

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:

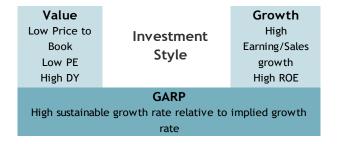
Investment Objective

- 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.



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.

We combine our implied growth methodology and GARP style to invest in undervalued

- 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**

Fees

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.

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

4th Floor, The Citadel 15 Cavendish Street Claremont, 7708 Cape Town

Phone: +27 (0)21 204 6061/2 E-mail: funds@aeonim.co.za

www.aeonim.co.za

IS Risk Disclaimer

Olicitive Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending a chedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are teaset basis, which is the total value of all the assets in the portfolio including any income accruates and less any permissible deductions (prokerage, STT, VAT, auditor's Fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of does all ow TER imply a good return. The current TER cannot be regarded as an indication of future TERs. During the phase in period TER's do not include information gathered over a full year. A Money Market portfolio is not a bank deposit account and the price is targeted at a constant sturn is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfoliotate in a weighted average yield of each underlying instrument in the portfolioi. Excessive withdrawals from the profession and the profession of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios that invests in portfolio of a collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolio that invests in portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges and was higher fees

