

## Fund Fact Sheet

# Mergence SRI Fund

30 April 2020 - Issued: 21 May 2020



### OVERVIEW

<b>Equity Risk Profile</b>	Low <span style="display: inline-block; width: 100px; height: 10px; background: linear-gradient(to right, black, grey); border-radius: 5px; position: relative;"><div style="position: absolute; left: 20px; top: -5px;">Low</div><div style="position: absolute; right: 20px; top: -5px;">Moderate</div><div style="position: absolute; right: 0px; top: -5px;">High</div></span>
<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>	118
<b>Fund Size</b>	R 25,14 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:

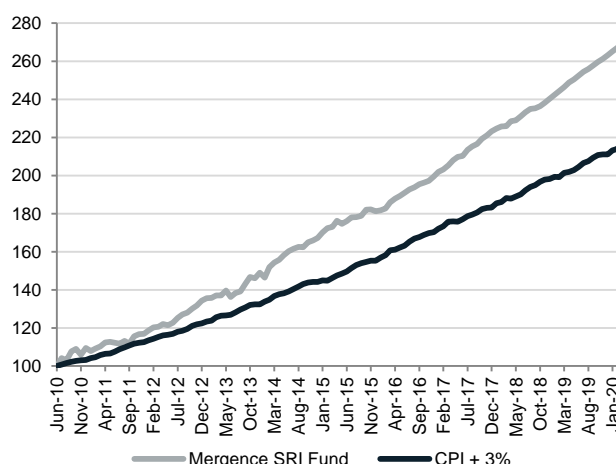
#### Mergence High Impact Debt Fund

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	0,66%	0,59%
3 Months	2,11%	2,32%
6 Months	4,32%	3,43%
1 Year	8,84%	7,14%
2 Years (p.a.)	8,88%	7,33%
3 Years (p.a.)	9,19%	7,16%
5 Years (p.a.)	8,98%	7,97%
Since Inception (p.a.)	10,66%	8,15%

\*\*Returns are quoted gross of fees.

**Mergence Investment Managers (Pty) Ltd**, 2nd floor, Cape Town Cruise Terminal, Duncan Road, V&A Waterfront, Cape Town, South Africa, 8001  
P O Box 8275, Roggebaai, 8012 / T: +27 21 433 2960 / F: +27 433 0675 / E: info@mergence.co.za

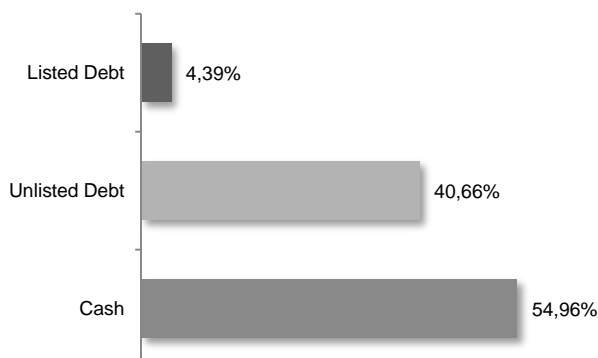
## Fund Fact Sheet

# Mergence SRI Fund

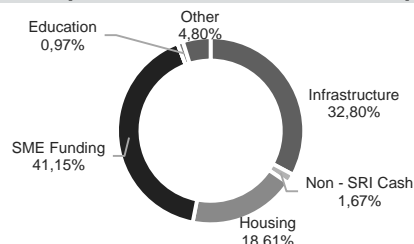
30 April 2020 - Issued: 21 May 2020



### 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.

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](http://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.

**Mergence Investment Managers (Pty) Ltd**, 2nd floor, Cape Town Cruise Terminal, Duncan Road, V&A Waterfront, Cape Town, South Africa, 8001  
P O Box 8275, Roggebaai, 8012 / T: +27 21 433 2960 / F: +27 433 0675 / E: [info@mergence.co.za](mailto:info@mergence.co.za)