

Aeon Balanced Fund (CPI + 5%)

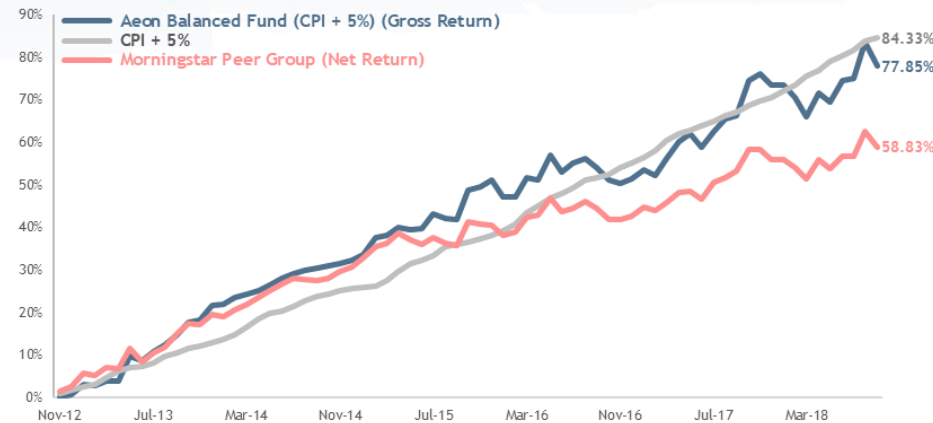
Fund information as at 30 September 2018



aeon
investment management
long term wealth creation

Fund Performance

Cumulative Performance - since inception - Gross Return



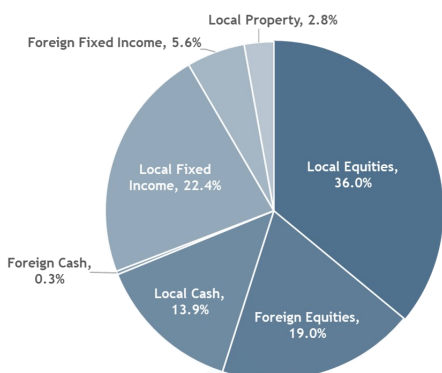
Monthly - Gross Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013 Fund	2.49%	-0.16%	0.88%	0.05%	5.71%	-1.11%	2.00%	1.36%	2.29%	2.44%	0.52%	2.81%	20.88%
2013 Benchmark	0.62%	0.72%	1.42%	1.62%	0.82%	0.12%	0.72%	1.52%	0.72%	0.92%	0.62%	0.52%	10.79%
2014 Fund	0.15%	1.40%	0.60%	0.61%	1.09%	1.35%	0.88%	0.47%	0.49%	0.41%	0.32%	0.75%	8.87%
2014 Benchmark	0.72%	1.12%	1.52%	1.72%	0.92%	0.62%	0.72%	1.22%	0.82%	0.42%	0.62%	0.42%	11.34%
2015 Fund	0.85%	2.96%	0.41%	1.41%	-0.34%	0.22%	2.33%	-0.66%	-0.21%	4.77%	0.63%	1.00%	14.07%
2015 Benchmark	0.22%	0.22%	1.02%	1.82%	1.32%	0.72%	0.82%	1.42%	0.42%	0.42%	0.72%	0.52%	10.02%
2016 Fund	-2.64%	0.05%	3.05%	-0.33%	3.88%	-2.58%	1.41%	0.70%	-1.34%	-1.90%	-0.49%	0.64%	0.21%
2016 Benchmark	0.72%	1.22%	1.82%	1.22%	1.22%	0.62%	1.02%	1.22%	0.32%	0.62%	0.92%	0.72%	12.23%
2017 Fund	1.46%	-0.94%	2.62%	2.64%	1.17%	-1.95%	2.33%	1.67%	0.52%	5.04%	0.89%	-1.52%	14.61%
2017 Benchmark	0.82%	1.02%	1.52%	1.02%	0.52%	0.72%	0.62%	0.72%	0.52%	0.92%	0.72%	0.52%	10.03%
2018 Fund	0.00%	-1.78%	-2.61%	3.36%	-1.22%	2.96%	0.38%	4.74%	-2.96%				2.60%
2018 Benchmark	0.92%	0.72%	1.22%	0.82%	1.22%	0.61%	0.82%	1.22%	0.32%				8.11%

* Benchmark return lags by one month.

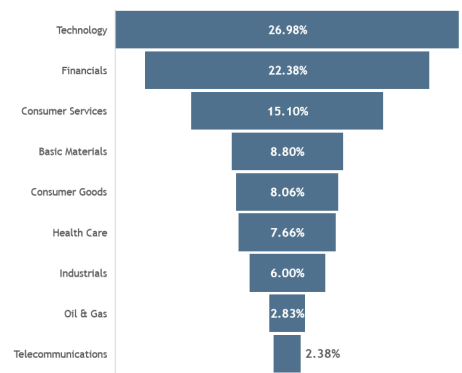
Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	-2.96%	0.32%	-3.27%
3 months	2.03%	2.37%	-0.33%
6 months	7.26%	5.09%	2.16%
Year to date	2.60%	8.11%	-5.52%
1 Year	7.07%	10.46%	-3.39%
3 Years (annualised)	7.86%	10.72%	-2.86%
5 Years (annualised)	9.15%	10.79%	-1.64%
Since Inception (cumulative)	77.85%	84.33%	-6.48%
Since Inception (annualised)	10.22%	10.89%	-0.67%

Fund Holdings (for the quarter as at 30 September 2018)

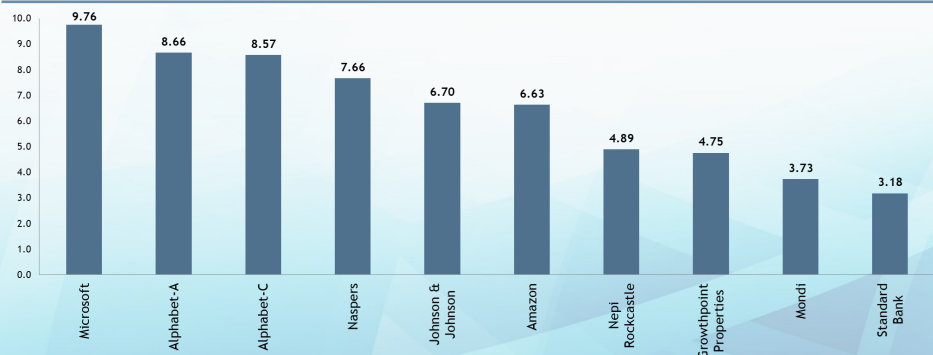
Asset Allocation



Sector Allocation (as a % of Equities)



Top Ten Holdings (as a % of Equities)



Investment Philosophy

Aeon Investment Management's equity investment style is Growth At a Reasonable Price (GARP) and modelling Implied vs. Sustainable Growth. We also utilise our in-house Currency Model for foreign asset allocation and the Fear & Greed Index for appropriate protective structure overlays. Aeon Balanced Prescient Fund's investment strategy encompasses active asset allocation and active management of underlying equity and fixed income assets. The fund has five diversified sources of alpha (GARP Active Equity, Smart Multi-Factor Equity, GARP Foreign Equity, Diversified Income, Derivative Protective Overlay).

Fund Objectives

The Aeon Balanced Fund (CPI + 5%) seeks to achieve:

- Inflation-beating returns by investing in the full spectrum of domestic and foreign equity and fixed income markets
- Provide investors with stable income and modest capital appreciation in the long run
- Manage risk through disciplined portfolio construction
- Employ low cost trading techniques

Fund Managers



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



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

Fund Information

Benchmark: CPI + 5%
Inception date: 1 November 2012
Fund size: R 91.53 million
Investment horizon: Five years plus
Classification: South African - Multi Asset - Medium Equity
Regulation 28 compliant: Yes

Risk Profile

Conservative	Moderate	Aggressive
--------------	-----------------	------------

- These portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios.
- In turn the expected volatility is higher than low risk portfolios, but less than high risk portfolios.
- The probability of losses are higher than that of the low risk portfolios, but less than high risk portfolio.
- Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

Fees & Charges

Institutional clients have the option of a flat fee or performance fee structure:

- **Flat Fee:** 0.50% p.a. plus VAT.
- **Performance Fee:** Base Fee of 0.35% p.a. plus VAT, plus Performance Fee of 20% plus VAT of outperformance capped at 80 bps

Administration

Fund trustees & custodian: Nedbank Investor Services
Fund administration: Prescient Management Company (RF) (Pty) Ltd

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

Aeon Investment Management (Pty) Ltd is an authorised FSP.
FSP Number: 27126 I Level -1 BBBEE Contributor.

Aeon Balanced Fund (CPI + 5%)

Fund information as at 30 September 2018



Fund Performance Review & Market Commentary

The Aeon Balanced Fund (CPI + 5%) underperformed its benchmark by 33 bps for the third quarter of 2018 and is underperforming its benchmark by 339 bps over a one-year period on a gross return basis.

The strongest sector for the third quarter ended September was Resources as Sasol, Anglo American and BHP Billiton benefited off the back of positive global news and a stronger oil price. Healthcare was the weakest sector as a negative surprise from Aspen coupled with an uncertain global and local regulatory outlook weighed on counters.

Globally, market volatility and uncertainty remained the major theme. Geopolitical risk has increased substantially. The global trade war narrative has continued to plague the headlines. Trump's trade wars against an ever-increasing amount of nations remains an ongoing concern for investors. This is not being aided by comments from Trump threatening a withdrawal from the World Trade Organisation. Emerging market currencies such as the Rand have been under pressure this year and this is especially so given the decreasing economic GDP growth projections of South Africa. This is expected to continue as Fed hike rates are expected at an increasing rate going forward. All this results in negative market sentiment and a risk-off mentality and this can be seen in the volatile market returns.

Locally, the market has been at the mercy of these international events. Local politics has not helped the matter. Issues with land reform, mining charter uncertainty, unemployment worsening, and wage negotiations are all still on-going. High positive expectations on the change in leadership have been priced in but leadership battles continue within the ANC in the run up to the national elections in May 2019. The original positive momentum has dwindled as hard policy changes have yet to be made and implemented. Furthermore, South Africa entered a technical recession as GDP fell for two consecutive quarters. This coupled with SA's lack of fiscal options may weigh on rating's agencies metrics.

Local corporate events didn't help lift sentiment. China have proposed limits on children's online gaming activities, which saw Tencent and its shareholder Naspers fall sharply post the announcement. Many "market darlings" became "fallen angels" as company results missed market expectations and provided a cautious forward outlook. Further negative sentiment from foreigners gained traction weighing on the markets and increasing broad market losses.

Looking forward, the optimistic growth expectations set for the local economy seem to be disappointing. Real actions have been taken, but more certainty in policies needs to be accomplished. Globally, inflation and GDP numbers will be key to try gauge the timing and level of tighter monetary policies. All this leads to further uncertainty in the global markets. We have seen pockets of opportunity begin to surface and monitor these closely. Astute stock picking that delivers superior value through the cycle and companies whose cash flows support earnings tend to outperform the market.

Disclaimer

Investors should take cognisance of the fact that there are risks involved in buying or selling any financial product. Past performance of a financial product is not necessarily indicative of future performance. The value of financial products can increase as well as decrease over time, depending on the value of the underlying securities and market conditions. Illustrations, forecasts or hypothetical data are not guaranteed and are provided for illustrative purposes only. This fact sheet does not constitute a solicitation, invitation or investment recommendation. Prior to selecting a financial product or fund it is recommended that investors seek specialised financial, legal and tax advice. The laws of the Republic of South Africa shall govern any claim relating to or arising from the contents of this document.

Glossary

Annualised performance: Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Active Return / Alpha: Denoted the outperformance of the fund over the benchmark.

Contact Details

Investment Management

Aeon Investment Management (Pty) Ltd is an authorised Financial Services Provider (FSP No: 27126) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision.

Fund Team:

Asief Mohamed – Chief Investment Officer
B.Com, CA (SA), CFA
asief.mohamed@aeonim.co.za

Jay Vomacka – Senior Portfolio Manager
CFA, MSc(Eng)(Ind), BSc(Eng)(Elec), CFTe (IFTA)
jay@aeonim.co.za

Zaid Paruk – Portfolio Manager & Analyst
B.Accounting, PG Dip in Accounting, CA (SA), CFA Level 1 Passed
zaid.paruk@aeonim.co.za

Sumayah Anthony – Financial Manager & Research Analyst
B.Com Hons (Finance & Investments)
sumayah.anthony@aeonim.co.za

Courtney Clarke – Head of Performance & Research Analyst
B.Com Hons (Finance & Investments)
courtney.clarke@aeonim.co.za

Tshego Modise – Business Development & Research Analyst
B.Accounting, PG Dip in Investment Planning
tshego.modise@aeonim.co.za

Tinyiko Mabunda – Research Analyst
BSc (Human Physiology), Advanced Diploma (Accounting)
Tinyiko.mabunda@aeonim.co.za

Registration number: 2005/013315/07

Physical Address: 4th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708

Postal Address: PO Box 24020, Claremont, 7735

Telephone Number: +27 (0) 21 204 6061/2

Email Address: funds@aeonim.co.za

Website: www.aeonim.co.za

Aeon Investment Management (Pty) Ltd is an authorised FSP. FSP Number: 27126 | Level -1 BBBEE Contributor.

Management Company

Prescient Management Company (RF) (Pty) Ltd

Registration number: 2002/022560/07

Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945

Postal address: PO Box 31142, Tokai, 7966

Telephone number: 0800 111 899

E-mail address: info@prescient.co.za

Website: www.prescient.co.za

PRESCIENT
MANAGEMENT COMPANY

Custodian/Trustee

Nedbank Investor Services

Physical address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709

Telephone number: +27 11 534 6557

Website: www.nedbank.co.za

The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.