

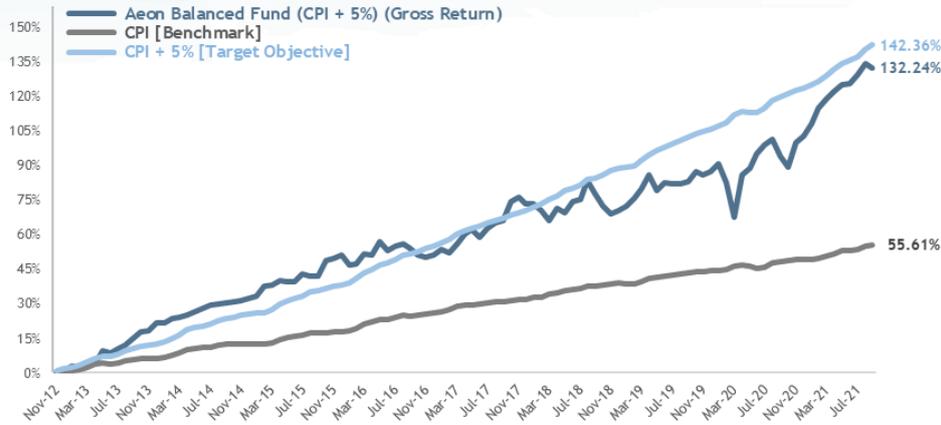
# Aeon Balanced Fund (CPI +5%)

Fund information as at 30 September 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%	0.30%	0.50%	1.30%	0.20%	0.30%	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%	1.74%	2.06%	-0.71%				14.57%
2021 Benchmark	0.20%	0.30%	0.70%	0.70%	0.70%	0.10%	0.20%	1.10%	0.40%				4.48%
2021 Target Objective	0.62%	0.72%	1.12%	1.12%	1.12%	0.52%	0.62%	1.52%	0.82%				8.45%

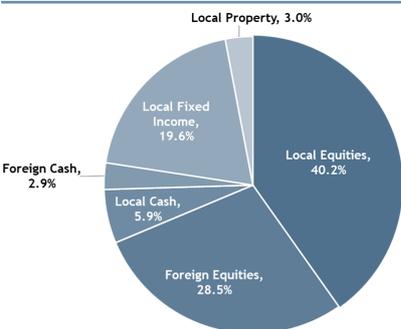
\* Benchmark: CPI data lagged by one month.

## Performance Summary - Gross Return

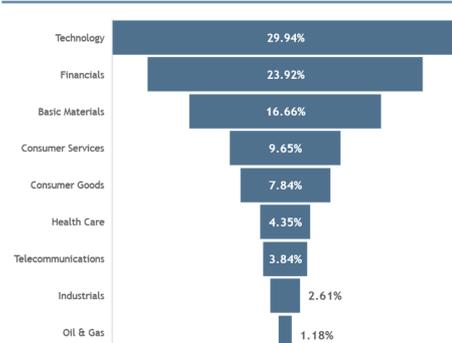
	Fund	Benchmark	Target Objective
1 month	-0.71%	0.40%	0.82%
3 months	3.09%	1.71%	2.98%
6 months	6.17%	3.24%	5.83%
Year to date	14.57%	4.48%	8.45%
1 Year	19.64%	5.01%	10.36%
3 Years (annualised)	9.30%	4.24%	9.55%
5 Years (annualised)	8.57%	4.52%	9.85%
7 Years (annualised)	8.60%	4.75%	10.09%
Since Inception (cumulative)	132.24%	55.61%	142.36%
Since Inception (annualised)	9.91%	5.08%	10.44%

## Fund Holdings (as at 30 September 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

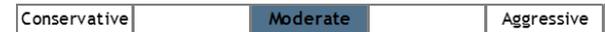
## Fund Managers



## Fund Information

**Benchmark:** CPI  
**Target objective:** CPI +5%  
**Inception date:** 1 November 2012  
**Fund size:** R 387.79 million  
**Investment horizon:** Five years plus  
**Classification:** South African - Multi Asset - Medium Equity  
**Regulation 28 compliant:** Yes

## Risk Profile



- 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

## Contact Details

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# Aeon Balanced Fund (CPI +5%)

Fund information as at 30 September 2021



**aeon**  
investment management  
long term wealth creation

## Fund Performance Review & Market Commentary

The Aeon Balanced Fund was up by 3.09% on a for the third quarter of 2021 and is up by 19.64% over a one-year period.

The quarter ended September saw global equity markets mixed following the turmoil in Afghanistan, the Chinese authorities' technology sector crack-down, the continued increase in Covid-19 cases of the Delta variant, as well as fears that the Fed's tapering might come sooner than expected. We are more optimistic about the recovery of the world's economy as vaccine deployment and acceptance continues to improve. Market sentiment was boosted by Fed Chair Powell's speech at the Jackson Hole policy symposium, in which he indicated that though the Fed could start reducing its bond purchase program later this year, interest rate increases would not be imminent. The sector that fared best for the quarter ended September was Healthcare led by index heavyweight Aspen. Resources was the weakest sector for the quarter led by Impala, BHP and Sibanye as softer commodity prices weighed on the sector.

Globally, central banks and governments have continued to be accommodative as a reactionary measure to tackle the pandemic. 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. Sentiment was buoyed when the US Senate passed the new \$1-trillion infrastructure spending bill. In China, the CCP (Chinese Communist Party) released multiple draft proposals focussed on limiting unfair competition in the technology sector. It also passed the Personal Information Protection law which imposes restrictions on how companies handle user data. Because of this, technology companies were under pressure throughout the quarter. This was reflected locally in the Naspers Prosus group. Globally, investors are finding countries' gradual re-openings positive, 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. Investors are also keenly monitoring a slowdown in China's economic growth rate as well as global inflation as indicators of slowing global growth into the new year.

Locally, the country is still reeling from the violent riots which resulted in the looting of many stores, destruction of properties and the death of over 350 people. The army had to be deployed to assist the police in restoring stability. 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 spending also anticipated to be muted. The pandemic remains a key focus with state funds allocated to the purchase and distribution of vaccines.

Looking forward, growth expectations for the local economy seem to be dependent on global growth, improving confidence, positive local government action, and Covid-19 containment measures. There have begun some positive surprises in the economy which have been welcomed. 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.  
FSP Number: 27126 | Level -1 BBBEE Contributor.**

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**Prescient**

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