

Aeon Smart Multi-Factor Equity Prescient Fund

Class A1 I Minimum Disclosure Document (MDD) as at 30 September 2018

Issue date: 12 October 2018

Assets managed by: Aeon Investment Management

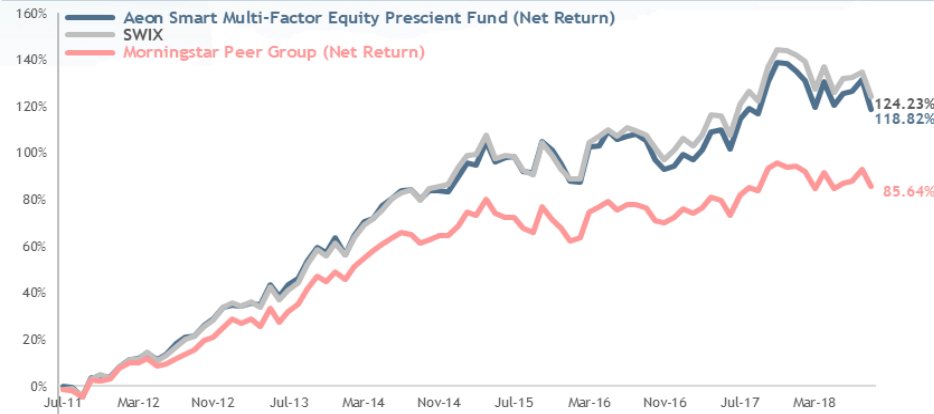
Fund name has changed from Aeon Enhanced Equity Prescient Fund to Aeon Smart Multi-Factor Equity Prescient Fund



aeon
investment management
long term wealth creation

Fund Performance

Cumulative Performance - since inception - Net Return

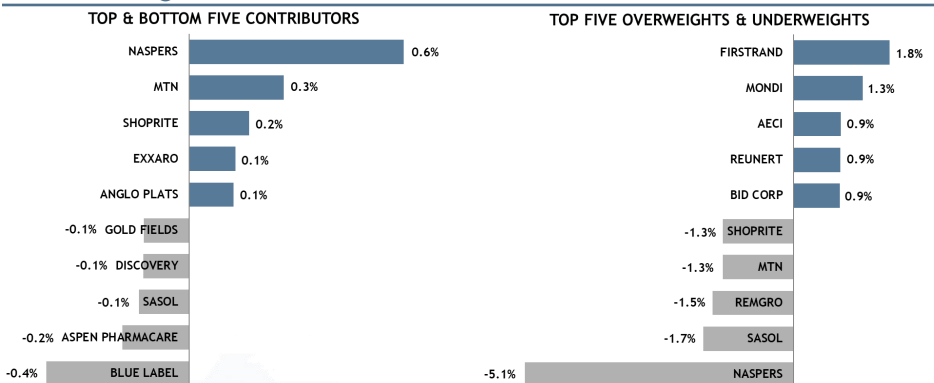


Monthly - Net Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013 Fund	0.64%	-0.42%	1.21%	-0.86%	6.64%	-3.44%	3.53%	1.72%	5.06%	4.11%	-1.65%	4.08%	22.09%
2013 Benchmark	1.51%	-1.11%	1.22%	-1.68%	6.70%	-3.99%	3.26%	2.03%	5.57%	4.14%	-1.60%	3.50%	20.71%
2014 Fund	-4.39%	5.18%	3.61%	0.77%	3.30%	1.85%	1.90%	0.10%	-2.17%	1.88%	0.02%	-0.24%	12.04%
2014 Benchmark	-3.34%	4.90%	3.33%	1.52%	2.28%	2.76%	1.36%	0.61%	-2.43%	2.83%	0.62%	0.28%	15.42%
2015 Fund	3.49%	3.21%	-0.33%	4.98%	-4.08%	0.74%	0.44%	-3.31%	-0.19%	6.90%	-1.94%	-2.88%	6.58%
2015 Benchmark	3.99%	2.56%	0.20%	4.31%	-4.86%	0.64%	-0.15%	-3.10%	-1.00%	7.28%	-2.70%	-2.90%	3.62%
2016 Fund	-3.78%	-0.23%	8.04%	0.26%	3.19%	-1.75%	0.65%	0.44%	-1.34%	-3.94%	-2.23%	0.92%	-0.34%
2016 Benchmark	-2.31%	0.06%	8.32%	1.25%	1.34%	-1.27%	1.88%	-0.66%	-0.89%	-2.81%	-2.35%	1.98%	4.13%
2017 Fund	2.42%	-1.14%	2.23%	3.86%	0.28%	-3.77%	6.29%	2.16%	-1.08%	6.30%	3.63%	-0.18%	22.55%
2017 Benchmark	2.57%	-1.49%	2.24%	4.06%	-0.07%	-3.83%	6.34%	2.42%	-1.73%	6.51%	3.09%	-0.16%	21.21%
2018 Fund	-1.29%	-1.90%	-4.81%	4.84%	-4.26%	2.29%	0.36%	2.11%	-5.37%				-8.22%
2018 Benchmark	-0.68%	-1.18%	-5.00%	4.29%	-4.73%	2.74%	0.10%	1.15%	-4.54%				-8.00%

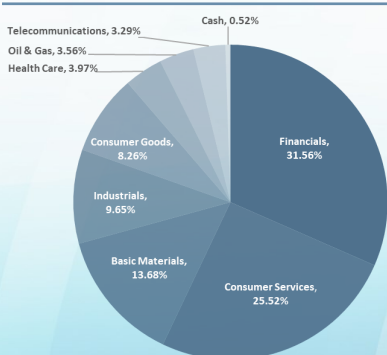
Performance Summary - Net Return	Fund	Benchmark	Active Return
1 month	-5.37%	-4.54%	-0.83%
3 months	-3.02%	-3.34%	0.32%
6 months	-0.43%	-1.34%	0.91%
Year to date	-8.22%	-8.00%	-0.21%
1 Year	0.92%	0.86%	0.06%
3 Years (annualised)	4.50%	5.58%	-1.07%
5 Years (annualised)	7.37%	8.05%	-0.68%
7 Years (annualised)	12.62%	12.93%	-0.31%
Since Inception (cumulative)	118.82%	124.23%	-5.41%
Since Inception (annualised)	11.41%	11.78%	-0.38%

Net Return:	Highest Rolling One Year Return	Lowest Rolling One Year Return
Last 12 months:	23.90%	-5.37%
Since Inception:	30.26%	-5.37%

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



Sector Allocation



Top Ten Holdings (%)

Naspers	18.31
Firstrand	5.77
Standard Bank	4.03
Sasol	3.56
BTI	2.97
Bid Corporation	2.89
Anglo American	2.70
Richemont	2.41
Sanlam	2.39
Growthpoint Properties	2.36

Fund Description

Aeon Investment Management's Smart Multi-Factor Equity Prescient Fund strategy employs a multiple fundamental factor model as its base. Systematic security selection and trading models are used to achieve the fund's objective of outperforming the SWIX benchmark at low cost and tracking error. The portfolio is constructed in a risk managed framework.

Investors should consider the Aeon Smart Multi-Factor Equity Prescient Fund if they have a long term investment horizon (5-years or longer), and are looking for capital gains at low cost.

Fund Objectives

Aeon Smart Multi-Factor Equity Prescient Fund seeks to achieve:

- Achieve consistent outperformance of the benchmark
- Generate excess returns that are positive, stable, explainable and replicable
- Target tracking error below 2%
- Manage risk through disciplined portfolio construction.

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: SWIX
Inception date: 1 July 2011
Fund size: R 77.75 million
Investment horizon: Five years plus
Classification: South African - Equity - General
Asset Allocation: 99% Equity and 1% Cash

Risk Profile

Conservative Moderate Aggressive

- Generally these portfolios hold more equity exposure than any other risk profiled portfolios therefore tend to carry higher volatility.
- Expected potential long term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

Fees & Charges

Retail (Minimum R50 000):
Flat Fee: 0.50% p.a. plus VAT
Total Expense ratio (TER) & Transaction Costs (30-Jun-2018):
TER - Retail: 0.68%

Fund Class	Retail (%)
Management Fee	0.50
Performance Fee	0.00
Other Fees*	0.18
Total Expense Ratio (TER)	0.68
Transaction Costs (TC)	0.42
Total Investment Charge (TIC)	1.10

Income distribution: Annually (March)
2018 cpu of 7.04 (retail)

Administration

Fund auditor: KPMG
Fund trustee & 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 | Level-1 BBBEE Contributor.

Aeon Smart Multi-Factor Equity Prescient Fund

Class A1 I Minimum Disclosure Document (MDD) as at 30 September 2018

Issue date: 12 October 2018

Assets managed by: **Aeon Investment Management**

Fund name has changed from Aeon Enhanced Equity Prescient Fund to Aeon Smart Multi-Factor Equity Prescient Fund



Fund Performance Review & Market Commentary

The Aeon Smart Multi-Factor Equity Prescient Fund outperformed its benchmark by 32 bps for the third quarter of 2018 and is outperforming its benchmark by 6 bps over a one-year period on a net return basis.

Underweight positions in Naspers and MTN were the main positive contributors to return for the quarter. Overweight positions in Blue Label Telecoms and Aspen Pharmacare were the main detractors.

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 agency 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

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.

Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change.

The Manager retains full legal responsibility for any third-party-named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Market Funds are priced at 1pm all other Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

For any additional information such as fund prices, brochures and application forms please go to www.aeonim.co.za

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.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Alpha: Denoted the outperformance of the fund over the benchmark.

Standard Deviation: The deviation of the return stream relative to its own average.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

Max Gain: Largest increase in any single month

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Dividend Yield: The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.

PE Ratio: The weighted average price earnings ratio of all the underlying equity in the Fund. The price earnings ratio of each company is the price divided by the earnings per share.

High Water Mark: The highest level of performance achieved over a specified period.

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

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.

Third Parties

Management and administration

Prescient Management Company (RF) (Pty) Ltd. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.