



# SIM Capital Alliance Value Fund

## Market Review

As reported by the National Bureau of Statistics (NBS), real GDP in 2013 grew at a rate of 6.89% up by 0.31% from 2012 (pre-rebasing); the non-oil sector was attributed as the key growth driver. Inflation as at March, 2014 stood at 7.8%, slightly higher than 7.7% reported in the month of February, 2014. The NBS attributed the increase in March to the increase in the bread and cereals, fish, dairy, oils and fats and fruit classes.

**Fixed Income Market:** During Q1 2014, the CBN maintained its tight monetary stance; kept the benchmark lending rate fixed at 12%, increased Cash Reserve Ratio (CRR) to 15% and 75% from 12% and 50% for private and public sector deposits respectively. The Naira experienced pressure over fears of a possible devaluation, with external reserves dropping below the psychological resistance level of \$41bn in March.

**Equity Market:** As at the end of Q1, 2014, the NSE All Share Index recorded a decline of 6.25%, closing the quarter at 38,748.01 points while Market Capitalization recorded a decline of 5.90% to close at N12.45trn. The market activity increased by c.15% QoQ to N273.9bn.

As reported by the NSE, total portfolio participation as at February 2014 stood at N380.67bn with 40.64% and 59.36% representing Domestic and Foreign investors respectively. Foreign Portfolio outflows was approximately N153.67bn (40.37% of total participation) during the period.

## Fund Review

Over the 1st Quarter of 2014, the Fund maintained its holding in the listed and unlisted equity space while reinvesting proceeds from maturing fixed income investments. On a QoQ basis, while the Fund's listed equity portfolio suffered diminution in value, the overall effect of the diminution was cushioned by the positive performance of its unlisted equity portfolio.

**Portfolio Performance:** For Q1 2014, the gross asset value of the Fund recorded a marginal growth of 2.33%. The net asset value per unit closed the quarter at N142.1478 recording a growth of 2.36% for the 1st quarter of 2014.

**Portfolio Outlook:** Based on some opportunities being evaluated by the Fund Manager, as at the end of Q1 2014, it is expected that the Fund will increase its equity investment over the course of the Q2 2014. In addition, the Fund Manager expects to rotate out of some of its existing holdings during Q2 2014.

### Top 5 Sector holdings - 31.03.14

|                          |        |
|--------------------------|--------|
| Consumer Goods - Food    | 32.07% |
| Banking                  | 27.65% |
| Conglomerates            | 15.99% |
| Telecommunications       | 14.32% |
| Consumer Goods - Brewers | 6.07%  |

### Top 5 Holdings - 31.03.14

|                         |
|-------------------------|
| Friesland WAMCO         |
| UACN Plc                |
| MTN                     |
| First Bank Plc          |
| 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, 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:** N4,562.49million

**Latest Distribution:** N8.24 per unit (*December 2013*)

**Nominal Value:** N100 per unit

**Market Price:** N103.50 per unit

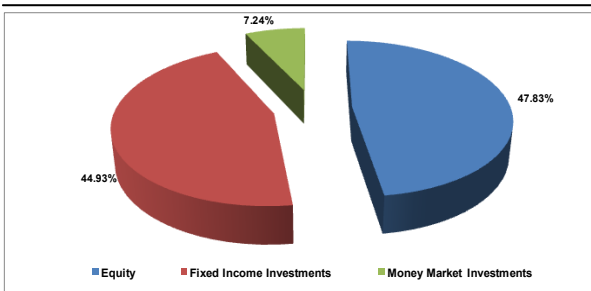
**NAV/Unit:** N142.1478 per unit

## Fund Returns as at 31.03.2014 (net of fees & expenses)

|                   | YTD   | CAGR   | HPR    |
|-------------------|-------|--------|--------|
| Based on NAV/unit | 2.13% | 18.09% | 57.98% |

| 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 March 2014



## Manager Information:

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