

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 October, with the All-Share Index (NGX ASI) declining by 0.92% to close at 97,651.23 points, as investors lost N2.54 trillion. However, market capitalization rose by 4.48%, closing at N59.17 trillion from N56.64 trillion, driven by the listing of Aradel Holdings Plc.

The negative performance in October was attributed to profit-taking activities in industrial and consumer goods stocks, despite increased bargain hunting in oil & gas, banking, and insurance stocks. Declines in key stocks such as Dangote Cement (-10.00% month-on-month), BUA Cement (-11.09% month-on-month), and Dangote Sugar (-11.62% month-on-month) significantly contributed to the market's overall decline. The NGX Oil & Gas Index led the performance chart, as it appreciated by 15.90%. The NGX Banking Index followed with a 4.78% gain, while the NGX Insurance Index rose by 4.01% in October. Conversely, the NGX Industrial Goods Index dipped by 9.31%, and the NGX Consumer Goods Index moderated by 0.75%.

Fixed Income Market

Investor interest in the fixed income space waned in October due to rate hike expectations, driven by rising inflation of 33.88% in October. The Nigerian Treasury Bills secondary market saw an increase in average yields, with the 180-day bill yield rising by 453bps month-on-month to settle at 26.84%. This was occasioned by the repricing across all bills, as reflected in the higher stop rates at the primary market auction in October. In the domestic secondary bond market, the average yield narrowed by 19bps month-on-month to settle at 18.98%.

Outlook

The continuous rise in inflation, resulting in the demand for higher yields in the fixed-income market, is expected to drive mixed sentiments in the Nigerian equities market as investors shift focus to less risky asset classes. However, we expect pockets of bargain-hunting activity in fundamentally sound stocks as we wrap up activities for the year.

Market Indicators

- ◆ Foreign Reserve: USD **\$39,785,523,194.43**
- ◆ Exchange Rate (USD/NGN): **BUY N1,669.47/SELL: N1,670.47**
- ◆ Oil Price: USD **\$76.69**
- ◆ Inflation Rate: **33.88%** as of July 2024.
- ◆ Monetary Policy Rate: **27.25%**

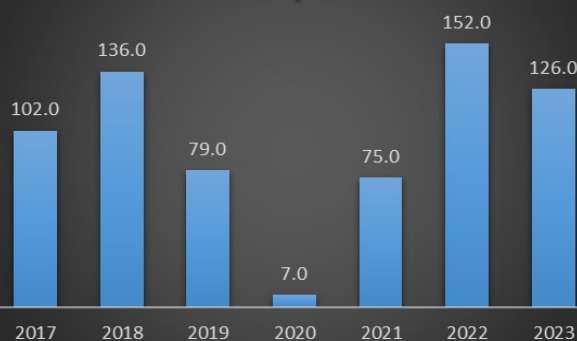
Reference: Central Bank of Nigeria and Trading View

For subscription Please [Click Here](#)

Contact Us: **OMOLOLU AJEDIRAN** | 08023935944 omololu.ajediran@scmcapitalng.com **EMMANUEL NOMBA** | 08084489421 emmanuel.nomba@scmcapitalng.com **CAROLINE UZOMA** | 07051080180 caroline.uzoma@scmcapitalng.com **Website:** www.scmcapitalng.com, **Phone:** +234-01-280 2227-9

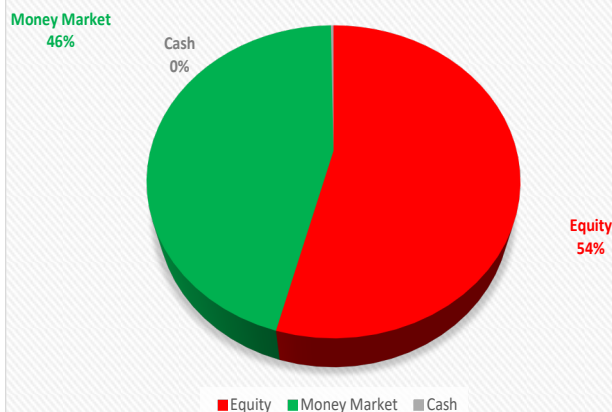
Dividend

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	₦ 2,288,267,037.88
Fund Yield	46.37%
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)

