



Lotus Capital

HALAL INVESTMENTS

LOTUS HALAL FIXED INCOME FUND

FREQUENTLY ASKED QUESTIONS

1. WHAT IS THE LOTUS HALAL FIXED INCOME FUND?

- The Lotus Halal Fixed Income Fund is a mutual fund which invests in Shari'ah-compliant fixed income instruments and contracts.

2. WHAT IS THE OBJECTIVE OF THE FIXED INCOME FUND?

- The primary objective of the Fund is to generate competitive returns in the short –medium term from fixed income investments while avoiding exposure to the risks associated with the stock market.

3. WHY SHOULD I INVEST IN THE LOTUS HALAL FIXED INCOME FUND?

- The Fund is registered and authorised by the Securities & Exchange Commission.
- Investment in the Lotus Halal Fixed Income Fund will provide you with:
 - Competitive returns,
 - Regular and steady income stream, and
 - Capital preservation

4. WHO SHOULD INVEST IN THE LOTUS HALAL FIXED INCOME FUND?

- Investors with low risk appetite, short/medium term investment horizon and preference for ethical or Shari'ah compliant investments.
- Investors who do not want any exposure to the stock market

The Fund welcomes participation from individual and institutional investors (such as not-for-profit organizations, societies, asset managers, insurance companies and Pension Fund Administrators).

5. WHAT ARE THE ADVANTAGES OF INVESTING IN THE LOTUS HALAL FIXED INCOME FUND?

- **Competitive Returns**

Investment in the Lotus Halal Fixed Income Fund will provide investors with competitive returns and a regular income stream from distributed profits.

- **Low Risk**

The Lotus Halal Fixed Income Fund has no exposure to the stock market. The Fund is therefore suitable for investors who are risk averse, or who are not comfortable with the volatility of the stock market. The Fund is also an important diversification tool for investors who are already invested in the stock market since its stable returns can help smooth out the volatility of their total investment portfolio.

- **Professional Expertise**

Investing in a mutual fund such as the Lotus Halal Fixed Income Fund allows you to focus on your job or business while a professional manages your investments on your behalf.

- **Liquidity**

Investors can redeem all or part of their investment by selling their units to the fund manager.

- **Transparency**

In line with global best practices, we do not mingle our funds with investors' funds. Investor's funds are held in a separate custody account with Citibank Nigeria Limited.

6. WHAT IS THE MINIMUM AMOUNT I CAN INVEST IN THE FIXED INCOME FUND?

- You can invest as low as ₦5,000, which gives you 5 units in the Fund.

7. HOW CAN I INVEST IN THE FIXED INCOME FUND?

- Fill out and submit an application form along with the Know-Your-Customer documents (passport photo, government-issued identity card, recent utility bill) and evidence of funds transfer to the Fund's bank account.
- If you are a GTB account holder, you can invest directly from your mobile phone by simply dialing *737*35*amount*6405#. For instance, if you want to invest ₦50,000, dial *737*35*50000*6405#.
- You can also invest periodically – weekly, monthly or quarterly by setting up a standing order with your bank.

8. WHAT DO I GET AS PROOF OF MY INVESTMENT IN THE FUND?

- You will receive an electronic statement as proof of your investment.

9. HOW LONG SHOULD I STAY INVESTED IN THE FUND?

- You can stay in the Fund for as long as you want.

10. HOW DO I GET RETURNS FROM MY INVESTMENT IN THE FUND?

Every quarter, you will receive any distributable returns in cash directly to your bank account. Alternatively, you may choose to reinvest your returns in additional units of the Fund.

11. HOW CAN I REDEEM MY INVESTMENT IN THE FUND?

- You can redeem in two easy steps:
 - Complete and submit a redemption form to Lotus Capital Limited's office or via email to invest@lotuscapitallimited.com.
 - Upon verification of the redemption form, the Fund will pay the redemption proceeds to your bank account.

12. CAN I REDEEM PART OF MY HOLDINGS IN THE FUND?

- Yes, you can. In a part- redemption, you will be required to retain at least five units in the fund.

13. WHEN CAN I REDEEM MY INVESTMENT?

- If you invest during the Initial Offer Period, you will be required to stay invested in the Fund for a minimum of 90 days.
- If you invest after the Initial Offer Period, we encourage you to stay invested for at least 30 days. If you decide to redeem your funds before the expiration of the 30 days, we will deduct a token from the returns due to you.

14. HOW IS THE LOTUS HALAL FIXED INCOME FUND DIFFERENT FROM OTHER FIXED INCOME MUTUAL FUNDS?

- The Lotus Halal Fixed Income Fund is different from other fixed income funds as it will invest in wholly Shari'ah compliant fixed income securities, which are based on leasing and trading contracts. It will not invest in any interest-based securities such as conventional treasury bills or bonds, neither will it invest in any areas that are impermissible under the Shari'ah. .

15. IS A "FIXED INCOME" INSTRUMENT PERMISSIBLE UNDER ISLAMIC LAW?

- Yes, it is.
- "Fixed income" refers to any investment that pays periodic, often predetermined, returns over time. For example, when a landlord leases a property to a tenant, the landlord receives "fixed income" from the tenant. When you buy machinery on credit from a supplier with the intention to pay the cost in installments, the amount owed is "fixed income" to the supplier.
- These types of fixed income are different from conventional interest based transactions and are considered permissible by The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- Lotus Capital's Shari'ah Board has also certified the Fund's compliance with the Shari'ah.

16. WHO IS LOTUS CAPITAL LIMITED?

- Lotus Capital Limited is the first company in Nigeria to provide exclusive Islamic financial services. The Company was founded in 2004 and is registered with the Securities and Exchange Commission as a fund manager.
- The company established the first Shari'ah compliant mutual fund in 2008, structured the first sub-sovereign Sukuk in 2013 and launched the first Shari'ah compliant Exchange Traded Fund in 2014.
- Lotus Capital is led by experienced and knowledgeable fund managers. In addition, the company's Board of Directors comprises highly respected professionals with strong backgrounds in finance and asset management. Mr. Fola Adeola, co-founder and first Managing Director of Guaranty Trust Bank Plc chairs the Company's Board.
- Lotus Capital is a member of the Islamic Financial Services Board (IFSB), an international standard-setting organization that promotes and enhances the soundness and stability of the Islamic financial services industry.

Please read the Prospectus and where in doubt consult your stockbrokers, fund/portfolio managers, Accountants, solicitors or any other professional adviser for guidance before subscribing