

## NIGERIA ENERGY SECTOR FUND

The Nigeria Energy Sector Fund ("the Fund") is a closed-ended, sector-specific investment vehicle listed on the Nigerian Stock Exchange and 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

### Equity Market

The NGX equity market experienced a volatile August, with the All-Share Index declining by 1.22% and market capitalization dropping by 0.05% to N55.48tn. August's negative close was largely due to profit-taking in industrial stocks, bargain hunting in oil & gas, insurance, consumer goods, and banking stocks, and banking sector recapitalization. NGX Oil & Gas Index appreciated 22.45%, followed by NGX Insurance and NGX Banking, while NGX Consumer Goods Index gained 4.88%, while NGX Industrial Index declined 13.08%.

### Fixed Income Market

Investors rekindled interest in fixed income due to rate cut expectations, moderated inflation, and Q'2024 real GDP growth of 3.19%. Nigerian Treasury bills secondary market yield decreased 182bps to 23.26%, driven by increased investor interest and repricing across all bills, as seen at August primary market auction stop rates. The 10-year FGN domestic bond yield decreased by 57bps to 18.75%, indicating a strong preference for longer-term securities, possibly due to potential CBN rate cuts.

### Market Outlook

#### Equity Market

Oil & Gas industry expansion in Oando, SEPLAT, and Dangote refinery will boost interest, while banking stocks' rally depends on major banks' half-year corporate actions, despite potential recapitalization exercise delays.

#### Fixed Income Market

The CBN's dovish stance in their September MPC meeting, accompanied by moderating inflation and advancing economic growth data, is expected to drive investor interest in the fixed income market.

## Market Indicators

- ◆ Foreign Reserve: USD **\$36,305,654,424.25**
- ◆ Exchange Rate (USD/NGN): **BUY N1,595.64 /SELL: N1,596.64**
- ◆ Oil Price: USD **\$83.00**
- ◆ Inflation Rate: **33.40%** as at July 2024.
- ◆ Monetary Policy Rate: **26.75%**

Reference: Central Bank of Nigeria and Trading View

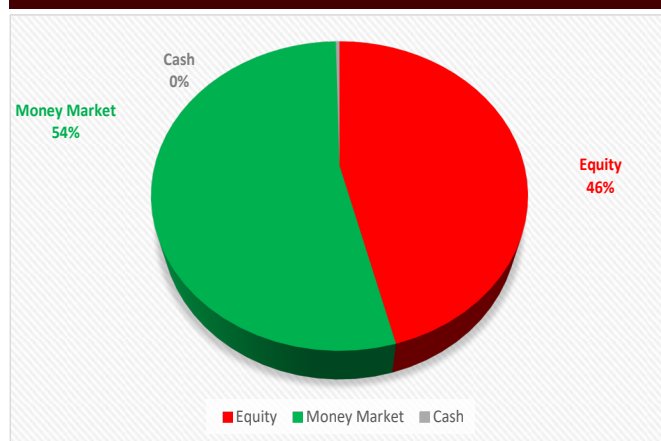
## Dividend

### NESF Dividend History

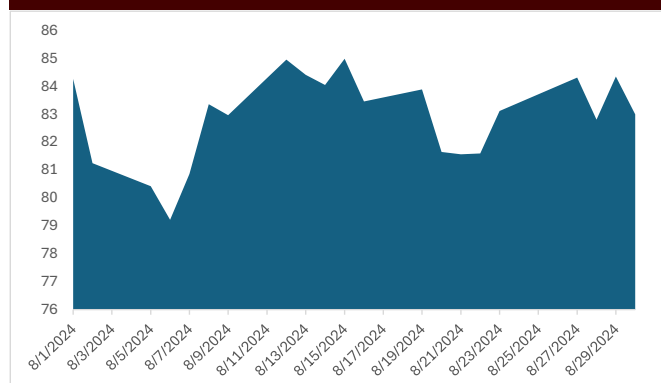


Fund Manager	SCM Capital Asset Management Limited
Custodian	UBA Global Investors Service Ltd
Trustees	United Capital Trustees Limited
Fund Launch Date	26-October-98
Fund size	₦ 2,034,049,544.29
Fund Yield	30.11%
Fund Type	Close –end
Offer Price	₦ 552.20
Base Currency	₦ Nigerian Naira
Income Accrual	Daily
Income Distribution	Yearly
Annual Management Fee	1.50%

## Asset Allocation (%)



## Crude Oil Price (USD)



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