



### OVERVIEW

	Low	Moderate	High
<b>Equity Risk Profile</b>			
<b>Fund Purpose</b>	Generate capital growth over the long term		
<b>Investment Style</b>	Relative Return		
<b>Benchmark</b>	FTSE/JSE Capped Index [CAPI]		
<b>Investment Vehicle</b>	Segregated		
<b>Inception date</b>	06 March 2007		
<b>Number of Months</b>	98		
<b>Fund Size</b>	R 990.78 million		
<b>Minimum Investment</b>	R 25 million		
<b>Management Fee</b>	Subject to mandate (usually between 0.45% and 0.75% per annum)		
<b>Performance fees</b>	Negotiable		

### INVESTMENT OBJECTIVE

The Mergence CAPI Fund aims to provide investors with capital growth over the long term. The objective is to achieve returns that are in excess of the FTSE/JSE Capped Index [CAPI] over any three-year rolling period.

Our philosophy of pragmatism underlines our approach to investing in equities, and thus the Fund's objective to be a consistent generator of alpha through cycles. We embrace a style agnostic approach given the cyclicity in performance of a strong bias to either value or growth styles. Valuation is the key trigger to our decision making process. We seek to achieve our investment objective by buying/selling companies trading below/above our assessment of intrinsic value. Our equity investment process is comprehensive, proprietary research driven and long term focused.

### INVESTOR PROFILE

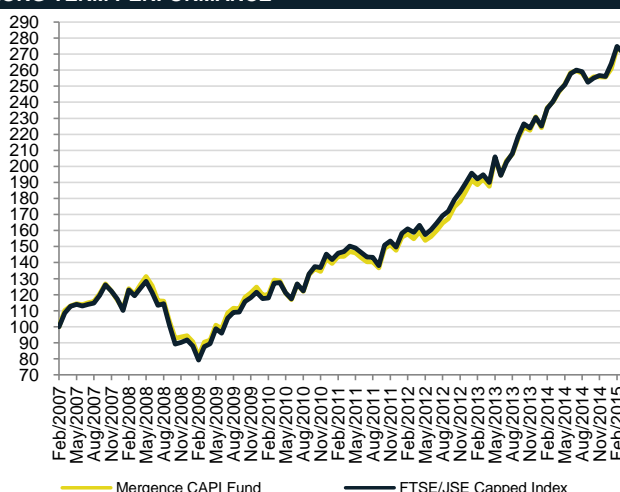
#### The Fund is suitable for investors:

- who seek specialist South African equity exposure as part of their overall investment strategy;
- who believe long term equity exposure adds value;
- who know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

### CARBON FOOTPRINT

The Mergence CAPI Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence CAPI Fund's Carbon Footprint is available on request.

### LONG TERM PERFORMANCE



### PERFORMANCE\*\* SUMMARY

Period	Fund	CAPI	Active Return
Tracking Error	2.19%		
Information Ratio	0.01		
1 Month	4.64%	4.70%	-0.06%
3 Months	8.99%	7.51%	1.49%
6 Months	11.08%	11.26%	-0.19%
1 Year	15.47%	14.99%	0.48%
3 Years	21.30%	20.24%	1.06%
5 Years	17.21%	17.36%	-0.16%
Since Inception	13.67%	13.65%	0.02%

Year	Fund	CAPI	Active Return
2015	11.16%	10.82%	0.34%
2014	10.74%	11.08%	-0.34%
2013	25.07%	21.55%	3.52%
2012	24.95%	26.69%	-1.74%
2011	3.74%	3.04%	0.70%

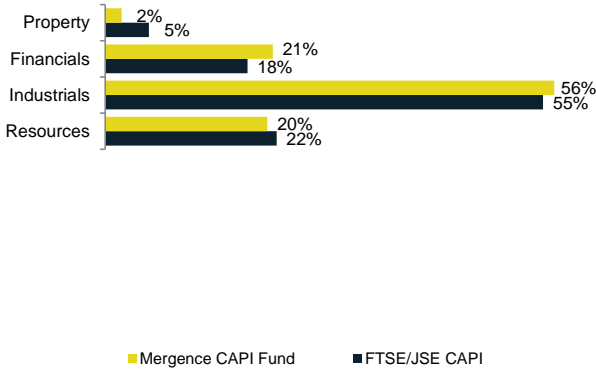
\*\* Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

### TOP TEN HOLDINGS

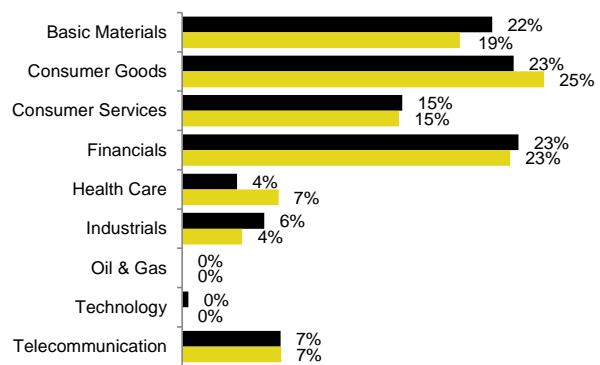
	% of Equity	% of Total
Naspers -N	9.7%	9.5%
SAB Miller	8.0%	7.8%
BHPBilliton	7.1%	7.0%
MTN	6.7%	6.6%
Richemont	6.4%	6.3%
Steinhoff	5.2%	5.1%
Old Mutual	4.9%	4.8%
Sasol	3.6%	3.6%
Anglo American	3.1%	3.1%
Standard Bank	3.1%	3.0%



### SECTOR EXPOSURE



### EQUITY INDUSTRY ALLOCATION



### MONTHLY RETURNS

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	2.0%	5.0%	-0.8%	4.6%								
2014	-2.9%	5.5%	1.6%	2.5%	2.1%	2.8%	0.5%	-0.6%	-2.0%	1.1%	0.0%	-0.1%
2013	3.7%	-1.5%	2.0%	-2.4%	9.3%	-5.1%	4.7%	2.0%	4.7%	3.3%	-0.9%	3.7%
2012	5.5%	1.3%	-1.9%	2.8%	-3.4%	1.6%	2.5%	2.8%	1.8%	4.4%	1.9%	3.6%
2011	-2.1%	3.1%	0.1%	2.0%	-0.5%	-2.1%	-1.8%	-0.1%	-2.6%	8.9%	1.5%	-2.2%
2010	-4.0%	0.2%	7.7%	-0.5%	-5.9%	-3.3%	8.1%	-3.4%	8.5%	2.7%	-1.2%	5.9%
2009	-4.1%	-9.8%	10.7%	1.3%	10.2%	-2.1%	9.9%	2.7%	-0.4%	6.6%	2.3%	3.0%

### PORTFOLIO MANAGEMENT



**Bradley Preston, BSc (Hons), MSc (Fin Maths)**

Portfolio Manager

Brad received his MSc in Financial Mathematics from UCT with distinction for his thesis focussing on derivative pricing. He joined Mergence Investment Managers in 2005 as part of the absolute return team where he is currently a Portfolio Manager. Brad is also Portfolio Manager of the Mergence Equity mandates and heads up quantitative analysis.



**Fabian de Beer, B Com, H.Dip.Ed**

Chief Investment Officer

Fabian has over 25 years investment experience, having obtained his B Com at UWC majoring in Accounting and Economics, followed by a post graduate H.Dip.Ed. He has held a number of senior and executive management positions namely: Head of the Group ALM function at Standard Bank/SCMB (Treasury); senior manager of ALM/risk assessment at Eskom Treasury; senior positions at the Eskom Pension Fund of which most of the time was spent heading Investment Multi-Management and playing a major role in investment and portfolio strategy as well as asset allocation. He then joined BRAIT SA as Executive Director and lead investment manager for its Fund of Hedge Funds. In 2006, Fabian joined Mergence Investment Managers as Investment Strategist, a role he still fulfills.

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