

How we invest

Hygrovest’s Objectives and Investment Process

Investment Management Governance

Hygrovest has an appropriate, documented and regularly reviewed due diligence process that is adhered to when investing according to HGV’s investment strategy, objectives, and risk profile.

Our due diligence process is supported by policies that govern the day-to-day management of HGV, including decision authorities, risk management policies and standards, performance standards and reporting protocols. HGV’s Investment Policy details the components of our investment process that underpin HGV’s investment portfolio.

Investment Process

Investment Approval

The Board of Hygrovest is at all times responsible for HGV’s investments. This includes formulating, regularly reviewing and implementing an investment strategy that considers, amongst other things, whether reliable valuation information is available in relation to the investments.

The Board is responsible for setting HGV’s valuation policy and procedures. It has delegated responsibility for overseeing its implementation to HGV management.

The Board has final approval of any proposals to acquire or sell investments.

As Hygrovest’s investment manager, Parallax has responsibility for the origination, execution, management and exit of any investments.

Investment Approval Process

The Company has a well-documented investment approval process, that forms part of the terms of the Investment Management Agreement with Parallax. The investment approval process is illustrated below.

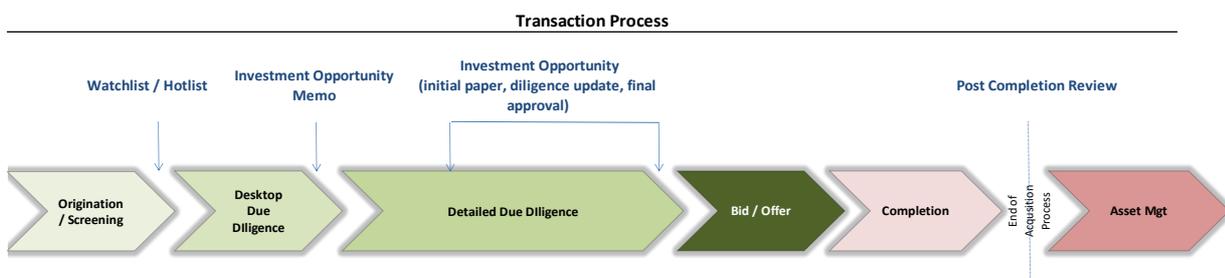


Figure 1: Overview of the Transaction Process

Investment Objective

Hygrovest has a globally diversified portfolio that invests in private (typically pre-IPO) and public companies in high growth industries.

The Company’s aim is to realise returns on investments in excess of the respective benchmarks for our diversified portfolio over the medium to long term. This may be via capital growth and / or regular income from interest, dividends, fees, or profit from realisation on asset sales.

To achieve this, Hygrovest’s investment strategy targets higher growth, higher return investments with the objective of delivering a multiple on invested capital of 2-3x over a time horizon of 1-2 years.