

# 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	277m	6.6%	13.0%	26.2%	23.0%	38.8%	82.4%

## MANAGER'S COMMENTS

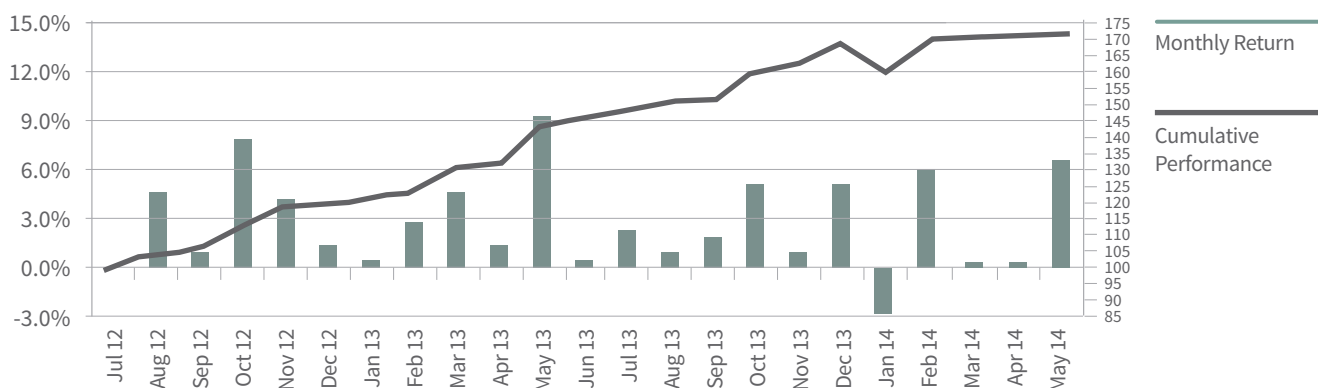
This month saw the pendulum swing and significant buying in equities again came to the fore, post the slump in April. World markets continued their upward trajectory in what can best be described as a bull market that nobody owns. Many of the themes that began to take shape in April continued into May but many of the large rotations began to slow down. As previously advocated we believe this rotation is a pause in a much larger bull market in the space that have recently sold off. The fund remains exposed to the higher growth sectors and we remain of the opinion that growth will triumph over value. Conditions seem benign with volatility trading at historical lows which is very bullish for equity and bond markets.

Naspers surged upwards by 14.7% after a very weak April, we had reduced our holding in the previous months but it still remains a core long in our investment thesis. Netcare, the hospital operator

with considerable UK optionality finished up 13.1% for the month. Our short book contributed with the credit retailers and industrials underperforming along with our negative view of gold miners coming to the fore. We believe that gold is a non-core global asset and that any meaningful rallies should be shorted.

Investors still appear to be underweight equities and it seems many a market participant has been watching this rally from the sidelines. There is a distinct possibility of aggressive upward moves and this money finally capitulates and flows into the market. We remind investors however that in the world we find ourselves in individual sectors have very divergent prospects and we are moving our capital around to take advantage of where we see pockets of strength versus weakness.

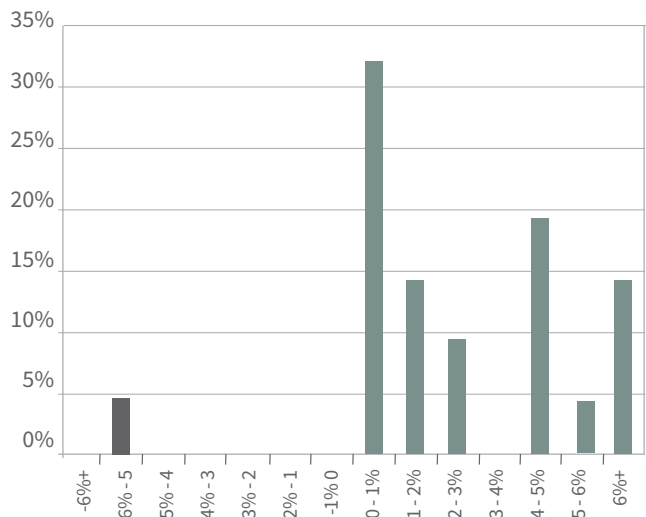
## Simulated Historical Monthly Returns



## CAPRICORN PERFORMER FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	277m
Gross exposure	336%
Net Exposure	87%
% of positive months	95%
% of negative months	5%
Annualised monthly volatility (historic)	11.5%
Average positive monthly return	3.2%
Average negative monthly return	(5.7%)
Sharpe Ratio	2.6
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%	<b>15.3%</b>
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%	<b>48.1%</b>
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%	<b>44.1%</b>
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%	<b>36.7%</b>
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%	<b>38.5%</b>
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%	<b>(9.1%)</b>
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%	<b>22.2%</b>
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%	<b>4.9%</b>
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%)	<b>11.9%</b>
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%	<b>51.6%</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%								<b>7.7%</b>

**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.

## CONTACT INFORMATION

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