

# 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 %
<b>CPF</b>	R 346m	4.1%	13.9%	21.4%	N/A	34.5%	94.8%

## MANAGER'S COMMENTS

October marked a sharp return to volatility in capital markets and the funds performed strongly through this turbulence. The fund returned 4.1%, well ahead of the market which grew by 1%. The performance of the market belies what actually happened during the month, with the All Share Index being down well in excess of 5% at one stage. We viewed this sell-off as a healthy correction in a continuing bull market and thus it provided a good opportunity to buy our favoured longs.

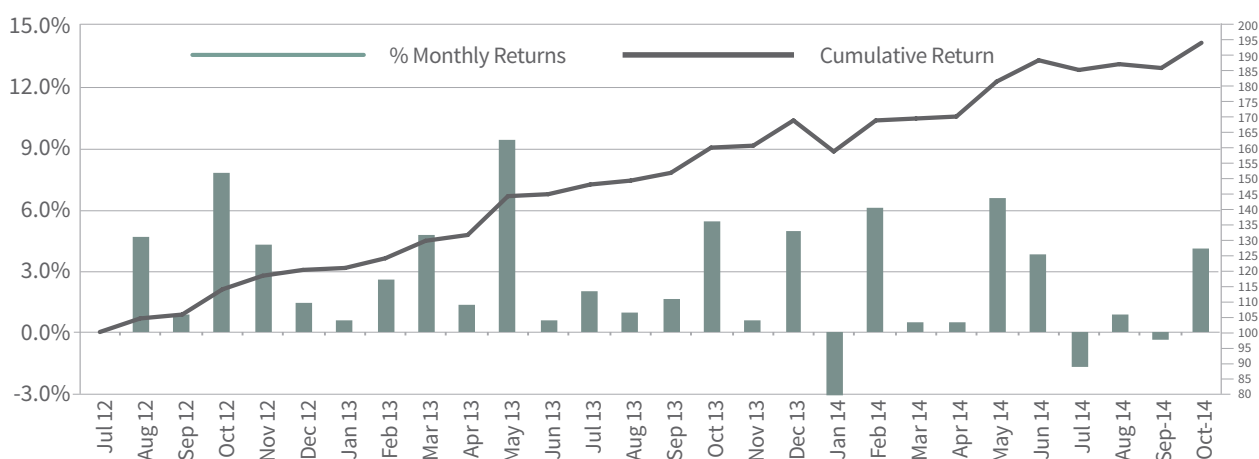
Positive performance was largely attributable to our long-held core portfolio, specifically Aspen, Naspers and Brait. These stocks continued to break new highs off the back of results in recent reporting season and we remain of the opinion that they still represent some of the best opportunities in our universe. Some of our favoured retailers also delivered strong performance which was pleasing.

On the short side our gold and general resource shorts delivered good performance which protected our book well during the volatility of the month. We continue to hold a negative view on these counters and any bounce in these names is viewed as an opportunity to sell.

Negative performance was seen in some of our credit retail shorts where the market looked to buy some of the under performers. The cycle has yet to turn and the negative operating environment will continue to impact these businesses. The other disappointing performer was our long position in Sasol. It was significantly impacted by the decline of oil that saw the commodity trade almost 10% lower on the month.

Going into the last two months of the year we are approaching the market more cautiously. While we remain constructive on equity markets, we accept volatility will likely increase. However, this in itself will provide opportunities and good stock picking will continue to be rewarded.

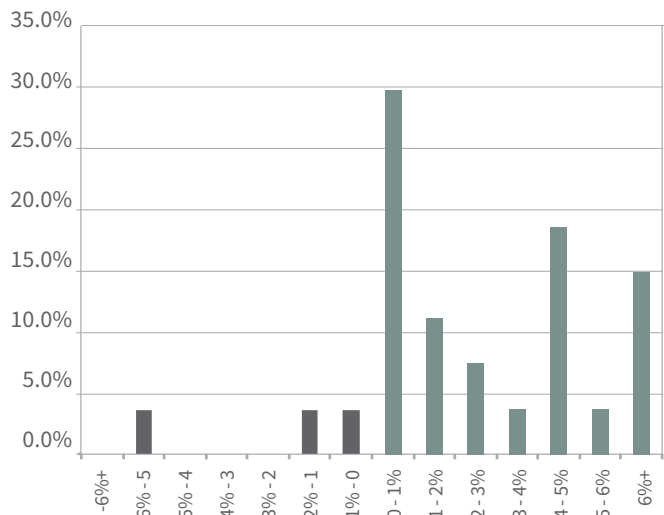
## Simulated Historical Monthly Returns



# CAPRICORN PERFORMER FUND CONTINUED



## Frequency distribution of Returns



## Statistics

Assets Under Management (R Million)	346m
Gross exposure	247%
Net Exposure	65%
% of positive months	89%
% of negative months	11%
Annualised monthly volatility (historic)	11.1%
Average positive monthly return	3.2%
Average negative monthly return	(2.6%)
Sharpe Ratio	2.4
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%	3.9%	(1.7%)	0.9%	(0.4%)	4.1%			<b>15.1%</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

### 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