

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 1,601m	4.6%	(4.0%)	15.7%	44.5%	15.9%	571.1%

MANAGER'S COMMENTS



The fund delivered a positive return of 4.6% for the month, reversing the underperformance of the previous month. The FTSE/JSE All Share Index returned 1.8% in May while the Rand weakened by 10.4% against the dollar. The strengthening dollar caused commodity prices to pare some of their gains and this was further compounded by Chinese authorities stepping in to curb the excessive trading by speculators in commodities like iron ore and steel.

Profits were generated in both the long and the short books. Naspers continued to perform on the back of very strong numbers reported by Tencent, who continue to successfully add more services on its installed user platforms. These additional services make the revenue generating potential of Tencent a truly exciting prospect. We generated profits across the board in our short book especially in those names

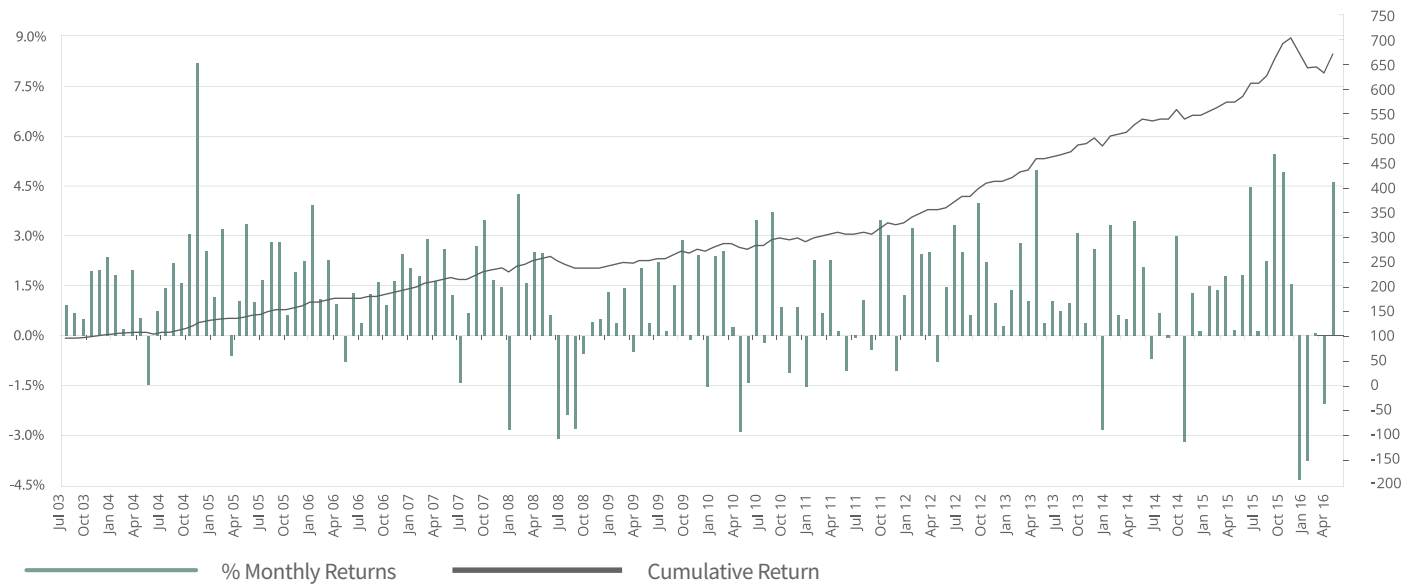
which caused the most pain in the previous month. Our shorts in the South African industrial space proved profitable as lacklustre earnings were reported in those counters, which supported our view that the economic climate has not yet turned positive for local industry.

Although we are very pleased with the month for our investors, the volatility of the fund remains front of mind. The construction of the book is being thoroughly interrogated to ensure that it has a balanced profile. We continue to run very low gross exposure in the face of this volatility, and will participate in dislocations presented in a cautious manner.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

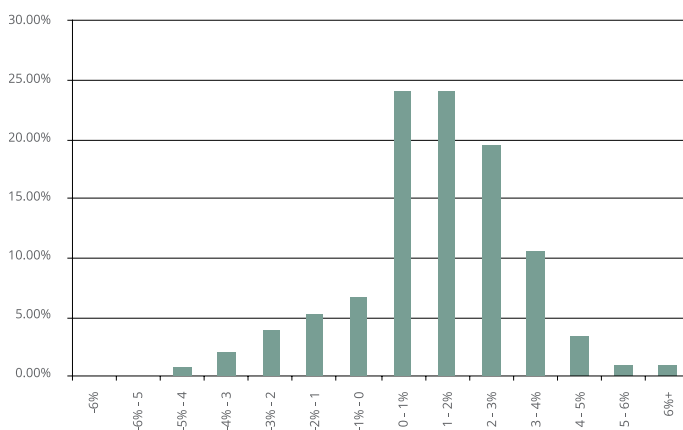


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%	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%	(2.0%)	4.6%								(5.5%)

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	R1,601m
Gross exposure	146%
Net Exposure	41%
% of positive months	82%
% of negative months	18%
Average positive monthly return	1.9%
Average negative monthly return	(1.6%)
Annualised monthly volatility (historic)	6.5%
Sharpe Ratio	1.3
Maximum monthly drawdown	(4.3%)
Maximum cumulative drawdown	(9.7%)

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.

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