

VOLATILITY MEASURES TURBULENCE, BUT DOES IT IMPLY RISK?

ROSS BECKLEY, CFA
CIO



HIGH STREET
ASSET MANAGEMENT

1

SEPARATING BUSINESS RISK FROM VOLATILITY

2

NAVIGATING SHORT-TERM VOLATILITY TO MEET
YOUR LONG-TERM OBJECTIVES

3

THE OVERLOOKED BENEFITS OF USING
DIFFERENTIATED FUNDS TO REDUCE RISK

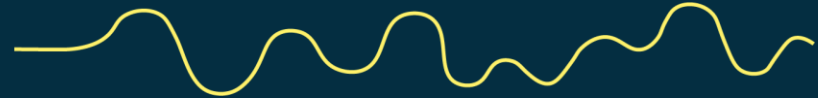
HOW DO YOU PERCEIVE RISK?

THE INDUSTRY SUGGESTS VOLATILITY & RISK ARE SYNONYMOUS
– BUT ARE THEY?

A



B



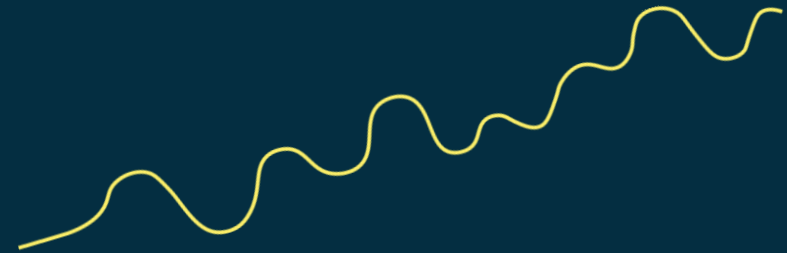
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"This great emphasis on volatility in corporate finance we regard as nonsense."

Charlie Munger



HOW WE PERCEIVE RISK

COMPANY #1

1,014%

109%

+1%

FUNDAMENTALS

5YR REVENUE GROWTH

RETURN ON INVESTED CAPITAL

NET CASH (DEBT) / MARKET CAP

COMPANY #2

2%

7%

-93%

HOW WE PERCEIVE RISK

COMPANY #1

FREE CASH FLOW PER SHARE



50%

SHARE PRICE VOLATILITY
(OVER 5 YEARS)

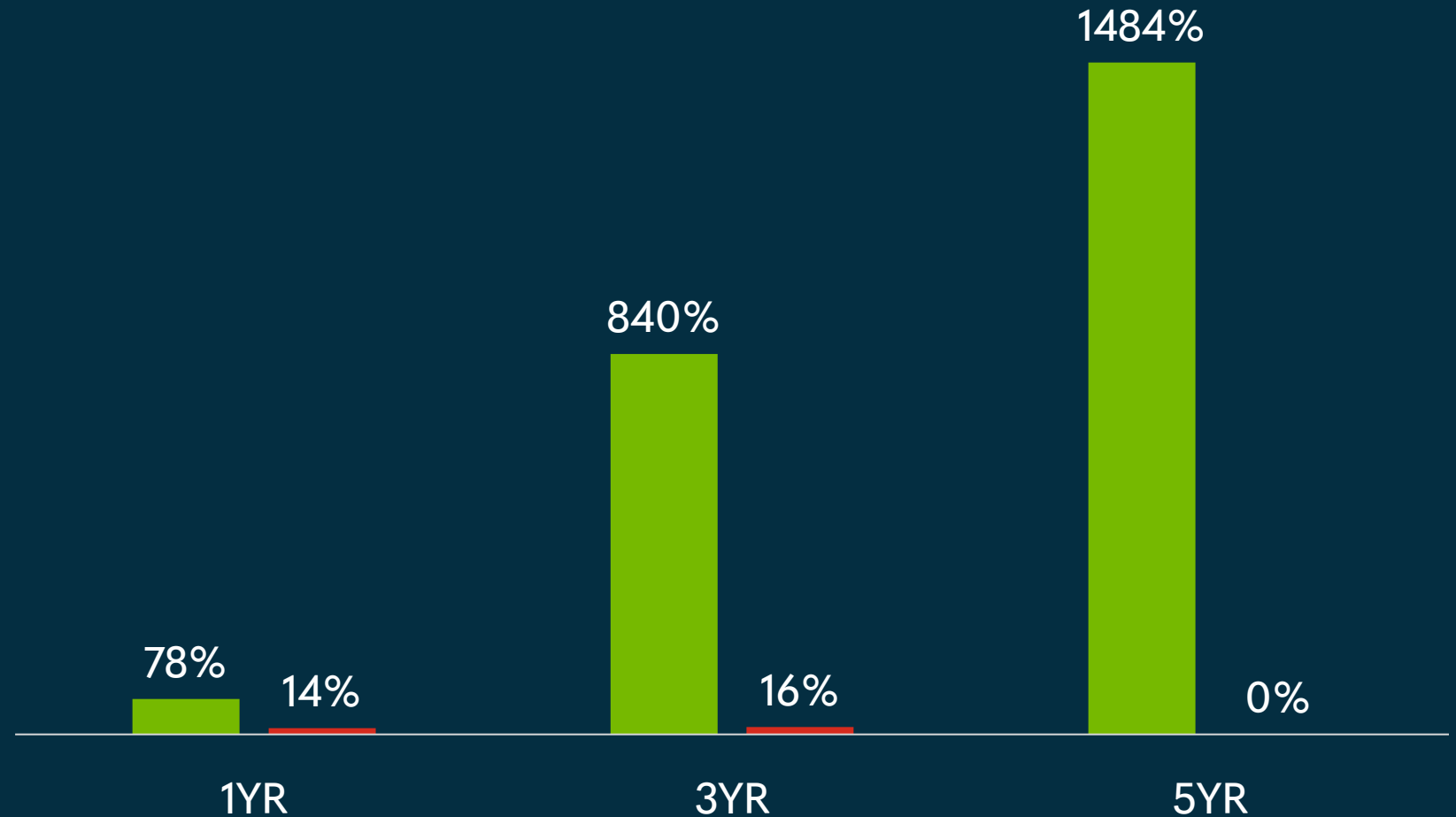
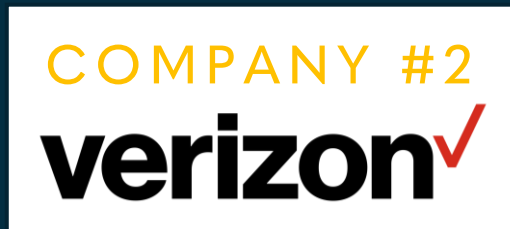
COMPANY #2



19%

HOW WE PERCEIVE RISK

SHARE PRICE PERFORMANCE



1

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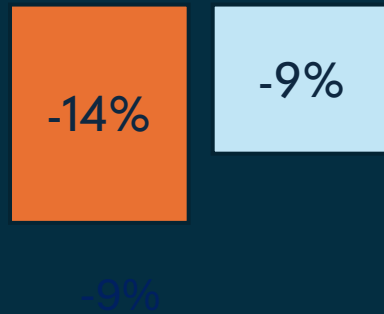
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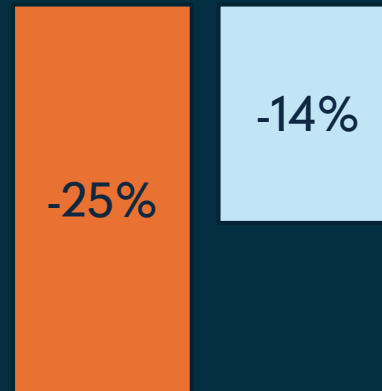
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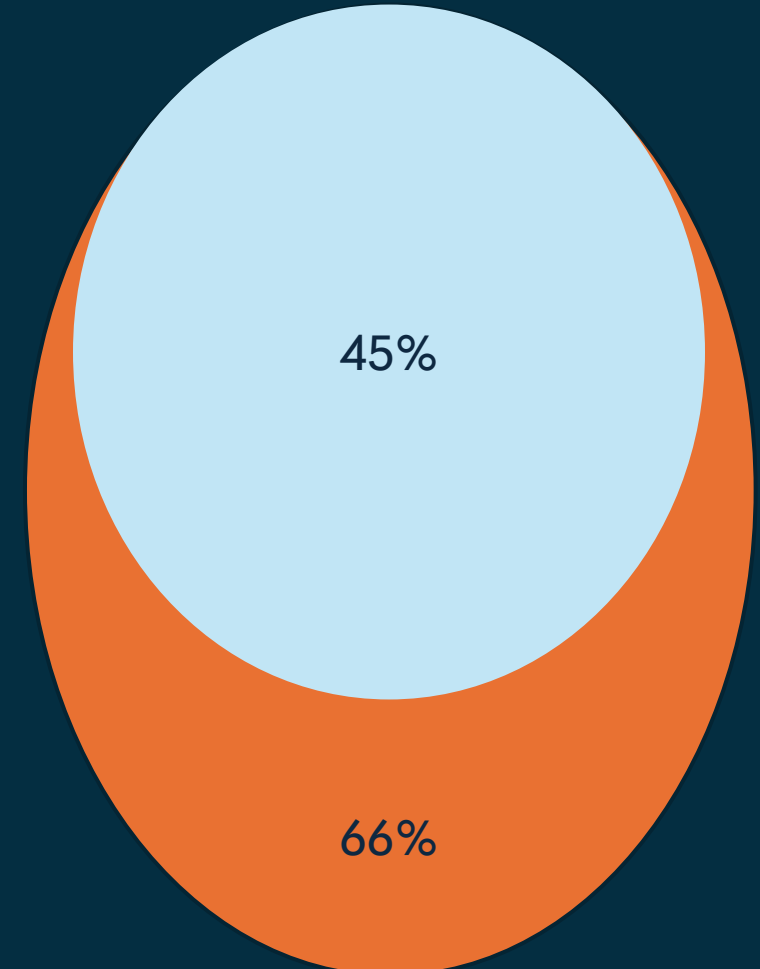
VOLATILITY



MAX DRAWDOWN



TARGET RETURN SUCCESS RATE



HIGH STREET BALANCED PRESCIENT FUND

BENCHMARK: ASISA SA – MULTI ASSET - HIGH EQUITY

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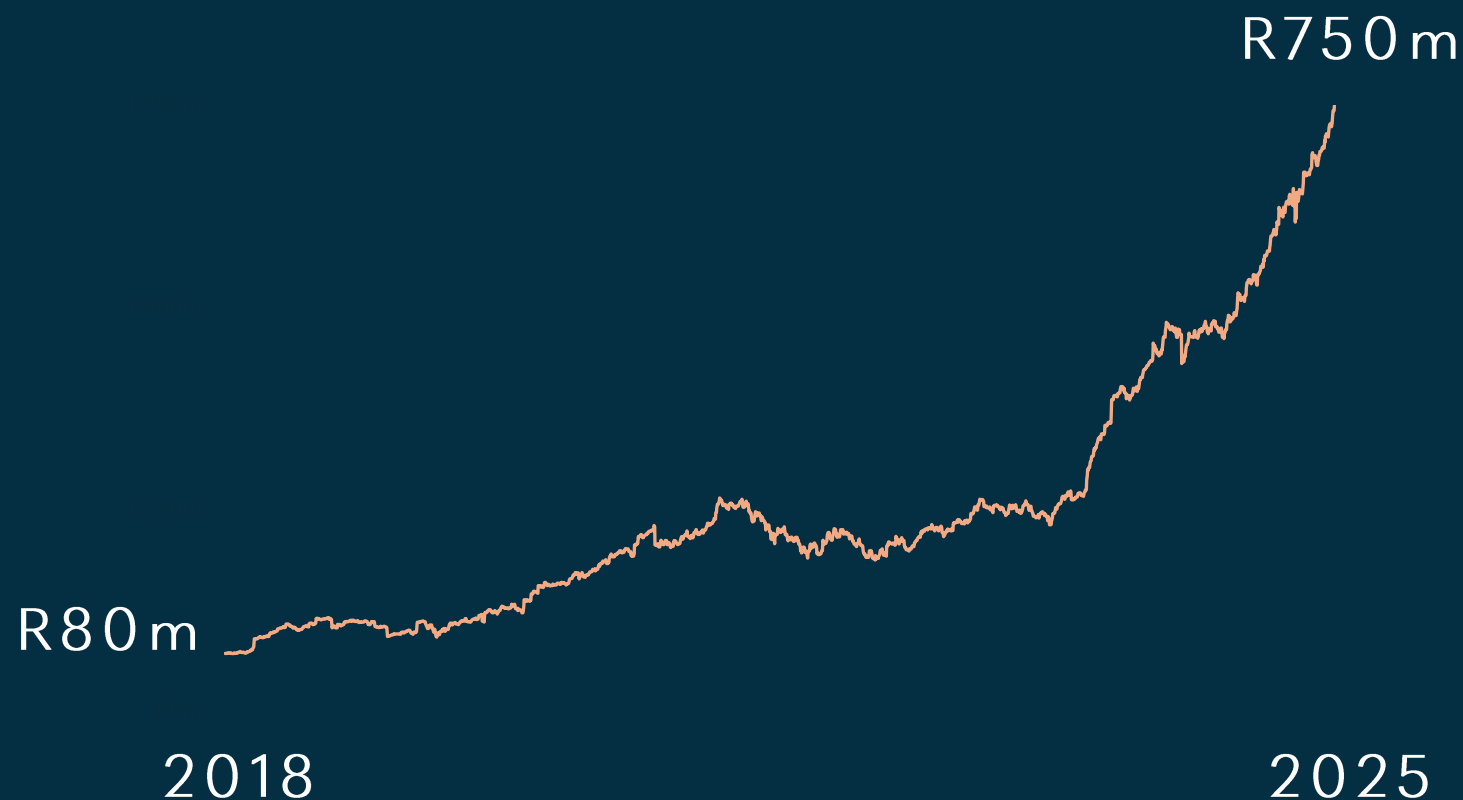
OVERLOOKED BENEFITS OF USING DIFFERENTIATED FUNDS TO REDUCE RISK

| KEY METRICS | PEER AVERAGE | PORTFOLIO OF 4 LARGEST FUNDS | PORTFOLIO OF 4 LARGEST FUNDS WITH 20% HS ALLOCATION* |
|-----------------------|--------------|------------------------------|--|
| Annual Return | 10.4% | 11.4% | 12.2% |
| Volatility | 9.0% | 9.3% | 9.6% |
| Lowest Monthly Return | -10.1% | -9.1% | -8.0% |
| Lowest Annual Return | -10.4% | -9.5% | -7.6% |
| Max Drawdown | -14.2% | -13.4% | -12.3% |
| Sharpe Ratio | 0.43 | 0.53 | 0.59 |

*HIGH STREET BALANCED PRESCIENT FUND

A REGULATION 28-COMPLIANT FUND WITH A COMPELLING TRACK RECORD

HIGH STREET BALANCED PRESCIENT FUND
FUND SIZE (SINCE INCEPTION)



PROPOSITION

90%+ O/S & Rand-hedge
Reg. 28 compliant

DIVERSIFICATION

Uncorrelated to typical
retirement products

PERFORMANCE:

15.17% (ANNUALISED)

4.8% alpha generated per
annum since inception

AVAILABILITY

On most major platforms

LET US BUILD
YOUR PORTFOLIO



Global Solutions for
SA Retirement
Planners



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