

Fact Sheet

Lotus Halal Investment Fund

June 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	₦2.799bn
Net Asset Value (NAV) Per Unit	₦1.41
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: 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 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 (2nd Quarter, 2021)

In the second quarter, the Nigerian economy continued to recover gradually following an output expansion of 0.51% recorded in Q1'2021 according to the National Bureau of Statistics (NBS). The recovering is being driven by higher output from Information and Communication, Manufacturing and Agriculture among other sectors.

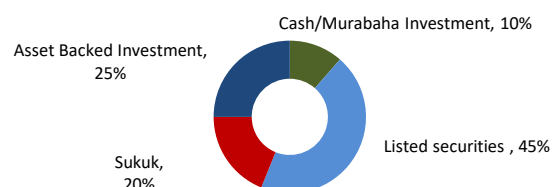
To provide further impetus for growth, monetary authorities maintained their accommodative stance and kept the benchmark rate at 11.5%. In addition, the Central Bank of Nigeria (CBN) resumed FX sales to various trade points. It also attempted to unify multiple FX rates and adopted the Nigerian Autonomous Foreign Exchange Rate (NAFEX) for official transactions. Consequently, the official exchange rate closed the second quarter at ₦410.16/\$ (March: ₦381/\$). However, the lingering FX shortage caused the naira to weaken to ₦503/\$ (Mar'21: ₦486/\$) at the parallel market. Notwithstanding the increased pressure on the currency, headline inflation receded slightly to 17.93% in May due to high base effects from 2020.

At the equities market, investors' appetite for equities waned due to investor preference for fixed income securities. The NGX All Share Index closed lower by -2.91% in Q2'2021. The NGX Lotus Islamic index (NGXLI) outperformed the broad market and gained 4.14% in the quarter due to price appreciation in some constituent stocks.

Fund Performance

The Lotus Halal Investment Fund reversed its bearish outing and gained by 4.16% in Q2'2021. For the half year, the Fund is up by 2.78%. The positive performance in the second quarter was largely supported by an appreciation in its equities holdings, and income from Sukuk and other asset backed investments.

Current Allocation



	Q2'2021	HY'2021	2020	Inception to Date
Fund Return	4.16%	2.78%	27.48%	66.56%
Benchmark	2.47%	0.14%	24.07%	-

Fund Outlook

In the next quarter, the Fund aims to retain its exposure to stocks with solid fundamentals and good upside potential. We also intend to seek out investment counter parties with good credit quality while prioritizing 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.