

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

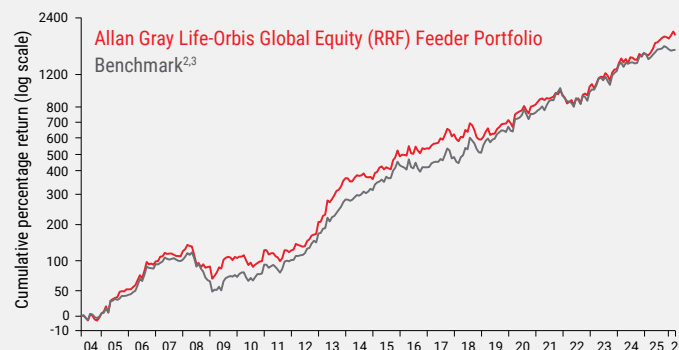
- This is a feeder portfolio, investing in the Orbis Institutional Global Equity Fund which is actively managed by Orbis.

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	10.0	14.0	9.3
Latest 10 years	13.7	12.0	13.5	11.8
Latest 5 years	14.7	11.4	13.6	10.3
Latest 3 years	20.9	22.3	15.4	16.8
Latest 2 years	13.2	19.2	7.2	12.8
Latest 1 year	24.0	33.3	10.6	18.9
Latest 3 months	3.6	0.4	-0.5	-3.6

Asset allocation on 31 March 2026⁵

Asset class	Total	United States	UK	Europe ex-UK ⁶	Japan	Other ⁶	Emerging markets
Net equities	94.7	42.7	13.0	7.3	2.2	6.4	22.9
Property	3.0	0.0	0.0	0.0	2.3	0.7	0.0
Money market and cash	2.3	1.6	0.0	0.3	0.0	0.0	0.3
Total	100.0	44.4	13.0	7.6	4.6	7.1	23.2
Currency exposure	100.0	41.9	9.2	9.8	9.6	12.2	17.1
Benchmark	100.0	71.3	3.8	12.7	5.7	6.5	0.0

Portfolio information on 31 March 2026

Assets under management R1 611m

- 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 March 2026.
- Refers to the asset allocation of the underlying Orbis Institutional Global Equity 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
QX0	5.1
Corpay	5.1
Samsung Electronics	4.3
Taiwan Semiconductor Mfg	4.0
SK Square	3.5
Alphabet	2.6
Motorola Solutions	2.4
EQT	2.4
Mitsubishi Estate	2.3
Nebius Group	2.2
Total (%)	33.9

The first quarter of 2026 was eventful. It was marked by further significant developments in artificial intelligence (AI), a sharp sell-off in software-related shares, waning confidence in private credit funds and, tragically, the outbreak of another war in the Middle East.

Navigating a dynamically shifting investment environment requires adaptability, but that doesn't mean shortening our investment horizon. Rather, it means being responsive – new information that can change a company's share price or our assessment of its intrinsic value, and therefore, the gap between the two. It should therefore come as no surprise that our recent portfolio turnover has been higher than usual, which we believe is healthy and consistent with a disciplined, long-term investment philosophy.

As well as adaptability, a changing market environment also tends to reward humility. In last quarter's commentary, we highlighted a powerful dynamic: We don't have to be right all the time, as long as our winners win more than our losers lose. This attractive feature – the positive "skew" – means identifying shares with vastly more upside than downside. It is one of the key benefits of a contrarian investment approach that emphasises margin of safety.

Three of our top winners this quarter were semiconductor manufacturers – "picks and shovels" to the AI boom – while seven of our top losers were healthcare-related companies. Positive skew meant that the outperformance from the semiconductors more than offset the losses on healthcare.

Healthcare

The biggest detractor was ICON, a clinical trial company whose shares fell heavily after reporting financial irregularities. With the benefit of hindsight, we would place greater weight on earlier public signals around class actions and management culture. Consistent with our mindset of continuous improvement, we are working on our process for identifying cultural red flags. ICON was sold during the quarter.

We also sold US-managed care organisations UnitedHealth and Elevance, after they detracted from performance. Dependent on government-funded programmes, they received the disappointing news that the proposed 2027 Medicare Advantage reimbursement rates will fall short of rising care costs. At best, this delays the earnings recovery we expected; at worst, it threatens it altogether. The US government seems intent on squeezing healthcare expenditure, and managed care companies are an easy target.

While painful to lock in losses by selling underperforming shares, it is often the right thing to do. If the share price no longer stacks up well against the value on offer, we can best serve clients by dispassionately rotating the capital into more attractive ideas.

Semiconductors

Notwithstanding a recent sell-off in Korean equities, given the country's reliance on imported energy, our semiconductor holdings have been strong performers, especially since purchase. While we have recently taken profits on SK Square, it remains a large holding, reflecting what we see as the value on offer.

Aside from the here-and-now of the US-Israeli war with Iran, the bigger long-term theme that will shape the future of the semiconductor sector is AI. While extraordinary levels of capital expenditure fuel valid debate about whether AI is a bubble, it is clear that real intrinsic value is being created. ChatGPT has already amassed almost a billion regular users worldwide, while Anthropic has over 500 corporate customers spending at least US\$1 million per year, and nine spending over US\$100 million. Companies do not spend such sums lightly.

This demand requires vast amounts of computing power supplied by only a few key players. The Portfolio owns Taiwan Semiconductor Manufacturing Company, Samsung Electronics and SK hynix (held via the deeply discounted holding company SK Square). Insatiable demand for more compute has driven earnings to unprecedented cyclical highs, making all three stocks exceptionally rewarding.

Whether these record earnings hold or fall back as the cycle fades is a key question, but considering both possibilities convinces us that the upside/downside skew remains in our favour. With the shares priced at very reasonable earnings multiples, the stock market is treating the AI boom as a normal semiconductor cycle, which signals that earnings are widely expected to revert to lower levels. If earnings moderate, the shares will likely not be disastrous because that bearish outcome is already priced in.

But a far more bullish scenario is also possible: a self-perpetuating feedback loop where more computing power improves AI capabilities, creating more user demand. That dynamic has no natural upper limit and would benefit only the small number of companies that have the scale and technical know-how to provide this revolutionary technology.

Rest of the Portfolio

When software shares sold off, we asked: Will there be fundamental disruption to these businesses or not? That guided our focus towards companies with defensive network effects and proprietary data sets, including a new position in the software-enabled credit bureau Experian. At the same time, while looking for opportunities to strengthen the Portfolio's resilience, we added to the Portfolio's energy exposure through EQT, a natural gas producer that we believe will benefit from AI-fuelled data centre demand for reliable power, and Shell, a diversified energy business and liquefied natural gas (LNG) producer.

As our focus is on long-term returns, clients should not expect positive relative returns each quarter or each year. Historically, we have outperformed the MSCI World Index in 57% of quarters, 61% of calendar years, 75% of 10-year periods and 100% of 20-year periods since inception¹. We remain confident of the power of our investment philosophy to generate superior returns over time.

In the last quarter, in addition to increasing the Portfolio's position in EQT Corporation, a natural gas producer, we exited the position in UnitedHealth on reduced conviction and reduced our holding in SK Square into relative share price strength.

Adapted from a commentary contributed by Ben Preston, Orbis Portfolio Management (Europe) LLP, London

Fund manager quarterly commentary as at 31 March 2026

1. This is the asset-weighted net-of-fee return of all share classes in the Strategy. This return may differ from the return of any individual share class. The Orbis Global Equity Strategy inception date is 1 January 1990.

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MSCI Index

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FTSE Russell Index

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