

ORBIS EQUITY FUNDS

31 DECEMBER 2000  
**Annual**  
REPORTS



ORBIS GLOBAL EQUITY

*Fund*

ORBIS AFRICA EQUITY

*Rand Fund*

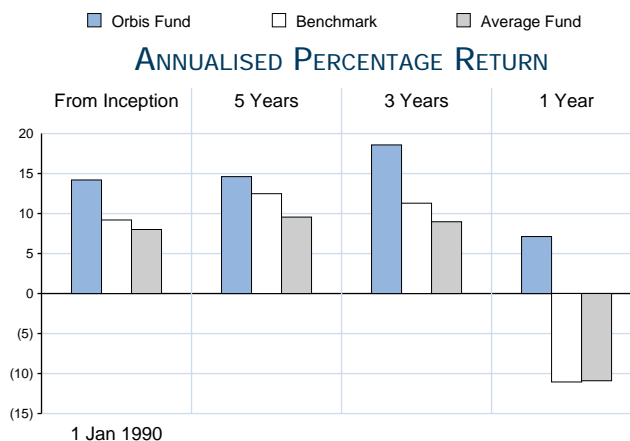
ORBIS JAPAN EQUITY

*Yen Fund / US\$ Fund*

## ORBIS EQUITY FUNDS

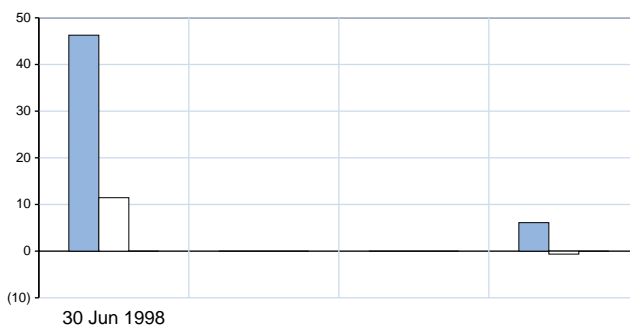
### ORBIS GLOBAL EQUITY FUND

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.



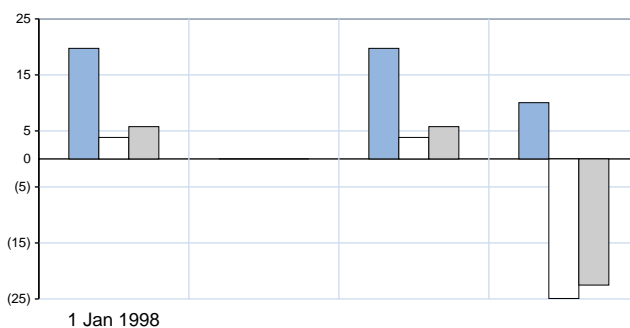
### ORBIS AFRICA EQUITY (RAND) FUND

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.



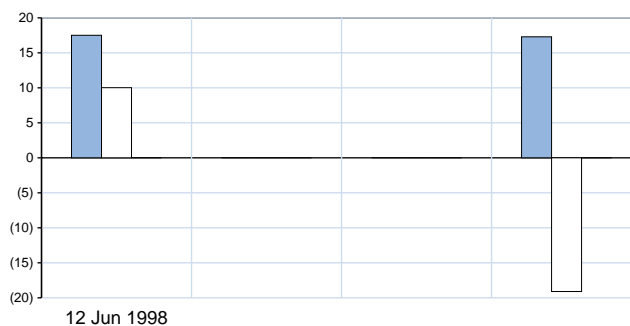
### ORBIS JAPAN EQUITY (YEN) FUND

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, including income ("**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 Fund Services sector index return for the respective sector. Orbis Japan Equity (USS) 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.

## PRESIDENT'S LETTER TO MEMBERS

2000 was a rewarding year for the Orbis Funds as a sense of balance returned to global stockmarkets. The frenzied speculation in technology, media and telecommunication (TMT) shares in 1999 and early 2000 probably marked the climax of one of the greatest speculative bubbles of all time.

Our flagship **Orbis Global Equity Fund** appreciated 7.1% in 2000 while its benchmark FTSE World Index ("World Index") declined 11.1%. As shown in the graph opposite, in the 11 years since the Fund's launch on 1 January 1990, Orbis Global Equity has returned 14.2% pa compared with 9.2% pa for the World Index and 8.0% pa for the Average Global Equity Fund. **Orbis Africa Equity (Rand) Fund** rose 6.1% in 2000 while its benchmark declined 0.1%. Since the Fund's inception on 30 June 1998, it has earned 46.3% pa versus 11.5% pa for the JSE Index. The **Orbis Japan Equity (Yen) Fund** also performed well rising 10.1% for the year while the Fund's benchmark TOPIX declined 25.0%. Since the Fund's inception on 1 January 1998, it has returned 19.7% pa compared with 3.8% pa for TOPIX and 5.8% pa for the Average Japan Equity Fund.

A noteworthy feature of the Orbis Equity Funds is their superior returns have been achieved with no greater risk than their benchmarks.

% Returns	Orbis Global	World Index	Orbis Africa	JSE Index	Orbis Japan	TOPIX
1998	21	23	11*	(19)*	25	(7)
1999	29	26	120	61	25	60
2000	7	(11)	6	(0)	10	(25)
Cumulative	67	38	159	31	72	12

\* Partial year from fund launch on 30 June 1998

An analysis of the Funds' peers based on data from Standard & Poor's Fund Services is revealing in this regard. During the volatility of the last 36 months, only three out of 288 offshore and Luxembourg global equity funds had a lower incidence of negative monthly returns than Orbis Global Equity. Similarly, the Orbis Japan Equity (Yen) Fund had the lowest incidence of negative months in its peer group of 140 funds. Orbis Africa Equity is unique outside South Africa but its incidence of loss was lower than any of the 28 domestic South African equity unit trusts.

This favourable characteristic of superior capital preservation that is inherent in our style comes at a price for those that favour a fund that does not differ too greatly from its benchmark index, usually institutions and fund rating agencies. Our willingness to differ meaningfully from a benchmark generates results that do not closely track those of the benchmark. To meet the needs of those investors who have made the asset allocation decision to invest in Japanese equities and seek an equity portfolio which tracks the TOPIX more closely, we are launching the Orbis Japan Core Equity Fund. We hope our Core Equity Fund will allow us to meet a broader range of investor needs.

We are encouraged that the returns of the Orbis Funds have responded so positively to signs of a return to normality in global equity markets following a once-in-a-generation speculative bubble. We hope that the Managers' reports that follow impart our enthusiasm for the future. Your support through these turbulent times in equity markets is very much appreciated.

Yours sincerely,

  
William B Gray

Hamilton, Bermuda  
19 January 2001

## ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2000

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
Orbis Global Equity	14.2	14.6	18.6	7.1	9.1
World Index	9.2	12.5	11.3	(11.1)	(5.8)
Average Global Equity Fund	8.0	9.6	9.0	(10.9)	(6.5)

As indicated above, Orbis Global Equity has materially outperformed its benchmark over the latest year, three years, five years and eleven years since inception. While \$1,000 invested in the World Index on 1 January 1990 would have grown to \$2,631 by 31 December 2000, a similar investment in Orbis Global Equity would have grown to \$4,307, and in the Average Global Equity Fund to \$2,333. We are encouraged that our heavy investment in proprietary research relative to assets under management has been rewarding.

The vast majority of this added value has come from our selecting shares that have outperformed their local stockmarkets. Some minor contributions, both in 2000 and on average since the Fund's inception, have come from taking positions that deviate from the World Index in country allocation and currency allocation. A more sobering view on the prospects of Japanese equities led us to reduce the Fund's exposure during the year from 30% to 11%, as shown opposite. This is in line with Japan's weight in the World Index for the first time since 1995, having been substantially higher in the interim. Nevertheless, the Fund's portfolio of equities remains substantially different from the respective national stockmarket indices as shown below. The Fund will earn superior returns if its equities offer superior fundamental value and the market subsequently recognises that. Clearly, substantial potential remains.

Fundamental Characteristics of Equity Portfolios	Orbis Global	World Index	US Shares	World Index US	UK Shares	World Index UK	Japanese Shares	World Index Japan
Price/Last Year's Earnings	11x	23x	10x	27x	12x	17x	19x	48x
Dividend Yield	2.3%	1.4%	1.6%	1.1%	4.5%	2.2%	2.3%	0.8%
Price/Net Book Value	1.3x	3.3x	1.3x	4.4x	1.5x	2.5x	0.8x	2.1x
Avg. Mkt. Cap. (\$bil.)	3.6	11.6	5.0	22.7	4.9	15.2	1.2	7.1

We find good value in small and mid-cap shares in the US and Japan. At the same time, the mega-cap stocks, which dominate the World Index US and Japanese sub-indices, appear overpriced and vulnerable. This accounts for the lower than average market capitalisation of shares in Orbis Global Equity compared with those in the World Index, as indicated above.

Our research leads us to conclude that the world's most attractive defensive stocks include several large-cap UK stocks and small-cap Japanese equities, both of which are well represented in the Fund's portfolio. In contrast, we consider US defensive stocks vulnerable following strong gains in 2000.

Following the 55% peak-to-trough decline in the Nasdaq Composite Index, we now find some of the world's cheapest technology shares are in the US. As a result, your Fund now holds selected US technology stocks in its portfolio.

*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**  
The Bank of Bermuda Limited

# ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2000

## STATEMENT OF NET ASSETS

Shares Held 000's	Equity	Market Value US\$ 000's	Fund's % Exposure to Equities	Exposure to Currencies	% of World Index
	United States		58	44	52
4,347	Clayton Homes	49,986	7		
240	Loews	24,855	3		
1,324	Callaway Golf	24,663	3		
909	Sun International Hotels	21,589	3		
456	Caterpillar	21,575	3		
467	Tecumseh - A shares	19,564	3		
1,651	Circuit City Stores	18,984	3		
573	Hewlett-Packard	18,085	2		
661	Lafarge	15,604	2		
1,285	Borders Group	15,024	2		
914	AVX	14,964	2		
1,102	Scottish Annuity & Life Holdings	13,201	2		
365	CNF	12,342	2		
761	Nautica Enterprises	11,597	2		
2,929	CarMax Group	11,533	2		
287	Eastman Kodak	11,301	2		
844	Consolidated Stores	8,971	1		
389	Goodyear Tire & Rubber	8,943	1		
438	Engelhard	8,914	1		
245	Federated Department Stores	8,575	1		
710	Fleetwood Enterprises	7,457	1		
	Positions of less than 1%	69,925	10		
	Europe		26	56	30
4,961	Scottish & Newcastle	34,844	5		
3,410	Royal & Sun Alliance Insurance	29,270	4		
2,352	Associated British Foods	17,678	2		
1,810	Boots	16,698	2		
2,351	WH Smith	14,986	2		
318	Hornbach Holding - Preference shares	14,699	2		
1,620	RMC Group	14,196	2		
5,080	Marks and Spencer	14,124	2		
222	Erste Bank	10,026	2		
110	Pernod Ricard	7,601	1		
	Positions of less than 1%	13,071	2		
	Japan		11	-	11
1,196	Mikuni Coca-Cola Bottling	12,291	2		
826	Tohoku Electric Power	11,032	2		
657	Tsutsumi Jewelry	8,913	1		
1,344	Kinden	7,699	1		
	Positions of less than 1%	38,660	5		
	Emerging Markets		5	-	2
1,870	Sasol	12,068	2		
13,000	OTK Holdings	8,912	1		
150	Samsung Electronics - Preference shares	8,219	1		
	Positions of less than 1%	8,281	1		
	Other		-	-	5
	Net Current Assets	2,169	-		
	Net Assets (Cost US\$ 734,957)	723,089	100	100	100
	Net Asset Value per Share	US\$ 43.07	16,787,682 shares issued		
	(At 31 December 1999: US\$ 40.20; 11,206,319 shares issued)				

See accompanying notes

## ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2000

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	2 Years	Latest 1 Year	Quarter
	% Annualised			% Not Annualised
Orbis Africa Equity	46.3	52.8	6.1	1.5
JSE Index	11.5	26.9	(0.1)	1.3
% change in the US dollar value of the rand	(9.1)	(11.9)	(19.0)	(4.7)

In 2000, the Fund rose by 6.1% while the JSE Index declined 0.1%. The Fund's return since inception on 30 June 1998 has been 46.3% pa compared with 11.5% pa for the benchmark JSE Index. As the rand has depreciated 9.1% pa against the US dollar during this period, the Fund's absolute return in US dollars has been good, as has its return relative to global stockmarkets.

The Fund's good returns have been driven by the ability of Orbis and its South African investment advisor, Allan Gray Limited, to identify exceptional value among securities listed on the JSE. The following table illustrates the fundamental value that still exists in your Fund's portfolio especially given its expected earnings growth is substantially higher than that of the JSE Index.

Fundamental Characteristics	Orbis Africa	JSE Index
Price/Last Year's Earnings	9.1x	13.1x
Dividend Yield	3.8%	2.5%

While many small-cap companies offer particularly good value with several being well represented in your Fund, some larger companies appear very attractive to us. Counterintuitively, shares of these companies are conceivably the more predictable winners because their very size attracts the attention of international investors who have provided the catalyst for appreciation in several South African shares such as Anglo American. Companies such as Anglo American which have raised their profile by relocating and/or having their primary share listing outside South Africa have been re-rated from the low multiples prevalent on the JSE to multiples prevailing in global markets for comparable companies. Sasol is a low profile, underrated, large-cap company and is your Fund's largest position.

Sasol produces oil and chemicals from coal. It supplies 30% of South Africa's fuel needs and is increasingly becoming a global player in specialty petrochemicals. It has a sound balance sheet, strong cash flow, sales that are almost wholly US dollar based and its shares are highly liquid.

Sasol has fairly cyclical earnings that follow commodity cycles which in turn are closely correlated with world economic growth. Nevertheless over the past 20 years, Sasol has grown its earnings per share 5% to 6% pa faster than that of the average JSE company. We believe Sasol has a favourable long-term outlook and its normalised earnings should continue to grow faster than those of the JSE Index. A constant stream of new petrochemical production has been responsible for Sasol's earnings growth over the past decade and additional projects are expected to reinforce earnings growth in the future. Lastly, Sasol continues to buy back its own stock having already repurchased 7% of its shares. Continued repurchases should significantly enhance earnings per share.

Priced at R49 per share at year-end, Sasol sells at only 7.3 times its last 12 months' earnings. Compared to international oil stocks and the JSE Index, which sell at substantially higher price to earnings ratios, Sasol offers exceptional value, which is a common characteristic of the Fund's portfolio.

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

## ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2000

### STATEMENT OF NET ASSETS

Shares Held 000's	Equity <i>(Ranked by sector)</i>	Market Value R 000's	% of Fund	% of JSE Index
	Industrial		61	35
831	Kersaf Investments	26,745	9	
4,288	OTK Holdings	22,296	8	
1,529	Allied Electronics - Preference shares and	9,941	5	
592	Common shares	3,847		
5,500	Dunlop Africa	12,375	4	
1,699	Foschini	11,047	4	
1,610	Edward L Bateman	9,821	4	
3,291	Woolworths Holdings	9,545	3	
3,272	Sun International (South Africa)	9,356	3	
1,078	Anglovaal Industries	8,615	3	
1,635	Medi-Clinic	8,504	3	
130	Tiger Brands	8,476	3	
348	Toyota South Africa	8,347	3	
1,661	Power Technologies	6,145	2	
672	Hudaco Industries	4,734	2	
2,693	Unihold	4,039	2	
564	Fintech	3,018	1	
	Positions of less than 1%	4,641	2	
	Resources		33	37
550	Sasol	26,922	10	
797	Gold Fields	20,398	7	
981	Northam Platinum	15,400	5	
580	Anglovaal Mining	13,340	5	
4,804	Avgold	12,009	4	
	Positions of less than 1%	4,295	2	
	Financial		6	26
2,583	AMB Holdings	18,079	6	
	Real Estate		-	2
	Net Current Assets	702	-	
	<b>Net Assets</b> (Cost R 237,432) <i>(Currency exposure 100% rand)</i>	<b>282,637</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Share</b> (At 31 December 1999: R119.84; 2,800,065 shares issued)	<b>R 125.35</b>	<b>2,254,738 shares issued</b>	

See accompanying notes

## ORBIS JAPAN EQUITY (YEN) FUND AT 31 DECEMBER 2000

Total Rate of Return In Japanese yen:	From Inception on 1 Jan 1998	2 Years % Annualised	Latest 1 Year	Quarter % Not Annualised
Orbis Japan Equity (Yen)	19.7	17.4	10.1	(1.2)
TOPIX	3.8	9.5	(25.0)	(12.7)
Average Japan Equity Fund	5.8	14.4	(22.6)	(11.0)
% change in the US dollar value of the yen	4.5	(0.5)	(10.6)	(5.4)

Orbis' Japanese equity selections have materially outperformed the TOPIX over the medium and long term. Since the Fund's inception three years ago, it has earned 19.7% pa compared with 3.8% pa for the TOPIX. In the three years immediately prior to the Fund's launch in 1998, Orbis' selected Japanese shares in Orbis Global Equity had outperformed the TOPIX by an average of 13% pa.

Your Fund's performance in 2000 was achieved despite very disappointing developments in Japan. The recovery in the economy has been anaemic and narrowly based on telecommunications, domestic IT capital expenditures, and electronic exports which have now peaked. We believe Japan's macroeconomic fiscal and monetary policies have been inappropriate and ineffective. In corporate Japan, continuing debt forgiveness, rather than bankruptcy, is robbing the well-managed surviving companies of their just reward thereby perpetuating excess capacity and uneconomic pricing. In most Japanese companies, there continues to be scant regard for corporate governance. Japan sorely needs a high-profile shareholder activist such as CalPERS which has provided the catalyst for recognition in the US that shareholders in publicly traded companies are stakeholders and their interests should be considered and not just those of employees, customers and society at large. The 37% of Japanese shares that are cross-held are being liquidated due to pending mark-to-market regulations. Yet companies with massive excess cash have been slow to repurchase significant amounts of their own stock, thus causing excess supply to exacerbate the weakness in their share prices and in the market overall. Successful investors in Japan have to be patient.

The fact that the Japanese stockmarket continues to be significantly less efficient than those in the US and Europe means there are still plenty of opportunities to exploit Orbis' proprietary fundamental research through stock picking. As indicated below, the Fund's portfolio offers much better value than the broad market as represented by the TOPIX.

Fundamental Characteristics	Orbis Japan	TOPIX
Price/Last Year's Earnings	29x*	136x*
Dividend Yield	2.0%	0.8%
Price/Net Book Value	0.75x	1.92x
Historical return on equity	6.2%	4.7%

\* Distorted by losses and significant exceptional charges by many constituents.

While most large-cap stocks, which dominate the TOPIX, remain priced above our assessment of their intrinsic value, this is not true of selected mid and small-cap stocks. The latter, with emphasis on consumer non-durables, specialty retailers and construction are heavily represented in the Fund's portfolio. We therefore see no reason why the Fund should not continue to provide reasonable returns and materially outperform the TOPIX over the long term. We find the outlook for the TOPIX itself less predictable.

<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>
<b>MANAGER</b>	Orbis Investment Management (B.V.I.) Limited	<b>INVESTMENT ADVISOR</b>	<b>CUSTODIAN</b>	
		Orbis Investment Management Limited	State Street Bank and Trust Company	

## ORBIS JAPAN EQUITY (YEN) FUND AT 31 DECEMBER 2000

### STATEMENT OF NET ASSETS

Shares Held 000's	Equity (Ranked by sector)	Market Value ¥ 000's	% of Fund	% of TOPIX
	Cyclicals		36	31
840	Sumitomo Forestry	676,200	5	
950	Nippon Hodo	467,400	3	
661	Nippon Kayaku	463,361	3	
1,150	Okumura	442,750	3	
103	Honda Motor	438,780	3	
821	Maeda Road Construction	381,765	3	
214	Tsutsumi Jewelry	331,138	2	
911	Yurtec	327,960	2	
756	Raito Kogyo	287,280	2	
899	Sumitomo Warehouse	258,013	2	
500	Seino Transportation	240,500	2	
612	Kyudenko	208,692	2	
360	Toda	188,280	1	
424	Japan Wool Textile	176,808	1	
479	Kyodo Printing	144,658	1	
79	Makita	63,200	1	
	Consumer Non-Durables		26	21
273	Santen Pharmaceutical	616,980	4	
486	Mikuni Coca-Cola Bottling	571,050	4	
424	Kinki Coca-Cola Bottling	510,496	4	
2	Yoshinoya D&C	412,020	3	
447	Fuji Coca-Cola Bottling	391,125	3	
319	Hokkaido Coca-Cola Bottling	274,340	2	
800	Aoki International	256,064	2	
168	Shimachu	227,070	1	
104	Tsuruha	147,680	1	
	Positions of less than 1%	272,304	2	
	Financials		20	16
984	Mitsui Marine & Fire Insurance	644,520	5	
1,117	Asahi Bank	434,513	3	
1,207	Dai-Tokyo Fire & Marine Insurance	411,587	3	
1,687	Fuji Fire & Marine Insurance	327,278	2	
658	Japan Securities Finance	263,858	2	
435	Nissan Fire & Marine Insurance	167,040	1	
430	Tsubasa Securities	157,810	1	
573	Dowa Fire & Marine Insurance	144,396	1	
	Positions of less than 1%	238,113	2	
	Utilities		12	12
440	Tohoku Electric Power	671,117	5	
2,846	Toho Gas	583,430	4	
1	Nippon Telegraph and Telephone	333,315	3	
	Technology		6	20
423	Sharp	582,894	4	
151	Olympus Optical	298,225	2	
	Net Current Assets	26,123	-	
	Net Assets (Cost ¥ 16,575,349) (Currency exposure 100% yen)	14,060,133	100	100
	Net Asset Value per Share (At 31 December 1999: ¥ 1,560; 9,509,208 shares issued)	¥ 1,717	8,187,060 shares issued	

See accompanying notes

## ORBIS JAPAN EQUITY (US\$) FUND AT 31 DECEMBER 2000

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998	2 Years % Annualised	Latest 1 Year	Quarter % Not Annualised
Orbis Japan Equity (US\$)	17.5	23.4	17.3	0.2
TOPIX Hedged	10.0	16.8	(19.1)	(10.9)
% change in the yen value of the US dollar	(8.7)	1.0	11.8	5.8

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
8,161	Orbis Japan Equity (Yen) Fund	122,546	99
	Net Current Assets	1,234	1
	Net Assets (Cost US\$ 96,092)	123,780	100
	Net Asset Value per Share (At 31 December 1999: US\$12.87; 11,004,719 shares issued)	US\$ 15.10	8,198,555 shares issued

### DEPLOYMENT

		% of Fund
Stockmarket exposure	Japan	99
Currency exposure	US dollar	100

See accompanying notes

**DIRECTORS** *Allan W B Gray, Chairman* *John C R Collis* *Faith A Conyers* *William B Gray*

**MANAGER** Orbis Investment Management (B.V.I.) Limited **INVESTMENT ADVISOR** Orbis Investment Management Limited **CUSTODIAN** State Street Bank and Trust Company

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

Reporting Currency:	Orbis Global Equity		Orbis Africa Equity (Rand)		Orbis Japan Equity (Yen)		Orbis Japan Equity (US\$)	
	US\$		R		¥		US\$	
For the Years Ended	2000	1999	2000	1999	2000	1999	2000	1999
31 December:								
Investment Income:	10	8	12	13	176	180	-	-
Dividends	9	8	12	13	176	180	-	-
Interest	1	-	-	-	-	-	-	-
Expenses:	(9)	(9)	(9)	(8)	(274)	(496)	-	-
Manager's Fees	8	8	9	7	256	473	-	-
Custodian's Fees	1	1	-	-	7	19	-	-
Other	-	-	-	1	11	4	-	-
Net Investment Income	1	(1)	3	5	(98)	(316)	-	-
Net Gain (Loss) from Investments and Currencies	49	121	17	214	1,425	5,235	21	43
Realised	99	102	91	94	3,266	5,903	42	15
Unrealised	(50)	19	(74)	120	(1,841)	(668)	(21)	28
Net Increase in Net Assets Resulting from Operations	50	120	20	219	1,327	4,919	21	43
Members' Activity During the Year:								
Subscriptions:								
Orbis Funds	292	82	33	5	5,200	3,787	80	25
Other Members	43	18	15	81	5	414	-	6
Switches Between Funds	1	9	-	8	-	64	-	31
Redemptions:								
Orbis Funds	(98)	(184)	-	(141)	(6,985)	(9,190)	(74)	(78)
Other Members	(15)	(4)	(100)	(34)	(262)	(842)	(28)	(5)
Switches Between Funds	(1)	(20)	(16)	-	(62)	(837)	(17)	(13)
Dividends declared and paid	-	-	(5)	(5)	-	-	-	-
Increase (Decrease) in Net Assets	272	21	(53)	133	(777)	(1,685)	(18)	9
Net Assets at Beginning of Year	451	430	336	203	14,837	16,522	142	133
Net Assets at End of Year	723	451	283	336	14,060	14,837	124	142

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 authorised share capital is detailed below and is unchanged from 31 December 1999. 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 set out below.

Fund	Period Ended	Declaration Date	Payment Date	Total Amount	Amount per Share
Orbis Global	2000	19 January 2001	25 January 2001	US\$ 528,799	US\$ 0.03
Orbis Africa	2000	19 January 2001	25 January 2001	R 3,004,111	R 1.36
Orbis Africa	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 gain/(loss) is included in net current assets. 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 Gain (Loss) US\$
Orbis Global Equity	95,377,061	100,058,591	4,681,530
Orbis Japan Equity (US\$)	(125,508,765)	(125,768,893)	(260,128)

## 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 12,003,385 shares (1999 - 7,130,000) in Orbis Global Equity, 1,463,289 shares (1999 - 1,143,000) in Orbis Africa Equity (Rand), 8,160,708 shares (1999 - 9,294,000) in Orbis Japan Equity (Yen) and 7,854,500 shares (1999 - 7,462,000) in Orbis Japan Equity (US\$). Other related parties held 10,682 shares in Orbis Global Equity (1999 - 12,356), 54,057 shares in Orbis Africa Equity (Rand) (1999 - 709,700), 5,000 shares in Orbis Japan Equity (Yen) (1999 - 5,000) and 23,164 shares in Orbis Japan Equity (US\$) (1999 - 2,771,206) excluding their indirect holdings via other Orbis Funds.

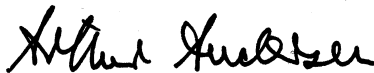
## AUDITORS' REPORT

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 2000. We have audited the related Statements of Operations and Changes in Net Assets on page 9 of Orbis Global Equity Fund Limited and Orbis Africa Equity (Rand) Fund Limited (companies incorporated with limited liability in Bermuda) and Orbis Japan Equity (Yen) Fund Limited and Orbis Japan Equity (US\$) Fund Limited (companies incorporated with limited liability in the British Virgin Islands) for each of the two years in the period then ended. 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 2000, 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 2000 and the results of their operations and the changes in their net assets for each of the two years in the period then ended, in accordance with accounting principles generally accepted in Canada and Bermuda.



Arthur Andersen

Hamilton, Bermuda  
19 January 2001

## 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 19 April 2001 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 2000
- Review of audited financial statements in the 2000 Annual Reports
- Proposed re-appointment of the present Directors as shown in the Managers' reports
- Approval of proposed Directors' fees for the year to 31 December 2001 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 as Auditors for the year to 31 December 2001

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 1999. The Directors intend to apply for such certification for fiscal 2000 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 2000 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.*

*We invite you to visit our website, [orbisfunds.com](http://orbisfunds.com), where we have recently introduced a new service. You may now register on-line to automatically receive regular reports on our funds by e-mail. We hope that it enables you to keep in better touch with us and your investments.*



ORBIS INVESTMENT MANAGEMENT LIMITED • LPG BUILDING, 34 BERMUDIANA ROAD, HAMILTON HM 11, BERMUDA  
TELEPHONE: +1 (441) 296 3000 • FACSIMILE: +1 (441) 296 3001 • E-MAIL: [info@orbisfunds.com](mailto:info@orbisfunds.com) • WEB SITE: [www.orbisfunds.com](http://www.orbisfunds.com)