



SIM Capital Alliance Value Fund

Market Review

Year on year Inflation declined to 17.26% in March from 17.78% and 18.72% in February and January respectively. On a month on month basis, the NBS reported inflation increased by 1.72% in March, relative to 1.49% in February and 1.01% in January. As reported by the CBN, the Naira to Dollar rate closed the period at N306.35, recording a year to date decline of 0.44%. Parallel market rates were substantially higher despite some recovery during the period driven by the CBN's sustained intervention in providing FX to retail end-users.

Fixed Income Market: During the period under review, the MPC voted to maintain the monetary policy rate, cash reserve ratio and liquidity ratio at 14%, 22.5% and 30% respectively. Compared to the previous quarter, interest rates on shorter tenured treasury securities increased, whilst interest rates on longer tenured treasury securities remained flat. As reported by the FMDQ OTC, the Nigerian Interbank Treasury Bills True Yield closed at 18.97%, 20.31%, and 22.45% for 90, 181 and 356 day tenors respectively, while yields on the longer tenured instruments closed at 15.80%, 15.64% and 15.93% for the 2, 5 and 10 year tenors.

Equity Market: At the end of Q1 2017, the NSE All Share Index closed at 25,516.34, representing a year to date and quarter on quarter decline of 5.05%. Equity market activity measured by value of turnover increased by 202.61% relative to the previous quarter.

Fund Review

During the quarter under review, the Fund took advantage of the high interest rate environment, by re-investing proceeds from maturing fixed income investments in short-term treasury securities, increasing the portfolio's weighted interest rate. The Fund also exited some of its holdings in Eurobond securities, that included; Fidelity Bank, Diamond Bank and First Bank.

Portfolio Performance: The net asset value of the Fund recorded a year to date increase of 4.01%. It closed the quarter at ₦121.93. The year to date increase was driven by the performance of both the Fund's listed equity holdings, as well as its fixed income securities.

Portfolio Outlook: The Nigerian economy continues to face material headwinds; however, there were improvements in revenue generation arising from fewer disruptions in oil production and reduced oil price support due to OPEC output cutbacks. During the period, equity market sentiments remained weak, while interest for fixed income securities was strong on the back of elevated yields across all tenors. The Fund Manager maintains the view that the current environment offers selected attractive opportunities in the equity markets for longer-term value investors, in line with the Fund's value investment philosophy. The Fund will also continue to take advantage of the elevated interest rate environment, by seeking to cautiously increase the duration of its fixed income portfolio as appropriate.

Top 5 Sector holdings - 31.03.17

Banking	25.82%
Oil & Gas	8.11%
Agriculture	7.69%
Insurance	5.34%
Telecommunications	5.49%

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

Top 5 Holdings - 31.03.17

GT Bank
MTN Nigeria
Stanbic IBTC Holdings
Zenith Bank
FrieslandCampina WAMCO

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

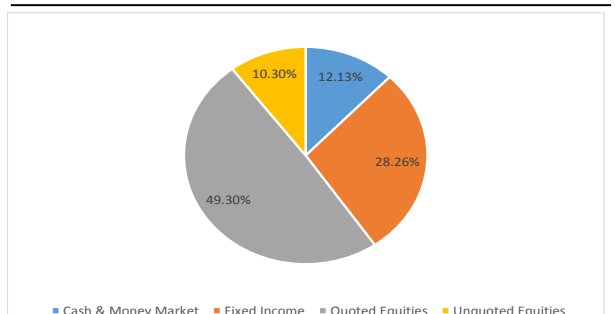
Classification:	Closed End Fund listed on the NSE
Start Date:	30th June 2011
Trustees:	Leadway Capital & Trusts Limited
Custodian:	Stanbic IBTC Bank Plc
GAV:	N3,943million
NAV:	N3,913million
Total Distribution:	N1,471 million (Inception till date)
Total Distribution/unit:	N45.83 per unit (Inception till date)
Latest Distribution:	N10.00 per unit (Paid in December 2016)
Market Price:	N103.24 per unit
NAV/Unit:	N121.93 per unit

Key Statistics as at 31.03.2017 (net of fees & expenses)

YTD	CAGR (since inception)	HPR (since inception)	*Annual Expense ratio
4.01%	9.41%	67.76%	1.42%

*Trailing 12 months statistics

Asset Allocation as at 31st March 2017



Asset Class	Permissible range	Strategic Asset Allocation
Equity	25% - 85%	60%
Fixed Income	15% - 50%	35%
Cash & cash equivalents	0% - 5%	5%

Manager Information:

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