

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 Nigerian equity market ended May on a positive note, with the NGX All-Share Index rising by 5.62% to close at 111,742.01 points. This resulted in a market capitalization increase of ₦3.97 trillion, or 5.97%, bringing the total to ₦70.46 trillion from ₦66.50 trillion in April. Year-to-date, the market has gained 8.56%, supported by renewed investor confidence, improved system liquidity, and favorable macroeconomic conditions. The rally was largely driven by strong interest in consumer goods stocks. The Consumer Goods Index was the top performer, surging by 31.09% due to notable gains in NNFM, HONYFLOUR, and NESTLE.

The Insurance Index also posted a modest gain of 0.66%, while the Banking Index edged up by 0.24%. However, the Oil & Gas Index declined by 4.88%, affected by losses in ETERNA and SEPLAT. Similarly, the Industrial Goods Index dropped 1.07% due to bearish sentiment in MEYER. Overall, the market's performance in May was driven by selective sector gains, especially in consumer goods, amid a broader environment of improving investor sentiment.

Fixed Income Market

In May, average yields in the Nigerian Treasury Bills secondary market increased by 48 basis points to 20.89%, up from 20.41% in April. Conversely, average yields in the FGN bonds market slightly declined by 7 basis points to 18.55%.

Outlook

The domestic equities market is projected to sustain its bullish momentum, supported by strong earnings prospects, improved economic indicators, and continued investor interest, despite possible profit-taking after May's rally. Anticipated bank capital raises in Q3, likely to be oversubscribed due to high liquidity and institutional demand, could boost activity in the banking sector. In the fixed income market, yields are expected to decline amid rising demand, easing inflation, and limited supply at primary auctions.

Market Indicators

- ◆ Foreign Reserve: USD **\$38,448,382,518.00**
- ◆ Exchange Rate (USD/NGN): **USD 1,585.00 (CBN Closing Price)**
- ◆ Oil Price: USD **\$65.73**
- ◆ Inflation Rate: **23.71%**
- ◆ Monetary Policy Rate: **27.50%**

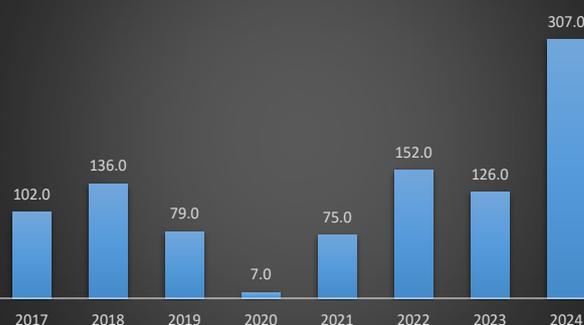
Reference: Central Bank of Nigeria and Trading View

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Dividend

Coupon

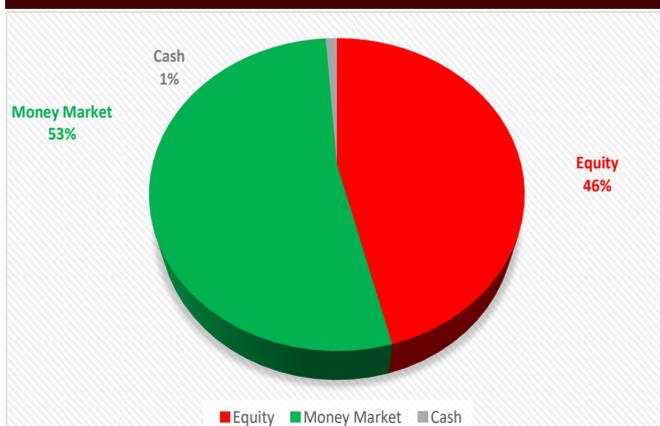


Fund Manager

SCM Capital Asset Management Limited

Custodian	UBA Global Investors Service Ltd
Trustees	United Capital Trustees Limited
Fund Launch Date	26-October-98
Fund size	₦ 1,954,356,512.57
Fund Yield	(10.97)%
Fund Type	Close –end
Market Price	₦ 552.20
Base Currency	₦ Nigerian Naira
Income Accrual	Daily
Income Distribution	Yearly
Annual Management Fee	1.50%

Asset Allocation (%)



Movement in Foreign Reserve

