

Fact Sheet

Lotus Halal Investment Fund

December 31, 2020



Lotus Capital
HALAL INVESTMENTS

Fund Overview

The Halal Investment Fund is designed for investors with moderate risk tolerance and a medium to long-term investment horizon. The Fund invests in a broadly diversified portfolio of equities, real estate and other asset backed investments such as leases and trade finance contracts.

The Fund's activities are supervised by an investment committee which meets regularly to take investment decisions, oversee performance and ensure Shari'ah compliance and proper risk management.

Fund Facts	
Launch Date	August 2008
Listing	Nigerian Stock Exchange
Currency	Naira (NGN)
Fund Size	₦2.924bn
Net Asset Value (NAV) Per Unit	₦1.45
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Annual Management Fee	0% of Net Asset Value
Performance Fees	30% of Profit
No of Distributions Since Inception	8
Last Distribution	Sep 2020: N0.05/unit

Asset Class	Allocation Range
Listed equities	10%-80%
Unlisted equities	0%-30%
Real Estate	0%-30%
Asset Backed Investment	10%-80%
Sukuk	0%-80%
Cash and Equivalents	0%-40%

* Asset Backed Investment refers to non-interest finance contracts such as Ijara (lease) Murabaha (cost-plus) and mudaraba (joint venture) contracts.
* Cash and equivalents include Shari'ah compliant short term investments in Non-Interest Banks

Investor Profile

The Fund is specifically designed for ethical investors with a moderate risk tolerance. The Fund is suitable for **individuals and institutional investors** such as **pension funds** and **insurance/takaful operators** seeking non-interest-based returns.

Benefits to the Investor

Competitive Returns	Aims to provide attractive returns comparable to conventional instruments with a similar risk profile.
Moderate Risk	Minimizes risk through diversification.
Long term goals	Suitable for investing towards long term goals such as retirement and education.
Dividend	Dividend is paid periodically at the discretion of the Fund Manager.
Inclusive	The Fund is certified annually for Shari'ah compliance and is targeted at investors with faith-based or ethical preferences.

Market Review (4th Quarter, 2020)

During the period under review, the Nigerian economic environment remained relatively weak after GDP contracted by -3.6% in Q3'2020. The naira weakened to c.N410.25/\$ (Dec'2019: N360/\$) at the I & E window and flirted with the N500-mark at the parallel market due to lingering foreign currency shortages. Consumer prices also spiked and inflation hit 15.75% in December 2020.

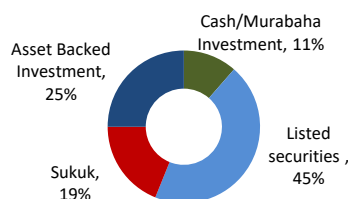
To support economic growth and stabilize prices, the monetary authorities took an expansionary stance and maintained the Monetary Policy Rate at 11.5%. The CBN also doubled down on efforts to improve FX liquidity by threatening to sanction erring currency dealers and mandated greater transparency in diaspora remittances amongst other initiatives. On its part, the Federal Government increased fiscal spending in response to the health and economic challenges posed by the coronavirus pandemic. It also proposed a 21% increase in its 2021 expenditure plan compared to the current year to further stimulate the economy.

Against this backdrop, investors grew optimistic of a near-term economic recovery and the equities market had an impressive outing in Q4'2020. The NSE All Share Index went up by 50.04% in Q4'2020 and closed the year with a 50.03% return.

Fund Performance

In the fourth quarter, the Lotus Halal Investment Fund gained 18.70% due to the rally in listed equities, profit on asset backed investments and rental income on Sukuk. Overall, the Fund generated a return of 27.48% in the year 2020, comparing favorably to its peers and benchmark.

Current Allocation



Top Listed Equity Holdings	% of NAV
MTN Nigeria Plc	12.79%
Dangote Cement Plc	11.26%
Nestle Nig. Plc	7.19%
Okomu Oil Plc	2.21%
Dangote Sugar Plc	2.10%

	FY 2020	FY 2019	Inception to Date
Fund Return	27.48%	5.99%	68.10%
Benchmark	24.07%	0.10%	-

Fund Outlook

Over the coming quarter, the Fund aims to broaden its investment holdings to increase portfolio diversification and boost performance. We will also maintain a healthy exposure to equities with robust fundamental value.

Note:

- Redemption period is 3-5 business days.
- Investing in Shari'ah compliant products involves risk as the value of investments may rise and fall depending on the performance of the underlying assets. Past performance does not guarantee future performance.