

The Hundred *Times*

APRIL 2025

EDITION 7



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A Warm Welcome from *Jacques Conradie*, our CEO and Portfolio Manager

Welcome to the seventh edition of *The Hundred Times*, Peregrine Capital's bi-annual newsletter.

This edition shares insights into our business and funds, reaffirming why hedge funds remain integral to a growing and diversified investment portfolio.

We reflect on the first quarter of 2025, building on our review of 2024 in our **Annual Investor Letter** shared in February this year.

Follow us on **LinkedIn**, where we regularly share updates on our efforts to deliver our purpose of creating wealth for our clients.

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Peregrine Capital's *Quarterly Review*

Discover the market dynamics impacting our funds' performance during the first quarter of 2025, as discussed by Justin Cousins, portfolio manager at Peregrine Capital.



Quarterly Performance

The Peregrine Capital High Growth H4 QI Fund delivered a net return of **0.07% for the first quarter of 2025**. The Peregrine Capital Pure Hedge H4 QI Fund delivered a net return of **1.40%**. This compares with the JSE Capped Swix All Share Index, which gained **5.85%**.

Attribution

Companies in the mining, payments, and e-commerce sectors drove the majority of the positive fund performance, while exposure to industrials, property, and technology sectors detracted from performance in the quarter. Geographically, there was a significant dispersion between China's performance, which outperformed, and the USA's, which came under pressure.

Macro

The local equity market performed strongly during the quarter, mainly driven by a significant rally of 35% in the resource sector, a significant under-performer in the final quarter of 2024. The likes of Prosus and Richemont, significant components of the index, also contributed strongly to market returns, while the performance of the banking, industrial and retail sectors was more muted. Investors continue to prophesy about the longevity of the GNU given a seemingly intractable impasse on the budget, which may prove to be a deal breaker in the fullness of time. But despite these meaningful risks, local bonds and the Rand have been remarkably stable throughout the period.

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Internationally, unloved equity markets in Europe and China performed extremely well in the quarter, while much of the previous optimism about the USA waned rapidly on the back of government spending cuts and the prospect of US tariffs. The European rally was mainly valuation-driven. At the same time, the Chinese government continues to stimulate that market with a host of fiscal and monetary tools designed to kick-start an otherwise lacklustre economy. In the USA, the Trump administration appears hellbent on restructuring the US economy by balancing the budget, reducing the long-term cost of borrowing, and resetting global trade rules to drive sustainable and higher economic growth. While it is difficult to forecast how this grand experiment will play out, we are hopeful that the administration will remain pragmatic in its approach toward the management of the world's largest and arguably most important economy.



Portfolio Construction

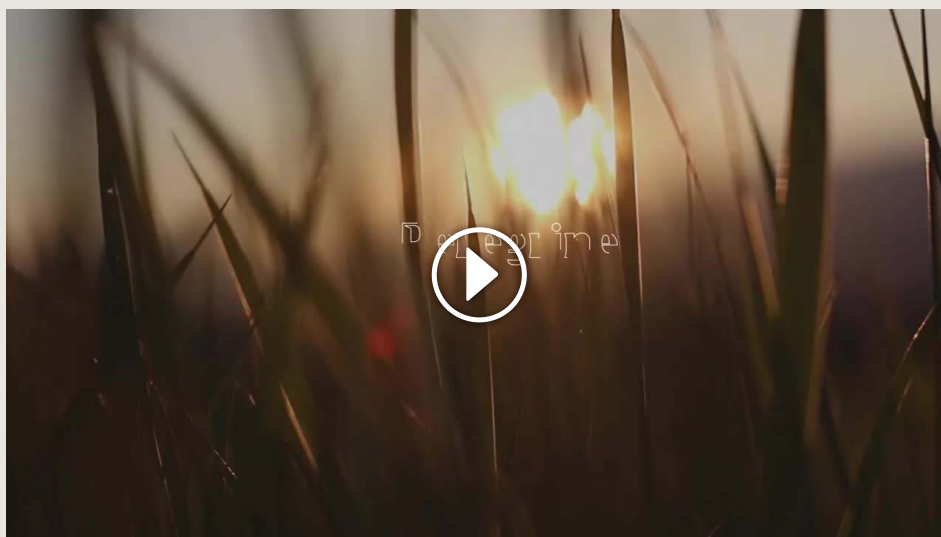
At the end of the quarter, net exposure to equities and real estate remained relatively stable compared to last quarter. While portfolio net exposures have remained relatively similar to last quarter, the composition of the underlying investments has changed meaningfully. At the outset of the decline in the US market, we purchased portfolio insurance in the form of index put options that provide downside protection in the event of a protracted bear market. While limiting downside risks associated with existing US exposure, option insurance also provides the confidence to deploy capital into US opportunities with more conviction as the risk-reward equation becomes more favourable. We purchased select US technology names where valuations are now far more compelling, but meaningfully reduced exposure to companies in the Chinese technology space as prospective returns reduced. We increased exposure to South African retailers, banks and insurers in light of more constructive outlooks and attractive valuations.

Outlook

The volatility we anticipated at the end of last year arrived with a bang in the first quarter of 2025. Geopolitical uncertainties around US tariffs, chip restrictions, and ongoing wars in the Middle East and Ukraine continue to stoke inflation fears. Advancements in AI continue to exceed our expectations and are likely to have a profound impact on how companies operate going forward. We remain focused on identifying stock-specific opportunities that offer attractive risk-reward prospects while concurrently prioritising downside protection. Our exposure is now more biased to opportunities in the US and South Africa, rather than Europe and China. Our team remains excited about the opportunities and challenges ahead, and endeavour to continue compounding investor capital at the best possible rate, employing the same tried and tested methods we have used for 26 years.

Navigating Tariff Risks in Global Markets

Following the recent announcement of US tariffs on South Africa, Justin Cousins shares insights on how Peregrine Capital proactively manages risk and market volatility. In this short video, he explains our strategic approach using hedge fund methodologies to safeguard and grow your investments amidst global uncertainty. He provides context about how the team managed the past few volatile weeks and how the funds have performed until 15 April 2025.



Why Hedge Funds Should be Part *of your Investment Portfolio*



Keynote at *Peregrine Capital's Annual Investor Day*

Jacques Conradie opened our annual 2025 Investor Day with a presentation summarising our 2024 hedge funds' performance and investment strategy for 2025.

In case you missed it, click below to view the video and presentation.

[WATCH HERE](#)



Outlook 2024: *Hedge Funds Panel*

Join the industry discussion hosted by Joanne Baynham and Justin Cousins on Asset TV held earlier this year on the outlook of Hedge Funds in 2025.

[WATCH HERE](#)



Why Diversification...

Kavita Patel, an Investment Specialist, wrote an article published in Moneyweb in April on how Hedge funds are used as a crucial tool for smart investors seeking consistent returns and protection in volatile markets. With advanced strategies and robust risk management, they offer diversification beyond traditional assets.

Read more to future-proof your investment portfolios in uncertain times.

[READ MORE](#)



Hedge Funds 101

Unlock hedge funds' potential in your investment portfolio. Discover their benefits, including lower volatility, improved risk/return profiles, and real diversification.

Read more to understand better how hedge funds work.

[READ MORE](#)

Peregrine Capital *in the News*

Peregrine Eyes Market Shifts Amid Political and Economic Uncertainty

After one of Peregrine Capital's most successful years in a decade, Jacques Conradie chatted to **HedgeNews Africa** about taking a cautious yet opportunistic outlook to navigate local and global markets.

HedgeNews Africa

[READ MORE HERE](#)

The Story of the Master Shoemaker and the Fund Manager

Both Understand that True Craftsmanship Cannot Be Rushed

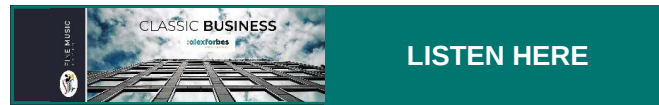
Alan Yates, Head of Distribution, recently wrote an article for **FundHub** that discussed investing as a science and a craft and how we incorporate this into our investment approach at Peregrine Capital.

FUNDHUB

[READ MORE HERE](#)

Investment Lessons from SA's *Top Hedge Fund Manager*

Jacques Conradie, joined Michael Avery on Classic Business to discuss key insights into our Investment process.



Peregrine Capital Was Recognised at the *2024 Edify Retail Hedge Fund Awards*

The winners of this year's Edify Hedge Fund Awards stood out for their strong performance, risk-adjusted returns and ability to navigate market complexities. Each fund nominated was evaluated over a three-year period, ensuring a rigorous assessment of its consistency, resilience and performance.

We are proud to share that we won in two categories: Best Equity Retail Hedge Fund and Multi-Strategy Retail Hedge Fund.



Peregrine Capital's *Strong Performance and AI Insights*

Jacques Conradie spoke to Money Marketing about what contributed to our success in 2024 whilst reflecting on two major themes – The South African market and the global AI-driven tech boom.



Industry events we participated in that you may have missed



Annual Peregrine Investor Day

We hosted over 160 investors and IFAs in Johannesburg in February 2025 and over a 100 in Cape Town earlier in April 2025 to discuss our funds and how we align our thinking with local and global investment trends and current affairs. The robust panel discussion with our Portfolio Managers included an interactive Q&A session with the audience.

We were fortunate to have Pieter Steph du Toit join us in Johannesburg. Watch David Fraser, our Chairman, interview him on his career and how his reliance and ongoing performance have contributed to Pieter Steph being named Global Rugby Player of the Year twice.

[WATCH INTERVIEW](#)



Investment Forum 2025

The Collaborative Exchange hosted another successful Investment Forum 2025 in both Cape Town and Johannesburg in March. Jacques Conradie shared insights on "Making Money and Managing Risk in the New World Order."

His presentation explored the forces driving financial markets, from the influence of the "Make America Great Again" movement and the evolving role of Bitcoin to the disruptive power of AI and the global impact of a Trump presidency. It also examined what this new world order means for South Africa, its risks and opportunities, and investors' role in navigating an uncertain but dynamic future.



Upcoming Events Where You Can Meet the Peregrine Capital Team

Peregrine Insider
SANDTON – 28 MAY



Meet the Managers
SANDTON – 10 JUNE



Meet the Managers
CAPE TOWN – 12 JUNE



*Peregrine Insider
Insights Webinar*
19 JUNE



Meet Some of the New Team Members

We welcomed Nicole Funk and Grant Dixon to the Distribution team at the beginning of the year. Both are based in Cape Town. We have no doubt their expertise and passion for investments will make a valuable impact.



Nicole Funk

INVESTMENT SPECIALIST



Grant Dixon

INVESTMENT SPECIALIST



Contact Us

about investing, today.

*100X refers to the Peregrine Capital High Growth H4 QI Hedge Fund. R1m invested at inception is worth more than R100m today. The FTSE/JSE Capped SWIX generated R18,2 million while the SA Multi Asset - High Equity Category generated R12,2 million. (High Growth Fund annualised return: 22.89% | SA Multi Asset - High Equity Category annualised return: 10.44% | FTSE/JSE Capped SWIX annualised return: 12.22%, all since inception (February 2000)). Data to 31 March 2025 | Source: Peregrine Capital, Morningstar, Bloomberg

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