

## Fund Fact Sheet

# Mergence SRI Fund

31 October 2018 - Issued: 16 November 2017



### 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>	100		
<b>Fund Size</b>	R 109.03 million		
<b>Minimum Investment</b>	none		
<b>Management Fee</b>	Subject to mandate (usually between 0.65% and 0.95% 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 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:

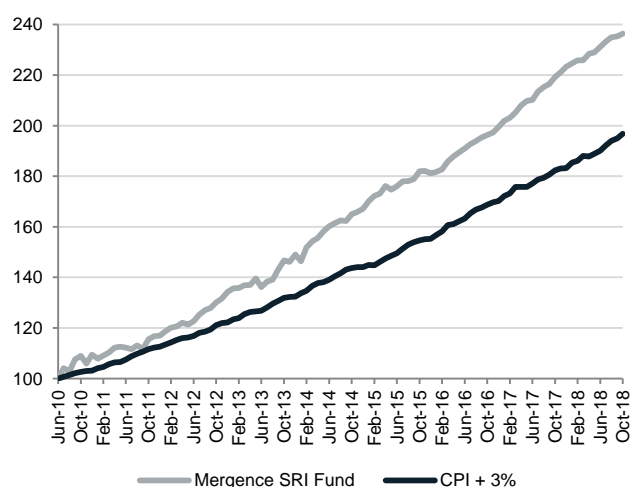
#### Mergence High Impact Debt Fund

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 CO<sub>2</sub> emissions intensity on average than that of the SWIX Index.

### LONG TERM PERFORMANCE



### PERFORMANCE\*\* SUMMARY

Period	Fund	CPI + 3%
1 Month	0.5%	0.7%
3 Months	1.4%	1.9%
6 Months	3.5%	4.0%
1 Year	7.8%	7.9%
2 Years (p.a.)	9.7%	8.0%
3 Years (p.a.)	9.1%	8.4%
5 Years (p.a.)	10.0%	8.3%
Since Inception (p.a.)	10.9%	8.3%

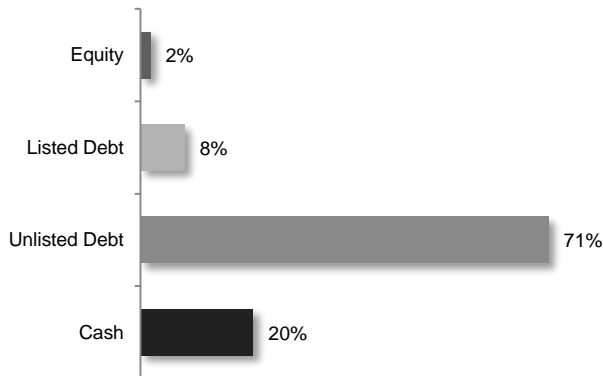
\*\*Returns are quoted gross of fees.

# Mergence SRI Fund

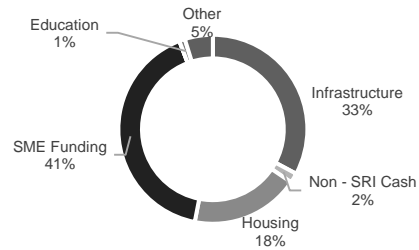
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## ASSET ALLOCATION



## 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)**

Head: Unlisted Investments, Portfolio Manager

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.



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

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 is currently a Portfolio Manager. Brad is also Portfolio Manager of the Mergence Equity mandates and heads up quantitative analysis.

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