

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 closed January on a positive note, with the All-Share Index rising 1.53% to 104,496.12 points. Market capitalization grew to ₦64.71 trillion, driven by value appreciation and new listings of Access and GTCO shares. Investor sentiment was boosted by macroeconomic factors, including a 50% telecom tariff hike approval, corporate earnings updates, and increased demand for banking stocks. Sector performance was mixed in January. The Banking Index led with a 9.76% gain, driven by ZENITH (+11.21%) and UBA (+10.88%), while the Consumer Goods Index rose 4.47%, supported by HONYFLOUR (+52.06%) and NASCON (+21.21%). In contrast, the Industrial Goods Index dropped 8.52% due to profit-taking in DANGCEM (-17.71%). The Oil & Gas Index fell 1.61%, weighed down by MRS (-25.21%) and TOTAL (-4.01%), while the Insurance Index declined 1.10%, impacted by SUNUASSUR (-46.51%) and CONHALLPLC (-11.30%).

Fixed Income Market

Nigerian Treasury Bills' average yield declined 220bps to 23.36%, driven by strong liquidity and increased demand. Meanwhile, FGN bond yields rose 92bps to 20.09%, with long-term bonds increasing 192bps to 20.16%.

Outlook

The Nigerian equity market is expected to sustain its upward momentum in 2025, driven by strong economic data, quality earnings, FMCG recovery, declining yields, and corporate dividends. However, the Banking Index may face pressure due to regulatory capital requirements. While moderating yields align with expectations of easing inflation, the CBN's May MPC meeting will be key in shaping market direction.

Market Indicators

- ◆ Foreign Reserve: USD **\$ 39,723,161,364.78**
- ◆ Exchange Rate (USD/NGN): **USD 1,475.00 (Closing Price)**
- ◆ Oil Price: USD **\$80.76**
- ◆ Inflation Rate: **24.48%**
- ◆ Monetary Policy Rate: **27.50%**

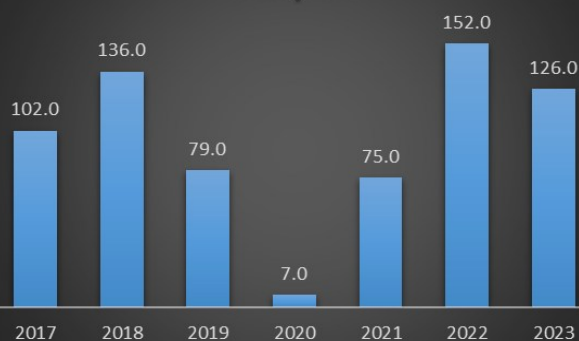
Reference: Central Bank of Nigeria and Trading View

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Dividend

Coupon

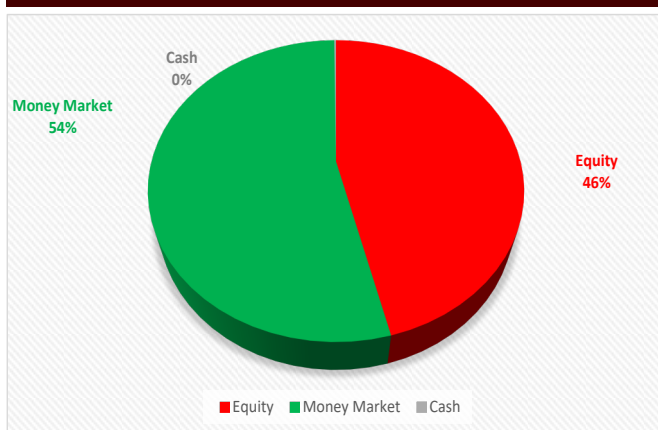


Fund Manager

SCM Capital Asset Management Limited

Custodian	UBA Global Investors Service Ltd
Trustees	United Capital Trustees Limited
Fund Launch Date	26-October-98
Fund size	₦ 2,218,944,017.12
Fund Yield	1.09%
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

