

# NIGERIA FUND

June 2013



IN ASSOCIATION WITH THE  Sanlam GROUP

## Fund Overview

The Nigeria Fund is a long-only, 15-stock equity portfolio diversified across sectors. The aim of the fund is to provide long-term investors with active equity exposure to Nigeria-dominant companies within a sustainable investment framework at relatively low cost.

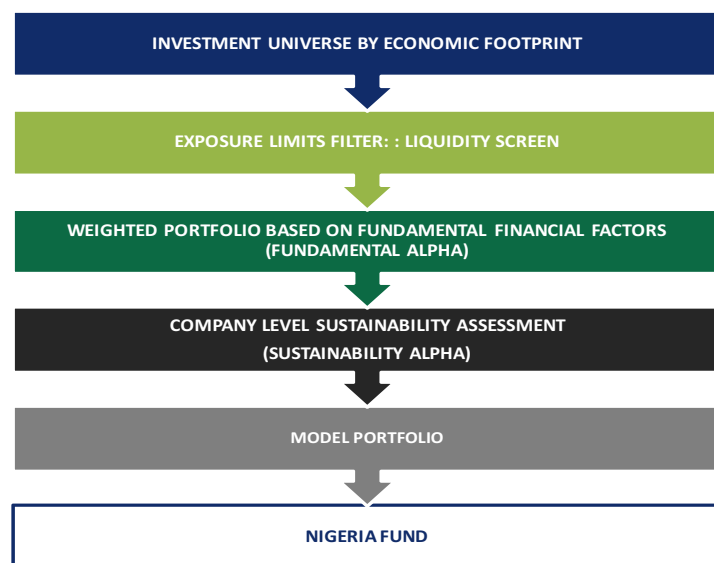
## Investment Process

The fund employs a rules-based investment process led by bottom-up research and detailed company due diligence. Stock selection is driven by company-level fundamental financial factors (revenues, operating cash flows, cash dividends and shareholders' equity) and Sustainable Capital's company sustainability assessments. The financial factors introduce a strong value bias into the portfolio construction process. The sustainability ratings act as a quality filter by aggressively up-weighting the highest quality companies (and vice versa).

The fund's objective is to provide superior risk-adjusted returns in Nigeria listed equities over long-term time horizons. The fund is actively managed (benchmark agnostic) with an emphasis on downside risk management. Buy-sell discipline is executed through regular portfolio rebalancing, in keeping with the fund's focus on cost efficiency. Liquidity risk is limited by applying an exposure limits filter.

## Fund Manager

Sustainable Capital is an independent, owner-managed, responsible investment asset manager that specialises in the research and management of listed African equity securities, with total assets under management of USD 58.9m.



## Investment Team

**Greg Barker**  
Co-manager, Nigeria Fund



- CFA, MBA, MPhil (Sustainability), BTech (Eng).  
- Over 13 years of industry experience.

**Gaëtan Herinckx**  
Co-manager, Nigeria Fund



- Msc (Financial Risk Mgt), Msc (Business Eng.), IM Program at Stern Business School.  
- Over 11 years of industry experience.

**Omar Fahmy**  
Senior Investment Analyst

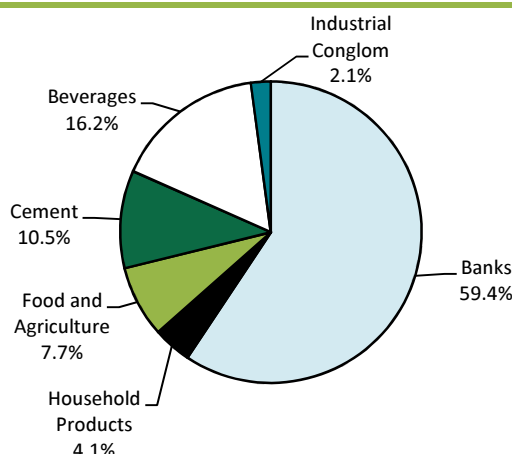


- Msc (International Finance), BA (Mgt Information Systems).  
- Over 7 years of industry experience.

## Key Facts

<b>Initial investment:</b>	USD 100,000
<b>Dealing:</b>	Monthly
<b>Management fees:</b>	2.0% annual, no performance fee
<b>Entry/exit fees:</b>	None
<b>Fund size:</b>	USD 11.1 million
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund
<b>Class B:</b>	Accumulation
<b>ISIN:</b>	MU0360S00018
<b>Bloomberg:</b>	SUTCNIG MP Equity

## Sector Allocation (% of equity)



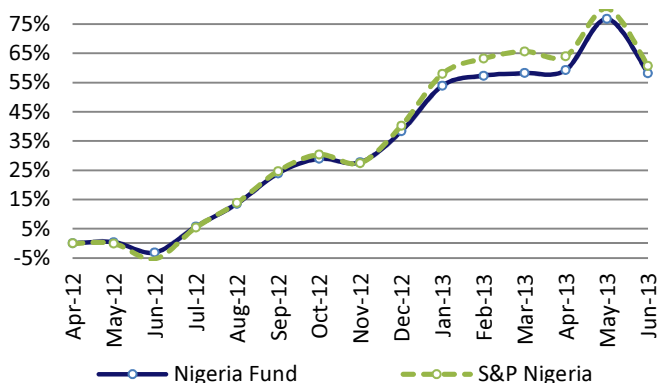
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## Performance\* (since inception, 1 May 2012)



— Nigeria Fund      — S&P Nigeria

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	-3.6%	26.6%	-3.1%	25.4%
Egypt	-13.9%	-14.2%	-14.3%	-22.2%
Ghana	-0.2%	56.7%	-1.8%	47.0%
Kenya	-8.2%	11.3%	-9.0%	11.5%
Mauritius	-1.5%	10.5%	-1.3%	8.6%
Morocco	-1.3%	-6.1%	-1.2%	-7.1%
Nigeria	-4.3%	28.8%	-6.9%	23.7%
Tunisia	0.8%	0.6%	0.4%	-5.3%
Uganda	-11.6%	23.1%	-11.7%	27.1%
Zambia	3.3%	22.6%	0.5%	16.4%

	Nigeria Fund	S&P Nigeria Net Total Return	Alpha
1 month	-10.5%	-10.9%	0.4%
Calendar YTD	14.4%	14.6%	-0.2%
1 year	63.4%	69.8%	-6.4%
2 years	n/a	n/a	n/a
Since Inception	58.2%	60.7%	-2.5%
Since Incep (ann.)	48.2%	50.2%	-2.0%

## Risk-Return Statistics\*\* (since inception)

	Nigeria Fund
Portfolio beta	0.88
Correlation	0.92
Tracking error	0.0%
Information ratio	-0.27
Relative downside dev.	3.5%
Sortino ratio	-0.56

## Contact Details

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\*Sustainable Capital claims compliance with the **Global Investment Performance Standards (GIPS)** and has prepared and presented this report in compliance with the GIPS standards. Sustainable Capital has not been independently verified.

\*\*The risk measures included in this report are computed based on NAVs calculated daily based on Bloomberg data. The Nigeria Fund has a monthly audited NAV.