

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 %
HSF	1,262m	3.3%	7.7%	20.1%	67.0%	16.5%	411.4%

MANAGER'S COMMENTS



After the global “risk off” environment of January there was a return to calm in February with many Emerging Markets posting strong gains. Our portfolio was well positioned to benefit from this rally and returned 3.3% for the month.

In previous factsheets we have expressed our strong conviction in Reinet Holdings. We exploited its recent weakness to further increase our position in the portfolio and were rewarded in February with an 18% gain on the month. Naspers once again on the back of the strong performance in its investment, Tencent, continued to perform. In addition our long hold positions in Steinhoff and Aspen contributed significantly, while short positions in SA retailers generated good profits.

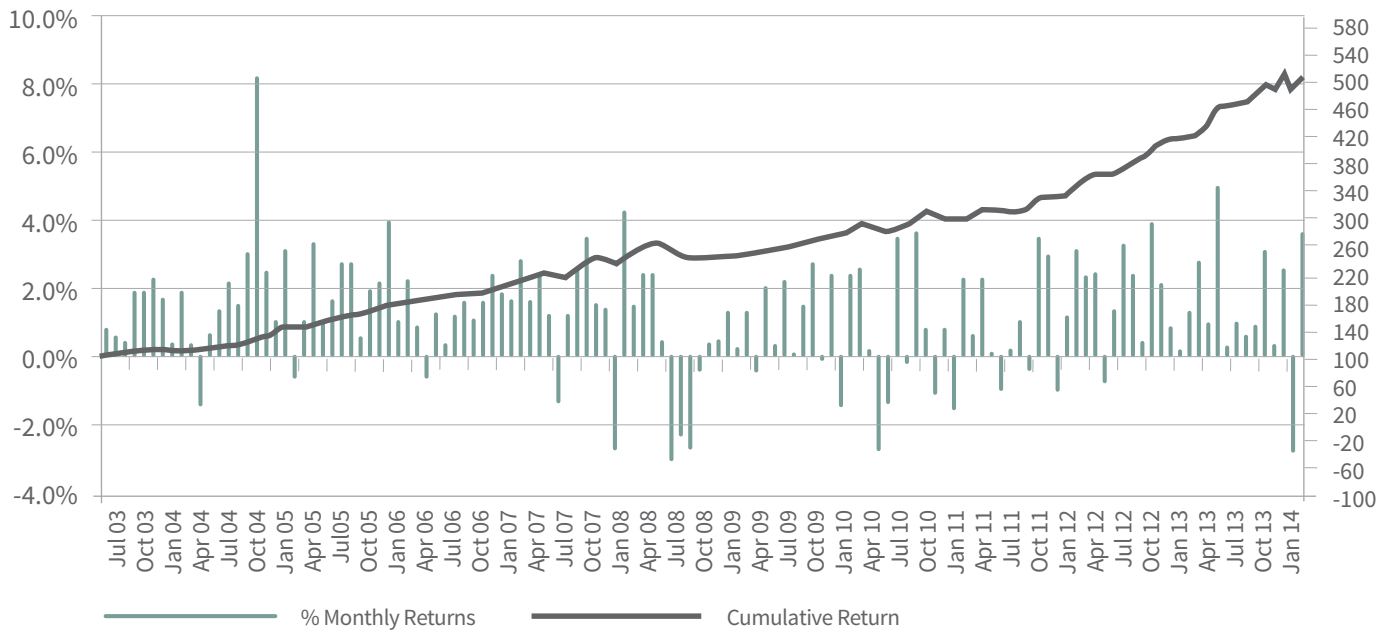
In our view the South African consumer is going to continue to be squeezed with both inflation and interest rates challenged by upside pressures. Consequently we remain negative on companies that have exposure to the South African consumer and are holding our positions for now.

Our resources book has been biased in favour of diversified miners and although we lost money in our short positions in the South African gold stocks we continue to believe that gold, whilst due a relief rally, will resume its bear market trend. We will therefore continue to hold these positions and look for opportunities to increase them where appropriate.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

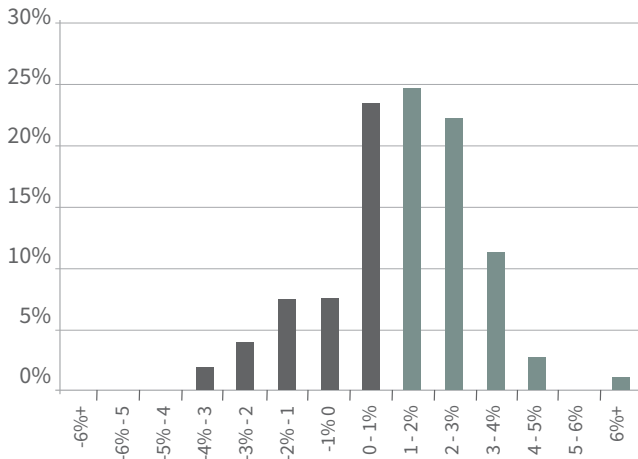


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	-1.5%	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	-0.6%	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	-0.8%	1.3%	0.4%	1.3%	1.6%	0.9%	1.7%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

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	1,262m
Gross exposure	164%
Net Exposure	41%
% of positive months	83%
% of negative months	17%
Average positive monthly return	1.9%
Average negative monthly return	-1.4%
Annualised monthly volatility (historic)	6.0%
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.

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