

## KEY INVESTOR INFORMATION DOCUMENT for RETAIL HEDGE FUNDS

### 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 ("CISCA"), 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 ("the Portfolios"):

- Peregrine Capital High Growth H4 Retail Hedge Fund
- Peregrine Capital Pure Hedge H4 Retail Hedge Fund

### 1. CIS Manager information

<b>Management Company</b>	H4 Collective Investments (RF) (Pty) Ltd ("H4" or the "Manager"), with company registration number 2002/009140/07, is registered as a manager under the Collective Investment Schemes Control Act, No. 45 of 2002 ("the Act").
<b>Directors of H4</b>	Marthinus Jacobus van der Mescht, Herman Wessels, Philip Bredenhann, Barend Mattheus Griesel

### 2. Investment Manager information

<b>Investment Manager</b>	H4 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

<b>Legal structure of the Portfolios</b>	Collective investment scheme ("CIS") trust structure
<b>Financial year end</b>	31 March
<b>Distribution dates</b>	Semi-annually on 30 September and 31 March
<b>Minimum lump sum investment amount</b>	R25 000 per Portfolio
<b>Minimum monthly debit order investment amount</b>	R1 000 per Portfolio
<b>Portfolio dealing frequency - subscriptions</b>	Daily

<b>Portfolio dealing frequency - redemptions</b>	Daily
<b>Minimum additional lump sum investment amount</b>	Save if H4 waives such amount, the minimum additional investment amount shall be R5 000, per Portfolio.
<b>Minimum partial lump sum withdrawal amount</b>	Save if H4 waives such amount, the minimum partial withdrawal amount shall be R5 000 per Portfolio.
<b>Minimum partial switch amount</b>	Save if H4 waives such amount, the minimum partial switch amount shall be R5 000 per Portfolio.
<b>Minimum transfer amount</b>	Save if H4 waives such amount, the minimum transfer of ownership amount shall be R5 000 per Portfolio.
<b>Valuation and pricing methodology</b>	The H4 portfolio valuation policy will apply to the Portfolios. H4 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.
<b>Liquidity risk management</b>	<p>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 Managers' ability to efficiently manage both expected and unexpected cash flows and collateral requirements, without adversely affecting the positioning of the Portfolio. The Investment Managers monitor and manage 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.</p> <p>Investors are required to give one business day's written notice for any withdrawal of participatory interests. H4 may borrow up to 10% of the market value of the Portfolio to fund withdrawals. Investors repurchase rights in exceptional circumstances, are detailed in the H4 Hedge Fund Portfolios Terms and Conditions</p>
<b>Gating, side pocketing and suspensions of withdrawals</b>	In exceptional circumstances, and when it is in the interests of Investors, H4 is permitted by the 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, H4 will contact you to discuss the applicable process.
<b>Special repurchase arrangement or rights of some Investors</b>	There are no special repurchase arrangements in place.
<b>Change to Investment Strategy</b>	H4 has to request and receive prior approval from the FSCA to amend any provision in the Supplemental 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.
<b>Treating Customers Fairly ("TCF")</b>	H4 has always understood that in order to build and ensure a sustainable and enduring business, we must ensure that our customers' interests are central to everything we do. Treating customers fairly is considered a top priority and a standing item on the agenda of meetings of the H4 board of directors. H4 has adopted a formal TCF policy that requires monitoring of compliance with TCF principles and that prompt corrective action be taken when TCF shortcomings are identified. The TCF policy also includes a complaints procedure that requires all complaints to be logged in a complaints register and reported to the H4 board of directors. In order to support management's commitment to TCF, H4 participates in its group TCF Forum. The TCF Forum has been established and tasked to oversee, advise and coordinate TCF efforts across the Citadel group of companies. An annual TCF gap analysis is prepared by the H4 management team and submitted to the TCF Forum for review and recommendations.

<b>Preferential treatment</b>	The directors and employees of Peregrine Capital may hold an investment in the Portfolio(s). The investments may be allocated into a reduced fee paying class. Any investment placed within this class shall be at the discretion of the Investment Manager.
<b>Investor reporting</b>	<p>Investors will receive the following documents:</p> <ul style="list-style-type: none"> <li>■ monthly statement;</li> <li>■ quarterly breakdown of profit and loss for the quarter, which represents an investor's pro-rata portion of the Portfolio's profit and loss and not a report on income, dividends and interest earned by the investor for the period. The quarterly breakdown of profit and loss should not be used by investors in the completion of their provisional tax payments or income tax returns;</li> <li>■ if applicable, semi-annual distribution notices; and</li> <li>■ if applicable, certificates of income and capital gains for tax purposes, annually or on withdrawal of participatory interests.</li> </ul> <p>The following documents are available at <a href="http://www.peregrine.co.za">www.peregrine.co.za</a>:</p> <ul style="list-style-type: none"> <li>■ fund fact sheets, referred to as Minimum Disclosure Documents ("MDD");</li> <li>■ quarterly risk report, this is an annexure to the MDD at the end of each calendar quarter.</li> </ul>
<b>Annual abridged report</b>	The latest annual abridged report of the H4 Retail Hedge Fund Scheme is available on request, from H4 at <a href="mailto:hedge@h4ci.co.za">hedge@h4ci.co.za</a> or +27 86 000 7993.
<b>Permissible Deductions</b>	<p>The amounts which may be deducted from the Portfolios are –</p> <ul style="list-style-type: none"> <li>■ charges payable on the buying or selling of assets such as brokerage, marketable securities tax, securities lending fees and settlement fees;</li> <li>■ auditor's fees, bank charges, trustee and custodian fees and other levies or taxes;</li> <li>■ service charges of H4, which includes the Investment Manager's management and performance fees and administration fee.</li> </ul>
<b>Re-hypothecation of Assets</b>	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 prime broking mandates in place does not permit the re-hypothecation of assets.
<b>Counterparty exposure – calculation methodology</b>	Counterparty exposure shall be calculated equal to any initial and variation margin posted to and held by a counterparty, the verifiable market value of derivatives, including any excess collateral and any net exposure generated through a scrip lending agreement.

#### 4. Portfolio investment restrictions and risks

<b>Permitted instruments</b>	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 permitted to invest in physical property, a portfolio of qualified investor hedge fund or a private equity fund. The Portfolios are not fund of hedge funds.
<b>Associated Risks</b>	<p>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:</p> <p><b>Market risk</b></p> <p>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 Managers monitor and adjust the overall gross and net exposures of the Portfolio to manage the market risk.</p>

**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 Managers use 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 Managers monitor 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 on the use of leverage are detailed below.

**Hedging**  
 Hedging in the Portfolio is actively used to manage currency, sector and market exposure. The Investment Managers use 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 Managers monitor 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 Managers ensure that the expected return is sufficient compensation for the credit risk taken. In addition, the Investment Managers only transact 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.

Portfolio	Peregrine Capital High Growth H4 Retail Hedge Fund	Peregrine Capital Pure Hedge H4 Retail Hedge Fund
<b>Portfolio investment Restrictions</b>	Investment restrictions as set out in Board Notice 52 of 2015 issued by the Financial Services Conduct Authority.	
<b>Leverage</b>	The Manager will apply the commitment approach to measure leverage.	
<b>Leverage limit</b>	200%	200%
<b>Counterparty exposure – calculation methodology</b>	Counterparty exposure shall be calculated equal to any initial and variation margin posted to and held by a counterparty, the verifiable market value of derivatives, including any excess collateral and any net exposure generated through a scrip lending agreement.	

## 5. Investment management fees

Portfolio	Peregrine Capital High Growth H4 Retail Hedge Fund	Peregrine Capital Pure Hedge H4 Retail Hedge Fund
<b>Date of establishment of the Portfolio</b>	2 December 2019	3 February 2020
<b>Service charge – management fee</b>		
<b>Percentage charged</b>	H4 shall earn a maximum management fee of 1.73% (per annum, excluding VAT).	H4 shall earn a maximum management fee of 1.23% (per annum, excluding VAT).
<b>Calculation methodology</b>	The management fees shall be calculated and accrued daily by multiplying NAV by such percentage divided by the number of days in the calendar year/365	
<b>Payment frequency</b>	The management fee is paid monthly.	
<b>Service charge – performance fee</b>		
<b>Service charge – performance fee</b>	H4 shall earn a performance fee of 20% (excluding VAT) of the net return generated in the Portfolio.	H4 shall earn a performance fee of 20% (excluding VAT) of the net return generated in the Portfolio above the hurdle rate.
<b>Hurdle</b>	N/A	<ol style="list-style-type: none"> <li>The hurdle rate is the Short Term Fixed Interest (“STEFI”) Call Deposit Index as quoted by Bloomberg (Screen code: STEFOCAD &lt;Index&gt;) and is calculated as the percentage growth in STEFI as measured at the start and the end of each calendar quarter.</li> <li>The hurdle resets quarterly.</li> </ol>
<b>Accrual frequency</b>	Performance fees are calculated and accrued daily based on the performance achieved each day	
<b>Payment frequency</b>	Performance fees are be payable quarterly (at the end of March, June, September and December) or on the Investor’s withdrawal, switch or outright cession from the Portfolio.	
<b>High Water Mark</b>	The high water mark principle is applied	
<b>Equalisation</b>	Equalisation is not applied.	
<b>Cap</b>	There is no cap on the performance fee	
<b>Classes</b>	<p>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.</p> <p>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</p>	

## 6. Delegated functions

<b>Investment Manager</b>	Refer to point 2 above for Investment Manager information.
<b>Custodian</b>	<p>H4 has appointed Standard Bank of South Africa Limited as the custodian of the H4 Retail Hedge Fund Scheme and the Portfolios. No conflicts of interest between H4 and the custodian have been identified.</p> <p>The main responsibilities of the custodian are to ensure that:</p> <ul style="list-style-type: none"> <li>there is legal separation of assets held under custody;</li> </ul>

	<ul style="list-style-type: none"> <li>■ there is an appropriate system of internal control has been established and maintained by H4; and</li> <li>■ portfolio investment restrictions are adhered to</li> <li>■ the sale, issue, repurchase or cancellation of participatory interests on or behalf of the H4 Retail Hedge Fund Scheme is carried out in accordance with the CISCA Act and the deeds.</li> </ul>
<b>Administrator</b>	<p>H4 has entered into service level agreements with Sanne Fund Services (Pty) Ltd. No conflicts of interest between H4 and these administrators have been identified.</p> <p>The functions delegated by H4 to the administrators are :</p> <ul style="list-style-type: none"> <li>■ recording of all transactions within the Portfolios;</li> <li>■ preparation of the Portfolio valuations;</li> <li>■ processing and recording of all investor transactions; and</li> <li>■ distribution of investment statements, distribution notices and tax certificates to investors</li> </ul>
<b>Prime Broker</b>	<p>H4 has appointed Legae Peresec (Pty) Ltd as the prime broker to the Portfolios. No conflicts of interest between H4 and the prime broker have been identified.</p> <p>The functions delegated by H4 to the prime broker are:</p> <ul style="list-style-type: none"> <li>■ trade clearing and settlement;</li> <li>■ securities lending;</li> <li>■ financing and provision of leverage;</li> <li>■ capital introduction; and</li> <li>■ customised technology and operational support</li> </ul>
<b>Depositories</b>	<p>H4 has appointed Legae Peresec Nominees (Pty) Ltd as the depository to the Portfolios. No conflicts of interest between H4 and the depository have been identified.</p> <p>The depository is responsible for the safe-keeping of assets. Peregrine Nominees (Pty) Ltd has sub-delegated the safe-keeping of offshore assets to the Bank of New York.</p>
<b>Management of conflict of interests with regards to delegated functions</b>	<p>H4 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 H4 Compliance Officer and managed in terms of the policy. Where the conflict cannot be avoided, H4 management must ensure that sufficient controls are put in place to manage the identified conflict of interests.</p>

## 7. Portfolio service providers

<b>Auditor</b>	<p>H4 has appointed Deloitte &amp; Touche as the auditors of the H4 Retail Hedge Fund Scheme and the Portfolios.</p> <p>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.</p>
<b>Risk Data Service Provider</b>	<p>H4 has appointed RisCura Analytics (Pty) Ltd to prepare daily risk monitoring reports for H4.</p>