

MINIMUM DISCLOSURE DOCUMENT

Peregrine Capital High Growth H4 QI Hedge Fund

30 June 2023

Fund objective

The goal of the High Growth Fund is to create long-term wealth for investors by investing in our best investment ideas. The fund aims to deliver industry leading long-term investment growth for our investors, while assuming moderate levels of risk. The historic risk indicators of the High Growth Fund are similar to those of traditional South African balanced funds.

What does the fund invest in?

The fund can invest in a wide range of assets, such as listed shares, bonds and property, as well as cash and cash equivalents, both in South Africa and internationally.

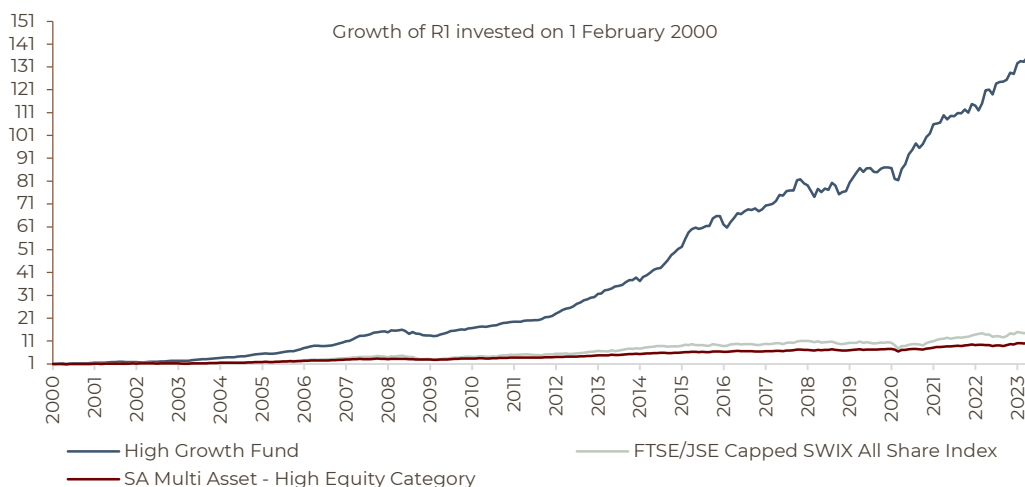
Important fund characteristics and risks

The fund managers look for undervalued securities that offer strong upside potential over the medium to longer term. We conduct rigorous research to understand the companies we invest in and determine their intrinsic value, which allows us to identify the opportunities with the best expected returns. In addition to investing in equities, the fund can also invest in a variety of other assets, such as listed property and bonds. By actively managing the fund's exposure to these different asset classes, we seek to enhance long-term returns while managing the overall level of risk. The fund may experience negative returns in periods of negative market returns, albeit at a lower level than a fund that is only invested in shares. It is unlikely that the fund will lose money over the medium to longer term.

Who should consider investing in the fund?

The High Growth Fund is suitable for you if:

- You are looking for exceptional long-term capital growth
- You are comfortable to assume a moderate to high level of market risk
- You are ideally investing for at least five years



The graph above is for illustrative purposes only and reflects actual fund performance and notional performance of the comparative indices, based on a lump sum contribution on the inception date of the fund. Performance is shown net of all fund charges and expenses and includes the reinvestment of distributions.

Risk profile

Lower risk Potentially lower rewards
Higher risk Potentially higher rewards



Key facts

Fund Managers

Jacques Conradie
David Fraser
Justin Cousins
Simon Steyn
Matthew Thomson

Regulated QI Hedge Fund inception

December 2016

Fund inception

February 2000

Fund status

Open

Fund size

R 6.24 bn

Price per unit (cents)

19 957.93

Number of units

9 014 425.14

Fund class

Class A

Income distribution

Bi-annually

ISIN

ZAE000230470

JSE Code

PCHCA

Email

info@peregrine.co.za

Website

www.peregrine.co.za

Net Returns	High Growth Fund	SA Multi Asset-High Equity Category	FTSE/JSE Capped SWIX All Share Index
Cumulative			
Since inception	13579.80%	923.38%	1357.53%
Annualised			
Since inception	23.37%	10.44%	12.12%
Latest 15 years	15.67%	8.16%	8.34%
Latest 10 years	14.64%	7.81%	8.23%
Latest 5 years	11.98%	7.61%	6.91%
Latest 1 year	15.00%	16.51%	13.47%
Year to date	6.97%	7.31%	3.63%

Risk measures	High Growth Fund	SA Multi Asset-High Equity Category	FTSE/JSE Capped SWIX All Share Index
Maximum cumulative drawdown	-17.27%	-16.81%	-40.44%
Highest annual return	71.61%	39.47%	73.00%
Lowest annual return	-16.20%	-14.75%	-37.59%
% of positive months	76.51%	65.84%	59.43%

Issue Date: 13 July 2023

Net returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Multi Asset-High Equity Category
2000		3.27%	0.77%	1.64%	-7.08%	17.51%	3.43%	0.57%	6.23%	1.62%	-0.06%	6.02%	37.40%	1.65%
2001	12.21%	-3.15%	-1.09%	0.67%	13.45%	5.22%	-0.61%	8.49%	-0.15%	-4.81%	0.75%	-1.43%	31.46%	17.61%
2002	0.14%	-4.69%	0.37%	6.80%	6.94%	2.02%	-1.50%	5.22%	3.26%	4.79%	3.54%	1.79%	31.90%	1.76%
2003	-0.16%	-0.74%	-0.73%	3.66%	7.28%	4.37%	8.11%	3.19%	1.19%	4.85%	4.74%	3.52%	46.53%	17.39%
2004	3.44%	3.46%	3.74%	0.21%	1.02%	6.11%	3.75%	1.78%	5.33%	5.01%	5.41%	4.21%	53.01%	27.49%
2005	1.91%	1.54%	-0.64%	-0.51%	3.51%	3.33%	5.62%	3.80%	2.17%	0.20%	6.90%	5.59%	38.59%	26.11%
2006	7.26%	4.01%	4.58%	3.80%	-0.75%	-0.88%	-0.17%	1.99%	1.43%	4.88%	4.62%	3.79%	40.12%	23.62%
2007	4.87%	1.87%	5.66%	7.41%	5.24%	0.34%	2.25%	3.02%	5.43%	0.22%	2.11%	0.97%	46.94%	12.37%
2008	-2.74%	5.84%	-0.84%	0.73%	1.42%	-3.01%	-7.90%	5.77%	-5.16%	-0.44%	-4.66%	-0.76%	-11.98%	-8.24%
2009	0.28%	-2.27%	0.81%	4.67%	2.39%	3.78%	4.12%	1.22%	1.52%	2.19%	-0.70%	3.14%	23.07%	14.89%
2010	1.27%	1.64%	1.23%	0.86%	-0.77%	1.96%	1.23%	1.19%	2.58%	2.39%	0.61%	1.49%	16.81%	11.39%
2011	0.59%	0.49%	-0.08%	1.77%	1.31%	-0.01%	0.34%	0.20%	2.11%	3.79%	0.89%	1.96%	14.12%	5.26%
2012	4.55%	2.61%	4.16%	2.22%	1.15%	3.00%	4.37%	2.06%	3.22%	1.66%	2.39%	0.72%	37.18%	16.27%
2013	4.98%	0.38%	4.45%	0.59%	1.74%	2.59%	0.65%	1.19%	3.24%	2.65%	0.16%	2.91%	28.55%	18.03%
2014	-3.97%	4.76%	1.86%	2.74%	3.34%	1.03%	0.78%	3.81%	3.46%	5.12%	2.40%	3.16%	32.13%	9.50%
2015	1.94%	6.10%	5.68%	2.40%	1.04%	-0.91%	0.78%	1.29%	-0.02%	5.58%	1.38%	0.07%	28.09%	7.66%
2016	-5.57%	-2.30%	4.00%	2.88%	3.33%	-0.71%	1.84%	1.26%	-0.36%	1.08%	-1.86%	1.25%	4.52%	1.31%
2017	2.50%	0.40%	0.45%	1.85%	3.62%	-0.31%	2.69%	0.38%	-0.10%	5.81%	0.63%	-2.28%	16.52%	9.97%
2018	-1.09%	-2.97%	-3.52%	4.74%	-1.73%	1.92%	-0.62%	3.98%	-1.57%	-4.77%	1.17%	0.72%	-4.13%	-3.60%
2019	4.58%	2.78%	2.62%	2.45%	-1.95%	1.97%	0.04%	-1.95%	-0.17%	1.96%	0.57%	0.08%	13.52%	9.52%
2020	-0.32%	-5.54%	-0.78%	6.14%	2.45%	4.79%	2.12%	2.95%	-1.97%	1.84%	3.05%	1.60%	16.98%	1.92%
2021	3.95%	0.25%	0.46%	2.99%	-1.68%	1.48%	-0.14%	1.28%	-0.15%	1.53%	-1.28%	3.39%	12.59%	20.18%
2022	-0.51%	-1.90%	2.79%	4.96%	0.21%	-1.68%	3.97%	0.64%	0.01%	0.68%	2.49%	-0.43%	11.53%	0.69%
2023	3.59%	0.82%	-0.26%	1.66%	-2.19%	3.27%							6.97%	7.31%

Important Notes on calculation of net returns and risk measures:

The calculation of net returns and the risk measures comprises data from the Peregrine High Growth *en Commandite* Partnership from 1 February 2000 until 30 November 2016, thereafter the data relates to the Peregrine Capital High Growth H4 QI Hedge Fund ("the High Growth Fund").

The High Growth Fund does not have a benchmark and does not contribute towards the return of the ASISA SA Multi Asset - High Equity Category.

The data for the ASISA SA Multi Asset - High Equity Category and the FTSE/JSE Capped SWIX All Share Index is provided for comparative purposes.

Fund commentary

Quarterly Performance

The Portfolio delivered a net return of 2.69% for the second quarter of 2023. This compares to the MSCI All Country World Index and the JSE Capped Swix Indices that gained 6.3% and 1.1% respectively. Despite uncertainty around the outlook for inflation, interest rates and economic growth, equity markets continued to perform well in 2023.

Attribution

Gains were fairly broad based this quarter, but the Technology, Property and Payments sectors stood out as outperformers. Index Hedges, Bonds and the Retail sector were detractors this quarter.

Macro

Much of our commentary last year was focused on the negative effects of high inflation and the severe measures that central banks were forced to take to get inflation under control. Short term interest rates were hiked more aggressively than we have ever seen in modern financial history. Interest rate increases have continued in the first half of this financial year, but the pace of these hikes does appear to be moderating. Inflation seems to be cooling and growth has held up better than expected thus far. However, bond yields across the curve have risen notably in developed markets, with the continued strength of developed economies (most notably in the US) leading investors to believe that rates will not necessarily reduce as quickly as previously envisaged.

The quarter was especially busy with continuous negative news flow experienced in South Africa. Loadshedding reached unprecedented levels which, coupled with Russian ammunition allegations against the South African government, led to a significant sell-off in domestic equities and the Rand. However, positive signs have started to emerge at the end of the quarter with lower loadshedding levels experienced and a crisis seeming to have been averted for now on the Russia arms scandal. Our team has spent a significant amount of time modelling and forecasting our current expectations of electricity supply and demand in South Africa, and we have used our updated information to form views on companies and take positions with higher confidence.

Portfolio Construction

At a portfolio level, our net equity exposure increased further in the second quarter. We deployed additional capital into South African opportunities where valuations are attractive, and reduced exposure to international equities where the risk reward equation makes less sense. We believe that the best opportunities come around when uncertainty is high, which is certainly the case in some domestic equities at present.

Outlook

While fund exposure remains balanced, we are confident that the current opportunity set will likely deliver strong returns for our investors. Our team continues looking for unique and differentiated opportunities to exploit in a market we consider an attractive hunting ground for bottom-up investors with a hedge fund toolkit.

Asset Allocation

	SA	Foreign	Total
Net equity	45.40	20.24	65.64
Net fixed income	3.63	3.26	6.89
Net real estate	7.98	0.02	8.00
Cash and cash equivalents, Interest Bearing CIS Portfolios and other			19.47
Gross exposure (%)			124.12

Fund Charges

Fund costs (Excl. VAT)		
Service Charge		
Fund Manager fee		1.50%
H4 Administration fee*		0.23%
Total Service Charge		1.73%
Performance fee**		20%
*Includes fees payable for fund administration, for risk data services and to H4		
**levied on 20% increase in NAV, subject to the high water mark		

Total Expense Ratio (TER) and Transaction Costs (TC)

TER and TC breakdown for the 1 and 3 year period ending 31 March 2023:		
	1yr%	3yr%
Service charge	1.73%	1.73%
Performance fee	3.73%	3.62%
VAT	0.80%	0.78%
Other costs	0.07%	0.10%
Total Expense Ratio (TER)	6.33%	6.22%
Transaction Costs (TC)	1.52%	1.30%
Total Investment Charge (TIC)	7.85%	7.52%

Income distributions

Income distributions for the last 12 months	31-Mar-23	30-Sep-22
Cents per unit	-	-

Glossary

Annualised performance: reflects longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period.

Maximum drawdown: the largest peak to trough decline during a specific period of investment

Total Expense Ratio: includes the annual service charge, performance fee and administrative costs, but excludes VAT and fund transaction costs, expressed as a percentage of the average monthly value of the fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return.

Transaction Costs: are the costs relating to the buying and selling of the fund's underlying assets, expressed as a percentage of the NAV. Transaction costs are a necessary cost in managing the fund and may impact the returns.

Total Investment Charge is the sum of the TER and TC. These should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund and the investment decisions of the fund manager. Since the fund returns are quoted after the deduction of these expenses, the TER and TC should not be deducted again from published returns

Quarterly risk reporting for the quarter ended 30 June 2023

Sources of Leverage:

The prime broker appointed for the fund is Peresec (Pty) Ltd ("Peresec"). The fund achieves its leveraged positions through the utilisation of derivatives and short positions. Refer below for the quarter end leverage value.

Exposure Limits:

Gross exposure is the measure of leverage, with the limit set at 5 times NAV.

Peak gross exposure during reporting period	1.24 Times NAV
Gross exposure at quarter end	1.24 Times NAV

Counterparty Exposure:

The counterparties to which the fund is exposed to as of 30 June 2023 are:

Counterparty	Exposure
Peresec	4.16%
JP Morgan	0.83%
BNY	0.02%
Nomura	2.52%
Standard Bank of South Africa Limited	0.02%

Re-hypothecation of assets:

Re-hypothecation refers to the practice whereby the prime broker uses the securities of the fund as collateral for the prime broker's own purposes. The prime broker mandate in place does not permit the re-hypothecation of assets.

Methodology of stress testing:

The methodology for stress testing is based on a regulatory requirement to test the impact on the performance of the fund under outlier events based on historical correlations. H4 uses an external risk data service provider, RisCura Analytics (Pty) Ltd, who has the capabilities to stress test portfolio information through a global risk factor model, MSCI BarraOne. Various stressed environments have been created and their impact assessed on the fund.

H4 are comfortable with the results of the stress testing performed on the fund for the quarter.

Changes to the liquidity profile of the fund:

There were no significant changes to the liquidity profile of the fund.

Contact information:

For more information on the quarterly risk reporting, please contact H4 on hedge-risk@h4ci.co.za or +27 21 670 5259.

Investment strategy and mandate

The fund invests across asset classes, both locally and offshore. Significant exposures may be taken in individual positions from time to time. Peregrine Capital employs a bottom up stock selection process based on rigorous and disciplined fundamental research, drawing on experience of covering the sectors and companies over many years. Peregrine Capital focuses its time on building up a detailed understanding of specific companies, rather than predicting the economic trends or taking a view on overall markets.

Risk warning

The risks associated with investing in the fund include, but are not limited to, the following: general market risks (such as general movements in interest rates; external factors [war, natural disasters and such like]; changes to the law and regulatory frameworks; governmental policy changes; global, regional or national economic developments and risks related to a specific security (such as the possibility of a company's credit rating being downgraded).

The fund managers may use leverage. Leverage is the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment. Leverage includes the use of derivatives. Derivatives derive their value from the value of an underlying asset. The use of leverage within the fund involves risk because depending on how the leverage is structured, the fund's losses or gains may be unlimited. Other risks include counterparty risk and liquidity risk. The fund may take significant exposures in individual positions which may create concentration risk.

Counterparty risk is the risk that the other party to a transaction may not be able to perform its obligations. Liquidity risk means that during volatile periods, the tradability of certain instruments may be impeded. Where foreign securities are included in the fund there may be potential constraints on liquidity and the repatriation of currency, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information.

General information

This document is the minimum disclosure document ("MDD") required by Board Notice 92 of 2014 published by the Financial Sector Conduct Authority under the Collective Investment Schemes Control Act, No. 45 of 2002. Collective Investment Schemes in Hedge Funds should be considered as medium to long-term investments. The value may go down as well as up and past performance is not necessarily a guide to future performance. Collective Investment Schemes in Hedge Funds are traded at the ruling price and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the Manager. Neither the Manager nor Peregrine Capital provides any guarantee either with respect to the capital or the investment performance of the fund.

The Manager has the right to close the fund to investments from new investors, and/or to close the fund to new investments, and/or to accept new investments only from certain persons or groups of persons, and/or to limit or suspend the creation and issue of new participatory interests, in each case on such terms as it may determine, if such restrictions will, in the Manager's view, benefit the fund or the effective management thereof or for any other reason whatsoever. Where any forecasts or commentary about the expected future performance of asset classes, or the market in general, are made in this document, please note that neither Peregrine Capital nor H4 guarantee that such forecasts or commentary will occur.

Calculation of the NAV and price

The value of participatory interests (also referred to as units) is calculated on a net asset value ("NAV") basis. The NAV is the total value of all assets in the fund including any income accruals and less any permissible deductions (which may include audit fees, brokerage, service fees, securities transfer tax and bank charges) for a particular class. The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue for that class. The price of participatory interests is published monthly in the MDD, which is available at www.peregrine.co.za.

Investment performance

The performance calculated and shown is that of the fund. Performance has been calculated using net NAV to NAV numbers with income reinvested. The investment performance for each period shown reflects the net return for investors who have been fully invested for that period. Individual investor investment performance may differ as a result of initial fees (if applicable), the actual investment date, the date of reinvestment of distributions and/or distribution dates, and dividend withholding tax. Where periods of longer than 1 year are used in calculating past performance, certain figures may be annualised. Annualised performance is the average return per year over the period. Actual annual figures and investment performance calculations are available on request from H4.

Performance fees

A management and performance fee is charged to the fund. Performance fees are payable on positive performance using a participation rate of 20%. Total Expense Ratio for year ended 31 March 2023 6.33%

A high water mark ("HWM") is applied, which ensures that performance fees will only be charged on new performance. There is no cap on the Rand amount of performance fees.

Disclosure in respect of third party named portfolios

The fund is a third party named portfolio. A hosted or third party named portfolio bears the name of the Manager and the fund manager. The Manager retains full legal responsibility for hosted/third party named portfolios.

Fund dealing and redemption notice period

Monthly, with 1 calendar months' notice for redemptions.

Fund valuation time

The end of the day of the last day of the month.

Transaction cut-off times

Please refer to the H4 Hedge Fund Portfolios Terms and Conditions, which is available on request from H4.

Contact details

Manager

H4 Collective Investments (RF) Proprietary Limited ("H4"), Registration number: 2002/009140/07 | Physical address: The Citadel, 15 Cavendish Street, Claremont, 7708 | Postal address: PO Box 223388, Claremont, 7735 | Telephone number: +27 86 000 7993 | E-mail address: hedge@H4ci.co.za | Website: www.citadel.co.za. H4 is a member of the Association for Savings and Investments SA ("ASISA").

Custodian

Standard Bank of South Africa Limited, Registration number: 1962/000738/06 | Physical address: 8th Floor, North Tower, The Towers, 2 Hertzog Boulevard, Foreshore, Cape Town, 8001 | Telephone number: +27 21 401 2383 | Website: www.standardbank.co.za.

The Manager and Custodian are registered and approved under the Collective Investment Schemes Control Act, No. 45 of 2002.

Fund Manager

Peregrine Capital Proprietary Limited ("Peregrine Capital"), Registration number: 1998/004238/07 is an authorised Financial Services Provider (FSP 607) under the Financial Advisory and Intermediary Services Act, No. 37 of 2002 ("FAIS"). Peregrine Capital has been appointed by H4 to act in the capacity of discretionary hedge fund manager of the fund. Please be advised that there may be representatives acting under supervision. Physical address: 10th Floor, 39 Wierda Rd West, Wierda Valley, Sandton, 2196 | Postal address: PO Box 650361, Benmore, 2010 | Telephone number: +27 11 722 7482 | Website: www.peregrine.co.za.

Additional information

For any additional information such as the price of participatory interests please email hedge@H4ci.co.za. Application forms are available at www.peregrine.co.za.

FTSE/JSE Indices

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SA Multi Asset - High Equity Category

The South African Multi Asset – High Equity category is defined in the ASISA Standard on Fund Classification for South African Regulated Collective Investment Scheme Portfolios. The market value-weighted average return of portfolios in the ASISA South African Multi Asset – High Equity category from 1 February 2000 to 31 January 2013, was the market value-weighted average return of the funds in both the Domestic Asset Allocation Medium Equity and Domestic Asset Allocation Variable Equity sectors of the previous ASISA Fund Classification Standard.

Limitation of liability

This MDD has been compiled for information purposes only and does not take into account the needs or circumstances of any person or constitute advice of any kind. It is not an offer to sell participatory interests or an invitation to invest. The information and opinions in this MDD have been recorded by H4 and Peregrine Capital in good faith from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. H4 and Peregrine Capital accordingly accept no liability whatsoever for any direct, indirect or consequential loss arising from the use of this MDD or its contents.