

QUARTERLY  
**REPORTS**  
31 MARCH 2007



ORBIS GLOBAL  
ORBIS AFRICA  
ORBIS ASIA EX-JAPAN  
ORBIS JAPAN

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*Chart Data (Opposite).* Orbis Africa is not compared with the Average South Africa Equity Fund because the offshore 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. Total rate of return on each graph is in the Orbis Fund's base currency.

*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.*

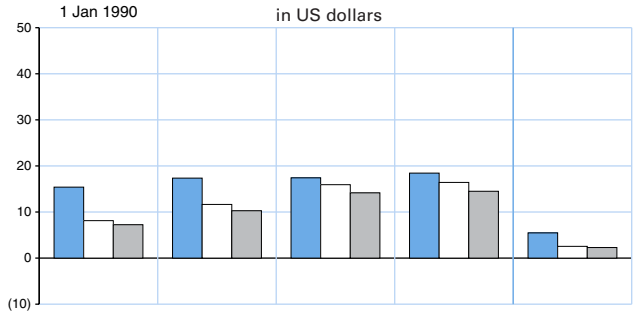
*Only Orbis SICAV is admitted for public marketing in Luxembourg*

**TOTAL RATE OF RETURN**

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

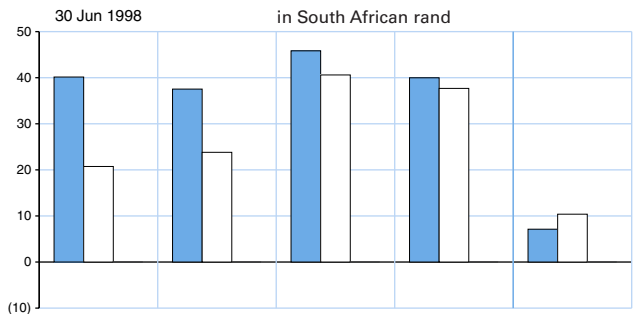
**ORBIS GLOBAL EQUITY FUND**

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.



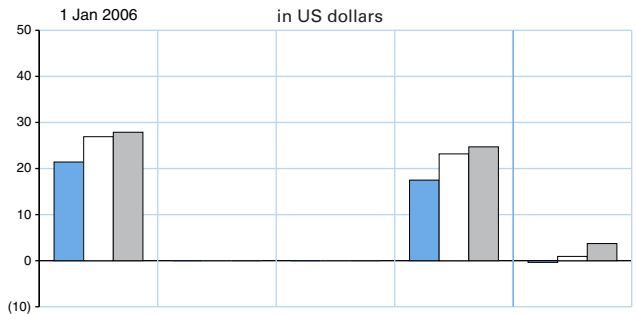
**ORBIS AFRICA EQUITY (RAND) FUND**

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.



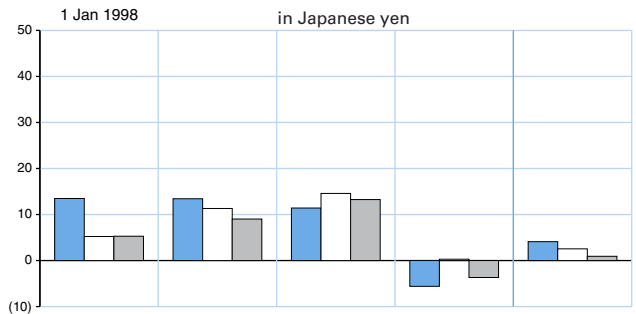
**ORBIS ASIA EX-JAPAN EQUITY FUND**

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 Fund is also available in euro and US dollars.



Orbis Fund    Benchmark    Average Fund in Sector



## ORBIS GLOBAL EQUITY FUND AT 31 MARCH 2007

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
<b>Orbis Global Equity</b>	<b>15.4</b>	<b>17.4</b>	<b>17.4</b>	<b>18.4</b>	<b>5.5</b>
World Index	8.1	11.6	15.9	16.4	2.5
Average Global Equity Fund	7.2	10.3	14.2	14.5	2.3

The Global Fund's strong performance last quarter was in part driven by buy-out offers for three of the Fund's positions. Another bid, for First Data, just after quarter-end made for four buy-outs in four weeks. With our investing style, Orbis is no stranger to its positions being subject to buy-out activities, but this spike in frequency is still noteworthy, as is the underlying liquidity surge that is in part fuelling the global equity market advance.

According to data tracker Thomson Financial, global merger and acquisition (M&A) activity topped \$1 trillion in this past quarter — a 27% increase from the prior year and the fifth straight year of expansion. The increase is not particularly noteworthy following years of economic expansion and stockmarket advances, but the level of participation by the leveraged buy-out (LBO) private equity community is. The proportion of total M&A accounted for by private equity buyers has grown from 4% in 1997 to 25% in 2006.

The overall M&A trend, and most specifically the LBO phenomenon, is being driven by an extreme abundance of cheap borrowings. As is discussed more extensively in this quarter's Absolute Funds report, the difference in interest rates demanded by investors from low quality or highly leveraged companies versus those from low risk US treasuries is near historic lows, implying investors are willing to take on increasing risk in order to sustain a given level of prospective returns. These eager return seekers are fuelling the extremely heady pace of leveraged buy-outs, which often use this cheap debt to pay for over 80% of the purchase price.

From the perspective of the Global Fund, the current M&A and LBO frenzy is a mixed blessing — it has helped the Fund as takeouts have crystallised the upside in some of our names faster than would have been natural, but the increased deal activity has also bid up the prices of some companies that would have otherwise been candidates for purchase. When it comes to investment opportunity, the market's increasing fixation with trying to figure out what the next targets will be has caused the large-cap, high-quality growth names, like Cisco and Microsoft, to become relatively neglected and attractive, as we've been discussing since 2006.

We expect this buy-out binge will come to an end. Something, perhaps an over-leveraged deal going bad, will at some point cause debt investors to rein in their risk appetite, putting the brakes on LBO activity. Looking forward, as and when the liquidity music stops, there will undoubtedly be negative reverberations through the markets. While it would be irresponsible to say that Global would not suffer in any related sell-off, we do believe that the portfolio is relatively well-positioned. The Fund is increasingly filled with the aforementioned higher quality growth names, companies with solid balance sheets, and in particular a large component of Asian stocks. These latter stocks, that have by and large not been reached by the M&A LBO wave, have stellar balance sheets and excellent long-term growth prospects. Further, our quantitative analysis and fundamental research has largely steered us away from the money centre banks that might be particularly vulnerable in a shakeout. Looking further out, we would not be surprised if some of these deals that have been announced ran into considerable difficulties and wind up coming back to the equity markets at the kind of irrational low prices upon which the Fund has feasted in the past.

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

**MANAGER**  
Orbis Investment Management Limited

**INVESTMENT ADVISOR**  
Orbis Investment Advisory Limited

**CUSTODIAN**  
The Bank of Bermuda Limited

# ORBIS GLOBAL EQUITY FUND AT 31 MARCH 2007

## STATEMENT OF NET ASSETS (UNAUDITED)

Security	Market Value US\$ 000's	Fund's % Equities	Exposure to Currencies	% of World Index
<b>North America</b>		<b>42</b>	<b>28</b>	<b>48</b>
Liberty Global - A and C	424,735	4		
Cisco Systems	382,503	4		
Reliant Energy	333,387	4		
NRG Energy	326,118	4		
Microsoft	322,471	3		
CVS/Caremark	293,603	3		
Tyco International	243,029	3		
American International Group	236,997	2		
Marsh & McLennan	235,540	2		
Berkshire Hathaway - B and A	192,621	2		
Comcast - A	188,226	2		
Mosaic	158,600	1		
Canadian Natural Resources	127,270	1		
RenaissanceRe	119,743	1		
Positions less than 1%	582,377	6		
<b>Europe</b>		<b>21</b>	<b>11</b>	<b>32</b>
Crédit Agricole	248,220	3		
Bayerische Motoren Werke	246,490	3		
Tesco	208,833	2		
Cable & Wireless	203,195	2		
COLT Telecom	186,038	2		
Fiat	179,148	2		
Wm Morrison Supermarkets	156,115	1		
PartyGaming	147,976	1		
Hypo Real Estate	112,815	1		
Oce	109,387	1		
Positions less than 1%	269,549	3		
<b>Japan</b>		<b>17</b>	<b>50</b>	<b>10</b>
Toyota Industries	304,508	3		
Nikko Cordial	302,379	3		
NTT DoCoMo	254,902	3		
East Japan Railway	192,630	2		
Yamada Denki	173,196	1		
Mitsubishi UFJ Securities	108,964	1		
Fuji Television Network	106,660	1		
Positions less than 1%	299,959	3		
<b>Asia ex-Japan</b>		<b>17</b>	<b>11</b>	<b>4</b>
Samsung Electronics - Common and Preference	411,152	4		
China Telecom	247,032	3		
Singapore Airlines	162,559	1		
Hutchison Whampoa	134,272	1		
CNOOC	115,924	1		
Kangwon Land	109,360	1		
Cathay Pacific Airways	104,975	1		
Denway Motors	102,036	1		
Positions less than 1%	323,985	4		
<b>South Africa and Other</b>		<b>3</b>	<b>-</b>	<b>6</b>
Harmony Gold Mining - Common and ADR	166,417	1		
Positions less than 1%	173,950	2		
<b>Net Current Assets</b>	27,051	-		
<b>Net Assets</b>	<b>10,056,897</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 118.17</b>		85,104,360 shares issued	

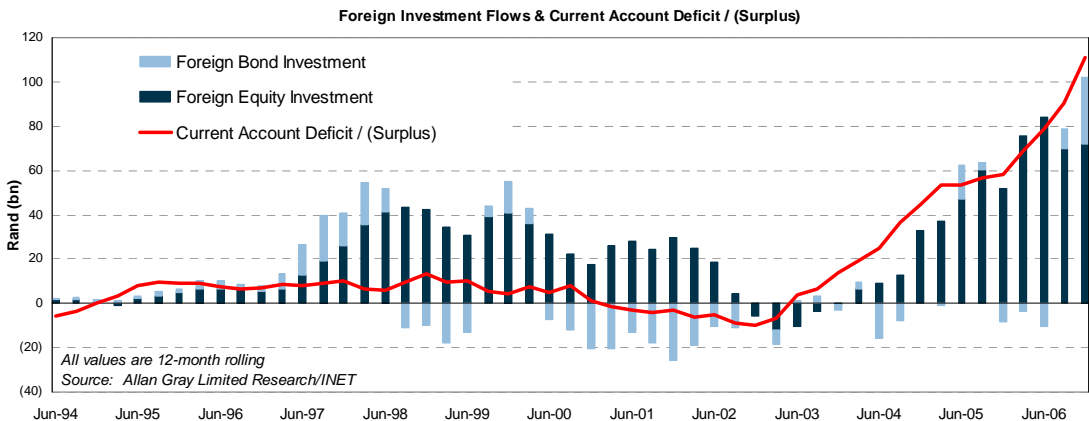
# ORBIS AFRICA EQUITY (RAND) FUND AT 31 MARCH 2007

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	Latest			Quarter % Not Annualised
		5 Years % Annualised	3 Years	1 Year	
<b>Orbis Africa Equity</b>	<b>40.1</b>	<b>37.5</b>	<b>45.8</b>	<b>39.9</b>	<b>7.1</b>
JSE Index	20.7	23.8	40.6	37.6	10.4
% appreciation of the rand versus the US dollar	(2.2)	9.3	(4.7)	(14.9)	(3.3)

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

Notwithstanding this era of high commodity prices, South Africa is one of the few “emerging” economies running a current account deficit. In the fourth quarter of 2006, the deficit was 7.8% of gross domestic product, a very high level by international standards. While the value of the country’s resource exports has increased with rising commodity prices, there has been little volume growth. Indeed, lower grades and the closure of unprofitable mines meant that South African gold unit production fell by 9% in 2006 despite the strong incentive of the US\$ gold price increasing by 36% over 2005.

Countering this rise in current account deficit has been the surge in imported capital which has accompanied the country’s vibrant economic growth. As the chart below shows, the current account deficit (inverted to facilitate comparison) in recent years has been fully funded by portfolio inflows from foreign investors. Unfortunately these flows haven’t been used to build factories or infrastructure but rather to buy shares and bonds that can be sold for a quick profit. It is noteworthy that the vast majority of these portfolio flows has been concentrated in buying equities rather than bonds. This split is understandable as, generally speaking, South African companies have high-quality management teams, strong balance sheets and have enjoyed robust earnings growth, whereas currency volatility could eliminate the record low interest rate premium of South African bonds over those of developed markets very quickly. Nonetheless, foreigners still own approximately 20% of South African bonds.



The concern is that the extent of the current account deficit not only points to an economy that is potentially living beyond its means but also to a currency that is increasingly prone to the whims of international investors. Owing to returns that have significantly outpaced those of developing markets, the relative value offered by the South African stockmarket has declined over the past few years. In our view, therefore, the reliance on foreign investor equity flows at this stage of the market cycle renders the currency particularly vulnerable. This notion is backed by our bottom up research process that continues to highlight stocks with rand hedge exposure as offering the best value and steer us away from the beneficiaries of the credit cycle that may have run its course. While we remain cautious on absolute return potential, we believe the Fund is well-positioned in the event of any depreciation in the rand.

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

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Orbis Investment Management Limited

**INVESTMENT ADVISORS**  
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Allan Gray Limited

**CUSTODIAN**  
The Bank of Bermuda Limited

# ORBIS AFRICA EQUITY (RAND) FUND AT 31 MARCH 2007

## STATEMENT OF NET ASSETS (UNAUDITED)

Security <i>(Ranked by sector)</i>	Market Value R000's	% of Fund	% of JSE Index
<b>Resources</b>		<b>33</b>	<b>42</b>
Northam Platinum	235,836	9	
Impala Platinum Holdings	178,416	7	
Harmony Gold Mining	168,776	6	
African Rainbow Minerals	148,524	5	
Banro	78,572	3	
Anglo Platinum	76,299	3	
Positions less than 1%	13,103	-	
<b>Industrial and Cyclical Services</b>		<b>26</b>	<b>18</b>
Sun International	138,264	5	
Remgro	130,809	5	
Johnnic Communications	100,544	4	
Naspers	88,950	3	
Sappi	83,987	3	
Nampak	62,161	2	
Mittal Steel	34,284	1	
Compagnie Financière Richemont	29,171	1	
Positions less than 1%	51,172	2	
<b>Financials</b>		<b>25</b>	<b>21</b>
Standard Bank Group	132,387	5	
Sanlam	131,972	5	
ABSA Group	130,355	5	
Nedbank Group	97,930	4	
FirstRand	72,249	3	
RMB Holdings	42,523	1	
Coronation Fund Managers	41,934	1	
VenFin	37,262	1	
<b>Non-Cyclicals</b>		<b>16</b>	<b>19</b>
MTN Group	321,855	12	
Shoprite Holdings	75,650	3	
Illovo Sugar	42,751	1	
Positions less than 1%	16,711	-	
<b>Net Current Assets</b>	<b>3,243</b>	<b>-</b>	
<b>Net Assets</b>	<b>2,765,690</b>	<b>100</b>	<b>100</b>
<i>(Currency exposure 97% rand, 3% Canadian dollar)</i>			
<b>Net Asset Value per Share</b>	<b>R 866.52</b>	3,191,728 shares issued	

## ASIA EX-JAPAN EQUITY FUND AT 31 MARCH 2007

Total Rate of Return in US dollars:	From Inception	Year	Latest
	on 1 Jan 2006 % Annualised		Quarter % Not Annualised
<b>Investor Shares</b>	<b>21.4</b>	<b>17.5</b>	<b>(0.4)</b>
MSCI Asia ex-Japan Index	26.9	23.2	0.9
Average Asia ex-Japan Equity Fund	27.9	24.7	3.7

Perhaps the most important attribute we see in the Asia ex-Japan region when we look at the next 20 years is the notion that its economies will mature. Although typically “mature” connotes a slowing down which most investors take as a negative, we view this process as a net positive. This is because the maturation process typically involves technological and productivity advancement, increased value-add of goods and services produced, improving quality of life, emerging middle class, and advancements in law, regulation, and free markets. Korea Investment Holdings (KIH), one of the Fund’s largest positions, is typical of the type of investment we look to in order to take advantage of this long-term secular maturation trend.

KIH is one of Korea’s leading brokerage firms and equity asset manager. As such, we believe it sits directly in front of what should be a long, if choppy, secular wave as Koreans begin to look toward investing in equities as an important source of wealth creation and retirement savings.

Historically, Koreans, as is the case in much of Asia, have come to see equity investing as a close cousin of casino gambling, with that attitude being reinforced by a pervasive short-termist stock speculation attitude and a stockmarket track record of high volatility. As a result, equity mutual funds, the world’s predominant stockmarket investment vehicle, represent a very small portion of the average Korean’s wealth. Currently, despite significant growth in the recent past, equity mutual funds represent less than 5% of total household financial assets. As the quality of life, and hence expectations for living standards and life expectancy, change, so too must the investment and savings profile of today’s Korean. Workers are discovering that they have not saved enough for retirement and must learn to diversify and accept the higher risks of equities if they are to achieve the overall returns they need to support their desired future lifestyles.

Fortunately, adjustments in the Korean economy and pensions are timely. Korea has historically pursued growth through the mass input of labour, capital and land. Now, Korea is increasingly taking on the attributes of a developed economy, where productivity and the more effective use of capital should lower cyclical exposure and overall risk of the stockmarket. At the same time, regulation is beginning to allow for the introduction of what appear to be precursors to the type of defined contribution pension schemes that have been such incredible successes in Australia and the US. There are other emerging positive signs that the secular trend we expect is now getting underway. Perhaps the most interesting of these is that, of the small amount of equity fund investing that has taken place, a high portion of the new interest is coming in the form of regular periodic contribution savings plans, indicating that these may well be genuine long-term investors who understand the value of a disciplined approach.

This thesis is not undiscovered and sentiment towards KIH is generally positive; however, it trades at an undemanding 10 times forward earnings and 1.4 times book value, discounts to global industry metrics and even its Korean peers. It may be that the low valuation is predicting a cyclical peak and tougher times ahead in keeping with Korea’s volatile history. While this may occur, our 3-5 year time horizon tends to have us accept these short-term risks in favour of the very positive long-term prospects laid out above.

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

## ASIA EX-JAPAN EQUITY FUND AT 31 MARCH 2007

### STATEMENT OF NET ASSETS (UNAUDITED)

Security	Fair Value US\$000's	Fund's % Equities	Exposure to Currencies	% of MSCI Index
<b>Greater China</b>		<b>49</b>	<b>49</b>	<b>50</b>
<b>China</b>		29	29	17
Yanzhou Coal Mining	66,288	6		
CNOOC	41,895	4		
China Telecom	38,328	3		
Air China	31,441	2		
China Unicom	29,473	2		
GOME Electrical Appliances	26,093	2		
TravelSky Technology	25,216	2		
China Eastern Airlines	17,821	2		
PICC Property and Casualty	17,681	2		
Denway Motors	16,361	1		
Ping An Insurance (Group)	13,948	1		
Positions less than 1%	27,789	2		
<b>Hong Kong</b>		7	7	14
Cathay Pacific Airways	46,327	4		
Hutchison Whampoa	31,451	2		
Positions less than 1%	10,253	1		
<b>Taiwan</b>		13	13	19
Polaris Securities	53,499	4		
SinoPac Financial Holdings	40,669	3		
Capital Securities	27,554	2		
Positions less than 1%	41,127	4		
<b>Korea</b>		<b>29</b>	<b>29</b>	<b>23</b>
Samsung Electronics	116,314	9		
Korea Investment Holdings	70,294	6		
SK Telecom - Common and ADR	63,821	5		
NCsoft	37,301	3		
KT Freetel	31,765	3		
Samsung SDI - Common and Preference	13,354	1		
Positions less than 1%	25,968	2		
<b>Singapore</b>		<b>11</b>	<b>11</b>	<b>8</b>
Singapore Airlines	72,270	6		
Chartered Semiconductor Manufacturing - Common and ADR	65,242	5		
<b>Thailand</b>		<b>10</b>	<b>10</b>	<b>2</b>
Kasikornbank - NVDR and Foreign	44,442	4		
Bank of Ayudhya - NVDR and Foreign	37,503	3		
Charoen Pokphand Foods	15,605	1		
TMB Bank	14,547	1		
Positions less than 1%	8,704	1		
<b>Other</b>		<b>1</b>	<b>1</b>	<b>17</b>
Positions less than 1%	15,854	1		
<b>Net Current Assets</b>	3,908	-		
<b>Net Assets</b>	<b>1,240,106</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share - Investor Shares</b>		<b>US\$ 12.73</b>		

## JAPAN EQUITY FUND AT 31 MARCH 2007

Total Rate of Return	From Inception	Latest			Quarter
		5 Years <i>% Annualised</i>	3 Years	1 Year	
<b>Yen Class</b> (launched 1 Jan 1998)	<b>13.5</b>	<b>13.4</b>	<b>11.4</b>	<b>(5.6)</b>	<b>4.1</b> <i>% Not Annualised</i>
TOPIX	5.2	11.3	14.6	0.3	2.5
Average Japan Equity Fund	5.3	9.0	13.3	(3.7)	0.9
<i>% appreciation of the yen versus the US dollar</i>	<i>1.1</i>	<i>2.4</i>	<i>(4.0)</i>	<i>(0.1)</i>	<i>1.0</i>
<b>Euro Class</b> (launched 1 Jan 2003)	<b>21.5</b>		<b>14.2</b>	<b>(2.9)</b>	<b>4.7</b>
TOPIX Hedged into euro	22.7		17.4	3.2	3.4
<i>% appreciation of the euro versus the US dollar</i>	<i>5.8</i>		<i>2.7</i>	<i>10.2</i>	<i>1.2</i>

Your Fund has held shares in Nikko Cordial (Nikko), Japan's third largest stockbroker, since 2002. The company has excellent distribution in Japan through its access to Japanese retail investors who are transitioning into mutual funds, equities and offshore products. These investors present Nikko with excellent prospects for long-term growth. At the same time, Citigroup and similar multinational financial services groups with globally competitive investment products, have very limited Japanese distribution. As a result, Orbis believes that an alliance between Nikko and Citigroup, or another partner with a similar profile, could generate synergies where 1 plus 1 is likely to equal 3. It is this favourable long-term outlook, which in our opinion is not reflected in broker share prices, that motivates us to commit 18% of the Fund to Nikko, and fellow brokers Mitsubishi UFJ Securities and Nomura Holdings, as shown opposite.

At the height of recent concern that Nikko could be delisted from the Tokyo Stock Exchange following questionable accounting practices at the company, Citigroup opportunistically negotiated with management a proposed cash acquisition of Nikko at ¥1,350 per share, a price below what we, and other significant institutional shareholders, thought the company was worth. In fact, six days after the negotiated offer was announced, the Tokyo Stock Exchange affirmed Nikko's listing, and Citigroup raised its offer price to ¥1,700 per share.

The process which led to the Citigroup offer was not conducted in an open and transparent manner, effectively eliminating the possibility of a competing bid and allowing Citigroup to make a less competitive offer. In our 18-year history, this is only the second time we have found ourselves obliged to publicly voice our opposition to a buy-out of a company in which our Funds are invested. In both instances, a savvy, opportunistic buyer negotiated a closed deal with a management team under severe pressure. When we are forced to react, however, we will not hesitate to use the tools at our disposal to protect the interests of our clients.

Consequently, we placed a firm selling order on the Tokyo Stock Exchange for all of the Nikko shares held by our Funds at a price of ¥1,900 per share. We thought that, if other investors shared our view, they might do likewise. Orbis is encouraged that it is not alone in its views on the inadequacies of the tender offer. At close of trading on 19 April, 29% of the Nikko shares were on offer and could be bought at ¥1,900 per share. Should this offer build to more than one-third of shares outstanding, we believe that our assessment of what Nikko is worth will be confirmed and we expect Citigroup will pay ¥1,900 per share. Even if this does not transpire, we will still be assured that our actions on behalf of our clients have contributed to a more open and transparent bid process. In any event, we shall not tender our Funds' shares at ¥1,700 per share. Instead, we would rather our Funds retain their Nikko shareholding and participate in what we anticipate will be a bright future for the company.

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

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## JAPAN EQUITY FUND AT 31 MARCH 2007

### STATEMENT OF NET ASSETS (UNAUDITED)

Security <i>(Ranked by sector)</i>	Fair Value ¥000's	% of Fund	% of TOPIX
<b>Financials</b>		<b>31</b>	<b>19</b>
Nikko Cordial	40,235,313	11	
Mitsubishi UFJ Securities	16,117,004	5	
Mitsubishi UFJ Financial	16,010,540	4	
T&D Holdings	12,660,442	4	
Sumitomo Mitsui Financial	9,166,690	3	
Takefuji	7,267,929	2	
Nomura Holdings	6,024,815	2	
Positions less than 1%	704,004	-	
<b>Cyclicals</b>		<b>25</b>	<b>40</b>
East Japan Railway	25,612,200	7	
Toyota Industries	22,761,378	6	
Toda	12,849,048	4	
West Japan Railway	8,175,232	2	
Mitsubishi Logistics	7,213,990	2	
Heiwa	5,370,747	2	
Positions less than 1%	7,671,317	2	
<b>Consumer Non-Durables</b>		<b>22</b>	<b>16</b>
Yamada Denki	17,807,803	5	
Canon Marketing Japan	15,264,847	4	
Sundrug	15,216,915	4	
Secom	12,100,187	4	
Net One Systems	6,534,500	2	
AOKI Holdings	4,999,950	2	
Tsuruha	3,812,825	1	
<b>Communications and Utilities</b>		<b>20</b>	<b>10</b>
NTT DoCoMo	26,227,580	7	
Fuji Television Network	19,406,478	6	
Jupiter Telecommunications	10,467,765	3	
Nippon Television Network	5,229,196	2	
TV Asahi	3,832,764	1	
Obic Business Consultants	3,659,175	1	
Positions less than 1%	470,556	-	
<b>Technology</b>		<b>2</b>	<b>15</b>
Sharp	7,191,360	2	
<b>Net Current Assets</b>	1,381,101	-	
<b>Net Assets</b>	<b>351,443,651</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>			
<b>Yen Class</b> <i>(Currency exposure 100% yen)</i>	<b>¥ 3,220</b>		102,368,559 shares issued
<b>Euro Class</b> <i>(Currency exposure 100% euro)</i>	<b>€ 22.86</b>		6,050,268 shares issued

## ORBIS JAPAN EQUITY (US\$) FUND AT 31 MARCH 2007

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>14.6</b>	<b>16.0</b>	<b>14.8</b>	<b>(1.3)</b>	<b>5.1</b>
TOPIX Hedged	9.3	14.4	18.7	5.4	3.8
<i>% appreciation of the US dollar versus the yen</i>	<i>(2.3)</i>	<i>(2.4)</i>	<i>4.1</i>	<i>0.1</i>	<i>(1.0)</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 8. 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 (UNAUDITED)

Security	Market Value US\$ 000's	% of Fund
<b>Orbis SICAV - Japan Equity Fund - Yen Class</b>	186,045	102
Net Current Liabilities	(2,968)	(2)
<b>Net Assets</b>	<b>183,077</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 33.23</b>	5,509,361 shares issued

### DEPLOYMENT

		% of Fund
<b>Stockmarket exposure</b>	Japan	<b>101</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

*Change of Administrator and Custodian.* During the period of our temporary closure to new investors, we have taken steps to improve our client servicing capabilities substantially. One manifestation of this is a decision to move all the administrative, transfer agency and custodial functions for most of the Funds to Citigroup. Citigroup is a leading global financial services company that does business in more than 100 countries, providing consumers, corporations, governments and institutions with a broad range of financial products and services. Citigroup's Global Transaction Services Unit is a trusted custodian with more than US\$10.5 trillion in assets under custody. It offers operational and administrative support to help its clients focus on their core activities.

In Citigroup, we believe we have found a partner that brings together a variety of high-quality services and products to provide flexible and innovative solutions to Orbis, both from the perspective of being able to service Orbis Funds domiciled in any region of the world and being able to service our clients in a first-rate manner wherever their location. Delivery of this service will necessarily involve clients' personal data being transferred between various Citigroup and Orbis offices around the world, so we are taking this opportunity to remind clients that any such data transfers will take place in accordance with the Orbis Privacy Policy, a copy of which appears on the inside back cover.

There is much work to be done to effect a change of this magnitude and we expect to have this done by the fourth quarter of 2007. While we will endeavour to make the transition as seamless as possible, it will undoubtedly cause some inconvenience. We are convinced, however, that this positive development will allow us to excel in our ability to service clients.

As we make the transition, we expect to provide our clients with more definitive details. In the interim, no action is required on your part, but if you have any questions please contact your Orbis representative or 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 on +61 (0)2 8224 8600 or e-mail [clientservice@orbisfunds.com.au](mailto:clientservice@orbisfunds.com.au). Residents of South Africa should contact Allan Gray Unit Trust Limited on 0860 000 654 (toll free from within South Africa) or e-mail [clientservice@orbisfunds.co.za](mailto:clientservice@orbisfunds.co.za).

**South African Members of the Orbis Japan Equity (US\$) Fund.** The Orbis Japan Equity (US\$) Fund is no longer able to comply with the regulations governing marketing the Fund in South Africa. We expect the Fund's authorisation to be marketed will be withdrawn shortly and in anticipation of that decision we have ceased marketing the Fund in South Africa. This decision will not alter our commitment to existing investors in the Fund whom we will continue to service.

**New Investors.** The Orbis Funds are temporarily not accepting new investors. 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, [www.orbisfunds.com](http://www.orbisfunds.com), and via our automated e-mail services facility. If you have any questions or wish to discuss how we define new investors and how this will be administered, 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 [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 [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: Morgan Stanley Capital International Inc.; 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. "MSCI" is a trademark of Morgan Stanley Capital International Inc. and is used by Orbis Investment Management 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.** *HM Revenue & Customs has certified each of the Orbis Global Equity Fund, Orbis Africa Equity (Rand) Fund, 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 2005. Certification is granted retrospectively, therefore there can be no assurance that the Funds will be certified as distributing funds for fiscal 2006 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 and Orbis Investment Management Limited are licensed to conduct investment business by the Bermuda Monetary Authority.*

# ORBIS 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 and to comply with legal obligations, 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).

\* Investors in Orbis SICAV should note that Orbis SICAV is the data controller under Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data.

## Our use of personal information

We maintain physical, electronic, and procedural safeguards to protect clients' non-public personal information. Our clients' personal data are not used for marketing purposes. We do not sell clients' non-public personal information to anyone. By continuing to remain invested in Orbis Funds, clients consent to their personal data, being transferred to employees and consultants responsible for client service and/or relationship management of Orbis Investment Advisory (Pty) Limited in Australia, Orbis Investment Advisory Limited in the UK, Orbis Investment Management Limited and Orbis Investment Management (B.V.I.) Limited in Bermuda and in the USA and to third party service providers as appropriate. Investors in Orbis SICAV also consent to data transfers to the sub-paying agent (Bank of Bermuda Limited) in Bermuda and the administrator, registrar, co-promoter, paying and transfer agent in Luxembourg (HSBC Securities Services (Luxembourg) S.A.) and affiliates and to any successors carrying out their functions. The transferred data comprise of the information supplied on the original application forms and switch/redemption/transfer forms, identification documentation and of transaction and account related instructions such as address changes, contract notes and trade confirmations. Such transfers take place in order to provide clients with the requested services or information efficiently and to comply with legal requirements. When such transfers take place, regulatory or tax authorities or law enforcement officials in the jurisdictions to which any data are transferred may compel the disclosure of such information.

Except under limited circumstances described herein, all entities to which personal data are transferred 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. Entities to which personal data are transferred may not disclose clients' nonpublic personal data to persons other than those identified in the previous paragraph except in the following circumstances:

- as necessary to provide the services that the client has requested or authorised, or to maintain and service the client's account;
- as required by regulatory or tax authorities or law enforcement officials who have jurisdiction over the entity, or otherwise as required by applicable law; or
- to the extent reasonably necessary to prevent fraud and unauthorised transactions.

