

Fund Fact Sheet

Mergence Renewable Energy Debt Fund II

31 December 2025 - Issued: 22 January 2026



OVERVIEW

	Low	Moderate	High
Risk Profile			
Current asset value	R 756.95 million		
Undrawn capital			
Fund Purpose	Consistent income generation & capital preservation investing (renewable energy assets)		
Sector	South African Renewable Energy Assets		
Asset Class	Unlisted secured debt		
Benchmark Return	CPI + 4%		
Launch Date	October 2017		
Fund Structure	Closed-ended		
Fund Maturity Date	31 August 2038		
Commitment Period	01 July 2023		
Management Fee	0.85% per annum (excl. VAT) (negotiable with preferential fee to seed investors)		

INVESTOR PROFILE

The Fund is suitable for institutional investors:

- who seek exposure through supporting developmental investing in terms of social and environmental criteria;
- who are comfortable with the inherent volatility of the financial markets, and who acknowledge that the effects of impact investing occur over medium to long term time horizons.

PERFORMANCE COMMENTARY

The Fund has invested in various renewable energy projects located in various South African provinces. The weighted average of renewable energy project investments in the fund yield gross returns above the benchmark return of CPI + 4%. In addition to achieving the gross returns, the Fund has invested in projects that demonstrate higher than threshold economic development indications including community ownership and local content. The Fund has diversified into commercial and industrial electricity supply.

FUND COMPOSITION

The Mergence Renewable Energy Debt II Fund invests in feasible renewable energy generation projects based on proven technology. Investments are made in debt instruments underpinned by electricity generation assets with power purchase agreements in place. Repayments from the generation asset earnings are passed through to the investor. Investments take place through renewable energy project companies to maximise profit and isolate specific risks. The Fund aims to invest in projects which are structured to deliver socio-economic targets in excess of the minimum thresholds, therefore taking into account local content, local procurement, local ownership and job creation.

INVESTMENT OBJECTIVE

The Mergence Renewable Energy Debt Fund II is a Development Impact Fund which seeks to provide commercially viable investments into the renewable energy sector enabling investors to achieve targeted investment returns together with social and environmental impact. This Fund invests primarily in the construction, commissioning and operation of renewable energy projects within South Africa, and aims to achieve the maximum risk-adjusted return possible from this asset class. The Fund invests in the senior & mezzanine debt of viable renewable energy projects.

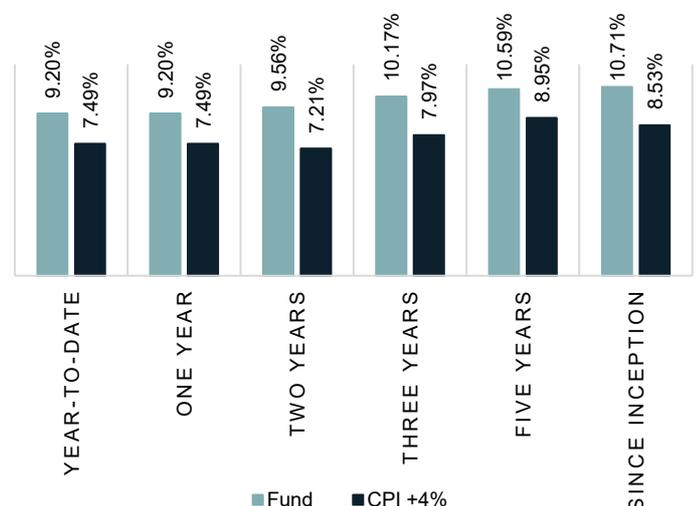
Our Investment approach includes:

- Strong fundamentals;
- Diversification across technologies; and
- Experienced management team with strong track record.

IMPACT OBJECTIVE

The Fund aims to invest in projects which are structured to deliver socio-economic targets in excess of the minimum thresholds, therefore taking into account local content, local procurement and local ownership and job creation.

PERFORMANCE SUMMARY

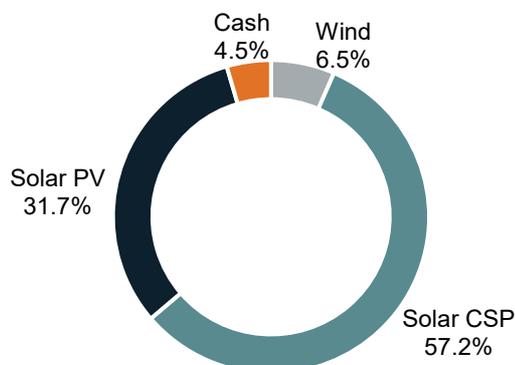


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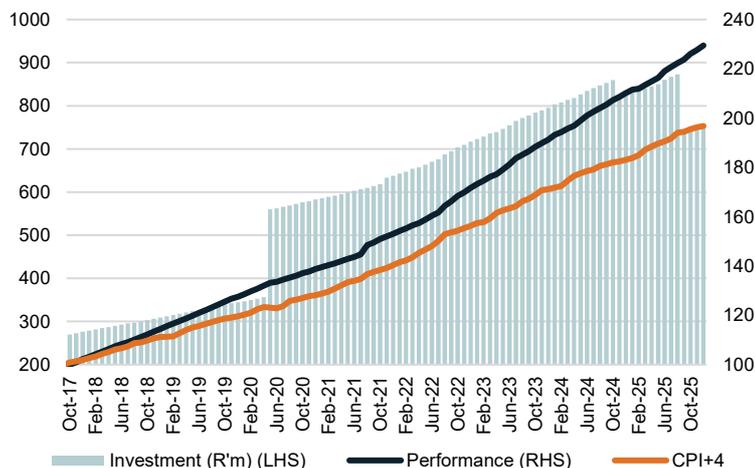
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TECHNOLOGY ALLOCATION



FUND GROWTH



INVESTMENT PROJECTS



PORTFOLIO MANAGEMENT TEAM



Mosa Molebatsi

BCom Hons, MPhil (Development Finance), CFA
Head: Private Debt

Mosa joined Mergence in 2023 as a Senior Investment Associate and now leads the Private Debt team. She brings extensive experience from previous roles at the International Finance Corporation, the Public Investment Corporation, and Momentum Metropolitan Holdings. In addition to her investment work, Mosa is actively involved in lecturing and serves as a trustee on several foundations, reflecting her broader commitment to education and social impact.



Chito Siame

BSc Hons, ACCA, MCom (Financial Management)
Head: Private Equity

Chito joined Mergence in 2011 as an Equity Analyst in the Public Markets team, where he focused on the FMCG, hospitality, financial services, and telecommunications sectors. He transitioned to the Private Markets investment team in 2015 and now serves as Head of Private Equity. In this role, he leads the origination and execution of private equity investment opportunities across the SADC region. Chito has spearheaded transactions in sectors such as aquaculture and microfinance and sits on the boards of several investee companies.

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