

Mergence ESG Equity Fund

30 September 2018 - Issued: 15 October 2018



MERGENCE

OVERVIEW

Equity Risk Profile	Low	Moderate	High
	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	99		
Fund Size	R 404.822 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 through objective measures and management interaction 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

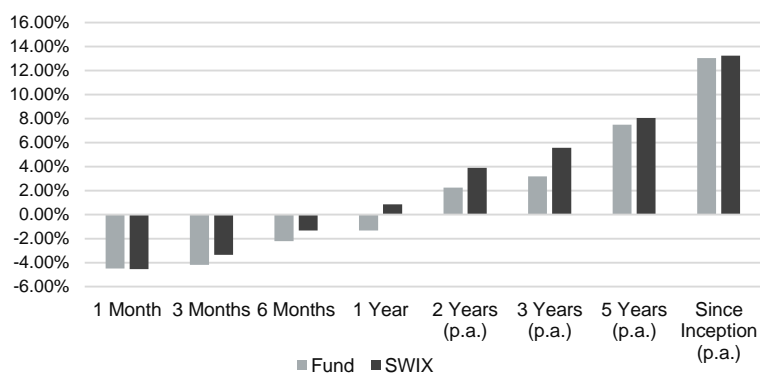
The Fund is suitable for investors who:

- 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	1.96%	
1 Month	-4.50%	-4.54%
3 Months	-4.19%	-3.34%
6 Months	-2.22%	-1.33%
1 Year	-1.32%	0.86%
2 Years (p.a.)	2.25%	3.89%
3 Years (p.a.)	3.19%	5.58%
5 Years (p.a.)	7.50%	8.05%
Since Inception (p.a.)	13.05%	13.24%

** Returns are quoted gross of fees.



CARBON FOOTPRINT

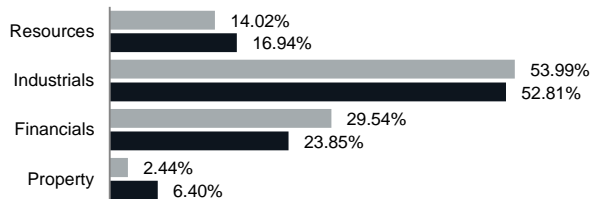
The Mergence ESG Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence ESG Fund's Carbon Footprint is available on request.

Mergence ESG Equity Fund

30 September 2018 - Issued: 15 October 2018

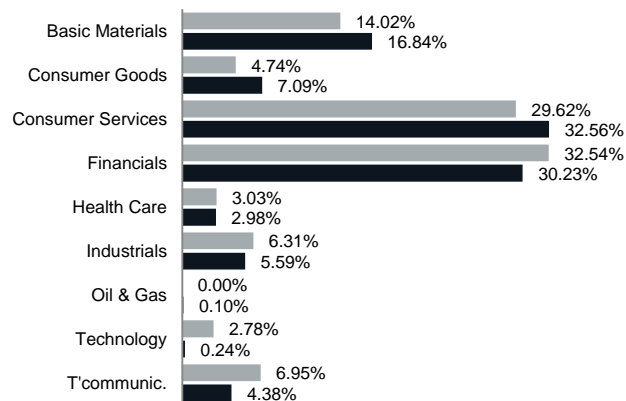


BROAD SECTOR EXPOSURE



■ Mergence ESG Equity Fund ■ FTSE/JSE SWIX

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. Brad currently heads up our equity investment product offering and is also Portfolio Manager of the Mergence ESG Equity Fund.



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

Head: Unlisted Investments, Portfolio Manager

As Head of Mergence Unlisted Investments, Mark is responsible for overseeing all activities across the unlisted credit and unlisted equity asset portfolios. His career spans more than 16 years in the capital and investment markets. He started his career in property asset management at Sanlam Properties. Mark served his articles at PricewaterhouseCoopers in Cape Town, specialising in structured finance and financial services where he qualified as a chartered accountant. He then spent six years at Mettle Investments, a corporate finance and financial services boutique where he specialised in corporate finance, structured finance, specialist income funds and private equity transactions. Mark joined Mergence in 2010. He spent five years as portfolio manager of the Renewable Energy Debt Fund and the Mergence High Impact Debt Fund, one of only two GIIRS rated funds in South Africa. In 2014, Mark received the ABSIP Award for Best Alternative Asset/Fund Manager.

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