

Portfolio objective and benchmark

The Portfolio aims to balance capital appreciation, income generation and risk of loss in a diversified global multi asset class portfolio. The benchmark is a composite consisting of 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan Global Government Bond Index.

Product profile

- This is a feeder portfolio, investing in the Orbis SICAV Global Balanced Fund which is actively managed by Orbis.

Investment specifics

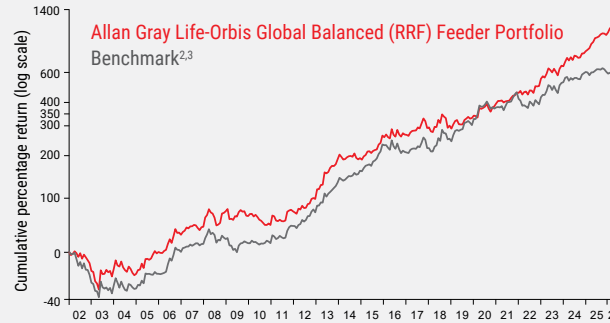
- This portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis SICAV Global Balanced Fund.

MSCI data

*The blended returns are calculated by Orbis Investment Management Ltd using end-of-day index level values licensed from MSCI ("MSCI Data"). For the avoidance of doubt, MSCI is not the benchmark "administrator" for, or a "contributor", "submitter" or "supervised contributor" to, the blended returns, and the MSCI Data is not considered a "contribution" or "submission" in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided "AS IS" without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilising any MSCI Data, models, analytics or other materials or information.

Performance net of fees¹

Cumulative performance since inception



% Returns ^{1,4}	Portfolio		Benchmark ^{2,3}	
	ZAR	US\$	ZAR	US\$
Since inception	10.5	8.8	8.4	6.7
Latest 10 years	12.5	10.8	8.6	7.0
Latest 5 years	17.1	13.7	8.1	5.0
Latest 3 years	19.6	21.1	8.9	10.2
Latest 2 years	17.6	23.8	3.1	8.5
Latest 1 year	24.5	33.8	4.2	12.0
Latest 3 months	8.0	4.7	0.4	-2.7

Asset allocation on 31 March 2026⁵

Asset class	Total	United States	UK	Europe ex-UK ⁶	Japan	Other ⁶	Emerging markets
Net equities	56.1	14.7	12.2	3.8	2.4	4.8	18.1
Hedged equities	17.3	10.5	0.7	4.2	0.2	0.3	1.4
Property	1.3	0.0	0.0	0.0	0.9	0.0	0.4
Commodity-linked	2.7	2.7	0.0	0.0	0.0	0.0	0.0
Bonds	19.6	9.1	0.2	1.1	0.0	2.4	6.8
Money market and cash	3.0	2.4	0.0	0.2	0.1	0.0	0.3
Total	100.0	39.3	13.2	9.4	3.5	7.5	27.1
Currency exposure	100.0	22.8	12.3	22.5	10.5	13.5	18.2
Benchmark	100.0	63.5	4.8	17.3	9.1	5.3	0.0

Portfolio information on 31 March 2026

Assets under management R1 234m

- The returns prior to 1 August 2015 are those of the Allan Gray Life Foreign Portfolio since its inception on 23 January 2002. This portfolio invested in a mix of Orbis funds. The Investor Class Fee was levied in the underlying Orbis funds.
- 60% of the MSCI World Index (net dividends reinvested) and 40% of the J.P. Morgan Global Government Bond Index*.
- The benchmark prior to 1 August 2015 was that of the Allan Gray Life Foreign Portfolio which is 60% of the MSCI All Country World Index and 40% of the J.P. Morgan Global Government Bond Index*.
- Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 March 2026.
- Refers to the asset allocation of the underlying Orbis SICAV Global Balanced Fund.
- Refers to developed markets only.

Note: There may be slight discrepancies in the totals due to rounding.

Top 10 holdings on 31 March 2026 (updated quarterly)

Company	% of portfolio
Samsung Electronics	5.4
Taiwan Semiconductor Mfg	3.8
US TIPS >10 Years	3.8
Kinder Morgan	3.6
SPDR®Gold Trust	2.7
Newmont	2.5
Barrick Mining	2.3
Prysman Group	2.0
Balfour Beatty	1.7
Drax Group	1.6
Total (%)	29.4

The Orbis SICAV Global Balanced Portfolio has delivered moderate positive returns year-to-date, outpacing its benchmark, but that year-to-date performance obscures month-to-month differences. In March, the Portfolio participated in broader market declines. While we care deeply about relative performance, the absolute decline this month is real and is not pleasing.

It is hard to delineate the start of well-anticipated events such as this one. When did the US-Israeli war with Iran actually start? Was it the day missiles first flew, or was it weeks before, when the marshalling of US military equipment started? As the US military presence grew, oil- and gas-related securities outperformed, including the currencies of major exporters such as Norway, Australia and Brazil. The Portfolio participated more than fully in that outperformance, but, frustratingly, did not outperform in March.

It would be wonderful if we could predict both world events and their timing. Armed with that dual prescience, we could design the perfect fear portfolio for specific risks. Sadly, we lack that prescience, so targeting a specific scenario would mean carrying holdings that are poorly suited to much more likely environments. Investors who do this wind up providing clients with a "stopped clock" portfolio that is wrong the vast majority of the time, but occasionally very right. This typically comes at the expense of clients' long-term returns.

Of course, we also avoid greed portfolios, which are filled with investments that are highly levered to some popular theme.

What we can do is work hard to create moderate and lower risk portfolios. While we don't know which scenarios will come to pass, or when, we can incorporate our analysis of those scenarios into our assessment of individual securities. For example, we started buying oil and gas producers in the British North Sea last summer. We did so because they were undervalued and on the basis that there is increasing pressure on the UK government to repeal its counterproductive windfall profits tax. A secondary benefit of holding the North Sea producers was their contribution to the resilience of the Portfolio amid growing geopolitical tensions in the Middle East.

While it is exciting to think about "fat tail" scenarios, our day job is to find securities trading for far less than they are worth under a broad spectrum of environments, and then constantly adjust them to maintain a Portfolio that we believe is likely to produce superior long-term returns with no greater risk than our benchmark.

Whether our portfolios outperform over the specific dates for some bearish event is out of our hands. As value investors, the pattern we see often unfolds in three stages. First, our portfolios outperform as anticipation of an event builds. They then underperform when the event actually hits, as "risk-off" investors seek whatever assets feel most comfortable. Then, finally, the dust settles and the portfolios resume outperformance. It doesn't always happen that way, but that's the devil we know.

As we are never sure of the timing, we are constantly looking for investments that can display relative strength in times of turmoil owing to their inherent and fundamental merits. We do not seek investments for their past behaviour based on "factors" or

correlations. This sometimes sets up a frustrating performance profile during "risk-off" events. The events currently unfolding in this war serve as a good and timely example.

We have recently been building material positions in the Australian dollar, Norwegian krone and Brazilian real. That is owing to them being materially undervalued and because of the superior yields on offer via their sovereign bonds. But the third attraction is their resource wealth. These attributes should have held these bonds and currencies in very good stead when the Iran conflict broke out, and all had been strong in the lead-up to hostilities. But when fighting broke out, all three sets of bonds and currencies sold off materially against the US dollar.

Why?! Well, Mr Market shifted into "factor mode". In times of stress, when events on the ground are most complex, the market ironically seeks simplification. It tends to do this by leaning heavily on heuristics and factors. The primary heuristic employed in this case was THIS IS SCARY + AVOID ENERGY IMPORTERS = HIDE IN US DOLLARS. Once this die is cast, the factors kick in, enforced by big quantitative investing models and amplified by momentum. In this case, factors dictated: US DOLLAR UP = ALL OTHER CURRENCIES DOWN. As leaning on heuristics is much easier than assessing the relative merits of things, the indiscriminate nature of the moves is the market's equivalent of shooting first and asking questions later.

Gold was caught in the same game. Despite having as strong a heuristic case as the US dollar of being the safe haven asset to hold, with bond yields rising and the US dollar strengthening, the factors part of the process dictated reflexively selling gold. DOLLAR STRONG + YIELDS UP = SELL GOLD. It did not help that gold had been a strongly favoured asset in the months preceding the war and became the thing that held up and could be liquidated to make margin calls. While it remains to be seen, when the market shifts to "ask questions", we should not be surprised if gold's safe-haven credentials reappear in prices.

Times of crisis and their induced market sell-offs are inherently unstable and unpredictable. This is especially true for wars. As the turmoil continues, financial markets may well flip between "shoot first" and "ask questions" multiple times. Each time, the list of perceived safe havens may change. Rather than predicting which assets heuristics will favour, we will continue to focus on challenging the fundamentals and valuations of what's holding up best in the Portfolio and taking advantage of overshooting market reactions. Our focus is on maintaining portfolios that we believe are most likely to outperform their benchmarks with no greater risk of loss.

In the last quarter, we initiated a position in Australian government bonds and exited positions in healthcare companies UnitedHealth and ICON.

Adapted from a commentary contributed by Alec Cutler, Orbis Investment Management Limited, Bermuda

Fund manager quarterly commentary as at 31 March 2026

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MSCI Index

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