

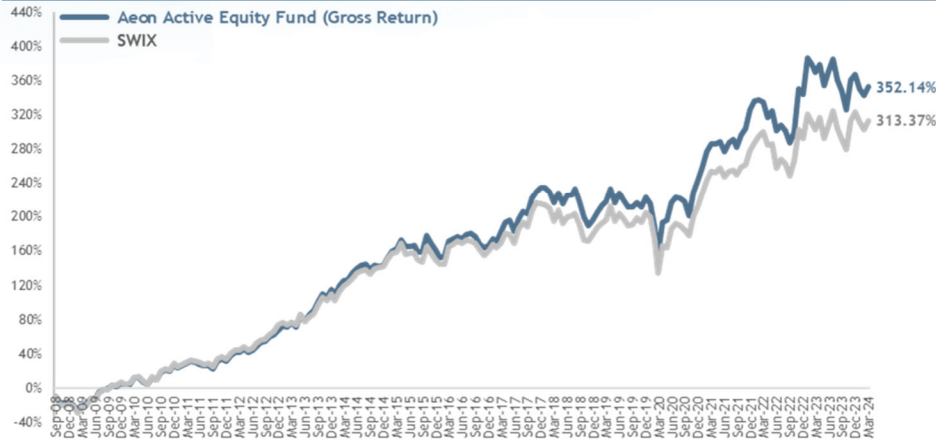
# Aeon Active Equity Fund

Fund information as at 31 March 2024



## Fund Performance

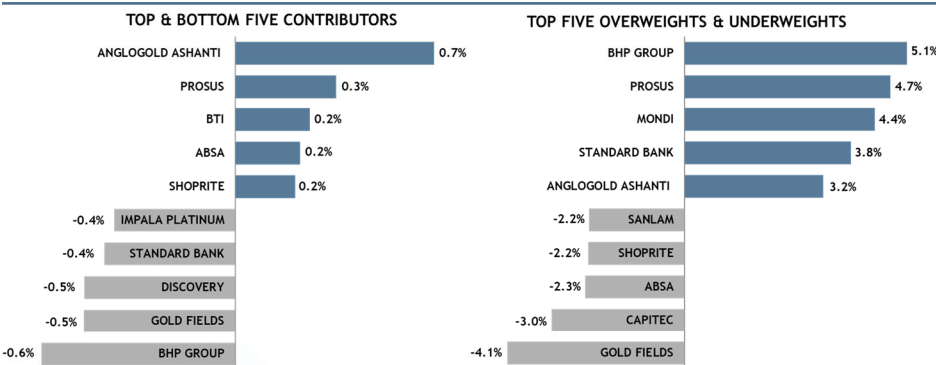
Cumulative Performance - since inception - Gross Return



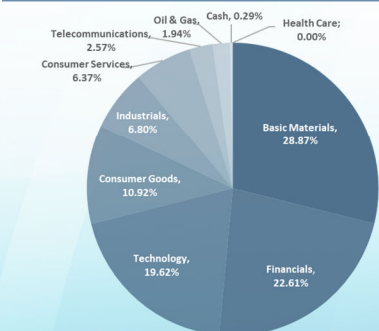
Monthly - Gross	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2019</b>													
Fund	2.89%	2.82%	1.31%	4.95%	-5.08%	3.88%	-2.67%	-2.53%	0.07%	1.58%	-1.54%	3.47%	8.96%
Benchmark	3.09%	1.57%	1.25%	5.72%	-5.64%	3.12%	-2.21%	-2.50%	0.37%	2.64%	-1.55%	3.68%	9.32%
<b>2020</b>													
Fund	-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%
<b>2021</b>													
Fund	4.45%	4.91%	2.47%	0.03%	0.69%	-2.99%	2.50%	1.01%	-2.09%	3.69%	1.92%	5.25%	23.72%
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%
<b>2022</b>													
Fund	2.54%	0.28%	-0.56%	-4.16%	1.90%	-5.61%	1.80%	-1.63%	-3.56%	3.34%	12.35%	-1.31%	4.30%
Benchmark	2.30%	1.93%	1.35%	-3.95%	0.56%	-7.45%	2.83%	-1.33%	-3.86%	5.03%	9.95%	-2.67%	3.59%
<b>2023</b>													
Fund	9.65%	-1.70%	-1.74%	1.71%	-5.10%	3.81%	2.94%	-4.99%	-2.73%	-4.85%	8.03%	1.51%	5.33%
Benchmark	7.23%	-2.33%	-1.89%	3.35%	-5.85%	3.98%	4.11%	-4.85%	-3.06%	-2.96%	8.59%	2.53%	7.85%
<b>2024</b>													
Fund	-3.74%	-1.55%	2.09%										-3.25%
Benchmark	-2.76%	-2.19%	2.86%										-2.17%

Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	2.09%	2.86%	-0.78%
3 months	-3.25%	-2.17%	-1.08%
6 months	0.95%	5.69%	-4.75%
Year to date	-3.25%	-2.17%	-1.08%
1 Year	-3.77%	2.69%	-6.46%
3 Years (annualised)	5.41%	5.31%	0.10%
5 Years (annualised)	7.36%	6.96%	0.39%
7 Years (annualised)	7.03%	6.35%	0.69%
10 Years (annualised)	7.25%	6.57%	0.68%
15 Years (annualised)	12.40%	11.75%	0.65%
Since inception (cumulative)	352.14%	313.37%	38.77%
Since inception (annualised)	10.17%	9.53%	0.63%

## Fund Holdings (for the quarter as at 31 March 2024)



## Sector Allocation



## Top Ten Holdings (as a % of Total AUM)

Naspers	11.27
Standard Bank	8.44
Prosus	8.35
BHP Group	6.87
Anglo American	6.31
FirstRand	6.23
AngloGold Ashanti	6.04
BTI	5.74
Mondi	5.64
Richemont	4.19

## 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

## Fund Information

**Benchmark:** SWIX  
**Inception date:** 1 September 2008  
**Fund size:** R 19,886.52 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

## Contact Details

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Aeon Investment Management (Pty) Ltd is an authorised FSP. FSP Number: 27126 | Level 1 B-BBEE Contributor.

# Aeon Active Equity Fund

Fund information as at 31 March 2024



## Fund Performance Review & Market Commentary

The Aeon Active Equity Fund (Composite) underperformed its benchmark by 108 bps for the first quarter of 2024 and is underperforming its benchmark by 646 bps over a one-year period.

Overweight positions in AngloGold Ashanti and Prosus were the main positive contributors to return for the first quarter of 2024. Underweight positions in BHP Group and Gold Fields were the main detractors. The benchmark equity index was down 2.17% for the first quarter of 2024.

The first quarter of this year was positive for global equities. This optimism was fuelled by the growing anticipation of a 'soft landing' or even the possibility of no economic slowdown at all. The US produced largely positive economic data, which helped alleviate fears of an impending recession. The Bank of Japan (BoJ) has put an end to its negative interest rate policy by raising its policy rate for the first time in 17 years. On the other hand, in China, the government has established a GDP growth target of 5% for 2024. However, there has been no additional communication about aggressive strategies to stimulate the Chinese economy, which left investors disappointed. For the quarter ended March, the Consumer sector emerged as the top performer led by index heavyweight Richemont followed by the Mr Price Group. On the other hand, Financials experienced the most significant decline during the quarter, led by First Rand and Standard Bank.

US inflation generally exceeded expectations in the first quarter. The commodity market saw a significant rise, particularly in Brent crude oil, copper and cocoa. The surge in copper prices, driven by supply risks and an increased demand for energy transition metals, shows no signs of abating. The escalation in commodity prices contributes to inflationary pressures, dampening investor sentiment and reducing the likelihood of the aggressive rate cuts previously anticipated by the market. This sustains the "higher-for-longer" narrative which tends to be negative for equity markets.

Locally, the GDP figures for the fourth quarter of 2023 revealed that the economy underperformed, growing a mere 0.1%. This led to an overall growth of 0.6% for 2023. The disappointing performance was attributed to supply-side issues, including issues at Eskom and Transnet. In February, inflation reached a four-month peak of 5.6% year-on-year, pushing back the timeline to achieve the targeted 4.5% inflation objective. In light of these factors, the SARB decided to keep its key repo rate steady at 8.25%.

Looking ahead, South Africa's financial future remains challenging, marked by sluggish GDP growth rates and high unemployment. These conditions are likely to lead to reduced consumer spending and a widening gap in income inequality. A significant event to watch in 2024 is the South African elections scheduled for May. These highly contested elections bring with them considerable political uncertainty and tension. Our strategy focuses on astute stock selection, guided by our Growth at a Reasonable Price philosophy (GARP), which seeks value throughout economic cycles. We prioritise companies with strong cash flows that can support earnings, aiming to benefit our portfolios in the coming period.

As part of showcasing our portfolio, we aim to provide you insight into our portfolio counters. This quarter, we highlight an existing portfolio counter, AngloGold Ashanti (ANG). ANG is the world's 5th largest gold producer with 11 geographically diverse operations across the globe. ANG has implemented the Full Asset Potential program (FAP) leading to decisive action being taken at loss-making assets, resulting in tangible operational efficiencies, such as a lower all-in-sustaining cost (AISC) predicted over the next two years. Geopolitical risk has propelled the gold price to all-time highs causing this leveraged gold producer to deliver exceptional returns year-to-date. ANG's restructuring to a primary listing on the NYSE provides further re-rating potential, to be comparable with global peers. ANG's disciplined management, the life of mine extensions, and the lower AISC all provide tailwinds for a continued share price rally. The current gold tailwinds being experienced enhance sector conviction. We look forward to seeing a continued gold price rally benefiting both ANG and all Aeon Investment Management stakeholders.

## 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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