

Mergence ESG Equity Fund

30 September 2017 - Issued: 16 October 2017



MERGENCE

OVERVIEW

	Low	Moderate	High
Equity Risk Profile			
Fund Purpose	Generate capital growth over the long term and promote companies with better than average ESG performance		
Investment Style	Relative Return		
Benchmark	FTSE/JSE Shareholder Weighted Index [SWIX]		
Investment Vehicle	Segregated / Pooled		
Inception date	17 June 2010		
Number of Months	87		
Fund Size	R 391.73 million		
Minimum Investment	R 50 million / none for pooled		
Management Fee	Subject to mandate (usually between 0.55% and 0.70% per annum, excl VAT)		
Performance fees	Negotiable		

INVESTMENT OBJECTIVE

The objective of the Mergence ESG Equity Fund is to outperform the JSE Shareholder Weighted Index [SWIX] while investing in companies with better than average Environmental, Social and Governance performance.

The fund is constructed relative to a SWIX benchmark with overweight positions in those stocks that practice good governance, have a low environmental impact and conduct their business in a socially responsible manner.

The ESG performance of the holdings of the fund are monitored using objective quantitative measures and the overall ESG performance of the fund is monitored versus benchmark to ensure that the fund is delivering on both its financial and ESG objectives.

INVESTOR PROFILE

The Fund is suitable for investors who:

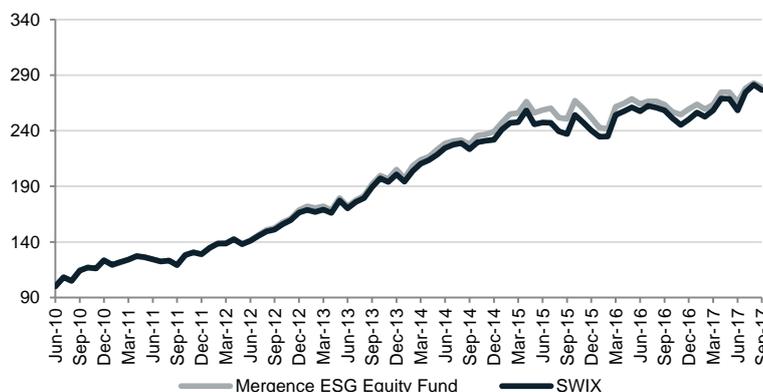
- seek financial return whilst supporting responsible investing that promotes positive ESG practices by listed companies;
- believe long term equity exposure adds value;
- know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

PERFORMANCE** SUMMARY

Period	Fund	SWIX
Tracking Error	1,7%	
1 Month	-1,3%	-1,7%
3 Months	5,2%	7,0%
6 Months	5,9%	7,0%
1 Year	6,0%	7,0%
2 Years (p.a.)	5,5%	8,0%
3 Years (p.a.)	7,0%	7,4%
5 Years (p.a.)	12,9%	12,8%
Since Inception (p.a.)	15,2%	15,1%

** Returns are quoted gross of fees.

LONG TERM PERFORMANCE



CARBON FOOTPRINT

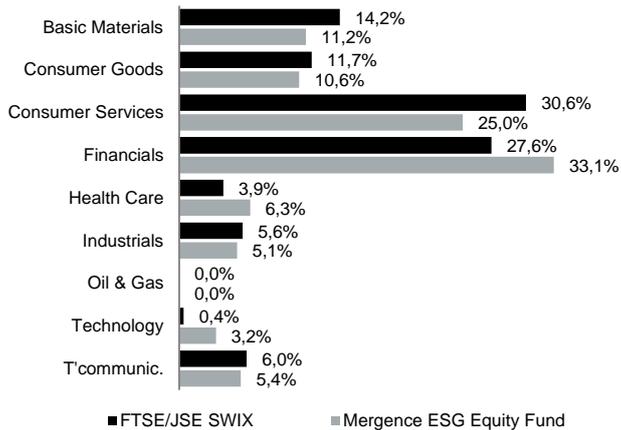
The Fund has an estimated average emissions intensity of 40.4 tons of CO₂ emissions per million Rand of revenue compared to an average intensity of 52.9 tons for the benchmark. This translates to a 24% reduction in CO₂ emissions relative to the SWIX.

Mergence ESG Equity Fund

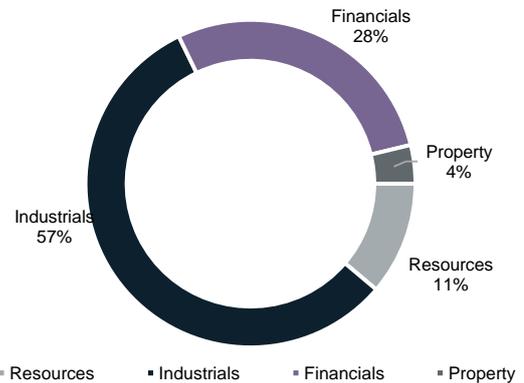
30 September 2017 - Issued: 16 October 2017



SECTOR ALLOCATION



SECTOR EXPOSURE



PORTFOLIO MANAGEMENT



Bradley Preston, BSc Hons, MSc (Financial Mathematics)

Chief Investment Officer: Listed Investments

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 currently a portfolio manager. Brad is also portfolio manager of the Mergence ESG Equity Fund and heads quantitative analysis within the team.



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

Head: Unlisted Investments, Portfolio Manager

Mark has over 12 years' investment experience and his career includes development finance, structured finance, external auditing and property management experience. Prior to joining Mergence 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. Mark is currently head of impact investments and heads up the first South African Impact 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.

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). 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.

Mergence Investment Managers (Pty) Ltd, 6th Floor The Equinox, Cnr Milton and Main Roads, Sea Point, 8005

P O Box 8275, Roggebaai, 8012 / T: +27 21 433 2960 / F: +27 433 0675 / E: info@mergence.co.za