



SIM Capital Alliance Value Fund

Market Review

Q1 2012 kicked off with the partial removal of fuel subsidy by the Federal Government resulting in a 50% increase in the pump price of petrol. This expectedly led to an upward pressure on domestic consumer prices. As reported by the National Bureau of Statistics, YoY inflation increased from 10.50% in December 2011 to 12.60% in January 2012 moderating to 11.9% in February 2012.

Fixed Income Market: The CBN maintained the Monetary Policy Rate (MPR) at 12% through out Q1 2012. Yields from Federal Government securities remained attractive during the period under review attracting increasing interest from local institutional investors as well as foreign investors. Yields for 364 day treasury bills hovered between 18% and 19.93% in Q1 2012.

Equity Market: Market activity in Q1 2012 increased by about 20% over Q4 2011 activity level. Activity level in March 2012 accounted for circa 48% of value traded in Q1 2012, largely fuelled by the release of audited 2011 financial results by quoted companies. Increased interest in the equities market in March 2012, led the NSE Index to close the quarter at 20,652.47 points - a YTD decline of 0.39% improving from a YTD decline of 2.94% at the end of February 2012.

Portfolio Review

In Q1 2012, the Fund Manager took advantage of the buying opportunity in the equity market, particularly in January & February 2012, which was largely credited to the attractive yields from fixed income securities, to increase the investment in the listed equity space. This led to a 53% increase in monies invested in equities. Monies invested in fixed income securities are held in short to medium term instruments.

Portfolio Performance: The asset value of the fund grew by 2.94% to close the quarter with a gross asset value per unit of N108.0237 while the net asset value per unit grew by 2.89% closing the quarter with a net asset value per unit of N107.5675.

Outlook: The Fund Manager expects to ramp up its investment in unquoted and quoted equities over Q2 and Q3 2012. Selection of companies in which the Value Fund invests in is guided by parameters identified by the Fund Manager as consistent with the value philosophy of the Fund. We expect to achieve the strategic asset allocation for the Fund within 12 -18 months from its start date.

Sector holdings as at 31.03.12

Banking	56.08%
Telecommunications	21.97%
Conglomerates	21.95%

Top 5 Holdings as at 31.03.12

First Bank
UACN
MTN
Zenith 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

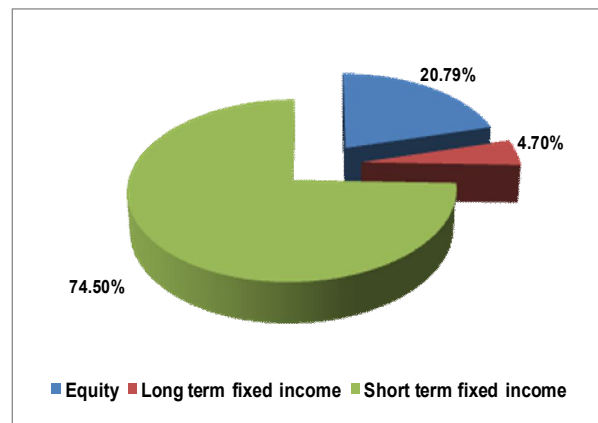
The fund pursues a pragmatic value philosophy. Thus, the fund invests in securities which are sufficiently undervalued relative to their intrinsic value. We seek securities with low earnings multiple, which are trading at a discount to their net asset value and at an acceptable margin of safety to our 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:	N3,452.57 million
Nominal Value:	N100 per unit
Market Price:	N103.50 per unit
NAV/Unit:	N107.5675 per unit

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 2012



Manager Information:

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