

ASSET ALLOCATION

	SA	Foreign	Total
Equity	8.70%	7.36%	16.06%
Fixed Income	4.87%	4.82%	9.69%
Property	4.51%	-1.72%	2.79%
Cash, Collateral & FX, Interest Bearing CIS and Other	63.60%	7.87%	71.46%
	81.68%	18.32%	100.00%

Gross Exposure: 130.12%

NET RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Multi Asset-Low Equity Category
2020		-1.08%	0.31%	2.21%	2.20%	2.27%	0.92%	1.58%	-0.90%	3.05%	-1.20%	0.14%	9.79%	4.11%
2021	1.29%	-1.18%	-0.13%	1.97%	-1.57%	1.23%	-0.09%	0.47%	0.30%	0.90%	-0.13%	1.72%	4.82%	13.53%
2022	-0.65%	-1.25%	0.32%	5.71%	0.09%	-0.03%	2.74%	0.69%	1.50%	-0.61%	1.14%	0.84%	10.81%	1.36%
2023	2.13%	0.93%	0.39%	1.03%	-0.60%	1.36%	1.03%	1.69%	0.13%	0.18%	2.65%	0.85%	12.38%	11.05%
2024	1.27%	1.36%	-0.75%	1.05%	0.63%	1.82%	0.90%	1.00%	3.00%	0.24%	1.51%	1.66%	14.52%	12.21%
2025	1.03%	-0.54%	1.30%	1.07%									2.87%	2.39%

IMPORTANT NOTES ON CALCULATION OF NET RETURNS AND RISK MEASURES:

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.

FUND COMMENTARY

Quarterly Performance

The Peregrine Capital Pure Hedge Fund delivered a net return of +1.78% for the first quarter of 2025. This compares with the SA Multi Asset- Low Equity Index, which gained 1.01% in the quarter.

Attribution

Exposure to the mining, payments and ecommerce sectors generated positive performance, while exposure to index futures industrial and technology sectors detracted from fund performance in the quarter.

Macro

The local equity market performed strongly during the quarter, mainly driven by a significant rally of 35% in the resource sector, a significant underperformer in the final quarter of 2024. The likes of Prosus and Richemont, significant components of the index, also contributed strongly to index returns, while the performance of the banking, industrial and retail sectors was more muted. Investors continue to prophesise 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.

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 appears to have been mainly valuation driven, while the Chinese government continues to stimulate that market with a host of fiscal and monetary tools that are 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 the rules of global trade so as 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 their approach toward management of the world's largest and most important economy.

Portfolio Construction

At quarter end, gross exposure reduced from 134% to 132%, while net exposure to equities and real estate increased from 18% to 21%. Exposure to bonds fell from 12% to 10% while net cash and money market positions were fairly stable at 69%. While portfolio net exposure has remained fairly similar to last quarter, the composition of the underlying investments has changed quite 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, the option insurance also provides the confidence to engage selective 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 that 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 the manner in which 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.

FUND CHARGES (Excl. VAT)

Service Charge	
Fund Manager fee	1.00%
H4 Administration fee*	0.23%
Total Service Charge	1.23%
Performance fee**	20.00%

*Includes fees payable for fund administration, for risk data services and to H4

**levied on 20% increase in NAV above the hurdle, 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 2025:	1yr%	3yr%
Service charge	1.23%	1.23%
Performance fee	1.50%	1.41%
VAT	0.50%	0.44%
Other costs	0.02%	0.02%
Total Expense Ratio (TER)	3.25%	3.10%
Transaction Costs (TC)	0.64%	0.97%
Total Investment Charge (TIC)	3.89%	4.07%

INCOME DISTRIBUTIONS

Income distributions for the last 12 months	31-Mar-25	30-Sep-24
Cents per unit	191.15	127.27

GLOSSARY

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

High Water Mark (HWM): The highest point in value that the investor's unit has reached. The HWM mark ensures that Peregrine Capital does not get paid a Performance Fee for the same performance twice. The HWM is updated at each Crystallisation Point.

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 31 March 2025**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 2 times NAV.

Peak gross exposure during reporting period	1.36 Times NAV
Gross exposure at quarter end	1.32 Times NAV

COUNTERPARTY EXPOSURE:

The counterparties to which the fund is exposed to on **31 March 2025** are:

Counterparty	Exposure
Peresec	2.57%
JP Morgan	1.70%
BNY	-0.29%
Morgan Stanley	9.20%
Standard Bank	0.26%

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 with Peresec does not permit the rehypothecation of assets. The mandate in place with Morgan Stanley & Co. International plc allows for rehypothecation in accordance with the agreed terms. On a daily basis the maximum limit of re-hypothecation allowed is calculated, referred to as the adjusted value, and is reported with the details of any re-hypothecated assets. At quarter end there were no re-hypothecated 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 regarding 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% above the hurdle (STEFACAD index).

Total Expense Ratio for year ended 31 March 2025	3.25%
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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.

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Fund valuation time

The end of each business day.

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 86 000 7252 | 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.

CPI

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

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.

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.

