

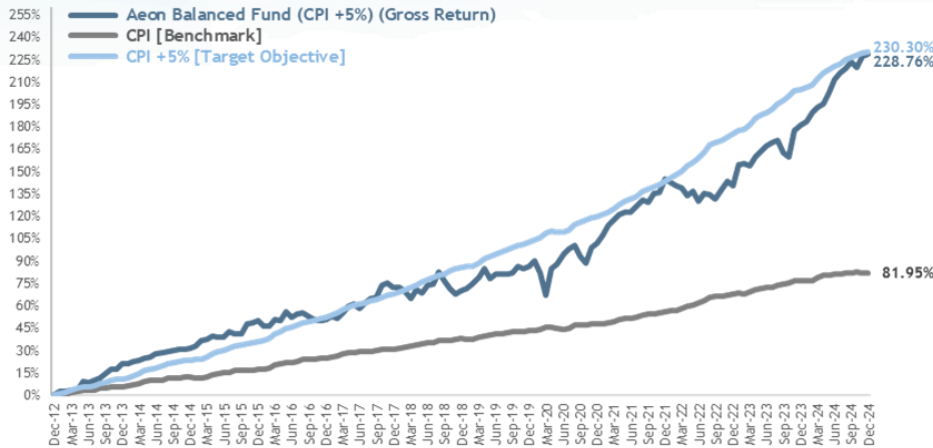
# Aeon Balanced Fund (CPI +5%)

Fund information as at 31 December 2024



## Fund Performance

Cumulative Performance - since inception - Gross Return



Year	Month	Fund	Benchmark
2019	Jan	1.13%	-0.20%
	Feb	1.80%	-0.20%
	Mar	2.22%	0.80%
	Apr	3.42%	0.80%
	May	-3.48%	0.60%
	Jun	1.70%	0.30%
	Jul	-0.22%	0.40%
	Aug	0.16%	0.40%
	Sep	0.50%	0.30%
	Oct	2.17%	0.30%
	Nov	-0.76%	0.00%
	Dec	1.00%	0.10%
2020	Jan	1.80%	0.30%
	Feb	-4.34%	0.30%
	Mar	-8.14%	1.00%
	Apr	10.93%	0.30%
	May	1.46%	-0.50%
	Jun	3.43%	-0.60%
	Jul	1.81%	0.50%
	Aug	1.25%	1.30%
	Sep	-3.54%	0.20%
	Oct	-2.52%	0.20%
	Nov	5.56%	0.30%
	Dec	1.48%	0.00%
2021	Jan	2.61%	0.20%
	Feb	3.22%	0.30%
	Mar	1.88%	0.70%
	Apr	1.55%	0.70%
	May	0.60%	0.10%
	Jun	0.09%	0.20%
	Jul	1.74%	1.10%
	Aug	2.06%	0.40%
	Sep	-0.71%	0.20%
	Oct	2.40%	0.20%
	Nov	0.33%	0.50%
	Dec	3.99%	0.50%
2022	Jan	-0.96%	0.60%
	Feb	-0.84%	0.20%
	Mar	-0.86%	0.60%
	Apr	-2.00%	1.00%
	May	1.07%	0.60%
	Jun	-2.71%	0.70%
	Jul	2.38%	1.10%
	Aug	-0.32%	1.50%
	Sep	-1.31%	0.20%
	Oct	2.76%	0.10%
	Nov	2.21%	0.40%
	Dec	-1.10%	0.30%
2023	Jan	5.91%	0.40%
	Feb	0.02%	-0.10%
	Mar	-0.32%	0.70%
	Apr	2.14%	1.00%
	May	1.38%	0.40%
	Jun	1.57%	0.20%
	Jul	0.80%	0.90%
	Aug	0.41%	0.60%
	Sep	-2.86%	0.90%
	Oct	-1.08%	0.90%
	Nov	6.79%	-0.10%
	Dec	1.26%	-0.10%
2024	Jan	0.95%	0.00%
	Feb	1.89%	0.10%
	Mar	1.39%	1.00%
	Apr	0.79%	0.80%
	May	2.52%	0.30%
	Jun	2.81%	0.20%
	Jul	1.43%	0.10%
	Aug	1.05%	0.40%
	Sep	1.35%	0.10%
	Oct	-1.24%	0.10%
	Nov	2.45%	0.00%
	Dec	0.51%	0.00%

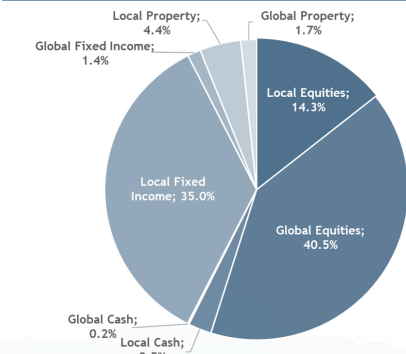
\* Benchmark: CPI data lagged by one month.

### Performance Summary - Gross Return

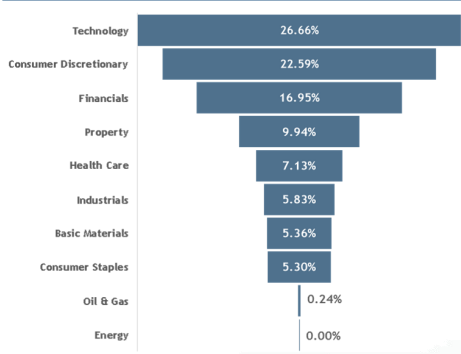
	Fund	Benchmark
1 month	0.51%	0.00%
3 months	1.69%	0.00%
6 months	5.64%	0.60%
Year to date	17.03%	3.04%
1 Year	17.03%	3.04%
3 Years (annualised)	10.29%	5.35%
5 Years (annualised)	12.01%	4.96%
7 Years (annualised)	9.66%	4.84%
10 Years (annualised)	9.59%	5.00%
Since Inception (cumulative)	228.76%	81.95%
Since Inception (annualised)	10.43%	5.11%

## Fund Holdings (as at 31 December 2024)

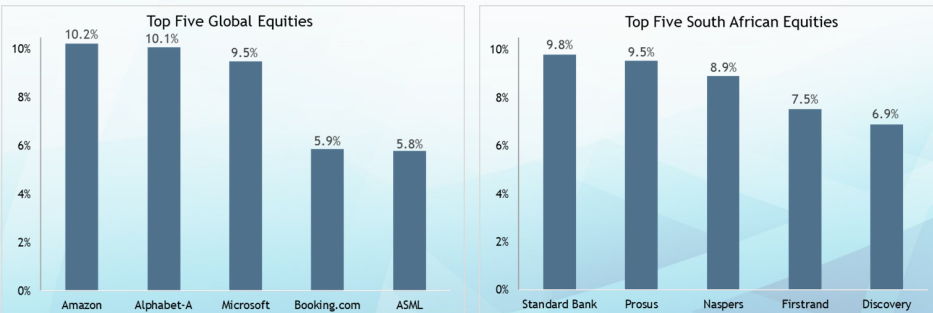
### Asset Allocation



### 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



Asief Mohamed  
Chief Investment Officer



Jay Vomacka  
Senior Portfolio Manager



Muneer Ahmed  
Portfolio Manager & Analyst

## Fund Information

**Benchmark:** CPI  
**Target objective:** CPI +5%  
**Inception date:** 1 January 2013  
**Fund size:** R 1 353.91 million  
**Investment horizon:** Five years plus  
**Classification:** South African - Multi Asset - Medium Equity  
**Regulation 28 compliant:** Yes

## Risk Profile

Conservative  Moderate  Aggressive

- 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 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 31 December 2024



## Fund Performance Review & Market Commentary

The Aeon Balanced Fund was up by 1.69% for the fourth quarter of 2024 and is up by 17.03% over a one-year period.

The last quarter of the year was driven by the US election, in which former President Donald Trump was re-elected. His victory drove global equities higher, particularly the US equity market, which reached new highs, while emerging markets faced some weakness due to concerns about increased tariffs. In South Africa, the retail sector emerged as the top performer during the quarter, driven by companies like We Buy Cars, Cashbuild, and Pepkor. In contrast, the resources sector struggled, impacted by Sasol, Sibanye Stillwater, and Glencore.

In the US, the threat of resurging inflation persisted, with the latest inflation numbers indicating an increase. This led the US Fed to adopt a cautious stance in cutting interest rates amid mixed economic data. The European Central Bank continued to lower interest rates, cutting by 25 basis points during the quarter. Overall, global equities, as measured by the MSCI All Country World Index, posted a negative return of 0.9% in USD during the quarter. Emerging markets faced significant challenges, with the MSCI Emerging Markets Index declining by 7.8% in USD, driven by potential tariff increases by the US.

On the commodities front, gold prices reached record highs of \$2,790 per ounce, fuelled by heightened geopolitical risks surrounding the US election. Brent crude oil ended the quarter at about \$75 per barrel, up 4%. Meanwhile, other industrial metals like copper, iron ore, and nickel faced downward pressure due to reduced demand from China and a strong US Dollar.

Locally, the latest CPI declined to 2.9%, below the lower end of the inflation target range of 3%. However, even with this low inflation rate, the South African Reserve Bank only reduced interest rates by 25 basis points in their last meeting in November, taking a cautious approach. During the quarter, the latest GDP numbers indicated that the economy contracted by 0.3%, signalling an economy under strain. The currency faced some weakness due to uncertainty about the AGOA trade program and potential tariffs on exports to the US. On a positive note, S&P Global upgraded South Africa's credit rating outlook, signalling confidence in the country's economic reform progress.

This quarter, we highlight Prosus as a key portfolio pick. Its share price recently faced pressure following the US Department of Defence's designation of Tencent, its major investment, as a "Chinese Military Company." Tencent has firmly denied this and plans to appeal the decision. While the designation has no direct financial impact on Tencent, it has dampened investor sentiment.

Despite this, Tencent's fundamentals remain strong, supported by a capable management team and significant growth potential. Meanwhile, Prosus continues to trade at a substantial discount to its intrinsic net asset value. Under its ambitious new leadership, the company is making decisive efforts to unlock value by optimizing its core assets and divesting non-core investments.

We remain confident in Prosus' long-term potential and view the recent challenges as short-term noise, preferring a steady, measured approach rather than any reactive decisions.

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.

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**Prescient**

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