

Fund Fact Sheet

Mergence SRI Fund

29 February 2020 - Issued: 16 March 2020



OVERVIEW

	Low	Moderate	High
Equity Risk Profile			
Fund Purpose	Generate capital growth over long term while promoting socially responsible investment		
Benchmark	CPI +3% pa over rolling 3-year period		
Investment Vehicle	Pooled		
Inception date	14 June 2010		
Number of Months	116		
Fund Size	R 24,45 million		
Minimum Investment	none		
Management Fee	Subject to mandate (usually between 0.65% and 0.95% per annum, excl VAT)		
Performance fees	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:

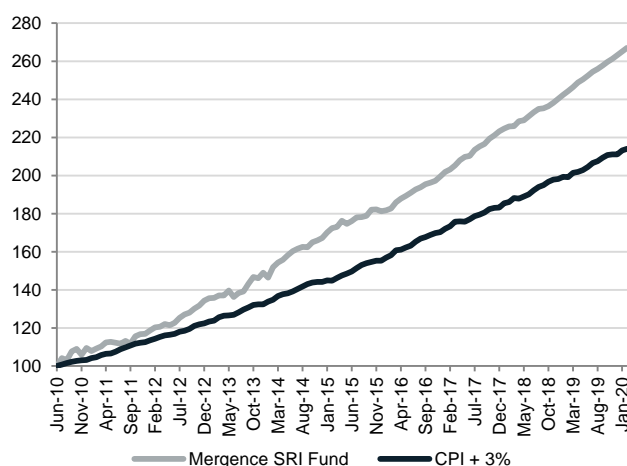
Mergence High Impact Debt Fund

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 CO₂ emissions intensity on average than that of the SWIX Index.

LONG TERM PERFORMANCE



PERFORMANCE** SUMMARY

Period	Fund	CPI + 3%
1 Month	0,69%	0,51%
3 Months	2,18%	1,36%
6 Months	4,34%	2,64%
1 Year	9,26%	7,49%
2 Years (p.a.)	8,74%	7,24%
3 Years (p.a.)	9,54%	7,29%
5 Years (p.a.)	9,15%	8,13%
Since Inception (p.a.)	10,69%	8,10%

**Returns are quoted gross of fees.

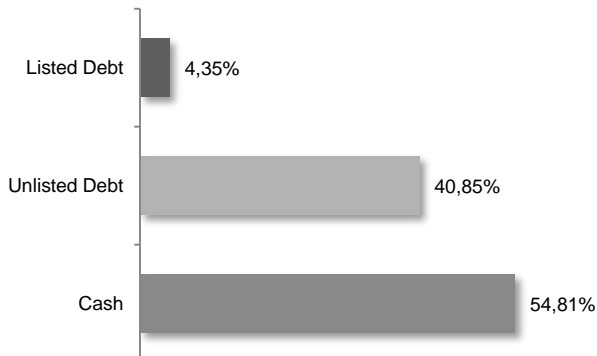
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Mergence SRI Fund

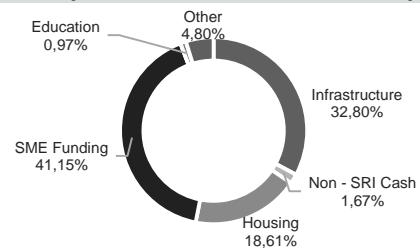
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ASSET ALLOCATION



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

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.



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.

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