

# 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 %
<b>HSF</b>	1,321m	2.1%	7.3%	17.2%	74.9%	16.7%	446.5%

## MANAGER'S COMMENTS



The strong market rally continued for yet another month in June as the FTSE/JSE All Share Index returned 2.8%. The Hollard Stable Fund performed well in this environment returning 2.1%.

The stand-out performance came from Brait, the investment holding company with its principle exposure to cash retailer Pep Stores. Brait released results early in June and this confirmed our thesis that the value retailers in South Africa and Africa will continue to benefit as the consumers trade down to adjust to more difficult macro environment.

Investec, which we more recently took to high conviction sizing in the portfolio, performed strongly this month off the back of their year-end results. This was the first time since the Global Financial crisis that they managed to deliver above expectation results. In addition, the business is cleaner than it has been for years, with

the remaining legacy assets heading towards resolution. Our long held positions in Steinhoff, Aspen and Naspers also generated a good return for us during the month.

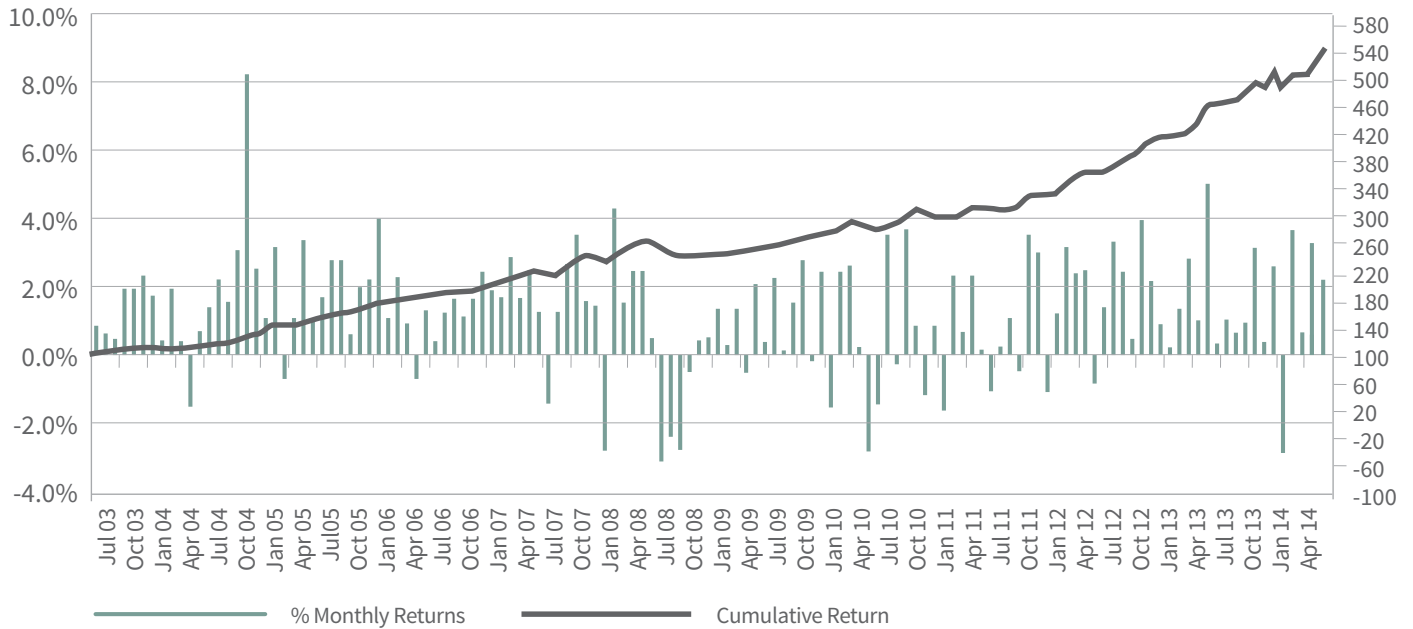
Our holding in Bidvest dragged the book down this month after general weakness across the SA Inc type stocks this past month. Our short book took losses due to the broad nature of the rally, especially in some of the more cyclical names in the book

We remain positive on equities in general over the medium term, however we are mindful that markets do not go up in a straight line. As a result of this the risk of a correction in the markets over the short term has increased.

# HOLLARD STABLE FUND CONTINUED



## Historical Monthly Returns

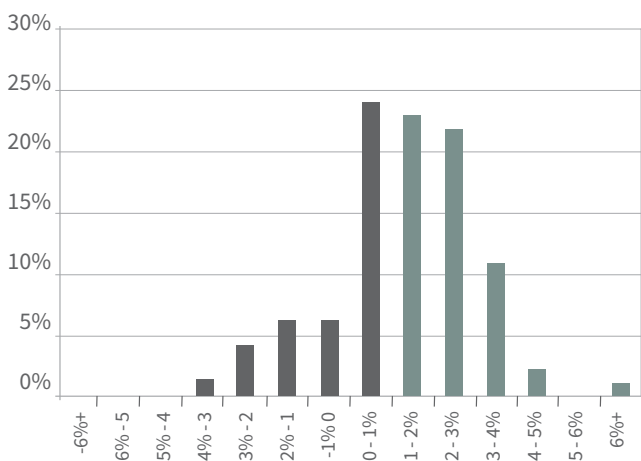


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	<b>8.8%</b>
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	<b>25.1%</b>
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	<b>23.5%</b>
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%	1.7%	2.5%	<b>18.6%</b>
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%	<b>23.0%</b>
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%	<b>0.7%</b>
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%	<b>15.7%</b>
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%	<b>7.1%</b>
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%)	<b>9.2%</b>
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%	<b>26.1%</b>
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%	<b>21.6%</b>
2014	(2.8%)	3.3%	0.6%	0.5%	3.5%	2.1%							<b>7.3%</b>

# HOLLARD STABLE FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	1,321m
Gross exposure	179%
Net Exposure	45%
% of positive months	83%
% of negative months	17%
Average positive monthly return	1.9%
Average negative monthly return	(1.4%)
Annualised monthly volatility (historic)	5.9%
Sharpe Ratio	1.5
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.

## CONTACT INFORMATION

### Investment Manager

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](mailto:andrewc@capricorncapital.com)

Licensed by the Financial Services Board  
 License number: 863