

CAPRICORN MARKET NEUTRAL FUND CAPRICORN FUND MANAGERS

OBJECTIVE

The Fund is a Rand denominated, low risk, market neutral hedge fund that employs multiple investment methodologies to construct a portfolio. It aims to deliver superior risk adjusted returns that are uncorrelated to the general market over any 12 month period by investing in JSE listed equity instruments.

	Current NAV	1 month %	6 month %	1 year %	3 year %	Annualised since launch	Since launch %
MNF	R 205m	0.1%	8.1%	23.2%	54.9%	11.9%	177.8%

MANAGER'S COMMENTS

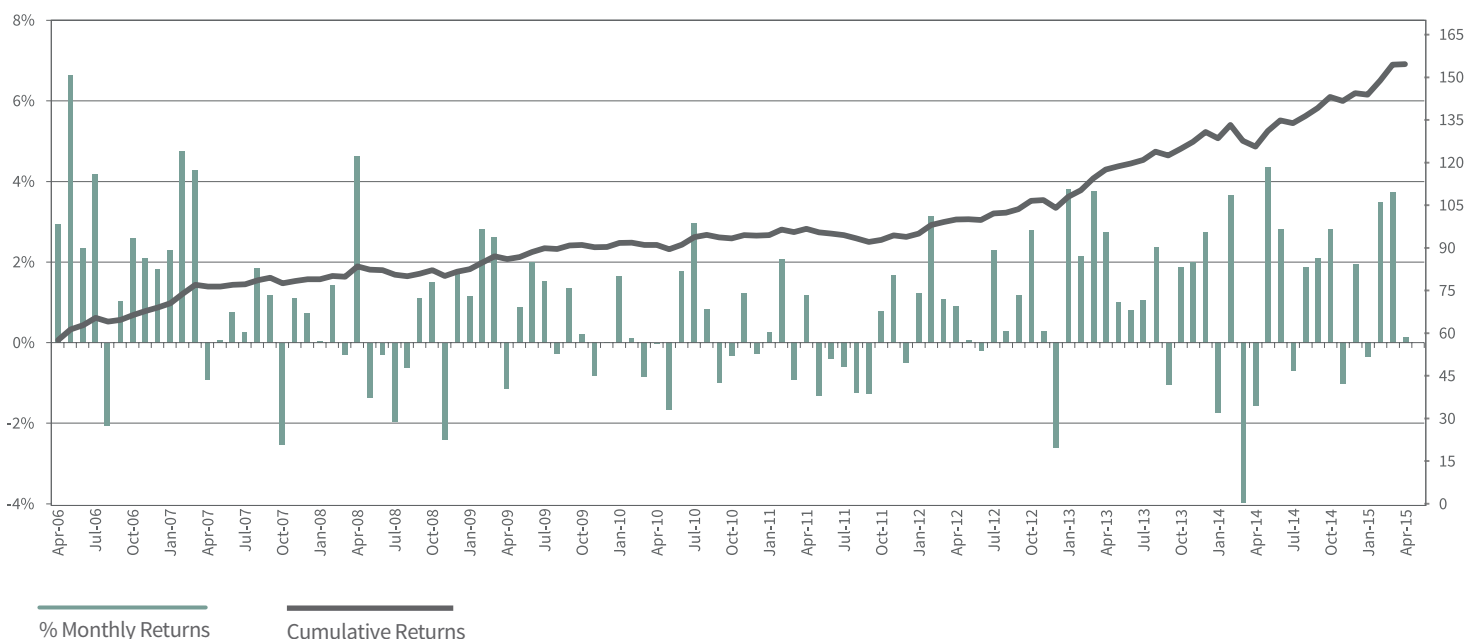
The JSE experienced a broad-based rally in April gaining 4.7%. This environment poses difficulties for a market neutral fund with very little alpha available as all counters stand to move up in concert with the previous weaker names even outperforming. We are thus very pleased with the performance of the Capricorn Market Neutral fund that returned 0.1%.

The strong performances by Investec, Discovery and Curro Holdings helped the fund. These companies have all announced plans to grow their revenue and earnings. In a market desperate for growth they were rewarded handsomely.

We continue to believe in the vision of the various companies, but we are fearful that the market is pricing in perfect execution of these plans. Our relative long position in off-shore property companies versus a short in domestic property companies continued to perform well. This position profited from both the long and the short side of the trade. The relative valuation did however close down aggressively prompting us to take some exposure off the table.

The losses incurred by the fund were predominantly from our short book. Short positions in the telecommunication and South African resource sector were particularly painful and these sectors rallied strongly at the back end of the month.

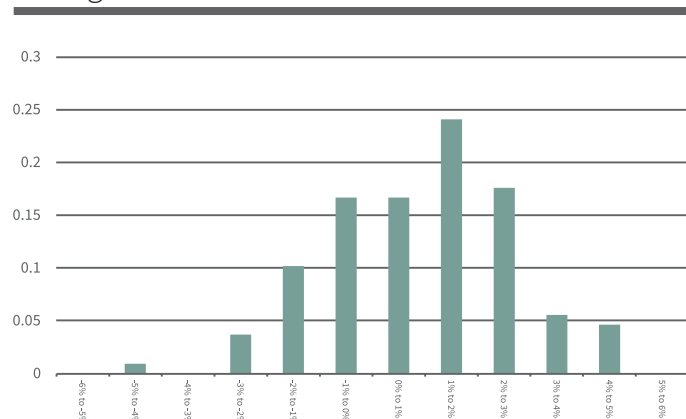
Historical Monthly Returns



CAPRICORN MARKET NEUTRAL FUND CONTINUED



Histogram of Returns



Statistics

Assets Under Management (R Million)	R205m
Gross exposure	175%
Net Exposure	7%
% of positive months	69%
% of negative months	31%
Annualised monthly volatility (historic)	6.4%
Average positive monthly return	1.9%
Average negative monthly return	(1.1%)
Sharpe Ratio	0.7
Maximum monthly drawdown	(4.2%)
Maximum cumulative drawdown	(5.7%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006				2.9%	6.7%	2.4%	4.2%	(2.1%)	1.0%	2.6%	2.1%	1.8%	23.6%
2007	2.3%	4.8%	4.3%	(0.9%)	0.1%	0.8%	0.3%	1.8%	1.2%	(2.5%)	1.1%	0.7%	14.5%
2008	0.0%	1.4%	(0.3%)	4.6%	(1.4%)	(0.3%)	(2.0%)	(0.6%)	1.1%	1.5%	(2.4%)	1.8%	3.4%
2009	1.1%	2.8%	2.6%	(1.1%)	0.9%	2.0%	1.5%	(0.3%)	1.4%	0.2%	(0.8%)	0.0%	10.7%
2010	1.7%	0.1%	(0.9%)	0.0%	(1.7%)	1.8%	3.0%	0.8%	(1.0%)	(0.3%)	1.2%	(0.3%)	4.4%
2011	0.3%	2.1%	(0.9%)	1.2%	(1.3%)	(0.4%)	(0.6%)	(1.3%)	(1.3%)	0.8%	1.7%	(0.5%)	(0.4%)
2012	1.2%	3.2%	1.1%	0.9%	0.1%	(0.6%)	2.3%	0.3%	1.2%	2.8%	0.4%	(2.6%)	10.5%
2013	3.8%	2.2%	3.8%	2.8%	1.0%	0.8%	1.0%	2.4%	(1.0%)	1.9%	2.0%	2.8%	25.8%
2014	(1.8%)	3.7%	(4.2%)	(1.6%)	4.4%	2.8%	(0.7%)	1.9%	2.1%	2.8%	(1.0%)	1.9%	10.4%
2015	(0.4%)	3.5%	3.7%	0.1%									7.1%

Notes: Italicized performance numbers are actual returns earned while the "fund" managed internal money. Returns during this period have been adjusted to account for a notional management fee of 1.5% per annum and a performance fee of 20% of all profits earned in excess of the overnight cash return, while taking account of a high-water mark. No adjustment has been made for third party administration cost prior to February 2010 when the independent administrator was appointed.

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

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