

## Fund Fact Sheet

# Mergence SRI Fund

30 September 2020 - Issued: 20 October 2020



### 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>	123		
<b>Fund Size</b>	R 26,45 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:

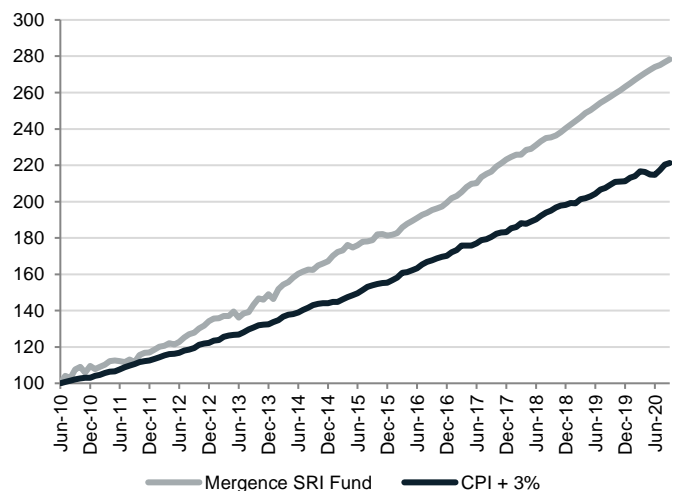
#### Mergence High Impact Debt Fund

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	0,56%	0,42%
3 Months	1,50%	2,75%
6 Months	3,46%	2,70%
1 Year	8,00%	6,09%
2 Years (p.a.)	8,76%	6,71%
3 Years (p.a.)	8,73%	7,12%
5 Years (p.a.)	9,25%	7,60%
Since Inception (p.a.)	10,50%	8,02%

\*\*Returns are quoted gross of fees.

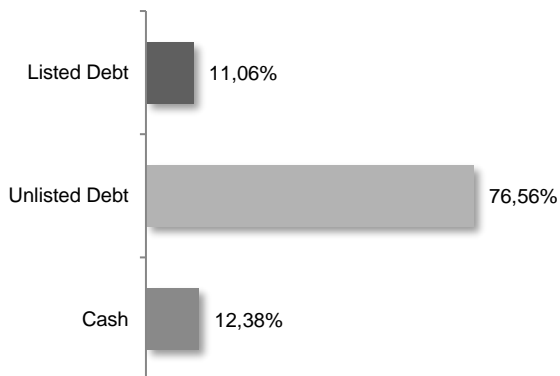
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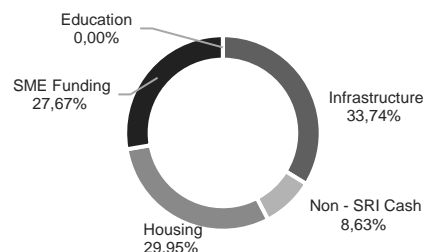
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### ASSET ALLOCATION



### 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 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: Infrastructure & Development (SA)

Mark joined Mergence in 2010 whereas the Head: Infrastructure & Development (SA), he oversees the unlisted credit and unlisted equity asset portfolios. Mark is a qualified CA and has a BCom (Hons) from the University of Natal and is currently completing his MBA. As a leader in institutional impact and infrastructure investments, he 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 specialized in corporate finance, structured finance, specialist income funds, and private equity transactions. 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. Mark is a sought-after conference speaker and media commentator.



#### **Peter Takaendesa, BCom (Economics), MCom (Economics), MCom (Finance and Economics)**

Head: Equities

Peter joined Mergence in 2014 as a senior equity investment analyst specialising in the technology, media, and telecoms (TMT) sector. He has over 12 years' financial services industry experience during which time he worked for Credit Suisse Standard Securities and RMB Morgan Stanley. Peter also received 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. He obtained an MCom at Rhodes University majoring in Finance and Economics, followed by several professional industry certifications. Before joining the financial services industry, Peter was a university lecturer in Economics and published several papers in leading academic journals. He is a regular commentator in the media.

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