

# NIGERIA FUND

September 2012



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.

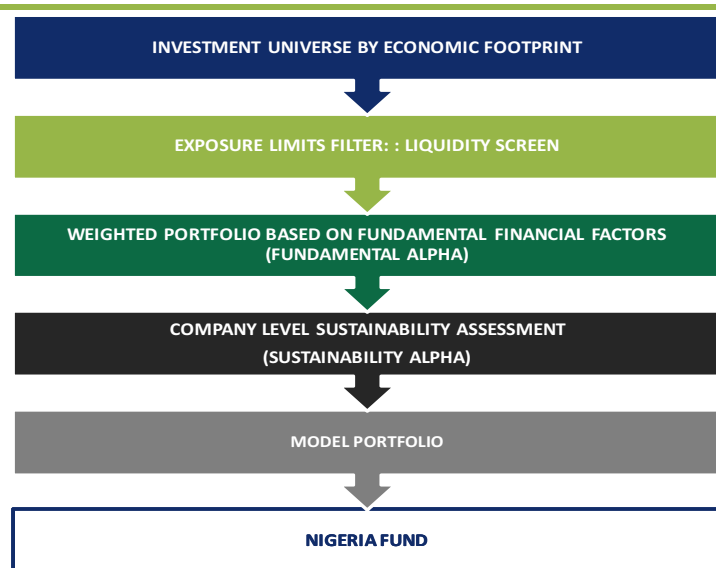
## Investment Process

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 43.9m.



## 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

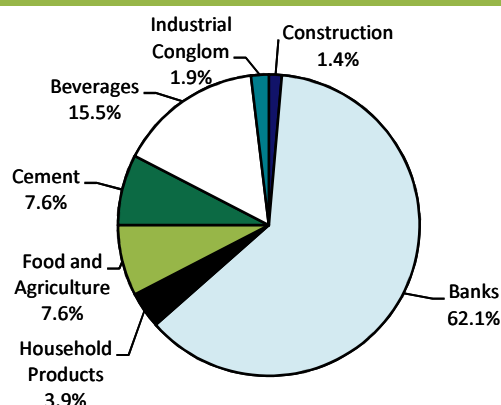


- Msc (International Finance), BA (Mgt Information Systems).
- Over 7 years of industry experience.

## Fund Valuation Metrics

Price to Earnings Ratio	13.4
Dividend Yield	4.4
Price to Book Ratio	2.3

## Sector Allocation (% of equity)



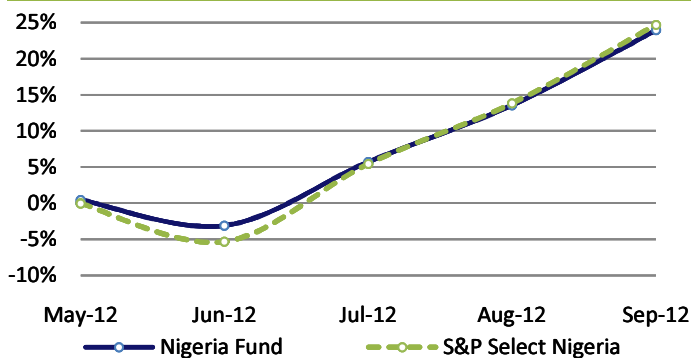
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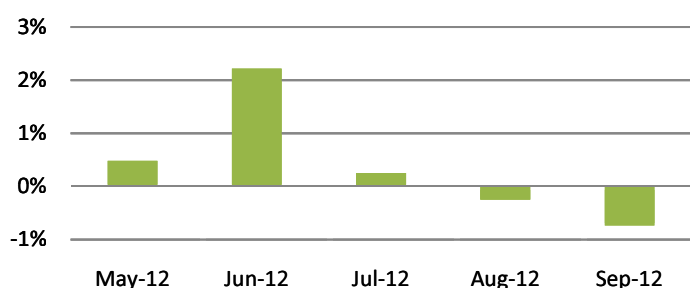
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## Performance\* (since inception, 1 May 2012)

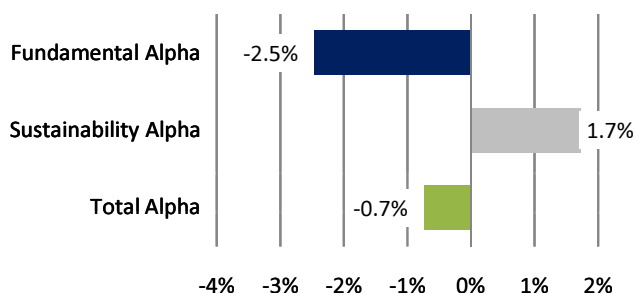


	Nigeria Fund	S&P Select Nigeria Net Total Return	Alpha
1 month	9.1%	9.6%	-0.4%
Calendar YTD	n/a	n/a	n/a
1 year	n/a	n/a	n/a
Since Inception	23.9%	24.7%	-0.7%
Since Incep (ann.)	67.4%	69.8%	-2.4%

## Cumulative Alpha\* (since inception)



## Alpha Attribution (since inception)



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

	Nigeria Fund
Portfolio beta	0.87
Correlation	0.95
Tracking error	5.4%
Information ratio	-0.44
Relative downside dev.	3.1%
Sortino ratio	-0.77

## 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 7.5 million
<b>Domicile:</b>	Mauritius
<b>Structure:</b>	Open-ended, expert fund

## African Equity Market - Performance Overview

	in Local Currency		in USD	
	1 month	YTD	1 month	YTD
BRVM	1.0%	6.8%	3.2%	6.4%
Egypt	9.2%	60.7%	9.3%	58.9%
Ghana	2.1%	8.1%	4.1%	-6.6%
Kenya	2.7%	23.9%	1.6%	23.6%
Mauritius	1.0%	-9.8%	1.2%	-12.9%
Morocco	-4.8%	-14.1%	-3.0%	-14.6%
Nigeria	9.5%	25.5%	10.1%	29.5%
Tunisia	-4.9%	5.1%	-3.6%	-0.3%
Uganda	1.5%	28.7%	-0.1%	25.1%
Zambia	-0.7%	-11.1%	-2.6%	-10.6%

## Contact Details

<b>Kevin Macdonald</b>	
email:	kevin@sustainablecapital.mu
Phone:	+230 258 13 69
<b>Rishi Ramkorun</b>	
email:	rishi@sustainablecapital.mu
Phone:	+230 250 62 21
<b>ISIN:</b>	MU0360S00000
<b>Bloomberg:</b>	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.