

Named portfolio manager(s):

Allan Gray (since launch), William Gray (since launch) / Team

Peer group: Japanese Mainstream Equities

Location: Bermuda, Hamilton

Launch date: January 1998

Fund size (April 2010): ¥237bn, €52m

Contact group: +1 441 296 3000 or

www.orbisfunds.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date June 2010

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

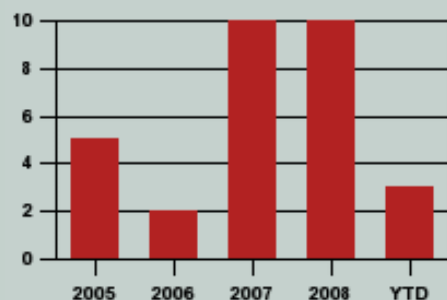
	3 Years
Fund	-26.9%
Standard & Poor's peer median	-43.3%
Index**	-39.7%
Fund rank	31/859

Note: returns are cumulative

Three-year risk characteristics

Maximum drawdown (%)	-20
Volatility	6.8
Correlation	0.9
Beta	0.9

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2010 Lipper Inc. All Rights Reserved. All statistical data on this report has been run to 31/03/2010 on NAV to NAV basis, with gross income reinvested, in Japanese Yen.

Standard & Poor's opinion (June 2010)

This fund, and its bottom-up investment process, is very much team-driven. The highly experienced William and Allan Gray remain the named managers, but the influence of Japanese specialist Brett Moshal and the analytical team is steadily growing. Moshal now has an increasingly significant advisory role; as of November 2009 he is selecting stocks for, and formulating, half the model portfolio on which this fund is based. Moshal joined Orbis in 2003 and has gradually established himself as lead analyst on Japanese equities. However, final stock selection rests with Allan Gray, and while he is unlikely to go against Moshal's choices, he retains a power of veto.

The stock selection methodology - the driver of long-term performance - remains unchanged, with analysts looking to identify stocks trading at a significant discount to intrinsic value. The focused, contrarian style has proven highly successful with the yen-denominated share class (shown in our report) ranking top decile over five years cumulatively.

The evolution of the portfolio construction process reflects a desire to broaden inputs into the fund and (longer-term) an element of succession planning. We note, though, that the broader team is much less experienced than the Grays. Nearly half have less than three years' investment experience; Moshal himself, while impressing us with his stock knowledge, does not have actual fund management experience. We are, therefore, reassured that William and Allan Gray retain overall responsibility for the fund, and this underpins the continued S&P AAA rating.

Fund manager & team

William Gray, president, leads a team of over 50 analysts based in London, San Francisco, Bermuda, Seoul and Sydney. Allan Gray, founder and chairman of Orbis (with considerable experience on Japan) leads on Japanese equities. Brett Moshal, a Japanese specialist, advises on 50% of the Japanese portfolio. A proprietary quantitative screen is the primary source of investment ideas. Specific stock recommendations then come from the analysts. These are challenged by other analysts and fund managers to build conviction in ideas, but the final decision to include a name lies solely with the fund managers. Responsibilities are divided along regional or sector lines.

Allan Gray - Chairman - BComm, CA (SA), MBA (Harvard), CFA, Doctor of Law (hc), worked for Fidelity for nine years, founding Allan Gray Limited in the 1970s and Orbis in the 1980s.

William Gray - BComm, MBA (Harvard), CFA, joined Orbis Bermuda in 1993, having worked with Orbis in London and its predecessor company in Hong Kong.

Brett Moshal - BComm, CA, CFA, joined Orbis in 2003 having previously spent three years at Arthur Andersen, two years at Standard Corporate and Merchant Bank and five years at Brait.

Management style

This bottom-up fund targets an absolute level of performance rather than outperformance of an index.

From November 2009 two model portfolios, one built by manager Allan Gray and one by Japanese specialist Brett Moshal, are combined to produce a model that forms the basis for stock selection.

The analysts look for stocks trading at a significant discount to intrinsic value. Using the in-house database of over 3,700 names, they compile a list of mispriced stocks, calculating their intrinsic value by evaluating the company's ability to generate superior growth in cashflow, earnings and dividends. The valuation considers management quality, balance sheet strength and gearing. The best ideas are debated by the team but final selection rests with William Gray and Brett Moshal, with Allan Gray having (ultimately) a power of veto.

The contrarian style leads to a focused portfolio of around 50 names built without reference to a benchmark. Final stock selection rests with Allan Gray. Risk management emphasises avoiding unintended risks, permanent capital loss and recognising exposure to corporate and thematic variables.

The fund is available in a yen (unhedged) or euro class (hedged).

ORBIS SICAV JAPAN EQUITY FUND

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: Orbis

Fund manager: Orbis Investment Management Limited

Portfolio & performance analysis (April 2010)

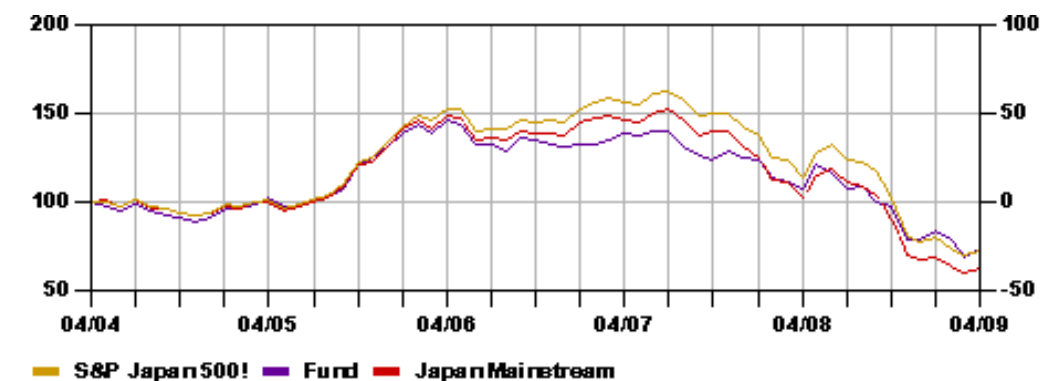
The performance data here is that of the yen share class, which permits a purer comparison with funds in the S&P Japan peer group.

The performance record of this fund over three and five years cumulatively is extremely strong, ranking top decile, driven by its consistently contrarian stock selection style. Within this, 2009's peer-relative performance was more muted. While the fund had switched in some measure from defensive to more cyclically oriented names at the end of 2008, including some export-oriented names, it was still underweight in these areas and not present in the highly cyclical, more leveraged sectors that led the rally of mid-2009. As a result, the fund finished the year only fractionally (+0.4%) ahead of the peer group median.

At review, the fund was even more focused than previously (in 35 names as against 43 previously), with the top-10 stocks representing 54% of the total. As at last review, financials - liked on valuation grounds - featured heavily, with an overall portfolio weighting of 31% that was over double that of TOPIX (15%). Within this, life assurers were preferred by both Allan Gray and Brett Moshal. Meanwhile, industrials remained well underweight at 7% versus the benchmark's 20%.

Major active positions included SBI Holdings and domestic retailer Rakuten. T&D Holdings, despite being a poor performer for some time, still featured in the top 10 with an absolute weighting of 5%, reflecting the manager's long-term conviction in the fundamental investment case. Stock selection led to a clear bias away from larger names in favour of mid-caps. At review, the fund held 37% in TOPIX 100 names versus 62% for the benchmark, with 48% of the fund total in stocks drawn from the TOPIX 400; 7% of the portfolio comprised Jasadq names.

Cumulative performance



Discrete performance (calendar years)

	2006		2007		2008		2009		YTD 31/03/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	-4.4	515/619	-7	47/826	-32.4	31/950	9.7	469/1026	10.3	194/1044
Index**	6.9		-10		-42.1		9.1		8.7	
Median	2.6		-13.4		-44.4		9.3		8.5	

** S&P Japan 500!
Fund benchmark: TOPIX

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
YEN	0.00	0	0.5 - 2.5	2.22	50,000		LU0160128079
Registered for sale		Bermuda, Luxembourg, South Africa, United Kingdom					

STANDARD & POOR'S



Portfolio characteristics

No. of holdings	35
Turnover ratio (%)	N/A
% in top 10	54

Sector allocation (01/04/10)

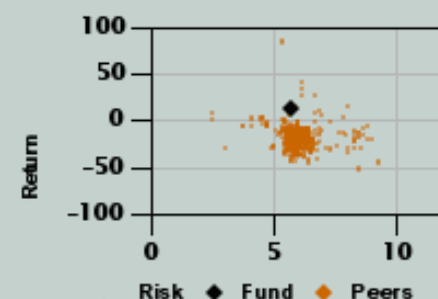
	%
Cash	0.7
Consumer discretionary	20.0
Consumer staples	12.0
Financials	31.1
Healthcare	6.8
Industrials	6.6
Information technology	20.6
Telecoms	2.2

Top 10 holdings (01/04/10)

	%
Mitsubishi UFJ Financial *	7.6
SBI Holdings *	7.3
Rakuten	6.3
Nomura Research Institute *	5.9
Daiwa Securities	5.1
Sundrug *	4.9
T&D Holdings *	4.9
Sumitomo Mitsui Financial	4.6
PARK24	4.0
Alfresa Holdings	3.7

* In top 10 holdings a year ago

Risk return (standard deviation) over five years



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Symbols and Definitions

Long-Only Fund Ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-Hedge-Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute Return Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Specialist Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

All Fund Ratings

NR Funds designated as NR (Not Rated) currently do not meet the requisite performance standards and/or the minimum qualitative criteria.

UR Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

New Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review

The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more and continues to hold a rating.

Bond Fund Volatility Ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less* liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute Return Fund N Ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.