



SIM Capital Alliance Value Fund

Market Review

Year on year Inflation declined to 13.34% in March 2018 from 14.33% and 15.13% in February and January respectively. On a month on month basis, the NBS reported inflation increased by 0.84% in March, relative to 0.79% in February and 0.80% in January. As reported by the CBN, the Naira to Dollar rate closed the period at ₦305.65, recording a year to date appreciation of 0.11%. The Nigerian Autonomous Foreign Exchange Rate Fixing (NAFEX) closed the period at ₦359.83 to the dollar, recording an appreciation of 0.05% for the quarter and 4.13% since its inception in April 2017. As reported by the FMDQ, a total of US\$15.2 billion was traded in the I&E FX window during the quarter, an increase of 20.24% from the previous quarter.

Fixed Income Market: During the period under review, the MPC maintained the monetary policy rate at 14%. The cash reserve ratio and liquidity ratio were maintained at 22.5% and 30% respectively. Yields on Treasury Bills rose by 42 basis points over the quarter, closing at 14.47% on average from 14.06% at the start of the quarter. The increase was driven by 1M, 3M and 6M maturities, as yields on 9M and 12M maturities declined by 136bps on average. In the bond market, average yield on FGN bonds decreased by 38bps over the quarter to close at 13.75%.

Equity Market: The NSE All Share Index appreciated by 8.53% over the quarter, closing at 41,504.51. Total value traded for the quarter was ₦439 billion, a decrease of 0.92% relative to the previous quarter.

Fund Review

During the quarter under review, the Fund benefited from the rally witnessed in the listed equity markets, which was driven by factors such as the improving macroeconomic environment and favorable sentiment regarding corporate earnings and actions.

Portfolio Performance: The net asset value of the Fund closed the period at ₦173.45/unit, recording a year to date return of 9.28%. The performance of the Fund during the period under review was driven by the strong performance of its listed equity holdings, which recorded a return of 14.02%.

Portfolio Outlook: Stable oil prices and domestic production improved the Federal Government's ("FG") fiscal situation. The moderation of yields witnessed during the period was driven by the slowing inflation rate and sustained demand levels. The planned change in the FG's current debt mix may also be supportive of continued moderation of domestic interest rates in the near-term. Market activity in the equity market was supported by improved investor confidence and a more positive near term outlook on economic growth. Concerns around the 2019 elections however presents downside risks to equity market activity and may lead to increased price volatility. The Fund Manager however maintains the view that the current environment offers selected attractive opportunities in the equity markets for longer-term value investors and will continue to identify pockets of value in both the listed and unlisted equity asset classes. The Fund will also continue to review its current equity portfolio holdings and may trade out of positions that are determined to be trading at close to or at a premium to intrinsic value. Furthermore, the Fund will seek to diversify the fixed income portfolio both from an issue type as well as maturity profile perspective.

Top 5 Sector holdings - 31.03.18

Banking	32.70%
Agriculture	8.23%
Oil & Gas	7.44%
Insurance	5.93%
Consumer Goods	3.59%

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

Top 5 Security Holdings - 31.03.18

Zenith Bank
GT Bank
Seplat
FBN Holdings
Okomu Oil Palm

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. It seeks securities with low earnings multiples, low price to book ratio, and which are trading at an acceptable margin of safety to the Fund Manager's 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
GAV:	₦5,584million
NAV:	₦5,567million
Total Distribution:	₦1,792 million (Inception till date)
Total Distribution/unit:	₦55.83 per unit (Inception till date)
Latest Distribution:	₦10.00 per unit (Paid in December 2017)
Market Price:	₦103.2 per unit
NAV/Unit:	₦173.45 per unit

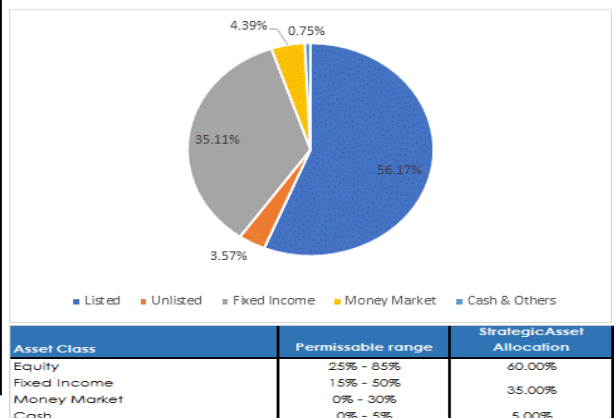
Key Statistics as at 31.03.2018 (net of fees & expenses)

YTD	CAGR (since inception)	HPR (since inception)	*Total expense ratio	**Total expense ratio
9.28%	13.08%	129.28%	1.28%	2.54%

* Trailing 12 months exclusive of incentive fee

** Trailing 12 months inclusive of incentive fees

Asset Allocation as at 31st March 2018



Manager Information:

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