

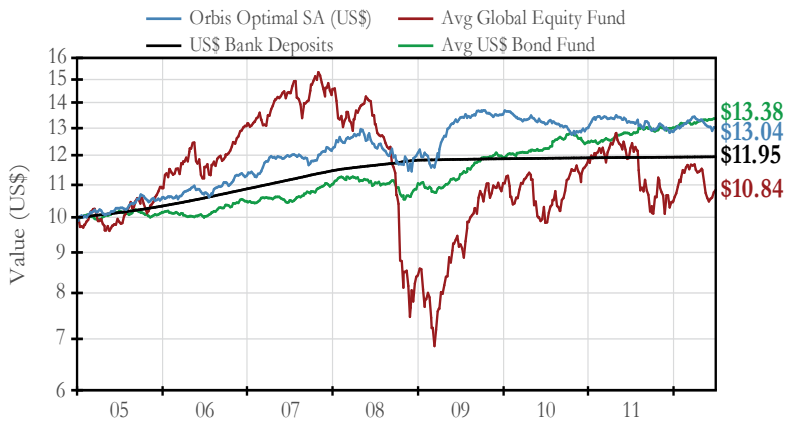
ANNUAL  
**REPORT**  
30 JUNE 2012



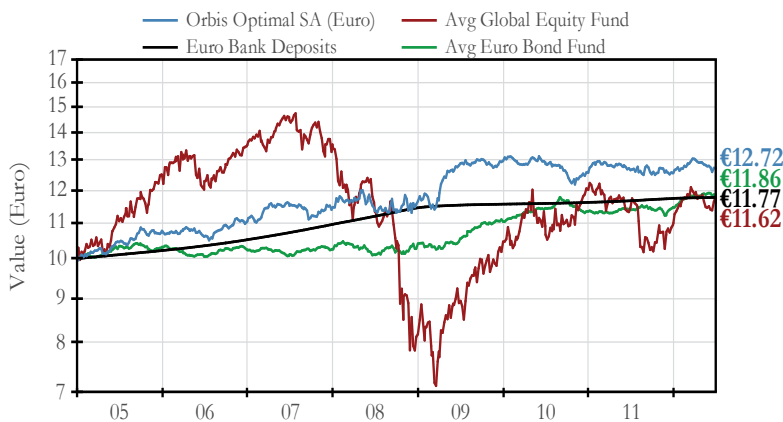
ORBIS OPTIMAL SA

# ORBIS OPTIMAL SA FUND AT 30 JUNE 2012

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



## TRACK RECORD: VALUE OF €10 INVESTED AT INCEPTION (DIVIDENDS REINVESTED)



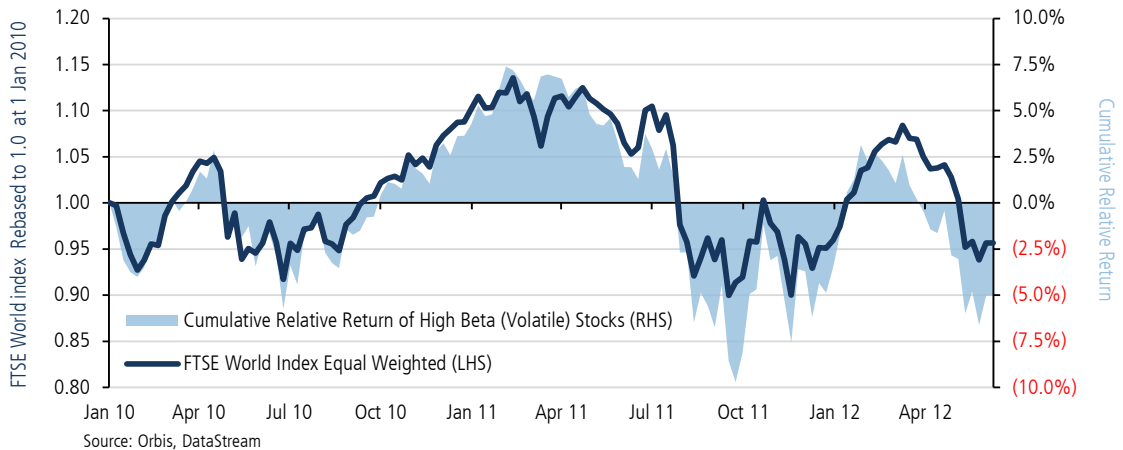
Total Rate of Return in Class Currency, net of fees:	From Inception on 1 Jan 2005	% Annualised			Latest Quarter % Not Annualised
		5 Years	Latest 3 Years	1 Year	
<b>US\$ Class</b>	<b>3.6</b>	<b>1.7</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>(3.0)</b>
US\$ Bank Deposits	2.4	1.4	0.3	0.2	0.1
Average Global Equity Fund (in US\$)	1.1	(5.5)	5.5	(11.5)	(7.3)
Average US\$ Bond Fund	4.0	4.9	5.6	4.9	1.3
<b>Euro Class</b>	<b>3.3</b>	<b>2.0</b>	<b>(0.4)</b>	<b>0.6</b>	<b>(2.3)</b>
Euro Bank Deposits	2.2	1.9	0.7	0.9	0.1
Average Global Equity Fund (in euro)	2.0	(4.3)	9.2	1.5	(2.2)
Average Euro Bond Fund	2.3	3.2	4.0	4.2	0.2



## ORBIS OPTIMAL SA FUND AT 30 JUNE 2012

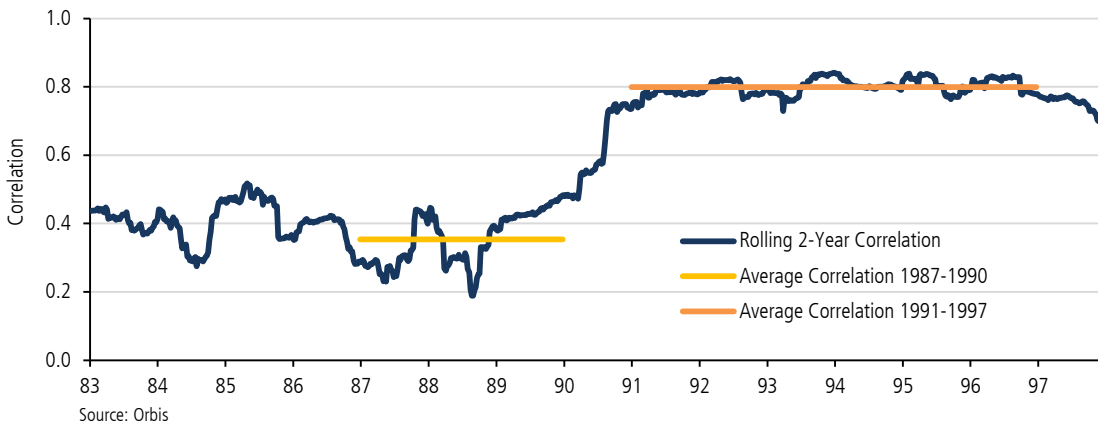
Since early 2010 we have witnessed a combination of flat global equity returns, punctuated by periods of extreme volatility. Gains from the late 2010 rally were given back in mid-2011, and in the second quarter of 2012 the market retreated from a strong first quarter. It is not surprising that volatile shares (which we regard as a fair proxy for economically sensitive shares) have outperformed the market as it has risen, and underperformed on the way down. What is surprising is the strength of this relationship. The two have moved nearly in lockstep (see chart below). In fact, the weekly correlation between the market's return and the relative performance of economically sensitive shares is now a mind boggling 85%. This compares with about 50% in the early-mid 1990s and an overall average of 65% since 1990.

### Moving in Lockstep: Economically Sensitive Stocks and Global Markets



Intuitively, this is likely to be a manifestation of economic uncertainty and consequent risk-on/risk-off behaviour. Investors charge into shares that are more levered to a recovery on signs of improving fortunes and promptly retreat when the next piece of data fails to show that conditions are improving. Of course, these cycles of optimism and pessimism are nothing new, but they have become noticeably more pronounced ever since Lehman's collapse in September 2008 ushered in the worst economic decline since the Great Depression. Interestingly, this bipolar behaviour also characterised the aftermath of Japan's market collapse in the 1990s when Japan faced great economic uncertainty. The correlation between the relative performance of economically sensitive shares and the Japanese market rose from an average of 35% in the late 1980s to over 80% in the 1990s, and persisted right through until the technology bubble began to inflate towards the end of the decade.

### Correlation between Economically Sensitive Stocks and the Topix 1983-1998



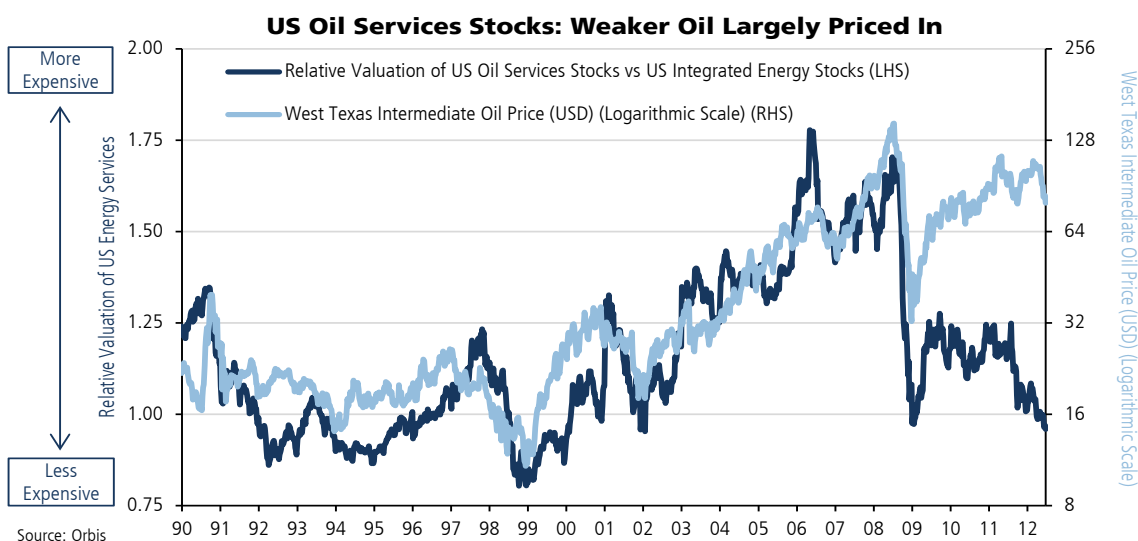
It is difficult to predict the extent to which a similar pattern will persist in global equity markets today, but we remain steadfast in our belief that volatility is an opportunity rather than a hindrance. If the prevailing global market environment turns into a multi-year Japanesque malaise, we can expect to see more excessive swings in sentiment—exactly the type of dislocations we seek to exploit through judicious stock selections. Indeed, Japan has historically been one of our strongest sources of alpha generation. With Optimal's limited

stockmarket exposure and ability to capture returns from stockpicking in its equity portfolio, we believe your Fund to be a good place to weather a Japan-like scenario characterised by volatile but sideways-moving markets, a prolonged economic slump and little profit growth.

We are currently in the midst of another wave of investor negativity driven primarily by severe sovereign and banking stress in Europe. This is sending markets lower and driving valuations in a number of the more economically sensitive areas to more attractive levels. While we are not yet at an extreme point in the cycle, the blanket risk-averse sentiment has provided us with the chance to take meaningful positions in a few select areas of the market where we see compelling long-term value based on our bottom-up research.

Shares of oil services providers are one example. These companies provide technology, equipment and expertise to firms involved in the exploration and production of oil and gas. The industry is dominated by four companies, the smallest of which is Fund holding Weatherford International which we wrote about in the Global commentary for the second quarter of 2011. In addition, we recently added Baker Hughes to the portfolio. Longer term, both Weatherford and Baker Hughes are benefiting from favourable secular trends, the main one being a shift toward unconventional energy sources (e.g. shale oil and gas) that typically require very specific expertise and a greater intensity of services. The industry structure, characterised by a small number of large companies with differentiated products and technological barriers to entry, is such that the benefits of these trends will likely continue to accrue to the aforementioned dominant players.

Of course, although oil services companies are relatively asset light, their earnings are very sensitive to energy prices, which are in turn sensitive to the global economy. Indeed, weak and volatile energy prices (along with short-term overcapacity in the North American pressure pumping market) have provided us with the opportunity to add Baker Hughes to the Fund at an attractive price. Though the oil price is not as depressed as it was in 2009, recent weakness has driven it from \$109 in February to near \$80, close to the marginal cost of production. In addition, our bottom-up research suggests that lower oil prices are being reflected in today's oil services valuations. As a rather crude illustration, the following chart shows the relative valuation of oil services stocks versus the leading integrated energy companies (such as Exxon and Chevron) plotted along with the oil price. We typically see oil services stocks reach extremely expensive levels versus the oil majors at speculative peaks in the cycle (2006, 2008) and hit extremely cheap relative levels at cycle troughs (1999, 2002, 2009). Today oil services stocks appear to be at valuation levels that have already built in a meaningful downturn.



Of course, there are many events that could turn the valuation trough into a crater. Among our biggest concerns is a potential demand shock caused by a major slowdown in China. While this is a significant risk, we believe that Baker Hughes and Weatherford offer attractive risk-reward propositions at their current valuations.

Commentary contributed by Graeme Forster, Orbis Investment Management Limited, Bermuda

# ORBIS OPTIMAL SA FUND AT 30 JUNE 2012

## STATEMENT OF NET ASSETS

Number Held	Security	Fair Value US\$ 000's	% of Fund*
	<b>Portfolio</b> <i>(details overleaf)</i>	1,730,259	89
	<b>Portfolio Hedging:</b>		
	<b>Stock Index Futures Sold:</b>		
(8,832)	US: E-mini S&P 500 9/2012	(599,030)	(34)
(812)	E-mini Russell 2000 9/2012	(64,586)	
(2,875)	Japan: TOPIX 9/2012	(276,792)	(14)
(2,372)	UK: FTSE 100 9/2012	(205,259)	(11)
(1,380)	China: H shares 7/2012	(84,828)	(4)
(640)	Korea: KOSPI 200 9/2012	(68,889)	(4)
(195)	Germany: DAX 9/2012	(39,519)	(2)
(750)	Europe: Dow Jones Euro STOXX 50 9/2012	(21,383)	(1)
(200)	Australia: SPI 200 9/2012	(20,771)	(1)
(731)	Taiwan: MSCI Taiwan 7/2012	(18,524)	(1)
(306)	Singapore: MSCI Singapore 7/2012	(16,060)	(1)
(356)	France: CAC40 7/2012	(14,367)	(1)
(311)	Malaysia: FTSE KLCI 7/2012	(7,877)	-
(79)	Netherlands: AEX 7/2012	(6,138)	-
	Contract Value	1,380,510	71
	Balances at Brokers	144,843	7
	Balance Committed to Above Positions	81,330	4
	Net Current Assets	136,894	7
	<b>Net Assets</b>	<b>1,948,483</b>	<b>100</b>

### Net Asset Value per Share

<b>US\$ Class</b>	<b>US\$ 13.00</b>	123,435,661 shares issued
<b>Euro Class</b>	<b>€ 12.66</b>	21,472,096 shares issued
(At 30 June 2011: US\$ Class US\$ 13.19; 113,425,992 shares issued Euro Class € 12.59; 18,658,715 shares issued)		

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

## ANALYSIS OF STOCKMARKET EXPOSURE

Region	Equity Exposure	Portfolio Hedging	Accounting Exposure	Beta Adjusted Exposure*
	%	%	%	%
North America	35	(34)	1	2
Europe	21	(15)	6	5
Japan	20	(14)	6	5
Asia ex-Japan	12	(10)	2	-
Other	1	(1)	-	-
<b>Total</b>	<b>89</b>	<b>(74)</b>	<b>15</b>	<b>12</b>

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

## CURRENCY DEPLOYMENT

	US\$ Class	Euro Class
	%	%
US dollar	83	-
Euro	-	89
Greater China currencies	6	5
Korean won	5	5
Other	6	1
<b>Total</b>	<b>100</b>	<b>100</b>

See accompanying notes

**ORBIS OPTIMAL SA FUND AT 30 JUNE 2012**
**PORTFOLIO**

<b>Number Held 000's</b>	<b>Security</b>	<b>Fair Value US\$ 000's</b>	<b>% of Fund*</b>
	<b>Orbis U.S. Equity Fund L.P.</b>	68,948	<b>4</b>
	<b>North America</b>		<b>31</b>
716	WellPoint	45,690	2
6,932	Micron Technology	43,741	2
61	Google	35,600	2
1,169	Walgreen	34,574	2
1,960	Cisco Systems	33,651	2
2,625	Weatherford International	33,150	2
728	Baker Hughes	29,913	2
857	Oracle	25,453	1
1,878	Corning	24,277	1
312	Humana	24,145	1
610	Aetna	23,659	1
1,210	Nexen	20,518	1
259	RenaissanceRe Holdings	19,692	1
	Positions less than 1%	206,253	11
	<b>Europe</b>		<b>21</b>
5,353	Telefonaktiebolaget LM Ericsson - B	48,710	2
957	Actelion	39,164	2
11,288	Vodafone Group - Common	31,703	2
122	and ADR	3,438	
11,922	Barclays	30,419	2
2,528	National Grid	26,756	1
56,620	Cable & Wireless Communications	26,259	1
2,959	easyJet	24,637	1
20,298	Rentokil Initial	23,391	1
2,490	Drax	21,863	1
1,990	Deutsche Telekom	21,774	1
774	Lagardère	21,533	1
	Positions less than 1%	88,275	5
	<b>Japan</b>		<b>20</b>
10	INPEX	54,792	3
2,176	NKSJ Holdings	45,879	2
4,417	Rakuten	45,563	2
716	Nippon Telegraph and Telephone	33,165	2
94	Yahoo Japan	30,381	2
363	SBI Holdings	26,551	1
800	Sundrug	25,959	1
1,512	PARK24	22,262	1
137	Nippon Television Network	20,711	1
	Positions less than 1%	90,497	5
	<b>Asia ex-Japan</b>		<b>12</b>
885	NetEase - ADR	52,094	3
43	Samsung Electronics - Preference	28,215	1
454	Sohu.com	20,264	1
	Positions less than 1%	134,399	7
	<b>Other</b>		<b>1</b>
	Positions less than 1%	22,341	1
	<b>Portfolio</b>	<b>1,730,259</b>	<b>89</b>

\* Individual security weightings may not sum to the region totals due to rounding.

See accompanying notes

# ORBIS OPTIMAL SA FUND

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

	US\$ 000's	
<b>For the Years Ended 30 June:</b>	<b>2012</b>	<b>2011</b>
Investment Income:	34,398	26,484
Dividends and Interest	34,398	26,484
Expenses:	18,854	17,238
Manager's Fees	18,331	16,823
Rebate of Manager's Fees charged to Orbis Fund	(379)	(368)
Custody, Accounting, Professional Fees and Other	902	783
Net Investment Income	15,544	9,246
Net (Loss)/Gain from Investments and Currencies:	(82,806)	77,261
Realised	108,680	(101,157)
Unrealised	(191,486)	178,418
(Decrease)/Increase in Net Assets Resulting from Operations	(67,262)	86,507
Members' Activity During the Year:		
Subscriptions:		
Members	189,630	382,161
Switches Between Funds	247,541	324,534
Redemptions:		
Members	(137,045)	(99,934)
Switches Between Funds	(121,642)	(396,117)
Increase in Net Assets	111,222	297,151
Net Assets at Beginning of Year	1,837,261	1,540,110
Net Assets at End of Year	1,948,483	1,837,261

See accompanying notes

## General

Orbis Optimal SA Fund Limited (the “Fund”) was incorporated in Bermuda on 22nd April 1997 as Orbis Africa Optimal Limited. It remained dormant, changed its name to Orbis Optimal SA Fund Limited and commenced operations on 1 January 2005. The Fund seeks capital appreciation through a low risk global portfolio and offers a US\$ class of shares (the “US\$ Class”) and a euro class of shares (the “Euro Class”) each managed in its base currency, the US\$ and euro, respectively.

## Significant Accounting Policies

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

**Investments.** Investments are recorded as of the trade date and are stated at their fair values. Investments in Orbis Funds are valued at their Net Asset Values, 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 the portfolio investments, in millions, was US\$1,782 (2011 - US\$1,559, market - US\$1,679).

**Foreign Currency Translation.** Assets, liabilities and forward currency contracts denominated in foreign currencies are translated into the reporting currency, US\$, using exchange rates prevailing at the year-end. Income and expenses in foreign currencies are translated into US\$ 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 and cash equivalents which includes highly liquid investments held for meeting short-term cash commitments of US\$166 million, amounts due to or from brokers including margins due to futures brokers of US\$30 million, 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 expects that investment companies, which includes the Fund, 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 Fund or its Members in respect of shares in the Fund. The Bermuda Government has undertaken that in the event that any such taxes are levied in the future, the Fund and its shares will be exempt from such taxes until 31 March 2035. Income and capital gains on the Fund's investments, however, may be subject to withholding or capital gains taxes in certain countries.

## Share Capital

The Fund's authorised share capital at 30 June 2012 and 2011 comprised 300 million Fund shares of US\$0.0001 par value and 12,000 issued Founders' shares of US\$1 par value. Fund shares participate pro rata in the Fund's net assets and dividends, are redeemable, and are non-voting. Founders' shares do not participate in the Fund's portfolio, are redeemable at par value only after all Fund shares have been redeemed, and carry the right to vote. If the Fund is wound up or dissolved, the Founders' shares will participate only to the extent of their par value.

As of 4 February 2010 all of the Fund shares were in issue with the result that there were no more available Fund shares for additional subscriptions. Any subscriptions received subsequent to that date until 8 July 2010, on a Dealing Day for which no Fund shares were available for issue, were considered notional share subscriptions with the same rights and terms as the Fund share subscriptions and valued at the Net Asset Value per Fund share of the same currency Class. On 8 July 2010 the authorised Fund share capital was increased by 200 million shares. On 19 August 2010 all notional shares were exchanged on a one for one basis for Fund shares of the same currency Class. When applying their respective Net Asset Values per share on that date, the shares exchanged can be ascribed a value of US\$93 million for the US\$ notional shares and €40 million for the Euro notional shares. From 4 February 2010 to 19 August 2010 proceeds received from subscriptions of notional shares were invested as part of the assets of the Fund, resulting in the Net Asset Value per US\$ and Euro notional shares being the same as the Net Asset Value per US\$ and Euro Class Fund shares, respectively.

Fund and Notional share transactions, in thousands, were as follows:

	Number of Shares					
	Fund Shares				Notional Shares	
	US\$ Class		Euro Class		US\$	Euro
	2012	2011	2012	2011	2011	2011
Balance at beginning of year	113,426	67,195	18,659	32,805	7,090	3,161
Subscriptions						
Members	8,901	23,323	4,399	4,561	-	-
Switches Between Funds	14,705	24,668	3,278	21	-	-
Redemptions						
Members	(7,637)	(5,352)	(2,170)	(1,787)	-	-
Switches Between Funds	(5,959)	(3,498)	(2,694)	(20,102)	-	-
Notional Shares Exchanged	-	7,090	-	3,161	(7,090)	(3,161)
Balance at end of year	123,436	113,426	21,472	18,659	-	-

	Proceeds (Payment) from Fund Shares			
	Subscribed (Redeemed)			
	US\$ Class		Euro Class	
	US\$ 000's		€ 000's	
	2012	2011	2012	2011
Subscriptions				
Members	116,354	305,252	55,669	57,418
Switches Between Funds	193,540	324,175	41,378	268
Redemptions				
Members	(99,568)	(69,520)	(27,386)	(22,294)
Switches Between Funds	(77,689)	(46,097)	(34,008)	(251,705)

A fee of up to 0.5% of the Net Asset Value per share of a class of Fund shares may be levied where a Member subscribes or redeems an amount representing 5% or more of the Net Asset Value of that class of Fund shares.

### Material Contracts

At year-end, the Fund had forward currency contracts settling on 7 December 2012, having net contract and net market values as set out below. These contracts expose the Fund 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, the Fund has entered into an agreement whereby all its currency transactions with the counterparty to that agreement can be netted.

Currency	Contract Value	Contract Value	Market Value	Unrealised Gain (Loss)
	000's	US\$ 000's	US\$ 000's	US\$ 000's
AUD	(10,470)	(10,050)	(10,575)	(525)
CAD	(6,490)	(6,312)	(6,349)	(37)
CHF	(36,298)	(38,234)	(38,358)	(124)
EUR	51,424	65,188	65,134	(54)
GBP	(165,318)	(259,387)	(258,817)	570
HKD	(22,290)	(2,888)	(2,870)	18
JPY	(31,624,315)	(401,430)	(396,746)	4,684
SEK	(56,750)	(7,922)	(8,135)	(213)
SGD	(2,710)	(2,139)	(2,139)	-
TWD	(625,000)	(21,280)	(21,110)	170
		(684,454)	(679,965)	4,489

### Related Party Transactions

Orbis Investment Management Limited has been contractually appointed as "Manager" of the Fund. Each class of Fund shares pays a base fee of 1% of net assets and a performance-based fee of 20% of each class' appreciation relative to its Performance Fee Hurdle, being US\$ Bank Deposits for the US\$ Fund and Euro Bank Deposits for the Euro Fund and notional shares. The performance fee is subject to a high water mark, is calculated each Dealing Day and is paid monthly. At year-end, the management fee payable, in thousands, was US\$1,577 (2011 - US\$1,772), and there was no performance fee payable (2011 - none).

All management fees associated with the Fund's investment in Orbis U.S. Equity Fund L.P. are rebated by their Manager to the Fund. At year-end, the total amount receivable from the Manager was, in thousands, US\$62 (2011 - US\$31). During the year, the unrealised gain related to the investment in Orbis U.S. Equity Fund L.P. decreased by, in millions, US\$2 (2011 - increased by US\$17).

The Manager has agreed that the annual operating expenses, excluding the Manager's fees, brokerage and transaction costs and interest, will be capped at 0.15% per annum for each of the US\$ and Euro Funds.

At the year-end, 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, 116,802 (2011 - 107,358) in the US\$ Fund and 19,256 (2011 - 15,710) in the Euro Fund.

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Members  
of Orbis Optimal SA Fund Limited (the "Fund"):

We have audited the accompanying statement of net assets of the Fund (a company incorporated with limited liability in Bermuda) as at 30 June 2012, and the related statement of operations and changes in net assets for the year then ended and a summary of significant accounting policies and other explanatory information.

## 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 audit. We conducted our audit 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 audit 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 Fund's 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 Fund's 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 position of the Fund as at 30 June 2012 and the results of its operations and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in Canada and Bermuda.

*Ernst & Young Ltd.*

Hamilton, Bermuda  
24 July 2012

Ernst & Young Ltd.  
Chartered Accountants

## NOTICES

### ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Orbis Optimal SA Fund Limited (the “Fund”) will be held at the offices of Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton, Bermuda on 28 September 2012 at 10:30 a.m. Members are invited to attend and address the meeting. The Agenda comprises the following:

- Review of Minutes of the Annual General Meeting of Members held on 30 September 2011
- Review of audited financial statements in the 2012 Annual Report
- Proposed re-appointment of the present Directors as shown in the Manager’s report
- Approval of proposed Directors’ fees for the year to 30 June 2013 of US\$10,000 to each of Mr Thomson and Mr Collis
- Proposed re-appointment of Ernst & Young as Auditors for the year to 30 June 2013

By Order of the Board, James J Dorr, Secretary

### SOURCES

Orbis Fund Returns: Orbis Investment Management Limited using single pricing; FTSE World Index: FTSE International Limited 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. 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. Total Rate of Return for Bank Deposits is the compound total return for one-month interbank deposits in the specified currency.

### REPORTING FUND STATUS

The United Kingdom HM Revenue & Customs has approved each of the US\$ Class and the Euro Class of the Fund as a Reporting Fund with effect from 1 July 2010. For the Fund’s fiscal years ended 30 June 2006, 2007, 2008, 2009 and 2010, each of the US\$ Class and the Euro Class of the Fund had received certification as a distributing fund from HM Revenue & Customs (“Distributor Status”).

As a Reporting Fund, investors will no longer receive annual distributions from the Fund 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 Fund will make available, on the website [www.orbisfunds.com](http://www.orbisfunds.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 Fund in such a way that under existing United Kingdom legislation it should continue to qualify as a Reporting Fund. 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 Fund has 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 Fund is required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Fund’s Prospectus, the Orbis Account Opening Form, the Subscription Form and (for Members who sign up for Orbis’ online portfolio services facility at [www.orbisfunds.com](http://www.orbisfunds.com)) the Orbis Funds Portfolio Services Agreement. 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 this report was selected, and the report was finalised and approved, by the Fund's Manager (Orbis Investment Management Limited). Information in this Report 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 the information herein, such information is not guaranteed as to accuracy or completeness. Neither Orbis, its affiliates, directors and employees (together Orbis Group) make any representation or warranty as to accuracy, reliability, timeliness or completeness of the information in this Report. 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 the information in this Report.

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