

# Fact Sheet

Lotus Halal Investment Fund

March 31, 2022



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, Sukuk and asset backed investments.

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                           | ₦2.976bn                    |
| Net Asset Value (NAV) Per Unit      | ₦1.50                       |
| 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 | 11                          |
| Last Distribution                   | March 2022: ₦0.06/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 **individual and institutional investors** seeking non-interest-based returns.

## Benefits to the Investor

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

## Market Review (1<sup>st</sup> Quarter, 2022)

The Nigerian economy grew for the fifth consecutive quarter and expanded by 3.98% in Q4'2021 according to the National Bureau of Statistics. This implies that economic output was up by 3.4% for the full year period of 2021. The performance, which is biggest advancement in seven years, lifted business and investment sentiment during the quarter under period. To further support growth, the CBN maintained its benchmark interest rate at 11.5% and continued to extend concessionary funding to its priority sectors such as agriculture and manufacturing.

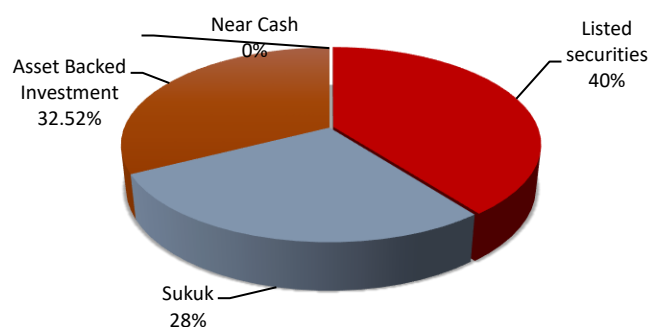
At the currency market, the naira strengthened at the Investors and Exporters window to ₦416.00/\$ (December: ₦435.00/\$) while hovering around ₦570/\$ at the parallel market. The FG also successfully raised Eurobonds to augment the external reserves which closed at \$39.55bn in March (December: \$40.5bn). Against this backdrop however, consumer price pressures lingered and inflation reached 15.92% in March largely due to higher energy cost.

In the fixed income market, the increased demand for debt securities lowered the yield curve. Similarly in the equities market, investors reacted positively to corporate earnings and dividend declarations which took the NGX All Share Index up by 9.95% and the NGX Lotus Islamic up by 2.77%.

## Fund Performance

In the reference quarter, the Halal Investment Fund made gained 3.47% with the fund's Net Asset Value settling at ₦1.50/unit. The fund's performance was driven by an appreciation in listed equities and rental income on Sukuk. Based on its earlier returns in 2021, the fund made a ₦0.06/unit distribution to unitholders in Q1'2022.

## Current Allocation



|             | Q1'2022 | Q4'2021 | 2021   | Inception to Date |
|-------------|---------|---------|--------|-------------------|
| Fund Return | 3.47%   | 4.17%   | 11.11% | 77.67%            |
| Benchmark   | 1.88%   | 2.35%   | 5.49%  | -                 |

## Fund Outlook

In second quarter, the Fund will maintain its cautious approach to the equities market and focus on stocks with sound fundamentals and good dividend yields. The Fund will also aim to invest in higher yielding fixed income investments.

### 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.