

Capricorn Sanlam Collective Investments Performer Qualified Hedge Fund

Objective

The CAPRICORN SANLAM COLLECTIVE INVESTMENTS PERFORMER QUALIFIED HEDGE FUND is a Rand denominated South African long/short equity hedge fund. The Portfolio has a strong focus on long term capital appreciation, targeting an absolute return in excess of cash. The Portfolio aims to provide returns with lower volatility and lower drawdowns than equities.

Summary Statistics

| | CURRENT NAV | 1 YEAR RETURN | 3 YEAR ANNUALISED RETURN | 3 YEAR CUMULATIVE RETURN | ANNUALISED* RETURN SINCE INCEPTION | CUMULATIVE RETURN SINCE INCEPTION |
|------------------------|--------------|---------------|--------------------------|--------------------------|------------------------------------|-----------------------------------|
| Fund | R158m | 3.3% | 3.1% | 9.5% | 15.8% | 141.0% |
| Benchmark (CPI) | N/A | 4.6% | 5.3% | 16.8% | 5.5% | 37.6% |

Date: 31/07/2018 Source: Maitland Fund Services (Pty) Ltd and 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.

Manager's Comments

After a challenging market for the JSE in the second quarter ("Q2"), South African assets recovered some ground in July with the rand appreciating by 3.4% against the US dollar, South African bonds increased by 2.2% and South African equities produced a flat result. The "SA Inc" companies performed particularly well with MSCI South Africa ending up 5% versus MSCI Emerging Markets Index up 1.7% and MSCI World Index up 3.1% (all three in USD terms).

The political economy again dominated the news flow for the month of July with further worries surrounding trade wars between China and the United States, Theresa May's continued challenges, at home and abroad, in the Brexit negotiations and technicalities on how the South African government will proceed on the sensitive land reform issue. Positively, GDP growth in the US seems to be maintaining momentum with another solid jobs report providing a solid backdrop for global growth. From a South African perspective, the macro data suggests that domestic activity is picking up: ABSA PMI came in at 51.5 (the highest reading since May 2017); the Mastercard Spending Pulse retail sales growth was reasonably strong at 3% year on year and the Q2 BER consumer confidence recorded 22 confirming that the positive first quarter datapoint was not a "once off". South African trade data also improved in June with the rate of export growth (10% year on year) exceeding import growth (7.3% year on year) for the first time this year.

The fund returned 0.4% for the month versus the All Share Index that lost 0.25%. Significant contributors to performance stemmed from long positions in PSG Group, Discovery Ltd, Dis-Chem Pharmacies and Curro Holdings. The key detractor in July was a long position in Naspers Ltd.

We remain optimistic about the positioning of our portfolio into the remainder of 2018 and into 2019. We are particularly excited about the risk / return profile currently being presented by select South African companies and the optionality that has accrued in the fund. The South African equity market continues to offer value in our opinion with 12 month forward consensus price to earnings multiples ("PE") at 14.5x for the All Share Index and 14.4x for MSCI South Africa. 13 out of 15 South African industries are trading below their 5 year average multiples on 12 month forward consensus PE's. We believe that these attractive valuations combined with an improving economic landscape in South Africa, no matter how mild it is, will provide very attractive returns over the medium term.

We thank you for your continued support.



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.

Capricorn Sanlam Collective Investments

Performer Qualified Hedge Fund

Graphical Representation of Historical Monthly Returns



Date: 31/07/2018 Source: Maitland Fund Services (Pty) Ltd and Capricorn Fund Managers (Pty) Ltd
 Important Information: Past performance is not necessarily a guide to future performance.

Historical Monthly Returns

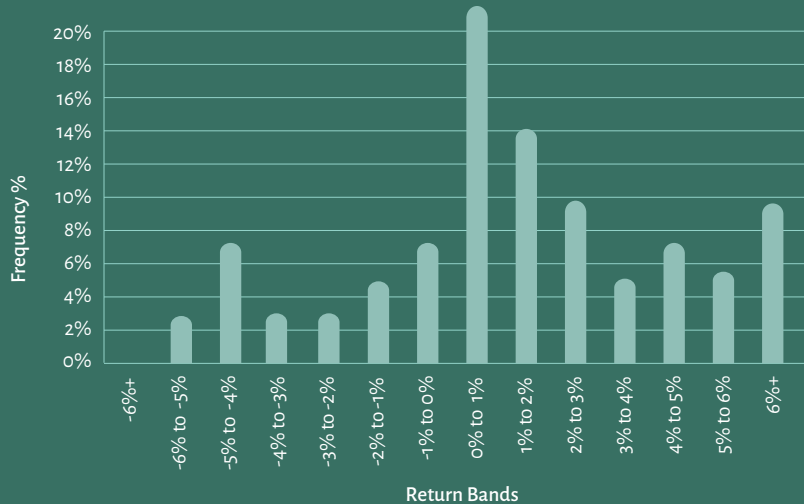
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | Benchmark YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|---------------|
| 2012 | | | | | | | | 4.7% | 0.8% | 7.8% | 4.3% | 1.4% | 20.4% | 2.4% |
| 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% | 5.3% |
| 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% | 11.9% | 5.8% |
| 2015 | 1.7% | 2.9% | 2.0% | 2.7% | (0.9%) | 1.8% | 5.1% | (0.5%) | 3.3% | 7.6% | 6.1% | 1.3% | 38.0% | 4.8% |
| 2016 | (5.7%) | (4.9%) | 1.9% | (3.3%) | 6.4% | (2.2%) | (3.3%) | 1.2% | (1.4%) | (0.4%) | (4.7%) | 0.4% | (15.5%) | 6.6% |
| 2017 | 0.2% | 1.0% | 0.7% | 2.6% | 0.2% | (2.2%) | 3.1% | 5.3% | 0.0% | 5.9% | 2.4% | (0.8%) | 19.6% | 4.6% |
| 2018 | (4.6%) | 1.0% | (1.7%) | 0.1% | (4.4%) | 0.3% | 0.4% | | | | | | (8.8%) | 3.3% |

Italicized returns are net returns for the previously unregulated fund
 Date: 31/07/2018 Source: Maitland Fund Services (Pty) Ltd and Capricorn Fund Managers (Pty) Ltd.

Capricorn Sanlam Collective Investments

Performer Qualified Hedge Fund

Frequency Distribution of Monthly Returns Since Inception



Statistics

| | |
|--|---------|
| Assets Under Management (R Million) | 158m |
| Gross exposure | 180% |
| Net Exposure | 72% |
| % of positive months | 74% |
| % of negative months | 26% |
| Average positive monthly return | 2.8% |
| Average negative monthly return | (2.8%) |
| Annualised monthly volatility (historic) | 11.6% |
| Sharpe Ratio | 0.8 |
| Maximum monthly drawdown | (5.7%) |
| Maximum cumulative drawdown | (15.9%) |

Date: 31/07/2018 Source: Maitland Fund Services (Pty) Ltd and Capricorn Fund Managers (Pty) Ltd

Launch Date: (Regulated Fund) 01/09/2016
Inception Date: 01/08/2012



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Performer Qualified Hedge Fund



July 2018 · Fund Performance

Contact Information

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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 (CPI). 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. Returns as shown are the weighted average of all issued series. The 2015 fund of the year Award was given in February 2016 and full details and basis of the award are available from the Manager. The 2017 South African Long/Short Equity Fund award was given in February 2018 and full details and basis of the award are available from the manager.