

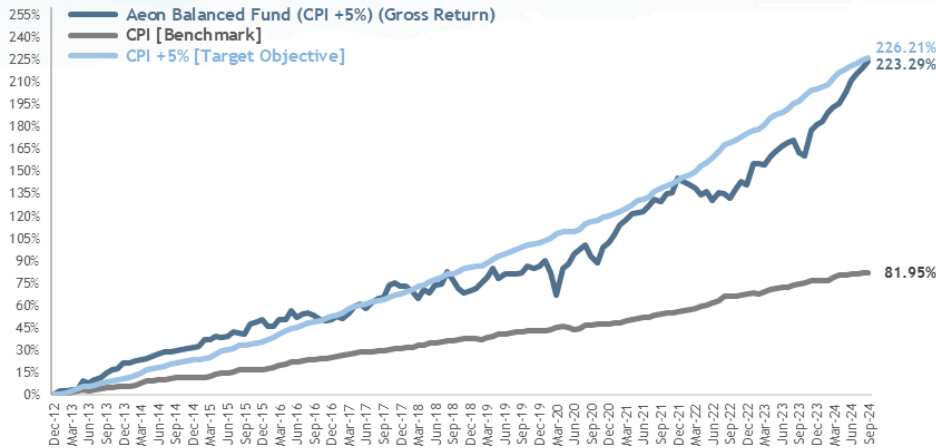
# Aeon Balanced Fund (CPI +5%)

Fund information as at 30 September 2024



## Fund Performance

Cumulative Performance - since inception - Gross Return



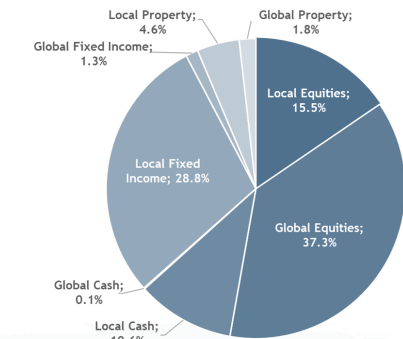
Monthly - Gross Return	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2019</b>													
Fund	1.13%	1.80%	2.22%	3.42%	-3.48%	1.70%	-0.22%	0.16%	0.50%	2.17%	-0.76%	1.00%	9.89%
Benchmark	-0.20%	-0.20%	0.80%	0.80%	0.60%	0.30%	0.40%	0.40%	0.30%	0.30%	0.00%	0.10%	3.65%
<b>2020</b>													
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%
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%
<b>2021</b>													
Fund	2.61%	3.22%	1.88%	1.55%	0.60%	0.09%	1.74%	2.06%	-0.71%	2.40%	0.33%	3.99%	21.55%
Benchmark	0.20%	0.30%	0.70%	0.70%	0.70%	0.10%	0.20%	1.10%	0.40%	0.20%	0.20%	0.50%	5.43%
<b>2022</b>													
Fund	-0.96%	-0.84%	-0.86%	-2.00%	1.07%	-2.71%	2.38%	-0.32%	-1.31%	2.76%	2.21%	-1.10%	-1.84%
Benchmark	0.60%	0.20%	0.60%	1.00%	0.60%	0.70%	1.10%	1.50%	0.20%	0.10%	0.40%	0.30%	7.54%
<b>2023</b>													
Fund	5.91%	0.02%	-0.32%	2.14%	1.38%	1.57%	0.80%	0.41%	-2.86%	-1.08%	6.79%	1.26%	16.79%
Benchmark	0.40%	-0.10%	0.70%	1.00%	0.40%	0.20%	0.20%	0.90%	0.30%	0.60%	0.90%	-0.10%	5.53%
<b>2024</b>													
Fund	0.95%	1.89%	1.39%	0.79%	2.52%	2.81%	1.43%	1.05%	1.35%				15.08%
Benchmark	0.00%	0.10%	1.00%	0.80%	0.30%	0.20%	0.10%	0.40%	0.10%				3.04%

\* Benchmark: CPI data lagged by one month.

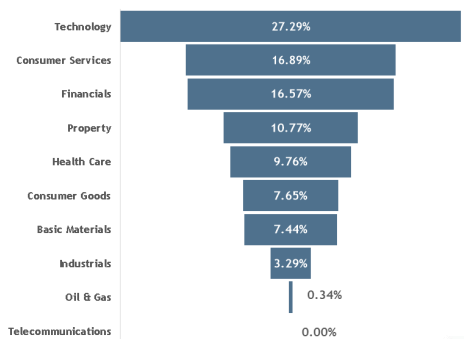
Performance Summary - Gross Return	Fund	Benchmark
1 month	1.35%	0.10%
3 months	3.89%	0.60%
6 months	10.35%	1.91%
Year to date	15.08%	3.04%
1 Year	23.09%	4.48%
3 Years (annualised)	12.12%	5.67%
5 Years (annualised)	12.17%	5.04%
7 Years (annualised)	10.07%	4.97%
10 Years (annualised)	9.57%	5.02%
Since Inception (cumulative)	223.29%	81.95%
Since Inception (annualised)	10.50%	5.23%

## Fund Holdings (as at 30 September 2024)

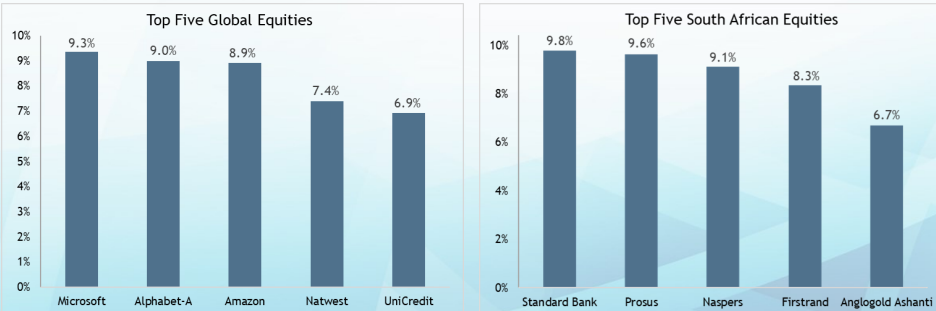
Asset Allocation



Sector Allocation (as a % of Equities)



## Top Ten Holdings



## 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 January 2013  
**Fund size:** R 859.66 million  
**Investment horizon:** Five years plus  
**Classification:** South African - Multi Asset - Medium Equity  
**Regulation 28 compliant:** Yes

## Risk Profile

Conservative	Moderate	Aggressive
	Moderate	

- 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

www.aeonim.co.za  
 Email: funds@aeonim.co.za  
 Tel: +27 (0)21 204 6061/2  
 4th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708  
 P.O. Box 24020, Claremont, 7735

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

# Aeon Balanced Fund (CPI +5%)

Fund information as at 30 September 2024



## Fund Performance Review & Market Commentary

The Aeon Balanced Fund was up by 3.89% for the third quarter of 2024 and is up by 23.09% over a one-year period.

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 cyclicity. 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 earnings—is expected to benefit the portfolio 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.

#### Portfolio Managers:

Asief Mohamed — Chief Investment Officer  
B.Com, CA (SA), CFA  
asief.mohamed@aeonim.co.za

Jay Vomacka — Senior Portfolio Manager  
CFA, MSc(Eng)(Ind), BSc(Eng)(Elec), CFTe (IFTA)  
jay@aeonim.co.za

Muneer Ahmed — Portfolio Manager & Analyst  
B.Com, CA (SA), CFA  
muneer.ahmed@aeonim.co.za

**Registration number:** 2005/013315/07

**Physical Address:** 4th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708

**Postal Address:** PO Box 24020, Claremont, 7735

**Telephone Number:** +27 (0) 21 204 6061/2

**Email Address:** [funds@aeonim.co.za](mailto:funds@aeonim.co.za)

**Website:** [www.aeonim.co.za](http://www.aeonim.co.za)

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

## Fund Administration Services

### Prescient Fund Services

**Registration number:** 2002/022560/07

**Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945

**Postal address:** PO Box 31142, Tokai, 7966

**Telephone number:** 0800 111 899

**E-mail address:** [info@prescient.co.za](mailto:info@prescient.co.za)

**Website:** [www.prescient.co.za](http://www.prescient.co.za)

**Prescient**

### Custodian/Trustee

#### Nedbank Investor Services

**Physical address:** 2<sup>nd</sup> Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709

**Telephone number:** +27 11 534 6557

**Website:** [www.nedbank.co.za](http://www.nedbank.co.za)

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.

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.