

HOLLARD STABLE FUND*



*Comprises Blue Ink Vesting Trust No 37, Caveo Stable Portfolio Trust, The Novare Capricorn Hollard Hedge Fund en commandite partnership and Silver Cluster Loan Stock Company (Proprietary) Ltd.

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 1,811m	1.6%	20.2%	28.6%	69.6%	17.0%	610.3%

MANAGER'S COMMENTS



December delivered a very pleasing end to a successful year with the fund delivering 1.6% against the JSE All Share Index decline of 1.7%. The month managed to top a very eventful year for the South African market. The US Monetary Committee finally raised interest rates after economic data released indicated that the US economy continues to improve. In South Africa, the news flow was far more negative. President Zuma's surprise removal, replacement and subsequent replacement of the Finance Minister caused chaos on the South African market. Although the turnaround by President Zuma is a win for democracy and freedom of speech in South Africa, it has increased the risks associated with investing in our market. The bond market and the ZAR have not recovered the ground lost during the sell-off and we can expect the discount rates applied to South African equities to increase after these events. The South African government will have to work very hard to re-capture the trust of the foreign investors and unfortunately a credit rating downgrade to Junk status now looks to be inevitable.

Our long-held position in Curro Holdings continued its very strong run as the market continued to appreciate the growth trajectory and the

j-curve that this business will experience over the medium term. Short positions in diversified miners also contributed after the market started to question the viability of their progressive dividend policies. Other short positions in South African financials and industrials performed well due to the sell-off in the ZAR and the South African bond market.

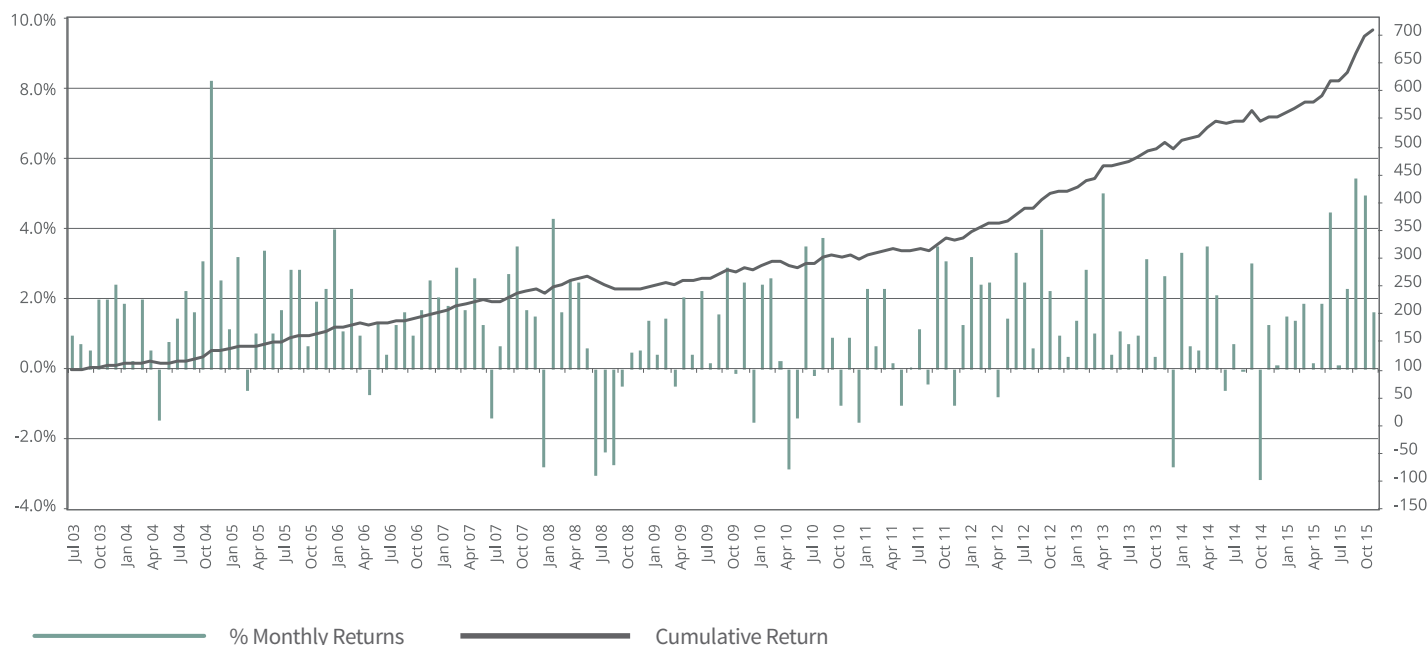
Losses were incurred in our short positions in South African gold miners and South African financials. Our long held position in Steinhoff also suffered losses as German tax authorities raided the Steinhoff offices due to a tax investigation. Speaking to management, we believe that the market over-reacted to this news event and we remain positive on the fundamentals of the company.

The Fund remains positioned conservatively as we believe volatile markets will continue to persist.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

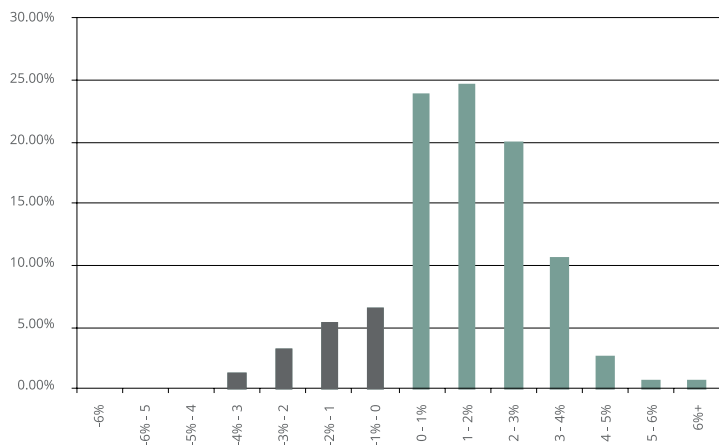


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%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

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	R1,811m
Gross exposure	160%
Net Exposure	39%
% of positive months	83%
% of negative months	17%
Average positive monthly return	1.9%
Average negative monthly return	(1.4%)
Annualised monthly volatility (historic)	6.1%
Sharpe Ratio	1.5
Maximum monthly drawdown	(3.1%)
Maximum cumulative drawdown	(8.5%)

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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