



...We are value investors...unlocking value in Africa

SIM Capital Alliance Value Fund

Market Review

During the period under review, the National Bureau of Statistics (NBS) reported Q4 2014 YoY growth rate of real GDP as 5.94%, compared with 6.23 % from the previous quarter, and 6.77 % in Q4 2013. For the fourth consecutive month, YoY inflation rose in March to 8.5% from 8.4% the previous month.

Fixed Income Market: In Q1 2015, the CBN maintained its tight monetary stance, leaving the benchmark lending rate and private sector CRR at 13% and 20% respectively; maintaining public sector CRR at 75%. Interest rates observed increases for the shorter tenured instruments, with the Nigerian Inter-Bank Treasury Bills True Yields closing at 14.64 %, 15.72% and 16.22% for 91, 182 and 364 days respectively; while yields on the longer tenured instruments declined, closing at 14.92%, 14.88% and 14.92% for 2Y, 5Y and 10Y tenors respectively

Equity Market: At the end of Q1 2015, the NSE All Share Index closed at 31,744.82 representing a YTD decline of 8.48 %. The NSE Consumer Goods Index and the NSE Industrial Index were the worst performers, recording 12.51% and 8.03% YTD declines respectively. Equity market activity measured by value of turnover declined by 11.89% relative to the previous quarter.

Fund Review

During the quarter under review, the Fund increased its holdings of listed equities by initiating positions in Fidelity Bank Plc and Custodian & Allied Plc. The Fund also invested in dollar denominated Corporate Debt securities (Eurobonds) to take advantage of attractive yields while mitigating potential devaluation in the Naira.

Portfolio Performance: Despite the volatile market environment experienced in Q1 2015, the net asset value of the Fund recorded a year to date growth of 1.98%, closing the quarter with NAV/Unit of N132.1307. The listed securities held in the portfolio recorded a total year to date return of 1.84%, whilst unlisted securities held in the portfolio recorded a total year to date return of 1.70%

Portfolio Outlook: The Fund Manager has and will continue to seek opportunities to cautiously increase the portfolio's duration in its fixed income portfolio, to benefit from higher interest rates. The Fund Manager will restrict fixed income investments to FGN securities and investment grade issuers. The Fund Manager will also continue to evaluate opportunities to increase the Fund's allocation to listed and unlisted equity securities, in keeping with the Fund's disciplined Value Philosophy.

Top 5 Sector holdings - 31.03.15

Banking	15.55%
Consumer Goods - Food	9.73%
Telecommunication	9.14%
Conglomerates	4.89%
Exploration & Production	3.51%

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

Top 5 Holdings - 31.03.15

Friesland WAMCO
MTN
UACN
GTB
Zenith Bank

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: N4,254million

Latest Distribution: N10.00 per unit (December 2014)

Nominal Value: N100 per unit

Market Price: N103.24 per unit

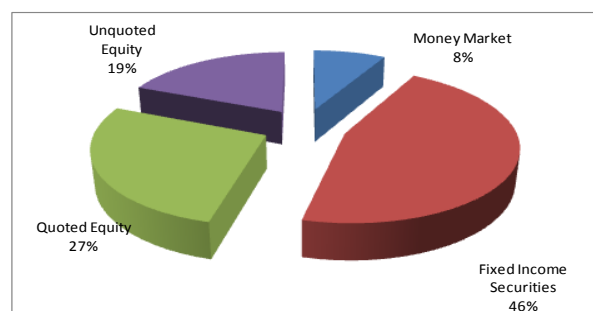
NAV/Unit: N132.1307 per unit

Fund Returns as at 31.03.2015 (net of fees & expenses)

	YTD	CAGR	HPR
Based on NAV/Unit	1.98%	12.97%	57.96%

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 2015



Manager Information:

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