

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 329m	2.2%	0.1%	11.9%	N/A	30.3%	89.5%

MANAGER'S COMMENTS

The Fund delivered a positive 2.2% for the month. December saw significant negative performance across emerging markets off the back of broad weakening of emerging market currencies as well as a precipitous drop in the oil price. We maintain our view that the commodity super cycle is over and that we will now start to see casualties from a structurally weaker commodity space. It is also our view that the lower oil price does not signify a weakening of global growth rather we believe it is being driven by supply side pressures. The South African economy, while still fragile, has received temporary relief from this drop in the oil price

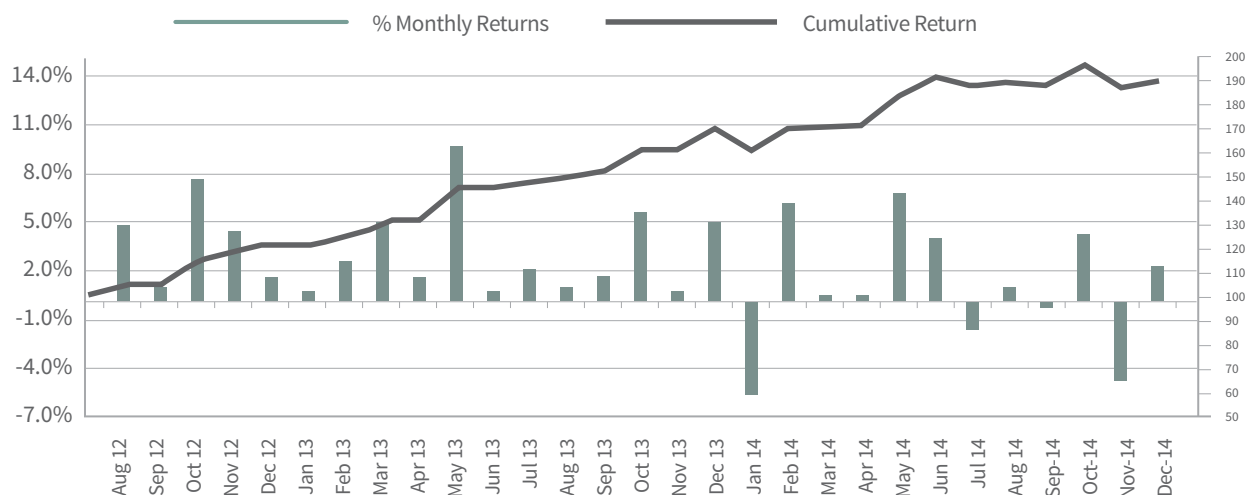
December saw continued positive performance from key holdings in Aspen and Naspers, while newer positions also added value such as Curro Holdings and the international property play Rockcastle which came to the fore this month.

What was also pleasing was how our negative view on commodities and the associated businesses translated to benefits in the short side of our book, delivering performance for the Fund across multiple positions.

Detractors from the month's pleasing return came from our holding in Sasol which is operating under severe pressure in the face of the price drop in oil. Our long position in Blue Label was negatively affected by the withdrawal of the cautionary announcement they put out previously, where the market had run the stock up in anticipation of the company being bought out. With the increased volatility in the market our negative view on gold once again hurt performance.

We want to take this opportunity to thank you for your continued support and we are delighted to have delivered another year of superior returns to our investors.

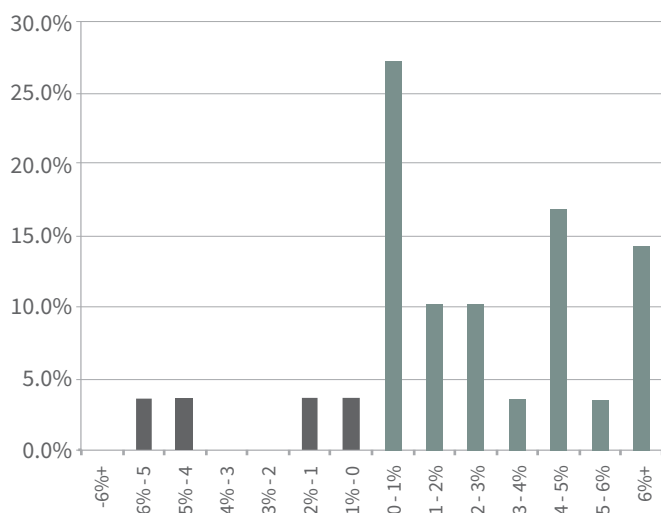
Historical Monthly Returns



CAPRICORN PERFORMER FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	329m
Gross exposure	262%
Net Exposure	67%
% of positive months	86%
% of negative months	14%
Annualised monthly volatility (historic)	11.7%
Average positive monthly return	3.2%
Average negative monthly return	(3.2%)
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%	20.4%
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%	40.6%
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%	11.9%

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

Investment Manager

Capricorn Fund Managers (Pty) Limited
 Capricorn House
 32 Impala Rd
 Chislehurst
 2196
 South Africa

For enquiries please contact

Andrew Crawford
 T: +27 11 666 0716
 E: andrewc@capricorncapital.com

Licensed by the Financial Services Board
 License number: 863