

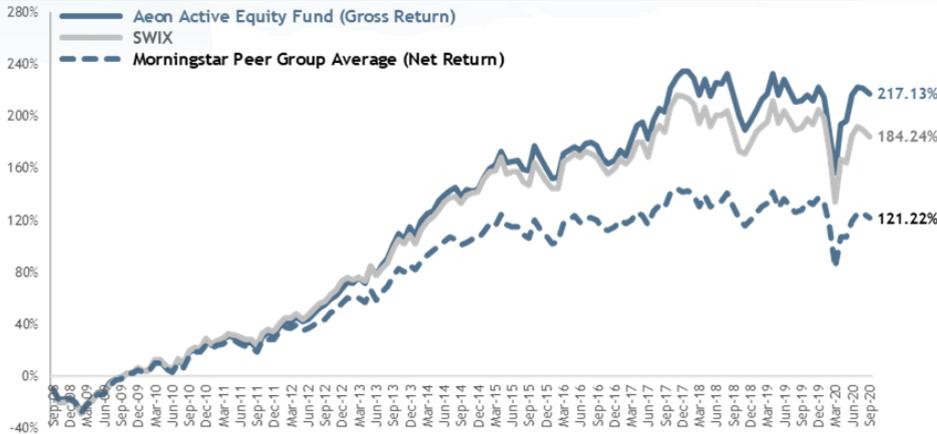
Aeon Active Equity Fund

Fund information as at 30 September 2020



Fund Performance

Cumulative Performance - since inception - Gross Return

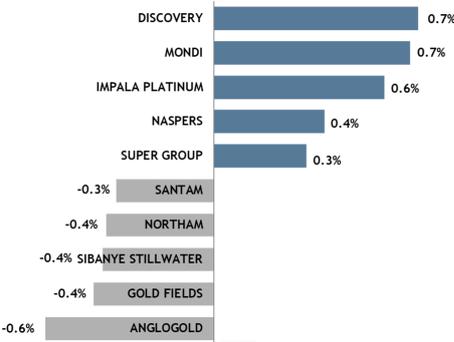


Monthly - Gross	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015													
Fund	3.60%	2.98%	1.00%	4.03%	-3.17%	0.28%	0.44%	-2.80%	-0.28%	7.42%	-3.06%	-2.91%	7.14%
Benchmark	3.99%	2.56%	0.20%	4.31%	-4.86%	0.64%	-0.15%	-3.10%	-1.00%	7.28%	-2.70%	-2.90%	3.62%
2016													
Fund	-3.27%	0.13%	7.36%	1.00%	0.93%	-1.06%	1.86%	0.36%	-0.95%	-3.37%	-1.68%	0.96%	1.86%
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	3.01%	-1.47%	4.24%	4.31%	0.73%	-4.29%	5.21%	2.79%	-0.67%	5.94%	2.53%	1.34%	25.79%
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	0.12%	-1.57%	-4.08%	3.86%	-3.89%	3.16%	-0.07%	2.39%	-4.54%	-5.59%	-3.59%	2.31%	-11.46%
Benchmark	-0.68%	-1.18%	-5.00%	4.29%	-4.73%	2.74%	0.10%	1.15%	-4.54%	-6.12%	-0.61%	2.90%	-11.67%
2019													
Fund	2.89%	2.82%	1.31%	4.95%	-5.08%	3.88%	-2.67%	-2.53%	0.07%	1.58%	-1.54%	3.47%	8.96%
Benchmark	3.09%	1.57%	1.25%	5.72%	-5.64%	3.12%	-2.21%	-2.50%	0.37%	2.64%	-1.55%	3.68%	9.32%
2020													
Fund	-2.34%	-9.05%	-10.65%	14.61%	1.02%	6.68%	1.96%	-0.28%	-1.28%				-1.61%
Benchmark	-1.78%	-9.00%	-14.15%	14.07%	-0.97%	8.07%	2.37%	-1.03%	-1.63%				-6.64%

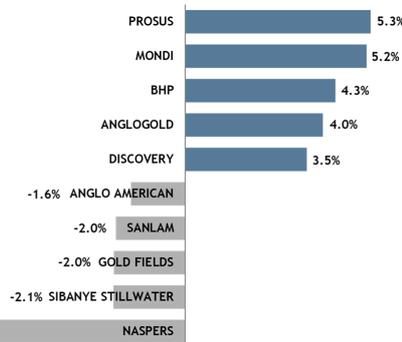
Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	-1.28%	-1.63%	0.35%
3 months	0.37%	-0.33%	0.71%
6 months	23.97%	21.68%	2.28%
Year to date	-1.61%	-6.64%	5.03%
1 Year	1.82%	-2.19%	4.01%
3 Years (annualised)	1.48%	-0.39%	1.87%
5 Years (annualised)	4.22%	2.89%	1.33%
7 Years (annualised)	6.75%	5.38%	1.37%
10 Years (annualised)	10.39%	9.11%	1.29%
Since Inception (cumulative)	217.13%	184.24%	32.89%
Since Inception (annualised)	10.02%	9.03%	0.99%

Fund Holdings (for the quarter as at 30 September 2020)

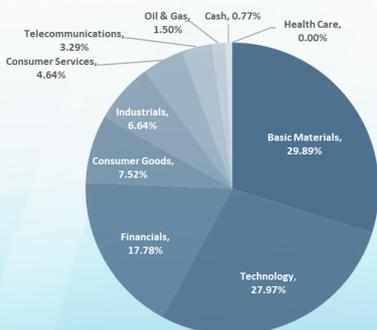
TOP & BOTTOM FIVE CONTRIBUTORS



TOP FIVE OVERWEIGHTS & UNDERWEIGHTS



Sector Allocation



Top Ten Holdings (as a % of Total AUM)

Naspers	19.33
Prosus	8.64
Mondi	6.94
BTI	6.62
BHP	6.42
AngloGold	5.88
Anglo American	5.08
Standard Bank	5.03
Discovery	4.79
Impala Platinum	4.66

Investment Philosophy

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 in earnings per share greater than that implied by the company's market valuation.

Fund Objectives

The Aeon Active Equity Fund seeks to achieve:

- 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 growth methodology.
- Manage risk through disciplined portfolio construction.
- Employ low cost trading techniques.

Fund Managers



Asief Mohamed
Chief Investment Officer



Jay Vomacka
Senior Portfolio Manager



Zaid Paruk
Portfolio Manager & Analyst

Fund Information

Benchmark: SWIX
Inception date: 1 September 2008
Fund size: R 11,839 million
Investment horizon: Five years plus

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

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 Outperformance fee share participation rate of 20%. Out-performance capped at 100 bps based on a rolling three-year performance period.

Administration

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

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

Aeon Active Equity Fund

Fund information as at 30 September 2020



aeon
investment management
long term wealth creation

Fund Performance Review & Market Commentary

The Aeon Active Equity Fund outperformed its benchmark by 71 bps for the third quarter of 2020 and is outperforming its benchmark by 187 bps annualised over a three-year period.

Overweight positions in Discovery and Mondi were the main positive contributors to return for the third quarter of 2020. An overweight position in AngloGold and an underweight position in Gold Fields were the main detractors. The benchmark equity index was down 0.33% for the third quarter of 2020.

The quarter ended September saw global markets broadly positive due to anticipation of a COVID-19 vaccine being developed in the near future. In addition, the easing of business conditions combined with governmental fiscal support measures and interventions, in response to the Covid-19 pandemic, were received positively by investors. This all helped to boost sentiment. Financial market conditions have differed from 'real' market and economic conditions due to the forward-looking nature of financial markets and improved future expectations. The situation remains fluid. The sector that fared best for the quarter ended September was General Retailers led by retailers TFG Group, Motus and Cashbuild as consumer spend returned, which was better than anticipated. Healthcare was the weakest sector for the quarter, led by Aspen and Netcare due to a reduction in elective surgeries weighing on the sector.

Globally, central banks have continued to be accommodative as a reactionary measure to tackle the pandemic. This implies strong government fiscal relief responses by numerous countries in an attempt to safeguard and stimulate their economies. An already low interest rate environment has left authorities with limited intervention capabilities. Of note Fed Chair, Jerome Powell, announced at his Jackson Hole speech that the Fed will be targeting an average inflation of 2% going forward meaning that US interest rates would remain lower for longer. Compounding the problem is business uncertainty; poor forecast visibility; and the lack of cash liquidity. Many economies such as the US also faced domestic riots or protests affecting business reopening. In the US, protest action is likely to continue with the US Presidential elections in November. The US and China conflict continues, with the new battleground for the future likely to include reserve "currency wars" and "technology wars". This increased tension combined with prevailing world uncertainties have kept markets sensitive. Investors are analysing the reopening of worldwide economies as a gauge for global growth conditions with hope of a return to some normality. However, uncertainty still exists regarding "second wave" effects and future lockdowns which are likely to provide negative investor overhang as Europe enters the winter period.

Locally, the domestic environment took cues from global markets with global Dollar weakness benefiting local industries such as Resources. Local sentiment has, however, continued to be negative as the country faces severe economic growth obstacles. SOE's remain a problem for government as many require further bailouts or possible restructuring. South Africa's fiscal position remains constrained through poor policy decisions, corruption, and weak implementation by government. Financial conditions may be difficult for South Africa in the years ahead with government debt expected to increase, and the domestic economy still recovering from the lockdown. South Africa has also received IMF funding which is reported to be provided with strict stipulated conditions. On the positive, South Africa moved to level two lockdown in August with most businesses allowed to reopen and restrictions on the sale of alcohol and tobacco as well as interprovincial travel lifted. There also seems increased impetus for positive reform of pro-growth policies.

Looking forward, growth expectations for the local economy seem to be dependent on a strong recovery in global growth, improving confidence, positive local government action, and Covid-19 containment measures. Astute stock picking with our Growth at Reasonable Price (GARP) philosophy that delivers superior value through the cycle and a focus on companies whose cash flows support earnings is expected to stand us in good stead moving forward.

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.

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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.

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