



SIM Capital Alliance Value Fund

Market Review

During Q4 2013, the CBN reported that oil revenues continued to decline in spite of the relative stability in oil prices. Excess crude savings fell from \$11.5bn at year end 2012 to less than \$5bn in November, 2013. As reported by the National Bureau of Statistics, in December, the Consumer Price Index (CPI), which measures inflation rose by 8%(YoY), edging higher by 0.1% points from 7.9% recorded in November. Prices rose on the back of increases in eight of the eleven non-food Classification of Individual Consumption According to Purpose (COICOP) divisions which contribute to the Core sub-index.

Fixed Income Market: At the last Monetary Policy Committee meeting held in Q4 2013, the CBN maintained its tight monetary stance; kept the benchmark lending rate fixed at 12%, maintained Cash Reserve Ratio (CRR) at 12% and 50% for private and public sector deposits respectively and liquidity ratio at 30%. In December AMCON successfully redeemed N1.7trn zero coupon series I bonds held by institutions outside of the CBN.

Equity Market: In Q4 2013, the NSE All Share Index observed a QoQ growth of 12.97%, closing the quarter at 41,329.19 points to record a YTD growth of 47.19% for 2013. Market Capitalization stood at N13.226trn which marked an increase of 13.50% from Q3 2013. Market activity in Q4 2013 increased by 20.46% QoQ. The top five performers in 2013 include: Forte Oil Plc (1164%), Transnational Corporation (314%), Conoil Plc (231%), Livestock Feeds (135%) and Wema Bank (135%).

Fund Review

In Q4 2013, the Fund held its 2nd Annual General Meeting where the audited IFRS financial statements for the year ended 30th June 2013 were presented to Unit Holders. Also, at the AGM, the Unit Holders approved a distribution of N8.24 per unit, thus bringing the total distribution made by the Fund since its inception to N15.83 per unit. Payment of the 2nd dividend was made by the Registrars on the 31st of December 2013.

Portfolio Performance: For Q4 2013, the gross asset value of the Fund recorded a QoQ growth of 5.77%. Adjusted for the distribution made during the quarter, the GAV per unit closed Q4 2013 at N140.3539 while the net asset value per unit closed Q4 2013 at N138.8505 per unit.

For the calendar year ended 31st December 2013, the Fund achieved a total return of 21.66%. The total return is computed based on the growth of NAV per unit plus distribution made during the calendar year. Opening NAV per unit stood at N127.14; closing NAV per unit stood at N138.85; while total distribution made in 2013 was N15.83.

Top 5 Sector holdings - 31.12.13

Banking	34.70%
Conglomerates	19.91%
Consumer Goods - Food	18.77%
Telecommunications	14.23%
Consumer Goods - Breweries	7.16%

Top 5 Holdings - 31.12.13

UACN Plc
Friesland WAMCO
MTN
First Bank Plc
Zenith 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: N4,456.65million

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

Nominal Value: N100 per unit

Market Price: N103.50 per unit

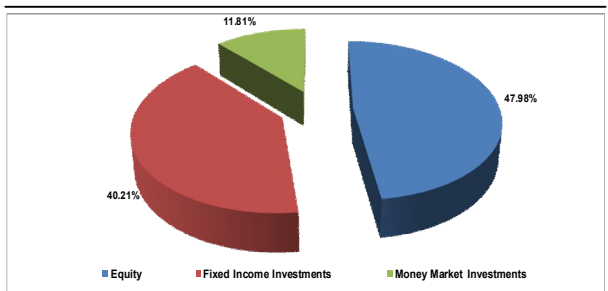
NAV/Unit: N138.8505 per unit

Fund Returns as at 31.12.2013 (net of fees & expenses)

	YTD	CAGR	HPR
Based on NAV/unit	21.66%	19.06%	54.68%

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 2013



Manager Information:

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