

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	R 1,413m	0.1%	1.8%	11.7%	64.4%	15.9%	452.7%

MANAGER'S COMMENTS



The fund returned 0.1% for the month of January. Equity markets performed strongly, driven by the expansion of European Union quantitative easing that was announced by the ECB during the month, many unexpected rate cuts from several central banks as well as better than expected US economic data. These accommodative policy moves caused a sharp rally in bonds that resulted in a broad based re-rating for risk assets.

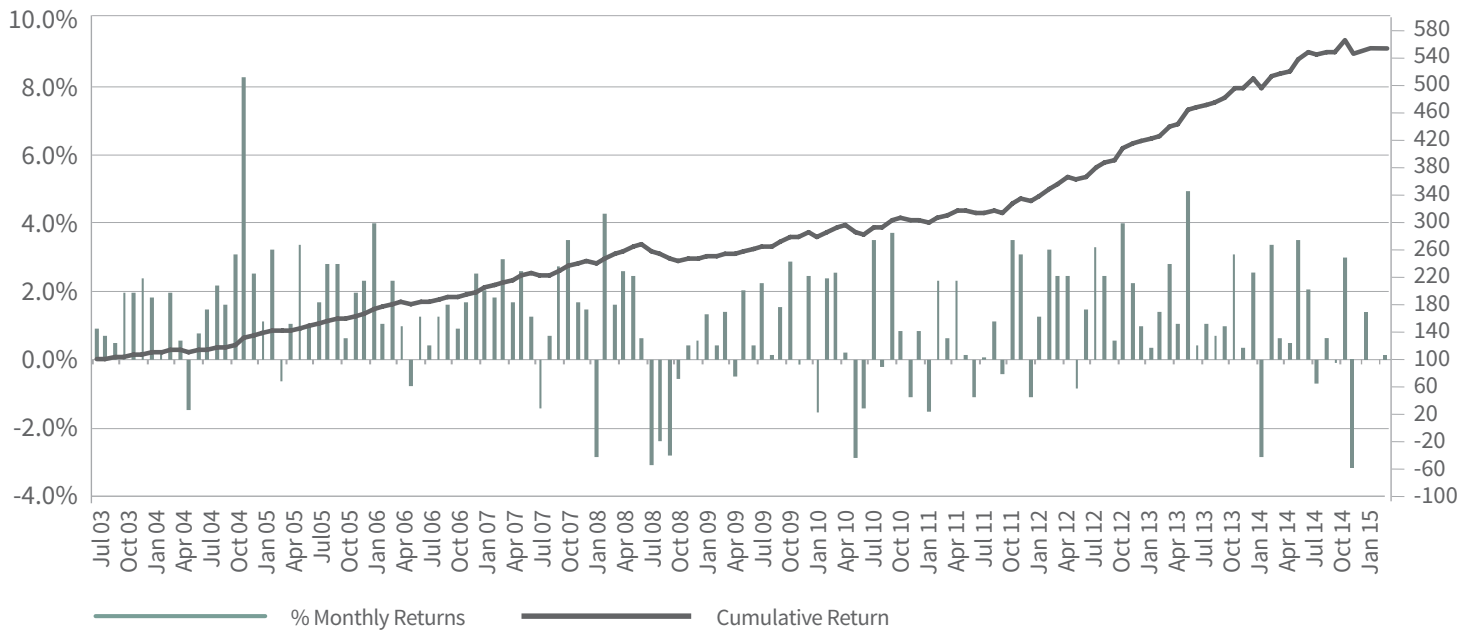
Naspers yet again delivered strong performance off the back of a rally in its investment Tencent, which into the back-end of 2014 traded relatively weakly and this underperformance was reversed during the month. Our select South African retailers performed strongly during the month, driven by the rapid decline in oil, fuelling consumer stocks to new all-time highs. Our investment in the South African private school operator Curro Holdings rallied sharp due to an accretive deal completed in December.

Once again, significant pain was experienced in our short positions within the gold sector. With the gold companies reporting in the coming months we look forward to economic sanity being restored once the true position of these businesses are shown. The rally in consumer names impacted our shorts in this space but we remain resolute that these select businesses face structural issues that will not be resolved easily. Our long in Richemont experienced material volatility off the back of softer results and the Swiss National Bank dropping the peg against the Euro on the same day. The 15% appreciation of the Swiss Franc on a single day represents a watershed moment and will take time to digest.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

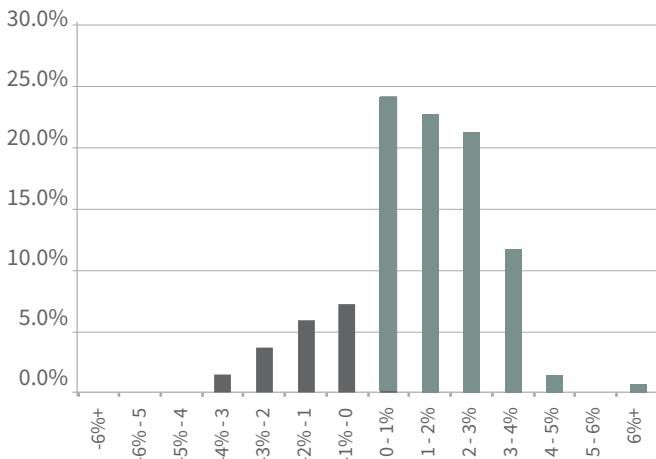


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%	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%												0.1%

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	R1,413m
Gross exposure	180%
Net Exposure	44%
% of positive months	82%
% of negative months	18%
Average positive monthly return	1.8%
Average negative monthly return	(1.4%)
Annualised monthly volatility (historic)	6.0%
Sharpe Ratio	1.3
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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