Fund Fact Sheet

Mergence Renewable Energy Debt Fund II

30 June 2026 - *Issued: 12 July 2026*

MERGENCE

OVERVIEW

	Low / Moderate / High
Risk Profile	
Current asset value	R 749.46 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)

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 & mezanine debt of viable renewable energy projects.

Our Investment approach includes:

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

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.

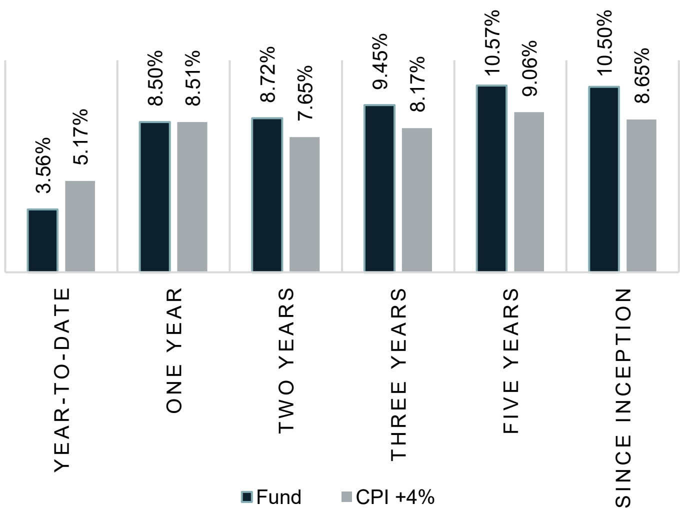
IMPACT OBJECTIVE

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 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.

PERFORMANCE SUMMARY



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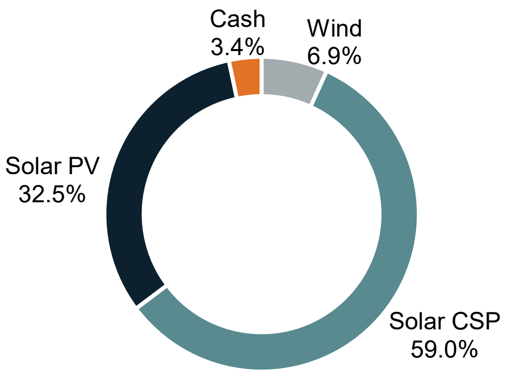
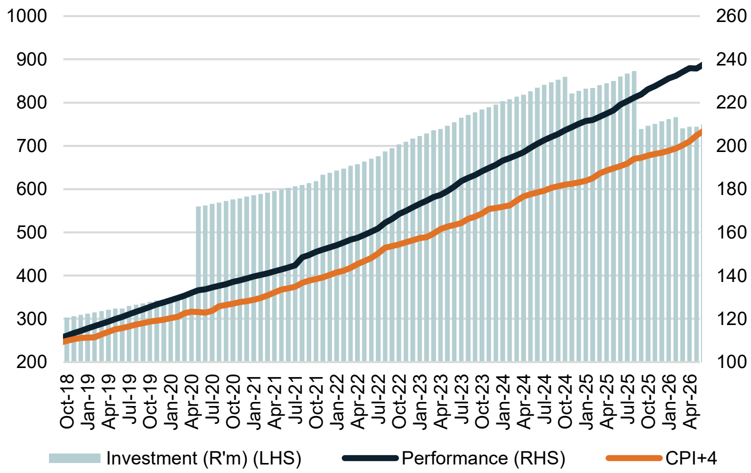
TECHNOLOGY ALLOCATION



FUND GROWTH



INVESTMENT PROJECTS

PORTFOLIO MANAGEMENT TEAM

Mosa Molebatsi

BCom Hons (Fin.), MPhil (Development Finance), CFA®

Head: Private Debt

Mosa joined Mergence in 2023 as a Senior Investment Associate in the private markets team and was promoted to Head: Private Debt in 2025. She has extensive experience across private debt and development finance, with particular sector strengths in renewable energy, affordable housing, digital infrastructure and financial inclusion, among others. Prior to joining Mergence, Mosa held investment roles at the International Finance Corporation, Public Investment Corporation and Momentum Metropolitan Holdings. She is also involved in academia, including lecturing and research supervision.

Chito Siame

BSc Hons, MCom (Financial Management), ACCA

Head: Private Equity

Chito joined Mergence in 2011 as an Equity Analyst in the public markets investment team, covering FMCG, hospitality, financial services and telecommunications. He transitioned to the Private Markets investment team in 2015, where he progressed to Investment Principal and was appointed Head: Private Equity in 2025. In his role, Chito heads up infrastructure equity strategies across SADC and has originated and executed transactions in the water and sanitation, digital, energy and transportation infrastructure sectors. He also serves on the boards of several investee companies.

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