

CAPRICORN GEM FUND



OBJECTIVE

The Fund is a US Dollar denominated, moderate risk, equity long/short hedge fund, which aims to achieve superior risk-adjusted returns on an absolute basis over any 12 month period by investing in Global Emerging Markets.

Capricorn GEM Fund comprises Capricorn GEM Fund Inc. and Capricorn GEM Fund L.P.

| | Current NAV per Share | 1 month % | 6 month % | 1 year % | 3 year % | Annualised since launch | Since launch % |
|-----------------------|-----------------------|-----------|-----------|----------|----------|-------------------------|----------------|
| Class A - USD | 214.4 | (1.1%) | 0.1% | 8.3% | 47.8% | 11.2% | 114.4% |
| Class B - EURO | 210.4 | (1.1%) | (0.4%) | 7.9% | 45.8% | 10.9% | 110.4% |
| Class C - GBP | 211.4 | (1.0%) | (0.1%) | 8.1% | 46.9% | 11.0% | 111.4% |

Date: as at 30/04/2015 (net of fees). Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd

MANAGER'S COMMENTS



The month was frustrating as we were in solid positive territory only to dip into the red in the final days of the month. We have been telling investors for some months that in a strong beta rally, this Fund could experience an underperformance relative to the broader emerging market space. To show a small performance deduction in the month where the market went against many of the main ideas in our book is of course disappointing for the Managers but we are not surprised.

The main deduction came from our short book in the form of Russian oil and gas, iron ore and steel. There was also broad-based stock market weakness in Indonesia as economic growth slowed down resulting in a pullback in one of our top performers so far this year, Matahari Department Stores.

Our Brazilian stocks had a very strong month with the biggest gainer of the month, Raia Drogasil, reporting another set of excellent results. Further strong performance from BB Seguridade

and Kroton added to this Brazilian performance. Investec in South Africa also broke its all-time high and another long standing position, Richemont, had a strong month for the Fund too.

Looking forward we are assessing whether this shift in the market is temporary or longer lasting. Our feeling is that the mining rally is self-limiting and similarly after a strong rally off the lows, the fundamentals for many (but not all) Russian companies remain fairly dismal. We have not been aggressive in reasserting some of these shorts but we believe opportunities are presenting themselves in these spaces as we speak.

Furthermore it is interesting to note that the two 'poster child' markets for EM Asian reform – India and Indonesia both find themselves in the red halfway through 2015. We believe this is an adjustment after a period of relative outperformance and any major weakness will present opportunities to buy our favoured companies, many of whom have been indiscriminately sold down as part of the broader selloff.

When the Fund endures periods like we are in now our goal is to maintain stability and if our view is unchanged, which it is, we expect our book to perform strongly once this period passes. Nevertheless we believe it a prudent time to reduce both gross and net exposure as we may experience a tougher time in markets in the months ahead before opportunities begin to present themselves more clearly.

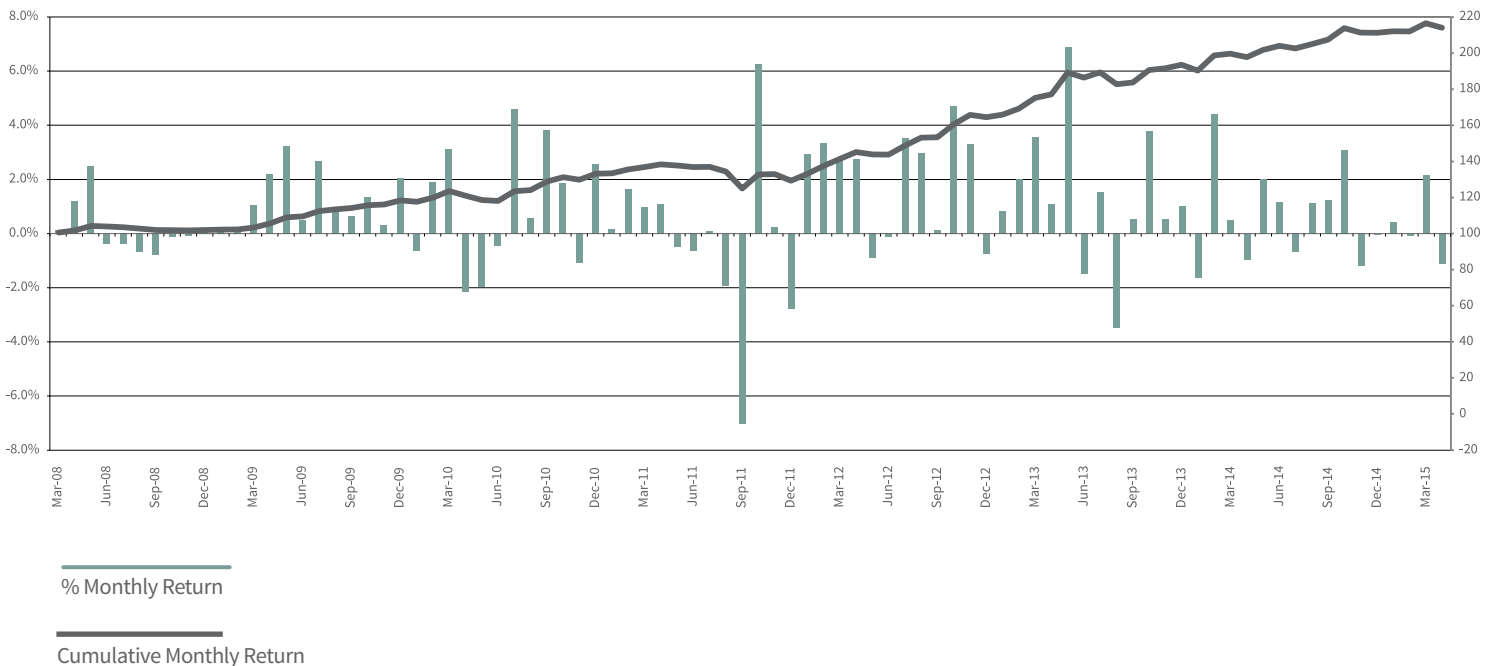
CAPRICORN GEM FUND CONTINUED



Historical Monthly Returns (Class A - USD)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|--------|--------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| 2008 | | | 0.1% | 1.2% | 2.5% | (0.4%) | (0.4%) | (0.7%) | (0.8%) | (0.1%) | (0.1%) | 0.2% | 1.6% |
| 2009 | 0.2% | 0.2% | 1.0% | 2.2% | 3.2% | 0.5% | 2.7% | 0.9% | 0.7% | 1.4% | 0.3% | 2.0% | 16.3% |
| 2010 | (0.6%) | 1.9% | 3.1% | (2.1%) | (2.0%) | (0.5%) | 4.6% | 0.6% | 3.8% | 1.9% | (1.1%) | 2.6% | 12.6% |
| 2011 | 0.2% | 1.6% | 1.0% | 1.1% | (0.5%) | (0.6%) | 0.1% | (1.9%) | (7.0%) | 6.3% | 0.2% | (2.8%) | (2.9%) |
| 2012 | 3.0% | 3.3% | 2.8% | 2.7% | (0.9%) | (0.1%) | 3.5% | 3.0% | 0.1% | 4.7% | 3.3% | (0.7%) | 26.1% |
| 2013 | 0.8% | 2.0% | 3.6% | 1.1% | 6.9% | (1.5%) | 1.6% | (3.5%) | 0.5% | 3.8% | 0.5% | 1.0% | 17.7% |
| 2014 | (1.6%) | 4.4% | 0.5% | (1.0%) | 2.0% | 1.1% | (0.7%) | 1.1% | 1.2% | 3.1% | (1.2%) | (0.0%) | 9.2% |
| 2015 | 0.4% | (0.1%) | 2.1% | (1.1%) | | | | | | | | | 1.3% |

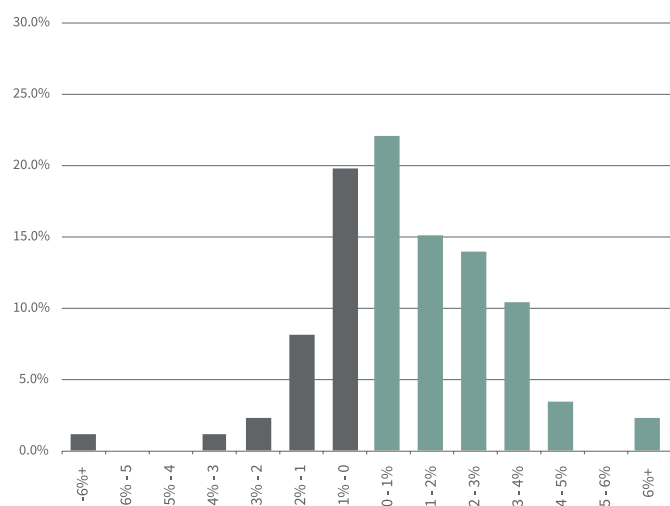
Date: as at 30/04/2015 (net of fees). Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd



CAPRICORN GEM FUND CONTINUED



Frequency distribution of Returns



Statistics

| | |
|--|--------|
| Assets Under Management (USD) | 156m |
| Gross exposure | 245% |
| Net Exposure | 65% |
| % of positive months | 67% |
| % of negative months | 33% |
| Annualised monthly volatility (historic) | 7.3% |
| Average positive monthly return | 1.9% |
| Average negative monthly return | (1.2%) |
| Sharpe Ratio | 1.4 |
| Maximum monthly drawdown | (7.0%) |
| Maximum cumulative drawdown | (8.8%) |

Exposure

| Sector Exposure | Gross | Net |
|----------------------------|-------------|------------|
| Financials | 46% | 17% |
| Consumer Discretionary | 45% | 33% |
| Consumer Staples | 37% | 19% |
| Materials | 28% | (11%) |
| Industrials | 27% | 12% |
| Health Care | 19% | 17% |
| Information Technology | 13% | 2% |
| Energy | 11% | (11%) |
| Telecommunication Services | 10% | (10%) |
| Hedge | 8% | (2%) |
| Utilities | 1% | (1%) |
| Grand Total | 245% | 65% |

| Country Exposure (based on Revenue split of Invested Companies) | Gross | Net |
|---|-------------|------------|
| Africa | 117% | 13% |
| Asia Ex-China | 31% | 28% |
| Middle East | 22% | 2% |
| Europe | 21% | 12% |
| South America | 14% | 8% |
| ROW | 13% | (1%) |
| China | 8% | 7% |
| North America | 6% | (1%) |
| Russia | 6% | (4%) |
| Australia | 4% | 3% |
| Eastern Europe | 2% | (2%) |
| Japan | 1% | 0% |
| Grand Total | 245% | 65% |

Date: as at 30/04/2015 (net of fees). Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd

CAPRICORN GEM FUND CONTINUED



Important Information

ALL DATA:

as at 30 April 2015 (net of fees) Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd

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