INVESTOR REPORT

HIGH STREET OFFSHORE YIELDING PRODUCT

ACTIVELY MANAGED CERTIFICATE AS OF 31 OCTOBER 2024 - ISSUED 11 NOVEMBER 2024

HS HIGH STREET GLOBAL YIELD

Standard Bank

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.

MODERATE TO AGGRESSIVE **RISK PROFILE**

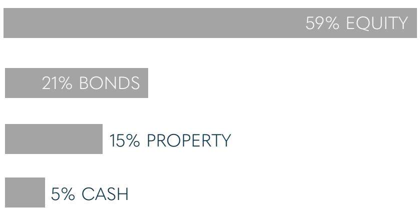
Dividend Yield		Stock Repurchases		Total Yield
2%+	+	**2%+**	=	**4%+**

ANNUALISED RETURNS (NET OF FEES)		
	HIGH STREET	BENCHMARK
Since inception (CAGR)	9.35%	12.13%
5 years	N/A	N/A
3 years	N/A	N/A
1 year	16.65%	20.34%
Highest rolling 1-year return	26.47%	25.13%
Lowest rolling 1-year return	6.91%	9.27%
CUMULATIVE PERFORMANCE		
3 Months	-1.36%	-0.64%

TOP 10 HOLDINGS

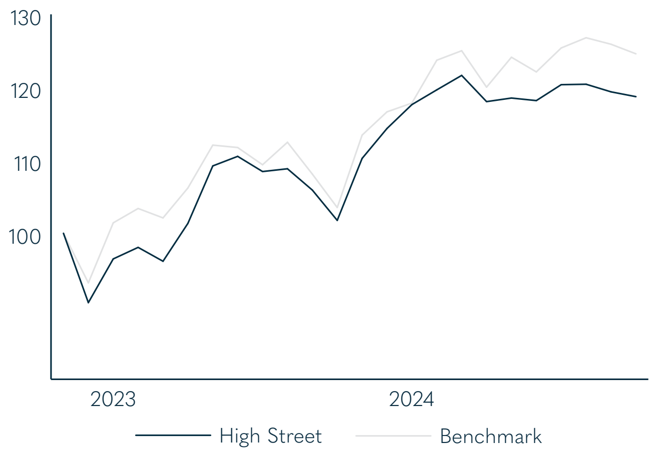
- AbbVie
- Alphabet
- Apple
- iShares 5-10 Year Investment Grade Corporate Bond ETF
- Merck & Co.
- Microsoft
- S&P Global
- Sirius Real Estate
- UnitedHealth
- Visa

ASSET ALLOCATION



TOP 3 CURRENCY ALLOCATION

ILLUSTRATIVE PERFORMANCE (NET OF FEES)*



Source: Standard Bank, 31/10/2024
Benchmark: 60% Equity (MSCI ACWI Index ZAR), 20% Property (EPRA/NAREIT Developed Index ZAR), 15% Bonds (Bloomberg Global Aggregate 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
23,455

Note Price (NAV) at Month End
R1 187.23

Product NAV
R27 846 480

Fees
TER: 1.1%

Minimum Investment
R1 187.23

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	13.87%	14.08%
Sharpe Ratio	0.38	0.57
Sortino Ratio	0.60	1.00
Maximum Drawdown	-9.50%	-7.95%
Time to Recover (months)	5	3
Positive Months	61%	57%
Tracking Error	5.68%	-
Information Ratio	-0.49	-

QUARTERLY COMMENTARY AS AT 30 SEPTEMBER 2024

The Product achieved a total return of +1.0%, while the Rand rose by 5.4% during the quarter. On September 18th, the US Federal Reserve (the Fed) made a significant move by cutting its key interest rate by 50 basis points, a larger reduction than usual. Fed Chair Jerome Powell indicated that this decision reflects policymakers' commitment to maintaining low unemployment as inflation continues to ease. Looking ahead, investors anticipate an additional 50 basis point rate cut from the Fed later this year, with the labour market expected to be a crucial indicator.

The quarter experienced several bouts of market volatility due to weaker US economic data, a rate hike from the Bank of Japan - the first in 17 years - and thin summer liquidity. These factors triggered a sharp selloff, with the S&P 500 declining by 3% on August 5th, a loss that has since been recovered with the index having recently hit all-time highs. The quarter concluded with a significant upswing in Chinese equities following the announcement of new stimulus measures aimed at supporting the Chinese economy and its markets.

In terms of our equity holdings, the top performers for the quarter were Lowe's, Philip Morris, and AbbVie. Lowe's, the American home improvement retailer, reported its second quarter results on August 20th. The company faced macroeconomic pressures and lower-than-expected DIY sales, prompting management to revise their full-year sales guidance from $84–$85 billion down to $82.7–$83.2 billion. Despite these challenges, Lowe's repurchased approximately 4.4 million shares and distributed $629 million in dividends, resulting in a forward total yield of 4%. The market appeared to have already priced in the negative news, as the combination of share price appreciation and dividends yielded a total return of 23.5% for the quarter.

Philip Morris maintained its strong momentum this quarter, with revenue increasing by 5.6% year-over-year, driven by positive trends in both volume and pricing. Sales of the company's heated tobacco units rose by 13.1%, while nicotine pouch sales surged by 50.6%, underscoring its solid position in non-cigarette markets. Currently, smoke-free products account for 38% of total revenues, compared to 62% from traditional combustible tobacco. This impressive performance resulted in a total return of 21.1% for the quarter, alongside a forward total yield of 4.5%.

AbbVie also delivered strong performance this quarter, reporting a 4.3% increase in revenues on a reported basis. This growth was accompanied by management raising their diluted EPS guidance for the full year from $10.61–$10.81 to $10.71–$10.91. Investors were particularly focused on the company's immunology drugs, Skyrizi and Rinvoq, which saw impressive year-over-year growth of 45% and 56%, respectively, surpassing expectations. This robust performance resulted in a total return of 16.2% for the quarter, with a forward total yield currently at 16.2%.

In our property holdings, both Dream Industrial Real Estate, a Toronto listed real estate investment trust (REIT) with a portfolio of industrial assets across North America and Europe, and LEG Immobilien, focused on the German residential property market, reported positive results for the quarter. Dream Industrial saw a 4.8% year-over-year increase in funds from operations (FFO), fuelled by a 5.6% rise in net rental income due to strong leasing activity and high occupancy levels, averaging 95.4% across its portfolio. This contributed to a total return of 15.4% (CAD) for the quarter.

Meanwhile, LEG Immobilien's management raised its earnings forecast for full-year 2024, increasing the adjusted funds from operations (AFFO) outlook from €180–€200 million to €190–€210 million, driven by strong demand for affordable housing in Germany. This solid performance resulted in a total return of 23.8% for the quarter.

Murray Stewart
Head of Structured Products

Chris Brownlee, CFA
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
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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.