ORBIS EQUITY FUNDS

QUARTERLY REPORTS

30 SEPTEMBER 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, 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

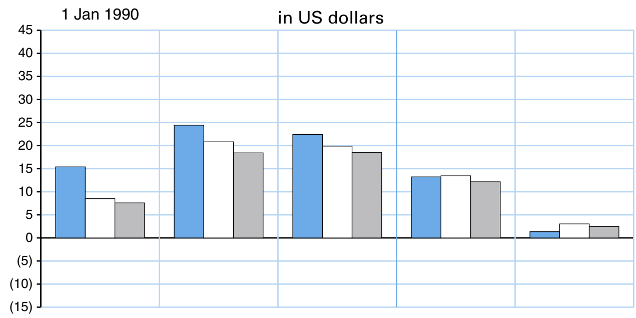
ORBIS EQUITY STRATEGIES AT 30 SEPTEMBER 2007

TOTAL RATE OF RETURN

From Inception on	Latest 5 Years	Latest 3 Years	2007 to Date	Latest Quarter
	% Annualised	% Annualised	% Not Annualised	% Not Annualised

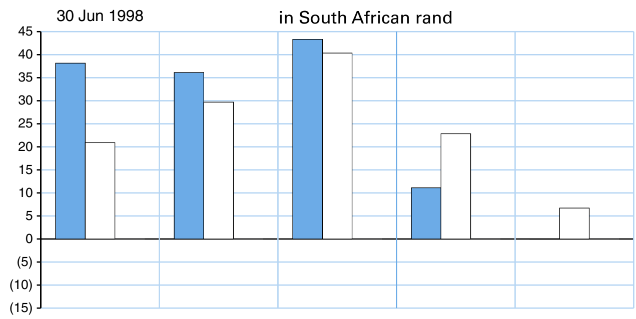
ORBIS GLOBAL EQUITY FUND

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.



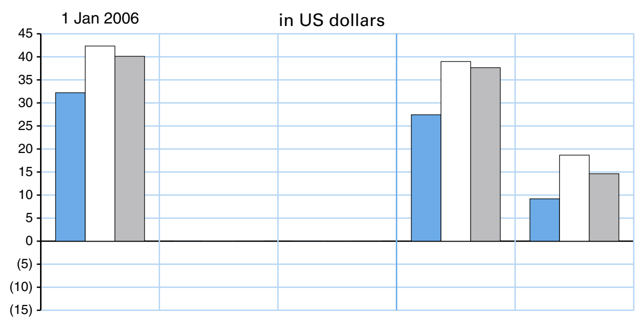
ORBIS AFRICA EQUITY (RAND) FUND

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.



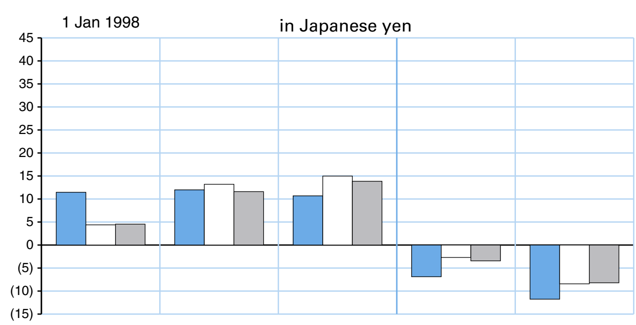
ORBIS ASIA EX-JAPAN EQUITY FUND

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 30 SEPTEMBER 2007

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest 5 Years	Latest 3 Years	2007 to Date	Latest Quarter
	% Annualised	% Annualised	% Annualised	% Not Annualised	% Not Annualised
Orbis Global Equity	**15.4**	**24.4**	**22.4**	**13.2**	**1.4**
World Index	8.5	20.8	19.9	13.5	3.0
Average Global Equity Fund	7.6	18.4	18.5	12.2	2.5

Although the Global Equity Fund has produced a healthy absolute return recently, its performance is about in line with its benchmark FTSE World Index for the year-to-date. The recent aggressive actions by the US Federal Reserve and authorities globally, as they attempt to nip an emerging credit crunch in the bud, had a noticeable effect on the Fund's relative performance. Since the Fed's action, share prices in the world's most economically sensitive sectors and regions have rebounded strongly, led by financials, consumer cyclicals, basic materials, and the speculators' darling, China. For some time prior, our fundamental stock-by-stock research had shifted Global's exposures to areas with less sensitivity to the availability of credit and the Fund was therefore left out of sync with the market movements in the last six weeks of the quarter.

Typical stockmarket behaviour causes share prices to cycle from being undervalued, through fair value, to being overvalued and then back again. It would be nice to always be able to buy near the bottom and sell near the top, but that is not realistic. Instead, we try to buy at as big a discount to fair value as possible and sell near fair value. If we can do that, our portfolios will always face both higher long-term returns and a lower risk of a permanent loss. Perhaps, but there is one significant disadvantage of this approach – it frequently makes one's recent decisions look unwise, particularly when selling. Selling a share that has risen to near fair value after being at a significant discount translates into our having egg on our face when the share price rises even further and gathers strong upward momentum before it completes the cycle. This has happened to many shares we held but recently sold, especially during the last six weeks of the quarter, fuelled by surprisingly aggressive short-term economic policy decisions.

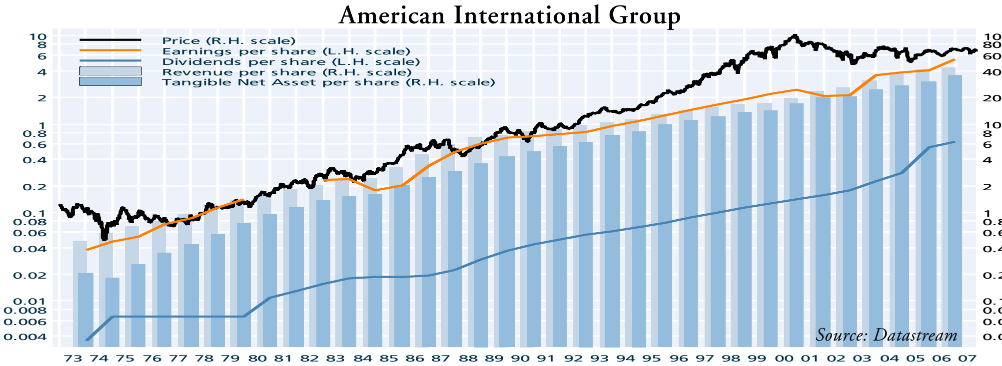
A one-time 5% Fund holding, China Mobile, is one example. The Fund sold China Mobile in the fourth quarter of 2006 for our usual reason – it had increased in price to the point where other ideas were more attractive on a risk-adjusted reward basis. More specifically, China Mobile had appreciated by 130%, versus a 32% rise in the World Index during the nearly 18 months Global owned it, shifting the valuation from a very low level of 13 times earnings at the initial purchase price of HK$28.50, to a rather high one, arguably within striking distance of intrinsic value, at the HK$68.50 final sale price. During this time, China Mobile had benefited significantly from two short-term factors: a flood of foreign money into a large, well-recognised name, and more importantly, a delay in the granting of competing wireless licences. We believed the latter factor could be particularly short-lived and preferred China Telecom, which had been held back by the same licence issue and had performed in line with the World Index during the above-mentioned holding period.

China Mobile H-Share

As can be seen from the chart on the previous page, subsequent to the Fund's sale in the fourth quarter of 2006, China Mobile has more than doubled, with 60% of that move coming in the last six weeks of the latest quarter. It now carries a US$380 billion market value, making it one of the largest companies in the world by market capitalisation. Expectations are running extremely high with China Mobile selling at a demanding 40 times earnings and 9.5 times tangible net asset value – both measures running at twice their historic norms.

While the Fund no longer holds, and is not participating in the price rises of shares like China Mobile, it owns shares in companies like insurance and financial services giant AIG, which stand in stark contrast. Like China Mobile, the AIG story has some warts. However, as can be seen by the relationship between the black price line and orange earnings line in the chart below, the valuation of AIG seems to have built those risks into the stock price, much as we believed China Mobile did when we purchased in May 2005. Specifically, Hank Greenberg, who successfully ran AIG for decades, was very abruptly and publicly ousted at the insistence of the New York Attorney General, who was looking into allegedly shady practises within the insurance industry. Leading up to and since Greenberg's departure at the beginning of 2005, investors have been concerned first that there would be some nasty skeleton discovered, but more persistently, that new management would not be able to replicate Greenberg's successful stewardship. The net result is that AIG's valuation has contracted to a point where shareholders are paying very little premium for its long-term track record of consistently better-than-market earnings growth, which has continued in Greenberg's absence thus far.

American International Group



AIG is a wonderfully diverse business, both by product and geography. It is best known for its US property and casualty (P&C) insurance business that we expect to grow slightly faster than the overall stockmarket. The diversification comes from life insurance, asset management, aircraft leasing, and a number of international endeavours, all of which are growing faster with higher returns on equity than the P&C business – thus increasing growth while reducing the overall risk. In the long run, we expect AIG to grow its earnings and book value at double-digit rates, significantly higher than the stockmarket average. For this better-than-market outlook, the Fund is paying 10.4 times earnings and 1.7 times book value, versus the stockmarket's 18.0 and 3.0 times, respectively.

The historically attractive valuation notwithstanding, we would also say AIG is representative of much of the portfolio in that we would not call it an extraordinarily attractive opportunity. The valuation does not signal distressed expectations, and as alluded to above, the risks are fairly visible. During this year, great opportunities have become harder to find, owing to a combination of continued stock price rises and fundamentals that are failing to keep up, and in many cases are deteriorating, throughout the market. While we are not looking for AIG and stocks like it to produce extraordinary absolute returns, we do remain confident in their ability overall to outperform an elevated stockmarket, increasingly driven by a narrowing group of darling themes, sectors, and stocks such as China Mobile.

ORBIS GLOBAL EQUITY FUND AT 30 SEPTEMBER 2007

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Market Value US$ 000's	Fund's % Equities	Exposure to Currencies	% of World Index
North America		**35**	**27**	**47**
Microsoft	428,315	4		
CVS Caremark	361,581	3		
Liberty Global - A and C	277,879	3		
Comcast - A	276,271	3		
Cisco Systems	272,570	2		
Tyco International	270,100	2		
American International Group	252,285	2		
Cheniere Energy	207,942	2		
Micron Technology	189,588	2		
Reliant Energy	186,692	2		
RenaissanceRe	156,210	2		
NRG Energy	137,133	1		
Chesapeake Energy	135,035	1		
Marsh & McLennan	108,749	1		
Positions less than 1%	529,398	5		
Europe		**24**	**12**	**32**
SAP	287,968	3		
Bayerische Motoren Werke	271,638	2		
Stora Enso - R	253,120	2		
Crédit Agricole	245,590	2		
Tesco	187,432	2		
COLT Telecom	184,808	2		
Cable & Wireless	181,864	2		
Hagemeyer	170,194	2		
Television Francaise 1	142,428	1		
Hypo Real Estate	116,008	1		
Oce	112,288	1		
Positions less than 1%	426,545	4		
Asia ex-Japan		**20**	**13**	**6**
Samsung Electronics - Common and Preference	711,815	7		
China Telecom	365,506	4		
Singapore Airlines	156,106	2		
Hutchison Whampoa	149,316	1		
Fubon Financial Holding - Common and GDR	137,424	1		
Denway Motors	135,632	1		
Kangwon Land	129,029	1		
Cathay Pacific Airways	120,765	1		
Positions less than 1%	267,505	2		
Japan		**17**	**48**	**9**
Yamada Denki	339,811	3		
Nikko Cordial	249,572	2		
NTT DoCoMo	240,884	2		
East Japan Railway	202,497	2		
Mitsubishi UFJ Financial	190,381	2		
Toyota Industries	172,694	2		
Positions less than 1%	507,892	4		
South Africa and Other		**4**	**-**	**6**
Harmony Gold Mining - Common and ADR	188,603	2		
Positions less than 1%	218,317	2		
Net Current Assets	2,924	-		
Net Assets	**10,856,304**	**100**	**100**	**100**
Net Asset Value per Share	**US$ 126.86**		85,577,099 shares issued	

ORBIS AFRICA EQUITY (RAND) FUND AT 30 SEPTEMBER 2007

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	Latest 5 Years	Latest 3 Years	2007 to Date	Latest Quarter
	% Annualised			% Not Annualised	
Orbis Africa Equity	**38.2**	**36.1**	**43.3**	**11.1**	**(0.1)**
JSE Index	20.9	29.7	40.3	22.8	6.7
% appreciation of the rand versus the US dollar	*(1.5)*	*8.9*	*(2.1)*	*1.8*	*2.4*

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

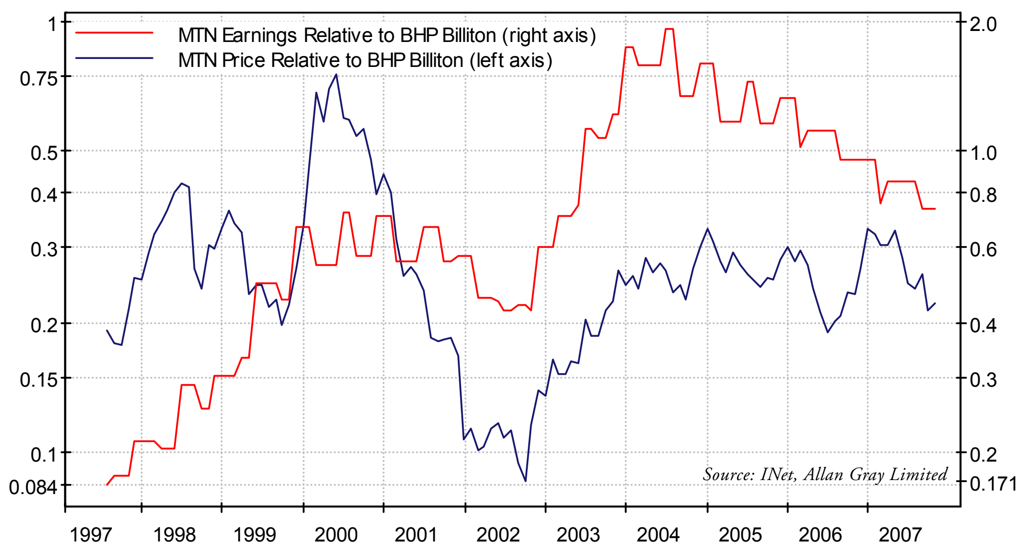
The Fund's relative and absolute performance thus far this year has suffered enormously from not owning the diversified mega-miners Anglo American and BHP Billiton. These two companies together comprise 29% of the benchmark FTSE/JSE Africa All Share Index and are responsible for more than half the 22.8% benchmark return for the year-to-date. We therefore owe an explanation to our Members as to why we have chosen not to invest in these companies.

The reasons are simple – we have considered them to be trading well above our assessment of their intrinsic value and have found other shares to be more compelling opportunities. In calculating the intrinsic value of a company, we first calculate "normal earnings" or earnings you would expect the company to earn through its business cycle. Cycles arise as a consequence of the economic laws of supply and demand. A period of high demand leads to increased prices which stimulates new production and also suppresses demand. In a market where there are low barriers to entry, prices fall to the point where they equal the marginal cost of production. When prices are below this level, high cost producers exit the market and the lower prices stimulate demand causing prices to rise to the point of equilibrium.

The global mining industry is enjoying particularly good times right now thanks largely to the high levels of demand for base metals from an industrialising China. This has driven many base metal prices to levels that are multiples of the marginal cost of production, despite there being no shortage of resources that could be brought on-stream over the medium-to-long term. In fact, these high prices are resulting in payback periods as low as two years for new projects such as copper or iron ore mines. Unsurprising to us, these high prices are stimulating new mining projects and are expected to result in 2010 production being between 40% - 70% higher than 2000 production, depending on the metal. Furthermore, this production growth is taking place at the same time that global inventory levels for most metals are rising and the US economy appears to be slowing down. Naturally, proponents of the "supercycle" believe that China and India will pick up any slack from a slowing US economy. We make no such forecast but find it hard to believe that Chinese growth will accelerate from here and with base metal prices having come off their highs, are surprised that some global diversified miners having been re-rated upward by almost 50% since the August lows.

We have for some time been uncomfortable with these cyclicals and instead have been attracted to and have chosen to invest the Fund in companies that are less exposed to economic influences and should be able to grow earnings notwithstanding any slowdown. One such company is MTN Group, one of the world's leading emerging market mobile phone companies.

As the chart below shows, MTN's earnings growth has out-stripped that of BHP Billiton by a factor of nearly four times since 1997 while its share price has performed in line. More recently, MTN has under-performed BHP Billiton by approximately 30% this year as investors have sought higher short-term earnings growth. Given the high basket price of BHP Billiton's production mix, we believe earnings are peaking, yet we think MTN should continue to grow earnings in real terms for many years, driven largely by the still low mobile penetration rates in many of its main markets. Yet MTN trades at nearly 14 times projected 2008 earnings, only a small premium to BHP Billiton's 13 times.



While the decision to avoid Anglo American and BHP Billiton has been costly, we remain steadfast in our application of our investment philosophy by buying shares below intrinsic value, notwithstanding recent under-performance. The Fund's recent relative performance has certainly been disappointing, yet we remain confident in the long-term potential for the portfolio to outperform the South African stockmarket.

ORBIS AFRICA EQUITY (RAND) FUND AT 30 SEPTEMBER 2007

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security *(Ranked by sector)*	**Market Value R000's**	**% of Fund**	**% of JSE Index**
Industrial and Cyclical Services		**30**	**16**
Remgro	153,248	5	
Sun International	124,137	4	
Sappi	101,388	4	
Johnnic Communications	101,106	4	
Naspers	96,816	3	
Nampak	88,249	3	
Compagnie Financière Richemont	76,681	3	
Mittal Steel	51,663	2	
New Clicks Holdings	30,531	1	
Positions less than 1%	30,350	1	
Financials		**26**	**18**
Sanlam	146,951	5	
ABSA Group	127,147	5	
Standard Bank Group	123,289	4	
Nedbank Group	82,449	3	
FirstRand	64,906	2	
Coronation Fund Managers	46,851	2	
VenFin	44,786	2	
Liberty Group	43,514	2	
RMB Holdings	39,427	1	
Resources		**23**	**46**
African Rainbow Minerals	187,638	7	
Northam Platinum	152,535	5	
Harmony Gold Mining	144,910	5	
Banro	86,575	3	
Sasol	40,790	2	
Impala Platinum Holdings	36,934	1	
Positions less than 1%	346	-	
Non-Cyclicals		**21**	**20**
MTN Group	279,079	10	
SABMiller	133,445	5	
Shoprite Holdings	98,140	3	
Illovo Sugar	83,497	3	
Positions less than 1%	3,403	-	
Net Current Assets	10,056	-	
Net Assets	**2,830,837**	**100**	**100**
(Currency exposure 97% rand, 3% Canadian dollar)			
Net Asset Value per Share	**R 898.79**	3,149,617 shares issued	

ASIA EX-JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

Total Rate of Return in US dollars:	From Inception on 1 Jan 2006	2007 to Date	Latest Quarter
	% Annualised	% Not Annualised	
Investor Shares	**32.2**	**27.4**	**9.2**
MSCI Asia ex-Japan Index	42.3	39.0	18.7
Average Asia ex-Japan Equity Fund	40.1	37.6	14.6

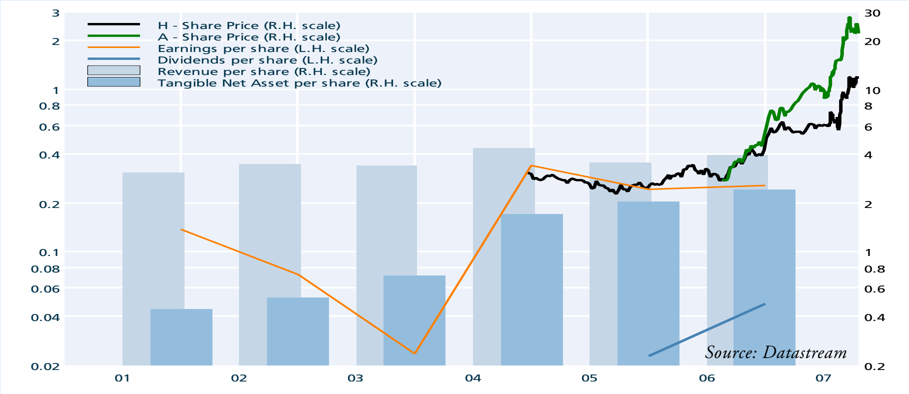
Our high confidence in the potential for Chinese shares, driven by long-term growth opportunity and attractive valuations following a bear market, was a significant reason for Orbis starting a fund dedicated to the Asia ex-Japan region in January of 2006. At the time, we were able to buy what now are considered excellent companies with dominant franchises, like China Mobile, China Life Insurance and Air China for single to low double-digit earnings multiples, despite their demonstrated 20% plus earnings growth and considerable expansion possibilities. At the time, investors believed significant valuation discounts were warranted due to supposedly weak managements and corporate governance, political uncertainties, and worries about short-term issues such as avian flu.

We are pleased that our confidence was well founded, and Chinese shares have driven the region and the Fund's high returns. However, as the shares of Chinese companies have continued their ascents past the point where our confidence in their individual opportunity and risk assessments was justified, the Fund started shifting to what we saw as better long-term opportunities in the region. Recently, as the advance in Chinese shares has in fact accelerated dramatically, these sales have proven premature and have hurt the Fund's relative performance.

Today, China is the darling of speculative momentum investors. It has all the key elements trend investors look for – very strong current momentum as stock prices continue their strong ascents and a story that can capture the imagination and make fundamental valuation-based investing look old-fashioned.

While our continued insistence that the portfolio must be underpinned by solid fundamentals and intrinsic values has caused the Fund to completely sell out of quite a few Chinese shares that were formerly very large positions, we are also aware of the ability of momentum to take shares to absurd levels, and do factor this in when timing the Fund's exits from positions. Air China is a good example.

Air China H-Shares

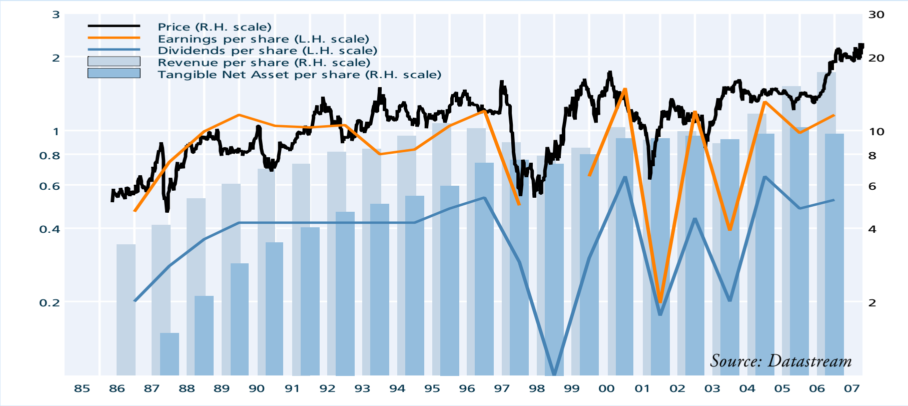


ASIA EX-JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

Air China is a direct beneficiary of China's air travel boom, but after increasing three-fold in the past two years, we believe the share price is likely near a level that fully reflects the company's prospects. Although it has plenty of greenfield expansion capability in which to continue its mid-teens growth rate for some time, this is already priced at 30 times projected 2008 earnings. This would normally prompt us to sell all the Fund's Air China shares but we are mindful from a timing standpoint that domestic Chinese investors are willing to pay more than double for shares in the company (as the green line shows, the domestically listed A-share class of Air China has been selling at a greater than 100% premium to the Hong Kong-listed H-shares held by the Fund). Hence, as domestic Chinese are being permitted to invest in Hong Kong, one would expect the A and H share prices to converge.

Our response has been to reduce our holding in Air China rather than sell it all and focus on the Fund's larger holding in Cathay Pacific, which offers cheaper exposure to the growth in Chinese aviation with a much better capitalised balance sheet and lower risk. Hong Kong-based Cathay Pacific, Air China's strategic partner, benefits from the same secular growth and is a very high quality airline (we consider its management team among the best in the industry). As a major international gateway to China, supported by a world-class financial and business services sector, Hong Kong (and thus Cathay Pacific) will continue to prosper.

Cathay Pacific



Cathay Pacific is expected to grow capacity at 10% - 12% next year, only slightly lower than Air China, yet trades at just over 14 times our estimate for 2008 earnings. In addition, the enormous increase in the share price of Cathay's holdings in Air China means that the company is now available at only a slight premium to its liquid assets of cash, listed investments and aircraft. We note with caution, however, that as Air China has considerable downside risk we would not build a complete investment case on this factor.

We continue to view the Chinese investment opportunity with great long-term optimism, but fully understand that this is now a consensus opinion. We have therefore made considerable reductions in the Fund's exposure to Chinese shares, and this has most recently been a negative for relative performance. While we would not be surprised at all to see a potentially very sharp correction, and would in fact welcome a shakeout in bullish sentiment and stock prices, at the same time we continue to find decent, lower risk opportunities, like Cathay Pacific, that link to China's long-term growth.

ASIA EX-JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

STATEMENT OF NET ASSETS *(UNAUDITED)*

Security	Fair Value US$000's	Fund's % Exposure to Equities	Fund's % Exposure to Currencies	% of MSCI Index
Greater China		**55**	**55**	**52**
China		20	20	23
GOME Electrical Appliances	58,290	5		
Air China	34,352	3		
TravelSky Technology	30,685	3		
China Telecom	29,751	3		
China Pharmaceutical Group	22,236	2		
Denway Motors	21,749	2		
Global Bio-chem Technology Group	17,161	1		
Positions less than 1%	17,260	1		
Hong Kong		9	9	13
Cathay Pacific Airways	51,191	4		
Television Broadcasts	24,977	2		
Hutchison Whampoa	23,412	2		
Positions less than 1%	7,637	1		
Taiwan		26	26	16
Polaris Securities	80,057	7		
SinoPac Financial Holdings	51,229	5		
China Life Insurance	29,840	3		
Capital Securities	29,014	3		
Fubon Financial Holding - Common and GDR	28,127	3		
Taiwan Cooperative Bank	27,518	2		
Acer	26,604	2		
Yuanta Financial Holding	16,063	1		
Positions less than 1%	2,358	-		
Korea		**26**	**26**	**22**
Samsung Electronics	110,626	10		
Korea Investment Holdings	54,955	5		
Hana Financial Group	41,718	4		
KT Freetel	36,359	3		
SK Telecom	17,783	2		
NCsoft	14,132	1		
Hanil Cement	12,487	1		
Positions less than 1%	4,400	-		
Thailand		**11**	**11**	**2**
Bank of Ayudhya - Foreign	39,016	4		
Kasikornbank - Foreign and NVDR	25,342	2		
C.P. Seven Eleven	23,778	2		
Charoen Pokphand Foods	17,957	2		
TMB Bank	16,481	1		
Positions less than 1%	4,170	-		
Singapore		**7**	**7**	**7**
Singapore Airlines	55,157	5		
Chartered Semiconductor Manufacturing - Common and ADR	20,711	2		
Other		**1**	**1**	**17**
Positions less than 1%	16,006	1		
Net Current Assets	3,811	-		
Net Assets	**1,144,400**	**100**	**100**	**100**

Net Asset Value per Share - Investor Shares **US$ 16.28**

ORBIS JAPAN EQUITY (US$) FUND AT 30 SEPTEMBER 2007

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998	Latest 5 Years	Latest 3 Years	2007 to Date	Latest Quarter
	% Annualised			% Not Annualised	
Orbis Japan Equity (US$)	**12.7**	**14.7**	**14.4**	**(4.1)**	**(11.2)**
TOPIX Hedged	8.4	16.7	19.8	0.9	(7.3)
% appreciation of the US dollar versus the yen	*(2.4)*	*(1.2)*	*1.4*	*(3.5)*	*(6.8)*

Orbis Japan Equity (US$) was formed to serve investors who wish to invest in Japanese equities while remaining exposed to the dollar. As shown in the Statement of Net Assets below, the Fund's entire equity exposure comprises shares in the Luxembourg-domiciled Orbis SICAV - Japan Equity Fund - Yen Class. Given this, we refer regular readers to the Orbis SICAV - Japan Equity Fund report on page 12. A further difference between the Funds is that the US$ Fund is Bermuda-domiciled and regulated whereas the Orbis SICAV is Luxembourg-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
Orbis SICAV - Japan Equity Fund - Yen Class	493,756	100
Net Current Assets	504	-
Net Assets	**494,260**	**100**
Net Asset Value per Share	**US$ 30.31**	16,305,037 shares issued

Deployment

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

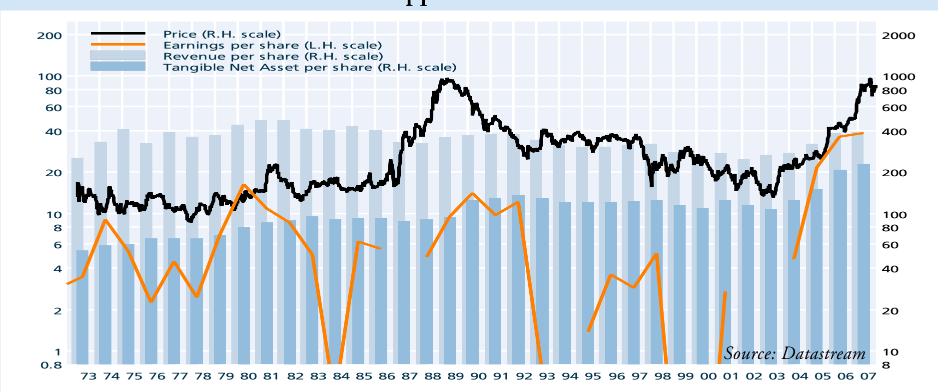
JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

Total Rate of Return	From Inception	Latest 5 Years	Latest 3 Years	2007 to Date	Latest Quarter
	% Annualised			% Not Annualised	
Yen Class (launched 1 Jan 1998)	**11.5**	**12.0**	**10.7**	**(6.9)**	**(11.8)**
TOPIX	4.4	13.2	15.0	(2.7)	(8.4)
Average Japan Equity Fund	4.5	11.6	13.9	(3.4)	(8.2)
% appreciation of the yen versus the US dollar	*1.3*	*1.2*	*(1.4)*	*3.7*	*7.3*
Euro Class (launched 1 Jan 2003)	**16.6**		**13.5**	**(4.9)**	**(11.1)**
TOPIX Hedged into euro	19.2		18.0	(0.2)	(7.6)
% appreciation of the euro versus the US dollar	*6.7*		*4.7*	*8.0*	*5.4*

You, like us, must be thinking “What’s going on? What a quarter!” To us, this looks and feels like the underperformance Orbis Japan Fund endured in 1999. Only then it was the momentum-driven Tech, Media, and Telecom, or “TMT”, stocks; now it is the China plays, including steel, oil, trading, shipping, and construction machinery. To be sure, we have erred now, as then, in failing to participate. Dramatic surges in stocks such as these quickly take them off our radar screen because of their inflated ratings relative to their historical fundamentals. Invariably, their prices rise for longer and extend further than anticipated.

Our investment approach is well known to many of you. We purchase stocks which are available at prices well below our assessment of their long-term fundamental intrinsic value. Buying or even holding a commodity cyclical like Nippon Steel at its current price as a play most significantly on global growth, and more specifically in China or BRIC (Brazil, Russia, India, China), would be sacrilege. Nippon Steel’s chart below is representative of the vast majority of cyclicals that have been feasting on the strong global economy as well as the weak yen. Riding on five years of strong regional and global economic growth, and a doubling in the price of finished steel, Nippon has produced excellent earnings, and the stock price has increased from ¥160 to ¥840. Nippon currently sells for 1.3 times revenues (light blue bars), approximately a 30% premium to historic norms, and 3 times Tangible Net Asset Value (blue bars), a 60% premium to its historic norms and a premium to the overall stockmarket, both of which are very unusual for cyclical earners.

Nippon Steel

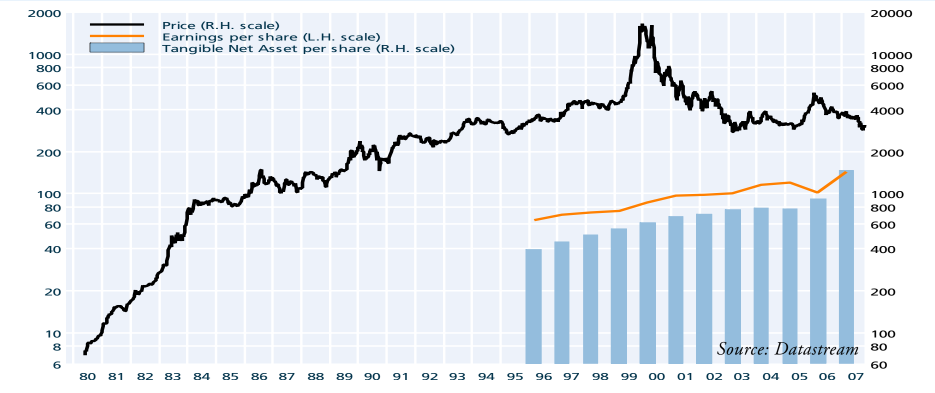


Our focus, now as always, points us towards out-of-favour sectors such as Japanese retailers, which as a group are selling at a 20-year low relative to the benchmark TOPIX. Our conviction that

JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

Japanese retailers are attractive is reinforced by the fact that our very experienced global retail analyst, as well as our national Japan analysts, find them attractive. At 18% of the Fund, retailers represent our largest sector difference with the TOPIX, as included in the Consumer Non-Durables sector shown on the following page. While previously only specialist retailers such as Yamada Denki and Sundrug appeared attractive, that has now broadened to include the majors like Seven & i Holdings.

Seven & i



Source: Datastream

With its quarter-end share price of ¥2,965, off 45% from its January 2006 peak of ¥5,380, Seven & i is clearly an out-of-favour stock in an out-of-favour sector; convenience stores seem about as far as one can get from being leveraged to the current area of investor excitement – global, and in particular China, growth. Seven & i sells for nearly 18 times next year's earnings, a small premium to the market overall. Famous for its globally successful convenience store chain 7-Eleven, Seven & i has been well managed and has produced high quality results over many years. We believe Seven & i has credible avenues for continued consistent superior growth into the future, particularly through the introduction and rollout of financial services, such as ATMs, credit cards, and innovative "e-money" debit and loyalty cards, and expanding the well known 7-Eleven brand over the long-term into markets with burgeoning middle classes, such as China and India.

Our investment stance against cyclicals has clearly caused the Fund to lag behind the benchmark and other funds. However, experience has proven that in order to materially outperform the market and our peers over the long term, we must be willing to move counter to the prevailing trend when our proprietary investment research dictates. We are thus unlikely to alter our stance absent a change in fundamentals, which we are constantly and objectively re-evaluating.

Your Fund has recouped nearly one half of its third quarter underperformance in the first three weeks of the current quarter, but we have no way of telling if this indicates a change in market leadership or a pause in an already extended trend. Regardless, we are disappointed in the performance of the Fund, both as professionals and as fellow investors. We continue to believe in our investment philosophy and have conviction in our research, and greatly appreciate your continued support.

JAPAN EQUITY FUND AT 30 SEPTEMBER 2007

Statement of Net Assets *(Unaudited)*

Security *(Ranked by sector)*	**Fair Value ¥000's**	**% of Fund**	**% of TOPIX**
Consumer Non-Durables		**29**	**17**
Yamada Denki	19,596,877	6	
Sundrug	16,477,115	5	
Canon Marketing Japan	14,780,950	5	
Secom	10,001,005	3	
Seven & i Holdings	7,281,120	2	
Net One Systems	5,719,191	2	
AOKI Holdings	5,055,505	2	
Positions less than 1%	14,205,496	4	
Financials		**28**	**16**
Nikko Cordial	30,522,336	9	
Mitsubishi UFJ Financial	26,060,508	8	
T&D Holdings	15,184,239	5	
Sumitomo Mitsui Financial	8,227,735	3	
Sompo Japan Insurance	4,572,142	1	
Positions less than 1%	5,219,570	2	
Cyclicals		**21**	**42**
East Japan Railway	18,450,690	6	
Toda	14,159,190	4	
Toyota Industries	8,237,295	3	
West Japan Railway	8,235,344	3	
Mitsubishi Logistics	6,240,626	2	
Positions less than 1%	9,675,877	3	
Communications and Utilities		**17**	**9**
Fuji Television Network	15,405,852	5	
NTT DoCoMo	14,810,184	5	
Nippon Television Network	7,879,964	3	
Jupiter Telecommunications	7,869,224	2	
Obic Business Consultants	4,250,348	1	
Positions less than 1%	1,865,469	1	
Technology		**5**	**16**
Keyence	11,392,380	4	
Mabuchi Motor	3,234,182	1	
Net Current Assets	**1,571,616**	-	
Net Assets	**316,182,030**	**100**	**100**

Net Asset Value per Share

Yen Class *(Currency exposure 100% yen)*	**¥ 2,880**	104,473,273	shares issued
Euro Class *(Currency exposure 100% euro)*	**€ 20.75**	4,510,251	shares issued

NOTICES

New Administrator and Custodian. *Effective 30 September, Citigroup became the Funds' Administrator and Custodian. We would like to thank you for your patience during this time of change. We have endeavoured to do our best to make this change as seamless as possible. We look forward to being able to continue to improve our ability to serve our clients in a more efficient and effective manner. If you have 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 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. 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.*

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, 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 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. 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.*

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.*

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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 2006. Certification is granted retrospectively, therefore there can be no assurance that the Funds will be certified as distributing funds for fiscal 2007 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.*

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