

Fact Sheet

Lotus Halal Investment Fund

March 31, 2021



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	₦2.712bn
Net Asset Value (NAV) Per Unit	₦1.36
Minimum Investment	₦5,000
Recommended Holding Period	3-5 years
Income Accrual	Daily
Risk Profile	Moderate
Management Fee	Share of Profit (30%)
No of Distributions Since Inception	10
Last Distribution	Feb 2021: N0.07/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 (1st Quarter, 2021)

The Nigerian economy recovered mildly in Q4'2020 and grew by 0.11% as the impact of the pandemic began to wane. Monetary authorities continued to struggle to maintain price stability through foreign currency management and the naira strengthened to c.N408.67/\$ (Dec'2019: N410.5/\$) at the Investors and Exporters window. However, there was limited supply of foreign currency at the parallel market and the naira depreciated to N486/\$ fueling consumer price pressures. The weaker currency alongside higher electricity tariffs and fuel prices contributed to a spike in inflation which hit 18.17% in March 2021.

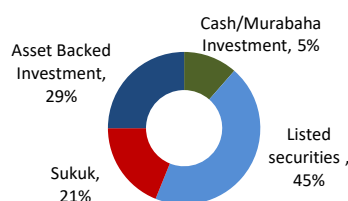
Notwithstanding the level of inflation, the Monetary Policy Committee of the Central Bank held the benchmark rate at 11.5% although other fixed income yields trended upwards as investors sought higher returns.

The reallocation of investment to the fixed income market adversely affected equities and the NSE Lotus Islamic index (NSELI) dipped by -6.86% in the quarter.

Fund Performance

The Lotus Halal Investment Fund dipped by -1.38% in Q1'2021 due to the negative outing at the equities market. Consequently, its Net Asset Value (NAV) closed at N1.36/unit. Despite the dip, the fund compared favorably against its benchmark (-2.33%). The Fund's performance continues to be cushioned by its exposure to other low-risk assets such as Sukuk and other asset backed investments.

Current Allocation



Top Listed Equity Holdings	% of NAV
MTN Nigeria Plc	13.00%
Dangote Cement Plc	10.65%
Nestle Nig. Plc	7.08%
Okomu Oil Plc	2.35%
Dangote Sugar Plc	2.04%

	FY 2021	FY 2020	Inception to Date
Fund Return	-1.38%	27.48%	68.40%
Benchmark	-2.33%	24.07%	-

Fund Outlook

Over the coming quarter, the Fund aims to retain its investment holdings in stocks with solid fundamentals and good upside potential. We also intend to seek out credible investment counter parties for the fund to increase portfolio diversification and boost performance.

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.