

Mergence SRI Fund

30 September 2018 - Issued: 15 October 2018



MERGENCE

OVERVIEW

	Low	Moderate	High
Equity Risk Profile			
Fund Purpose	Generate capital growth over long term while promoting socially responsible investment		
Benchmark	CPI +3% pa over rolling 3-year period		
Investment Vehicle	Pooled		
Inception date	14 June 2010		
Number of Months	100		
Fund Size	R 109.456 million		
Minimum Investment	none		
Management Fee	Subject to mandate (usually between 0.65% and 0.95% per annum, excl VAT)		
Performance fees	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 Infrastructure & Development | 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 is a blend of the following funds:

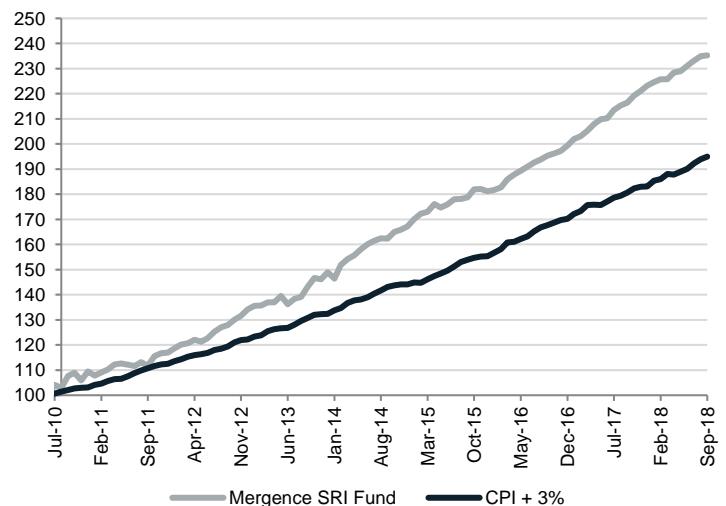
Mergence High Impact Debt Fund

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 CO₂ emissions intensity on average than that of the SWIX Index.

LONG TERM PERFORMANCE



PERFORMANCE** SUMMARY

Period	Fund	CPI + 3%
1 Month	0.13%	0.15%
3 Months	1.80%	1.86%
6 Months	4.19%	3.95%
1 Year	8.68%	7.94%
2 Years (p.a.)	9.75%	7.83%
3 Years (p.a.)	9.58%	8.20%
5 Years (p.a.)	10.45%	8.32%
Since Inception (p.a.)	10.93%	8.34%

**Returns are quoted gross of fees.

Mergence SRI Fund

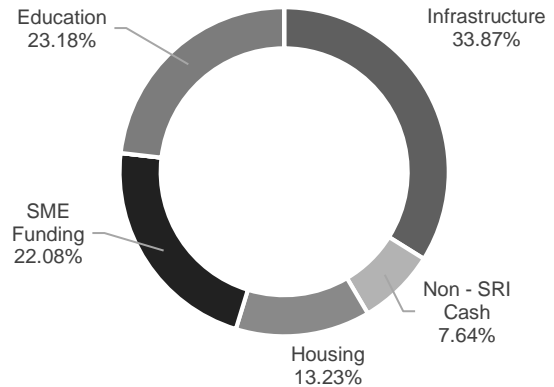
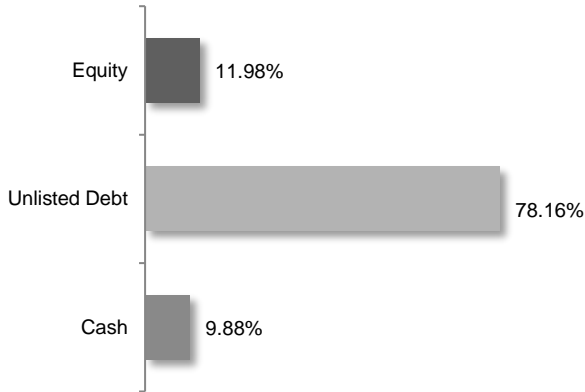
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MERGENCE

ASSET ALLOCATION

IMPACT ANALYSIS [MERGENCE HIGH IMPACT DEBT FUND]



PORTFOLIO MANAGEMENT



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 18 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.



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

Head: 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.

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