

The Hundred *Times*

APRIL 2024

EDITION 5



Peregrine
Capital™

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

Welcome to the fifth 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 2024, building on our review of 2023 in our **Annual Investor Letter** shared in January this year.

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

Please remain vigilant against social media scams, particularly fake investment schemes on Telegram. Our Chief Technology Officer, Henry Huysamen, sheds light on how to protect yourself and your loved ones from such fraudulent schemes in his article here: **[Read more on our website.](#)**

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Peregrine Capital's *Quarterly Review*

Discover the market dynamics impacting our funds' performance during the first quarter of 2024, as discussed by Justin Cousins, portfolio manager at Peregrine Capital.

The Peregrine Capital High Growth QI and Pure Hedge QI Funds delivered a **net return of 2.39% and 2.16% respectively for the first quarter of 2024***. This compares to the JSE Capped All Share Index that lost 3.1% in the quarter**. While global equities rallied at the start of the year, South African indices have lagged global peers.

Source: *Peregrine Capital and **Bloomberg for the period between 1 January 2024 – 31 March 2024.

Attribution

Shares in the technology, property, and luxury goods sectors contributed positively to fund performance, while exposure to banks, e-commerce, and retail companies detracted from fund performance this quarter. While our international exposure contributed positively to fund performance, domestic South African equities were particularly weak.

Macro

The rally that we saw in equity markets in the last two months of the 2023 calendar year continued into this year. Data from developed markets remains supportive of a soft landing following the aggressive interest rate hikes seen in 2023. Bond yields have risen at the start of the year as inflation has proved more persistent than markets had hoped to see, and the prospect of interest rate cuts is delayed. The explosion in artificial intelligence applications has been a key driver of optimism for improvements in productivity and output. The USA continues to outperform the rest of the globe on most key indicators, while China continues to suffer from a protracted economic downturn. The European and UK economies appear to be slowing down as the effects of interest rate increases begin to bite.

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Locally, market participants are concerned about the potential outcomes of the upcoming national government elections. Equity market volumes have been extremely low, with bias tilted toward the sale of equities and bonds. Valuations of listed equities and bonds are severely depressed despite improvements in energy output and transport seen in recent months. The ANC faces the prospect of losing outright control of the country for the first time in 30 years, and prospective coalition partners offer both high and low road outcomes for South Africa.



Portfolio Construction

We added exposure to attractively priced South African equities during the quarter while trimming exposure to developed market equities that offer less margin of safety from a valuation perspective. We materially increased our exposure to Chinese equities after a recent trip to the region highlighted growth prospects for companies we like that are better than what market participants fear. The valuations of companies like Tencent remain at all-time lows and present very attractive potential returns. While we are bullish about the valuations of South African equities, we have initiated a number of hedges that offer downside protection in the event that post-election coalitions present potentially destructive “low road” outcomes.

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 to look 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.

Why Hedge Funds should be part *of your Investment Portfolio*



Financial Consumers Back Hedge Funds for Better Risk-adjusted Returns, Downside Protection

Gain insights from industry experts, including Alan Yates, our head of Distribution, on the increasing popularity of hedge funds in South Africa in this Mail & Guardian Article published in March 2024.

[READ MORE ON OUR WEBSITE](#)



Outlook 2024: Hedge Funds Panel

Join the industry discussion on Asset TV held earlier this year on Hedge Fund wins and learnings from 2023.

[WATCH ONLINE](#)



Hedge Fund 101

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

[VISIT OUR WEBSITE FOR MORE](#)

Peregrine Capital *in the News*

Peregrine Capital continues to differ from the peer group

In this **Citywire** article, Stephen Cranston interviewed Jacques Conradie about why the returns on Peregrine Capital's hedge funds continue to have a low correlation with peers and the overall market.

CITYWIRE

[READ ONLINE](#)

The world looks less threatening when you take the long view

Explore investment prospects in South Africa amid ongoing challenges in this insightful **Moneyweb** interview where Jacques Conradie discusses reasons for optimism in South Africa, potential strategies for rectifying state-owned enterprises, the impact of interest rate reductions and elections, marking them as three key themes poised to shape the investment landscape in 2024.

 **Moneyweb**

[READ ONLINE](#)

A review of peregrine Capital's returns to find advice that can be applied to future investment decisions

Listen to Jacques Conradie's podcast on **Classic Business**, which discusses our investment strategies in Meta, Pinduoduo, and Fortress Real Estate and key learnings we can apply going forward.



[LISTEN ONLINE](#)

Industry events we participated in *that you may have missed*

**Peregrine
Capital**

Annual Peregrine Investor Day

We hosted over 200 investors and IFAs in Johannesburg in February 2024. Watch the panel discussion with our portfolio managers.

We also hosted Dr Frans Cronje, arguably the best public analyst in South Africa, to give us a view through his "Good News" political diagnosis for South Africa in this election year.

[WATCH ONLINE](#)

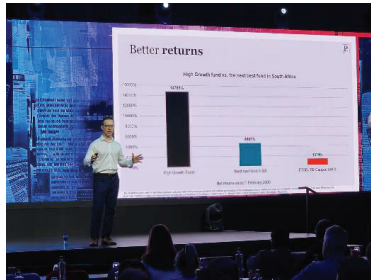


 **INVESTMENT
FORUM 2024**

Investment Forum 2024

Catch up on our presentation on "Emotional Money: Dealing with the Irrationality of Investing," which we shared in Cape Town and Johannesburg.

[VIEW ONLINE](#)





BizNews Conference 2024

Watch David Fraser, our founder and Executive Chairman, share insights on Peregrine Capital's 25-year investment journey, making us the oldest Hedge Fund in South Africa.

[WATCH ONLINE](#)

Peregrine Capital *Social Events*

Golf Day

We hosted our inaugural golf day in February at Houghton Golf Estate. It was a truly memorable day for all, with much enthusiasm and sportsmanship being displayed. Our host, Nik Rabinowitz, entertained us at the breakfast and prize-giving event.



Padel

In our third tournament series, Peregrine Padel @ Discovery Sandton keeps getting better. The teams thoroughly enjoy the rivalry of the weekly match ups, as well as the opportunity to spend time with each other after the games.

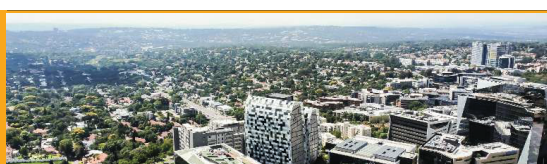


Upcoming events where you can meet *the Peregrine Capital team*

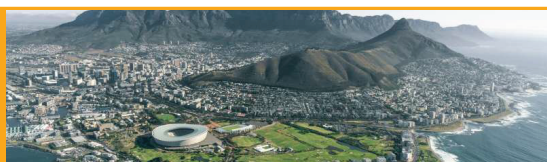
Peregrine Insider
SANDTON – 21 MAY



Meet the Managers
SANDTON – 6 JUNE



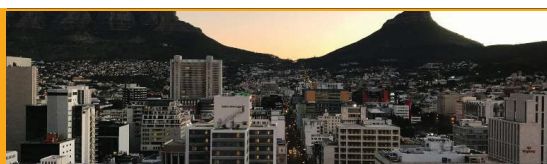
Meet the Managers
CAPE TOWN – 11 JUNE



*Peregrine Insider
Insights Webinar*
20 JUNE



Peregrine Insider
CAPE TOWN – 1 AUGUST



Contact Us

about investing, today.

*100X refers to the Peregrine Capital High Growth H4 Q1 Hedge Fund. R1m invested at inception is worth more than R100m today. The FTSE/JSE Capped SWIX generated R14,8 million while the SA Multi Asset - High Equity Category generated R10,8 million. (High Growth Fund annualised return: 23.04% | SA Multi Asset - High Equity Category annualised return: 10.37% | FTSE/JSE Capped SWIX annualised return: 11.80%, all since inception (February 2000)). Data to 31 March 2024 | Source: Peregrine Capital, Morningstar, Bloomberg

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