

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

FIXED INCOME MARKET

In February, the fixed-income market's direction was influenced by system liquidity and borrowing to finance the budget deficit, leading to a decline in financial liquidity. System liquidity pressures increased interbank money market rates and treasury bill secondary market yields, causing a surge in open buyback and overnight lending rates. The first treasury bills auction saw a significant offer size of N1trillion, leading to instrument repricing. N600 billion was allocated to the 364-day instrument, while N200 billion was distributed across 91-day and 182-day instruments. The Debt Management Office raised N1.49trn in February 2024 at the primary market auction, offering two new issues of N2.5trn each. The bond secondary market experienced bearish momentum, with average yield expanding by 246 basis points.

OUTLOOK

Fixed income yields are expected to remain high due to tight financial system liquidity, with the CBN facilitating inflows through measures like CRR and OMO auctions. Bearish sentiments in the equities market are expected due to profit-taking activities, attractive fixed income yields, and near-term risks like rising fiscal deficit, higher interest rates, inflation, and FX rate pressure.

Market Indicators

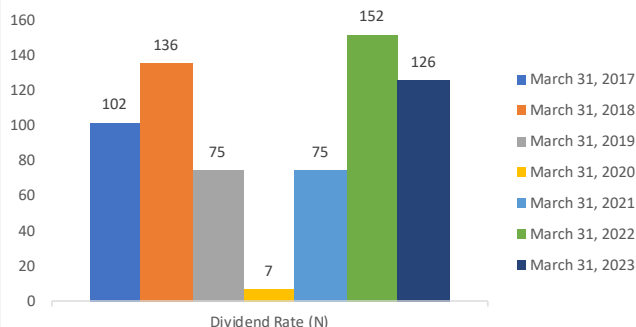
- Foreign Reserve: USD **\$33,718,605,623.13**
- Exchange Rate (USD/NGN): **BUY N1,543.58/ SELL N1,544.58**
- Oil Price: USD **\$88.07**
- Inflation Rate: **31.70%**
- Monetary Policy Rate: **22.75%**

Reference: Central Bank of Nigeria and Trading View

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Dividend

NESF Dividend History

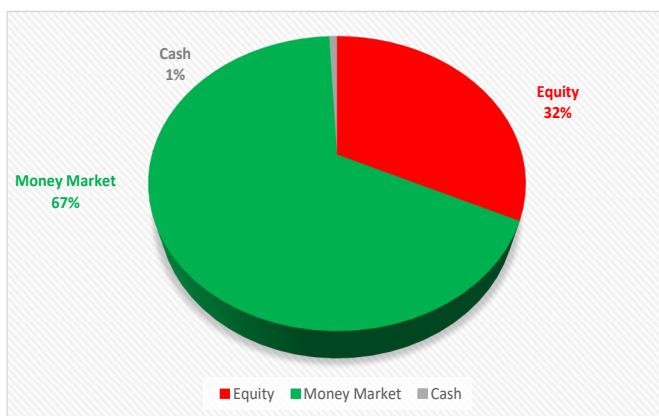


Fund Manager

SCM Capital Asset Management Limited

Custodian	UBA Global Investors Service Ltd
Trustees	United Capital Trustees Limited
Fund Launch Date	26-October-98
Fund size	₦1,635,771,855.89
Fund Yield	4.64%
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)

