

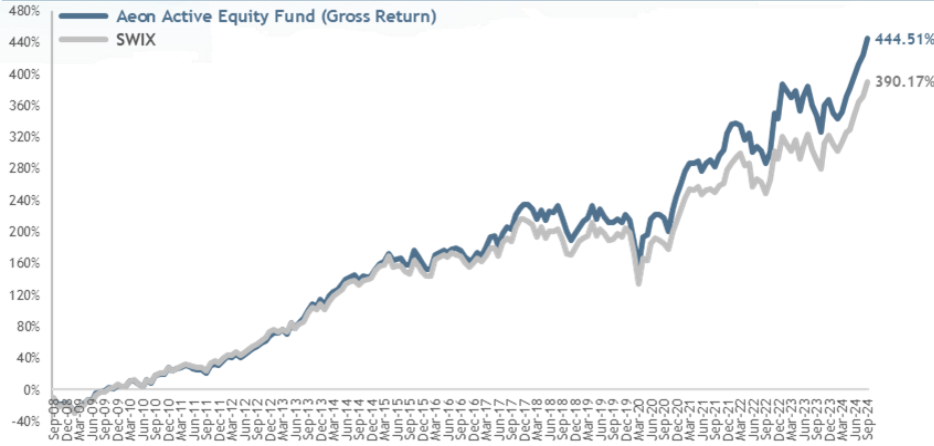
# Aeon Active Equity Fund

Fund information as at 30 September 2024



## Fund Performance

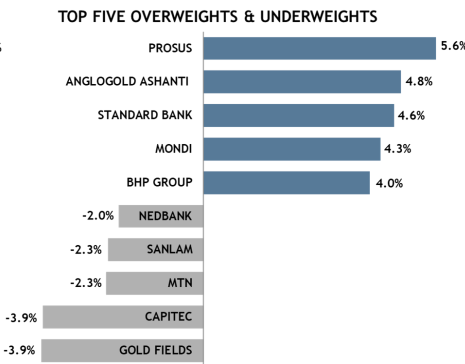
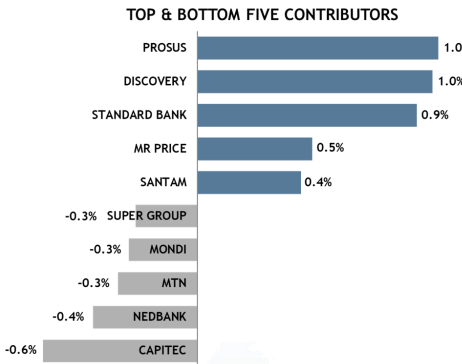
Cumulative Performance - since inception - Gross Return



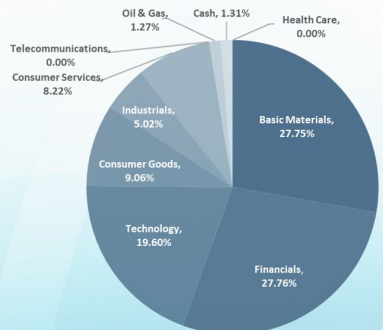
Monthly - Gross	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2019</b>													
Fund	2.89%	2.82%	1.31%	4.95%	-5.08%	3.88%	-2.67%	-2.53%	0.07%	1.58%	-1.54%	3.47%	8.96%
Benchmark	3.09%	1.57%	1.25%	5.72%	-5.64%	3.12%	-2.21%	-2.50%	0.37%	2.64%	-1.55%	3.68%	9.32%
<b>2020</b>													
Fund	-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%	4.40%	1.91%	3.15%	3.25%	2.26%	<b>3.93%</b>				16.52%
Benchmark	-2.76%	-2.19%	2.86%	2.95%	0.96%	4.08%	3.92%	1.38%	4.04%				16.01%

Performance Summary - Gross Return	Fund	Benchmark	Active Return
1 month	3.93%	4.04%	-0.11%
3 months	9.73%	9.61%	0.12%
6 months	20.43%	18.58%	1.85%
Year to date	16.52%	16.01%	0.51%
1 Year	21.57%	25.33%	-3.76%
3 Years (annualised)	12.51%	11.97%	0.54%
5 Years (annualised)	11.82%	11.02%	0.80%
7 Years (annualised)	8.71%	7.91%	0.79%
10 Years (annualised)	8.62%	7.75%	0.87%
15 Years (annualised)	12.11%	11.36%	0.75%
Since Inception (cumulative)	444.51%	390.17%	54.34%
Since Inception (annualised)	11.11%	10.39%	0.72%

## Fund Holdings (for the quarter as at 30 September 2024)



## Sector Allocation



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

Naspers	9.77
Prosus	9.83
Standard Bank	9.48
FirstRand	8.24
AngloGold Ashanti	6.36
Anglo American	6.52
BHP Group	5.87
BTI	4.77
Discovery	5.19
Mondi	5.13

## 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



Muneer Ahmed  
Portfolio Manager & Analyst

## Fund Information

**Benchmark:** SWIX  
**Inception date:** 1 September 2008  
**Fund size:** R 23,141.27 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 30 September 2024



## Fund Performance Review & Market Commentary

The Aeon Active Equity Fund (Composite) outperformed its benchmark by 12 bps for the third quarter of 2024 and is underperforming its benchmark by 376 bps over a one-year period. Over the three-year period the fund outperformed the benchmark by 54 bps.

Overweight positions in Prosus and Discovery were the main positive contributors to return for the third quarter of 2024. Underweight positions in Capitec and Nedbank were the main detractors. Underweight positions in Capitec and Nedbank were the main detractors. The benchmark equity index was up 9.61% for the third quarter of 2024.

The third quarter of this year was volatile for global equities, partly due to the sell-off following the surprise Bank of Japan's interest rate hike, which triggered a market decline in August. In September, the US Federal Reserve began its rate-cutting cycle with a 50-basis point cut, more aggressive than anticipated. This led to optimism about a "soft landing" and further aggressive rate cuts. The Bank of England also reduced its main interest rate from 5.25% to 5%, indicating a broader trend among central banks aimed at supporting economic recovery. Locally, for the quarter ending in September 2024, the general retail sector emerged as the top performer, led by Mr. Price, followed by Motus and Pepkor. In contrast, the resources sector experienced some weakness during the quarter, driven by Sasol, Sibanye Stillwater, and Glencore.

Global equities, as measured by the MSCI All Country World Index, posted a return of 6.5% for the quarter and a year-to-date return of 19.3%. In the US, the September inflation print aligned with market expectations at 2.5%, while GDP numbers exceeded expectations at 3.0% for the second quarter. The US equity markets, measured by the S&P 500, continued to reach new heights during the quarter, driven by market optimism. Emerging market equities outperformed developed markets, returning 8.9% for the quarter, driven by Chinese government stimulus announced in September. On the commodities front, Brent crude oil remained volatile due to rising conflicts and tensions in the Middle East, ending the quarter at \$71.70—down 16% from the start of the quarter. Gold rose 14%, driven by increasing geopolitical tensions and monetary easing.

Locally, GDP figures for Q2 2024 revealed that the economy grew by 0.4%. During this quarter, the country celebrated nearly 200 days without load shedding, signalling marked improvement in electricity generation. Local stocks continued to rally, recording a 9.6% return for the quarter. The rand was one of the top-performing emerging market currencies during this period, strengthening by 5% to close at USDZAR 17.21. The latest inflation print (August inflation at 4.4%) came in just below the South African Reserve Bank's (SARB) mid-point target of 4.5%. This is the lowest inflation print since April 2021 when the rate was also 4.4%. In their latest monetary policy meeting, SARB decreased interest rates by 25 basis points, marking the start of a cutting cycle.

As we showcase our portfolio, we aim to provide insights into our key investments. This quarter, we spotlight Wilson Bayly Holmes-Ovcon (WBO), one of Africa's largest construction companies, which holds a significant market share in South Africa. Despite facing a challenging macroeconomic environment, WBO has demonstrated remarkable financial resilience compared to its peers. The company has successfully maintained profitability during industry downturns, reflecting its effective management and operational efficiency. Its diverse portfolio, which spans various sectors including civil engineering and building construction, helps mitigate risks associated with sector cyclicality. Over the past decade, South Africa has experienced significant underinvestment in infrastructure development. In a recent Parliament Address, President Cyril Ramaphosa expressed a strong commitment to transforming South Africa into a "construction site." As infrastructure development gains momentum and interest rates decrease, WBO is strategically positioned to capitalize on the anticipated increase in large infrastructure projects. Its size and experience enable the company to continue driving shareholder value.

In general, the fund's focus on disciplined stock selection using a Growth at Reasonable Price (GARP) philosophy—targeting companies with strong cash flows and

## 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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FSP Number: 27126 | Level 1 B-BBEE Contributor.

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**Prescient**

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