

ORBIS EQUITY FUNDS

ANNUAL
REPORTS
31 DECEMBER 2002



ORBIS GLOBAL

ORBIS AFRICA

ORBIS JAPAN

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ORBIS EQUITY STRATEGIES AT 31 DECEMBER 2002

ORBIS GLOBAL EQUITY FUND

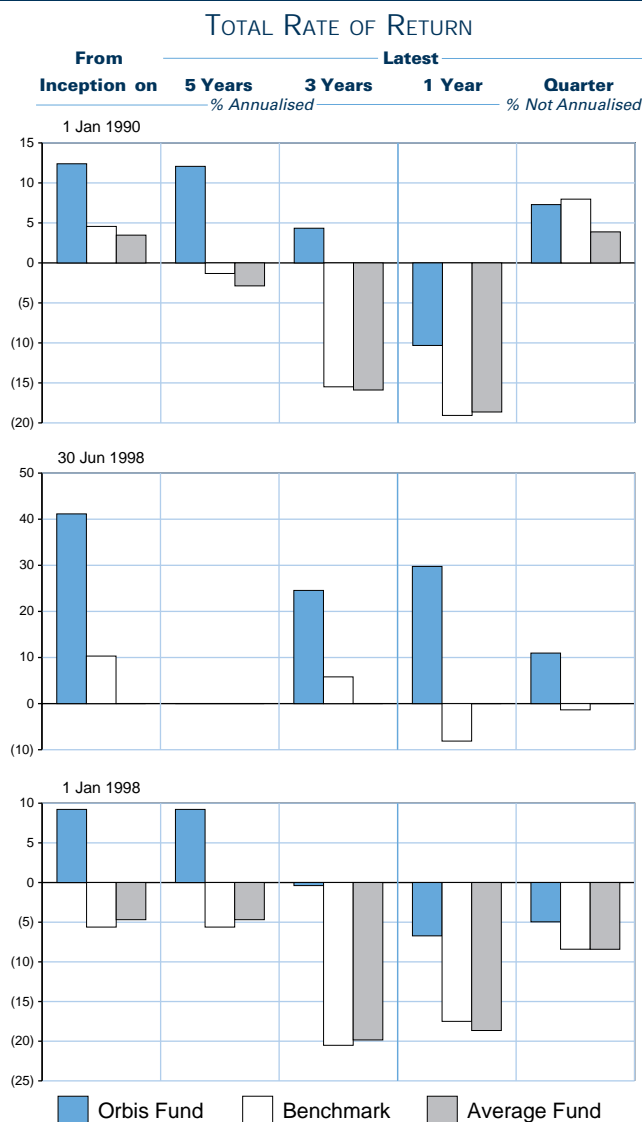
This Fund invests globally and seeks to earn higher returns than world stockmarkets. The Fund's Benchmark is the FTSE World Index, including income ("World Index"). The Fund's currency exposure is managed relative to that of the World Index.

ORBIS AFRICA EQUITY (RAND) FUND

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

ORBIS JAPAN EQUITY FUND

This Fund invests in Japanese equities. The 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. This Fund is also available in euro and US dollars.



"Average Fund" is the Average Global Equity Fund or the Average Japan Equity Fund, as applicable. Average Fund source: Standard & Poor's sector index return. Orbis Africa is not compared with other South Africa funds because its sector comprises no other funds. Orbis Japan Equity Fund is the Yen class of the Japan Equity Fund of the Orbis SICAV. Prior to 29 November 2002, this Fund was a B.V.I. company, Orbis Japan Equity (Yen) Fund Limited. The Orbis Japan (US\$) Fund is based on the same equity portfolio as the Orbis Japan Equity Fund and therefore is not shown separately above. Total rate of return on each graph is in the Orbis Fund's base currency.

Only Orbis SICAV is admitted for public marketing in Luxembourg

PRESIDENT'S LETTER

Dear Shareholder,

Although only Orbis Africa was profitable, all the Orbis Equity Funds handsomely outperformed their Benchmarks and peer groups in 2002 continuing their track record of providing higher returns (as shown opposite) with a lower risk of loss. The strength of their performance, and the investment process which supports it, has allowed the Global, Africa and Japan Funds to earn Standard & Poor's Fund Research Ratings of AAA, AAA and AA, respectively.

It is common for investors to categorise equity funds and their managers in terms of investment style, such as growth or value and large, mid or small cap in concentration. While Orbis' investment philosophy has a very distinct and enduring style, it does not fit squarely in any of the popular categories. Our philosophy is not about investing in high or low growth, big or small or strong or weak companies. Instead, it is about investing in companies whose share prices underestimate the intrinsic value of the underlying company itself. While our investment philosophy does not change over time, the type of companies whose shares we consider undervalued does.

By implication, Orbis' equity portfolios should therefore not be expected to be heavily exposed to the shares of any one type of company consistently over time. Instead, we try to concentrate the Funds' holdings in the shares of companies whose prospects are currently most underestimated by investors. The key of course is therefore how well current investor sentiment reflects reality. While the consensus is often right, the real opportunities lie where the consensus is not optimistic enough, most often where the consensus is too pessimistic. Therefore, while we are not contrarian for the sake of it, investors should expect Orbis' portfolios to be consistently exposed to areas where others are relatively pessimistic. Consistently applying an effective and enduring investment approach is critical to achieving long-term superior returns. A consistent application of Orbis' investment approach will cause the Orbis Equity Funds to be invested in high growth companies at times and low growth companies at other times, depending on the investment consensus at the time and whether we believe that it is over or underestimating reality. This concept is explored further in the Orbis Global Fund's Manager's Report on page 2.

As we see global equity valuations today, our most noticeable bias would be in favour of the relatively neglected stockmarkets of Japan and emerging economies such as South Africa and Korea. We recognise the large and relatively unpredictable risks involved in taking a position on the future return of one stockmarket relative to another, particularly in the case of a stockmarket such as Japan's. This recognition causes us to contain the level of exposure to these positions in a fund such as Orbis Global, preferring to leave the decision to take an even greater exposure to those positions to investors themselves. The same observation applies in the case of currency positions. That is an important reason why we offer both the Orbis Global Equity Fund and the country-specific, currency-differentiated Orbis Japan and Orbis Africa Funds. Adding a euro class of the Japan Fund, as we did on the first of January this year, allows our investors further flexibility in this regard by allowing them to have the benefit of our Japanese share selection while hedging the yen exposure into euro.

Yours sincerely,


William B Gray

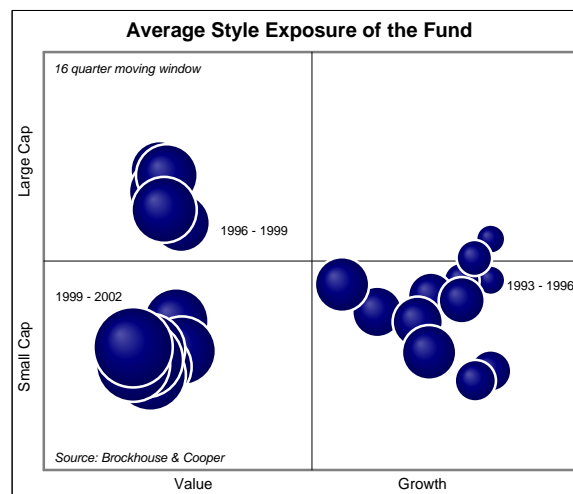
Hamilton, Bermuda
21 January 2003

ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2002

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	12.4	12.1	4.3	(10.3)	7.3
World Index	4.6	(1.3)	(15.5)	(19.1)	8.0
Average Global Equity Fund	3.5	(2.9)	(15.9)	(18.6)	3.9

The President's letter discusses the fact that a consistent application of Orbis' investment philosophy will cause the positioning of its investment portfolios to change over time when it comes to the traditional style measures. We thought we would take this opportunity to illustrate how the positioning of the Fund's portfolio has changed over time using these measures, its current positioning and the implications for the immediate future. The graph below is used by a consultant who specialises in investment manager searches. It estimates the average style exposure of a fund over the prior four years by measuring the similarity of the fund's four-year trailing performance with various style indices and shows how this changes over time. A portfolio whose performance was most similar to a small cap value index would be placed in the bottom left quadrant, one whose performance was most similar to a large cap growth index in the top right quadrant and so forth. The graph covers the ten-year period ended 31 December 2002, plotting the style positioning of the Fund each quarter with a blue dot. The smallest blue dot represents the positioning for the four years to December 1996 and the largest blue dot to December 1996 and the largest blue dot to December 2002. We have labelled the dots that represent the four-year periods ended 1996, 1999 and 2002.

From the graph, it is clear that the Fund's portfolio has, as expected, experienced a significant shift in the type of companies in which it was invested over time. The strength of the Fund's investment philosophy and approach is illustrated by the fact that, despite being based on individual stock selections, the Fund's portfolio has been



invested in the areas of the market that have subsequently been relatively rewarding – growth stocks in the early 1990s, mid cap growth stocks in the mid 1990s and large cap and subsequently mid to small cap value stocks in the late 1990s and early 2000s.

Of course, the measure plotted on the graph for 31 December 2002 reflects the performance of the portfolio over the prior four years. Our internal measures indicate the Fund's current portfolio does not have a large value or growth bias, while it retains a mid to small cap bias. As shown opposite, also noticeable is the Fund's overweighting of Japanese stocks at the expense of US stocks. The Fund's current lack of style bias relative to the Fund's past should, all else equal, cause its relative performance to be comparatively stable.

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 2002

STATEMENT OF NET ASSETS

Shares Held 000's	Equity	Market Value US\$ 000's	Fund's % Equities	Exposure to Currencies	% of World Index
	United States		31	35	55
6,720	Clayton Homes	81,850	6		
3,770	CarMax Group	67,408	5		
3,660	General Motors - H	39,162	3		
4,250	Liberty Media - A	37,995	3		
1,380	Trinity Industries	26,165	2		
3,220	Circuit City Stores	23,892	2		
480	Loews	21,341	2		
440	Tecumseh - A	19,417	2		
1,630	Copart	19,299	1		
3,370	AT&T Wireless Services	19,040	1		
1,830	AVX	17,934	1		
	Positions less than 1%	35,602	3		
	Europe		27	39	29
3,100	Bayerische Hypo-und Vereinsbank	49,536	4		
5,250	Scottish & Newcastle	39,228	3		
19,470	Royal & Sun Alliance Insurance	37,901	3		
3,330	Boots	31,458	3		
5,480	WH Smith	31,318	2		
4,840	RMC Group	28,635	2		
2,450	Oce	27,009	2		
2,760	Associated British Foods	26,163	2		
330	Hornbach Holding - Preference	16,350	1		
	Positions less than 1%	66,107	5		
	Japan		25	8	8
2,890	Yamada Denki	60,948	4		
2,750	Pioneer	51,513	4		
3,130	Softbank	35,706	3		
5	Millea Holdings	33,159	3		
1,620	Denso	26,555	2		
570	Honda Motor	21,067	2		
1,040	Shimachu	21,014	2		
420	Matsumotokiyoshi	19,589	1		
700	Toyota Motor	18,800	1		
2,380	Sumitomo Forestry	13,144	1		
	Positions less than 1%	30,392	2		
	Emerging Markets and Other		15	3	6
520	Samsung Electronics - Preference	65,784	5		
5,180	Sasol	63,464	5		
870	Naspers ADR - N	23,490	2		
1,260	Gold Fields	17,628	2		
520	Anglogold	17,626	1		
	Position less than 1%	2,214	-		
	Canada		2	15	2
250	Fairfax Financial Holdings	19,246	2		
	Net Current Assets	3,104	-		
	Net Assets (Cost US\$ 1,360,357)	1,307,253	100	100	100
	Net Asset Value per Share	US\$ 45.63	28,650,149 shares issued		
	(At 31 December 2001: US\$ 50.88; 20,209,823 shares issued)				

See accompanying notes on page 8

ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2002

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	3 Years	Latest 1 Year	Quarter
	<i>% Annualised</i>			<i>% Not Annualised</i>
Orbis Africa Equity	41.2	24.6	29.8	11.0
JSE Index	10.3	5.8	(8.1)	(1.4)
<i>% change in the US dollar value of the rand</i>	<i>(7.7)</i>	<i>(10.5)</i>	<i>39.7</i>	<i>22.9</i>

Note: Orbis Africa Equity is not compared with the offshore sector index for South Africa funds because the sector comprises no other funds.

2002 was a vintage year for Orbis Africa. Not only did the Fund outperform its benchmark JSE Index by 38 percentage points, but investors also received the bonus of a strongly appreciating rand. Against the backdrop of very weak international markets, this exceeded even our own bullish forecasts at the beginning of the year. We have to caution investors, though, that both 2002 and the last four and a half years have been exceptional. While we believe our abilities in South Africa have only grown, returns in excess of 30% per annum above the JSE Index are not sustainable.

The major feature of the South African investment scene over the past 18 months has been the rand exchange rate. After collapsing in late 2001 and losing almost two-thirds of its value against the US dollar since 1996 (even after adjusting for inflation differentials), the rand staged a dramatic turnaround in 2002 and appreciated from R12.00 per dollar at the start of the year to R8.57 by 31 December. We have little ability to forecast exchange rates and therefore avoid making investment decisions based on such predictions as much as possible. However, large moves in economic variables often lead to opportunities, since the market often tends to overreact to such moves.

After a decade of dismantling trade barriers and tariffs, South Africa has a fairly open economy. The weak currency thus resulted in a massive increase in inflation to 14.5% per annum as even domestic producers compete directly with imports. This has pushed the prime overdraft lending rate up to 17% per annum. Even if the currency returns to its old lows, inflation will come down dramatically over the next year. Before the currency collapse, inflation averaged around 6% per annum. If the rand holds on to its gains, inflation may drop well below this number, perhaps even getting close to zero. This leaves huge scope for cuts in interest rates as inflation heads lower.

Consumer shares have been and will be the prime beneficiary of this backdrop. The earnings of the retail shares, in which your Fund is very overweight, exceeded even our optimistic forecasts. The potential for lower interest rates for a significant time to come would support these positive fundamentals going forward. We have thus been intentionally slow in reducing the Fund's exposure to the retailers despite spectacular gains in the prices of these shares. A lowering of the effective long-term discount rate should also be beneficial for shares with the ability to show above average growth in earnings over the long term. After the extended bear market in financial and industrial shares, our research is uncovering companies with strong competitive advantages, good management and strong financial positions at very reasonable prices. We shall look to add such companies to the Fund's portfolio in 2003.

<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>	<i>Stephen Mildenhall</i>
MANAGER	Orbis Investment Management Limited	INVESTMENT ADVISORS	Orbis Investment Advisory Limited Allan Gray Limited	CUSTODIAN	The Bank of Bermuda Limited

ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2002

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 & Cyclical Services		48	20
938	Edgars Consolidated Stores	47,833	6	
1,678	Kersaf Investments	44,648	6	
1,582	Naspers	37,332	5	
3,029	Foschini	34,526	4	
6,451	Woolworths Holdings	33,224	4	
2,677	Allied Electronics - Preference	22,060	4	
667	and Common	5,832		
2,772	New Clicks Holdings	19,403	3	
1,123	Johnnic Communications	16,514	2	
3,828	Dimension Data Holdings	14,586	2	
2,659	Comparex Holdings	14,093	2	
3,138	Primedia 'N'	12,550	2	
760	and Common	3,620		
6,302	FrontRange	10,714	1	
1,326	Rebserve Holdings	10,201	1	
5,005	Sun International	9,760	1	
1,455	Mr Price Group	8,728	1	
	Positions less than 1%	28,813	4	
	Resources		30	46
1,350	Anglovaal Mining	53,333	7	
5,004	Avgold	52,545	6	
1,168	Western Areas	51,376	6	
429	Sasol	45,077	6	
1,115	Northam Platinum	21,400	3	
110	Anglo American	13,877	2	
	Position less than 1%	1,234	-	
	Financials		15	24
691	Coronation - 'N'	35,919	5	
53	and Common	2,705		
7,203	Real Africa Holdings	32,774	4	
996	Standard Bank Investment	30,023	4	
2,583	AMB Holdings	14,980	2	
	Non-Cyclicals		7	10
409	Tiger Brands	29,221	4	
2,173	Shoprite Holdings	15,431	2	
1,190	Illovo Sugar	9,635	1	
	Net Current Assets	1,777	-	
	Net Assets (Cost R 621,421) <i>(Currency exposure 100% rand)</i>	785,744	100	100
	Net Asset Value per Share	R 225.49	3,484,579 shares issued	
	(At 31 December 2001: R 174.20; 4,032,485 shares issued)			

See accompanying notes on page 8

ORBIS JAPAN EQUITY (US\$) FUND AT 31 DECEMBER 2002

Total Rate of Return in US dollars:	From Inception	3 Years	Latest	Quarter
	on 12 Jun 1998	% Annualised		% Not Annualised
Orbis Japan Equity (US\$)	8.6	4.2	(4.8)	(4.5)
TOPIX Hedged	(2.3)	(17.1)	(16.0)	(8.1)
% change in the yen value of the US dollar	(4.2)	5.1	(9.7)	(2.5)

Orbis Japan Equity (US\$) was formed to serve investors who wish to invest in Japanese equities while remaining exposed to the dollar. As shown in the Statement of Net Assets below, the Fund's entire equity exposure comprises shares in the Luxembourg domiciled Orbis SICAV - Japan Equity Fund - Yen Class. Given this, we refer regular readers to the Orbis SICAV - Japan Equity Fund report on page 12. A further difference between the Funds is that the US\$ Fund is Bermuda domiciled and regulated whereas the Orbis SICAV is Luxembourg based and regulated. First time readers may find it informative to also read the text in italics below.

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 SICAV - Japan Equity Fund - Yen Class when their returns are likewise expressed in dollars. The returns on Orbis Japan Equity (US\$) in dollars approximate those on the Orbis SICAV - Japan Equity Fund - Yen Class 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
40,970	Orbis SICAV - Japan Equity Fund Class A Yen shares	536,011	101
	Net Current Liabilities	(5,333)	(1)
	Net Assets (Cost US\$ 568,047)	530,678	100
	Net Asset Value per Share	US\$ 14.55	36,478,445 shares issued
	(At 31 December 2001: US\$ 15.28; 19,123,149 shares issued)		

DEPLOYMENT

		% of Fund
Stockmarket exposure	Japan	101
Currency exposure	US dollar	100

See accompanying notes on page 8

DIRECTORS

Allan W B Gray, Chairman

John C R Collis

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 (US\$)	
	US\$		R		US\$	
For the Years Ended 31 December:	2002	2001	2002	2001	2002	2001
Investment Income:	20	13	34	13	-	-
Dividends	20	13	34	13	-	-
Expenses:	31	24	24	13	-	-
Managers' Fees	30	23	22	12	-	-
Custodians' Fees and Other	1	1	2	1	-	-
Net Investment Income (Loss)	(11)	(11)	10	-	-	-
Net Gain (Loss) from Investments and Currencies:	(110)	159	207	144	(35)	(21)
Realised	(11)	103	174	66	(32)	41
Unrealised	(99)	56	33	78	(3)	(62)
Net Increase (Decrease) in Net Assets Resulting from Operations	(121)	148	217	144	(35)	(21)
Members' Activity During the Year:						
Subscriptions:						
Orbis Funds	546	431	189	258	367	184
Other Members	215	73	39	65	40	3
Switches Between Funds	15	8	4	-	136	103
Redemptions:						
Orbis Funds	(213)	(329)	(287)	(19)	(180)	(95)
Other Members	(18)	(1)	(67)	(18)	(40)	(1)
Switches Between Funds	(145)	(24)	(9)	(8)	(49)	(5)
Dividends declared and paid	-	(1)	(2)	(3)	-	-
Increase in Net Assets	279	305	84	419	239	168
Net Assets at Beginning of Year	1,028	723	702	283	292	124
Net Assets at End of Year	1,307	1,028	786	702	531	292

See accompanying notes on page 8

General

Orbis Japan Equity (US\$) Fund transferred its registered office and domicile from the British Virgin Islands to Bermuda on 29 November 2002.

Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles 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 market values. Investments in Orbis Funds are valued at their year-end Net Asset Value per share, while other marketable securities are valued at their closing prices. 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 7 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. Translation exchange gains and losses are included in the Statement of Operations.

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.

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Current Assets. Net current assets (liabilities) include primarily unrealised gains (losses) on forward currency contracts, cash, amounts due to (from) brokers, due to shareholders and other miscellaneous accounts receivable and payable, the individual amounts of which are not significant in relation to the total net assets of the Fund.

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 2001. Fund shares participate pro rata in their Fund's net assets and dividends, and are redeemable and 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 (US\$)	US\$ 1	100 million	12,000

Fund share transactions, in thousands of shares, were as follows:

	Orbis Global Equity		Orbis Africa Equity (Rand)		Orbis Japan Equity (US\$)	
	2002	2001	2002	2001	2002	2001
Balance at beginning of year	20,210	16,788	4,033	2,255	19,123	8,198
Subscriptions						
Orbis Funds	11,375	9,002	993	1,657	23,532	11,055
Other Members	4,239	1,470	197	411	2,611	179
Switches Between Funds	329	152	20	-	8,731	5,864
Redemptions						
Orbis Funds	(4,215)	(6,656)	(1,383)	(120)	(11,508)	(5,815)
Other Members	(384)	(29)	(331)	(121)	(2,671)	(97)
Switches Between Funds	(2,904)	(517)	(44)	(49)	(3,340)	(261)
Balance at end of year	28,650	20,210	3,485	4,033	36,478	19,123

Dividends have been declared in respect of the Fund shares as follows.

Fund	Period Ended	Declaration Date	Payment Date	Total Amount 000's	Amount per Share
Orbis Africa	2002	21 January 2003	24 January 2003	R 10,472	R 3.00
Orbis Africa	2001	11 March 2002	14 March 2002	R 1,790	R 0.44

Material Contracts

At year-end the following Funds had forward currency contracts settling on 13 June 2003 having net contract and net market values as set out below. As these contracts expose the Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract, the Orbis Funds deal only with counterparties which have investment grade ratings from a recognised rating agency. 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 can be netted.

	Contract Value US\$ 000's	Market Value US\$ 000's	Unrealised Loss US\$ 000's
Orbis Global Equity	(52,158)	(52,471)	(313)
Orbis Japan Equity (US\$)	(534,857)	(541,710)	(6,853)

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 (US\$) is Orbis Investment Management (B.V.I.) Limited. Each of Orbis Global Equity and Orbis Africa Equity (Rand) pay a Manager’s fee which can vary between 0.5% 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 Sicav - Japan Equity Fund, it indirectly bears a portion of that Fund’s management fee. At the year-end the management fee payable by Orbis Global Equity was US\$ 3,036,000 (2001 - \$2,212,000) and by Orbis Africa Equity (Rand) was R 1,760,000 (2001 - R 1,491,000).

At the year-end other Orbis Funds held 21,510,000 shares (2001 - 14,350,000) in Orbis Global Equity, 2,610,000 shares (2001 - 3,000,000) in Orbis Africa Equity (Rand), and 25,216,193 shares (2001 - 13,084,653) in Orbis Japan Equity (US\$). Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis Funds and of their Managers and Investment Advisors, held 2,607,039 shares in Orbis Global Equity (2001 - 2,148,146), 15,084 shares in Orbis Africa Equity (Rand) (2001 - 5,430), and 6,837,062 shares in Orbis Japan Equity (US\$) (2001 - 5,756,110) excluding their indirect holdings via other Orbis Funds.

Comparative Figures

Certain of the comparative figures have been reclassified in order to conform with current year presentation.

AUDITORS' REPORT

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

We have audited the Statements of Net Assets of the Funds (companies incorporated with limited liability in Bermuda) on pages 3, 5 and 6 as at 31 December 2002, the related Statements of Operations and Changes in Net Assets on page 7 and the accompanying notes on pages 8, 9 and 10 for the year 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. The financial statements of the Funds as at 31 December 2001 and for the year then ended were audited by other auditors who have ceased operations and whose report dated 21 January 2002 expressed an unqualified opinion on those statements.

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 2002, 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 2002 and the results of their operations and the changes in their net assets for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

Hamilton, Bermuda
21 January 2003


Ernst & Young
Chartered Accountants

JAPAN EQUITY FUND - YEN CLASS AT 31 DECEMBER 2002

Total Rate of Return In Japanese yen:	From Inception	3 Years	Latest	Quarter
	on 1 Jan 1998	% Annualised		% Not Annualised
Orbis Japan Equity Fund - Yen Class*	9.2	(0.1)	(6.7)	(5.0)
TOPIX	(5.6)	(20.5)	(17.5)	(8.4)
Average Japan Equity Fund	(4.7)	(19.8)	(18.7)	(8.4)
% change in the US dollar value of the yen	1.9	(4.9)	10.8	2.5

* Prior to 29 November 2002 this was Orbis Japan Equity (Yen) Fund Limited

In Japan, shares clearly offer better fundamental value than bonds or cash. The 1.1% pa dividend yield on the TOPIX exceeds the 0.82% pa yield on 10-year Japanese government bonds (“JGBs”) for only the second time in over 30 years. Substantial retained earnings are likely to bring about higher dividends in future, particularly since in 2003 the top marginal tax rate on dividends is expected to be reduced significantly to 10% for the next 5 years and 20% thereafter. We concur with the general expectation that corporate profits will increase in 2003, as in 2002. We suspect that recently announced transactions in the shares of Japanese listed companies by multi-nationals such as Roche, Merck and Goldman Sachs are at least partly motivated by the value they perceive.

Despite offering compelling value relative to other investments in Japan, shares continue their 13-year decline because of the preponderance of sellers. Foremost are domestic banks, which are forced to sell in order to comply with their regulator’s demand that their shareholdings not exceed their Tier 1 capital by September 2004. Japanese life insurers are also consistent sellers of shares, as they cannot afford the risk of a further decline in the TOPIX given their dire financial position. Even the over-capitalised and profitable short-term insurers are selling shares and buying JGBs for no apparent reason other than the herd-like mentality of the conformist Japanese.

Meanwhile a crazy unsustainable boom in bonds has depressed yields on 20 and 30 year JGBs to 1.28% and 1.43% per annum, respectively. Japan-based investors are obviously convinced of prolonged deflation. Consequently most analysts are forecasting very low corporate revenue and profit growth over the next five years, further depressing share prices. Thus momentum investing in both bonds and shares thrives in Japan today. This presents an opportunity for fundamentally driven investors such as Orbis. While we at Orbis have no crystal ball, our experience of investment cycles, of booms and busts, of fashions and fads and the behaviour of crowds leads us to believe that JGBs are extremely overvalued and vulnerable, and that shares are extremely attractive relative to bonds and offer good value relative to global equities. We are convinced that it is only a matter of time before share and bond prices revert to more normal levels.

We believe the man in the street holds the key to Japan’s economic and stockmarket recovery. Consumption has been resilient, as massive Japanese household savings have rightly been drawn upon in the current economic adversity. At 30 September 2002, Japanese households had only 6.7% of their financial assets directly invested in shares compared with 30.8% for US households. As Japanese individuals own about 20% of all Japanese shares, were they to share US enthusiasm for shares the Japanese stockmarket would be transformed. Herein lies the strength and lure of Japan. The Fund’s added appeal is that its portfolio of fundamentally attractive shares has been selected with the goal of continuing to outperform the Japanese stockmarket.

<i>DIRECTORS</i>	<i>Allan W B Gray, Chairman</i>	<i>Germain Birgen</i>	<i>John C R Collis</i>	<i>William B Gray</i>	<i>David T Smith</i>
MANAGER	Orbis Investment Management (B.V.I.) Limited	INVESTMENT ADVISOR	Orbis Investment Management Limited	CUSTODIAN	State Street Bank Luxembourg S.A.

JAPAN EQUITY FUND - YEN CLASS AT 31 DECEMBER 2002

STATEMENT OF NET ASSETS

Shares Held 000's	Equity <i>(Ranked by sector)</i>	Market Value ¥ 000's	% of Fund	% of TOPIX
	Cyclicals		34	38
1,190	Toyota Motor	3,796,100	5	
830	Honda Motor	3,643,700	5	
1,370	Denso	2,667,390	4	
710	Sankyo (machinery)	2,098,050	3	
2,590	NGK Spark Plug	1,989,120	3	
1,040	Toyota Industries	1,856,400	2	
680	Daito Trust Construction	1,785,000	2	
4,570	Okumura	1,750,310	2	
1,700	Sumitomo Forestry	1,115,200	1	
1,630	Mitsubishi Logistics	943,770	1	
2,840	Keisei Electric Railway	891,760	1	
	Positions less than 1%	3,770,142	5	
	Consumer Non-Durables		33	21
1,720	Yamada Denki	4,308,600	5	
2,860	Softbank	3,875,300	5	
1,570	Shimachu	3,768,000	5	
1,280	Taisho Pharmaceutical	2,233,600	3	
370	Matsumotokiyoshi	2,049,800	3	
11	Yoshinoya D&C	2,000,240	3	
530	Tsuruha	1,216,350	1	
1,310	Mikuni Coca-Cola Bottling	1,061,100	1	
830	Santen Pharmaceutical	916,320	1	
750	Banyu Pharmaceutical	835,500	1	
	Positions less than 1%	3,989,843	5	
	Financials		17	13
23	UFJ Holdings	2,703,960	4	
3	Millea Holdings	2,471,476	3	
4,410	Mitsubishi Securities	2,147,670	3	
3,290	Mitsui Sumitomo Insurance	1,796,340	2	
3,340	Japan Securities Finance	1,299,260	2	
	Positions less than 1%	2,600,383	3	
	Technology		14	16
2,120	Pioneer	4,717,000	6	
970	Olympus Optical	1,875,980	2	
980	Nichicon	1,345,540	2	
2,150	Citizen Watch	1,137,350	1	
	Positions less than 1%	2,273,943	3	
	Utilities		2	12
5,130	Toho Gas	1,544,130	2	
	Net Current Assets	121,105	-	
	Net Assets (Cost ¥85,221,147) <i>(Currency exposure 100% yen)</i>	78,595,732	100	100
	Net Asset Value per Class A ¥ Share	¥ 1,554	50,563,946 shares issued	
	<i>(At 31 December 2001: ¥ 1,666; 23,448,760 shares issued)</i>			

See accompanying notes on page 14

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS (MILLIONS)

Base Currency:	Orbis Japan Fund Yen Class	
	¥	
For the Years Ended 31 December:	2002	2001
Investment Income:	548	335
Dividends	548	335
Expenses:	1,512	785
Manager's Fees	1,456	752
Custodians' Fees and Other	56	33
Net Investment (Loss)	(964)	(450)
Net (Loss) from Investments	(4,926)	(3,195)
Realised	(3,184)	(826)
Unrealised	(1,742)	(2,369)
Net (Decrease) in Net Assets Resulting from Operations	(5,890)	(3,645)
Shareholders' Activity During the Year:		
Subscriptions:		
Orbis Funds	48,171	32,856
Other Shareholders	4,656	200
Switches Between Funds	6,758	39
Redemptions:		
Orbis Funds	(12,288)	(4,341)
Other Shareholders	(63)	(96)
Switches Between Funds	(1,816)	(5)
Increase in Net Assets	39,528	25,008
Net Assets at Beginning of Year	39,068	14,060
Net Assets at End of Year	78,596	39,068

NOTES TO THE AUDITED FINANCIAL STATEMENTS AT 31 DECEMBER 2002

General

Orbis Sicav (the "Company"), formerly Orbis Japan Equity (Yen) Fund Limited was formed on 29 November 2002 following the amalgamation of Orbis Japan Equity (Yen) Fund Limited and Orbis Japan Core Equity Fund Limited, companies incorporated in the British Virgin Islands on 23 December 1997, and the transfer of its registered office to Luxembourg. The Company qualifies as an open-ended investment company with variable capital (Société d'Investissement à Capital Variable ("SICAV")), with limited liability under Part I of the Luxembourg law of 30 March 1988 on undertakings for collective investment.

The Company is structured as an umbrella fund, providing both individual and institutional investors with an opportunity to invest in a variety of Funds. At 31 December 2002 the Company consisted of the Japan Equity Fund – Class A Yen shares and the Japan Core Equity Fund – Class I shares.

This abridged version of the annual report of Orbis SICAV - Japan Equity Fund (the “Fund”) does not contain details of securities representing less than 1% of the net assets of the Fund. A complete version of the annual report is available upon request and free of charge at the registered office of the Company.

The Statement of Operations and Changes in Net Assets includes the results of Orbis Japan Equity (Yen) Fund Limited for the period from 1 January to 29 November 2002 and for the year ended 31 December 2001.

Significant Accounting Policies

These financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements and under the historical cost convention as modified to include the revaluation of investments.

Investments. Investments are recorded as of the trade date and are stated at their market values based on their closing prices. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations.

Foreign Currency Translation. Assets and liabilities denominated in currencies other than the Fund’s Base Currency are translated into the Base Currency using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Base Currency at the exchange rates prevailing at the dates of the transactions. Translation exchange gains and losses are included in the Statement of Operations.

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. All expenses which can be allocated directly to individual share classes will be charged to those share classes. Expenses which do not relate specifically to a particular share class are allocated between the share classes pro rata to their Net Asset Values.

Financial Statements. Financial statements are presented in the Base Currency of the Fund.

Taxes

Under current law and practice, the Company is not liable to Luxembourg taxes on income or capital gains, nor are dividends paid by the Company liable to any Luxembourg withholding tax. Income and capital gains on the Company’s investments, however, may be subject to withholding or capital gains taxes in certain countries.

From 29 November 2002 the Company is liable in Luxembourg to a tax (taxe d’abonnement) on the net assets attributable to its Class A shares of 0.05% per annum such tax being payable quarterly and calculated on the net assets of the share class at the end of each calendar quarter.

For the period to 29 November 2002 there were no Bermuda or British Virgin Islands income, profit, capital, capital gains, estate or inheritance taxes payable by the Company or its Shareholders, other than Shareholders ordinarily resident in the British Virgin Islands, in respect of shares of the Company. The Bermuda Government has undertaken that in the event that any such taxes are levied in Bermuda in the future, the Company and its Shareholders will be exempt from such taxes until 28 March 2016.

ORBIS SICAV

Custodian's Fees

The Custodian's fees are payable monthly and are based on the invested assets of the Fund as of each weekly Valuation Date. Custodian's fees and related charges for the year amounted to ¥ 31,589,817.

Directors' Fees and Expenses

There are no existing or proposed service contracts between any of the Directors and the Company. The Shareholders have approved a Director's fee to Mr Collis for 2002 of US\$6,000. No other Directors have received any remuneration or other direct benefit material to them.

Related Party Transactions

Total fees due to Bank of Bermuda (Luxembourg) S.A. (the Company's co-promoter) and its affiliates in respect of administration and other services for the year amounted to ¥ 21,026,681 of which ¥ 17,474,714 was payable at the year-end.

The Fund pays the Investment Manager a fee which can vary between 0.5% and 2.5% per annum of weekly net assets, determined by the Fund's Yen Class rate of return versus its benchmark.

At the year-end other Orbis Funds held 44,745,325 Class A shares in the Fund. Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis Funds and of their Managers and Investment Advisors, held 5,446,775 Class A shares excluding their indirect holdings via other Orbis Funds.

Certain of the Company's Directors also act as executives and directors of related companies.

Subsequent Event

On 1 January 2003, a Euro A Class was launched in the Fund.

AUDITORS' REPORT

To the Shareholders of
Orbis SICAV - Japan Equity Fund

We have reviewed the accompanying abridged financial statements of Orbis SICAV - Japan Equity Fund for the year ended 31 December 2002 and report that these abridged financial statements are consistent with the full financial statements of the Orbis SICAV - Japan Equity Fund on which we issued an unqualified opinion dated 21 January 2003.

ERNST & YOUNG
Société Anonyme
Réviseur d'Entreprises



M Ferguson

Luxembourg
21 January 2003

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 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 16 April 2003 at 10:30 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 23 April 2002
- Review of audited financial statements in the 2002 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 2003 of US\$10,000 to Mr Thomson for Orbis Global Equity and US\$10,000, US\$4,000 and US\$1,000 to Mr Collis for Orbis Global Equity, Orbis Africa Equity (Rand) and Orbis Japan Equity (US\$), respectively
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2003

By Order of the Boards, James J Dorr, Secretary

In accordance with Luxembourg law, notice of the Annual General Meeting for the Orbis SICAV will be sent to Shareholders shortly prior to the scheduled date of the meeting on 30 April 2003.

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 2001. The Directors intend to apply for such certification for fiscal 2002 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 2002 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. Orbis Fund share prices will fluctuate and are not guaranteed. Orbis Investment Management (B.V.I.) Limited is licensed to conduct investment business by the Bermuda Monetary Authority.

We invite you to visit our website, orbisfunds.com, where you may 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.



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