

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 223m	4.1%	10.6%	22.7%	65.0%	17.4%	71.0%

MANAGER'S COMMENTS

The Fund produced an excellent result this month in very volatile conditions returning 4.1%. The FTSE/JSE All share returned 0.95%, but approximately 2.7% was attributable to SABMiller which rallied 26.7% on the proposed acquisition by Anheuser-Busch Inbev. The Fund had no exposure to this event either directly or indirectly through index future positions. The resource sector experienced another difficult month losing 9.6%.

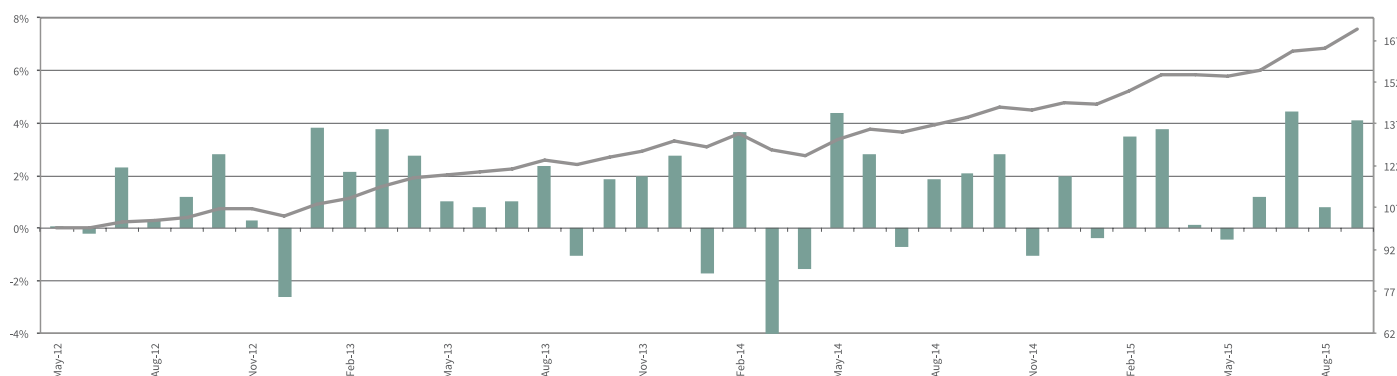
The contributors to the performance of the Fund was widespread. Our negative bias towards high cost mining companies and their service providers in South Africa paid off handsomely. Our long-held position in Steinhoff also contributed nicely as the Company continues to benefit from the recovery of the consumer in Europe. We believe that this recovery in the European consumer still has legs as the European Central Bank continues with its measures to stimulate the economy. Reinet performed strongly after trading at a

significant and unjustified discount to its underlying net asset value for a prolonged period of time.

Detractors of performance stemmed from our long positions in the South African healthcare, consumer and banking sectors. These sectors underperformed in a volatile market, but we remain constructive on their long term fundamental positioning.

After the FOMC delayed the first interest hike in the United States due to "recent global economic and financial developments" the market now believes that the first hike will only happen in the first quarter of 2016. Although we do not have a strong view on the exact timing of the first rate hike, we do believe that the hike is inevitable and we continue to position the Fund accordingly. The uncertainty regarding the timing of the rate hike will add to the volatility in the market.

Historical Monthly Returns



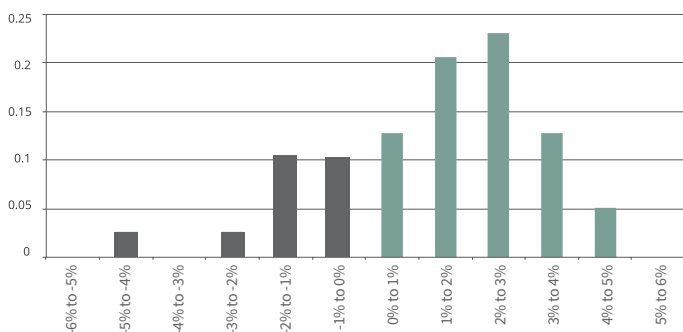
% Monthly Returns

Cumulative Returns

CAPRICORN MARKET NEUTRAL FUND CONTINUED



Histogram of Returns



Statistics

Assets Under Management (R Million)	R223m
Gross exposure	167%
Net Exposure	10%
% of positive months	75%
% of negative months	25%
Annualised monthly volatility (historic)	7.1%
Average positive monthly return	2.3%
Average negative monthly return	(1.4%)
Sharpe Ratio	1.6
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%				18.3%

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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