



## Infrastructure investing for a better society

The world over, countries are exploring ways to finance the funding gap for infrastructure development. Southern Africa is no exception and the structural challenges are significant, ranging from education, housing and unemployment to energy shortages.

As far back as 2010, realising the disconnect between the financial services industry and environmental and social needs, Mergence Investment Managers helped to pioneer infrastructure/impact investing in Southern Africa through a suite of impact funds: the Mergence SRI Fund, the Mergence ESG Equity Fund and the Mergence High Impact Debt Fund. In 2013 we formed a renewable energy debt fund through which we have to date provided debt funding equivalent to projects representing around 10% of the country's approved renewable energy capacity. All our impact funds have performed above their benchmarks and shown that investors can achieve superior risk-adjusted returns and portfolio diversification while contributing to the country's development.

At Mergence we continue to harness our experience in both debt and equity finance towards development in the wider SADC region. In line with our developmental socio-economic ethos, the latest innovative offering from Mergence is an Infrastructure Fund which will be launched shortly. With a target size of R5 billion, the fund will be suitable for institutional investors who:

- seek exposure through supporting social, environmental and developmental investing
- aim to enhance diversification within their investment portfolio
- require commensurate, if not attractive, returns relative to risk
- are comfortable with and acknowledge that the effects/results of impact investing occur over medium to long-term time horizons
- consider such an allocation as an integral part of a well-balanced fixed income portfolio and overall portfolio structure.

The Mergence infrastructure offering will give investors the opportunity to invest in sound infrastructure developments that enhance economic growth and contribute to society in a meaningful way such that your members can live and retire in a better world.

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