

Fact Sheet

Lotus Halal Investment Fund

September 30, 2021



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 Shariah compliance and proper risk management.

Fund Facts	
Launch Date	August 2008
Listing	Nigerian Exchange (NGX)
Currency	Naira (NGN)
Fund Size	₦2.908bn
Net Asset Value (NAV) Per Unit	₦1.46
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Share of Profit	70 (Investor) :30 (Manager)
No of Distributions Since Inception	10
Last Distribution	Feb 2021: ₦0.07/unit

Asset Class	Allocation Range
Listed equities	10%-80%
Unlisted equities	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 Financial Institutions)

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 Shariah compliance and is targeted at investors with faith-based or ethical preferences.

Market Review (3rd Quarter, 2021)

The Nigerian economy continued on the journey to recovery as data from the National Bureau of Statistics showed a robust output expansion by 5.01% in Q2'2021. This was credited to the higher output from sectors such as Information and Communication, Manufacturing and Agriculture amongst others.

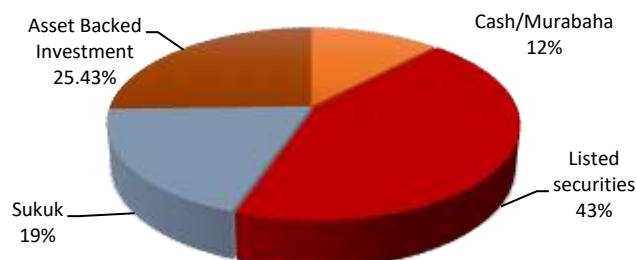
To support the recovery, monetary authorities maintained their accommodative policy stance and kept the benchmark rate at 11.5%. In the currency market, the Central Bank of Nigeria (CBN) attempted to manage FX demand and stopped the supply of FX to Bureau-De-Change on accusations of sharp practices. The naira consequently depreciated across trade points and closed in the Investors and Exporters window at ₦413.88/\$ (June: ₦411.5/\$) and in the parallel market at ₦570/\$ (Jun'21: ₦503/\$). However, despite the increased FX pressure on consumer prices, headline inflation receded for the sixth consecutive month to 16.63% in September due to the effect of a high base from 2020.

At the equities market, investors' appetite waxed stronger in Q3'2021 on the back of a steady decline in fixed income yields. As a result, the NGX All Share Index appreciated by 6.10% while its year-to-date losses moderated to -0.12%. The NGX Lotus Islamic index returned 5.23% in the quarter with its year-to-date return settling at 2.07%.

Fund Performance

In the third quarter, the Halal Investment Fund gained 3.47% following an appreciation in equities and profits from asset backed investments. The Fund's net asset value closed the quarter at ₦1.46/unit and the Fund's year-to-date return comes to 6.25%.

Current Allocation



	Q3'2021	9M'2021	2020	Inception to Date
Fund Return	3.47%	6.25%	27.48%	70.03%
Benchmark	3.00%	3.14%	24.07%	-

Fund Outlook

In the next quarter, the Fund will retain its exposure to fundamentally sound stocks with good upside potential. The Fund Manager also intends to seek out fixed income investment counterparties with good credit quality that prioritize efficient cash flow management, to enhance the fund's return and aid diversification.

Note:

- Redemption period is 3-5 business days.
- Investing in Shariah 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.