

## Fund fact sheet

# Mergence Global Balanced Fund

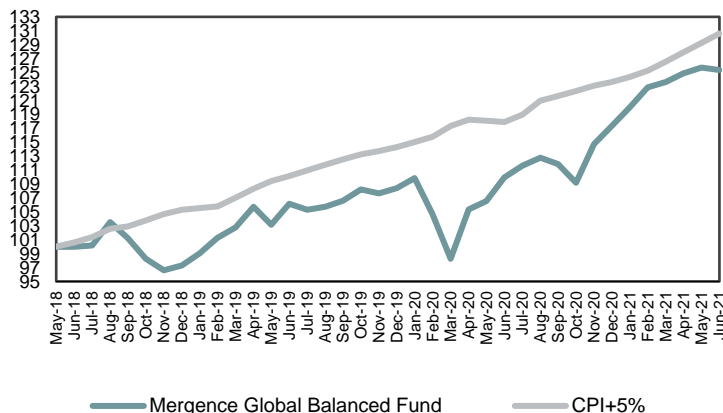
30 June 2021 - Issued: 27 July 2021



### OVERVIEW

<b>Fund Purpose</b>	Generate a real return above inflation whilst minimising risk over the medium term
<b>Investment Style</b>	Balanced
<b>Benchmark</b>	Headline Consumer Price Index + 5%
<b>Investment Vehicle</b>	Segregated
<b>Inception date</b>	Jun-18
<b>Number of Months</b>	37
<b>Fund Size</b>	R512,47 million
<b>Minimum Investment</b>	R100 million
<b>Management Fee</b>	Subject to mandate (usually between 0.50% and 1.00% p.a.)
<b>Performance fees</b>	Negotiable
<b>Regulation 28 compliant</b>	Yes

### TRACK RECORD



### INVESTOR PROFILE

#### The Fund is suitable for institutional investors:

- who believe that the risk of monetary loss is more important than the risk of underperforming the equity markets
- who seek a real return above inflation independent of the overall equity market returns
- who seek an investment solution with a strong focus on medium term capital preservation, while aiming to produce significant growth over the long term

### INVESTMENT OBJECTIVE

The Fund is managed with the objective of producing a real return of CPI plus 5% per annum over the longer term while preserving capital over rolling 12-month periods. The inclusion of international assets broadens diversification and should enhance risk adjusted returns. It may underperform relative to overall equity markets due to its focus on capital preservation and long-term capital growth.

### PERFORMANCE DETAILS

Period	Fund	CPI + 5%	ALBI	ALSI
1 Month	-0,27%	0,49%	1,09%	-2,43%
3 Months	1,42%	2,66%	6,86%	0,05%
6 Months	6,88%	5,12%	5,00%	13,20%
1 Year	14,02%	10,16%	13,67%	25,07%
2 Year	8,67%	8,60%	8,13%	9,97%
YTD	6,88%	5,12%	5,00%	13,20%
Since inception*	7,83%	8,89%	9,24%	8,09%

\*Inception: June 2018

Year	Fund	CPI + 5%
2021 (YTD)	6,88%	5,12%
2020	8,20%	8,17%
2019	11,43%	8,56%
2018 (7 months)	-2,71%	4,71%

### INVESTMENT MANDATE

The Fund is managed with an absolute return orientation, and is structured to generate a return of 5% above inflation at a low level of risk. It is broadly diversified across asset classes including equities, listed property, conventional bonds and inflation-linked bonds, both domestically and internationally. The Fund employs active asset allocation and derivative hedging to manage and reduce downside risk.

### RISK OF MONETARY LOSS

The recommended investment term for this Fund is 5 years or longer. While the return expectations should be set at periods over 5 years, the Fund has an objective not to lose money over any rolling 12-month period. As a result, declines over any 36-month period are unlikely. Note that while capital preservation is our intent, this is not a guaranteed fund.

### RISK ANALYSIS

Risk Measure	Fund
Return	7,83%
Standard Deviation	2,52%
Maximum Gain	7,22%
Maximum loss	-6,09%
Positive Months	69,44%
Beta to JSE All Share	0,47
Correlation to JSE All Share	0,96

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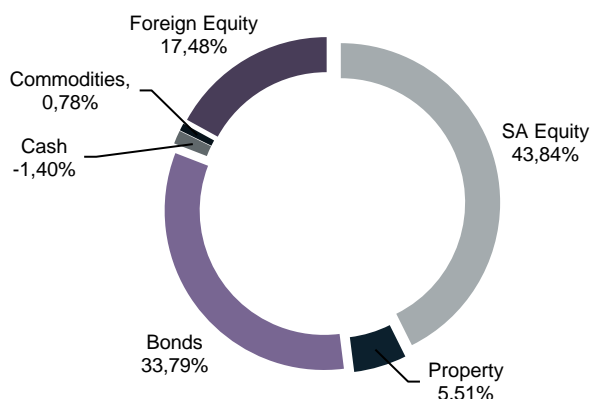
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### FUND STRUCTURE

#### Asset Allocation (Effective)



#### Top 10 Equity Holdings

	% of Category	% of Total
Naspers	14,03	5,86
Anglo American	8,11	3,39
BHP Billiton	7,59	3,17
Richemont	4,92	2,05
FirstRand	4,72	1,97
British American Tobacco	4,71	1,97
Implats	4,34	1,81
Standard Bank	4,21	1,76
Absa	3,70	1,55
Sibanye Stillwater	3,58	1,49

### MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2021	2,32%	2,36%	0,62%	1,02%	0,67%	-0,27%						
2020	1,30%	-4,71%	-6,09%	7,22%	1,12%	3,21%	1,49%	1,03%	-0,80%	-2,38%	5,08%	2,24%
2019	1,78%	2,25%	1,49%	2,91%	-2,46%	2,93%	-0,82%	0,39%	0,83%	1,53%	-0,54%	0,72%

Please note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

### PORTFOLIO MANAGEMENT



#### **Bradley Preston, B Sc (Hons), M Sc (Financial Mathematics)**

Joint Managing Director

Brad joined Mergence Investment Managers in 2005 as part of the absolute return team and Portfolio Manager of the Mergence ESG Equity Fund. He has 16 years' experience in the asset management industry. In 2004 Brad received an MSc in Financial Mathematics from UCT with distinction for his thesis on derivative pricing. He is a regular commentator in the media and is well known for his views on responsible investing. In November 2019, Brad was appointed as Joint Managing Director of Mergence Investment Managers.



#### **Fazila Manjoo, Postgraduate Diploma in Management in Actuarial Science**

Portfolio manager: Multi-Asset

Fazila joined Mergence in September 2020 as a Portfolio Manager in the Multi-Asset team. She has over 15 years of experience in the financial services industry and a passion for research, technology, and sustainability. Her career at Alexander Forbes started as an actuarial specialist. She then gained experience in investment management, risk, and research at some of South Africa's top asset managers, including Prescient, Stanlib, and Old Mutual. Fazila has a Postgraduate Diploma in Management in Actuarial Science from UCT and a BSc in Actuarial Science from the University of KwaZulu Natal.

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