

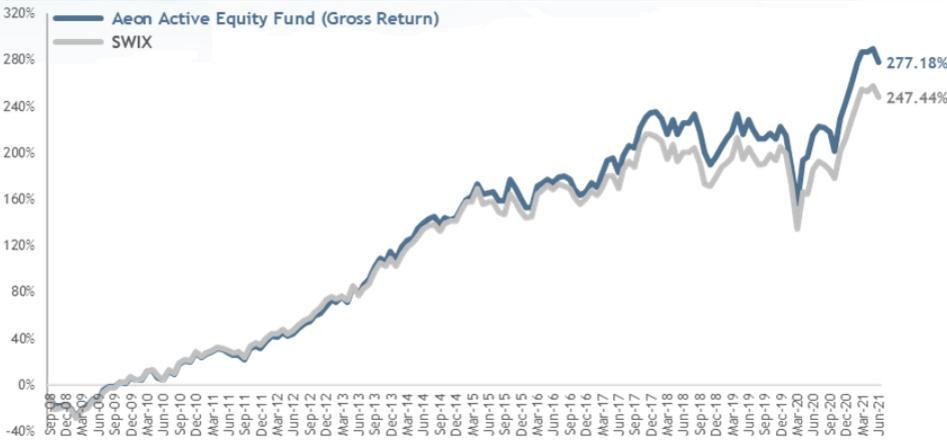
Aeon Active Equity Fund

Fund information as at 30 June 2021



Fund Performance

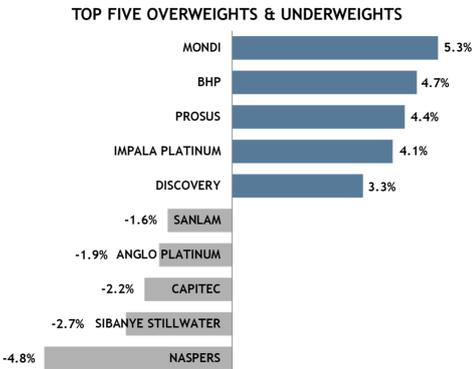
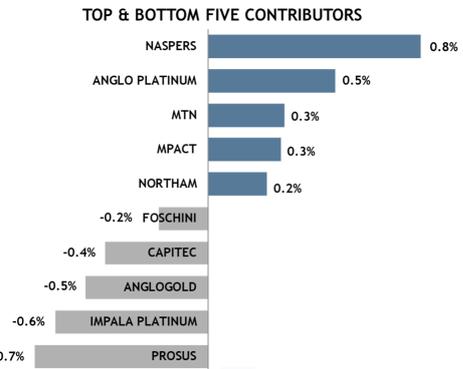
Cumulative Performance - since inception - Gross Return



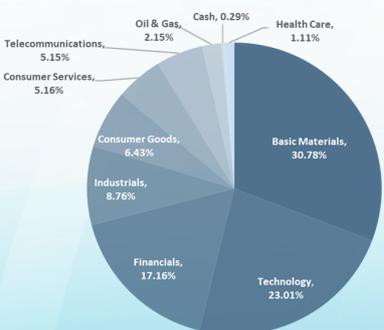
Monthly - Gross	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016													
Fund	-3.27%	0.13%	7.36%	1.00%	0.93%	-1.06%	1.86%	0.36%	-0.95%	-3.37%	-1.68%	0.96%	1.86%
Benchmark	-2.31%	0.06%	8.32%	1.25%	1.34%	-1.27%	1.88%	-0.66%	-0.89%	-2.81%	-2.35%	1.98%	4.13%
2017													
Fund	3.01%	-1.47%	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%	-5.05%	9.37%	4.38%	6.65%
Benchmark	-1.78%	-9.00%	-14.15%	14.07%	-0.97%	8.07%	2.37%	-1.03%	-1.63%	-2.38%	8.31%	3.95%	2.61%
2021													
Fund	4.45%	4.91%	2.47%	0.03%	0.69%	-2.99%							9.72%
Benchmark	4.97%	4.61%	3.16%	-0.31%	1.31%	-2.79%							11.21%

Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	-2.99%	-2.79%	-0.19%
3 months	-2.28%	-1.83%	-0.46%
6 months	9.72%	11.21%	-1.49%
Year to date	9.72%	11.21%	-1.49%
1 Year	19.38%	21.82%	-2.44%
3 Years (annualised)	5.07%	5.00%	0.06%
5 Years (annualised)	6.64%	5.33%	1.31%
7 Years (annualised)	6.73%	5.84%	0.89%
10 Years (annualised)	11.47%	10.38%	1.09%
Since Inception (cumulative)	277.18%	247.44%	29.74%
Since Inception (annualised)	10.90%	10.19%	0.71%

Fund Holdings (for the quarter as at 30 June 2021)



Sector Allocation



Top Ten Holdings (as a % of Total AUM)

Naspers	17.17
Impala Platinum	6.94
BHP	6.86
Anglo American	6.32
Mondi	6.22
Prosus	5.84
BTI	5.35
MTN	5.15
Standard Bank	5.06
FirstRand	5.05

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 16 044 million
Investment horizon: Five years plus

Risk Profile

Conservative	Moderate	Aggressive
		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 300 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 June 2021



Fund Performance Review & Market Commentary

The Aeon Active Equity Fund underperformed its benchmark by 46 bps for the second quarter of 2021 and is underperforming its benchmark by 244 bps over a one-year period.

Underweight positions in Naspers and Anglo American Platinum were the main positive contributors to return for the second quarter of 2021. Overweight positions in Prosus and Impala Platinum were the main detractors. The benchmark equity index was down 1.83% for the second quarter of 2021.

At Aeon Investment Management we continue to make every effort to ensure client performance exceeds investor expectations, however, we anticipate a temporary drop in the rolling performance in the near term as positive alpha periods fall off the measured periods. The rolling period's fund performance is anticipated to lag the benchmark and peers in the short term.

The quarter ended June saw global equity markets strongly positive following positive sentiment over the rollout of vaccines in multiple countries, and improved economic and earnings data. Despite the continued increase in the number of global Covid-19 cases, market participants are seeing through this, and are now more optimistic about the recovery of the world's economy as vaccine deployment and acceptance continues to improve. Markets were further buoyed with the easing of restrictions in some European countries, the continued rise in commodity prices due to higher demand, and improved consumer and PMI data releases in the US. On the negative side, new Covid-19 infection 'variants' have continued to increase with the Delta variant the most perverse, and some renewed lockdown measures having been reintroduced. Investor sentiment was, however, unperturbed and boosted by the release of minutes from the Fed's monetary policy meeting which showed that the Fed's policy is to remain accommodative. The situation remains fluid and market volatility is expected to remain. The sector that fared best for the quarter ended June was Consumer Discretionary led by Richemont, Mr Price and TFG. Resources was the weakest sector for the quarter, led by Anglo American Platinum, Impala Platinum and AngloGold Ashanti as some investors banked recent gains.

Globally, central banks and governments have continued to be accommodative as a reactionary measure to tackle the pandemic. An already low interest rate environment has left authorities with limited intervention capabilities. The Fed previously announced that it will be targeting average inflation of 2% going forward meaning that US interest rates could remain lower for longer. However, due to progress made on the vaccination front, the committee indicated that it now expects a faster rate of monetary policy tightening with 2 rate hikes likely in 2023. Inflation concerns were toned down following the release of the US' CPI report which showed that inflation had increased to a 13 year high of 5% year on year in May which was largely driven by sectors of the economy that had been boosted by the easing of lockdown restrictions. This supported the Fed's view that inflation would not be persistent, and that monetary policy would remain accommodative for some time. Biden unveiled his budget for the 2022 financial year which contained plans to increase spending on infrastructure as well as social programs, while being funded by tax hikes on companies and high-income earners. Investors are finding this news flow positive for trade which should bode well for business and company earnings through the recovery process. However, business uncertainty and poor forecast visibility will remain until economies fully reopen, and sporadic lockdown restrictions have ended.

Locally, the domestic environment took cues from global markets with global Dollar weakness benefiting local industry. SA is now experiencing a 3rd wave of Covid-19 infections with Gauteng being the most affected province. Lockdown restrictions have now been tightened to alert level 3 with the night-time curfew extended, while restrictions have been imposed on alcohol sales and public gatherings. Local sentiment has continued to be negative as the country faces economic growth obstacles. South Africa's fiscal position remains constrained through poor policy decisions, and ineffective implementation by government. Financial conditions may be difficult for South Africa in the years ahead with consumer spend also anticipated to be muted. The pandemic remains a key focus with state funds allocated to the purchase and distribution of vaccines. This is an important task for government and all eyes are on the implementation rollout. On the positive end, government sold a 51% stake in SAA to the Takatso Consortium which will hopefully relieve pressure on the state's finances.

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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Prescient

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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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