

NIGERIA ENERGY SECTOR FUND

The Nigeria Energy Sector Fund ("the Fund") is a closed-ended investment vehicle managed by SCM Capital Asset Management Limited, the Asset Management subsidiary of SCM Capital Limited (formerly Sterling Capital Markets Limited).

The Fund Manager

SCM Capital Asset Management Limited is the full service Asset Management subsidiary of SCM Capital Limited and is licensed by the Securities & Exchange Commission as a Fund / Portfolio Manager. At SCM Capital Asset Management; we offer cutting edge professional asset management services to our esteemed clients. We manage assets for a broad range of clients which include: corporate institutions, high-net-worth individuals and retail investors. We provide independent advice based on established research methods, and our experts have in-depth knowledge of the financial market.

Investment Objective

The objective of the fund is to achieve a balance mix of current income and medium to long term capital appreciation through investment in a diversified portfolio of financial assets within the Nigerian energy sector..

Investor Profile

The Fund may be of interest to the following investors:

- ◆ Investors desirous of leveraging on the pool to benefit in big ticket investments.
- ◆ Busy executives with very tight schedule
- ◆ Nigerians in diaspora and foreign portfolio investors interested in making some investment in Nigeria without having to carry the burden of management.

Benefits of the Fund

- Liquidity
- Affordability
- Professional Management
- Performance Monitoring
- Accessibility

MARKET COMMENTARY

Nigeria's equity market continued to trade on a bullish note during the month of June as the market reacted positively to reforms announced by the new President. For context, there was a rally in the market on the back of removal of fuel subsidy and the unification of foreign exchange rates, consequently resulting in a 39.59% decline of the Naira in the I&E window to N769.25/US\$1 by the new government. The NGX All-Share Index (NGX ASI) advanced higher by 9.32% month-on-month to settle at 60,698.27 points. This took the overall gain for the year to 18.96% implying that the local bourse closed the first half of the year with the best performance seen in the last 15 years. The net flow of foreign investors increased to N17.86bn in May 2023 from a negative figure of N1.13bn in April. This represents the highest level since December 2017, underpinning a renewal of confidence.

OUTLOOK

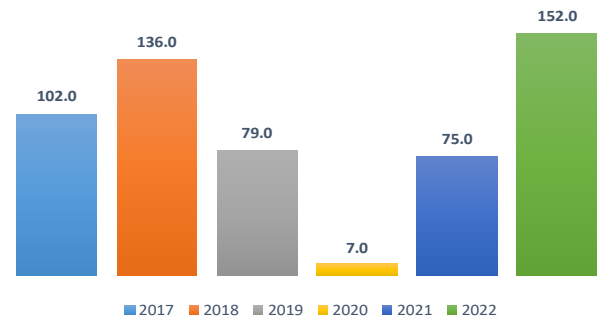
We expect a pickup in foreign investors' participation following the announcement of market-friendly reforms (removal of fuel subsidy, unification of FX rates, power sector reform, etc.). Hence, we expect the market to sustain its bullish run as these reforms get implemented.

Market Indicators

- Forex Reserve: USD **\$34.22 Billion**
- Exchange Rate (USD/NGN): **N770.88**
- Oil Price: USD **\$76.22**
- Inflation Rate: **22.79%**
- Monetary Policy Rate: **18.50%**

Dividend

Dividend (N)

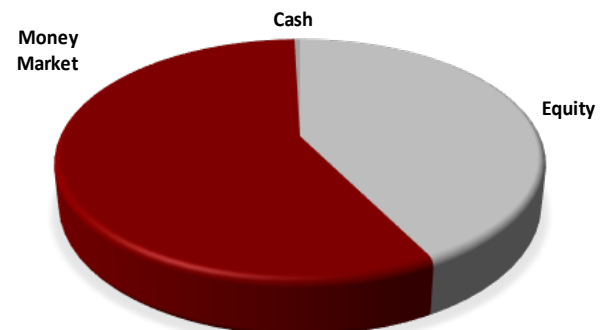


Fund Manager

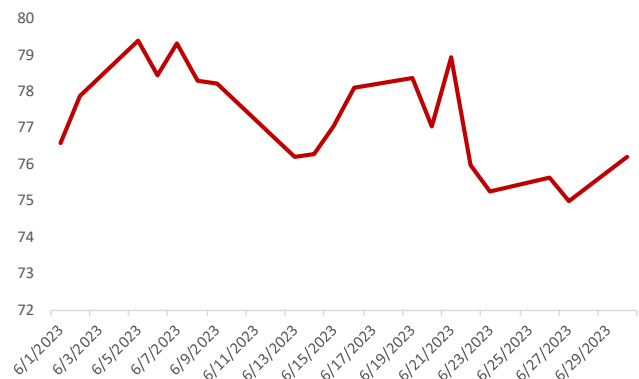
SCM Capital Asset Management Limited

Custodian	UBA Global Investors Service Ltd
Trustees	United Capital Limited
Fund Launch Date	26-October-98
Fund size	₦1,423,392,575.00
Fund Yield	23.67 %
Fund Type	Close-end
Offer Price	₦ 552.20
Base Currency	₦ Nigerian Naira
Minimum Investment	100 Units
Income Accrual	Daily
Income Distribution	Yearly
Annual Management Fee	1.50%

Asset Allocation (%)



Crude Oil Price (USD)



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