

## Fund fact sheet

# Mergence Global Balanced Fund

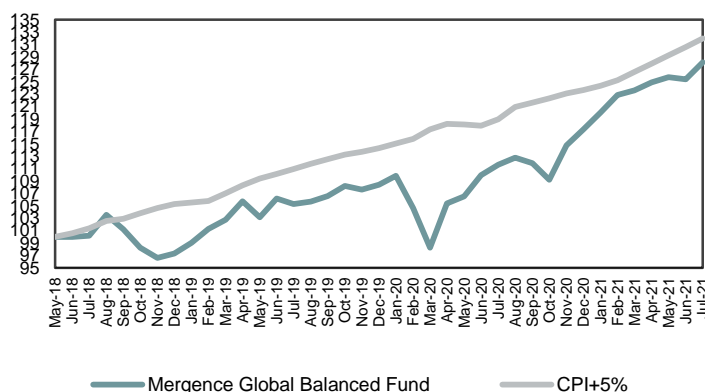
31 July 2021 - Issued: 21 August 2021



### 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>	38
<b>Fund Size</b>	R524,32 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	2,20%	0,66%	0,83%	4,18%
3 Months	2,61%	2,23%	5,73%	3,24%
6 Months	6,75%	5,20%	5,06%	12,10%
1 Year	14,81%	9,87%	13,92%	27,06%
2 Year	10,31%	8,54%	8,98%	13,61%
YTD	9,23%	5,79%	5,86%	17,93%
Since inception*	8,37%	8,87%	9,27%	9,31%

\*Inception: June 2018

Year	Fund	CPI + 5%
2021 (YTD)	9,23%	5,79%
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	8,37%
Standard Deviation	2,50%
Maximum Gain	7,22%
Maximum loss	-6,09%
Positive Months	70,27%
Beta to JSE All Share	0,47
Correlation to JSE All Share	0,96

## Fund fact sheet

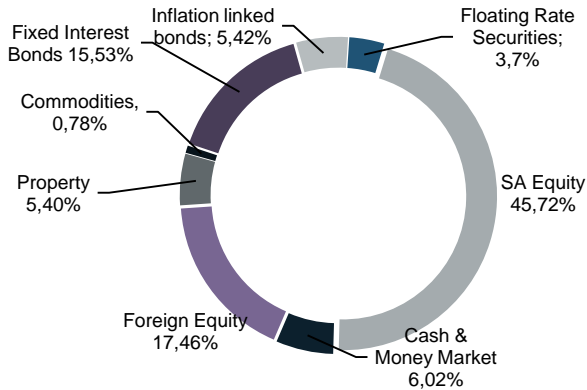
# Mergence Global Balanced Fund

31 July 2021 - Issued: 21 August 2021



### FUND STRUCTURE

#### Asset Allocation (Effective)



#### Top 10 Equity Holdings

	% of Category	% of Total
Naspers	12,45	5,42
Anglo American	9,00	3,92
BHP Billiton	8,22	3,58
Richemont	5,08	2,22
Implats	4,70	2,05
FirstRand	4,63	2,02
British American Tobacco	4,52	1,97
Standard Bank	3,94	1,72
Sibanye Stillwater	3,70	1,61
Aspen	3,60	1,57

### 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%	2,20%					
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)

Portfolio manager: Multi-Asset

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.



**Mohamed Ismail**, MBA (Finance), FRM; FAIS Rep

Portfolio manager: Fixed Income

Mohamed joined Mergence Investment Manager on 1 March 2021 as Head of Fixed Income. Based in Johannesburg, Mohamed has joined the Multi Asset Team in leading the fixed income investment process within MIM's multi asset funds. This team is also responsible for the expansion of MIM's standalone Fixed Income product offering, building forth on its current base of the Composite Bond Fund and Money market fund. Prior to joining MIM, Mohamed was with Ashburton Investments where he served as Portfolio Manager across a range of fixed income products. Before then, he ran the Momentum Bond Fund, as well as other income funds for Momentum Investments. He also served as the Head of Fixed Income whilst at Sanlam Capital Markets. In addition to his academic and professional qualifications, Mohamed is currently studying towards his second Master's degree in Quantum Computing.

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). 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