

# CAPRICORN PERFORMER FUND



## OBJECTIVE

The Capricorn Performer Fund is a South African long/short equity hedge fund. The Fund has a strong focus on long term capital appreciation, targeting an absolute return in excess of cash. The Fund aims to provide returns with lower volatility and lower drawdowns than equities.

|     | Current NAV | 1 month % | 6 month % | 1 year % | 3 year % | Annualised since launch | Since launch % |
|-----|-------------|-----------|-----------|----------|----------|-------------------------|----------------|
| CPF | R 433m      | (0.5%)    | 10.5%     | 16.6%    | 119.1%   | 29.0%                   | 119.1%         |

## MANAGER'S COMMENTS

August was a relatively good month for the Fund, returning -0.5% against the JSE that fell 3.6% on a total return basis. The Fund was able to navigate a volatile month and retain its strong performance delivered year to date. Once again the diversified positioning within the Fund served us well, and allowed us to manage the drawdown in the market.

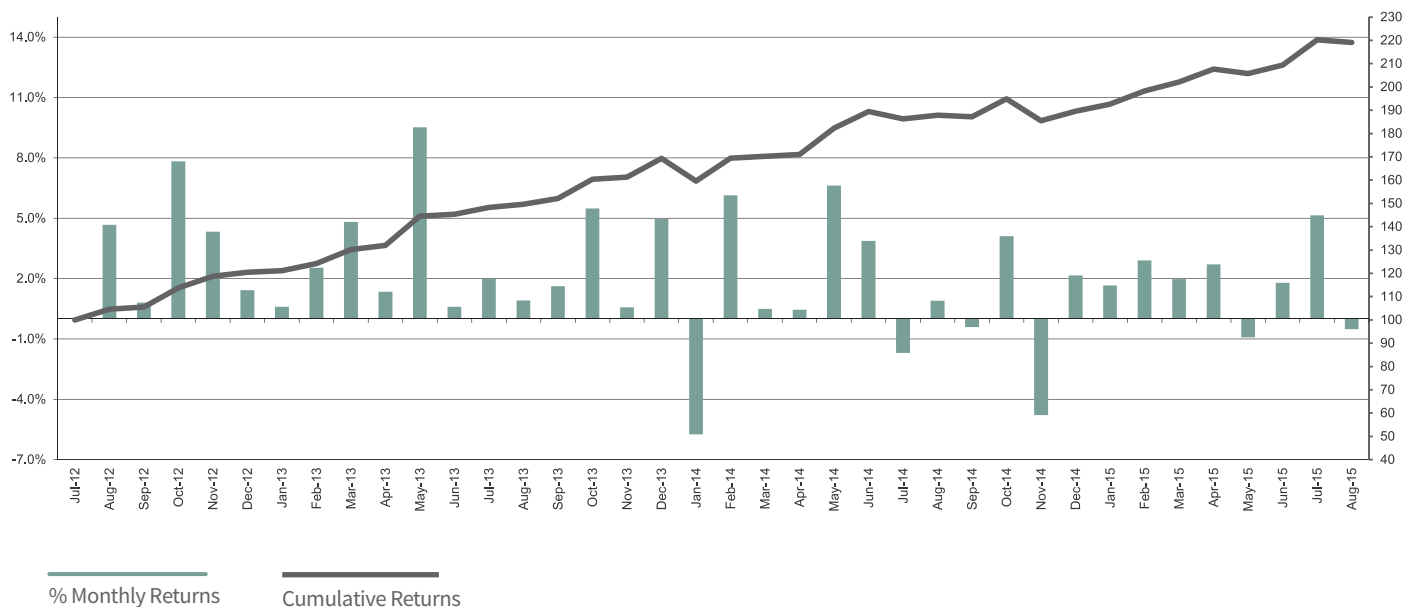
Performance of the long-book was driven by news-flow, such as results or management updates. Blue Label was the largest contributor to profits off the back of strong results, Rockcastle also performed strongly post results that illustrated the internationalisation of their business.

As Steinhoff nears its Frankfurt listing, investors are getting more comfortable with the business and rewarded the stock during the month. Consolidated Infrastructure performed well, buoyed by management presentations that showed their business continuing to deliver in a tough environment. On the negative side our larger market cap stocks sold off indiscriminately in tune with the global growth scare.

In a weak environment it is no surprise that short positions were the significant drivers of relative outperformance. We are very pleased that shorts from the retail, industrial and financial sector all delivered during the month. Our Fundamental approach of selecting single name shorts that we see as weak links has shown its worth and we will continue to seek out these businesses.

From a net exposure perspective, the Funds remain conservatively positioned from a historical perspective as we continue to see volatility in global financial markets. However, where we think the market has indiscriminately traded a stock, we will look to take advantage of these price dislocations.

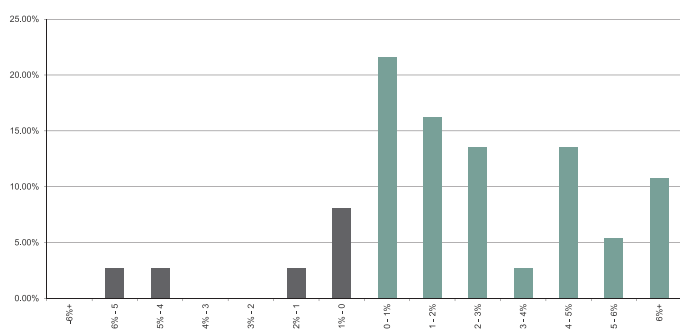
## Historical Monthly Returns



# CAPRICORN PERFORMER FUND CONTINUED



## Frequency distribution of Returns



## Statistics

|  |        |
|--|--------|
| Assets Under Management (R Million)      | 433m   |
| Gross exposure                           | 248%   |
| Net Exposure                             | 70%    |
| % of positive months                     | 84%    |
| % of negative months                     | 16%    |
| Annualised monthly volatility (historic) | 10.7%  |
| Average positive monthly return          | 3.1%   |
| Average negative monthly return          | (2.3%) |
| Sharpe Ratio                             | 2.0%   |
| Maximum monthly drawdown                 | (5.7%) |
| Maximum cumulative drawdown              | (5.7%) |

|      | Jan    | Feb  | Mar  | Apr  | May    | Jun  | Jul    | Aug    | Sep    | Oct  | Nov    | Dec  | YTD          |
|------|--------|------|------|------|--------|------|--------|--------|--------|------|--------|------|--------------|
| 2012 |        |      |      |      |        |      |        | 4.7%   | 0.8%   | 7.8% | 4.3%   | 1.4% | <b>20.4%</b> |
| 2013 | 0.6%   | 2.5% | 4.8% | 1.3% | 9.5%   | 0.6% | 2.0%   | 0.9%   | 1.6%   | 5.5% | 0.6%   | 5.0% | <b>40.6%</b> |
| 2014 | (5.7%) | 6.2% | 0.5% | 0.5% | 6.6%   | 3.9% | (1.7%) | 0.9%   | (0.4%) | 4.1% | (4.8%) | 2.2% | <b>11.9%</b> |
| 2015 | 1.7%   | 2.9% | 2.0% | 2.7% | (0.9%) | 1.8% | 5.1%   | (0.5%) |        |      |        |      | <b>15.6%</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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