

HOLLARD STABLE FUND*



*Comprises Blue Ink Vesting Trust No 37, Caveo Stable Portfolio Trust, The Novare Capricorn Hollard Hedge Fund en commandite partnership, Silver Cluster Loan Stock Company (Proprietary) Ltd and the Blue Ocean Capricorn Stable en commandite partnership.

OBJECTIVE

The Hollard Stable Fund is a South African long/short equity hedge fund. The Fund has a strong focus on capital preservation, targeting an absolute return in excess of cash. The conservative, counter-cyclical nature of the fund could result in underperformance during equity bull markets, whilst outperforming in equity bear markets.

	Current NAV	1 month %	6 month %	1 year %	3 year %	Annualised since launch	Since launch %
HSF	R 1,549m	0.1%	3.6%	15.1%	49.5%	15.9%	554.7%

MANAGER'S COMMENTS



March proved to be another difficult month for our portfolio as the JSE All Share experienced a broad market rally in a risk-on environment, returning 6.4% for the month. The fund returned 0.1%, driven by a strong performance from the long-book, in which the gains were paired by losses in the short-book.

Pleasing performance was derived from both Naspers (Tencent results) and Capitec off the back of results releases that continued to support our investment cases. Tencent's results in particular were very strong, delivering significant new income streams leveraged off their existing platform and we continue to be holders of Naspers. Corporate action in both Steinhoff and Blue Label Telecoms drove these counters to new all-time highs, as the management teams look to drive growth in this low growth environment through strategic acquisitions.

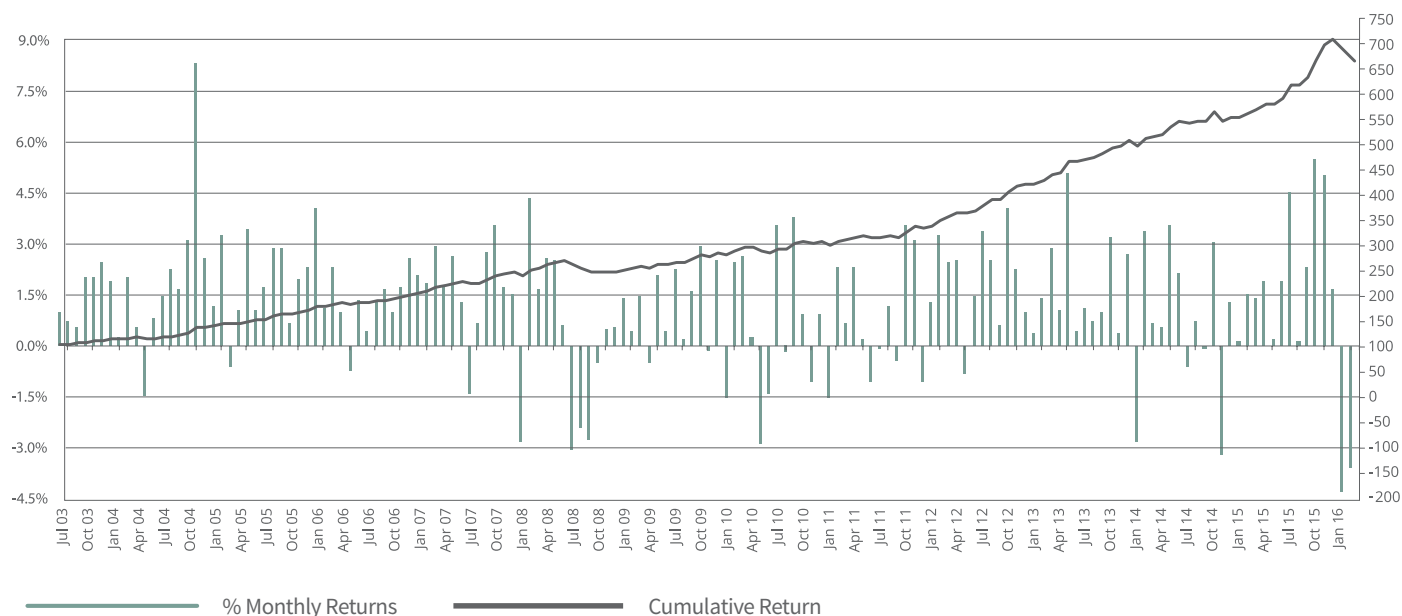
Losses almost exclusively came from the short-book, where most short positions pushed higher during the month off the back of general market strength. These losses were centred on domestically exposed counters that still face significant headwinds and a general lack of growth, but for now sentiment is driving these prices higher. We look forward to actual results data during the reporting year, which should exonerate our short position in these counters. The only loss on the long-side of note was in Curro, which has faced pressure during this year off the back of strong performance in the past few years.

Volatility remains elevated, with extreme daily moves in individual counters and as such we remain relatively conservatively positioned. Additional hedging structures have been put on our two largest positions and gross risk remains at its lower range. Our book at large remains positioned in the same manner it has been for some time, with only a few minor adjustments at a stock level.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

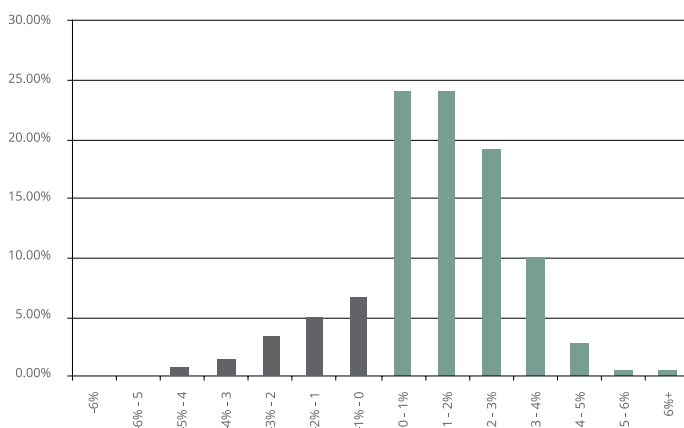


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%	1.7%	2.5%	18.6%
2007	2.1%	1.8%	2.9%	1.7%	2.6%	1.3%	(1.4%)	0.7%	2.7%	3.5%	1.7%	1.5%	23.0%
2008	(2.8%)	4.3%	1.6%	2.6%	2.5%	0.6%	(3.1%)	(2.4%)	(2.8%)	(0.5%)	0.5%	0.5%	0.7%
2009	1.3%	0.4%	1.4%	(0.5%)	2.1%	0.4%	2.2%	0.1%	1.5%	2.9%	(0.1%)	2.5%	15.7%
2010	(1.5%)	2.4%	2.6%	0.2%	(2.9%)	(1.4%)	3.5%	(0.2%)	3.7%	0.9%	(1.1%)	0.9%	7.1%
2011	(1.5%)	2.3%	0.7%	2.3%	0.2%	(1.1%)	0.0%	1.1%	(0.4%)	3.5%	3.1%	(1.1%)	9.2%
2012	1.2%	3.2%	2.4%	2.4%	(0.8%)	1.5%	3.3%	2.5%	0.6%	4.0%	2.2%	1.0%	26.1%
2013	0.3%	1.4%	2.8%	1.0%	5.0%	0.4%	1.1%	0.7%	1.0%	3.1%	0.4%	2.6%	21.6%
2014	(2.8%)	3.3%	0.6%	0.5%	3.5%	2.1%	(0.7%)	0.7%	(0.0%)	3.0%	(3.1%)	1.3%	8.5%
2015	0.1%	1.5%	1.4%	1.8%	0.2%	1.9%	4.5%	0.1%	2.3%	5.5%	4.9%	1.6%	28.6%
2016	(4.3%)	(3.7%)	0.1%										(7.8%)

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	R1,549m
Gross exposure	172%
Net Exposure	31%
% of positive months	82%
% of negative months	18%
Average positive monthly return	1.9%
Average negative monthly return	(1.6%)
Annualised monthly volatility (historic)	6.4%
Sharpe Ratio	1.3
Maximum monthly drawdown	(4.3%)
Maximum cumulative drawdown	(8.5%)

Important Information

Past performance is no guarantee of future returns - values can go up and down. The information contained above has been prepared by Capricorn Fund Managers (Pty) Limited and is unaudited. Returns as shown are the weighted average of all issued series.

CONTACT INFORMATION

Investment Manager

Capricorn Fund Managers (Pty) Limited
 Capricorn House
 32 Impala Rd
 Chislehurst
 2196
 South Africa

For enquiries please contact

Andrew Crawford
 T: +27 11 666 0716
 E: andrewc@capricornsa.com

Licensed by the Financial Services Board
 License number: 863