

# 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 360m	2.9%	5.5%	17.0%	N/A	30.3%	98.3%

## MANAGER'S COMMENTS

The fund returned 2.9% for the month in the midst of a broad based market rally. We had good economic data coming out of South Africa and the United States, as well as seeing progress in resolving the Greek crises. In addition, South African Finance Minister Nene's maiden budget speech was on balance well received indicating more towards fiscal conservatism in order to address the potential ratings downgrade risk. We remain cautious on the South African economy as the increases in tax and the fuel levy will pare the benefits seen from the recent falling oil prices on the consumers' pockets. Together with the constrained electricity supply, growth for the next few years is most definitely a concern.

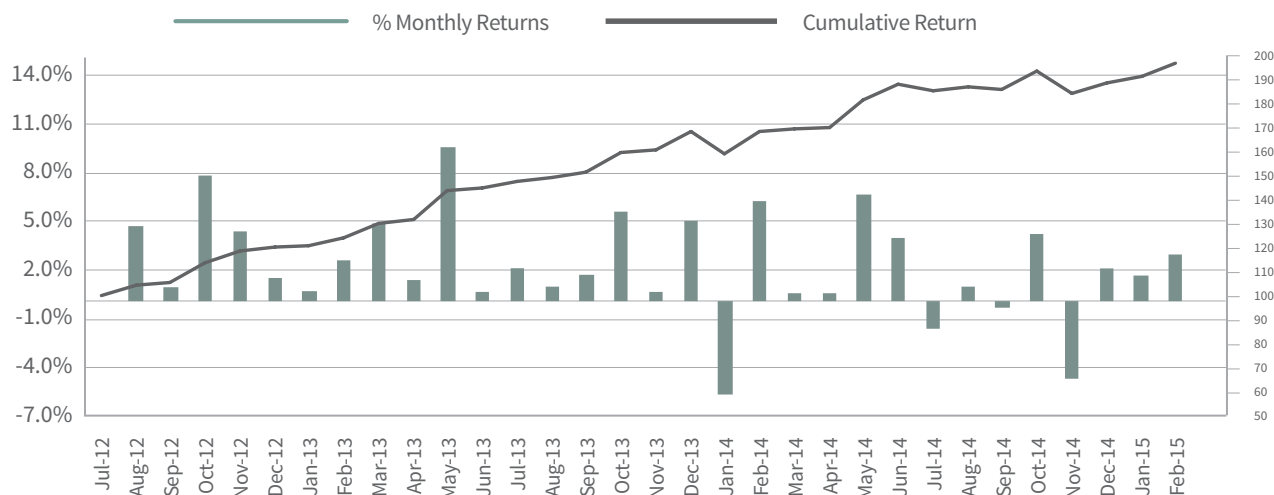
Steinhoff was strong during the month which continues to benefit from momentum as a consequence of the Pepkor transaction. An improving Europe as well as its potential Frankfurt listing tabled for a second quarter this year which also helped push this name higher. We closed out of Sasol when it bounced, which was justified as we witnessed a change in its dividend policy in the face of the current oil price malaise. The proceeds were used to switch into Billiton which paid dividends as the miner delivered good results in the context of depressed commodity prices. This counter remains the undisputed best-in-class resource producer, with its extreme focus on being at the low end of

the cost curves as well as disciplined capital allocation. We also added to Mondi, post a solid set of results, which rounded out our top three contributors for the month.

Weakness in the portfolio was found in Shoprite, which we reduced in the face of an average set of interim results off the back of a PE multiple which we feel cannot tolerate delivery failure from an earnings perspective. Aspen also dragged the portfolio lower with a trading update for the first half which was weaker than expected, negatively impacted by a strengthening USD against the major currencies in which the business trades in. Nampak reversed gains from the previous month in the face of potential earnings risks coming out of Nigeria and Angola, which constitute roughly 30% of the companies operating profit. Both these countries are severely impacted by the drop in oil prices as their economies are heavily skewed towards the revenues derived from their oil industries.

We expect volatility to increase over the coming period as we move closer to the potential rate hike in the United States. The economic data from the United States continues to reflect a growing economy. The prospect of rising yields and an improving world economy continues to bode well for equities as an asset class. For now however, we will have to endure increased volatility.

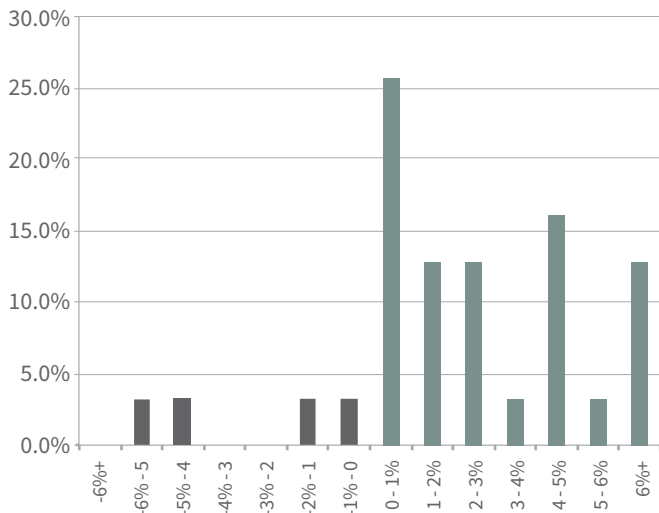
## Historical Monthly Returns



# CAPRICORN PERFORMER FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	360m
Gross exposure	233%
Net Exposure	73%
% of positive months	87%
% of negative months	13%
Annualised monthly volatility (historic)	11.3%
Average positive monthly return	3.1%
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%	<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%											<b>4.6%</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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