

Deloitte.

SIM CAPITAL ALLIANCE VALUE FUND

ANNUAL REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2013

Table of Contents

Corporate information	ii
Statement of fund manager's responsibilities in relation	iii
Fund managers report	v
Trustees' report	ix
Independent Auditor's Report	1
Statement of profit or loss	2
Statement of profit or loss and comprehensive income	3
Statement of financial position	4
Statement of cash flows	5
Statement of changes in equity	6
Notes to the financial statements	7

CORPORATE INFORMATION

Names of Directors of the Fund Manager	Mr. Richard Kramer (American) Mr. Okechukwu Enelamah Ms Margaret Dawes (South African) Mr. Thomas Schultz (South African) Mr. Andre Roux (South African)	Chairman Resigned effective 22 February, 2013 Appointed effective 28 February, 2013
Registered office	8th Floor C& C Towers, Plot 1684 Sanusi Fafunwa Street Victoria Island Lagos	
Auditors	Akintola Williams Deloitte (Chartered Accountants) 235 Ikorodu Road, Ilupeju Lagos. Telephone: +234 1 271 7800	
Bankers	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos	
Trustees to the Fund	Leadway Capital and Trust Limited 121/123 Funso Williams Avenue Iponri Lagos	
Custodian	Stanbic IBTC Plc Stanbic IBTC Place Walter Carrington Crescent Victoria Island Lagos	
Company Secretary	Alsec Nominees Limited 10/13th floors St. Nicholas House Catholic Mission House Ikoyi, Lagos	

**STATEMENT OF FUND MANAGER'S RESPONSIBILITIES IN RELATION
TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

In accordance with the provision of the Companies and Allied Matters Act CAP C20 LFN 2004, the Fund Manager is responsible for the preparation of annual financial statements which give a true and fair view of the state of affairs of the Fund and of the profit and loss for the financial year.

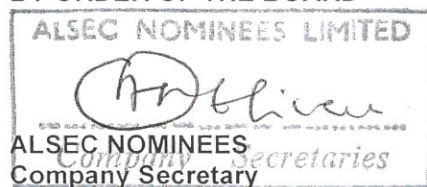
The responsibilities include ensuring that:

- (a) appropriate internal controls are established both to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities;
- (b) the Fund keeps accounting records which disclose with reasonable accuracy the financial position of the Fund and which ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Investment and Securities Act CAP S124 LFN 2007.
- (c) the Fund has used suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- (d) it is appropriate for the financial statements to be prepared on a going concern basis.

Auditors

The Auditors, Akintola Williams Deloitte, have indicated their willingness to continue in office as auditors. In accordance with Section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004, a resolution will be proposed at the Annual General Meeting to authorize the directors to determine their remuneration.

BY ORDER OF THE BOARD



St Nicholas House
(10th/13th Floors)
Catholic Mission House
P. O. Box 53123, Ikoyi
Lagos, Nigeria

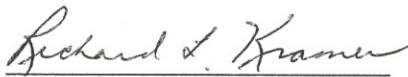
**STATEMENT OF FUND MANAGER'S RESPONSIBILITIES IN RELATION
TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

The Fund Manager accepts responsibility for the preparation of the annual financial statements set out on pages 2 to 34 that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004, the Investment and Securities Act CAP S124 LFN 2007 and other applicable guidelines issued by the Securities and Exchange Commission.

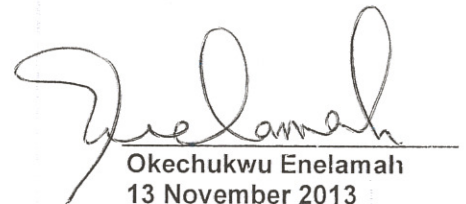
The Fund Manager further accepts responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the Fund Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Fund Manager has made an assessment of the Fund's ability to continue as a going concern and have no reason to believe the Fund will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE FUND MANAGER BY:



Mr. Richard Kramer
13 November 2013



Okechukwu Enelamah
13 November 2013

FUND MANAGERS REPORT

The Fund Manager presents their annual report on the affairs of SIM Capital Alliance Value Fund financial statements and auditor's report therein for the year ended 30 June 2013.

Legal firm and principal activity

The Fund is licensed by the Securities & Exchange Commission and registered as a Collective Investment Scheme.

The principal activity and objective of the Fund is to achieve long-term capital growth by investing in Nigerian equities. The Fund will pursue the objective by investing in companies listed on the Exchange, which the Manager considers under-valued, thus enabling Investors gain exposure to a concentrated portfolio of value stocks. The Fund will also invest in fixed income securities and unlisted equities. Investment in unlisted equities complies with the provisions of Securities and Exchange Commission of Nigeria guidelines for investment by collective investment scheme in unlisted equities.

Operating Results

The following is a summary of the Fund's operating results and transfers to reserves for the year ended 30 June 2013.

	2013 ₦'000	2012 ₦'000
Net operating income before taxation	876,787	444,957
Taxation	<u>(31,612)</u>	<u>(29,324)</u>
Profit after taxation transferred to retained earnings	<u>845,175</u>	<u>415,633</u>

The Fund intends to distribute income in the form of dividend at ₦8.24 per unit for the year ended 30 June, 2013. The total distribution for the year amounted to ₦264,477,516.64. This represents an increase of 8.56% from prior year distribution of ₦7.59 per share.

Unit Capital Holdings

The Fund did not purchase its own units during the year. The issued and paid up units of the Fund is currently ₦3,209,678,600 made up of 32,096,786 units of ₦100 each.

Analysis Shareholding:

Unit range analysis as at 30 June 2013	No of subscribers	% Holdings	Number of Holdings
0 - 1,000,000	6	2	641,936
1,000,000 - 5,000,000	6	68	21,825,814
5,000,000 - 10,000,000	<u>1</u>	<u>30</u>	<u>9,629,036</u>
	<u>13</u>	<u>100</u>	<u>32,096,786</u>

FUND MANAGERS REPORT**Investment Management**

The investment management of the Fund is undertaken by a Team of Analysts and Portfolio Managers working for SIM Capital Alliance Limited. The investment process is overseen by an Investment Committee made up of an experienced portfolio management team with broad experience of operating in Nigeria. The Investment Committee members are as follows:

	Name	Representing
a)	Mr. Richard Kramer	African Capital Alliance
b)	Mr. Okechukwu Enelamah	African Capital Alliance
c)	Andre Roux*	Sanlam Investment Management- South-Africa
d)	Mrs. Margaret Dawes	Sanlam Investment Management- South-Africa
e)	Mr. Femi Akinsanya	Independent Member
f)	Mr. Ayo Wuraola	Leadway Capital & Trusts

* Mr. Thomas Schultz was redeployed to other functions within Sanlam and was replaced by Andre Roux for the year under review.

Investment Structure

Members of the Board of SIM Capital Alliance Ltd and Investment Committee collectively have over 80 years of the investment management, private equity and consulting experience gained locally and internationally. The Investment Committee makes the ultimate decision on the portfolio's composition. Portfolio managers present their recommendations to the Investment Committee which builds the portfolio based on fundamental value. Adjustments to this bottom-up portfolio are then made based on the macro-economic view of Nigeria and the levels of concentration across sectors.

Economic Review

For the year under review, several developments occurred in our market that affected the performance of companies operating in Nigeria as well as the opportunities available to investors. Single digit inflation of 8.4% year on year was achieved in June, 2013, which was a 0.6% year on year decrease from May 2013. The slowdown could be attributed to a decline in core inflation, however food inflation increased by 0.4% to 9.7% year on year in June 2013. The economy grew by 6.18% year on year in June 2013, which was slightly lower than the previous quarters 6.56%, as reported by the Nigerian Bureau of Statistics. The slowdown is mainly as a result of production challenges experienced in the oil sector, which is being hampered by theft. The non-oil sector growth is being driven by activities recorded in agriculture, airlines, hotels and restaurants, as well as building and construction. The nation continues to grow as an investment destination due to its huge potential consumer population of almost 170 million and improved fiscal and monetary stability.

During the period under review the Monetary Policy Rate (MPR) rate which is the benchmark lending rate, was kept stable at 12%. The final half of 2012 witnessed declining yields in the fixed income sector which was brought about by increased demand from foreign investors following JP Morgan's disclosure to include the FGN Bonds in its Emerging Markets Government Bond Index. This trend continued in the first quarter of 2013, however the second quarter experienced the exit of some foreign investors, unnerved by fears that the commitment of major Central Banks to Quantitative Easing was waning, leading to 364 day treasury bills closing at yields of 14.82% in June 2013.

The NSE All share Index which commenced at 21,599.57 points appreciated by approximately 67.43%, closing at 36,164.31 on 30th June, 2013. The appreciation of the index was as a result of declining yields observed in the fixed income sector as well as increased investor confidence following key reforms embarked upon by the combined efforts of the Nigerian Stock Exchange (NSE), Securities and Exchange Commission (SEC), Central Bank of Nigeria (CBN) and the Asset Management Company of Nigeria (AMCON).

FUND MANAGERS REPORT**Economic Review (Continued)**

The Banking sector has seen marked improvements since the sale of problem loans to AMCON in 2011. In 2012, the CBN as part of its strategic initiative to reforming the Nigerian Financial system to enhance the quality of banks, ensure financial system stability and promote evolution of a healthy financial sector repealed the current Universal Banking Model. The objective of the repeal was to ensure banks focus on their core business and develop specialization. Thus banks were required to either spin-off or discontinue operations which were inconsistent with terms of the new banking license that was issued by the CBN. The banks that wished to retain non-banking business were compelled to evolve into the holding company model which would hold investments in the bank and each non-core banking operation in subsidiary arrangement.

Another sector in the spot light during the period under review was the Energy sector. Major milestones were achieved in the sector with the President approving the sum of N384bn for the payment of severance benefits to the employees of the Power Holding Company of Nigeria (PHCN) who were disengaged from the services of the company, which paved the way for the full privatization of the successor companies of the PHCN. In March, 2013 the preferred bidders for the 10 distribution companies carved out from the unbundling of the PHCN, successfully met the deadline payment of the 25% balance for the power assets. Power generation peaked at 4,517MW in December, 2012, however during the first half on 2013 the country witnessed poor supply of electricity with power generation dropping as low as 1,598MW which was blamed on vandalism of two major gas pipelines supplying gas to eight power generation stations.

In conclusion, the reforms of several sectors of the economy such as Energy and Agriculture as well as continuous improvements in infrastructure through public private partnerships set to continue in the 2013/2014 calendar, will further strengthen Nigeria's position as a leading economy in Sub-Saharan Africa.

The Fund

In 2010, the SIM Capital Alliance Value Fund ("Value Fund") offered to the public, 50,000,000 units of the Fund at N103.50. By June 2011, the Securities and Exchange Commission approved the allotment of 32,096,786 units to 13 investors made up of 8 institutional and 5 individual investors.

On the 30th of June 2011, the Fund commenced operations with a Net Asset Value ("NAV") per Note of N100 after deductions of the Initial Public Offer expenses. The Fund ended its 1st financial year with a NAV per note of 112.76¹. At its 1st Annual General Meeting, the unit holders ratified the distribution of N7.59 per unit as dividend payment. At the end of its first financial year, the equity portfolio accounted for about 23% of the Fund's investments.

Fund Activity

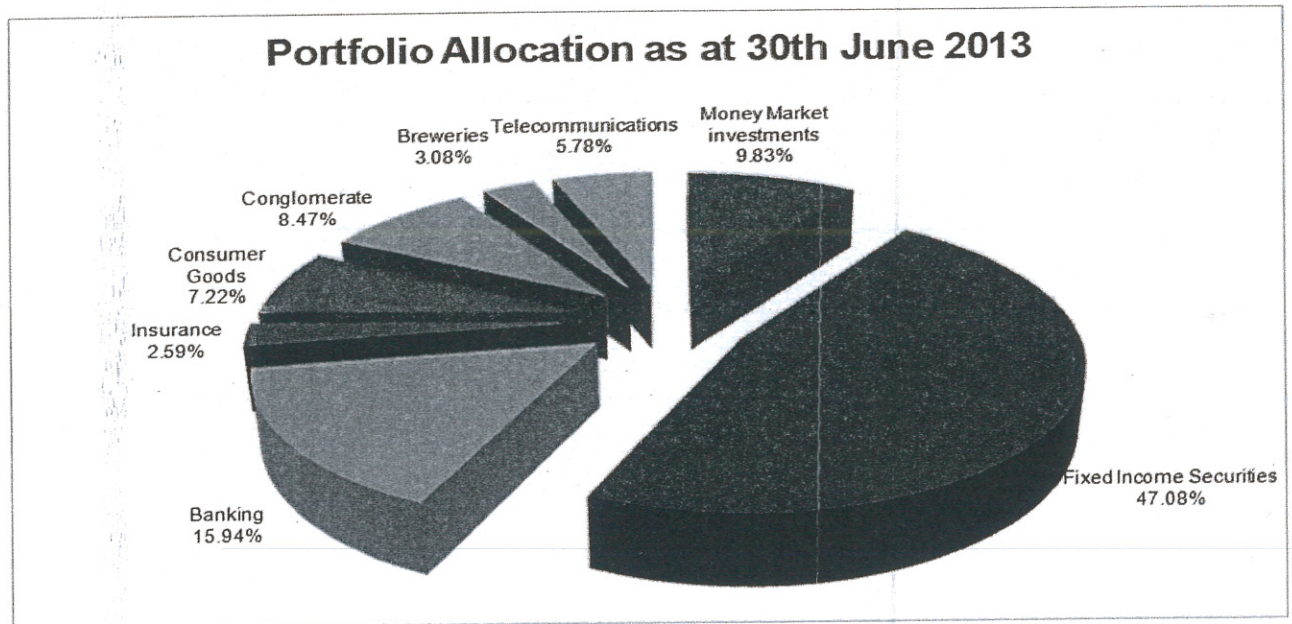
Over the period under review, the Fund took advantage of buying opportunities identified by the Manager and approved by the Investment Committee to increase its holding in both listed and unlisted equities – with more investments made in the unlisted space. The additional equity investments were made in line with our value investing philosophy, as we sought for counters trading below their intrinsic values.

¹ Based on audited accounts

FUND MANAGERS REPORT

Fund Activity (Continued)

As at the 30th June 2013, equity investments accounted for 43.09% of total investment, whilst fixed income securities accounted for the balance. The graph below summarizes the mix of the portfolio as at 30th June, 2013:

Fund Performance²

As measured by net asset value per unit, the Fund achieved a year on year performance of 25.48% (this is arrived at by comparing the closing net asset value of Fund as at 30th June 2012 to the closing net asset value as at 30th June 2013. See footnote). This performance results in a holding period return of 41.49%.

The listed equity portfolio of the Fund recorded a year on year total return of 82.27%. Year on year total return achieved by each sector in the listed equity portfolio is as follows: Conglomerate 118.93%, Insurance 89.61% and Banking 66.91%.

The unlisted equity portfolio recorded a year on year total return of 12.92% with the Telecommunications sector achieving a total return of 19.15%. An additional counter was added to the unlisted portfolio to bring the number of counters to 3. The holdings in the unlisted equity portfolio have been valued at fair value based on recent transaction carried out by the Fund before the financial year end 30th June 2013.

On the fixed income securities, the Fund was able to lock in decent interest rates. The average duration of the fixed income securities for the Fund is 300 days.

Conclusion

In conclusion, the Manager in keeping with the value investing philosophy of the Value Fund, will continue to seek for securities trading below their intrinsic worth. Over the next accounting year, as buying opportunities arise, the Manager will continue to invest in listed and unlisted equities in accordance with the strategic asset allocation.

² The performance numbers are year on year comparisons. This means that 30th June 2013 numbers are compared with 30th June 2012 numbers.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

The Trustees present their annual report for the year ended 30 June 2013.

PRINCIPAL ACTIVITY:

The principal activity of this Fund is to achieve long-term capital growth by investing in listed Nigerian equities which the Fund Manager has identified as being undervalued and offering above average growth potential and any other securities as approved by the Securities and Exchange Commission from time to time. The Fund may also invest in fixed income securities.

OPERATING RESULTS:

The results for the year which are set out on the following pages, have been duly audited in accordance with section 169 (1) of the Investments and Securities Act CAP 124 LFN 2007, section 354 (1) of the Companies and Allied Matters Act CAP C20 LFN 2004 and the Trust Deed establishing the Fund.

DIRECTORS:

The Directors of the Fund Manager who served during the year under review are:

Mr. Richard Kramer (American)	Chairman
Mr. Okechukwu Enelamah	
Ms Margaret Dawes (South African)	
Mr. Thomas Schultz (South African)	Resigned effective 22 February , 2013
Mr. Andre Roux (South African)	Appointed effective 28 February, 2013

RESPONSIBILITIES OF THE FUND MANAGER:

The investment and Securities Act, CAP S124, LFN 2007 requires the Fund Manager to keep proper books of account and prepare annual financial statements, which give a true and fair view of the state of affairs of the Fund during the period covered by the financial statements.

The Fund Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any point in time, the financial position of the Fund, and enable the Fund Manager to ensure that the financial statements comply with the International Financial Reporting Standard (IFRS), Companies and Allied Matters Act CAP C20 LFN 2004, the Trust Deed, together with the rules and regulations set out by the regulatory bodies established pursuant to the legislation referred to within this paragraph. The Fund Manager is also responsible for taking any reasonable step for the prevention and detection of fraud and other irregularities.

RESPONSIBILITIES OF THE TRUSTEES:

The responsibilities of the Trustees as provided by the Securities and Exchange Commission (SEC) Rules and Regulations are as stated below:

- Monitoring of the activities of the Fund Manager on behalf on behalf of and in the interest of unit holders,
- Safe-keeping documents relating to the investments of the Fund;
- Monitoring the Register of unit holders;
- Ascertaining the profitability rationale for the investment decision making of the Fund Manager;
- Ascertaining compliance with the provisions of the Trustee Investment Act, CAP T22 LFN 2004, the Investment and Securities Act, CAP S124 LFN 2007 and the Trust Deed by the Fund Manager;
- Ascertaining that monthly and other periodic returns/ reports relating to the Fund are sent by the Fund Manager to the Commission.


Stanbic IBTC Bank Plc was appointed Custodian to the Fund effective July 2011 consequent to new Rules issued by SEC and has since had responsibility for custody of the funds and certain documents relating to investment by the Fund.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

OPINION:

The Trustees are of the opinion that the Fund was administered and managed in line with the provisions of the Trust Deed and the Investment and Securities Act, CAP S124 LFN 2007.

BY ORDER OF THE TRUSTEES



Leadway Capital and Trusts Limited
Lagos
13 November 2013

Independent Auditor's Report to the Members of SIM CAPITAL ALLIANCE VALUE FUND

Report on the Financial Statements

We have audited the accompanying financial statements of **SIM Capital Alliance Value Fund** set out on pages 2 to 34, which comprise Statement of financial position as at 30 June 2013, 30 June 2012 and 1 July 2011, Statement of profit or loss and other comprehensive income, Statement of cash flows for the year then ended 30 June 2013 and 30 June 2012, Statement of changes in equity, notes to the financial statements including statements of significant accounting policies and other explanatory information.

Fund Manager's Responsibility for the Financial Statements

The Fund Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act, CAP C20 LFN 2004, the Investment and Securities Act CAP S124 LFN 2007, and the Financial Reporting Council of Nigeria Act No 6, 2011 and for such internal control as the Fund Manager determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Fund Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **SIM Capital Alliance Value Fund** as at 30 June 2013, 30 June 2012 and 1 July 2011 and of its financial performance and its cash flows for the year then ended 30 June 2013 and 30 June 2012; in accordance with the International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act CAP C20, LFN 2004, the Investment and Securities Act CAP S124, LFN 2007 and the Financial Reporting Council of Nigeria Act No 6, 2011.

Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
13 November 2013



FRC/2013/ICAN/00000000840

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Akintola Williams Deloitte, a member firm of Deloitte Touche Tohmatsu Limited, is a professional services organization that provides audit, tax, consulting, financial advisory and enterprise risk services.

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 N'000	2012 N'000
Interest income	4	370,503	355,332
Dividend income	5	101,920	63,928
Net gains from financial instruments at fair value through profit or loss	6	498,993	80,165
Total revenue		971,416	499,425
Fund Manager's fees		(42,876)	(34,965)
Trustees fees		(1,501)	(1,224)
Custodian fees		(8,826)	(7,873)
Registrars fees		(420)	(420)
Audit fees		(4,725)	(2,940)
Other operating expenses	7	(5,893)	(7,046)
Total operating expense		(64,241)	(54,468)
Net operating income before Fund Manager's incentive fees		907,175	444,957
Fund Manager's incentive fees	23	(30,388)	-
Net operating income		876,787	444,957
Withholding Tax expense	8	(31,612)	(29,324)
Profit after tax		845,175	415,633


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

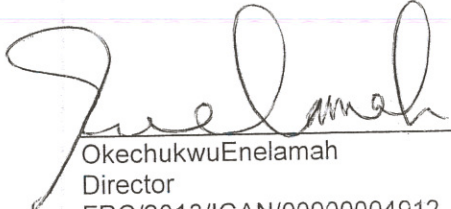
	Note	2013 N'000	2012 N'000
Profit for the year	20	845,175	415,633
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net gains from financial assets classified as available-for-sale	13.1	30,143	(9,531)
Other comprehensive income net of tax		30,143	(9,531)
Total comprehensive income for the year		875,318	406,102

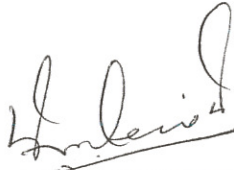
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
ASSETS				
Cash and Bank balances	9	29,864	53,866	3,235,567
Due from other financial institutions	10	368,246	2,018,759	-
Financial assets at fair value through profit or loss	12	1,166,709	619,268	-
Available-for-sale financial assets	13	676,803	217,545	-
Held-to-maturity investments	14	1,936,677	724,674	-
Loans & receivables	15	97,287	-	-
Other assets	16	26,357	8,029	-
TOTAL ASSETS		4,301,943	3,642,141	3,235,567
LIABILITIES				
Payables and accruals	17	52,629	24,532	24,060
TOTAL LIABILITIES		52,629	24,532	24,060
EQUITY				
Issued share capital	18	3,211,507	3,211,507	3,211,507
Other reserves	19	20,612	(9,531)	-
Retained earnings	20	1,017,195	415,633	-
TOTAL EQUITY		4,249,314	3,617,609	3,211,507
TOTAL LIABILITIES & EQUITY		4,301,943	3,642,141	3,235,567

The financial statements on pages 2 to 34 were approved by the Fund Managers on 13 November 2013 and signed on its behalf by:


Richard Kramer
Director
FRC/2013/ICAN/00000004909


Okechukwu Enelamah
Director
FRC/2013/ICAN/00000004912


Samuel Oniovosa
Chief Financial Officer
FRC/2013/ICAN/00000004911

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	30 June 2013 N'000	30 June 2012 N'000
Cash flows from operating activities			
– Interest received		346,645	315,554
– Dividend received		83,592	55,899
– Fees and other operating expenses paid		(65,996)	(33,627)
– Purchase of Financial assets at fair value through profit or loss		(48,448)	(539,103)
– Withholding tax paid		(32,148)	(25,633)
Net cash flows from operating activities	11.1	283,645	(226,910)
Cash flows from investing activities			
– Purchase of unquoted equity investments	13.1	(429,115)	(227,076)
– Fixed income investments		(1,285,432)	(708,956)
Net cash flows from investing activities		(1,714,547)	(936,032)
Cash flows from financing activities			
– Dividend paid	20	(243,613)	-
Net cash flows from financing activities		(243,613)	-
Net decrease in cash and cash equivalents		(1,674,515)	(1,162,942)
Cash and cash equivalents at start of year		2,072,625	3,235,567
Cash and cash equivalents at end of year	11	398,110	2,072,625

SIM CAPITAL ALLIANCE VALUE FUND

Financial statements
30 June 2013

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Ordinary share capital N'000	Share premium N'000	Available for sale revaluation reserve N'000	Retained earnings N'000	Total N'000
Balance at 1 July 2011		3,209,679	1,828	-	-	3,211,507
Other comprehensive income for the year	13.1	-	-	(9,531)	-	(9,531)
Profit for the year		-	-	-	415,633	415,633
Balance as at 30 June 2012		3,209,679	1,828	(9,531)	415,633	3,617,609
Other comprehensive income for the year	13.1	-	-	30,143	-	30,143
Profit for the year		-	-	-	845,175	845,175
Dividend paid		-	-	-	(243,613)	(243,613)
Balance as at 30 June 2013		3,209,679	1,828	20,612	1,017,195	4,249,314

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013****1.1 General information**

SIM Capital Alliance Value Fund ('The Fund') is a closed-end unit Trust Scheme established by a Trust Deed dated 6 April, 2010 and the supplemental Trust Deed dated 5 February, 2013. It is under the management of SIM Capital Alliance Limited with Leadway Capital and Trusts Limited as the Trustees. It commenced business on 1 July 2011 and this represents its first IFRS financial statements. The units of the Fund are listed on the Nigerian Stock Exchange.

Principal Activities

The principal activity of the Fund is to achieve long-term capital growth by investing in listed and unlisted Nigerian equities which the Fund Manager has identified as being undervalued and offering above average growth potential and any other securities as approved by the Securities and Exchange Commission from time to time. The Fund may also invest in fixed income securities.

1.2 Going concern

These financial statements have been prepared on the going concern basis. Neither the Trustee nor the Fund manager have any intention or need to reduce substantially the operations of the Fund. The Fund manager and the Trustees believe that the going concern assumption is appropriate for SIM Capital Alliance Value Fund as the Fund's investment objectives are feasible.

2.1 Basis of preparation**A Statement of Compliance**

The financial report of the Fund is a general purpose financial report which has been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). International Financial Reporting Standards (IFRS) are Standards and Interpretations adopted by the International Accounting Standards Board (IASB).

These are the Fund's first financial statements prepared in accordance with IFRSs and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Fund is provided in the notes. The financial statements were authorized for issue by the Board of Directors of the Fund on 13 November 2013.

B Basis of Measurement

The financial statements have been prepared based on IAS 1 and investments of the Fund are measured in accordance with IAS 32 & 39.

C Functional and Presentation Currency

These financial statements are presented in Naira which is the company's functional currency. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest thousand.

D Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**2.2 Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied by the Fund and to all periods presented in the financial report.

A Foreign Currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities resulting from foreign currency transactions are subsequently translated at the spot rate at reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different to those at which they were initially recognized or included in a previous financial report, are recognized in the income statement in the period in which they arise.

Translation differences on non-monetary items, such as derivatives measured at fair value through profit or loss, are reported as part of the fair value gain or loss on these items.

Translation differences on non-monetary items measured at fair value through equity, such as equities classified as available-for-sale financial assets, are included in the available-for-sale reserve in equity.

B Interest

Interest income and expense are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income include:

- interest on financial assets measured at amortised cost calculated on an effective interest basis.
- interest on available-for-sale investment securities calculated on an effective interest basis.

C Fair value changes**i Net gains from financial instruments at fair value through profit or loss**

Net gains from financial instruments at fair value through profit or loss comprises gains less losses related to trading assets and includes all realized and unrealized fair value changes during the year on financial instruments categorised as being at fair value through profit or loss.

While net gain on financial assets classified as available-for-sales

ii Net gains from financial instruments classified as available-for-sale

Net gains from financial assets classified as available-for-sale comprises gains less losses related to unrealized fair value changes during the year from unquoted equity investments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**2.2 Significant Accounting Policies (continued)****D Fees and commission**

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission expense including account servicing fees, Fund Manager fees, Trustees fees, custodian fees, registrar fees, Fund Manager's incentive fees etc., are recognized as the related services are performed.

E Dividend distribution

Dividend distributions are at the discretion of the Fund. A dividend distribution to the Fund's unit holders is accounted for as a deduction from retained earnings. A proposed dividend is recognised as a liability in the period in which it is approved by the annual general meeting of unit holders.

F Dividend income

Dividend income is recognized when the right to receive income is established. Usually, this is the ex-dividend date for equity securities. Dividends are reflected as a component of net trading income, net income from other financial instruments at fair value through profit or loss or other operating income based on the underlying classification of the equity investment.

G Segment information

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment committee of the Fund that makes strategic decisions.

H Financial assets and Financial Liabilities**i Recognition of Financial Assets**

All financial assets and liabilities are initially recognized on the trade date at which the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issue.

ii Classification and initial recognition of financial assets

Financial assets at fair value through profit or loss are recognised initially on the trade date, which is the date that the Fund becomes a party to the contractual provisions of the instrument. Other financial assets are recognised on the date they are originated.

Financial assets at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are either Held-for-Trading or designated as being at Fair value through Profit or Loss.

A financial asset is Held-for-Trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- On initial recognition it is part of a portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit taking

The Fund designates certain financial assets as being at fair value through profit or loss when the assets are managed, evaluated and reported internally on a fair value basis.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2.2 Significant Accounting Policies (continued)

Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Fund has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Financial assets classified as available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The Fund also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in note H (VII). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including other receivables, bank balances and cash and Due from other financial institutions) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

iii **De-recognition of financial assets**

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which The Fund neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognized as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

iv **Classification and initial recognition of financial liabilities**

Financial liabilities are initially measured at fair value, plus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially recognized at fair value. All financial liabilities are measured at amortized cost using the effective interest rate method except when specifically designated by the Fund as being at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2.2 Significant Accounting Policies (continued)

v De-recognition of financial liabilities

The Fund derecognizes financial liabilities when, and only when its obligations are discharged, cancelled or expire.

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

vi Identification and measurement of impairment for loans and receivables

At each reporting date the Fund assesses whether there is objective evidence that financial assets carried at amortized cost are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired can include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The lender, for economic or legal reasons relating to the issuer's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets,
- Although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: adverse changes in the payment status of borrowers in the portfolio; national or local economic conditions that correlate with defaults on the assets in the portfolio

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2.2 Significant Accounting Policies (continued)

vii Valuation of financial Instruments

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. For unquoted equities instruments, the fair value is determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is similar; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgment to calculate a fair value than those based wholly on observable inputs.

The main assumptions and estimates which management consider when applying a model with valuation techniques are:

- the likelihood and expected timing of future cash flows on the instrument. These cash flows are usually governed by the terms of the instrument, although judgment may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. Future cash flows may be sensitive to changes in market rates;
- selecting an appropriate discount rate for the instrument. The determination of this is based on the assessment of what a market participant would regard as the appropriate spread of the rate for the instrument over the appropriate rate; and
- judgment to determine what model to use to calculate fair value in areas where the choice of valuation model is particularly subjective

When applying a model with unobservable inputs, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments are based on some market observable inputs even when unobservable inputs are significant.

Given the uncertainty and subjective nature of valuing financial instruments at fair value, it is possible that the outcomes in the next financial year could differ from the assumptions used, and this could result in a material adjustment to the carrying amount of financial instruments measured at fair value.

I Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with other financial institutions, other short-term, highly liquid investments with original terms to maturity of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2.2 Significant Accounting Policies (continued)

J Provisions

Provisions are recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Fund from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Fund recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Fund; or present obligations that have arisen from past events but are not recognized because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured. Contingent liabilities are not recognised in the financial statements but are disclosed unless the probability of settlement is remote.

K Taxation

The Fund is domiciled in Nigeria. Under the current income tax laws of Nigeria, the Fund is liable to withholding tax on certain income. Such income or gains are recorded gross of withholding taxes in the statement of profit or loss. Withholding taxes are shown as a separate item in the statement of profit or loss.

L Payables and accruals

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.3 Application of new and revised International Financial Reporting Standards (IFRSs)

2.3.1 Amendments to IFRSs affecting amounts reported in the financial statements

The following amendments to IFRSs have been applied in the current year and have affected the amounts reported in these financial statements.

IFRS 13 Fair Value Measurement

The Fund has applied IFRS 13 in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**2.3 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

IFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. The Fund has made disclosures required by IFRS 13 for the reporting and comparative periods (please see notes 21). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2.3.2 New and revised IFRSs in issue but not yet effective

The Fund has adopted all standards that are effective and applicable as at the date of the reporting period according to IFRS 1, first-time adoption of IFRS.

The following revisions to accounting standards and pronouncements that are applicable to the Fund were issued but are not yet effective. Where IFRSs and IFRIC Interpretations listed below permits early adoption, the Fund has elected not to apply them in the preparation of these financial statements except for those disclosed above.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the Fund, but none of these pronouncements are expected to result in any material adjustments to the financial statements except for IFRS 9.

The Fund has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	<i>Financial Instruments</i> ³
IFRS 13	<i>Fair Value Measurement</i> ¹ (see note 2.3.1)
Amendments to IFRS 9 and IFRS 7	<i>Mandatory Effective Date of IFRS 9 and Transition Disclosures</i> ³
Amendments to IFRS 7	<i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ¹
Amendments to IAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i> ²
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2009-2011 Cycle except for the amendment to IAS 1</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2.3.2 New and revised IFRSs in issue but not yet effective (continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The Fund Manager anticipate that the application of IFRS 9 in the future may have a significant impact on amounts reported in respect of the Fund's financial assets and financial liabilities (e.g. the Fund's investments in redeemable notes that are currently classified as available-for-sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss). However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

Amendments to IFRS 7 and IAS 32 *Offsetting Financial Assets and Financial Liabilities and the related disclosures*

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Fund Managers anticipate that the application of these amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012

The *Annual Improvements to IFRSs 2009 – 2011 Cycle* include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

Amendments to IAS 32, *Financial Instruments: Presentation*.

The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 *Income Taxes*. The Fund Managers anticipate that the amendments to IAS 32 will have no effect on the Fund's financial statements.

3.1.1 RECONCILIATION OF OPENING STATEMENT OF FINANCIAL POSITION
AS AT 1 JULY 2011

	Note	30 June 2011 NGAAP N'000	Effect of IFRS Adjustment	1 July 2011 IFRS N'000
ASSETS				
Cash and cash equivalents		3,235,567	-	3,235,567
TOTAL ASSETS		3,235,567		3,235,567
LIABILITIES				
Payables & accruals		24,060	-	24,060
		24,060		24,060
EQUITY				
Issued share capital		3,211,507	-	3,211,507
TOTAL EQUITY AND LIABILITIES		3,235,567		3,235,567

3.1.2 RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012
(COMPARATIVE PERIOD)

	Note	30 June 2012 NGAAP N'000	Effect of IFRS Adjustment	30 June 2012 IFRS N'000
ASSETS				
Cash and Bank balances		53,866	-	53,866
Equity investments		836,813	(836,813)	-
<i>Reclassification of equity investment to FVTPL and AFS</i>	i		(836,813)	
Fixed income investments		726,148	(726,148)	-
<i>Reclassification of fixed income investments to HTM</i>	ii		(726,148)	
Short term investments		1,989,883	(1,989,883)	-
<i>Reclassification of short term investments</i>	iii		(1,989,883)	
Due from other financial institutions		-	2,018,759	2,018,759
<i>Reclassification of short term investments</i>	iii		1,989,883	
<i>Reclassification of interest receivable on fixed deposits</i>	iv		28,876	
Financial assets at fair value through profit or loss		-	619,268	619,268
<i>Reclassification of equity investment to FVTPL</i>	i		619,268	
Available-for-sale financial assets		-	217,545	217,545
<i>Reclassification of equity investment to AFS</i>	i		217,545	
Held-to-maturity investments		-	724,674	724,674
<i>Reclassification of fixed income investments to HTM</i>			726,148	
<i>Adjustment for effective interest recognition on AMCON bonds</i>			(1,474)	
Other assets and prepayments		36,905	(28,876)	8,029
<i>Reclassification of interest receivable on fixed deposits</i>	iv		(28,876)	
TOTAL ASSETS		3,643,615	(1,474)	3,642,141
LIABILITIES				
Payables & accruals		24,532	-	24,532
		24,532		24,532
EQUITY				
Share capital		3,211,507	-	3,211,507
Revaluation reserve		65,443	(74,974)	(9,531)
<i>Reclassification of fair value changes on FVTPL financial assets</i>			(74,974)	
Retained earnings		342,133	73,500	415,633
<i>Reclassification of fair value changes on FVTPL financial assets</i>			74,974	
<i>Adjustment for effective interest recognition on AMCON bonds</i>			(1,474)	
TOTAL EQUITY		3,619,083	(1,474)	3,617,609
TOTAL EQUITY AND LIABILITIES		3,643,615	(1,474)	3,642,141

3.1.3 RECONCILIATION OF STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE
2012

	Note	30 June 2012 NGAAP N'000	Effect of IFRS N'000	30 June 2012 IFRS N'000
Income from fixed income securities		356,805	(356,805)	-
<i>Reclassification of income from fixed income securities to interest income</i>			(356,805)	
Interest income		-	355,332	355,332
<i>Reclassification of income from fixed income securities to interest income</i>			356,805	
<i>Adjustment for effective interest method of income recognition</i>			(1,473)	
Dividend income		63,928	-	63,928
Net gains from financial instruments at fair value through profit or loss		-	80,165	80,165
<i>Adjustment for derecognition of transaction costs capitalised</i>	v	-	5,191	
<i>Reclassification of fair value changes on FVTPL financial assets</i>	vii		74,974	
Total revenue		420,733	78,692	499,425
Management fees		(34,965)		(34,965)
Other fees and administrative expenses		(43,635)	43,635	-
<i>Reclassification of respective nature of expense</i>			43,635	
Trustee fees		-	(1,224)	(1,224)
<i>Reclassification from other fees and administrative expenses</i>			(1,224)	
Custodian fees		-	(7,873)	(7,873)
<i>Reclassification from other fees and administrative expenses</i>			(7,873)	
Registrars fees		-	(420)	(420)
<i>Reclassification from other fees and administrative expenses</i>			(420)	
Audit fees		-	(2,940)	(2,940)
<i>Reclassification from other fees and administrative expenses</i>			(2,940)	
Other operating expenses		-	(7,046)	(7,046)
<i>Reclassification from other fees and administrative expenses</i>			(1,855)	
<i>Adjustment for derecognition of transaction costs previously capitalised</i>	v		(5,191)	
Total operating expense		(78,600)		(54,468)
Net operating income		342,133		444,957
Withholding Tax expense		-	(29,324)	(29,324)
<i>Reclassification from other fees and administrative expenses</i>			(29,324)	
Profit after tax		342,133		415,633
Other comprehensive income		-	(9,531)	(9,531)
<i>Adjustment for recognition of OCI</i>	vi		(9,531)	
Total comprehensive income		342,133	63,969	406,102

3.1.4 EXPLANATORY NOTES TO RECONCILING IFRS ADJUSTMENTS

- i Reclassification of equity investments**
Equity investments relate to investment in equity shares of both listed and unlisted entities. Under IFRS, the Fund classifies listed equity investments as fair value through profit or loss (FVTPL) and unlisted investment as available for sales.
- ii Reclassification of fixed income investments to financial assets Held-to-Maturity**
Fixed income investment relates to Treasury bills and AMCON Bond issued by the Asset Management Corporation of Nigeria and are fully guaranteed by the Federal Government of Nigeria. The Fixed income securities having a separate line in the financial statements have been reclassified as part of the financial assets of the Fund held-to-maturity based on the classification requirements of IAS 32 & 39.
- iii Reclassification of short term investments**
Short term investments relate to fixed deposits with Banks. The fixed deposits attract a fixed rate, usually for a period of 90 days. Interest income accrues on the deposit investment at the agreed rate. The deposits have been reclassified from short term investments to balances due from other financial institutions.
- iv Reclassification of interest receivable on fixed deposits**
Interest receivable on fixed deposits has been reclassified to the fixed deposit balance to enable effective comparison with amortized cost. The amortized cost of a financial asset is the amount at which the asset is initially measured minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, minus any reduction for impairment.
- v Adjustment for derecognition of FVTPL transaction costs capitalised**
Under NGAAP, the transaction costs incurred in procuring financial assets were capitalised as part of the cost of the asset. However, due to the classification of the financial assets as being at fair value through profit or loss, IAS 39 requires the transaction costs on such instruments to be expensed.
- vi Adjustment for fair value gain on unquoted equity investments**
The unquoted equity investments of the Fund are classified as available-for-sale in accordance with IAS 39. The fair value changes are required to be recognised in other comprehensive income in the year that the changes occur. The unquoted equity investments were carried at cost in the NGAAP and necessary adjustments were made to reflect the fair value of the investments.
- vii Reclassification of fair value gains on FVTPL financial assets**
The fair value gains on listed equity investments of SIM Value Fund during the financial year were recognised in the revaluation reserve of the Fund and have been reclassified from revaluation reserve to profit or loss in accordance with IAS 39.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 ₦'000	2012 ₦'000
4	Net interest income	
	Interest on bonds	15,718
	Interest on treasury bills	60,718
	Interest on short term placements	278,896
	370,503	355,332
5	Dividend income	
	Listed entities	38,416
	Unlisted entities	25,512
	101,920	63,928
6	Gain from financial instruments at fair value through profit or loss	
	Guaranty Trust Bank Plc	10,973
	FBN Holdings Plc	38,091
	Zenith Bank Plc	18,154
	UAC of Nigeria Plc	12,753
	Continental Reinsurance	194
	498,993	80,165
7	Other operating expenses	
	Transaction costs	5,192
	Listing fees to Nigerian Stock Exchange	750
	Domiciliary and other fees to CSCS	-
	Rating fees	1,050
	Other operating expenses	54
	5,893	7,046
8	Tax expense	
	Withholding Tax on interest income earned	25,484
	Withholding Tax on Dividend income earned	3,840
	31,612	29,324

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 ₦'000	30 June 2012 ₦'000	1 July 2011 ₦'000
9 Cash and Bank balances			
Bank balance	29,864	53,866	3,235,567
	29,864	53,866	3,235,567

Bank balances of the Fund represents call account balances with Stanbic IBTC Bank Plc which qualify for recognition as cash & cash equivalents in accordance with IAS 7. The call account is an interest earning account with Stanbic IBTC Bank Plc.

	30 June 2013 ₦'000	30 June 2012 ₦'000	1 July 2011 ₦'000
10 Due from other financial institutions			
Fidelity Bank Plc	200,271	391,003	-
Skye Bank Plc	167,975	392,042	-
First City Monument Bank Plc	-	366,408	-
Access Bank Plc	-	464,857	-
Zenith Bank Plc	-	104,217	-
Stanbic IBTC Bank Plc	-	300,232	-
	368,246	2,018,759	-

This amount represents Funds invested in various Nigerian banks with good rating as part of the investment strategy of the Fund. The tenors of the placements vary between 30 to 90 days and at different rates.

	30 June 2013 ₦'000	30 June 2012 ₦'000	1 July 2011 ₦'000
11 Cash and cash equivalent			
Bank balance	29,864	53,866	3,235,567
Due from other financial institutions	368,246	2,018,759	-
	398,110	2,072,625	3,235,567

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 ₦'000	30 June 2012 ₦'000	1 July 2011 ₦'000
11.1 Reconciliation of profit after tax to net cash flows from operating activities			
Profit after tax	845,175	415,633	-
Items not involving movement of cash			
Net gains from financial instruments at fair value through profit or loss	6 (498,993)	(80,165)	-
Change in operating assets and liabilities			
Dividend receivable	(18,328)	(8,029)	-
Interest receivable	(23,858)	(15,718)	-
Financial assets at fair value through profit or loss	(48,448)	(539,103)	-
Payables and accruals	28,097	472	-
Net cash flows from operating activities	283,645	(226,910)	-
12 Financial assets at fair value through profit or loss			
Investment in quoted equity instruments			
Continental Reinsurance Company Plc	111,996	12,012	-
FBN Holdings Plc	318,501	194,304	-
Guaranty Trust Bank Plc	191,902	118,458	-
UACN Plc	366,110	170,744	-
Zenith Bank Plc	178,200	123,750	-
Total	1,166,709	619,268	-

Listed Equity securities are securities that are traded on the Nigerian Stock Exchange. The equity investments which were identified as undervalued when purchased, have above average growth potential and are carried at fair value with fair value changes recorded in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
13 Financial assets available-for-sale			
Investment in unquoted equity securities			
MTN Nigeria linked notes	249,730	154,050	-
Friesland Campina WAMCO Nigeria Plc	294,120	63,495	-
Consolidated Breweries Plc	132,953	-	-
Total	676,803	217,545	-

Unquoted equity securities are classified as available for sale. Differences in fair valuation of available-for-sale securities are reported in the investments revaluation reserve.

Unquoted equity securities of MTN Nigeria are carried at fair value as required by IAS 39. The recent quotes representing the fair value of identical securities traded over the counter were used as the basis of the fair value. The Fund investment in Friesland Campina WAMCO and Consolidated Breweries is carried as fair value measured as recent transaction price. The Fund Manager believes this captures the fair value of these holdings at the reporting date.

	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
13.1 Gains or losses on financial assets classified as available for sale			
Opening balance for unquoted equity investments	217,545	-	-
Additions during the year	429,115	227,076	-
Net fair value change during the year	30,143	(9,531)	-
Fair value of unquoted equity investments at year end	676,803	217,545	-

14 Held-to-maturity investments			
Treasury bills	1,596,011	557,867	-
Federal Government of Nigeria (AMCON) Bonds	188,282	166,807	-
Lagos State Government Bonds 7 years (14.5%)	152,384	-	-
Total	1,936,677	724,674	-

Held-to-maturity investments of the Fund as at the reporting date consist mainly of Treasury bills issued by the Federal Government of Nigeria as short term debt instruments. The Treasury bills are discounted debt securities purchased through licensed institutions (majorly banks). The interest earned on the treasury bills are tax free and payable upfront in form of discount on the bills. The assets bought from the primary market have tenor ranges between 91 to 364 days. The Fund has invested in these instruments with the intention to hold them to maturity. Other government securities include the AMCON Bond and Lagos State Government Bond. The AMCON bonds are zero-coupon bonds issued by the Assets Management Corporation of Nigeria (AMCON) and are fully guaranteed by the Federal Government of Nigeria. The coupon on Lagos State Government Bond is paid bi-annually and principal repaid on maturity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
15 Loans & receivables			
Commercial papers	97,287	-	-
Total	97,287	-	-

The loans and receivables consist of interest bearing investments of the Fund that are not quoted. These securities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate as required by IAS 39. The balance at the end of the year represents Funds with Stanbic IBTC Bank Plc's 180 days commercial paper with a yield of 12.36%.

	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
16 Other assets			
Dividend receivable from:			
UAC of Nigeria Plc	8,564	8,029	-
FBN Holding Plc	17,793	-	-
Total	26,357	8,029	-

17 Payables & accruals			
Due to Fund Manager	41,570	8,880	-
Trustee fees payable	771	623	-
Custody fees payable	2,408	7,873	-
Audit fees	4,725	2,940	-
Withholding tax Payables	3,155	3,691	-
Other payables	-	525	24,060
	52,629	24,532	24,060

These account balances represents the fee payable to entities that rendered various services to the Fund during the year. They are unpaid portion of cost of services rendered. The fees are computed monthly. The Fee due to the Trustees is payable semi-annually while that of the Fund Manager is payable quarterly. The Custodian Fees is payable monthly based on the term of the safe custody agreement. Financial liabilities of the Fund are measured at amortised cost except when specifically designated as being at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 N'000	30 June 2012 N'000	1 July 2011 N'000
18 Issued capital			
Authorised, issued and fully paid:			
32,096,786 units of N100 each	3,209,679	3,209,679	3,209,679
Premium on issue of units	1,828	1,828	1,828
Proceeds from sale of units	3,211,507	3,211,507	3,211,507
19 Investments revaluation reserve			
Balance at beginning of year	(9,531)	-	-
Net gain arising on revaluation of available-for-sale financial assets	30,143	(9,531)	-
Income tax relating to revaluation of available-for-sale financial assets	-	-	-
Cumulative (gain)/loss reclassified to profit or loss on sale of AFS financial assets	-	-	-
Cumulative loss reclassified to profit or loss on impairment of AFS financial assets	-	-	-
Balance at the end of the year	20,612	(9,531)	-
20 Retained earnings			
Balance at beginning of year	415,633	-	-
Profit for the year	845,175	415,633	-
Dividend payment...	(243,613)	-	-
Balance at the end of the year	1,017,195	415,633	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

21 Use of estimates and judgments

(a) Key sources of estimation uncertainty

(i) Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(b) Critical accounting judgments in applying the Fund's accounting policies

(i) Valuation of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted prices or dealer price quotations. For all other financial instruments the Fund determines fair values using valuation techniques or obtains market values of the assets in OTC markets. Valuation techniques include net present value and discounted cash flow models, and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length. The Fund uses widely recognized valuation models for determining the fair value of common and more simple financial instruments that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity investments.

Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

21 Use of estimates and judgments (Continued)

For more complex instruments the Fund uses proprietary valuation models, which usually are developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates. The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

<i>In thousands of Naira</i>	Level 1	Level 2	Level 3	Total
30 June 2013				
Financial assets at fair value				
Equity investments	1,166,709	676,803	-	1,843,512
Debt securities (T.bills)	-	-	-	-
	1,166,709	676,803	-	1,843,512
Financial liabilities at fair value				
Securities sold short	-	-	-	-
	-	-	-	-
<i>In thousands of Naira</i>	Level 1	Level 2	Level 3	Total
30 June 2012				
Financial assets at fair value				
Equity investments	619,268	217,545	-	836,813
Debt securities (T.bills)	-	-	-	-
	619,268	217,545	-	836,813
Financial liabilities at fair value				
Securities sold short	-	-	-	-
	-	-	-	-

22 Financial risk management

(a) Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk, and the Fund's management of capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(a) Introduction and overview (continued)

(i) Risk management framework

The Fund's investment portfolio comprises listed and unlisted equity and debt securities including Government issued bonds and treasury bills.

(b) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, balances due from brokers and receivables from reverse repurchase agreements. For risk management reporting purposes the Fund considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

(i) Management of credit risk

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit standards set out in the Fund's investment strategy document. The Fund's exposure to the corporate bonds sector will be restricted to investment grade issues. High yield issues will be considered provided sufficient compensation for additional risk is obtainable. Overall, the Fund will not allocate more than 10% of the portfolio to any one issuer.

Credit risk is monitored on a weekly basis by the investment manager in accordance with policies and procedures in place. The balances held in instruments that are exposed to credit risk are measured against the asset value of the portfolio to ensure it is within the limits. If it is found to be outside of the limit steps are taken to bring the holding in line with policy. In addition, on an annual basis, credit rating of the financial institutions the Fund invests in, is assessed to ensure the rating is investment grade. The Fund's credit risk is monitored on a regular basis by the investment committee. Where the credit risk is not in accordance with the investment policy or guidelines of the Fund, the investment manager is obliged to rebalance the portfolio within 30 to 90 days of each determination that the portfolio is not in compliance with the stated investment parameters.

(ii) Exposure to credit risk

The Fund's maximum credit risk exposure at the reporting date is represented by the respective carrying amounts of the relevant financial assets in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that a financial instrument cannot be purchased or sold without a significant concession in price because of the market's potential inability to efficiently accommodate the desired trading size.

(i) Management of liquidity risk

The Fund's policy and the investment manager's approach to managing liquidity is to ensure the Fund uses position limits to ensure that the Fund is not overly exposed to illiquid securities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(c) Liquidity risk (Continued)

(ii) Maturity analysis for financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments.

In thousands of Naira	Carrying amount	(outflow)	Gross nominal inflow/outflow	Less than 1 month	1 to 3 months	3 months to 1 year
30 June 2013						
Balances due to Fund Parties	14,361	-	-	14,361	-	-
Other payables	7,880	-	-	7,880	-	-
	22,241	-	-	22,241	-	-

In thousands of Naira	Carrying amount	(outflow)	Gross nominal inflow/outflow	Less than 1 month	1 to 3 months	3 months to 1 year
30 June 2012						
Balances due to Fund Parties	17,376	-	-	17,376	-	-
Other payables	7,156	-	-	7,156	-	-
	24,532	-	-	24,532	-	-

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Management of market risk

The Fund's strategy for the management of market risk is driven by the Fund's investment objective and the Fund's market positions are monitored on a regular basis by the investment committee.

(ii) Interest rate risk

The Fund is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates.

(iii) Equity price risk

Equity price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

Price risk is managed by the investment manager by diversifying the portfolio thus limiting exposure to any particular sector or security. Exposure limits are set by the Fund as follows: Not more than 5% of the Fund is invested in a particular security (Where allocation is higher than 7%, rebalancing is required.)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(d) Market risk (Continued)

(iii) Equity price risk (continued)

The Fund's policy for concentration of its investment portfolio profile is as follows:

Equity investments listed on the Nigerian stock exchange	Up to 85% of net assets
Unlisted equity investments	Up to 20% of net assets
Unlisted open-ended investment funds	Up to 0% of net assets

The internal procedures require the investment manager to manage price risk on a daily basis. The Fund's procedures require price risk to be monitored on a regular basis by the Investment committee.

Where the price risk is not in accordance with the investment policy or guidelines of the Fund, the Portfolio manager is required to rebalance the portfolio within 60 days of each determination of such occurrence.

The following table sets out concentration of the investment assets and liabilities of the Fund

	2013 % of net assets	2012 % of net assets
Equity investments:		
Quoted equity investments	27.45%	17.12%
Unlisted equity investments	15.93%	6.01%
Total equity investments	43.38%	23.13%
Total debt securities	56.53%	75.84%
Total investment assets	99.91%	98.97%
Total investment liabilities	-1.24%	-0.68%

The investment manager further monitors concentration of risk based on counterparties and industries. The Fund's equity investments are concentrated in the following industries:

	2013 %	2012 %
Banking sector	16.21%	12.07%
Building materials	0.00%	0.00%
Petroleum (marketing)	0.00%	0.00%
Breweries	3.13%	0.00%
Conglomerates	15.54%	6.47%
Food and beverages	0.00%	0.00%
Real Estate	0.00%	0.00%
Road transport	0.00%	0.00%
Insurance	2.64%	0.33%
Foreign listing	0.00%	0.00%
Maritime	0.00%	0.00%
Telecommunications	5.88%	4.26%
Others	0.00%	0.00%
	43.4%	23.13%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

(d) Market risk (Continued)

(iii) Equity price risk (continued)

There was significant concentration of risk tilted towards issuers in the Banking sector as at 30 June 2013. No exposure to any individual issuer exceeded 20% of the net assets attributable to the unit holders.

No impairment losses have been recognised for the years presented relating to listed equities classified as Fair value through profit or loss and unlisted equities investments classified as being available-for-sale investments. For more information see note 13.1 on Available-for-sale investments.

At 30 June 2013, it is estimated that an increase of 10% in value of unquoted equity investments would result in an immediate credit to other comprehensive income of N67.7 million (2012 N21.7 million credit to other comprehensive income), while a decrease of 10% in the value of unquoted equity investments would result to an immediate charge to other comprehensive income of N67.7 million (2012 N21.7 million charge to other comprehensive income).

It is also estimated that at 30 June 2013 an increase of 10% in quoted equity prices would result in an immediate credit to Profit or loss of N116.7 million (2012 N61.9 million credit to Profit or loss), while a decrease of 10% in quoted equity prices would result to an immediate charge to Profit or loss of N116.7 million (2012 N61.9 million charge to Profit or loss).

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Fund's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors. The primary responsibility for the development and implementation of controls over operational risk rests with the Investment committee. This responsibility is supported by the development of overall standards for the management of operational risk, which encompasses the controls and processes at the service providers and the establishment of service levels with the service providers, in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risks identified;
- contingency plans;
- ethical and business standards; and
- risk mitigation, including insurance if this is effective.

The Fund Manager's and investment committee's assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risk is carried out via regular [or ad-hoc] discussions with the service providers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	30 June 2013 N'000	30 June 2012 N'000
23 Fund Manager's incentive fees		
Net operating income before incentive and withholding tax	907,175	444,957
Withholding tax expense	(31,612)	(29,324)
Total Return before deducting incentive fees	875,563	415,633
Opening net asset	3,617,609	3,211,507
Returns as percentage of opening asset	24.20	13.86
Return in excess of 20% benchmark (%)	4.20	
Return in excess of 20% benchmark (N)	151,940	-
Incentive fee (20% of return in excess of benchmark)	30,388	-

24. Segment information

The Investment committee of the Fund manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by this committee that are used to make strategic decisions.

The committee considers the business as class of asset included in the Trust Deed, which are managed by the Portfolio Manager. These classes are cash represented by call deposit; money market represented by Due from other financial institutions and loans and receivable; fixed income securities represented by held to maturity assets; unquoted equities represented by available-for-sales; and quoted equities represented by fair value through profit or loss.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of interest, dividends and gains on the appreciation in the value of investments.

The segment information provided to the Investment Committee for the reportable segments is as follows

For the year ended 30 June 2013

<i>(amount are in thousands of naira)</i>	Cash	Money Market	Fixed Income	Unquoted Equities	Quoted Equities	Total
Interest income	4,026	213,396	153,081	-	-	370,503
Dividend Income	-	-	-	45,983	55,937	101,920
Fair value gain	-	-	-	30,143	498,993	529,136
Transaction cost	-	-	-	-	(467)	(467)
Withholding taxes	(403)	(20,461)	-	(5,154)	(5,594)	(31,612)
Total net segment income	3,623	192,935	153,081	70,972	548,869	969,480
Total segment assets	29,864	465,533	1,936,677	676,803	1,166,709	4,275,586
Total segment liabilities	-	-	-	-	-	-

For the year ended 30 June 2012

<i>(amount are in thousands of naira)</i>	Cash	Money Market	Fixed Income	Unquoted Equities	Quoted Equities	Total
Interest income	16,489	262,407	76,436	-	-	355,332
Dividend Income	-	-	-	25,512	38,401	63,913
Fair value gain/loss	-	-	-	(9,531)	80,165	70,634
Transaction cost	-	-	-	-	(5,192)	(5,192)
Withholding taxes	(1,649)	(23,835)	-	-	(3,840)	(29,324)
Total net segment income	14,840	238,572	76,436	15,981	109,534	455,363
Total segment assets	53,866	2,018,759	724,674	217,545	619,268	3,634,112
Total segment liabilities	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

24. Segment information (Continued)

There were no transactions between reportable segments.

The Fund's Management fees and other administrative expenses are not considered to be segment expenses.

A reconciliation of total net segmental income to net operating profit/(loss) is provided as follows.

<i>(amount are in thousands of naira)</i>	2013	2012
Total net segment income	1,001,559	489,879
Withholding taxes	(31,612)	(29,324)
Other fees and expenses	(124,772)	(44,922)
Operating profit/(loss)	845,175	415,633

The Fund's other asset are not considered to be segment assets and are managed by the administration function.

Reportable segments' assets are reconciled to total assets as follows.

<i>(amount are in thousands of naira)</i>	2013	2012
Segment assets for reportable segments	4,275,586	3,634,112
Other assets	26,357	8,029
Total assets	4,301,943	3,642,141

The Fund's accrual and payables are not considered to be segment liabilities.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2013	2012
Segment liabilities for reportable segments	-	-
Accruals and payables	52,629	24,532
Total liabilities	52,629	24,532

The Fund is domiciled in Nigeria. All of the Fund's income from investments is from entities incorporated in countries other than Nigeria.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

25 Related parties and other key contracts

A number of transactions were entered into with related parties of The Fund in the normal course of business. The volume of related-party transactions and outstanding balances at the year-end are as follows:

Fund manager and other parties

The Fund is managed by SIM Capital Alliance Limited, an investment management company incorporated in Nigeria, to implement the investment strategy as specified in the prospectus. Under the Trust deed, the Fund manager receives a management fee at an annual rate of 1% of the net assets value. In addition, the Fund Manager earns an incentive fee of 20% of the excess of return for the year over 20% (see note 23).

The Trustees, Leadway Capital and Trusts Limited, under the Trust deed receives 0.035% of net asset value of the Fund per annum as Trustees' fee.

Under the safe custody agreement, the custodian, Stanbic IBTC Bank Plc, receives a fee of 0.20% of the value of securities in its custody over N2 billion in addition to a fee of 0.25% of the value of the securities up to N1 billion and another of 0.225% of the value of securities between N1 billion and N2 billion per annum.

Transactions during the year

During the year, a director of the Fund Manager, Mr. Richard Kramer, sold 357,422 units of FrieslandCampina Wamco Nigeria Plc shares to the Fund at the rate of N340. A director of the Fund Manager, Mr. Okechukwu Enelamah, is a non-executive director in UACN Plc, a company where the Fund has 6,422,977 units of shares.

The fees earned by the Fund Manager and other parties to the Fund during the year are disclosed on the face of the statement of profit or loss. The amounts payable as at the end of year on these fees to of these related parties is disclosed in note 17.

Unit holding

One of the requirements of the Securities and Exchange Commission of Nigeria, regarding collective investment schemes is for the Fund manager to invest 10% of the offer size. SIM Capital Alliance Limited complied with this law by virtue of their investment in the Value Fund.

Stanbic IBTC Pension Managers Limited is an investor in the Value Fund, whilst Stanbic IBTC Bank Plc provides custodian and banking services to the Value Fund.

	Number of units
Stanbic IBTC Bank Plc (through related entities)	9,660,000
SIM Capital Alliance Limited	4,998,000

26 Events after the end of the reporting period

Subsequent to the end of the reporting period, the Fund manager proposed a dividend of N8.24 each on the 32,096,786 units of N100 each issued capital as at 30 June 2013. There are no other post balance sheet events that required disclosure in these financial statements.

27 Approval of financial statements

The financial statements were approved by the board of directors of the Fund Manager and authorised for issue on 13 November 2013.