



...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 Q3 2015 YoY growth rate of real GDP as 2.89%, compared with 2.4% from the previous quarter. Inflation edged up to 9.6% YoY in December, from 9.4% YoY in November. The NBS attributed the increased rate of inflation to the faster pace of growth recorded in the food index.

Fixed Income Market: In November 2015, the CBN further reduced private and public sector cash reserve ratio (CRR) to 20% from 25%, conditional to banks lending to the real sector. Additionally, the apex bank cut the monetary policy rate (benchmark interest rate) to 11% from 13%. Interest rates also observed sharp declines for both the short and long tenured instruments, with the Nigerian Inter-Bank Treasury Bills True Yields closing at 3.47%, 7.22% and 7.72% for 91, 182 and 364 days respectively, while yields on the longer tenured instruments closed at 8.24%, 10.59% and 10.92% for 2Y, 5Y and 10Y tenors respectively.

Equity Market: At the end of Q4 2015, the NSE All Share Index closed at 28,642.25 representing a decline of 17.42% for 2015. The NSE Banking Index and the Consumer Goods Index were the worst performers in 2015, recording declines of 24.89% and 18.86% respectively. Equity market activity measured by value of turnover decreased by 25.66% relative to the previous quarter. On a YoY basis, turnover as measured by value recorded a decline of 27.6% in 2015 relative to the previous year.

Fund Review

During the quarter under review, the Fund used the opportunity of the depressed equity markets to increase its holdings of listed equities by adding to its positions in Custodian & Allied Plc & Zenith Bank Plc.

Portfolio Performance: The volatile market environment experienced through the course of the year continued in the Q4 2015, with the net asset value of the Fund recording a year to date decline of 7.94%, closing the quarter at N109.2770. The Fund declared a distribution of N10/unit as dividend for the financial year ending 30th June 2015.

Portfolio Outlook: The Fund Manager is of the view that 2016 will remain challenged due to a number of factors such as volatile oil and commodity prices and sluggish global economic growth. In such environments, opportunities often exist to acquire assets at attractive prices. The Fund Manager, in keeping with the Fund's disciplined Value Philosophy will therefore continue to evaluate opportunities in the listed and unlisted equity securities. The Fund Manager will also continue to restrict fixed income investments to FGN securities and investment grade issuers.

Top 5 Sector holdings - 31.12.15

Banking	15.29%
Telecommunication	6.38%
Insurance	6.13%
Consumer Goods - Food	4.01%
Conglomerates	3.78%

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

Top 5 Holdings - 31.12.15

MTN
Friesland WAMCO
Zenith Bank
GT Bank
UACN

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This newsletter is for information purposes only; it neither presents a conclusive perspective on the topics discussed nor provides investment, financial or other advice. Prior results do not guarantee a similar outcome in the future.

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 multiple, 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

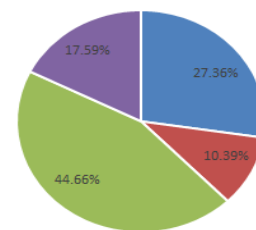
Classification:	Closed End Fund listed on the NSE
Start Date:	30th June 2011
Trustees:	Leadway Capital & Trusts Limited
Custodian:	Stanbic IBTC Bank Plc
GAV:	N3,526 million
Latest Distribution:	N10.00 per unit (December 2015)
Nominal Value:	N100 per unit
Market Price:	N103.24 per unit
NAV/Unit:	N109.2770 per unit

Fund Returns as at 31.12.2015 (net of fees & expenses)

	YTD	CAGR	HPR
Based on NAV/Unit	-7.94%	8.63%	45.11%

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 2015



■ Listed ■ Unlisted ■ Fixed Income ■ Money Market & Cash