

# Mergence ESG Equity Fund

29 February 2020 - Issued: 16 March 2020



## OVERVIEW

<b>Equity Risk Profile</b>	<div style="display: flex; justify-content: space-between; width: 100%;"> <span>Low</span> <span>Moderate</span> <span>High</span> </div>
<b>Investment Style</b>	Generate capital growth over the long term and promote companies with better than average ESG performance
<b>Benchmark</b>	Relative Return FTSE/JSE Shareholder Weighted Index [SWIX]
<b>Investment Vehicle</b>	Segregated / Pooled
<b>Inception date</b>	17 June 2010
<b>Number of Months</b>	116
<b>Fund Size</b>	R 340,93 million
<b>Minimum Investment</b>	R 50 million / none for pooled
<b>Management Fee</b>	Subject to mandate (usually between 0.55% and 0.70% per annum, excl VAT)
<b>Performance fees</b>	Negotiable

## INVESTMENT OBJECTIVE

The objective of the Mergence ESG Equity Fund is to outperform the JSE Shareholder Weighted Index [SWIX] while investing in companies with better than average Environmental, Social and Governance performance.

The fund is constructed relative to a SWIX benchmark with overweight positions in those stocks that practice good governance, have a low environmental impact and conduct their business in a socially responsible manner.

The ESG performance of the holdings of the fund are monitored through objective measures and management interaction and the overall ESG performance of the fund is monitored versus benchmark to ensure that the fund is delivering on both its financial and ESG objectives.

## INVESTOR PROFILE

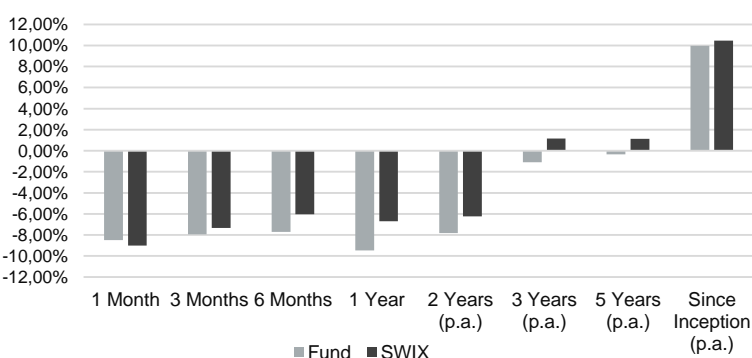
**The Fund is suitable for investors who:**

- seek financial return whilst supporting responsible investing that promotes positive ESG practices by listed companies;
- believe long term equity exposure adds value;
- know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

## PERFORMANCE\*\* SUMMARY

Period	Fund	SWIX
Tracking Error	1,98%	
1 Month	-8,50%	-9,00%
3 Months	-7,94%	-7,34%
6 Months	-7,72%	-6,02%
1 Year	-9,47%	-6,69%
2 Years (p.a.)	-7,84%	-6,23%
3 Years (p.a.)	-1,09%	1,17%
5 Years (p.a.)	-0,34%	1,14%
Since Inception (p.a.)	9,97%	10,46%

\*\* Returns are quoted gross of fees.



## CARBON FOOTPRINT

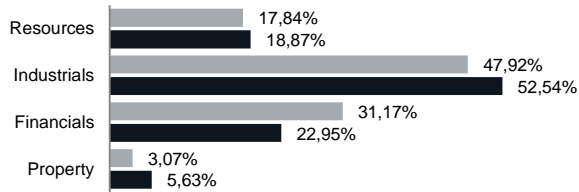
The Mergence ESG Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence ESG Fund's Carbon Footprint is available on request.

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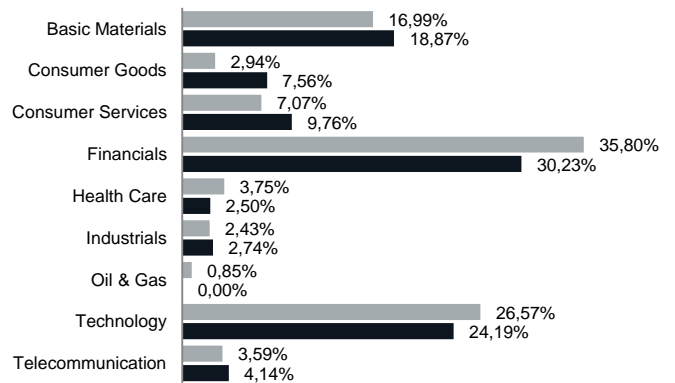


## BROAD SECTOR EXPOSURE



■ Mergence ESG Equity Fund ■ FTSE/JSE SWIX

## SECTOR EXPOSURE



## PORTFOLIO MANAGEMENT



**Peter Takaendesa**, Bcom (Economics), M Com (Finance & Economics)

Head: Equities

Peter joined Mergence in January 2014 as a senior equity investment analyst specialising in the technology, media and telecoms (TMT) sector. He has some 12 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. In November 2019, Peter was promoted to Head of Equities for Mergence Investment Managers. 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.



**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.

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