

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	255.6	3.5%	17.9%	20.8%	54.2%	12.9%	155.6%
Class B - EURO	253.4	3.7%	18.0%	21.6%	54.2%	12.7%	153.4%
Class C - GBP	252.0	3.6%	18.1%	20.5%	53.5%	12.7%	152.0%

Date: as at 30/11/2015 (net of fees). Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd

AUM of the Capricorn GEM Strategy: (\$294m). The Strategy consists of Capricorn GEM Fund Inc., Capricorn GEM Fund LP (\$184m) and Lyxor/Capricorn UCITS Fund (\$110m).

MANAGER'S COMMENTS



GEM returned 3.5% in November amidst a continued rout in the emerging markets which saw a decline in the MSCI EEM US \$ index of 4.4%. There were many noteworthy items of news and significant events moving world markets throughout the month. These included:

- the Paris attacks;
- the landslide victory by the opposition in the Myanmar elections;
- corruption probes in Brazil resulting in the arrest of the chairman of the country's largest investment bank
- the shooting down of a Russian warplane over Turkish airspace.

Much of the volatility is being driven by both geopolitical events and a genuine scare in the outlook for global growth. Market consensus has moved in the direction of a hawkish move from the Fed with many commentators expecting a rate hike in December.

Performance for the month came from both our longs and shorts which were well diversified across both country and sector. The most positive contributor being a short in the poultry space in

South Africa. The stock collapsed under pricing pressure being felt throughout the industry on both inputs and inability to pass these increments through. Our resources shorts continue to add to performance as did a previously mentioned short in the IT space. In our long book MYEG of Malaysia rallied 14.5% as the business prospects and optionality continue to improve as we near the implementation of many of their strategic initiatives. Curro Holdings, a South African education group, also rounded up as one of the largest contributors.

Although we continue to remain short in the resources sector, we still hold a long in BHP Billiton. In a space which is under heavy pressure and where miners are constantly being tested in this price environment, we believe BHP to be the superior operator. Shorts against this position in the resources space mitigated the loss and we test the position on its merits regularly. Negative performance also came from our Longs in the healthcare space, namely Mediclinic, as investors follow the Al Noor acquisition, and Nectare, as they traded lower on the back of lower than expected results.

Looking further out into 2016, we see many of the overriding themes of this year continuing to play out and have positioned the portfolio accordingly.

We would like to take the opportunity to thank our investors for their continued support this year and wish you all a very happy festive period.

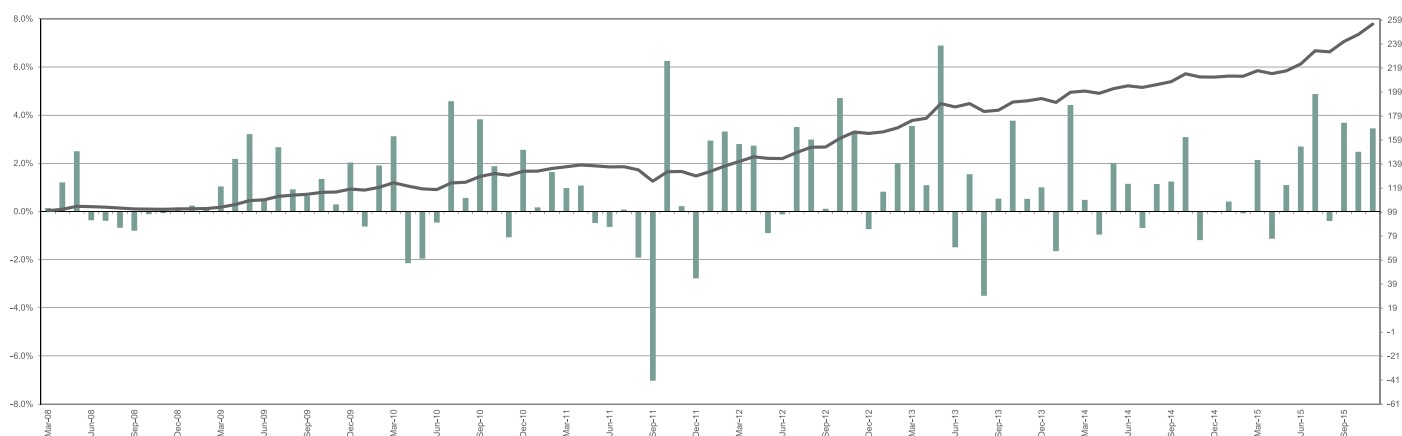
CAPRICORN GEM FUND CONTINUED



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%)	1.1%	2.7%	4.9%	(0.4)%	3.7%	2.5%	3.5%		20.8%

Date: as at 30/11/2015 (net of fees). Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd



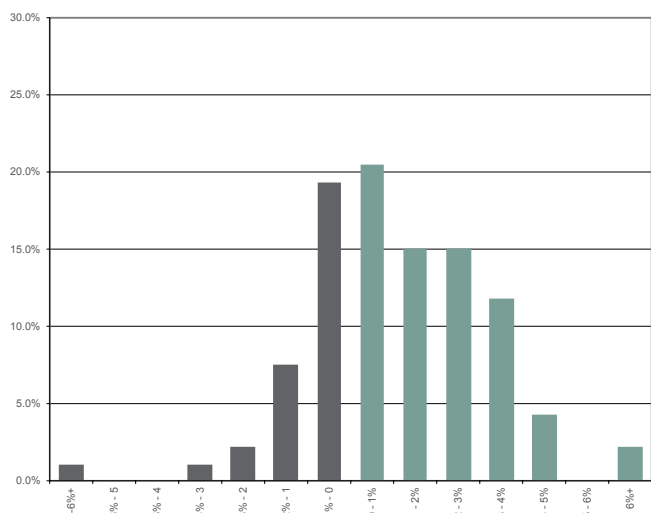
% Monthly Return

Cumulative Monthly Return

CAPRICORN GEM FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (USD)	184m
Gross exposure	172%
Net Exposure	44%
% of positive months	69%
% of negative months	31%
Annualised monthly volatility (historic)	7.4%
Average positive monthly return	2.0%
Average negative monthly return	(1.2%)
Sharpe Ratio	1.7
Maximum monthly drawdown	(7.0%)
Maximum cumulative drawdown	(8.8%)

Exposure

Sector Exposure	Gross	Net
Financials	36%	12%
Consumer Discretionary	35%	24%
Consumer Staples	27%	6%
Industrials	19%	6%
Materials	16%	-6%
Health Care	12%	11%
Information Technology	12%	4%
Hedge	6%	-5%
Energy	5%	-5%
Telecommunication Services	3%	-2%
Utilities	1%	-1%
Grand Total	172%	44%

Country Exposure (based on Revenue split of Invested Companies)	Gross	Net
Africa	81%	11%
Asia Ex-China	26%	23%
Europe	14%	8%
Middle East	14%	-1%
South America	13%	2%
ROW	7%	1%
China	5%	5%
North America	3%	-1%
Australia	3%	1%
Eastern Europe	3%	-3%
Russia	3%	-2%
Japan	0%	0%
Grand Total	172%	44%

All data:

Date: as at 30/11/2015 (net of fees).

Source: Quintillion Limited & Capricorn Fund Managers (Pty) Ltd

CAPRICORN GEM FUND CONTINUED



Important Information

ALL DATA:

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

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