

## Fund Fact Sheet

# Mergence Capped SWIX Fund

30 April 2019 - Issued: 16 May 2019



### OVERVIEW

	Low	Moderate	High
<b>Equity Risk Profile</b>			
<b>Fund Purpose</b>	Generate capital growth over the long term		
<b>Investment Style</b>	Relative Return		
<b>Benchmark</b>	FTSE/JSE Capped Shareholder Weighted Index [Capped SWIX]		
<b>Investment Vehicle</b>	Segregated / Pooled		
<b>Inception date</b>	February 2017		
<b>Number of Months</b>	26		
<b>Fund Size</b>	R 2.408 billion		
<b>Minimum Investment</b>	R 50 million (none for pooled)		
<b>Management Fee</b>	Subject to mandate (usually between 0.45% and 0.75% per annum)		
<b>Performance fees</b>	Negotiable		

### INVESTMENT OBJECTIVE

The Mergence Capped SWIX Fund aims to provide investors with capital growth over the long term. The objective is to achieve returns that are in excess of the FTSE/JSE Capped Shareholder Weighted Index [Capped SWIX] over any three-year rolling period. The fund is managed as a core mandate targeting maximum active returns relative to tracking error volatility.

Our philosophy of pragmatism underlines our approach to investing in equities, and thus the Fund's objective to be a consistent generator of alpha through cycles. We embrace a style agnostic approach given the cyclicality in performance of a strong bias to either value or growth styles. Our investment process is based on detailed bottom up fundamental analysis. We aim to invest in high quality businesses that are trading at a discount to our assessment of fair value. Our equity investment process is comprehensive, proprietary research driven and long term focused.

### INVESTOR PROFILE

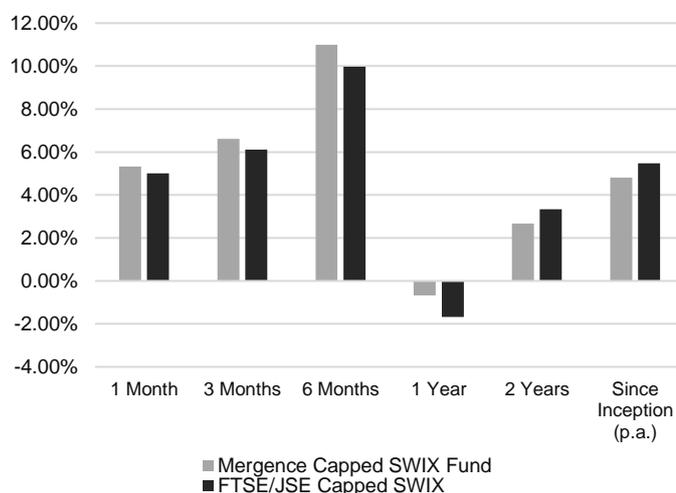
#### The Fund is suitable for investors:

- who seek specialist South African equity exposure as part of their overall investment strategy;
- who believe long term equity exposure adds value;
- who know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

### CARBON FOOTPRINT

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

### PERIODIC RETURNS



### PERFORMANCE\*\* SUMMARY

Period	Fund	Capped SWIX	Active Return
Tracking Error	1.96%		
Information Ratio	-0.34		
1 Month	5.33%	5.00%	0.33%
3 Months	6.62%	6.11%	0.51%
6 Months	10.99%	9.98%	1.02%
1 Year	-0.67%	-1.67%	1.00%
2 Years	2.66%	3.33%	-0.67%
Since Inception (p.a.)	4.81%	5.48%	-0.66%
<b>Year</b>	<b>Fund</b>	<b>Capped SWIX</b>	<b>Active Return</b>
2019 (YTD)	9.26%	9.05%	0.21%
2018	-9.65%	-10.94%	1.28%
2017 (10 months)	12.17%	15.57%	-3.40%

\*\* Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

### TOP TEN HOLDINGS

	% of Equity	% of Total
Naspers	11.12%	10.89%
MTN	6.03%	5.91%
Standard Bank	5.85%	5.73%
Anglo American	4.36%	4.27%
Datatec	4.16%	4.07%
Sasol	4.12%	4.04%
RMB Hold	3.82%	3.74%
BHPBilliton	3.79%	3.71%
Mondi plc	3.20%	3.13%
Aspen	2.78%	2.72%

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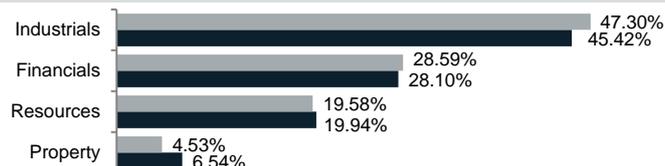
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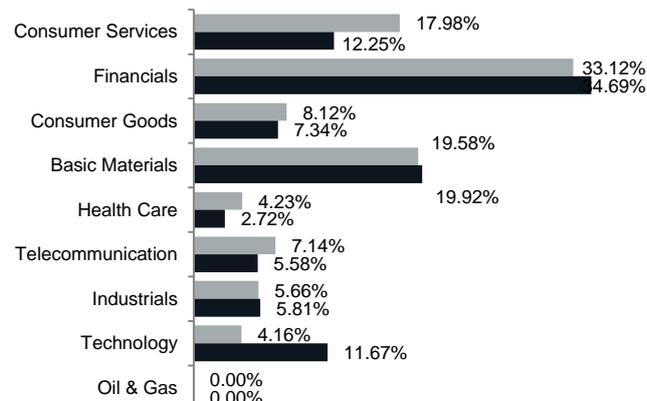


### BROAD SECTOR EXPOSURE



■ Mergence Capped SWIX Fund  
■ FTSE/JSE Capped SWIX

### SECTOR ALLOCATION



### MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2019	2.47%	1.37%	-0.14%	5.33%								
2018	0.05%	-0.23%	-4.03%	3.74%	-4.20%	0.41%	1.73%	0.35%	-4.54%	-4.54%	-1.11%	2.73%
2017			1.01%	4.01%	-0.87%	-3.06%	4.11%	2.14%	-1.42%	4.35%	1.57%	-0.01%

### INVESTMENT PROFESSIONALS



**Bradley Preston, BSc (Hons) (Mathematics & Statistics), MSc (Financial Mathematics)**

Head: Listed Investments

Brad has 13 years' experience in the asset management industry. He is a regular commentator in the media and well known for his views on responsible investing. In 2004 Brad received an MSc in Financial Mathematics from UCT with distinction for his thesis on derivative pricing. He joined Mergence Investment Managers in 2005 as part of the absolute return team. Brad is currently Head: Listed Investments. He heads up the equity investment product offering and is also Portfolio Manager of the Mergence ESG Equity Fund. Brad is a member of the Executive Committee of Mergence Investment Managers.



**Peter Takaendesa, BCom (Economics), MCom (Economics), MCom (Finance and Economics)**

Portfolio Manager

Peter joined Mergence in January 2014 as a senior equity investment analyst specialising in the technology, media and telecoms (TMT) sector. He has some 11 years' financial services industry experience during which time he worked for two global investment banks, Credit Suisse Standard Securities and RMB Morgan Stanley. Top ratings in the Financial Mail annual analyst rankings and winning the ABSIP South Africa equity analyst of the year in 2011 are some of Peter's achievements.

Brought up in Johannesburg, he obtained an MCom at Rhodes University majoring in Finance and Economics, followed by a number of professional industry certifications. Prior to joining the financial services industry, Peter was a university lecturer in Economics and published a number of papers in leading academic journals. He is a regular commentator in the media.

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