

QUARTERLY  
**REPORTS**  
31 MARCH 2010



ORBIS GLOBAL  
ORBIS AFRICA  
ORBIS ASIA EX-JAPAN  
ORBIS JAPAN

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<b>Annual Returns to 31 March*:</b>	<b>Currency</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Orbis Global Equity	USD	25.7	18.4	1.2	(39.3)	59.0
Orbis Africa Equity	ZAR	73.5	39.9	5.7	(16.8)	34.9
Orbis SICAV - Asia ex-Japan Equity, Investor Shares	USD		17.5	26.0	(43.5)	89.2
Orbis SICAV - Japan Equity - Yen Class	JPY	43.4	(5.6)	(22.4)	(30.8)	36.1
Orbis SICAV - Japan Equity - Euro Class	EUR	46.7	(2.9)	(20.3)	(34.4)	35.1
Orbis Japan Equity (US\$)	USD	47.0	(1.3)	(19.8)	(31.1)	34.6

\*Regulatory disclosure.

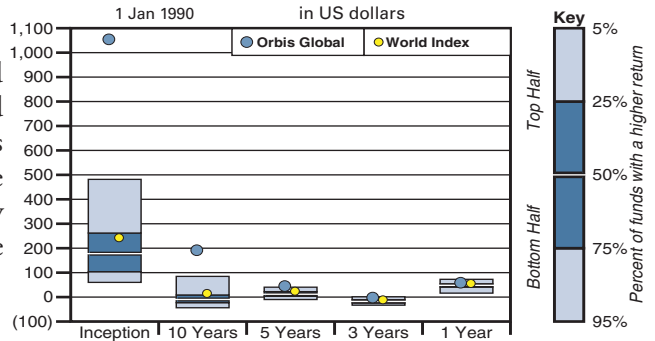
*Chart Data (Opposite). The offshore sector includes insufficient comparables for a meaningful peer group comparison for Orbis Africa. Orbis Japan Equity Fund is the Yen Class of the Japan Equity Fund of the Orbis SICAV. The Orbis Japan Equity (US\$) Fund and the Euro Class of the Japan Equity Fund of 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.*

**RANKING WITHIN EQUITY FUND PEER GROUP**

— % Cumulative —

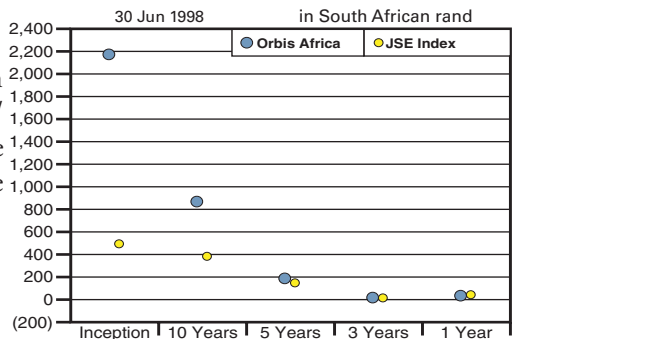
**ORBIS GLOBAL EQUITY FUND**

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.



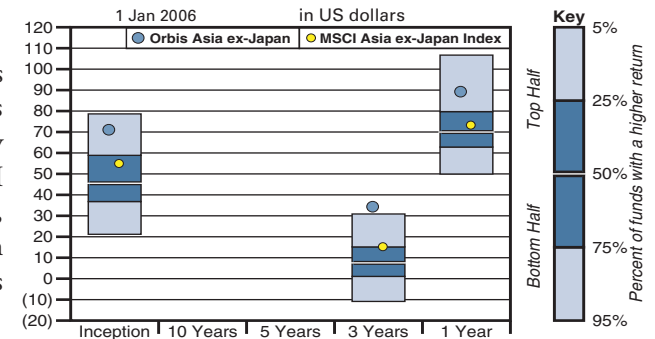
**ORBIS AFRICA EQUITY (RAND) FUND**

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.



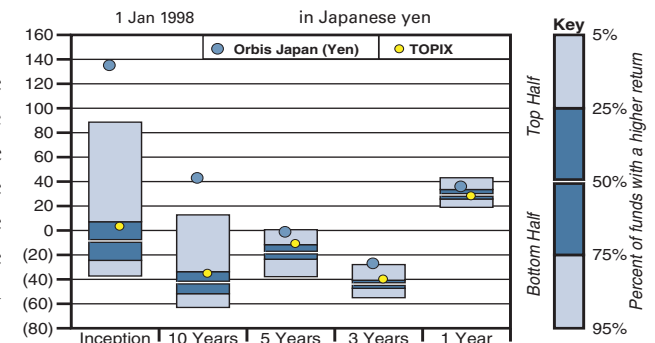
**ORBIS ASIA EX-JAPAN EQUITY FUND**

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 GLOBAL EQUITY FUND AT 31 MARCH 2010

Total Rate of Return in US dollars:	From Inception on 1 Jan 1990	Latest					
		20Years <small>% Annualised</small>	10Years <small>% Annualised</small>	5 Years	3 Years	1 Year	Quarter <small>% Not Annualised</small>
<b>Orbis Global Equity</b>	<b>12.8</b>	<b>12.9</b>	<b>11.3</b>	<b>7.8</b>	<b>(0.8)</b>	<b>59.0</b>	<b>0.7</b>
World Index	6.3	7.2	1.4	4.5	(3.8)	55.7	3.2
Average Global Equity Fund	5.2	5.4	(0.7)	2.5	(6.0)	46.1	1.2

We frequently describe ourselves as “bottom-up”, contrarian stockpickers. This description captures the essence of what we do best: selecting individual stocks on their own merit, often where others have little interest, rather than investing based on broad macroeconomic or thematic views. That said, it is inevitable that certain themes and patterns will emerge once our favourite stocks have been assembled into a portfolio.

The Fund’s recent investments in the healthcare and memory semiconductor industries provide a useful illustration. At the end of March, 9% of the Orbis Global Equity Fund was invested in three US healthcare stocks: WellPoint, Johnson & Johnson and Aetna. But apart from a 1% position in WellPoint, the Fund had virtually no exposure to healthcare at year-end 2008. A concentration in pure play memory semiconductor stocks has moved in the opposite direction. In early 2009, more than 6% of the Fund was invested in pure play DRAM and flash memory semiconductor manufacturers, but after considerable outperformance of the shares, that position has been sold down to nearly 1%.

It might seem that we suddenly became thematically bullish on the prospects for the healthcare industry in 2009 and “financed” much of the position by moving out of memory shares. But this interpretation would be inaccurate. Our decisions were driven by contrarian opportunities in individual healthcare and semiconductor stocks that we intensively researched from a bottom-up perspective. In both cases, our analysis and confidence level has been enhanced by independent perspectives brought to the decision by our national and sector-based analysts.

The Fund’s position in WellPoint, the largest US healthcare insurer, is a good example. In the fall of 2008, WellPoint was trading at just 7 times earnings, or about half its long-term historical average. Its low valuation was significantly driven by a consuming fear and uncertainty about what the healthcare reform plans of then President-elect Obama might mean for the future of the industry.

Our research led us to believe the market’s outlook was far too pessimistic. At the time, WellPoint’s valuation was effectively pricing in a scenario in which growth would never return – and margins would remain as low as half their historical norms. Although we were concerned about the possible impact of healthcare reform, we felt that the major insurance providers such as WellPoint would ultimately be involved in the solution, with an opportunity to cover millions of previously uninsured citizens. As the much-feared healthcare bill becomes law and uncertainties are reduced, we continue to favourably view your Fund’s related holdings.

The situation in memory semiconductor stocks had been similar. Industry supply-demand imbalances, combined with stretched balance sheets and a gloomy economic outlook in early 2009, spurred extreme levels of pessimism, pushing valuations far below book value. Consensus opinion was that it would take years, if ever, for the sector to recover. As it turned out, visibility of future industry fundamentals, market sentiment, and resultant share prices rebounded much faster than expected, and we were soon in the fortunate position to begin trimming the Fund’s holdings. Of course, some contrarian ideas take longer to work than others. The jury is still out on our healthcare thesis, but we continue to believe there is fundamental value in these stocks – and that our patience will be rewarded.

<i>DIRECTORS</i>	<i>Allan W B Gray, Chairman</i>	<i>John C R Collis</i>	<i>Geoffrey M Gardner</i>	<i>William B Gray</i>	<i>William D Thomson</i>
<b>MANAGER</b>	<b>INVESTMENT ADVISOR</b>			<b>CUSTODIAN</b>	
Orbis Investment Management Limited	Orbis Investment Advisory Limited			Citibank Canada	

# ORBIS GLOBAL EQUITY FUND AT 31 MARCH 2010

## 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>43</b>	<b>40</b>	<b>48</b>
WellPoint	348,059	4		
Johnson & Johnson	334,202	3		
Research In Motion	333,710	3		
CVS Caremark	264,815	3		
Intel	243,417	2		
Aetna	206,273	2		
Spirit AeroSystems Holdings	201,741	2		
NRG Energy	200,634	2		
Archer Daniels Midland	186,478	2		
Costco Wholesale	178,849	2		
H&R Block	177,965	2		
Calpine	153,025	2		
Cisco Systems	142,038	2		
QUALCOMM	140,955	2		
New York Community Bancorp	134,125	1		
PulteGroup	119,229	1		
Weatherford International	115,394	1		
Omnicom Group	107,954	1		
SanDisk	107,348	1		
Microsoft	106,012	1		
RRI Energy	104,722	1		
Legg Mason	102,621	1		
Positions less than 1%	172,487	2		
<b>Asia ex-Japan</b>		<b>19</b>	<b>19</b>	<b>6</b>
Samsung Electronics - Common and Preference	439,743	5		
NetEase.com - ADR	221,354	2		
Shanda Interactive Entertainment - ADR	138,176	2		
E-House (China) Holdings - ADR	125,501	1		
Cathay Pacific Airways	117,564	1		
Powertech Technology	106,373	1		
Singapore Airlines	106,189	1		
SinoPac Financial Holdings	102,663	1		
Fubon Financial Holding	102,448	1		
SINA	99,648	1		
Positions less than 1%	280,121	3		
<b>Japan</b>		<b>18</b>	<b>18</b>	<b>9</b>
SBI Holdings	291,340	3		
Toyota Motor - Common and ADR	254,616	2		
Nomura Research Institute	186,346	2		
Mitsubishi UFJ Financial	149,055	2		
Sundrug	148,967	2		
T&D Holdings	142,306	1		
Fuji Media Holdings	130,733	1		
Nippon Television Network	128,719	1		
Rakuten	120,895	1		
Daiwa Securities	105,877	1		
Positions less than 1%	151,177	2		
<b>Europe</b>		<b>18</b>	<b>21</b>	<b>29</b>
SAP	221,803	2		
Gazprom - ADR	158,475	2		
Lagardère	156,631	2		
Vodafone Group	153,598	2		
Cable & Wireless Worldwide	152,310	2		
Dassault Systèmes	135,377	1		
Bayerische Motoren Werke	120,581	1		
Rentokil Initial	110,749	1		
Fiat	108,620	1		
COLT Telecom	105,260	1		
Cable & Wireless Communications	103,633	1		
Positions less than 1%	233,773	2		
<b>Other</b>		<b>2</b>	<b>2</b>	<b>8</b>
Positions less than 1%	178,503	2		
<b>Net Current Assets</b>	32,321	-		
<b>Net Assets</b>	<b>9,803,498</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 115.37</b>		84,971,424 shares issued	

## ORBIS AFRICA EQUITY (RAND) FUND AT 31 MARCH 2010

Total Rate of Return in South African rand:	From Inception on 30 Jun 1998	Latest				Quarter
		10 Years % Annualised	5 Years	3 Years	1 Year % Not Annualised	
<b>Orbis Africa Equity</b>	<b>30.5</b>	<b>25.5</b>	<b>23.6</b>	<b>5.9</b>	<b>34.9</b>	<b>2.8</b>
FTSE/JSE Africa All Share Index	16.4	17.1	19.9	4.6	44.1	4.5
% appreciation of the rand versus the US dollar	(1.7)	(1.1)	(3.0)	(0.2)	30.3	1.8

*Note: The offshore sector includes insufficient comparables for a meaningful peer group comparison for Orbis Africa.*

As noted in our year-end commentary last quarter, we have taken a somewhat defensive approach to stockpicking in the management of your Fund. The South African equity market is up 4.5% year-to-date and the FTSE/JSE Africa All Share Index remains at elevated valuation levels, making it increasingly difficult to uncover compelling long-term investment opportunities.

Sasol – the Fund’s largest holding – is an exception. The oil and chemicals producer’s share price returned a disappointing 10% over the past year compared to a 44% gain for the Index. Possible reasons for Sasol’s underperformance are numerous, but we believe there was clearly too much positive sentiment priced into the company’s shares in late 2008 and early 2009. Investor attitudes appear to have swung in the opposite direction and are now perhaps too negative – a classic contrarian indicator.

Oil prices – the most important driver of Sasol’s earnings – have been the primary cause for concern. Measured in rand terms, the price of oil has fallen by nearly half since June 2008. Sasol’s profit margins suffered as oil revenues declined and rand-based costs continued to escalate at rates in excess of inflation.

We believe that Sasol will be attractive if the rand oil price remains close to, or exceeds, R600 per barrel, which is approximately its current price. At this oil price, Sasol is trading at under 11 times our estimated normal earnings. In a normal environment, we think the average company listed on the JSE should trade at about 11.5 times earnings. In the current environment, we are finding very few shares trading below this level, which makes Sasol’s valuation look quite attractive.

We estimate normal annual earnings of R28 per share for Sasol versus its most recent 12-month earnings of R14 per share. To check for the reasonableness of the normal earnings forecast, it is important to look at the historical margins of the business. If the forecast margin is well above or below the historical norm, one should be sceptical. Excluding the Olefins and Surfactants (O&S) business, Sasol’s operating margin has averaged 28% since 1997. At R600 per barrel, we estimate that Sasol can achieve a comparable 25% margin which seems reasonable.

The relative price of various commodities and the impact of Chinese demand on these commodities is one of the reasons why Sasol is our preferred resources share. The China story is substantially discounted in the share prices of the diversified mining companies, so the possibility for upside surprises is fairly limited. If Chinese growth does not meet expectations, or if commodity prices fall as supply exceeds demand, the downside to earnings and valuations could be severe. The oil price and oil stocks such as Sasol appear to offer more downside support as the producers are not generating extraordinary profits and the oil price is not well above the marginal cost of production. Since 2005, non-OPEC oil supply has increased by less than 1% per year. OPEC oil supply has increased more but almost all the spare capacity is in the hands of Saudi Arabia, which has every incentive to maximise the value of its resources.

<b>DIRECTORS</b>	<i>Allan W B Gray, Chairman</i>	<i>John C R Collis</i>	<i>William B Gray</i>	<i>Ian Liddle</i>	<i>Simon C Marais</i>
<b>MANAGER</b>	Orbis Investment Management Limited	<b>INVESTMENT ADVISORS</b>	Orbis Investment Advisory Limited Allan Gray Limited	<b>CUSTODIAN</b>	Citibank Canada

# ORBIS AFRICA EQUITY (RAND) FUND AT 31 MARCH 2010

## STATEMENT OF NET ASSETS (UNAUDITED)

<b>Security</b> <i>(Ranked by sector)</i>	<b>Market Value</b> <b>R 000's</b>	<b>% of</b> <b>Fund</b>	<b>% of</b> <b>JSE Index</b>
<b>Industrial and Cyclical Services</b>		<b>33</b>	<b>18</b>
Remgro	113,568	8	
Mondi	64,662	5	
Sappi - Common and ADR	61,441	5	
Nampak	49,040	3	
Dimension Data Holdings	47,714	3	
Sun International	44,488	3	
Compagnie Financière Richemont	29,391	2	
Reinet Investments - SADR and Common	26,681	2	
Positions less than 1%	24,413	2	
<b>Non-Cyclicals</b>		<b>26</b>	<b>22</b>
SABMiller	136,426	10	
MTN Group	81,134	6	
Illovo Sugar	50,308	3	
Shoprite Holdings	31,377	2	
Tongaat Hulett	29,790	2	
Network Healthcare Holdings	24,396	2	
Positions less than 1%	13,104	1	
<b>Resources</b>		<b>23</b>	<b>43</b>
Sasol	141,922	10	
AngloGold Ashanti	91,141	6	
Harmony Gold Mining	30,979	2	
African Rainbow Minerals	29,114	2	
Pan African Resources	24,150	2	
Positions less than 1%	11,345	1	
<b>Financials</b>		<b>13</b>	<b>17</b>
Sanlam	69,042	5	
Standard Bank Group	67,107	5	
Coronation Fund Managers	49,259	3	
<b>Net Current Assets</b>	<b>70,046</b>	<b>5</b>	
<b>Net Assets</b>	<b>1,412,038</b>	<b>100</b>	<b>100</b>
<i>(Currency exposure 94% rand, 6% other)</i>			
<b>Net Asset Value per Share</b>	<b>R 980.84</b>	1,439,618 shares issued	

## ASIA EX-JAPAN EQUITY FUND AT 31 MARCH 2010

Total Rate of Return in US dollars:	From Inception	3 Years	Latest	Quarter
	on 1 Jan 2006	% Annualised	1 Year	% Not Annualised
<b>Asia ex-Japan Equity, Investor Shares</b>	<b>13.5</b>	<b>10.4</b>	<b>89.2</b>	<b>(2.1)</b>
MSCI Asia ex-Japan Index	10.9	4.8	73.3	1.3
Average Asia ex-Japan Equity Fund	10.3	3.8	73.8	1.9

Robert Crandall, former chief executive of American Airlines, once delivered the following cautionary message to his employees: “This is not an appropriate investment. It’s a great place to work and it’s a great company that does important work. But airlines are not an investment.”

Many investors apparently feel the same way. For contrarians like us, this can create compelling investment opportunities from time to time. In the short history of your Fund, our bottom-up research has identified a handful of Asian airlines whose share prices suffered from extreme pessimism, yet offered exposure to the region’s high secular growth in air travel.

Far from avoiding airlines, 5% of your Fund is currently invested in the sector versus the Benchmark’s 0.7% weighting. Airlines have also been among your Fund’s best-performing holdings. As a group, airlines have accounted for about one-third of the Fund’s outperformance versus its Benchmark since inception, with current holding China Eastern Airlines and former holding Air China having been two of the Fund’s three best-performing stocks during the period.

By taking contrarian positions in these massively over-leveraged Chinese airlines, your Fund has added substantial value. At the time of purchase, they were priced to reflect the market’s expectation of extreme financial distress, if not total failure. Interestingly, foreign investors’ abhorrence for these stocks was reflected in the fact that we could buy their Hong Kong-listed shares at one-half to one-third the value of the equivalent A-shares available to domestic Chinese investors. Given the high profile and symbolic importance of the airlines to China, we believed that the government was more likely to engineer a path to sustainability for the companies than allow them to go bankrupt.

Air China, one of the nation’s three leading carriers, has been held by the Fund over two separate periods since inception, delivering positive relative performance in both instances. Most recently, the Fund was able to buy China Eastern Airlines at extremely depressed prices during the global financial crisis in the fall of 2008. Despite considerable and continuing profit-taking as China Eastern has trebled from the average price your Fund paid during the fall of 2008, the stock still represents 1.8% of the Fund at quarter end.

Not all our decisions in the sector have worked out quite as well. Singapore Airlines, probably the world’s best-managed and most conservatively capitalised major airline, has been held by the Fund ever since its launch on 1 January 2006, yet has made only a modest contribution to the Fund’s relative outperformance. A position in Cathay Pacific Airways, with similarly highly regarded service and management – but also more highly indebted – was established in September 2006. Cathay’s very strong recent performance has yet to turn around its poor relative performance as it continues to lag the Fund’s Benchmark by nearly 27 percentage points since early September 2006.

Although our experience investing in airlines has been mixed, we believe it disproves the notion that the sector should be avoided at all costs. More importantly, it highlights one of the hallmarks of our research process. As contrarians, we are always very wary of consensus thinking – even amongst ourselves. Conflicting arguments are not only expected, but actively encouraged in order to stress-test our investment thesis. By incorporating formal discussion sessions with our experienced professionals, as well as leveraging the independent perspectives of national and global industry research teams, the investment process ensures each investment idea passes a rigorous intellectual test. Notwithstanding our disciplined investment process there are no sure things, as the Fund’s investment in Cathay Pacific Airways attests to date. Over time, however, we believe that a disciplined, contrarian approach will identify enough opportunities such as Air China and China Eastern to offset the occasional – and inevitable – disappointments.

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

**ASIA EX-JAPAN EQUITY FUND AT 31 MARCH 2010****STATEMENT OF NET ASSETS (UNAUDITED)**

<b>Security</b>	<b>Fair Value US\$ 000's</b>	<b>Fund's % Equities</b>	<b>Exposure to Currencies</b>	<b>% of MSCI Index</b>
<b>Greater China</b>		<b>64</b>	<b>64</b>	<b>53</b>
<b>China</b>		39	39	26
E-House (China) Holdings - ADR	95,362	8		
Shanda Interactive Entertainment - ADR	66,272	6		
NetEase.com - ADR	54,863	5		
SINA	45,166	4		
China Power International Development	38,433	3		
Sohu.com	28,377	2		
TravelSky Technology	23,047	2		
Beijing Enterprises Holdings	22,160	2		
China Real Estate Information - ADR	21,635	2		
China Eastern Airlines	20,980	2		
Mindray Medical International - ADR	16,765	1		
Sinofert Holdings	15,526	1		
China Oilfield Services	12,104	1		
Positions less than 1%	5,727	-		
<b>Hong Kong</b>		4	4	11
Fubon Bank (Hong Kong)	23,620	2		
Cathay Pacific Airways	22,962	2		
Positions less than 1%	3,277	-		
<b>Taiwan</b>		21	21	16
China Life Insurance	52,972	5		
Nan Ya Printed Circuit Board	49,697	4		
ASUSTeK Computer	49,398	4		
Powertech Technology	42,792	4		
SinoPac Financial Holdings	35,792	3		
Fubon Financial Holding	13,249	1		
<b>Korea</b>		<b>25</b>	<b>25</b>	<b>19</b>
Samsung Electronics - Common and Preference	97,832	8		
Korea Investment Holdings	36,038	3		
Kiwoom Securities	33,426	3		
Lotte Chilsung Beverage	30,001	3		
Hyundai Motor - First and Second Preference	27,702	2		
Cheil Worldwide	16,620	1		
Lotte Confectionery	14,006	1		
Hanil Cement	14,006	1		
SK Telecom - ADR	12,398	1		
KT	12,381	1		
Positions less than 1%	6,198	1		
<b>Russia</b>		<b>4</b>	<b>4</b>	<b>-</b>
Gazprom - ADR	44,821	4		
<b>Malaysia</b>		<b>3</b>	<b>3</b>	<b>4</b>
Genting Malaysia	36,543	3		
<b>Thailand</b>		<b>2</b>	<b>2</b>	<b>2</b>
Bank Of Ayudhya	22,060	2		
<b>Singapore</b>		<b>2</b>	<b>2</b>	<b>7</b>
Singapore Airlines	20,848	2		
<b>Other</b>		<b>-</b>	<b>-</b>	<b>15</b>
Positions less than 1%	3,732	-		
<b>Net Current Assets</b>	4,093	-		
<b>Net Assets</b>	<b>1,192,881</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Net Asset Value per Share - Investor Shares</b>			<b>US\$ 16.18</b>	

## JAPAN EQUITY FUND AT 31 MARCH 2010

Total Rate of Return	From Inception	% Annualised		Latest		
		10 Years	5 Years	3 Years	1 Year	Quarter
<b>Yen Class</b> (launched 1 Jan 1998)	<b>7.2</b>	<b>3.6</b>	<b>(0.2)</b>	<b>(9.9)</b>	<b>36.1</b>	<b>10.2</b>
TOPIX	(0.3)	(4.2)	(2.2)	(15.5)	28.5	8.8
Average Japan Equity Fund	(0.8)	(5.6)	(4.0)	(17.4)	29.8	8.5
<i>% appreciation of the yen versus the US dollar</i>	<i>2.8</i>	<i>1.0</i>	<i>2.8</i>	<i>8.0</i>	<i>5.8</i>	<i>(0.6)</i>
<b>Euro Class</b> (launched 1 Jan 2003)	<b>6.8</b>		<b>0.1</b>	<b>(11.0)</b>	<b>35.1</b>	<b>10.2</b>
TOPIX Hedged into euro	6.1		0.2	(13.5)	29.0	8.9
<i>% appreciation of the euro versus the US dollar</i>	<i>3.5</i>		<i>0.8</i>	<i>0.4</i>	<i>1.8</i>	<i>(5.7)</i>

With Japan's population declining and aging, consumer-related stocks would seem to offer very little appeal. But tough times have a way of inspiring clever entrepreneurs. We believe that Rakuten, one of the Fund's top three holdings, is just such a company. Founded in 1998 by a young, dynamic, US-educated MBA, Rakuten's core business is essentially an on-line shopping mall. It is analogous to Amazon and eBay in the sense that it offers a vast array of products through a single website. Unlike Amazon, Rakuten holds very little inventory of its own. And unlike eBay, Rakuten's network of sellers consists entirely of professional merchants rather than individuals.

Japan's e-commerce market is relatively less developed than in the US, and has considerable room to grow. On-line shopping accounts for about 2% of total retail sales in Japan versus 3-4% in the US. Over the past five years, the e-commerce market has expanded at a compound annual growth rate in excess of 20%, and Rakuten has grown even faster.

At 21 times estimated 2010 earnings, the company's share price may not immediately seem to offer great value. However, the economics of the business are inherently compelling, and we believe the favourable prospects for continued strong earnings over the long term more than justify the current price. Apart from necessary technology updates, Rakuten has very low investment needs, which means there is likely to be plenty of free cash flow attributable to shareholders even after funding the company's growth.

Rakuten has been successful in keeping competitors at bay. Its share of the Japanese e-commerce market has risen every year and is now close to 30%. One reason is the company's highly successful loyalty programme, which allows frequent shoppers to save as much as 10-15%. As Rakuten has grown, a powerful network effect has developed: shoppers visit Rakuten because it's the site with the most merchants, and merchants sign up because it's the site with the most shoppers.

With a large customer base, Rakuten has ample opportunity to cross-sell financial services from its subsidiaries, which offer credit cards, on-line banking and brokerage. We believe the synergies in that regard are reminiscent of the success that eBay has had with its electronic payment service PayPal. Nor is Rakuten's future limited to Japan. We believe that the long-term opportunities to expand elsewhere in Asia, while currently a small part of Rakuten's business, are attractive.

Of course, there are also plenty of risks. Rakuten's finance subsidiaries make an otherwise simple balance sheet much larger and more complex. Exposure to consumer finance loans and credit card receivables is a particular concern in a sluggish economy. On balance, however, we believe that Rakuten is well-managed, and despite its commanding market share, has considerable potential for further rapid growth in earnings per share. Stocks of such companies can often achieve – and deserve – very high price-to-earnings ratios, especially in Japan, where growth shares are relatively rare.

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

## JAPAN EQUITY FUND AT 31 MARCH 2010

### STATEMENT OF NET ASSETS (UNAUDITED)

Security <i>(Ranked by sector)</i>	Fair Value ¥ 000's	% of Fund	% of TOPIX
<b>Consumer Non-Durables</b>		<b>32</b>	<b>18</b>
Rakuten	15,440,246	7	
Sundrug	12,047,496	5	
Alfresa Holdings	9,143,264	4	
SUZUKEN	7,430,555	3	
Japan Tobacco	7,378,992	3	
H.I.S.	6,355,129	3	
Tsuruha	6,179,410	2	
KOMERI	5,986,934	2	
SUGI Holdings	2,956,905	1	
Positions less than 1%	4,295,164	2	
<b>Financials</b>		<b>30</b>	<b>14</b>
Mitsubishi UFJ Financial - Common and ADR	18,516,384	8	
SBI Holdings	17,860,393	7	
Daiwa Securities	12,430,380	5	
T&D Holdings	11,870,899	5	
Sumitomo Mitsui Financial	11,210,520	5	
Positions less than 1%	1,135,264	-	
<b>Information and Communications</b>		<b>22</b>	<b>5</b>
Nomura Research Institute	14,348,653	6	
OBIC	7,519,933	3	
Net One Systems	5,700,143	2	
ITOCHU Techno-Solutions	5,537,973	2	
Nippon Television Network	5,435,879	2	
Obic Business Consultants	3,923,116	2	
Fuji Media Holdings	3,625,653	2	
KDDI	2,983,860	1	
Yahoo Japan	2,942,363	1	
Positions less than 1%	2,648,397	1	
<b>Technology</b>		<b>2</b>	<b>17</b>
Elpida Memory	6,336,354	2	
<b>Cyclicals</b>		<b>13</b>	<b>41</b>
PARK24	9,766,018	4	
Toyota Motor	8,288,445	3	
West Japan Railway	6,352,094	3	
FUJIFILM Holdings	3,595,452	2	
NTT Urban Development	2,927,661	1	
<b>Utilities</b>		-	<b>5</b>
<b>Net Current Assets</b>	1,777,880	<b>1</b>	
<b>Net Assets</b>	<b>243,947,809</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>¥ 2,352</b>		100,884,300 shares issued
<b>Euro Class</b> <i>(Currency exposure 100% euro)</i>	<b>€ 16.14</b>		3,249,507 shares issued

## ORBIS JAPAN EQUITY (US\$) FUND AT 31 MARCH 2010

Total Rate of Return in US dollars:	From Inception on 12 Jun 1998	Latest				
		10 Years <i>% Annualised</i>	5 Years <i>% Annualised</i>	3 Years	1 Year	Quarter <i>% Not Annualised</i>
<b>Orbis Japan Equity (US\$)</b>	<b>8.0</b>	<b>6.0</b>	<b>1.5</b>	<b>(9.4)</b>	<b>34.6</b>	<b>10.1</b>
TOPIX Hedged	2.9	(1.3)	0.7	(13.8)	28.7	8.9
<i>% appreciation of the US dollar versus the yen</i>	(3.6)	(0.9)	(2.7)	(7.4)	(5.5)	0.6

Orbis Japan Equity (US\$) was formed to serve investors who wish to invest in Japanese equities while remaining exposed to the dollar. As shown in the Statement of Net Assets below, the Fund's entire equity exposure comprises shares in the Luxembourg-domiciled Orbis SICAV- Japan Equity Fund - Yen Class. Given this, we refer readers to the Orbis SICAV - Japan Equity Fund report on page 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>	583,529	97
Net Current Assets	15,378	3
<b>Net Assets</b>	<b>598,907</b>	<b>100</b>
<b>Net Asset Value per Share</b>	<b>US\$ 24.69</b>	24,255,253 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

Citibank Canada

## NOTICES

**Notice to Current and Prospective Orbis Investors.** *The Orbis Global Equity Strategy and the Orbis Optimal Strategy are open to new investors. New investors must be qualified, non-US and subscribe at least US\$50 million to the Orbis Funds. Current Orbis Funds investors and those persons to whom we have existing commitments are not affected and may continue to make additional investments in the Orbis Funds, other than the Orbis Leveraged Funds which remain closed.*

*We intend to accept new subscriptions into the Funds from a wider audience when we consider it appropriate to do so, and will issue notice of such change on our website, and via our automated e-mail services facility.*

*If you have any questions regarding our opening, 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, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda. Residents of Australia or New Zealand should contact Orbis in Australia at +61 (0)2 8224 8600 or [clientservices@orbisfunds.com.au](mailto:clientservices@orbisfunds.com.au). South African residents should contact Allan Gray Unit Trust Limited at +27 86 000 0654 (toll free from within South Africa) or [clientservice@orbisfunds.co.za](mailto:clientservice@orbisfunds.co.za).*

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

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

**UK Distributor Status.** *HM Revenue & Customs has certified each of the Orbis Global Equity Fund, Orbis Africa Equity (Rand) Fund, Orbis SICAV - Asia ex-Japan Equity Fund - Investor Class, Orbis SICAV - Japan Equity Fund and Orbis Japan Equity (US\$) Fund as a distributing fund for the purposes of Chapter V of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 from the Fund's inception until 31 December 2008. Beginning in 2011, certification as a distributing fund will no longer be available and will be replaced by the UK Government with a new reporting fund regime. It is intended that the Funds will apply to be certified as distributing funds for the Funds' 2009 and 2010 accounting periods. Certification is granted retrospectively, therefore, there can be no assurance that the Funds will be certified as distributing funds for 2009 or 2010.*

**Risk Warnings.** *Past performance is not a reliable indicator of future results. Where Fund prices are based in a currency other than the currency of your country of residence, exchange rate fluctuations may impact the Fund's returns when converting back to your base currency. Orbis Fund share prices fluctuate and are not guaranteed. When making an investment in the Funds, an investor's capital is at risk.*

**Other.** *This Report does not constitute an offer to sell or a solicitation to buy shares of Orbis Funds. Subscriptions are only valid if made on the basis of the current Prospectus of an Orbis Fund. Certain capitalised terms are defined in the Glossary section of the Orbis Funds General Information document, copies of which are available upon request from the Manager. Orbis Investment Management (B.V.I.) Limited and Orbis Investment Management Limited are licensed to conduct investment business by the Bermuda Monetary Authority. Approved for issue in the United Kingdom by Orbis Investment Advisory Limited, Orbis House, 5 Mansfield Street, London England W1G 9NG; a firm authorised and regulated by the Financial Services Authority.*

## CHARACTERISTICS OF ORBIS EQUITY FUNDS

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

*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.*

