

# Aeon Active Equity Fund

## Product Profile



## Fund Description

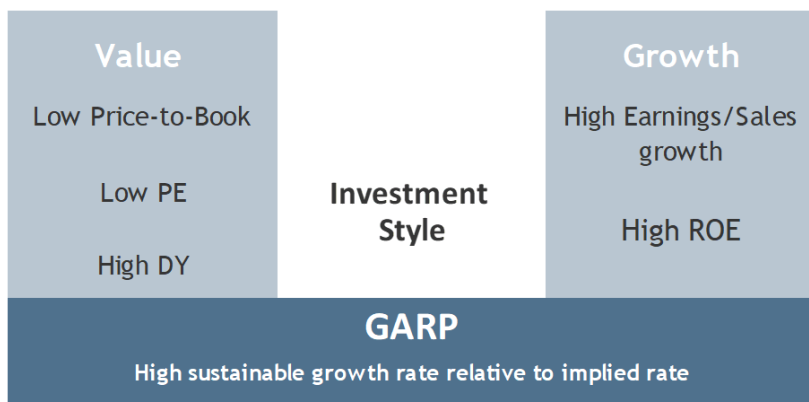
Aeon Investment Management's equity investment style is Growth At a Reasonable Price (GARP). Our adaptation of the GARP style seeks to combine the best of growth and value investing, by buying companies with long term sustainable growth rates greater than that implied by the company's market valuation.

Investors should consider the Aeon Active Equity Fund where they have a long term horizon (3 years or longer), and are looking for capital growth.

## Investment Philosophy

Significant inefficiencies can occur in equity valuations due to market participants having excessive optimism or pessimism regarding the outlook for the market or individual companies. The over-allocation of capital to a certain investment style (growth or value) can also lead to inefficiencies in the market price of securities. We look to capitalize on these inefficiencies by buying companies with long term sustainable growth rates greater than that implied by the company's market price.

Our focus is on long term sustainable growth rates make us long term investors in the business.



Environmental, Social and Governance (ESG) is incorporated in Investment Process

## Risk Management & Return Modelling

The portfolio is structured with overweight and underweight positions relative to the benchmark, which is dependent on the gap between the implied and sustainable growth rates. A real-time model monitors the portfolio positions, and the effect of the sector and stock selection decisions on the performance relative to benchmark. The risk management framework encourages diversification and reduces the risk of significantly underperforming the benchmark.

## Portfolio Management Team



**Asief Mohamed**  
Chief Investment Officer  
B.Com. CA(SA), CFA

Asief is the Chief Investment Officer and actively oversees the portfolio management responsibilities over all asset classes. He has over 30 years' financial services experience of which the past 29 years have been spent directly in investment management. Asief was previously the CIO at Metropolitan Asset Managers where he managed R45bn worth of equities, including the General Equity Fund. He has been the recipient of several Ragging Bull, S&P and ABSIP awards during his career. Asief founded Aeon Investment Management in 2005.



**Jay Vomacka**  
Portfolio Manager  
CFA, MSc(Eng)(Ind)(Elec), CFTe

Jay is the Portfolio Manager. He joined the company in January 2013. He focuses on the fundamental active equity, smart multi-factor equity and the multi-asset class funds. As a CFA charter holder with a diverse skills set, Jay is responsible for both the fundamental and quantitative investment analysis of all these funds. He has over 11 years of investment experience including running a successful hedge fund in his previous employment.

## Investment Objective

The Aeon Active Equity Fund strategy seeks to:

- Invest in high quality businesses at attractive prices that are positioned for long term growth.
- Outperform the client's equity benchmark over different investment cycles.
- Consistently apply our implied vs sustainable growth methodology.
- Manage risk through disciplined portfolio construction.

## Investment Process

We combine our implied growth methodology and GARP style to invest in undervalued companies, regardless of whether they are classified as 'growth' or 'value'.

Our process consists of three key elements:

1. Calculation of the earnings growth rate implied by the current market valuation of the company.
2. Fundamental analysis and modelling of key drivers in order to determine whether the long term sustainable growth rate is attractive relative to the implied growth rate.
3. Construction of the portfolio in a risk managed framework.

## Strategy Benefits

Growth at Reasonable Price investing seeks to combine the best of growth and value investing, by buying companies with long term sustainable growth rates greater than that implied by the company's market valuation. In addition, technical analysis is used to improve trade executions.

The consistent implementation of our philosophy aims to outperform the benchmark regardless of the dominant investment style cycle.

## Fees

Institutional—Segregated Portfolios above R100 mil:  
Institutional clients have the option of a flat fee or performance fee structure:

- Flat Fee : 50 basis points per annum
- A base fee of 35 basis points, plus 20% outperformance capped at 80 basis points.

## Contact Details

www.aeonim.co.za  
Email: funds@aeonim.co.za  
Tel: +27 (0)21 204 6061/2  
4th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708  
P.O. Box 24020, Claremont, 7735  
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## Risk Disclaimer

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