

# HIGH GROWTH FUND

1<sup>ST</sup> FUND IN SOUTH AFRICA TO DELIVER 100x INITIAL INVESTMENT SINCE INCEPTION\*

## ABOUT THE FUND

The goal of the High Growth strategy is to create long-term wealth for investors by investing in our best investment ideas in the equity market and other asset classes. The strategy aims to deliver industry leading long-term investment growth for our investors, while assuming moderate levels of risk. The historic risk indicators of the High Growth strategy are similar to those of traditional South African balanced funds. Though it is a multi-asset fund, there is often a significant allocation to equity. The ideal investment horizon for the Peregrine Capital High Growth H4 QI Hedge Fund (the High Growth Fund or the Fund) is five years or more.

## RISK VS. RETURNS

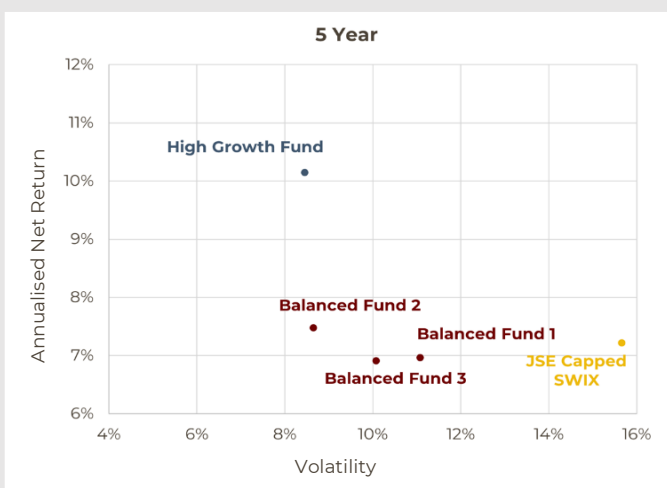
The Fund has been able to deliver industry leading returns for investors, with moderate to high levels of risk, and similar drawdowns to those of the South African Multi-Asset High Equity (Balanced Fund) category average.

Though the High Growth Fund is a multi-asset collective investment scheme with similar risk metrics to Balanced Funds, the similarities end there. Whilst the Balanced Fund space has struggled to deliver real returns over the past five years, the High Growth Fund has continued to deliver superior risk-adjusted returns, producing an annualised net return of 10.14% (SA Multi Asset - High Equity Category: 7.05%, JSE Capped Swix All Share Index: 8.09%).

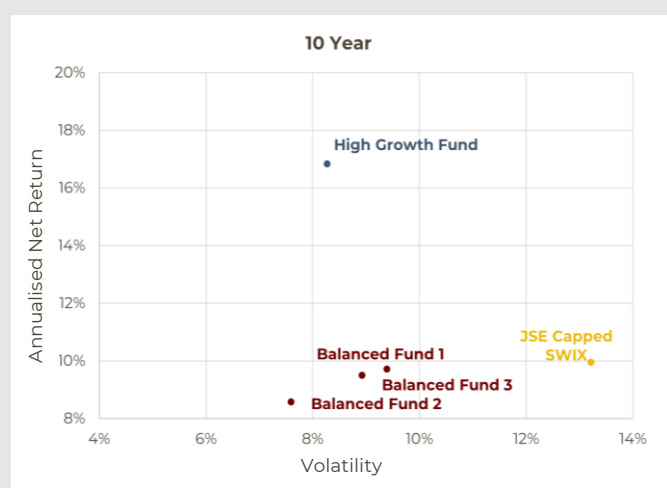
If we expand the investment horizon, the statistics only improve for the High Growth Fund, what with it being the first fund in South Africa to deliver returns since inception in excess of 10,000%. To put that in perspective, an investor who invested R1 million in the High Growth Fund in February 2000 would now be sitting with an investment value of over R115 million\*. By contrast, the Balanced Fund sector average would have you holding an investment with a market value of less than R9.3 million, whilst the Capped SWIX would have generated returns resulting in a market value of approximately R14.4 million. (High Growth Fund annualised return: 23.87% | SA Multi Asset - High Equity Category annualised return: 10.59% | FTSE/JSE Capped SWIX annualised return: 12.78%, all since inception (February 2000)).

Below is a snapshot of the five- and ten-year risk/return metrics of the High Growth Fund vs. some of the biggest Balanced funds in South Africa, as well as the market, represented by the JSE Capped SWIX.

### 5 YEAR RISK VS. RETURN METRIC



### 10 YEAR RISK VS. RETURN METRIC



Data as 28 February 2022 | Source: Peregrine Capital, IRESS, Bloomberg

Over both the five- and ten-year time periods the High Growth Fund has been able to deliver superior returns at similar risk metrics to the Balanced Funds that likely form part of most investor portfolios.



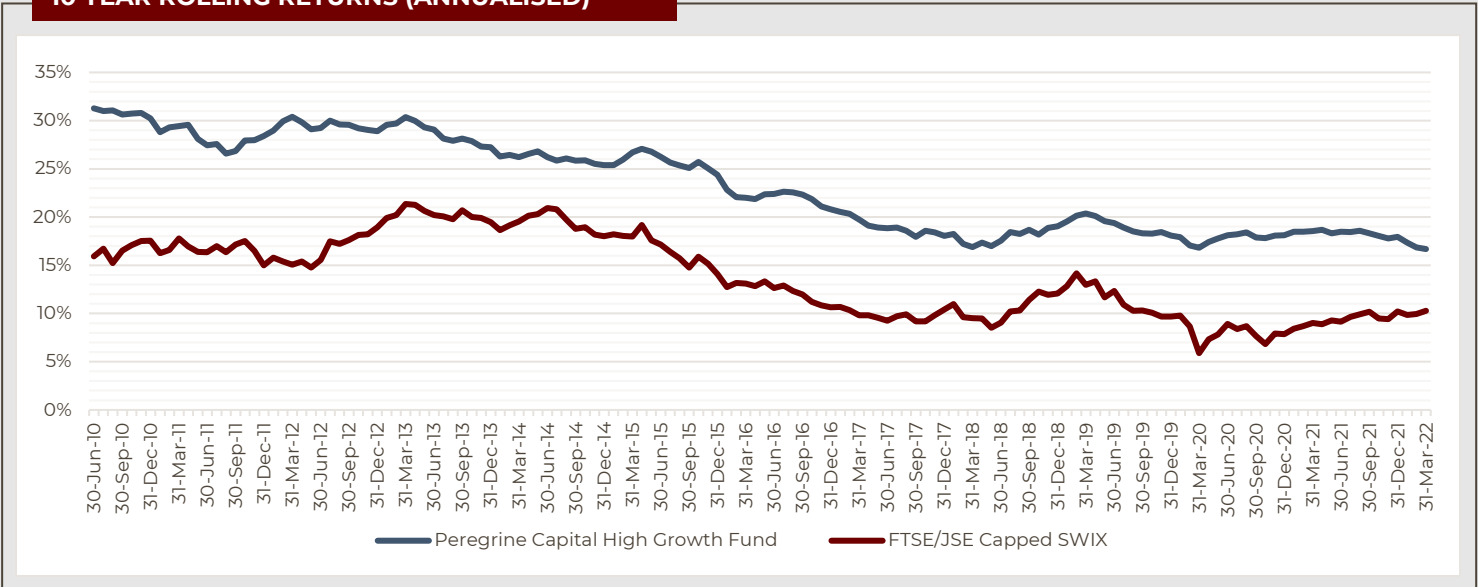
You may ask how the High Growth Fund is able to deliver this level of performance, and whether we will be able to continue to do so. We are confident that we will. The unique attributes of hedge funds allow our investment team the opportunity to protect investors against falling markets, reduce market or sector exposure, and offer another point of return generation. This results in our funds being more likely to experience a reduced level of volatility, better recover from negative volatility, and produce positive returns for investors.

## EXCEPTIONAL LONG-TERM RETURNS

As a boutique fund manager managing over R12 billion, the Peregrine Capital Hedge Funds show a solid 23-year track record of producing leading returns with competitive levels of volatility and drawdowns. In addition to our long-standing track record of award-winning performance metrics, there is the added comfort of regulation and stringent mandating of the hedge fund space in South Africa, as with all Collective Investment Schemes (Unit Trusts).

To highlight the consistency of returns, below is a graph comparing the annualised ten-year rolling returns of the High Growth Fund to the FTSE/JSE Capped SWIX:

### 10 YEAR ROLLING RETURNS (ANNUALISED)



Data to 31 March 2022 | Source: Peregrine Capital, IRESS, Bloomberg

The downside protection and consistent returns of the High Growth Fund make it more likely that an investor will have a positive outcome in the fund, no matter their investment start date. Some interesting metrics around the topic of the Fund’s consistency are as follows:

- 76.69% of all months since inception have been positive (FTSE/JSE Capped SWIX: 59.23%)
- 83.14% of historic rolling one-year periods had an investment return of 10% or more (FTSE/JSE Capped SWIX: 58.43%)
- 93.73% of historic rolling one-year returns have been positive (FTSE/JSE Capped SWIX: 80.39%)
- 94.69% of the five-year rolling returns have achieved annualised returns of more than 10% (FTSE/JSE Capped SWIX: 68.60%)
- There have been no negative five-year rolling return periods (FTSE/JSE Capped SWIX has had negative five-year rolling returns 2.42% of the time)

In prior years the High Growth Fund was only available to high-net-worth individuals and family trusts, as well as institutional clients. With the introduction of additional regulation and daily trading retail funds, you may now access the High Growth Fund either direct, or via most South African investment platforms.

If you are an investor looking for exceptional long-term capital growth, are comfortable to assume a moderate to high level of market risk and have an investment horizon of five years or more, the High Growth Fund may be suitable for you.

**Disclaimer:**

This document 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. Peregrine Capital Proprietary Limited ("Peregrine Capital") is an authorised financial services provider and is the investment manager of the Peregrine Capital High Growth H4 QI Hedge Fund ("High Growth Fund"). H4 Collective Investments (RF) Proprietary Limited, is an approved manager of collective investment schemes in terms of the Collective Investment Schemes Control Act, 2002. Returns are quoted net of fees and as at 31 March 2022. Annual management fee is charged at 1.5% while performance fees are charged at 20% subject to High Water Mark. Fee class Status: Class A, distributing. Net asset value figures (NAV to NAV) have been used for the performance calculations, as calculated by the manager at the valuation point defined in the deed, over all reporting periods. The performance is calculated for the portfolio. Individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Performance is based on a lump sum contribution and is shown net of all fund charges and expenses and includes the reinvestment of distributions. Actual annual figures are available to the investor, on request at [info@h4ci.co.za](mailto:info@h4ci.co.za). A schedule of fees, charges and maximum commission is also available on request from the manager. The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualisation is the conversion of a rate of any length of time into a rate that is reflected on an annual basis. Past performance is not indicative of future performance. This is a medium to high-risk investment.

* Fund Name	Inception date	Highest annual return	Lowest annual return	Latest 1 year	Latest 3 years	Latest 5 years	Latest 10 years
High Growth Fund	Feb-00	53.01% (2004)	-11.98% (2008)	7.895%	10.80%	10.14%	16.68%
FTSE/JSE Capped Swix All Share Index	Feb-00	47.25% (2005)	-23.23% (2008)	20.43%	11.92%	8.09%	10.27%