



SIM Capital Alliance Value Fund

Market Review

In a report released by the National Bureau of Statistics in Q2, 2013 the Nigerian economy grew by 6.56% in Q1 2013. This growth was largely fuelled by growth in the non-oil sector. YoY Inflation for June 2013 came in at 8.4%, decreasing by 0.6% from the May YoY figure. The slow down was largely due to a decline in core inflation, however food inflation increased by 0.4% to 9.7%YoY in June.

Fixed Income Market: At the Monetary Policy Committee meeting held in Q2 2013, the CBN maintained the benchmark lending rate at 12%. The fixed income market at the start of Q2 2013 was boosted by offshore investments, however the month of June witnessed the exit of some foreign investors, unnerved by fears that the commitment of major Central Banks to Quantitative Easing was waning. Yields on 364 day Treasury Bills increased to 14.82% from 11.91% at the close of the quarter.

Equity Market: In Q2 2013, the NSE All Share Index observed an appreciation of 5.28% to close at 36,164.31. Market Capitalization stood at N11.426trn which marked an increase of 6.46% from close of Q1 2013. Market activity measured by value of trades grew by 42.08%. The Exchange also introduced an Industrial Index onto its Daily Official List, which measures the performance of the top 10 performing stocks in the industrial sub-sector of the equities market.

Portfolio Review

As indicated in our March 2013 newsletter, the Fund increased its investment in unlisted equity during Q2 2013 by 50% over its Q1 2013 position. Investments were made in both existing unlisted counters as well as a new counter in the breweries sector.

Portfolio Performance: The asset value of the fund grew by 3.61% QoQ closing with a GAV of N133.15 per unit. The net asset value per unit closed Q2 2013 at N132.71 per unit.

Outlook: The Fund Manager will continue to seek out buying opportunities that meet the investment criteria of the Fund. We shall be guided by our pragmatic value investing philosophy. The audit for the financial year ended 30th June 2013 will be carried out during Q3 2013. Updates will be provided in the Q3 2013 newsletter.

Top 5 Sector holdings - 30.06.13

Banking	37.56%
Conglomerates	19.97%
Consumer Goods - Food	15.40%
Telecommunications	13.62%
Consumer Goods - Breweries	7.34%

Top 5 Holdings - 30.06.13

UACN Plc
First Bank Plc
Friesland WAMCO
MTN
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: N4,259.5 million

Distribution: N7.59 per unit (*February 2013*)

Nominal Value: N100 per unit

Market Price: N95.91 per unit

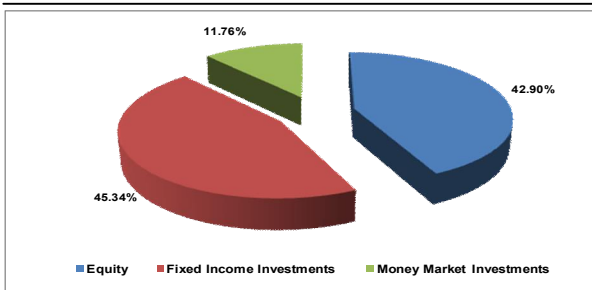
NAV/Unit: N132.7078 per unit

Fund Returns as at 30th June 2013

	YTD	1 Yr	HPR
Based on NAV/unit	4.38%	20.07%	40.30%

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 30th June 2013



Manager Information:

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