

Fund Fact Sheet

Mergence SWIX 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 Shareholder Weighted Index [SWIX]		
Investment Vehicle	Segregated		
Inception date	November 2007		
Number of Months	173		
Fund Size	R 1,177 billion		
Minimum Investment	R 50 million (none for pooled)		
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 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.

PERFORMANCE** SUMMARY

Period	Fund	SWIX	Active Return
Tracking Error	2,26%		
Information Ratio	-0,10		
1 Month	-3,57%	-3,95%	0,37%
3 Months	-2,08%	-0,77%	-1,31%
6 Months	4,33%	6,93%	-2,60%
1 Year	9,03%	8,83%	0,20%
3 Years (p.a.)	5,20%	7,15%	-1,94%
5 Years (p.a.)	5,07%	6,55%	-1,48%
Since Inception (p.a.)	8,63%	8,86%	-0,23%
Year	Fund	SWIX	Active Return
2022 (YTD)	0,53%	1,52%	-0,99%
2021	21,72%	21,06%	0,66%
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%

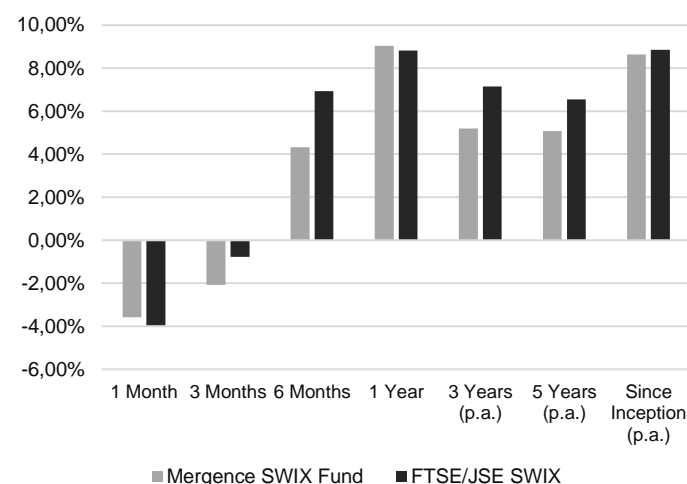
** Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

INVESTMENT OBJECTIVE

The Mergence 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 cyclicity in 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
Naspers	6,35%	6,26%
Firstrand	6,19%	6,10%
British American Tobacco	6,07%	5,98%
Standard Bank	5,93%	5,84%
Anglo American	5,42%	5,34%
Sasol	4,51%	4,45%
Prosus	4,42%	4,35%
MTN	3,41%	3,36%
Sanlam	3,37%	3,32%
BHP Group	3,26%	3,21%

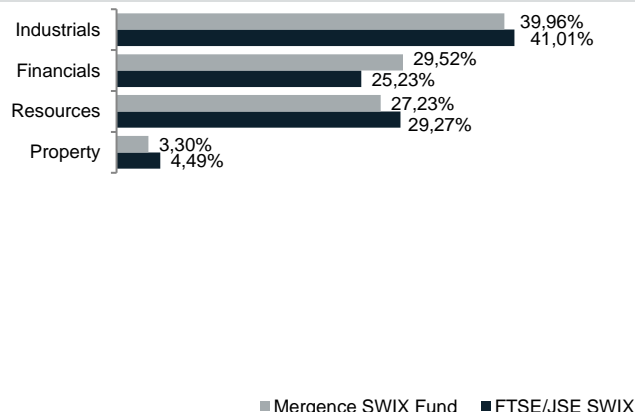
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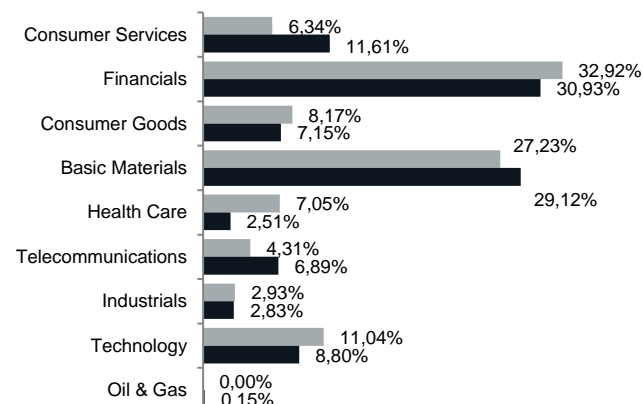
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BROAD SECTOR EXPOSURE



SECTOR ALLOCATION



MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2022	2,66%	0,82%	0,72%	-3,57%								
2021	5,01%	4,32%	3,09%	-0,62%	0,74%	-2,42%	1,45%	2,61%	0,01%	2,11%	-0,85%	4,68%
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%

INVESTMENT PROFESSIONALS



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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