

Mergence CAPI Fund

30 April 2017 - Issued: 15 May 2017



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	122		
Fund Size	R 1.050 Billion		
Minimum Investment	R 25 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	2.13%		
Information Ratio	0.11		
1 Month	3.73%	3.32%	0.41%
3 Months	2.13%	2.37%	-0.24%
6 Months	9.03%	7.82%	1.21%
1 Year	5.46%	3.99%	1.46%
3 Years	7.42%	6.57%	0.85%
5 Years	13.89%	12.85%	1.05%
Since Inception	11.61%	11.38%	0.23%

Year	Fund	CAPI	Active Return
2017	6.00%	6.7%	-0.7%
2016	4.47%	3.9%	0.5%
2015	0.08	5.2%	2.6%
2014	10.74%	11.08%	-0.34%
2013	25.07%	21.55%	3.52%

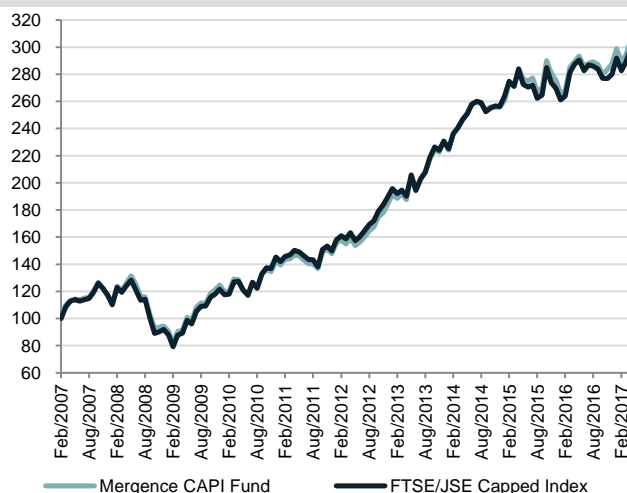
** Returns are quoted gross of fees. Please also note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

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 performance of a strong bias to either value or growth styles. Valuation is the key trigger to our decision making process. We seek to achieve our investment objective by buying/selling companies trading below/above our assessment of intrinsic value. Our equity investment process is comprehensive, proprietary research driven and long term focused.

LONG TERM PERFORMANCE



TOP TEN HOLDINGS

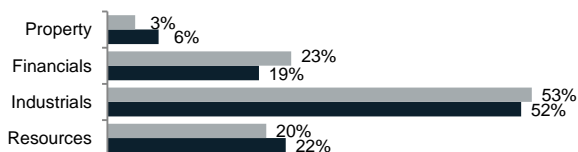
	% of Equity	% of Total
Naspers -N	11.0%	10.9%
Richemont	7.5%	7.4%
BHPBilliton	6.6%	6.5%
MTN	5.9%	5.8%
Steinhoff	4.3%	4.2%
Old Mutual	4.0%	3.9%
Sasol	3.6%	3.5%
Anglo American	3.5%	3.5%
Aspen	3.0%	3.0%
Mondi plc	2.8%	2.7%

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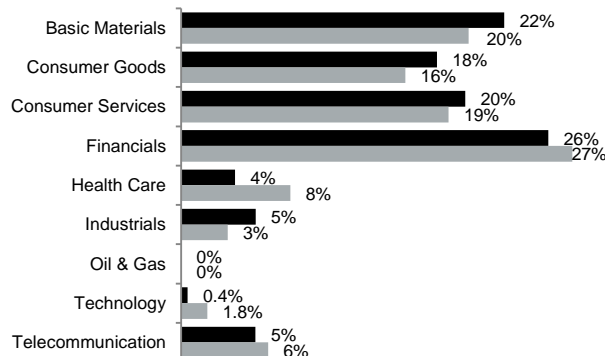


SECTOR EXPOSURE



■ Mergence CAPI Fund ■ FTSE/JSE CAPI

EQUITY INDUSTRY ALLOCATION



MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2017	3.8%	-3.1%	1.6%	3.7%								
2016	-3.5%	0.7%	6.5%	1.4%	1.4%	-2.7%	0.8%	0.4%	-0.7%	-2.5%	1.3%	1.5%
2015	2.0%	5.0%	-0.8%	4.6%	-2.7%	-0.6%	0.9%	-3.7%	0.9%	7.6%	-3.2%	-1.9%
2014	-2.9%	5.5%	1.6%	2.5%	2.1%	2.8%	0.5%	-0.6%	-2.0%	1.1%	0.0%	-0.1%
2013	3.7%	-1.5%	2.0%	-2.4%	9.3%	-5.1%	4.7%	2.0%	4.7%	3.3%	-0.9%	3.7%
2012	5.5%	1.3%	-1.9%	2.8%	-3.4%	1.6%	2.5%	2.8%	1.8%	4.4%	1.9%	3.6%

PORTFOLIO MANAGEMENT



Bradley Preston, BSc (Hons), MSc (Fin Maths)

Chief Investment Officer: Listed Investments

Brad received his MSc in Financial Mathematics from UCT with distinction for his thesis focussing on derivative pricing. He joined Mergence Investment Managers in 2005 as part of the absolute return team where he is currently a Portfolio Manager. Brad is also Portfolio Manager of the Mergence Equity mandates and heads up quantitative analysis.



Peter Takaendesa, BCom (Economics), MCom (Economics), MCom (Finance and Economics)

Portfolio Manager

Peter has about 10 years financial services industry experience and was a top-rated TMT equity investment analyst working for 2 global investment banks. He obtained his MCom at Rhodes University majoring in Finance and Economics, followed by a number of professional industry certifications. Prior to joining the financial services industry, Peter was a university lecturer in Economics and published a number of papers in leading academic journals. He started his financial services career at Credit Suisse Standard Securities as an equity investment analyst covering the IT & Electronics sectors and later moved to RMB Morgan Stanley to broaden his coverage to the whole TMT sector. 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 Peter's achievements. Peter joined Mergence Investment managers in January 2014.

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