

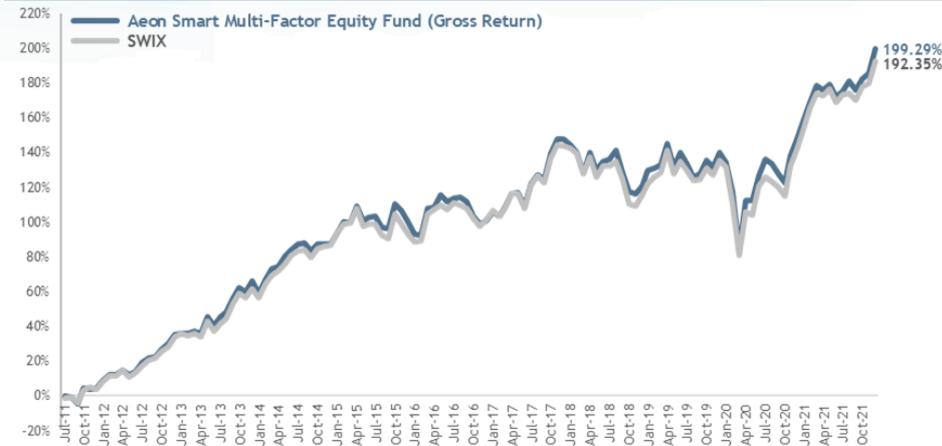
Aeon Smart Multi-Factor Equity Fund

Fund information as at 31 December 2021



Fund Performance

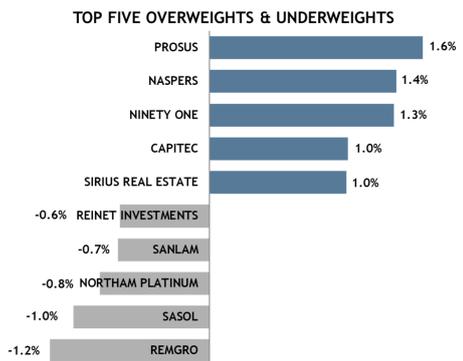
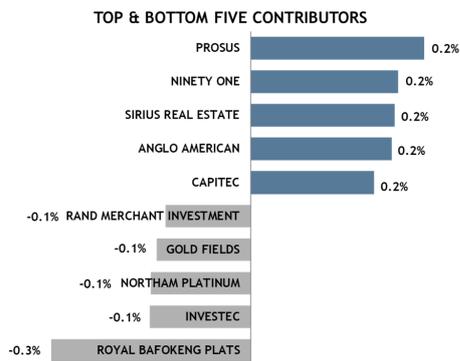
Cumulative Performance - since inception - Gross Return



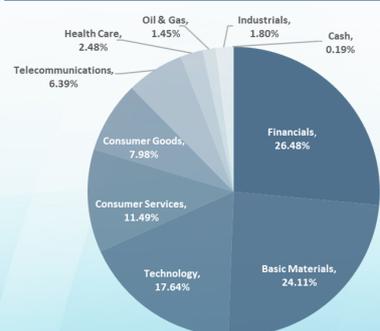
Monthly - Gross Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016 Fund	-3.74%	-0.19%	8.09%	0.31%	3.24%	-1.70%	0.70%	0.49%	-1.30%	-3.89%	-2.19%	0.97%	0.23%
2016 Benchmark	-2.31%	0.06%	8.32%	1.25%	1.34%	-1.27%	1.88%	-0.66%	-0.89%	-2.81%	-2.35%	1.98%	4.13%
2017 Fund	2.47%	-1.09%	2.28%	3.91%	0.33%	-3.72%	6.34%	2.20%	-1.03%	6.35%	3.68%	-0.14%	23.24%
2017 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	-1.24%	-1.85%	-4.76%	4.89%	-4.21%	2.34%	0.41%	2.16%	-5.32%	-4.56%	-0.69%	2.08%	-10.81%
2018 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	3.95%	0.71%	0.81%	5.26%	-5.53%	3.63%	-2.73%	-3.41%	0.99%	3.27%	-1.48%	3.40%	8.55%
2019 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	-2.16%	-7.22%	-15.29%	15.28%	-0.09%	6.78%	4.30%	-1.11%	-2.71%	-2.19%	6.95%	4.13%	3.38%
2020 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	4.42%	4.05%	3.45%	-0.85%	1.17%	-2.70%	1.21%	2.13%	-1.68%	2.20%	1.14%	4.91%	20.91%
2021 Benchmark	4.97%	4.61%	3.16%	-0.31%	1.31%	-2.79%	1.59%	0.38%	-1.44%	2.82%	0.68%	4.62%	21.06%

Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	4.91%	4.62%	0.28%
3 month	8.45%	8.31%	0.14%
6 month	10.21%	8.85%	1.36%
Year to date	20.91%	21.06%	-0.15%
1 Year	20.91%	21.06%	-0.15%
3 Year (annualised)	10.71%	10.74%	-0.03%
5 Year (annualised)	8.32%	7.77%	0.55%
7 Year (annualised)	6.97%	6.64%	0.32%
10 Year (annualised)	11.12%	10.93%	0.19%
Since Inception (cumulative)	199.29%	192.35%	6.95%
Since Inception (annualised)	11.01%	10.76%	0.25%

Fund Holdings (for the quarter as at 31 December 2021)



Sector Allocation



Top Ten Holdings (%)

Naspers	9.80
Prosus	7.84
Anglo American	5.58
FirstRand	5.30
MTN Group	4.67
Capitec Bank	3.87
Impala Platinum	3.45
British American Tobacco	3.15
Standard Bank	2.86
Richemont	2.57

Fund Description

Aeon Investment Management's Smart Multi-Factor Equity Fund strategy employs a multiple fundamental factor model as its base. Systematic security selection and trading models are used to achieve the fund's objective of outperforming the SWIX benchmark at low cost and tracking error. The portfolio is constructed in a risk managed framework.

Investors should consider the Aeon Smart Multi-Factor Equity Fund if they have a long term investment horizon (5-years or longer), and are looking for capital gains at low cost.

Fund Objectives

Aeon Smart Multi-Factor Equity Fund seeks to achieve:

- Achieve consistent outperformance of the benchmark
- Generate excess returns that are positive, stable, explainable and replicable
- Target tracking error below 2%
- Manage risk through disciplined portfolio construction.

Fund Managers



Asief Mohamed
Chief Investment Officer



Jay Vomacka
Senior Portfolio Manager

Fund Information

Benchmark: SWIX
Inception date: 1 July 2011
Fund size: R 258.98 million
Investment horizon: Five years plus
Classification: South African - Equity - General
Asset Allocation: 99.8% Equity and 0.2% Cash

Risk Profile

Conservative	Moderate	Aggressive
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- 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:** 0.35% p.a. plus VAT.
- **Performance Fee:** Base fee of 0.25% 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 Fund Services (Pty) Ltd

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Aeon Smart Multi-Factor Equity Fund

Fund information as at 31 December 2021



aeon
investment management
long term wealth creation

Fund Performance Review & Market Commentary

The Aeon Smart Multi-Factor Equity Fund outperformed its benchmark by 14 bps for the fourth quarter of 2021 and is underperforming its benchmark by 15 bps over a one-year period.

Overweight positions in Prosus and Ninety One were the main positive contributors to return for the fourth quarter of 2021. Underweight positions in Royal Bafokeng Platinum and Investec were the main detractors. The benchmark equity index was up 8.31% for the fourth quarter of 2021.

The quarter ended December was broadly positive for world markets as concerns about the increase in Omicron cases decreased due to the milder symptoms associated with this strain. China's central bank also boosted liquidity by reducing the reserve requirement ratio by 0.5%. Market sentiment was further improved following the recent US Fed comments, which indicated that though the Fed could start reducing its bond purchase program, interest rate increases would not be imminent. The sector that fared best for the quarter ended December was Consumer Discretionary led by index heavyweight Richemont which was up over 50% in the period. Healthcare was the weakest sector for the quarter led by Aspen and Netcare, with the sector cooling after a strong run in the previous period.

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 implying that US interest rates could remain lower for longer. However, investors are becoming increasingly concerned about inflation, the scarcity of supplies and potential contagion from China's property sector's debt problems. This raises the concerns of an earlier potential to hike US interest rates. Encouragingly though, investors remain confident in central banks and their willingness to provide support to economies.

Locally, 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. Eskom had to implement loadshedding for most of the quarter as some power plants required maintenance. Financial conditions may be difficult for South Africa in the years ahead with consumer spending also anticipated to be muted.

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 benefit the portfolios moving forward.

Disclaimer

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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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