

Mergence Infrastructure & Development | Debt

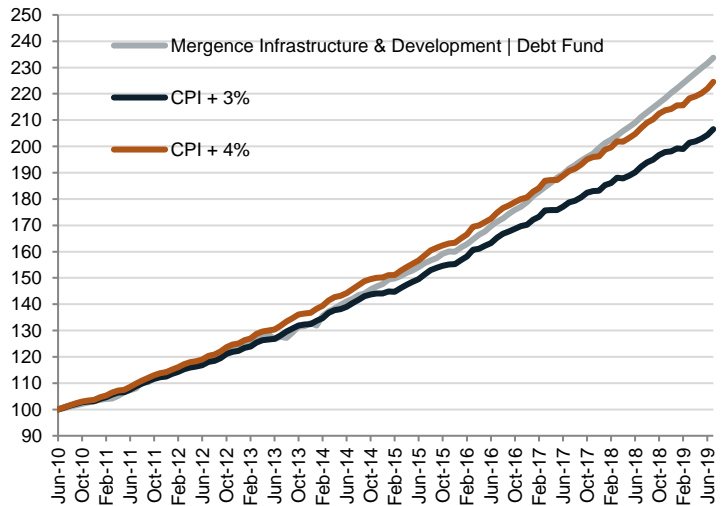
31 July 2019 - Issued: 16 August 2019



OVERVIEW

| | |
|----------------------------|---|
| | Low Moderate High |
| Equity Risk Profile | |
| Fund Purpose | Generate long-term capital growth, while promoting socially responsible investing and development |
| Benchmark | Headline Consumer Price Index (CPI) +3% per annum over rolling 3-years |
| Investment Vehicle | Segregated / Pooled |
| Inception date | 16 June 2010 |
| Number of Months | 109 |
| Fund Size | R 229.06 million |
| Minimum Investment | R 100 million / none for pooled |
| Investment Period | 3-year lock-in period |
| Management Fee | Subject to mandate (usually between 1.00% and 1.50% per annum, excl VAT) |
| Performance fees | Negotiable |

LONG TERM TRACK RECORD



INVESTOR PROFILE

The Fund is suitable for institutional investors:

- who seek exposure through supporting high impact developmental investing in terms of social, environmental and governance criteria;
- who are comfortable with the inherent volatility of the financial markets, and who acknowledge that the effects of impact investing occur over medium to long term time horizons;
- who seek long term capital growth whilst promoting impact and socially responsible investing.

INVESTMENT MANDATE

The Mergence Infrastructure & Development | 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. This Fund aims to invest in debt investments issued to create positive and sustainable social and/or economic impact beyond the financial return.

INVESTMENT OBJECTIVE

The Mergence Infrastructure & Development | Debt Fund has a long-term performance target of inflation +3% per annum over the medium to long term by investing in opportunities that create both a positive and measurable social developmental and/or environmental impact.

IMPACT REPORTING

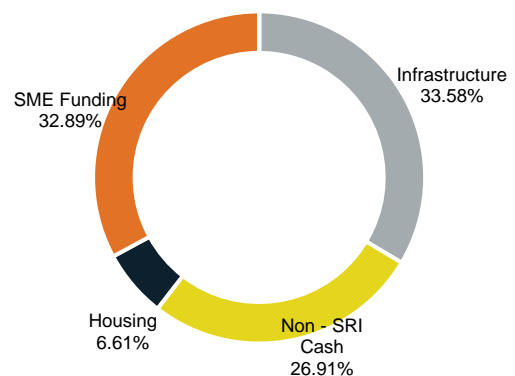
The Fund utilises a detailed process to evaluate and verify the social and environmental impact of each investment. Approved investments will be expected to achieve the Fund's financial return objectives, whilst also satisfying social impact, environmental and governance criteria.

PERFORMANCE** DETAILS

| Period | Fund | CPI + 3% |
|------------------------|--------|----------|
| 1 Month | 0.91% | 0.60% |
| 3 Months | 2.56% | 2.00% |
| 6 Months | 5.21% | 4.23% |
| Year to date | 6.12% | 4.29% |
| 1 Year | 10.69% | 7.46% |
| 2 Years (p.a.) | 10.46% | 7.51% |
| 3 Years (p.a.) | 10.89% | 7.71% |
| 5 Years (p.a.) | 10.47% | 8.02% |
| Since Inception (p.a.) | 9.80% | 8.26% |

** Returns are quoted gross of fees.

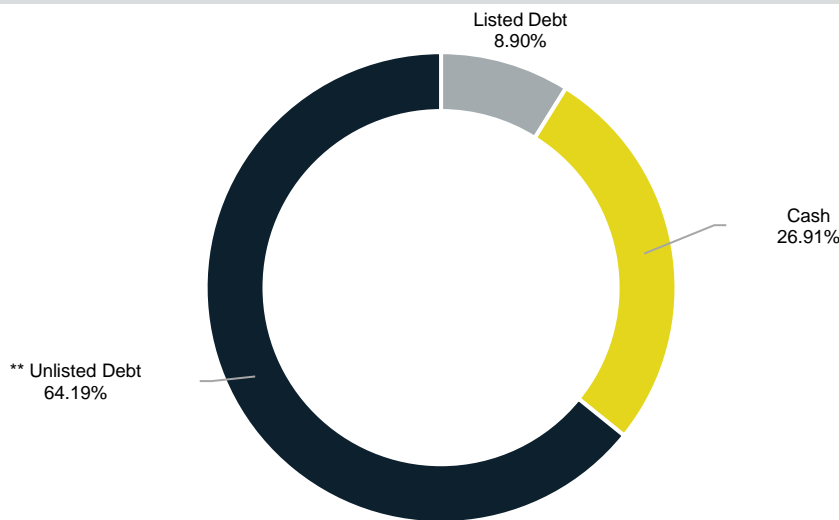
Impact Allocation





FUND STRUCTURE

Asset Allocation



** Target asset allocation for Unlisted Debt of 80%

PORTFOLIO MANAGEMENT TEAM



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

Head: Unlisted Investments, Portfolio Manager

As a leader in institutional impact and infrastructure investments, Mark has nearly 20 years of experience in the capital and investment markets. Based largely in Cape Town, he has worked at Sanlam Properties, PwC and Mettle where he specialised in corporate finance, structured finance, specialist income funds and private equity transactions. Mark joined Mergence in 2010 where as Head: Unlisted Investments, he oversees the unlisted credit and unlisted equity asset portfolios.

Mark is a sought-after commentator and a guest lecturer at the UCT Graduate School of Business. He serves on the ASISA Responsible Investments Committee and has won ABSIP awards for Alternative Asset Manager in 2014 and 2016. He is a qualified CA and has a BCom (Hons) from the University of Natal.

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.