



Aeon Active Equity Fund

Fund Description

Aeon Investment Management' equity investment style is that of 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 greater than that implied by the company's market valuation.

Investors should consider the Aeon Active Equity Fund where they have a long term horizon (3 years or longer), and are looking for capital growth.

Aeon's equity strategy seeks to:

Investment Objective

- 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.

Investment Philosophy

Significant inefficiencies can occur in equity valuations due to market participants having excessive optimism or pessimism regarding the outlook for the market or individual companies. The over allocation of capital to a certain investment style (growth or value) can also lead to inefficiencies in the market price of securities. We look to capitalize on these inefficiencies by buying companies with long term sustainable growth rates greater than that implied by the company's market valuation.

Our focus on long term sustainable growth rates make us long term investors in the business.

Value	Investment Style	Growth
Low Price to Book Low PE High DY		High Earning/Sales growth High ROE
GARP High sustainable growth rate relative to implied growth rate		

We combine our implied growth methodology and GARP style to invest in undervalued companies, regardless of whether they are classified as 'growth' or 'value'. Our process consists of three key elements:

Investment Process

1. Calculation of the earnings growth rate implied by the current market valuation of the company.
2. Fundamental analysis and modelling of key drivers in order to determine whether the long term sustainable growth rate is attractive relative to the implied growth rate.
3. Construction of the portfolio in a risk managed framework



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Risk Management and Return Modelling

The portfolio is structured with overweight and underweight positions relative to the benchmark, which is dependent on the gap between the implied and sustainable growth rates. A real time model monitors the portfolio positions, and the effect of the sector and stock selection decisions on the performance relative to benchmark.

The risk management framework encourages diversification and reduces the risk of significantly underperforming the benchmark.

Strategy Benefits

Growth at Reasonable Price investing seeks to combine the best of growth and value investing, by buying companies with long term sustainable growth rates greater than that implied by the company's market valuation.

A consistent implementation of our philosophy will lead to outperformance of the benchmark over time, regardless of the dominant investment style.

Fees

Institutional - Segregated Portfolios above 100m:

Institutional clients have the option of a flat fee or performance fee structure:

- Flat Fee: 60 basis points per annum.
- A base fee of 35 basis points, plus 10% of outperformance capped at 150 basis points.

Portfolio Management Team

Asief Mohamed – CIO
BCom (UCT), CA, CFA



Asief is the director and Chief Investment Officer of Aeon Investment Management. He is the portfolio manager for Aeon equity, balanced and absolute return funds.

Asief has over 26 years investment experience, having previously been CIO at Metropolitan Asset Managers where he managed R45bn worth of equities, including the General Equity Fund. He has been the recipient of several Raging Bull, S&P and ABSIP awards during his career.

Jay Vomacka – Portfolio Manager
CFA, MSc(Eng)(Ind), BSc(Eng)(Elec), CFTe (IFTA)



Jay is a co-portfolio manager at Aeon Investment Management. He has over 9 years of investment experience. He focuses on the active equity, enhanced equity, and the balanced funds. He is responsible for both the fundamental and quantitative investment analysis of all these funds. Jay joined Aeon in Jan 2013.

Aeon Investment Management

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CIS Risk Disclaimer
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