

Fund Fact Sheet

Mergence SRI Fund

30 April 2017 - Issued: 15 May 2017



OVERVIEW

	Low	Moderate	High
Equity Risk Profile			
Fund Purpose	Generate capital growth over long term while promoting socially responsible investment		
Benchmark	CPI +3% pa over rolling 3-year period		
Investment Vehicle	Pooled		
Inception date	14 June 2010		
Number of Months	82		
Fund Size	R 175.76 million		
Minimum Investment	none		
Management Fee	Subject to mandate (usually between 0.65% and 0.95% per annum, excl VAT)		
Performance fees	Negotiable		

INVESTMENT OBJECTIVE

The Mergence SRI Fund has a long-term performance target of inflation +3% per annum. The Fund is a blend of the Mergence ESG Equity Fund and the Mergence High Impact Debt Fund. It invests in assets that are socially responsible and incorporates the following factors:

Environmental

Reducing carbon footprint, positively impacting biodiversity, promoting green building and sustainability.

Social

Job creation, SMME & entrepreneurship development, CSI, community interaction, better customer services and lower prices.

Governance

Transparency, ethics and corporate governance.

FUND COMPOSITION

The Mergence SRI Fund is a blend of the following funds:

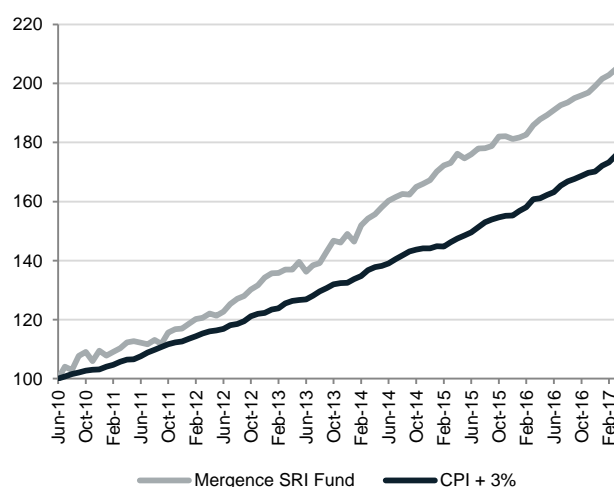
Mergence High Impact Debt Fund

The Mergence High Impact Debt Fund is a socially responsible fund that invests in projects, businesses, organisations and funds that encourage and enhance growth and development in South Africa. The Fund invests in senior debt investments with the objective of creating positive and sustainable social and/or economic impact beyond financial return. Targeted impact objectives include incremental housing, SMME's, job creation, education, agricultural development, BBBEE and Infrastructure.

Mergence ESG Equity Fund

This Fund invests in South African listed equity that are viable, sustainable and have a clear commitment to sound environmental practices. The objective of this Fund is to produce a level of return similar to that of the FTSE/JSE Shareholder Weighted Index [SWIX] while investing in companies with a lower level of CO₂ emissions intensity on average than that of the SWIX Index.

LONG TERM PERFORMANCE



PERFORMANCE** SUMMARY

Period	Fund	CPI + 3%
1 Month	1.3%	0.8%
3 Months	3.0%	3.0%
6 Months	6.0%	5.0%
1 Year	10.5%	9.1%
2 Years ***	8.6%	9.2%
3 Years ***	10.1%	8.5%
5 Years ***	11.2%	8.7%
Since Inception***	11.3%	8.6%

Returns are quoted gross of fees. *Annualised.

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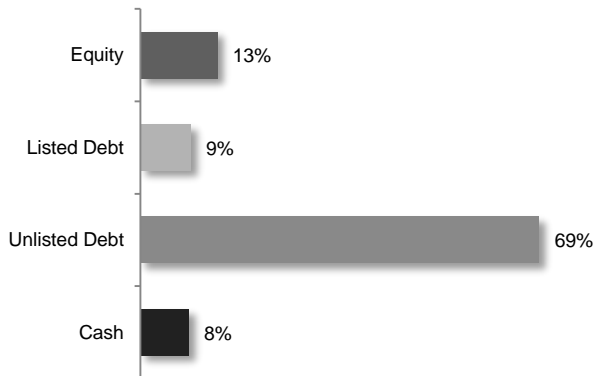
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Mergence SRI Fund

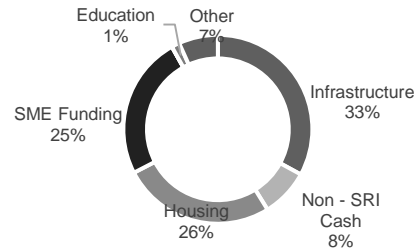
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ASSET ALLOCATION



IMPACT ANALYSIS [MERGENCE HIGH IMPACT DEBT FUND]



CARBON FOOTPRINT [MERGENCE ESG EQUITY FUND]

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.

PORTFOLIO MANAGEMENT



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

Head: Unlisted Investments, Portfolio Manager

Mark has over 12 years of investment experience and his career includes development finance, structured finance, external auditing and property management experience. Prior to joining Mergence Investment Managers 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. As Mergence, Mark is currently head of impact investments and heads up the first South African Impact Investment 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.



Peta Chennells, BBusSc (Finance Honours), CA (SA), MCom (Financial Management)

Senior Investment Analyst

Peta is a CA(SA) and completed her articles at Deloitte where she was placed first with distinction in the CA (SA) Board II in 2007. Since returning from a short stint travelling overseas, Peta has been involved in private equity and developmental finance for Metropolitan Capital and Mayibuye Group. She has also completed her Masters in Financial Management through UCT. Peta joined Mergence in September 2013 as a credit analyst in Mergence's suite of impact funds, which seek to make a measurable and sustainable impact in South Africa while generated sound risk adjusted returns for investors.

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