

QUARTERLY  
**REPORTS**  
30 SEPTEMBER 2005



ORBIS GLOBAL

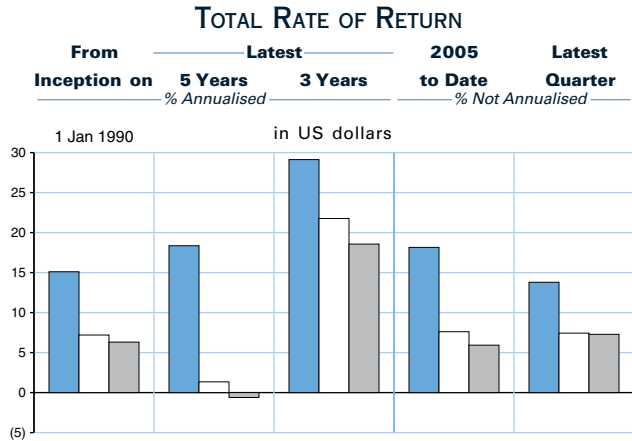
ORBIS AFRICA

ORBIS JAPAN

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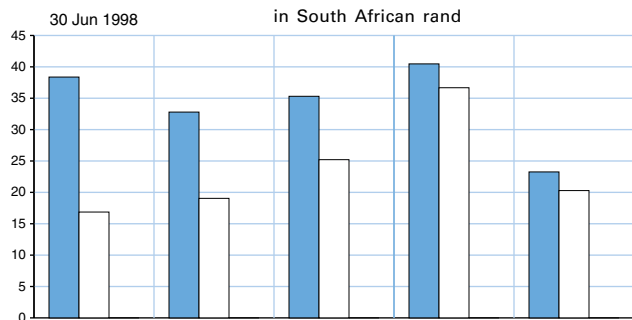
**ORBIS GLOBAL EQUITY FUND**

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.



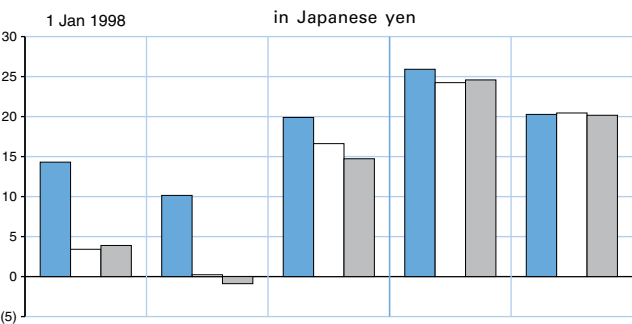
**ORBIS AFRICA EQUITY (RAND) FUND**

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



Orbis Fund
  Benchmark
  Average Fund in Sector

*FTSE World Index and FTSE/JSE Africa All Share Index: FTSE International Limited; TOPIX: Tokyo Stock Exchange; and Average Fund: Standard & Poor's sector index return. "FTSE" is a trademark of the London Stock Exchange Limited and is used by FTSE International Limited under licence. Orbis Africa is not compared with other South Africa funds because its sector includes only one other fund. 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 above. Total rate of return on each graph is in the Orbis Fund's base currency.*

Only Orbis SICAV is admitted for public marketing in Luxembourg

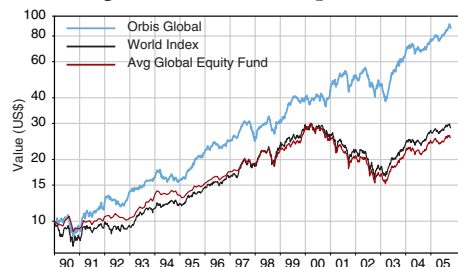
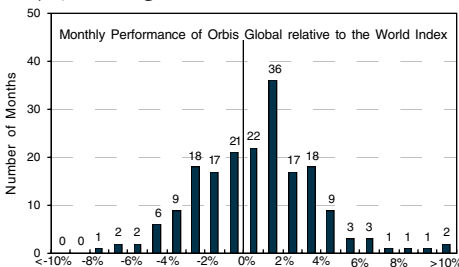
# ORBIS GLOBAL EQUITY FUND AT 30 SEPTEMBER 2005

Total Rate of Return in US dollars:	From Inception	Latest		2005	Latest
	on 1 Jan 1990	5 Years	3 Years	to Date	Quarter
	% Annualised				
<b>Orbis Global Equity</b>	<b>15.1</b>	<b>18.4</b>	<b>29.1</b>	<b>18.2</b>	<b>13.8</b>
World Index	7.2	1.3	21.8	7.6	7.4
Average Global Equity Fund	6.3	(0.6)	18.6	5.9	7.3

The Fund's performance last quarter was strong, both in absolute terms and relative to the World Index. While positive relative returns were posted in all major regions, in particular the Fund benefited from very strong performances from its heavy overweightings in Japanese and Korean equities. While we believe recognition of these markets' attractiveness was long overdue and we were pleased with the impact they had on the Fund's performance, the magnitude of these markets' short-term surges was extraordinary and the markets are vulnerable to some correction.

The Fund's September return relative to the World Index of 4.4% ranks that month in the top decile of the Fund's monthly relative returns since inception. While these spurts of superior performance are never unwelcome, it is important to keep them in perspective. The columns in the left-hand chart below plot the number of times the Fund's monthly relative return has fallen within certain bands. As the chart shows, monthly superior performance of 4% or greater is infrequent and furthermore the Fund is not immune from months of significant underperformance. The point is that, while every month counts, the Fund's short-term relative returns are highly variable and it is therefore important not to put too much emphasis on them. Also noteworthy is that these infrequent performance spikes have outsized impacts on overall relative performance, with the monthly relative returns of the top and bottom decile months contributing 104% and -79% of the Fund's total relative performance, respectively. Considering these magnitudes, investing for a short time period substantially increases the risk of experiencing an abnormally high proportion of outsized negative relative returns and achieving a poor investment experience, hence our frequent reminders of the importance of thinking and investing with a long-term perspective.

The discussion above on the large variability of the Fund's relative returns should not be misinterpreted as meaning that the Fund is more risky than the World Index. Although the Fund's short-term relative returns have been highly variable, the Fund's medium-term absolute returns have been much more stable, its loss experience significantly lower and its short-term absolute returns only slightly more variable than the World Index, as the right-hand graph below helps illustrate. So, while we would like to avoid the short-term "pain" of returns that at times stray significantly from those of the Benchmark and average fund, we accept it as unavoidable in order to enjoy the "gain" of more consistent and superior longer-term absolute performance.



**DIRECTORS** Allan W B Gray, Chairman John C R Collis Geoffrey M Gardner William B Gray William D Thomson  
**MANAGER** Orbis Investment Management Limited  
**INVESTMENT ADVISOR** Orbis Investment Advisory Limited  
**CUSTODIAN** The Bank of Bermuda Limited

# ORBIS GLOBAL EQUITY FUND AT 30 SEPTEMBER 2005

## STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	Fund's % Equities	Exposure to Currencies	% of World Index
<b>Japan</b>		<b>27</b>	<b>34</b>	<b>9</b>
Toyota Industries	285,377	5		
Mitsubishi UFJ Financial	272,054	4		
Canon	162,105	3		
Yamada Denki	147,374	2		
Takeda Pharmaceutical	127,211	2		
Secom	123,876	2		
Fuji Television Network	106,083	2		
Daito Trust Construction	92,992	1		
Nikko Cordial	79,052	1		
Positions less than 1%	329,028	5		
<b>United States</b>		<b>27</b>	<b>42</b>	<b>50</b>
Liberty Global - A and C	265,891	4		
First Data	176,763	3		
Comcast - A	165,300	3		
NRG Energy	147,212	2		
DIRECTV	130,630	2		
Reliant Energy	122,533	2		
Marsh & McLennan	113,415	2		
Costco	86,909	1		
American International Group	84,929	1		
Health Management Associates	83,495	1		
SkyWest	65,008	1		
Positions less than 1%	278,128	5		
<b>Europe</b>		<b>20</b>	<b>14</b>	<b>29</b>
Hypo Real Estate	226,387	4		
Hagemeyer - Common and Convertible bonds	131,063	2		
Bayerische Motoren Werke	112,067	2		
Royal & Sun Alliance Insurance	95,042	2		
Fiat	94,248	1		
Berkeley Group	92,103	1		
Douglas Holding	81,061	1		
Oce	71,287	1		
Medion	65,365	1		
Positions less than 1%	309,171	5		
<b>Asia ex-Japan</b>		<b>19</b>	<b>10</b>	<b>4</b>
Samsung Electronics - Common and Preference	287,741	5		
China Mobile (Hong Kong)	177,344	3		
China Telecom - H	148,128	2		
Samsung SDI - Common and Preference	132,443	2		
Samsung Securities	128,896	2		
Kangwon Land	110,487	2		
Positions less than 1%	205,743	3		
<b>South Africa and Other</b>		<b>7</b>	<b>-</b>	<b>8</b>
Sasol	330,040	5		
Harmony Gold Mining - Common and ADR	96,943	2		
Positions less than 1%	22,970	-		
<b>Net Current Assets</b>	<b>19,000</b>	<b>-</b>		
<b>Net Assets</b>	<b>6,382,894</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 91.58</b>			69,697,803 shares issued

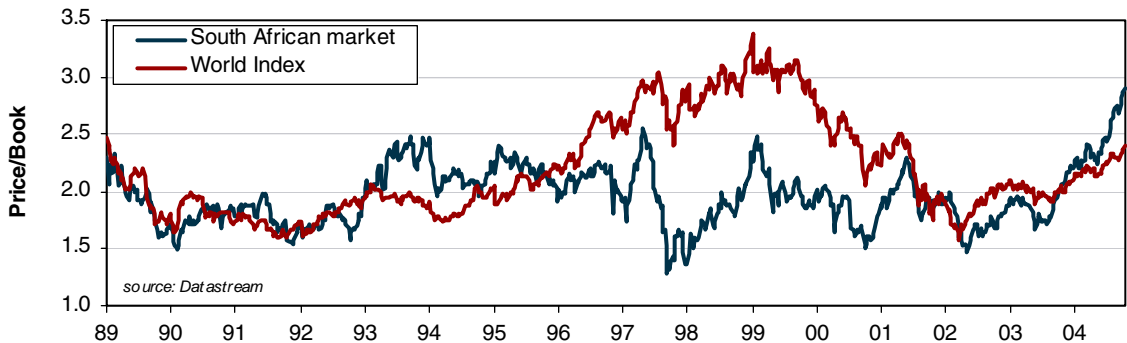
## ORBIS AFRICA EQUITY (RAND) FUND AT 30 SEPTEMBER 2005

Total Rate of Return in South African rand:	From Inception	Latest		2005	Latest
	on 30 Jun 1998	5 Years	3 Years	to Date	Quarter
	% Annualised				
<b>Orbis Africa Equity</b>	<b>38.4</b>	<b>32.8</b>	<b>35.3</b>	<b>40.5</b>	<b>23.3</b>
JSE Index	16.9	19.0	25.2	36.7	20.3
% appreciation of the rand versus the US dollar	(0.9)	2.6	18.3	(11.0)	4.6

Note: Orbis Africa Equity is not compared with the offshore sector index for South Africa funds because the sector includes only one other fund.

Although we had been involved in South Africa through Allan Gray Limited for many years before 1998, we only started the Orbis Africa Equity Fund in mid-1998 when we saw extraordinary opportunity, especially compared to equities globally, and wanted to offer our investors a more direct way to participate. In all honesty, even we have been amazed by the subsequent results. While the South African stockmarket has risen strongly, the Fund has delivered stunning performance.

Seven years after the Fund's launch much has changed for the better in South Africa. That is the good news. From an investor's perspective, the bad news is that the improvement is clear for all to see and confidence has returned, raising valuations, as can be seen in the chart below, to a point where they have reached globally comparable levels.



This being said, we do continue to find pockets of compelling value and are able to take advantage of large differences in expectations among sectors to maintain a portfolio that we believe will outperform both cash and the benchmark FTSE/JSE Africa All Share Index. The disparity in expectations is currently particularly striking between the domestic consumer-oriented names and the rand-sensitive commodity producers. After having seen tremendous moves, the Fund is now underweight consumer spending-driven companies that have seen significant growth in earnings and are sporting record operating margins and return on assets, not to mention record high stock prices. We have instead chosen to focus the Fund on positions in the rand-sensitive commodities producers, which we expect to be fairly acute beneficiaries of a potential weakening in the rand, making their production more globally competitive and boosting margins.

South Africa and Africa overall still have much untapped long-term economic potential, and we continue to believe the Fund's equities are more attractive than bonds and cash although the stockmarket overall may not be. But just as the extraordinarily low valuations of seven years ago produced extraordinarily high subsequent returns, so current valuations are likely to produce lower returns going forward.

DIRECTORS Allan W B Gray, Chairman John C R Collis William B Gray Simon C Marais Stephen Mildenhall

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 30 SEPTEMBER 2005

## STATEMENT OF NET ASSETS (UNAUDITED)

Equity (Ranked by sector)	Market Value R 000's	% of Fund	% of JSE Index
<b>Resources</b>		<b>45</b>	<b>39</b>
Sasol	230,144	11	
Anglo American	144,965	7	
Harmony Gold Mining	121,831	6	
Northam Platinum	100,293	5	
Anglo Platinum	85,613	4	
African Rainbow Minerals	57,360	3	
AngloGold Ashanti - Common and ADR	55,251	3	
Banro	47,600	2	
Western Areas	43,458	2	
Impala Platinum Holdings	39,042	2	
Positions less than 1%	346	-	
<b>Industrial and Cyclical Services</b>		<b>25</b>	<b>22</b>
Sun International	121,821	6	
Remgro	55,305	3	
Naspers	55,212	3	
Johnnic Communications	54,485	3	
Net1 UEPS Technologies	50,004	2	
FrontRange	36,554	2	
Primedia - 'N' and Common	29,727	1	
Nampak	25,500	1	
Adcorp Holdings	24,220	1	
New Clicks Holdings	24,116	1	
Positions less than 1%	34,797	2	
<b>Financials</b>		<b>17</b>	<b>24</b>
Standard Bank Group	85,251	4	
FirstRand	49,781	2	
VenFin	42,106	2	
Nedbank Group	36,050	2	
ABSA Group	34,258	2	
Real Africa Holdings	30,973	2	
RMB Holdings	30,956	2	
Coronation Fund Managers	29,721	1	
Positions less than 1%	7,680	-	
<b>Non-Cyclicals</b>		<b>13</b>	<b>15</b>
MTN Group	120,838	6	
Tiger Brands	48,931	2	
Shoprite Holdings	37,491	2	
Aspen Pharmacare Holdings	28,634	2	
Positions less than 1%	19,026	1	
<b>Net Current Assets</b>	2,512	-	
<b>Net Assets</b>	<b>2,041,852</b>	<b>100</b>	<b>100</b>
<i>(Currency exposure 98% rand, 2% Canadian dollar)</i>			
<b>Net Asset Value per Share</b>	<b>R 478.67</b>	4,265,703 shares issued	

## JAPAN EQUITY FUND AT 30 SEPTEMBER 2005

Total Rate of Return	From Inception	Latest		2005 to Date	Latest Quarter
		5 Years % Annualised	3 Years % Not Annualised		
<b>Yen Class</b> (launched 1 Jan 1998)*	<b>14.3</b>	<b>10.1</b>	<b>19.9</b>	<b>25.9</b>	<b>20.3</b>
TOPIX	3.4	0.2	16.6	24.2	20.5
Average Japan Equity Fund	3.9	(0.9)	14.7	24.6	20.2
% appreciation of the yen versus the US dollar	1.8	(1.0)	2.4	(9.6)	(2.3)
<b>Euro Class</b> (launched 1 Jan 2003)	<b>27.0</b>			<b>28.3</b>	<b>21.1</b>
TOPIX Hedged into euro	25.1			26.2	21.1
% appreciation of the euro versus the US dollar	5.1			(11.3)	(0.7)

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

From its 1990 peak until 2003, the Japanese stockmarket was a spectacularly poor performer, both in absolute terms and relative to other stockmarkets, as it over-corrected from a very overvalued level. The valuation conditions that led to this long slide were described in some detail in last quarter's Manager's Report. Towards the latter part of this slide, we had become sufficiently convinced that our selected Japanese stocks were likely to produce attractive relative and absolute returns that we decided to launch the Japan Equity Fund to provide clients direct access to this opportunity.

While the Fund's performance has been strong since its 1998 launch, the performance of the Japanese stockmarket has tracked remarkably closely to that of the US stockmarket. We believe this is in no small part the result of a lingering crisis of confidence in the domestic shares by local market participants who, lacking any conviction, preferred to take their cues from more dominant western stockmarkets. But as Japanese investors sat on the sidelines and Japanese shares drifted, corporate profits, balance sheets and governance continued to improve, and equity valuations relative to western stockmarkets became even more attractive.

For some time now, with the relative attractiveness of Japanese shares high and growing steadily, we have been waiting for a positive decoupling of Japanese equities from those of the US and other western markets. What we witnessed in the third quarter has been very encouraging in this regard with very strong near-term relative performance accelerating through the end of September. While we are well aware that one quarter does not a successful breakout make and would in fact not be surprised to see a period of consolidation, we are encouraged not just by the recent decoupling in price trends, but also by some positive developments and milestones which add context and health to the upward move in Japanese equities.

Despite the TOPIX's 20.5% rise last quarter outpacing the S&P 500's 3.6% return (including income), Japanese shares continue to offer more attractive value in our opinion. Prospects for continued positive structural change received a significant boost with the landslide re-election victory of Prime Minister Koizumi indicating overwhelming public support for accelerated reforms and the privatisation of the massive bureaucracy Japan Post. In addition with the Postal Savings System offering equity funds for the first time, we could be on the verge of witnessing the unlocking of enormous incremental demand for Japanese equities. With savings deposits amounting to 200% of Japanese stockmarket capitalisation, a return of the domestic investor to the stockmarket may provide a long-missing piece to the recovery story.

*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 30 SEPTEMBER 2005

### STATEMENT OF NET ASSETS (UNAUDITED)

Equity (Ranked by sector)	Market Value ¥ 000's	% of Fund	% of TOPIX
<b>Consumer Non-Durables</b>		<b>28</b>	<b>18</b>
Secom	16,502,850	5	
Yamada Denki	14,790,957	5	
Canon Sales	14,746,570	5	
Takeda Pharmaceutical	14,339,988	5	
Sundrug	13,188,744	4	
Shimachu	5,900,513	2	
Aoki International	3,784,552	1	
Tsuruha	3,321,480	1	
Positions less than 1%	1,257,571	-	
<b>Cyclicals</b>		<b>28</b>	<b>39</b>
Toyota Industries	21,870,147	7	
Sankyo (machinery)	11,709,438	4	
Daito Trust Construction	10,291,379	3	
East Japan Railway	9,610,488	3	
Honda Motor	7,532,586	3	
Toppan Printing	6,913,872	2	
Mitsubishi Logistics	6,207,604	2	
Heiwa	5,020,596	2	
Toda	3,973,182	1	
Positions less than 1%	2,685,634	1	
<b>Communications and Utilities</b>		<b>19</b>	<b>11</b>
Fuji Television Network	13,725,398	4	
Jupiter Telecommunications	13,054,559	4	
NTT DoCoMo	12,829,020	4	
Nippon Television Network	7,162,700	3	
Nippon Telegraph and Telephone	5,682,114	2	
TV Asahi	5,391,006	2	
Positions less than 1%	457,485	-	
<b>Financials</b>		<b>15</b>	<b>19</b>
Mitsubishi UFJ Financial	23,492,830	7	
Nikko Cordial	12,021,828	4	
Nomura Holdings	7,609,985	3	
Mitsubishi UFJ Securities	4,088,032	1	
<b>Technology</b>		<b>10</b>	<b>13</b>
Canon	15,020,339	5	
Advantest	7,448,320	3	
Citizen Watch	6,946,935	2	
<b>Net Current Assets</b>	1,104,367	-	
<b>Net Assets</b>	<b>309,683,069</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>			
<b>Yen Class</b> (Currency exposure 100% yen)	<b>¥ 2,818</b>	103,829,223 shares issued	
<b>Euro Class</b> (Currency exposure 100% euro)	<b>€ 19.28</b>	6,498,996 shares issued	

## ORBIS JAPAN EQUITY (US\$) FUND AT 30 SEPTEMBER 2005

Total Rate of Return in US dollars:	From Inception	Latest		2005 to Date	Latest Quarter
	on 12 Jun 1998	5 Years	3 Years		
		% Annualised			
<b>Orbis Japan Equity (US\$)</b>	<b>14.8</b>	<b>12.7</b>	<b>21.6</b>	<b>27.8</b>	<b>20.7</b>
TOPIX Hedged	7.1	2.8	18.9	27.1	21.5
<i>% appreciation of the US dollar versus the yen</i>	<i>(3.2)</i>	<i>1.0</i>	<i>(2.3)</i>	<i>10.7</i>	<i>2.3</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
<b>Orbis SICAV - Japan Equity Fund - Yen Class</b>	212,041	98
Net Current Assets	5,212	2
<b>Net Assets</b>	<b>217,253</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 27.41</b>	7,925,326 shares issued

### DEPLOYMENT

		% of Fund
<b>Stockmarket exposure</b>	Japan	<b>97</b>
<b>Currency exposure</b>	US dollar	<b>100</b>

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

**U.S. Persons.** *Recently, the United States Securities and Exchange Commission (the “SEC”) adopted rules requiring certain investment managers, including non-U.S. advisers, to register as investment advisers. In the Orbis Funds’ subscription form, investors represent that they are not “U.S. Persons” under Regulation S pursuant to U.S. federal securities laws. We have always considered a “U.S. Person” to include a nominee acting for the benefit, directly or indirectly, of a U.S. investor. In connection with the new rule, we are also treating as a “U.S. Person” (1) any discretionary account that is managed by another person for the benefit of a person resident in the United States (the term “discretionary account” does not refer to a personal trust or estate), (2) any “private fund” as defined under the new rule, such as a fund of funds that has conducted an offering in the United States or that has U.S. investors and (3) any SEC-registered fund. We must “look through” private funds and SEC-registered funds to see if there are ultimately U.S. investors in such funds. A “private fund” is generally any investment vehicle that (a) is excepted from the definition of an “investment company” pursuant to Section 3(c)(1) or 3(c)(7) of the U.S. Investment Company Act of 1940 and (b) permits investors to redeem their investment within two years of the purchase of such investment. Generally, if the investment vehicle is not sold in the United States or to U.S. Persons, it will not be considered a private fund.*

*Please contact the Orbis Investor Services Team (see the back cover for contact details) if you fall within any of the four categories of U.S. Persons identified above. If you do not respond by 30 November 2005, we will treat you as a non-U.S. Person for these purposes.*

**Sources.** *FTSE World Index and FTSE/JSE Africa All Share Index: FTSE International Limited; TOPIX: Tokyo Stock Exchange; and Average Fund: Standard & Poor’s sector index return. “FTSE” is a trademark of the London Stock Exchange Limited and is used by FTSE International Limited under licence.*

**EU Savings Directive.** *Orbis’ assessment is that all of the Orbis Funds are outside of the scope 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.** *The Board of Inland Revenue has certified each of the Orbis Funds and the Japan Funds of the Orbis SICAV 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 Funds’ inception until 31 December 2004. Certification is granted retrospectively, therefore there can be no assurance that the Funds will be certified as distributing funds for fiscal 2005 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](http://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.*

