

**FUND OBJECTIVE**

The Fund is a Collective Investment Scheme Feeder Fund which, apart from assets in liquid form, consists solely of participatory interest in the High Street Global Balanced domiciled in Ireland. The Fund invests predominantly in developed markets and targets an annual return of US Consumer Price Inflation plus 3-5%\* over any rolling three-year period. It aims to achieve this by combining growth investments that are undervalued relative to their prospects with mature, dividend-yielding securities. Actively employing downside protection strategies and investing across asset classes mitigates large drawdowns while allowing for moderate capital appreciation.

**INVESTOR SUITABILITY**

The Fund is suitable for retail and institutional investors seeking capital gains with a moderate tolerance for market drawdowns. While volatility is expected to be less than an equity-only fund, investors must be willing to endure periods of short-term downturns. An investment horizon of 3+ years is recommended.



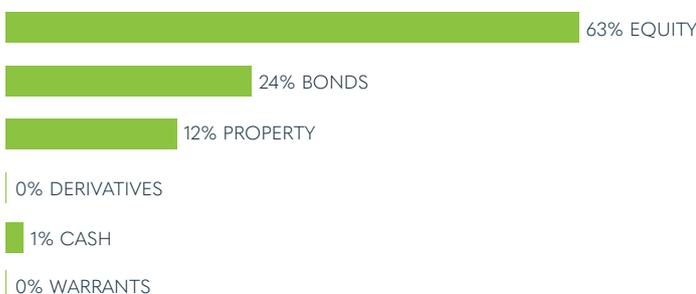
ANNUALISED RETURNS (NET OF FEES)		
	HIGH STREET	BENCHMARK
Since inception (CAGR)	18.96%	3.44%
5 years	-	-
3 years	-	-
1 year	40.71%	12.96%
Highest rolling 1-year return	40.71%	18.21%
Lowest rolling 1-year return	8.78%	1.04%

<b>DOWNSIDE MITIGATION</b>	<b>HEDGING STRATEGIES</b>	<b>DIVERSIFIED</b>	<b>RISK-ADJUSTED RETURNS</b>
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**TOP 10 HOLDINGS**

- |                   |                    |
|-------------------|--------------------|
| Alphabet          | Meta Platforms     |
| Amazon            | Microsoft          |
| Dream Industrial  | Nvidia             |
| Heineken Holdings | Sirius Real Estate |
| LEG Immobilien    | Visa               |

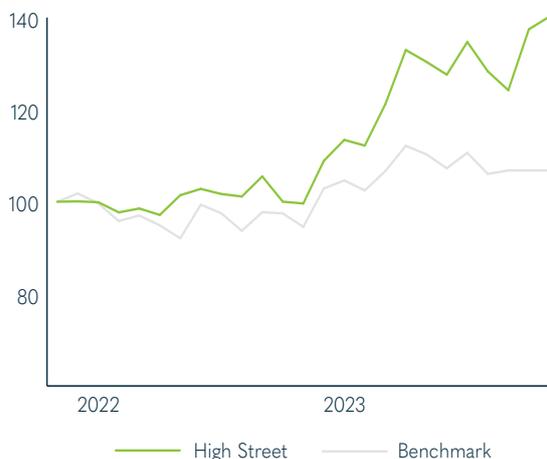
**ASSET ALLOCATION**



**CURRENCY ALLOCATION**

USD	GBP	CAD	EUR	CHF	ZAR
75%	7%	7%	8%	2%	1%

**ILLUSTRATIVE PERFORMANCE (NET OF FEES)\***



Benchmark: 1/3 Equity (MSCI ACWI Index), 1/3 Property (EPRA/NAREIT Developed Index), 1/3 Bonds (Barclays Global Index)  
 Source: Bloomberg, 31/12/2023

**FUND DETAILS**

<b>Discretionary Fund Manager</b> High Street Asset Management (Pty) Ltd (FSP No: 45210)	<b>Regulator</b> Financial Sector Conduct Authority (FSCA)	<b>Fund Size</b> R54m	<b>Minimum Investment</b> Lump Sum: R10,000 Monthly: R500
<b>Fund Administrator</b> Prescient Management Company (RF) (Pty) Limited	<b>Fund Classification</b> Global – MultiAsset – Flexible	<b>Unit Price (ZAR Cents)</b> 128.31	<b>Redemption Frequency</b> Daily
<b>Depository</b> Nedbank Investor Services	<b>Base Currency</b> ZAR	<b>Number of Units Issued</b> 35,022,905	<b>Annual Income Distribution</b> None
<b>Auditor</b> Ernst & Young Inc.	<b>Inception Date of Fund</b> 20 January 2022	<b>TER (VAT Incl.)</b> 2.30%	<b>Recommended Time Horizon</b> 3+ years

\*This figure is net of fees. Investors must be aware that tax implications may impact the return figure. 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 (VAT INCL.) AS OF 30 JUNE 2023

## Initial/Exit Fee

None

## Annual Management Fee

0.29%

## Performance Fee

None

## Other Fees

0.57%

## Total Expense Ratio (TER)

2.30%

## Transaction Costs (TC)

-

## Total Investment Charge (TIC)

2.30%

RISK METRICS		
	HIGH STREET	BENCHMARK
Annualised Std. Deviation	16.49%	13.03%
Sharpe Ratio	0.95	0.01
Downside Sortino Ratio	3.4	0.02
Maximum Drawdown	-5.57%	-7.60%
Time to Recover (months)	1	1
Positive Months	67%	44%
Tracking Error	11.64%	-
Information Ratio	1.33	-

## FUND COMMENTARY

The Fund returned 5.39% for the month of December relative to a benchmark of 6.13% with constituents as follows:

- Equities (MSCI All Country World Total Return Index) ↑4.80%
- Corporate Bonds (Bloomberg Barclays Global Bond Total Return Index) ↑4.16%
- Property (FTSE EPRA/NAREIT Developed Total Return Index) ↑9.46%

As the market closed the year on a bullish note, with all major asset classes finishing with positive momentum, we reflect on what was a strong year for the Fund, reporting a stellar performance of 31.9%. Investors witnessed a significant turnaround, marking a substantial recovery from the challenging conditions of 2022. The year unfolded against the backdrop of inflation and the combative Federal Reserve's restrictive monetary policy. Despite concerns about rising unemployment and a looming economic recession, the Fed persisted in raising interest rates. As the year advanced, attention expanded to include a range of other consequential events: political disputes regarding the debt ceiling and potential government shutdown, the collapse of several banks, labour strikes and instability in the Middle East added complexity to an already dynamic landscape. Amidst these challenges, the financial markets demonstrated resilience and strength, evidenced by the S&P 500 and the tech heavy Nasdaq 100 delivering robust performances with year-to-date total returns of 26.6% and an impressive 55.13%, respectively.

Advancements in transformative technologies, notably Artificial Intelligence, continue to shape and redefine various aspects of our world and were a significant reason for the positive showing of the group of mega-cap stocks known as the 'Magnificent Seven' whose performance drove the S&P 500 for the year. Within the 'Magnificent Seven' Meta and Nvidia stood out as the top-performing companies, and both have justified their positions within the Fund's portfolio:

- Meta recovered from a tumultuous 2022, validating Mark Zuckerberg's substantial cost-cutting in what he termed "The Year of Efficiency" returning 194% in 2023, the second-best showing out of the S&P 500. The focus was on reshaping Meta into a more streamlined and agile organization. Amidst this strategic shift, Meta's Facebook platform witnessed a rebound in its daily active users, surpassing the 2-billion mark. Meta credited this resurgence to its AI discovery engine and the introduction of Reels. Meta also introduced Threads, a potential competitor to X (formerly Twitter), though it launched with mixed reviews. Adding to these factors was a resurgence in digital advertising and while the company remains committed to investing heavily in the Metaverse, there is a notable refocus on addressing current priorities and needs within the business.
- In 2023, Nvidia solidified its sector leadership in the chip market. The company's stock surged by an impressive 237%, making it the top performer in the S&P 500. This remarkable growth is largely attributed to Nvidia's crucial role in powering Artificial Intelligence, addressing the escalating demand for processing power needed to handle the vast amounts of complex data. As AI continues to permeate various industries, Nvidia's stronghold in this domain positions them favourably. Looking forward to 2024, sustaining this momentum appears highly achievable for Nvidia.

The Fund's property holdings LEG Immobilien, Dream Industrial, and Sirius Real estate all beat the benchmark index for the year, returning 30.3%, 25.6% and 35.0% respectively, displaying resilience against the challenging macro environment. As we look towards 2024 and the expected rate cuts by the Fed, this asset class has the potential for further growth as property valuations recover.

Throughout the year, we strategically increased the fixed income exposure of the Fund from 17% to 24%, capitalizing on the attractively elevated yields available. Simultaneously, we extended the duration of the Fund, positioning it for greater capital appreciation in the event of a decrease in interest rates. In October, the yield on 10-year Treasuries peaked at 5% but gradually decreased, settling at 3.9% by year-end. This volatility in bond yields presented opportunities to enter new positions at attractive prices. As the year progressed, factors such as softening inflation, slowing labor growth, and expectations of declining interest rates contributed to the upward trajectory of bond values in the latter part of 2023.

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**FUND COMMENTARY**

In 2024, the financial markets could be influenced by various key themes. The Federal Reserve's monetary policy will be pivotal, as its effectiveness in guiding the economy away from recession and achieving a smooth landing hinges on well-timed rate cuts. The impending US presidential election introduces an element of uncertainty, as potential policy changes and their impact on certain industries through proposed regulations come into play. Amidst these factors, continuing trends from 2023, such as the prominence of AI and the focus on efficiency, will remain instrumental in shaping the performance of many companies. High Street will persist in its emphasis on assessing companies through fundamental criteria, such as sustainable revenue growth, industry-leading margins, and effective management.



**Mike Patchitt**  
Fund Manager



**Chris Brownlee**  
Research Analyst

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**DISCLAIMER**

The fund has adhered to its policy objective. Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase-in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER. The Manager retains full legal responsibility for any third-party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. For any additional information such as fund prices, brochures and application forms please go to [www.prescient.co.za](http://www.prescient.co.za)

**FUND SPECIFIC RISKS**

**Default risk:** The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

**Developing Market (excluding SA) risk:** Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

**Foreign Investment risk:** Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations.

**Interest rate risk:** The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.

**Property risk:** Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

**Currency exchange risk:** Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

**Geographic / Sector risk:** For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

**Liquidity risk:** If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected.

**Equity investment risk:** Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

**COMPOSITE BENCHMARK**

1/3 MSCI ACWI Net Total Return Index  
1/3 Barclays Global Bond Total Return Index  
1/3 EPRA/NAREIT Developed Net Total Return Index

**MANAGEMENT COMPANY****PRESCIENT MANAGEMENT COMPANY (RF) (PTY) LTD**

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The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

**TRUSTEE / DEPOSITARY****Nedbank Investor Services**

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**INVESTMENT MANAGER****HIGH STREET ASSET MANAGEMENT (PTY) LTD**

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High Street Asset Management (Pty) Ltd, registration number 2013/124971/07, a Financial Services Provider (FSP 45210) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), is authorized to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision.

**GLOSSARY SUMMARY**

**Annualised performance:** Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

**Highest & Lowest return:** The highest and lowest returns for any 1 year over the period since inception have been shown.

**NAV:** The net asset value represents the assets of a Fund less its liabilities.

**Feeder Fund:** A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges, and which could result in a higher fee structure for the feeder fund

**WHY IS THIS FUND IN CATEGORY 4?**

The Fund is rated as 4 due to exposure to shares and stocks, and the nature of its investments which include the risks previously listed. The price of shares and the income from them may fall as well as rise and investors may not get back the amount they have invested. As the investments of the Fund are in various currencies and the Fund is denominated in South African Rands your shares may be subject to currency risk.

**WHAT DO THESE NUMBERS MEAN?**

They rate how a fund might behave and how much risk there is to your capital. Generally, the chance to make large gains means a risk of suffering large losses. A **Category 1** fund is not a risk-free investment - the risk of losing your money is small, but the chance of making gains is also limited. With a **Category 7** fund, the risk of losing your money is high but there is also a chance of making higher gains. The seven-category scale is complex (for example, 2 is not twice as risky as 1). For a more detailed explanation of risks, please refer to the "Risk Factors" section of the prospectus.

**GENERAL**

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