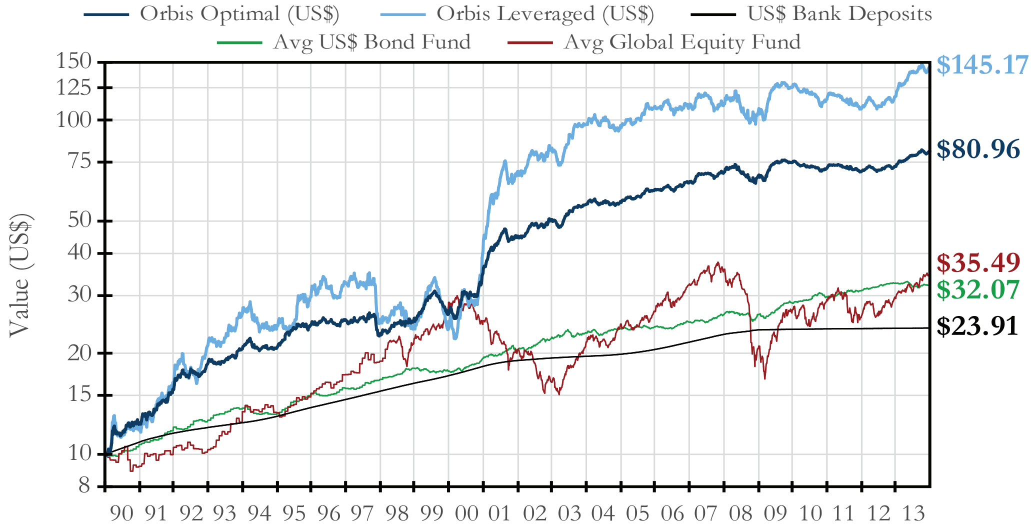
ORBIS ABSOLUTE RETURN FUNDS

ANNUAL REPORTS
31 DECEMBER 2013

ORBIS OPTIMAL
ORBIS LEVERAGED

ORBIS OPTIMAL AND ORBIS LEVERAGED AT 31 DECEMBER 2013

TRACK RECORD: VALUE OF US$10 INVESTED AT INCEPTION *(DIVIDENDS REINVESTED)*



The Optimal and Leveraged (Euro) and (Yen) Funds are based on the same portfolios as the Optimal and Leveraged (US$) Funds, respectively, and are therefore not shown separately above. Average Global Equity Fund and Average US$ Bond Fund source: Morningstar, Inc.

Total Rate of Return in Fund Currency, net of fees:	From Inception	Latest					Quarter
		20 Years	10 Years	5 Years	3 Years	1 Year	
		% Annualised					*% Not Annualised*
Optimal (US$) Fund (launched 1 Jan 1990)	**9.1**	**7.1**	**3.7**	**3.5**	**4.0**	**11.0**	**(0.2)**
Leveraged (US$) Fund (launched 1 Jan 1990)	**11.8**	**8.9**	**4.1**	**6.6**	**7.8**	**22.5**	**(0.6)**
US$ Bank Deposits	3.7	3.3	2.0	0.3	0.2	0.2	0.0
Average Global Equity Fund	5.4	5.0	5.0	11.4	6.8	21.1	6.4
Average US$ Bond Fund	5.0	4.3	3.3	4.1	2.6	(1.7)	0.1
Optimal (Euro) Fund (launched 30 Jun 1998)	**6.6**		**3.3**	**3.4**	**3.7**	**10.0**	**(0.5)**
Leveraged (Euro) Fund (launched 30 Jun 1998)	**10.5**		**3.6**	**6.5**	**7.5**	**21.9**	**(0.7)**
Euro Bank Deposits	2.5		1.9	0.6	0.5	0.1	0.0
Average Global Equity Fund	1.7		4.1	11.7	5.8	16.1	4.6
Average Euro Bond Fund	3.5		2.9	3.9	3.5	1.0	0.7
% appreciation of the euro versus the US dollar	*1.5*		*0.9*	*(0.3)*	*0.9*	*4.3*	*1.7*
Optimal (Yen) Fund (launched 1 Jan 2006)	**1.6**			**3.7**	**5.3**	**14.8**	**1.0**
Leveraged (Yen) Fund (launched 1 Jan 2006)	**1.6**			**6.2**	**7.5**	**22.6**	**(0.7)**
Yen Bank Deposits	0.3			0.1	0.1	0.1	0.0
Average Global Equity Fund	2.1			14.7	16.5	47.0	14.0
Average Yen Bond Fund	1.3			1.9	2.7	2.5	0.7
% appreciation of the yen versus the US dollar	*1.4*			*(3.0)*	*(8.3)*	*(17.6)*	*(6.7)*

PRESIDENT'S LETTER

Dear Member,

The past year was an outstanding one for Orbis clients. In addition to very healthy relative and absolute returns, it marked the first time in the firm's 24-year history that we emerged from a notable period of disappointing performance without having experienced significant client redemptions. It is enormously fulfilling for us to see that your persistence has been rewarded and that so many Members have been able to experience the benefits of our efforts in recent years.

It is a sobering fact in our profession that investors generally achieve returns that are substantially lower than their investment managers' published track records would suggest. This happens because clients all too often "buy high and sell low" by investing with managers after periods of good performance and/or redeeming after periods of poor performance. Even managers who deliver healthy results in the fullness of time often find themselves having achieved little for their clients as a result.

Orbis was founded with the core purpose of striving to ensure that our clients do well. Of course, we cannot control their investment decisions, but we have always felt a responsibility to do what we can to help our clients avoid falling into the trap of investing (or redeeming) at the wrong time or for the wrong reasons. Many of our decisions as a firm have been made with this in mind. One example is a heavy and continuous reinvestment in our stockpicking capability. Our belief was that this would enhance not only our ability to perform on your behalf, but also your confidence in us as stewards of your capital, which in turn should make it easier for you to display persistence through our inevitable periods of sub-par performance.

While we still have room for improvement, and we are far from satisfied, there could be a deeper significance to Orbis' results in 2013. Perhaps they are a sign that the teams we have built in recent years—which together have significantly increased the number of investment opportunities that we have the capacity to analyse—are indeed capable of adding value on your behalf for many more years to come?

The fact that the recent relative performance has been particularly broad-based is a good sign in that regard. It has not merely been the case of a handful of individuals, or selected investment decisions, doing well. Taking the Orbis Global Equity Fund as an example, 70% of the Fund's capital was deployed in stocks that outperformed in 2013. Not only is that higher than the historical average, but more importantly it was achieved across a larger number of stocks—the Fund held 190 different positions during the course of 2013—and all five teams of stockpickers at Orbis have now made a meaningful contribution to performance.

To put this in perspective, 15 years ago Orbis had a single team of around seven people picking about 50 stocks for clients. Today we have five teams of, on average, about eight people each, and each team looks to select about as many stocks as the original team did in the past. This group of small teams is the result of a strategic decision made many years ago regarding how we would respond if we were faced with growing client demand for our services. Rather than coping with growth by asking our team to make a greater number of investment decisions or adding more people to the team, we planned to build a number of smaller teams, each seeded by an Orbis-trained stockpicker. The original team at Orbis was itself similarly spawned out of a successful team from our sister firm Allan Gray in South Africa.

By building a collection of smaller and more nimble teams, rather than a single large team, we believe our ability to capitalise on stockpicking opportunity has been enhanced rather than diluted as we have grown. Said another way, rather than being forced to pick stocks differently due to asset growth, we simply have more people doing the same things as before. Time will tell, but we believe the results that these teams have achieved thus far are a testament to both their potential and the refinements we have made to our portfolio construction process in recent years.

Much the same can be said of our operational capabilities. In 2013, we achieved a number of important milestones, a few of which I will mention here. Following last year's external audit of controls related to operational processes and reporting thereupon, which assessed their design, we have since received a clean opinion on the implementation of those controls—providing assurance as to their effectiveness. We also launched a new website which we believe is more effective in providing the information you need to make good decisions about your investment with Orbis. Most recently, we received regulatory approval to offer our services directly to smaller investors in the United Kingdom using an online model. You may recall that we have long endeavoured to find an effective and efficient way to empower individuals and families who have a modest amount to invest, and we believe this is an important first step. I have also previously mentioned our plans to solidify the long-term ownership structure of Orbis, and I look forward to reporting to you in that regard in the year ahead.

While we can take a moment to reflect on the investment and operational highlights of the past year, we can ill afford any hint of complacency. Our sense of purpose lies both in delivering value for money and in our clients capitalising on that. We remain focused on our role in that regard, recognising the critical part you play in exercising patience and perseverance through the inevitable setbacks along the way. We thank you for the trust and confidence you have shown in us and look forward to the future with both a sense of great enthusiasm and responsibility.

Yours sincerely,

William Gray

William B Gray

Hamilton, Bermuda
31 December 2013

In applying our investment philosophy, we seek to buy shares trading below our assessment of their intrinsic value. A key part of estimating intrinsic value is an understanding of the longer term “normalised” earnings power of a business, which is often very different from its current level. But how can one do this consistently, given the fact that making correct forecasts is a very low probability exercise?

We often start with the assumption that key variables tend to revert to their long-term averages. Known as the principle of “mean reversion”, it is based on the idea that many things in investing do ultimately prove to be cyclical. The reason this tends to hold so well is that there is often a clear causal link between each successive stage of the cycle. For example, as demand for a product rises, prices rise to ration demand, and more capacity is built to capture the now higher profits available. Once sufficient capacity is built, prices start to fall and the cycle begins to turn downward. But mean reversion is not limited to numerical or valuation phenomena. It can apply to any parameters within adaptive systems. For example, operational performance and management reputations can exhibit strong mean reversion tendencies: a company performs well, complacency rises, mistakes get made, performance suffers, and so forth.

Of course, understanding where a company or its share price sits in its performance cycle at any given time or even knowing what the eventual mean-reversion level might be are difficult analytical problems. The movement of economic variables, or share prices themselves, is not a regular periodic cycle. Our key tool is independent, company-specific, fundamental valuation analysis—itself imprecise, but it is what our analysts focus on every day. A further challenge is that it takes emotional courage to act because the best valuation opportunities typically occur just when companies are least popular and the news is worst. The reward is that this process can often provide us with exciting opportunities to invest in companies at significant discounts to their intrinsic value.

In searching for opportunities where share prices may be below intrinsic value, we often look closely within sectors which have underperformed. At a time when many global stockmarkets are trading near record highs, companies in the Oil & Gas sector stand out as a notable exception. Energy shares are deeply out of favour with many investors and valuations are near their cheapest levels in the past ten years. As with any other sector, however, we evaluate opportunities on a bottom-up basis and it is worth noting that your Fund owns none of the well-known oil majors such as ExxonMobil and Chevron. In fact, this means that your Fund effectively has short positions in these stocks as a result of hedging against their respective local benchmarks, in which these shares have significant weighting.

Instead, we have found more compelling value in lesser-known producers such as Apache and INPEX, as well as oil services companies like Weatherford International. We believe that each of these companies is subject to a particular set of idiosyncratic factors. As a result, our view of each company’s long-term prospects differs from the stockmarket’s more pessimistic assessment.

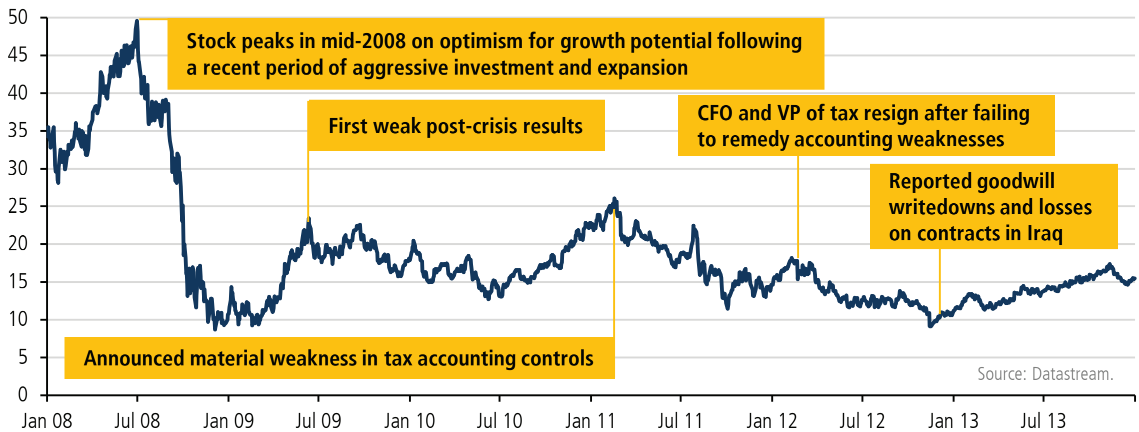
It may be helpful to consider our investment philosophy and process by way of looking at our history with Weatherford International, one of your Fund’s top ten holdings, as an example. The company’s products and services enable oil and gas producers to drill new wells and maximise the efficiency of their current production. Demand is driven both by the amount of new drilling being undertaken and by the need to squeeze more production out of older wells. Businesses accounting for a growing portion of Weatherford’s revenue base have either limited competition or few alternatives, high barriers to entry and very healthy return profiles. Furthermore, the company is now relatively well-positioned to control its destiny by gaining market share and driving strong profit growth through operating leverage and economies of scale.

Going into the financial crisis, however, Weatherford was massively overextended. We started to get interested in the stock in 2008 after the sudden drop in oil industry spending for exploration and production during the financial crisis caused a significant downturn in the entire oil services industry. We believed this would prove to be a classic, if extreme, cyclical downturn and mean reversion opportunity. We took advantage of the prevailing sentiment and were able to buy shares in Weatherford for around US$15—a fraction of its pre-crisis highs and only four to five times our estimate of its “normal” earnings power. Initially, our thesis was born out. The industry recovered, pushing Weatherford’s share price to US$25 in early 2011, but still meaningfully below our estimate of intrinsic value.

Unfortunately, 2011 marked the start of a perfect storm for the company that, with hindsight, marked the start of an entirely different cycle: one of performance and credibility. Some operational setbacks and over-budget projects coincided with a softening of demand in the US. This might have been manageable, but Weatherford's internal auditors also discovered and reported a material weakness in the company's internal controls over tax accounting.

Being contrarian sometimes requires looking wrong for painfully long periods of time

Weatherford price in USD, 2008 through 2013



The pain for Weatherford shareholders continued well into 2012 as the company became a classic example of the investment adage that "there is never just one cockroach in the kitchen" when it comes to bad news. Weatherford missed even its own profit forecasts and resolution of the tax issues took much longer than expected. Investors finally capitulated after the third-quarter earnings release, exasperated by yet another (but ultimately final) delay in filing the restated accounts. At their low of US$9 on 16 November 2012, it's fair to say that the company's operational performance and credibility with investors was at an all-time low.

To be clear, we shared investors' general sense of exasperation with management. We recognised, however, that the lows in Weatherford's performance and reputational cycle had created a significant low in its valuation cycle. It can seem reckless to be buying when there is an endless stream of bad news about a company, but it can be an excellent opportunity if all the bad news is reflected in the valuation. Our challenge as contrarians is to determine whether the stream of bad news is likely to be perpetual or if actions were being taken that would break the run of bad news and cause the cycle of poor performance to turn into a virtuous cycle of improvement.

In the case of Weatherford, our analysis concluded that the company's problems, though undoubtedly serious, were not life-threatening and mean reversion on any front would likely result in a positive outcome. So far this assessment has proven correct: the resolution of tax accounting issues has freed up management time to focus on efficiency improvements, new appointments were made to the management team who brought fresh perspective and ideas, and above all the plunging share price created a real sense of urgency to take long overdue steps to streamline the business. The cycle of fundamental improvement at Weatherford is still very much in its infancy and we are optimistic that the market's perception of the company is also at the beginning of a long positive cycle. Only time will tell if we are right in this regard.

Clearly mean reversion is not a simplistic rule to be followed blindly—and in assessing both the intrinsic value of a company and its normalised earnings power, we often make mistakes, particularly in regard to timing. But we continue to believe that it is this tenacious search for shares trading at a discount to intrinsic value, coupled with our long-term perspective which will serve our Members well over time.

Commentary contributed by Dan Brocklebank, Orbis Investment Advisory Limited, London

ORBIS OPTIMAL FUNDS AT 31 DECEMBER 2013

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	24	(26)	(2)	-
Japan	21	(19)	2	-
Europe	21	(21)	-	-
Asia ex-Japan	15	(7)	8	5
Other	8	(4)	4	1
Total	**89**	**(77)**	**12**	**6**

** Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Portfolio Hedging.*

CURRENCY DEPLOYMENT

	US$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	82	-	-
Euro	-	91	-
Japanese yen	-	-	81
Greater China currencies	6	-	7
Korean won	6	6	6
Other	6	3	6
Total	**100**	**100**	**100**

ORBIS LEVERAGED FUNDS AT 31 DECEMBER 2013

ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Stockmarket Positions	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	47	(52)	(5)	-
Japan	41	(37)	4	-
Europe	41	(41)	-	-
Asia ex-Japan	29	(12)	17	10
Other	14	(7)	7	2
Total	**172**	**(149)**	**23**	**12**

** Equity Exposure, multiplied by a Beta determined using Blume's technique, minus Stockmarket Positions.*

CURRENCY DEPLOYMENT

	US$ Fund	Euro Fund	Yen Fund
	%	%	%
US dollar	70	(29)	(30)
Euro	-	100	-
Japanese yen	(5)	(5)	95
Greater China currencies	12	12	12
Korean won	11	11	11
Other	12	11	12
Total	**100**	**100**	**100**

See accompanying notes

ORBIS OPTIMAL FUNDS

The Orbis Optimal Funds seek capital appreciation on a low risk global investment portfolio and are offered in a choice of dollars, euro or yen. The Orbis Optimal (US$) Fund invests principally in selected Orbis equity mutual funds and seeks to substantially reduce the stockmarket exposure inherent in these investments through stockmarket hedging. The Orbis Optimal (Euro) and (Yen) Funds seek capital appreciation in their base currencies by investing substantially all of their assets in the Orbis Optimal (US$) Fund and hedging most or all of their currency exposure into their base currencies by selling forward dollars into their base currencies.

ORBIS OPTIMAL (US$) FUND AT 31 DECEMBER 2013

STATEMENT OF NET ASSETS

Number Held	Security	Fair Value US$ 000's	% of Fund*
11,696,593	**Orbis Global Equity Fund**	2,142,114	49
18,067,091	**Orbis SICAV - Japan Equity Fund - Yen Class**	656,361	15
29,333,424	**Orbis SICAV - Europe Equity Fund**	519,394	12
11,280,775	**Orbis SICAV - Asia ex-Japan Equity Fund - Investor Class**	256,299	6
1,175,114	**Allan Gray Africa Equity Fund**	241,110	6
4,350,640	**Orbis SICAV - Japan Core Equity Fund**	71,715	2
	Total Equity Funds	3,886,993	89
	Portfolio Hedging:		
	Stock Index Futures Sold:		
(10,772)	US: E-mini S&P 500 3/2014	(991,563)	(26)
(1,434)	E-mini Russell 2000 3/2014	(166,545)	
(6,862)	Japan: TOPIX 3/2014	(848,669)	(19)
(3,554)	UK: FTSE 100 3/2014	(394,307)	(9)
(2,692)	China: H shares 1/2014	(188,044)	(4)
(429)	Germany: DAX 3/2014	(141,734)	(3)
(3,064)	South Africa: FTSE/JSE Top 40 3/2014	(121,650)	(3)
(1,346)	France: CAC40 1/2014	(79,601)	(2)
(555)	Italy: FTSE MIB 3/2014	(72,634)	(2)
(3,415)	Sweden: OMXS30 1/2014	(70,883)	(2)
(1,148)	Singapore: MSCI Singapore 1/2014	(66,376)	(2)
(700)	Switzerland: SMI 3/2014	(63,634)	(1)
(1,106)	Europe: Dow Jones Euro STOXX 50 3/2014	(47,292)	(1)
(401)	Netherlands: AEX 1/2014	(44,395)	(1)
(1,148)	Malaysia: FTSE KLCI 1/2014	(32,687)	(1)
(261)	Australia: SPI 200 3/2014	(30,964)	(1)
	Contract Value	3,252,568	74
	Balances at Brokers	268,984	6
	Balance Committed to Above Positions	160,574	4
	Net Current Assets	333,390	7
	Net Assets	**4,380,957**	**100**

Net Asset Value per Share **US$ 80.96** 54,112,662 shares issued

(At 31 December 2012: US$ 72.94; 45,140,432 shares issued)

* *Individual security and stock index future weightings may not sum to subtotals due to rounding.*

ORBIS OPTIMAL (EURO) AND (YEN) FUNDS AT 31 DECEMBER 2013

STATEMENT OF NET ASSETS

Number Held	Security	Fair Value € 000's	% of Fund
15,888,003	**Orbis Optimal (US$) Fund**	934,942	99
	Net Current Assets	6,938	1
	Net Assets	**941,880**	**100**

Net Asset Value per Share

Euro Class	**€ 26.90**	34,458,722 shares issued
Yen Class	**¥ 1,134**	1,895,465 shares issued

(At 31 December 2012: Euro Class € 24.45; 14,026,126 shares issued)
Yen Class ¥ 988; 540,327 shares issued)

See accompanying notes

ORBIS LEVERAGED FUNDS

The Orbis Leveraged Funds seek capital appreciation on a leveraged global investment portfolio and are offered in a choice of dollars, euro or yen. The Orbis Leveraged (US$) Fund uses financial leverage to invest up to 200% of its net assets, principally in selected Orbis Funds, and manages its currency and stockmarket exposure. It maintains a core position in the risk-averse Orbis Optimal (US$) Fund. The Orbis Leveraged (Euro) and (Yen) Funds invest substantially all of their assets in the Orbis Leveraged (US$) Fund and, by selling forward dollars into their base currencies, hedge most or all of their currency exposure into their base currencies.

ORBIS LEVERAGED (US$) FUND AT 31 DECEMBER 2013

STATEMENT OF NET ASSETS

Number Held	Security	Fair Value US$ 000's	% of Fund*
4,023,731	**Orbis Optimal (US$) Fund**	325,761	195
	Bond Futures Sold		
(94)	Japan: JGB 10-Year 3/2014	(127,922)	(76)
	Contract Value	128,520	77
	Balance at Broker	(89)	-
	Balance Committed to Above Position	509	-
	Loans†	(160,000)	(96)
	Net Current Assets	1,207	1
	Net Assets	**167,477**	**100**

Net Asset Value per Share **US$ 145.17** 1,153,658 shares issued

(At 31 December 2012: US$ 118.51; 1,266,428 shares issued)

* *Individual future weightings may not sum to subtotals due to rounding.*

† *The effective interest rate that the Fund is bearing on its outstanding borrowings at year-end is 1.58% per annum. The Fund is charged interest at LIBOR plus 1.25%.*

ORBIS LEVERAGED (EURO) AND (YEN) FUNDS AT 31 DECEMBER 2013

STATEMENT OF NET ASSETS

Number Held	Security	Fair Value € 000's	% of Fund
322,109	**Orbis Leveraged (US$) Fund**	33,988	99
	Net Current Assets	234	1
	Net Assets	**34,222**	**100**

Net Asset Value per Share

Euro Class	**€ 47.23**	540,225 shares issued
Yen Class	**¥ 1,138**	1,108,255 shares issued

(At 31 December 2012: Euro Class € 38.74; 601,194 shares issued)
Yen Class ¥ 928; 1,398,262 shares issued)

See accompanying notes

Statement of Cash Flows

For the Years Ended 31 December:	US$ 000's 2013	2012
Cash Flows from Operating Activities:		
Proceeds from sale of investments and currencies	23,109	93,472
Purchases of investments	(20,587)	(5,471)
Interest and other borrowing costs	(3,203)	(2,512)
Decrease in margin deposits at brokers	89	-
Other expenses	(154)	(337)
Net Cash (Used in) Provided by Operating Activities	(746)	85,152
Cash Flows from Financing Activities:		
Net redemptions paid	(15,196)	(48,285)
Net loan drawdowns (repayments)	16,500	(36,500)
Net Cash Provided by (Used in) Financing Activities	1,304	(84,785)
Net Increase in Cash	558	367
Cash - Beginning of Year	566	199
Cash - End of Year	**1,124**	**566**

See accompanying notes

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

	Orbis Optimal				Orbis Leveraged			
	(US$)		(Euro) and (Yen)		(US$)		(Euro) and (Yen)	
Reporting Currency (Millions):	**US$**		**€**		**US$**		**€**	
For the Years Ended 31 December:	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Investment Income:	-	1	-	-	-	-	-	-
Interest and Dividends	-	1	-	-	-	-	-	-
Expenses:	15	1	-	-	3	3	-	-
Manager's Fees	14	-	-	-	-	-	-	-
Interest and Other Borrowing Costs	-	-	-	-	3	3	-	-
Other	1	1	-	-	-	-	-	-
Net Investment Loss	(15)	-	-	-	(3)	(3)	-	-
Net Gain (Loss) from Investments and Currencies:	399	124	47	10	35	17	5	2
Realised	(381)	(148)	35	5	9	21	1	-
Unrealised	780	272	12	5	26	(4)	4	2
Increase in Net Assets Resulting from Operations	384	124	47	10	32	14	5	2
Members' Activity During the Year:								
Subscriptions:								
Orbis Funds	1,195	206	259	-	3	1	-	-
Other Members	254	194	9	60	-	-	-	-
Switches Between Funds	207	298	366	48	2	3	-	-
Redemptions:								
Orbis Funds	(474)	(469)	(23)	(46)	(11)	(23)	-	-
Other Members	(391)	(484)	(53)	(50)	(8)	(20)	(3)	(11)
Switches Between Funds	(86)	(90)	(11)	(50)	(1)	(10)	(3)	(4)
Increase (Decrease) in Net Assets	1,089	(221)	594	(28)	17	(35)	(1)	(13)
Net Assets at Beginning of Year	3,292	3,513	348	376	150	185	35	48
Net Assets at End of Year	4,381	3,292	942	348	167	150	34	35

See accompanying notes

General

The Orbis Absolute Return Funds seek absolute returns regardless of stockmarket trends by investing directly or indirectly in the Manager's optimal mix of hedged equity funds. The Orbis Optimal Funds seek capital appreciation through a low risk global portfolio and are managed in US dollar, euro or Japanese yen through two Bermuda companies, Orbis Optimal (US$) Fund Limited ("Optimal (US$)") and Orbis Optimal Overlay Funds Limited ("Optimal Overlay"). The Orbis Leveraged Funds seek capital appreciation on a leveraged global portfolio and are also managed in US dollar, euro or Japanese yen through two Bermuda companies, Orbis Leveraged (US$) Fund Limited ("Leveraged (US$)") and Orbis Leveraged Overlay Funds Limited ("Leveraged Overlay").

On 1 January 2006, Orbis Optimal (Euro) Fund Limited and Orbis Leveraged (Euro) Fund Limited each launched a Japanese Yen share class and were renamed Orbis Optimal Overlay Funds Limited and Orbis Leveraged Overlay Funds Limited, respectively. Throughout this Report these Funds may also be referred to as "Optimal (Euro) and (Yen)" or "Leveraged (Euro) and (Yen)", respectively.

Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada and Bermuda. The Funds' significant accounting policies are as follows:

Investments. Investments are recorded as of the trade date and are stated at their fair values. Investments in equity funds are valued at their Net Asset Value per share with the Allan Gray Africa Equity Fund valued net of its redemption charge, while other marketable securities, including futures and options, are valued at their closing prices and forward currency contracts at their mid prices. If these prices are unavailable or considered unrepresentative of fair value, a price considered fair by the Manager will be used. Futures contracts are stated at their full face market value with the net of the market and contract values representing their unrealised gain or loss. The amounts realised may differ from these valuations due to variations in pricing, exchange rates, trading volumes and regulations. At the year-end, the cost of investments, in millions, was for Optimal (US$) US$2,391 (2012 - cost US$2,178, market US$2,839), for Optimal Overlay €904 (2012 - cost €323, market €345), for Leveraged (US$) US$237 (2012 - cost US$231, market US$292) and for Leveraged Overlay €25 (2012 - cost €30, market €35).

Foreign Currency Translation. Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the Reporting Currency shown on page 10 using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into the Reporting Currency at the exchange rates prevailing at the dates of the transactions. Translation exchange gains and losses are included in the Statement of Operations.

Income and Expenses. The accrual basis is used to recognise income and expenses. Dividends are accrued on the ex-date of the dividend, net of withholding taxes. Realised gains and losses on investments are based on average cost. All income and expenses which can be allocated directly to individual share classes are charged to those share classes. Income and expenses which do not relate specifically to a particular share class are allocated between the share classes pro rata to their Net Asset Values.

Accounting Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Net Current Assets or Liabilities. Net current assets or liabilities include primarily unrealised gains or losses on forward currency contracts, cash including US$331 million in Optimal (US$), and other miscellaneous accounts receivable and payable, the individual amounts of which are not significant in relation to the total net assets of the Fund except for certain balances which will be disclosed elsewhere in these financial statements.

Future Accounting Standards. The Accounting Standards Board of the Canadian Institute of Chartered Accountants expect that investment companies, which includes the Orbis Optimal and Leveraged Funds, will be adopting International Financial Reporting Standards effective 1 January 2014.

Taxes

There are no Bermuda income, profit, capital, capital gains, estate or inheritance taxes payable by the Funds or their Members in respect of shares in the Funds. The Bermuda Government has undertaken that, in the event that any such taxes are levied in the future, the Funds and their shares will be exempt from such taxes until 31 March 2035.

Share Capital

Optimal (US$)'s authorised share capital comprises 200 million Fund shares and 12,000 issued Founders' shares, all with a US$1 par value. Each of the other Funds' authorised share capital comprises 100 million Fund shares and 12,000 issued Founders' shares, all with a US$1 par value. Each Fund's authorised share capital remains unchanged from 31 December 2012. Fund shares participate pro rata in their Fund's net assets and dividends, are redeemable, and are non-voting. Founders' shares do not participate in their Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If a Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value.

Fund share transactions, in thousands of shares, were as follows:

	Optimal (US$)		Optimal Overlay (Euro)		Optimal Overlay (Yen)	
	2013	2012	2013	2012	2013	2012
Balance at beginning of year	45,140	49,974	14,026	15,494	540	769
Subscriptions						
Orbis Funds	15,319	2,882	8,951	7	2,606	-
Other Members	3,230	2,716	334	2,476	6	9
Switches Between Funds	2,643	4,122	14,086	2,025	96	-
Redemptions						
Orbis Funds	(6,121)	(6,554)	(555)	(1,918)	(1,058)	-
Other Members	(5,001)	(6,744)	(1,950)	(2,035)	(258)	(63)
Switches Between Funds	(1,097)	(1,256)	(433)	(2,023)	(37)	(175)
Balance at end of year	54,113	45,140	34,459	14,026	1,895	540

	Leveraged (US$)		Leveraged Overlay (Euro)		Leveraged Overlay (Yen)	
	2013	2012	2013	2012	2013	2012
Balance at beginning of year	1,266	1,705	601	944	1,398	1,663
Subscriptions						
Orbis Funds	21	11	-	-	-	-
Switches Between Funds	19	26	-	10	1	-
Redemptions						
Orbis Funds	(84)	(203)	-	-	-	-
Other Members	(58)	(180)	(39)	(293)	(76)	(47)
Switches Between Funds	(10)	(93)	(22)	(60)	(215)	(218)
Balance at end of year	1,154	1,266	540	601	1,108	1,398

Material Contracts

At year-end, the following Funds had forward currency contracts settling on 13 June 2014 having net contract and net market values as set out below. These contracts expose the Funds to credit risk arising from the potential inability of a counterparty to perform under the terms of a contract. To limit its risk to the amount of any net unrealised gain, each Fund has entered into agreements whereby all its currency transactions with the counterparty to that agreement can be netted.

		Base Currency		
Currency	Contract Value	Contract Value	Market Value	Unrealised Gain (Loss)
Optimal (US$)	000's	US$ 000's	US$ 000's	US$ 000's
AUD	(40,584)	(36,478)	(35,833)	645
CHF	(58,170)	(64,251)	(65,281)	(1,030)
EUR	(419,908)	(570,212)	(577,751)	(7,539)
GBP	(250,763)	(410,055)	(414,888)	(4,833)
JPY	(87,857,660)	(856,229)	(835,022)	21,207
TWD	(754,000)	(25,681)	(25,369)	312
ZAR	(2,567,250)	(241,307)	(238,691)	2,616
		(2,204,213)	(2,192,835)	11,378
Optimal Overlay		€ 000's	€ 000's	€ 000's
CAD	(3,745)	(2,559)	(2,554)	5
CNY	(389,800)	(46,136)	(46,355)	(219)
HKD	(68,034)	(6,381)	(6,378)	3
JPY	1,743,372	12,244	12,043	(201)
SEK	(114,670)	(12,691)	(12,924)	(233)
SGD	(21,624)	(12,528)	(12,445)	83
TWD	2,300	57	56	(1)
USD	(1,147,905)	(839,969)	(834,295)	5,674
		(907,963)	(902,852)	5,111
Leveraged (US$)		US$ 000's	US$ 000's	US$ 000's
EUR	(87)	(122)	(120)	2
GBP	(310)	(498)	(513)	(15)
JPY	(1,039,763)	(10,108)	(9,882)	226
		(10,728)	(10,515)	213
Leveraged Overlay		€ 000's	€ 000's	€ 000's
JPY	1,254,135	8,800	8,664	(136)
USD	(34,920)	(25,721)	(25,380)	341
		(16,921)	(16,716)	205

Commitments

Leveraged (US$) has a multi-currency line of credit, secured by a pledge of its assets, which expires on 2 December 2014. At 31 December 2013, US$160 million (2012 - US$143.5 million) was drawn of the committed amount of US$200 million (2012 - US$165 million). Interest was charged at LIBOR plus 1.25% (2012 - 1.25%), totaling 1.55% (2012 - 1.80%) per annum and there was a commitment fee of 0.25% (2012 - 0.25%) on undrawn balances.

Related Party Transactions

Orbis Investment Management Limited has been contractually appointed as "Manager" of the Funds. Optimal (US$) pays the Manager a performance-based fee of up to 0.5% per annum of weekly net assets whenever that Fund's price exceeds its maximum price in the period from the date of inception to the date one year prior to the date of calculation, and its trailing one-year return exceeds that of Bank Deposits plus 5%. Optimal (Euro) and (Yen), Leveraged (US$) and Leveraged (Euro) and (Yen) do not directly pay a fee to the Manager. To the extent that they directly or indirectly invest in other funds, these Funds indirectly bear the management fees paid by such other funds. Each equity fund directly or indirectly pays a performance-based fee. At 31 December 2013, the management fee payable by Orbis Optimal (US$) was, in thousands, US$1,962 (2012 - nil).

The Manager has agreed that for the year ended 31 December 2013, the operating expenses of the Funds will be capped at 0.15% per annum for each of Optimal (US$), (Euro) and (Yen) and at 0.30% per annum for each of Leveraged (US$), (Euro) and (Yen). For this purpose, operating expenses include those incurred by each fund directly and also indirectly through their investments in other funds and exclude the Manager's fee, brokerage and transaction costs and interest and other borrowing costs. At the year-end, the amount receivable from the Manager in respect of expenses incurred in excess of the cap was, in thousands, €1 (2012 - €5) by Optimal (Yen), €16 (2012 - €14) by Leveraged (Euro) and €11 (2012 - €9) by Leveraged (Yen).

At the year-end, other Orbis funds held, in thousands of shares, 25,033 (2012 - 15,835) in Optimal (US$), 10,096 (2012 - 1,699) in Optimal (Euro), 1,548 in Optimal (Yen) (2012 - nil) and 322 (2012 - 385) in Leveraged (US$). Other related parties, which include institutional and other clients managed on a discretionary basis and the Directors and Officers of the Orbis funds and of their Managers and Investment Advisors, held, in thousands of shares, 7,661 (2012 - 7,986) in Optimal (US$), 17,919 (2012 - 4,813) in Optimal (Euro), 21 (2012 - 28) in Optimal (Yen), 45 (2012 - 49) in Leveraged (US$), 49 (2012 - 48) in Leveraged (Euro) and 33 (2012 - 54) in Leveraged (Yen).

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Members of
Orbis Optimal (US$) Fund Limited,
Orbis Optimal Overlay Funds Limited,
Orbis Leveraged (US$) Fund Limited ("Leveraged (US$)"), and
Orbis Leveraged Overlay Funds Limited
(collectively the "Funds")

We have audited the accompanying statements of net assets of the Funds (companies incorporated with limited liability in Bermuda) on pages 7 and 8 as at 31 December 2013, the statement of cash flows for Leveraged (US$) on page 9 and the related statements of operations and changes in net assets on page 10 for the year then ended, and a summary of significant accounting policies and other explanatory information on pages 11 to 14.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Canada and Bermuda and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Canada and Bermuda. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the Funds as at 31 December 2013 and the results of their operations and the changes in their net assets and the cash flows for Leveraged (US$) for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

Ernst & Young Ltd.

Hamilton, Bermuda
30 January 2014

Ernst & Young Ltd.
Chartered Accountants

NOTICES

Annual General Meetings

Notice is hereby given that the Annual General Meetings of Orbis Optimal (US$) Fund Limited, Orbis Optimal Overlay Funds Limited, Orbis Leveraged (US$) Fund Limited and Orbis Leveraged Overlay Funds Limited (the "Orbis Funds") will be held at the offices of Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda on 31 March 2014 at 9:00 a.m. Members are invited to attend and address these meetings. The Agendas comprise the following:

- Review of Minutes of the Annual General Meetings of Members of the Orbis Funds held on 28 March 2013
- Review of audited financial statements in the 2013 Annual Reports
- Proposed re-appointment of Allan W B Gray, John C R Collis, William B Gray and David T Smith as Directors of the Orbis Funds
- Approval of proposed Director's fees for the year to 31 December 2014 to each of Messrs Collis and Smith of US$12,500 for Orbis Optimal (US$) Fund Limited, US$10,000 for Orbis Leveraged (US$) Fund Limited, and US$1,000 for each of Orbis Optimal Overlay Funds Limited and Orbis Leveraged Overlay Funds Limited
- Proposed re-appointment of Ernst & Young as Auditors for the year to 31 December 2014

By Order of the Boards, James J Dorr, Secretary

Notice to Current and Prospective Orbis Investors

The Orbis Global Equity, Japan Equity, Asia ex-Japan Equity and Optimal Strategies are currently accepting subscriptions from existing investors and qualified new investors. Qualified new investors must invest the minimum investment specified as follows: for the Orbis Global Equity and Optimal Strategies, US$50 million with Orbis (across one or more funds); for the Orbis Japan Equity Strategy, US$50,000; and for the Orbis Asia ex-Japan Equity Strategy, US$25 million. Current Orbis Fund 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@orbis.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 8604 or clientservices.au@orbis.com. South African residents should contact Allan Gray Unit Trust Management Limited at +27 86 000 0654 (toll free from within South Africa) or offshore_direct@allangray.co.za.

Notice to Persons in the European Economic Area (EEA)

The Orbis Funds described in this Report are alternative investment funds that are neither admitted for public marketing anywhere in the EEA nor marketed in the EEA for purposes of the Alternative Investment Fund Managers Directive. As a result, persons located in any EEA member state will only be permitted to subscribe for shares in the Funds under certain circumstances as determined by, and in compliance with, applicable law.

Sources

Orbis Fund Returns: Orbis Investment Management Limited using single pricing.

Average Fund data: © 2014 Morningstar, Inc. All Rights Reserved. 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 any use of this information.

Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency.

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.

Reporting Fund Status

The United Kingdom HM Revenue & Customs has approved each of the Orbis Optimal (US$) Fund, Orbis Leveraged (US$) Fund, Orbis Optimal Overlay Funds Limited (previously Orbis Optimal (Euro) Fund Limited - Euro and Yen Class) and Orbis Leveraged Overlay Funds Limited (previously Orbis Leveraged (Euro) Fund Limited - Euro and Yen Class) as a Reporting Fund with effect from 1 January 2011. Prior to that date and from their inception, each of the Funds had received certification as a distributing fund from HM Revenue & Customs ("Distributor Status").

As Reporting Funds, investors will not receive annual distributions from the Funds and UK investors may be liable to tax annually on their share of Fund income, without receiving a distribution of that income from the Fund. Within six months of their respective year-ends, the Funds will make available, on the website www.orbis.com, a report providing relevant fund income information for UK investors' tax purposes.

Unlike Distributor Status, which was subject to a retrospective application and certification process at the end of each year, a Fund will continue to qualify as a Reporting Fund unless and until it fails to comply with the relevant requirements. The Directors intend to manage the Funds in such a way that under existing United Kingdom legislation they should continue to qualify as Reporting Funds. However, there can be no assurance that a Fund will continue to qualify as a Reporting Fund.

Supplemental Disclosure under the Distance Marketing of Financial Services Directive

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Orbis Funds have determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Orbis Funds are required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Funds' Prospectuses, Application Form and (for Members who elect to view their account online at www.orbis.com) the terms of use of Orbis' website. These services are not a type of financial service to which cancellation rights apply.

Risk Warnings

Past performance is not a reliable indicator of future results. The Orbis Funds do not guarantee the preservation of capital or any rate of return and when making an investment in any of the Orbis Funds, your capital is at risk. This Report provides general information only and not financial product or investment advice. You should consider the relevant Prospectus in deciding whether to acquire, or to continue to hold, your investment. 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.

Other

The discussion topic for the report on pages 4-5 was selected, and the report was finalised and approved, by Orbis Investment Management Limited, the Funds' Manager. The information on pages 1-5 and 16-18 is based on sources believed to be accurate and reliable and provided "as is" and in good faith. While we have endeavoured to ensure the accuracy of such information, it is not guaranteed as to accuracy or completeness. Neither Orbis, its affiliates, directors and employees (together, the "Orbis Group") make any representation or warranty as to accuracy, reliability, timeliness or completeness of such information. The Orbis Group disclaims all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise) in connection with such information.

This Report does not constitute a financial promotion, a recommendation, an offer to sell or a solicitation to buy shares or units of the 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 Fund's respective General Information document, copies of which are available upon request. Orbis Investment Management Limited is licensed to conduct investment business by the Bermuda Monetary Authority. This Report is approved for issue in the United Kingdom by Orbis Investment Advisory Limited, 15 Portland Place, London, England W1B 1PT; a firm authorised and regulated by the Financial Conduct Authority.

We invite you to visit our website, www.orbis.com, where you may register online 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.

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