

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	291m	3.9%	11.9%	30.3%	26.6%	39.6%	89.4%

MANAGER'S COMMENTS

The strong market rally continued for yet another month in June as the FTSE/JSE All Share Index returned 2.8%. The Capricorn Performer Fund performed well in this environment returning 3.9%.

The stand-out performance came from Brait, the investment holding company with its principle exposure to cash retailer Pep Stores. Brait released results early in June and this confirmed our thesis that the value retailers in South Africa and Africa will continue to benefit as the consumers trade down to adjust to more difficult macro environment.

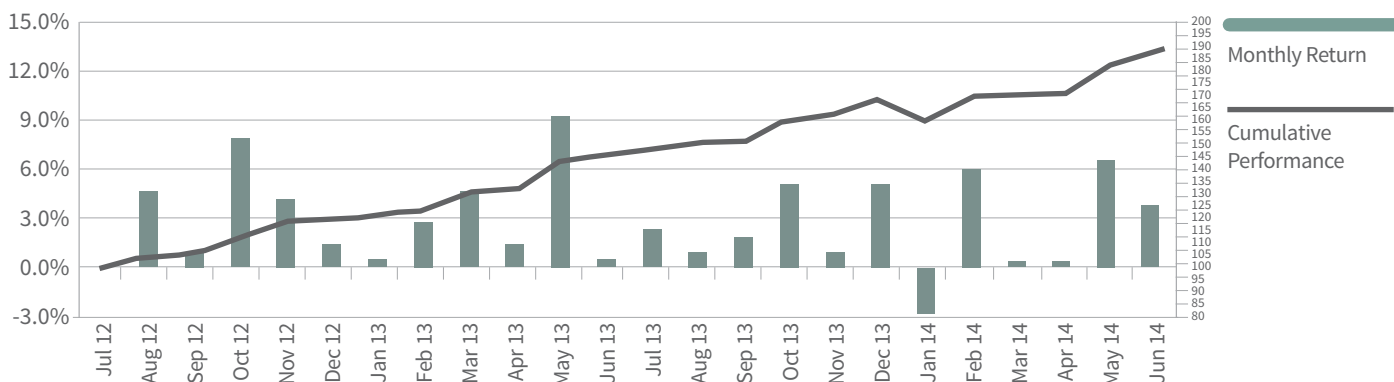
Investec, which we more recently took to high conviction sizing in the portfolio, performed strongly this month off the back of their year-end results. This was the first time since the Global Financial crisis that they managed to deliver above expectation results.

In addition, the business is cleaner than it has been for years, with the remaining legacy assets heading towards resolution. Our long held positions in Steinhoff, Aspen and Naspers also generated a good return for us during the month.

Our holding in Bidvest dragged the book down this month after general weakness across the SA Inc type stocks this past month. Our short book took losses due to the broad nature of the rally, especially in some of the more cyclical names in the book

We remain positive on equities in general over the medium term, however we are mindful that markets do not go up in a straight line. As a result of this the risk of a correction in the markets over the short term has increased.

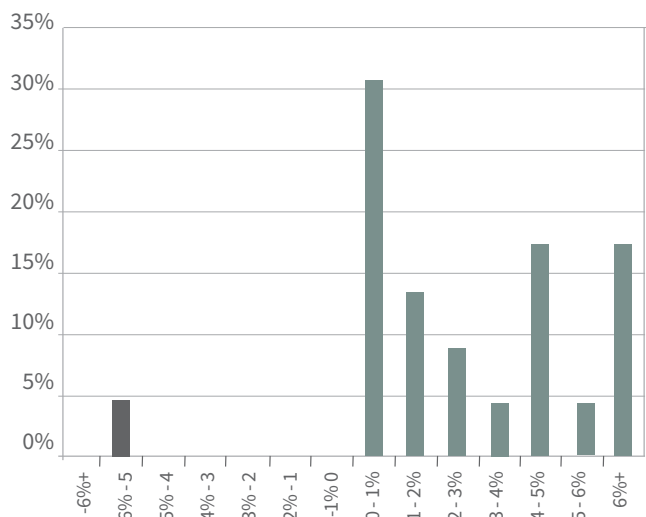
Simulated Historical Monthly Returns



CAPRICORN PERFORMER FUND CONTINUED



Frequency distribution of Returns



Statistics

Assets Under Management (R Million)	291m
Gross exposure	344%
Net Exposure	85%
% of positive months	96%
% of negative months	4%
Annualised monthly volatility (historic)	11.2%
Average positive monthly return	3.3%
Average negative monthly return	(5.7%)
Sharpe Ratio	2.7
Maximum monthly drawdown	(5.7%)
Maximum cumulative drawdown	(5.7%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003							1.4%	1.1%	0.1%	3.6%	3.7%	4.7%	15.3%
2004	3.3%	(0.1%)	3.2%	0.4%	(3.8%)	1.0%	2.6%	4.2%	2.8%	6.1%	16.7%	4.6%	48.1%
2005	1.6%	6.2%	(1.7%)	1.6%	6.0%	1.5%	3.2%	5.5%	5.1%	0.8%	3.5%	4.2%	44.1%
2006	7.6%	1.7%	3.9%	1.6%	(1.7%)	1.7%	4.3%	1.9%	2.4%	1.3%	2.9%	4.5%	36.7%
2007	3.7%	3.1%	4.9%	3.0%	4.4%	1.5%	(2.6%)	0.6%	3.7%	6.2%	2.6%	2.1%	38.5%
2008	(6.3%)	7.9%	2.4%	4.6%	3.9%	0.1%	(6.9%)	(5.5%)	(6.3%)	(2.1%)	(0.1%)	0.1%	(9.1%)
2009	1.8%	0.0%	2.1%	(1.7%)	3.5%	0.2%	3.8%	(0.3%)	2.5%	5.2%	(0.9%)	4.4%	22.2%
2010	(3.7%)	4.3%	4.7%	(0.1%)	(6.4%)	(3.4%)	5.0%	(0.6%)	5.6%	1.1%	(1.9%)	1.1%	4.9%
2011	(2.7%)	3.3%	0.8%	3.4%	0.0%	(2.0%)	(0.2%)	1.5%	(0.9%)	5.5%	5.6%	(2.5%)	11.9%
2012	2.1%	5.9%	4.3%	4.1%	(2.1%)	2.6%	6.7%	4.7%	0.8%	7.8%	4.3%	1.4%	51.6%
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%							11.9%

Notes: Italicized performance numbers are based on simulated returns. Returns during this period have been adjusted to account for a management fee of 1.25% per annum and a performance fee of 20% above a hurdle of CPI.

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.

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