

## Fund Fact Sheet

# Mergence SWIX Fund

31 May 2023 - Issued: 19 June 2023



### OVERVIEW

<b>Equity Risk Profile</b>	Low <span style="display: inline-block; width: 100px; height: 10px; background: linear-gradient(to right, #ccc, #ccc); border: 1px solid #ccc; border-radius: 5px;"></span> Moderate <span style="display: inline-block; width: 10px; height: 10px; background-color: #0070c0; border-radius: 50%; margin-left: 5px;"></span> High
<b>Fund Purpose</b>	Generate capital growth over the long term
<b>Investment Style</b>	Relative Return
<b>Benchmark</b>	FTSE/JSE Shareholder Weighted Index [SWIX]
<b>Investment Vehicle</b>	Segregated
<b>Inception date</b>	November 2007
<b>Number of Months</b>	186
<b>Fund Size</b>	R 1.162 billion
<b>Minimum Investment</b>	R 50 million (none for pooled)
<b>Management Fee</b>	Subject to mandate (usually between 0.45% and 0.75% per annum)
<b>Performance fees</b>	Negotiable

### 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 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 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.

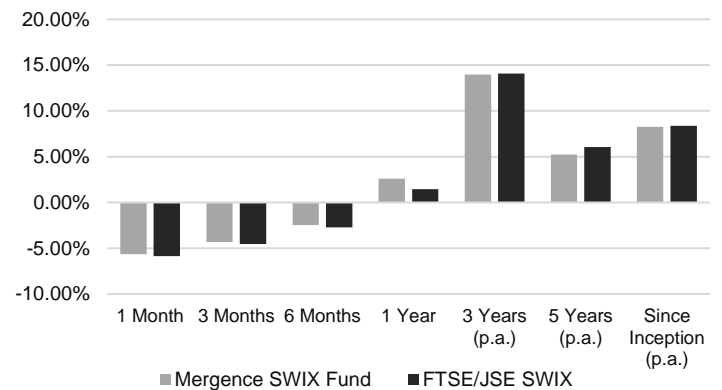
### PERFORMANCE\*\* SUMMARY

Period	Fund	SWIX	Active Return
Tracking Error	2.23%		
Information Ratio	-3.96%		
1 Month	-5.66%	-5.85%	0.19%
3 Months	-4.34%	-4.54%	0.21%
6 Months	-2.47%	-2.70%	0.23%
1 Year	2.61%	1.45%	1.16%
3 Years (p.a.)	13.99%	14.07%	-0.08%
5 Years (p.a.)	5.22%	6.04%	-0.82%
Since Inception (p.a.)	8.27%	8.36%	-0.09%

Year	Fund	SWIX	Active Return
2023 (TD)	0.38%	-0.03%	0.41%
2022	4.03%	3.59%	0.44%
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%

\*\* 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.

### PERIODIC RETURNS



### TOP TEN HOLDINGS

	% of Equity	% of Total
Naspers	10.73%	10.57%
FirstRand	7.14%	7.03%
British American Tobacco	6.29%	6.19%
Prosus	5.82%	5.73%
Richemont	5.19%	5.11%
MTN	4.79%	4.72%
Gold Fields	3.67%	3.61%
Sasol	3.66%	3.61%
Standard Bank	3.61%	3.55%
Aspen	3.38%	3.33%

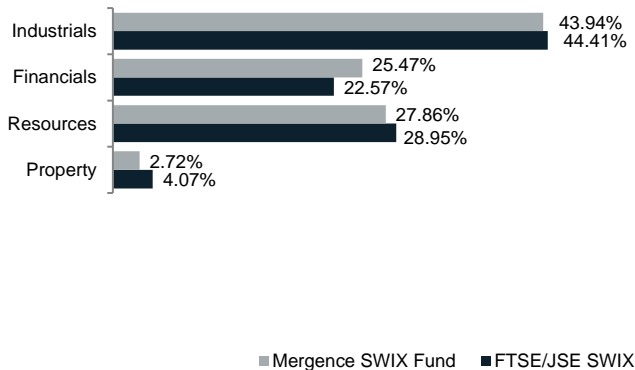
## Fund Fact Sheet

# Mergence SWIX Fund

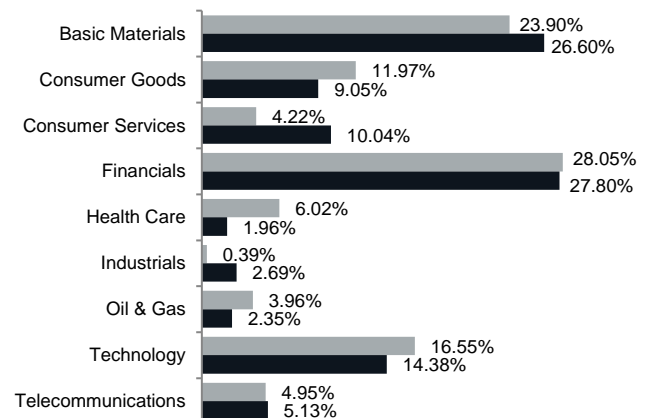
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### BROAD SECTOR EXPOSURE



### SECTOR ALLOCATION



### MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2023	7.41%	-2.31%	-1.96%	3.43%	-5.66%							
2022	2.66%	0.82%	0.72%	-3.57%	1.24%	-5.98%	2.69%	-1.14%	-4.22%	4.74%	9.87%	-2.84%
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%

### INVESTMENT PROFESSIONALS



**Peter Takaendesa**, BCom Hons (Economics), Mcom (Economics), MCom (Finance & Econometrics)

Head: Listed Equities

Peter joined Mergence in 2014 as a Senior Equity Investment Analyst specialising in the TMT sector. He became a portfolio manager in 2016 and head of the listed equities team in 2019. Peter has over 15 years' experience in the financial services industry, having worked for several global investment banks. He won ABSIP equity analyst of the year in 2011 and has worked as a university lecturer in economics.



**Izak van Niekerk**, BAcc Hons, CA (SA)

Portfolio Manager

Izak brings over 15 years of financial services experience to his role as Portfolio Manager at Mergence. He co-managed portfolios from November 2019 to December 2022, having joined the team in 2011 as an equity research analyst and dealer. His current focus encompasses resources, beverages, luxury goods, and healthcare. His background extends to being an investment committee member in private markets and an audit manager at PwC prior to joining Mergence.

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