



SIM Capital Alliance Value Fund

Market Review

During the period under review, the National Bureau of Statistics (NBS) reported Q3 2014 YoY growth rate for real GDP as 6.23%, representing a 0.31% decrease from the previous quarter. Year on year inflation rose in December to 8.0% from 7.9% in the previous month. The NBS attributed the rise to an increase in the prices of food items.

Fixed Income Market: During Q4 2014, the CBN maintained its tight monetary stance; increased the benchmark lending rate and private sector CRR to 13% and 20% respectively, whilst maintaining public sector CRR at 75%. During the quarter, interest rates observed significant increases across all tenors, with the Nigerian Inter-Bank Treasury Bills True Yields closing at 13.82%, 13.84% and 14.88% for 91, 182 and 364 days respectively and 15.20%, 15.27% and 15.07% for 2Y, 5Y and 10Y tenors respectively.

Equity Market: As at the end of Q4 2014, the NSE All Share Index closed at 34,684.32 resulting in QoQ and YTD declines of 15.84% and 16.08% respectively. Market Capitalization closed at N11.48trn recording a QoQ and YTD decline of 15.65% and 13.22%. Equity market activity measured by value recorded negative growth of 28.21% relative to the previous quarter.

Fund Review

During the quarter under review, the Fund fully exited its position in Consolidated Breweries Plc at a price of N120, a 62.50% realized gain from the average purchase consideration. The Fund Manager further reduced the Fund's exposure to WAMCO by disposing of some units held by the Fund.

Portfolio Performance: During the quarter under review, a distribution of N10/Unit was paid to subscribers. Despite the volatile market environment, the net asset value of the Fund recorded a year to date growth of 0.49% inclusive of dividend paid, closing the quarter with NAV/Unit at N129.5604. Year to date growth can be attributed mainly to the performance of the unlisted securities held in the portfolio, with WAMCO and MTN recording YTD growth of 34.62% and 3.85% respectively. Listed securities recorded a weighted YTD decline of 30.13%.

Portfolio Outlook: The Fund Manager expects a challenging environment in 2015. The Fund Manager will seek to take advantage of a rising interest rate environment and will restrict fixed income investments to FGN securities and investment grade issuers. The Fund Manager will continue to evaluate opportunities for the Fund in the listed and unlisted equity space. Investments will be made in keeping with the Fund's Value Philosophy.

Top 5 Sector holdings - 31.12.14

Banking	14.76%
Consumer Goods - Food	11.38%
Telecommunications	8.26%
Conglomerates	5.23%
Exploration & Production	3.33%

** percentages represent equity holdings relative to Gross Asset Value of Fund

Top 5 Holdings - 31.12.14

Friesland WAMCO
MTN
UACN
GTB
Zenith Bank

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, low price to book ratio, and which are trading 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: N4,174million

Latest Distribution: N10.00 per unit (December 2014)

Nominal Value: N100 per unit

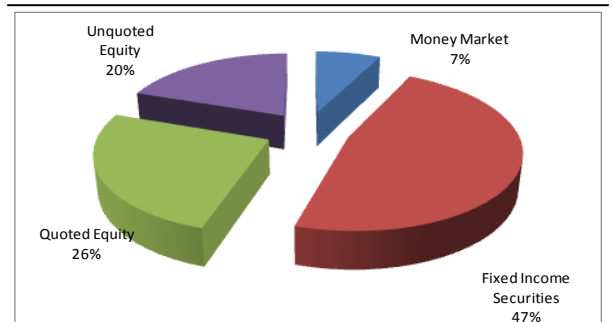
Market Price: N103.24 per unit

NAV/Unit: N129.5604 per unit

Fund Returns as at 31.12.2014 (net of fees & expenses)

	YTD	CAGR	HPR
Based on NAV/Unit	0.49%	13.42%	55.39%
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 2014



Manager Information:

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