

## Fund Fact Sheet

# Mergence Capped SWIX Fund

30 June 2024 - Issued: 10 July 2024



### OVERVIEW

<b>Equity Risk Profile</b>	<div style="display: flex; justify-content: space-between; width: 100%;"> <span>Low</span> <span>Moderate</span> <span>High</span> </div>
<b>Fund Purpose</b>	Generate capital growth over the long term
<b>Investment Style</b>	Relative Return
<b>Benchmark</b>	FTSE/JSE Capped Shareholder Weighted Index [Capped SWIX]
<b>Investment Vehicle</b>	Segregated / Pooled
<b>Inception date</b>	February 2017
<b>Number of Months</b>	88
<b>Fund Size</b>	R 1.578 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 Capped 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 Capped Shareholder Weighted Index [Capped 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 is 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 towards 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 Capped SWIX Fund is conscious of its carbon footprint and is actively encouraging improved disclosure and carbon management across all JSE listed companies. The Mergence Capped SWIX Fund's Carbon Footprint is available on request.

### PERFORMANCE\*\* SUMMARY

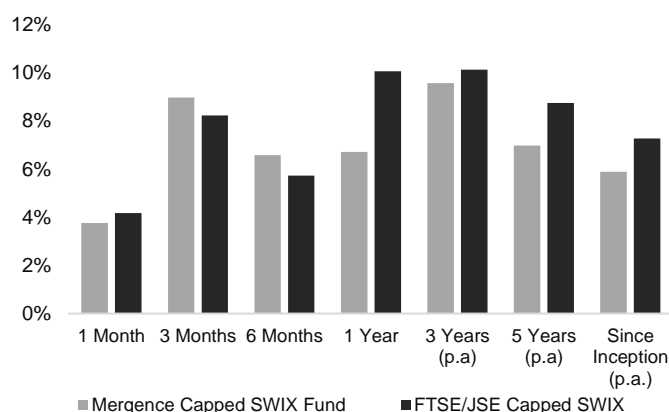
Period	Fund	Capped SWIX	Active Return
Tracking Error	2.27%		
Information Ratio	-0.61		
1 Month	3.76%	4.17%	-0.42%
3 Months	8.95%	8.21%	0.74%
6 Months	6.57%	5.72%	0.85%
1 Year	6.70%	10.04%	-3.35%
3 Years (p.a)	9.56%	10.12%	-0.56%
5 Years (p.a)	6.97%	8.74%	-1.76%
Since Inception (p.a.)	5.88%	7.26%	-1.38%

Year	Fund	Capped SWIX	Active Return
2024 (TD)	6.57%	5.72%	0.85%
2023	4.62%	7.87%	-3.25%
2022	4.81%	4.41%	0.40%

\*\* 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

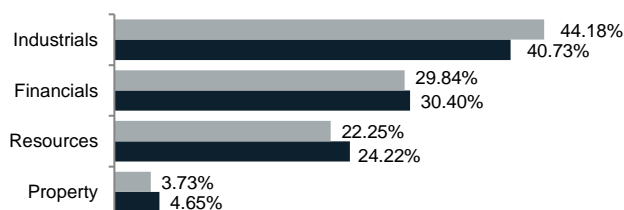
Company	% of Equity	% of Total
Firstrand	9.21%	9.16%
Naspers	7.05%	7.01%
Prosus	6.30%	6.26%
Standard Bank	5.60%	5.57%
British American Tobacco	5.34%	5.31%
Absa Group	4.43%	4.40%
Richemont	4.04%	4.02%
Anglo American	3.85%	3.83%
Aspen	3.54%	3.52%
Sanlam	3.25%	3.23%

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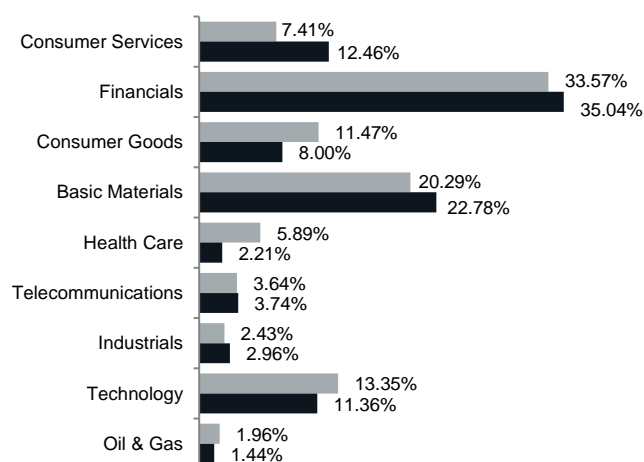


## BROAD SECTOR EXPOSURE



■ Mergence Capped SWIX Fund  
■ FTSE/JSE Capped SWIX

## SECTOR ALLOCATION



## MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	-2.80%	-1.58%	2.25%	3.21%	1.74%	3.76%						
2023	7.12%	-2.28%	-1.91%	3.52%	-5.65%	4.20%	3.16%	-5.16%	-3.06%	-4.56%	8.69%	1.76%
2022	2.73%	1.68%	0.88%	-3.60%	1.23%	-6.17%	2.68%	-1.14%	-4.24%	5.07%	9.59%	-2.95%
2021	3.09%	4.94%	3.64%	0.44%	2.36%	-2.63%	2.49%	3.37%	0.03%	1.84%	-0.54%	4.84%
2020	-3.00%	-9.39%	-16.39%	14.06%	-0.93%	7.66%	1.00%	-0.84%	0.04%	-4.89%	10.42%	4.19%

## INVESTMENT PROFESSIONALS



**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 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 is a Portfolio Manager with over 15 years' experience in financial services. Previously, he held the role of Co-Portfolio Manager (November 2019–December 2022). He joined Mergence in 2011 as an analyst focusing on equity research and dealing. He currently covers resources, beverages, luxury goods, and healthcare. Previous experience includes being an investment committee member on the Private Markets team as well as an audit manager at PwC prior to joining Mergence.

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