

Key Investor Information Document For QI Hedge Funds

Peregrine
INVEST IN
PERFORMANCE **Capital**

Notes:

This document provides the investor with key information about these portfolios. It does not serve as marketing material. The publishing of this information is required by law (Collective Investments Schemes Control Act 45 of 2002, Board Notice 52, Section 27), to help you understand the nature of the portfolios as well as the risks associated with investing in these portfolios. All existing and potential investors are advised to read and familiarise themselves with the contents of this document in order to arrive at an informed investment decision.

This document relates to Class A of the following portfolios (each a "Portfolio"):

- Peregrine Capital High Growth QI Hedge Fund;
- Peregrine Capital Pure Hedge QI Hedge Fund; and
- Peregrine Capital Dynamic Alpha QI Hedge Fund.

1. CIS Manager information

Management Company	Peregrine Capital Collective Investments (RF) (Pty) Ltd ("PCCI" or the "Manager"), with company registration number 2024/131254/07, is registered as a manager under the Collective Investment Schemes Control Act, No.45 of 2002 ("CISCA" or the "Act").
Directors of PCCI	Jacobus Petrus Hamman, David Jacques Conradie, Nishaat Tajbhai*, and Nelia-Susan de Beer* (*Non Executive).

2. Investment Manager information

Investment Manager	PCCI has delegated the investment management function to Peregrine Capital (Pty) Ltd ("Peregrine Capital" or the "Investment Manager"), with company registration number 1998/04238/07. Peregrine Capital is an authorised Financial Services Provider (FSP 607) under the Financial Advisory and Intermediary Services Act, No. 37 of 2002. Peregrine Capital has been appointed to act in the capacity of discretionary hedge fund manager of the Portfolios.
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3. General portfolio information

Legal structure of the Portfolios	Collective investment scheme ("CIS") trust structure.
Financial year end	31 March
Distribution dates	Annually on 31 March
Minimum investment amount	R1 000 000 per Portfolio
Portfolio dealing frequency - subscriptions	Monthly
Portfolio dealing frequency - redemptions	One calendar month's notice.
Minimum additional lump sum investment amount	Save if PCCI waives such amount, the minimum additional investment amount shall be R50 000, per Portfolio.
Minimum monthly debit order investment amount	The minimum monthly debit order investment amount shall be R5 000 per Portfolio.
Minimum partial withdrawal amount	Save if PCCI waives such amount, the minimum partial withdrawal amount shall be R50 000 per Portfolio.

Minimum partial switch amount	Save if PCCI waives such amount, the minimum partial switch amount shall be R50 000 per Portfolio.
Minimum transfer amount	Save if PCCI waives such amount, the minimum transfer of ownership amount shall be R50 000 per Portfolio, subject to a minimum lump sum investment of R1 000 000 per Portfolio for the transferee, where the transferee is not already an investor in the relevant Portfolio.
Valuation and pricing methodology	The PCCI portfolio valuation policy will apply to the Portfolios. PCCI shall ensure that all assets of the Portfolios are independently valued, and if not valued independently, ensure that such valuation of assets is independently verified. The value of participatory interests is calculated on a net asset value ("NAV") basis. The NAV is the total value of all assets including any income accruals and less any permissible deductions for a particular class of participatory interests. The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue for that class.
Liquidity risk management	Liquidity risk is the risk that the Portfolio will not have sufficient cash available to meet its repurchase, settlement and other obligations. Adequate liquidity is dependent upon the Investment Manager's ability to efficiently manage both expected and unexpected cash flows and collateral requirements, without adversely affecting the positioning of the Portfolio. The Investment Manager monitors and manages the liquidity risk at both a position level and a Portfolio level on a daily basis, to ensure that there is sufficient free cash available to increase position levels within the Portfolio, meet margin calls and facilitate investor withdrawal requests. Investors are required to give one calendar month's written notice for any withdrawal of participatory interests. Investors repurchase rights in exceptional circumstances, are detailed in the PCCI Terms and Conditions.
Gating, side pocketing and suspensions of withdrawals	In exceptional circumstances, and when it is in the interests of Investors, PCCI is permitted by the Supplemental Deed ("Deed") and applicable regulations to restrict or suspend withdrawals, or to establish a new portfolio for purposes of side pocketing. If your investment in a Portfolio/s is affected by any of these mechanisms, PCCI will contact you to discuss the applicable process.
Change to Investment Strategy	PCCI has to request and receive prior approval from the Financial Sector Conduct Authority ("FSCA") to amend any provision in the Deed of a Portfolio. The request to the FSCA will state the reasons for the proposed amendment and the impact or benefit this is likely to have for investors.
Treating Customers Fairly ("TCF")	PCCI is committed to ensuring that the principles of TCF are central to the behaviour and values of employees in the fair treatment of investors throughout the financial product life cycle, and that these principles are applied in all areas of PCCI's day to day business activities. The outcomes will be measurable and responded to through the implementation of routine reviews and self-assessments.
Preferential treatment	The directors and employees of PCCI and Peregrine Capital may hold an investment in the Portfolio(s). The investments may be allocated to a reduced fee paying class. Any investment placed within a reduced fee paying class shall be at the discretion of the Investment Manager.
Investor reporting	Investors will receive the following documents: ▪ monthly statement; ▪ if applicable, annual distribution notices; and ▪ if applicable, certificates of income and capital gains for tax purposes, annually or on withdrawal of participatory interests. The following documents are available at www.peregrine.co.za: ▪ fund fact sheets, referred to as Minimum Disclosure Documents ("MDD"); and ▪ quarterly risk report.
Annual abridged report	The latest annual abridged report of the Peregrine Capital Qualified Investor Hedge Fund Scheme is available on request, from PCCI at ask@peregrine.co.za or 086 000 7252.
Permissible Deductions	The amounts which may be deducted from the Portfolios are – ▪ charges payable on the buying or selling of assets such as brokerage, marketable securities tax, securities lending fees and settlement fees; ▪ auditor's fees, bank charges, trustee and custodian fees and other levies or taxes; and ▪ service charges of PCCI, which includes the Investment Manager's management and performance fees and administration fee.
Permitted instruments	Subject to such restrictions as may apply under the Act, the Portfolios may invest in all financial instruments, including but not limited to equity, derivative, real estate and fixed income instruments, preference shares, notes and instruments based on an index, and any other assets and investment instruments of any kind. The Portfolios are permitted to invest in foreign instruments. The Portfolios are not fund of hedge funds.

Re-hypothecation of Assets	Re-hypothecation refers to the practice whereby the prime broker uses the securities of a Portfolio as collateral for the prime broker's own purposes. The mandate in place with the prime broker permits the re-hypothecation of assets to the extent permitted by and in accordance with South African law.
Counterparty exposure – calculation methodology	Counterparty exposure shall be calculated equal to any initial and variation margin posted to and held by a counterparty, and any net exposure generated through a scrip lending agreement.
Associated Risks	This disclosure should not be seen as exhaustive and investors are encouraged to take independent advice before investing in the Portfolios. The Portfolios are exposed to the following risks, among others: Market risk Market risk can be defined as the risk that positions can lose their value due to changing market conditions including prices, volatility and market liquidity. The Investment Manager monitors and adjusts the overall gross and net exposures of the Portfolio to manage the market risk. Concentration risk Concentration risk is the risk that the Portfolio is too heavily weighted in a certain sector, asset class or single position. This could result in a negative impact on the Portfolio if the concentrated position loses money. Significant exposures may be taken in individual positions and/or sectors from time to time. Leverage Leverage is the use of financial instruments to increase the potential return in the Portfolio. The Investment Manager uses futures, options, CFD's and short-selling, among other instruments, which all potentially increase the leverage of a position/the Portfolio. The prime broker is the main provider of leverage. The Investment Manager monitors the gross and net exposure of the Portfolio on an ongoing basis in order to ensure that the level of risk within the Portfolio is deemed to be appropriate relative to their investment outlook. The limits on the use of leverage are detailed in section 6 below. Hedging Hedging in the Portfolio is actively used to manage currency, sector and market exposure. The Investment Manager uses options, futures and short positions, among other instruments, to hedge the Portfolio. Short-selling Risk Short-selling refers to the practice of borrowing an asset to sell today in exchange for cash, with the expectation that its price falls during the investment period before repurchasing the asset and returning it to the owner. Short-selling can be undertaken for various reasons, including to hedge specific sector risks or to manage a Portfolio's total market exposure. Short sales create leverage or gearing for the underlying Portfolio, thereby amplifying investment performance. The Portfolio may be exposed to risk if the price of a short position increases in value more than a long position, or if there is a scrip recall during unfavourable times. Duration/Interest Rate Risk The Investment Manager monitors the interest rate risk inherent in individual positions and in the Portfolio as a whole. A variety of instruments and tools are used to manage the interest rate risk to achieve the desired level of exposure in the Portfolio. Credit Risk Where active positions are taken in credit instruments, the Investment Manager ensures that the expected return is sufficient compensation for the credit risk taken. In addition, the Investment Manager only transacts with reputable entities using publicly available financial information and their own trading records to rate these entities. Other risks The Portfolios may be subject to other risks, such as settlement risk, currency risk and custody risk.

4. Delegated functions

Investment Manager	Refer to point 2 above for Investment Manager information.
Custodian	PCCI has appointed Standard Bank of South Africa Limited as the custodian of the Peregrine Capital Qualified Investor Hedge Fund Scheme and the Portfolios. No conflicts of interest between PCCI and the custodian have been identified. The main responsibilities of the custodian are to ensure that: - there is legal separation of assets held under custody; - there is an appropriate system of internal control has been established and maintained by PCCI; - portfolio investment restrictions are adhered to; and - the sale, issue, repurchase or cancellation of participatory interests on or behalf of the Peregrine Capital Qualified Investor Hedge Fund Scheme is carried out in accordance with the Cisca and the Deeds.
Administrator	PCCI has entered into a service level agreement with Prescient Fund Services (Pty) Ltd. No conflicts of interest between PCCI and the administrator have been identified. The functions delegated by PCCI to the administrator are: - recording of all transactions within the Portfolios; and - preparation of the Portfolio valuations.
Prime Broker	PCCI has appointed Peresec Prime Brokers (Pty) Ltd as the prime broker to the Portfolios. No conflicts of interest between PCCI and the prime broker have been identified. The functions delegated by PCCI to the prime broker are: - trade clearing and settlement; - securities lending; - financing and provision of leverage; - capital introduction; and - customised technology and operational support.
Depositories	PCCI has appointed Peresec SA Nominees (Pty) Ltd as the depository to the Portfolios. No conflicts of interest between PCCI and the depository have been identified. The depository is responsible for the safe-keeping of assets. Peresec SA Nominees (Pty) Ltd has sub-delegated the safe-keeping of offshore assets to the Bank of New York.
Management of conflict of interests with regards to delegated functions	PCCI has adopted a formal Conflict of Interest Management Policy that requires that identified actual and potential conflicts of interest are recorded in a register by the PCCI Compliance Officer and managed in terms of the policy. Where the conflict cannot be avoided, PCCI management must ensure that sufficient controls are put in place to manage the identified conflicts of interests.

5. Portfolio service providers

Auditor	PCCI has appointed BDO South Africa Incorporated as the auditors of the Peregrine Capital Qualified Investor Hedge Fund Scheme and the Portfolios. The auditors are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether due to fraud and error, and to issue an auditor's report that includes their opinion.
Risk Data Service Provider	PCCI has appointed Prescient Analytics (Pty) Ltd to prepare daily risk & compliance monitoring reports for PCCI.

6. Specific portfolio information

Portfolio	Peregrine Capital High Growth QI Hedge Fund	Peregrine Capital Pure Hedge QI Hedge Fund	Peregrine Capital Dynamic Alpha QI Hedge Fund
Date of establishment of the Portfolio	1 December 2016	1 December 2016	1 August 2016
Service charge – management fee			
Percentage charged	PCCI shall earn a maximum management fee of 1.7% (per annum, excluding VAT).	PCCI shall earn a maximum management fee of 1.2% (per annum, excluding VAT).	PCCI shall earn a maximum management fee of 1.2% (per annum, excluding VAT).
Calculation methodology	The management fees shall be calculated and accrued monthly by multiplying NAV by such percentage divided by 12.		
Payment frequency	The management fee is paid monthly.		
Service charge – performance fee			
Service charge – performance fee	PCCI shall earn a performance fee of 20% (excluding VAT) of the net return generated in the Portfolio.	PCCI shall earn a performance fee of 20% (excluding VAT) of the net return generated in the Portfolio above the hurdle rate.	PCCI shall earn a performance fee of 20% (excluding VAT) of the net return generated in the Portfolio.
Hurdle	N/A	1. The hurdle rate is the percentage growth in the Short-Term Fixed Interest (“STEFI”) Call Deposit Index as quoted by Bloomberg (Screen code: STEFOCAD <Index>) as measured at the start and the end of each calendar quarter. 2. The hurdle resets quarterly.	N/A
Accrual frequency	Performance fees are calculated and accrued monthly based on the performance achieved during the month.		
Payment frequency	Performance fees are payable quarterly (at the end of March, June, September and December) or on the investor’s withdrawal, switch or outright cession from the Portfolio.		
High Water Mark	The high water mark principle is applied.		
Cap	There is no cap on the Rand amount of the performance fee.		
Classes	The Portfolio may offer multiple classes of units for different types of investors and unit holders. The various classes in the Portfolio may each have different fee structures for the different types of investors.		

Portfolio	Peregrine Capital High Growth QI Hedge Fund	Peregrine Capital Pure Hedge QI Hedge Fund	Peregrine Capital Dynamic Alpha QI Hedge Fund
	All investments will be allocated to specific classes at the discretion of the Investment Manager. All classes of units in the Portfolio will invest in the same investment portfolio of securities and share the same investment objective and policy.		
Portfolio investment Restrictions			
Gross exposure	5 times NAV	3 times NAV	5 times NAV
Net exposure	200% long/50% short	75% long/20% short	120% long/40% short
Net equity exposure	150% long/50% short	25% long/10% short	40% long/20% short
Net real estate exposure	75% long/30% short	20% long/20% short	40% long/40% short
Net exposure to fixed income and interest rate instruments	100% long/60% short	50% long/30% short	100% long/60% short
Single position exposure	30% long/25% short	25% long/15% short	40% long/25% short
Net exposure to unlisted transferable equity securities	40%	30%	40%
Net exposure to any other security or asset	50%	30%	50%
Net exposure to any one other portfolio	75%	75%	75%
Explicit borrowings	100% NAV	10% NAV	20% NAV