



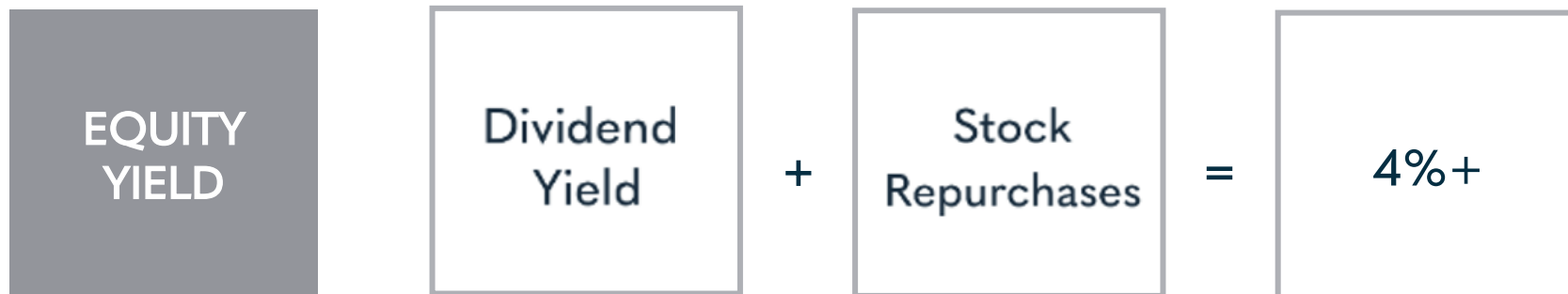
HIGH STREET

STRUCTURED PRODUCTS

2024 Review

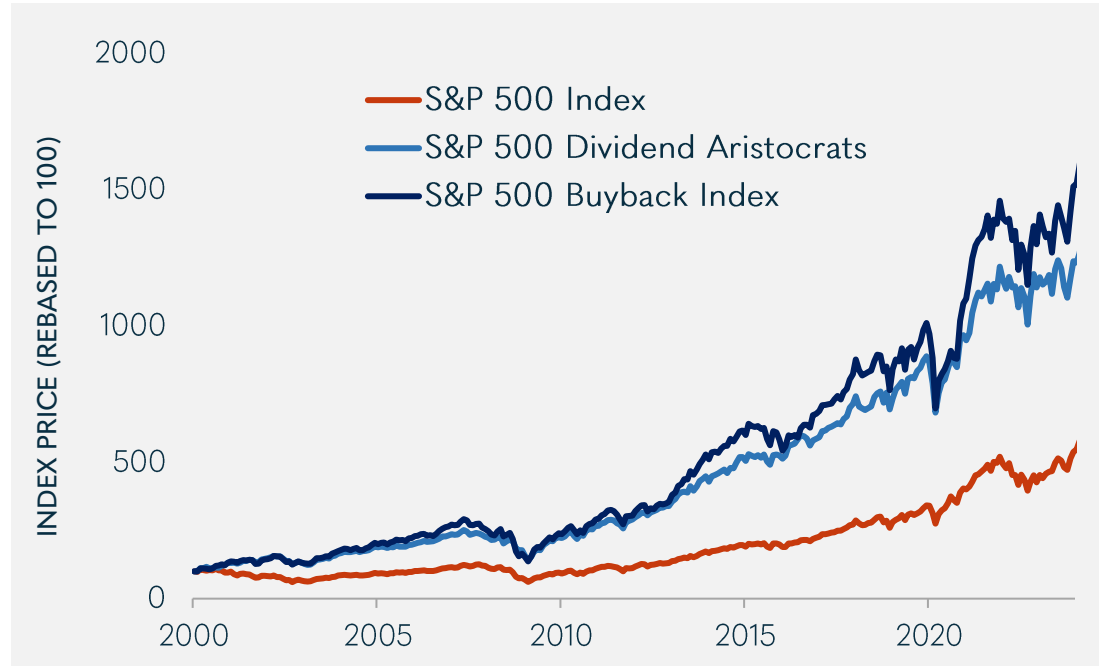
February 2025

Objective of High Street Yielding Products



- Aims to achieve consistent risk-adjusted returns through investing in high-yielding listed instruments in developed markets
- *Total yield* comprises the *cash returned* to shareholders from *dividends* and the yield from *stock repurchases (buybacks)*
- Relatively defensive investment strategy with 'value' bias but does incorporate 'growth'
- Investors have the option of investing in the strategy either via an Actively Managed Certificate (AMC) issued by Julius Baer in USD, or via a locally issued Rand AMC by Standard Bank

Why Yielding Strategies



Total Return (2000-2024)		
S&P 500 Index	538%	(7.7% p.a.)
S&P 500 Dividend Aristocrats Index	1007%	(10.1% p.a.)
S&P 500 Buyback Index	1150%	(10.6% p.a.)

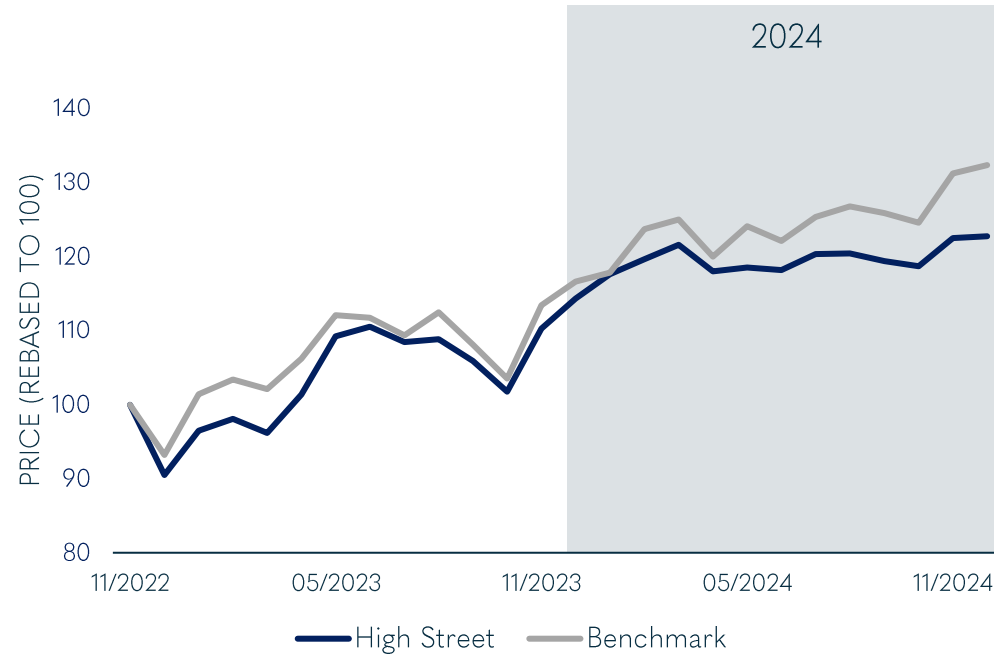
- Yielding strategies have historically outperformed the wider market
- Provides diversification from broader equity market
- Companies are defensive in nature, with strong business models and predictable cash flows
- Generally, these strategies outperform during market drawdowns

2024 - Yielding Product Performance

ZAR: Standard Bank AMC002

USD: Julius Baer

Illustrative Performance



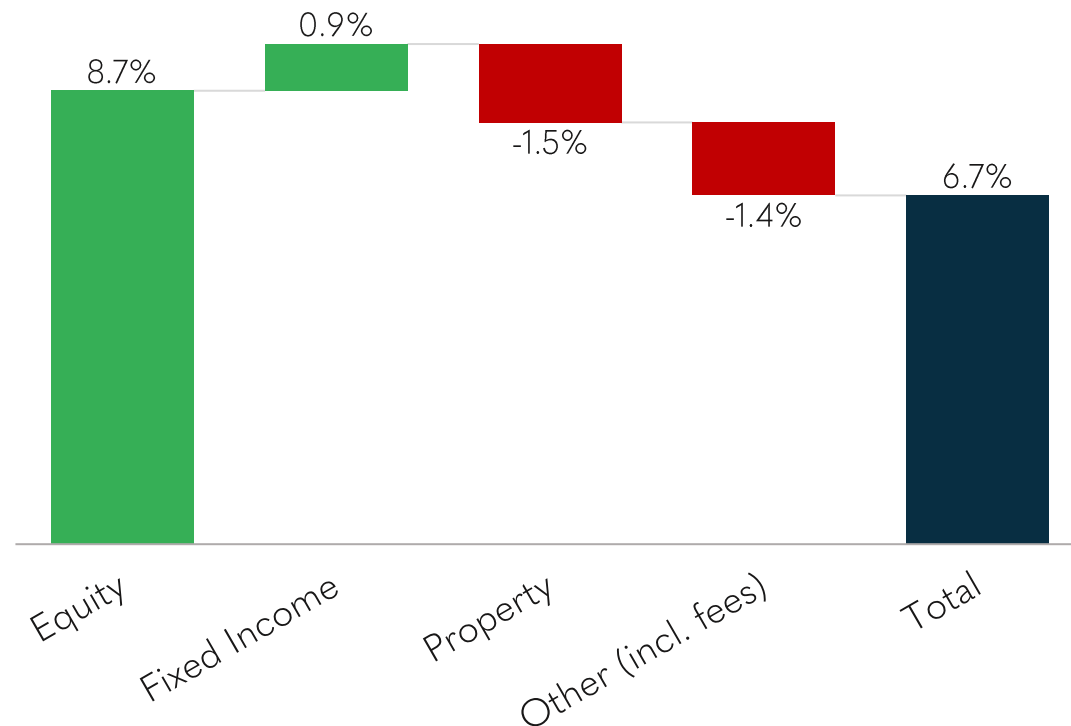
Illustrative Performance



Product	2024 Performance	Ann. Since Inception (01/12/2022)
High Street	7.3%	10.3%
Benchmark*	13.5%	14.4%

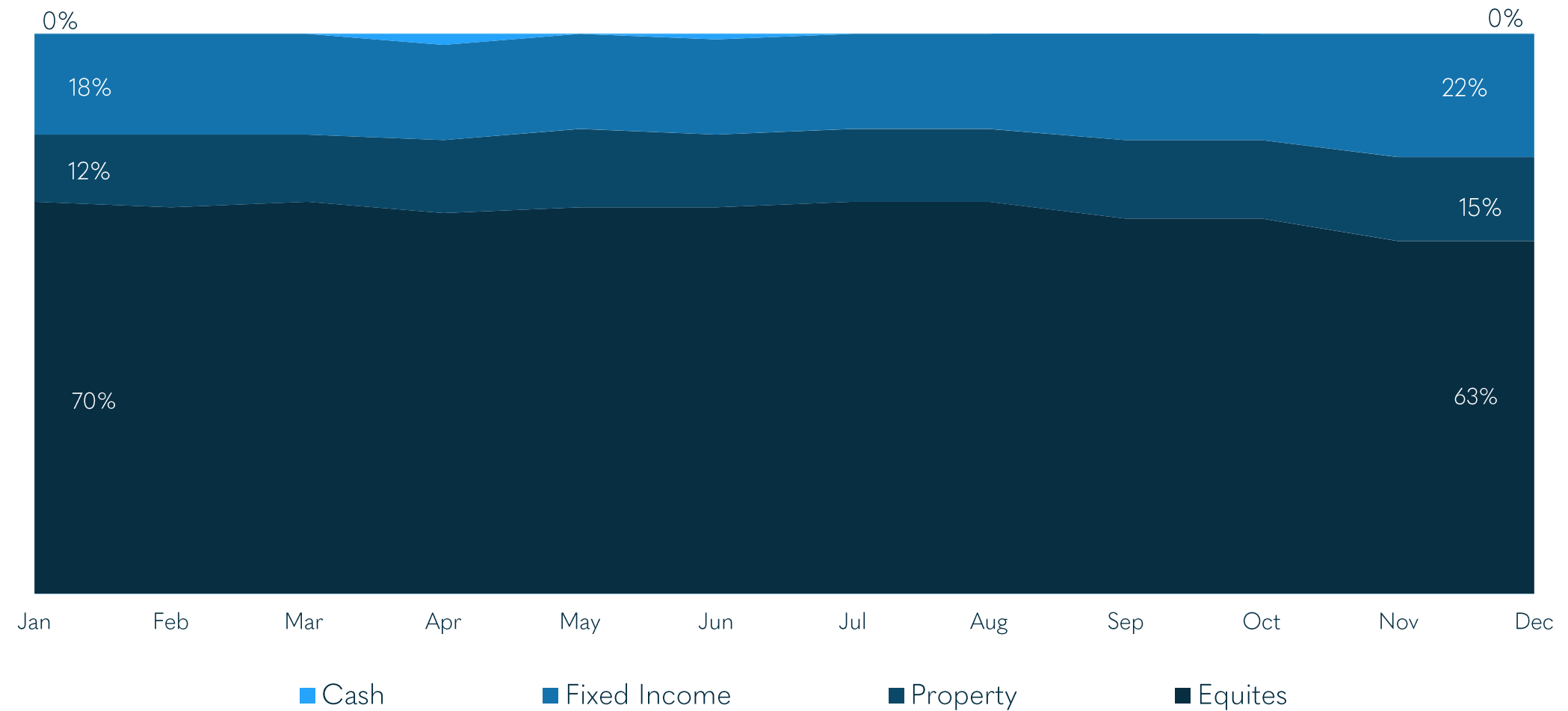
Product	2024 Performance	Ann. Since Inception (11/07/2022)
High Street	6.7%	8.8%
Benchmark**	10.2%	10.8%

2024 Performance Attribution – Equities Deliver



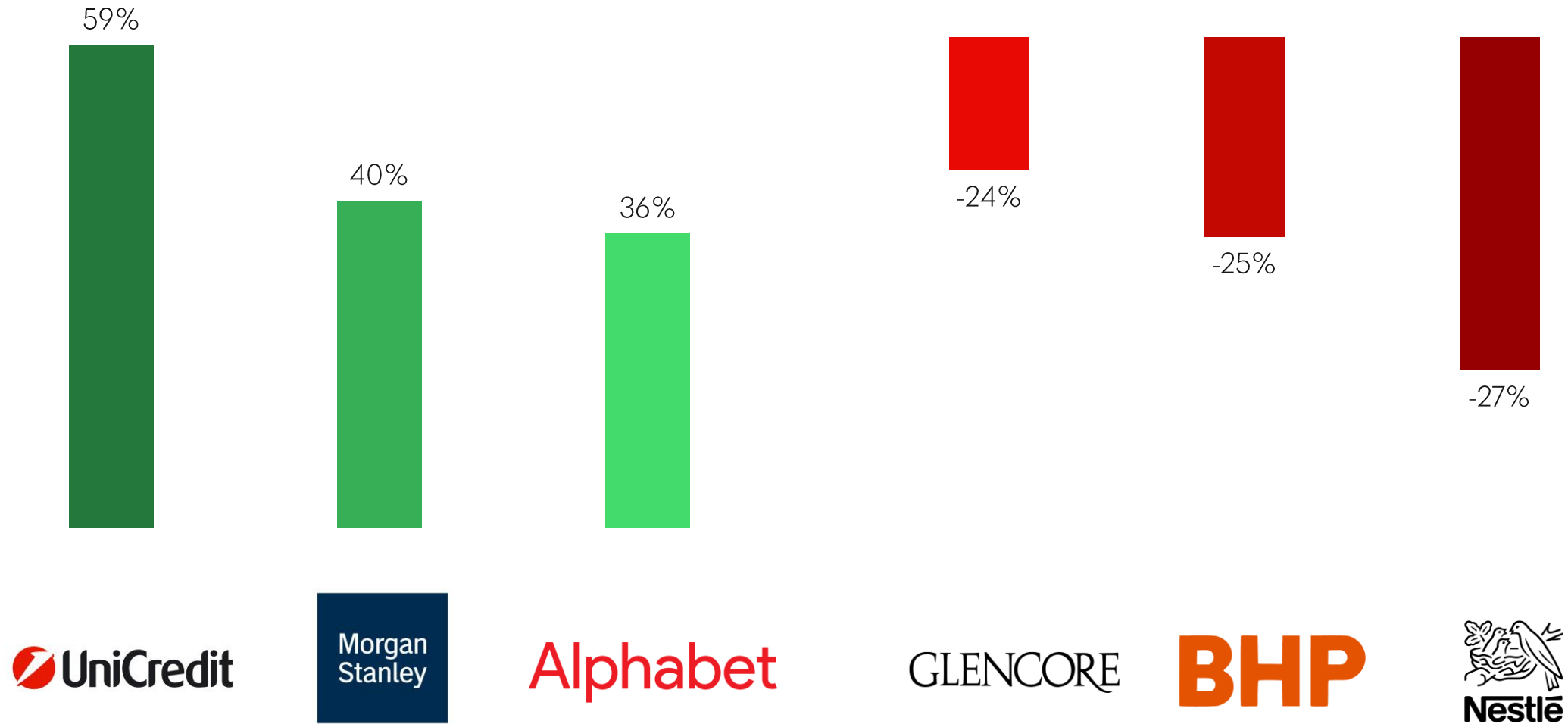
- The equity market was once again driven by the performance of US tech companies
- Given the Product's 'value' tilt, the equity component underperformed the wider market
- Fixed income and property were the under-performing asset classes as reduced expectations for rate cuts led to a near 70 basis point rise in the US 10-year yield
- Given the current yield, we believe fixed income and property offer attractive long-term returns and remain invested in these asset classes

2024 Asset Allocation – Adding to Bonds & Property

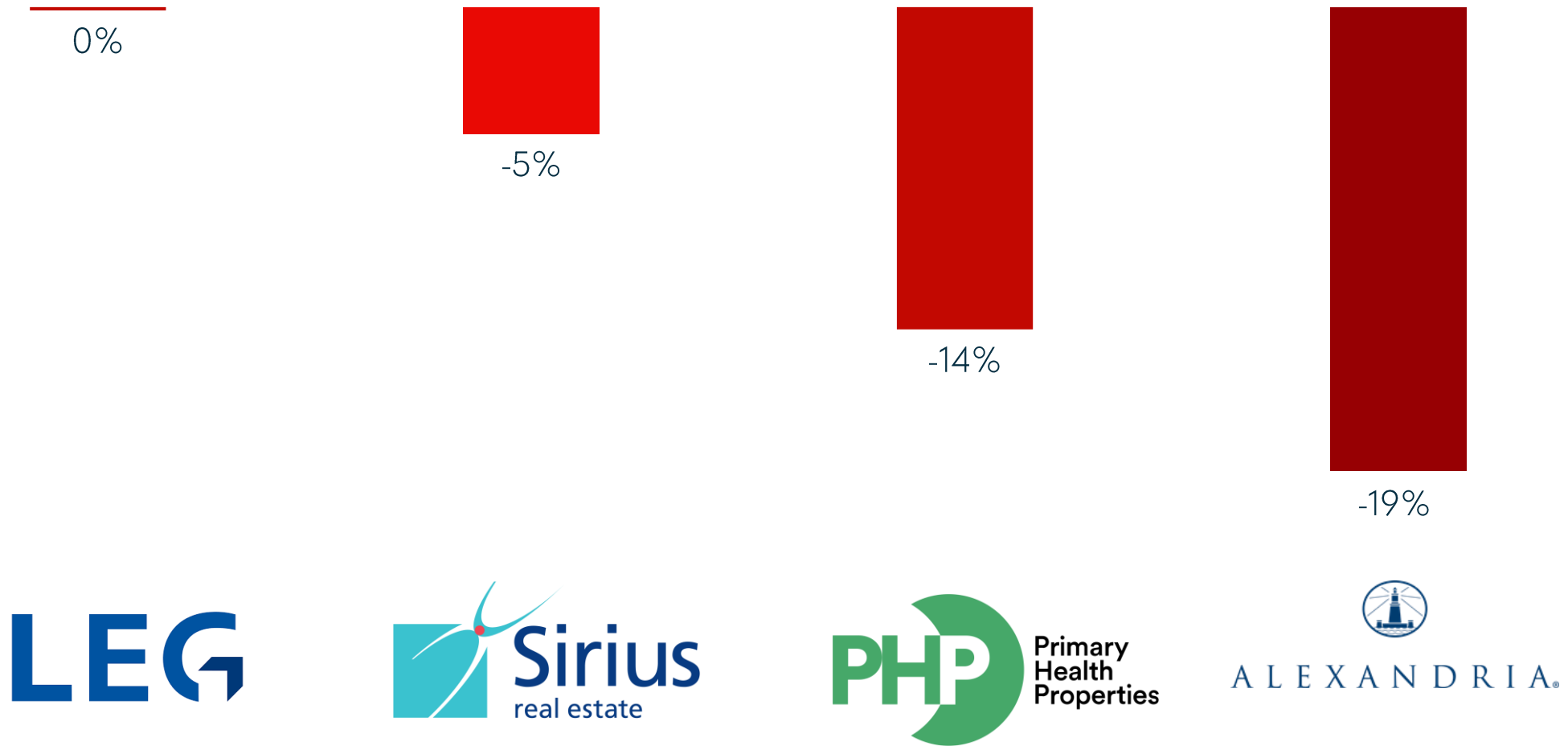


Source: Prescient, High Street, 2024/12/31

Equity Performers (USD)



2024 Property Performance (USD)



Major Addition: UniCredit

Capital Returns Driving Value in the European Banking Sector



3-Year Price Chart



- UniCredit provides strong access to the European banking sector, offering diversification beyond the US market
- European banks continue to trade at significant discounts to their US peers and offer attractive valuations
- Broad geographic footprint across key European economies
- Robust capital return policy, with a compelling total yield of 14% from dividends and buybacks
- Stable client base with sustainable income from net interest and fees

Major Liquidations: Elevance

Rising Regulatory Scrutiny and Funding Disconnect



3-Year Price Chart



- A mismatch between reimbursement rates and rising cost trends is strained the companies' medical loss ratios.
- Increased scrutiny from CMS and government adding sector wide pressure.
- The new administration's cost-cutting efforts puts Medicaid funding at risk.
- Decided to consolidate into UnitedHealth, given its lower Medicaid exposure.

Compelling Equity Fundamentals

	High Street	MSCI World Index	S&P 500 Index
Total Yield	4.5%	3.4%	3.0%
Net Debt/EBITDA	1.3x	1.7x	1.5x
5YR Forecast Ann. Sales Growth	5.7%	4.0%	4.7%
Return on Capital	19.2%	5.6%	7.8%

- The Product's companies provide enhanced yield and have superior fundamental metrics
- Over time, fundamentals are the primary drivers of share price performance

Offshore Diversification Focusing on Yield

- Emphasis on quality companies with strong cash generation and defensive characteristics
- Diversified exposure to developed markets, with a strategy that helps mitigate major drawdowns
- Local listed AMC (002): Easy, cost-effective access to global companies through Rand investment

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