

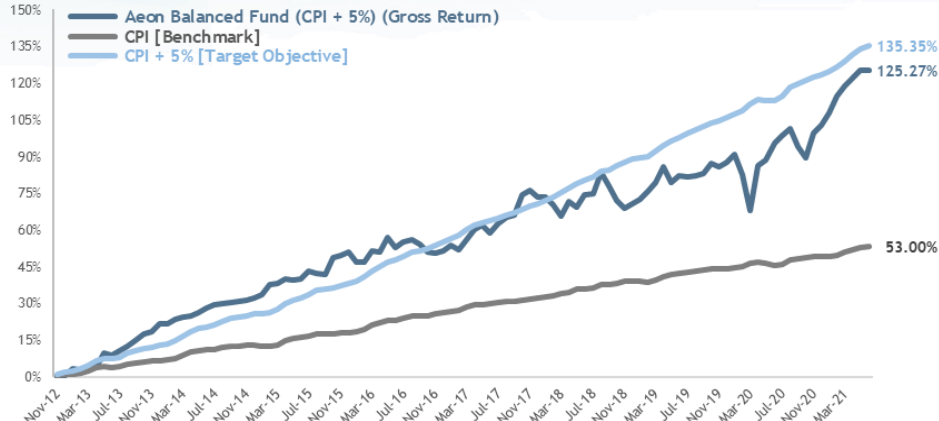
Aeon Balanced Fund (CPI +5%)

Fund information as at 30 June 2021



Fund Performance

Cumulative Performance - since inception - Gross Return



Monthly - Gross Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	0.30%	0.80%	1.40%	0.80%	0.80%	0.20%	0.60%	0.80%	-0.10%	0.20%	0.50%	0.30%	6.79%
2016 Target Objective	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	0.40%	0.60%	1.10%	0.60%	0.10%	0.30%	0.20%	0.30%	0.10%	0.50%	0.30%	0.10%	4.69%
2017 Target Objective	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%	-3.18%	-1.91%	1.00%	-1.58%
2018 Benchmark	0.50%	0.30%	0.80%	0.40%	0.80%	0.19%	0.40%	0.80%	-0.10%	0.50%	0.50%	0.20%	5.42%
2018 Target Objective	0.92%	0.72%	1.22%	0.82%	1.22%	0.61%	0.82%	1.22%	0.32%	0.92%	0.92%	0.62%	10.78%
2019 Fund	1.13%	1.80%	2.22%	3.42%	-3.48%	1.70%	-0.22%	0.16%	0.50%	2.17%	-0.76%	1.00%	9.89%
2019 Benchmark	-0.20%	-0.20%	0.80%	0.80%	0.60%	0.30%	0.40%	0.40%	0.30%	0.30%	0.00%	0.10%	3.65%
2019 Target Objective	0.22%	0.22%	1.22%	1.22%	1.02%	0.72%	0.82%	0.82%	0.72%	0.72%	0.42%	0.52%	8.94%
2020 Fund	1.80%	-4.34%	-8.14%	10.93%	1.46%	3.43%	1.81%	1.25%	-3.54%	-2.52%	5.56%	1.48%	8.13%
2020 Benchmark	0.30%	0.30%	1.00%	0.30%	-0.50%	-0.60%	0.50%	1.30%	0.20%	0.20%	0.30%	0.00%	3.33%
2020 Target Objective	0.72%	0.72%	1.42%	0.72%	-0.08%	-0.18%	0.92%	1.72%	0.62%	0.62%	0.72%	0.42%	8.61%
2021 Fund	2.61%	3.22%	1.88%	1.55%	1.31%	0.09%							11.13%
2021 Benchmark	0.20%	0.30%	0.70%	0.70%	0.70%	0.10%							2.73%
2021 Target Objective	0.62%	0.72%	1.12%	1.12%	1.12%	0.52%							5.31%

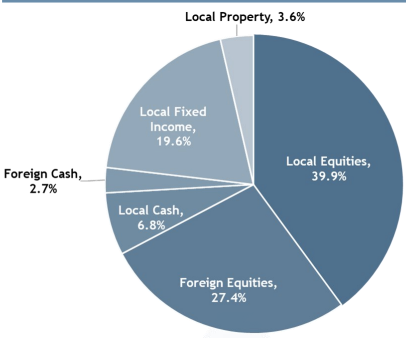
* Benchmark: CPI data lagged by one month.

Performance Summary - Gross Return

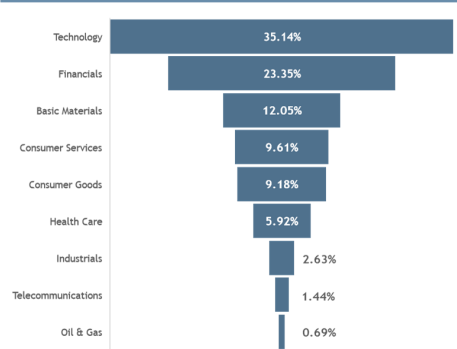
	Fund	Benchmark	Target Objective
1 month	0.09%	0.10%	0.52%
3 months	2.98%	1.51%	2.77%
6 months	11.13%	2.73%	5.31%
Year to date	11.13%	2.73%	5.31%
1 Year	15.39%	5.32%	10.68%
3 Years (annualised)	8.92%	4.03%	9.33%
5 Years (annualised)	8.07%	4.44%	9.76%
7 Years (annualised)	8.41%	4.72%	10.05%
Since Inception (cumulative)	125.27%	53.00%	135.35%
Since Inception (annualised)	9.82%	5.03%	10.38%

Fund Holdings (as at 30 June 2021)

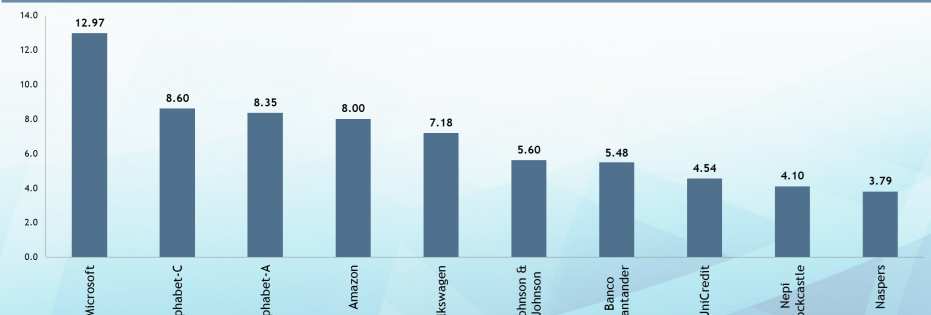
Asset Allocation



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



Fund Information

Benchmark: CPI
Target objective: CPI +5%
Inception date: 1 November 2012
Fund size: R 375.56 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 Outperformance fee share participation rate of 20%. Out-performance capped at 80 bps plus VAT.

Administration

Fund trustees & custodian: Nedbank Investor Services
Fund administration: Prescient Fund Services

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Aeon Balanced Fund (CPI +5%)

Fund information as at 30 June 2021



Fund Performance Review & Market Commentary

The Aeon Balanced Fund was up by 2.98% for the second quarter of 2021 and is up by 15.39% over a one-year period.

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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**Aeon Investment Management (Pty) Ltd is an authorised FSP.
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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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