

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	211.6	(1.2%)	4.8%	10.4%	59.3%	11.7%	111.6%
CLASS B - EURO	208.5	(1.2%)	4.6%	10.0%	57.1%	11.5%	108.5%
CLASS C - GBP	209.2	(1.2%)	4.7%	10.2%	58.0%	11.5%	109.2%

Date: as at 30/11/2014 (net of fees). Source: BNY Mellon Investment Servicing (International) Limited & Capricorn Fund Managers (Pty) Ltd

MANAGER'S COMMENTS



November was a difficult month in the markets with the Fund returning a negative performance of 1.2%. Trading conditions were extremely volatile and were exacerbated by the collapse in the oil price. Oil, already under pressure with the advent of the shale gas revolution, was badly affected by the OPEC decision NOT to cut production with the price collapsing by 7%, its steepest one day fall since 2011. As we write this newsletter the key question for us is to anticipate what the implications of this fall will be for the emerging markets.

One of the key benefits of a Long/Short strategy, especially in emerging markets, is that we are able to adjust our exposure levels to reflect risk levels, stock views and market conditions.

Ordinarily our Fund would normally have the ability to ride an oil price shock well, but the combined impact of several events at stock level resulted in a loss for the month. With a drop of more than 15% in the price of oil for the month, our long position in Sasol hurt performance significantly.

We use shorts in our portfolio both to hedge and also to make money. It was the outright shorts which caused the most pain, notably our shorts in two South African food producers which reported better than expected results.

Long-held positions like Discovery, Richemont and Netcare continued to contribute positively. Discovery continues to expand its global presence entering another joint venture with European life insurer, Generali. Netcare released a very pleasing set of results and the investment case for Netcare is still unfolding with their South African operations continuing to improve.

Our shorts in Russian energy provided strong returns. Turkcell in Turkey and DNL in the Philippines showed strong performance too.

The overall risk environment is most certainly higher than in recent months or even years and as a result we have been reducing both gross and net exposure consistently as well as reshaping our portfolio.

Our outlook on global equity markets remains bullish. Economic data from the United States continues to surprise on the upside and it is our view that the growth in the US combined accommodative monetary policies in Japan, Europe and China will drive global economic growth and equity markets.

Post the volatility in emerging markets, we expect to see major divergence between stocks, sectors, and countries and we are positioning our book for this into 2015.

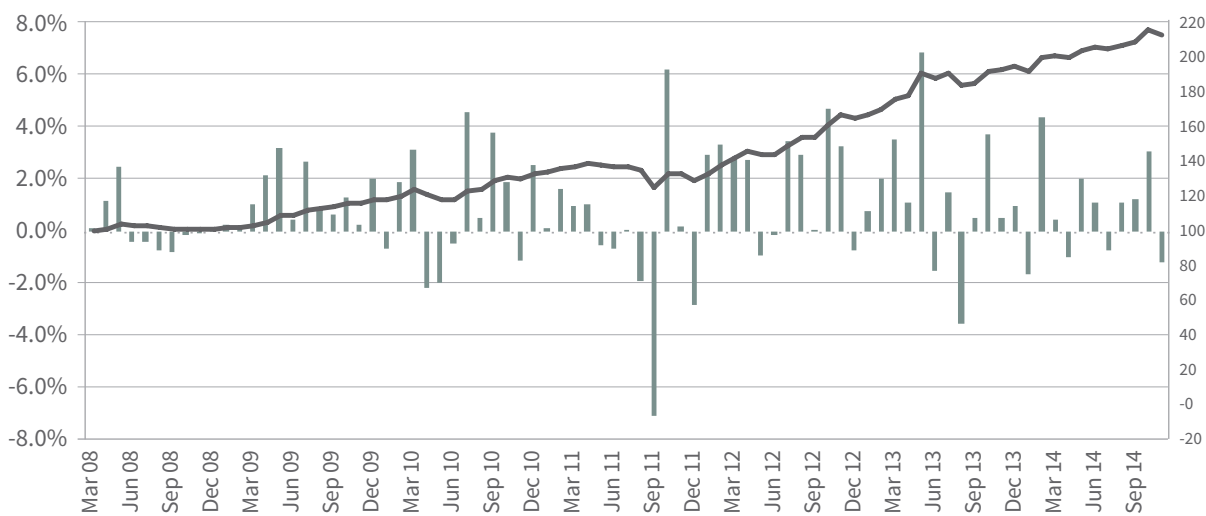
CAPRICORN GEM FUND CONTINUED



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%)		9.3%

Date: as at 30/11/2014 (net of fees). Source: BNY Mellon Investment Servicing (International) Limited & Capricorn Fund Managers (Pty) Ltd



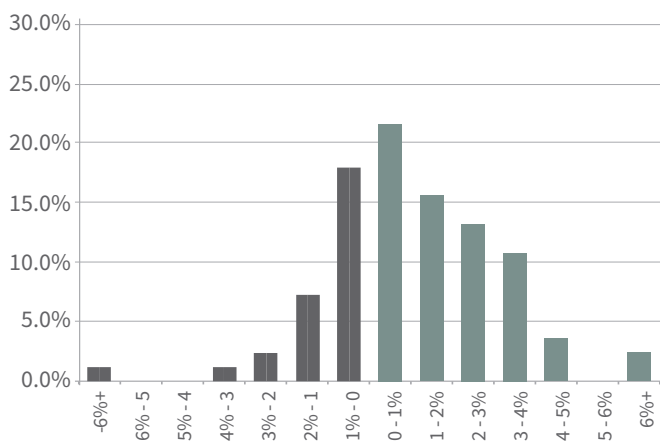
% Monthly Return

Cumulative Monthly Return

CAPRICORN GEM FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (USD)	159m
Gross exposure	243%
Net Exposure	66%
% of positive months	69%
% of negative months	31%
Annualised monthly volatility (historic)	7.5%
Average positive monthly return	2.0%
Average negative monthly return	(1.3%)
Sharpe Ratio	1.5
Maximum monthly drawdown	(7.0%)
Maximum cumulative drawdown	(8.8%)

Exposure

Sector Exposure	Gross	Net
Financials	49%	20%
Consumer Discretionary	45%	23%
Industrials	37%	23%
Consumer Staples	29%	(7%)
Materials	22%	0%
Healthcare	17%	16%
Telecommunications Services	13%	(3%)
Information Technology	11%	1%
Energy	11%	(1%)
Hedge	9%	(6%)
Grand Total	243%	66%

Country Exposure (based on Revenue split of Invested Companies)	Gross	Net
Africa	118%	8%
Middle East	25%	9%
Asia Ex-China	25%	21%
Europe	24%	13%
South America	12%	4%
Rest of World	8%	(1%)
China	7%	7%
North America	7%	2%
Russia	6%	1%
Australia	6%	4%
Japan	4%	(3%)
Eastern Europe	1%	1%
Grand Total	243%	66%

Date: as at 30/11/2014 (net of fees). Source: BNY Mellon Investment Servicing (International) Limited & Capricorn Fund Managers (Pty) Ltd

CAPRICORN GEM FUND CONTINUED



Important Information

ALL DATA:

as at 30 November 2014 (net of fees) Source: BNY Mellon Investment Servicing (International) Limited & Capricorn Fund Managers (Pty) Ltd

Important Notice: This document is prepared by Capricorn Capital Partners (UK) Ltd ("CCPU") authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom. The investment products and services of CCPU are only available to persons who are professional clients and eligible counterparties as defined in FCA's rules. They are not available to retail clients.

This document is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. The fund referred to in this document is a Cayman Limited Partnership and has not been registered under the securities laws, or authorized or approved by any regulatory authority, of any other jurisdiction. The fund is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000. UK Investors should be aware that the fund is not covered by the Financial Services Compensation Scheme.

In particular, this document is not intended for distribution in the United States or for the account of U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) except to persons who are "qualified purchasers" (as defined in the United States Investment Company Act of 1940, as amended (the "Companies Act")) and "accredited investors" (as defined in Rule 501(a) under the Securities Act).

This document is provided for information purposes only and should not be regarded as an offer to buy or a solicitation of an offer to buy shares in the funds managed by CCPU (the "Funds"). Investment in the Funds managed by CCPU carries significant risk of loss of capital and investors should carefully review the terms of the Funds' offering documents for details of these risks. The prospectuses of the Funds are the only authorised documents for offering of shares of the Funds and may only be distributed in accordance with the laws and regulations of each appropriate jurisdiction in which any potential investor resides. Nothing described herein is intended to imply that an investment in the Funds is "safe", "conservative", "risk free" or "risk averse". This document does not consider the specific investment objective, financial situation or particular needs of any investor and an investment in the Funds is not suitable for all investors. Investors are reminded that past performance should not be seen as an indication of future performance and that they might not get back the amount that they originally invested. The price of shares can go up as well as down and can be affected by changes in the rates of exchange.

Performance information for the month of the document is net of all fees and expenses, the performance data disclosed is not audited. Comparison to the index where shown is for information only and should not be interpreted to mean that there is a correlation between the portfolio and the index.

The views expressed in this document are the views of CCPU at time of publication and may change over time. Nothing in this document constitutes investment, legal tax or other advice nor is it to be relied upon in making an investment decision. No recommendation is made positive or otherwise regarding individual securities mentioned herein. CCPU does not provide investment advice to clients nor does it carry on any other activities with or for clients that constitute "MiFID or equivalent third country business" for the purposes of the FCA's rules. No guarantee is made as to the accuracy of the information provided which has been obtained from sources believed to be reliable. The information contained in this document is strictly confidential and is intended only for use of the person to whom CCPU has provided the material. No part of this document may be divulged to any other person, distributed, and/or reproduced without the prior written permission of CCPU.

CONTACT INFORMATION

Investment Manager

Capricorn Capital Partners UK Ltd
Malta House
36-38 Piccadilly
London
W1J ODP
United Kingdom

For enquiries please contact**Jonty Champion**

T: +44 207 317 4411

E: jcampion@capricorncapital.com

Authorised and regulated by the Financial Conduct Authority

FRN: 505252

Investment Adviser

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@capricorncapital.com

Licensed by the Financial Services Board

License number: 863