

# 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 410m	1.8%	10.5%	10.6%	N/A	30.8%	109.4%

## MANAGER'S COMMENTS

The month of June was characterised by increased volatility on the South African equity market. The All Share index ended the month down 0.76%, but during the month we saw wild swings in market sentiment. Reasons for this vary from the ongoing Greek saga, various extreme rallies and collapses in the Chinese A-Share market, continued weakness in the commodity prices and speculation around timing of interest rate hikes in the United States. All of these factors combined with a world that is awash with liquidity results in the significant volatility that we are enduring. We continue to remain focused on the bottom-up, company specific opportunities that present themselves and will use the macro volatility to secure attractive entry prices. During the month this strategy paid off handsomely with the Fund returning 1.8%.

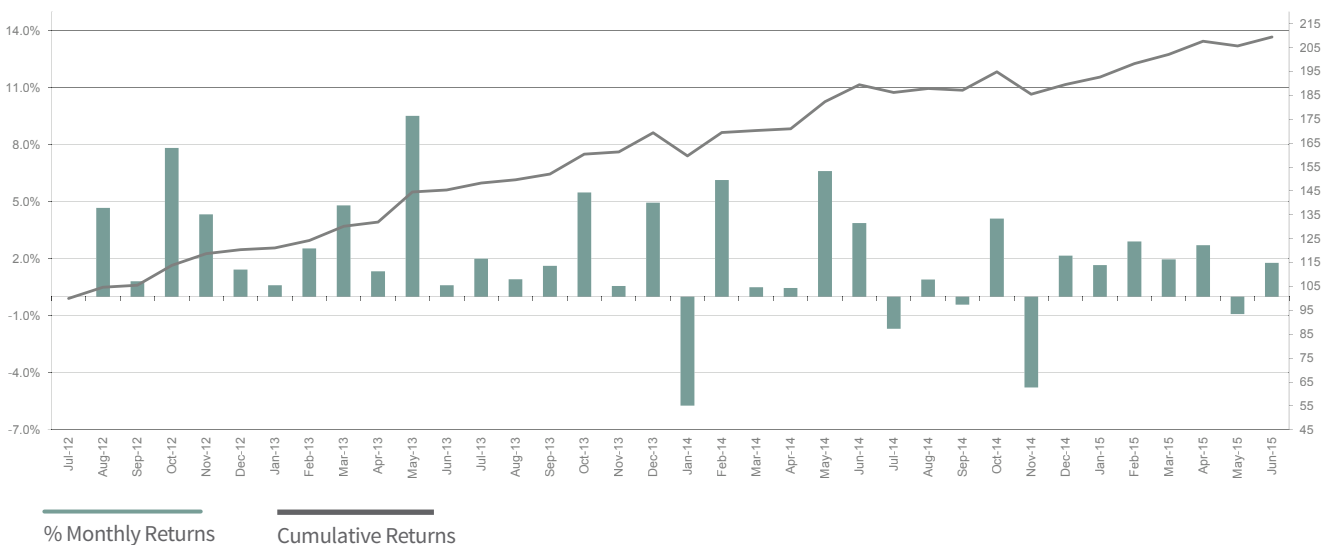
Brait was the greatest contributor to the performance of the Fund. During their annual results presentation they updated the market on their latest acquisitions and the exciting opportunities these companies have across the world. Naspers also reported their annual results during the month and yet again confirmed our investment case by continuing to create value in their classifieds, retail, payments and pay television businesses.

These businesses are currently trading at a negative valuation. Our long positions in select South African retailers performed strongly as the market rewarded their superior business models in a difficult market environment, especially relative to our short positions in the same space.

Detractors of performance came from our long positions in the South African gaming sector. Gaming statistics released during the month highlighted that this sector is not immune to the weakening consumer environment. We are reconsidering our position in these counters. Curro Holding was under pressure during the month after one of their schools was the focus of intense negative media scrutiny. We believe that these issues do not alter the investment case for Curro and will use the price weakness to accumulate more shares.

The volatility experienced in June will in all likelihood continue, if not increase, as we move closer to the US rate hike. We maintain our view that equities as an asset class remain attractively priced. We will thus continue to use the volatile conditions as an opportunity to gain exposure to quality companies at very good prices.

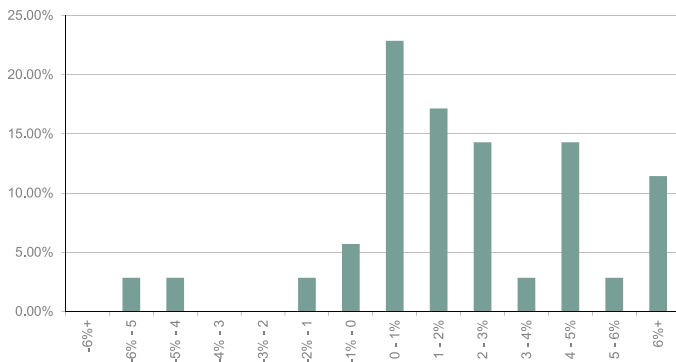
## Historical Monthly Returns



# CAPRICORN PERFORMER FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	410m
Gross exposure	226%
Net Exposure	70%
% of positive months	86%
% of negative months	14%
Annualised monthly volatility (historic)	10.8%
Average positive monthly return	3.0%
Average negative monthly return	(2.7%)
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%							<b>10.5%</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

### 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

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