

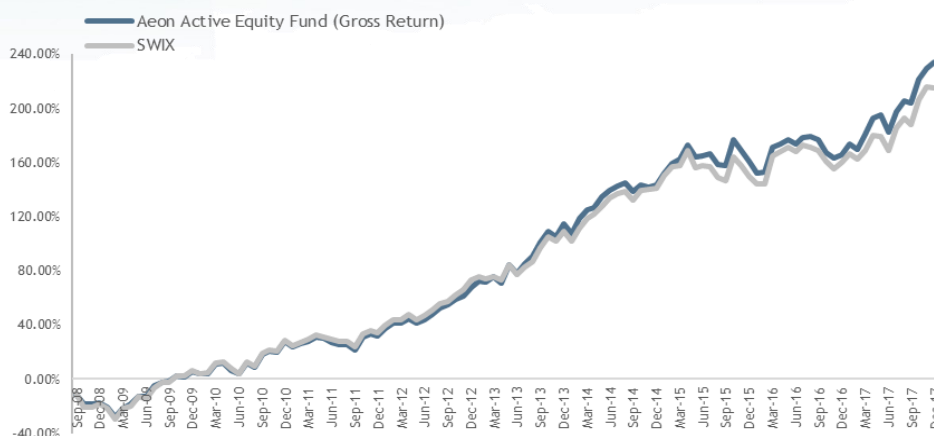
Aeon Active Equity Fund

Fund information as at 31 December 2017



Fund Performance

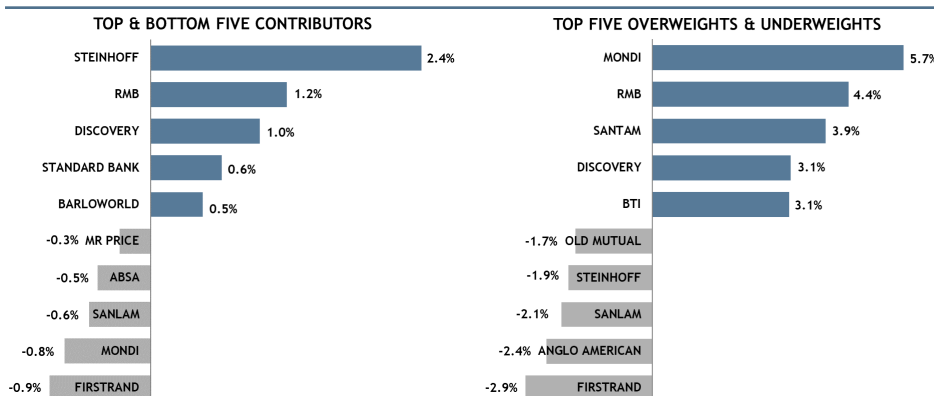
Cumulative Performance - since inception - Gross Return



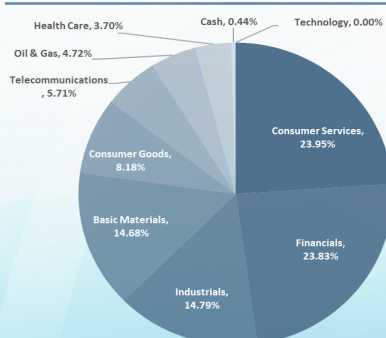
Monthly - Gross		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	Fund	4.31%	3.17%	-0.42%	2.70%	-2.29%	1.56%	3.10%	2.72%	1.66%	2.85%	1.54%	3.54%	27.16%
	Benchmark	4.53%	2.81%	0.02%	2.72%	-3.11%	2.22%	3.19%	2.71%	1.20%	3.29%	2.14%	4.33%	29.09%
2013	Fund	3.09%	-0.69%	2.48%	-2.45%	7.68%	-3.62%	4.19%	2.98%	5.32%	4.10%	-1.74%	4.43%	28.23%
	Benchmark	1.51%	-1.11%	1.22%	-1.68%	6.70%	-3.99%	3.26%	2.03%	5.57%	4.14%	-1.60%	3.50%	20.71%
2014	Fund	-3.25%	5.33%	2.79%	0.82%	3.42%	2.06%	1.43%	0.93%	-2.68%	2.21%	-0.56%	0.54%	13.48%
	Benchmark	-3.34%	4.90%	3.33%	1.52%	2.28%	2.76%	1.36%	0.61%	-2.43%	2.83%	0.62%	0.28%	15.42%
2015	Fund	3.60%	2.98%	1.00%	4.03%	-3.17%	0.28%	0.44%	-2.80%	-0.28%	7.42%	-3.06%	-2.91%	7.14%
	Benchmark	3.99%	2.56%	0.20%	4.31%	-4.86%	0.64%	-0.15%	-3.10%	-1.00%	7.28%	-2.70%	-2.90%	3.62%
2016	Fund	-3.27%	0.13%	7.36%	1.00%	0.93%	-1.06%	1.86%	0.36%	-0.95%	-3.37%	-1.68%	0.96%	1.86%
	Benchmark	-2.31%	0.06%	8.32%	1.25%	1.34%	-1.27%	1.88%	-0.66%	-0.89%	-2.81%	-2.35%	1.98%	4.13%
2017	Fund	-2.01%	-1.47%	4.24%	4.31%	0.73%	-4.29%	5.21%	2.79%	-0.67%	5.94%	2.53%	1.34%	25.79%
	Benchmark	2.57%	-1.49%	2.24%	4.06%	-0.07%	-3.83%	6.34%	2.42%	-1.73%	6.51%	3.09%	-0.16%	21.21%

Performance Summary - Gross Return		Fund	Benchmark	Active Return
1 month		1.34%	-0.16%	1.50%
3 months		10.08%	9.63%	0.45%
6 months		18.24%	17.34%	0.91%
Year to date		25.79%	21.21%	4.58%
1 Year		25.79%	21.21%	4.58%
3 Years (annualised)		11.14%	9.36%	1.78%
5 Years (annualised)		14.84%	12.75%	2.09%
7 Years (annualised)		14.76%	13.67%	1.08%
Since Inception (cumulative)		234.10%	215.31%	18.78%
Since Inception (annualised)		13.80%	13.09%	0.70%

Fund Holdings (for the quarter as at 31 December 2017)



Sector Allocation



Top Ten Holdings (%)

Naspers	21.56
Standard Bank	7.00
BTI	6.95
RMB	5.99
Mondi	5.78
MTN	5.23
Sasol	4.72
Discovery	4.60
Santam	4.14
Aspen Pharmacare	3.70

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

B.Com. CA(SA), CFA



Jay Vomacka

Portfolio Manager

CFA, MSc(Eng)(Ind)(Elec), CFTe

Fund Information

Benchmark: SWIX Index

Inception date: 1 September 2007

Fund size: R 6 367.12 million

Investment horizon: Five years plus

Risk Profile

Conservative	Moderate	Aggressive
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- 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 Performance Fee of 20% plus VAT of outperformance capped at 80 bps

Administration

Fund trustee & custodian: Nedbank Investor Services

Fund administration: Prescient Management Company (RF) (Pty) Ltd

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

Aeon Active Equity Fund

Fund information as at 31 December 2017



Fund Performance Review & Market Commentary

The Aeon Active Equity Fund outperformed its benchmark by 45 bps for the fourth quarter of 2017 and is outperforming its benchmark by 458 bps over a one-year period.

A zero position in Steinhoff International and an overweight position in RMB were the main positive contributors to return for the quarter. An underweight position in FirstRand and an overweight position in Mondi were the main detractors. The benchmark equity index was up nearly 10% for the fourth quarter of 2017.

The strongest sector for the fourth quarter of 2017 was the Banks Sector as the sector experienced a late rally due to the optimistic outcome of the ANC conference and the expected positive repercussions on the South African economy. The Consumer Goods Sector was the weakest sector as Steinhoff dragged the sector down after accounting irregularity allegations.

Globally, the themes remain positive. The global picture continues to surprise to the upside. News flow from the various central banks remained largely positive. Global markets are reaching new highs as continuous growth keeps materialising in many regions driving positive sentiment with it. Furthermore, it seems as if some of Trump's plans may be materialising further propelling optimism. These plans have been viewed as positive for business and hence, the general economy, and hence, further global growth.

Locally, the quarter was plagued with volatile political news flow. The culmination was the ANC conference. The markets seemed to be favouring in a Cyril Ramaphosa victory, much to the surprise of many participants, and the market got its wish. The market rallied as the tension and uncertainty in the political arena disappeared somewhat. The Rand also strengthened sharply on the positive sentiment. There is now palpable hope that the tide may turn for the better for South Africa and the economics.

Another dominant event in local markets was the extreme fall in Steinhoff post the announcement of an investigation into accounting irregularities, or rather potential fraudulent accounting, which then led to the resignation of CEO, Markus Jooste. The event is far from being over as past results need to be restated before any sense of valuation can be grasped as the financial statements cannot be relied upon. Please note that we had no exposure to Steinhoff or related companies in the active equity funds.

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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Custodian/Trustee

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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.

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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.