

# NIGERIA FUND

March 2014



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.

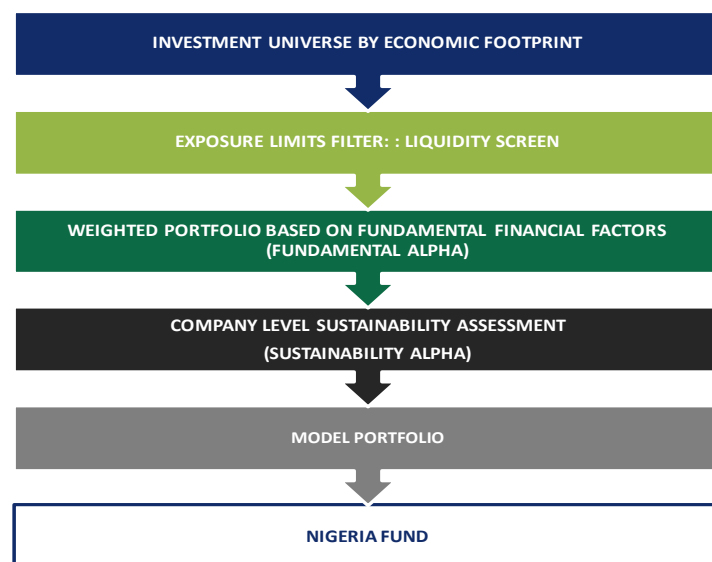
## Investment Process

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 84.9m



## 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 12 years of industry experience.

**Omar Fahmy**  
Senior Investment Analyst



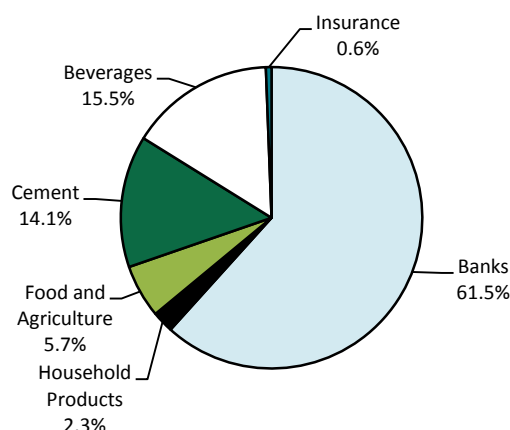
- Msc (International Finance),  
BA (Mgt Information  
Systems).

- Over 8 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 16.5m
<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)



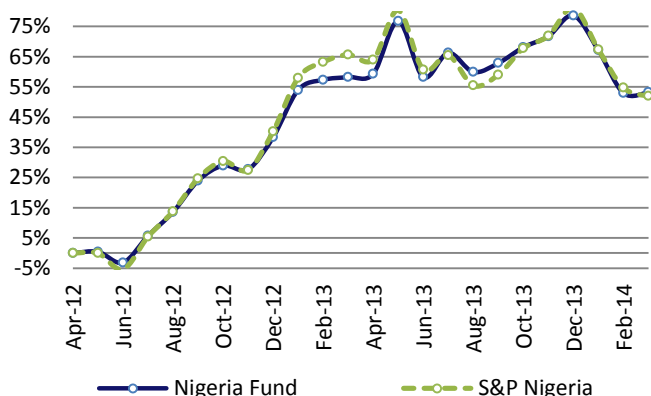
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## Performance\* (since inception, 1 May 2012)



	Nigeria Fund	S&P Nigeria Net Total Return	Alpha
1 month	0.2%	-1.8%	2.0%
Calendar YTD	-14.2%	-16.1%	1.9%
1 year	-3.2%	-8.3%	5.1%
2 years	n/a	n/a	n/a
Since Inception	53.3%	52.0%	1.3%
Since Incep (ann.)	24.9%	24.4%	0.6%

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
Egypt	-4.0%	15.1%	-4.1%	14.7%
Ghana	-1.4%	11.3%	-4.4%	-0.6%
Kenya	0.3%	0.4%	0.2%	0.4%
Mauritius	0.4%	-0.4%	0.5%	-0.5%
Morocco	0.8%	4.4%	0.6%	4.6%
Nigeria	-2.0%	-6.2%	-2.0%	-8.9%
Tunisia	-2.6%	4.8%	-3.0%	9.0%
Uganda	0.7%	-1.2%	0.1%	-2.0%
Zambia	9.8%	9.7%	4.0%	-1.1%
Zimbabwe	-6.9%	-12.8%	-6.9%	-12.8%

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

	Nigeria Fund
Portfolio beta	0.87
Correlation	0.91
Tracking error	0.0%
Information ratio	0.08
Relative downside dev.	3.8%
Sortino ratio	0.15

## Contact Details

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### Rishi Ramkorun

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Phone: +230 5250 62 21

\*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.