



# HIGH STREET

WEALTH WARRIORS FUND

## 2024 Review

February 2025

# Fund Objective

*USD-denominated, offshore-focused investing across developed and select emerging markets*



High Street Wealth Warriors is a **global** equity fund intended to provide **long-term** capital growth using a **top-down thematic approach**.

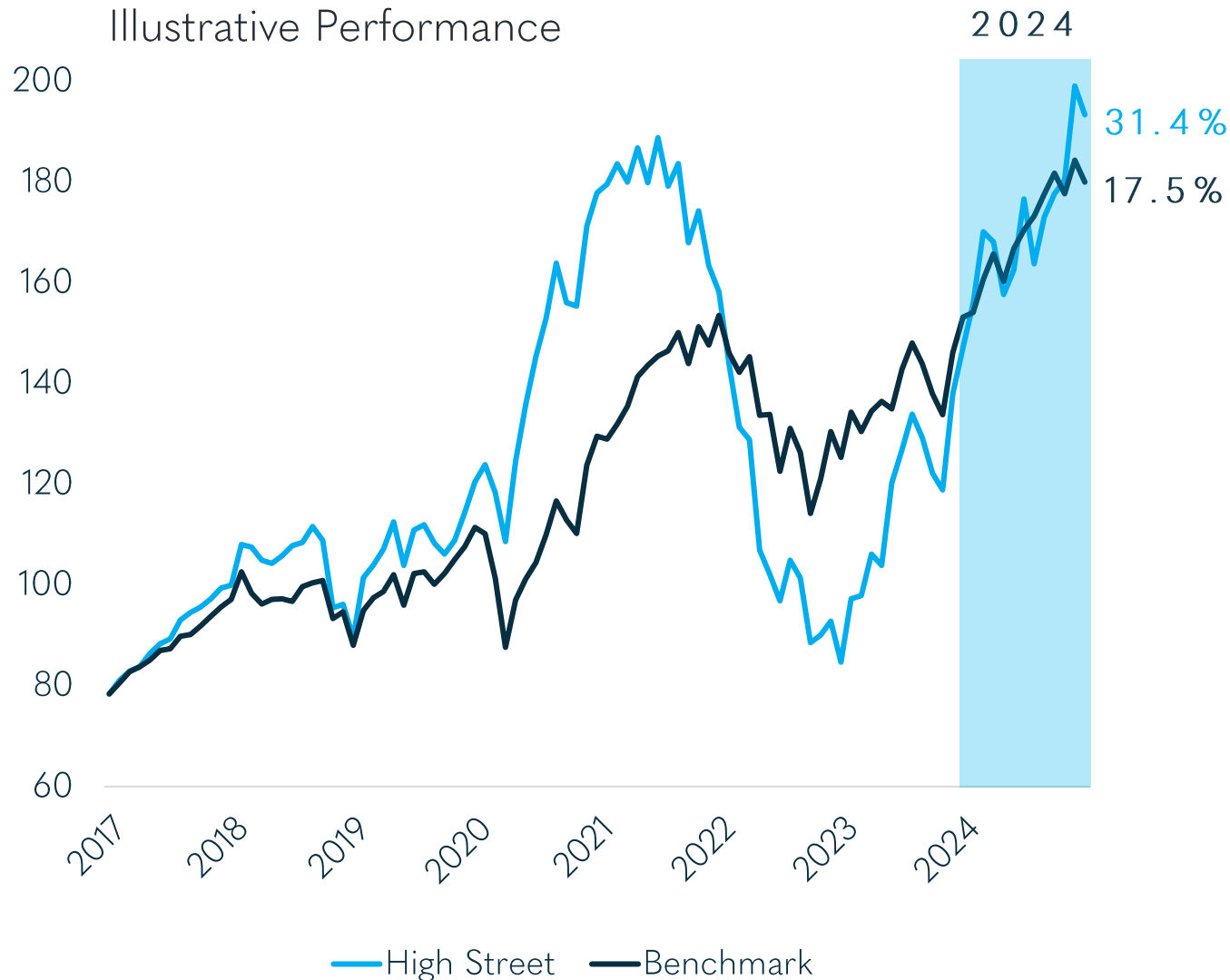


*A 5-year investment period is recommended due to the Fund's aggressive risk profile*



*Investments are identified based on their ability to advance technological innovation and change consumer behaviour*

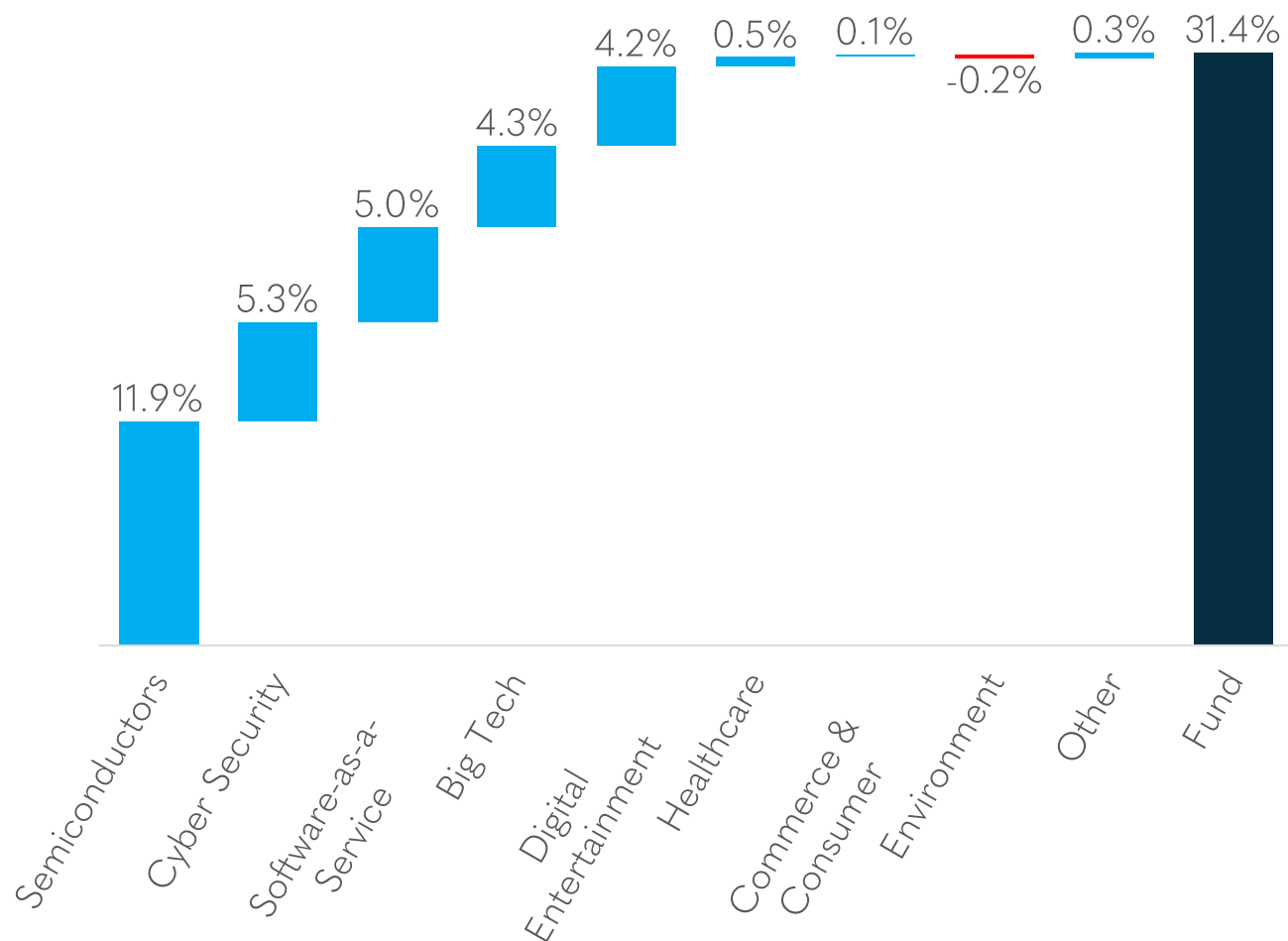
# Fund Performance Since Inception



Annualised returns (net of fees)		
	High Street	Benchmark
CAGR since inception (31/12/2016)	11.9%	10.9%
5 Years	17.1%	17.3%
3 Years	6.9%	5.4%
1 Year	31.4%	17.5%
Highest rolling 1-year return	73.8%	54.6%
Lowest rolling 1-year return	-48.7%	-20.7%

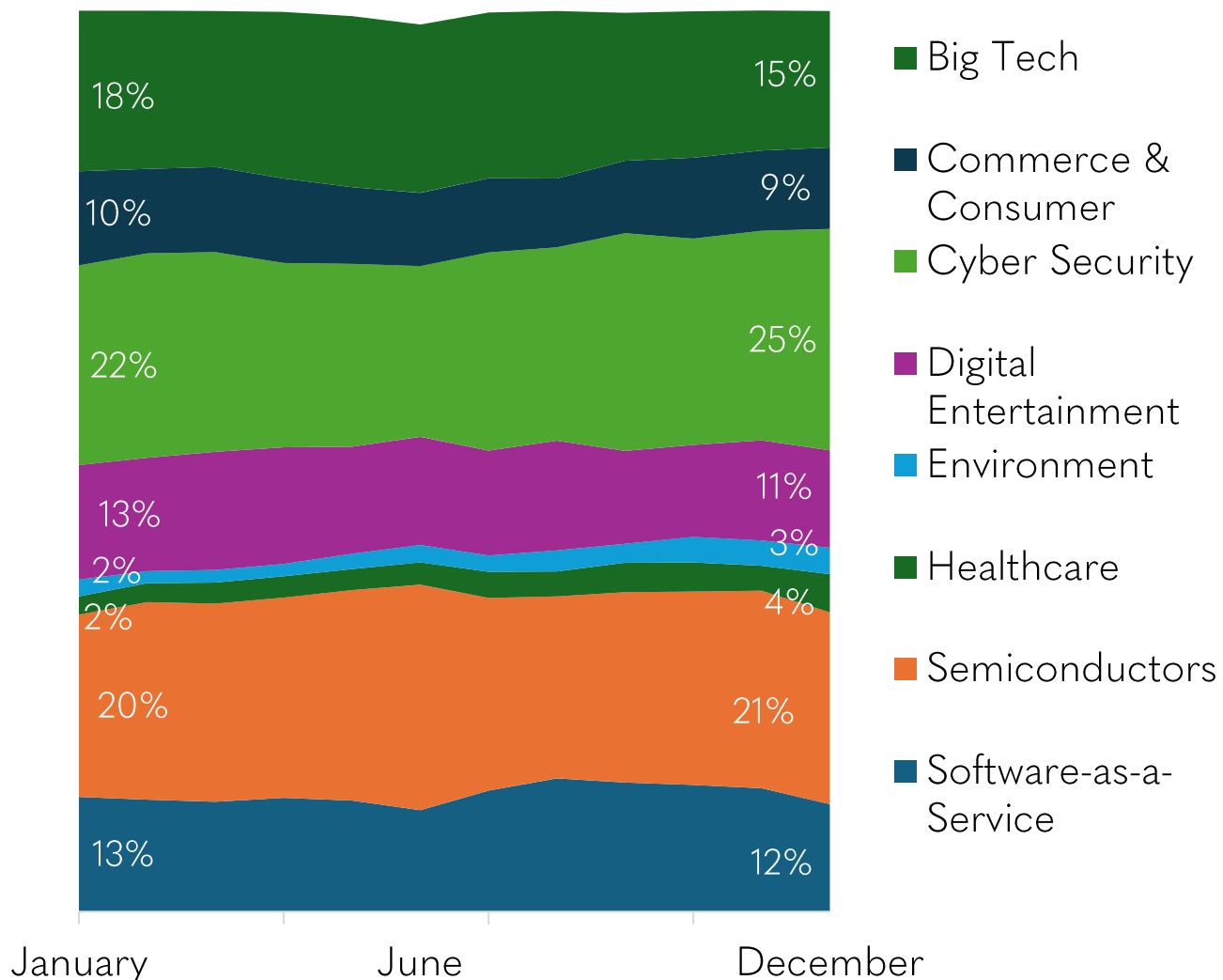
*1% alpha per year since inception*

# 2024 Fund Attribution Analysis – Top Themes Deliver



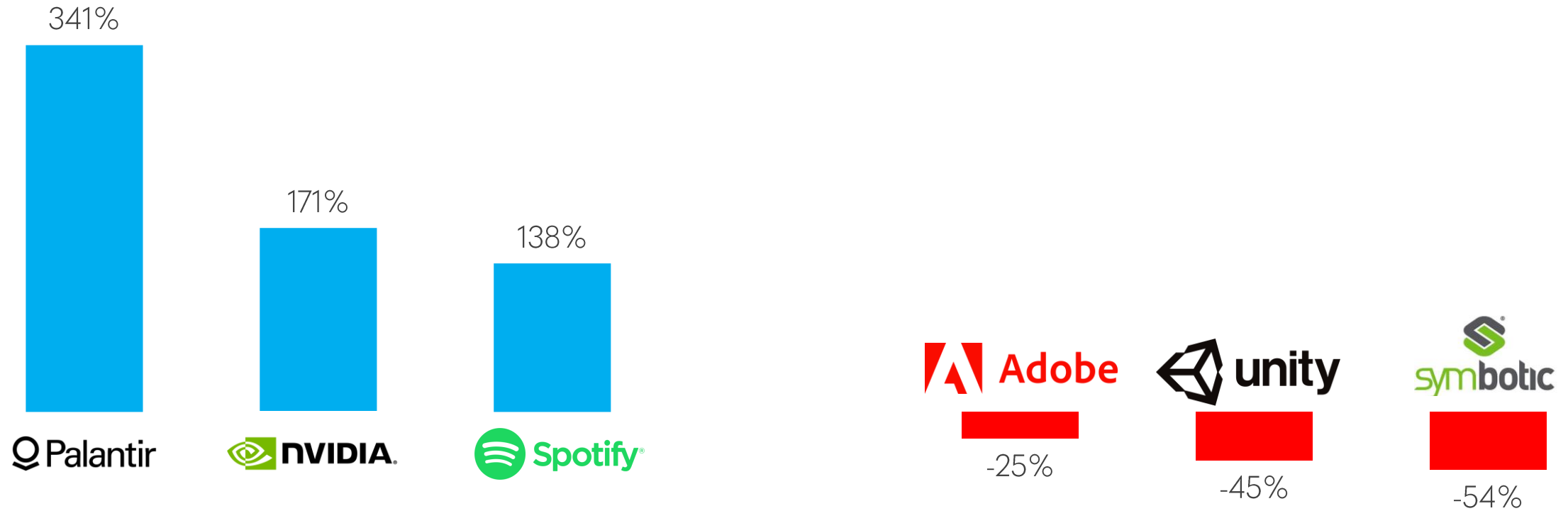
- Semiconductors surged, led by Nvidia (+171%), which was driven by strong AI investment and soaring demand for accelerated computing hardware
- Cyber Security saw broad-based gains, with Fortinet (+61%), CrowdStrike (+34%), and Cloudflare (+29%) all delivering strong performance
- Palantir (+341%) dominated in Software-as-a-Service, and was the 3rd best-performing stock in the NASDAQ-100

# 2024 Theme Allocation – Consolidation into Top Names Continued



- 7 positions were exited during the year (5 due to conviction, 1 because of regulatory risks, and 1 due to valuation concerns)
- Despite this, Theme weights remained largely consistent as top performers made outsized returns
- 2 positions were added (audio streaming leader Spotify in Digital Entertainment, and biotech disrupter Alnylam in Healthcare)

# 2024 Top & Worst Performers



- Best-performing shares generated significant outperformance in 2024

- Impact of underperforming shares was largely mitigated by smaller position sizes

# Major Additions



- Market leader in audio streaming with 675 million monthly active users, of which 260+ million are premium subscribers
- Advanced algorithmic playlists and AI-driven recommendations enhance user engagement, boosting retention and ad revenues
- Branching out into podcasts, audiobooks, and advertising to increase its monetisation potential
- After years of expansion, profitability is quickly improving through diligent cost control and renegotiated royalty deals



- Innovator in RNA interference (RNAi) technology, a cutting-edge approach that targets diseases at the genetic level
- Has a deep pipeline of potential blockbuster treatments in cardiovascular, rare diseases, and neurological disorders
- Quickly gaining market traction with multiple FDA-approved drugs (ONPATTRO, GIVLAARI, OXLUMO, AMVUTTRA)
- Collaborations with big pharma players like Regeneron, Novartis, and Roche provide additional market expansion opportunities

# Major Liquidations



- Food delivery leader that operates in over 70 countries, with a dominant position in Asia, the Middle East, and Latin America
- However, it has struggled to achieve consistent profitability, with high operational costs and continued cash burn impacting margins
- Operates in an extremely competitive space that is strictly regulated, as governments worldwide tighten legislation on gig workers
- Exited the position in April in order to increase exposure to Semiconductors



- One of the world's premier game engines for mobile, AR/VR, and indie game development, powering millions of apps and experiences
- However, frequent executive shakeups and controversial business decisions have damaged investor confidence and customer trust
- Ad-recommendation tool has faced severe challenges after ingesting bad data, impacting its monetisation ability
- Exited the position in August in order to increase exposure to Cybersecurity



# Strong Fundamentals Drive Long-term Performance

	Wealth Warriors	MSCI World Index	S&P 500 Index
Return on Capital	26.3%	5.6%	7.8%
5YR Forecast Sales Growth	17.9%	4.0%	4.7%
Net Debt/EBITDA	0.3x	1.7x	1.5x
Cash Conversion	81%	78%	75%

- Despite elevated valuations, High Street models indicate further upside from these levels
- Wealth Warriors' companies outperform the indices across all key Highway\* metrics
- Over the long term, fundamentals are the most significant driver of share price performance

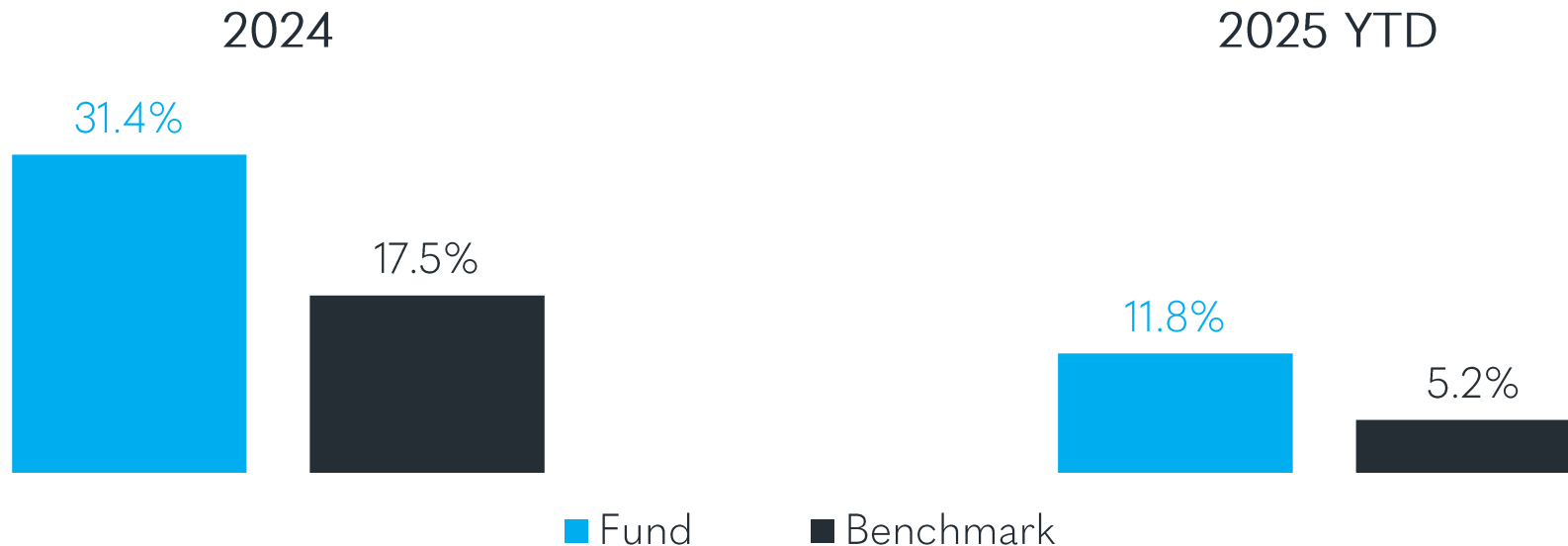
## Wealth Warriors is also Available in Rands



- The Wealth Warriors strategy is also available through an Actively Managed Certificate (AMC) with Standard Bank
- AMCs are issued by banks and are managed by a portfolio manager according to a specific mandate
- Similar to a unit trust and suitable for both professional and retail investors.
- Listed on the JSE with daily liquidity
- Trade like a share, giving easy, cost-effective access to global companies in Rands

# Summary & Outlook

- ✓ 2024 was another good year for growth equity
- ✓ Fund companies continue to show strong operational and fundamental metrics
- ✓ Despite elevated valuations, HighWay points to further upside from these levels
- ✓ The Fund remains invested in companies driving disruption and technological change
- ✓ Also available in Rands through AMC007



Benchmark: MSCI ACWI Net Total Return Index

Source: High Street, Bloomberg, 15/02/2025



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