Aeon Smart Multi-Factor Equity Prescient Fund

aeon investment management
long term wealth creation

Product Profile

Fund Description

The Smart Multi-Factor strategy is based on a multiple factor model, with specific focus on Quality, Value and Momentum factors. It utilizes systematic security selection to achieve the fund objective of outperforming the benchmark. The portfolio is constructed in a risk managed framework.

The fund is aimed at moderately aggressive investors with a long-term investment horizon (3-5 years or more) seeking capital growth at a low cost.

Investment Process

The Aeon Smart Multi-Factor Equity Prescient Fund combines three systematic strategies:

Fundamental Factor Model

We select securities using a factor model that is driven by carefully chosen fundamental factors. These fundamental factors are correlated with outperformance in a way that is consistent and explainable.

2. Momentum Strategy

We only select securities that reflect the fundamental view in their actual share price. Factors are generally based on momentum.

3. Trading Strategy

We overlay a trading strategy that seeks to earn an additional return by taking advantage of short-term mispricing. Factors are generally based on a mean reversion.

The fund is based on carefully selected fundamental factors based on quality, value, and momentum. Different factors exist for different proprietary specified sectors.

QUALITY | VALUE | MOMENTUM

Investment Objective

The Aeon Smart Multi-Factor Equity Fund seeks to:

- Achieve consistent outperformance of the benchmark
- Generate excess returns that are positive, stable, explainable and replicable
- Target tracking error below 2%
- Use low cost trading techniques

Investment Philosophy

The Aeon Smart Multi-Factor Equity Fund is designed to:

- Use a disciplined approach to exploit sources of return in stock selection and trading
- Utilise strategies that are tested and managed on a systematic basis, underpinned by a fundamental rationale
- Incorporate rigorous risk management and qualitative portfolio analysis to remove excessive risk
- Use bespoke techniques that increase the level of potential outperformance, at a lower level of risk, by delivering alpha from a number of different sources

Strategy Benefits

The Aeon Smart Multi-Factor Equity Fund provides the investor with a portfolio that is:

1. Exposed to a fully invested diversified equity portfolio
2. Cost efficient
3. Able to capture diversified sources of alpha
4. Privy to expertise of professional investment team.

Fees

Flat Fee : 50 basis points per annum (excluding vat)

Minimum investment – R10 000 Lumpsum or R1000 Debit Order

Risk Management & Return Modelling

The portfolio is structured with overweight and underweight positions relative to the benchmark. A real-time model monitors the portfolio positions and the effect of the sector selection decisions on the performance relative to benchmark.
The risk management framework encourages diversification and reduces the risk of significantly underperforming the benchmark.

The fund is modelled to take less than 5 days to liquidate all holdings assuming 20% of day's trade. In general, 95% of the fund can be liquidated in one day.

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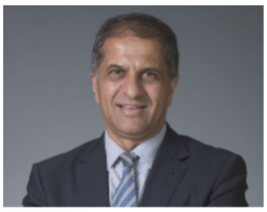
Portfolio Management Team



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15 years experience

Prescient
MANAGEMENT COMPANY