



SIM Capital Alliance Value Fund

Market Review

As reported in Q4 2012, real GDP grew by 6.48% in Q3 2012 up from 6.39% in Q2 2012 but lower than the 7.37% growth recorded in Q3 2011. Inflation, as tracked by the Consumer Price Index (CPI), recorded a year-on-year increase of 12.3% in November 2012 from 11.7% achieved in October 2012. This was due to increases in both Food and Core indices. The hike in food prices was as a result of the recent floods that ravaged parts of the country, limiting production capacity and creating scarcity in a number of food products.

Fixed Income Market: At the last Monetary Policy Committee meeting for 2012, the CBN maintained its tight monetary stance by retaining the monetary policy rate at 12%, the cash reserve ratio at 12% and the liquidity ratio at 30%. Yields declined in the fixed income markets due to sustained interest in the government securities by domestic and foreign investors.

Equity Market: In Q4 2012, the NSE All Share achieved a quarter on quarter appreciation of 7.95% to close at 28,087.80 points, resulting in a year to date appreciation of 35.43%. Quarter-on-Quarter activity level on the Nigerian Stock Exchange measured by market turnover increased by 13.95% in Q4 2012 to N181.39bn compared to N159.19bn in Q3 2012. This increase over Q3 2012 was largely driven by special cross of 3.1bn units of Dangote Flour Plc shares at N9.50 (\$189m) for the Tiger Brands acquisition of 63% holding in the company.

Portfolio Review

In Q4 2012, the Fund Manager increased the holding of the Fund in unquoted securities by 89.41% over the position at the close of Q3 2012. The holding of the fund in quoted equity investment was maintained over the course of quarter under review.

Portfolio Performance: The asset value of the fund grew by 4.51% to close the quarter with a gross asset value per unit of N127.5640 while the net asset value per unit grew by 5.29% closing the quarter with a net asset value per unit of N127.1430. For the year ended 31st December 2012, the NAV/unit recorded a growth of 21.62% to close at N127.1430. Holding period return of the Fund as at 31st December 2012 stood at 27.14%

Outlook: In 2013, the Fund Manager will continue to seek out investment opportunities which meet our pragmatic value investing philosophy with a view to increasing the Fund's allocation to unquoted and quoted equity investments.

Sector holdings as at 31.12.12

Banking	46.64%
Telecommunications	18.21%
Conglomerates	16.47%
Consumer Goods	13.58%
Insurance	5.11%

Top 5 Holdings as at 31.12.12

First Bank
MTN
UACN
FrieslandCampina WAMCO
Guaranty Trust Bank Plc

Investment Objective

The SIM Capital Alliance Value Fund aims to provide investors with capital growth over the long-term by investing in listed and unlisted Nigerian equities and other securities as approved by SEC. The fund pursues a total return objective.

Investment Strategy

The fund pursues a pragmatic value philosophy. Thus, the fund invests in securities which are sufficiently undervalued relative to their intrinsic value. We seek securities with low earnings multiple, which are trading at a discount to their net asset value and at an acceptable margin of safety to our assessment of fair value.

Fund Information

Classification: Closed End Fund listed on the NSE

Start Date: 30th June 2011

Trustees: Leadway Capital & Trusts Limited

Custodian: Stanbic IBTC Bank Plc

Fund Size: N4,080 million

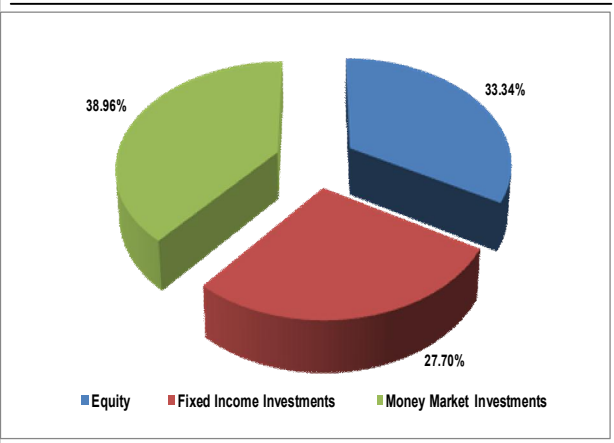
Nominal Value: N100 per unit

Market Price: N103.50 per unit

NAV/Unit: N127.1430 per unit

Asset Class	Permissible range	Strategic Asset Allocation
Equity	25% - 85%	60%
Fixed Income	15% - 50%	35%
Cash & cash equivalents	0% - 5%	5%

Asset Allocation as at 31st December 2012



Manager Information:

SIM Capital Alliance Limited. Physical Address: 8th Floor, C & C Towers, Plot 1684 Sanusi Fafunwa Street V/I Lagos
Tel: + 234 1 277 7017; +234 1 277 7018 Fax: +234 1 271 0564 Email: info@simcapitalalliance.com Website: www.sim.sanlam.com