

Mergence ESG Equity Fund

30 April 2017 - Issued: 15 May 2017



OVERVIEW

Equity Risk Profile	<div style="display: flex; justify-content: space-between; width: 100%;"> Low Moderate High </div> <div style="text-align: center;"> </div>
Fund Purpose	Generate capital growth over the long term and promote companies with better than average ESG performance
Investment Style	Relative Return
Benchmark	FTSE/JSE Shareholder Weighted Index [SWIX]
Investment Vehicle	Segregated / Pooled
Inception date	17 June 2010
Number of Months	82
Fund Size	R 377.20 million
Minimum Investment	R 50 million / none for pooled
Management Fee	Subject to mandate (usually between 0.55% and 0.70% per annum, excl VAT)
Performance fees	Negotiable

INVESTMENT OBJECTIVE

The objective of the Mergence ESG Equity Fund is to outperform the JSE Shareholder Weighted Index [SWIX] while investing in companies with better than average Environmental, Social and Governance performance.

The fund is constructed relative to a SWIX benchmark with overweight positions in those stocks that practice good governance, have a low environmental impact and conduct their business in a socially responsible manner.

The ESG performance of the holdings of the fund are monitored using objective quantitative measures and the overall ESG performance of the fund is monitored versus benchmark to ensure that the fund is delivering on both its financial and ESG objectives.

INVESTOR PROFILE

The Fund is suitable for investors who:

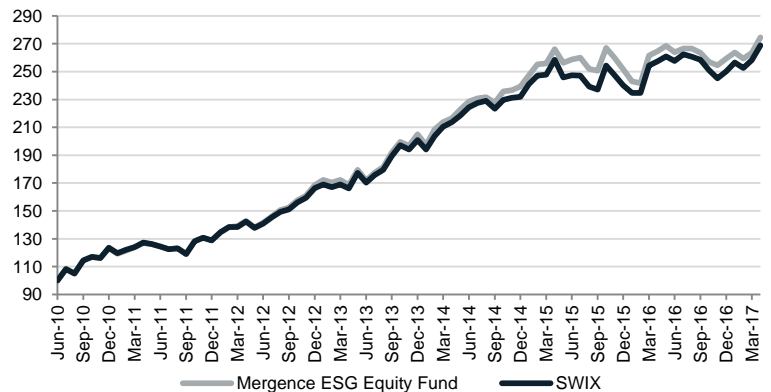
- seek financial return whilst supporting responsible investing that promotes positive ESG practices by listed companies;
- believe long term equity exposure adds value;
- know the nature of equity exposure, in that there is entry risk and the potential of capital loss.

PERFORMANCE** SUMMARY

Period	Fund	SWIX
Tracking Error	1.6%	
1 Month	4.2%	4.1%
3 Months	4.1%	4.8%
6 Months	6.9%	7.0%
1 Year	3.8%	4.4%
2 Years ***	1.6%	2.0%
3 Years ***	8.2%	8.0%
5 Years ***	14.0%	13.6%
Since Inception***	15.9%	15.6%

** Returns are quoted gross of fees. *** Annualised.

LONG TERM PERFORMANCE



CARBON FOOTPRINT

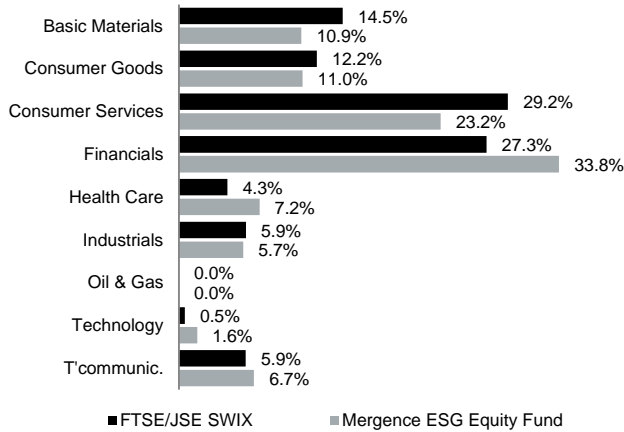
The Fund has an estimated average emissions intensity of 40.4 tons of CO₂ emissions per million Rand of revenue compared to an average intensity of 52.9 tons for the benchmark. This translates to a 24% reduction in CO₂ emissions relative to the SWIX.

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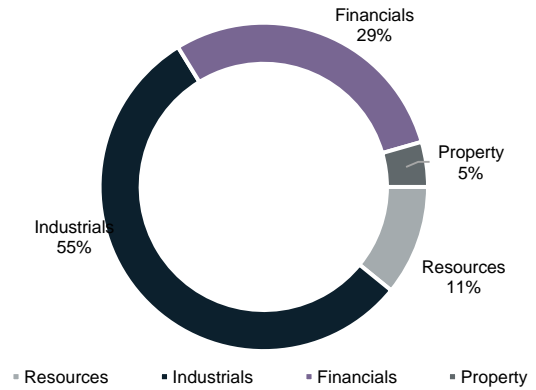
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SECTOR ALLOCATION



SECTOR EXPOSURE



PORTFOLIO MANAGEMENT



Bradley Preston, BSc Hons, MSc (Financial Mathematics)

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 currently a portfolio manager. Brad is also portfolio manager of the Mergence ESG Equity Fund and heads quantitative analysis within the team.



Mark van Wyk, B Com (Hons), CA (SA)

Head: Unlisted Investments, Portfolio Manager

Mark has over 12 years' investment experience and his career includes development finance, structured finance, external auditing and property management experience. Prior to joining Mergence in 2011, Mark was responsible for establishing new wholesale debt funding relationships, performing due diligences, drafting business plans, financial modelling, liaison with funding partners and oversight of proprietary private equity investments at Mettle, a company within the financial services sector. Mark is currently head of impact investments and heads up the first South African Impact Pioneer Fund using the USAID funded Global Impact Investing Rating System (GIIRS). He has significant experience of incorporating impact measurement systems based on the Impact Reporting & Investment Standards (IRIS) into the investment process and is one of the leaders in providing institutional investment offerings in high impact investments in South Africa.

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