

ANNUAL  
**REPORTS**  
31 DECEMBER 2008



ORBIS GLOBAL  
ORBIS AFRICA  
ORBIS ASIA EX-JAPAN  
ORBIS JAPAN



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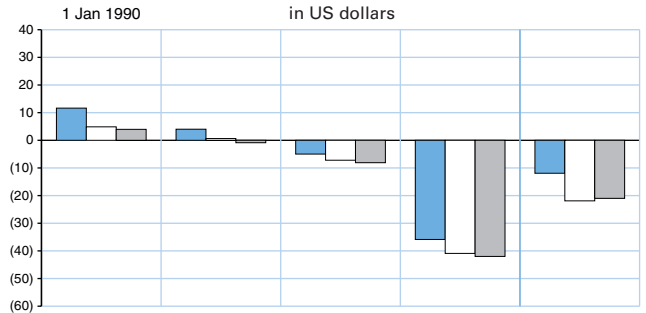
*Chart Data (Overleaf).* Orbis Africa is not compared with the Average South Africa Equity Fund because the offshore sector includes insufficient comparables. Orbis Japan Equity Fund is the Yen Class of the Japan Equity Fund of the Orbis SICAV. The Orbis Japan (US\$) Fund and the Euro Class of the Japan Equity Fund of the Orbis SICAV are based on the same equity portfolio as the Orbis Japan Equity Fund, and therefore are not shown separately. Total rate of return on each graph is in the Orbis Fund's base currency.

TOTAL RATE OF RETURN

From Inception on Latest  
 5 Years 3 Years 1 Year Quarter  
 % Annualised % Not Annualised

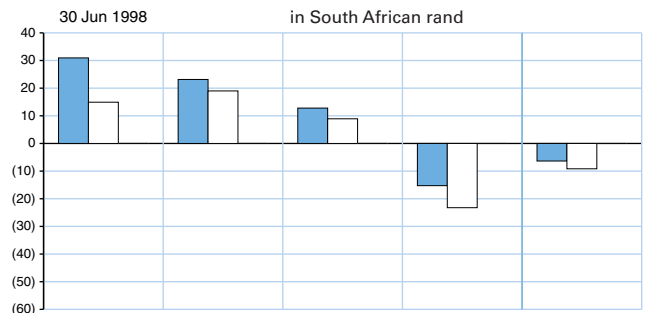
ORBIS GLOBAL EQUITY FUND

This Fund invests in equities 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.



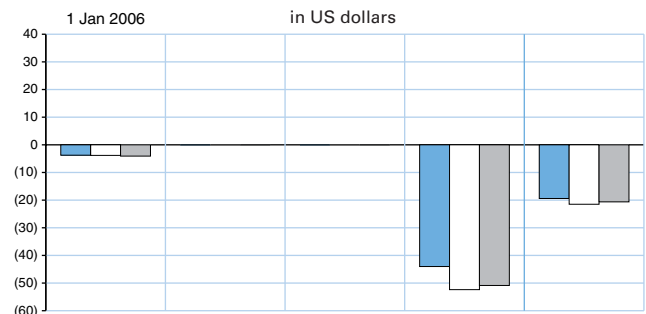
ORBIS AFRICA EQUITY (RAND) FUND

This Fund invests mainly in 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.



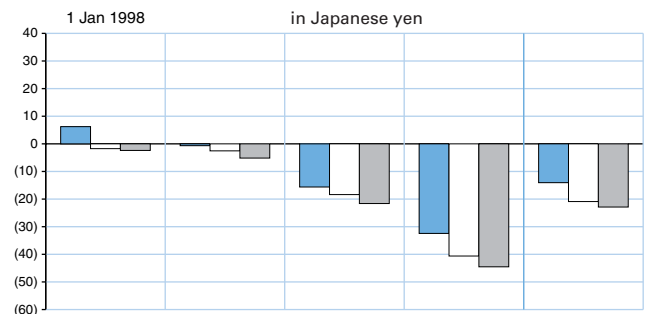
ORBIS ASIA EX-JAPAN EQUITY FUND

This Fund invests mainly in Asian equities outside Japan, and seeks to earn higher returns than the average of the Asia ex-Japan equity markets. The Fund's Benchmark is the MSCI All Country Asia ex Japan (Net) (US\$) Index, including income ("MSCI Asia ex-Japan Index"). The Fund's currency exposure is managed relative to that of its Benchmark.



ORBIS JAPAN EQUITY FUND

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



Orbis Fund Benchmark Average Fund in Sector

## PRESIDENT'S LETTER

Dear Member,

The Orbis Equity Funds all fell significantly in 2008, although by noticeably less than their Benchmark indices. While just “losing less than the next guy” when markets fall does not translate into money you can spend, losing less in bear markets is a significant contributor to producing higher absolute returns in the long term. As we all know, losing nothing compared to losing 50% leaves you not with 50% more, but with 100% more.

Members of the Orbis Global, Japan, Asia ex-Japan and Africa Equity Funds ended the year with their investment worth 8.5%, 13.8%, 17.6% and 10.4% more than if they had invested in the Funds' respective Benchmarks. While the Funds declined by less than their Benchmarks, the Funds didn't avoid losses the way they had during the 2000-2002 stockmarket decline. We believe this was however more a result of a comparative lack of opportunity than a result of lack of skill. Over 2000-2002, while world stockmarkets declined by 41%, in fact 34% of shares in the World Index rose over that same period, offering significant opportunity to avoid losses. In sharp contrast, during 2008 stockmarkets declined by 40% and only 5% of shares in the World Index rose, offering little opportunity for the Orbis Equity Funds, which are required to remain fully invested in equities, to avoid losses.

We have always found it difficult expressing to Members how poorly or well we believe we have done. Our problem revolves around what Members should reasonably expect when compared to the goals and expectations we set for ourselves. We liken the issue of setting goals and expectations for ourselves to the situation facing high jumpers when the bar is set at a certain level. Have you noticed how high jumpers always seem to clear the bar by a little bit even as the bar is raised in the early parts of a competition? The higher the bar is set the higher they jump. Even more importantly, setting the bar seemingly unreasonably high creates the necessity to think about how to innovate, improve and fine-tune technique. Who would have thought of jumping over the bar backwards, the Fosbury flop technique, if it weren't for the drive to jump even higher, and win the 1968 Olympic Gold. The performance of the Orbis Equity Funds didn't meet the goals and expectations we set for ourselves given the environment, but we hope their performance in 2008 met or exceeded the reasonable expectations of Members. Whether for this reason or not, the Funds have retained the continued support of Members during 2008. As always, your loyal support is much appreciated by all of us at Orbis. At a time when many investment funds are facing significant net investor withdrawals we count ourselves fortunate to have a client base that allowed the Orbis Fund family to experience very little in terms of overall net redemptions for 2008, a year in which we severely constrained new member subscriptions.

Investor sentiment is negative and global equity prices have fallen by more than the intrinsic value of the underlying companies have declined, presenting a greater number of opportunities for contrarian, intrinsic value orientated investors such as Orbis. The substantial investment we have made in our investment team over the past few years has substantially increased our ability to assess those opportunities. So, while we have no strong view about the prospects for global equity prices in the short to medium term, the long-term return prospects are certainly more attractive than they have been in years. The Orbis Funds are privileged to have your support and we are excited about the opportunity to add value on your behalf.

Yours sincerely,



William B Gray

Hamilton, Bermuda  
16 January 2009

## ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2008

Total Rate of Return in US dollars:	From Inception			Latest	Quarter
	on 1 Jan 1990	5 Years % Annualised	3 Years	1 Year	% Not Annualised
<b>Orbis Global Equity</b>	<b>11.6</b>	<b>4.0</b>	<b>(5.0)</b>	<b>(35.9)</b>	<b>(11.9)</b>
World Index	4.9	0.6	(7.2)	(40.9)	(21.9)
Average Global Equity Fund	4.0	(0.9)	(8.1)	(42.0)	(21.0)

In what would have otherwise been a disappointing year for relative performance for your Fund, our longstanding views on currencies made a great contribution in preserving Members' purchasing power, enabling your Fund to end the year with 8.5% more than a comparable investment in the benchmark FTSE World Index. With currencies having made such a significant impact, this is perhaps a good time to review our currency management approach with you.

As the Fund is fully invested in shares that span the globe, it is a simple fact that it must be exposed to currencies. As such, decisions must be made about what currencies and how much of each. We prefer not to take significant positions in currencies, but stand ready to do so when we identify specific currencies that we believe are overvalued to the point of being vulnerable to significant devaluation and thus detracting from the Fund's purchasing power in the future. As with any investment, we tend to find the risks of extreme overvaluation in currencies where and when investors are most admiring and enthusiastic about them, and in recent years we found this condition in the British pound, euro and US dollar. Of course, in finding a suitable replacement currency, we look for the opposite – fear and loathing. We were certainly able to find that in the yen in recent years, where most investors, speculators, sovereign wealth funds and even the Japanese themselves actively shunned it.

In very large part, the market's aversion to the yen was driven by various forms of "carry trade", whereby in the "good times" run-up of the liquidity bubble, money could be borrowed in yen at very low rates and invested elsewhere at higher rates, providing the speculator the rate differential, or "carry". When the bubble burst, so did the factors that had boosted many currencies against the yen. As the reactionary credit crunch ensued, it became difficult to borrow to speculate, interest rates around the globe dropped, contracting the "carry" rate, and Japanese assets became a "bad times" safe haven. As the yen began to rise, yen "carry trade" speculators found the rate differential was overwhelmed by foreign exchange losses, and were forced to unwind their positions to buy back yen, which of course further strengthened the yen at the expense of the previously high-yielding currencies.

In the fourth quarter, after the pound, euro and yen all moved much closer to our assessment of their fair values, we significantly reduced the Fund's currency positions, bringing them into line with equity exposures at year-end and eliminating virtually all of the counterparty risk emanating from currency forward contracts. Although we believe this decision to be prudent, we would not be at all surprised to see those currencies extend their recent moves, especially since currencies tend to overshoot their fair values. Notably, we also recently lifted hedges that had been eliminating Korean won exposure after that currency's significant devaluation.

As can be seen in the Statement of Net Assets, Global still maintains very substantial geographic equity exposures to Asia, thus it remains overweight Asian currencies. Conversely, the Fund is underweight shares in the United States, the United Kingdom and the rest of Europe, and thus their respective currencies. While we expect the resultant currency mix to produce volatile short-term results due to the still large exposures, we believe that the exposure mix in Global is appropriately biased toward currencies most likely to maintain purchasing power and minimise risk of loss of capital over time.

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  
Citibank Canada

# ORBIS GLOBAL EQUITY FUND AT 31 DECEMBER 2008

## STATEMENT OF NET ASSETS

Number Held 000's	Security	Market Value US\$ 000's	Fund's % Exposure to Equities	Exposure to Currencies	% of World Index
	<b>North America</b>		<b>33</b>	<b>32</b>	<b>49</b>
19,798	Microsoft	384,866	5		
8,149	CVS Caremark	234,197	3		
12,383	Comcast - A	209,028	3		
11,061	Cisco Systems	180,290	3		
550	Google - A	169,305	2		
48,984	Micron Technology	129,317	2		
4,180	Archer Daniels Midland	120,497	2		
5,305	Tyco International	114,579	2		
10,661	SanDisk	102,346	2		
4,432	Legg Mason	97,110	1		
4,153	NRG Energy	96,889	1		
16,383	Reliant Energy	94,696	1		
1,853	WellPoint	78,071	1		
	Positions less than 1%	315,719	5		
	<b>Japan</b>		<b>30</b>	<b>31</b>	<b>11</b>
70,848	Mitsubishi UFJ Financial	429,026	6		
6,473	T&D Holdings	264,189	4		
3,437	Yamada Denki	234,283	3		
6,212	Sundrug	170,603	2		
103	Fuji Media Holdings	145,901	2		
855	SBI Holdings	127,801	2		
6,333	Nomura Research Institute	117,989	2		
958	Nippon Television Network	99,871	1		
23	Sumitomo Mitsui Financial	93,876	1		
4,597	DENSO	74,544	1		
	Positions less than 1%	418,207	6		
	<b>Europe</b>		<b>18</b>	<b>18</b>	<b>29</b>
6,865	Bayerische Motoren Werke	207,386	3		
82,956	Cable and Wireless	189,774	3		
20,501	Stora Enso - R	158,192	2		
3,707	SAP	130,775	2		
2,664	Dassault Systèmes	120,354	2		
2,425	Lagardère	98,304	1		
	Positions less than 1%	356,105	5		
	<b>Asia ex-Japan</b>		<b>15</b>	<b>15</b>	<b>5</b>
507	Samsung Electronics - Common	181,495	4		
402	and Preference	82,245			
166,046	Fubon Financial Holding - Common	120,925	2		
3,034	and GDR	20,782			
17,428	Singapore Airlines	136,990	2		
	Positions less than 1%	524,448	7		
	<b>Other</b>		<b>4</b>	<b>4</b>	<b>6</b>
2,988	AngloGold Ashanti - Common	80,129	1		
660	and ADR	18,280			
	Positions less than 1%	202,002	3		
	<b>Net Current Assets</b>	12,353	-		
	<b>Net Assets</b>	<b>7,143,739</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Net Asset Value per Share US\$ 80.97**

88,230,067 shares issued

(At 31 December 2007: US\$ 126.24; 86,278,689 shares issued)

See accompanying notes on page 13

## ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2008

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	Latest			
		5 Years % Annualised	3 Years	1 Year	Quarter % Not Annualised
<b>Orbis Africa Equity</b>	<b>30.9</b>	<b>23.1</b>	<b>12.8</b>	<b>(15.3)</b>	<b>(6.4)</b>
JSE Index	14.9	19.0	8.9	(23.2)	(9.2)
% appreciation of the rand versus the US dollar	(4.2)	(6.6)	(12.3)	(27.0)	(11.8)

*Note: Orbis Africa Equity is not compared with the Average South Africa Equity Fund because the offshore sector includes insufficient comparables.*

At first glance, the top five holdings in the Fund appear somewhat schizophrenic. MTN, SABMiller (discussed in the September commentary) and British American Tobacco are three relatively non-cyclical companies with strong franchises and reasonable growth prospects. The quality of these companies is partially, but not fully in our view, recognised by the market and their shares trade on premium price to earnings multiples.

AngloGold Ashanti (discussed in the June commentary) and Sappi are the antithesis of this. Both companies are, or have been, price-takers. They can certainly try to improve their production efficiencies and keep costs in check, but a large part of the variability in their annual profits depends on factors outside of their control, especially commodity prices and exchange rates. Both the gold mining and paper industries have in general allocated capital fairly poorly over the last decade or more, and most companies in these industries earn low returns on shareholders' capital.

Of course, the quality of any business, its competitive position and the sustainability of its free cash flows are important variables to consider in assessing its intrinsic value. But once that assessment of value has been made, we will buy shares in both good and poor quality businesses if we can buy the shares at an attractive discount to that intrinsic value.

We recently increased the Fund's position in Sappi by subscribing to the Sappi share offering. Although Sappi has its roots in South Africa and its primary listing is still on the JSE, it is now a multinational paper company with operations in North America (roughly 1.3 million tons of paper capacity), Europe (4.4 million tons) and South Africa (1.2 million tons of paper and 2 million tons of pulp).

The company, and its share price, have been dismal performers this decade as the industry's over-investment in new capacity at the turn of the millennium left paper makers with very little ability to pass on rapidly rising input costs to their customers. Profit margins have been squeezed, and inevitably some consolidation of the industry has begun.

The North American paper industry is a few years ahead of the European industry in this respect, and it is showing some signs of returning to more respectable profit margins and returns on capital. Sappi's recent acquisition of the European coated graphic paper business of M-real for €750 million, funded primarily from Sappi's recent share offering, may well be the spark that changes the dynamics of the European paper industry. Sappi is now the biggest producer of coated paper in Europe.

Sappi will undoubtedly continue to be challenged as it faces a global recession and slowing demand for paper with fairly high operating and financial gearing. Further capacity closures may well be required in Europe. However, on the positive side, the pressure on input costs should reverse with the rapid fall in commodity prices; the recent weakening of the euro and the rand is arguably in Sappi's favour and the newly commissioned chemical cellulose plant in South Africa has promising profit potential. Putting these shorter term considerations aside, we believe that Sappi is now attractively priced in relation to its normal or mid-cycle profits.

**DIRECTORS**     *Allan W B Gray, Chairman*     *John C R Collis*     *William B Gray*     *Ian Liddle*     *Simon C Marais*

**MANAGER**  
Orbis Investment Management Limited

**INVESTMENT ADVISORS**  
Orbis Investment Advisory Limited  
Allan Gray Limited

**CUSTODIAN**  
Citibank Canada



# ORBIS AFRICA EQUITY (RAND) FUND AT 31 DECEMBER 2008

## STATEMENT OF NET ASSETS

Number Held 000's	Security <i>(Ranked by sector)</i>	Market Value R 000's	% of Fund	% of JSE Index
<b>Non-Cyclicals</b>			<b>34</b>	<b>22</b>
1,273	MTN Group	138,121	9	
726	SABMiller	117,797	8	
397	British American Tobacco	97,689	7	
958	Shoprite Holdings	50,766	4	
1,982	Illovo Sugar	44,606	3	
2,466	Network Healthcare Holdings	20,714	1	
	Positions less than 1%	25,253	2	
<b>Industrial and Cyclical Services</b>			<b>27</b>	<b>16</b>
1,988	Sappi - Common	74,746	5	
142	and ADR	5,231		
873	Remgro	66,712	5	
308	Compagnie Financière Richemont - A Shares	55,014	4	
200	and SADR	3,596		
483	Sun International	45,117	3	
2,888	Nampak	38,125	3	
1,325	Mondi	37,095	3	
4,934	Dimension Data Holdings	28,620	2	
	Positions less than 1%	35,929	2	
<b>Resources</b>			<b>23</b>	<b>42</b>
609	AngloGold Ashanti - Common	153,503	11	
5	and ADR	1,380		
114	Sasol - Common	32,040	3	
62	and ADR	17,689		
493	Harmony Gold Mining	48,215	3	
1,814	Northam Platinum	37,372	3	
223	Gold Fields	20,537	1	
143	African Rainbow Minerals	15,872	1	
	Positions less than 1%	7,171	1	
<b>Financials</b>			<b>16</b>	<b>20</b>
609	ABSA Group	65,898	5	
779	Standard Bank Group	64,653	4	
3,735	Sanlam	63,487	4	
5,404	Coronation Fund Managers	24,966	2	
352	Liberty Holdings	21,959	1	
	Positions less than 1%	112	-	
<b>Net Current Assets</b>		551	-	
<b>Net Assets</b>		<b>1,460,536</b>	<b>100</b>	<b>100</b>
<i>(Currency exposure 91% rand, 9% other)</i>				
<b>Net Asset Value per Share</b>		<b>R 764.19</b>	1,911,224 shares issued	
<i>(At 31 December 2007: R 906.08; 3,045,939 shares issued)</i>				

See accompanying notes on page 13

## ASIA EX-JAPAN EQUITY FUND AT 31 DECEMBER 2008

Total Rate of Return in US dollars:	From Inception	Latest		
	on 1 Jan 2006	2 Years	1 Year	Quarter
	% Annualised	% Annualised	% Annualised	% Not Annualised
<b>Asia ex-Japan Equity, Investor Shares</b>	<b>(3.8)</b>	<b>(16.5)</b>	<b>(44.0)</b>	<b>(19.4)</b>
MSCI Asia ex-Japan Index	(3.8)	(18.3)	(52.4)	(21.5)
Average Asia ex-Japan Equity Fund	(4.1)	(17.9)	(50.9)	(20.6)

2008 was a dreadful year for world's stockmarkets, in particular for the Asia ex-Japan region, as indicated by the 52.4% plunge in the benchmark MSCI Asia ex-Japan Index. As shown above your Fund's lesser 44.0% decline for the year enabled its annualised return, net of fees, since its inception three years ago to match that of its benchmark MSCI Asia ex-Japan Index at negative 3.8% just eking ahead of the Average Asia ex-Japan Equity Fund at negative 4.1%.

In 2008, stockpicking was good in all countries in which your Fund was invested, with outperformance in Taiwan being particularly noteworthy. The fact that your Fund had no exposure to India, the region's worst market, also contributed. To be sure, none of the region's major markets were spared, as the best, Korea, declined 39.8%.

Poor corporate governance is a risk that investors face throughout the world. As we have continually pointed out in our reports, the reality is that this important risk is particularly high in Asia ex-Japan. Your Fund's biggest loss by far in 2008 was suffered in GOME Electrical Appliances, China's largest electronic retailer. The company's Founder and Chairman was arrested and accused of "economic crimes", purportedly not directly involving GOME, but causing the shares of the company to be suspended. Ernst & Young is conducting an audit to determine whether any improprieties took place at GOME. A recent visit by our team with the President and Acting Chairman reinforced our opinion that the stock price is as likely to rise as fall when the stock resumes trading, after publication of Ernst & Young's report expected later in January.

Our enthusiasm for Chinese shares at the launch of your Fund three years ago steadily dissipated as they surged upward in a speculative frenzy to a late-2007 peak. However, a dramatic decline, such as the 70% drop in the China H Share index in the 12 months to October 2008, works wonders in restoring sanity and bringing share prices to more reasonable levels, and some shares to very attractive levels, in relation to fundamental valuations.

The scourge plaguing many of the Western economies is that their economic growth in recent years has been built on a mountain of debt and is therefore unsustainable. In contrast, China's recent economic expansion has been soundly based on producing more than it was consuming. This is clearly evidenced by the 30% plus savings rates for households and positive cash flow experienced by the corporate sector. In addition, large trade surpluses have resulted in an accumulation of national savings in the form of foreign exchange reserves totalling \$1.9 trillion, the highest in the world. This in turn provides China with every opportunity to now wisely stimulate its economy by encouraging consumption. Our research leads us to be extremely bullish once again on Chinese shares, which were increased sharply in the final quarter of the year, from 17% to 31% of your Fund. This also increases the Fund's exposure to the renminbi, a currency we consider the best "store of value" in the world today. It would not be unusual if we were early in this view on Chinese shares but we believe making these investments now is in keeping with the Fund's goal of producing pleasing long-term results for Shareholders.

<i>DIRECTORS</i> Allan W B Gray, Chairman	John C R Collis	William B Gray	Claude Kremer	Austin J O'Connor	David T Smith
<b>MANAGER</b>	<b>INVESTMENT ADVISOR</b>		<b>CUSTODIAN</b>		
Orbis Investment Management (B.V.I.) Limited	Orbis Investment Management Limited		Citibank International plc (Lux. Branch)		

# ASIA EX-JAPAN EQUITY FUND AT 31 DECEMBER 2008

## STATEMENT OF NET ASSETS

Number Held 000's	Security	Fair Value US\$ 000's	Fund's % Exposure to Equities	% Exposure to Currencies	% of MSCI Index
	<b>Greater China</b>		<b>74</b>	<b>74</b>	<b>55</b>
	<b>China</b>		31	31	26
4,677	E-House (China) Holdings - ADR	37,882	8		
1,170	SINA	27,094	5		
618	Shanda Interactive Entertainment - ADR	19,998	4		
102,947	GOME Electrical Appliances	14,877	3		
29,945	TravelSky Technology	13,137	3		
469	Ctrip.com International - ADR	11,155	2		
44,958	Global Bio-chem Technology Group	7,193	2		
34,806	China Eastern Airlines - H	5,254	1		
	Positions less than 1%	17,302	3		
	<b>Hong Kong</b>		15	15	13
29,016	Cathay Pacific Airways	32,646	7		
36,344	Fubon Bank (Hong Kong)	11,723	2		
51,600	China Power International Development	10,653	2		
2,594	Beijing Enterprises Holdings	10,577	2		
27,246	Sa Sa International Holdings	6,679	1		
	Positions less than 1%	3,394	1		
	<b>Taiwan</b>		28	28	16
100,079	China Life Insurance	36,442	7		
120,310	SinoPac Financial Holdings	26,212	5		
49,370	Taiwan Cooperative Bank	24,972	5		
26,601	Fubon Financial Holding - Common	19,372	4		
381	and GDR	2,610			
56,688	Polaris Securities	19,951	4		
52,088	Capital Securities	12,602	3		
	Positions less than 1%	693	-		
	<b>Korea</b>		13	13	19
55	Samsung Electronics - Common	19,786	5		
20	and Preference	4,041			
1,041	Korea Investment Holdings	19,716	4		
984	Hyundai Motor - Second Preference	10,659	3		
724	and First Preference	7,362			
113	Hanil Cement	5,862	1		
	Positions less than 1%	168	-		
	<b>Thailand</b>		8	8	2
37,493	CP All	13,258	3		
46,501	Bank Of Ayudhya	12,232	2		
471,759	TMB Bank	8,002	2		
66,670	Charoen Pokphand Foods	6,095	1		
	<b>Singapore</b>		5	5	7
2,759	Singapore Airlines	21,685	4		
	Positions less than 1%	2,040	1		
	<b>Other</b>		-	-	17
	Positions less than 1%	16	-		
	<b>Net Current Liabilities</b>	(65)	-		
	<b>Net Assets</b> (Cost \$789,486)	<b>503,275</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Net Asset Value per Share - Investor Shares</b>			<b>US\$ 8.72</b>	
	(At 31 December 2007: US\$ 15.92)				

See accompanying notes on page 17

## JAPAN EQUITY FUND AT 31 DECEMBER 2008

Total Rate of Return	From	Latest			
	Inception	5 Years <i>% Annualised</i>	3 Years	1 Year	Quarter <i>% Not Annualised</i>
<b>Yen Class</b> (launched 1 Jan 1998)	<b>6.2</b>	<b>(0.7)</b>	<b>(15.6)</b>	<b>(32.4)</b>	<b>(14.1)</b>
TOPIX	(1.7)	(2.5)	(18.4)	(40.6)	(20.9)
Average Japan Equity Fund	(2.4)	(5.2)	(21.6)	(44.5)	(22.9)
<i>% appreciation of the yen versus the US dollar</i>	3.4	3.4	9.1	23.0	17.3
<b>Euro Class</b> (launched 1 Jan 2003)	<b>5.3</b>	<b>0.6</b>	<b>(15.1)</b>	<b>(34.9)</b>	<b>(18.8)</b>
TOPIX Hedged into euro	4.5	0.2	(15.7)	(38.4)	(20.2)
<i>% appreciation of the euro versus the US dollar</i>	4.9	2.1	5.7	(4.2)	(0.7)

For some time, we have believed Japanese shares to be the most attractive of any major market. They say “experience matters”. For Japanese equities today, it would seem to be the case. Specifically, Japan’s awful experience starting in the early 1990s dealing with the effects of its own credit bubble set the stage for Japan to be seemingly one of the very few major economies not to get fully involved in the most recent credit bubble that engulfed much of the world. Indeed in the final stages of the recent credit and liquidity-fuelled bubble in the West, Japanese managements were often maligned for their conservatism, accused of overreacting to their past trauma and in many cases of ignoring shareholder value. Investor preference was clearly for the shares of non-Japanese companies whose managements “got it” and played the game, as was summarised so succinctly by then Citigroup CEO Chuck Prince when he said, “as long as the music is playing, you’ve got to get up and dance”. Japanese management conservatism and rejection by other investors enabled your Fund to invest in Japanese companies that by and large stayed disciplined and conservatively managed, and whose shares were very attractively priced when compared to global peers, especially based on measures of tangible book or net asset value.

It is fair to say that we were surprised by how much Japanese shares dropped during the past year. Although Japanese shares have significantly outperformed other major markets during the bear market when measured in common currency, they still fell so much that on 28 October we deemed the absolute investment opportunity extreme to the point of being compelled to reopen the Fund to new investors. While we may well still be proved wrong in our marked enthusiasm, a common characteristic of better investment opportunities is general investor neglect or, even better, rejection. In that regard, it is perhaps a good omen then that our reopening attracted little interest.

Strong relative performance for the year was driven by what could be described either as a massive overweighting in domestic-oriented companies or as a dearth of exporters and international conglomerates in the Fund. Either way, the Fund’s relative performance benefitted significantly as exporters and international conglomerates suffered disproportionately when rapidly sinking global economic activity hit the demand for their products, and a strengthening yen made their domestically produced products less competitive globally and sapped the yen value of their overseas earnings.

Some exporters are beginning to look as if their well-known negative outlooks are being more than fully discounted in their share prices. We have begun to cautiously buy the shares of some global leaders with a high degree of pricing power and at historic low valuations. We are mindful, however, of being too early in buying into companies that are experiencing a dramatic decline in profitability and are trading lightly, unsure of how investors will react to further bad news. Long-standing Shareholders would know that we look to invest in companies when near-term operating uncertainty is high and investor comfort in the company’s long-term prospects is low, understanding that this disciplined contrarian behaviour is most apt to produce pleasing returns in the long run.

<i>DIRECTORS</i> Allan W B Gray, Chairman	John C R Collis	William B Gray	Claude Kremer	Austin J O’Connor	David T Smith
MANAGER	INVESTMENT ADVISOR		CUSTODIAN		
Orbis Investment Management (B.V.I.) Limited	Orbis Investment Management Limited		Citibank International plc (Lux. Branch)		

# JAPAN EQUITY FUND AT 31 DECEMBER 2008

## STATEMENT OF NET ASSETS

Number Held 000's	Security <i>(Ranked by sector)</i>	Fair Value ¥ 000's	% of Fund	% of TOPIX
	<b>Consumer Non-Durables</b>		<b>33</b>	<b>19</b>
2,272	Yamada Denki	14,039,848	6	
5,567	Sundrug	13,862,577	6	
7,156	Nomura Research Institute	12,086,749	5	
4,004	ASKUL	7,650,688	3	
5,026	Canon Marketing Japan	7,232,558	3	
3,101	ITOCHU Techno-Solutions	6,728,734	3	
1,684	Tsuruha	5,791,240	3	
3,006	H.I.S.	5,575,202	2	
1,537	KOMERI	3,335,724	1	
	Positions less than 1%	1,410,765	1	
	<b>Financials</b>		<b>27</b>	<b>16</b>
37,014	Mitsubishi UFJ Financial - Common	20,320,785	10	
6,168	and ADR	3,472,348		
4,324	T&D Holdings	15,997,875	7	
909	SBI Holdings	12,313,454	5	
18	Sumitomo Mitsui Financial	6,792,440	3	
12	Sony Financial Holdings	3,919,110	1	
	Positions less than 1%	1,501,789	1	
	<b>Communications and Utilities</b>		<b>16</b>	<b>14</b>
71	Fuji Media Holdings	9,155,051	4	
624	Nippon Television Network	5,900,013	3	
61	Jupiter Telecommunications	5,755,745	2	
26	Net One Systems	4,759,740	2	
38	TV Asahi	4,588,278	2	
298	OBIC	4,345,048	2	
968	Obic Business Consultants	3,629,437	1	
	Positions less than 1%	178,398	-	
	<b>Cyclicals</b>		<b>15</b>	<b>39</b>
12,873	PARK 24	8,611,970	4	
21,831	Toda	7,160,568	3	
4,289	Aisin Seiki	5,296,421	2	
3,434	DENSO	5,047,245	2	
1,676	NITTO DENKO	2,859,938	1	
	Positions less than 1%	6,818,599	3	
	<b>Technology</b>		<b>9</b>	<b>12</b>
3,360	IBIDEN	6,108,844	3	
3,288	Advantest	4,701,268	2	
6,470	SHINKO ELECTRIC INDUSTRIES	4,664,942	2	
6,736	Elpida Memory	3,624,022	1	
	Positions less than 1%	3,182,872	1	
	<b>Net Current Assets</b>	941,291	-	
	<b>Net Assets</b> (Cost ¥ 312,753,526)	<b>239,361,576</b>	<b>100</b>	<b>100</b>

### Net Asset Value per Share

<b>Yen Class</b> <i>(Currency exposure 100% yen)</i>	<b>¥ 1,944</b>	120,554,086 shares issued
<b>Euro Class</b> <i>(Currency exposure 100% euro)</i>	<b>€ 13.60</b>	2,873,768 shares issued

(At 31 December 2007: Yen Class ¥ 2,877; 106,126,144 shares issued)  
Euro Class € 20.88; 3,900,740 shares issued)

See accompanying notes on page 17

## ORBIS JAPAN EQUITY (US\$) FUND AT 31 DECEMBER 2008

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
<b>Orbis Japan Equity (US\$)</b>	<b>7.1</b>	<b>1.7</b>	<b>(13.3)</b>	<b>(32.6)</b>	<b>(15.0)</b>
TOPIX Hedged	1.7	0.8	(15.1)	(39.2)	(20.5)
<i>% appreciation of the US dollar versus the yen</i>	<i>(4.3)</i>	<i>(3.3)</i>	<i>(8.3)</i>	<i>(18.7)</i>	<i>(14.8)</i>

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 readers to the Orbis SICAV - Japan Equity Fund report on page 9. A further difference between the Funds is that the US\$ Fund is Bermuda-domiciled and regulated whereas the Orbis SICAV is Luxembourg-domiciled and regulated. First-time readers may also find it informative to 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

Number Held 000's	Security	Market Value US\$ 000's	% of Fund
11,794	<b>Orbis SICAV - Japan Equity Fund - Yen Class</b>	252,892	100
	Net Current Assets	426	-
	<b>Net Assets</b>	<b>253,318</b>	<b>100</b>
	<b>Net Asset Value per Share</b>	<b>US\$ 20.59</b>	12,304,194 shares issued
	(At 31 December 2007: US\$ 30.54; 15,818,209 shares issued)		

### DEPLOYMENT

		% of Fund
<b>Stockmarket exposure</b>	Japan	<b>99</b>
<b>Currency exposure</b>	US dollar	<b>100</b>

See accompanying notes on page 13

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

Citibank Canada

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

<b>Reporting Currency:</b> <b>For the Years Ended 31 December:</b>	<b>Orbis Global Equity</b>		<b>Orbis Africa Equity (Rand)</b>		<b>Orbis Japan Equity (US\$)</b>	
	<b>US\$</b>		<b>R</b>		<b>US\$</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Investment Income:	175	115	105	89	-	-
Dividends and Interest	175	115	105	89	-	-
Expenses:	208	258	47	73	-	-
Managers' Fees	205	253	46	70	-	-
Custodian's Fees and Other	3	5	1	3	-	-
Net Investment (Loss) Income	(33)	(143)	58	16	-	-
Net Gain (Loss) from Investments and Currencies:	(3,922)	1,351	(311)	294	(153)	4
Realised	379	2,067	663	632	(99)	27
Unrealised	(4,301)	(716)	(974)	(338)	(54)	(23)
(Decrease) Increase in Net Assets Resulting from Operations	(3,955)	1,208	(253)	310	(153)	4
Members' Activity During the Year:						
Subscriptions:						
Orbis Funds	1,087	1,165	20	33	25	412
Other Members	712	931	10	126	26	8
Switches Between Funds	574	151	12	29	22	2
Redemptions:						
Orbis Funds	(1,175)	(940)	(816)	(65)	(53)	(84)
Other Members	(788)	(662)	(182)	(178)	(49)	(37)
Switches Between Funds	(203)	(91)	(79)	(51)	(48)	(14)
Dividends Declared and Paid	-	-	(11)	(12)	-	-
(Decrease) Increase in Net Assets	(3,748)	1,762	(1,299)	192	(230)	291
Net Assets at Beginning of Year	10,892	9,130	2,760	2,568	483	192
Net Assets at End of Year	7,144	10,892	1,461	2,760	253	483

See accompanying notes on page 13

## General

The Orbis Equity Funds invest in equities selected from specified geographic regions. Each Fund is actively managed to outperform a benchmark index of the stockmarkets in its region without greater risk. Each Fund is a Bermuda company.

Effective 1 October 2007, Citibank Canada was appointed Custodian and Citigroup Fund Services (Bermuda) Ltd. was appointed Administrator and Transfer Agent for the Funds.

## 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 fair values. Investments in Orbis Funds are valued at their year-end Net Asset Value per share, while other marketable securities and forward currency contracts are valued at their closing and mid prices, respectively. If these prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations. At the year-end, the cost of investments, in millions, was for Orbis Global Equity US\$10,017 (2007 - cost US\$9,460, market US\$10,849), for Orbis Africa Equity (Rand) R1,254 (2007 - cost R1,576, market R2,756), and for Orbis Japan (US\$) US\$282 (2007 - cost US\$457, market US\$493).

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown on page 12 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-date of the dividend, 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 or Liabilities.** Net current assets or liabilities include primarily unrealised gains or losses on forward currency contracts, cash, amounts due to or 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 except for certain balances which will be disclosed elsewhere in these financial statements.

## Taxes

There are no Bermuda income, profit, capital, capital gains, estate or inheritance taxes payable by the Funds or their Members in respect of shares in the Funds. The Bermuda Government has undertaken that in the event that any such Bermuda 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 at year-end is detailed below and is unchanged from 31 December 2007. 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	200 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\$)	
	2008	2007	2008	2007	2008	2007
Balance at beginning of year	86,279	81,487	3,046	3,160	15,818	6,068
Subscriptions						
Orbis Funds	10,193	9,688	24	37	888	13,664
Other Members	6,953	7,615	13	146	1,001	260
Switches Between Funds	6,850	1,251	14	34	947	72
Redemptions						
Orbis Funds	(12,423)	(7,660)	(880)	(74)	(2,706)	(2,657)
Other Members	(7,777)	(5,353)	(220)	(199)	(1,898)	(1,141)
Switches Between Funds	(1,845)	(749)	(86)	(58)	(1,746)	(448)
Balance at end of year	88,230	86,279	1,911	3,046	12,304	15,818

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

Fund	Year Ended	Declaration Date	Payment Date	Total Amount 000's	Amount per Share
Orbis Africa	2008	16 January 2009	22 January 2009	R 58,174	R 30.44
Orbis Africa	2007	23 January 2008	31 January 2008	R 11,497	R 3.83

A fee of 0.40% for Orbis Global Equity and 0.60% for Orbis Africa Equity (Rand) may be levied where a Member subscribes or redeems an amount representing 5% or more of the Net Asset Value of that Fund. During the year, a fee was paid to Orbis Global Equity and has been included in Members' Activity on the Statement of Changes in Net Assets.

## Material Contracts - Forward Currency Contracts

At year-end, the following Funds had forward currency contracts settling on 5 June 2009 having net contract and net market values as set out on the following page. These contracts expose the Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit its risk to the amount of any net unrealised gain, each of the following Funds has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

Base Currency

Currency	Contract Value 000's	Contract Value US\$ 000's	Market Value US\$ 000's	Unrealised Gain (Loss) US\$ 000's
<b>Orbis Global Equity</b>				
AUD	-	(809)	-	809
EUR	-	(810)	-	810
GBP	-	(353)	67	420
JPY	(1,705,965)	(18,735)	(18,879)	(144)
KRW	-	(2,481)	-	2,481
ZAR	-	12,997	-	(12,997)
		(10,191)	(18,812)	(8,621)
<b>Orbis Japan Equity (US\$)</b>				
JPY	(22,938,955)	(254,083)	(253,855)	228

### Commitments

Orbis Global Equity and Orbis Africa Equity (Rand) along with the Orbis SICAV Funds - Asia ex-Japan Equity, Global Equity and Japan Equity have entered into an uncommitted multi-currency line of credit which may be drawn upon for the purpose of paying redemptions. The maximum which may be drawn across all these Funds is US\$500 million and for Orbis Global Equity and for each SICAV Fund cannot exceed 10% of their Net Asset Value and for Orbis Africa Equity (Rand) cannot exceed 5% of its Net Asset Value. Drawdowns bear interest at market rates and cannot be outstanding for more than seven business days. The facility expires on 16 July 2009. At 31 December 2008 and 2007, no amounts were drawn upon.

### 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) pays a Manager's fee which can vary between 0.5% and 2.5% per annum 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, in thousands, US\$12,328 (2007 - US\$24,072) and by Orbis Africa Equity (Rand) was R3,330 (2007 - R6,200).

At the year-end, other Orbis Funds held, in thousands of shares, 41,355 (2007 - 43,585) in Orbis Global Equity, 1,599 (2007 - 2,455) in Orbis Africa Equity (Rand) and 9,189 (2007 - 11,007) 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, in thousands of shares, 12,635 (2007 - 8,943) in Orbis Global Equity, 2 (2007 - 2) in Orbis Africa Equity (Rand), and 114 (2007 - 65) in Orbis Japan Equity (US\$), excluding their indirect holdings via other Orbis Funds. Other related party amounts disclosed may include client activity that occurred on 31 December, subsequent to the close of the fiscal year and which have been transacted based on the 31 December Net Asset Value.

### 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 4, 6 and 11 as at 31 December 2008, the related Statements of Operations and Changes in Net Assets on page 12 and the accompanying notes on pages 13, 14, and 15 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.

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. 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 2008 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.

*Ernst & Young Ltd.*

Hamilton, Bermuda  
19 January 2009

Ernst & Young Ltd.  
Chartered Accountants

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

Base Currency:	Orbis Asia ex-Japan Equity		Orbis Japan Equity	
	\$		¥	
For the Years Ended 31 December:	2008	2007	2008	2007
Investment Income:	29	23	3,776	3,823
Dividends and Interest	29	23	3,776	3,823
Expenses:	12	9	4,451	5,206
Manager's Fees	11	7	4,248	4,840
Custodian's Fees and Other	1	2	203	366
Net Investment Income (Loss)	17	14	(675)	(1,383)
Net Gain (Loss) from Investments and Currencies:	(447)	291	(102,866)	(19,186)
Realised	(44)	332	(18,869)	33,376
Unrealised	(403)	(41)	(83,997)	(52,562)
(Decrease) Increase in Net Assets Resulting from Operations	(430)	305	(103,541)	(20,569)
Shareholders' Activity During the Year:				
Subscriptions:				
Orbis Funds	2	3	44,211	60,345
Other Shareholders	60	232	25,075	34,151
Switches Between Funds	16	38	26,419	25,386
Redemptions:				
Orbis Funds	-	(15)	(38,817)	(88,672)
Other Shareholders	(119)	(128)	(27,154)	(44,481)
Switches Between Funds	(69)	(653)	(5,424)	(8,792)
Dividends Declared and Paid	(8)	-	-	-
Decrease in Net Assets	(548)	(218)	(79,231)	(42,632)
Net Assets at Beginning of Year	1,051	1,269	318,593	361,225
Net Assets at End of Year	503	1,051	239,362	318,593

## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

## General

Orbis SICAV (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 20 December 2002 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. The Company's share capital consists of the Japan Equity Fund – Yen and Euro shares, the Japan Core Equity Fund – Yen shares, the Europe Equity Fund - Investor shares, the Global Equity Fund - Investor, Refundable Reserve Fee and Fee Reserve shares and the Asia ex-Japan Equity Fund - Investor, Refundable Reserve Fee and Fee Reserve shares. The Fee Reserve Shares are issued to the Manager in relation to the performance fee.

The Board of Directors maintains for each Fund a separate pool of assets. A Fund is not a separate legal entity. All of the Funds together comprise the Orbis SICAV single legal entity. As between Shareholders of different Funds, each pool of assets shall be invested for the exclusive benefit of the relevant Fund. With regard to third parties, in particular towards the Company's creditors, each Fund shall be exclusively responsible for all liabilities attributable to it.

## ORBIS SICAV

This abridged version of the annual report of Orbis SICAV - Japan Equity Fund and Orbis SICAV - Asia ex-Japan Equity Fund (the “Funds”) does not contain certain Luxembourg legal and regulatory disclosure requirements as included in the complete version of the annual report. A complete version of the annual report is available upon request and free of charge at the registered office of the Company.

### Significant Accounting Policies

These financial statements have been prepared in accordance with Luxembourg legal and regulatory requirements applicable to investment funds:

**Investments.** Investments are recorded as of the trade date and are stated at their fair values based on their closing prices. If the closing prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. 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 foreign currency contracts denominated in currencies other than the Base Currency are translated into the Base Currency shown on page 17 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. The unrealised gains or losses on forward currency contracts are included in net current assets or liabilities.

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

**Dividends.** In the event that a Fund or share class earns investment income in excess of expenses, that Fund or share class may distribute sufficient net income to meet the requirements for certification as a distributing fund, as defined by the United Kingdom HM Revenue & Customs. Dividends payable are recognised on the ex-date of the dividend.

**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.

**Financial Statements.** Financial statements for each Fund are presented in the Base Currency of that 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.

The Company is liable in Luxembourg to a tax (taxe d’abonnement) on the net assets attributable to the Japan Equity Fund shares and the Asia ex-Japan Equity Fund - Investor Shares of 0.05% per annum and to the Asia ex-Japan Equity Fund - Refundable Reserve Fee and Fee Reserve Shares of 0.01% per annum, such tax being payable quarterly and calculated on the net assets of each share class at the end of each calendar quarter.

**ORBIS SICAV**  
**Share Capital**

At 31 December 2008, the following shares were issued and outstanding in the Asia ex-Japan Equity Fund:

	Number of Shares	US\$ Net Asset Value per Share
Investor Shares	14,230,699	8.72
Class G-1 Refundable Reserve Fee Shares	8,142,340	8.74
Class O-1 Refundable Reserve Fee Shares	26,772,684	9.16
Class P-3 Refundable Reserve Fee Shares	4,072,572	9.10
Class R-2 Refundable Reserve Fee Shares	2,615,700	9.10
Fee Reserve Shares	189,071	9.51

The shares issued and outstanding in the Japan Equity Fund at 31 December 2008 are shown on page 10.

Dividends were declared in the Asia ex-Japan Fund - Investor Shares in respect of the 2007 fiscal year as follows:

Declaration Date	Payment Date	Total Amount	Amount per Share
23 January 2008	31 January 2008	US\$ 7,500,170	US\$ 0.324

A fee of 0.25% for the Japan Equity Fund and 0.75% for the Asia ex-Japan Fund may be levied where a Shareholder subscribes, redeems or converts an amount representing 5% or more of the Net Asset Value of that Fund. During the year, a fee was paid to the Japan Equity Fund and has been included in Shareholders' Activity on the Statement of Changes in Net Assets.

**Material Contracts - Forward Currency Contracts**

At 31 December 2008, the Japan Equity Fund held open forward currency contracts settling on 5 June 2009 having net contract and net fair values as set out below. These contracts expose that Fund to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit its risk to the amount of any net unrealised gain, the Japan Equity Fund has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

Contract Value €	Base Currency		
	Contract Value ¥	Fair Value ¥	Unrealised Gain ¥
39,346,003	4,931,854,399	4,950,236,209	18,381,810

**Commitments**

Orbis SICAV - Asia ex-Japan Equity, Global Equity and Japan Equity Funds along with Orbis Global Equity Fund Limited and Orbis Africa Equity (Rand) Fund Limited have entered into an uncommitted multi-currency line of credit which may be drawn upon for the purpose of paying redemptions. The maximum which may be drawn across all these Funds is US\$500 million and for each of Orbis Global Equity and for each SICAV Fund cannot exceed 10% of its Net Asset Value and for Orbis Africa Equity (Rand) cannot exceed 5% of its Net Asset Value. Drawdowns bear interest at market rates and cannot be outstanding for more than seven business days. The facility expires on 16 July 2009. At 31 December 2008, no amounts were drawn upon.

**Custodian and Administrator Fees**

Fees due in respect of custody, administration and other related services for the year for Japan Equity Fund amounted to ¥52,195,132 of which ¥7,159,439 was payable at year-end, and for Asia ex-Japan Equity Fund amounted to US\$535,882 of which US\$61,463 was payable at year-end.

## **ORBIS SICAV**

### **Directors' Fees and Expenses**

There are no existing or proposed service contracts between any of the Directors and the Company. The Shareholders have approved Director's fees to each of Messrs Collis, Smith, Kremer, and O'Connor of US\$30,000 for 2008 before withholding tax. No other Directors have received any remuneration or other direct benefit material to them.

### **Related Party Transactions**

Orbis Investment Management (B.V.I.) Limited is the Manager of the Funds.

The Japan Equity Fund pays the 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.

For the Asia ex-Japan Equity Fund, the Investor shares pay the Manager a fee, which can vary between 0.5% and 2.5% per annum of the weekly net assets of that share class, determined by that share class' rate of return versus its benchmark. Each class of Refundable Reserve Fee shares pays a base fee of between 0.3% and 0.75% per annum of net assets and a performance related fee of 25% of that share class' rate of return versus the benchmark since the last Dealing Day. At each Dealing Day, the Manager is issued Fee Reserve shares to the extent of any performance fee accrued. For each class of Refundable Reserve Fee shares, when the value of the related Fee Reserve shares in issue exceeds 3% and 7% of the Net Asset Value of that class of Refundable Reserve Fee shares, the Manager is paid in cash at the rate of 1% and 2% per annum, respectively, of the total Net Asset Value of the Refundable Reserve Fee shares. The performance fee is partially refundable in the event of future underperformance with the refund limited to the value of the outstanding Fee Reserve shares and the fee subject to a high water mark should the available refund be exhausted. At 31 December 2008, the value of the Fee Reserve shares in issue with respect to the following Refundable Reserve Fee share class was: G-1 - US\$1,797,847. Performance fees for the year amounted to, as follows: G-1 - US\$3,613,901, O-1 - US\$1,520,506, P-3 - US\$118,499 and R-2 - US\$152,476, of which US\$979,677 were payable at year-end. The Fee Reserve shares bear no fee.

The Manager has agreed that for the year ended 31 December 2008, the operating expenses of the Japan Equity Fund excluding the Manager's fee, brokerage and transaction costs and interest, will be capped at 0.20% per annum.

At the year-end, other Orbis funds held 49,554,911 Yen Class shares in the Japan Equity Fund and 549,193 Investor shares in the Asia ex-Japan Equity 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 54,107,788 Yen Class shares and 8,137 Euro Class shares in the Japan Equity Fund, and 1,332,950 Investor Class shares and all the O-1, P-3 and R-2 Refundable Reserve Fee shares in the Asia ex-Japan Equity Fund, excluding their indirect holdings via other Orbis funds. Other related party amounts disclosed may include client activity that occurred on 31 December, subsequent to the close of the fiscal year and which have been transacted based on the 31 December Net Asset Value.

At 31 December 2008, the Manager held all the Fee Reserve shares.

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

### **Subsequent Event**

On 16 January 2009, a dividend of US\$ 0.27 per share was declared in respect of the Asia ex-Japan Equity Fund - Investor Shares.

### **Comparative Figures**

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

**INDEPENDENT AUDITORS' REPORT**

To the Shareholders of  
Orbis SICAV - Asia ex-Japan Equity Fund and Orbis SICAV - Japan Equity Fund  
Luxembourg

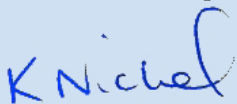
We have audited the financial statements (the “full financial statements”) of Orbis SICAV and of each of its Funds (the “Company”) for the year ended 31 December 2008 from which the accompanying abridged financial statements were derived, in accordance with International Standards on Auditing. In our report dated 19 January 2009 we expressed an unqualified opinion on the full financial statements. These abridged financial statements on pages 8, 10 and 17 - 20 comprise the statements of net assets of Orbis SICAV – Asia ex-Japan Equity Fund and Orbis SICAV – Japan Equity Fund as at 31 December 2008 and the statements of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

In our opinion, the accompanying abridged financial statements are consistent, in all material respects, with the full financial statements from which they were derived.

For a complete understanding of the scope of our audit and of the Company’s and of each of its Fund’s financial position as at 31 December 2008 and of the results of their operations and changes in their net assets for the year then ended, the abridged financial statements should be read in conjunction with the full financial statements and our audit report thereon.

Supplementary information included in the abridged financial statements has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the abridged financial statements taken as a whole.

ERNST & YOUNG  
Société Anonyme  
Réviseur d’Entreprises



K Nichol

Luxembourg  
19 January 2009

## 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 22 April 2009 at 10:30 a.m. 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 18 April 2008
- Review of audited financial statements in the 2008 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 2009 of US\$25,000 to Mr Thomson for Orbis Global Equity Fund Limited and US\$25,000, US\$6,000 and US\$1,000 to Mr Collis for Orbis Global Equity Fund Limited, Orbis Africa Equity (Rand) Fund Limited and Orbis Japan Equity (US\$) Fund Limited, respectively
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2009

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 2009.

### NEW INVESTORS

Some of the Orbis Funds are temporarily not accepting new investors and new investments. For details, see the current Orbis Funds Subscription and Switch form, a copy of which is available on our website, [www.orbisfunds.com](http://www.orbisfunds.com). Existing investors in an Orbis Fund are able to subscribe or switch to any of the Orbis Funds. We will reopen the Orbis Funds to new investors when we consider it appropriate to do so, and will post notice of the reopening on our website and via our automated e-mail services facility. If you have any questions, wish to discuss how we define new investors and how this will be administered, or wish us to inform you when the Funds are reopened to new investors, please contact the Investor Services Team at Orbis, at +1 (441) 296 3000, by e-mail at [clientservice@orbisfunds.com](mailto:clientservice@orbisfunds.com) or by mail to: The Investor Services Team, Orbis Group, 34 Bermudiana Road, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8600 or e-mail [clientservice@orbisfunds.com.au](mailto:clientservice@orbisfunds.com.au). South African residents should contact Allan Gray Unit Trust Limited at 0860 000 654 (toll free from within South Africa) or e-mail [clientservice@orbisfunds.co.za](mailto:clientservice@orbisfunds.co.za).

### SOURCES

FTSE World Index and FTSE/JSE Africa All Share Index: FTSE International Limited; TOPIX: Tokyo Stock Exchange; MSCI Asia ex-Japan Index: MSCI Inc.; and Average Fund: Morningstar, Inc. All rights reserved. “FTSE” is a trademark of the London Stock Exchange Limited and is used by FTSE International Limited under licence. “MSCI” is a trademark of MSCI Inc. and is used by Orbis Investment Management Limited under licence. Average Fund data (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from the use of this information.

## EU SAVINGS DIRECTIVE

Orbis' assessment is that all of the Orbis Funds are effectively exempt from the application of the European Union Savings Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. Payments from the Orbis Funds, including dividends and redemption proceeds to residents of the European Union, should not be subject to having tax withheld by paying agents under the Directive.

## UK DISTRIBUTOR STATUS

HM Revenue & Customs has certified each of the Orbis Global Equity Fund, Orbis Africa Equity (Rand) Fund, Orbis SICAV - Asia ex-Japan Equity Fund - Investor Class, Orbis SICAV - Japan Equity Fund and Orbis Japan Equity (US\$) Fund 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 2007. Certification is granted retrospectively, therefore there can be no assurance that the Funds will be certified as distributing funds for fiscal 2008 or for future accounting periods.

## SUPPLEMENTAL DISCLOSURE UNDER THE DISTANCE MARKETING OF FINANCIAL SERVICES DIRECTIVE

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Orbis Funds have determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Orbis Funds are required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Funds' Prospectuses, Application Form and (for Members who sign up for Orbis' online portfolio services facility at [www.orbisfunds.com](http://www.orbisfunds.com)) the Orbis Funds Portfolio Services Agreement. These services are not a type of financial service to which cancellation rights apply.

## RISK WARNINGS

Past performance is not indicative of future performance. Orbis Fund share prices fluctuate and are not guaranteed. When making an investment in the Funds, an investor's capital is at risk.

## OTHER

This Report does not constitute an offer to sell or a solicitation to buy shares of Orbis Funds. Subscriptions are only valid if made on the basis of the current Prospectus of an Orbis Fund. Certain capitalised terms are defined in the Glossary section of the Orbis Funds General Information document, copies of which are available upon request from the Manager. Orbis Investment Management (B.V.I.) Limited and Orbis Investment Management Limited are licensed to conduct investment business by the Bermuda Monetary Authority.

*We invite you to visit our website, [www.orbisfunds.com](http://www.orbisfunds.com), where you may register on-line to receive regular reports on our funds automatically by e-mail. We hope that this enables you to keep in better touch with us and with your investments.*

## CHARACTERISTICS OF ORBIS EQUITY FUNDS

<b>Structure</b>	Open-ended investment companies.
<b>Minimum initial investment</b>	US\$50,000 or the equivalent in any major currency.
<b>Subscriptions / redemptions</b>	Weekly, each Thursday, at the Net Asset Value per share calculated at 5:30 p.m. (Bermuda time) on that day.
<b>Dealing deadlines</b>	<p>For subscriptions, a properly completed Application Form, together with the corresponding payment, must be received by the Fund's Registrar by 5:00 p.m. (Bermuda time) for Orbis Global, Orbis Africa and Orbis Japan (US\$) Funds, and 5:30 p.m. (Bermuda time) for Orbis SICAV - Asia ex-Japan and Orbis SICAV - Japan Funds, on a Dealing Day to be considered for that day.</p> <p>For redemptions, proper instructions must be received by the Fund's Registrar by noon (Bermuda time) for Orbis Global, Orbis Africa and Orbis Japan (US\$) Funds, and 5:30 p.m. (Bermuda time) for Orbis SICAV - Asia ex-Japan and Orbis SICAV - Japan Funds, on a Dealing Day to be accepted on that day.</p>
<b>Prices available from</b>	<p>Telephone: +1 (441) 296 3002 Website: <a href="http://www.orbisfunds.com">www.orbisfunds.com</a> Newspapers: Financial Times, International Herald Tribune Reuters page: ORBIS Bloomberg: ORBGLEF BH, ORBAFRI BH, ORBJEYA LX, ORBJPNE LX, ORBAEFI LX or ORBJEUA BH</p>
<b>Regulation</b>	Orbis Global, Orbis Africa and Orbis Japan Equity (US\$) are regulated by the Bermuda Monetary Authority. Orbis SICAV - Asia ex-Japan and Orbis SICAV - Japan are regulated by the Commission de Surveillance du Secteur Financier in Luxembourg.
<b>For further information</b>	Contact the Investor Services Team of Orbis. Please refer to the back cover for contact information.

