

## Fund Fact Sheet

# Mergence SRI Fund

30 September 2019 - Issued: 11 October 2019



### 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>	111		
<b>Fund Size</b>	R 24.01 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:

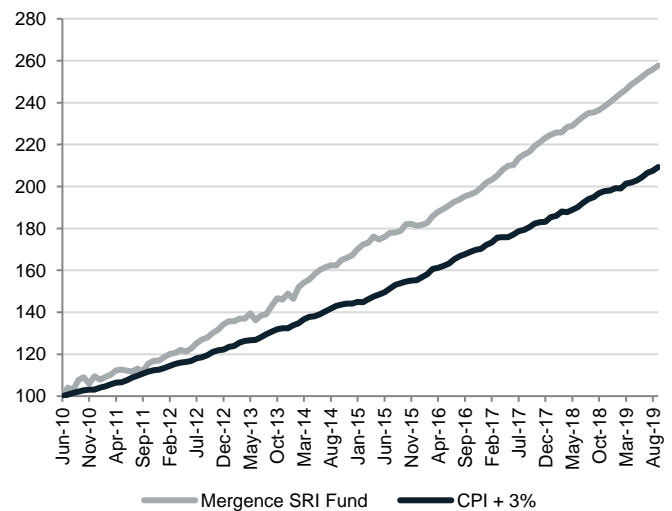
#### Mergence High Impact Debt Fund

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	0.71%	0.51%
3 Months	2.12%	1.72%
6 Months	4.59%	4.21%
1 Year	9.53%	7.34%
2 Years (p.a.)	9.10%	7.64%
3 Years (p.a.)	9.67%	7.67%
5 Years (p.a.)	9.68%	7.91%
Since Inception (p.a.)	10.78%	8.23%

\*\*Returns are quoted gross of fees.

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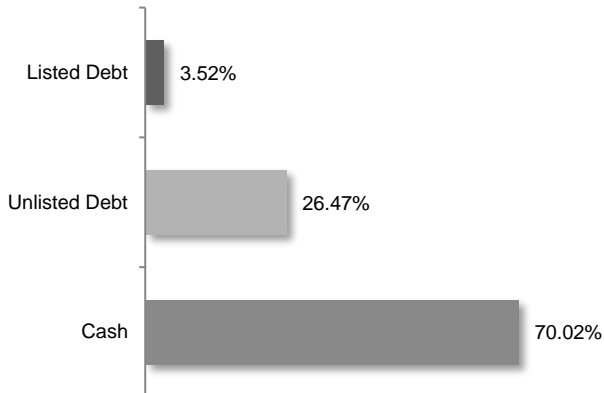
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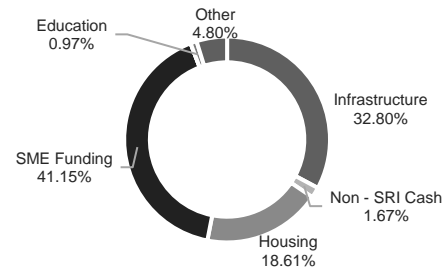
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### ASSET ALLOCATION



### 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions relative to the SWIX.

### PORTFOLIO MANAGEMENT



#### 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.



#### 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.

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