

ORBIS EQUITY FUNDS

QUARTERLY
REPORTS
31 MARCH 2004



ORBIS GLOBAL

ORBIS AFRICA

ORBIS JAPAN

ORBIS GLOBAL EQUITY FUND AT 31 MARCH 2004

Total Rate of Return in US dollars:	From Inception	Latest			Quarter % Not Annualised
	on 1 Jan 1990	5 Years % Annualised	3 Years	1 Year	
Orbis Global Equity	15.0	16.6	16.4	84.8	9.8
World Index	6.6	0.3	2.6	45.8	3.3
Average Global Equity Fund	5.3	0.0	0.9	40.9	2.8

The Fund's investment approach is to own equities priced at a significant discount to the intrinsic value of their underlying businesses. When executed with discipline, this approach maximises our confidence of producing reasonable long-term returns in the Fund. The investment philosophy sounds simple and intuitive – and it is. However, the approach has some interesting and less obvious repercussions, many of which have been present over the past few years.

The discipline of owning the most attractively priced assets causes the Fund to naturally shift its exposure towards stocks or segments in the market that are undervalued. These shifts, which we discussed in the Fund's 2002 Annual Report, are particularly pronounced when relative valuations of stocks within the market move dramatically, as has been the case over the last few years. As the Fund has pursued the opportunities opened up by these valuation shifts, it has experienced higher than average portfolio turnover.

Our investment approach's long-term focus also creates the impression that we are not concerned about the timing of purchase and sale decisions. While we would rather be early than late in our trading execution, the Fund's purchases often subsequently drop in price before they go up. As long as our assessed value has not declined as much, we see these declines not as a cost, but as an opportunity to buy more of an attractive investment at a cheaper price.

In the long term, the price of a share is determined by the intrinsic value of the underlying business, but in the short term it is determined by what investors are willing to pay. So, even assuming our analysis is correct, how quickly the price will rise after the Fund purchases a share depends on how soon the market comes to share our way of thinking. Likewise, as long as the market consensus moves in the opposite direction, the Fund's holdings will underperform.

This is well illustrated by the Fund's experience over the last two years with its investment in Bayerische Hypo-und Vereinsbank (HVB), a German retail bank. At current prices, HVB is selling at little more than its shareholder's capital, which means investors pay almost nothing for its ongoing business – perhaps not surprisingly because German banks have not been sufficiently profitable in the past. The dominant state-owned banks have historically not been run with an emphasis on profitability, so loan margins there are among the lowest in the world. But we expect the future to be a lot better. German banks are now increasing loan spreads across the board, driven by regulatory changes and the recognition by management teams that returns are too low. Over the next few years, as higher margins work their way through HVB's massive asset base, we expect HVB to increase its return on capital to low double-digit levels, which will provide the Fund with an acceptable return on its investment at the current share price. Moreover, we expect investors will be prepared to pay a higher multiple as they come to appreciate the improved German banking conditions, HVB's strong market position and the quality of its management.

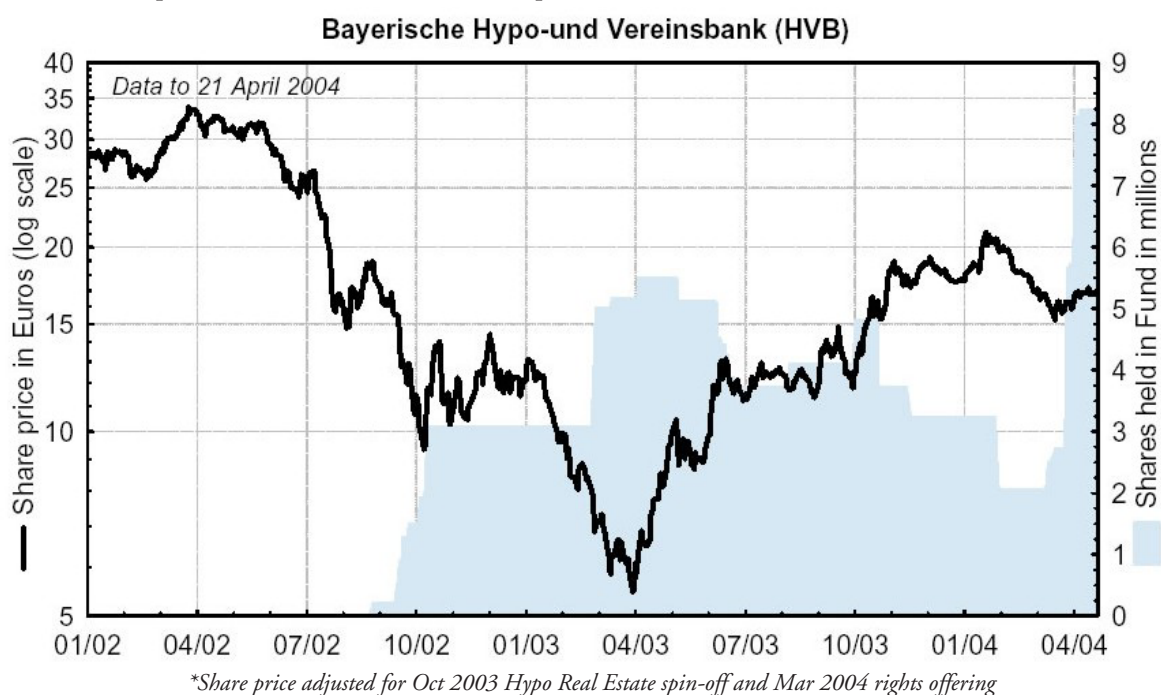
DIRECTORS Allan W B Gray, Chairman John C R Collis Geoffrey M Gardner William B Gray William D Thomson

MANAGER
Orbis Investment Management Limited

INVESTMENT ADVISOR
Orbis Investment Advisory Limited

CUSTODIAN
The Bank of Bermuda Limited

As shown in the chart below, the Fund established a position in HVB in late 2002 as the share price fell dramatically to about €10 (it traded at nearly €60 in early 2000). Our research led us to believe that the stock's intrinsic value was at least €15, if not the shareholder's capital at the time of €18. Again, we were early and the share price halved during the first quarter of 2003, when the market was gripped by a fear of lower asset prices and uncertainty in the impending war in Iraq. As is usual in such cases, we re-examined the investment case, which led us to re-affirm our assessment of the intrinsic value. The Fund added significantly to its position in HVB at around €7, taking it to over 5% of the Fund. As it happened, the overwhelmingly negative sentiment in the market dissipated remarkably rapidly and the Fund reduced its holding to a more normal level at prices averaging about €12. As the market began to share our longer term view, the share price continued to rise, and the Fund cut the original position by one-third when the price touched €20. A subsequent rights issue at €14 then depressed the share price. That opportunity, together with improving company fundamentals, led us to recently significantly increase the position to 4% of the Fund at quarter-end.



While HVB is only one example, it illustrates how the disciplined application of a long-term, fundamental-based investment approach can help the portfolio to respond to the market environment and turn lower share prices into an opportunity rather than a cost. We were definitely fortunate with HVB, given how quickly the market came to share our way of thinking, enabling the Fund to capture significant value in a fairly short period of time. As the Fund continues to focus on long-term investment opportunities, Members will inevitably see interim poor performance in the Fund because the prices of the Fund's holdings will stay depressed for as long as the market does not share our thinking, which at times can be prolonged. However, our experience has shown that the sharper the short-term losses, the bigger the eventual rewards to a patient and disciplined long-term investor. Our hope is that Members will share our confidence and patience in reaping the rewards from these opportunities as they present themselves.

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

MANAGER
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The Bank of Bermuda Limited

ORBIS GLOBAL EQUITY FUND AT 31 MARCH 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Equity	Market Value US\$ 000's	Fund's % Equities	Exposure to Currencies	% of World Index
Europe		30	17	28
Bayerische Hypo-und Vereinsbank	119,135	4		
Hypo Real Estate	118,867	3		
Berkeley Group	93,205	3		
Scottish & Newcastle	69,561	2		
International Power	67,413	2		
Royal & Sun Alliance Insurance	64,553	2		
Hagemeyer - Common and Convertible bonds	59,930	2		
Associated British Foods	53,057	2		
RMC Group	52,635	2		
Douglas Holding	47,395	1		
Oce	41,848	1		
Karstadtquelle	39,746	1		
WH Smith	35,922	1		
Cable & Wireless	34,487	1		
Positions less than 1%	81,424	3		
Japan		29	29	10
Mitsubishi Tokyo Financial	155,776	5		
Yamada Denki	104,964	3		
Pioneer	98,080	3		
Toyota Motor	77,745	2		
Honda Motor	66,189	2		
Daito Trust Construction	58,523	2		
Nikko Cordial	53,914	2		
Nippon Television Network	53,468	2		
Takeda Chemical Industries	50,713	2		
Secom	48,706	1		
Positions less than 1%	167,613	5		
United States		25	29	53
First Data	84,194	3		
Liberty Media - A	75,445	3		
NRG Energy	68,797	2		
Triad Hospitals	61,640	2		
Costco	55,589	2		
HCA	54,431	2		
Loews	48,429	1		
McKesson	46,038	1		
Merck	46,002	1		
DIRECTV	45,525	1		
Comcast - A	34,800	1		
Copart	33,616	1		
Carnival	32,964	1		
Positions less than 1%	119,709	4		
Emerging Markets and Other		16	10	7
Samsung Electronics - Preference	162,446	5		
Sasol	108,724	3		
Samsung SDI - Common and Preference	99,198	3		
Kangwon Land	54,299	2		
Positions less than 1%	92,011	3		
Canada		-	15	2
Net Current Assets	6,411	-		
Net Assets	3,245,137	100	100	100
Net Asset Value per Share	US\$ 73.02		44,441,392 shares issued	

ORBIS AFRICA EQUITY (RAND) FUND AT 31 MARCH 2004

Total Rate of Return in South African rand:	From Inception	Latest			Quarter
	on 30 Jun 1998	5 Years <i>% Annualised</i>	3 Years	1 Year	<i>% Not Annualised</i>
Orbis Africa Equity	37.3	32.8	29.5	49.5	3.2
JSE Index	11.5	14.2	13.1	43.7	3.7
<i>% appreciation of the rand versus the US dollar</i>	<i>(0.9)</i>	<i>(0.4)</i>	<i>8.5</i>	<i>25.2</i>	<i>6.4</i>

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

The disparity in valuations within the South African stockmarket continues to narrow. The extent of this disparity was close to its peak when we launched the Fund six years ago. At that time, a speculative bubble had taken many financial services and information technology shares to extremely overvalued levels while resource and industrial shares were at extremely undervalued levels. As shown above, the Fund and its Members have benefited significantly as the valuation disparity has closed, producing abnormally high relative and absolute returns for those willing to be contrarian. As one would expect, investors have become more rational in their valuation of South African shares following the correction. As a result, the disparity in valuations within the South African stockmarket has narrowed substantially. This is true not only in terms of the relative valuations between small, mid and large capitalisation shares, but also between the major sectors within the market (resources, financials and industrials).

The reduced disparity in valuations within the market is not unique to South Africa. What is distinctive is the relatively broad-based good value now available in the South African stockmarket. We continue to believe that despite the large rise in the South African stockmarket over the last year in both local currency and dollar terms, there remains the prospect of good long-term returns from South African shares relative to domestic bonds and cash. Obviously, the lower disparity in valuations means that one's ability to obtain the level of outperformance achieved over the last few years is less. However, we believe there remain some opportunities for stock-pickers like us to add value. One such opportunity we are currently finding is the ability to acquire the shares of quality businesses that are currently being rated similarly to average or poor businesses.

Until recently, we have only been able to identify investment opportunities for the Fund within the South African market. However during the quarter, we added a holding in Banro. While Banro's shares are listed on the Canadian TSX Venture Exchange, its operations are based in Africa. The Democratic Republic of the Congo has tremendous mineral potential that has not been realised due to political turmoil and civil war. The political situation is now improving and mining companies are scrambling to acquire mineral concessions in the country. Banro has the advantage of already owning rights over 10,000 square km in the Twangiza Namoya gold belt in the eastern Congo. It has identified 8 million ounces of gold resources and is embarking on a major exploration programme. While these businesses by their nature have a higher degree of risk, given the experience in Tanzania and west Africa, the chances of making a significant gold discovery are favourable. Furthermore, based on its existing resources, Banro is trading on an adjusted market capitalisation per resource ounce of US\$6, which is approximately one-tenth of the value that similar companies are priced at. We therefore view Banro as an extremely attractively priced option and a good portfolio diversifier.

<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 MARCH 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Equity (Ranked by sector)	Market Value R 000's	% of Fund	% of JSE Index
Industrial and Cyclical Services		32	21
Kersaf Investments	61,265	6	
Allied Electronics - Preference and Common	37,141	3	
Primedia - 'N' and Common	30,943	3	
Net1 Applied Technology Holdings	25,387	2	
Johnnic Communications	23,165	2	
Nampak	21,263	2	
Remgro	20,736	2	
New Clicks Holdings	20,013	2	
Woolworths Holdings	18,207	2	
Sun International	16,516	2	
Adcorp Holdings	15,539	2	
FrontRange	13,550	1	
Mr Price Group	11,565	1	
Positions less than 1%	26,976	2	
Resources		31	42
Sasol	81,987	8	
Anglovaal Mining	60,489	6	
Avgold	50,326	5	
Anglo American	43,241	4	
Western Areas	37,948	3	
Northam Platinum	19,641	2	
Banro	19,177	2	
Positions less than 1%	10,854	1	
Non-Cyclicals		21	13
MTN Group	75,589	7	
Tiger Brands	74,391	7	
Aspen Pharmacare Holdings	23,576	2	
Shoprite Holdings	21,734	2	
Illovo Sugar	15,453	2	
Positions less than 1%	10,324	1	
Financials		15	24
Standard Bank Investment	49,078	5	
Investec Plc and Group	27,762	3	
Coronation Fund Managers	23,399	2	
ABSA Group	19,901	2	
Real Africa Holdings	19,592	2	
VenFin	14,680	1	
Net Current Assets	11,247	1	
Net Assets	1,052,655	100	100
<i>(Currency exposure 98% rand, 2% Canadian dollar)</i>			
Net Asset Value per Share	R 285.38	3,688,556 shares issued	

JAPAN EQUITY FUND AT 31 MARCH 2004

Total Rate of Return	From Inception	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
Yen Class (launched 1 Jan 1998)*	14.5	8.4	8.2	57.8	15.9
TOPIX	1.0	(0.5)	(1.6)	51.1	13.6
Average Japan Equity Fund	0.9	(0.2)	(3.8)	43.7	10.1
% appreciation of the yen versus the US dollar	3.7	2.6	6.5	13.1	2.9
Euro Class (launched 1 Jan 2003)	40.9			61.0	16.3
TOPIX Hedged into euro	36.3			55.2	14.2
% appreciation of the euro versus the US dollar	13.6			12.7	(2.2)

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

The Fund appreciated 15.9% in the first quarter of 2004, while the TOPIX rose 13.6% and the Average Japan Equity Fund 10.1%. For the one year ended 31 March 2004, Orbis Japan earned 57.8%, the TOPIX 51.1% and the Average Japan Equity Fund 43.7%.

Developments in the Japanese economy and investment markets continue to support our belief that the TOPIX is in the early stages of a bull market. Another period of consolidation in the stockmarket, similar to that experienced in late October and November last year, is now well deserved and would not be surprising.

A notable feature of the past quarter has been the improvement of the Japanese economy and particularly the broadening of participation to include increasing employment, incomes, consumer confidence and spending. This caused investors to favour those equities that are focused on the domestic economy such as banks, real estate and retailers. The rotation of investor focus among groups of stocks is healthy for the stockmarket and conducive to a sustainable advance in the TOPIX. At the same time, it is very taxing for those active asset managers who are momentum driven. The fact that the Average Japan Equity Fund has underperformed the TOPIX so markedly in this bull market – as shown above – indicates that most investment managers fall into this category.

Because the improvement in Japan's domestic economy is still in its embryonic stages, it is too early to judge whether corporate earnings are going to improve sufficiently to underpin the past year's advance in the TOPIX and support further advances. Corporate results for the six months and year ending 31 March 2004, to be announced in May, will be instructive in this regard and we will be monitoring this aspect carefully.

The Japanese economy, the world's second largest, is now showing progressive improvement; the US economy is strong following good employment numbers, retail sales and a higher consumer price index; and finally the Chinese economy is growing at a breathtaking 9.7% per annum. Shortages of commodities, such as steel, are common and leading to sharply higher commodity prices. We suspect the period of dramatic monetary easing is now past and expect higher interest rates globally. Your portfolio of Japanese equities shown opposite is therefore concentrated in very well financed, cash rich companies. We recognise that these shares are less leveraged to an improving economy, but they are generally the better managed companies in their industries and they are less likely to face dilution through fundraising by additional share issuances.

DIRECTORS Allan W B Gray, Chairman Germain Birgen John C R Collis William B Gray David T Smith Jean-Claude Stoffel

MANAGER

Orbis Investment Management (B.V.I.) Limited

INVESTMENT ADVISOR

Orbis Investment Management Limited

CUSTODIAN

State Street Bank Luxembourg S.A.

JAPAN EQUITY FUND AT 31 MARCH 2004

STATEMENT OF NET ASSETS (UNAUDITED)

Equity (Ranked by sector)	Market Value ¥ 000's	% of Fund	% of TOPIX
Cyclicals		39	36
Toppan Printing	10,272,060	5	
Daito Trust Construction	10,212,118	5	
Dai Nippon Printing	9,598,017	5	
Toyota Industries	9,419,355	5	
Sankyo (machinery)	8,983,720	5	
Mitsubishi Logistics	5,037,360	3	
Toyota Motor	4,957,476	3	
Honda Motor	4,811,040	3	
Maruichi Steel Tube	3,523,716	2	
Okumura	2,451,348	1	
Toda	2,268,390	1	
Heiwa	2,199,432	1	
Positions less than 1%	570,623	-	
Consumer Non-Durables		24	17
Secom	10,024,320	5	
Yamada Denki	8,945,860	5	
Shimachu	6,089,400	3	
Seven-Eleven Japan	5,677,200	3	
Ito-Yokado	3,479,160	2	
Sundrug	2,772,523	1	
Canon Sales	2,326,281	1	
Tsuruha	2,316,517	1	
Positions less than 1%	4,810,726	3	
Financials		19	17
Mitsubishi Tokyo Financial	11,187,860	6	
Nikko Cordial	7,857,030	4	
Nomura Holdings	6,685,560	4	
Mitsubishi Securities	4,697,973	2	
Sumitomo Trust & Banking	4,643,100	2	
Japan Securities Finance	2,405,008	1	
Communications and Utilities		9	14
Fuji Television Network	8,213,376	4	
Nippon Television Network	7,621,900	4	
TV Asahi	2,069,160	1	
Technology		9	16
Pioneer	8,716,400	4	
Citizen Watch	4,843,176	3	
Mitsumi Electric	2,162,240	1	
Positions less than 1%	1,866,725	1	
Net Current Assets	458,227	-	
Net Assets	194,174,377	100	100
Net Asset Value per Share			
Yen Class (Currency exposure 100% yen)	¥ 2,329	78,609,990 shares issued	
Euro Class (Currency exposure 100% euro)	€ 15.34	5,646,660 shares issued	

ORBIS JAPAN EQUITY (US\$) FUND AT 31 MARCH 2004

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
Orbis Japan Equity (US\$)	14.5	11.9	10.2	58.8	16.0
TOPIX Hedged	4.7	3.4	0.5	53.7	13.9
<i>% appreciation of the US dollar versus the yen</i>	<i>(5.4)</i>	<i>(2.6)</i>	<i>(6.1)</i>	<i>(11.6)</i>	<i>(2.9)</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 regular readers to the Orbis SICAV - Japan Equity Fund report on page 6. 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 (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
Orbis SICAV - Japan Equity Fund - Yen Class	165,795	102
Net Current Liabilities	(2,502)	(2)
Net Assets	163,293	100
Net Asset Value per Share	US\$ 21.95	7,439,264 shares issued

DEPLOYMENT

		% of Fund
Stockmarket exposure	Japan	102
Currency exposure	US dollar	100

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

NOTICES

PRIVACY POLICY

Our relationship with our clients is our most important asset. We understand that clients entrust us with their private information. Please take a moment to read about the steps we take to maintain that trust and our approach to privacy.

How and why we obtain personal information. In order to provide financial products and services to our clients efficiently and accurately, we may collect non-public personal information about our clients and former clients from the following sources: (1) information we receive from Orbis Fund documentation, including applications or other forms and (2) information about clients' transactions with the Orbis Group and others (including information such as clients' holdings and transaction activity).

Our use of personal information. We maintain physical, electronic, and procedural safeguards to protect clients' non-public personal information. We will not sell clients' non-public personal information to anyone. It is our policy not to disclose this information except within the Orbis Group, or to others as required by law. We may also disclose this information to fulfill client instructions, or with clients' express consent. From time to time, Orbis may disclose clients' non-public personal information to third parties that perform processing or servicing functions or client relationship services on our behalf (such as the Fund's administrator or auditors). They are required to maintain the confidentiality of such information to the extent they receive it, and to use the information only in the course of providing such services.

As a continuing Member of the Orbis Funds, you consent to this policy. If you have any questions or concerns, please contact Geoffrey Gardner, Director of Fund Management, at +1 441 296 3000, or by e-mail at g.gardner@orbisfunds.com or by mail to: Geoffrey Gardner, Orbis Group, 34 Bermudiana Road, Hamilton HM 11, Bermuda.

UK 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 2002. Certification is granted retrospectively, therefore there can be no assurance that the Orbis Funds will be certified as distributing funds for fiscal 2003 or for future accounting periods.

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. 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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