

DISCLAIMER

IMPORTANT INFORMATION

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COLLECTIVE INVESTMENTS AND HEDGE FUNDS

H4 Collective Investments Scheme

Citadel has been appointed by H4 as the investment manager of various portfolios within the H4 Collective Investments Scheme.

H4 Retail Hedge Fund Scheme

Citadel has been appointed by H4 as the investment manager of the H4 Retail Hedge Fund Scheme.

H4 Qualified Investor Hedge Fund Scheme



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Citadel has been appointed by H4 as the investment manager of the H4 Qualified Investor Hedge Fund Scheme.

In respect of the Peregrine Global Greats Fund, the Peregrine US Bond Fund, the Peregrine Global Multistrategy Equity Fund, the Peregrine Global Thematic Feeder Fund, the Peregrine US Protected Equity Fund, the Peregrine Global Balanced Fund and the Peregrine Global Real Estate Fund (“the Peregrine Funds”)

The Peregrine Global Greats Fund, the Peregrine US Bond Fund, the Peregrine Global Thematic Feeder Fund, the Peregrine US Protected Equity Fund and the Peregrine Global Real Estate Fund are separate cells of PGF, and the Peregrine Global Balanced Fund is a separate cell of PGP. PGF and PGP are protected cell companies registered in Guernsey which have been declared by the Guernsey Financial Services Commission (“GFSC”) as collective investment schemes of Class B. The Peregrine Global Multistrategy Equity Fund is an open-ended investment company registered in Guernsey which has been declared by the GFSC as a collective investment scheme. The Peregrine Funds have been approved for marketing in South Africa by the FSCA in terms of section 65 of the Collective Investment Schemes Control Act, 2002 (“CISCA”). Peregrine Guernsey Limited (“Peregrine Guernsey”), registration number 36784 has been appointed as the principal manager and investment manager of the Peregrine Funds. Peregrine Guernsey is licensed by the GFSC as an investment manager. Citadel has been appointed as the investment advisor of the Peregrine Funds.

GENERAL

Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective Investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available on request from H4 or Peregrine Guernsey for their respective funds. Neither H4, PGF, PGP, the Peregrine Global Multistrategy Equity Fund, Peregrine Guernsey, Citadel nor PW provides any guarantee either with respect to the capital or the return of any of the funds. H4 has the right to close the H4 Collective Investments Scheme portfolios, the H4 Retail Hedge Fund Scheme portfolios and the H4 Qualified Investor Hedge Fund Scheme portfolios to new investors in order to manage them more efficiently in accordance with their mandates. 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 H4, PGF, PGP, the Peregrine Global Multistrategy Equity Fund, Peregrine Guernsey, Citadel nor PW guarantee that such forecasts or commentary will occur. Figures quoted are from Citadel, Morningstar, Datastream, Peregrine Guernsey, MSCI and Bloomberg

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PERFORMANCE DISCLOSURES

The performances calculated and shown are those of the portfolios. Individual investor performances may differ as a result of initial fees (if applicable), the actual investment date, the date of reinvestment 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 FEES

The H4 Focused Wealth Fund charges a performance fee of 20% of the excess total return above the fund’s benchmark over a rolling 1-year period and capped at 1% per annum, which is calculated daily and deducted monthly on a high-water mark principle. The Peregrine Global Equity Fund charges a performance fee of 15% of the excess performance over the benchmark is calculated daily and paid at the end of each calendar year.

DISCLOSURES IN RESPECT OF THE CITADEL SA MONEY MARKET H4 FUND

A money market portfolio is not a bank deposit account. The price of participatory interests is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular investment, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures – in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated monthly using historical figures and is annualised.



DISCLOSURES IN RESPECT OF THE CITADEL GLOBAL EQUITY H4 FUND OF FUNDS AND THE CITADEL H4 QUALIFIED INVESTOR HEDGE FUND

These portfolios are a fund of funds, and a fund of hedge funds, respectively. A fund of funds portfolio invests in portfolios of collective investment schemes. A fund of hedge funds invests in other hedge funds. These other collective investment schemes and hedge funds into which the primary fund invests levy their own charges, which could result in a higher fee structure for the fund of funds or fund of hedge funds, as the case may be.

DISCLOSURES IN RESPECT OF THE CITADEL SA MONEY MARKET H4 FUND, THE CITADEL SA BOND H4 FUND AND THE CITADEL SA INCOME H4 FUND

The yield is historic and is calculated as at the stipulated date.

DISCLOSURES IN RESPECT OF THE CITADEL SA MONEY MARKET H4 FUND, THE CITADEL SA BOND H4 FUND, THE CITADEL SA EQUITY H4 FUND, THE CITADEL GLOBAL EQUITY H4 FUND OF FUNDS AND THE CITADEL BALANCED H4 FUND

These funds were originally established under the Sanlam Collective Investments Scheme (SCI) under the names CAM Fortis Institutional Fund, CAM Universum Institutional Fund, CAM Optima Fund, CAM Ascendo Fund of Funds and CAM Balanced H4 Fund, respectively. These funds were all established under the H4 Collective Investments Scheme on 29 April 2013 and amalgamated with their respective SCI counterparts on 28 August 2013. The amalgamated portfolios continued under their current names under the H4 Collective Investments Scheme. On amalgamation, the Citadel SA Money Market H4 Fund did not retain the performance history of the CAM Fortis Institutional Fund.

DISCLOSURES IN RESPECT OF THE H4 FOCUSED WEALTH FUND

This fund was originally established under the IP Collective Investment Scheme under the name IP Focused Wealth Fund. The H4 Focused Wealth Fund was established under the H4 Collective Investments Scheme on 3 February 2017 and amalgamated with the IP Focused Wealth Fund on 30 May 2017. The amalgamated portfolio continued under the name H4 Focused Wealth Fund.

DISCLOSURES IN RESPECT OF THE THIRD-PARTY-NAMED PORTFOLIOS

A third-party-named portfolio bears the name of both the collective investment scheme manager (“the manager”) and the investment manager. The manager retains full legal responsibility for the third-party-named portfolio.

TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS

The TER is a calculation of the charges, levies and fees incurred in the management of this fund as a percentage of the average NAV (net asset value). A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. The TER does not include Transaction Costs, which are shown separately. Transaction Costs are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER.

RISK WARNING

It is important to note that there are many risks associated with investing in collective investment schemes. These can 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), risks related to a specific security (like the possibility of a company’s credit rating being downgraded); and loss in the purchasing power of an investment as a result of an increase in the price of consumer goods (known as inflationary risks).

FOREIGN SECURITIES

Some of the portfolios referred to in this publication may invest in foreign securities. There are potential material risks associated with investing in foreign securities. These include but are not limited to: potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political and social instability, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information, all of which may have an impact on fund performance. In addition, risks associated with investing in emerging markets (which are generally less mature than those in developed markets) include but are not limited to currency risks, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country.

DERIVATIVES

Some of the portfolios referred to in this publication may have exposure to derivatives. Derivatives derive their value from the value of an underlying asset. Investing in derivatives involves risk because depending on how the derivative is structured, the portfolio’s losses or gains may be unlimited. To prevent this, the portfolio’s derivative positions must be “covered” at all times. This means that the portfolio must always hold the underlying asset on which the derivative is based, or have sufficient cash or “margin” to deliver if the portfolio’s derivative positions move against it. The use of derivatives in collective investment schemes is governed by regulation. Derivatives can be used only for efficiency in portfolio management, for increasing a portfolio’s yield, or to protect the portfolio against losses if the value of the shares or instruments invested in, or the



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market, falls. They may not be used for speculating or for enhancing the return of the portfolio by using gearing. The most common derivatives are options (puts and calls) and futures.

Hedge funds use complex hedging strategies that include the use of leverage to increase the exposure of the portfolio beyond the capital that is employed to an investment. Leveraging includes the use of derivatives. Other risks to which hedge funds are exposed include counterparty risk and liquidity risk. Counterparty risk is the risk that the other party to a transaction may not be able to perform their obligations. Liquidity risk means that during volatile periods, the tradability of certain instruments may be impeded. A qualified investor hedge fund portfolio's gross exposure to the market is unlimited. A retail hedge fund portfolio's gross exposure to the market may be up to 200% of the total net asset value of the portfolio.

CALCULATION OF THE NAV AND PRICE

The value of participatory interests is calculated on a NAV basis. The NAV is the total value of all assets in the portfolio including any income accruals and less any deductible expenses (which may include audit fees, brokerage, service fees, securities transfer tax and bank charges). The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue. The portfolios are available via certain LISPs, who levy their own fees. Investors in these portfolios may thus be liable for an initial fee and/or annual service fee levied by the third party administrator that is not reflected in the initial charge (where applicable) or NAV calculation.

ADDITIONAL INFORMATION

The manager of the H4 Collective Investments Scheme, the H4 Retail Hedge Fund Scheme and the H4 Qualified Investor Hedge Fund Scheme is: H4 Collective Investments (RF) (Pty) Ltd situated at The Citadel, 15 Cavendish Street, Claremont / PO Box 23388, Claremont, 7735. Peregrine Funds principal manager and investment manager: Peregrine Guernsey Limited, Canada Court, Upland Road, St Peter Port, Guernsey, C.I., GY1 3QE. Citadel and H4 are members of the Association for Savings and Investment South Africa (ASISA).