INVESTOR REPORT

HIGH STREET OFFSHORE YIELDING PRODUCT

ACTIVELY MANAGED CERTIFICATE AS OF 31 JANUARY 2024 – ISSUED ON 09 FEBRUARY 2024

PORTFOLIO OBJECTIVE

To achieve consistent risk-adjusted returns through investing in high-yielding listed instruments. For equity and listed property holdings, total yield comprises the cash returned to shareholders from dividends and the yield due to stock repurchases.

INVESTOR SUITABILITY

The product is suitable for retail investors seeking capital gains through exposure to high-yielding assets. An investment horizon of 5+ years is recommended.

LOW — 5 — HIGH

MODERATE TO AGGRESSIVE **RISK PROFILE**

2%+	+	2%+	=	4%+
Dividend Yield		Stock Repurchases		Total Yield

ANNUALISED RETURNS (NET OF FEES)		
	HIGH STREET	BENCHMARK
Since inception (CAGR)	14.89%	16.91%
5 years	N/A	N/A
3 years	N/A	N/A
1 year	21.90%	18.36%
Highest rolling 1-year return	28.25%	27.80%
Lowest rolling 1-year return	10.07%	15.14%
CUMULATIVE PERFORMANCE		
3 Months	15.11%	14.93%

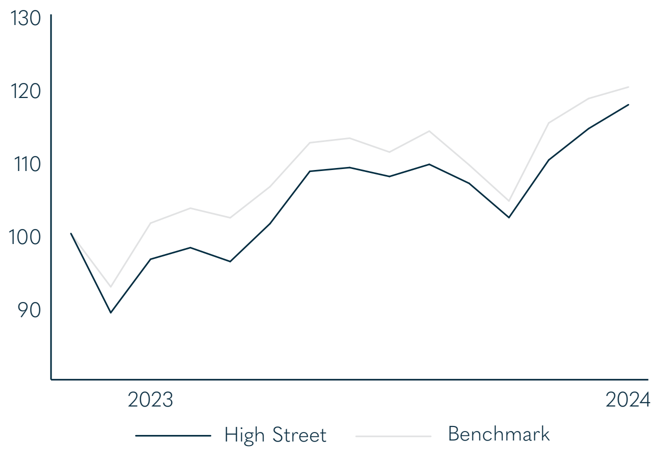
TOP 10 HOLDINGS

AbbVie
Alphabet
Apple
Elevance
Lowe's
Merck & Co.
Microsoft
S&P Global
Sirius Real Estate
Visa

ASSET ALLOCATION

TOP 3 CURRENCY ALLOCATION

ILLUSTRATIVE PERFORMANCE (NET OF FEES)*



Source: Standard Bank, 31/01/2024
Benchmark: 75% Equity (MSCI ACWI Index ZAR), 20% Property (EPRA/NAREIT Developed Index ZAR), 5% Cash (STeFI)

PRODUCT DETAILS

Investment Manager
High Street Asset Management (Pty) Ltd (FSP No: 45210)

Note Provider
The Standard Bank of South Africa Limited

Product Classification
Actively Managed Certificate

Base Currency
ZAR

ISIN
ZAE000316667

Inception Date
1 December 2022

Notes in Issue per Month End
24,181

Note Price (NAV) at Month End
R1 162.81

Product NAV
R28 118 013

Fees
TER: 1.1%

Minimum Investment
R1 162.81

Bid-Offer Spread (Indicative)
0.5%

Income Distribution
None

Recommended Time Horizon
5+ years

* The investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.

FEES AS OF 1 January 2023

Initial/Exit Fee
None

Annual Management Fee
0.75%

Annual Performance Fee
None

Administrative Fee (Standard Bank)
0.35%

Total Expense Ratio (TER)
1.1%

Brokerage cost
0.15%

RISK METRICS*		
	HIGH STREET	BENCHMARK
Annualised Std. Deviation	18.19%	17.44%
Sharpe Ratio	0.6	0.74
Downside Sortino Ratio	0.8	1.54
Maximum Drawdown	-10.83%	-8.39%
Time to Recover (months)	NA	NA
Positive Months	64%	64%
Tracking Error	5.41%	-
Information Ratio	-0.37	-

PRODUCT COMMENTARY

The Product started the year off with a +2.86% return, while the Rand depreciated by 1.73% against the USD.

Hopes for a 'soft landing' by the US Federal Reserve (Fed) were heightened, fuelled by favourable economic releases that fostered a generally positive outlook among investors for the year. However, optimism waned slightly towards the end of the month as the Fed struck a less dovish tone during its January meeting.

Despite the sentiment tail-off, the S&P 500 Index surged to all-time highs, propelled by further strength in the 'Magnificent Seven' (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, Tesla) shares that drove the significant returns in 2023. In addition to the flurry of macroeconomic news, earnings season began during the month. Regarding the Product's holdings, summarised below are some key highlights that occurred:

- Microsoft released their Q2 earnings, where they beat on both the top and bottom lines. The company's revenue increased 18% year-over-year, while net income increased 33%. In terms of their divisions, Productivity and Business Processes increased 13%, Intelligent Cloud increased 20%, and Personal Computing increased 19%. They returned $5.6 billion in the form of dividends during the quarter, and $2.8 billion in the form of share buybacks.
- Morgan Stanley released their Q4 results, where revenue growth was in line with expectations, and adjusted net income beat estimates. Their all-important Wealth Management segment beat on all estimates, but investors were disappointed at the lower margin forecast given by management. Positively, a rebound was seen in their Investment Banking division, which also beat estimates. The company has been consistently returning excess capital to shareholders which we believe will continue under the recently appointed CEO Ted Pick.
- Procter and Gamble released Q2 earnings during the month, where they slightly missed on revenue estimates but beat on adjusted net income, topping analyst projections. Management narrowed their full-year forecast estimates where revenue growth of 2-4% was maintained and adjusted net income growth was adjusted upwards from 6-9% to 8-9%. The company returned $2.3 billion to shareholders in the form of dividends and $1 billion of share repurchases.

We initiated positions in Starbucks and United Health during the month. Both these companies meet the Product's total yield requirement, and we believe that they present an attractive investment opportunity considering their current valuation levels and underlying fundamentals. United Health is a leading health insurer in the US, where the excessive healthcare system pricing has created high demand for affordable healthcare. Starbucks is a multinational premium coffee brand that dominates the global market in terms of market share and brand affinity.

Murray Stewart
Head of Structured Products

Chris Brownlee
Research Analyst

DISCLAIMER

This AMC is issued by Standard Bank. As a result investors in this product are exposed to Standard Bank credit risk.

Source for all data is Bloomberg Finance L.P. All performance is presented net of fees.

Periods greater than 1 year reflect an annualised performance figure (see regulatory statement for definition).

Performance is based on daily recurring investment. No income distributions are made – all investment income is re-invested.

Performance is based on monthly closing NAV figures.

Past performance is not indicative of future performance.

Actual annual figures are available upon request.

WHY IS THIS PRODUCT IN CATEGORY 4?

- It is based on historical data and thus may not be a reliable indication of the future risk profile of the Product.
- The indicated risk category is not guaranteed to remain unchanged and may shift over time.
- The indicator is designed to help investors understand the uncertainties both for loss and for growth that may affect their investment. In this context, the lowest category does not mean a “risk free” investment.
- The Product is classified in this category indicated above due to the past behavior of its target asset mix.
- The Product does not provide its investors with any guarantee on performance, nor on the monies invested in it.

In addition to the risk captured by the indicator, the overall Product value may be considerably affected by:

Currency Risk – the Product may be exposed to currency risk in relation to the valuation of assets held in currencies other than ZAR.

Market Risk – the Product invests in shares of companies, and the value of these shares can be negatively affected by changes in the company or its industry or the economy in which it operates.

Additionally, the Product’s fixed income investments may be exposed to the following risks:

Credit Risk – the risk that a borrower will not honour its obligations and this will result in losses for the investor.

Liquidity Risk – the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss.

Interest Rate Risk – the Product will, when valuations warrant, buy assets with long maturity dates. In the event of rising interest rates the purchase of these assets can result in capital losses.

PRODUCT ADVISOR
HIGH STREET ASSET MANAGEMENT (PTY) LTD

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DISCLOSURE ON PRICING PLACING DOCUMENT OR PRICING SUPPLEMENT

The placing document or pricing supplement includes the detailed information pertaining to this AMC and investors must ensure that the factsheet is read in conjunction with the placing document or pricing supplement.