

Mergence Equity Prime Fund (A1)

Minimum Disclosure Document

September 2020



M E R G E N C E
INVESTMENT MANAGERS

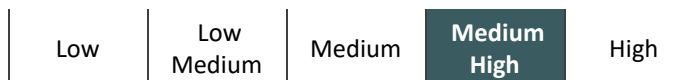
Fund Description and Summary of Investment Mandate

Our philosophy of pragmatism underlines our approach to investing in equities, and thus the Fund's objective to be a consistent generator of alpha through cycles. We embrace a style agnostic approach given the cyclical nature in performance of a strong bias to either value or growth styles. Our investment process is based on detailed bottom up fundamental analysis. We aim to invest in high quality businesses that are trading at a discount to our assessment of fair value. Our equity investment process is comprehensive, proprietary research driven and long term focused.

Investment Objective

The Mergence Equity Prime Fund¹ is a collective investment scheme that aims to provide investors with capital growth over the long term. The objective is to achieve returns that are in excess of the FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX) over any three year rolling period, without exposing the Fund to excessive risk.

Risk Indicator



Medium - High Risk

- This portfolio has a higher exposure to equities than any other risk profiled portfolio and therefore tends to carry higher volatility due to high exposure to equity markets.
- Expected potential long term returns are high, but the risk of potential capital losses is high as well, especially over shorter periods.

The Fund is suitable for investors who:

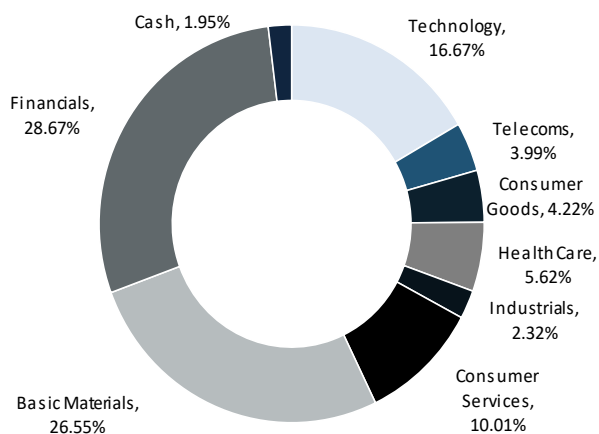
- Seek specialist South African equity exposure as part of their overall investment strategy;
- Believe long term equity exposure adds value;
- Understand the nature of equity exposure in that there is a risk of market fluctuations.

Fund Performance [Net of Fees]

	Fund	Benchmark	Active Return
1 Month	-1.38%	-1.07%	-0.32%
6 Months	18.28%	22.88%	-4.59%
1 Year	-10.76%	-5.02%	-5.73%
3 Years	-5.11%	-2.75%	-2.36%
5 Years	-1.23%	1.42%	-2.65%
Since Inception Annualised	6.93%	7.68%	-0.75%
Since Inception Cumulative	92.13%	105.75%	-13.61%

Returns above one year are annualised. Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation [September 2020]



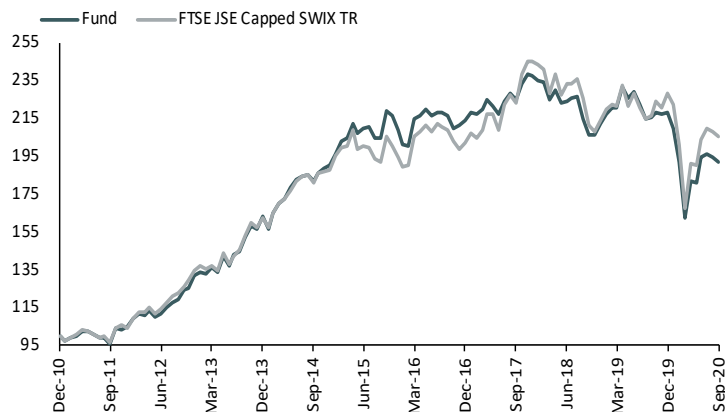
Fund Information

Fund Manager	Mergence Investment Managers (Pty) Ltd
ASISA Fund Category	South African - Equity - General
Benchmark	FTSE/JSE Capped Shareholder Weighted Index (Capped SWIX)*
Class Launch Date	January 2011
Fund Class	A1
Fund Base Fee	1.00% (Excl. VAT)
Total Fund Size	R 49 160 614
Income Distribution Dates	February
Income Payment Dates	3 rd working day of March
JSE Code	MRQPA1
ISIN	ZAE000263133
NAV (cents)	152.55
Pensions Fund Act Reg. 28	Non Compliant

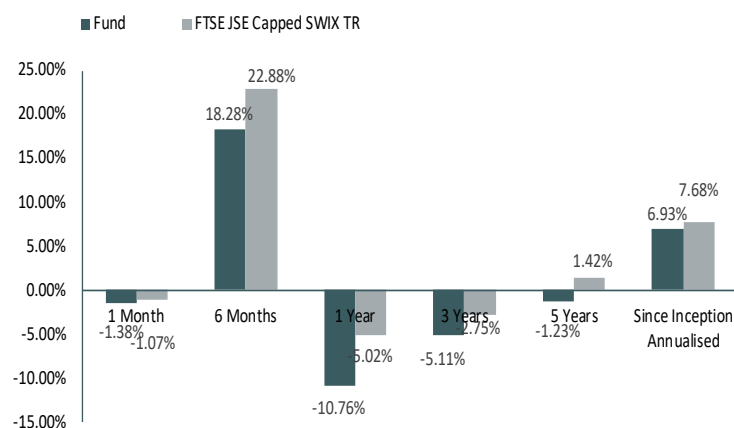
Income Distributions (cpu)

Month	Dividend	Interest	Total
Feb 2020	5.9064	0.7292	6.6356
Feb 2019	0.1868	0.0178	0.2046

Growth of R100 Invested Since Inception



Fund Trailing Performance



¹Previously known as the Mergence Equity Prescient Fund, the fund amalgamated with Prime CIS on the 15th of September 2018.

* Previously FTSE JSE Shareholder Weighted Index (SWIX) until 31 Oct 2018

Mergence Equity Prime Fund (A1)

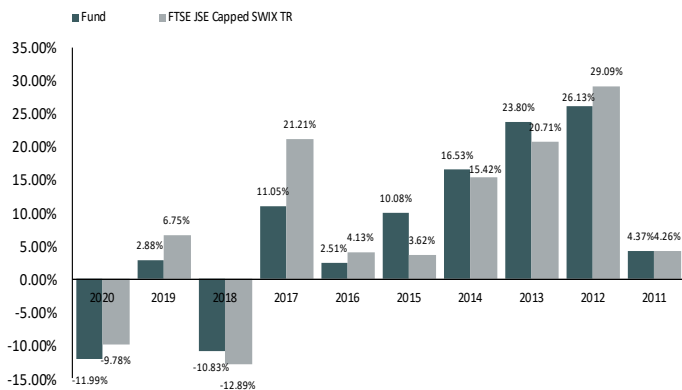
Minimum Disclosure Document

September 2020



M E R G E N C E
INVESTMENT MANAGERS

Fund Calendar Year Performance



Fund Risk Statistics

	Fund	Benchmark
Standard Deviation*	11.72%	13.04%
Tracking Error*	3.84%	
Alpha*	-0.75%	
% Months Outperforming Benchmark	43.59%	
% Positive Months	60.68%	58.97%
Fund Maximum Drawdown: Mar-2020	-31.87%	
Fund Highest Annual Return: Jun-2014	33.15%	
Fund Lowest Annual Return: Mar-2020	-26.39%	

*Annualised

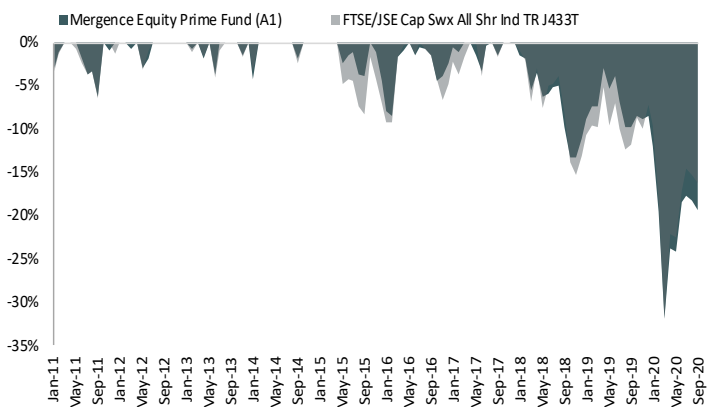
Fund Fees

Fees Structure (% p.a.)	Class A1
Annual Fee (manager)	1.00% (Excl. VAT)
Performance Fee	n/a
Administration Fee	0.15% (Excl. VAT)

Top Equity Holdings

NPN - Naspers Ltd	11.42%
BTI - British American Tobacco Plc	6.66%
AGL - Anglo American Plc	5.26%
FSR - Firststrand Ltd	5.18%
APN - Aspen Pharmacare Hldgs.	4.61%
PRX - Prosus NV	4.21%
BHP - BHP Group Plc	3.81%
SBK - Standard Bank Group Ltd	3.73%
BAT - Brait SE	3.42%
SSW - Sibanye Stillwater Group Ltd	3.41%

Drawdown Analysis



Cost Ratios (Annual) including VAT as at:	Class A1
30 September 2020	
Based on period from :	July 2019 - June 2020
Total Expense Ratio	1.76%
Transaction Costs	0.44%
Total Investment Charge	2.20%

Glossary

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Tracking error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

Sharpe Ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been; i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns.

Alpha is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.

Market Risk: Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the CIS, thereby affecting the overall value of the CIS.

Currency Risk / Foreign Exchange Risk: This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the USD, the investments face currency gains or losses.

Concentration Risk: CIS investment vehicle pools the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a CIS may invest in securities, thereby spreading the risk across securities, asset classes and companies.

Liquidity Risk: This relates to the ability of the CIS to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

Inflation Risk: The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

Compliance Risk: This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

