

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

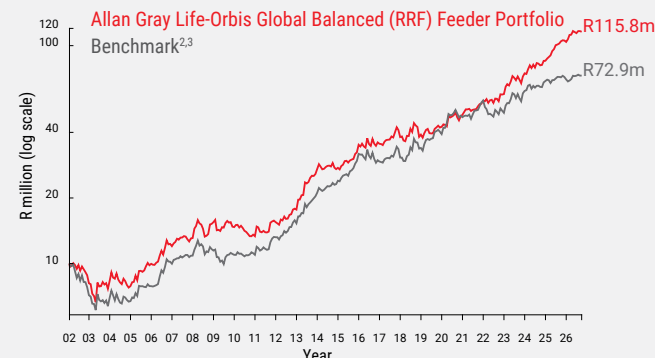
- This portfolio is available as a linked policy issued by Allan Gray Life Limited available only to retirement funds.
- Minimum investment: R20m.
- The Base Refundable Reserve Fee is levied in the underlying Orbis SICAV Global Balanced Fund.

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

Value of R10m invested at inception



% Returns ^{1,4}	Portfolio		Benchmark ^{2,3}	
	ZAR	US\$	ZAR	US\$
Since inception	10.4	8.9	8.4	6.9
Latest 10 years	12.5	10.6	9.2	7.3
Latest 5 years	17.1	15.1	7.5	5.7
Latest 3 years	18.3	24.0	8.3	13.4
Latest 2 years	19.4	22.4	6.2	8.8
Latest 1 year	10.6	16.4	1.8	7.1
Latest 3 months	1.4	1.4	0.1	0.0

Asset allocation on 30 September 2026⁵

Asset class	Total	United States	UK	Europe ex-UK ⁶	Japan	Other ⁶	Emerging markets
Net equities	59.1	16.7	13.4	1.0	2.7	4.3	20.9
Hedged equities	17.6	10.7	0.8	4.3	0.4	0.0	1.5
Property	1.1	0.0	0.0	0.0	0.7	0.0	0.4
Commodity-linked	2.6	2.6	0.0	0.0	0.0	0.0	0.0
Bonds	19.0	6.4	0.2	1.8	0.0	3.3	7.3
Money market and cash	0.5	-0.6	0.1	0.4	0.1	0.0	0.5
Total (%)	100.0	35.8	14.4	7.5	3.8	7.7	30.8
Currency exposure	100.0	27.3	9.1	16.2	9.0	14.2	24.3
Benchmark	100.0	64.4	4.6	16.6	9.4	5.1	0.0

Portfolio information on 30 September 2026

Assets under management	R1 225.7m
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- 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 30 September 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 30 September 2026

Company	% of portfolio
Samsung Electronics	5.1
Taiwan Semiconductor Mfg	4.7
Kinder Morgan	3.0
US TIPS >10 Years	2.9
Newmont	2.6
SPDR® Gold Trust	2.6
Barrick Mining	2.4
Icelandic Gov. Bonds < 1 Year	2.1
Prysmian Group	2.1
Nintendo	1.7
Total (%)	29.2

Investing requires having a view of the future. This is hard, especially for businesses that operate in unpredictable industries. Consumer businesses fit this category because tastes change often and technology has made it easier for others to copy products. Share prices have fallen, with some of them near historical lows. They look cheap, which excites value investors like us.

While we have rejected many consumer businesses, we have found some that trade at compelling prices. These are not the businesses whose share prices have fallen the most, but rather businesses that remind us of proven winners, while not being priced as such.

Anta Sports versus Fast Retailing

Few clothing businesses compound value over decades, and the industry is littered with once-popular companies that later disappointed. Gap was a leading business in the 1990s, but its shares have gone nowhere for two decades and remain below its 2000 peak.

Fast Retailing, which owns Uniqlo, is a notable exception – its share price is up nearly 20 times in 20 years. Fast Retailing is an exceptional business, but the market recognises that. The company can stay exceptional and still be a poor investment from today's starting price.

We own a business that reminds us of Uniqlo but is priced more like Gap. Anta Sports is a Chinese company with a portfolio of sportswear brands. Anta is often compared to Nike, but its co-founder, Ding Shizhong, famously said: "We don't want to be the Nike of China, but the Anta of the world."

Like Uniqlo, Anta's own brand sells affordable, well-made basics. It operates its broader portfolio through a mix of ownership and partnership arrangements. Anta and Fast Retailing share many similarities. Both put function and price ahead of fashion and have long records of steady growth, industry-leading profit margins and strong cash generation.

Financially, Anta appears to us to be the better business of the two. It has grown revenue faster over the last decade, earns a higher operating profit margin and turns more of its reported profit into actual cash. Despite its superior fundamentals, it trades at a significant discount to Fast Retailing – 11 times next year's expected earnings versus 39 times. In our view, this is mostly because Anta is Chinese. Consumer spending in China is in a cyclical downturn due to a housing bubble and geopolitical tensions. Some "China discount" is justified, but it does not change Anta's operational and financial track record. We expect earnings to continue to compound, which should drive a reappraisal of its multiple to recognise its quality, providing substantial upside from today's price.

Nintendo versus LEGO

LEGO is the world's largest toy company. Its system of play has proved timeless, enabling LEGO to remain popular for decades in an industry known for short-lived fads. LEGO is privately owned, so we cannot own it. We can, however, look for a company that has a similar set of characteristics.

Nintendo was founded in 1889 in Kyoto. It originally sold Japanese playing cards and now focuses on making high-quality, long-life videogames such as Super Mario and

Zelda. As with LEGO, quality and consistency come first, with management prioritising the integrity of Nintendo's characters and the players' experience over short-term targets. Unlike other gaming companies, it has kept control of its ecosystem, allowing it to design hardware and software that work seamlessly together and extend its characters into other areas such as theme parks and films.

We have owned Nintendo for several years. The shares sold off recently on earnings pressure from a delayed game release schedule and the rising cost of the memory chips used in its consoles. We see both as short-term noise. Holding games back until they meet Nintendo's quality bar is the hallmark of a long-term mindset, and memory is expensive because of extreme demand from AI data centres. Both should normalise over the coming years. We are patient owners while they do.

Greggs versus Ikea

Ikea popularised functional furniture sold in flat-packed boxes and is now the largest furniture retailer in the world. Its vision is to offer a range of well-designed home furnishing products at reasonable prices.

Greggs appears to be a vastly different business to Ikea, but it comes from similar humble beginnings. Founded in 1939, it began with John Gregg delivering fresh eggs and yeast by bicycle to families around Newcastle, England. It is now the United Kingdom's leading seller of food-on-the-go.

Greggs' purpose is surprisingly similar to Ikea's. Both are synonymous with value for money. Greggs' food is typically priced well below its food-on-the-go peers and on par with grocery stores. Its secret weapon is its supply chain. Most of the items sold are made in its own central bakeries, transported frozen, then baked in-store and in small batches to be sold fresh to customers. Controlling the process from start to finish lets Greggs make and deliver its products with industrial efficiency.

Both Greggs and Ikea treat affordability as part of their purpose and believe that prioritising customers and employees helps rather than hurts shareholder returns. Many global investors ignore Greggs, viewing it as an ex-growth company. We view it as a best-in-class operator, priced at an attractive multiple of earnings, with profit growth that should accelerate as its supply chain investments are completed. Much like Ikea's furniture or Greggs' sausage rolls, we view Greggs shares as remarkable value for money.

Common lessons

Great companies demonstrate common lessons. Their success takes decades to unfold. They stay humble and true to their guiding principles. Investing is similar. Patience, consistency and a long time horizon let us own businesses that compound wealth. We are particularly excited when we can own companies that remind us of the greats but are not priced as such. Anta Sports, Nintendo and Greggs fit that mould.

Over the last quarter, we re-established a position in QXO, a US-based holding company targeting the building products distribution industry, and we trimmed the position in film technologies company IMAX following relative share price strength.

Adapted from a commentary contributed by Mark Dunley-Owen, Orbis Investment Management Limited, Bermuda

Fund manager quarterly commentary as at 30 September 2026

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MSCI Index

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