

# Mergence Global Balanced Fund

30 June 2024 - Issued: 10 July 2024



## OVERVIEW

<b>Fund Purpose</b>	Generate stable long term returns through exposure to a diversified selection of assets.
<b>Investment Style</b>	Balanced
<b>Benchmark</b>	Headline Consumer Price Index + 5%
<b>Investment Vehicle</b>	Segregated
<b>Inception date</b>	Jun-18
<b>Number of Months</b>	73
<b>Fund Size</b>	R56.77 million
<b>Minimum Investment</b>	R100 million
<b>Management Fee</b>	Subject to mandate (usually between 0.50% and 1.00% p.a.)
<b>Performance fees</b>	Negotiable
<b>Regulation 28 compliant</b>	Yes

## INVESTOR PROFILE

### The Fund is suitable for institutional investors:

- who seek a real return above inflation independent of the overall equity market returns
- who seek an investment solution with a strong focus on medium term capital preservation, while aiming to produce significant growth over the long term

## INVESTMENT OBJECTIVE

The Fund is managed with the objective of generating real returns in excess of 5% per annum over the long term through exposure to a diversified set of asset classes and securities. The inclusion of international assets broadens diversification and should enhance risk adjusted returns. It may underperform relative to overall equity markets due to its diversified nature.

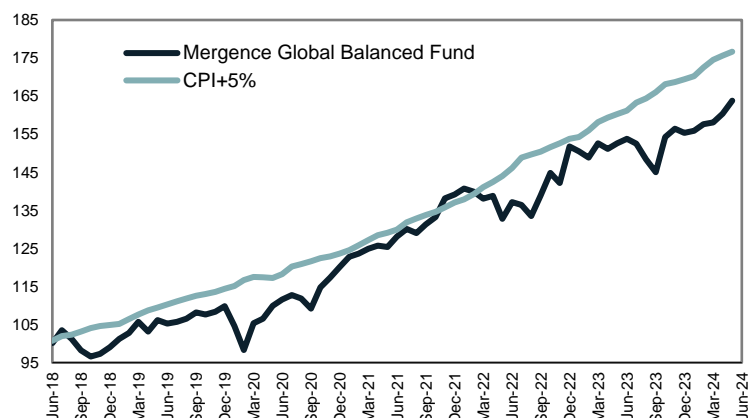
## PERFORMANCE DETAILS

Period	Fund	CPI + 5%	ALBI	ALSI
1 Month	2.12%	0.58%	5.24%	4.08%
3 Months	3.91%	2.46%	7.49%	8.19%
6 Months	4.74%	4.78%	5.55%	5.75%
1 Year	7.34%	10.20%	13.73%	9.14%
2 Year (Ann.)	11.08%	10.75%	10.95%	14.24%
YTD	4.74%	4.78%	5.55%	5.75%
Since inception*	8.57%	9.94%	8.43%	9.52%

\*Inception: June 2018

Year	Fund	CPI + 5%
2024 (YTD)	4.74%	4.78%
2023	9.97%	10.52%
2022	2.93%	12.41%
2021	17.79%	10.47%
2020	8.20%	8.17%

## PERIODIC RETURNS



## INVESTMENT MANDATE

The Fund aims to generate stable long-term returns through exposure to a broadly diversified set of asset classes including equities, listed property, conventional bonds, and inflation-linked bonds, both domestically and internationally. The Fund employs active asset allocation and security selection to maximise return and reduce downside risk. The Fund may use derivatives at time for purposes of hedging or return enhancement.

## RISK ANALYSIS

Risk Measure	Fund
Return	8.57%
Volatility	8.50%
Maximum Gain (1m)	7.22%
Maximum loss (1m)	-6.09%
Positive Months	65.28%
Beta to JSE All Share	0.48
Correlation to JSE All Share	0.93

# Mergence Global Balanced Fund

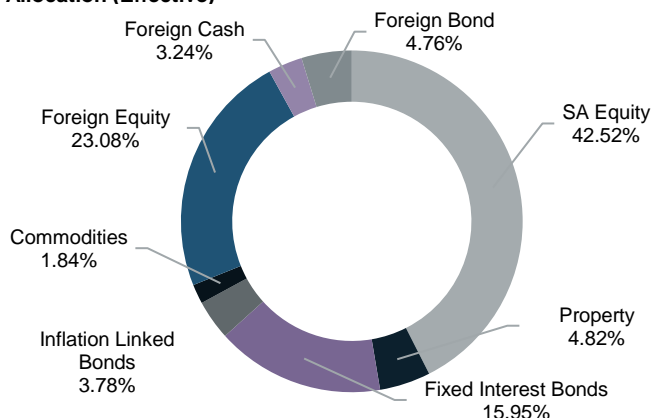
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MERGENCE

## FUND STRUCTURE

### Asset Allocation (Effective)



### Top 10 Equity Holdings

	% of Category	% of Total
Firststrand	8.76	3.26
Naspers	8.16	3.04
Prosus	5.64	2.10
British American Tobacco	5.09	1.90
Standard Bank	5.02	1.87
Anglo American	4.63	1.73
Richemont	4.38	1.63
Sanlam	4.02	1.50
Capitec	3.99	1.49
Premier Foods	3.66	1.36

## MONTHLY PERFORMANCE RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	-0.68%	0.34%	1.13%	0.27%	1.49%	2.12%						
2023	6.75%	-0.87%	-1.10%	2.51%	-0.96%	0.98%	0.77%	-0.81%	-2.71%	-2.27%	6.40%	1.37%
2022	0.69%	1.17%	-0.58%	-1.34%	0.53%	-4.34%	3.34%	-0.59%	-2.14%	4.08%	4.24%	-1.79%
2021	2.32%	2.36%	0.62%	1.02%	0.67%	-0.27%	2.20%	1.58%	-0.88%	1.76%	1.47%	3.73%
2020	1.30%	-4.71%	-6.09%	7.22%	1.12%	3.21%	1.49%	1.03%	-0.80%	-2.38%	5.08%	2.24%

Please note that there are risks associated with financial products and past performance is not necessarily an indication of future performance.

## PORTFOLIO MANAGEMENT



**Bradley Preston**, BSc Hons, MSc (Financial Mathematics)

Chief Investment Officer

Brad joined Mergence soon after its inception in 2006. As an investment analyst, portfolio manager and former Joint MD at Mergence, he has experience in derivatives, absolute return, and specialist equities, as well as leadership. In 2021 he was appointed as Chief Investment Officer. Brad serves on the executive committee of Mergence Investment Managers.



**Fazila Manjoo**, BSc (Actuarial Science), Postgraduate Diploma in Management in Actuarial Science

Portfolio manager: Multi-Asset

Fazila joined Mergence in September 2020 as a Portfolio Manager in the Multi-Asset team. She has over 18 years of experience in the financial services industry, and a passion for research, technology, and sustainability. At Mergence, she is responsible for developing quantitative and systematic strategies across balanced and absolute return funds while also managing portable alpha strategies.



**Mohamed Ismail**, BSc, BSc Hons (Advanced Mathematics of Finance), MBA (Finance), CFA

Head: Fixed Income

Mohamed joined Mergence in March 2021 as Head of Fixed Income: Multi-Asset Class. He has 14 years of experience. Mohamed is responsible for a stand-alone fixed-income product and integrating a fixed-income investment process into the overall multi-asset strategy. He is the primary portfolio manager for the Mergence Infrastructure & Development | Composite Bond Fund and lead investment manager for the money market and multi-asset income portfolios.

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