



SIM Capital Alliance Value Fund

Market Review

In Q1 2013, President Goodluck Jonathan signed the 2013 Appropriation Bill into law. The budget passage came weeks after the Senate and House of Representatives unanimously approved a N4.987trn estimate against the N4.92trn initially forwarded by the President. Oil Benchmark was also adjusted to \$79 from \$75. Inflation increased to 9.5%YoY in February, from 9.0% YoY in January. This was due mainly to a rise in the composite food index from 10.1% in January to 11.0% YoY in February.

Fixed Income Market: At the last Monetary Policy Committee meeting held in March, the CBN maintained its tight monetary stance, keeping the benchmark lending rate and the liquidity ratio at 12% and 30% respectively. The fixed income markets were boosted by offshore demand for the country's debt in Q1 2013 resulting in decline in yields. Yield on 364 days Treasury Bill declined from 13.68% at start of Q1 2013 to 11.91% at close of the quarter.

Equity Market: In Q1 2013, the NSE All Share Index recorded a QoQ appreciation of 19.44%, to close at 33,536.25 points. Market activity measured by value of trades, grew by 40.57% in the quarter under review. Market capitalization at the close of Q1 2013 stood at N10.733trn recording an increase of 19.60% from close of Q4 2012.

Portfolio Review

In Q1 2013, the Fund held its first Annual General Meeting at which the note holders ratified the distribution of N7.59 per unit as dividends to note holders. This represents a dividend yield of 7.33%.

Over the course of the quarter under review, the Fund maintained its holding in quoted and unquoted equity securities.

Portfolio Performance: The asset value of the fund grew by 6.70% but closed the quarter with a gross asset value per unit of N128.5203 after adjusting for distribution made during the quarter. The net asset value per unit closed the quarter at N128.0987.

Outlook: In 2013, the focus of the Fund Manager will be to increase the Fund's allocation to quoted and unquoted equity securities. We shall be guided by our pragmatic value investing philosophy. The Fund Manager has received the approval of the Fund's investment committee to invest in 4 additional equity securities once buying opportunities are identified. We expect to increase our allocation in the consumer goods and breweries sectors via the unlisted space.

Sector holdings as at 31.03.13

Banking	47.63%
Conglomerates	18.69%
Telecommunications	15.78%
Consumer Goods	11.77%
Insurance	6.12%

Top 5 Holdings as at 31.03.13

First Bank Plc
UACN Plc
MTN
Guaranty Trust 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, 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: N4,112 million

Distribution: N7.59 per unit (February 2013)

Nominal Value: N100 per unit

Market Price: N103.50 per unit

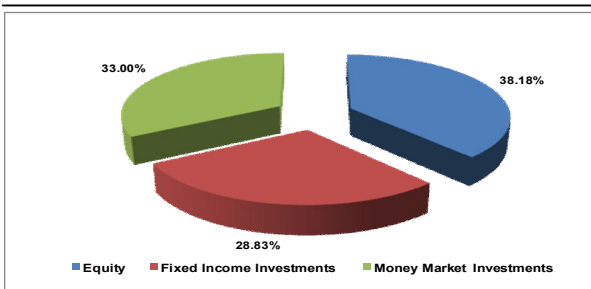
NAV/Unit: N128.0987 per unit

Fund Returns as at 31st March 2013

	YTD	1 Yr	HPR
Based on NAV/unit	6.72%	19.07%	35.69%

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 2013



Manager Information:

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