

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 232m	4.0%	14.8%	24.1%	66.9%	18.3%	77.7%

MANAGER'S COMMENTS

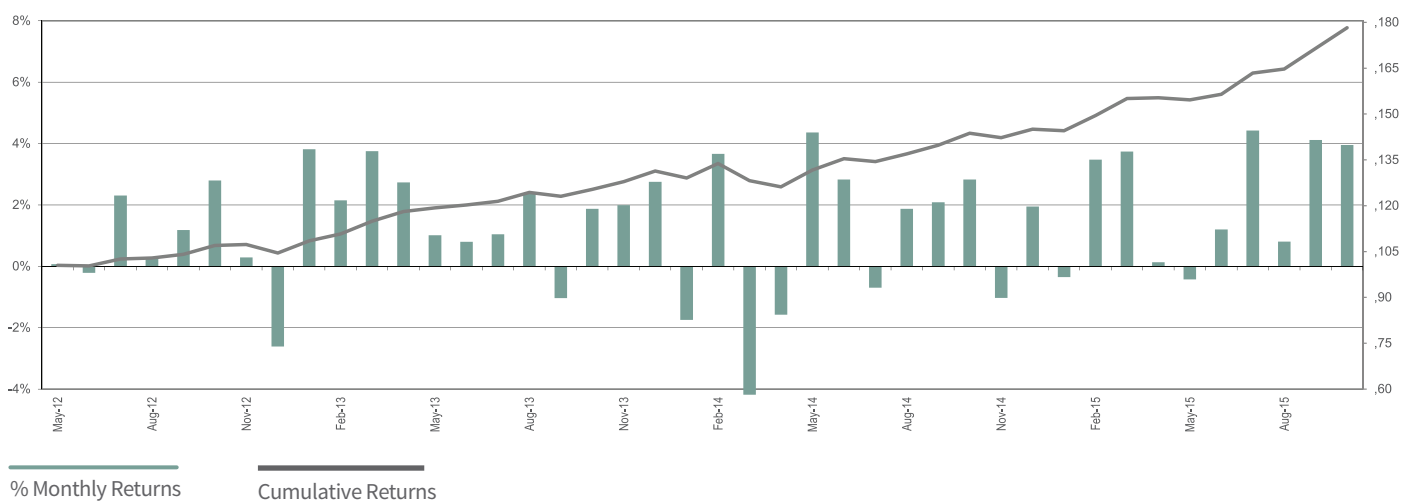
The Fund produced another strong performance in October, returning 4.0%. The Federal Reserve did not raise rates at the end of September and this caused a broad rally in risk assets, including emerging market equities. The FTSE/JSE All Share Index participated in this rally, returning 7.6% and the Fund continued to perform, even in this environment. This highlights to us how balanced the portfolio is, in that we look to benefit from structural growth stories that will continue to perform well on a sustainable basis, no matter the market conditions.

Given the strong performance in the market, it is not surprising that the largest contributors to performance was from our long book. Naspers advanced strongly after more corporate action was

announced in their attempt the unlock value in their e-commerce portfolio. Other strong performers were long-held positions like Capitec, Reinet, Investec, Mondi and Brait. The most pleasing aspect of the performance was that the losses incurred in our short book were marginal, with a few short positions even contributing to our profits. Our negative bias towards the telecommunication and construction sectors paid off handsomely.

Market participants continue to wait for a clear signal around the timing and size of the first US interest rate hike. The market will continue to be volatile in this uncertainty, but we continue to feel comfortable that our portfolio is robust enough to navigate through these choppy seas.

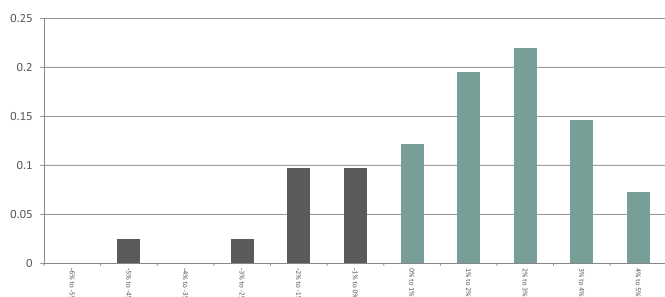
Historical Monthly Returns



CAPRICORN MARKET NEUTRAL FUND CONTINUED



Histogram of Returns



Statistics

Assets Under Management (R Million)	R232m
Gross exposure	174%
Net Exposure	10%
% of positive months	76%
% of negative months	24%
Annualised monthly volatility (historic)	7.1%
Average positive monthly return	2.3%
Average negative monthly return	(1.4%)
Sharpe Ratio	1.7
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%)	3.8%
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%	(0.4%)	1.2%	4.4%	0.8%	4.1%	4.0%			23.0%

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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