

# HOLLARD STABLE FUND



## 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 %
<b>HSF</b>	1,264m	0.6%	7.4%	17.5%	67.0%	16.6%	414.7%

## MANAGER'S COMMENTS



This month was a tumultuous period for most emerging markets; with the most noteworthy event being the formal annexation of the Crimea by the president of the Russian Federation, Vladimir Putin. The net result of this is that South Africa by comparison was seen as a relative safe haven amongst the Emerging Market economies and was a major beneficiary of the Emerging Market flows, reversing the negative tide for the first time in months. This coupled with an MPC meeting which saw rates being kept on hold meant that we had a bounce in our equity market being led by SA consumer and domestic industrial stocks.

We didn't capture all of the bounce and the fund was up 0.6% versus the market of 1.8%, due to us only selectively holding

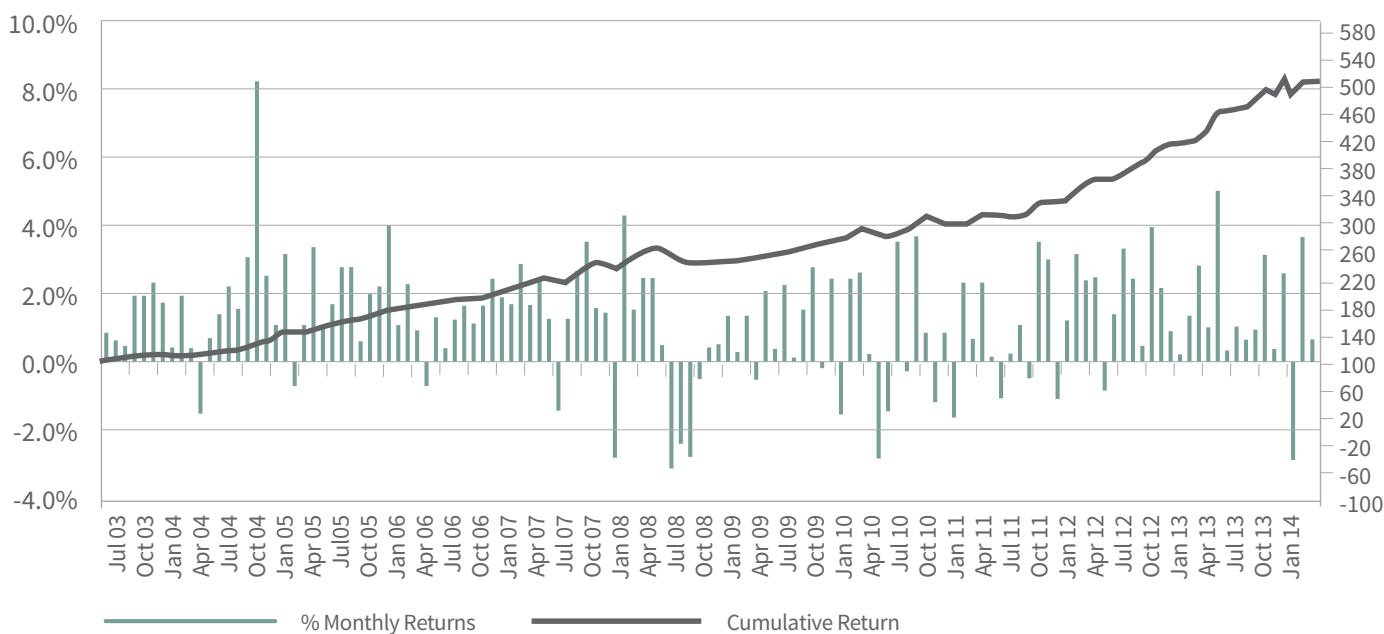
cyclical consumer stocks. Our biggest gainers were from Woolworths, Brait and Shoprite while our chief detractors from performance this past month came from our long favoured position in Naspers as well as shorts in the retail space. Our neutral stance on banks and insurers meant we did not capture the 6% bounce in financials.

We are currently placing our stance on the South African consumer under review while we reassess a number of recent data points.

# HOLLARD STABLE FUND CONTINUED



## Historical Monthly Returns

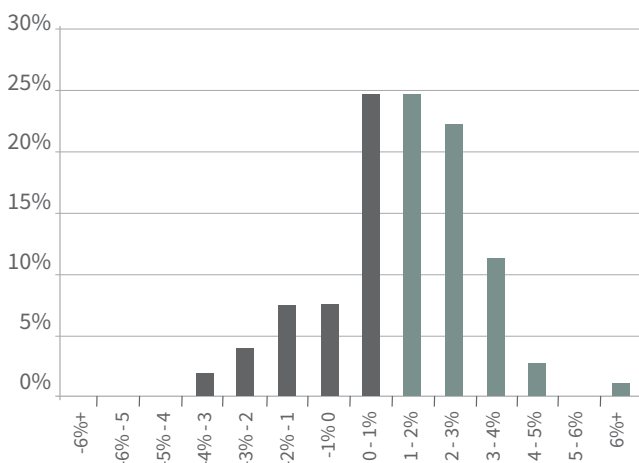


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	<b>8.8%</b>
2004	1.8%	0.2%	2.0%	0.5%	-1.5%	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	<b>25.1%</b>
2005	1.1%	3.2%	-0.6%	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	<b>23.5%</b>
2006	4.0%	1.1%	2.3%	1.0%	-0.8%	1.3%	0.4%	1.3%	1.6%	0.9%	1.7%	2.5%	<b>18.6%</b>
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%	<b>23.0%</b>
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%	<b>0.7%</b>
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%	<b>15.7%</b>
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%	<b>7.1%</b>
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%	<b>9.2%</b>
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%	<b>26.1%</b>
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%	<b>21.6%</b>
2014	-2.8%	3.3%	0.6%										<b>1.1%</b>

# HOLLARD STABLE FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	1,264m
Gross exposure	168%
Net Exposure	44%
% of positive months	83%
% of negative months	17%
Average positive monthly return	1.8%
Average negative monthly return	-1.4%
Annualised monthly volatility (historic)	6.0%
Sharpe Ratio	1.4
Maximum monthly drawdown	-3.1%
Maximum cumulative drawdown	-8.7%

## 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.

## CONTACT INFORMATION

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