

## Fund Fact Sheet

# Mergence SRI Fund

31 May 2021 - Issued: 24 June 2021



### 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> <div style="background-color: #ccc; height: 10px; width: 100%; position: relative;"> <div style="background-color: #333; width: 30%; position: absolute; left: 0;"></div> <div style="background-color: #666; width: 10%; position: absolute; left: 30%;"></div> <div style="background-color: #999; width: 60%; position: absolute; left: 60%;"></div> </div>
<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>	131
<b>Fund Size</b>	R 28,54 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:

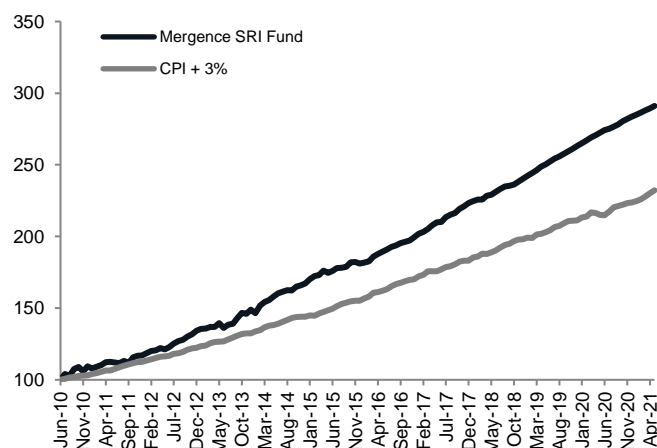
#### Mergence High Impact Debt Fund

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	0,54%	0,92%
3 Months	1,60%	2,78%
6 Months	3,22%	4,05%
1 Year	6,83%	7,43%
2 Years (p.a.)	7,82%	6,69%
3 Years (p.a.)	8,32%	6,92%
5 Years (p.a.)	8,98%	7,32%
Since Inception (p.a.)	10,28%	7,99%

\*\*Returns are quoted gross of fees.

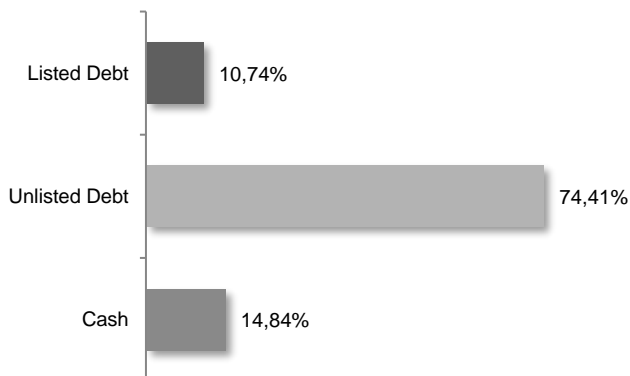
## Fund Fact Sheet

# Mergence SRI Fund

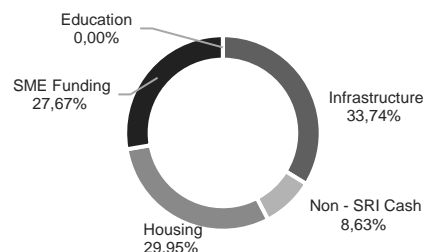
31 May 2021 - Issued: 24 June 2021



### 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



#### **Kasief Isaacs, BCom (Hons), CA (SA)**

Head: Private markets

Kasief joined Mergence in February 2015 to bolster the private equity capabilities of the Private markets Investments team. He has a BCom (Hons) from the University of the Western Cape. He helped develop the Mergence Infrastructure & Development | Equity Fund where, as senior investment principal his focus is on infrastructure within the region. With over 26 years of experience, Kasief is a qualified CA with a specific focus on energy, infrastructure and impact. Before joining Mergence, Kasief led PwC's South African Renewable Energy practice and has advised developers and investors from South Africa, Spain, Italy, Germany, China and as well as the United States on the SA renewable energy market including participation in the REIPPP programme, project acquisitions, private PPAs, and BEE structuring and funding.



#### **Peter Takaendesa, BCom Hons (Economics), Mcom (Econ), MCom (Finance & Econometrics)**

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 14 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.

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)