

## Fund fact sheet

# Mergence ESG Equity Fund

31 July 2021 - Issued: 24 August 2021



### OVERVIEW

	Low	Moderate	High
<b>Equity Risk Profile</b>			
	Generate capital growth over the long term and promote companies with better than average ESG performance		
<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>	17 June 2010		
<b>Number of Months</b>	133		
<b>Fund Size</b>	#N/A		
<b>Minimum Investment</b>	R 50 million / none for pooled		
<b>Management Fee</b>	Subject to mandate (usually between 0.55% and 0.70% per annum, excl VAT)		
<b>Performance fees</b>	Negotiable		

### INVESTMENT OBJECTIVE

The objective of the Mergence ESG Equity Fund is to outperform the JSE Shareholder Weighted Index [SWIX] while investing in companies with better than average Environmental, Social and Governance performance.

The fund is constructed relative to a SWIX benchmark with overweight positions in those stocks that practice good governance, have a low environmental impact and conduct their business in a socially responsible manner.

The ESG performance of the holdings of the fund are monitored through objective measures and management interaction and the overall ESG performance of the fund is monitored versus benchmark to ensure that the fund is delivering on both its financial and ESG objectives.

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 of the performance of a strong bias to either value or growth styles. Our investment process is based on detailed bottom up fundamental analysis where we dig deeper to understand the quality of business models and management teams. We aim to invest mainly in high quality businesses that are trading at a discount to our assessment of fair value, while taking selective exposure to cheap average quality businesses that have a clear value unlock process. Our equity investment process is comprehensive, proprietary research driven and long term focused.

### INVESTOR PROFILE

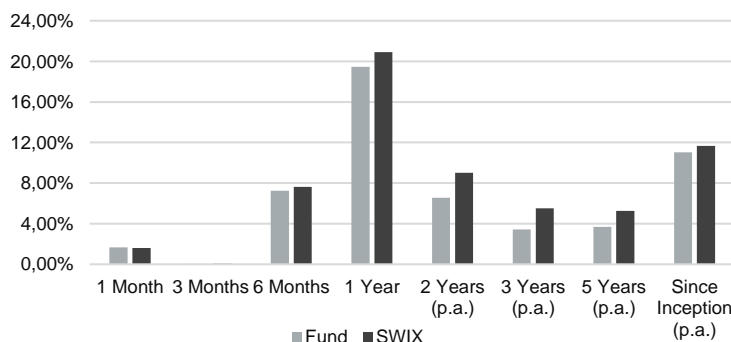
#### The Fund is suitable for investors who:

- seek financial return whilst supporting responsible investing that promotes positive ESG practices by listed companies;
- believe long term equity exposure adds value;
- know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

### PERFORMANCE\*\* SUMMARY

Period	Fund	SWIX
Tracking Error	2,02%	
1 Month	1,67%	1,59%
3 Months	0,03%	0,05%
6 Months	7,24%	7,63%
1 Year	19,47%	20,90%
2 Years (p.a.)	6,56%	9,02%
3 Years (p.a.)	3,45%	5,52%
5 Years (p.a.)	3,67%	5,27%
Since Inception (p.a.)	11,03%	11,66%

\*\* Returns are quoted gross of fees.



### CARBON FOOTPRINT

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

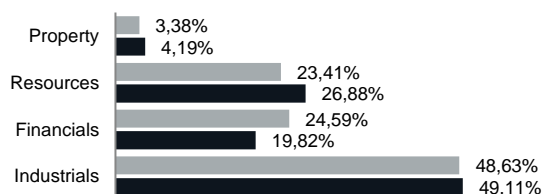
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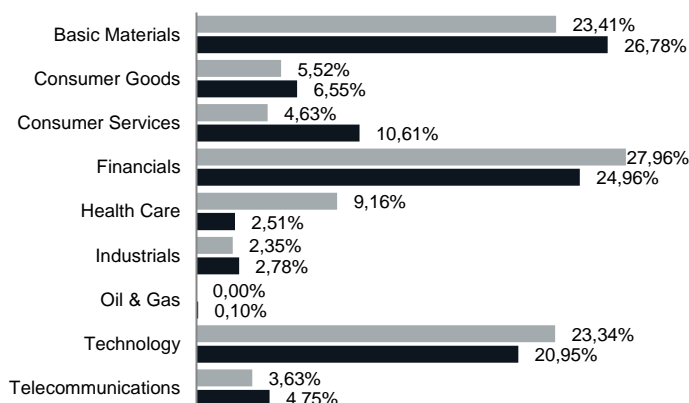


### BROAD SECTOR EXPOSURE



■ Mergence ESG Equity Fund ■ FTSE/JSE SWIX

### SECTOR EXPOSURE



### PORTFOLIO MANAGEMENT



**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.



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

Co-Portfolio Manager

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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