

# CAPRICORN MARKET NEUTRAL FUND



## 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 %
<b>MNF</b>	R 212m	0.8%	10.2%	20.3%	60.4%	16.5%	64.2%

## MANAGER'S COMMENTS

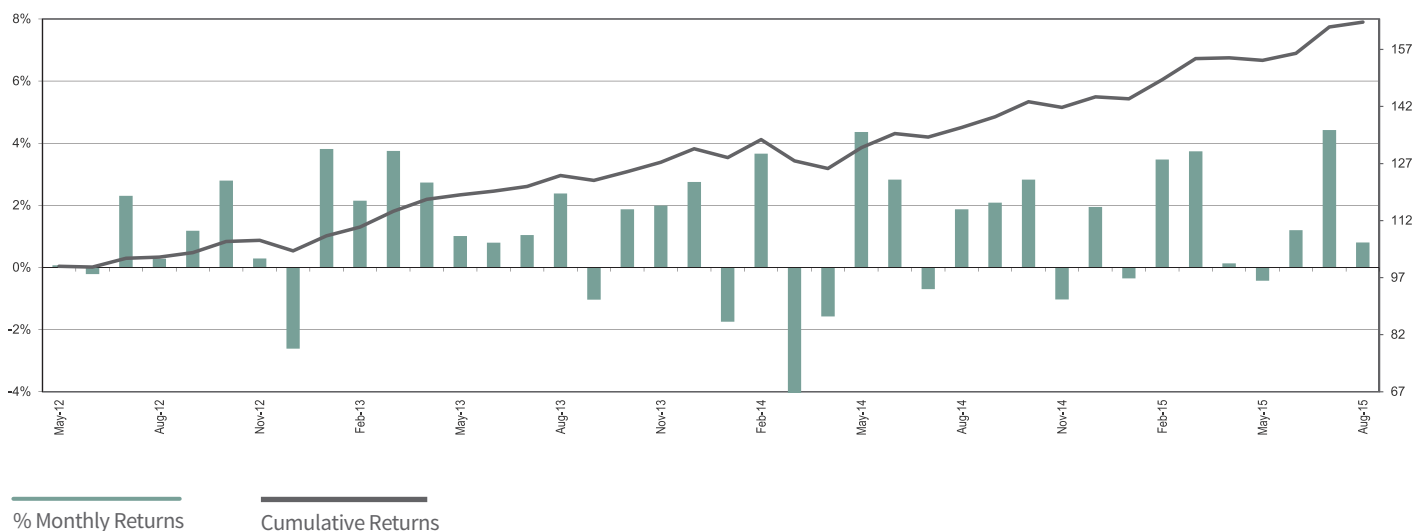
The All Share index ended the month down 3.6%, but within this overall performance the dispersion was extreme. As an example; the Oil and Gas and the Telecommunications sector ended the month down 23% and 11.8% respectively; whilst the Industrial and Technology sectors ended down a mere 0.7% and 0.4% respectively. In this contrasting environment the Fund performed well, delivering a return of 0.8%.

Our short book was the obvious performer in this environment. Many of our high conviction short positions reported results during this period and the results reaffirmed our convictions. It was gratifying that some of our high conviction long positions also contributed to the return in August.

Steinhoff released more information regarding their listing on the Frankfurt exchange and this led to a rally in the price. Rhodes Food Group performed well as they continue to build on their identified growth path. Detractors from performance came predominantly from our long book due to the broad negative market sentiment during the month.

We remain conservatively positioned as we move closer to the first interest rate hike in the US later in the year. We will continue to use the volatility to increase our positions in our favoured names, on the long and the short side at attractive prices.

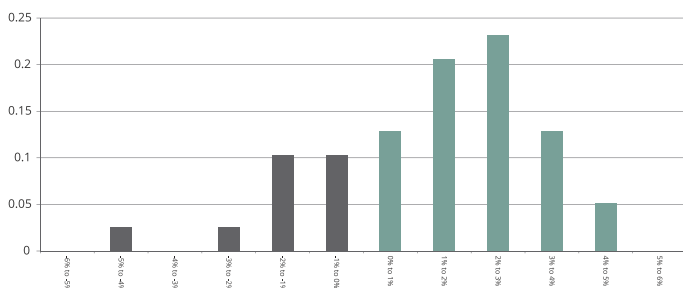
## Historical Monthly Returns



# CAPRICORN MARKET NEUTRAL FUND CONTINUED



## Histogram of Returns



## Statistics

Assets Under Management (R Million)	R212m
Gross exposure	178%
Net Exposure	9%
% of positive months	74%
% of negative months	26%
Annualised monthly volatility (historic)	7.0%
Average positive monthly return	2.2%
Average negative monthly return	(1.4%)
Sharpe Ratio	1.5
Maximum monthly drawdown	(4.2%)
Maximum cumulative drawdown	(5.7%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012						(0.6%)	2.3%	0.3%	1.2%	2.8%	0.4%	(2.6%)	<b>3.8%</b>
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%	<b>25.8%</b>
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%	<b>10.4%</b>
2015	(0.4%)	3.5%	3.7%	0.1%	(0.4%)	1.2%	4.4%	0.8%					<b>13.6%</b>

## 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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