reasons given on page 8. Orbis Africa Equity is not compared with the sector index for African funds because the sector comprises only four other funds.

## CHAIRMAN'S LETTER

Dear Fellow Member,

Our approach to investing for these Funds is *active management* with a *value orientation*. *Active management* refers to our willingness for the Funds to pursue superior returns by having investment weightings different from those of their respective benchmark stockmarket indices. In contrast, passive or index-linked investing aims to match the weightings and returns of a benchmark index irrespective of their investment merits. Our *value orientation* reflects our objective to invest the Funds in equities that offer above average value, rather than necessarily in shares whose prices have been appreciating strongly.

This approach has served **Orbis Global Equity** well from its inception on 1 January 1990, since when your Fund has earned 14.9% pa, the FTSE World Index 11.5% pa and the Average Global Equity Fund ("AGEF") 10.1% pa. As a result, a Member who invested in the Fund on inception has earned 302%, almost twice the 162% return on the AGEF. In late 1999, momentum rather than value powered world stockmarkets. In the circumstances, Orbis Global Equity performed creditably last year, earning 28.6% while the World Index returned 26.0% and the AGEF 29.1%. On page 2, the Manager examines our investment approach in the light of prevailing conditions.

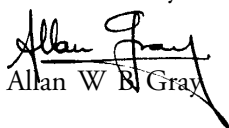
**Orbis Africa Equity** enjoyed a remarkable year in 1999, earning 120.3% while the JSE Index rose 61.3%. Since inception, in an environment that has been conducive to value-oriented active management, your Fund's 81.2% pa return compares very favourably with that of 19.9% pa on the JSE Index. Clearly, the Fund's performance to date is unsustainable. Page 4 thus examines the results achieved over the long term by Allan Gray Limited, which is our Cape Town-based Investment Advisor for this Fund and shares our approach of value-oriented active management.

**Orbis Japan Equity (Yen)** earned 25.2% in 1999. This return, although substantial, was very disappointing relative to the 59.6% earned by the TOPIX and 68.9% by the Average Japan Equity Fund. As explained on page 6, your Fund has lagged badly while high growth, high multiple shares have driven the Japanese stockmarket in recent months. Despite this, since inception your Fund has earned 24.9% pa while the TOPIX and Average Japan Equity Fund made 22.2% pa and 23.6% pa, respectively. **Orbis Japan Equity (US\$)** performed as should be expected given the returns on the Yen Fund, earning 29.9% while the TOPIX hedged into dollars rose 68.6%.

With regret, the Directors of the Funds have accepted Alan Gilbertson's resignation. Alan's service has been exemplary and his presence on the boards will be missed. We are delighted he will continue as a consultant and a Member. We thank Alan for his immeasurable contribution and dedication in the past decade and wish him the best of fortune. The Directors are pleased that William Gray has accepted our nomination as President of the Funds. William, a B.Comm, MBA (Harvard) and CFA graduate, has been with Orbis and its predecessor companies for 9 years, latterly as Chief Investment Officer and now President of Orbis Investment Management Limited.

Our best wishes to you all for a healthy, happy and prosperous year in 2000.

Yours sincerely,

  
Allan W. Gray

Hamilton, Bermuda  
14 January 2000

# ORBIS GLOBAL EQUITY FUND

## MANAGER'S REPORT AT 31 DECEMBER 1999

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	5 Years	3 Years	Latest	Quarter
		% Annualised		1 Year	% Not Annualised
<b>Orbis Global Equity</b>	<b>14.9</b>	<b>20.3</b>	<b>17.5</b>	<b>28.6</b>	<b>4.6</b>
World Index	11.5	19.4	21.4	26.0	16.3
Average Global Equity Fund	10.1	15.0	16.1	29.1	18.3

Over your Fund's first decade, it earned higher returns than the World Index and the Average Global Equity Fund primarily due to successful equity selection. We select equities with a value orientation, which entails investing in shares that are priced attractively relative to our assessment of their intrinsic value. Critical to our appraisal of a company's intrinsic value is its prospective earnings growth rate. However, we will not pay an excessive price, even for superior earnings growth. The discipline of buying growth only at a reasonable price tends to work well in most stockmarket environments and to reward patient Members. However, when investors become caught up in the exuberance of surging stockmarkets, the prices of the "glamour" shares that have led the market are sometimes bid up well beyond fair value. In such circumstances, we do not expose you to these shares at prices we cannot justify, and it is hard for your Fund to match the World Index.

We faced such a phenomenon in 1999. The US stockmarket rose by 19.5% last year if measured by the S&P 500 Index. However, this entire rise could be attributed to price gains in just 25 shares, many of them technology related, and the weighted average return on the other 475 constituent shares was zero. By the end of 1999, the shares of the five companies which made the biggest contributions to the S&P 500 were priced at a weighted average of 70.8 times latest earnings and 22.8 times book value. Your Fund has very little invested in technology shares. This does not reflect scepticism regarding the wonderful potential of technological developments such as the Internet. The concern is that, at current prices, these shares are discounting extremely high rates of growth in revenues and earnings and, if these challenging growth rates are not met, investors face the risk of substantial loss. In contrast, the shares of many high-quality US companies offer attractive value. For example, your Fund's US equities are priced at a weighted average of about 14.1 times earnings and just 1.3 times book value.

In more recent months the enthusiasm for Internet related shares which was prevalent in the US stockmarket for most of last year has spread to Japan. As a result the World Index soared last quarter. Your Fund's lack of exposure to the surging glamour shares meant that it appreciated much less in that period. Nevertheless, the Fund's strong appreciation of 28.6% in 1999 was comparable with the returns achieved by the World Index and the Average Global Equity Fund of 26.0% and 29.1%, respectively. Looking forward, we believe your Fund's correlation with the World Index remains lower than usual and expect this to be vindicated when value reasserts itself. It is difficult to predict when this will occur. However, the already unprecedented divergence in equity valuations and rising interest rates create a natural brake on the potential for the momentum-driven glamour shares to continue dominating the world's stockmarkets.

MANAGER  
Orbis Investment Management Limited

INVESTMENT ADVISOR  
Orbis Investment Advisory Limited

CUSTODIAN  
The Bank of Bermuda Limited

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

**ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 1999**
**STATEMENT OF NET ASSETS**

<b>Shares Held 000's</b>	<b>Equity</b>	<b>Market Value US\$ 000's</b>	<b>Fund's % exposure to</b>		<b>% of World Index</b>
			<b>Equities</b>	<b>Currencies</b>	
	<b>United States</b>		<b>42</b>	<b>41</b>	<b>50</b>
2,893	Clayton Homes	26,579	6		
535	Tecumseh - A shares	25,245	6		
1,215	Callaway Golf	21,485	5		
475	Deere	20,603	5		
532	Sun International Hotels	10,307	3		
632	American Freightways	10,222	2		
149	Wellpoint Health Networks	9,825	2		
148	Eastman Kodak	9,805	2		
155	Loews	9,407	2		
554	JDA Software Group	9,064	2		
100	AMR	6,666	1		
805	Scottish Annuity & Life Holdings	6,591	1		
198	PartnerRe	6,436	1		
249	Fleetwood Enterprises	5,136	1		
	Positions of less than 1%	12,730	3		
	<b>Japan</b>		<b>30</b>	<b>14</b>	<b>14</b>
4,635	Fuji Electric	24,347	5		
1,476	Daiwa Securities	23,086	5		
657	Tsutsumi Jewelry	17,989	4		
1,185	Kinki Coca-Cola Bottling	16,808	4		
736	Mikuni Coca-Cola Bottling	12,887	3		
1,419	Citizen Watch	9,022	2		
646	Daiichi Pharmaceutical	8,398	2		
876	Sumitomo Forestry	6,769	1		
927	Seino Transportation	4,915	1		
	Positions of less than 1%	12,462	3		
	<b>Continental Europe</b>		<b>13</b>	<b>25</b>	<b>20</b>
294	Ericsson - B shares	18,907	4		
314	Hornbach Holding - Preference shares	15,143	4		
232	Erste Bank	10,285	2		
15	SIG Swiss Industrial	9,158	2		
465	Aceralia	6,177	1		
	<b>United Kingdom</b>		<b>10</b>	<b>5</b>	<b>10</b>
1,485	RMC Group	20,408	5		
1,730	J Sainsbury	9,727	2		
1,334	Associated British Foods	7,276	2		
651	Johnson Matthey	6,410	1		
	<b>South Africa</b>		<b>5</b>	<b>-</b>	<b>1</b>
21,274	OTK Holdings	12,122	3		
	Positions of less than 1%	7,280	2		
	<b>Canada</b>		<b>-</b>	<b>15</b>	<b>2</b>
	<b>Other</b>		<b>-</b>	<b>-</b>	<b>3</b>
	<b>Net Current Assets</b>	865	-		
	<b>Net Assets</b> (Cost US\$ 412,077)	<b>450,542</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Share</b>	<b>US\$ 40.20</b>	11,206,319 shares issued		
	(At 31 December 1998: US\$ 31.25; 13,747,306 shares issued)				

See accompanying notes

## ORBIS AFRICA EQUITY (RAND) FUND

### MANAGER'S REPORT AT 31 DECEMBER 1999

<b>Total Rate of Return in South African rand:</b>	<b>From Inception on 30 Jun 1998</b>	<b>Latest 1 Year</b>	<b>Latest Quarter</b>
	<i>% Annualised</i>		<i>% Not Annualised</i>
<b>Orbis Africa Equity</b>	<b>81.2</b>	<b>120.3</b>	<b>25.9</b>
JSE Index	19.9	61.3	25.3
<i>% depreciation of the rand versus the US dollar</i>	1.9	4.2	2.3

We formed your Fund at a time when we expected the combination of our South African expertise and the prevailing very attractive valuations to make it a rewarding equity investment. More recently, as explained in our last report, the South African stockmarket has been displaying many features typical of a bull market. These include declining interest rates, an improving economy and corporate profits and low equity valuations. So far, your Fund has capitalised successfully on this environment, which has been conducive to equity investing and particularly our style of active management with a value orientation. We continue to find very attractive opportunities, which is no surprise as bull markets, with corrections, tend to last for years and South African equity valuations remain low relative to those in comparable markets. Nevertheless, your Fund's returns are almost certain to lag those achieved so far as we are no longer starting from a point of extremely low equity valuations. A review of the results achieved using our investment approach over the longer term therefore may be insightful. The track record of Allan Gray Limited ("AGL") is relevant, as it is this Fund's primary Investment Advisor and shares our investment philosophy.

Since AGL won its first pension fund account in 1978, its equity selections have on average outperformed the JSE/Actuaries All Share Index by 8.9% pa and the mean of other South African institutional managers by 6.2% pa. Based on investment returns, independent actuarial surveys rank AGL first among large South African pension fund managers for the latest 1, 3, 5 and 10 years. AGL's returns have been slightly less volatile than those of the South African stockmarket, indicating that this record was not achieved by taking high risk of loss.

Like Orbis, AGL selects shares which are perceived to offer superior value. While this has helped AGL to significantly enhance client returns over the long term, there have been occasional periods of underperformance, some prolonged. The worst was from January 1997 until February 1998, when the firm's equity portfolios underperformed the JSE Index by 24%. During this period, the momentum of glamour shares in the technology and financial services sectors powered the JSE, leaving the value shares favoured by AGL trailing. Ultimately, the glamour shares reached extremes of valuation. When the resulting bubble finally burst, the glamour shares slumped and value shares resumed leadership. The subsequent resurgence in AGL's selected value shares has more than offset their preceding underperformance: from the 1997 peak until the end of 1999, including the period of weak performance, AGL's equity selections outperformed the JSE by almost 40% or 11.7% pa. AGL's commitment to its philosophy of value investing sorely tested the patience of its clients but exposed them to far less risk of loss than the alternative of joining the herd purchasing the glamour shares and was ultimately rewarding.

MANAGER	INVESTMENT ADVISORS	CUSTODIAN
Orbis Investment Management Limited	Orbis Investment Advisory Limited Allan Gray Limited	The Bank of Bermuda Limited
<i>DIRECTORS</i>	<i>Allan W B Gray, Chairman</i>	<i>John C R Collis</i>
		<i>William B Gray</i>
		<i>Simon C Marais</i>

## ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 1999

### STATEMENT OF NET ASSETS

Number Held 000's	Equity <i>(Ranked by sector)</i>	Market Value R 000's	% of Fund	% of JSE Index
	<b>Financial &amp; Industrial</b>		<b>71</b>	<b>64</b>
1,008	Standard Bank Investment	25,743	8	
5,875	OTK Holdings	20,562	6	
310	Naspers	17,974	5	
5,500	Dunlop Africa	17,050	5	
230	Tiger Oats	16,330	5	
2,136	Anglovaal Industries - Common shares and	12,728	5	
665	Convertible debentures	3,323		
3,767	Pick 'n Pay Holdings	15,634	5	
1,801	Aveng - Common shares and	13,600	4	
215	Convertible debentures	1,309		
552	Kersaf Investments	13,514	4	
738	Foschini	12,438	4	
1,610	Edward L Bateman	11,270	3	
1,175	Sanlam	10,105	3	
2,444	Woolworths Holdings	10,021	3	
1,163	Hunt Leuchars & Hepburn Holdings	7,234	2	
672	Hudaco Industries	6,379	2	
317	Toyota South Africa	6,178	2	
180	Dorbyl	5,355	2	
345	AMB Holdings	3,760	1	
	Positions of less than 1%	7,303	2	
	<b>Resources</b>		<b>27</b>	<b>34</b>
185	De Beers Consolidated Mines	33,115	10	
4,256	Avgold	18,087	5	
325	Sasol	16,867	5	
89	Anglo American Platinum	16,718	5	
178	Highveld Steel & Vanadium	3,674	1	
	Positions of less than 1%	2,978	1	
	<b>Real Estate</b>		<b>2</b>	<b>2</b>
3,000	Marriott Property Fund	5,700	2	
	<b>Net Current Assets</b>	614	-	
	<b>Net Assets</b> (Cost R 216,731) <i>(Currency exposure 100% rand)</i>	<b>335,563</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Share</b> <i>(At 31 December 1998: R 55.47; 3,659,820 shares issued)</i>	<b>R 119.84</b>	2,800,065 shares issued	

See accompanying notes

# ORBIS JAPAN EQUITY (YEN) FUND

## MANAGER'S REPORT AT 31 DECEMBER 1999

<b>Total Rate of Return in Japanese yen:</b>	<b>From Inception on 1 Jan 1998</b>	<b>Latest 1 Year</b>	<b>Latest Quarter</b>
	<i>% Annualised</i>		<i>% Not Annualised</i>
<b>Orbis Japan Equity (Yen)</b>	<b>24.9</b>	<b>25.2</b>	<b>(10.9)</b>
TOPIX	22.2	59.6	14.3
Average Japan Equity Fund	23.6	68.9	17.2
<i>% appreciation of the yen versus the US dollar</i>	<i>13.0</i>	<i>10.7</i>	<i>4.0</i>

Your Fund's portfolio emphasises equities that we believe offer superior value. As the above statistics show, this emphasis on value has enabled the Fund to outperform its benchmark of the Japanese stockmarket, the TOPIX, since inception. However, the Fund underperformed sharply in 1999 due to a very bad final quarter. What caused this, and what can you expect in future?

We formed your Fund on 1 January 1998 because selected Japanese equities had fallen to very attractive levels. As is typical near the end of a bear market, these "value" shares began rising before the overall Japanese stockmarket. This helped your Fund, in its first nine months, to rise 17.9% while the TOPIX fell 11.2%. The bear market finally ended in October 1998, supported by the government's recapitalisation of the banks, zero interest rate policy, and substantial fiscal support through public works and loan guarantees. The avoidance of a credit crunch, an improving economic outlook and increased corporate restructuring improved investors' confidence. Your Fund continued to outperform in the first half of 1999 as broad-based foreign buying ensued.

However, the stockmarket leadership changed as 1999 progressed. The foreign buying became self-fuelling as, pressured by the rally, momentum orientated foreign asset managers reversed their underweight exposure to Japan. Their buying focused on Japanese internet related equities, which were cheaper than their US counterparts. As a result, in the second half of 1999 the communications sector, led by NTT DoCoMo, surged by 104% and the high-tech electric appliances sector by 65%. Your Fund is substantially underweight technology and telecommunications shares, as shown opposite. When these glamour shares gathered momentum, investors rotated out of value shares to join the party. Thus in the fourth quarter of 1999, your Fund fell even though the TOPIX surged, a reversal of the experience in early 1998. Your Fund's underperformance last quarter was sufficient to leave it badly trailing the TOPIX for 1999 overall.

With hindsight, your Fund's initial lack of exposure to technology shares was an expensive mistake. However, we would compound this if we re-focused your Fund on such shares now, for although they offer growth, they now do so at prices we consider excessive. As a result, your Fund will find it difficult to match the TOPIX while the latter remains driven by momentum. Conversely, your Fund is well positioned to outperform when value reasserts itself. When this will occur depends on investor psychology and is unpredictable, although post year-end developments are encouraging. Regardless, we are convinced that your Fund's value orientation will result in long-term results that will more than compensate for interim underperformance such as in 1999.

<b>MANAGER</b> Orbis Investment Management (B.V.I.) Limited	<b>INVESTMENT ADVISOR</b> Orbis Investment Management Limited	<b>CUSTODIAN</b> State Street Bank and Trust Company
<b>DIRECTORS</b> <i>Allan W B Gray, Chairman</i>	<i>John C R Collis</i>	<i>Faith A Conyers</i> <i>William B Gray</i>

**ORBIS JAPAN EQUITY (YEN) FUND AT 31 DECEMBER 1999**
**STATEMENT OF NET ASSETS**

<b>Shares Held 000's</b>	<b>Equity</b> <i>(Ranked by sector)</i>	<b>Market Value ¥ 000's</b>	<b>% of Fund</b>	<b>% of TOPIX</b>
	<b>Cyclicals</b>		<b>33</b>	<b>24</b>
935	Sumitomo Forestry	738,650	5	
470	Toyo Seikan Kaisha	695,600	5	
1,545	Okumura	533,025	3	
950	Nippon Hodo	465,500	3	
861	Raito Kogyo	429,589	3	
821	Maeda Road Construction	406,395	3	
938	Yurtec	394,898	3	
121	Tsutsumi Jewelry	339,080	2	
500	Seino Transportation	271,000	2	
700	Kyudenko	252,000	2	
	Positions of less than 1%	339,810	2	
	<b>Consumer Non-Durables</b>		<b>32</b>	<b>21</b>
563	Kinki Coca-Cola Bottling	816,350	6	
87	Sundrug	617,700	4	
275	Mikuni Coca-Cola Bottling	492,250	3	
277	Santen Pharmaceutical	466,745	3	
350	Daiichi Pharmaceutical	465,150	3	
319	Hokkaido Coca-Cola Bottling	443,729	3	
317	Fuji Coca-Cola Bottling	418,757	3	
250	Shimachu	352,500	3	
74	Coca-Cola West Japan	318,200	2	
600	Aoki International	222,000	1	
116	Towa Pharmaceutical	163,560	1	
	<b>Financials</b>		<b>17</b>	<b>15</b>
3,060	New Japan Securities	780,300	5	
746	Mitsui Marine & Fire Insurance	452,076	3	
265	Daiwa Securities	423,735	3	
1,521	Wako Securities	412,191	3	
573	Dowa Fire & Marine Insurance	158,148	1	
	Positions of less than 1%	290,515	2	
	<b>Technology</b>		<b>12</b>	<b>23</b>
1,600	Fuji Electric	859,200	6	
1,285	Citizen Watch	835,250	6	
	<b>Utilities</b>		<b>6</b>	<b>17</b>
1	Nippon Telegraph & Telephone	976,500	6	
	<b>Net Current Assets</b>	6,483	-	
	<b>Net Assets</b> (Cost ¥ 15,510,816) <i>(Currency exposure 100% yen)</i>	<b>14,836,886</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Share</b> <i>(At 31 December 1998: ¥ 1,246; 13,259,427 shares issued)</i>	<b>¥ 1,560</b>	9,509,208 shares issued	

See accompanying notes

# ORBIS JAPAN EQUITY (US\$) FUND AT 31 DECEMBER 1999

## MANAGER'S REPORT

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998 <i>% Annualised</i>	Latest 1 Year	Latest Quarter <i>% Not Annualised</i>
<b>Orbis Japan Equity (US\$)</b>	<b>17.6</b>	<b>29.9</b>	<b>(10.1)</b>
TOPIX Hedged	34.0	68.6	16.1
<i>% appreciation of the yen versus the US dollar</i>	<i>24.8</i>	<i>10.7</i>	<i>4.0</i>

This Fund invests in Orbis Japan Equity (Yen) and hedges most or all of the resulting currency exposure into US dollars. Orbis Japan Equity (Yen) in turn is fully invested in the portfolio of Japanese equities shown on page 7 and, like most Japanese equity funds, remains exposed to the Japanese yen.

Orbis Japan Equity (US\$) was formed to serve investors who wish to invest in Japanese equities while remaining exposed to the dollar. The Fund's currency hedging reduces or eliminates the effect on its share price of fluctuations in the yen: dollar exchange rate. Most Japanese equity funds do no currency hedging and therefore their returns are, when translated into dollars, directly influenced by these exchange rate fluctuations. As the statistics above show, these fluctuations are often large. The result is that this Fund's dollar returns above are not comparable with those of the Average Japan Equity Fund or those of Orbis Japan Equity (Yen) when their returns are likewise expressed in dollars.

The returns on Orbis Japan Equity (US\$) *in dollars* approximate those on Orbis Japan Equity (Yen) *in yen*, adjusted for the short-term interest rate differential between the US and Japan.

## STATEMENT OF NET ASSETS

Shares Held 000's	Equity	Market Value US\$ 000's	% of Fund
<b>9,294</b>	<b>Orbis Japan Equity (Yen) Fund</b>	141,824	100
	Net Current Liabilities <i>(Mainly the result of currency hedging)</i>	(179)	-
	<b>Net Assets</b> (Cost US\$ 93,724)	<b>141,645</b>	<b>100</b>
	<b>Net Asset Value per Share</b> <i>(At 31 December 1998: US\$ 9.91; 13,378,117 shares issued)</i>	<b>US\$ 12.87</b>	11,004,719 shares issued

DEPLOYMENT		% of Fund
<b>Stockmarket exposure</b>	Japan	100
<b>Currency exposure</b>	US dollar	100

See accompanying notes

MANAGER Orbis Investment Management (B.V.I.) Limited	INVESTMENT ADVISOR Orbis Investment Management Limited	CUSTODIAN State Street Bank and Trust Company
DIRECTORS <i>Allan W B Gray, Chairman</i>	<i>John C R Collis</i>	<i>Faith A Conyers</i> <i>William B Gray</i>

**STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (MILLIONS)**

Orbis Fund: For the Periods Ended 31 December: Reporting Currency:	Global Equity		Africa Equity (Rand)		Japan Equity (Yen)		Japan Equity (US\$)	
	1999	1998	1999	1998	1999	1998	1999	1998
	US\$	US\$	R	R	¥	¥	US\$	US\$
Investment Income:	8	8	13	8	180	67	-	-
Dividends	8	7	13	8	180	65	-	-
Interest	-	1	-	-	-	2	-	-
Expenses:	(9)	(13)	(8)	(3)	(496)	(214)	-	-
Manager's Fees	8	12	7	2	473	198	-	-
Custodian's Fees	1	1	-	-	19	7	-	-
Other	-	-	1	1	4	9	-	-
Net Investment Income	(1)	(5)	5	5	(316)	(147)	-	-
Net Gain (Loss) from Investments and Currencies	121	130	214	12	5,235	(376)	43	(1)
Realised	102	56	94	13	5,903	(370)	15	(21)
Unrealised	19	74	120	(1)	(668)	(6)	28	20
Net Increase (Decrease) in Net Assets Resulting from Operations	120	125	219	17	4,919	(523)	43	(1)
Members' Activity During the Period:								
Subscriptions:								
Orbis Funds	82	66	5	116	3,787	21,119	25	128
Other Members	18	16	81	141	414	1,171	6	1
Switches Between Funds	9	8	8	-	64	2,371	31	83
Redemptions:								
Orbis Funds	(184)	(464)	(141)	(71)	(9,190)	(6,267)	(78)	(69)
Other Members	(4)	(24)	(34)	-	(842)	-	(5)	-
Switches Between Funds	(20)	(81)	-	-	(837)	(1,349)	(13)	(9)
Dividends declared and paid	-	-	(5)	-	-	-	-	-
Increase (Decrease) in Net Assets	21	(354)	133	203	(1,685)	16,522	9	133
Net Assets at Beginning of Period	430	784	203	-	16,522	-	133	-
Net Assets at End of Period	451	430	336	203	14,837	16,522	142	133

See accompanying notes

### Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada and Bermuda. The Funds' significant accounting policies are as follows:

**Investments.** Investments are recorded as of the trade date and are stated at their fair market values. Investments in Orbis Funds are valued at Net Asset Value, while other marketable securities are valued at the last reported sale price. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations.

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown on page 9 using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Reporting Currency at the exchange rates prevailing at the dates of the transactions.

**Income and Expenses.** The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-dividend date, net of withholding taxes. Realised gains and losses on investments are based on average cost. The Funds' operating expenses are included in Other expenses.

### Taxes

There are no Bermuda or British Virgin Islands income, profit, capital, capital gains, estate or inheritance taxes payable by the Funds or their Members, other than Members ordinarily resident in the British Virgin Islands, in respect of shares in the Funds. The Bermuda Government has undertaken that in the event that any such taxes are levied in Bermuda in the future, the Funds and their shares will be exempt from such taxes until 28 March 2016.

### Share Capital

Each Fund's year-end authorised share capital is detailed below and is unchanged from 31 December 1998. Fund shares participate pro rata in their Fund's net assets and dividends, are redeemable, and are non-voting. Founders' shares do not participate in their Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If a Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value.

	Par Value (per share)	Authorised Fund shares	Authorised and Issued Founders' shares
Orbis Global Equity	US\$ 1	100 million	12,000
Orbis Africa Equity (Rand)	R 1	100 million	12,000
Orbis Japan Equity (Yen)	¥ 1	10 billion	2,000,000
Orbis Japan Equity (US\$)	US\$ 1	100 million	12,000

The following dividends have been declared in respect of the Fund shares of Orbis Africa Equity (Rand).

Period Ended	Declaration Date	Payment Date	Total Amount	Amount per Share
1998	20 April 1999	22 April 1999	R 5,389,011	R 1.62
1999	14 January 2000	20 January 2000	R 5,264,122	R 1.88

## Material Contracts

At year-end the following Funds had forward currency contracts having net contract values and net market values as set out below. The net unrealised loss is included in net current assets or liabilities. To limit its risk to the amount of any net unrealised gain, each of the following Funds has entered into an agreement whereby all its currency transactions are settled “delivery versus payment” and can be netted.

	Contract Value US\$	Market Value US\$	Unrealised Loss US\$
Orbis Global Equity	4,390,757	4,297,368	(93,389)
Orbis Japan Equity (US\$)	(143,840,203)	(145,585,343)	(1,745,140)

## Related Party Transactions

The contractually appointed “Manager” of Orbis Global Equity and Orbis Africa Equity (Rand) is Orbis Investment Management Limited, and of Orbis Japan Equity (Yen) and Orbis Japan Equity (US\$) is Orbis Investment Management (B.V.I.) Limited. Each of Orbis Global Equity, Orbis Africa Equity (Rand) and Orbis Japan Equity (Yen) pay a Manager’s fee which can vary between 0.5% pa and 2.5% pa of weekly net assets, determined by the Fund’s rate of return versus its benchmark. Orbis Japan Equity (US\$) does not directly pay a fee to its Manager, but, because it remains substantially invested in Orbis Japan Equity (Yen), indirectly bears a portion of that Fund’s management fee.

At the year-end other Orbis Funds held 7,130,000 shares (1998 - 10,087,000) in Orbis Global Equity, 1,143,000 shares (1998 - 2,575,000) in Orbis Africa Equity (Rand), 9,294,000 shares (1998 - 12,290,000) in Orbis Japan Equity (Yen) and 7,462,000 shares (1998 - 10,245,000) in Orbis Japan Equity (US\$). Other related parties held 12,356 shares in Orbis Global Equity (1998 - 14,997), 709,700 shares in Orbis Africa Equity (Rand) (1998 - 1,090,120), 5,000 shares in Orbis Japan Equity (Yen) (1998 - 966,792) and 2,771,206 shares in Orbis Japan Equity (US\$) (1998 - 2,191,209) excluding their indirect holdings via other Orbis Funds.

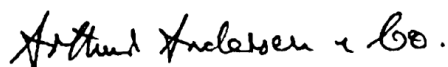
## AUDITORS' REPORT

To the Members of  
Orbis Global Equity Fund Limited,  
Orbis Africa Equity (Rand) Fund Limited  
Orbis Japan Equity (Yen) Fund Limited, and  
Orbis Japan Equity (US\$) Fund Limited (the "Funds"):

We have audited the Statements of Net Assets of the Funds on pages 3, 5, 7 and 8 as at 31 December 1999. We have audited the related Statements of Operations and Changes in Net Assets on page 9 of Orbis Global Equity Fund Limited (a company incorporated with limited liability in Bermuda) and Orbis Japan Equity (Yen) Fund Limited, (a company incorporated with limited liability in the British Virgin Islands) for each of the two years in the period then ended and of Orbis Africa Equity (Rand) Fund Limited (a company incorporated with limited liability in Bermuda) and Orbis Japan Equity (US\$) Fund Limited (a company incorporated with limited liability in the British Virgin Islands) for the year then ended and for the period from 30 June 1998 and 12 June 1998, their dates of inception respectively, to 31 December 1998. These financial statements are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada and Bermuda. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of all securities and cash owned as at 31 December 1999, by correspondence with the custodians and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the Funds as at 31 December 1999. In our opinion, these financial statements present fairly, in all material respects, the results of operations and the changes in net assets of Orbis Global Equity Fund Limited and Orbis Japan Equity (Yen) Fund Limited for each of the two years in the period then ended, and of Orbis Africa Equity (Rand) Fund Limited and Orbis Japan Equity (US\$) Fund Limited for the year then ended and for the period from 30 June 1998 and 12 June 1998, their dates of inception respectively, to 31 December 1998 in accordance with accounting principles generally accepted in Canada and Bermuda.



Arthur Andersen & Co

Hamilton, Bermuda  
14 January 2000

## NOTICES

### ANNUAL GENERAL MEETINGS

Notice is hereby given that the Annual General Meetings of Orbis Global Equity Fund Limited, Orbis Africa Equity (Rand) Fund Limited, Orbis Japan Equity (Yen) Fund Limited and Orbis Japan Equity (US\$) Fund Limited (the "Orbis Funds") will be held at the offices of Orbis Investment Management Limited, 34 Bermudiana Road, Hamilton, Bermuda on 20 April 2000 at 10:00 am. Members are invited to attend and address these meetings. The Agendas comprise the following:

- Review of Minutes of the Annual General Meetings of Members of the Orbis Funds held on 20 April 1999
- Review of audited financial statements in the 1999 Annual Reports
- Proposed re-appointment of the present Directors as shown in the Manager's Reports
- Approval of proposed Directors' fees for the year to 31 December 2000 of US\$10,000 to Mr Thomson for Orbis Global Equity and US\$10,000, US\$4,000, US\$6,000 and US\$1,000 to Mr Collis for Orbis Global Equity, Orbis Africa Equity (Rand), Orbis Japan Equity (Yen) and Orbis Japan Equity (US\$), respectively
- Proposed re-appointment of Arthur Andersen & Co as Auditors for the year to 31 December 2000

By Order of the Boards, James J Dorr, Secretary

### UNITED KINGDOM 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 1998. The Directors are applying for and expect to obtain such certification for fiscal 1999 for all of the Orbis Funds. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 1999 or for future accounting periods.

*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.*



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