

# NIGERIA FUND

September 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.

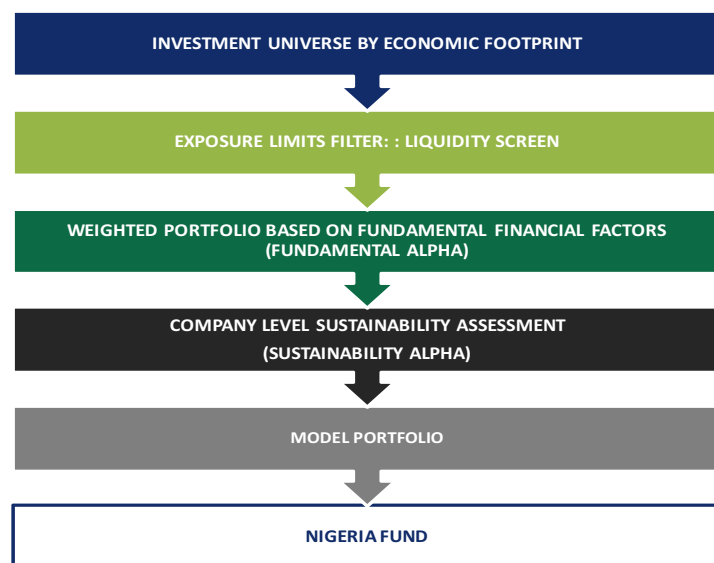
## Investment Process

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 67.3m.



## 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

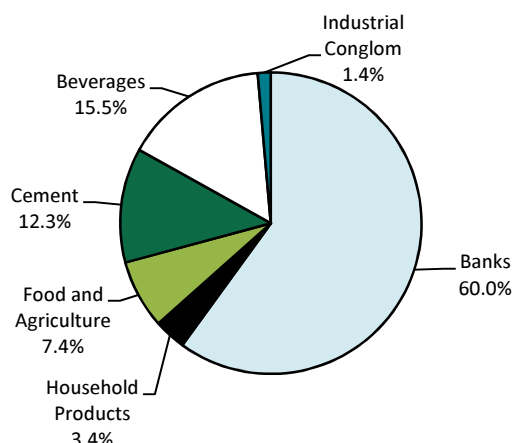


- Msc (International Finance), BA (Mgt Information Systems).  
- Over 7 years of industry experience.

## Key Facts

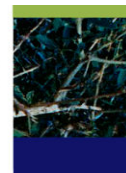
<b>Initial investment:</b>	USD 100,000
<b>Dealing:</b>	Monthly
<b>Management fees:</b>	2.0% annual, no performance fee
<b>Entry/exit fees:</b>	None
<b>Fund size:</b>	USD 11.4 million
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund
<b>Class B:</b>	Accumulation
<b>ISIN:</b>	MU0360S00018
<b>Bloomberg:</b>	SUTCNIG MP Equity

## Sector Allocation (% of equity)



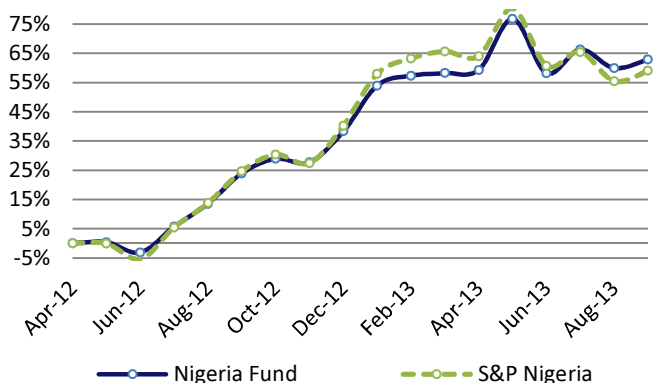
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## Performance\* (since inception, 1 May 2012)



— Nigeria Fund      — S&P Nigeria

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	1.2%	22.7%	3.4%	25.6%
Egypt	6.7%	2.9%	8.2%	-5.0%
Ghana	2.1%	69.3%	0.9%	47.9%
Kenya	2.0%	16.0%	3.8%	16.0%
Mauritius	1.7%	13.2%	2.7%	13.8%
Morocco	3.1%	-7.3%	5.0%	-5.3%
Nigeria	0.9%	30.3%	1.0%	26.2%
Tunisia	-3.0%	-2.6%	-3.0%	-8.2%
Uganda	6.5%	29.9%	8.0%	35.9%
Zambia	0.5%	28.8%	1.6%	26.2%

	Nigeria Fund	S&P Nigeria Net Total Return	Alpha
1 month	1.8%	2.3%	-0.5%
Calendar YTD	17.8%	13.4%	4.3%
1 year	31.4%	27.6%	3.9%
2 years	n/a	n/a	n/a
Since Inception	62.9%	59.0%	3.8%
Since Incep (ann.)	41.1%	38.8%	2.4%

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

	Nigeria Fund
Portfolio beta	0.87
Correlation	0.91
Tracking error	0.0%
Information ratio	0.32
Relative downside dev.	3.8%
Sortino ratio	0.62

## 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.