

## Fund Fact Sheet

# Mergence SWIX Fund

31 May 2021 - Issued: 24 June 2021



### OVERVIEW

	Low	Moderate	High
<b>Equity Risk Profile</b>			
<b>Fund Purpose</b>	Generate capital growth over the long term		
<b>Investment Style</b>	Relative Return		
<b>Benchmark</b>	FTSE/JSE Shareholder Weighted Index [SWIX]		
<b>Investment Vehicle</b>	Segregated / Pooled		
<b>Inception date</b>	November 2007		
<b>Number of Months</b>	162		
<b>Fund Size</b>	R 1,728 billion		
<b>Minimum Investment</b>	R 50 million (none for pooled)		
<b>Management Fee</b>	Subject to mandate (usually between 0.45% and 0.75% per annum)		
<b>Performance fees</b>	Negotiable		

### INVESTMENT OBJECTIVE

The Mergence SWIX Fund 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 Shareholder Weighted Index [SWIX] over any three-year rolling period. The fund is managed as a core mandate targeting maximum active returns relative to tracking error volatility.

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 cyclicality 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.

### INVESTOR PROFILE

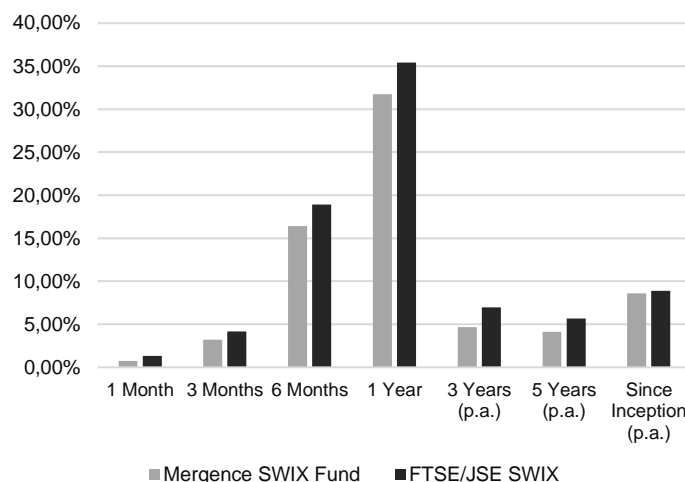
#### The Fund is suitable for investors:

- who seek specialist South African equity exposure as part of their overall investment strategy;
- who believe long term equity exposure adds value;
- who know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

### CARBON FOOTPRINT

The Mergence SWIX Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence SWIX Fund's Carbon Footprint is available on request.

### PERIODIC RETURNS



### PERFORMANCE\*\* SUMMARY

Period	Fund	SWIX	Active Return
Tracking Error	2,14%		
Information Ratio	-0,14		
1 Month	0,74%	1,31%	-0,57%
3 Months	3,20%	4,18%	-0,98%
6 Months	16,40%	18,93%	-2,53%
1 Year	31,73%	35,44%	-3,71%
3 Years (p.a.)	4,68%	6,96%	-2,28%
5 Years (p.a.)	4,11%	5,66%	-1,55%
Since Inception (p.a.)	8,60%	8,91%	-0,31%

Year	Fund	SWIX	Active Return
2021	13,06%	14,41%	-1,35%
2020	0,76%	2,61%	-1,85%
2019	6,01%	9,32%	-3,30%
2018	-10,71%	-11,67%	0,96%
2017	17,07%	21,21%	-4,15%
2016	4,66%	4,13%	0,53%
2015	7,31%	3,62%	3,69%

\*\* Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

### TOP TEN HOLDINGS

	% of Equity	% of Total
Naspers	22,54%	22,07%
FirstRand	5,18%	5,08%
Standard Bank	5,13%	5,03%
Anglo American	5,03%	4,93%
British American Tobacco	4,25%	4,17%
Implats	3,96%	3,88%
Aspen	3,63%	3,56%
Sibanye Stillwater	3,22%	3,15%
BHPBilliton	3,06%	3,00%
Sanlam	2,40%	2,35%

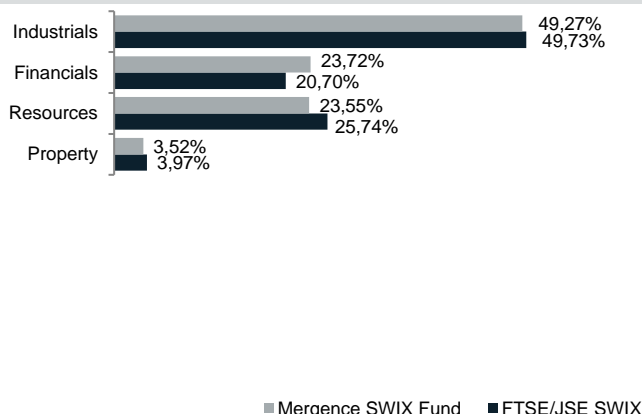
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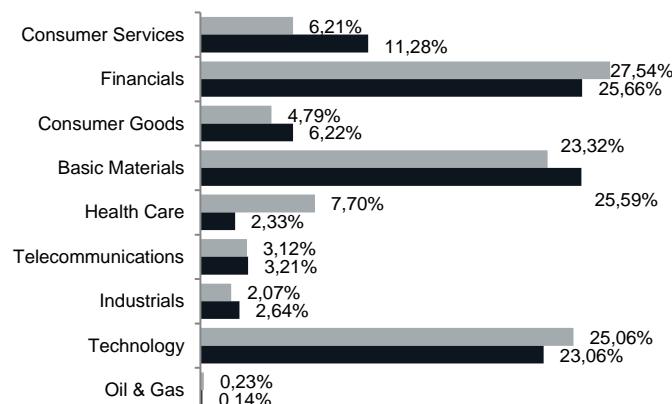
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### BROAD SECTOR EXPOSURE



### SECTOR ALLOCATION



### MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	5,01%	4,32%	3,09%	-0,62%	0,74%							
2020	-2,13%	-8,92%	-13,67%	13,95%	-1,38%	8,80%	0,55%	-1,06%	-0,55%	-3,01%	8,39%	2,96%
2019	2,84%	1,73%	1,23%	5,98%	-5,18%	2,61%	-2,70%	-2,78%	-0,20%	1,98%	-1,55%	2,42%
2018	-0,31%	-0,75%	-5,12%	4,01%	-3,73%	2,43%	0,36%	0,30%	-4,80%	-5,98%	-0,11%	3,03%
2017	2,30%	-1,62%	1,54%	4,40%	-0,21%	-3,35%	5,26%	2,03%	-1,33%	6,06%	2,29%	-1,04%
2016	-2,53%	0,07%	8,16%	0,50%	1,86%	-1,51%	1,19%	-0,05%	-0,89%	-3,06%	-0,93%	2,22%
2015	2,93%	3,77%	0,60%	4,56%	-3,64%	0,95%	0,26%	-3,41%	-0,55%	7,47%	-2,10%	-3,10%
2014	-3,72%	5,77%	2,86%	1,42%	2,72%	2,91%	0,94%	0,25%	-1,84%	2,56%	-0,28%	0,46%
2013	1,99%	-0,87%	2,03%	-1,94%	8,43%	-3,93%	3,92%	1,94%	5,15%	3,75%	-1,40%	4,48%

### INVESTMENT PROFESSIONALS



**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. Prior to 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.



**Izak van Niekerk**, B Acc (Hons) CA (SA)

Co-Portfolio Manager: Equities

Izak joined Mergence in 2011 as an Equity analyst, he plays an active role within the investment team focussing on equity research. He is a qualified chartered accountant and has over 14 years' experience in the financial services industry as well as BAcc (Hons) from the University of Stellenbosch and is a member of SAICA. Before joining Mergence Investment Managers in 2011, he spent two years at PricewaterhouseCoopers in Johannesburg as an audit manager for financial services clients in the Banking and Capital Markets division. In November 2019, he was appointed as a Co-Portfolio Manager for Listed Investments at Mergence Investment Managers.

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