

Portfolio objective and benchmark

The objective of the Portfolio is to outperform the MSCI World Index at no greater-than-average risk of loss. The benchmark is the MSCI World Index, with net dividends reinvested.

Product profile

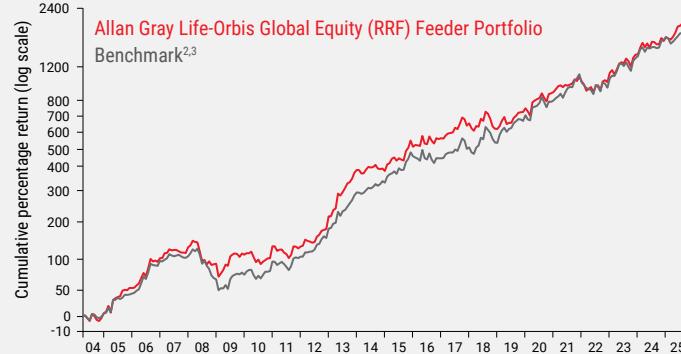
- This is a feeder portfolio, investing in the Orbis Institutional Global Equity Fund which is actively managed by Orbis.

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 Institutional Global Equity Fund.

Performance net of fees¹

Cumulative performance since inception



% Returns ^{1,4}	Portfolio		Benchmark ^{2,3}	
	ZAR	US\$	ZAR	US\$
Since inception	14.8	10.1	14.2	9.6
Latest 10 years	12.8	12.1	12.8	12.2
Latest 5 years	15.6	12.8	14.9	12.1
Latest 3 years	22.5	23.5	20.2	21.2
Latest 2 years	18.0	24.7	13.5	19.9
Latest 1 year	21.5	37.7	6.8	21.1
Latest 3 months	-0.6	3.3	-0.8	3.1

Asset allocation on 31 December 2025

This portfolio invests solely into the Orbis Institutional Global Equity Fund

Asset class	Total	United States	UK	Europe ex-UK ⁵	Japan	Others ⁵	Emerging markets
Net equities	95.6	45.6	11.2	8.2	1.6	6.8	22.2
Property	2.4	0.0	0.0	0.0	2.4	0.0	0.0
Money market and cash	2.0	1.9	0.0	0.0	0.1	0.0	0.0
Total	100.0	47.5	11.2	8.2	4.1	6.8	22.2
Currency exposure	100.0	42.9	8.3	9.8	12.3	11.7	14.9
Benchmark	100.0	71.9	3.7	12.8	5.5	6.2	0.0

Portfolio information on 31 December 2025**Assets under management**

R1 550m

- The returns prior to 1 April 2015 are those of the Allan Gray Life-Orbis Global Equity Portfolio since its inception on 18 May 2004. The Investor Class Fee was levied in the underlying Orbis Global Equity Fund.
- The benchmark prior to 1 April 2015 was that of the Allan Gray Life-Orbis Global Equity Portfolio which was the FTSE World Index, including income.
- MSCI World Index, with net dividends reinvested.
- Investment returns are annualised (unless stated otherwise), except for periods less than one year. Performance as calculated by Allan Gray as at 31 December 2025.
- Refers to developed markets only.

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

Portfolio information on 31 December 2025

Company	% of portfolio
QXO	5.8
Corpay	4.6
SK Square	4.0
Taiwan Semiconductor Mfg	4.0
Alphabet	3.1
Samsung Electronics	2.9
Genmab	2.8
UnitedHealth Group	2.5
Mitsubishi Estate	2.4
Insmed	2.3
Total (%)	34.5

2025 marked my 25th anniversary at Orbis, a milestone prompting reflection on the passage of time. As the moment came, I was in Tanzania, having just climbed Africa's highest peak. If a quarter century seems like a long time, that was put into perspective by my guide telling me that the youngest of Kilimanjaro's craters – still in great shape – was formed almost half a million ago.

As long-term investors, endurance is necessary but not sufficient. We're not just climbers locking in for a long journey, we want our clients to win – our business model depends on it. Neither are we mere rocks withstanding the weather; we must adapt. The sweet spot is staying true to our philosophy while also finding ways to enhance our edge by continuously improving. Thankfully, our mindset of aligning our clients' results with our own gives us the incentive to get that balance right. One of the structural improvements we've made is the introduction of our Decision Analytics team. This team is tasked with crunching data on each of us to uncover and help us work on our individual and collective biases.

With that in mind, I'd like to share enduring lessons shaping how we invest. These come not just from my experience, not just from our founder – Allan W.B. Gray – and other inspiring mentors, but also from newer team members.

Indeed, the team is stronger than I've ever seen it. This year's outperformance wasn't driven by getting the big picture right: We didn't. Markets are still concentrated and regional valuation dispersions persist. Rather, the vast majority of excess returns came from idiosyncratic, bottom-up stock picks from our 40+ analysts globally. It's a far cry from when I joined a handful of analysts in London. Seeing them hit their stride is a reminder of how far we've come.

Lesson 1: Embrace uncertainty

Trained in mathematics, the younger me believed investing was purely analytical: Crunch numbers accurately and reliable outcomes follow. I was wrong. The world is relentlessly dynamic and riddled with unanalysable uncertainties.

In 25 years, we've seen it all: The dotcom bust, the rise of China, the invention of the iPhone, the global financial crisis, quantitative easing, the COVID-19 pandemic and – perhaps most unlikely – the election and re-election of Donald Trump. Each impacted company valuations. Few were widely predicted.

The past year has been full of surprises; the future will be too. It's inevitable that our investment hypotheses won't always play out and it's incumbent on us to act accordingly.

The ability to develop deep conviction, while being willing to change one's mind, is essential but rare. The childish desire to always be "right" is human but dangerous for investors, as it leads to stubbornness. Recognising that bias isn't easy – that's exactly why decision analytics are valuable. I have come to think of intrinsic value not as a point estimate but as a probability distribution. That perspective can identify asymmetries that turn "uncertainty" from being something to be feared to something to be exploited.

The Portfolio's outperformance came despite only approximately half of our shares outperforming. This works because our coin toss hit rate was offset by identifying shares whose upside vastly exceeded their downside, and our winners won significantly more than our losers lost.

The benefit of a contrarian philosophy is not that it helps you be right more often – it usually doesn't. Rather, being contrarian leads to opportunities where sentiment is so skewed that bad outcomes are priced in. That reduces the downside and enhances the upside. Decision analytics confirm statistically what Allan figured out intuitively: "strong convictions, loosely held".

Lesson 2: Harness the power of great management

The extraordinary power of excellent, well-incentivised management was easily overlooked by my younger self. In part because it's hard to model in a spreadsheet. Business conditions are in flux; astute management teams with the ability to adapt proactively create tremendous value.

Companies with superior economics, underpinned by durable competitive advantage, are particularly valuable. Often, they've been built by – or attracted – top leadership. But even in competitive industries, a great team aligned with shareholder success is a decisive advantage.

The Portfolio is full of examples: Brad Jacobs at QXO, Lord Wolfson at Next, Dr Jan van de Winkel at Genmab, Pedro Moreira Salles at Itaú Unibanco. We still love a bargain, so this isn't a precondition, but our appreciation for exceptional management has grown.

Lesson 3: Trust the team

If one thing makes us optimistic about the future, it is the strength and depth of our investment teams. We worked hard to build a structure encouraging independent thinking, deep research and clear accountability.

We believe this puts us in a unique position among our peers. The largest firms often struggle to maintain investment focus, while smaller firms tend to rely on a single investor with analysts shaped in their image. We sought to create something different: a maturing investment engine powered by people with deep domain expertise and diverse thought processes.

We demand a lot of our analysts. We ask them to specialise and put their top ideas – usually under 10 – into a paper portfolio, which is appropriately benchmarked and analysed. That gives us hundreds of ideas to choose between, each rigorously researched, so we can select only the very best. Aligning their success with yours is a powerful model.

As we continue to develop new tools and technologies, not only to support our analysts' research but also to identify their most valuable insights, we're optimistic about letting the best ideas shine through. While meeting with clients last year, many of them asked me to pass on their thanks to the wider team. It's been a pleasure to do so. They fully deserve it.

In the last quarter, we trimmed some of our biggest winners into relative share price strength, re-established a position in Alphabet, and added to positions in several healthcare companies.

Fund manager quarterly commentary as at 31 December 2025

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MSCI Index

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FTSE Russell Index

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