



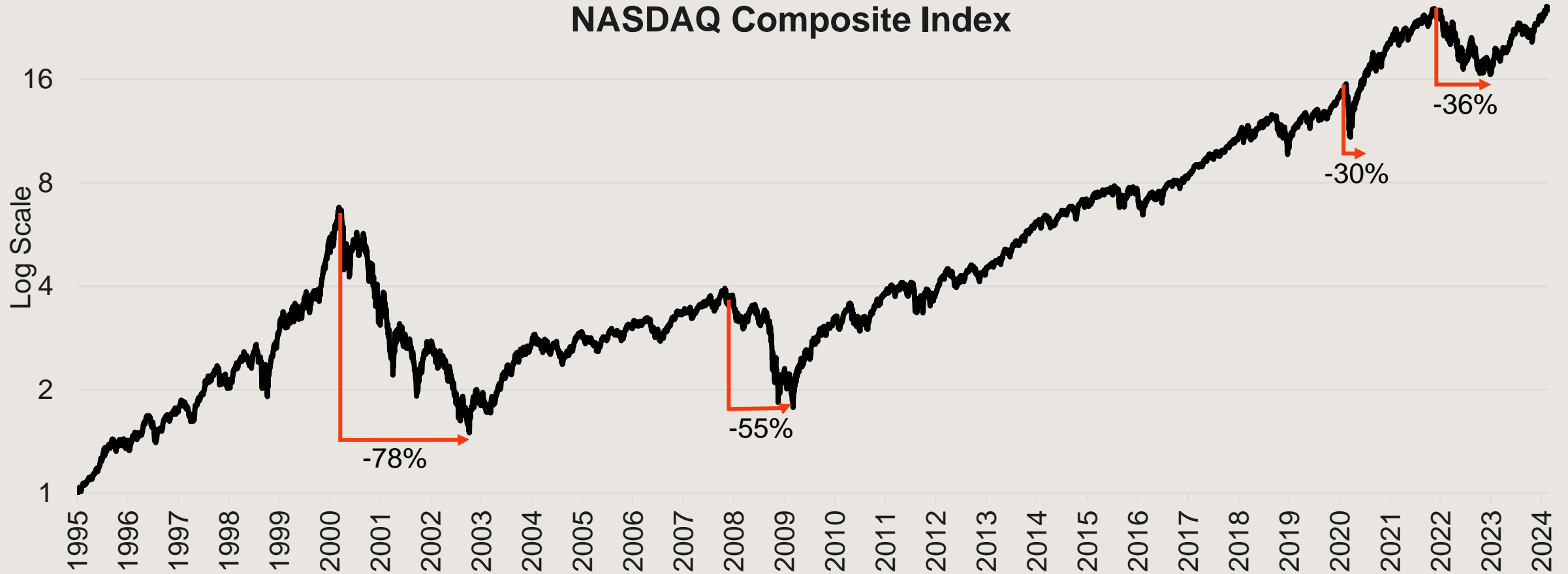
SINCE 1998

# **Emotional money:** Dealing with the irrationality of investing

# Investing seems easy: Buy Low and Sell High



## NASDAQ Composite Index



# Peregrine Capital™



Our High Growth Fund is the 1<sup>st</sup> Fund to deliver 100X Initial Investment\*

Since its inception 25 years ago, our Pure Hedge Fund has been in the green\*\*



The longest running hedge fund manager in South Africa.

Boutique Fund Manager with a 25-year track record

Managing over R15bn of investor money

Same investment process since inception

Industry leading alignment of interests

One of South Africa's most successful hedge fund managers

HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

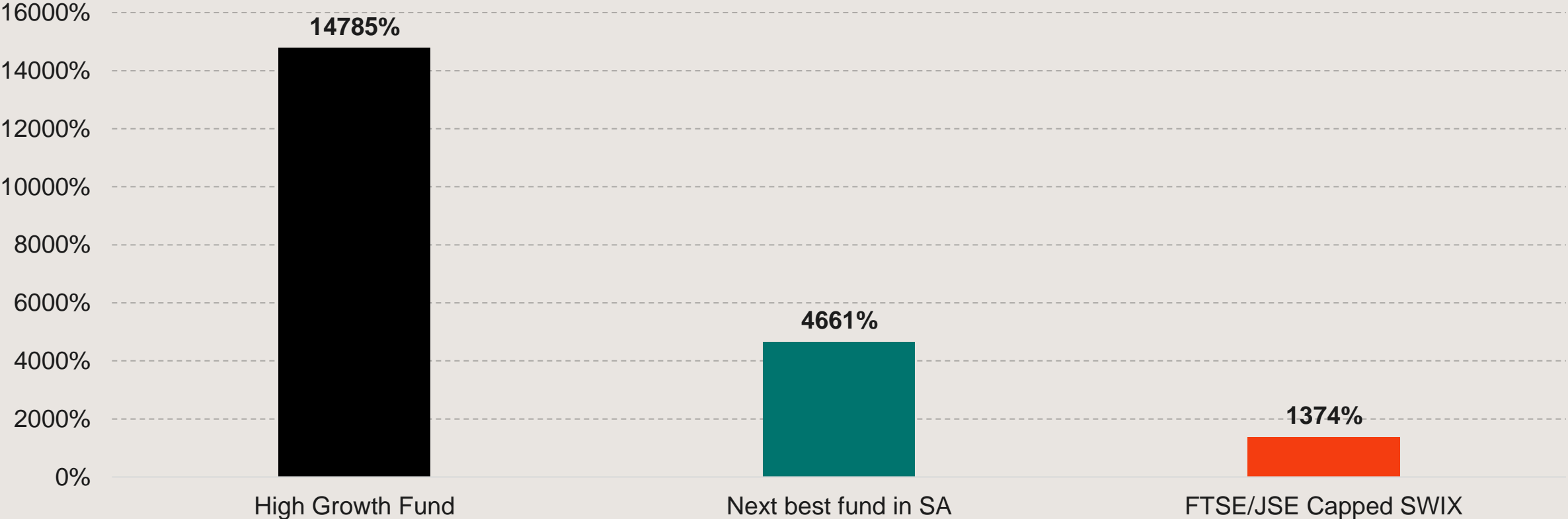
HEDGENEWS AFRICA



Five-Year Performance (Single Manager)

# Better returns

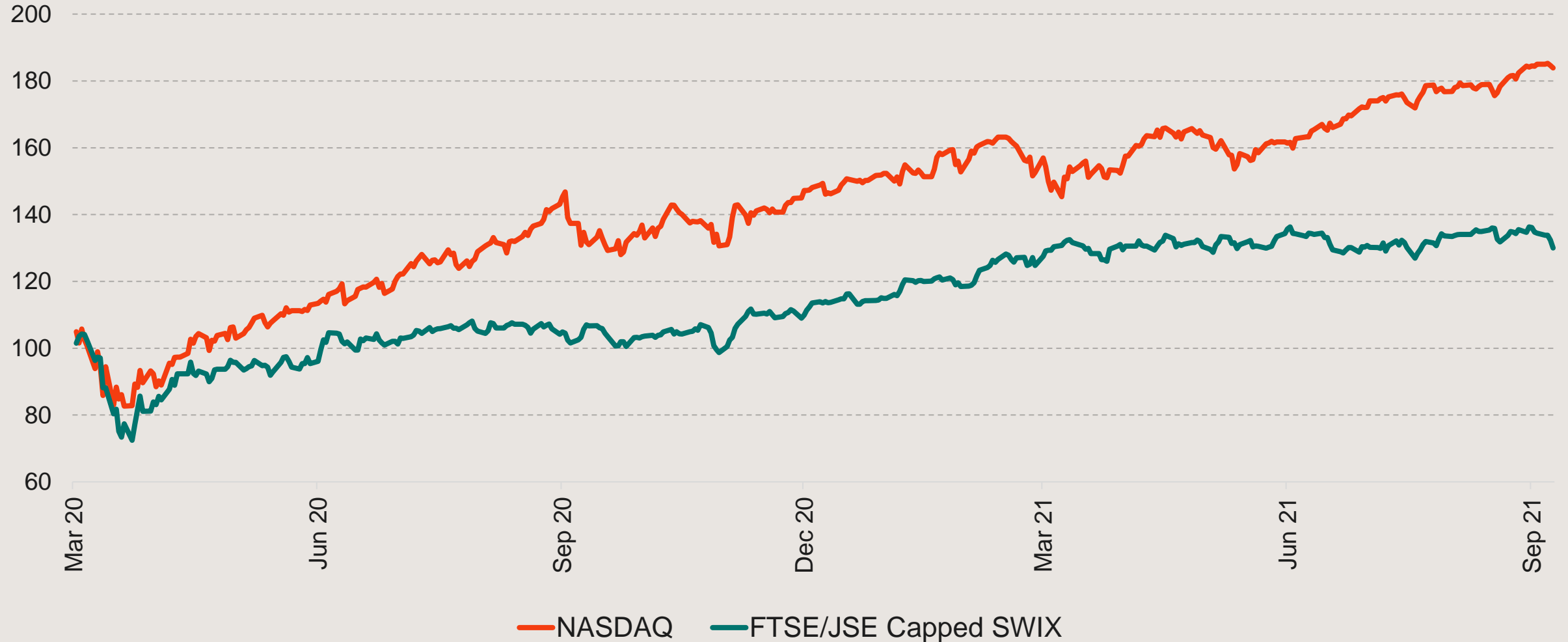
## High Growth fund vs. the next best fund in South Africa



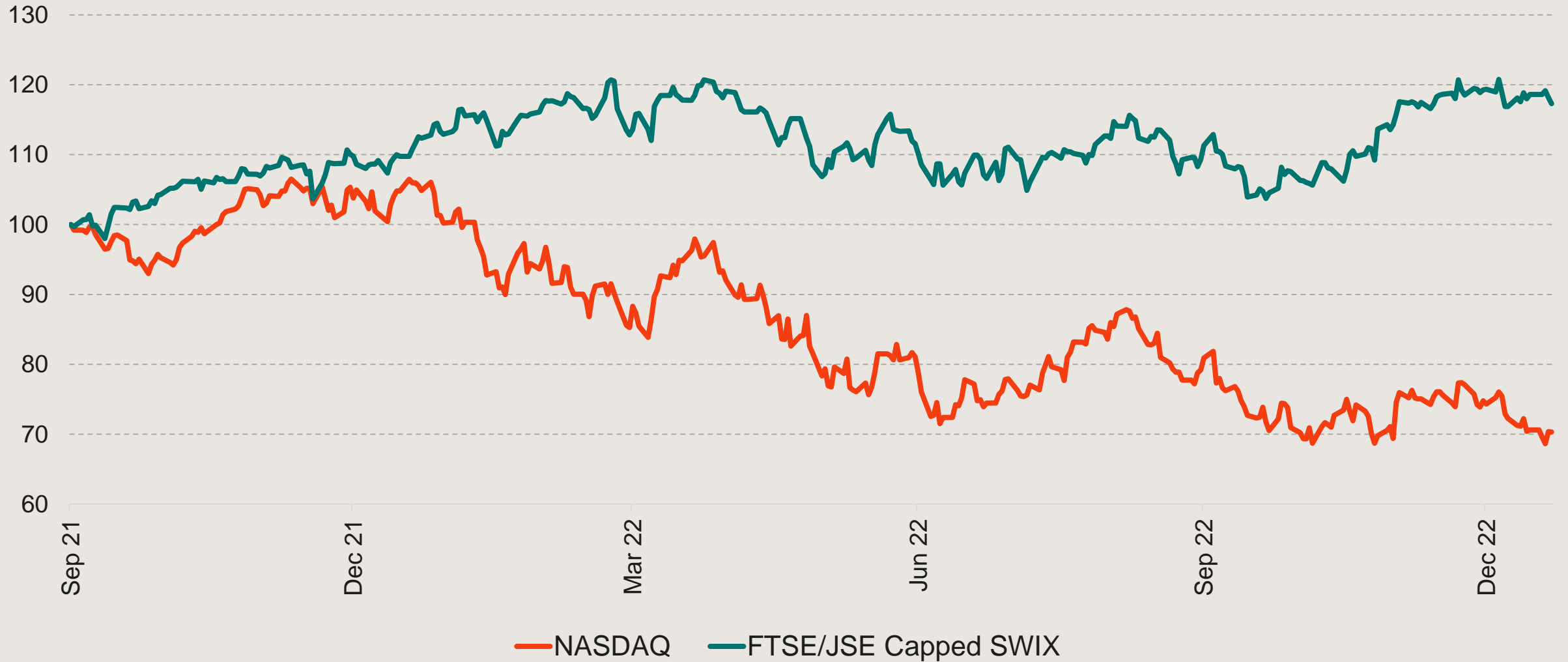
Net returns since 1 February 2000

The bar graphs above are for illustrative purposes only and reflect 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. Returns are to 31 January 2024 | Source: Peregrine Capital, Morningstar, Bloomberg

# Falling in love with your winners



# Falling in love with your winners



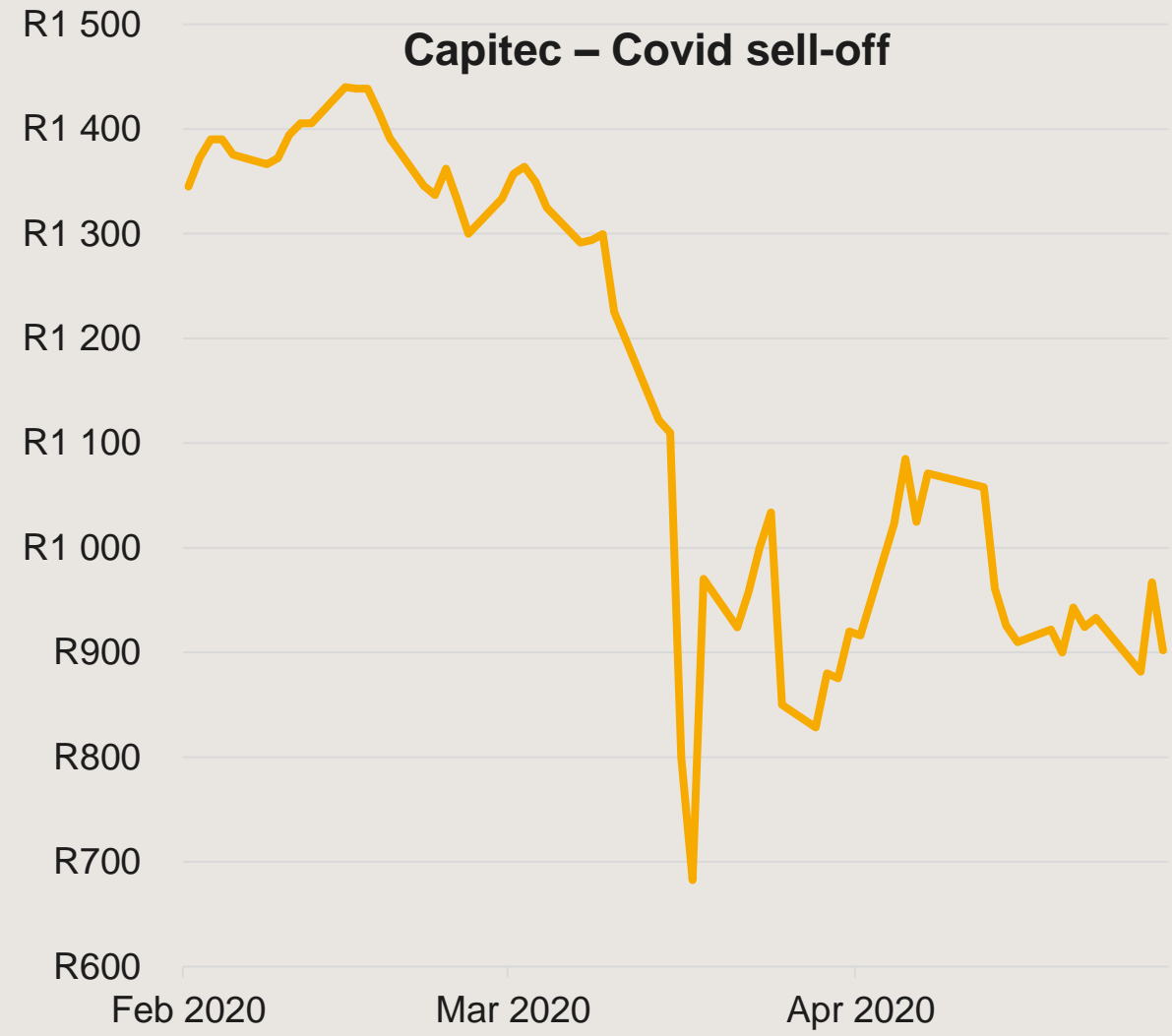
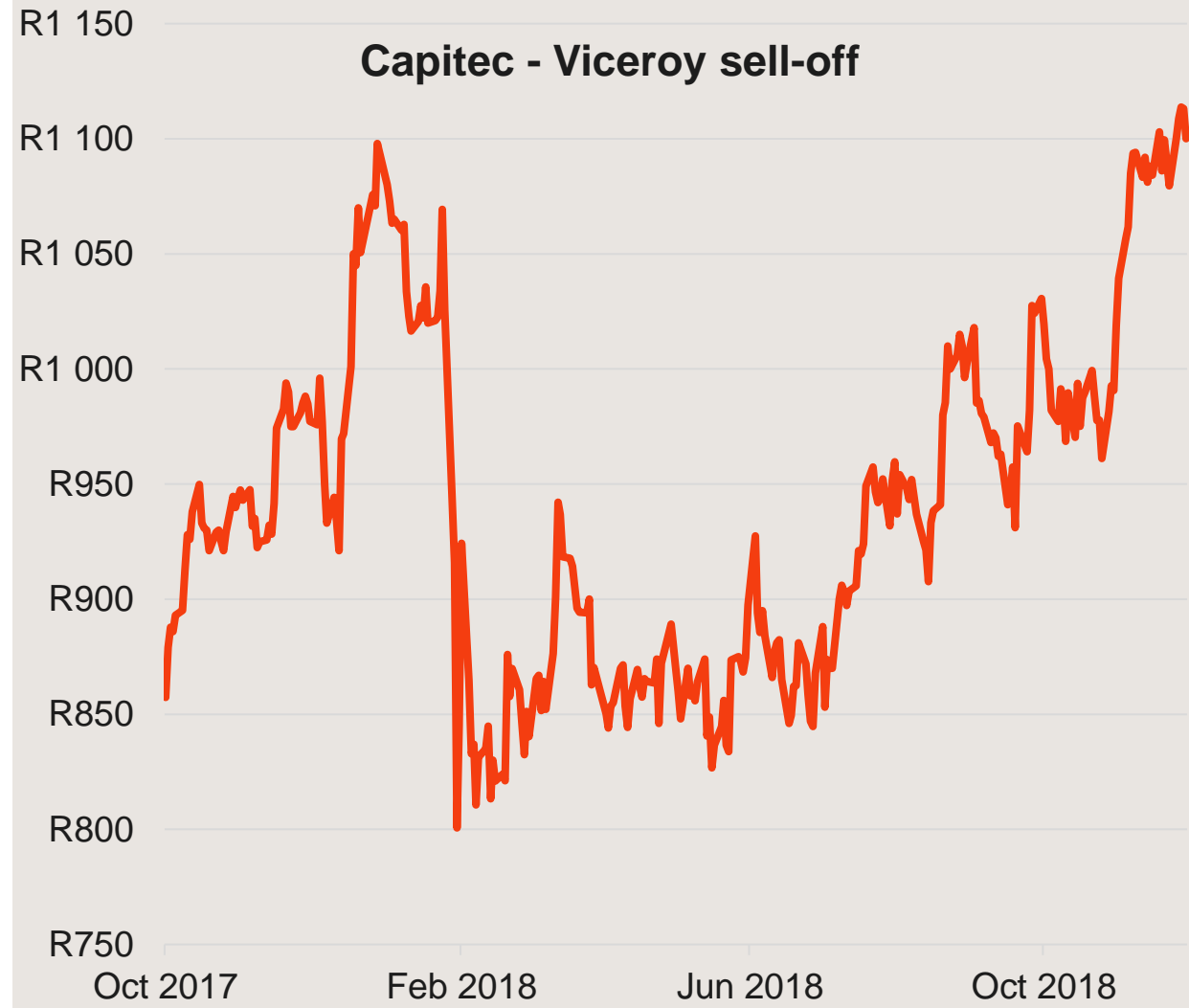
# Taking advantage of volatility



## Astral Foods



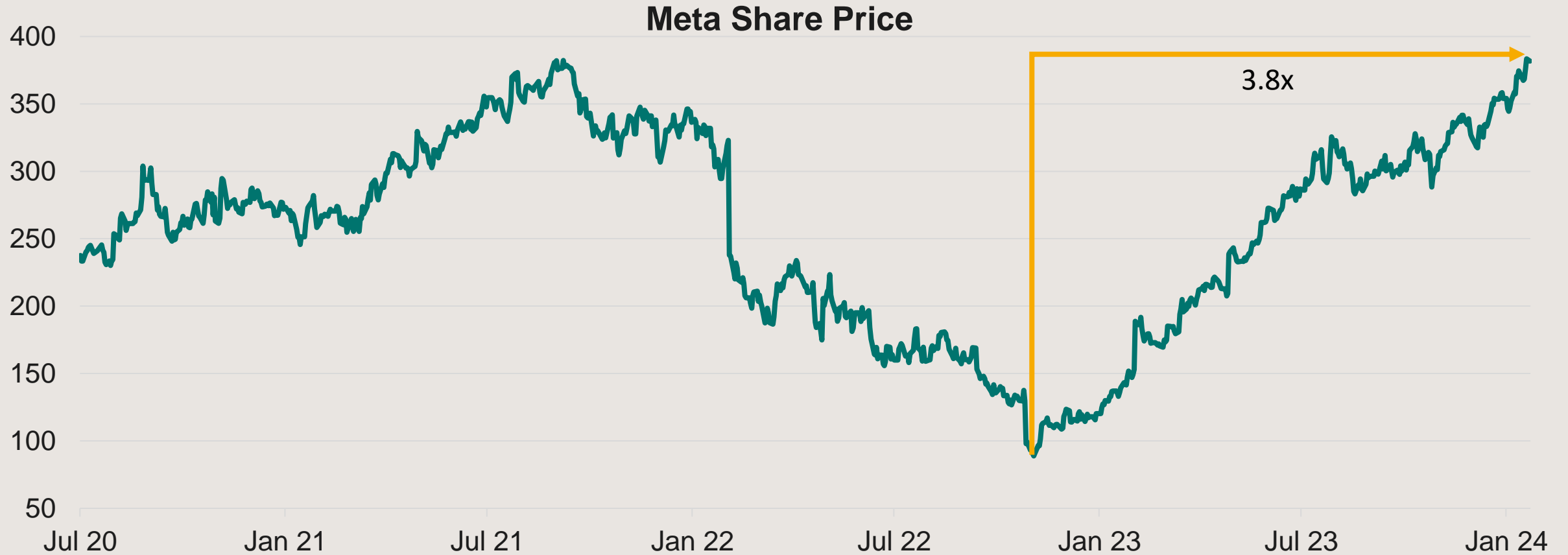
# Volatility is an opportunity



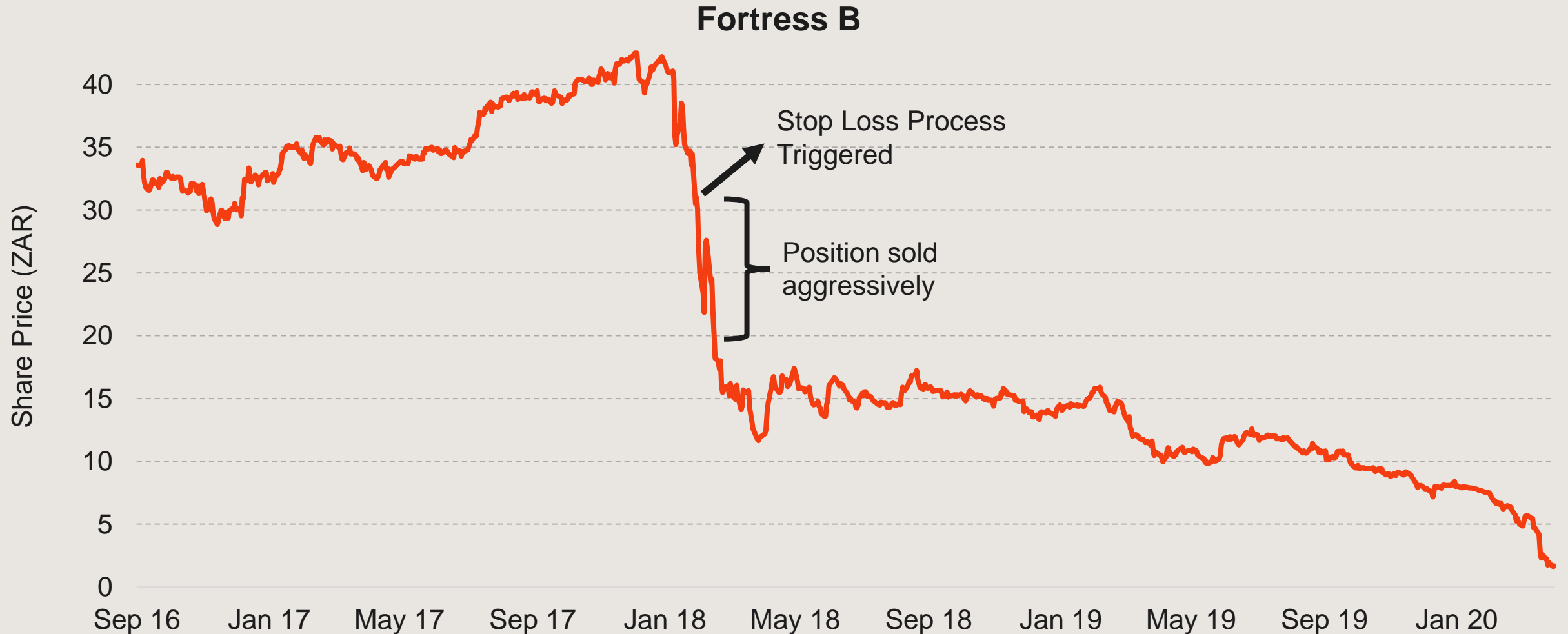


# Be fearful when others are greedy

# Be greedy when others are fearful



# Accept when you are wrong



# Don't be blinded to **opportunity**



Complex capital structure

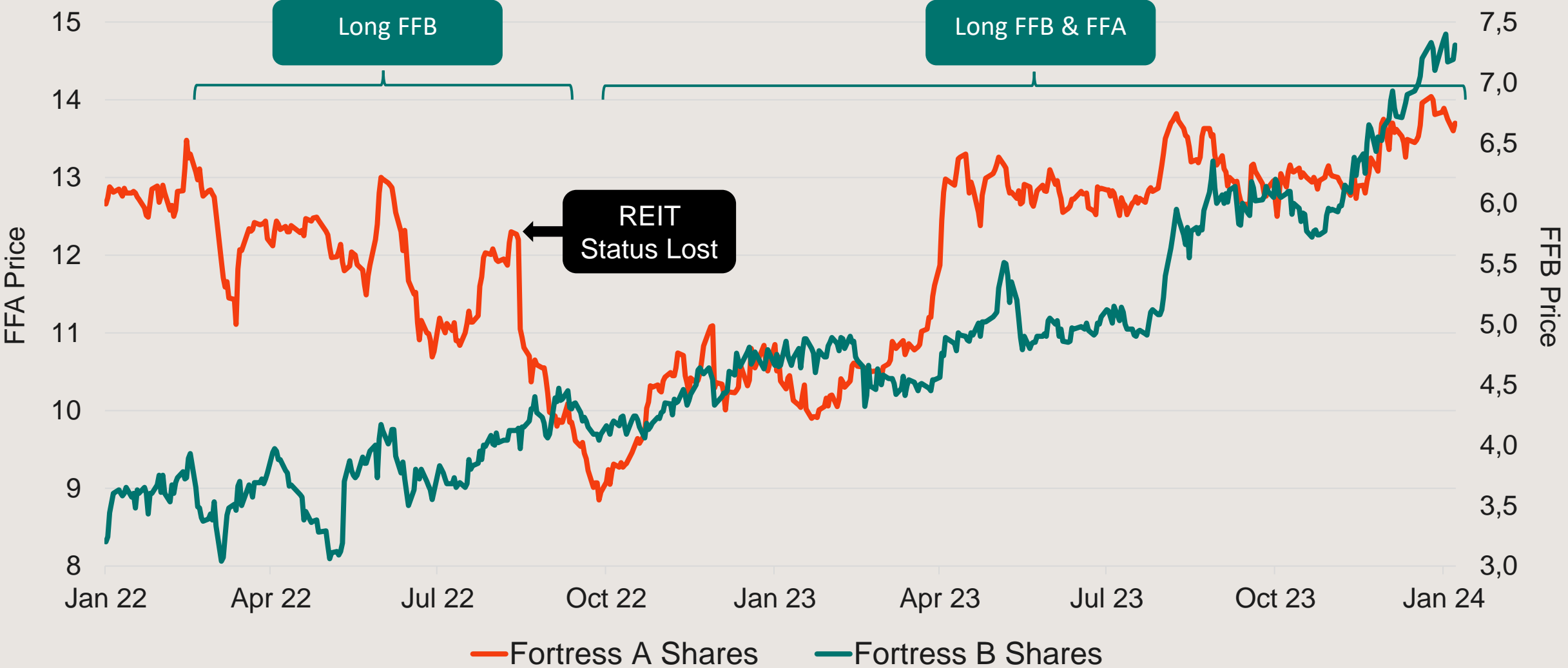
REIT status lost in November 2022

✓ Opportunity for value unlock?





# Don't be blinded to opportunity



# High Growth fund

Exceptional long-term returns

Fund started in February 2000

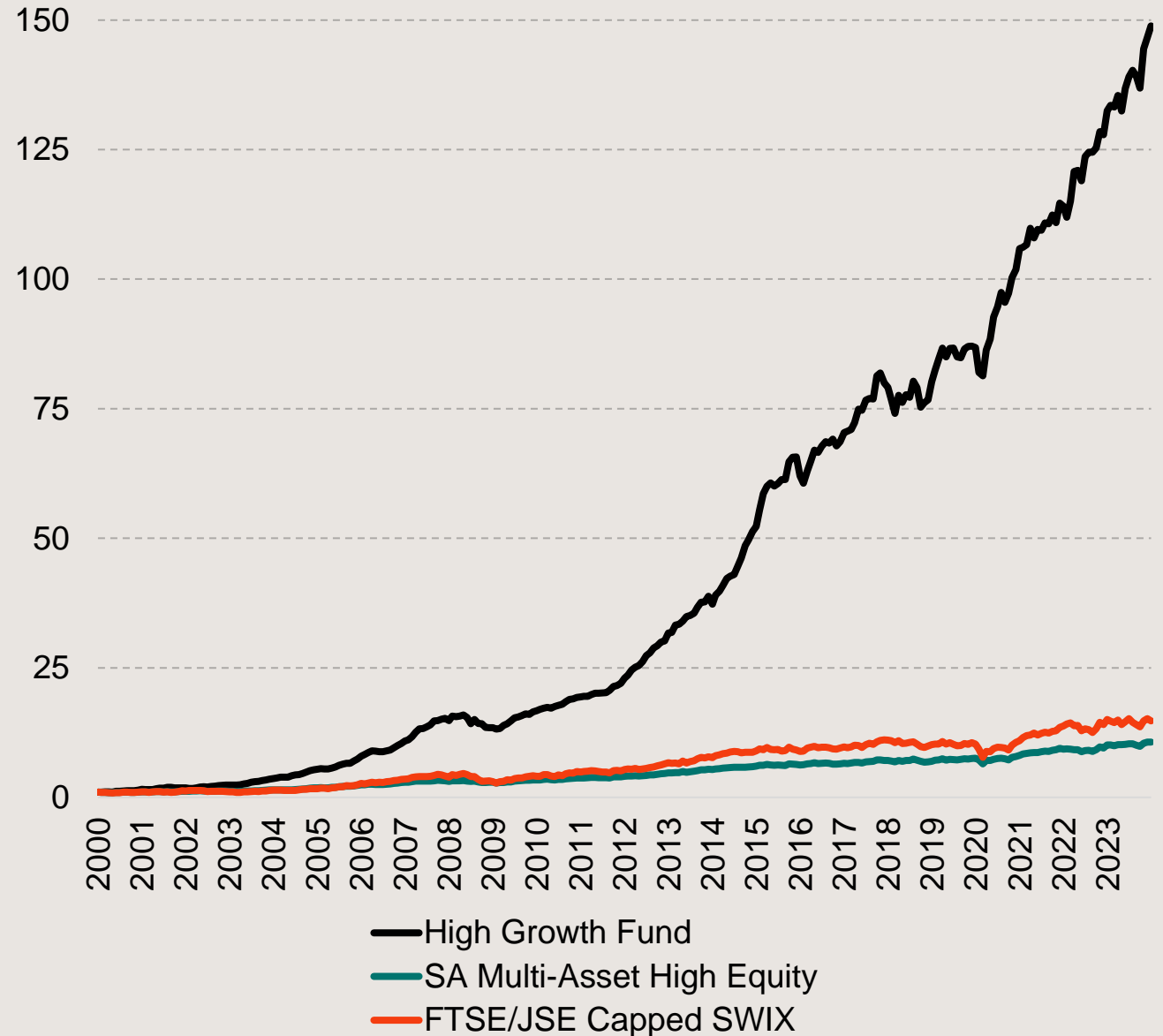
Creating long-term wealth for investors by investing in our best investment ideas

Industry leading long-term investment growth.

Moderate levels of risk, similar to that of traditional SA high-equity balanced funds

**SA's 1st Fund to deliver 100x Initial Investment**

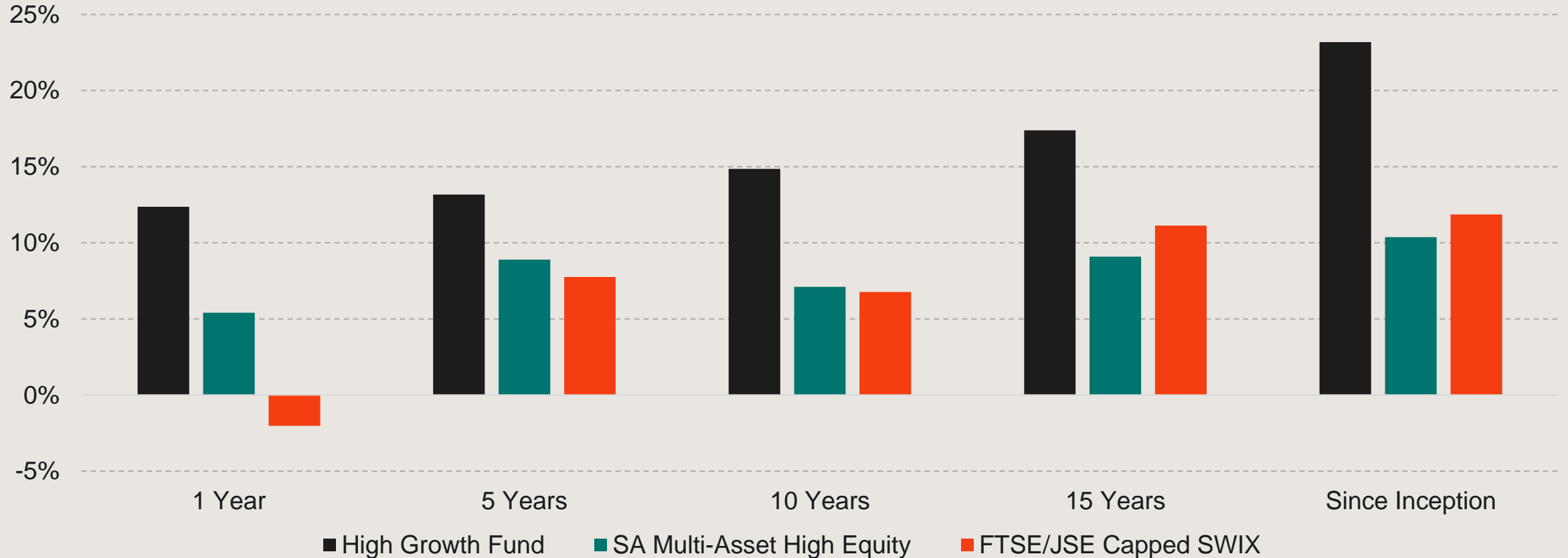
Growth of R1 invested on 1 February 2000



# High Growth Fund consistent long-term returns



Annualised Net Returns



# Pure Hedge fund

## Low risk, stable returns

Fund started in July 1998.

Offering investment stability and downside protection while growing investors' wealth.

Deliver returns above inflation over the medium term.

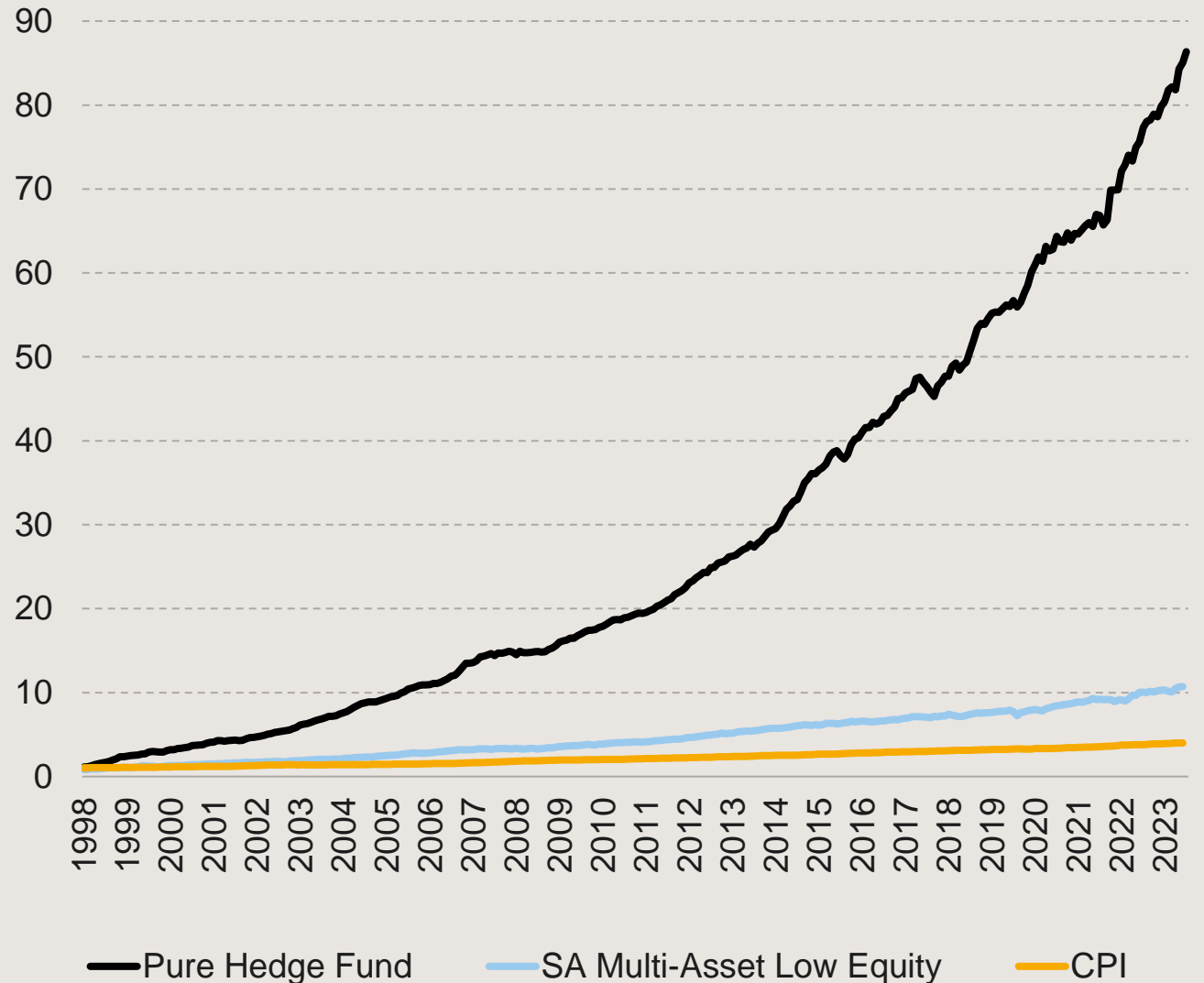
Low risk category.

Market-Neutral hedge fund.

**Never had a Negative Year since Inception**



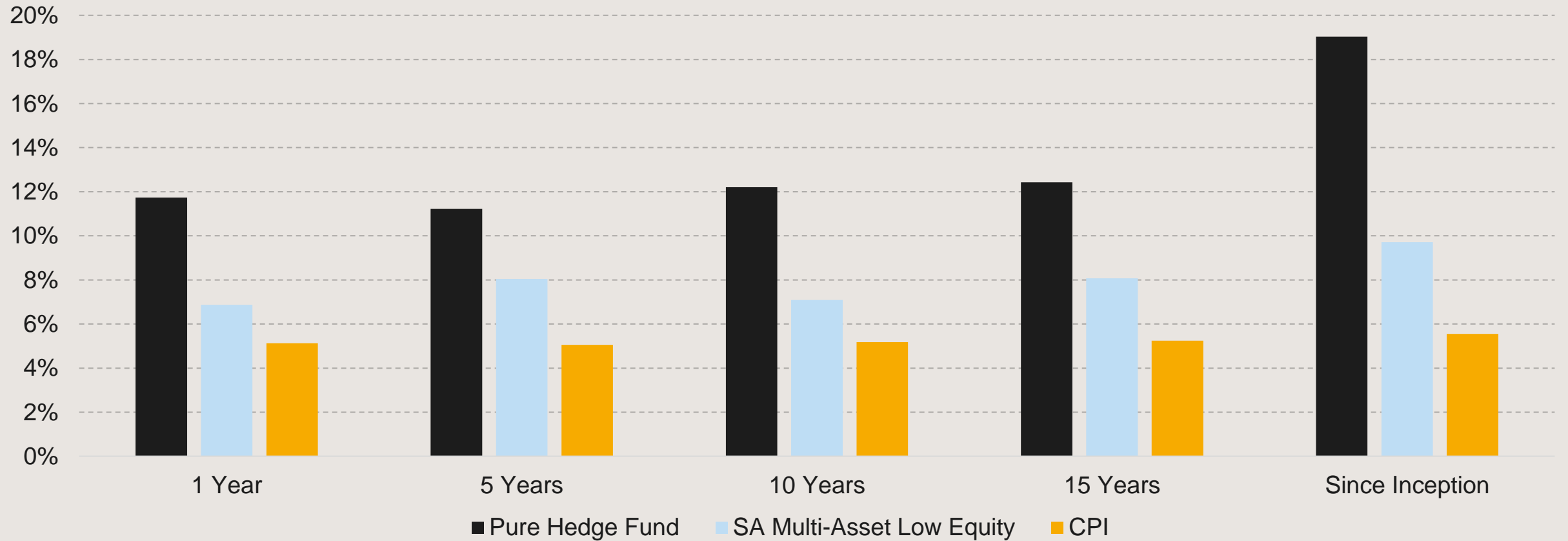
### Growth of R1 invested on 1 July 1998



# Pure Hedge Fund

## low risk, stable returns

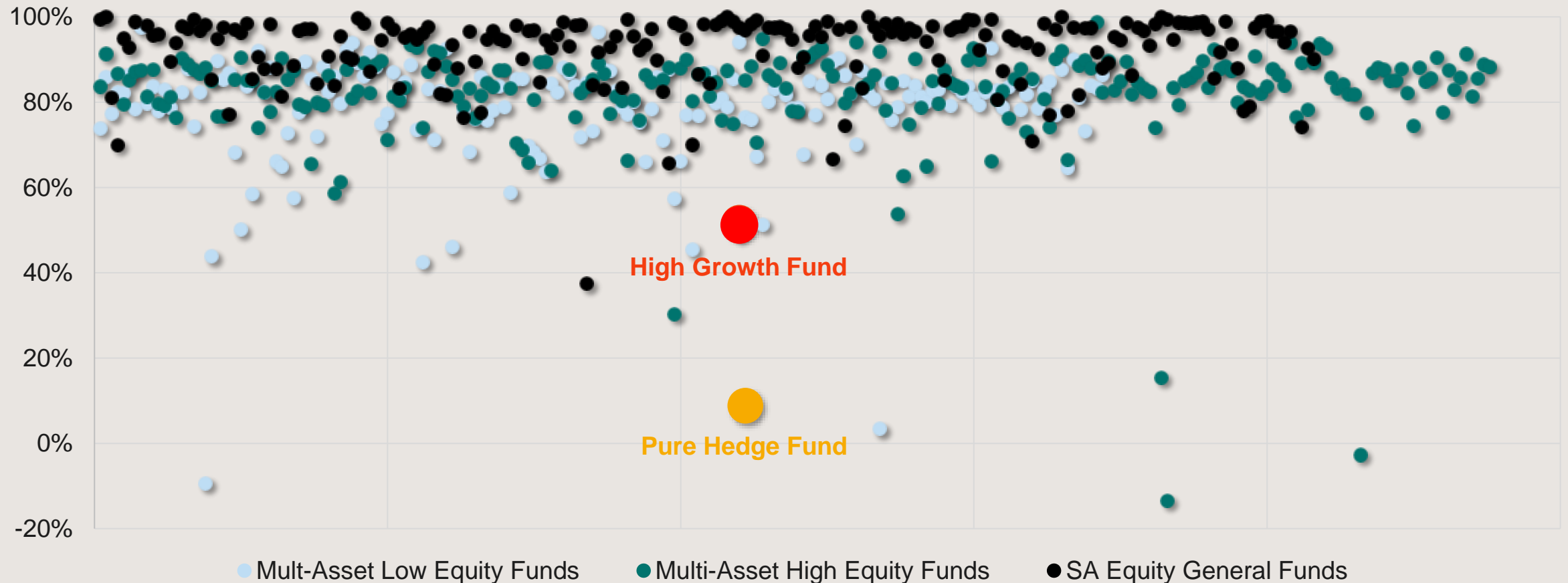
Annualised Net Returns





# A diversification advantage: low correlations

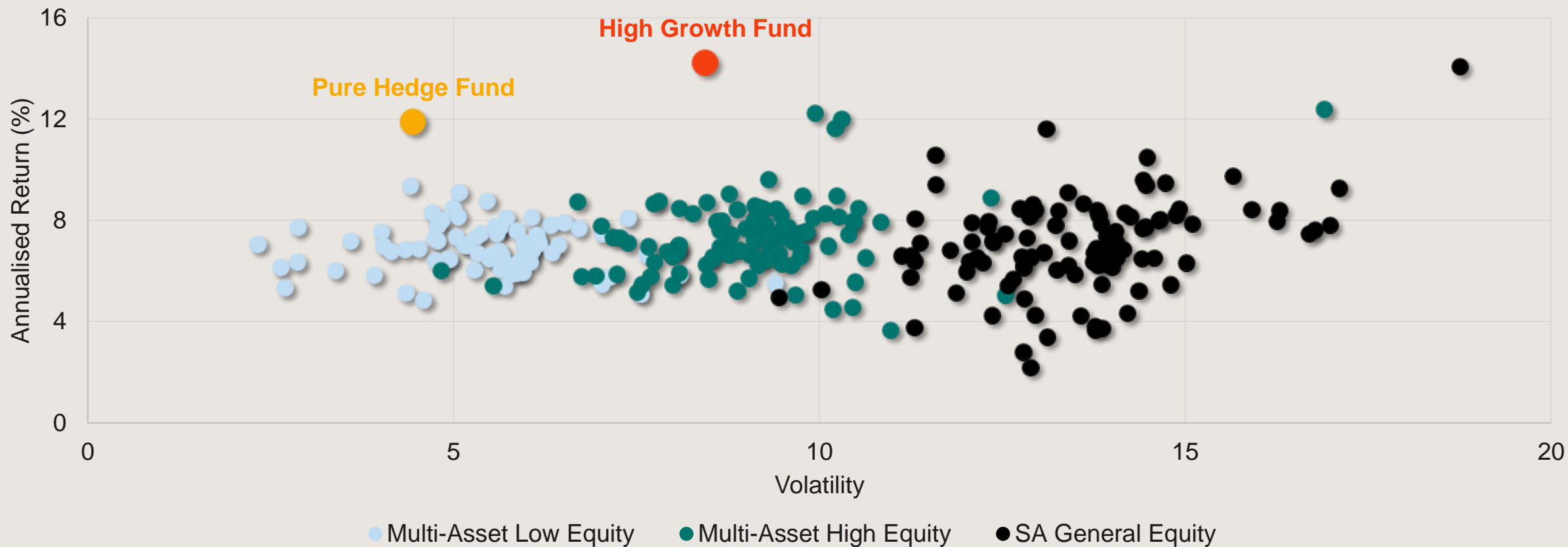
2-Year Correlation To The JSE Capped SWIX



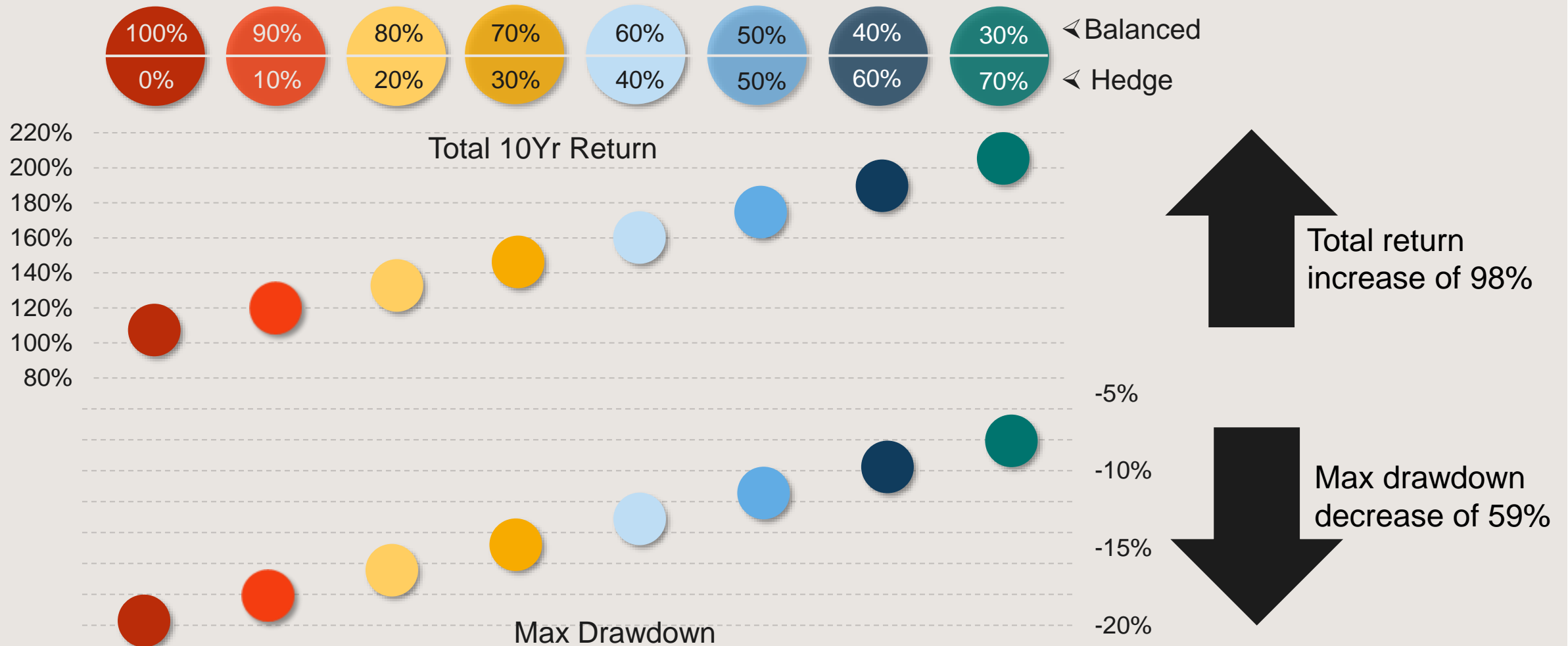
# Best in class risk-adjusted returns



### 10 Year Risk/Return Scatter



# Enhancing portfolio risk and return



Figures are for ten years to 31 January 2024. | "Balanced" refers to a Traditional Balanced Portfolio made up of 60% equity, 40% bonds. Equity refers to FTSE/JSE Capped Swix, Bonds refers to FTSE/JSE All Bond. Hedge refers to 50% High Growth Fund, and 50% Pure Hedge Fund. Source: Peregrine Capital, Morningstar, Bloomberg

# Managing emotions is vital for **outperformance**

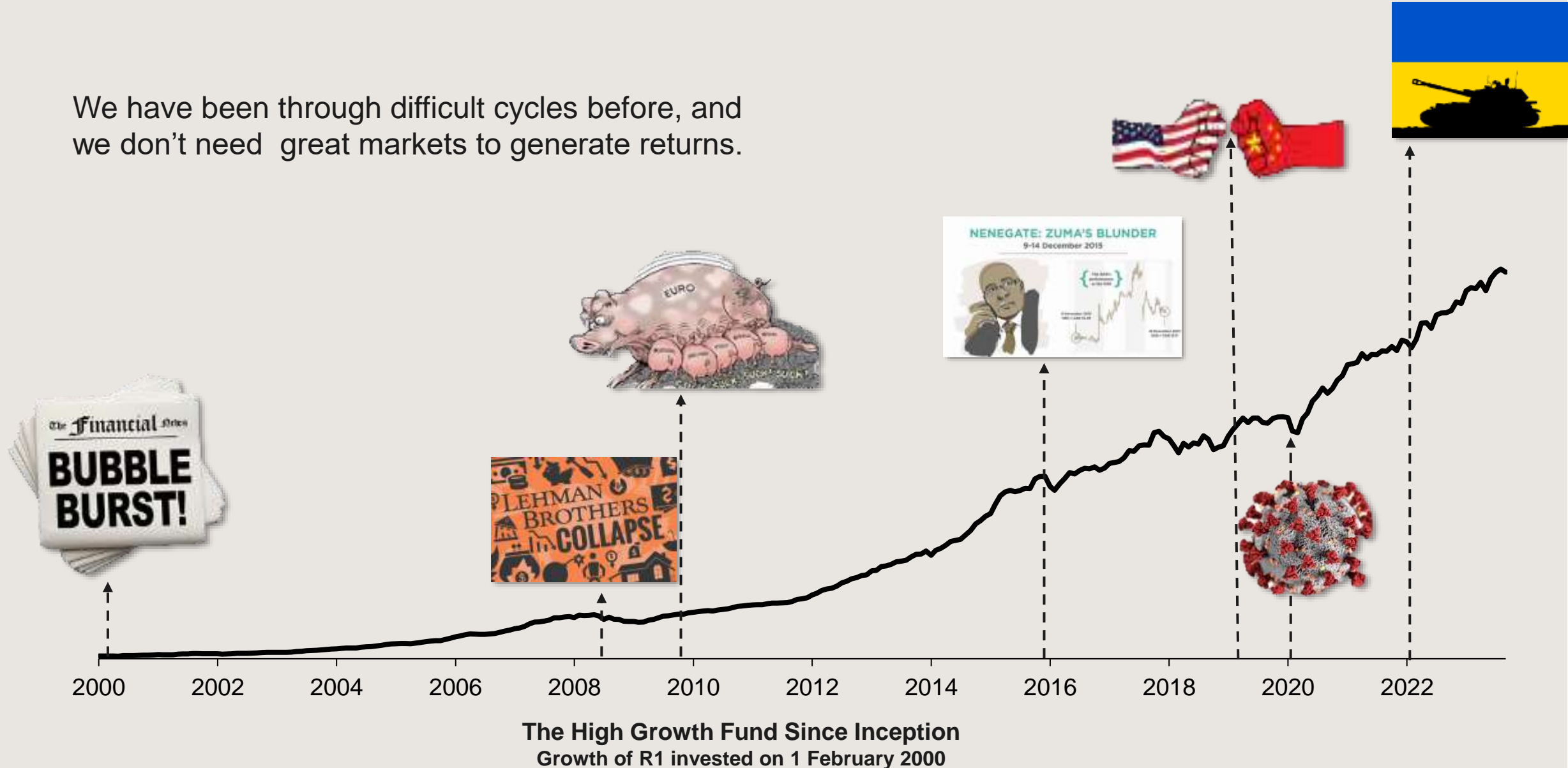
- Don't fall in love with a share!
- Invert: If you feel very emotional, consider doing the opposite.
- Be greedy when others are fearful.
- Accept when you are wrong.



# In conclusion



We have been through difficult cycles before, and we don't need great markets to generate returns.



# Important Information



# Important information

## General

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## FAIS

Peregrine Capital (Pty) Ltd (registration number: 1998/004238/07) (“Peregrine Capital” or the “Portfolio Manager”), address: 1 Park Lane, Wierda Valley, Sandton, 2196, is licensed as a financial services provider in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002.

## Collective Investments

With effect from 1 April 2015, hedge funds in South Africa became regulated as collective investment schemes through a declaration in Government Notice No. 141 of 25 February 2015, read with the Collective Investment Schemes Control Act, No. 45 of 2002 (“CISCA”) and Board Notice 52 of 2015 (“the legislation”).

## The Manager

H4 Collective Investments (RF) (Pty) Ltd (registration number: 2002/009140/07) (“H4” or the “Manager”), address: The Citadel, 15 Cavendish Street, Claremont, 7708, is registered as a collective investment scheme manager under CISCA and is the manager of the H4 Qualified Investor Hedge Fund Scheme.

# Important information

## Disclosures in respect to third-party-named portfolios

A hosted or third-party-named portfolio bears the name of both the Manager and the Portfolio Manager. The Manager retains full legal responsibility for the hosted/third-party-named portfolio. H4 has appointed Peregrine Capital as the Portfolio Manager of the regulated portfolios listed below.

At the date of this presentation, Peregrine Capital has transitioned the following portfolios to regulated portfolios in terms of the legislation:

- Peregrine High Growth en Commandite Partnership transitioned to the Peregrine Capital High Growth H4 QI Hedge Fund (the “High Growth Fund”) on 1 December 2016; and
- Peregrine Pure Hedge en Commandite Partnership transitioned to the Peregrine Capital Pure Hedge H4 QI Hedge Fund (the “Pure Hedge Fund”) on 1 December 2016.
- Accordingly, portfolio holdings and historical performance information includes data prior to the transition of the regulated portfolios in terms of the legislation.

## General

Collective Investment Schemes in Hedge Funds (CIS) 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. CIS 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 return.

The Manager has the right to close a portfolio to investments from new investors, and/or to close a portfolio 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 a portfolio 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 presentation, please note that neither the manager or the portfolio manager guarantee that such forecasts or commentary will occur.

## Performance disclosures

Past performance may not be a reliable guide to future performance. The performances calculated and shown are those of the applicable portfolios. 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 one year are used in calculating past performance, certain figures may be annualised. Annualisation is the conversion of a rate of any length of time into a rate that is reflected on an annual basis.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The investment performance is calculated by taking all ongoing fees into account in the calculation of the net return/investment performance figures. Figures quoted are from H4, Peregrine Capital, Profile Media Funds Data, IRESS and Bloomberg.



# Important information

## 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 portfolio 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.

## Calculation of the NAV and price

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 (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.

## 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%, and in excess of a hurdle in the Pure Hedge Fund. 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.

# Important information

## High Growth Fund

The calculation of net returns and the risk measures comprises data from the Peregrine High Growth en Commandiite 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.

## Pure Hedge Fund

The calculation of net returns and the risk measures comprises data from the inception of the Peregrine Capital Pure Hedge en Commandite Partnership on 1 July 1998 until 30 November 2016, thereafter the data relates to the Peregrine Capital Pure Hedge H4 QI Hedge Fund (“Pure Hedge Fund”).

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

The data for the ASISA SA Multi Asset - Low Equity Category and CPI is provided for comparative purposes.

# Important information

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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.

## SA Multi Asset - Low Equity Category

The South African Multi Asset – Low 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 – Low Equity category from 1 February 2000 to 31 January 2013, was the market value-weighted average return of the funds in the Domestic Asset Allocation Prudential Low Equity sector of the previous ASISA Fund Classification Standard.

## CPI

The CPI figures are lagged by one month as the number was calculated before this month’s inflation rate was released.

Thank  
You

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