

## Fund Managers Thoughts

Capricorn's Equity Fund significantly outperformed its benchmark by 3.8% through a volatile period. The largest gainers in our fund were the banks, retail and property sectors while Naspers, Rand Hedges and commodities underperformed in Q1. The Foschini Group, Massmart and Standard Bank outperformed in the quarter which was in line with our sector preferences. South Africa went through a rapid period of transformation in the first quarter of 2018 which included a change of President, a cabinet reshuffle, SA avoided a credit rating downgrade and the cherry on the top was a 25bp rate cut at the end of the quarter.

## Fund Managers



### Matthew Auerbach

Fund Manager  
M.COM, CA(SA), CFA  
15 yrs industry experience



### Seten Naidoo

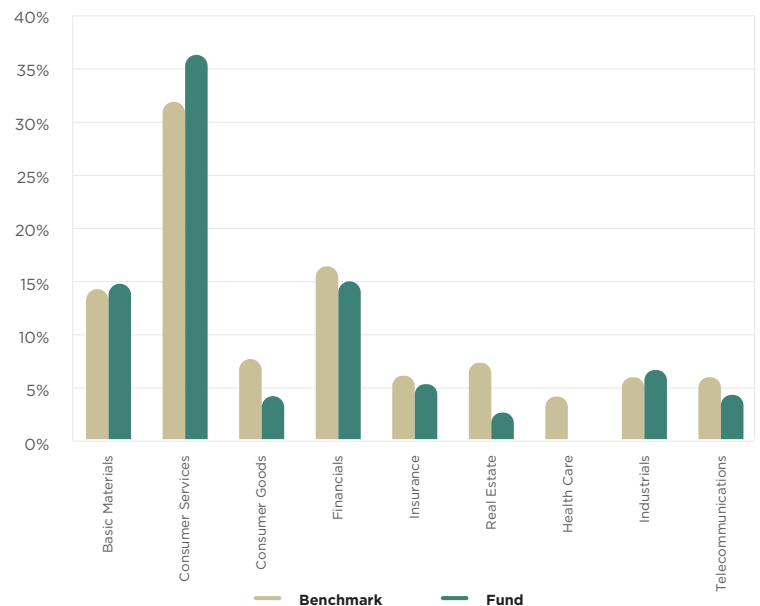
Fund Manager / Analyst  
BBuSci (Fin Hons)  
8 yrs industry experience  
Top rated equity analyst

## Positioning Our Portfolio

The All Share Index fell 6.8% in the first quarter, at this level we believe that key sectors are at attractive prices to start buying once again. Post the "Rampahoria effect" South Africa has experienced a healthy pull back which was triggered by international markets. We believe that from here forward investors will be looking for earnings delivery and exposure in early cycle sectors. Accordingly we believe that banks, retail and SA Industrial sectors present the best risk/reward payoff while insurance, food producers and small cap sectors will be the mid-cycle plays to keep an eye on.



## Sector weightings: Benchmark vs Fund



Date: as at 31/03/2018 Source: Capricorn Fund Managers (Pty) Ltd

The information contained in this document are the views of the fund manager and does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, and should be read in conjunction with the MDD. Use of or reliance of this information is at own risk. Independent professional financial advice should be sought before making any investment decision. Past performance is not necessarily a guide to future performance.

# Sanlam Collective Investments Equity Fund

March 2018 · Market Commentary

## Why choose our fund

The Capricorn Sanlam Collective Investments Equity Fund is a well-diversified equity portfolio with the primary objective of capital growth over the medium to long term. The structure of the fund allows for maximum exposure to equities, with a minimum of 85% exposure. The fund aims to outperform the JSE All Share benchmark through exposure in Capricorn's best equity ideas. The fund has a strong focus on risk adjusted returns over the medium to long term. The Fund is managed by an award winning investment boutique firm in Capricorn Fund Managers.

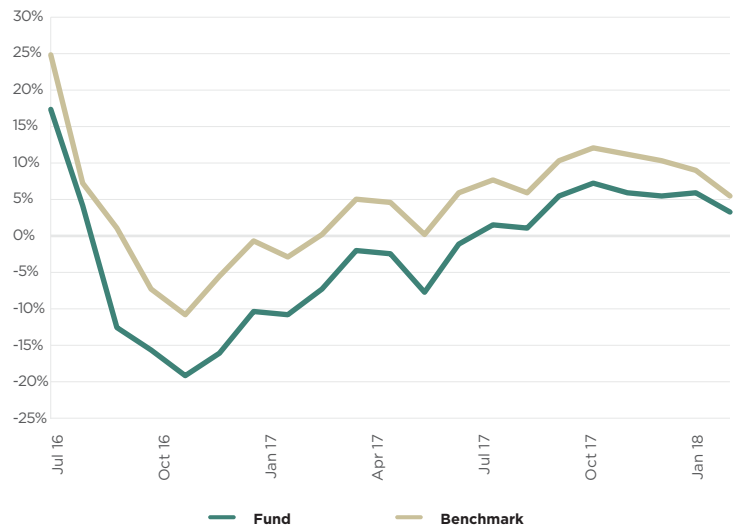
Fund Facts	
Portfolio Size	R210m
Minimum Investment	R100,000
Manager Annual Fee	1.02%
Launch Date	01/07/2016
Benchmark	Shareholder Weighted All Share Index

Date: 31/03/2018 Source: Capricorn Fund Managers (Pty) Ltd  
 \*Annualised Return is calculated from the historical returns of the fund since inception and is the annual growth rate that gets you from the initial investment value to the ending investment value if you assume that the investment has been compounding annually over the time period.

## Cumulative Performance Since Inception

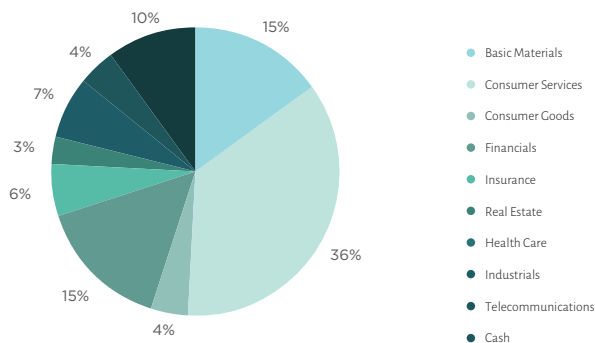


## Annualised Performance Since Inception



Date: as at 31/03/2018. Source: Capricorn Fund Managers (Pty) Ltd

## Equity Asset Allocation



Date: as at 31/03/2018. Source: Capricorn Fund Managers (Pty) Ltd  
[www.capricornfundmanagers.com](http://www.capricornfundmanagers.com)

## Largest Holdings

- |                    |                    |
|--------------------|--------------------|
| Naspers            | Barclays           |
| Firstrand          | Mr Price Group Ltd |
| Standard Bank      | Sanlam             |
| The Foschini Group | Bidvest            |
| Massmart           | Shoprite           |

## Historical Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2016							1.4%	(0.6%)	(4.1%)	(2.3%)	(3.0%)	0.2%	<b>(8.3%)</b>	<b>(2.9%)</b>
2017	2.1%	(1.2%)	2.0%	3.7%	(0.6%)	(5.6%)	6.6%	3.5%	(0.9%)	6.5%	3.0%	(1.6%)	<b>18.1%</b>	<b>21.2%</b>
2018	0.0%	1.0%	(4.0%)										<b>(3.0%)</b>	<b>(6.8%)</b>

Date: as at 31/03/2018 (net of fees). Source: Capricorn Fund Managers (Pty) Ltd

## Important information

Sanlam Collective Investments (RF) (Pty) Ltd registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may

differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. Performance fees are calculated at 20% above the benchmark performance (SWIX). Lump sum investment performances are being quoted. Sanlam Collective Investments retains full legal responsibility for this co-named portfolio. The portfolio management of the fund is outsourced to Capricorn Fund Managers, an authorised financial services provider in terms of the FAIS Act. The Manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The information contained within this document has been prepared by Capricorn Fund Managers (Pty) Ltd and is unaudited.

## Contact Information

### Investment Manager

Capricorn Fund Managers (Pty) Limited  
 Capricorn House  
 32 Impala Rd  
 Chislehurst  
 2196  
 South Africa

### Management Company

Sanlam Collective Investments  
 RF (Pty) Ltd  
 T: 0860 100 266  
 E: [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)

### For enquiries please contact

Matthew Auerbach

T: +27 11 666 0719

[matthewa@capricornsa.com](mailto:matthewa@capricornsa.com)

Licensed by the Financial Services Board  
 License number: 863

### For enquiries please contact

Seten Naidoo

T: +27 11 666 0738

E: [setenn@capricornsa.com](mailto:setenn@capricornsa.com)