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Backing well-known names

The fund aims to protect at least 90% of investors' capital on an ongoing basis and is regulation 28-compliant. The fund targets the growth of underlying capital and achieving increased income returns.

The fund is optimistic about the growth prospects of multinational media company Naspers*, according to Asief Mohamed, manager of the fund and director of Aeon Investment Management.

“The fund’s biggest exposure is to Naspers,” says Mohamed. Aeon’s approach is to value Naspers’ subsidiaries separately, he explains. In that regard, Tencent, the Chinese mobile-game company in which Naspers holds a 34% stake, constitutes about 100% of Naspers’s valuation.

“We expect the company to grow its revenue by about 25% over the next five years,” says Mohamed.

Other notable equity holdings include Google parent Alphabet Inc and Microsoft, says Mohamed. The fund prefers better known names, he adds.

Almost a fifth of the fund was invested in local fixed-income instruments such as bonds by the end of March. Most of these assets included short duration government debt, says Mohamed.

“It is becoming more and more difficult to find new opportunities,” he says of the local equity market.

The fund is on the lookout for value shares, he says. That’s why it bought Impala Platinum stocks earlier this year.

Cement producer PPC also drew the fund’s attention in February, Mohamed says. Indications are that PPC’s intended rights offer, where it plans to raise between R3bn and R4.5bn to bolster its balance sheet, may proceed well, according to him.

“We just need to get past this rights issue,” he says. The fund is skewed towards well-known companies and takes a cautious approach towards government debt. It is also utilising its full offshore allowance of 25% in directing capital.

The fund’s total investment charge is low when compared to other balanced funds. In addition, its return has outperformed both its benchmark and a few of its better-known peers over the past 12 months.

Fund Information	
Benchmark	STeFI Composite Index +3 percentage points
Fund Manager	Asief Mohamed and Jay Vomacka
Total expense ratio (TER)	1.63%
Fund Size	R67.5m
Minimum lump sum/subsequent investment	R50 000 lump sum
Contact details	funds@aeonim.co.za or 021 670 5297

Portfolio Composition		
as at 31 March 2016		
1	Aeon Enhanced Equity Prescient Fund	19.93%
2	Abax Diversified Income Prescient Fund	19.03%
3	Prescient Income Provider Fund	12.37%
4	Naspers	3.6%
5	Alphabet Inc A	3.1%
6	Alphabet Inc C	3.03%
7	Johnson & Johnson	2.97%
8	Microsoft Corp	2.64%
9	Tesla Motors	2.3%
10	Growthpoint Properties Australia	2.06%
	Total	71.03%

- Source: <http://www.pressreader.com/search?query=asief%20mohamed&newspapers=1352&start=2016-06-23&stop=2016-06-23&hideSimilar=0>