

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 1,536m	1.9%	7.0%	8.1%	61.3%	16.0%	490.9%

MANAGER'S COMMENTS



The month of June was characterised by increased volatility on the South African equity market. The All Share index ended the month down 0.76%, but during the month we saw wild swings in market sentiment. Reasons for this vary from the ongoing Greek saga, various extreme rallies and collapses in the Chinese A-Share market, continued weakness in the commodity prices and speculation around timing of interest rate hikes in the United States. All of these factors combined with a world that is awash with liquidity results in the significant volatility that we are enduring. We continue to remain focused on the bottom-up, company specific opportunities that present themselves and will use the macro volatility to secure attractive entry prices. During the month this strategy paid off handsomely with the Fund returning 1.9%.

Brait was the greatest contributor to the performance of the Fund. During their annual results presentation they updated the market on their latest acquisitions and the exciting opportunities these companies have across the world. Naspers also reported their annual results during the month and yet again confirmed our investment case by continuing to create value in their classifieds, retail, payments and pay television businesses.

These businesses are currently trading at a negative valuation. Our long positions in select South African retailers performed strongly as the market rewarded their superior business models in a difficult market environment, especially relative to our short positions in the same space.

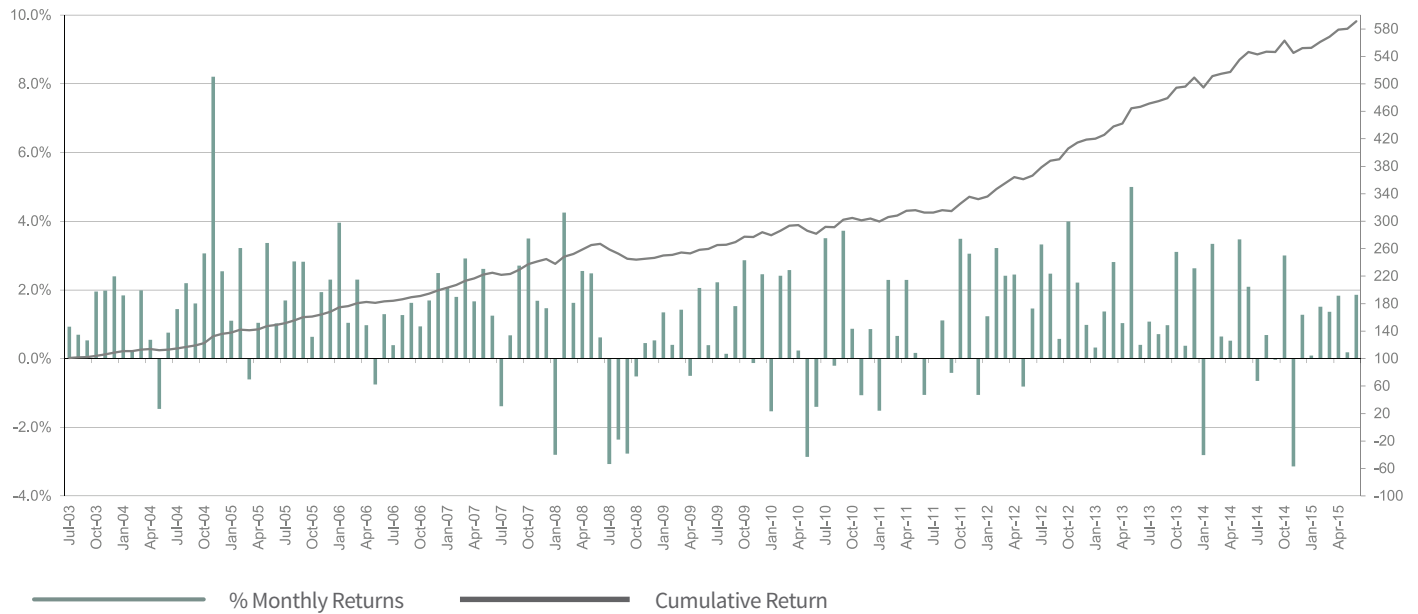
Detractors of performance came from our long positions in the South African gaming sector. Gaming statistics released during the month highlighted that this sector is not immune to the weakening consumer environment. We are reconsidering our position in these counters. Curro Holding was under pressure during the month after one of their schools was the focus of intense negative media scrutiny. We believe that these issues do not alter the investment case for Curro and will use the price weakness to accumulate more shares.

The volatility experienced in June will in all likelihood continue, if not increase, as we move closer to the US rate hike. We maintain our view that equities as an asset class remain attractively priced. We will thus continue to use the volatile conditions as an opportunity to gain exposure to quality companies at very good prices.

HOLLARD STABLE FUND CONTINUED



Historical Monthly Returns

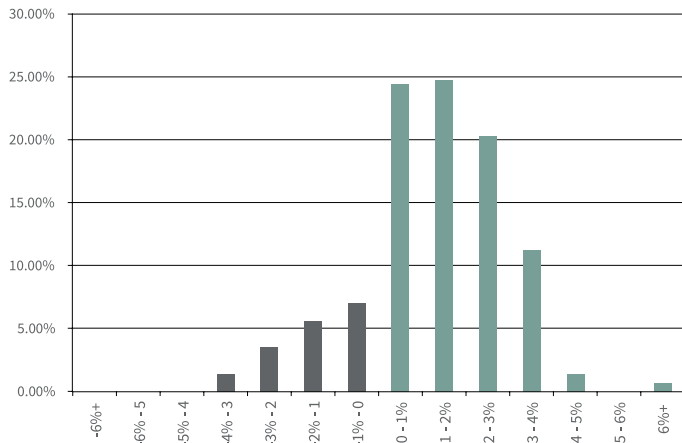


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							0.9%	0.7%	0.5%	2.0%	2.0%	2.4%	8.8%
2004	1.8%	0.2%	2.0%	0.5%	(1.5%)	0.8%	1.4%	2.2%	1.6%	3.1%	8.2%	2.5%	25.1%
2005	1.1%	3.2%	(0.6%)	1.0%	3.4%	1.0%	1.7%	2.8%	2.8%	0.6%	1.9%	2.3%	23.5%
2006	4.0%	1.1%	2.3%	1.0%	(0.8%)	1.3%	0.4%	1.3%	1.6%	0.9%	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%							7.0%

HOLLARD STABLE FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	R1,536m
Gross exposure	180%
Net Exposure	44%
% of positive months	83%
% of negative months	17%
Average positive monthly return	1.8%
Average negative monthly return	(1.4%)
Annualised monthly volatility (historic)	5.9%
Sharpe Ratio	1.4
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.

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@capricornsa.com

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