

Mergence CAPI Fund

30 April 2022 - Issued: 24 May 2022



OVERVIEW

	Low	Moderate	High
Equity Risk Profile			
Fund Purpose	Generate capital growth over the long term		
Investment Style	Relative Return		
Benchmark	FTSE/JSE Capped Index [CAPI]		
Investment Vehicle	Segregated		
Inception date	06 March 2007		
Number of Months	182		
Fund Size	R 1,428 billion		
Minimum Investment	R 50 million		
Management Fee	Subject to mandate (usually between 0.45% and 0.75% per annum)		
Performance fees	Negotiable		

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

PERFORMANCE** SUMMARY

Period	Fund	CAPI	Active Return
Tracking Error	2,04%		
Information Ratio	-0,20		
1 Month	-3,25%	-3,65%	0,40%
3 Months	-1,45%	-0,31%	-1,14%
6 Months	7,57%	10,15%	-2,58%
1 Year	15,81%	16,18%	-0,37%
3 Years (p.a.)	10,38%	12,27%	-1,89%
5 Years (p.a.)	8,50%	9,86%	-1,35%
Since Inception (p.a.)	9,92%	10,33%	-0,40%

Year	Fund	CAPI	Active Return
2022 (YTD)	0,31%	1,06%	-0,76%
2021	31,46%	31,71%	-0,25%
2020	4,65%	6,46%	-1,81%
2019	8,27%	10,52%	-2,26%
2018	-6,39%	-7,67%	1,28%
2017	13,96%	18,06%	-4,10%
2016	4,47%	3,94%	0,53%

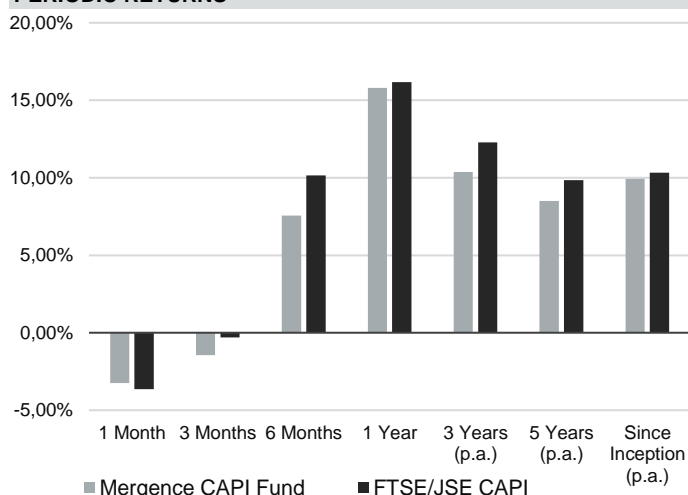
** Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

INVESTMENT OBJECTIVE

The Mergence CAPI 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 Capped Index [CAPI] over any three-year rolling period.

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.

PERIODIC RETURNS



TOP TEN HOLDINGS

	% of Equity	% of Total
Richemont	10,91%	10,83%
Anglo American	9,91%	9,83%
Firstrand	5,65%	5,60%
British American Tobacco	5,57%	5,53%
Naspers	5,36%	5,31%
Standard Bank	5,21%	5,17%
Sasol	4,07%	4,04%
Prosus	3,79%	3,76%
Sibanye Stillwater	2,93%	2,90%
BHP Group	2,68%	2,66%

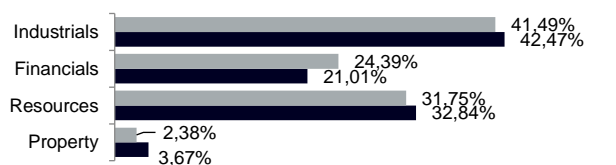
Fund fact sheet

Mergence CAPI Fund

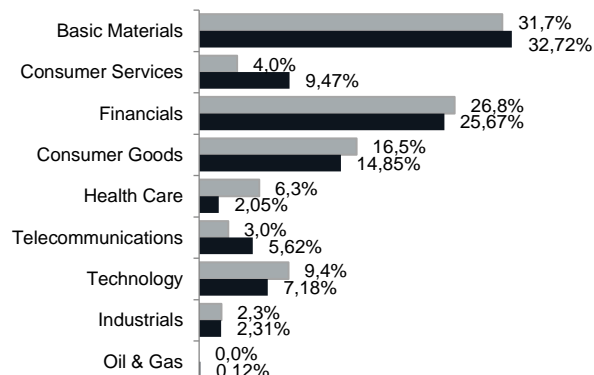
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BROAD SECTOR EXPOSURE



SECTOR ALLOCATION



MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	1,78%	2,21%	-0,35%	-3,25%								
2021	4,24%	5,75%	1,97%	1,30%	2,19%	-2,21%	4,53%	0,47%	-1,60%	4,25%	2,38%	4,75%
2020	-2,46%	-9,18%	-12,48%	13,84%	0,25%	7,67%	0,90%	-0,23%	-0,15%	-6,13%	11,86%	4,08%
2019	2,23%	3,66%	0,86%	3,92%	-3,68%	4,27%	-3,44%	-2,73%	-0,22%	3,35%	-1,74%	1,96%
2018	0,87%	-1,31%	-3,46%	5,11%	-2,73%	1,22%	0,94%	1,74%	-4,12%	-4,85%	-3,65%	4,27%
2017	3,78%	-3,13%	1,64%	3,73%	-1,08%	-2,89%	5,39%	2,56%	-0,69%	4,87%	0,19%	-0,76%
2016	-3,49%	0,75%	6,53%	1,38%	1,42%	-2,66%	0,81%	0,39%	-0,67%	-2,55%	1,31%	1,52%
2015	1,99%	5,03%	-0,82%	4,64%	-2,72%	-0,63%	0,92%	-3,67%	0,93%	7,59%	-3,19%	-1,87%

PORTFOLIO MANAGEMENT



Peter Takaendesa, Bcom Hons (Economics), Mcom (Econ), MCom (Finance & Econometrics)

Head: Equities

Peter has headed up the Mergence Public Markets (listed investments) equities team since November 2019. He currently manages listed equity portfolios while keeping primary coverage of the technology, media, and telecoms (TMT), Tobacco and General Industrials sectors. He joined Mergence in 2014 as a senior equity investment analyst specialising in the TMT sector. Peter has over 15 years' experience in the financial services industry during which time he worked for Credit Suisse Standard Securities and RMB Morgan Stanley. 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 his achievements. 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 Acc Hons, CA (SA)

Co-Portfolio Manager (Equities)

Izak was appointed as a Co-Portfolio Manager in the Public Markets investments team at Mergence Investment Managers in November 2019, with a primary focus on portfolio management and equity research. He joined Mergence in 2011, initially as an equity analyst focusing on equity research and dealing. Current sectors that he covers include Resources, Beverages, Luxury Goods, Pharma and Hospitals. Izak has gained experience in Private Markets, having also served as an investment committee member of the Mergence Private Markets investment team. He is a qualified chartered accountant and has over 15 years' experience in the financial services industry. Prior to Mergence, Izak spent two years at PricewaterhouseCoopers in Johannesburg as an audit manager in the Banking and Capital Markets division.

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