



SIM Capital Alliance Value Fund

Market Review

As reported by the National Bureau of Statistics in Q3, 2013, the Nigerian GDP grew by 6.18% in Q2, 2013 - a 0.38% decline from the previous quarter. Growth was fueled by the non-oil sector which achieved a real growth of 7.36% in Q2, 2013 - a 0.27% decline from Q1 2013 which can be attributed to the ripple effect lower electricity generation had on major sectors of the economy. YoY inflation for September was 8%, a 0.2% decline from 8.2% recorded in August. The slowdown was as a result of declines in food prices due to the onset of the harvest season.

Fixed Income Market: At the last Monetary Policy Committee meeting held in Q3 2013, the CBN maintained its tight monetary stance; kept the benchmark lending rate fixed, at 12%, maintained Cash Reserve Ratio (CRR) on private sector deposits at 12% and increased CRR for public sector deposits to 50%. This led to a liquidity squeeze in the banking sector, with the cost of lending among commercial banks increasing significantly.

Equity Market: In Q3 2013, the NSE All Share Index observed a QoQ growth of 1.16%, closing the quarter at 36,585.08 points - a YTD growth of 30.29%. Market Capitalization stood at N11.653trn which marked an increase of 1.98% from close of Q2 2013. Market activity measured by value of trades declined by 45.67%.

Portfolio Review

In Q3 2013, the Fund maintained its holdings in the listed and unlisted counters. As mentioned in the June 2013 newsletter, the audit exercise was carried out in Q3 2013. The draft IFRS audited financial statements for the year ended June 2013 have been submitted to the SEC for approval.

Portfolio Performance: The asset value of the Fund grew by 5.51% QoQ closing with a GAV of N140.49 per unit. The net asset value per unit closed Q3 2013 at N138.94 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.

Top 5 Sector holdings - 30.09.13

Banking	33.92%	Friesland WAMCO
Consumer Goods - Food	19.75%	UACN Plc
Conglomerates	19.03%	MTN
Telecommunications	14.98%	First Bank Plc
Consumer Goods - Breweries	6.73%	Guaranty Trust Bank Plc

Top 5 Holdings - 30.09.13

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: N4,459.61million

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

Nominal Value: N100 per unit

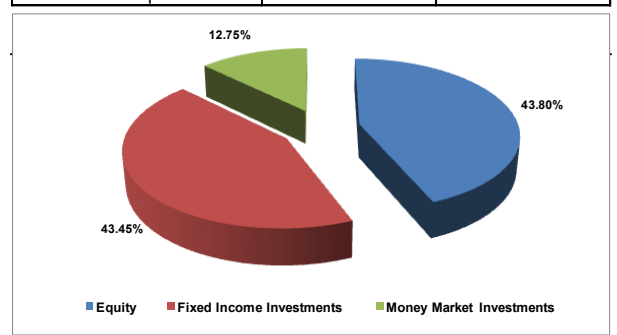
Market Price: N103.50 per unit

NAV/Unit: N138.9426 per unit

Fund Returns as at 30th September 2013

	YTD	1 Yr	HPR
Based on NAV/unit	15.25%	21.34%	46.53%

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



Manager Information:

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