

# NIGERIA FUND

May 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.

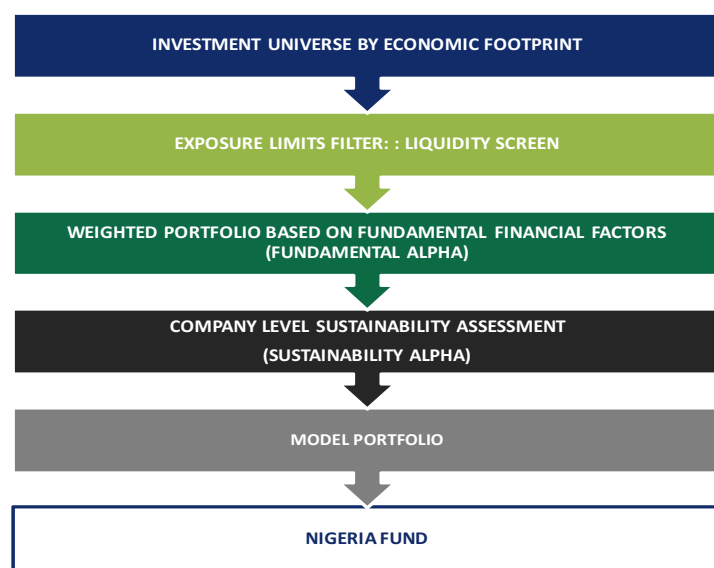
## Investment Process

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 59.5m.



## 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

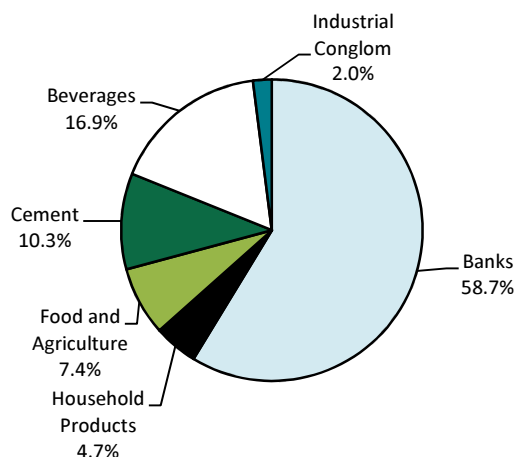


- Msc (International Finance), BA (Mgt Information Systems).  
- Over 7 years of industry experience.

## Key Facts

**Initial investment:** USD 100,000  
**Dealing:** Monthly  
**Management fees:** 2.0% annual, no performance fee  
**Entry/exit fees:** None  
**Fund size:** USD 12.5 million  
**Domicile:** Mauritius  
**Structure:** Open-ended, expert fund  
**Class B:** Accumulation

## Sector Allocation (% of equity)



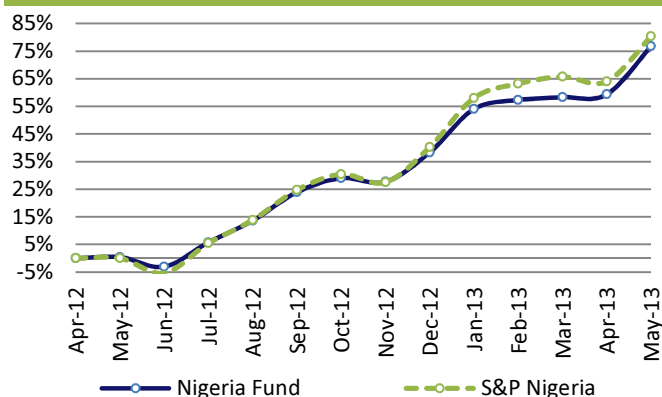
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## Performance\* (since inception, 1 May 2012)

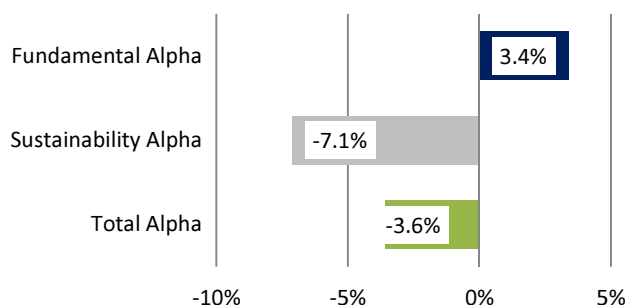


	Nigeria Fund	S&P Nigeria Net Total Return	Alpha
1 month	11.0%	10.0%	1.0%
Calendar YTD	27.8%	28.6%	-0.8%
1 year	76.0%	80.5%	-4.5%
Since Inception	76.8%	80.4%	-3.6%
Since Incep (ann.)	69.2%	72.4%	-3.2%

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

	Nigeria Fund
Portfolio beta	0.86
Correlation	0.93
Tracking error	6.0%
Information ratio	-0.54
Relative downside dev.	2.9%
Sortino ratio	-1.09

## Alpha Attribution (since inception)



## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	15.3%	31.3%	13.8%	29.4%
Egypt	4.7%	-0.4%	4.0%	-9.3%
Ghana	4.6%	57.1%	3.4%	49.7%
Kenya	5.1%	21.1%	3.4%	22.5%
Mauritius	1.6%	12.2%	1.3%	10.1%
Morocco	-2.6%	-4.8%	-3.7%	-5.9%
Nigeria	13.0%	34.6%	12.9%	32.9%
Tunisia	-1.1%	-0.2%	-3.4%	-5.7%
Uganda	9.5%	39.3%	9.5%	44.0%
Zambia	3.4%	18.7%	2.4%	15.8%

## Contact Details

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Bloomberg: SUTCNIG MP Equity

\*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.