



### OVERVIEW

	Low                      Moderate                      High
<b>Equity Risk Profile</b>	
<b>Fund Purpose</b>	Generate capital growth over long term while promoting socially responsible investment
<b>Benchmark</b>	CPI +3% pa over rolling 3-year period
<b>Investment Vehicle</b>	Pooled
<b>Inception date</b>	14 June 2010
<b>Number of Months</b>	58
<b>Fund Size</b>	R 196.31 million
<b>Minimum Investment</b>	R 25 million (none for pooled)
<b>Management Fee</b>	Subject to mandate (usually between 0.55% and 0.90% per annum, excl VAT)
<b>Performance fees</b>	Negotiable

### INVESTMENT OBJECTIVE

The Mergence SRI Fund has a long-term performance target of inflation +3% per annum. The Fund is a blend of the Mergence ESG Equity Fund and the Mergence High Impact Debt Fund. It invests in assets that are socially responsible and incorporates the following factors:

#### Environmental

Reducing carbon footprint, positively impacting biodiversity, promoting green building and sustainability.

#### Social

Job creation, SMME & entrepreneurship development, CSI, community interaction, better customer services and lower prices.

#### Governance

Transparency, ethics and corporate governance.

### FUND COMPOSITION

The Mergence SRI Fund equally combines the following underlying funds<sup>#</sup>:

#### Mergence High Impact Debt Fund

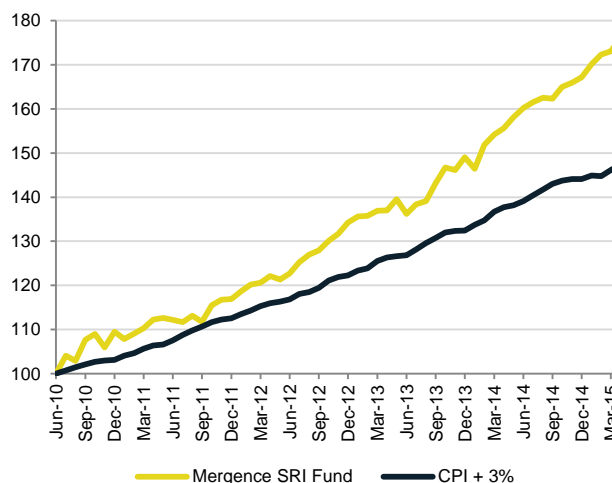
The Mergence High Impact Debt Fund is a socially responsible fund that invests in projects, businesses, organisations and funds that encourage and enhance growth and development in South Africa. The Fund invests in senior debt investments with the objective of creating positive and sustainable social and/or economic impact beyond financial return. Targeted impact objectives include incremental housing, SMME's, job creation, education, agricultural development, BBBEE and Infrastructure.

#### Mergence ESG Equity Fund

This Fund invests in South African listed equity that are viable, sustainable and have a clear commitment to sound environmental practices. The objective of this Fund is to produce a level of return similar to that of the FTSE/JSE Shareholder Weighted Index [SWIX] while investing in companies with a lower level of CO<sub>2</sub> emissions intensity on average than that of the SWIX Index.

<sup>#</sup> Given the investor's risk/return profile, they can choose various combinations of the underlying funds.

### LONG TERM PERFORMANCE



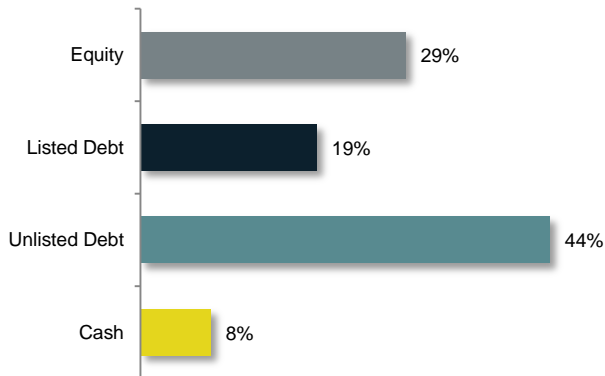
### PERFORMANCE\*\* SUMMARY

Period	Fund	CPI + 3%
1 Month	1.8%	1.7%
3 Months	3.5%	2.6%
6 Months	6.8%	3.4%
1 Year	13.2%	7.0%
2 Year ***	13.4%	8.0%
3 Year ***	13.0%	8.3%
Since Inception***	12.4%	8.3%

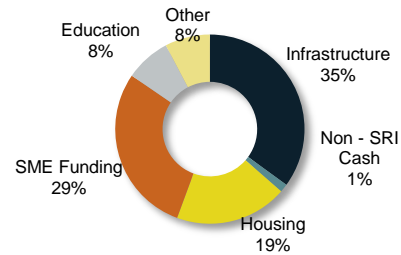
\*\*Returns are quoted gross of fees. \*\*\*Annualised.



### ASSET ALLOCATION



### IMPACT ANALYSIS [MERGENCE HIGH IMPACT DEBT FUND]



### CARBON FOOTPRINT [MERGENCE ESG EQUITY FUND]

The Fund has an estimated average emissions intensity of 40.4 tons of CO2 emissions per million Rand of revenue compared to an average intensity of 52.9 tons for the benchmark. This translates to a 24% reduction in CO2 emissions relative to the SWIX.

### PORTFOLIO MANAGEMENT



**Mark van Wyk, B Com (Hons), CA (SA)**

Portfolio Manager - Impact Funds

Mark has over 12 years of investment experience and his career includes development finance, structured finance, external auditing and property management experience. Prior to joining Mergence Investment Managers in 2011, Mark was responsible for establishing new wholesale debt funding relationships, performing due diligences, drafting business plans, financial modelling, liaison with funding partners and oversight of proprietary private equity investments at Mettle, a company within the financial services sector. As Mergence, Mark is currently head of impact investments and heads up the first South African Impact Investment Pioneer Fund using the USAID funded Global Impact Investing Rating System (GIIRS). He has significant experience of incorporating impact measurement systems based on the Impact Reporting & Investment Standards (IRIS) into the investment process and is one of the leaders in providing institutional investment offerings in high impact investments in South Africa.



**Peta Kobrin, BBusSc (Finance Honours), CA (SA), MCom (Financial Management)**

Credit Analyst

Peta is a CA(SA) and completed her articles at Deloitte where she was placed first with distinction in the CA (SA) Board II in 2007. Since returning from a short stint travelling overseas, Peta has been involved in private equity and developmental finance for Metropolitan Capital and Mayibuye Group. She has also completed her Masters in Financial Management through UCT. Peta joined Mergence in September 2013 as a credit analyst in Mergence's suite of impact funds, which seek to make a measurable and sustainable impact in South Africa while generated sound risk adjusted returns for investors.

Mergence Investment Managers (Pty) Ltd (Mergence), Reg No.2004/021426/07, is a licensed financial services provider under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS) (FSP No 16134) and is approved by the Registrar of Financial Services Providers ([www.fsb.co.za](http://www.fsb.co.za)). The availability of a complete list and description of all of the firm's GIPS composites is available upon request. Additional information regarding policies for calculating and reporting returns is available upon request. Though Mergence take care in the accuracy of data, we take no responsibility for any information contained herein or attached. Such information is not intended nor does it constitute financial, tax, legal, investment or other advice, including but not limited to "advice" as defined in FAIS. Mergence does not guarantee the suitability or potential value of any information found in this communication. The user of this communication should consult with a qualified financial advisor before relying on any information found herein and before any decision taking action in reliance thereon. The user of any information should be aware that the market fluctuate and the value of investments and that changes in rates of exchange may have an effect on the value, price or income investments. Therefore it is possible that an investor may not retain the full amount invested. Past performance is not necessarily a guide to future investment performance. Fund performance figures are gross of management fees, net of all applicable withholding & gross of SA capital gains taxes.